



ANNUAL REPORT

2021/22 **DRAFT**

MSUNDUZI MUNICIPALITY

THE CITY OF CHOICE

VISION

“By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis.”

MISSION

“To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities. ”

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TABLE OF ABBREVIATIONS

AG	Auditor General
AIDS	Acquired Immune deficiency syndrome
AIPF	Associated Institution Pension Fund
AMP	Ampere
APR	Annual Performance Report
BBBEE	Broad Based Black Economic Empowerment
CBD	Central Business District
CCTV	Closed Circuit Television Camera
CFO	Chief Financial Officer
CLLR	Councillor
CoGTA	Cooperative Governance and Tradition Affairs
CWP	Community Work Programme
DAEARD	Department of Agriculture, Environmental Affairs and Rural Development
DBSA	Development Bank South Africa
DMAPC	Disaster Management Planning Advisory Committee
DMM	Deputy Municipal Manager
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EAP	Employee Assistance Programme
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
HDI	Historically Disadvantaged Individual
HIV	Human immune Virus
HIV	Human immune Virus
HNR	Housing Needs Register
HRD	Human Resources Development
HRM	Human Resource Management
IA	Implementing Agent
ICT	Information Communication Technology
IDP	Integrated Development Plan
IDT	Independent Development Trust
IMATU	Independent Municipal Allied Trade Union
IPMS	Individual Performance Management System
KPI	Key Performance Indicators
KWANALOGA	KwaZulu-Natal Local Governance Association
MCB	Miniature Circuit Breaker
MCPP	Municipal Councillors Pension Fund

MEC	Member of Executive Committee
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Rates Act
MUNIMEC	Municipalities and Member of Executive Council Meetings
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Electricity Regulator of South Africa
NPA	National Prosecuting Authority
NQF	National Qualification Framework
NRW	Non-revenue Water
OP	Operational Plan
OPMS	Organizational Performance Management System
PDOHS	Provincial Department of Housing
PHC	Primary Health Care
PMB	Pietermaritzburg
PMS	Performance Management
SALAPF	South African Local Authorities Pension Fund
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SAPS	South African Police Services
SBU	Strategic Business Unit
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SITA	South African State Information Technology Agency
SMMES	Small Medium and Micro Enterprises
SOP	Standard Operating Procedure
STATSSA	Statistics South Africa
UNISA	University of South Africa
VIP	Ventilated Improved Pit Latrine
WSDP	Water Services Development Plan
WSP	Workplace Skills Plan
WSP	Workplace Skill Plan
WWTP	Waste Water Treatment Plan

CHAPTER 1 – MAYORS FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYORS FOREWORD

COUNCILLOR M THEBOLLA
CITY MAYOR

FOREWORD BY THE CITY MAYOR, 2021/2022

On behalf of the Msunduzi Municipality Council and officials, I hereby present this Annual Report for the financial Year 2021/22. This report will outline our performance on the targets we set ourselves to do over this period. The report will give our stakeholders and communities an insight into the performance and achievements of the council.

The 2021/22 Annual report which in many ways reflect our service delivery and developmental achievements and challenges, is presented in recognition of our legislative obligation to be an accountable and transparent organisation. The report also outlines the implementation and achievement of these objectives conform to the various pieces of legislation such as the section 46 of the Local Government: Municipal Systems Act No.32 of 2000 and sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003.

The Municipality progressed significantly in achieving objectives with regard to the five key performance areas applicable to local government and which is outlined in this Annual Report:

- Basic Service delivery and infrastructure development
- Municipal transformation and development
- Local Economic Development
- Municipal Financial viability and management
- Good Governance and Public Participation

It is a law-making authorization that as a Local Municipality, we are obligated to prepare an Annual report which its main objective is to reflect on the performance of the Municipality for each financial year, which is prepared in terms of the provisions of section 121(1) of the Municipal Finance Management Act as well as section 46(1) of the Municipal Systems Act of 2000.

The Office of the Auditor General South Africa (AGSA) announced through a presentation to Special Full Council meeting held on the 16 March 2022 that the Msunduzi Municipality has achieved an Unqualified Audit outcome for the financial year 2020/2021.

In line with section 131 of MFMA, a corrective audit action plan was developed to address the matters of concern as raised by the Auditor General which included electricity and water losses, unauthorized, irregular as well as fruitless and wasteful expenditure. The audit action plan included the root causes, planned corrective measures to address the findings, target dates/timeframes and progress to date. We also assured the AG Office that the council will work diligently with the senior managers to improve on the view expressed by the findings.

Service delivery is the core mandate of this organization therefore it shall remain our priority and if we were to roll out effective service delivery we need to guarantee that we balance these three following tiers namely people, processes and systems. As a priority to this administration, we have been able to fill vacant posts that are critical in dealing with service delivery challenges such as electricity, waste, water and sanitation. We must continue to reengineer processes that informs us of the service delivery challenges and attention such as the call centre management, revenue collections and rapid response.

Inevitably, the new approach to local government has to be developmental and aims to overcome the poor planning of the past, therefore Integrated Development Planning is by far the most effective approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

Msunduzi continues to seek a clear articulated City Development Strategy (CDS). A growth path directive and a planning instrument, that will help realize a developmental and sustainable Msunduzi (metropolitan) complex and a globally competitive city.

This emanates from the city's vision 2040 placing Msunduzi Municipality at the centre of a safe, vibrant, sustainable and smart metropolis.

Msunduzi municipality values the opinions of the public in ensuring that the municipality delivers services to its citizenry. Therefore, the municipality has various platforms in order to get inputs on how to enhance service delivery, and to engage various stakeholders via public participation processes.

The city is committed in ensuring that there is consistent improvement in our processes and systems in order to achieve the vision of the organization

I thank you

THE HONOURABLE MAYOR
COUNCILLOR M THEBOLLA

COMPONENT B: EXECUTIVE SUMMARY

1. OVERVIEW BY THE CITY MANAGER – ANNUAL REPORT 2021/2022 FY

The start of 2021/2022 financial year has proven to be an arduous journey with the Covid-19 pandemic being the greatest risk the world economy has faced post the great depression. In response to the Covid-19 crisis, several governments have put in place far reaching lockdown measures that have affected every sector of the economy during this crisis, municipalities still need to function and provide essential services such as water, sanitation, electricity and solid waste removal. During this unprecedented moment in time, it is more essential than ever that the municipal sector can carry out its duties towards local communities.

The economy of the City of Pietermaritzburg was already struggling prior to Covid-19, owing to challenges such as low business confidence, low private sector investment, poor revenue collection, low collection rate and reduced competitiveness amongst other structural bottlenecks. As the coalface of service delivery, municipalities are among the hardest hit at a time when the demands on them are increasing. The social unrest in July 2021 presented social and economic turmoil in the city. Further, the severe floods in November 2021 and April 2022 further exerted strain on the economic recovery of the city contributing to a notable drop in productivity across the board for the municipality, which severely impacted areas such as municipal revenue, financial management, revenue generation, the tourism sector, the informal sector, infrastructure development and municipal rates and taxes. The consequences of this growing financial crisis are dire, and several can't be avoided. The financial ambit requires additional attention. Not only is it prey to all the problems described above, but it will also be hurt as debtors fail to make good on their obligations. The combined effects of existing financial stressors, such as payment to suppliers and revenue generation, are not unfamiliar to the municipality. In addition to the above, unemployment will rise sharply, job losses and retrenchments are certain in many industries, drops in productivity and consumer spending will contribute to a long tail of employment losses.

To promote economic growth, good governance, spatial effectiveness, training and development, sustainability and accelerate services delivery, the municipality is currently reviewing the City Development Strategy (CDS) that was approved in 2015. The City Development Strategy refers to the strategic focus areas as outlined in the National Development Plan and the Provincial Growth and Development Strategy to steer the municipality in the right direction.

The municipality was placed under section 139(1)(b) intervention; therefore, the municipality has a Ministerial Representative to assist and guide the municipality toward recovery. There are various initiatives identified by the KwaZulu Natal Department of Cooperative Governance and Traditional Affairs (CoGTA) to ensure the municipality is making progress. Some of the initiatives instituted by CoGTA is the Msunduzi Turn Around Strategy and Implementation Plan and the Municipal Support and Intervention Plan. Further, the municipality has introduced an Audit Action Plan to ensure that all audit queries are addressed and a performance management system to aid with monitoring and ensuring that the municipality is achieving the strategic objectives outlined in the Integrated Development Plan (IDP).

In addition to the above, the municipality hosted Mayoral Imbizo's to engage with the communities regarding their needs as part of the IDP and budget process. Public participation programmes were conducted in all five zones of the municipality. The municipality further conducted four IDP Forums during the 2021/2022 financial year, which are meeting between the municipality, sector departments, business sector and civil society. This is a commitment from the municipality towards ensuring that a system of governance which is capable, responsive, inclusive and transparent.

The municipality has made great strides with contributing to the service delivery goals of the city. Below is the summary of activities per Business Unit during the 2021/2022 financial year:

Corporate Business Unit

The oversight committees are effective and they play an important role to hold the management accountable. The Mayor conducted roadshows to ensure that community members are part of the planning processes. The 5-year IDP (2022 – 2027) was adopted by council after a series of consultation processes with sector departments, the business sector and the community.

Infrastructure Services

The Water and Sanitation unit is severely impacted by a constrained budget however, during the 2021/2022 financial year, 17.7km of new sewer pipe was installed in various wards throughout the city to ensure that the municipality fulfils its mandate of providing water and sanitation services to the people of Msunduzi. The Non-Revenue Water Reduction Strategy was implemented to reduce water losses to the city. Further, 3.6km of road was constructed in Vulindlela from gravel to concrete and asphalt surface with kerb. 40 traffic calming measures were installed in various sites to ensure road safety.

Electricity

The electricity infrastructure is in a poor state resulting in frequent and prolonged outages. These outages have a huge impact on the economy and the well-being of residents. Therefore, every effort is made to ensure that these occurrences are mitigated. During the 2021/2022 financial year, the Electricity unit became a standalone unit, independent of Infrastructure Services with the view of ring-fencing electricity operations to improve service delivery. The General Manager: Electricity post is currently vacant; however, processes are underway to fill this vacancy.

Community Services

Road safety awareness campaigns were conducted to ensure that users comply with road traffic management prescripts, and that our roads are safe. In addition, the department was proactive in terms of conducting disaster management awareness campaigns so that people are better equipped with the relevant skills regarding disaster mitigation. Operational Sukuma Sakhe is fully functional, this is another initiative of maximizing public participation between the municipality and all the relevant stakeholders. Tools of trade were purchased to enhance grass cutting operations and the maintenance of public spaces. Waste Management operations were intensified through partnership with the Municipal Infrastructure Support Agency (MISA).

Budget and Treasury Office

The Budget and Treasury Office has made progress during the financial year. 93% of all customer queries relating to revenue management were resolved within 30 days. This is an attempt to ensure that the municipality is responsive to the needs of ratepayers. 95% rates clearance applications processed within 3 days of receipt.

The Municipality continues to face financial challenges due to its inability to collect revenue adequately, illegal electricity connections, vandalism and water leaks due to the aging infrastructure. To curb further losses and effectively deal with such challenges the Municipality established strategic committees which meet regularly to monitor the implementation of contingency and/or recovery plans to restore the Municipality to its former glory.

Sustainable Development

The uMgungundlovu Rectification Project exceeded its target by building 33 new houses whereas 15 houses were targeted in the plan. As part of the Local Economic Development initiative 200 street stalls were installed which will provide more business opportunity to informal traders.

Corporate Services

The Human Resources Department was able to roll out Learnerships programmes as per the LGSETA sector plan. Internal City Manager's roadshows were conducted to ensure that employees are capacitated with organizational policies and to improve communication with staff.

Further, critical posts remain vacant within the municipality. The Municipal Manager resigned in April 2022; therefore, this post remains vacant. Processes are underway to fill the post. The shape of economic recovery for the city appears very bleak at this stage. Pietermaritzburg faces a confluence of economic difficulties with very slow economic growth. It is now more important than ever that the municipality steps up and puts in place plans to abate risks and improve service delivery.

Mrs. Nelisiwe Ngcobo
City Manager (Acting)

2. MUNICIPAL FUNCTIONS, POPULATION & ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

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

2.3. LOCALITY

The Municipality affectionately known as Pietermaritzburg or the City of Choice is located along the N3 at a junction of an industrial corridor from Durban and Pietermaritzburg and an agro-industrial corridor stretching from Pietermaritzburg to Escourt. Regionally it is identified at the cross section of the N3 corridor and Greytown Road corridor to the north, a tourist route to the Drakensberg and Kokstad Road to the South.

2.4. THE POPULATION OF MSUNDUZI

The Population of Msunduzi is largely based on the Global Insight, 2015 report, A new Census has not been done as yet by stats SA. Taking into consideration the Covid -19 Pandemic that has engulfed the World the death toll has been rising more especially in the 2020/2021 FY.

POPULATION BY GENDER

DESCRIPTION	MALE	FEMALE	TOTAL
Pietermaritzburg	107212	116257	223469
Copesville	8505	8693	17198
Whispers	2948	3290	6238
Natal Crushers	369	347	715
Panorama Gardens	1664	1939	3603
Eastwood	7678	8192	15870
Willowton	2483	2659	5142
Woodlands	3288	3565	6853
Mountain Rise	1511	1681	3192
Queen Elizabeth	19	20	39
Town Bush Valley	520	593	1112
Worlds View	66	70	136
Montrose	1055	1180	2235
Northern Park	604	699	1303
Athlone	557	607	1164
Town Hill	1621	1982	3602
Wembley	806	952	1758
Boughton	688	670	1358
Clarendon	832	1228	2060
Pietermaritzburg SP	9291	10602	19893
Manor	220	278	498
Wensleydale	520	552	1071
Scottsville	4749	5319	10068
Hayfields	2880	3334	6215
Glenwood	1393	1668	3061
Sobantu	3584	3864	7448
Lester Park	219	272	491
Blackridge	583	617	1200
Prestbury	2238	2219	4457
Signal Hill	584	816	1399
Lincoln Meade	2245	2462	4707
Napierville	3101	1355	4456
Masons Mill	698	769	1467
Camps Drift	17	10	27
Pelham	2789	3097	5885
Fillan Park	737	792	1529
The Grange	1409	1599	3007
Westgate	4731	5627	10359
Oribi Village	1310	1486	2797
Scottsville Ext	649	732	1380
Epworth	394	443	836
The Meadows	260	283	544
Cleland SP	613	621	1234
Ockerts Kraal	525	585	1110
Bellevue	228	239	467
Ashdown	4330	4975	9306
Plessis-Laer	3906	4161	8067

MISSION

"To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities. "

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DESCRIPTION	MALE	FEMALE	TOTAL
Harewood	1175	1374	2549
Mkondeni	31	4	35
Shortts Retreat	1334	977	2311
Claveshay	382	422	804
Lynroy	299	282	581
Ridgepark	447	571	1019
Richmond Crest	246	307	553
Hazelmere	204	262	465
Oribi Heights	371	388	759
Bisley Heights	93	105	198
Bisley Crest	189	212	401
Slangspruit	8329	9068	17398
Ambleton	4695	5142	9837

COMMENT ON BACKGROUND DATA

The data provided herein is data used from the Census 2011 report conducted by Statistics South Africa and HIS Global Insight, 2015. Msunduzi Municipality strives to ensure the backlogs in the delivery of Basic Services like Water, Electricity and Housing are reduced on an annual basis.

3. AUDITOR GENERAL REPORT 21/22 FY

AUDITOR GENERAL REPORT FOR 2021/2022

In the 2019/2020 financial year, the Auditor General expressed a Qualified Audit opinion for Msunduzi Municipality.

The basis for qualified opinion is as follows:

- General expenses - External security services

The emphasis of matters raised were as follows:

- Restatement of corresponding figures
- Material Impairment
- Material losses – Electricity and Water

Other matters raised where as follows:

- Unaudited disclosure note
- Unaudited supplementary schedules

Report on the Audit of the annual performance report:

Auditor General did not identify material findings on the usefulness and reliability of the reported performance information for the basic service delivery development priority.

Other matters:

- Achievement of planned targets
- Adjustment of material misstatements

Report on the audit of compliance with Legislation:

- Financial statements, Expenditure Management, Consequence Management, Material irregularities.

The Municipality has developed an audit action plan to be monitored on a monthly basis by the structures of Council to deal with matters raised by the AG.

Further strategies on improving the system of internal control are being employed to deal with matters of emphasis as well matters on the management report.

AUDITOR GENERAL REPORT FOR 2020/2021

In the 2020/2021 financial year, the Auditor General expressed an Unqualified Audit opinion for Msunduzi Municipality with matters of emphasis.

Emphasis of matters

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

Restatement of corresponding figures

- As disclosed in note 69 to the consolidated and separate financial statements, the corresponding figures for 30 June 2020 were restated as a result of errors in the financial statements of the group at, and for the year ended, 30 June 2021.

Material impairment - statutory receivables and consumer debtors

- As disclosed in note 6 to the consolidated and separate financial statements, the municipality reported a provision for impairment balance of R772,56 million (2019-2020: R609,22 million) on statutory receivables as the recoverability of these amounts was doubtful.
- As disclosed in note 7 to the consolidated and separate financial statements, the municipality reported a provision for impairment balance of R2,52 billion (2019-2020: R2,03 billion) on consumer debtors as the recoverability of these amounts was doubtful.

Material losses – electricity

As disclosed in note 77 to the consolidated and separate financial statements the municipality incurred material electricity losses of R321 million (2019-2020: R1 78,49 million) which represents 22% (2019-2020: 18%) of total electricity purchased. This was mainly due to illegal connections, infrastructure vandalism, ageing infrastructure and overloading.

Material losses – water

As disclosed in note 77 to consolidated and separate the financial statements the municipality incurred material water losses of R223,37 million (2019-2020: R209,11 million), which represents 30% (2019-2020: 30%) of total water purchased. This was mainly due to illegal connections, progressive deterioration, as well as ageing and increasing levels of fragility in the bulk water infrastructure.

Other matters

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

Unaudited disclosure notes

- In terms of section 125(2)(e) of the MFMA, the group is required to disclose particulars of noncompliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the group financial statements and, accordingly, I do not express an opinion on it.
- Unaudited supplementary schedules

AUDITOR GENERAL REPORT FOR 2021/2022

Material uncertainty relating to going concern

- I draw attention to the matter below. My opinion is not modified in respect of this matter.
- I draw attention to note 79 to the financial statements, which includes indicators of doubt as to the appropriateness of the going concern basis of accounting. As stated in note 79, these indicators include the impact of the COVID 19 pandemic on municipal finance and operations, adverse liquidity ratios, below norm cash cost coverage ratio, the outstanding gross debtors balance that has increased significantly and the majority of the debtors have been outstanding for over 365 days, the dwindling of reserves over the recent years, deteriorating creditors days, the increase in net debtors balances and successive deficits.
- As stated note 79, these events or conditions, along with the other matters as set forth in note 79, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Material impairment statutory receivables and consumer debtors

- As disclosed in note 6 to the financial statements, the municipality recognised a provision for impairment amounting to R943,904 million (2020-21: R785,58 million) on statutory receivables as the recoverability of these amounts was doubtful.
- As disclosed in note 7 to the financial statements, the municipality recognised provision for impairment amounting to R2,95 billion (2020-21 : R2,10 billion) on consumer debtors as the recoverability of these amounts was doubtful.

Material losses - electricity

- As disclosed in note 68 to the financial statements the municipality incurred material electricity losses of R362,59 million (2020-21 : R321 million) which represents 25% (2020-21 : 22%) of total electricity purchased. This was mainly due to illegal connections, infrastructure vandalism, metering inaccuracies (due to faulty meters), unmetered energy (meter tempering or bypassing the meter at the customer meter), revenue collection as well as ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system and overloading

Restatement of corresponding figures

- As disclosed in note 73 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial of the municipality at, and for the year ended, 30 June 2022.

Other matter

- I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure note

- In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance at Msunduzi Municipality is made up of political and administrative governance, inter-governmental relations, public participation and corporate governance. Political governance comprises of elected ward Councillors and proportional representation Councillors which make up the Council. Council plays oversight over the administration of the municipality to ensure effective and efficient service delivery.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Political & administrative governance at Msunduzi Municipality comprises of the Councillors and Senior Managers, respectively; they work together on a day-to-day basis in order to achieve identified service delivery goals and targets.

2.1. POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Msunduzi municipality has several political structures which include Full Council, Executive Committee, other Council committees and Committees established to support the Executive Committee. The Speaker is the head of Council, whilst the Executive Committee is chaired by the Mayor. The Msunduzi Municipality also has the office of the Chief Whip.

The following Portfolio Committees have been established and are aligned to the Municipality's organizational structure:

- Corporate Services Portfolio Committee;
- Infrastructure Services Portfolio Committee;
- Sustainable Development and City Enterprises Portfolio Committee;
- Community Services Portfolio Committee; and
- Finance Portfolio Committee.

The Municipal Public Accounts Committee (MPAC) is a committee of Council that oversees the expenditure of public funds on behalf of Council and thereby ensures accountability of both the Executive Committee and administration.

MSUNDUZI MUNICIPALITY COUNCILLORS

CURRENT MSUNDUZI PROPORTIONAL REPRESENTATION COUNCILLORS & WARD COUNCILLORS LIST

COUNCILLORS

COMMITTEE ALLOCATIONS – JULY 2021 – JUNE 2022		
PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Executive Committee	Councillor Mzimkhulu Meshack Thebolla (The Mayor)	Councillor Mxolisi Theophilus Mkhize Councillor Ntombizethu Precious Sokhela Councillor Zanele Princess Ngcobo Councillor Nokuthula Prudence Msimang Councillor Bongani Dumisani Mbona Councillor Thinasonke Dennis Ntombela Councillor Ross Bryan Strachan Councillor Bongumusa Cyril Nhlabathi Councillor Hlelelwa Kholeka Madlala
Sustainable Development & City Enterprise	Councillor Ntombizethu Precious Sokhela	Councillor Sinothi Jerome Nkabini Councillor Dumisani Bernard Phungula Councillor Dorcas Sibongile Mkhize Councillor Godman Nkosivelile Dlamini Councillor Kwazikwakhe Emmanuel Madonda Councillor Rooksana Ahmed Councillor Edith Elliot Councillor Mysie Sindisiwe Mbutho Councillor Thinasonke Dennis Ntombela Councillor Hlelelwa Kholeka Madlala
Corporate Services	Councillor Zanele Princess Ngcobo	Councillor Nkosinathi Maxwell Mbanjwa Councillor Siphiwe Phungula Councillor Sibusiso Alfred Mkhize Councillor Sphamandla Sydney Madlala Councillor Nkosinathi Patrick Masoeu Councillor Sibusiso Desmond Chonco Councillor Haroon Daniel Kemp Councillor Bongani Dumisani Mbona Councillor Pretty Nelisiwe Maphanga Councillor Sanenhlanhla Love-joy Ndlovu

COMMITTEE ALLOCATIONS – JULY 2021 – JUNE 2022		
PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Infrastructure Services	Councillor Mxolisi Theophilus Mkhize (Deputy Mayor)	Councillor Sbhongumusa Zuma Councillor Hamilton Mlungisi Zondi Councillor Msawenkosi Bhengu Councillor Percival Vusi Ngwenya Councillor Gladness Sibongile Mncwango Councillor Mduduzi Caswell Mshengu Councillor Bongumusa Nhlabathi Councillor Magalingem Lucky Naicker Councillor Rachel Soobiah Councillor Mduduzi Clive Nduli Councillor Mthetho Ephraim Mpulo Councillor Mshushisi Aubrey Ngubane Councillor Bukelani Ephaim Zuma Councillor Nomalady Eleanor Dlela
Community Services	Councillor Nokuthula Prudence Msimang	Councillor Cyril Sikhanyiso Makhaye Councillor Tholakele Ignatia Dlamini Councillor Mphilisi Instance Ndlovu Councillor Simphiwe Samuel Buthelezi Councillor Thandiwe Mkhize Councillor Victoria Mavie Phungula Councillor Zinhle Regina Ngubo Councillor Sandra Patricia Lyne Councillor Garth Middleton Councillor Nomusa Wendy Mncube Councillor Themobile Precious Memory Mzila Councillor Thandanani Desmond Ntombela Councillor Mbongeni Jetto Shezi Councillor Sandile Gcabashe Councillor Randall John Adams
Financial Services	Councillor Mzimkhulu Meshack Thebolla (The Mayor)	Councillor Roy Ram Councillor Hencefort Mbusiswa Mkhize Councillor Khulekani Msomi Councillor Phumlani Emmanuel Gabuza Councillor Mabhungu Moses Mkhize Councillor Ross Bryan Strachan Councillor Douglas Leslie Roberts Councillor Noma Autrin Phungula Councillor Tholakele Nelisiwe Cele Councillor Sanele Protus Mpulo Councillor Bhekithemba Alison Mkhize Councillor Nomfundo Ndlovu
Municipal Public Accounts	Councillor Zwelinjani Henry Magubane	Councillor Jabulisile Joyce Ngubo Councillor Themba Cyril Ngubane Councillor Dumisani Bernard Phungula Councillor Philisiwe Sithole Councillor Michael Bhekabantu Zuma Councillor Sbhongumusa Zuma Councillor Sanele Russell Zuma Councillor Thembinkosi Zondi Councillor Michael Steven Bond Councillor Reddy Suraya Councillor Lungile Mgaga Councillor Reinus Niemand Councillor Beatrice Nombuyiselo Mkhize

WARD COUNCILLORS BY POLITICAL PARTY 21/22FY

WARD COUNCILLORS LIST		
WARD NO.	NAME	POLITICAL PARTY
1.	Msomi Khulekani	ANC
2.	Gabuza Phumlani Emmanuel	ANC
3.	Makhaye Sikhanyiso Cyril	ANC
4.	Zondi Hamilton Mlungisi	ANC
5.	Mbanjwa Nkosinathi Maxwell	ANC
6.	Madonda Kwazikwakhe Emmanuel	ANC
7.	Zuma Bukelani Ephram	ANC
8.	Ngubane Mshushisi Aubrey	ANC
9.	Mshengu Mduduzi Caswell	ANC
10.	Ngubane Themba Cyril	ANC
11.	Zuma Sanele Russell	ANC
12.	Masoeu Nkosinathi Patrick	ANC
13.	Mncwango Gladness Sibongile	ANC
14.	Mkhize Sibusiso Alfred	ANC
15.	Bhengu Msawenkosi	ANC
16.	Zuma Micheal Bhekabantu	ANC
17.	Ndlou Mphilisi Instance	ANC
18.	Buthelezi Simphiwe Samuel	ANC

WARD COUNCILLORS LIST		
WARD NO.	NAME	POLITICAL PARTY
19.	Ngwenya Percival Vusi	ANC
20.	Phungula Sipiwe	ANC
21.	Zuma Sbongumusa	ANC
22.	Zondi Thembinkosi	ANC
23.	Phungula Dumisani Bernard	ANC
24.	Nkabini Sinothi Jerome	ANC
25.	Bond Michael Steven	DA
26.	Strachan Ross Bryan (EXCO)	DA
27.	Kemp Haroon Daniel	DA
28.	Naicker Mangalingem	DA
29.	Madlala Sphamandla Sydney	ANC
30.	Soobiah Rachel	DA
31.	Ahmed Rooksana	DA
32.	Middleton Garth Frederick Wesley	DA
33.	Reddy Suraya	DA
34.	Ram Roy	ANC
35.	Dlamini Sandile Wellington (The Chief Whip)	ANC
36.	Roberts Douglas Leslie	DA
37.	Elliot Edith	DA
38.	Dlamini Godman Nkosivelile	ANC
39.	Mkhize Mbusiswa Hencefort	ANC
40.	Ngubo Jabulisile Joyce	ANC
41.	Mkhize Mabhungu Moses	ANC

PROPORTIONAL REPRESENTATION COUNCILLORS BY POLITICAL PARTY 21/22 FY

MSUNDUZI MUNICIPALITY PR COUNCILLORS LIST		
	Name	POLITICAL PARTY
	Thebolla Mzimkhulu Meshack (The Mayor)	ANC
	Mkhize Mxolisi Theophilus (Deputy Mayor)	ANC
	Ngcobo Zanele Princess	ANC
	Msimang Nokuthula Prudence	ANC
	Sokhela Ntombizethu Precious	ANC
	Nhlabathi Bongumusa Cyril	DA
	Ntombela Thinasonke Dennis	IFP
	Madlala Hlelelwa Kholeka	ABC
	Mbona Bongani Dum'sani	EFF
	Majola Nomagugu Eunice (The Speaker)	ANC
	Magubane Zwelinjani Henry	ANC
	Dlamini Tholakele Ignatia	ANC
	Mkhize Dorcas Sibongile	ANC
	Sithole Philisiwe	ANC
	Phungula Victoria Mavie	ANC
	Mkhize Thandiwe	ANC
	Lyne Sandra Patricia	DA
	Mgaga Lungile	DA
	Ngubo Zinhle	DA
	Chonco Sibusiso Desmond	DA
	Phungula Nomathemba	DA
	Maphanga Pretty Nelisiwe	IFP
	Ntombela Thandanam Desmond	IFP
	Ndlovu Nomfundo	IFP
	Shezi Mbongeni Jetro	IFP
	Mkhize Bhekukwenza Allison	IFP
	Gcabashe Sandile	ABC
	Niemand Reinus	ACDP
	Dlela Nomalady	AIC
	Ndlovu Sinenhlanhla Love-Joy	JEP
	Adams Randal John	PA
	Mkize Beatrice Nombuyiselo	EFF
	Mncwabe Stanley Ntuthuko	EFF
	Cele Tholakele Nelisiwe	EFF
	Mpulo Mthetho Ephraim	EFF
	Nduli Mduduzi	EFF
	Mncube Nomusa Wendy	EFF
	Mbutu Mysie Sindisiwe	EFF

MSUNDUZI MUNICIPALITY PR COUNCILLORS LIST

	Name	POLITICAL PARTY
	Mpulo Sanele Protas	EFF
	Mzila Thembele Precious Memory	EFF

MSUNDUZI MUNICIPALITY PORTFOLIO COMMITTEES BY NAME & PURPOSE

The following reflects the different committees of Council and their respective purposes.

MSUNDUZI MUNICIPALITY COUNCIL COMMITTEES, PORTFOLIO COMMITTEES AND OTHER COMMITTEES BY NAME & PURPOSE

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) is established in terms of section 79 of the Structures Act, 1998 and is made up of ordinary Councillors to oversee the expenditure of public funds in order to ensure the efficient and effective utilization of council resources and to enhance the political accountability of Council.

APPEALS COMMITTEE

The Appeals Committee is constituted in terms of section 62 (4) (c) (ii) of the Local Government: Municipal Systems Act, 2000 to hear appeals against decisions taken by a political structure, political office bearer or a Councillor of the Municipality in terms of a power or duty delegated or sub-delegated to it by a delegating authority.

SECURITY COMMITTEE

The Security Committee is constituted in terms of section 79 of the Structures Act to consider and deal with cases of threats directed to Councillors and senior officials and are associated with or linked to the performance of their duties as municipal Councillors and senior officials.

RECESS COMMITTEE

The Recess Committee is established in terms of section 79 of the Structures Act to deal with any emergency or urgent matters which may emerge and require urgent attention when the Council is in recess.

EXECUTIVE COMMITTEE

The Executive Committee established in terms of section 42 of the Local Government: Municipal Structures Act No. 117 of 1998 (the Structures Act).

POLITICAL DECISION-MAKING

The Rules and Procedures of Council and its Committees provide inter alia for the powers and functions that the Council may delegate and those it may not delegate, as well as the votes that are required when certain matters are decided.

In making decisions on the following matters, a supporting vote of a majority of the number of Councillors is required: -

- (a) The passing of by-laws;
- (b) The approval of budgets;
- (c) The imposition of rates and taxes, levies and duties;
- (d) The raising of loans;
- (e) The rescission of a council resolution; and any other matter prescribed by legislation.

All other questions before the Council are decided by a majority of the votes cast and in the case of an equality of votes, the Councillor presiding (the Speaker) exercises a casting vote in addition to a vote he or she has as a Councillor.

Before the Council takes a decision on any of the following matters it first has to obtain the recommendations of the Executive Committee: -

- (a) The passing of by-laws;
- (b) The approval of budgets;
- (c) The imposition of rates;
- (d) The raising of loans;
- (e) The approval of an integrated development plan for the Municipality and any amendment to that plan;
- (f) The approval of a performance management system
- (g) The appointment and conditions of service of the City Manager and a head of department of the Council."

NUMBER OF MEETINGS HELD FOR EACH PORTFOLIO COMMITTEE FOR THE 2020/2021 FINANCIAL YEAR

Number of meetings held for Council & its Committees for the 2021/2022 FY is as per below:

MEETINGS HELD FOR EACH PORTFOLIO COMMITTEE FOR THE 2021/2022 FINANCIAL YEAR	
COMMITTEE NAME	NUMBER OF MEETINGS FOR THE 2021/2022 FY
Full Council	19
Executive Committee	23
Corporate Services	4
Financial Services	4
Infrastructure Services	4

MEETINGS HELD FOR EACH PORTFOLIO COMMITTEE FOR THE 2021/2022 FINANCIAL YEAR

COMMITTEE NAME	NUMBER OF MEETINGS FOR THE 2021/2022 FY
Community Services	4
Sustainable Development & City Enterprises	3
Municipal Public Accounts Committee	14

Note: Minutes of all meetings as well as attendance registers can be obtained from the Archives, Records and Information Unit and Speakers office.

2.2. ADMINISTRATIVE GOVERNANCE

During the 20/21 financial year, The Posts of GM: Infrastructure and GM: Community Services were re-advertised as per the directive of EXCO and subsequently filled in November 2020.

In addition, the five Business Units that mirror the committee portfolios also report to the City Manager. These Business Units, each headed by a General Manager, ensure that services are delivered to the people of the Msunduzi Municipality. They are:

- Infrastructure services;
- Community services;
- Sustainable Development & City Enterprises;
- Budget and Treasury Office; and
- Corporate services.

TOP ADMINISTRATIVE STRUCTURE

TIER 1
CITY MANAGER M Khathide
FUNCTIONS
Communications Integrated Development Plan Internal Audit Monitoring & Evaluation Policy, Strategy and Research

TIER 2	TIER 2	TIER 2	TIER 2	TIER 2	TIER 2	TIER 2
CHIEF FINANCIAL OFFICER N Ngcobo	GENERAL MANAGER: Corporate Services M Molapo	GENERAL MANAGER: Community Services S Mathe (A)	GENERAL MANAGER: Infrastructure Services Vacant	GENERAL MANAGER: Sustainable Development FT Nxumalo	CITY MANAGERS OFFICE	GENERAL MANAGER: Electricity Supply Services
TIER 3	TIER 3	TIER 3	TIER 3	TIER 3	TIER 3	TIER 3
Senior Manager: Expenditure Management S Nxumalo Senior Manager: Revenue Vacant Senior Manager: Budget Planning, Monitoring and Implementation S Khoza Senior Manager: Supply Chain D Ndlovu Senior Manager: Asset Management K Shoba Senior Manager: Financial Performance O Langa	Senior Manager: Human Resources Management F Ndlovu Senior Manager: Legal Services N Hlophe Senior Manager: Secretariat and Auxiliary Services S Dubazana Senior Manager: ICT X Ngebulana	Senior Manager: Waste Management S Mhlongo Senior Manager: Recreation and Facilities M Zuma Senior Manager: Public Safety, Enforcement and Disaster Management K Khumalo Senior Manager: ABM L Kunene	Senior Manager: Roads and Transportation L Mngelana Senior Manager: Electricity Management N Mpisi Senior Manager: Water and Sanitation B Sivparsad Programme Manager: PMU S Kunene Mechanical Workshops Vacant	Senior Manager: Development Services M Khumalo Senior Manager: Planning & Environment A Khoali Senior Manager: Human Settlements E Nombungu Senior Manager: Municipal Entities S Zimu	Senior Manager: City Manager's Office M Jackson Senior Manager: Political Support Vacant Senior Manager: Strategic Planning Vacant Chief Audit Executive: PJ Mahlaba	Senior Manager: Electricity Management N Mpisi

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The municipality continues to receive full support from the Office of the MEC for Cooperative Governance and Traditional Affairs. Substantial support in the development of a financial recovery plan has also been obtained from National Treasury. The Provincial Treasury has also assisted in terms of developing both the strategic and operational risk registers of the municipality. Whilst the Municipal Infrastructure Grant (MIG) was the primary source of funding for capital projects related to infrastructure development and basic services, the following basic services are delivered to the community using mechanisms of intergovernmental relations with National/ Provincial Departments and/or parastatals:

Water & Sanitation - Department of Water Affairs and Umgeni Water;
Housing - Department of Human Settlements;
Electricity - Department of Minerals & Energy and Eskom

Various other grants, such as the Neighbourhood Partnership Development Grant, have been received for the implementation of projects. All information related to grants received is disclosed as required in the Annual Financial Statements.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURE

The Municipality is a participant in a number of national forums. On an administrative level, the Chief Financial Officer (CFO) participates in the CFO's Forum which is convened by the National Treasury and the office of the Auditor General. The City Manager participates in the National Municipal Managers Forum convened by the South African Local Government Association (SALGA). Both Councillors and management also participate in the SALGA National Members Assembly. The Corporates Services Unit is a member of the National Municipal Capacity Coordinating and Monitoring Committee. In light of the grant funding assistance received, the municipality participates in the National Treasury Forum of the National Development Partnership Grant (NDPG). Participation in these national forums is key to be able to network, benchmark and expose the municipality to a variety of developmental and funding opportunities.

The Municipality is a member of the South African Cities Network and participates in the following reference groups:

Reference Groups & Forums	Msunduzi Representative
Built Environment Integration task team	Senior Manager: Strategic Planning
Knowledge Management Reference Group	Manager: Organizational Compliance Performance and Knowledge Management
Urban Safety Reference Group	Senior Manager: Public Safety Enforcement and Disaster Management
Expanded Public Works Reference Group	Senior Manager: Recreation and Facilities
International Forum	Senior Manager: Office of the City Manager
Urban indicators Reference Group	Senior Manager: Strategic Planning and Manager: Integrated Development Plan
Energy Reference Group	Senior Manager: Electricity
Waste Reference Group	Senior Manager: Waste Management
Water Reference Group	Senior Manager: Water and Sanitation
Communication	Senior Manager: Communications & IGR

The municipality continues to enjoy favourable relations with the following National Departments who have provided conditional grants to the municipality:

NATIONAL DEPARTMENTS WHO HAVE PROVIDED CONDITIONAL GRANTS TO THE MUNICIPALITY

PROJECT DESCRIPTION	FUNDER	RECEIVED
Library	ARTS & CULTURE	20 052 000
Tatham Art Gallery	ARTS & CULTURE	463 000
Housing Accreditation	HUMAN SETTLEMENTS	-
Equitable Share	NATIONAL TREASURY	546 052 000
Finance Management Grant	NATIONAL TREASURY	1 700 000
Energy Efficiency and Demand Side Management Grant	NATIONAL TREASURY	8 000 000
Expanded Public Works Programme	NATIONAL TREASURY	4 200 000
Municipal Disaster Relief Grant	NATIONAL TREASURY	1 192 000
Municipal Infrastructure Grant	NATIONAL TREASURY	197 516 000
Water Services Infrastructure Grant	NATIONAL TREASURY	53 000 000
Public Transportation Infrastructure Grant	NATIONAL TREASURY	226 665 000
Neighbourhood Development Partnership Grant	NATIONAL TREASURY	10 000 000
		1 068 840 000
NOT ON GAZETTE		
Greater Edendale Development Initiative	HUMAN SETTLEMENTS	25 500 000
Jika Joe Community Residential Units	HUMAN SETTLEMENTS	75 168 101
		100 668 101
		1 169 508 101

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

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

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipal entity (Safe City) has a legally constituted board. The board approves the business plan and the associated budget for the entity. These documents are submitted to the municipality for approval. The business plan outlines the Key Performance Area and Indicators (KPA's and KPI's). The (KPA's and KPI's) are included in the SDBIP of the municipality. The delivery on the milestones is monitored on a monthly basis by the submission of a monthly report and this report is submitted to all relevant municipal committees for review. An annual report together with an audited financial statements of the entity are submitted to the municipality for consideration and approval.

CHAPTER 3 – ANNUAL PERFORMANCE REPORT – SERVICE DELIVERY INDICATORS

DISTRICT INTERGOVERNMENTAL STRUCTURES

The Municipality participates in the District Municipal Managers and Mayors Forum. The Municipal Manager used to be the Chairperson of the District Infrastructure Forum. Following the establishment of the District Command Council during the COVID-19 Disaster, the Municipality is the co-convenor of the Governance, State Capacity and Institutional Development (GSCID) Cluster.

The Communications Unit participates in the Local Government Forum and District Communicators forum which helps by benchmarking on the best practices from other municipalities.

INTRODUCTION:

In terms of section 46(1) and (2) of the Local Government: Municipal Systems Act (MSA), 2000 (Act 32 of 2000), municipalities are required to annually prepare a performance report reflecting the performance of the municipality and of each service provider during the financial year. The Annual performance report must also reflect comparison of performance with targets set for the year under review with performance of the previous financial year. Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) further states that the annual performance report must form part of the municipality's Annual Report. Msunduzi Municipality's Annual performance report for the 2020/2021 financial year has been prepared in line with the provisions of the MSA read together with the MFMA.

The Annual Performance Report 2021 / 2022 of the Msunduzi Municipality is prepared as per section 46 of the Municipal Systems Act.

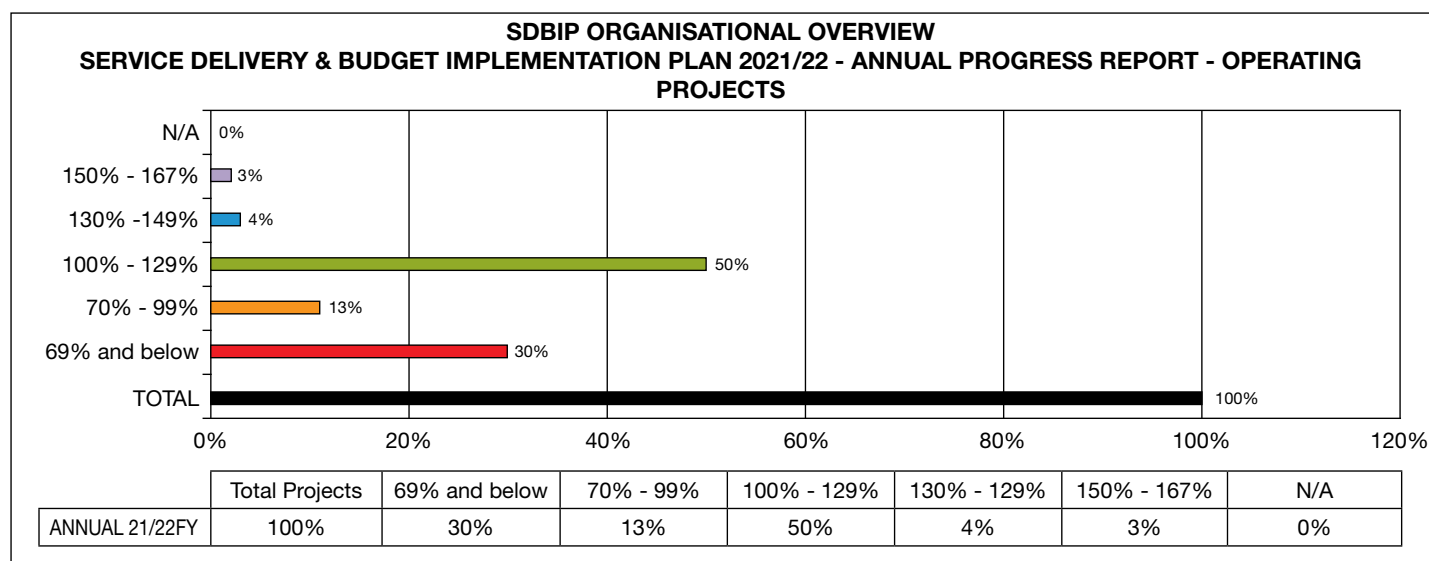
- **HIGH LEVEL SUMMARY OF ACHIEVEMENTS AS PER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN**
- **MEASURES TAKEN TO IMPROVE PERFORMANCE**
- **COMPARISON OF INDICATORS FOR 2020/2021 & 2021/2022 FINANCIAL YEARS**
- **REMOVED INDICATORS AS PER ADJUSTMENT BUDGET**
- **PERFORMANCE OF EXTERNAL SERVICE PROVIDERS**

The graphical representations below illustrate the summary of high level performance of the municipality for the 2020/2021 and the 2019/2020 financial years, as per the colour-coded dashboard.

COLOUR	SCORE	DESCRIPTION	PERCENTAGE	KEY
	N/A	TOTAL PROJECTS	N/A	KEY
	1	NIL ACHIEVED	69% and below	
	2	TARGET PARTIALLY MET	70% - 99%	
	3	TARGET MET	100% - 129%	
	4	TARGET EXCEEDED	130% - 149%	
	5	TARGET SIGNIFICANTLY EXCEEDED	150% - 167%	
	NOT APPLICABLE	N/A	N/A	

1.2 HIGH LEVEL SUMMARY OF PERFORMANCE COMPARISON FOR THE 2020/2021 & 2021/2022 FINANCIAL YEARS (SDBIP & OP)

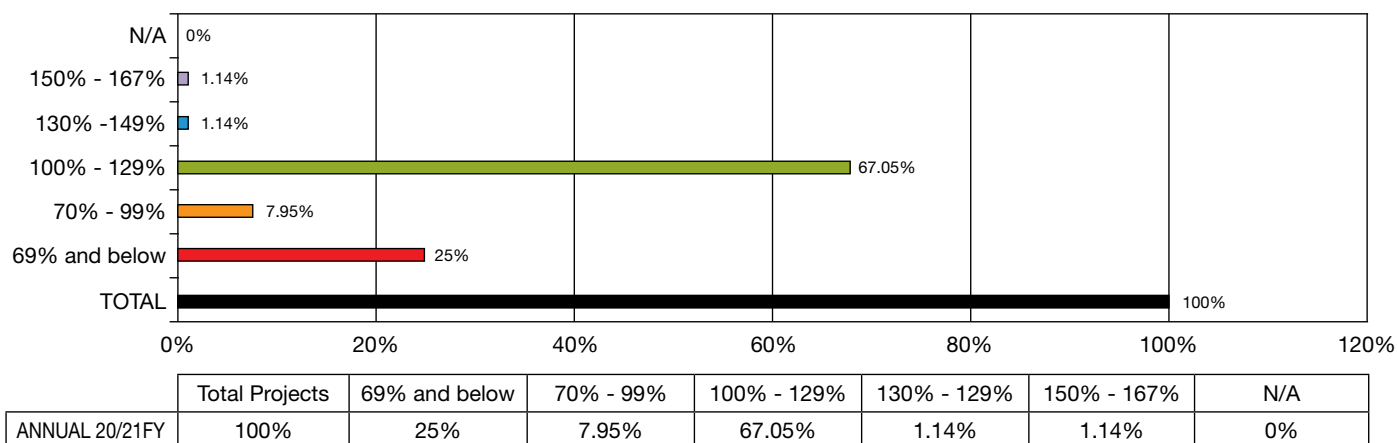
GRAPHICAL REPRESENTATION OF PERFORMANCE: OPERATING PROJECTS



1. 25% of the projects were reported as having achieved a 1 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 30 % was achieved in the 21/22 FY
2. 10.13% of the projects were reported as having achieved a 2 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 13% was achieved in the 21/22 FY
3. 67.05% of the projects were reported as having achieved a 3 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 50% was achieved in the 21/22 FY

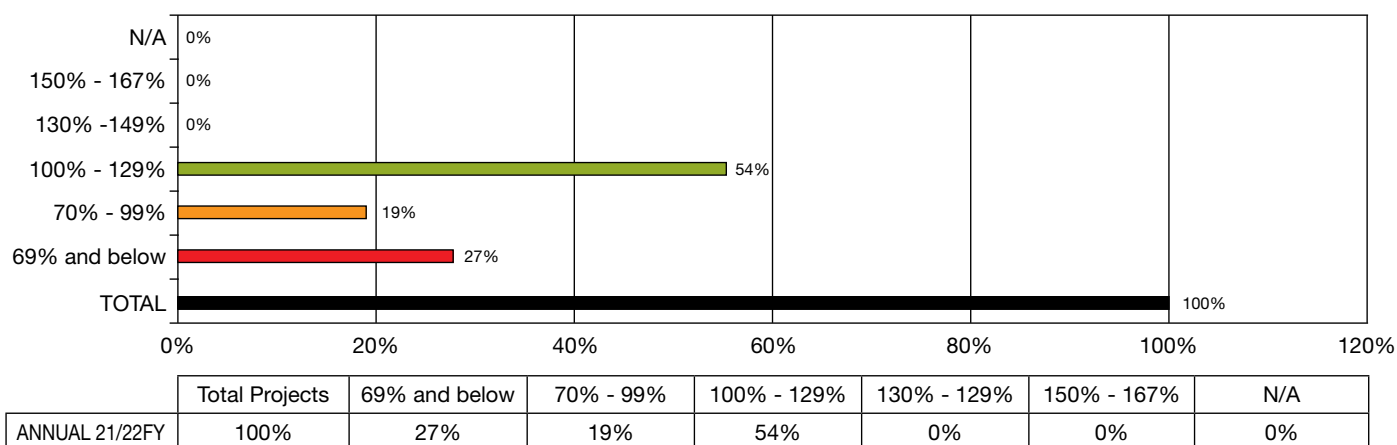
4. 1,14% of the projects were reported as having achieved a 4 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 4% was achieved in the 21/22 FY
5. 1,14% of the projects were reported as having achieved a 5 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 3 % was achieved in the 21/22 FY
6. 0% of the projects were reported as not applicable on the SDBIP for the ANNUAL 20/21 & 21/22 FY PROGRESS REPORT

SDBIP ORGANISATIONAL OVERVIEW
SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2020/21 - ANNUAL 20/21 FY PROGRESS REPORT



GRAPHICAL REPRESENTATION OF PERFORMANCE: CAPITAL PROJECTS

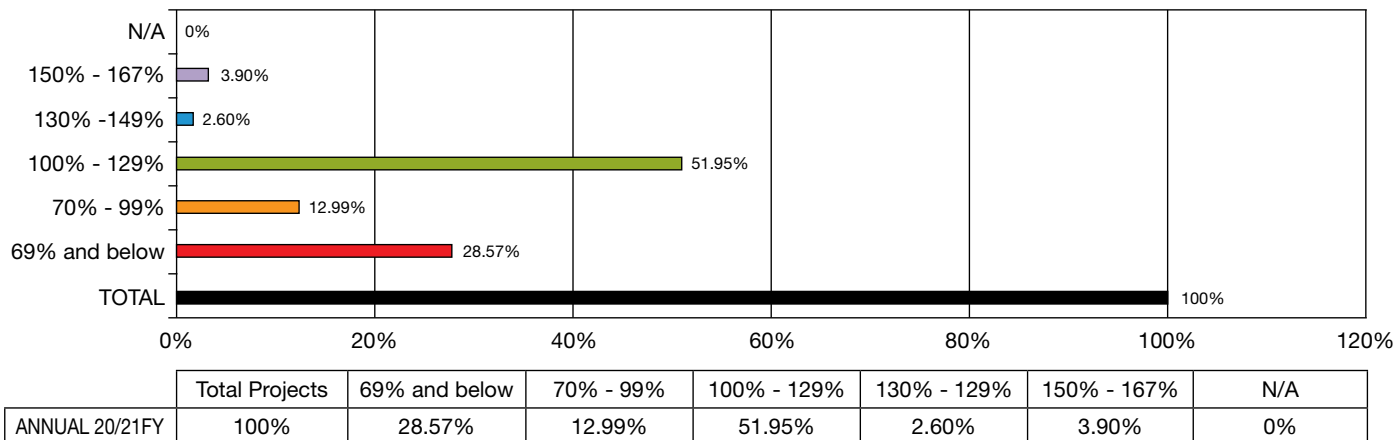
SDBIP ORGANISATIONAL OVERVIEW - CAPITAL PROJECTS
SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/22 - ANNUAL 2022 PROGRESS REPORT



1. 28.57% of the projects were reported as having achieved a 1 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 27% was achieved in the 21/22 FY
2. 12.99 % of the projects were reported as having achieved a 2 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 19% was achieved in the 21/22 FY
3. 51.95% of the projects were reported as having achieved a 3 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 54% was achieved in the 21/22 FY
4. 2,60% of the projects were reported as having achieved a 4 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 0% was achieved in the 21/22 FY
5. 3,90% of the projects were reported as having achieved a 5 on the SDBIP for the ANNUAL 20/21 FY PROGRESS REPORT whereas 0% was achieved in the 21/22 FY
6. 0% of the projects were reported as not applicable due to not having any targets on the SDBIP for the ANNUAL 20/21 & 21/22 FY PROGRESS REPORT

SDBIP ORGANISATIONAL OVERVIEW

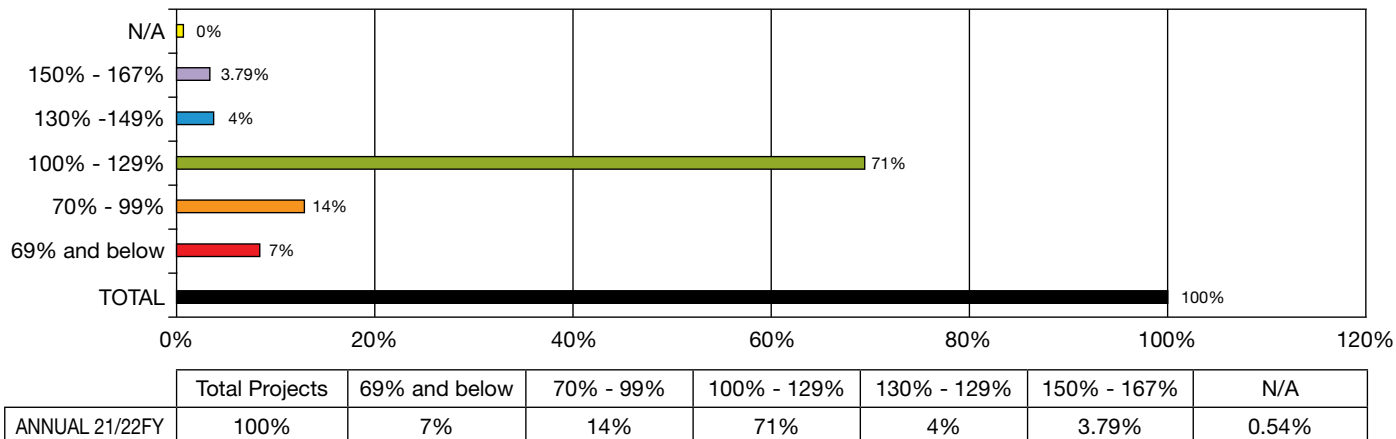
SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2020/21 - ANNUAL 20/21 FY PROGRESS REPORT



GRAPHICAL REPRESENTATION OF PERFORMANCE: OPERATING PROJECTS

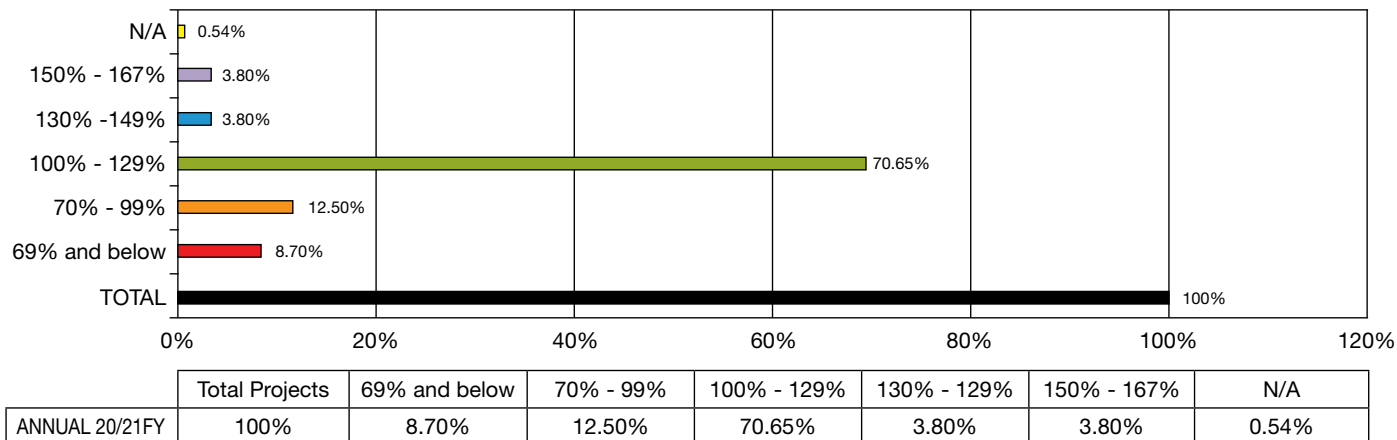
OPERATIONAL PLAN ORGANISATIONAL OVERVIEW

SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2021/22 - ANNUAL PROGRESS REPORT - OPERATING PROJECTS



- 8,70% of the projects were reported as having achieved a 1 on the Operational Plan for the ANNUAL 20/21 FY PROGRESS REPORT whereas 7% was achieved in the 21/22 FY
- 12.50% of the projects were reported as having achieved a 2 on the Operational Plan for the ANNUAL 20/21 FY PROGRESS REPORT whereas 14% was achieved in the 21/22 FY
- 70.65% of the projects were reported as having achieved a 3 on the Operational Plan for the ANNUAL 20/21 FY PROGRESS REPORT whereas 71% was achieved in the 21/22 FY
- 3,80 % of the projects were reported as having achieved a 4 on the Operational Plan for the ANNUAL 20/21 FY PROGRESS REPORT whereas 4% was achieved in the 21/22 FY
- 3.80% of the projects were reported as having achieved a 5 on the Operational Plan for the ANNUAL 20/21 FY PROGRESS REPORT whereas 3,79% was achieved in the 21/22 FY
- 0,54 % of the projects were reported as not applicable due to not having any targets on the Operational Plan for the ANNUAL 20/21 FY PROGRESS REPORT whereas 0% was achieved in the 19/20 FY

OPERATIONAL PLAN ORGANISATIONAL OVERVIEW SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2020/21 - ANNUAL 20/21 FY PROGRESS REPORT



1.3 PERFORMANCE ACHIEVEMENT PER NATIONAL KEY PERFORMANCE AREA (SDBIP & OPERATIONAL PLAN)

2019/2020	2020/2021	2021/2022
Basic Service Delivery - 119	Basic Service Delivery - 105	Basic Service Delivery - 99
Met - 68	Met - 49	Met - 55
Not Met - 51	Not Met - 56	Not Met - 44
Municipal Transformation- 96	Municipal Transformation - 85	Municipal Transformation- 84
Met - 81	Met - 49	Met - 70
Not Met- 15	Not Met- 36	Not Met- 14
LED- 36	LED- 24	LED- 41
Met- 33	Met- 15	Met- 32
Not Met- 3	Not Met- 9	Not Met- 9
Financial Viability- 45	Financial Viability- 59	Financial Viability- 45
Met- 36	Met- 32	Met- 30
Not Met - 9	Not Met - 27	Not Met - 15
Good Governance - 39	Good Governance - 51	Good Governance - 60
Met- 25	Met- 22	Met- 33
Not Met - 14	Not Met - 29	Not Met - 27

1.4 MEASURES TAKEN TO IMPROVE PERFORMANCE IN THE 2021/2022 FINANCIAL YEAR

MEASURES TAKEN TO IMPROVE PERFORMANCE IN THE 2020/2021 FINANCIAL YEAR						
NUMBER	DEPARTMENT RESPONSIBLE	PERSON RESPONSIBLE	ACTION TAKEN	STATUS	REASON FOR DEVIATION	CORRECTIVE MEASURE
1	Office of the City Manager	Madeleine Jackson - Senior Manager: Office of the City Manager	Review of the Individual Performance Management Policy 21/22	Approved by Full Council	N/A	N/A
2	Organizational Compliance, Performance & Knowledge Management	Madeleine Jackson	Quarterly Verification of Performance Information on the SDBIP on a Quarterly basis	Ongoing	N/A	N/A
3	Organizational Compliance, Performance & Knowledge Management	Madeleine Jackson	Cascading of Performance to Level 4 Managers to ensure accountability from staff members	Ongoing	N/A	N/A
4	Budget & Treasury Business Unit	CFO – Dudu Ndlovu	Upon the Auditor General releasing their report on the Audit Opinion for the Municipality, The AG Action Plan contains queries for both financial and non-financial activities including performance management queries. This meeting happens on a weekly basis from Monday to Thursday and the chairperson of the meeting is the CFO.	Ongoing	N/A	N/A

MEASURES TAKEN TO IMPROVE PERFORMANCE IN THE 2020/2021 FINANCIAL YEAR

NUMBER	DEPARTMENT RESPONSIBLE	PERSON RESPONSIBLE	ACTION TAKEN	STATUS	REASON FOR DEVIATION	CORRECTIVE MEASURE
5	Office of the City Manager	Madeleine Jackson - Senior Manager: Office of the City Manager	Audit Committee Decision tracker is a template monitored by the PMS unit. This is in order to ensure that respective Business units implement all resolutions taken by the Audit Committee. The report is presented on a quarterly basis to Audit Committee at the scheduled meetings.	Ongoing	N/A	N/A
6	Organizational Compliance, Performance & Knowledge Management	Madeleine Jackson	Encouraged Management to submit POE along with performance information in electronic format so as to ensure that the PMS unit has soft copies readily available for POE verification and request	Ongoing	This is still problematic for most Business units as some large POE files are still not scanned	For Business units to scan POE files for submission to PMS unit
7	CoGTA - Consultant	Roshan Ramjeawon	The Municipality received a PMS expert from CoGTA to assist in ensuring that the Municipality addresses all challenges in relation to Performance Management in the Municipality	Ongoing	N/A	N/A
8	Organizational Compliance, Performance & Knowledge Management	Madeleine Jackson	Report to Audit Committee on how to deal with POE submission for internal Audit tracking tool and Audit committee decision tracker to assist Business units in resolving audit findings	Ongoing	N/A	N/A
9	Infrastructure Services	GM: Infrastructure	Weekly MIG meetings to deal with processing of MIG Projects and expenditure	Ongoing	N/A	N/A
10	Budget & Treasury Business Unit	CFO – Dudu Ndlovu	Weekly Revenue Enhancement meetings to deal with Revenue Collection strategies and Implementation of Revenue enhancement matters	Ongoing	N/A	N/A

SDBIP INDICATOR COMPARISON PER FUNCTIONAL AREA REGULATED KEY PERFORMANCE INDICATORS

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
SDBIP REFER- ENCE	BASELINE / STA- TUS QUO	INDICATOR	PROGRAMME	UNIT OF MEASURE	ANNUAL PROGRESS REPORT							
					PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT		ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
					ANNUAL TARGET	ANNUAL ACTUAL						
RPI 01	R 7 942 421,48 was spent during the 2018/2019 Financial year to implement the WSP.	12 x Reports prepared & submitted to SMC on the budget spent on the implementation of the Workplace Skills Plan	Workplace skills development	12 x Reports prepared & submitted to SMC on the budget spent on the implementation of the Workplace Skills Plan in the 21/22 FY by the 30th of June 2021	Number of Reports	12 x Reports prepared & submitted to SMC on the budget spent on the implementation of the Workplace Skills Plan in the 21/22 FY by the 30th of June 2022	20 /21 Final Report - July 2021 , August 2021 , September 2021, October 2021, November 2021, December 2021, January 2022, February 2022, March 2022, April 2022, May 2022 reports	3 (100% - 129%)	N/A	N/A	N/A	12 x SMC Reports on the budget spent on the implementation of the Workplace Skills Plan
RPI 02	NIL	1 x post of Senior Manager: Revenue Management filled as per the employment Equity plan	Employment equity	1 x post of Senior Manager: Revenue Management filled as per the employment Equity plan for Msunduzi Municipality in the 20/21 FY by the 30th of June 2021	Date post filled	1 x post of Senior Manager: Revenue Management filled as per the employment Equity plan for Msunduzi Municipality in the 21/22 FY by the 30th of June 2022	2022 reports	3 (100% - 129%)	N/A	N/A	N/A	Staff Establishment
RPI 03	40 x New Water connections completed (Application Driven) by the 30th of June 2020 (92,92% of households with access to potable drinking water)	100 x New Water connections completed (Application Driven)	Improved access to basic services	100 x New Water connections completed (Application Driven) by the 30th of June 2021 (92,98% of households with access to potable drinking water)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RPI 04	1547 x New consumers have access to sanitation (55,65% of households with access to sanitation)	17 x New consumers have access to sanitation	Improved access to basic services	13 x New consumers have access to sanitation by the 30th of June 2021 (55,66% of households with access to sanitation)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RPI 05	179 new electricity connections completed in various ward (Application based) by the 30th of June 2019	100% of new electricity connections completed (Application based) by the 30th of June 2021	Improved access to basic services	93,3% of new electricity connections completed (Application based) by the 30th of June 2021.	Percentage of households with access to basic level of Electricity in the Msunduzi and Eskom areas by the 30th of June 2022 (Number of planned connections vs number of completed connections)	75% of households with access to basic level of Electricity in the Msunduzi and Eskom areas by the 30th of June 2022	79% of households with access to basic level of Electricity in the Msunduzi area by the 30th of June 2022.	3 (100% - 129%)	Based on the Municipal information of households with access to basic electricity. An accurate combined figure cannot be provided as Eskom reports directly to National.	Engage Eskom on the regular provision of monthly statistics.	ongoing	Memos (Municipality)
RPI 06	2500m2 (Equivalent to 2.5km) of municipal roads not constructed	11 KM of MIG Projects constructed	Improved access to basic services	11 KM of MIG Projects constructed in the 20/21 FY by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ANNUAL REPORT
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PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
SDBP REFERENCE	BASELINE / STATUS quo	INDICATOR	PROGRAMME	UNIT OF MEASURE	ANNUAL PROGRESS REPORT							
					ANNUAL 2021 FY PROGRESS REPORT			CORRECTIVE MEASURE	TIME - FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5 Not Applicable)					
RPI 07	NIL	Number of Households with access to free basic refuse collection	Waste Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RPI 08	NIL	1 x Weekly Refuse Removal provided per month for Msunduzi Households	Waste Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RPI 09	4210 households earning less than R3500 per month (application based) provided with access to free basic services by the 30th of June 2019	6250 households earning less than R3500 per month (application based) provided with access to free basic services by the 30th of June 2021	Improved access to Free Basic Services	6000 households earning less than R3500 per month (application based) provided with access to free basic services	Number of households	6000 households earning less than R3500 per month (application based) provided with access to free basic services by the 30th of June 2022	3 169 households earning less than R3500 per month (application based) provided with access to free basic services by the 30th of June 2022	1 69% & below	Impact on Covid 19 still being felt. SASSA Offices taking limited number of people allowed to get Proof of Income and SASSA will indicate how much grant, child support or pension is being provided to the person. This will greatly assist	Revenue has met with SASSA and developed a relationship, where identity numbers will be provided to get access to free basic services by the 30th of June 2022	Immediately	Applied Indigent June 2022
RPI 10	71% of the municipality's YTD capital budget actually spent on capital projects identified in the IDP by the 30th of June 2020 Total spending on capital projects divided by total capital budget x 100)	95-100% of the municipality's YTD capital budget actually spent on capital projects identified in the IDP (Percentage : Total spending on capital projects divided by YTD capital budget x 100) by the 30th of June 2021	Improved Audit Opinion	100% of the municipality's YTD capital budget actually spent on capital projects identified in the IDP (Percentage : Total spending on capital projects divided by YTD capital budget x 100)	95-100%	95-100% of the municipality's YTD capital budget actually spent on capital projects identified in the IDP (Percentage : Total spending on capital projects divided by YTD capital budget x 100)	69% of the municipality's YTD capital budget actually spent on capital projects identified in the IDP (Percentage : Total spending on capital projects divided by YTD capital budget x 100)	1 69% & below	- NB: this is the May 2022 Actual Capital Expenditure ratio, as capital expenditure information for June 2022 is not available at present as the S71 Reports for June 2022 have not yet been finalized.	- Early implementation of capital projects - processes for procurement for capital projects should be more streamlined to be more efficient	The 2021-22 financial year is over, however, going forward into the 2022-23 financial year, projects should be initiated and implemented as early as possible.	S71 Reports and Financial reports
RPI 11	8% achieved in 2019-20	45% of Financial viability in terms of debt coverage achieved. (Ratio: (Short Term Borrowings+ Bank Overdraft+ Short Term Lease+ Long Term Lease) / Total Operating Revenue) by the 30th of June 2021	Improved Audit Opinion	Financial viability in terms of debt coverage achieved. (Ratio: (Short Term Borrowings+ Bank Overdraft+ Short Term Lease+ Long Term Lease) / Total Operating Revenue) by the 30th of June 2021	45% (as per MFMA Circular 71)	45% Financial viability in terms of debt coverage achieved. (Ratio: (Short Term Borrowings+ Bank Overdraft+ Short Term Lease+ Long Term Lease) / Total Operating Revenue) by the 30th of June 2021	4% Financial viability in terms of debt coverage achieved. (Ratio: (Short Term Borrowings+ Bank Overdraft+ Short Term Lease+ Long Term Lease) / Total Operating Revenue) by the 30th of June 2021	1 69% & below	- This ratio compares the closing balance on the municipality's debt owing to its year-to-date income received in the current financial year below the prior year. Thus, a ratio below the prior year indicates that the municipality is not dependent on debt to fund its operations.	- Current borrowings are being generated by the terms of the contract and thus cannot be changed - However, it is advised that the municipality not undertake any further borrowings in the near future.	- no further borrowings be undertaken in the near future	Financial Reports

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
SDIP REFER- ENCE	BASELINE / STA- TUS quo	INDICATOR	PROGRAMME	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	REASON FOR DEVIATION				
RPI 12	Ratio was 0.87 months in 2019-20	Financial viability in terms of cash coverage achieved.	Financial viability in terms of cash coverage achieved. (Ratio: Available cash plus investments divided by monthly fixed operating expenditure) by the 30th of June 2021	1-3 months	3 X months financial viability in terms of cash coverage achieved. (Ratio: Available cash plus investments divided by monthly fixed operating expenditure) by the 30th of June 2022	0.34 months financial viability in terms of cash coverage achieved. (Ratio: Available cash plus investments divided by monthly fixed operating expenditure) by the 30th of June 2022	1 (69% & below)	- This ratio compares the closing balance on the municipality's debt owing to its year-to-date revenue received in the current financial year. - Thus, a ratio below the norm indicates that the municipality is not dependent on debt to fund its operations. - A low ratio also indicates that the municipality still had capacity to take up increased funding through borrowings. - provided that it met financing requirements.	- Current borrowings are being governed by the terms of the contract, and thus cannot be changed. - however, it is advised that the municipality not undertake any further borrowings in the near future.	- no further borrowings be undertaken in the near future	Financial Reports	
RPI 13	97% achieved in 2019-20	Financial viability in terms of outstanding service debtors to revenue achieved.	Financial viability in terms of outstanding service debtors to revenue achieved. (Ratio: Outstanding service debtors divided by annual revenue actually received for services) by the 30th of June 2021	< 100%	< 100% Financial viability in terms of outstanding service debtors to revenue achieved. (Ratio: Outstanding service debtors divided by annual revenue actually received for services)	107% Financial viability in terms of outstanding service debtors to revenue achieved. (Ratio: Outstanding service debtors divided by annual revenue actually received for services)	3 (100% - 129%)	- The year-to-date service revenue received for the 2021- 22 financial year is less than the total outstanding service debtors. - this is concerning as it indicates an increasing Debtors' Book.	- Debt collection measures be improved to reduce the outstanding debtors which will result in an improved ratio.	Measures to improve the debtors book of the municipality should be implemented immediately so to ensure the sustainability of the municipality.	Financial Reports	
RPI 14	1202 work opportunities created through QWP and Infrastructure sector.	1000 x work opportunities created through LED development initiatives	Community Work programme implemented and cooperatives supported	Number of work opportunities	1000 x work opportunities created through LED development initiatives including Capital Projects by the 30th June 2022	1000 x work opportunities created through LED development initiatives including Capital Projects by the 30th June 2022	3 (100% - 129%)	N/A	N/A	N/A	CWP Report	
RPI 15	NIL	Number of Households with access to free basic refuse collection service	Improved access to basic services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
N/A	N/A	N/A	Improved access to basic services	Percentage	100% of households with access to basic level of water by the 30th of June 2022 (Number of planned connections vs number of completed connections)	93.02% of households with access to basic level of water by the 30th of June 2022.	2 (70% - 99%)	The number of Applications received was less compared to the number of planned connections.	The number of Applications received was less compared to the number of planned connections.	22/23FY	June 2022 Water Connection Spreadsheet	
N/A	N/A	N/A	Improved access to basic services	Percentage	60% Percentage of households with access to basic level of sanitation by the 30th of June 2022 (Number of planned connections vs number of completed connections)	56.38% of households with access to basic level of sanitation by the 30th of June 2022.	2 (70% - 99%)	There was an increase rate on the provided structures prices, arising from the high demand of plastic, as a result of the July unrest, where a Plastic manufacturer was burnt down.	The target will be adjusted at Mid-Year review	2022/23 FY	June 2022 Sewer Connection Spreadsheet	

SDBP REFERENCE	BASELINE / STATUS QUO	INDICATOR	PROGRAMME	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT			PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT						
				ANNUAL 2021 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT						
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	UNIT OF MEASURE	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Enviro vehicle movement reports, independent register, customer statements, waste collection schedules and checklists.

2. COMMUNITY SERVICES

2.1 RECREATION AND FACILITIES

PERFORMANCE REPORTING 2021/22 FY – ANNUAL 21/22 FY PROGRESS REPORT																
SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	PERFORMANCE REPORTING 2020 / 2021 FY			SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEAS- URE	ANNUAL 2021/22 FY PROGRESS REPORT				
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)						REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
R & F 01	NKPA 2 - BASIC SERVICE DE- LIVERY	Grass Cutting - Municipal Wards	Grass cut once per month in 29 wards as per grass cutting schedule (September 2020 - May 2021) by the 31st of May 2021	Grass cut once per month in 29 wards a season as per grass cutting schedule (September 2020 - May 2021) by the 31st of May 2021	Grass cut once per month in 22 Wards a season as per grass cutting schedule (September 2020 - May 2021) by the 31st of May 2021	2 (70% - 99%)	R & F 01	NKPA 2 - BASIC SERVICE DE- LIVERY	Grass cut once per month in 29 wards	Wards that have Grass cut once per month as per grass cutting schedule	Unit of Parks equipment purchased	2 (70% - 99%)	Not all areas within the Ward were cut due to insufficient brush cutters	Purchase more brush cutters and engage with Municipal workshop for the repairs of the brush cutters	New financial year 2022/2023	Grass cutting stats
R & F 02	NKPA 2 - BASIC SERVICE DE- LIVERY	Grass Cutting - City Entrances and Islands	10 Islands and 11 main entrances into the CBD maintained monthly as per maintenance schedule by the 30 June 2021	Grass Cutting - City Entrances and Islands	10 Islands and 10 main entrances into the CBD maintained monthly as per maintenance schedule by the 30 June 2022	2 (70% - 99%)	R & F 02	NKPA 2 - BASIC SERVICE DE- LIVERY	Grass cut once per month in 29 wards	10 Islands and 10 main entrances into the CBD maintained monthly as per maintenance schedule by the 30 June 2022	Number of Parks equipment purchased	1 (69% & below)	Only the Districts North, West maintained	Intake of 84 EPWP beneficiaries in May 2022.	New financial year 2022/2023	Let of Beneficiaries, grass-cutting stats
N/A	N/A	N/A	N/A	N/A	Construction of Copesville Library	Construction of Copesville Library	R & F 03	NKPA 2 - BASIC SERVICE DE- LIVERY	Construction of Copesville Library	Construction of the Copesville Library to be completed by the 30th June 2022	Date construction completed	1 (69% & below)	Delay in the transfer of Grant Funding to Afrisam due to due diligence and compliance issues relating to AG	The item has been finalized and the transaction has taken place	New financial year 2022/2023	MOA/Council Resolution,
R & F 03	NKPA 2 - BASIC SERVICE DE- LIVERY	Purchase of library material at Libraries	3000 x Library Books purchased as per book buying policy and received by the 31st of May 2021	N/A	0 x Library Books purchased as per book buying policy and received by the 31st of May 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A
R & F 04	NKPA 2 - BASIC SERVICE DE- LIVERY	Purchase of equipment at Parks	2 x modified containers/park homes purchased and delivered by the 31st of August 2020	2 x modified containers/park homes purchased and delivered by the 31st of August 2020	50 x Brush Cutters purchased and delivered by the 31st of August 2020	3 (100% - 129%)	R & F 04	NKPA 2 - BASIC SERVICE DE- LIVERY	Purchase and delivery of Parks equipment	Purchase and delivery of Parks equipment (7 CHAIN SAWS, 2 POLE PRUNERS AND 10 BRUSHCUTTERS) by the 31st of August 2021	Number of Parks equipment purchased	3 (100% - 129%)	Delivered after due date of August 2021	N/A	N/A	Delivery Note
R & F 04	NKPA 2 - BASIC SERVICE DE- LIVERY	Modification at Parks Change rooms	50 x Brush Cutters purchased	2 x modified containers/park homes (change rooms/toilet facilities) purchased and delivered by the 31st of December	2 x modified containers/park homes (change rooms/toilet facilities) purchased and delivered by the 31st of December	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A

PERFORMANCE REPORTING 2021/22 FY - ANNUAL 21/22 FY PROGRESS REPORT											
SDBP REFER -	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL 2021/22 FY PROGRESS REPORT						
					PERFORMANCE REPORTING 2020/21 FY			REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)				
R & F 06	NKPA 2 - BASIC SERVICE DE- LIVERY	Fencing and upgrading Phase 1: Ethenbeni Cemetery	370m Fencing of Ethenbeni Cemetery (Phase1) Ward 37 completed by the 30th of September 2020	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	4 x slasher mowers purchased and delivered by 31 st March 2022	N/A	1 (69% & below)	there were insuf- ficient funds.	Sta 3 Year Contract has been awarded	SLA	
R & F 07	NKPA 2 - BASIC SERVICE DE- LIVERY	Fencing and upgrading Phase 2: Ethenbeni Cemetery	600m Fencing of Ethenbeni Cemetery Ward 37 (Phase2: Block A&B) completed by the 30th of Sep- tember 2020	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	Upgrade of Parks Headquarter (CHANGEROOMS - NORTH, CENTRAL AND WEST DISTRICTS by 30 June 2022	Upgrade of Parks Headquarter (CHANG- EROOMS - NORTH, CENTRAL AND WEST DIS- TRICTS) NOT Completed by 30 June 2022	1 (69% & below)	Central Comple- ed, North/West internally - - due to budget constraints	Complete in the New Financial Year 2022/2023	Bill Of Quan- titles	
R & F 08	NKPA 2 - BASIC SERVICE DE- LIVERY	Fencing at Bisley Nature Reserve	5000m Fencing of Bisley Valley Nature Reserve Ward 24 completed by the 30th of June 2021	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	439 EPWP jobs created	Number of jobs created by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	List of Benefi- ciaries	
R & F 09	NKPA 2 - BASIC SERVICE DE- LIVERY	Purchase of 3 vehicles for Bisley Nature Reserve, Conservation and Ethenbeni Cemetery by the 30th of June 2021	3 x vehicles purchased for Bisley Nature Reserve, Conservation and Ethenbeni Cemetery by the 30th of June 2021	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	
N/A	N/A	N/A	N/A	N/A	2 x Quarterly Reports on the Implementation of the EPWP Program by the 30th of June 2022	2 x Quarterly Reports on the Implementation of the EPWP Program by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Quarterly Reports	
R & F 10	NKPA 2 - BASIC SERVICE DE- LIVERY	Implementation of EPWP and reporting to National Department of Public Works	100% Implementation and monitoring of EPWP in accordance to the EPWP strategy by the 30th of June 2021	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	
R & F 11	NKPA 2 - BASIC SERVICE DE- LIVERY	Fencing and upgrading Phase 1: Ethenbeni Cemetery	600m of Ethenbeni Cemetery roads in ward 37 upgraded from gravel to tar/ paving by the 30th of June 2021	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	

2.2 WASTE MANAGEMENT SERVICES

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT																			
SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT					SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL 2021/22 FY PROGRESS REPORT					SOURCE DOCUMENT
				ANNUAL 2020/2021 FY PROGRESS REPORT			ANNUAL 2021/22 FY PROGRESS REPORT							REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES			
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)											
N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	WM 01	NKPA 2 - BASIC SERVICE DE- LIVERY	5KM Landfill Roads Upgraded	5KM Landfill Roads Upgraded	Kilometers of road rehabili- tated	Rehabilitation of 5km of roads at the Landfill Site by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	Photos and completion certificates.	
WM 01	NKPA 2 - BASIC SERVICE DE- LIVERY	Percentage of households with access to basic refuse collection.	20 x Bulk Steel (25m3) Refuse Collection Containers purchased by the 30th of June 2021	N/A	0 x Bulk Steel (25m3) Refuse Col- lection Containers purchased by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	2 x Air conditioners Purchased and replaced for Waste Management offices by the 31st of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	completion certificate
WM 02	NKPA 2 - BASIC SERVICE DE- LIVERY	Percentage of Households with Access to Free Collection basic Refuse col- lection service	10 x Bulk Steel (6m3) Refuse Collection Containers purchased by the 30th of June 2021	N/A	0 x Bulk Steel (6m3) Refuse Collection Containers purchased by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	2 x Air conditioners Purchased and replaced for Waste Management offices by the 31st of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	completion certificate
N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	WM 03	NKPA 2 - BASIC SERVICE DE- LIVERY	Waste Man- agement	120 000 x house- holds provided with access to Solid Waste removal	Number of households	120 000 x house- holds provided with access to Solid Waste removal as per waste collection schedule by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	Ewocop vehicle movement reports, indi- gent register, customer statements, waste collection schedules and checklists.	
WM 03	NKPA 2 - BASIC SERVICE DE- LIVERY	New England Landfill Com- pliance to the Landfill Opera- tional License	100 x Concrete Street Litter bins purchased by the 30th of June 2021	N/A	0 x Concrete Street Litter bins pur- chased by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	120 000 x house- holds provided with access to Solid Waste removal as per waste col- lection schedule by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A
WM 04	NKPA 2 - BASIC SERVICE DE- LIVERY	New England Landfill Com- pliance to the Landfill Opera- tional License	26 x Bulk Steel (15m3) Refuse Collection Containers purchased by the 30th of June 2021	N/A	0 x Bulk Steel (15m3) Refuse Col- lection Containers purchased by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	120 000 x house- holds provided with access to Solid Waste removal as per waste col- lection schedule by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A
WM 05	NKPA 2 - BASIC SERVICE DE- LIVERY	New England Landfill Com- pliance to the Landfill Opera- tional License	1 x Weekly Refuse Removal provided per month for Msunduzi Households as per Refuse Collection Schedule by the 30th of June 2021	N/A	1 x Weekly Refuse Removal provided per month for Msunduzi House- holds as per Refuse Collection Schedule by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	120 000 x house- holds provided with access to Solid Waste removal as per waste col- lection schedule by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A

3.3 AREA BASED MANAGEMENT

SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				UNIT OF MEAS- URE	PERFORMANCE REPORTING 2021/22 FY PROGRESS REPORT					SOURCE DOCU- MENT		
				2020 / 2021 FY		ANNUAL 2021/22 FY PROGRESS REPORT										
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	REASON FOR DEVIATION		CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES						
ABM 01	NKPA 5 - GOOD GOVERNANCE & PUBLIC PAR- TICIPATION	Public Parti- cipation	Community com- plaints received referred to cus- tomer services and de- partments within 2 days of receipt	Community complaints received referred to cus- tomer services and de- partments within 2 days of receipt of the complaint/s by ABM by the 30th of June 2021	Community complaints received referred to cus- tomer services and de- partments within 2 days of receipt of the complaint/s by ABM by the 30th of June 2021	3 (100% - 129%)	ABM 01	NKPA 5 - GOOD GOVERNANCE & PUBLIC PAR- TICIPATION	Community complaints received	Community complaints referred to customer services and departments within 2 days of receipt of the complaint/s by ABM by the 30th of June 2022	Turnaround time	Community complaints received referred to customer services and departments within 2 days of receipt of the complaint/s by ABM by the 30th of June 2022	N/A	N/A	N/A	Complaints file

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT										
SDBP REFER.	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEAS.	ANNUAL 2021/22 FY PROGRESS REPORT				SOURCE DOCUMENT	
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION		
PERFORMANCE REPORTING 2020 / 2021 FY										
SDBP REFER.	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEAS.	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	
					ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES		
ABM 02	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Public Participation	39 x ward plans for Msunduzi Municipality reviewed and submitted to SMC by the 30th of June 2021	Number of ward plans	39 x ward plans for Msunduzi Municipality reviewed and submitted to SMC by the 30th of June 2022	39 x ward plans for Msunduzi Municipality reviewed and submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Ward plans file
ABM 03	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Effective mechanisms, processes and procedures for Community Participation	4 x OSS functionality quarterly reports for the 2021 FY produced and submitted to the Office of the Mayor and District Council by the 30th of June 2021	Number of OSS functionality quarterly reports	4 x OSS functionality quarterly reports for the 2021 FY produced and submitted to the Office of the Mayor and District Council by the 30th of June 2022	4 x OSS functionality quarterly reports for the 2021 FY produced and submitted to the Office of the Mayor and District Council by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	OSS FILE
ABM 04	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Public Participation	1 x public participation policy presentations conducted in the 20/21 FY	Date policy presentations conducted	1 x public participation policy presentations conducted in the 20/21 FY for each of the 39 ward committees of council by the 30th of June 2022	1 x public participation policy presentations conducted in the 21/22 FY for each of the 39 ward committees of council by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	public participation registers
ABM 05	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Public Participation	4 x quarterly ward audit reports for the 20/21 FY prepared and submitted to SMC on Audits conducted in each of the 39 wards on Service Delivery Challenges by the 30th of June 2021	Number of quarterly ward audit reports	4 x quarterly ward audit reports for the 21/22 FY prepared and submitted to SMC on Audits conducted in each of the 39 wards on Service Delivery Challenges by the 30th of June 2022	4 x quarterly ward audit reports for the 21/22 FY prepared and submitted to SMC on Audits conducted in each of the 39 wards on Service Delivery Challenges by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Ward audit file
ABM 06	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	HIV/AIDS & SOCIAL SERVICES	8 x Ten Days HIV/AIDS Counselling Course Training conducted as per Training Schedule in the 20/21 FY by the 30th of June 2021	Number of Trainings	8 x Ten Days HIV/AIDS Counselling Course Training conducted as per Training Schedule in the 21/22 FY by the 30th of June 2021	7 x Ten Days HIV/AIDS Counselling Course Training conducted as per Training Schedule in the 21/22 FY by the 30th of June 2021	2 (70% - 99%)	Backlog due to Covid 19 regulations	2022/2022 financial year	HIV/AIDS Soc Serv Register
ABM 07	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	HIV/AIDS & SOCIAL SERVICES	120 x Ward visits conducted in the 20/21 FY to support HIV/AIDS Groups by the 30th of June 2021	Number of ward visits conducted	120 x Ward visits conducted in the 21/22 FY to support HIV/AIDS Groups by the 30th of June 2022	172 x Ward visits conducted in the 21/22 FY to support HIV/AIDS Groups by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	HIV/AIDS & Social Serv Register
ABM 08	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	HIV/AIDS & SOCIAL SERVICES	300 x HIV/AIDS and Social Support programmes in the 20/21 FY to be coordinated by the 30th of June 2021	Number of HIV/AIDS visits coordinated	300 x HIV/AIDS and Social support programmes in the 21/22 FY to be coordinated by the 30th of June 2022	300 x HIV/AIDS and Social support programmes in the 21/22 FY to be coordinated by the 30th of June 2022	4 (130% - 149%)	No Response	N/A	HIV/AIDS Soc Serv Register
ABM 09	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Halls	Maintenance plan reviewed and submitted to SMC for onward transmission to Full Council for Approval by the 30th of November 2020	Date Maintenance Plan approved	Maintenance plan reviewed and submitted to SMC for onward transmission to Full Council for Approval by the 31st of December 2021	Maintenance plan reviewed and submitted to SMC for onward transmission to Full Council for Approval by the 31st of December 2021	3 (100% - 129%)	N/A	N/A	N/A

3.4 PUBLIC SAFETY, EMERGENCY SERVICES & ENFORCEMENT

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
ANNUAL 2021/22 FY PROGRESS REPORT												
SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
PSDM 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Public Safety & Law Enforcement	156 x road safety awareness sessions conducted in the 2021 FY by the 30th of June 2021	Number of road safety awareness sessions conducted in the 21/22 FY	156 x road safety awareness session	227 x Road safety awareness sessions conducted in the 21/22 FY by the 30th of June 2022	1 (100% - 149%)	No Response	N/A	N/A	School Road Safety & Education Report	
PSDM 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Public Safety & Law Enforcement	4 x Quarterly Reports on the fire arm verification conducted in Compliance with Fire Arms Controls Act submitted to SMC by the 30th of June 2021	Number of Quarterly Reports on the fire arm verification conducted in Compliance with Fire Arms Controls Act submitted to SMC by the 30th of June 2022	4 x Quarterly Reports	4 x Quarterly Reports on the fire arm verification conducted in Compliance with Fire Arms Controls Act submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Report to SMC	
PSDM 03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Public Safety & Law Enforcement	2 x Physical Fire arm verifications conducted on all arms and ammunition issued to Msunduzi Municipality staff by the 30th of June 2021	Number of Physical Fire arm verifications conducted on all arms and ammunition issued to Msunduzi Municipality staff by the 30th of June 2022	2 x Physical Fire arm verifications	2 x Physical Fire arm verifications conducted on all arms and ammunition issued to Msunduzi Municipality staff by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	SMC REPORT	
PSDM 04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Public Safety & Law Enforcement	2 x Fire Arm Training / Fire Arm Refresher Courses for all municipal fire arm holders conducted by the 31st of January 2021	Number of Fire Arm Training / Fire Arm Refresher Courses for all municipal fire arm holders conducted by the 30th of June 2022	2 x Fire Arm Training	2 x Fire Arm Training / Fire Arm Refresher Courses for all municipal fire arm holders conducted by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Attendance registers	
PSDM 05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	DISASTER MANAGEMENT	4 x Disaster Management Advisory Forums meetings facilitated by the 31st of May 2021	Number of Disaster Management Advisory Forums meetings facilitated by the 31st of May 2021	4 x Disaster Advisory Forums	4 x Disaster Management Advisory Forums meetings facilitated by the 31st of May 2021	3 (100% - 129%)	N/A	N/A	N/A	Minutes of meetings	
PSDM 06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	DISASTER MANAGEMENT	24 Hours turnaround time to respond to disaster related incidents reported according to the Approved DM plan/strategy by the 30th of June 2021	Average turnaround time	24 Hours turnaround time to respond to disaster related incidents reported according to the Approved DM plan/strategy by the 30th of June 2022	24 Hours turnaround time to respond to disaster related incidents reported according to the Approved DM plan/strategy by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	RISK ASSESSMENT FILE	
PSDM 07	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	DISASTER MANAGEMENT	Reviewed Disaster Management Plan prepared and submitted to SMC for approval by Council by the 31st of December 2020	Date of Submission	Reviewed Disaster Management Plan	Reviewed Disaster Management Plan prepared and submitted to SMC for approval by Council by the 31st of December 2021	3 (100% - 129%)	N/A	N/A	N/A	Report Submitted to SMC & Approved	
PSDM 08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	DISASTER MANAGEMENT	24 x Disaster awareness Campaigns (1 campaign per high risk areas, 1 public education campaign) conducted by the 30th of June 2021	Number of awareness campaigns	24 x Disaster awareness Campaigns	24 x Disaster awareness Campaigns (1 campaign per high risk areas, 1 public education campaign) conducted by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	POE FILE REGISTRATION CHECK SHEET	
N/A	N/A	N/A	N/A	Number of visits	48 x Major Hazard and Visitation	48 x Major Hazard and Visitation conducted in the 21/22 FY by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	ATTENDANCE REGISTERS	

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 21/22 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT			
					2020/2021 FY				ANNUAL 2021/22 FY PROGRESS REPORT			
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	SDIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE
PSDM 11	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	FIRE & RESCUE	600 x fire prevention inspections conducted	Number of inspections	600 x fire prevention inspections conducted by the 30th of June 2021	1130 x fire inspections conducted by the 30th of June 2021	3 (100% - 129%)	PSDM 11	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	FIRE & RESCUE	600 x fire prevention inspections conducted by the 30th of June 2022	Number of inspections
N/A	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLICABLE	PSDM 13	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	FIRE & RESCUE	120 x Fire & Rescue presentations conducted in the 21/22FY by the 30th of June 2022	Number of awareness sessions

4 INFRASTRUCTURE SERVICES

4.1 WATER AND SANITATION

SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	BASELINE / STATUS	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY ANNUAL PROGRESS REPORT			
					2020/2021 FY				ANNUAL PROGRESS REPORT			
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	SDIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE
W&S 01	NKPA 2 - BASIC SERVICE DELIVERY	WATER - NON REVENUE	Total Water Losses reduced to 28.3% in Wards 1 to 38 (in total) based on International Water Association Balance in Wards 1 to 38 (in total) by the 30th of June 2021	Reduced Total Water Losses to 28.3% in Wards 1 to 38 (in total) based on International Water Association Balance in Wards 1 to 38 (in total) by the 30th of June 2020	R 8,000,000	R 17,044,312	2 (70% - 99%)	W&S 08	NKPA 2 - BASIC SERVICE DELIVERY	Water	Total Water Losses reduced to 29%	Total Water Losses reduced to 29%
W&S 02	NKPA 2 - BASIC SERVICE DELIVERY	WATER	Practical completion of reservoir, pump station and pipeline completed in Ward 39 by 30th of June 2021	100% of 5ML reservoir construction complete by 30th June 2020	R 33,255,000	R 45,942,001	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A
W&S 03	Basic Service Delivery	Water	1 x Sanitation pump installation (Sobantu PS) completed by the 30th of June 2021	Site Establishment complete by 30th June 2020	R 33,255,000	R 45,942,001	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A
W&S 04	NKPA 2 - BASIC SERVICE DELIVERY	Water	2.6 km of new water pipeline constructed	Site Establishment complete by 30th June 2020	R 1,000,000.00	R 1,131,264	5 (150% - 167%)	N/A	N/A	N/A	N/A	N/A
W&S 05	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	1.35 km of new sewer pipeline installed	Site Establishment complete by 30th June 2020	R 5,000,000.00	R 4,295,820	N/A	W&S 10	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	4.2 km of new sewer pipeline installed in Ward 11 by the 30th of June 2022	km of new sewer
W&S 06	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	3 km of new sewer pipeline installed	Site Establishment complete by 30th June 2020	R 11,500,000.00	R 14,634,712	N/A	W&S 06	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	9.6 km of new sewer pipeline installed in Ward 16 by the 30th of June 2022	km of new sewer
					R 13,500,000.00	R 11,675,760	N/A					



SBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT				SDIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY					
					ANNUAL 2021 FY PROGRESS REPORT			CORRECTIVE MEASURE						TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT				
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)												
W&S 07	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	3.5 km of new sewer pipeline installed in Ward 13 & 18 cumulatively by the 30th of June 2021		3.653 km of new sewer pipeline installed in Ward 13 & 18 cumulatively by the 30th of June 2021	3 (100% - 129%)	W&S 07	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	2.5 km (Completion) of new sewer pipeline installed in Ward 18 by the 30th of June 2022.	2.242 km of new sewer pipeline installed in the 30th May 2022	2 (70% - 99%)	Delayed payment from contractor to replace local labour as well as a TLB and excavator breakdown. Extension of time granted until 09 August 2022.	Contractor has been instructed to replace both excavator and TLB on site with more reliable plant. Payment to local labour has since been resolved	22/23 Financial Year	Progress report			
W&S 08	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	3.0 km of new sewer pipeline installed in Ward 21 by the 30th of June 2021		3.913 km of new sewer pipeline installed in Ward 21 by the 30th of June 2021	3 (100% - 129%)	W&S 04	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	4.4 km (completion) of new sewer pipeline installed in Ward 21 by the 30th of September 2021.	3.9 km (completion) of new sewer pipeline installed in Ward 21 by the 30th of September 2021.	2 (70% - 99%)	Renegotiable contract resulting in 3.9 km of sewer pipeline being installed	N/A	22/23 Financial Year	Progress Report and Practical Completion Certificate			
W&S 09	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	2.9 km of new sewer pipeline installed in Ward 15 by the 30th of June 2021		5.562 km of new sewer pipeline installed in Ward 15 by the 30th of June 2021	5 (160% - 167%)	W&S 01	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	6 km (completion) of new sewer pipeline installed in Ward 15 by the 30th of June 2022.	6.522 km (completion) of new sewer pipeline installed in Ward 15 by the 30th of June 2022.	3 (100% - 129%)	Renegotiable contract resulting in 6.522 km of sewer pipeline being installed	N/A	N/A	Progress Report and Completion Certificate			
N/A	N/A	N/A	N/A		N/A	N/A	W&S 09	NKPA 2 - BASIC SERVICE DELIVERY	Water	2.6km of new water pipeline installed in Ward 30 and completion of first lift for reservoir walls by the 30th of June 2022.	1.345km of new water pipeline installed in Ward 30 and first lift for reservoir walls NOT completed by the 30th of June 2022.	2 (70% - 99%)	Reservoir base completed. Suspension of Works due to non-payment of invoices	Payment of contractors invoices made in June 2022. Contractor to return to site in July 2022	N/A	Letter of Suspension			
W&S 10	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	100% of concrete pouring for internal columns complete		0.5 km of new water pipeline installed by 30th June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
N/A	N/A	N/A	N/A		N/A	N/A	W&S 11	NKPA 2 - BASIC SERVICE DELIVERY	Water	7km of new water pipeline installed in Ward 3 & 6 cumulatively by the 30th of June 2022.	7km of new water pipeline installed in Ward 3 & 6 cumulatively by the 30th of June 2022.	3 (100% - 129%)	Contractor has been granted an extension of time until October 2022 to allow for completion of pump station works.	N/A	N/A	June 2022 Progress Report			
N/A	N/A	N/A	N/A		N/A	N/A	W&S 13	NKPA 2 - BASIC SERVICE DELIVERY	Sanitation	1500 x VIP toilets installed	Installation of 1158 VIP units cumulatively by 30th June 2022	2 (70% - 99%)	Insufficient budget to complete the 1500 units in 21/22FY as such, 1158 units were installed in 21/22FY and the balance to be completed in 22/23FY	Contractors to continue and complete remainder of units in July 2022.	N/A	Invoices			
					N/A	N/A	N/A			N/A	N/A	N/A	N/A	N/A	N/A	N/A			

PERFORMANCE REPORTING 2021/2022 FY													
SDIP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT								
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
R&T 01	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Construction of 0.5 km road in Ashdown Ward 23 from gravel to black top asphalt with associated stormwater completed by the 30th of November 2020	Km of road construction in Ashdown Ward 23 from gravel to black top asphalt with associated stormwater completed	NIL	Construction of 0.5 km road in Ashdown Ward 23 from gravel to black top asphalt with associated stormwater completed by the 30th of November 2020	R 1,700,000	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A
R&T 02	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Construction of 0.25 km road in Dambuzza Ward 22 from gravel to black top asphalt with associated stormwater completed by December 2020 and Preliminary design of a road in Dambuzza Ward 22 completed by May 2021	Km of road construction in Dambuzza Ward 22 from gravel to black top asphalt with associated stormwater completed	NIL	Construction of 0.25 km road in Dambuzza Ward 22 from gravel to black top asphalt with associated stormwater completed by December 2020 and Preliminary design of a road in Dambuzza Ward 22 completed by May 2021	R 4,000,000	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 03	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Construction of 0.45 km road in Greater Edendale Ward 20 (Harewood) from gravel to black top asphalt with associated stormwater completed by the 31st of March 2021	Km road construction in Greater Edendale Ward 20 (Harewood) from gravel to black top asphalt with associated stormwater completed	NIL	Construction of 0.45 km road in Greater Edendale Ward 20 (Harewood) from gravel to black top asphalt with associated stormwater completed by the 31st of March 2021	N/A	2 (70% - 99%)	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 04	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Construction of 0.280 km road in Greater Edendale Ward 11 (Snathling) from gravel to black top asphalt with associated stormwater completed by the 30th of April 2021	Km road construction in Greater Edendale Ward 11 (Snathling) from gravel to black top asphalt with associated stormwater completed	NIL	Construction of 0.280 km road in Greater Edendale Ward 11 (Snathling) from gravel to black top asphalt with associated stormwater completed by the 30th of April 2021	R 3,000,000.00	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A

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PERFORMANCE REPORTING 2021/2022 FY												
SDBP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT							
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3 & 5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME - FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
R&T 08	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Date Site establishment for Construction of 1.5 km road in Vullindlela Ward 6 from gravel to black top asphalt commenced by the 30th of June 2021	Site establishment for Construction of 1.5 km road in Vullindlela Ward 6 from gravel to black top asphalt with associated stormwater commenced by the 30th of June 2021	Open tender cancelled due to compulsory tender briefing clause and change of scope.	R3,000,000.00	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Practical Completion Certificate
R&T 09	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Date Site establishment for Construction of 1.7 km road in Vullindlela Ward 8 from gravel to black top asphalt commenced by the 30th of June 2021	Site establishment for Construction of 1.7 km road in Vullindlela Ward 8 from gravel to black top asphalt with associated stormwater commenced by the 30th of June 2021	Contractor appointed	R1,700,000.00	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Monthly progress report
R&T 10	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Date Kerb and channelling completed	Kerb and channelling completed by the 30th of June 2021		N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 11	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Km road construction in Vullindlela Ward 5 from gravel to black top asphalt with associated stormwater construction completed	Construction of 1.8 km road in Vullindlela Ward 5 from gravel to black top asphalt completed by the 31st of March 2021		R1,700,000.00	N/A	N/A	N/A	N/A	N/A	N/A
R&T 12	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Site Establishment for Mabane Causeway in Vullindlela ward 2 commenced by the 30th of June 2021	Site establishment for Mabane Causeway in Vullindlela ward 2 commenced by the 30th of June 2021 .		R1,700,000.00	N/A	N/A	N/A	N/A	N/A	N/A

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VISION

"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

PERFORMANCE REPORTING 2021/2022 FY											
SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT						
					2021 FY PROGRESS REPORT			REASON FOR DEVIATION	CORRECTIVE MEASURE	FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCU- MENT
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)				
N/A	N/A	UPGRADING OF ROADS INTO BLACK TOP	Sub-base for construction of 1 km road in Vulindlela Ward 7	Km of road constructed	N/A	N/A	1 (69% & below)	Contractor withdrew from Project. Approximately 18% of subgrade completed only. Contractor terminated works by letter to SCM. In May 2022. Replacement contractor appointed in Mid June 2022	Replacement contractor has been appointed	25 July 2022.	Appointment letter for the new contractor.
R&T 14	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 15	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 16	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 17	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 18	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	UPGRADING OF ROADS INTO BLACK TOP	Construction of 2.1 km length of road in Peace Valley III	Km of road constructed	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	Practical Completion Certificate

SDIP REFER-	NATIONAL KEY AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	SDIP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL					PERFORMANCE REPORTING 2021/2022 FY				
							20/21 FY PROGRESS REPORT		ANNUAL 2021 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT				
							ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1:2,3,4,5, Not Applicable)	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1:2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE
R&T 20	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Projected EIA approval for Construction of 0.5 km road in Georgelown / Esigodini Ward 12 from gravel to black top asphalt with associated stormwater by the 30th of June 2021	Date Projected EIA approval for Construction of 0.5 km road in Georgelown / Esigodini Ward 12 from gravel to black top asphalt with associated stormwater by the 30th of June 2021	N/A	Projected EIA NOT approved for road in Georgelown / Esigodini Ward 12 from gravel to black top asphalt with associated stormwater by the 30th of June 2021	Delay in Report to be submitted due to land acquisition	N/A	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 21	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Site establishment for Construction of 1.5 km road in Vullindela Ward 7 from gravel to black top asphalt with associated stormwater commenced by the 30th of June 2021	Date Site establishment for Construction of 1.5 km road in Vullindela Ward 7 from gravel to black top asphalt with associated stormwater commenced	N/A	Site establishment for Construction of 1.5 km road in Vullindela Ward 7 from gravel to black top asphalt with associated stormwater NOT commenced by the 30th of June 2021	N/A	N/A	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 22	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	0.3km Concrete road with drainage and surfacing completed by the 30th of June 2021	Km Concrete road with drainage and surfacing completed	R&T 13	0.695km of concrete road with drainage and surfacing completed by the 30th of June 2021.	N/A	N/A	1 (100% - 167%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 23	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Construction of 1 km length of Masoyi Road in Vullindela Ward 39, from gravel to asphalt surface with associated stormwater by the 30th of June 2021	Km length of Masoyi Road in Vullindela Ward 39, from gravel to asphalt surface with associated stormwater.	R&T 14	Construction of 1 km length of Masoyi Road in Vullindela Ward 39, from gravel to asphalt surface with associated stormwater NOT completed by the 30th of June 2021	Target Partially met, base preparation	N/A	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 24	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	6000sqm of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted immulsion) by the 30 of June 2021	sqm of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted immulsion)	R&T 15	6000sqm of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted immulsion) by the 30 of June 2021	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 25	NKPA 2 - BASIC SERVICE DELIVERY	UPGRADING OF ROADS INTO BLACK TOP	Concept and Preliminary design for Shole Road in Ward 9 completed by the 31st of May 2021	Date Concept and Preliminary design for Shole Road in Ward 9 completed	N/A	Concept and Preliminary design for Shole Road in Ward 9 completed	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R&T 26	NKPA 2 - BASIC SERVICE DELIVERY	IRPTN	55% of Work Package 2 completed by the 30th of June 2021. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 6.5 to km 7.5)	12% (layer works and earthworks) completed	R&T 16	64% of Work Package 2 completed by the 30th of June 2021. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 6.5 to km 7.5)	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

ANNUAL REPORT
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PERFORMANCE REPORTING 2020/2021 FY - ANNUAL										PERFORMANCE REPORTING 2021/2022 FY								
SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	2020/21 FY PROGRESS REPORT			SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1-2,3,4,5 Not Appli- cable)						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1-2,3,4,5 Not Appli- cable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME - FRAME TO IMPLEMENT CORRECTIVE MEASURES
R&T 27	NKPA 2 - BASIC SERVICE DELIV- ERY	IRPTN	47% of Work Package 3 completed by the 30th of May 2021. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 7.5 to km 8.8)	% of Work Package 3 completed. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 7.5 to km 8.8)	41% of Work Package 3 completed by the 30th of May 2021. Layer works and earth-works are in progress. (Construction of earth-works, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 7.5 to km 8.8).	2 (70% - 99%)	R&T 17	NKPA 2 - BASIC SERVICE DELIVERY	IRPTN	6% of Work Package 3 completed. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 7.5 to km 8.8) by the 28th of February 2022	3 (100% - 129%)	N/A	N/A	N/A	Practical completion certificate			
R&T 28	NKPA 2 - BASIC SERVICE DELIV- ERY	IRPTN	24% of Work Package 4 completed by the 28th of February 2021. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 8.8 to km 10.3)	% of Work Package 4 completed. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 8.8 to km 10.3)	24% of Work Package 4 completed by the 28th of February 2021. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidha Road between km 8.8 to km 10.3)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
N/A	N/A	N/A	N/A	N/A	N/A	N/A	R&T 18	NKPA 2 - BASIC SERVICE DELIVERY	ROAD SAFETY	40 X traffic calming measures installed in various sites	No. of traffic calming measures installed	N/A	N/A	N/A	N/A	Completion certificate		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	R&T 20	NKPA 2 - BASIC SERVICE DELIVERY	STREAMS PROTECTION	Conceptual design for the stream canalization/bank protection project completed by the 30th of June 2022 and 41m3 of gabions for No. 80 Kingstone completed	Detailed design report	N/A	N/A	N/A	N/A	Conceptual Design Report - Practical Completion cert. for gabions at 80 Kingston Road.		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	R&T 22	NKPA 2 - BASIC SERVICE DELIVERY	PURCHSING	2 x steel containers delivered	Number of containers	N/A	N/A	N/A	N/A	Communication from the supplier		

4.3 PROJECT MANAGEMENT OFFICE (HALLS)

SDIP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	BASELINE / STATUS Quo	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT			SDIP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY						
					ANNUAL 2021 FY PROGRESS REPORT		ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL PROGRESS REPORT						
					ANNUAL TARGET	ANNUAL ACTUAL							ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
PMO 01	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Construction to foundation level for Madiba Community Hall	New	Commencement of construction to foundation level for Madiba Community Hall in ward 34 completed by the 30th of June 2021	Commencement of construction to foundation level for Madiba Community Hall in ward 34 NOT completed by the 30th of June 2022.	1 (69% & below)	PMO 01	NKPA 2 - BASIC SERVICE DELIVERY	Completion of Madiba community hall	Completion of Madiba community hall NOT completed by the 30th of June 2022.	Madiba community hall NOT completed by the 30th of June 2022.	1 (69% & below)	Slow progress on site from the contractor	The contractor submitted revised programme	31-Aug	Progress Report		
PMO 02	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Construction of Foundation completed for Elandslop community Hall	New	Construction of Foundation not completed for Elandslop community Hall in ward 8 by the 30th of June 2021	Foundations of ward 8 Community hall NOT constructed by the 30th of June 2022.	1 (69% & below)	PMO 02	NKPA 2 - BASIC SERVICE DELIVERY	Construction of foundations of ward 8 Community hall by the 30th of June 2022.	Foundations of ward 8 Community hall NOT constructed by the 30th of June 2022.	R2 369 949.53	1 (69% & below)	Change in procurement strategy.	Provisional letter has been issued.	N/A	Provisional appointment letter		
PMO 03	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Final design for Ward 24 Community Hall Completed by the 30th of June 2020	Final design for Ward 24 Community Hall Completed by the 30th of June 2020	Site establishment and excavation for Orbi Community Hall in ward 24 by the 30th of April 2021	Site establishment and excavation not completed for Orbi Community Hall in ward 24 by the 30th of April 2021	N/A	PMO 03	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Appointment of Contractor for Ward 24 Community hall by the 30th of June 2022.	Appointment of Contractor for Ward 24 Community hall by the 30th of June 2022.	R 473 726.31	3 (100% - 129%)	N/A	N/A	N/A	Appointment letter	
PMO 04	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Site establishment and excavation for Orbi Community Hall	New	Construction of foundation level for Thembalihle Community Hall in ward 38 NOT completed by the 30th of June 2021.	Brickworks for Thembalihle Community Hall in ward 38 NOT completed by the 30th of June 2022	1 (69% & below)	PMO 04	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Complete the brickworks for Thembalihle Community Hall in ward 38 by the 30th of June 2022	Brickworks for Thembalihle Community Hall in ward 38 NOT completed by the 30th of June 2022	R1 075 788.12	N/A	Change in procurement strategy.	Provisional letter has been issued.	N/A	Tender Notice and attendance register	
PMO 05	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Site Establishment for France Community Hall completed by the 30th of June 2020	Final Design for Ward 13 Community Hall completed by the 30th of June 2020	Site Establishment for France Community Hall in Ward 13 completed by the 31st of May 2021	Site Establishment for France Community Hall in Ward 13 not completed by the 31st of May 2021	1 (69% & below)	PMO 05	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Construction of Foundation level for community hall ward 13 by the 30th of June 2022.	Foundation level NOT completed for community hall ward 13 by the 30th of June 2022.	R82 527.50	N/A	Progressive delay due to the social unrest.	Unrest were resolved and the contractor is on site.	N/A	Progress Report Emails from the Contractor	
PMO 06	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Foundation for Copesville Community Hall	NIL	Commencement of foundation for Copesville Community Hall in ward 29 by 30th of June 2021	Commencement of foundation not completed for Copesville Community Hall in ward 29 by 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
PMO 07	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Contractor for Mbizane Community Hall in Ward 5 appointed	New	Contractor for Mbizane Community Hall in Ward 5 appointed by the 30th of June 2021	Contractor for Mbizane Community Hall in Ward 5 not appointed by the 30th of June 2021	1 (69% & below)	PMO 05	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Roof Construction completed for ward 5 community hall by the 30th of June 2022	Roof Construction completed for ward 5 community hall by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	Practical Completion certificate	
PMO 08	Basic Service Delivery	PUBLIC FACILITY CONSTRUCTION	Mass Earthworks and Commencement of Foundations for Mafunze Community Hall in ward 7 completed by the 30th of June 2021	New	Mass Earthworks and Commencement of Foundations for Mafunze Community Hall in ward 7 not completed by the 30th of June 2021	Foundations level for Mafunze community hall ward 7 NOT commenced by the 30th of June 2022.	1 (69% & below)	PMO 06	NKPA 2 - BASIC SERVICE DELIVERY	PUBLIC FACILITY CONSTRUCTION	Commencement of foundations level for Mafunze community hall ward 7 by the 30th of June 2022.	Foundations level for Mafunze community hall ward 7 NOT commenced by the 30th of June 2022.	R9 354 484.16	N/A	The project was changed from open tender to closed tender.	The contractor has been granted the final Appointment letter	N/A	Appointment letter	
					R670 000.00	N/A	N/A						N/A	N/A	N/A	N/A	N/A	N/A	

4.4 MECHANICAL WORKSHOP

SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY							SOURCE DOCUMENT				
								ANNUAL PROGRESS REPORT					CORRECTIVE MEASURE	TIME- FRAME- TO IMPLEMENT CORRECTIVE MEASURES		SOURCE DOCUMENT			
								PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT		ACTUAL (1,2,3,4,5, Not Applicable)	SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA							

5. ELECTRICITY SUPPLY SERVICES

SDBP REFER-ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT						
					ANNUAL 20/21 FY PROGRESS REPORT								ANNUAL PROGRESS REPORT					SOURCE DOCUMENT	
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE		TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES
ELEC 01	N/A	N/A	95	100% of faulty / defective electricity meters replaced as per technical exception table by the 30th of June 2021	72% OF FAULTY/ DEFECTIVE ELECTRICITY METERS ATTENDED AS PER TECHNICAL EXCEPTION TABLE by the 31st January 2021	2 (70% - 99%)	ELEC 01	NKPA 2 - BASIC SERVICE DELIVERY	Faulty / Defective Meter Replacement	100% of faulty / defective electricity meters replaced as per technical exception table and audits by the 30th of June 2022.	% of faulty / defective electricity meters replaced	100% of faulty / defective electricity meters replaced as per technical exception table and audits by the 30th of June 2022.	103.5% (945/913) of faulty / defective electricity meters replaced as per technical exception table and audits by the 30th of June 2022.	3 (100% - 129%)	A LIST OF 913 ESTIMATED METERS/ INSTALLATIONS WAS RECEIVED, 913 HAS BEEN ATTENDED, 675 HAS BEEN REPLACED, RECTIFIED OR PROVED TO BE NOT THE CAUSE OF ESTIMATE. A FEW HAS BEEN RETURNED TO FINANCE DUE TO WRONG, INSUFFICIENT INFORMATION FOUND DISCONNECTED ETC.	N/A	N/A	memos	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	ELEC 02	NKPA 2 - BASIC SERVICE DELIVERY	Public Lighting	20 x high masts lights erected and commissioned by the 30th of June 2022.	Number of high masts lights	20 x high masts lights erected and commissioned by the 30th of June 2022.	All 20 x High Masts Lights have been erected. Only 2 x High Masts have been Commissioned by the 30th of June 2022	2 (70% - 99%)	Escom delayed in connecting the electricity services to the meter box will be done in 22/23 financial year	The high mast lights connections from the Eskom meter box will be done in 22/23 financial year	Six months	Handover Report and Close-Out Report	
													R 250,000.00	N/A					
													R 423,227.00	R7,012,182.00					

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SDBP REFER.	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT			PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT									
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL PROGRESS REPORT									
								ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT			
ELEC 03	N/A	N/A	42 x 11kV equipment purchased and delivered	Specialized tools and testing equipment for all electricians purchased and delivered	42 x 11kV equipment purchased and delivered by the 30th of June 2021	76 x 11kV equipment purchased and delivered by the 30th of June 2021	4 (130% - 149%)	N/A	NKPA 2 - BASIC SERVICE DELIVERY	NETWORK 132kV REHABILITATION PLAN	114 x 11kV equipment purchased and delivered by the 30th of June 2022	125 x 11kV equipment purchased and delivered by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Purchase Orders, Delivery Notes, Invoices, and the letter from the service provider's attorneys	
ELEC 04	NKPA 2 - BASIC SERVICE DELIVERY	VEHICLES	N/A	3 X Vehicles purchased and delivered	3 X Vehicles purchased and delivered by the 30th of June 2021	R 1,955,628.00	N/A	5 (150% - 167%)	N/A	N/A	N/A	R25,000,000.00	N/A	N/A	N/A	N/A	
ELEC 05	NKPA 2 - BASIC SERVICE DELIVERY	HILTON 33kV NETWORK UPGRADE	2x 13 MVA (12KM) Circuit with 95MM 3/C Cable	3 X 26MVA Circuit with 630MM 1/Cable (12KM) tested and commissioned by the 30th of June 2021	3 X 26MVA Circuit with 630MM 1/Cable (12KM) tested and commissioned by the 30th of June 2021	R 4 350 190.00	N/A	3 (100% - 129%)	N/A	NKPA 2 - BASIC SERVICE DELIVERY	HILTON 33kV NETWORK UPGRADE	Installation of Outdoor Structure at Crossways including 11kV network upgrade and installation of 3 X 26MVA Circuit with 630MM 1/Cable (12KM) tested and commissioned by the 30th of June 2022	Installation of Outdoor Structure at Crossways including 11kV network upgrade and installation of 3 X 26MVA Circuit with 630MM 1/Cable (12KM) tested and commissioned by the 30th of June 2022, however the 11kV network upgrade was partly done and halted due to Budget issues	2 (70% - 99%)	N/A	N/A	Close-out report and communication from Finance
ELEC 03	NKPA 2 - BASIC SERVICE DELIVERY	NETWORK 132kV REHABILITATION PLAN	42 x 11kV equipment purchased and delivered	42 x 11kV equipment purchased and delivered	42 x 11kV equipment purchased and delivered by the 30th of June 2021	76 x 11kV equipment purchased and delivered by the 30th of June 2021	4 (130% - 149%)	N/A	NKPA 2 - BASIC SERVICE DELIVERY	NETWORK 132kV REHABILITATION PLAN	N/A	Purchase and delivery of 630mm 1/c cables including delivery of 11kV Switchgear Panels for Newport/Slang-spruit, Alex/French ever Switchgear and Afrox Substations achieved by 30 June 2022	N/A	1 (69% & below)	N/A	N/A	Delivery notes and invoices for cables and communication from Finance to stop the projects due to budget issues

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VISION

"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT															
SDBP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					
										ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT		
										ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	REASON FOR DEVIATION
ELEC 07	NKPA 2 - BA- SIC SERVICE DELIVERY	ELECTRIFI- CATION OF JIKA-JOE COMMUNAL RESIDEN- TIAL UNITS (CRU'S) PHASE 1	Nil household connections available(New pro- ject-Phase 1)	404 Household Connections	ELEC 06	NKPA 2 - BA- SIC SERVICE DELIV- ERY-INEP	ELECTRIFI- CATION OF RURAL AREAS, FORMAL AND INFORMAL SETTLEMENTS	43 x HOUSE SERVICE CONNEC- TIONS	Number of Connections	43 x service connec- tions achieved by the 30th of June 2022.	3 (100% - 129%)	N/A	N/A	N/A	Close-Out Report
					ELEC 07	NKPA 2 - BA- SIC SERVICE DELIV- ERY-INEP	ELECTRIFI- CATION OF RURAL AREAS, FORMAL AND INFORMAL SETTLEMENTS	216 x HOUSE SERVICE CONNEC- TIONS	Number of Connections	R350,000.00 216 x service connec- tions achieved by the 30th of June 2022.	3 (100% - 129%)	N/A	N/A	N/A	N/A
					ELEC 08	NKPA 2 - BA- SIC SERVICE DELIV- ERY-INEP	ELECTRIFI- CATION OF RURAL AREAS, FORMAL AND INFORMAL SETTLEMENTS	250 x HOUSE SERVICE CONNEC- TIONS	Number of Connections	R3,660,000.00 168 x service connec- tions achieved by the 30th of June 2022.	N/A	N/A	Budget Shortfall due to grant being withdrawn by National Treasury.	N/A	N/A
					ELEC 09	NKPA 2 - BA- SIC SERVICE DELIV- ERY-INEP	ELECTRIFI- CATION OF RURAL AREAS, FORMAL AND INFORMAL SETTLEMENTS	247 x HOUSE SERVICE CONNEC- TION	Number of Connections	R4,300,000.00 247 x service connec- tions achieved by the 30th of June 2022.	N/A	N/A	Budget Shortfall due to grant being withdrawn by National Treasury.	N/A	N/A
					ELEC 11	NKPA 2 - BA- SIC SERVICE DELIV- ERY-INEP	ELECTRIFI- CATION OF RURAL AREAS, FORMAL AND INFORMAL SETTLEMENTS	207 x HOUSE SERVICE CONNEC- TIONS	Number of Connections	R1,700,000.00 207 x service connec- tions achieved by the 30th of June 2022.	3 (100% - 129%)	N/A	N/A	N/A	Close-Out Report
ELEC 06	NKPA 2 - BA- SIC SERVICE DELIVERY	PROVISION OF TOOLS AND EQUIP- MENT TO STAFF	N/A	Specialized tools and testing equipment for all electricians purchased and delivered by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A
ELEC 07	NKPA 2 - BA- SIC SERVICE DELIVERY	ELECTRIFI- CATION OF JIKA-JOE COMMUNAL RESIDEN- TIAL UNITS (CRUS) PHASE 1	Nil household connections available(New pro- ject-Phase 1)	404 Household Connections	ELEC 10	NKPA 2 - BA- SIC SERVICE DELIV- ERY-INEP	ELECTRIFI- CATION OF RURAL AREAS, FORMAL AND INFORMAL SETTLEMENTS	404 x HOUSE SERVICE CONNEC- TION	Number of Connections	N/A 404 x House ser- vice Connections achieved by the 30th of June 2022.	N/A	N/A	The whole amount of R8 768 502.00 has been transferred to the Human Settlements Department	N/A	N/A
ELEC 08	NKPA 2 - BA- SIC SERVICE DELIVERY	PURCHASE OF OFFICE ASSETS	16 x laptops purchased and delivered by the 30th of June 2021	16 x laptops purchased and delivered by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A
ELEC 09	NKPA 2 - BA- SIC SERVICE DELIVERY	PURCHASE OF OFFICE ASSETS	14 x ergonomic office chairs purchased and delivered by the 31st of December 2020	14 x ergonomic office chairs purchased and delivered by the 31st of December 2020	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A
ELEC 10	NKPA 2 - BA- SIC SERVICE DELIVERY	Meter audits	95	100% audit of bulk electricity meters completed by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A
ELEC 11	NKPA 2 - BA- SIC SERVICE DELIVERY	Tariff Study	95	100% cost of supply (re- flective) study completed by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLI- CABLE	N/A	N/A	N/A	N/A
										N/A	N/A	N/A	N/A	N/A	N/A

SDBP REFER-ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT					
						ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT		
						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES
ELEC 02	NKPA 2 - BASICS SERVICE DELIVERY	Meter audits	N/A	Appointment of Service Provider and Generate Purchase Order by the 31st of December 2020	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A

6. SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES

HUMAN SETTLEMENTS (HOUSING)

SDBP REFER-ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT					
						ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT		
						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES
HS 02	NKPA 2 - BASICS SERVICE DELIVERY	Preparation and packaging of the Human Settlements Sector (Policy Document)	Inception Report in Place	Final Housing Sector Plan submitted to SMC for onwards transmission to Council for approval by the 30th of September 2020	N/A	R420325.00	Final Housing Sector Plan submitted to SMC for onwards transmission to Council for approval by the 30th of September 2020	3 (100% - 129%)	N/A	N/A	N/A
HS 03	NKPA 2 - BASICS SERVICE DELIVERY	4 x new houses completed for Edendale Phase 8 Ext in the 19/20 FY by the 30th of June 2020	Construction of top structures to the value of R112 780 654.37 in ward 33 (Jlaka Joe Community Residential Unit) in the 19/20 FY by the 30th of June 2020	102 x new houses completed in the 20/21 FY for Edendale Phase 8 Ext by the 30th of June 2021	Number of new houses completed R7,349,130.83	N/A	52 x new completions, 58 x wall plates, 57 x new foundations, 53 new roofs. In the 20/21 FY for Edendale Phase 8 ext by 30th of June 2021	2 (70% - 99%)	N/A	A special commitment has been set up with project stakeholders to get people to move or demolish the formal structures that are in the way of the proposed units do not want to move or demolish their structures	2 Months
HS 04	NKPA 2 - BASICS SERVICE DELIVERY	Construction of top structures to the value of R59 270 000.00 in ward 33 (Jlaka Joe Community Residential Unit) in the 19/20 FY by the 30th of June 2021	Construction of top structures to the value of R59 270 000.00 in ward 33 (Jlaka Joe Community Residential Unit) in the 19/20 FY by the 30th of June 2021	Construction of external works in phase 1A to be completed by the 30th of June 2022	Date construction completed R13,188,544.66	N/A	Construction of external works in phase 1A to be completed to the value of R6 000 000 in the 21/22 FY for Jilka Joe by the 30th of June 2022	1 (69% & below)	N/A	The Implementing Agent is assisting the contractor with struggling with the cash flow to purchase the material.	1 month
HS 05	NKPA 2 - BASICS SERVICE DELIVERY	180 x new houses completed for the Wirewall Rectification Project in the 19/20 FY by the 30th of June 2020	220 x new houses completed for the Wirewall Rectification Project in the 19/20 FY by the 30th of June 2020	309 x new houses completed for the Wirewall Rectification Project in the 20/21 FY by the 30th of June 2021	Number of new houses completed N/A	N/A	187 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	3 (100% - 129%)	N/A	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	N/A
HS 07	NKPA 2 - BASICS SERVICE DELIVERY	331 x new houses completed for the Wirewall Rectification Project in the 19/20 FY by the 30th of June 2020	180 x houses renovated for the Wirewall Rectification Project in the 19/20 FY by the 30th of June 2020	370 x houses renovated for the Wirewall Rectification Project in the 20/21 FY by the 30th of June 2021	R47,305,960.89	N/A	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	3 (100% - 129%)	N/A	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	N/A

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
SDBIP REFER-	NATIONAL KEY AREA	PROGRAMME	BASELINE	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT						
						2021 FY PROGRESS REPORT			2022 FY PROGRESS REPORT			
						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
HS 08	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	N/A	78 x new houses completed for the Site 11 Housing project N/A	25 x new houses completed for the Site 11 Housing project (Ward 32) for the 20/21 FY by the 30th of June 2021	1 (69% & below)	N/A	There is slow progress on site due to delay of payments and amendment of the tripartite agreement	To facilitate the process of the agreement and engage with the IA to add more teams on site to make up or the time lost	2 months	D6	
HS 10	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	N/A	78 x new houses completed for the Site 11 Housing project N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	D6
HS 11	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	N/A	50 x new houses completed for the Glenwood Q-Section Housing project N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HS 12	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	N/A	78 x new houses completed for the Thembalihle Housing project N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HS 15	NKPA 2 - BASIC SERVICE DELIVERY	Municipal Rental Stock	N/A	50 x new houses completed for the Happy Valley Housing project N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HS 16	NKPA 2 - BASIC SERVICE DELIVERY	Municipal Rental Stock	120 New Leases signed by 30 June 2020	180 x Leases prepared (1 July 2020 to 30 June 2021) N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HS 01	NKPA 2 - BASIC SERVICE DELIVERY	Undertaking of detailed studies for Human Settlements sites	Identified sites for Human Settlements purposes.	SPLUMA application prepared and submitted by the implementing agent to Msunduzi Municipality by the 30th of June 2021	SPLUMA Application has been Prepared and submitted by the IA on 1st June 2021 to the Msunduzi Municipality	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HS 12	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	N/A	50 x new houses completed for the Lot 182 project N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SDIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
					ANNUAL 20/21 FY PROGRESS REPORT		OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT									
					ANNUAL TARGET	ANNUAL ACTUAL						ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
HS 13	NKPA 2 – BASIC SERVICE DELIVERY		N/A	70 x new houses completed in the 2021 FY for Ungungundlovu Rectification Project		70 x new houses completed in the 2021 FY for Ungungundlovu Rectification Project by the 30th of June 2021	0 x new houses completed in the 2021 FY	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A					
HS 14	NKPA 2 – BASIC SERVICE DELIVERY	Municipal Rental Stock	2015 Audit 148 Verified during 2016 to 30 June 2020	150 x Council rental stock verified to have occupancy by the 30th of June 2021		150 x Council rental stock verified to have occupancy by the 30th of June 2021	25 x Council rental stock verified to have occupancy by the correct tenants by the 30th of June 2021	1 (69% & below)	N/A	N/A	344 Rental Housing Units to be visited and verified	Number	N/A	N/A	333 Rental Housing Units to be visited and verified to have the correct occupancy by the 30th of June 2022	2 (70% - 99%)	Tenants resisting to follow and/or accept council resolution.	Verifications to be done the following month	2/23 FY	N/A	Copy of Verification Forms
HS 16	NKPA 2 – BASIC SERVICE DELIVERY	Municipal Rental Stock	147 Tenants handed over to attorneys for eviction	100% of defaulting tenants to be handed over to Attorneys		100% of defaulting tenants to be handed over to Attorneys by the 30th of June 2021	100% of defaulting tenants to be handed over to Attorneys to implement legal processes by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	100% of defaulting tenants to be handed over to Attorneys to implement legal processes by the 30th of June 2022	Percentage	N/A	N/A	100% of defaulting tenants to be handed over to Attorneys to implement legal processes by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	N/A	Correspondence from the attorneys

6.2 DEVELOPMENT SERVICES

SDIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT						PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT									
					ANNUAL 20/21 FY PROGRESS REPORT						ANNUAL PROGRESS REPORT									
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE
DS 01	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Approved Detailed Engineering Designs & Construction Implementation approval by Treasury	250m of Promenade 1: Road (R1) constructed and completed by the 30th of June 2021	250m of Promenade 1: Road (R1) constructed and completed by the 30th of June 2021	90m of Promenade 1: Road (R1) constructed and completed by the 30th of June 2021	1 (69% & below)	Land acquisition negotiations failed.	Expropriation application has been submitted to CoGTA. Conclusion of servitude agreement.	Servitude agreement (Sept 2021)	Expropriation application submission. Email from attorney for servitude agreement.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TOWN PLANNING & ENVIRONMENTAL MANAGEMENT

SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT									
					ANNUAL 20/21 FY PROGRESS REPORT				ANNUAL PROGRESS REPORT									
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES
TP & EM 01	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	17000 sites baited and/or treated for Vector Control in 2019/2020 FY	17 000 sites baited and/or treated for Vector Control	17224sites baited and/or treated for Vector Control in the 2020/2021 FY by the 30th of June 2021	3 (100% - 129%)	TP & EM 11	NKPA 6 - CROSS CUTTING	17 000 sites baited and/or treated	17 000 sites baited and/or treated	Date final Draft Single Land Use Scheme prepared and submitted to SMC	17 000 sites baited and/or treated for Vector Control in the 2021/2022 FY by the 30th June 2022	9227 sites baited and/or treated for Vector Control in the 2021/2022 FY by the 30th June 2022	2 (70% - 99%)	Due to no stock of rodenticides	Funds removed from budget. Awaiting response from FSS manager.	22/23 FY	Vector control file
TP & EM 02	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	960 Food samples and swabs taken & analyzed in 2019/2020 FY	960 Food samples and swabs taken & analyzed	961 Food samples and swabs taken & analyzed in the 2020/2021 FY by the 30th of June 2021	3 (100% - 129%)	TP & EM 12	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	960 Food samples and swabs taken & analyzed	Number of Food samples and swabs taken & analyzed	960 Food samples and swabs taken & analyzed in the 2021/2022 FY by the 30th of June 2022	960 Food samples and swabs taken & analyzed in the 2021/2022 FY by the 30th June 2022	3 (100% - 129%)	N/A	N/A	N/A	Laboratory file
					R102 000.00	R102 000.01	N/A					R102 000.00	R102 000.01	N/A	N/A	N/A	N/A	N/A

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT															
SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				UNIT OF MEASURE	ANNUAL PROGRESS REPORT					SOURCE DOCUMENT
					ANNUAL 20/21 FY PROGRESS REPORT		ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL TARGET		ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME - FRAME TO IMPLEMENT CORRECTIVE MEASURES	
					ANNUAL TARGET	ANNUAL ACTUAL									
TP & EM 03	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	1020 water samples taken & analyzed for Water Quality Control in 2019/2020 FY	1020 Water samples taken & analyzed for Water Quality Control (Potable water)	Number of water samples taken & analyzed for Water Quality Control	Safeguarding the environment for the optimal health of the Community	TP & EM 13	3 (100% - 129%)	1174 water samples taken & analyzed for Water Quality Control in the 2020/2021 FY by the 30th of June 2021	1167 water samples taken & analyzed for Water Quality Control in the 2021/2022 FY by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Laboratory file	
TP & EM 04	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	800 water samples taken & analyzed for Water Quality Control in 2019/2020 FY	800 Water samples taken & analyzed for Water Quality Control (Raw water)	Number of water samples taken & analyzed for Water Quality Control	Safeguarding the environment for the optimal health of the Community	TP & EM 14	N/A	R39 122.50 800 water samples taken & analyzed for Water Quality Control in the 2020/2021 FY by the 30th of June 2021	(Potable water) 18,388 801 water samples taken & analyzed for Water Quality Control in the 2021/2022 FY by the 30th of June 2022	N/A	N/A	N/A	N/A	
TP & EM 06	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	24 x real time (continuous) quantitative air quality reports of criteria and other pollutants produced and submitted to SMC in the 2019/2020 FY	36 x real time (continuous) quantitative air quality reports of criteria and other pollutants produced and submitted to SMC in the 2020/2021 FY by the 30th of June 2021	Number of real time (continuous) quantitative air quality reports	Safeguarding the environment for the optimal health of the Community	TP & EM 15	N/A	R39 122.50 36 x real time (continuous) quantitative air quality reports of criteria and other pollutants produced and submitted to SMC in the 2020/2021 FY by the 30th of June 2021	(Raw water) N/A 36 x real time (continuous) quantitative air quality reports of criteria and other pollutants produced and submitted to SMC in the 2021/2022 FY by the 30th of June 2022	N/A	N/A	N/A	N/A	
TP & EM 07	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	GEVDI	Approved Addendum and Land Acquisition 2020 Business Plan by Council	1 x report prepared and submitted to the Strategic Management Committee on the acquisition of land as per the Approved Addendum and 2020 Business Plan by 30th of June 2021	R500 001 1 x report prepared and submitted to the Strategic Management Committee on the acquisition of land as per the Approved Addendum and 2020 Business Plan by 30th of June 2021	N/A	N/A	N/A	R500 000 N/A	N/A N/A	N/A N/A	NOT APPLICABLE	N/A	N/A	N/A
TP & EM 08	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Neighbourhood Development Partnership Grant (NDPG)	Approved Urban Network Strategy by Council	1 x Inception Report and Baseline 0 Schedule prepared and submitted to National Treasury on the progress on planning of the Old Edendale and Town Center Roads by the 30th of September 2020	N/A Inception Report incorporating Work Plan and Communication Strategy was submitted to National Treasury. A Progress Report has been submitted to Strategic Management Committee [SMC]	N/A	TP & EM 03	3 (100% - 129%)	N/A	1 x Adoption Report on the Review & Update of the Msunduzi Urban Network Strategy & Investment Plan for Prioritized Integration Zone submitted to SMC by 31st of March 2022	N/A	3 (100% - 129%)	N/A	N/A	1 x Adoption Report on the Review & Update of the Msunduzi Urban Network Strategy & Investment Plan for Prioritized Integration Zone submitted to SMC by 31st of March 2022
TP & EM 09	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Edendale Corridor Development Framework and Implementation Plan	Approved Urban Network Strategy and Network Elements	1 x Progress report on Status Quo of the Edendale Corridor Development Framework and Implementation Plan prepared and submitted to SMC by the 30th of June 2021	N/A 1 x Progress report on Status Quo of the Edendale Corridor Development Framework and Implementation Plan prepared and submitted to SMC by the 30th of June 2021	N/A	TP & EM 05	N/A	N/A	1 x Adoption Report on the Edendale Corridor & CBD Physical Development Framework Plan submitted to SMC by 30th June 2022	1,261,320 1 x Adoption Report on the Edendale Corridor & CBD Physical Development Framework Plan submitted to SMC by 30th June 2022	3 (100% - 129%)	N/A	N/A	1 x Adoption Report on the Edendale Corridor & CBD Physical Development Framework Plan submitted to SMC by 30th June 2022

SDBP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT				
										ANNUAL PROGRESS REPORT				
										ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1.2,3,4,5, Not Applicable)	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES
TP & EM 10	NKPA 6 - CROSS CUTTING	Hierarchy of Municipal Planning	Msunduzi Land Use Scheme, Ashburton Scheme and Msunduzi Land Use Management Policy for areas outside the scheme	Single land use scheme for Msunduzi Municipality prepared and submitted to the Municipal Planning Tribunal	TP & EM 01	NKPA 6 - CROSS CUTTING	LAND USE MANAGEMENT SYSTEM	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted	Date final Draft Single Land Use Scheme prepared and submitted to SMC	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	3 (100% - 99%)	N/A	N/A
TP & EM 11	NKPA 6 - CROSS CUTTING	Hierarchy of Municipal Planning	Municipal Spatial Planning and Land Use Management Bylaws, 2016	Municipal Spatial Planning and Land Use Management Bylaws prepared and submitted to Council for approval by the 30th of June 2021	N/A	N/A	N/A	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	N/A	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	3 (100% - 129%)	N/A	N/A
TP & EM 12	NKPA 6 - CROSS CUTTING	Hierarchy of Municipal Planning	Approved Hierarchy of a Planning Systems and the Spatial Development Framework 2015	Draft Local Area Plan for Scottsville/Pelham prepared and submitted to SMC by the 28th of February 2021	N/A	N/A	N/A	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	N/A	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	Final draft Single Land Use Scheme for Msunduzi Municipality prepared and submitted to SMC by the 31st of December 2021	3 (100% - 129%)	N/A	N/A

6.4 CITY ENTITIES

SDBP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT				
										ANNUAL PROGRESS REPORT				
										ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1.2,3,4,5, Not Applicable)	CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES
CE 01	NKPA 2 - BASIC SERVICE DELIVERY	Community Outreach Programme	10 Art Exhibitions	6 x new Msunduzi Art Exhibitions held	CE 01	NKPA 2 - BASIC SERVICE DELIVERY	11 x Msunduzi Art Exhibitions held	11 x Msunduzi Art Exhibitions held	11 x Msunduzi Art Exhibitions held by the 30th of June 2022	11 x Msunduzi Art Exhibitions held by the 30th of June 2022	11 x Msunduzi Art Exhibitions held by the 30th of June 2022	3 (100% - 129%)	N/A	Outline, POES for exhibitions
CE 02	NKPA 2 - BASIC SERVICE DELIVERY	Exit roller doors	4 exit roller doors to be refurbished by June 2020	4 x Exit Roller Doors to be installed at PMB Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A
CE 04	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Cameras	169 CCTV Cameras monitored 24 hours in all areas with CCTV coverage by the 30th of June 2020	169 x CCTV Cameras to be monitored 24 hours in all areas with CCTV coverage by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A
CE 05	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Cameras	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities by the 30th of June 2020	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities by the 30th of June 2021	CE 22	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Cameras	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities by the 30th of June 2021	Number	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities by the 30th of June 2021	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities by the 30th of June 2021	3 (100% - 129%)	N/A	Monthly report to SM City Entities

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT														
SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT								
						ANNUAL 20/21 FY PROGRESS REPORT				ANNUAL PROGRESS REPORT				
						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
CE 06	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	2 Minutes Turn-around time of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaws violations taking place in all areas with CCTV Camera coverage by the 30th of June 2020	2 Minutes Turn-around time of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaws violations taking place in all areas with CCTV Camera coverage by the 30th of June 2020	Average Turn-around time	NKPA 6 - CROSS CUTTING	CE 23	N/A	3 (100% - 129%)	N/A	N/A	N/A	Safe City Occurrence Book	
CE 07	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	240 daily CCTV inspections conducted by the 30th of June 2020	240 x CCTV inspections conducted as per the maintenance schedule by Safe City Technicians by the 30th of June 2021	Average turn-around time	NKPA 6 - CROSS CUTTING	CE 24	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	
CE 08	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	Average 3 days turn-around time to repair faulty CCTV equipment by the 30th of June 2020	Average 1 Day turn-around time to repair faulty CCTV equipment as per the Faults Register/Book by the 30th of June 2021	Average turn-around time	NKPA 6 - CROSS CUTTING	CE 25	N/A	3 (100% - 129%)	N/A	N/A	2022/23 Financial year	Monthly report to SM City Entities	
CE 09	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	To ensure that minimal CCTV cameras under control of Safe City be off line by the 30th of June 2020	99% of all CCTV cameras under control of Safe City were fully operational by the 30th of June 2021	Percentage	NKPA 6 - CROSS CUTTING	CE 08	N/A	3 (100% - 129%)	N/A	N/A	N/A	Technical Task forms and Fault Register	
CE 10	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	To ensure that Safe City maintains its ISO accreditation to be valid and maintained during the 20/21 FY by the 30th of June 2020	100% Safe City ISO 9001 accreditation during the 20/21 FY by the 30th of June 2021	Percentage	NKPA 6 - CROSS CUTTING	CE 26	N/A	3 (100% - 129%)	N/A	N/A	N/A	Valid ISO 9001:2015 certificate	
CE 11	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	To ensure that Safe City operators detect all confirmed crime reports within camera visual area by the 30th of June 2020	N/A	N/A	N/A	N/A	N/A	3 (100% - 129%)	NOT APPLICABLE	N/A	N/A	N/A	
CE 12	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Forestry Management	50% Provision of silviculture and harvesting activities	100% Forestry Management as per Annual Plan of Operations completed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

7. OFFICE OF THE CITY MANAGER

SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY					
					ANNUAL 20/21 FY PROGRESS REPORT								ANNUAL PROGRESS REPORT					
					ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL TARGET						ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
PS 01	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	Annual calendar of events for Mayoral Special Projects 2021/2022 financial year submitted to SMC	Annual calendar of events for Mayoral Special Projects 2020/2021 financial year submitted to SMC for approval by the 31st of May 2021	Annual calendar of events for Mayoral Special Projects 2021/2022 financial year submitted to SMC for approval by the 31st of May 2021	3 (100% - 129%)	PS 01	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	Annual calendar of events for Mayoral Special Projects 2021/2022 financial year submitted to SMC	Date		Annual calendar of events for Mayoral Special Projects 2022/2023 financial year Not submitted to SMC for approval by the 31st of May 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted	
PS 02	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	100% implementation of all Mayoral Special Programmes for 2020/2021 FY	100% implementation of all Mayoral Special Programmes for 2020/2021 FY	100% implementation of all Mayoral Special Programmes for 2021/2022 FY	3 (100% - 129%)	PS 02	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	100% implementation of all Mayoral Special Programmes for 2021/2022 FY	Percentage		No Submission from Business Unit	1 (69% & below)	N/A	N/A	No reasons and POE submitted	

SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT						PERFORMANCE REPORTING 2021/2022 FY ANNUAL PROGRESS REPORT					
					SDBP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
PS 03	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x monthly reports on Mayoral Special Projects submitted	Number	PS 03	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x monthly reports on Mayoral Special Projects submitted	Number	0 x Monthly reports on Mayoral Special Projects submitted to the Strategic Management Committee by the 30th of June 2022	No Submission from Business Unit	1 (69% & below)	N/A	N/A	N/A	No reasons and POE submitted
PS 04	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x Monthly Reports on the Back to Basics National COGTA Template 2021 FY prepared and submitted to Council by the 30th of June 2022	Number	PS 04	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x Monthly Reports on the Back to Basics National COGTA Template	Number	4x Monthly Reports on the Back to Basics National COGTA Template 2021 FY prepared and submitted to Council by the 30th of June 2022	No Submission from Business Unit	1 (69% & below)	N/A	N/A	N/A	No reasons and POE submitted
PS 05	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x Mayoral Investment Facilitation meetings conducted	Number	PS 05	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x Mayoral Investment Facilitation meetings conducted	Number	5 x Mayoral Investment Facilitation meetings conducted by the 30th of June 2022	0 x Mayoral Investment Facilitation meetings conducted by the 30th of June 2022	1 (69% & below)	N/A	N/A	N/A	No reasons and POE submitted
PS 06	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x Updates of the youth organization database completed	Number	PS 06	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	12 x Updates of the youth organization database completed	Number	5 x Monthly Reports on the youth office capturing of register monthly completed by the 31st May 2022	0 x Monthly Reports on the youth office capturing of register monthly completed by the 31st May 2022	1 (69% & below)	N/A	N/A	N/A	No reasons and POE submitted
PS 07	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	7 x Youth Month investment and promotion programmes facilitated	Number	PS 07	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Mayoral Special Programmes	7 x Youth Month investment and promotion programmes facilitated	Number	7 x Youth Month investment and promotion programmes facilitated by the 30th of June 2022	0 x Youth Month investment and promotion programmes facilitated by the 30th of June 2022	1 (69% & below)	N/A	N/A	N/A	No reasons and POE submitted
PS 08	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	1 x Oversight Process plan for the 2019/2020 FY prepared & submitted to Council by the 31st of January 2020	Date	PS 08	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	1 x Oversight Process plan for the 2019/2020 FY prepared & submitted to Council by the 31st of January 2020	Date	1 x Oversight Process plan for the 2020/2021 FY prepared & submitted to Council by the 31st of June 2022	1 x Oversight Process plan for the 2020/2021 FY prepared & submitted to Council by the 31st of June 2022	2 (70% - 99%)	N/A	N/A	N/A	Oversight Report & SMC Resolutions
PS 09	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	1 x Oversight Report 19/20 FY tabled and adopted by Council by the 31st March 2020	Date	PS 09	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	1 x Oversight Report 19/20 FY tabled and adopted by Council by the 31st March 2020	Date	1 x Oversight Report 20/21 FY tabled and adopted by Council by the 31st March 2022	1 x Oversight Report 20/21 FY NOT tabled and adopted by Council by the 31st March 2022	2 (70% - 99%)	N/A	N/A	N/A	Delays due to the Internal Audit report submission from Audit General and Covid regulations
PS 10	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	Approved Oversight Report 19/20 FY made public (published on municipal website) within seven days of approval of Oversight Report by the 7th of April 2021	Date	PS 10	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	Approved Oversight Report 19/20 FY made public	Date	Approved Oversight Report 20/21 FY made public (published on municipal website) within seven days of approval of Oversight Report by the 7th of April 2022	Approved Oversight Report 20/21 FY NOT made public (published on municipal website) within seven days of approval of Oversight Report by the 7th of April 2022	2 (70% - 99%)	N/A	N/A	N/A	Delays due to the Internal Audit report submission from Audit General and Covid regulations
PS 11	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	12 x MPAC Monthly Reports 2021 FY prepared and submitted to Full Council during the 2019-2020 FY	Number	PS 11	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	12 x MPAC Monthly Reports 2021 FY prepared and submitted to Full Council during the 2019-2020 FY	Number	12 x MPAC Monthly Reports 21/22 FY prepared and submitted to Full Council by the 30th of June 2022	3 x MPAC Monthly Reports 21/22 FY prepared and submitted to Full Council by the 30th of June 2022	1 (69% & below)	N/A	N/A	N/A	Resolution from Council on the report by MPAC, with recommendations

PERFORMANCE REPORTING 2021/2022 FY										
SDBP REFER-	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES
PS 12	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	100% of Adhoc MPAC reports for the 2021 FY prepared and submitted during the 2019-2020 FY	Percentage	100% of Adhoc MPAC reports for the 2021 FY prepared and submitted to Full Council by the 30th of June 2022	100% of Adhoc MPAC reports for the 2021 FY prepared and submitted to Full Council by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A
PS 13	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	MPAC	MPAC Annual 21/22 FY Work plan prepared and submitted	Date	MPAC Annual 21/22 FY Work plan prepared and submitted to Council for Approval by the 30th of June 2022	MPAC Annual 21/22 FY Work plan prepared and submitted to Council for Approval by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A
PS 14	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	SPEAKERS OFFICE	12 x Monthly Reports on the Back to Basics National CoGTA Template 20/21 FY prepared and submitted to Council by the 30th of June 2021	Number	12 x Monthly Reports on the Back to Basics National CoGTA Template 20/21 FY prepared and submitted to Council by the 30th of June 2022	0 x Monthly Reports on the Back to Basics National CoGTA Template 21/22 FY prepared and submitted to Council by the 30th of June 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted
PS 15	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	SPEAKERS OFFICE	Annual schedule of meetings 2021/2022 FY	Date	Annual schedule of meetings 2021/2022 FY	Annual schedule of meetings 2021/2022 FY	1 (69% & below)	N/A	N/A	No reasons and POE submitted
PS 16	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	SPEAKERS OFFICE	468 x Monthly Reports on the functioning/status of ward committees received by the Office of the Speaker from Ward Assistants before the 21st of every month by the 30th of June 2021	Number	468 x Monthly Reports on the functioning/status of ward committees received by the Office of the Speaker from Ward Assistants before the 21st of every month by the 30th of June 2022	0 x Monthly Reports on the functioning/status of ward committees received by the Office of the Speaker from Ward Assistants before the 21st of every month by the 30th of June 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted
PS 17	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	SPEAKERS OFFICE	235 x Minutes of community meetings from each of the 39 Ward assistants submitted to the Office of the Speaker within 5 days after date of meeting during the 2019-2020 FY	Number	164 x Minutes of community meetings from each of the 41 Ward assistants submitted to the Office of the Speaker within 5 days after date of meeting by the 30th of June 2022	N/A	N/A	N/A	N/A	No reasons and POE submitted
PS 18	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	SPEAKERS OFFICE	468 x ward committee meetings held during the 2019-2020 FY	Number	468 x ward committee meetings held by the 30th of June 2022	0 x ward committee meetings held by the 30th of June 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted
PS 19	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	SPEAKERS OFFICE	9 x monthly reports on the functioning of the Speaker's Office submitted to the Operational Management Committee during the 2019-2020 FY	Number	7 x monthly reports on the functioning of the Speaker's Office submitted to Full Council by the 30th of June 2022	0 x monthly reports on the functioning of the Speaker's Office submitted to Full Council by the 30th of June 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted

ANNUAL REPORT

2021/22 DRAFT

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VISION

"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

SDBIP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	BASELINE / STA- TUS QUO	PERFORMANCE REPORTING 2020/2021 FY - AN- NUAL 20/21 FY PROGRESS REPORT				SDBIP REFER- ENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY						SOURCE DOC- UMENT
					ANNUAL 20/21 FY PROGRESS REPORT									ANNUAL PROGRESS REPORT						
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	REASON FOR DEVIATION						CORRECTIVE MEASURE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES					
PS 20	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPA- TION	SPEAKERS OFFICE	6 x Whipery meetings facilitated for the 20/21 FY	0 x Whipery meet- ings facilitated for the 20/21 FY by the 30 June 2021	6 x Whipery meet- ings facilitated for the 20/21 FY by the 31st of May 2021	1 (69% & below)	N/A	PS 20	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPA- TION	SPEAKERS OFFICE	6 x Whipery meet- ings facilitated for the 20/21 FY	Number of meetings facilitated for the 21/21 FY	6 x Whipery meet- ings facilitated for the 21/22 FY by the 30th June 2022	0 x Whipery meetings facilitated for the 21/22 FY by the 30th June 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted		
PS 21	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPA- TION	SPEAKERS OFFICE	12 x Public Place and Street Naming Committee Meetings facilitated for the 20/21 FY	12 x Public Place and Street Naming Committee Meet- ings facilitated for the 20/21 FY by the 30th of June 2021	7 x Public Place and Street Naming Committee Meet- ings facilitated for the 20/21 FY by the 30th of June 2021	1 (69% & below)	N/A	PS 21	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPA- TION	SPEAKERS OFFICE	Establishment of the Public Place and Street Naming Committee by the 30th of June 2022	Date	Establishment of the Public Place and Street Naming Committee by the 30th of June 2022	Establishment of the Public Place and Street Naming Committee by the 30th of June 2022	1 (69% & below)	N/A	N/A	No reasons and POE submitted		
				500,000	N/A	N/A	N/A				500,000	N/A	N/A	N/A	N/A	N/A	N/A			

7.2 OFFICE OF THE CITY MANAGER (COMMUNICATION & IGR, OCP & KM)

OP REFERENCE	NATIONAL KEY PER- FORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			PERFORMANCE REPORTING 2021/2022 FY										
				ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT										
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	INDICATOR	NATIONAL KEY PER- FORMANCE AREA	PROGRAMME	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Appli- cable)	REASON FOR DEVIATION	COR- RECTIVE MEASURE	TIME - FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
OCM 01	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Performance Management	SDBIP 2021/2022 submitted to the Mayor for approval within 28 days after the approval of the budget	SDBIP 2021/2022 submitted to the Mayor for approval within 28 days after the approval of the budget	3 (100% - 129%)	OCM 01	Submission of SDBIP 2022/2023 to the Mayor after the approval of the budget	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Per- formance Management	SDBIP 2022/2023 submitted to the Mayor for approval within 28 days after the approval of the budget	3 (100% - 129%)	N/A	N/A	N/A	Approved SDBIP by Mayor		
OCM 02	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Performance Management	Annual organizational performance management framework 2021/2022 reviewed and submitted to SMC by the 31st of May 2021	Annual organizational performance management framework 2021/2022 reviewed and submitted to SMC by the 31st of May 2021	3 (100% - 129%)	OCM 03	Date of Review of the Performance Management Framework 2022/2023	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Per- formance Management	Final Draft performance management framework 2022/2023 NOT reviewed and submitted to SMC by the 31st of May 2022	2 (70% - 99%)	Submitted in June additional information from the new staffing regulations had to be added	N/A	N/A	N/A	Draft Policy submitted to SMC	
OCM 03	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Individual Perfor- mance Management	Annual individual per- formance management framework 2021/2022 reviewed and submitted to SMC by the 31st of May 2021	Annual individual per- formance management framework 2021/2022 reviewed and submitted to SMC by the 31st of May 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OCM 04	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Performance Management	Approved SDBIP 2020/2021 made public on municipal website within 14 days after the approval by the mayor	Approved SDBIP 2020/2021 made public on municipal website within 14 days after the approval by the mayor	3 (100% - 129%)	N/A	Approved SDBIP 2021/2022 made public by the mayor	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Per- formance Management	Approved SDBIP 2021/2022 made public on municipal website within 14 days after the approval by the mayor	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	Website Link
OCM 05	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Performance Management	8 X SDBIP & OP 2020/2021 monthly reports submitted to the OMC (End July, August, October, November, January, April, May) by the 30th of June 2021	8 X SDBIP & OP 2020/2021 monthly reports submitted to the OMC (End July, August, October, November, January, February, April, May) by the 30th of June 2021	3 (100% - 129%)	OCM 05	8 X SDBIP & OP 2021/2022 monthly reports submitted to the OMC (End July, August, October, November, Jan- uary, February, April, May) by the 30th of June 2022	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Per- formance Management	8 X SDBIP & OP 2020/2022 monthly reports submitted to the SMC (End July, August, October, November, Jan- uary, February, April, May) by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	N/A	8 x monthly reports, SMC agenda and resolutions	
OCM 06	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Performance Management	4 X SDBIP & OP 2019/2020 quarterly reports submitted to the OMC (Annual of 19/20 FY & Q1, Q2, Q3 of 2021 FY) by the 30th of April 2021	4 X SDBIP & OP 2020/2021 quarterly reports submitted to the OMC (Annual of 19/20 FY & Q1, Q2, Q3 of 2021 FY) by the 30th of April 2021	3 (100% - 129%)	OCM 06	4 X SDBIP & OP 2020/2021 quarterly reports submitted to the OMC (Annual of 19/20 FY & Q1, Q2, Q3 of 2021 FY) by the 30th of April 2022	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Organi- zational Per- formance Management	4 X SDBIP & OP 2020/2021 quarterly reports submitted to the OMC (Annual of 19/20 FY & Q1, Q2, Q3 of 2021 FY) by the 30th of April 2022	3 (100% - 129%)	N/A	N/A	N/A	N/A	4 x Quarterly SDBIP Re- ports SMC agenda and resolutions	
OCM 07	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Performance Management Reporting	Completed Annual Performance Report 2018/2019 submitted to the Auditor General on the 31st August 2019	Annual Performance Re- port 2019/2020 sub- mitted to the Auditor General by the 31st of October 2020	3 (100% - 129%)	OCM 07	Date of submission of Annual Perfor- mance Report 2020/2021	NKPA 1 - MU- NICIPAL TRANS- FORMATION & ORGANIZATIONAL DEVELOPMENT	Perfor- mance Man- agement Reporting	Annual Performance Re- port 2020/2021 submitted to the Auditor General by the 31st August 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	Letter of Receipt from AG	
				N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL FY PROGRESS REPORT										INDICATOR	PROGRAMME	NATIONAL KEY PERFORMANCE AREA	OP REFERENCE	ANNUAL PROGRESS REPORT	PERFORMANCE REPORTING 2021/2022 FY					
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS	ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT													
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
OCM 08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Performance Review Management Reporting	Mid-Year Performance review 2020/2021 submitted to Council by the 25th of January 2021	Mid-Year Performance review 2020/2021 submitted to Council by the 25th of January 2021	Mid-Year Performance review 2020/2021 submitted to Council by the 25th of January 2022	3 (100% - 129%)	OCM 08	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Performance Review Management Reporting	Date of Mid-Year Performance review 2021/2022 submitted	Mid-Year Performance review 2020/2021 submitted to Council by the 25th of January 2022	Mid-Year Performance review 2020/2021 submitted to Council by the 25th of January 2022	3 (100% - 129%)	N/A	N/A	N/A	Mid-Year Performance review 2021/2022			
OCM 09	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Performance Management Reporting	Annual Report 2019/2020 tabled in Council by the 31st of March 2021	Annual Report 2019/2020 tabled in Council by the 31st of March 2021	Annual Report 2020/2021 NOT tabled in Council by the 31st of January 2021	3 (100% - 129%)	OCM 09	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Performance Management Reporting	Annual Report 2020/2021 submitted	Annual Report 2020/2021 NOT tabled in Council by the 31st of January 2021	Annual Report 2020/2021 NOT tabled in Council by the 28th of April 2022	2 (70% - 99%)	Delay in tabling report	Annual Report tabled by the 28th of April 2022	N/A	Annual Report, Full Council Agenda			
OCM 10	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Individual Performance Management	28 x signed performance agreements for Managers up to level 3 by the 31st of July 2020	All 2020/2021 signed performance agreements for Managers up to level 3 by the 31st of August 2020	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	R 421 600. 00	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Individual Performance Management	6 x signed performance agreements for S56/57 Managers by the 12th of July 2019	6 x signed performance agreements for S56/57 Managers by the 10th of August 2020	N/A	3 (100% - 129%)	OCM 10	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Individual Performance Management	6 x signed 2021/2022 performance agreements	6 x signed 2020/2021 performance agreements for S56/57 Managers by the 10th of August 2021	6 x signed 2021/2022 performance agreements for S56/57 Managers by the 10th of August 2021	2 (70% - 99%)	2 x Performance Agreements not submitted within deadline	N/A	N/A	N/A	6 x signed 2021/2022 performance agreements for S56/57 Managers by the 10th of August 2021		
OCM 12	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Individual Performance Management	Individual Performance assessment schedule developed and submitted to SMC and approved by the 31st of May 2021	An Individual Performance Assessment schedule for the 2021/2022 FY developed and submitted to SMC for approval by the 31st of May 2021	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 13	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Performance Management	12 x monthly Performance Management articles prepared and submitted to the Communications and IGR unit for inclusion in the monthly Msunduzi newsletter by the 30th of June 2020	12 x monthly Performance Management articles prepared and submitted to the Communications and IGR unit for inclusion in the monthly Msunduzi newsletter by the 30th of June 2021	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 14	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Service Provider Performance Assessment	Nil	2 x Service Provider Performance Assessments conducted by the 30th of April 2021	2 x Service Provider Performance Assessments conducted by the 30th of April 2021	3 (100% - 129%)	OCM 11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Service Provider Performance Assessment	2 x Service Provider Performance Assessments conducted	2 x Service Provider Performance Assessments conducted by the 28th of February 2022	2 x Service Provider Performance Assessments conducted by the 28th of February 2022	3 (100% - 129%)	N/A	N/A	N/A	2x Service Provider Assessments			
OCM 15	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Municipal Publications	12 x Internal newsletters published in 2019/2020	12 x Internal Newsletters developed & published on Corporate Communications by the 30th of June 2021	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 16	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Municipal Publications	12 x monthly External Newspapers published in 2019/2020	12 x Monthly Msunduzi Newspapers developed, published and distributed by the 30th of June 2021	N/A	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 17	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Communications and Marketing	Msunduzi Communications Strategy	Development and submission of the Communications Activity plan to the Strategic Management Committee (SMC) for approval completed by the 31st of July 2020	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 18	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Communications and Marketing	Approved communication activity plan	100% implementation of the approved communication activity plan by the 30th of June 2021	N/A	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
OCM 19	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Media Relations	Msunduzi Communications Strategy	12 x media monitoring and analysis conducted by the 30th of June 2021	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
				N/A	N/A	N/A					N/A	N/A	N/A	N/A	N/A	N/A	N/A			

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	PERFORMANCE REPORTING 2021/2022 FY						
				ANNUAL PROGRESS REPORT						
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
OCM 20	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increase Performance and Efficiency Levels of Corporate Services	12 x Workshops on Customer Service Charters and Batho Pele Principles Conducted	12 x Workshops on Customer Service Charters and Batho Pele Principles (CUBU, Corporate Services, Infrastructure Services, Economic Development, Community Services, Financial Services) conducted by the Msunduzi Batho Pele Unit by the 30th of June 2022	12 x Workshops on Customer Service Charters and Batho Pele Principles (CUBU, Corporate Services, Infrastructure Services, Economic Development, Community Services, Financial Services) were conducted by the Msunduzi Batho Pele Unit by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Initiation, Agenda, Attendance Register and Minutes
OCM 21	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increase Performance and Efficiency Levels of Corporate Services	6 x bi-monthly meetings of the Msunduzi Batho Pele forum to monitor the implementation of Batho Pele Principles and Customer Service Charter by the 30th of June 2020	6 x bi-monthly meetings of the Msunduzi Batho Pele forum to monitor the implementation of Batho Pele Principles and Customer Service Charter by the 30th of June 2021	6 x bi-monthly meetings of the Msunduzi Batho Pele forum to monitor the implementation of Batho Pele Principles and Customer Service Charter by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Initiation, Agenda, Attendance Register and Minutes
OCM 22	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increase Performance and Efficiency Levels of Corporate Services	1 x Report on the reviewed Monitoring tool for Implementation of Batho Pele Principles developed and submitted to SMC for approval by the 31st of August 2020	1 x Report on the reviewed Monitoring tool for Implementation of Batho Pele Principles developed and submitted to SMC for approval by the 31st of August 2021	1 x Report on the reviewed Monitoring tool for Implementation of Batho Pele Principles developed and submitted to SMC for approval by the 31st of August 2022	3 (100% - 129%)	N/A	N/A	N/A	SMC Report & Resolution
OCM 23	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increase Performance and Efficiency Levels of Call Centre Management Staff	2 x Customer Care / Batho Pele workshops or training for call centre and switchboard staff facilitated by the 30th of April 2021	2 x Customer Care / Batho Pele workshops or training for call centre and switchboard staff facilitated by the 30th of April 2022	2 x Customer Care / Batho Pele workshops or training for call centre and switchboard staff facilitated by the 30th of April 2022	3 (100% - 129%)	N/A	N/A	N/A	Initiation, Agenda, Attendance Register and Minutes
OCM 24	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Organizational Performance Management	1 x Msunduzi Municipality Customer Satisfaction Survey report prepared and submitted to SMC by the 31st of March 2021	1 x Msunduzi Municipality Customer Satisfaction Survey report prepared and submitted to SMC by the 31st of March 2021	2 x Msunduzi Municipality External Advertisements to Newspaper Publication submitted by the 31st of December 2021	2 (0% - 99%)	The second advertorial was due to be published in December 2021; the content to be produced related to the new political administration which was intended for the publication could be provided timeously.	The provision of information was extended when the political administration had began working and interviews were scheduled.	29-Jun-22	copy of advertorials

7.3 INTERNAL AUDIT

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY ANNUAL PROGRESS REPORT						
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT			
IA01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Assurance Services	Internal Audit assignments completed in the 19/20 FY	100% Completion of internal audit assignments as per approved Annual Audit Plan 2020/21 by the 30th of June 2021	6 Audits have been completed of the 11 Audits which were planned for the 2020/2021 Financial Year. 1 X Audit is in progress: 1. Audit of Disconnection and Reconnection The 3 audits which could not be performed as a result of resource constraints are as follows: 1. AoPI- Mid- Term Performance 2. Audit of Section 72 for the 2020/ 2021 FY 3. Audit of the Draft Budget 1 X Audit that could not be finalized due to poor quality is as follows: 1. Audit of the SDBIP for 2020/2021 FY	2 (70% - 99%)	IA01	100% Completion of internal audit assignments as per approved Annual Audit Plan	Assurance Services	100% Completion of internal audit assignments as per approved Annual Audit Plan	Percentage	92% Completion of internal audit assignments as per approved Annual Audit Plan 2020/21 by the 30th of June 2022	2 (70% - 99%)	23 audits could not be completed as the Unit had to prioritize adhoc audit requests by the CFO for consumer refunds & audit of leave for the GM as the ACM wanted to discuss the report with Council before 30 June 2022.	Two audits that could not be finalized by 30 June 2022 have been carried over to July 2022	31-Jul-22	Copies of reports	
IA02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Assurance Service	1 plan was approved	Development & submission of the Three Year Audit Rolling Plan for 2021/22, 2022/23 & 2023/24 to the Audit Committee for approval by the 30th of June 2021	The Three Year Audit plan was presented and approved by the Audit Committee on the 22nd of June 2021.	N/A	IA02	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Assurance Services	Development & submission of the Three Year Audit Rolling Plan for 2022/23, 2023/24 & 2024/5 and Annual Audit Plan for 2022/23 FY to the Audit Committee for approval	Development & submission of the Three Year Audit Rolling Plan for 2022/23, 2023/24 & 2024/5 and Annual Audit Plan for 2022/23 FY to the Audit Committee for approval by the 30 June 2022	N/A	N/A	N/A	N/A	N/A	Report & Audit Committee resolution	
IA03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Assurance Services	1 plan was approved	Development & submission of an Annual Audit plan for 2021/22 FY to the Audit Committee for approval by the 30th of June 2021	The Annual Audit Plan for the 2021/2022 FY was presented and approved by the Audit Committee on the meeting of the 22nd of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
IA04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Audit Committee	1 plan was approved	Development & submission of an Audit Committee Annual Work Plan & Calendar of activities for 2021/22 FY to the Audit Committee and Council for approval by the 30th of June 2021	The Audit Committee Annual Work Plan & Calendar of activities for 2021/22 FY were developed & submitted to the Audit Committee for approval by the 30th of June 2021	N/A	IA03	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Audit Committee	Development & submission of an Audit Committee Annual Work Plan & Calendar of activities for 2022/23 FY to the Audit Committee and Council for approval	Date	N/A	N/A	N/A	N/A	N/A	Report & Audit Committee resolution	
IA05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT		7 in 2018/19	Audit Committee meetings facilitated by the Internal Audit Unit as per approved work plan/calendar of the Audit Committee by the 30th of June 2021	Audit Committee meetings were facilitated by the Internal Audit Unit as per the approved work plan/ calendar of the Audit Committee by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
IA06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Assurance Services	1 done in 2019/20	3 x Internal Audit quarterly reports prepared and submitted to the Audit Committee on its first meeting after the end of each quarter preceded by the Audit Committee meeting by the 30th of April 2021	3 x Internal Audit quarterly reports prepared and submitted to the Audit Committee on its first meeting after the end of each quarter preceded by the Audit Committee meeting by the 30th of April 2021	N/A	IA04	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Assurance Services	4 x Internal Audit Quarterly reports prepared and submitted to the Audit Committee on its first meeting after the end of each quarter preceded by the Audit Committee meeting	Number	N/A	N/A	N/A	N/A	N/A	Quarterly report for quarter ending 30 June 2022 will be done in August 2022	

MISSION

"To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities."

7.4 STRATEGIC PLANNING

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY				
				PROGRESS REPORT								ANNUAL PROGRESS REPORT				
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE
SP 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increased institutional capacity and promote transformation	MFMA compliance Requirement	5 x Strategic Planning sessions to guide municipal priorities and budget coordinated by the 30th of June 2021 (1. Mid-Year Strategic Planning session, 2. Mid-Year Assessment Treasury Visit, 3. Councilor project performance feedback session, 4. Strategic Planning Session for the new Financial Year, 5. National Treasury Budget benchmarking Exercise)	5 x Strategic Planning sessions to guide municipal priorities and budget coordinated by the 30th of June 2022 (1. Strategic Planning session for SMC, 2. Mid-Year Assessment Treasury Visit, 3. Strategic Planning session for EXCO, 4. Strategic Planning Session for Full Council, 5. National Treasury Budget benchmarking Exercise)	3 (100% - 129%)	SP 01	5 x Strategic Planning sessions to guide municipal priorities and budget coordinated	Increased institutional capacity and promote transformation	5 x Strategic Planning sessions to guide municipal priorities and budget coordinated	Number	5 x Strategic Planning sessions to guide municipal priorities and budget coordinated by the 30th of June 2022 (1. Strategic Planning session for SMC, 2. Mid-Year Assessment Treasury Visit, 3. Strategic Planning session for EXCO, 4. Strategic Planning Session for Full Council, 5. National Treasury Budget benchmarking Exercise)	3 (100% - 129%)	N/A	N/A	Invites, Agendas, Minutes, Registers, Presentations
SP 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increased institutional capacity and promote transformation	Ad-hoc budget and project planning by business units	4 x Technical Budget Steering Committee meetings coordinated by the 30th of June 2021	4 x Technical Budget Steering Committee meetings coordinated by the 30th of June 2022	N/A	SP 02	4 x Technical Budget Steering Committee meetings coordinated by the 30th of June 2022	Increased institutional capacity and promote transformation	4 x Technical Budget Steering Committee meetings coordinated by the 30th of June 2022	Number	4 x Technical Budget Steering Committee meetings coordinated by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Invites, Agendas, Minutes, Registers, Presentations
SP 03	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Integrated Development Planning	1 x IDP Review conducted in 2020/2021	1 x IDP Review FY completed by the 31st of May 2021	1 x IDP Review FY completed by the 30th of June 2021	N/A	SP 03	Integrated Development Planning	IDP Review 2022/2023 FY completed	Date	1 x IDP Review FY completed by the 30th of June 2022	1 x IDP Review FY completed by the 30th of May 2022	4 (130% - 149%)	N/A	N/A	Reviewed IDP 2022/2027, Full Council Agenda, Resolution, Submission to CoGTA, Newspaper Advert
SP 04	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Integrated Development Planning	1 x IDP / Budget / PMS Process plan developed and submitted to SMC for approval and onwards submission to CoGTA by the 31st of August 2020	Draft IDP/Budget/PMS Process plan 2020/2021 FY developed and submitted to SMC for approval and onwards submission to CoGTA by the 31st of August 2020	Draft IDP/Budget/PMS Process plan 2021/2022 FY developed and submitted to SMC for approval and onwards submission to CoGTA by the 31st of August 2021	3 (100% - 129%)	SP 04	Integrated Development Planning	Date of Development and Submission of Draft IDP/Budget/PMS Process plan 2021/2022 FY to SMC for approval and onwards submission to CoGTA by the 31st of September 2022	Date	250,000	Date of Development and Submission of Draft IDP/Budget/PMS Process plan 2021/2022 FY to SMC for approval and onwards submission to CoGTA by the 31st of August 2022	4 (130% - 149%)	N/A	N/A	IDP/Budget/ PMS Process plan 2021/2022 FY, SMC Agenda, SMC Minutes, COGTA Feedback response
SP 05	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Integrated Development Planning	4 x Business units Internal Alignment and working group sessions facilitated by the 31st of May 2021	4 x Business units Internal Alignment and working group sessions facilitated by the 31st of May 2021	4 x Business units Internal Alignment and working group sessions facilitated by the 31st of May 2021	N/A	SP 05	Integrated Development Planning	4 x Business Internal Alignment sessions Alignment and working group sessions facilitated	Number	150000.00	6 x Business units Internal Alignment and working group sessions facilitated by the 30th of June 2022	4 (130% - 149%)	N/A	N/A	Invites, Agendas, Minutes, Registers, Presentations
SP 06	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Integrated Development Planning	3 x IDP Representatives forum meetings facilitated in 2020/2021	3 x IDP Representatives forum meetings facilitated by the 31st of May 2021	3 x IDP Representatives forum meetings facilitated by the 31st of May 2021	N/A	SP 06	Integrated Development Planning	4 x DDM Representatives forum meetings attended	Number	N/A	4 x DDM Representatives forum meetings attended by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Agendas, Minutes, Registers, Presentations
SP 07	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Integrated Development Planning	4 x IDP / Mayoral Roadshows facilitated in 2020/2021	1 x IDP / Mayoral Roadshows facilitated by the 30th of June 2021	1 x IDP / Mayoral Roadshows facilitated by the 30th of June 2021	N/A	SP 07	Integrated Development Planning	4 x IDP / Mayoral Roadshows facilitated	Number	N/A	6 x IDP / Mayoral Roadshows facilitated by the 30th of June 2022	4 (130% - 149%)	N/A	N/A	Invites, Agendas, Minutes, Registers, Presentations
SP 08	NKPA 2 - BASIC SERVICE DELIVERY	Pietermaritzburg Urban Renewal Program	CBD Local Area Plan, CBD Regeneration Plan and various complaints on the lack of urban management in the CBD	182 x Bylaw infringement inspections within the CBD conducted by the 30th of June 2021	182 x Bylaw infringement inspections within the CBD conducted by the 30th of June 2021	5 (150% - 167%)	SP 08	NKPA 2 - BASIC SERVICE DELIVERY	160 x Bylaw infringement inspections within the CBD conducted	Number	2,500,000	502 x Bylaw infringement inspections within the CBD conducted by the 30th of June 2022	5 (150% - 167%)	N/A	N/A	Bylaw infringement schedules for Q1, Q2, Q3 & Q4 signed by Co-ordinator enforcement

MISSION

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OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY ANNUAL PROGRESS REPORT						
				ANNUAL 20/21 FY PROGRESS REPORT								ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME-FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SP 09	NKPA 2 - BASIC SERVICE DELIVERY	Pietermaritzburg Urban Renewal Program	CBD Local Area Plan, CBD Regeneration Plan and various complaints on the lack of urban management in the CBD	3 x reports produced and submitted to SMC on Bylaw infringement inspections conducted by the 30th of April 2021	3 x reports produced and submitted to SMC on Bylaw infringement inspections conducted by the 30th of June 2022	3 (100% - 129%)	SP 09	NKPA 2 - BASIC SERVICE DELIVERY	Pietermaritzburg Urban Renewal Program	4 x reports produced and submitted to SMC on Bylaw infringement inspections conducted by the 30th of June 2022	Number	4 x reports produced and submitted to SMC on Bylaw infringement inspections conducted by the 30th of June 2022	4 x reports produced and submitted to SMC on Bylaw infringement inspections conducted by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	SMC Agendas, SMC Minutes and 4 x Reports
				N/A	N/A	N/A				4 x reports produced and submitted to SMC on Bylaw infringement inspections conducted by the 30th of June 2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

8. BUDGET AND TREASURY OFFICE

8.1 FINANCIAL PERFORMANCE 2022

ANNEXURE A: ANNUAL PROJECTION OF REVENUE BY EACH SOURCE - BUDGET YEAR 2021 / 2022				
DESCRIPTION				
PROJECTED	ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Property rates				
Property rates - penalties & collection charges	110,115	N/A	N/A	SEC 71
Service charges - electricity revenue	246,825	N/A	N/A	SEC 71
Service charges - water revenue	64,435	N/A	N/A	SEC 71
Service charges - sanitation revenue	13,346	N/A	N/A	SEC 71
Service charges - refuse revenue	10,213	N/A	N/A	SEC 71
Service charges - other				
Rental of facilities and equipment	2,553	N/A	N/A	SEC 71
Interest earned - external investments	1,340	N/A	N/A	SEC 71
Interest earned - outstanding debtors	17,774	N/A	N/A	SEC 71
Dividends received	-	N/A	N/A	SEC 71
Fines	158	N/A	N/A	SEC 71
Licenses and permits	98	N/A	N/A	SEC 71
Agency services	53	N/A	N/A	SEC 71
Transfers recognized - operational	60,496	N/A	N/A	SEC 71
Other revenue	12,857	N/A	N/A	SEC 71
Gains on disposal of PPE		-	-	
Total Revenue (excluding capital transfers and contributions)	540,263			

ANNEXURE B: ANNUAL PROJECTION OF REVENUE COLLECTED BY EACH VOTE - BUDGET YEAR 2021 / 2022				
DESCRIPTION				
PROJECTED	ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Revenue by Vote				
City Manager	5	N/A	N/A	SEC 71
City Finance	162,991	N/A	N/A	SEC 71
Community Services and Social Equity	17,961	N/A	N/A	SEC 71
Corporate Services	508	N/A	N/A	SEC 71
Infrastructure Services	397,515	N/A	N/A	SEC 71
Sustainable Development and City Enterprises	23,786	N/A	N/A	SEC 71
TOTAL	602,766			

ANNEXURE C: ANNUAL PROJECTION OF OPERATIONAL EXPENDITURE BY VOTE - BUDGET YEAR 2021 / 2022				
DESCRIPTION				
PROJECTED	ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Employee related costs	127,262	N/A	N/A	SEC 71

3.2 BUDGET PLANNING, MONITORING & IMPLEMENTATION

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT								
				ANNUAL 20/21 FY PROGRESS REPORT		UNIT OF MEASURE	INDICATOR	PROGRAMME	ANNUAL 21/22 FY PROGRESS REPORT							
				ANNUAL TARGET	ANNUAL ACTUAL				ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURES	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT			
B & T 01	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	IDP/ Budget process plan	Final Draft submitted to SMC by the 30th of March 2020	Final Draft budget for 2021/22 FY & two out years prepared & submitted to SMC by the 31st of March 2021	Final Draft budget for 2021/22 FY & two out years prepared & submitted to SMC by the 31st of May 2021	3 (100% - 129%)	B & T 01	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	IDP/Budget process plan	Date of Final Draft budget for 2022/23 FY & two out years prepared & submitted to SMC by the 31st of March 2022	Date of final Draft budget for 2022/23 FY & two out years prepared & submitted to SMC by the 31st of March 2022	3 (100% - 129%)	N/A	N/A	N/A	Final Draft Budget
B & T 02	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	IDP/ Budget process plan	Uploading of draft & final approved Budget data strings onto the NT portal in the 2019/20 FY	MSCOA Budget data strings uploaded onto the National Treasury portal for the 2020/21 FY completed by the 30th of April 2021	MSCOA Budget data strings uploaded onto the National Treasury portal for the 2022/23 FY completed by the 31st May 2021	3 (100% - 129%)	B & T 02	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	IDP/Budget process plan	Date of Uploading of MSCOA Budget data strings (ORGB) into the NT portal for the 2022/23 FY completed by the 30th of June 2022	Date of Uploading of MSCOA Budget data strings (ORGB) into the NT portal for the 2022/23 FY completed by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Final Draft Budget
B & T 03	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	IDP/ Budget process plan	Summary of the approved budget and tariff of charges for the 2020/2021 FY advertised by the 30th of June 2020	Summary of the approved budget and tariff of charges for the 2021/22 FY advertised by the 30th of June 2021	Summary of the approved budget and tariff of charges for the 2022/23 FY advertised by the 30th of June 2021	3 (100% - 129%)	B & T 03	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	IDP/Budget process plan	Date of Summary of the approved budget and tariff of charges for the 2022/23 FY advertised by the 30th of June 2022	Date of Summary of the approved budget and tariff of charges for the 2022/23 FY advertised by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Approved Budget
B & T 04	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x S71 reports produced and submitted to SMC by the 30th of June 2020	12 x S71 reports produced and submitted to SMC by the 30th of June 2021	12 x S71 reports produced and submitted to SMC by the 30th of June 2021	3 (100% - 129%)	B & T 04	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x S71 reports produced and submitted to SMC by the 30th of June 2022	11 x S71 reports produced and submitted to SMC by the 30th of June 2022	2 (70% - 99%)	N/A	N/A	N/A	S71 Monthly Reports & SMC Resolutions

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT						
				ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL 21/22 FY PROGRESS REPORT												
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL TARGET						ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME - FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
B & T 05	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	4 x Quarterly reports on Section 52(d) produced and submitted to SMC by the 30th of April 2021	4 x Quarterly reports on Section 52(d) produced and submitted to SMC by the 30th of April 2021	3 (100% - 129%)	B & T 05	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	4 x Quarterly report	Number	4 x Quarterly report produced and submitted to SMC by the 30th of June 2022	3 x Quarterly report on Section 52(d) produced and submitted to SMC by the 30th of June 2022	2 (70% - 99%)	end of June Schedule not done yet	Schedule to be finalised around 22nd July 2022	22 July 2022	Quarterly Report		
B & T 06	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	2019/20 mid-year budget performance report published by the 25 January 2020	Section 72 (mid-year) budget performance report for the 2020/21 FY prepared and submitted to Full Council by the 25th of January 2021	3 (100% - 129%)	B & T 06	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	Date of Section 72 (mid-year) budget performance report	Date	N/A	Date of Section 72 (mid-year) budget performance report for the 21/22 FY prepared and submitted to SMC by the 25th of January 2022	N/A	N/A	N/A	N/A	Mid-Year Budget		
B & T 07	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly monitoring of grants reports prepared and submitted to SMC during the 2019/20 FY	12 x Monthly monitoring of grants reports for the 2021 FY prepared and submitted to SMC by the 30th of June 2021	N/A	B & T 07	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly monitoring of grants reports	Number	12x Monthly monitoring of grants reports prepared and submitted to SMC by the 30th of June 2022	11x Monthly monitoring of grants reports prepared and submitted to SMC by the 30th of June 2022	2 (70% - 99%)	N/A	N/A	N/A	Monthly Monitoring Grant Report & SMC Resolution		
B & T 08	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Section 66 reports prepared and submitted to SMC in the 2019/20 FY	12 x Monthly S66 reports for the 2021 FY produced and submitted to SMC by the 30th of June 2021	3 (100% - 129%)	B & T 08	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly S66 report	Number	12 x Monthly S66 reports produced and submitted to SMC by the 30th of June 2022	11x Monthly S66 reports produced and submitted to SMC by the 30th of June 2022	2 (70% - 99%)	end of June Schedule not done yet	C Schedule to be finalised around 22nd July 2022	22 July 2022	Monthly S66 Report & SMC Resolutions		
B & T 09	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Strengthen Governance	100% of Budget & Treasury policies reviewed and submitted to SMC along with standard operating procedures by the 28th of February 2021	100% of Budget & Treasury policies reviewed and submitted to SMC along with standard operating procedures by the 28th of February 2021	N/A	B & T 09	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Strengthen Governance	100% of Budget & Treasury policies reviewed and submitted to SMC along with standard operating procedures	Percentage	100% of Budget & Treasury policies reviewed and submitted to SMC along with standard operating procedures by the 31st of May 2022	100% of Budget & Treasury policies reviewed and submitted to SMC along with standard operating procedures by the 31st of May 2022	N/A	N/A	N/A	N/A	Report & SMC Resolutions		
B & T 10	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	Quarterly reports uploaded into LG Data Base in pipe delimited format directly from SAP system in the 2019/20 FY	12 x monthly data strings progress reports produced & uploaded for the 2020/21 FY onto the LG Data Base by the 30th of June 2021	3 (100% - 129%)	B & T 10	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x monthly data strings reports	Number	12 x monthly data strings reports produced & uploaded for the 21/22 FY onto the LG Data Base by the 30th of June 2022	11x monthly data strings reports produced & uploaded for the 21/22 FY onto the LG Data Base by the 30th of June 2022	2 (70% - 99%)	end of June Schedule not done yet	C Schedule to be finalised around 22nd July 2022	22 July 2022	Monthly Data string report & SMC Resolutions		
				N/A	N/A							N/A	N/A	N/A	N/A	N/A	N/A	N/A	

8.2 EXPENDITURE MANAGEMENT

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY						
				ANNUAL 20/21 FY PROGRESS REPORT			ANNUAL PROGRESS REPORT												
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	ACTUAL (1,2,3,4,5, Not Applicable)						REASON FOR DEVIATION	CORRECTIVE MEAS- URE	TIME- FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT			
EXP 01	FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Expend- iture Manage- ment	11 x monthly re- ports on Frutless and Wasteful Expenditure pre- pared submitted to SMC by the 30th of June 2020	12 x monthly progress reports for the 20/21 FY on Frutless and Wasteful Expenditure prepared & submitted by the 10th of the new month to SMC by the 30th of June 2021	12 x monthly progress reports for the 20/21 FY on Frutless and Wasteful Expenditure prepared & submitted by the 10th of the new month to SMC by the 30th of June 2021	3 (100% - 129%)	EXP 01	FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Expend- iture Man- u- re Manage- ment	12 x monthly re- ports on Frutless and Wasteful Expenditure	Number	12 x monthly reports on Frutless and Wasteful Expenditure submitted to SMC by the 10th of June 2022	12 x monthly reports on Frutless and Wasteful Expenditure submitted to SMC by the 10th of June 2022	3 (100% - 129%)	N/A	N/A	Monthly Report		
EXP 02	FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Expend- iture Manage- ment	7 x Monthly reports on suppliers not paid within 30 days prepared by the 30th of June 2020	12 x monthly progress reports for the 20/21 FY on suppliers not paid within 30 days prepared by the 10th of the new month to SMC by the 30th of June 2021	12 x monthly progress reports for the 20/21 FY on suppliers not paid within 30 days prepared by the 10th of the new month to SMC by the 30th of June 2021	3 (100% - 129%)	EXP 02	FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Expend- iture Man- u- re Manage- ment	12 x Monthly re- ports on suppliers not paid within 30 days	Number	12 x Monthly reports on suppliers not paid within 30 days for 21/22 FY prepared submitted to SMC by the 30th of June 2022	12 x Monthly reports on suppliers not paid within 30 days for 21/22 FY prepared submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Monthly Report		

3.3 REVENUE MANAGEMENT

3.3 REVENUE MANAGEMENT

OP REFERENCE	NATIONAL KEY AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT				UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY						
				ANNUAL 2020/21 FY PROGRESS REPORT		OP REFERENCE	NATIONAL KEY PERFORMANCE AREA		PROGRAMME	INDICATOR	ANNUAL PROGRESS REPORT				
				ANNUAL TARGET	ANNUAL ACTUAL						ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
REV 06	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Disconnections and Reconections	12 x monthly progress reports on disconnection and reconnection rates for the 2021 FY prepared & submitted to SMC by the 30th of June 2021	12 x monthly progress reports on disconnection and reconnection rates for the 20/21 FY prepared & submitted to SMC by the 30th of June 2021	3 (100% - 129%)	REV 05	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Revenue Management	12 x monthly progress reports on disconnection and reconnection rates for the 21/22 FY prepared & submitted to SMC by the 30th of June 2022	2 (70% - 99%)	No Submission from the Business Unit	No Submission from the Business Unit	No Submission from the Business Unit		
REV 07	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Billing management	12 x monthly progress reports on Council rental stock for the 2021 FY prepared & submitted to SMC by the 30th of June 2021	N/A	N/A	REV 07	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Revenue Management	12 x monthly progress reports on Council rental stock for the 21/22 FY prepared & submitted to SMC by the 30th of June 2022	2 (70% - 99%)	No Submission from the Business Unit	No Submission from the Business Unit	No Submission from the Business Unit		
REV 08	NKPA 2 - BASIC SERVICE DELIVERY	Water disconnections and restrictions	100% of all Water disconnections and restrictions received from the Budget & Treasury business unit attended to and completed for the 2021 FY by the 30th of June 2021	100% of all Water disconnections and restrictions received from the Budget & Treasury business unit attended to and completed for the 2021 FY by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
REV 09	NKPA 2 - BASIC SERVICE DELIVERY	Disconnections and Reconections	100% of Electricity Disconnections attended to as per directive received from the Budget & Treasury business unit by the 30th of June 2021	100% of Electricity Disconnections attended to as per directive received from the Budget & Treasury business unit by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
REV 10	NKPA 2 - BASIC SERVICE DELIVERY	Disconnections and Reconections	100% of Electricity Reconections attended to as per directive received from the Budget & Treasury business unit by the 30th of June 2021	100% of Electricity Reconections attended to as per directive received from the Budget & Treasury business unit by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
REV 11	NKPA 2 - BASIC SERVICE DELIVERY	Disconnections and Reconections	780 x electricity metering equipment installed by the 30th of June 2021	780 x electricity metering equipment installed by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		

3.5 SUPPLY CHAIN MANAGEMENT

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY					
				PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY		ANNUAL ACTUAL						ANNUAL PROGRESS REPORT					
				ANNUAL TARGET	ANNUAL ACTUAL							ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURES	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	
SCM 01	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Supply Chain Management	SCM Policy 1920 approved by SMC on 31/3/20	Supply chain management Policy 2021/2022 reviewed and submitted by SMC for approval by Council by the 31st of March 2021	Supply chain management Policy 2021/2022 reviewed and submitted by SMC for approval by Council by the 31st of March 2021	3 (100% - 129%)	N/A	N/A	Supply chain management Policy 2021/2022 reviewed and submitted by Council by the 31st of March 2021	N/A	Date				SMC RESOLUTIONS		
SCM 02	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Supply Chain Management	Procurement Policy articulated to Business unit, there are delays in terms of response	Procurement Plan for the 2021/2022 financial year prepared and submitted to SMC for approval by Council by the 30th of June 2021	Procurement Plan for the 2021/2022 financial year prepared and submitted to SMC for approval by Council by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	Procurement Plan for the 2021/2022 financial year prepared and submitted to SMC for approval by Council by the 30th of June 2021	N/A	Date				N/A	SMC RESOLUTIONS	

3.6 ASSETS & LIABILITIES

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			INDICATOR	PERFORMANCE REPORTING 2021/2022 FY					
				ANNUAL 20/21 FY PROGRESS REPORT				ANNUAL PROGRESS REPORT					
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1:2,3:4:5, Not Applicable)		ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1:2,3:4:5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES
A & LM01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Increase institutional capacity and promote transformation	Asset management Policy reviewed and submitted to SMC for approval 31st of March 2020	Asset Management Policy for the 2021/2022 Financial Year reviewed and submitted to SMC for approval by Council by the 31st of March 2021	3 (100% - 129%)	Asset Management Policy for the 2021/2022 Financial Year reviewed and submitted to SMC for approval by Council by the 31st of March 2022	Asset Management Policy for the 2021/2022 Financial Year reviewed and submitted to SMC for approval by Council by the 31st of March 2022	N/A	N/A	N/A	Reviewed Asset management policy and Council resolution		
			N/A	N/A	N/A	N/A					N/A	N/A	

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OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY									
				ANNUAL 20/21 FY PROGRESS REPORT		ANNUAL PROGRESS REPORT		ANNUAL PROGRESS REPORT									
				ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
A & LM11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Vehicle and corporate branding	50 x Council vehicles and plant branded by the end of June 2020	23 x Vehicles Purchased and Delivered for Msunduzi Municipality for the 20/21 FY by the 31st of May 2021	43 Vehicles procured and Delivered for Msunduzi Municipality for the 20/21 FY by the 31st of May 2021	5 (150% - 167%)	A & LM11	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	New Plant and Vehicles	5 x Vehicles Purchased and Delivered for Msunduzi Municipality	5 x Vehicles Purchased and Delivered for Msunduzi Municipality for the 21/22 FY by the 31st of May 2022	3 (100% - 129%)	N/A	N/A	N/A	Invoices.	
A & LM12	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	New Plant and Vehicles	33 x Council vehicles and plant to be Purchased by 30 June 2020	N/A	43 vehicles eNatis documents received and added to the assets register.	N/A	A & LM12	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Fleet Licensing	5 x new vehicles registered in the municipality's name/asset register by the 30th June 2022	5 x new vehicles registered in the municipality's name/asset register by the 30th June 2022	3 (100% - 129%)	N/A	N/A	N/A	Registration Documents.	
A & LM13	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Fleet Licensing	New	N/A	100% of vehicles licensed for the month of June 2021	N/A	A & LM13	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Fleet Licensing	100% licensing of all vehicles that are due for licensing in the 20/21 FY by the 30th June 2021	100% licensing of all vehicles that are due for licensing per Enatis printout in the 21/22 FY by the 30th June 2022	N/A	N/A	N/A	N/A	Licensing schedules	
A & LM14	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Fleet Licensing	New	N/A	Average of 30days taken to investigate valuation rolls queries for the 20/21 FY by the 30th of June 2021	N/A	A & LM14	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	VALUATION ROLL MAINTENANCE	Average of 30days taken to investigate valuation rolls queries for the 21/22FY by the 30th of June 2022	Average of 30 days taken to investigate valuation rolls queries for the 21/22FY by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Register of queries	
A & LM15	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	VALUATION ROLL MAINTENANCE	New	N/A	1 x Supplementary valuation roll prepared and published in accordance with s78 of the MPRA for the 20/21 FY by the 31st of May 2021	N/A	A & LM15	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	VALUATION ROLL MAINTENANCE	1 x Supplementary valuation roll prepared and published in accordance with s78 of the MPRA for the 21/22 FY by the 31st of May 2022	1 x Supplementary valuation roll prepared and published in accordance with s78 of the MPRA for the 21/22 FY by the 31st of May 2022	3 (100% - 129%)	N/A	N/A	N/A	Advert	
A & LM16	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	GENERAL VALUATION ROLL APPEALS	New	N/A	450 x General valuations appeals concluded for the 20/21 FY by the 30th of September 2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
A & LM17	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	RATES CLEARANCE APPLICATIONS	New	N/A	100% rates clearance applications processed within 3 days of receipt in the 20/21 FY by the 30th of June 2021	N/A	A & LM17	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	RATES CLEARANCE APPLICATIONS	95% rates clearance applications processed within 3 days of receipt in the 21/22 FY	95% rates clearance applications processed within 3 days of receipt in the 21/22 FY	3 (100% - 129%)	N/A	N/A	N/A	Register of clearance certificates	
						N/A						N/A	N/A	N/A	N/A	N/A	

8.7 FINANCE GOVERNANCE & PERFORMANCE MANAGEMENT

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS QUO	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY						
				ANNUAL 20/21 FY PROGRESS REPORT		ACTUAL (1,2,3,4,5, Not Applicable)		ANNUAL ACTUAL	ANNUAL TARGET	ANNUAL ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
				ANNUAL TARGET	ANNUAL ACTUAL									
FG & PM 01	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly Cash flow reports prepared and submitted to SMC by the 15th of July 2020	12 x Monthly Cash flow reports for the 20/21 FY prepared and submitted to SMC by the 30th of June 2021	3 (100% - 129%)	12 x Monthly Cash flow report for the 21/22 FY prepared and submitted to SMC by the 30th of June 2022	12 x Monthly Cash flow reports	12 x Monthly Cash flow report for the 21/22 FY prepared and submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Monthly Cash Flow Report	
FG & PM 02	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly VAT returns prepared for the 19/20 FY and submitted to SARS	12 x Monthly VAT returns for the 20/21 FY prepared and submitted to SARS by the 31st of July 2021	3 (100% - 129%)	12 x Monthly VAT returns reports for the 20/21 FY prepared and submitted to SARS by the 31st of July 2021	12 x Monthly VAT returns	12 x Monthly VAT returns reports for the 21/22 FY prepared and submitted to SARS by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Vat Returns Report	
				N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	

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OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE / STATUS quo	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				OP REFERENCE	PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY				
				ANNUAL 20/21 FY PROGRESS REPORT			ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL PROGRESS REPORT				
				ANNUAL TARGET	ANNUAL ACTUAL	REASON FOR DEVIATION							CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT		
FG & PM 03	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly loans register reports for the 19/20 FY prepared and submitted to SMC by the 30th of June 2021	12 x Monthly loans register reports for the 20/21 FY prepared and submitted to SMC by the 30th of June 2021	N/A	3 (100% - 129%)	FG & PM 03	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Financial reporting	12 x Monthly loans register reports	Number	12 x Monthly loan register reports for the 21/22 FY prepared and submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Monthly Loan Register Report	
FG & PM 04	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	N/A	1 x reviewed financial delegations report prepared and submitted to SMC by 31st of May 2021	N/A	3 (100% - 129%)	FG & PM 04	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Financial reporting	1 x reviewed financial delegations report	Number	1 x reviewed financial delegations report prepared and submitted to SMC by 31st of May 2022	3 (100% - 129%)	N/A	N/A	Annual 22/23 FY Budget Plan Report	
FG & PM 05	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	3 x Financial policies (Cash management, Reserves and funding, Borrowings policy) completed and submitted to Council for approval by the 31st of May 2020	3 x Financial governance policies for the 21/22 FY (Cash management, Reserves and funding, Borrowings policy) reviewed and submitted to SMC for approval by Council by the 31st of May 2021	N/A	3 (100% - 129%)	FG & PM 05	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Financial reporting	3 x Financial governance policies	Number	4 x Financial governance policies for the 22/23 FY (Cash management, Reserves and funding, Borrowings policy) reviewed and submitted to SMC for approval by Council by the 31st of May 2022	3 (100% - 129%)	N/A	N/A	Annual 22/23 FY Budget Plan Report	
FG & PM 06	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	Financial reporting	12 x Monthly ratios reports for the 19/20 FY prepared and submitted to SMC	12 x Monthly ratios reports for the 20/21 FY prepared and submitted to SMC by the 31st of June 2021	N/A	3 (100% - 129%)	FG & PM 06	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Financial reporting	12 x Monthly ratios	Number	12 x Monthly ratios reports for the 21/22 FY prepared and submitted to SMC by the 30th of June 2022	N/A	N/A	N/A	Monthly Financial Ratio Report	
FG & PM 07	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	AG action plan monitoring	12 x Monthly AG audit action plan progress reports prepared and submitted to SMC	12 x Monthly AG audit action plan progress reports prepared and submitted to SMC by the 30th of June 2021	N/A	3 (100% - 129%)	FG & PM 07	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Financial reporting	10 x y AG audit action plan	Number	10 x Monthly AG audit action plan progress reports prepared and submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Monthly AG Audit Action Plan	
FG & PM 08	NKPA 4 - FINANCIAL VIABILITY & FINANCIAL MANAGEMENT	AG action plan monitoring	1 x AG audit action plan for 2018/19 FY prepared and submitted to SMC within 60 days after receiving signed AG reports	1 x AG audit action plan for the 19/20 FY prepared and submitted to SMC within 60 days after receiving signed AG reports by the 31 st of March 2021	N/A	3 (100% - 129%)	FG & PM 08	NKPA 4 - MUNICIPAL FINANCIAL VIABILITY	Financial reporting	1 x AG audit action plan for the 19/20 FY	Number	1 x AG audit action plan for the 20/21 FY prepared and submitted to SMC within 60 days after receiving signed AG reports	N/A	N/A	N/A	AG Action Plan	
FG & PM 09	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Compliance Checklist	12 x monthly MFMA Legislative compliance checklist reports for the 2021 FY produced and submitted to SMC for onwards transmission to EXCO & Full Council by the 30th of June 2021	12 x monthly MFMA Legislative compliance checklist reports for the 20/21 FY produced and submitted to SMC for onwards transmission to EXCO & Full Council by the 30th of June 2021	N/A	3 (100% - 129%)	FG & PM 09	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Compliance Checklist	12 x monthly MFMA Legislative compliance checklist reports for the 21/22 FY prepared and submitted to SMC by the 30th of June 2022	Number	12 x Monthly MFMA Legislative compliance checklist reports for the 21/22 FY prepared and submitted to SMC by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Monthly MFMA Report	
					N/A	N/A							N/A	N/A	N/A	N/A	

9. SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES (OPERATIONAL PLAN)

9.1 DEVELOPMENT SERVICES

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT																			
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					
					ANNUAL 20/21 FY PROGRESS REPORT		ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						REASON FOR DEVIATION	COR-RECTIVE MEASURE	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT		
					ANNUAL TARGET	ANNUAL ACTUAL													
DS 02	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	SMMEs and Cooperative development	8 x Trainings and Workshops for SMMEs and Cooperatives facilitated by the 30th June 2020.	8 x Skills Development and Training workshops facilitated	8 x Skills Development and Training workshops facilitated	8 x Skills Development and Training workshops facilitated for SMMEs and Co-ops by the 30th of June 2021	4 (130% - 149%)	DS 07	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	8 x Skills Development and Training workshops facilitated	8 x Skills Development and Training workshops facilitated for SMMEs and Co-ops by the 30th of June 2022	8 x Skills Development and Training workshops facilitated for SMMEs and Co-ops by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Attendance registers 12 May 2022, 30 March 2022, 21 February 2022, 06 January 2022, 15 December 2021, 25 October 2021, 14 October 2021, 13 September 2021		
DS 03	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	SMMEs and Cooperative development	60 Cooperatives and SMMEs supported and visited by 30 June 2020	60 x Cooperatives and SMMEs in the 20/21 FY supported and visited by the 30th June 2021	80x Cooperatives or SMMEs supported and visited	60 x Cooperatives and SMMEs visited and supported by the 30th June 2021	N/A	DS 08	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	SMMEs and Co-operative development	80 Cooperatives and SMMEs supported and visited by the 30th of June 2022	80 Cooperatives and SMMEs supported and visited by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Copy of Log sheets		
DS 04	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	SMMEs and Cooperative development	30 Cooperatives and 30 SMMEs assisted in mentorship programme by 30 June 2020	60 x Cooperatives and SMMEs assisted	60 Cooperatives and SMMEs assisted	60 x Cooperatives and SMMEs assisted and formed part of mentorship programmes by the 30th June 2021	N/A	DS 09	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	SMMEs and Co-operative development	60 Cooperatives and SMMEs assisted and mentored by 30th of June 2022	60 Cooperatives and SMMEs assisted and mentored by 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Spreadsheet of businesses assisted and mentored		
DS 05	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Business Development	Draft Incentives Policy (2019) and LED Reviewed Policy (2017)	Msunduzi Business Retention and Expansion Strategy submitted	Msunduzi Business Retention and Expansion Strategy submitted to SMC for onwads trans-mission to Council for approval by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
DS 06	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Business Development	Draft Incentives Policy (2019) and LED Reviewed Policy (2017)	Final Msunduzi Incentives Policy submitted	Final Msunduzi Incentives Policy submitted to SMC for onwads trans-mission to Council for approval by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
DS 07	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Business Development	Red Tape Reduction Report to Council	1 x report on the number of successful cases of reduced red tape for businesses prepared and submitted	1 x report on the number of successful cases of reduced red tape for businesses prepared and submitted by the 30th of June 2021	N/A	3 (100% - 129%)	DS 20	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Business Development	4 x Red Tape Reduction Workshops conducted by the 30th of June 2022	4 x Red Tape Reduction Workshops conducted by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	SMC Report Conducted by the 21 September 2021, 17 November 2021, 23 February 2022 & 03 March 2022		
DS 09	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Economic Development	LED Reviewed Policy (2017)	4 x LED Forum meetings facilitated	4 x LED Forum meetings facilitated by the 30th of June 2021	N/A	3 (100% - 129%)	DS 15	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Economic Development	4 x LED Forum meetings held by the 30th of June 2022	4 x LED Forum meetings held by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Minutes Attendance Registers		
DS 10	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Business Development	Draft Database for Investment	Municipal Investment Directory submitted	Municipal Investment Directory submitted to SMC for onwads trans-mission to Council for approval by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
DS 11	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Informal Economy support	Home Based Policy & Informal Economy Database for Ward 1&2 created by June 2019	Final Database for Informal Economy for Zone 2 (wards 20, 21, 22 & 23) prepared and submitted	Final Database for Informal Economy for Zone 2, wards 20, 21, 22 & 23 created and report submitted by the 25th of June 2021	N/A	N/A	DS 10	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Informal Economy support	Final Database for Informal economy for zone 3, ward 17, 18 & 19 submitted	Final Database for Informal Economy for Zone 3 and report submitted to the General Manager by the 30th June 2022	2 (70% - 99%)	N/A	Report submitted to the General Manager instead of to the SMC	N/A	Database and Report		

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT														
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			UNIT OF MEASURE	ANNUAL PROGRESS REPORT					SOURCE DOCUMENT
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)		ANNUAL TARGET	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES		
DS 12	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Informal Economy support	LED Reviewed Policy (2017)	4 x Skills Development and Training workshops facilitated	4 x Skills Development and Training workshops facilitated for Informal Traders by the 30th of June 2021	1000000.00	4 (130% - 149%)	Number	4 x Skills Development and Training workshops facilitated for Informal Traders by the 30th of June 2022	N/A	N/A	N/A	Attendance registers	
DS 13	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Informal Economy Policy	1st Draft of the Informal Economy Policy (2019)	Final Informal Economy Policy submitted	Final Informal Economy Policy submitted to SMC for onwards transmission to Council for approval by the 30th of June 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
DS 14	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Street Trading Support	Conducted 5 Street Trading Awareness Campaigns by 30 June 2020	6 x awareness campaigns (Covid-19) to be conducted	6 x awareness campaigns (Covid-19) to be conducted for Street Traders by the 30 of June 2021	R750,000	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	
DS 15	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Informal Economy Support & Development	Land Audit (2014)	1 x report on Hectares of land and buildings identified and secured	1 x report on Hectares of land and buildings identified and secured for the Informal Economy submitted to SMC by the 30th of June 2021	N/A	N/A	Number	1 x Report on the s identified potential sites for the Informal Economy submitted to the General Manager by the 30th of June 2022	N/A	N/A	N/A	Copy of report to GM	
DS 16	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Development Facilitation	4 Development Facilitation Committee Meetings conducted by June 2020	4 x Development Facilitation meetings conducted	8 X Development Facilitation Committee Meetings conducted by 30 June 2021	N/A	5 (150% - 167%)	Number	8 x Development Facilitation Committee meetings conducted by the 30th of June 2022	N/A	N/A	N/A	SMC Report	
DS 17	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Special Projects	Full Council Resolution (2016)	3 Strategic Land parcels disposed off	3 Strategic land parcels were disposed by 30 June 2021	N/A	3 (100% - 129%)	Number	5 x Strategic Land parcels prepared for disposal by the 30th of June 2022	N/A	N/A	N/A	3x SLAs & BSC Reports	
DS 18	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Special Projects	Municipal Asset Disposal Committee Resolution (2019)	Advertisement of sites available for disposal published	Advertisement of sites available for disposal published by the SCM Unit NOT completed by the 30th of June 2021	N/A	1 (69% & below)	N/A	N/A	N/A	N/A	N/A	N/A	
DS 22	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Business Licensing	520 Businesses visited for Database Registration by 30 June 2020	500 x Businesses visited and registered	774 Businesses were visited and registered in the Business database by the 30th of June 2021	N/A	5 (150% - 167%)	Number	763 x Businesses visited and registered in the Business database by the 30th of June 2022	N/A	N/A	N/A	Schedule of business registration	

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT																		
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT					ANNUAL PROGRESS REPORT								
					ANNUAL 20/21 FY PROGRESS REPORT		OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT						
					ANNUAL TARGET	ANNUAL ACTUAL						ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	COR-RECTIVE MEASURE	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT		
DS 23	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Business Licensing	21 days taken to process Business License applications after date of receipt by the 30th of June 2020	00% of Business Licensing Applications in terms of Business Act for the 2021 FY processed	100% of Business Licensing application were processed within 21 days in terms of the Business Act for the 2021 FY by the 30th of June 2021	3 (100% - 129%)	DS 22	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Business Licensing	100% Business Licensing Applications processed	Percentage	N/A	100% Business Licensing Applications processed within 21 days in terms of the Business Act for the 2021 FY by the 30th of June 2022	3 (100% - 129%)	The Unit has embarked on awareness campaigns encouraging businesses to renew their business licenses	N/A	N/A	Schedule of Business License Applications received and processed
DS 24	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Business Licensing	540 businesses inspected for valid Business Licenses by the 30th of June 2019	550 x Businesses to be visited for valid Business Licenses by the 30th of June 2021	N/A	5 (150% - 167%)	DS 23	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Business Licensing	580 Businesses to be inspected	Number	N/A	580 x Businesses to be visited for Ensuring compliance and validity of Business Licenses in terms of the Business Act for the 21/22 FY by the 30th of June 2022	4 (130% - 149%)	The Business unit is involved in the operations / Blitz thus covering wider areas	N/A	N/A	Schedule of Businesses visited for compliance, Compliance Notices and Prosecutions issued
DS 25	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Business Licensing	Municipal Licensing System	Final report on the Establishing and Implementation of the EDTEA Automated Licensing System submitted	N/A	3 (100% - 129%)	DS 24	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Business Licensing	Automated Licensing System implemented and fully operational	Date	N/A	Automated Licensing System implemented and fully operational by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Closed out report submitted to the General Manager
DS 27	NKPA 3- LOCAL ECONOMIC DEVELOPMENT	Special Projects	Full Council Resolution	100% SPLUMA application report for the Enkheheni Social Development Site Planning prepared and submitted	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A		N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A

9.2 TOWN PLANNING & ENVIRONMENTAL MANAGEMENT

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT						
					ANNUAL 20/21 FY PROGRESS REPORT								ANNUAL PROGRESS REPORT						
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	COR-RECTIVE MEASURE	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT
TP&EM 15	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	8 492 (commercial & residential) premises inspected annually for Environmental Health compliance by the 30th of June 2020	8200 inspections of commercial & residential premises inspected for Environmental Health compliance by the 30th of June 2021	8200 inspections of commercial & residential premises inspected for Environmental Health compliance by the 30th of June 2021	9382 inspections of commercial & residential premises inspected for Environmental Health compliance by the 30th of June 2021	3 (100% - 129%)	TP&EM 28	NKPA 6 - CROSS CUTTING	8 200 (commercial & residential) premises inspected	8 200 (commercial & residential) premises inspected annually for Environmental Health compliance by the 30th of June 2022	Number	N/A	8971 (commercial & residential) premises inspected annually for Environmental Health compliance by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Cyber fox - Environmental health information system

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 21/22 FY PROGRESS REPORT																		
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES
TP&EM 16	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	2 769 food premises inspected annually for Environmental Health compliance by the 30th of June 2020	2 600 inspections of food premises for Environmental Health compliance by the 30th of June 2021	2953 inspections of food premises for Environmental Health compliance by the 30th of June 2021	3 (100% - 129%)	TP&EM 29	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	2 600 Food premises inspected	Number	2 600 food premises inspected annually for Environmental Health compliance by the 30th of June 2022	2857 food premises inspected annually for Environmental Health compliance by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Cyber fox -Environmental health information system
TP&EM 17	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	500 inspections of HCRW premises inspected annually for Environmental Health compliance by the 30th of June 2020	N/A	N/A	N/A	TP&EM 30	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	500 HCRW premises (pharmacies, surgeries, hospitals) inspected annually for Environmental Health compliance by the 30th of June 2022	Number	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	Cyberfox -Environmental health information system
TP&EM 18	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	625 POC premises inspected annually for Environmental Health compliance by the 30th of June 2020	N/A	N/A	N/A	TP&EM 31	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	500 POC premises (crèches, old age homes, nursing facilities) inspected annually for Environmental Health compliance by the 30th of June 2022	Number	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	Cyberfox -Environmental health information system
TP&EM 19	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	3 387 TOB premises inspected annually for Environmental Health compliance by the 30th of June 2020	3000 inspections of TOB premises for Environmental Health compliance by the 30th of June 2021	4514 inspections of TOB premises for Environmental Health compliance by the 30th of June 2021	5 (150% - 167%)	TP&EM 32	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	3000 TOB premises inspected annually for Environmental Health compliance by the 30th of June 2022	Number	N/A	The Unit has been undertaking more blitz meeting, hence they over-achieve during this financial year	5 (150% - 167%)	N/A	N/A	N/A	Cyber fox -Environmental health information system
TP&EM 20	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	100% (536) public complaints investigated/responded to within 5 working days of receipt of the complaint by the 30th of June 2020	N/A	N/A	N/A	TP&EM 33	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	100% public complaints investigated/responded to within 5 working days of receipt of the complaint by the 30th of June 2021	Percentage	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	Complaints register and file
TP&EM 21	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	80% Compliance with Environmental Norms and Standards maintained prescribed by the National Health Act by the 31st of March 2020 (determined by the audit tool)	N/A	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
TP&EM 22	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	228 Air Pollution Industries/Institutions inspected annually for air pollution compliance by the 31st of June 2020	200 inspections of Air Pollution Industries/Institutions for air pollution compliance by the 30th of June 2021	200 inspections of Air Pollution Industries/Institutions for air pollution compliance by the 30th of June 2021	N/A	TP&EM 34	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	200 Air Pollution Industries/Institutions inspected annually for air pollution compliance by the 30th of June 2022	Number	N/A	225 Air Pollution Industries/Institutions inspected annually for air pollution compliance by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Cyberfox -Environmental health information system
TP&EM 23	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	100% (403) compliance notices and summons issued for environmental health contraventions by the 31st of June 2020	N/A	N/A	3 (100% - 129%)	TP&EM 35	NKPA 6 - CROSS CUTTING	Safe-guarding the environment for the optimal health of the Community	100% (No. of compliance notices issued for summons (1273) and summons (336) issued for environmental health contraventions by the 30th of June 2022	Percentage	N/A	100% (No. of compliance notices issued for summons (531) and summons (196) issued for environmental health contraventions by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Cyberfox -Environmental health information system - Notice and summons files
				N/A	N/A	N/A	N/A					N/A	N/A	N/A	N/A	N/A	N/A	N/A

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT												
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT						
						PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT		ANNUAL PROGRESS REPORT				
						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
TP&EM 24	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	982 Health Education/ Promotion sessions conducted annually by the 31st of June 2020	960 Health Education/ Promotion sessions conducted annually for external stakeholders by the 30th of June 2021	Number	960 Health Education/Promotion sessions conducted annually for external stakeholders by the 30th of June 2022	1050 Health Education/Promotion sessions conducted annually for external stakeholders by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Health Education files
TP&EM 25	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	(100%) Notifiable diseases responded to the optimal health of the Community	100% Notifiable diseases responded to and investigated within 5 working days by the 30th of June 2021	Percentage	(100%) Notifiable diseases responded to and investigated within 5 working days by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	Notifiable diseases files
TP&EM 26	NKPA 6 - CROSS CUTTING	Safeguarding the environment for the optimal health of the Community	1055 permit applications received and processed in terms of the Public Health Bylaws and other environmental health legislation by the 31st of June 2020	560 permit applications received and processed in terms of the Public Health Bylaws and other environmental health legislation by the 30th of June 2021	Number	560 permit applications received and processed in terms of the Public Health Bylaws and other environmental health legislation by the 30th of June 2022	N/A	5 (150% - 167%)	The Unit has been undertaking more blitz meeting, hence they over-achieve during this financial year	N/A	N/A	Cyberfox - Environmental health information system - Permit files
TP&EM 27	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Municipal Planning Tribunal Meetings facilitated in the 19/20 FY	20 x Municipal Planning Tribunal Meetings facilitated in the 2021 FY by the 31st of June 2020	20 x Municipal Planning Tribunal Meetings facilitated in the 2021 FY by the 30th of June 2021	Number	20 x Municipal Planning Tribunal Meetings facilitated in the 21/22 FY by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	MPT minutes
TP&EM 28	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Building plans	Existing system is in place to deal with the approval of building plans	100% of building plans assessed within 3 working days by the 30th of June 2021	Percentage	80% of building plans assessed within 8 working days upon receipt by Town Planning by the 30th of June 2022	N/A	3 (100% - 129%)	N/A	N/A	N/A	Building plans register
TP&EM 29	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Infrastructure Planning & Survey	Assessment of development applications in terms of SPLUMA for the 20/21 FY processed within 80 days of receipt of the application by the 30th of June 2021	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A	N/A
TP&EM 30	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Infrastructure Planning & Survey	It took an average of 22 days to process applications in terms of SPLUMA by June 2020	N/A	Average time	Average of 30 days taken to process new way leave applications by the 30th of June 2021	N/A	3 (100% - 129%)	N/A	N/A	N/A	Wayleaves register

ANNUAL REPORT

2021/22 DRAFT

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VISION

"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT											
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT					
						ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES
TP&EM 31	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Infrastructure Planning & Survey	98% of building plan applications were processed within one working day of receipt by June 2020	95% of building Plan Applications to be cleared/declined by the 30th of June 2021	Percentage	95% of Building Plan Applications to be cleared/declined by the 30th of June 2022	95% of Building Plan Applications to be cleared/declined by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Building plans spreadsheet
TP&EM 32	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	PROFESSIONAL SERVICE TO DEVELOPMENTS	Various professional advice was provided to both public and private sector in the 19/20 FY	Various professional advice was provided to both public and private sector in the 21/22 FY	Average time	N/A	An average of 30 days taken in the 21/22 FY to provide professional land survey advice related to property developments by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Spluma tracking register
TP&EM 35	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Baseline assessment report for City Hall to evaluate Electrical, Energy, Waste And Water Data And Noting Areas For Increased Optimization	There is no energy and water consumption for City Hall to evaluate baseline assessment for City Hall, Professor Nyemehzi, Gateway House And Noting Areas For Increased Optimization	Baseline assessment report for City Hall to evaluate Electrical, Energy, Waste And Water Data And Noting Areas For Increased Optimization	Number	N/A	1 x Baseline assessment report for City Hall to evaluate Electrical, Energy, Waste And Water Data And Noting Areas For Increased Optimization prepared and submitted to Full Council on the 29th June 2022	4 (100% - 149%)	The Assessment report was submitted to Full Council on the 29th June 2022	N/A	Full Council agenda
TP&EM 36	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Infrastructure Planning & Survey	95% of Building Plan Applications to be cleared/declined by the 30th of June 2021	95% of Building Plan Applications to be cleared/declined by the 30th of June 2021	Percentage	R 400,000	95% of Building Plan Applications to be cleared/declined by the 30th of June 2022	N/A	N/A	N/A	Building Plan Register
TP&EM 37	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Improve Infrastructure Planning & Survey compliance and reduce risk.	600 building contraventions inspections conducted for illegal building works	600 x building contraventions inspections conducted for illegal building works by the 30th of June 2021	Number	N/A	600 building contraventions inspections conducted for illegal building works by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Contravention Notices
TP&EM 38	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Outdoor Advertising Signage	Average of 3 days after receipt of applications taken to process (approve or decline) all Posters, Banner or Flag applications received by the 30th of June 2021	Average of 3 days after receipt of applications taken to process (approve or decline) all Posters, Banner or Flag applications received by the 30th of June 2021	Average time	N/A	Average of 3 days after receipt of applications taken to process (approve or decline) all Posters, Banner or Flag applications received by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	Signage Register

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 21/22 FY PROGRESS REPORT														
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				ANNUAL PROGRESS REPORT				TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE					
TP&EM 39	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Outdoor Advertising Signage	95% of all Billboards or Ground Signs applications on Council owned property processed (approved or declined) within 60 days of receipt of applications by the 30th of June 2021	95% of all Billboards or Ground Signs applications on Council owned property processed (approved or declined) within 60 days of receipt of applications by the 30th of June 2021	95% of all Billboards or Ground Signs applications on Council owned property processed (approved or declined) within 60 days of receipt of applications by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
TP&EM 40	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Optimize system, procedures and processes for Outdoor Advertising Signage	12 x monthly reports prepared and submitted to SMC on the removal of all illegal advertising signage on Council property, detailing results of the appointed Co-operative by the 30th of June 2021	12 x monthly reports prepared and submitted to SMC on the removal of all illegal advertising signage on Council property, detailing results of the appointed Co-operative by the 30th of June 2021	12 x monthly reports prepared and submitted to SMC on the removal of all illegal advertising signage on Council property, detailing results of the appointed Co-operative by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
TP&EM 41	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Special Projects: NDPG	BAR approval Phase One	1 x Progress report and Draft technical report on the Edendale Town Centre Basic Assessment Progress Report prepared and submitted to SMC by the 30th of June 2021	1 x Progress report and Draft technical report on the Edendale Town Centre Basic Assessment Progress Report prepared and submitted to SMC by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
TP&EM 42	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Special Projects: NDPG	WULA approval phase one	1 x Progress Report on and Draft technical report on the Edendale Town Centre Water User License Application prepared & submitted by the 30th of June 2021	1 x Progress Report on and Draft technical report on the Edendale Town Centre Water User License Application prepared & submitted by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
TP&EM 43	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Special Projects: NDPG	Baseline Zero Document submitted to National Treasury	1 x Pre-Feasibility study report and Implementation Plan on the Edendale Town Centre: Feasibility Study Report on Civic Zone submitted to municipality by the appointed service provider by the 30th of June 2021	1 x Pre-Feasibility study report and Implementation Plan on the Edendale Town Centre: Feasibility Study Report on Civic Zone submitted to municipality by the appointed service provider by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21									
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ANNUAL PROGRESS REPORT				
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1-2,3,4,5, Not Applicable)	REASON FOR DEVIATION	COR-RECTIVE MEASURE
FY PROGRESS REPORT	ANNUAL 20/21	ANNUAL ACTUAL	ANNUAL TARGET	ACTUAL (1-2,3,4,5, Not Applicable)	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT	ANNUAL PROGRESS REPORT		
							ANNUAL ACTUAL	ACTUAL (1-2,3,4,5, Not Applicable)	REASON FOR DEVIATION
HS 21	NKPA 6 - CROSS CUTTING	HUMAN SETTLEMENTS	Detailed Planning - Stage 1 activities for the Glenwood South East Sector IRDP (ward 37) commenced by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	NOT APPLICABLE	N/A
HS 22	NKPA 6 - CROSS CUTTING	HUMAN SETTLEMENTS	Building plans for Mkhondeni SACCA (Ward 37) finalized by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	NOT APPLICABLE	N/A
HS 23	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Environmental Authorization for Kwa30 (Ward 10) obtained by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A
HS 24	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	General Plan for Township Establishment of Signal Hill (Ward 26) approved by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 25	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Environmental Impact Assessment for Harewood (Ward 20) completed and submitted to the EDTEA by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 26	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Tripartite Agreement Contract for Snatching housing project (Ward 11) signed by HOD, City Manager and Implementing Agent NOT completed by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 27	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Presentation of the SPLUMA application to the Municipal Planning Tribunal (MPT) for Edendale Bulwer (Ward 14) completed by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 29	NKPA 2 - BASIC SERVICE DELIVERY	Municipal Rental Stock	100% of all reported maintenance complaints for rental housing units processed by the 30th of June 2021	2 (70% - 99%)	N/A	N/A	N/A	N/A	N/A

FY PROGRESS REPORT	ANNUAL 20/21	ANNUAL ACTUAL	ANNUAL TARGET	ACTUAL (1-2,3,4,5, Not Applicable)	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT	ANNUAL PROGRESS REPORT		
							ANNUAL ACTUAL	ACTUAL (1-2,3,4,5, Not Applicable)	REASON FOR DEVIATION
HS 21	NKPA 6 - CROSS CUTTING	HUMAN SETTLEMENTS	Detailed Planning - Stage 1 activities for the Glenwood South East Sector IRDP (ward 37) commenced by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	NOT APPLICABLE	N/A
HS 22	NKPA 6 - CROSS CUTTING	HUMAN SETTLEMENTS	Building plans for Mkhondeni SACCA (Ward 37) finalized by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	NOT APPLICABLE	N/A
HS 23	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Environmental Authorization for Kwa30 (Ward 10) obtained by the 30th of June 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A
HS 24	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	General Plan for Township Establishment of Signal Hill (Ward 26) approved by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 25	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Environmental Impact Assessment for Harewood (Ward 20) completed and submitted to the EDTEA by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 26	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Tripartite Agreement Contract for Snatching housing project (Ward 11) signed by HOD, City Manager and Implementing Agent NOT completed by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 27	NKPA 2 - BASIC SERVICE DELIVERY	HUMAN SETTLEMENTS	Presentation of the SPLUMA application to the Municipal Planning Tribunal (MPT) for Edendale Bulwer (Ward 14) completed by the 30th of June 2021	1 (69% & below)	N/A	N/A	N/A	N/A	N/A
HS 29	NKPA 2 - BASIC SERVICE DELIVERY	Municipal Rental Stock	100% of all reported maintenance complaints for rental housing units processed by the 30th of June 2021	2 (70% - 99%)	N/A	N/A	N/A	N/A	N/A

9.4 CITY ENTITIES

9.4 CITY ENTITIES

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VISION

"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

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SDIR REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 2021 FY PROGRESS REPORT				PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT									
					PROGRESS REPORT				ANNUAL PROGRESS REPORT									
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CE 08	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	Average 3 days turn-around time to repair faulty CCTV equipment by the 30th of June 2020	Average 3 days turn-around time to repair faulty CCTV equipment as per the Faults Register/Book by the 30th of June 2021	CE 25	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	Average 3 days turn-around time to repair faulty CCTV equipment by the 30th of June 2022	Average 1 day turn-around time to repair faulty CCTV equipment as per the Faults Register/Book by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Monthly report to SM City Entities				
CE 09	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	To ensure that minimal CCTV cameras under control of Safe City be off line by the 30th of June 2020	99% of all CCTV cameras under control of Safe City by the 30th of June 2021	CE 08	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	90% or more of all CCTV cameras under control of Safe City by the 30th of June 2022	98% of all CCTV cameras under control of Safe City fully operational by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	N/A				
CE 10	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	To ensure that Safe City maintains its ISO accreditation status at all times by the 30th of June 2020	100% Safe City ISO 9001 accreditation maintained during the 2021 FY by the 30th of June 2021	CE 26	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	100% Safe City ISO 9001 accreditation maintained during the 2021 FY by the 30th of June 2022	100% Safe City ISO 9001 accreditation to be valid and maintained during the 2021 FY by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Valid ISO 9001:2015 certificate				
CE 11	NKPA 6 - CROSS CUTTING	Crime, Bylaw, Sub Station and Monitoring through CCTV Camera	To ensure that Safe City operators detect all confirmed crime reports within camera visual area by the 30th of June 2020	Not more than an average of 10% of all confirmed crime reports within camera visual area missed in the 2021 FY by the 30th of June 2021	N/A	N/A	N/A	Not more than an average of 10% of all confirmed crime reports within camera visual area missed in the 2021 FY by the 30th of June 2022	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A				
CE 12	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Forestry Management	50% Provision of silviculture and harvesting activities	0% Forestry Management as per Annual Plan of Operations completed for the 2021 FY by the 30th of June 2021	N/A	N/A	N/A	Not more than an average of 10% of all confirmed crime reports within camera visual area missed in the 2021 FY by the 30th of June 2021	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A				
CE 14	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	TOURISM SUPPORT PROGRAMME	2019/20 KPAS	100% Implementation of the tourism programmes as per SLA between the municipality and MPTA for the 2021 FY by the 30th of June 2021	CE 21	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	MPTA SLA KPI	100% Monitoring and reporting on execution of the MPTA activity plan according to the council approved SLA by the 30th of June 2022	100% Monitoring and reporting on execution of the MPTA activity plan according to the council approved SLA by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Submitted SLA Review report, Attendance register, pictures, invoices where applicable				
CE 15	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Tourism Sector Programme	2019/20 KPAS	1 x Msunduzi tourism sector meeting facilitated by the 31st of May 2021	CE 19	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Economic Development	2 x Tourism Stakeholder Forum meetings facilitated by the 31st of May 2022	2 x Tourism Stakeholder Forum meetings facilitated by the 31st of May 2022	3 (100% - 129%)	N/A	N/A	N/A	Submitted Attendance Register, invite, pictures				
CE 16	NKPA 2 - BASIC SERVICE DELIVERY	Airport	N/A	3.9 km of Clearu perimeter fence installed at the Airport by the 30th of June 2021	N/A	N/A	N/A	3.9 km of Clearu perimeter fence installed at the Airport by the 30th of June 2021	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A				
CE 17	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	TOURISM RESEARCH PROGRAMME IN RESPONSE TO COVID-19	Findings of the research programme	Tourism research programme in response to Covid-19 completed and submitted to SMC Council by the 30th of June 2021	N/A	N/A	N/A	Tourism research programme in response to Covid-19 completed and submitted to SMC Council by the 30th of June 2021	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A				

10. CORPORATE SERVICES

10.1 LEGAL SERVICES

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT																
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				UNIT OF MEASURE	ANNUAL PROGRESS REPORT						
					ANNUAL 20/21 FY PROGRESS REPORT			ACTUAL (1,2,3,4,5, Not Applicable)		REASON FOR DEVIATION	CORRECTIVE MEASURE	TIME FRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT			
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)									
LGL 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Governance	1. Rules of Order Bylaws 2. SPLUMA Bylaws	1 X BYLAW (Waste Management Bylaw) submitted to SMC	1 X BYLAW (Waste Management Bylaw) submitted to SMC for approval by the 30th of June 2021	3 (100% - 129%)	LGL 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Governance	4 X BYLAWS (Electricity Bylaws, Property Rates Bylaws, Indigent Bylaws) submitted to SMC for approval by June 2022	Number	4 X BYLAWS (Electricity Bylaws, Property Rates Bylaws, Indigent Bylaws) submitted	N/A	N/A	N/A	COUNCIL RESOLUTIONS
LGL 02	NKPA 6- CROSS CUTTING	Legal Representation	100% Legal representation in all civil matters in 2019/20	100% Legal representation provided in all civil matters	N/A	N/A	LGL 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Legal Representation	100% Legal representation provided in all civil matters as and when required by the 30th of June 2022	Percentage	100% Legal representation provided in all civil matters as and when required by the 30th of June 2022	N/A	N/A	N/A	SUMMONS-ESLITIGATION REGISTER & PRESENTATION DOCUMENT
LGL 03	NKPA 6- CROSS CUTTING	Legal Representation	80% legal briefs attended within 10 working days in accordance with the approved legal briefing procedure by 30 of June 2020	100% of legal briefs attended within 10 working days	N/A	2 (70% - 99%)	LGL 03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Legal Representation	Legal briefs attended to within 15 working days in accordance with the approved legal briefing procedure by the 30th of June 2022	Turnaround time	Legal briefs attended to within 15 working days in accordance with the approved legal briefing procedure by the 30th of June 2022	N/A	N/A	Due to the work load as: 1. The vacancy rate has increased in the Business Unit 2. Staff shortage as some staff took ill	LEGAL ADVICES & WORKFLOW TEMPLATE
LGL 04	NKPA 6- CROSS CUTTING	Legal Representation	80% Contracts attended within 15 working days	100% of all Contracts requiring Legal drafting and/or inputs attended to within 15 working days after the acknowledgement of brief and all applicable information required submitted to Legal Services by the 30th of June 2021	N/A	3 (100% - 129%)	LGL 04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Legal Representation	Contracts requiring Legal drafting and/or inputs attended to within 15 working days after the acknowledgement of brief and all applicable information required submitted to Legal Services by the 30th of June 2022	Turnaround time	Contracts requiring Legal drafting and/or inputs attended to within 15 working days after the acknowledgement of brief and all applicable information required submitted to Legal Services by the 30th of June 2022	N/A	N/A	Due to the work load as: 1. The vacancy rate has increased in the Business Unit 2. Staff shortage as some staff took ill	DRAFT CONTRACTS & WORKFLOW TEMPLATE
LGL 05	NKPA 6- CROSS CUTTING	Legal Representation	100% Legal representation provided in Criminal Prosecutions relating to law enforcement in 2019/20	100% Legal representation provided in Criminal Prosecutions relating to law enforcement by the 30th of June 2021	N/A	3 (100% - 129%)	LGL 05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Legal Representation	100% Legal representation provided in Criminal Prosecutions relating to law enforcement by the 30th of June 2022	Percentage	100% Legal representation provided in Criminal Prosecutions relating to law enforcement by the 30th of June 2022	N/A	N/A	N/A	COURT BOOK
LGL 06	NKPA 6- CROSS CUTTING	Legal Representation	100% Legal representation provided in all Labour Litigation matters in 2020/21	100% Legal representation provided in all labour litigation matters as and when required by the 30th of June 2021	N/A	3 (100% - 129%)	LGL 06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Legal Representation	100% Legal representation provided in all Labour Litigation matters in 2021/22 as and when required by the 30th of June 2022	Percentage	100% Legal representation provided in all Labour Litigation matters in 2021/22 as and when required by the 30th of June 2022	N/A	N/A	N/A	NOTICES OF ARBITRATION AWARD AND A LABOUR LITIGATION REGISTER
LGL 07	NKPA 6- CROSS CUTTING	Legal Representation	100% provision of legal inputs into polices finalised within 15 working days of receipt and all additional information requested by the 30th of June 2021	100% provision of legal inputs into polices finalised within 15 working days of receipt and all additional information requested by Legal Services by the 30th of June 2021	N/A	NOT APPLICABLE	LGL 07	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Legal Representation	Provision of legal inputs into polices finalized days of receipt and all additional information requested by Legal Services by the 30th of June 2022	N/A	Provision of legal inputs into polices finalized days of receipt and all additional information requested by Legal Services by the 30th of June 2022	N/A	N/A	N/A	N/A

MISSION

"To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities."

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PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT														
PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT					ANNUAL PROGRESS REPORT									
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	ACTUAL (1,2,3,4,5, Not Applicable)	ANNUAL ACTUAL	ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	COR-RECTIVE MEASURE	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT	
SAS 01	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Improving Corporate Services risk and Compliance and Risk Reduction	All minutes of Council and Council committee meetings compiled	Turnaround time	2 (70% - 99%)	Some minutes of Council and Council committee meetings compiled within seven (7) working days after the meetings by the 30th of June 2021	All minutes of Council and Council committee meetings compiled within seven (7) working days after the meetings by the 30th of June 2022	Some minutes of Council and Council committee meetings compiled within seven (7) working days after the meetings by the 30th of June 2022	2 (70% - 99%)	Due to Council sitting on the last Wednesday of the month	To ensure that minutes are compiled within the stipulated timeframe	22/23 FY	Signed minutes	
SAS 02	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Improving Corporate Services Compliance and Risk Reduction	44 x weekly schedules of Portfolio Committee and other committee meetings prepared and published	Number	N/A	40 x weekly schedules of Portfolio Committee and other committee meetings prepared and published on Corporate Communication every Friday by the 30th of June 2021	44 x weekly schedules of Portfolio Committee and other committee meetings prepared and published on Corporate Communication every Friday by the 30th of June 2022	44 x weekly schedules of Portfolio Committee and other committee meetings prepared and published on Corporate Communication every Friday by the 30th of June 2022	N/A	N/A	N/A	N/A	N/A	Weekly Schedules
SAS 03	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Improving Corporate Services Compliance and Risk Reduction	12x monthly schedules of Portfolio Committee and other committee meetings prepared and published	Number	2 (70% - 99%)	10 x monthly schedules of Portfolio Committee and other committee meetings prepared and published on Corporate Communication in the last week of every month by the 30th of June 2021	12x monthly schedules of Portfolio Committee and other committee meetings prepared and published on Corporate Communication in the last week of every month by the 30th of June 2022	12 x monthly schedules of Portfolio Committee and other committee meetings prepared and published on Corporate Communication in the last week of every month by the 30th of June 2022	N/A	N/A	N/A	N/A	N/A	Monthly Schedules
SAS 04	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Improving Corporate Services Compliance and Risk Reduction	100% of all document requests prepared and printed	Turnaround time	N/A	Some of document requests were printed within 2 days of receipt of the request by the 30th of June 2021	All book work and lithographic printing completed within 10 days of receipt of the request by the 30th of June 2022	Some book work and lithographic printing completed within 10 days of receipt of the request by the 30th of June 2022	2 (70% - 99%)	Due to staff shortages experienced	Book work requested had been completed and submitted to the respective Business Units	N/A	Incoming job register	
SAS 05	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Improving Corporate Services Compliance and Risk Reduction	4 x quarterly reports on the Implementation of EXCO & Full Council Resolutions prepared & submitted	Number	N/A	3 x quarterly reports on the Implementation of EXCO & Full Council Resolutions prepared & submitted to SMC for onward transmission to Full council by the 30th of June 2021	4 x quarterly reports on the Implementation of EXCO & Full Council Resolutions prepared & submitted to SMC by the 30th of June 2022	2 x quarterly reports on the Implementation of EXCO & Full Council Resolutions prepared & submitted to SMC by the 30th of June 2022	N/A	Currently there is no employee to do the function	Employee to be seconded out to carry out the function	N/A	SMC Reports	

10.3 HUMAN RESOURCES

PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT																	
OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PRO-GRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				UNIT OF MEASURE	ANNUAL PROGRESS REPORT							
					REFER-ENCE	NATIONAL KEY PERFORMANCE AREA	PRO-GRAMME	INDICATOR		ANNUAL 20/21 FY PROGRESS REPORT		ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	COR-RECTIVE MEASURE	TIMEFRAME TO IMPLEMENT COR-RECTIVE MEASURES	SOURCE DOCUMENT	
										ANNUAL TARGET	ANNUAL ACTUAL						
HR 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Workplace Skills plan	Approval of Workplace Skills Plan 19/20 by 30 April 2019	1 x Report on the Workplace Skills Plan 2021/2022 FY prepared and submitted	1 x Report on the Workplace Skills Plan 2021/2022 FY prepared and submitted to LGSETA by the 30th of April 2021	1 x Report on the Workplace Skills Plan 2021/2022 FY prepared and submitted to LGSETA by the 30th of April 2022	3 (100% - 129%)	N/A	1 x Report on the Workplace Skills Plan 2021/2022 FY prepared and submitted to LGSETA by the 30th of April 2022	1 x Report on the Workplace Skills Plan 2021/2022 FY prepared and submitted to LGSETA by the 30th of April 2022	Number	1 x Report on the Workplace Skills Plan 2021/2022 FY prepared and submitted to LGSETA by the 30th of April 2022	3 (100% - 129%)	N/A	N/A	LGSETA Confirmation Letter of Submission.	
HR 02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Workplace Skills plan	338 employees trained in 19/20	Training of 410 employees by Accredited training providers according to PDPs received from Business Units and in accordance with the approved 20/21 Workplace Skills Plan facilitated by the Human Resources Unit by the 30th of June 2021	N/A	494 employees trained by Accredited training providers according to PDPs received from Business Units and in accordance with the approved 20/21 Workplace Skills Plan facilitated by the Human Resources Unit by the 30th of June 2021	3 (100% - 129%)	N/A	450 x employees trained by Accredited training providers according to PDPs received from Business Units and in accordance with the approved 20/21 Workplace Skills Plan by the 30th of June 2022	243 x employees trained by Accredited training providers according to PDPs received from Business Units and in accordance with the approved 20/21 Workplace Skills Plan by the 30th of June 2022	Number	450 x employees trained by Accredited training providers according to PDPs received from Business Units and in accordance with the approved 20/21 Workplace Skills Plan by the 30th of June 2022	1 (69% & below)	N/A	The process is out of the control of the Unit.	Email correspondence to SCM and Attendance Registers.	
HR 05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Internship Programme	106 x Interns appointed in 2019/2020 FY	24 x Interns appointed Organizationally	N/A	27 x Interns appointed Organizationally per Business Unit by the 06 April 2021	3 (100% - 129%)	N/A	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	
HR 06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Learnships Programme	2 Learnships implemented in 2018/ 2019	2 x Learnships Implemented	N/A	1 Learnships started in the month of April, whilst the other Learnships could not be implemented due to the non-payment of the 50% tranche payment.	1 (69% & below)	N/A	Learnships Programme	1 x Learnships Implemented as per LGSETA Sector Plan by the 30th of June 2022	Number	1 x Learnships Implemented as per LGSETA Sector Plan by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Close out report on Learnships.
					N/A	N/A	N/A				N/A	N/A	N/A	N/A	N/A	N/A	N/A

10.5 INFORMATION COMMUNICATION TECHNOLOGY

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT				OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	INDICATOR	UNIT OF MEASURE	PERFORMANCE REPORTING 2021/2022 FY - ANNUAL 21/22 FY PROGRESS REPORT					
					ANNUAL 20/21 FY PROGRESS REPORT			ACTUAL (1,2,3,4,5, Not Applicable)						ANNUAL PROGRESS REPORT					
					ANNUAL TARGET	ANNUAL ACTUAL	2 (70% - 99%)							N/A	N/A	N/A	N/A	N/A	N/A
ICT01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	FIBRE CONNECTIVITY	VARIOUS SITES CONNECTED WITH FIBRE	3 X SITES (TRURO, TRAFFIC & PUBLICITY HOUSE) CONNECTED WITH FIBRE DATA LINES BY THE 30TH OF APRIL 2021	2 X SITES CONNECTED WITH FIBRE DATA LINES. Truro and Publicity House have been connected although Truro was connected just after 30th April 2021	2 (70% - 99%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A		
					2 000 000	N/A	N/A					N/A	N/A	N/A	N/A	N/A	N/A		

OP REFERENCE	NATIONAL KEY PERFORMANCE AREA	PROGRAMME	BASELINE	INDICATOR	PERFORMANCE REPORTING 2020/2021 FY - ANNUAL 20/21 FY PROGRESS REPORT			UNIT OF MEASURE	ANNUAL PROGRESS REPORT						TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
					ANNUAL 20/21 FY PROGRESS REPORT				ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE				
					ANNUAL TARGET	ANNUAL ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)									
ICT02	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	ICT GOVERNANCE	NON-FUNCTIONING ICT STEERING COMMITTEE FACILITATED	4 X ICT STEERING COMMITTEE MEETINGS FACILITATED BY THE 30th OF JUNE 2021	4 X ICT STEERING COMMITTEE MEETINGS FACILITATED BY THE 30th OF JUNE 2021	3 (100% - 129%)	N/A	Number	4 x ICT Steering Committee Meetings conducted by the 30th of June 2022	3 x ICT Steering Committee Meetings conducted by the 30th of June 2022	2 (70% - 99%)	During the 3rd Quarter no ICT Steering Committee meeting was conducted	Steering Committee Meetings to be scheduled in advanced.	30-Sep	3 x ICT Steering Committee minutes	
ICT03	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	ICT GOVERNANCE	APPROVED ICT POLICIES as at 2015 FY	100% REVIEWED ICT POLICIES PREPARED AND SUBMITTED TO SMC BY THE 30TH OF NOVEMBER 2020	N/A	4 (130% - 149%)	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A	
ICT04	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	ICT GOVERNANCE	DRAFT DISASTER RECOVERY PLAN AND TESTING as at 2018/2019 FY	DISASTER RECOVERY PLAN DEVELOPED AND SUBMITTED TO SMC BY THE 31ST OF MAY 2021	ICT01	N/A	N/A	Number	1 x Disaster Recovery Tests conducted and signed off by the 30th of June 2022	1 x Disaster Recovery Test Plan signed and actual implementation test conducted, however the test failed	2 (70% - 99%)	The DR Test conducted failed due to stage 6 of load shedding which presented many challenges for ICT infrastructure. The generator was not maintained by Buildings unit at ASC and is completely broken	To implement Disaster Recovery Test in the first quarter of the new FY	30-Sep	Signed Disaster Recovery Test Plan, DR Test Change Control, DR Corp Comm	
ICT05	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	ICT GOVERNANCE	ICT STRATEGY & GOVERNANCE FRAMEWORK DEVELOPED AND SUBMITTED BY THE 30TH OF NOVEMBER 2020	ICT STRATEGY & GOVERNANCE FRAMEWORK DEVELOPED AND SUBMITTED TO SMC BY THE 30TH OF NOVEMBER 2020	N/A	3 (100% - 129%)	N/A	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A	
ICT06	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	ICT OPERATIONS	SHAREPOINT VERSION as at 2012/13 FY	100% UPGRADE OF MICROSOFT SHAREPOINT COMPLETED AND FULLY OPERATIONAL BY THE 31ST OF DECEMBER 2020	ICT06	N/A	3 (100% - 129%)	Percentage	100% of computers with Office 365 installed with OneDrive by the 30th of June 2022	100% of (licensed) computers with Office 365 installed with OneDrive by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Onedrive installation report	
ICT07	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	ICT OPERATIONS	MANUAL E-FORMS AND PROCESSES AS AT 19/20FY	100% E-FORMS (HR & ICT) DEVELOPED & FULLY FUNCTIONAL	ICT09	N/A	2 (70% - 99%)	Percentage	100% of Agendas and Minutes for Committee Meetings automated	NOT 100% of Agendas and Minutes for Committee Meetings automated by the 31st of December 2021	1 (89% & below)	Numerous issues between ICT and Secretariat have delayed this project. Adobe licenses purchased and deployed. Digitization Project Plan developed and signed	The Project has been handed over to another Project Manager to continue with it	30-Sep	Project Plan, Adobe licenses	

REMOVED INDICATORS AS PER ADJUSTMENT BUDGET

SDBIP REFER- ENCE	INDICATOR	ANNUAL TARGET / OUTPUT	UNIT OF MEASURE	PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			MID-YEAR REVIEW			
				MONTHLY & QUARTERLY PROJECTIONS			PROPOSED BUDGET ADJUSTMENT	KPI: AMENDED OR NEW	REASON FOR AMENDMENT, REMOVAL OR NEW	
				QUARTER 3	ANNUAL	PORTFOLIO OF EVIDENCE				
WM 03	Refuse collection completed weekly for Msunduzi wards (10 to 38)	Refuse collection completed weekly for Msunduzi households in wards (10 to 38) as per Waste collection schedule for the 21/22 Financial Year by the 30th of June 2022	Refuse Collection	Refuse collection completed weekly for Msunduzi households in wards (10 to 38) as per Waste collection schedule for the 21/22 Financial Year by the 31st of March 2022	Refuse collection completed weekly for Msunduzi households in wards (10 to 38) as per Waste collection schedule for the 21/22 Financial Year by the 30th of June 2022	Driver Returns	N/A	Removed	KPI cannot be defined	
OCM 20	Date of Updated and Reviewed of the Msunduzi Municipality Service Charter	Date of Approval of the Standard Operating Procedure for the Call Centre submitted to Full Council by the 31st of December 2021	Date	N/A	Date of Approval of the Standard Operating Procedure for the Call Centre submitted to Full Council by the 31st of December 2021	Standard Operating Procedure for the Call Centre Report and Council Resolutions	N/A	REMOVE	The SOP to be developed for approval as part of the process of the integration of the Call Center and will be included in the 2022/2023 Operational Plan	
OCM 21	Date of Approval of the Operating Procedure for the Switch Board submitted	Date of Approval of the Operating Procedure for the Switch Board submitted to Full Council by the 31st of December 2021	Date	N/A	Date of Approval of the Operating Procedure for the Switch Board submitted to Full Council by the 31st of December 2021	Standard Operating Procedure for the Switch Board Report and Council Resolutions	N/A	REMOVE	The SOP to be developed for approval as part of the process of the integration of the Call Center and will be included in the 2022/2023 Operational Plan	
TP & EM 02	Draft policies prepared and circulated to key stakeholders for comments	Draft policies prepared and circulated to key stakeholders for comments by the 30th of June 2022	Submission date for Draft policies.	Project inception report prepared and submitted to SMC by the 31st of March 2022	Draft policies prepared and circulated to key stakeholders for comments by the 30th of June 2022	Draft policies	R500 000	REMOVED	Due to unforeseen delays that have been incurred on the SCM process	
TP & EM 04	First Draft Synthesis of Issues, Vision & Spatial Concept Development Report submitted	First Draft Synthesis of Issues, Vision & Spatial Concept Development Report submitted to the Municipality by 30th of June 2022.	Date	Preliminary analysis and launch of field survey by 31st of March 2022.	First Draft Synthesis of Issues, Vision & Spatial Concept Development Report submitted to the Municipality by 30th of June 2022.	Draft Synthesis of Issues, Vision & Spatial Concept Development Report.	R1000 000	REMOVED	Due to unforeseen delays that have been incurred on the SCM process	
TP & EM 06	Service provider to remove illegal signage appointed	Service provider to remove illegal signage appointed by the 31st of October 2021	Date	N/A	Service provider to remove illegal signage appointed by the 31st of October 2021	Adverts & Ap-pointment letter of Service Provider	N/A	REMOVED	The Business has opted to employ eight 8 General Workers to carry out the work required	
TP & EM 10	Phase 2: High-Level Strategic assessment and Conceptual Framework work submitted	Phase 2: High-Level Strategic assessment and Conceptual Framework work submitted to the Municipality by 30 June 2022	Date	Project Introductory meeting held by 31st of March 20212	Phase 2: High-Level Strategic assessment and Conceptual Framework work submitted to the Municipality by 30 June 2022	High-Level Strategic assessment and Conceptual Framework work.	R500 000	REMOVED	Due to unforeseen delays that have been incurred on the SCM process	
TP & EM 16	1 x Air Quality Monitoring Station purchased	1 x Air Quality Monitoring Station purchased in the 2021/2022 FY by the 30th of June 2022	Date	Award of tender in the 2021/2022 FY by the 31st March 2022	1 x Air Quality Monitoring Station purchased in the 2021/2022 FY by the 30th of June 2022	Invoice and Goods Received Note	N/A	REMOVED	Capital budget not provided - No re-allocation of capital funds during mid-year review	
TP & EM 17	100% Laboratory Equipment purchased and delivered	100% of Laboratory Equipment purchased and delivered in the 2021/2022 FY by the 30th June 2022	Percentage	50% of Laboratory Equipment purchased and delivered in the 2021/2022 FY by the 31st March 2022	100% of Laboratory Equipment purchased and delivered in the 2021/2022 FY by the 30th June 2022	Invoice and Goods Received Note	N/A	REMOVED	Capital budget not provided - No re-allocation of capital funds during mid-year review	
CE 04	Tourism website through ICT services launched	Tourism website through ICT services launched by the 30th June 2022	Date	Meeting with the ICT team to present the project and expectations held by the 31st of March 2022	Tourism website through ICT services launched by the 30th June 2022	Status and Milestone Report	REMOVE	REMOVE	BUDGET UNAVAILABILITY	
CE 05	100% Participation of Msunduzi Tourism in Virtual Tours, events and exhibitions	100% Participation of Msunduzi Tourism in Virtual Tours, events and exhibitions as per the approved Tourism Events Calendar 21/22 FY by the 30th of June 2022	Percentage	100% participation of Msunduzi Tourism in Virtual tours, events and exhibitions as per approved Tourism events calendar 21/22 FY by the 31st of March 2022	100% participation of Msunduzi Tourism in Virtual tours, events and exhibitions as per approved Tourism events calendar 21/22 FY by the 30th of June 2022	Invoices where applicable, pictures, posters, event report	REMOVE	REMOVE	BUDGET UNAVAILABILITY	
CE 06	Bi-weekly City's Health awareness campaign in response to Covid-19 held	Bi-weekly City's Health awareness campaign in response to Covid-19 held as per approved communication schedule by the 31st May 2022	Bi-weekly City's Health awareness Campaign in response to Covid-19	Establishing of Campaign Goals and campaign tracking mechanisms for the City's Health awareness Campaign in response to Covid-19 by the 31st of March 2022	Bi-weekly City's Health awareness campaign in response to Covid-19 held as per approved communication schedule by the 31st May 2022	Campaign Assets, Communication Schedule, Posters/ adverts	REMOVE	REMOVE	BUDGET UNAVAILABILITY	

SDBIP REFER- ENCE	INDICATOR	ANNUAL TARGET / OUTPUT	UNIT OF MEASURE	PERFORMANCE TARGET AND PROJECTED BUDGET PER QUARTER			MID-YEAR REVIEW		
				MONTHLY & QUARTERLY PROJECTIONS			PROPOSED BUDGET ADJUSTMENT	KPI: AMENDED REMOVED OR NEW	REASON FOR AMENDMENT, REMOVAL OR NEW
				QUARTER 3	ANNUAL	PORTFOLIO OF EVIDENCE			
CE 07	PIDS installed on the Airport perimeter fence	PIDS installed on the Airport perimeter fence by the 31st of March 2022	Date	PIDS installed on the Airport perimeter fence by the 31st of March 2022	PIDS installed on the Airport perimeter fence by the 31st of March 2022	Invoice and completion certificate.	R5 000 000-Cost too high- Item to be removed from SDBIP	Remove- Business unit equivalent substitution that will be accepted by regulator. The current funds were then used to purchase a Generator	BUDGET RESTRICTIONS- Quotations were R5000 000 and above.
HS 21	SPLUMA MPT approval for Township Establishment obtained	SPLUMA MPT approval for Township Establishment obtained for Edendale J2 and Quarry by the 30th of June 2022	Date	Advertise on the Newspaper and observe (30 days) by the 31st March 2022	SPLUMA MPT approval for Township Establishment obtained for Edendale J2 and Quarry by the 30th of June 2022	SPLUMA MPT resolution	1018656	Remove	The project is affected by land use conflicts between the Weame Quarry and the proposed Human Settlements project the two cannot coexist. There is a Council resolution that has approved that the project be closed due to not being feasible.
TP&EM 26	95% of all Billboards or Ground Signs applications on Council owned property processed	95% of all Billboards or Ground Signs applications on Council owned property processed (approved or declined) within 60 days of receipt of applications by the 30th of June 2022	Percentage	95% of all Billboards or Ground Signs applications on Council owned property processed (approved or declined) within 60 days of receipt of applications by the 31st of March 2022	95% of all Billboards or Ground Signs applications on Council owned property processed (approved or declined) within 60 days of receipt of applications by the 30th of June 2022	Applications register	-250000	REMOVED	The target has not been met the department opted to hire 8 general workers to assist the department in removing illegal Signage
TP&EM 27	12 x monthly reports prepared and submitted	12 x monthly reports prepared and submitted to SMC on the removal of all illegal advertising signage on Council property, detailing results of the appointed clean-up Co-operative by the 30th of June 2022	Number	9 x monthly reports prepared and submitted to SMC on the removal of all illegal advertising signage on Council property, detailing results of the appointed clean-up Co-operative by the 31st of March 2022	12 x monthly reports prepared and submitted to SMC on the removal of all illegal advertising signage on Council property, detailing results of the appointed clean-up Co-operative by the 30th of June 2022	Monthly reports, SMC Resolution	N/A	REMOVED	The target has not been met the department opted to hire 8 general workers to assist the department in removing illegal Signage
CE 27	Not more than an average of 10% of all confirmed crime reports within camera visual area missed	Not more than an average of 10% of all confirmed crime reports within camera visual area missed in the 21/22 FY by the 30th of June 2022	Percentage	Not more than an average of 10% of all confirmed crime reports within camera visual area missed in the 20/21 FY by the 31st of March 2022	Not more than an average of 10% of all confirmed crime reports within camera visual area missed in the 20/21 FY by the 30th of June 2022	South African Police Service Matrix Feedback Form	N/A	REMOVED	POE being a confidential report from SAPS setting of the target was also not smart
ICT04	Finance manual forms automated or converted	Finance manual forms automated or converted to electronic forms by the 31st of March 2022	Date Finance Manuals automated	Finance manual forms automated or converted to electronic forms by the 31st of March 2022	Finance manual forms automated or converted to electronic forms by the 31st of March 2022	Finance manual forms automated, Register of forms received and automated	N/A	REMOVED	This KPI is dependent on Office365 fully implemented and configured for the entire Msunduzi IT users. We had to revert back to the original setup due to congested network, email started to be unstable and not coming through and experienced a lot of downtime during the migration. Once the internet pipeline is upgraded, infrastructure replaced, this KPI will be added again.
ICT08	100% of All ICT Audit Communication findings resolved	100% of All ICT Audit Communication findings resolved by the 30th of June 2022	Percentage ICT findings resolved	90% of All ICT Audit Communication findings resolved by the 31st of March 2022	100% of All ICT Audit Communication findings resolved by the 30th of June 2022	Audit Tracking Tool, ICT Communication Findings addressed and resolved	N/A	REMOVED	The audit tracking tool is updated regularly as and when findings are made, and some ICT findings also require funding. Therefore this matter will be monitored via the tracking tool.

PERFORMANCE MANAGEMENT OF CONTRACTS

The contract management unit reviews and reports on how SCM, service providers and the department as a whole is performing against set standards and metrics, provides insight into how policies are followed, and identifies areas of opportunity to drive value through process efficiencies, and verification of variations requested by user departments. Regular site visits and attending progress meetings, which allows for systematic management of supplier performance and building of work relationships to optimize the value for money in agreed deliverables throughout the project execution. Monthly and quarterly reports are submitted at SMC and Full Council.

Contracts and Monitoring

The unit is not fully recognized as a functional office and often misunderstood by the rest of the organization as to its responsibility within Supplier Performance management context. Inadequate SCM system to synchronize reporting and enhance performance indicators e.g. Coordination of information for the generation of monthly reports on Awarded Contracts is not automatically loaded at the point of letter of award during acquisitions process which normally cause distortions and rendering potential delays in the report generation at times.

Information management processes and procedures across functional structures are not aligned e.g. dissemination of resolutions regarding contract variations are delayed at times. Project and Contract Management systems are not linked to mitigate risk of poor performance.

MSUNDUZI MUNICIPALITY SUPPLY CHAIN MANAGEMENT UNIT – SERVICE PROVIDERS ANNUAL (2020/2021 & 2021/2022FY) MONITORING OF PERFORMANCE

NB – ACTUAL SCORING DESCRIPTION – (TARGET NOT MET – 1, PARTIALLY MET – 2, TARGET MET – 3, TARGET EXCEEDED – 4, TARGET SIGNIFICANTLY EXCEEDED – 5)

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
SS76R of 2020	Dusi Electrical CC	Rate Based	New Installation, maintenance and refurbishment of uninterrupted power systems in municipal facilities	Yes	5	2	2	5	4	4	No performance issues reported by the business unit.
SS 29 of 2020 (Section A)	Ubhaqa Air Conditioning	Rate Based	Installation, maintenance and refurbishment to mechanical equipment for council CBD	Yes	5	2	2	5	3	3	No new performance issue reported by the business unit.
SS 29 of 2020 (Section B)	Intathakusa Projects 11/07 Pty Ltd	Rate Based	Installation, maintenance and refurbishment to mechanical equipment for council- Northern Areas	Yes	5	3	3	5	3	3	No performance issues were reported by the business unit.
SS 29 of 2020 (Section C)	Intathakusa Projects 11/07 Pty Ltd	Rate Based	Installation, maintenance and refurbishment to mechanical equipment for council- Vulindlela areas	Yes	5	3	3	5	3	3	No performance issues were reported by the business unit.
SS70-2019	Njubisa Group Pty Ltd	Rate Based	Repairs And Maintain Fountains And Irrigation Systems Within the Municipal	Yes	5	3	3	5	3	3	No performance issues reported by the business unit.
SLA-KONE ELE	Kone Elevators Sa (Pty)Ltd	3,768,622.09	Maintain and Repair Of Service Lifts In Library, City Hall And Harry Gwala	Yes	5	3	3	5	3	3	No performance issues reported by the business unit.
SLA-SCHINDLE	Schindler Lifts (Sa) (Pty) Ltd	1,824,627.47	Maintenance and Repair Services for the Professor Nyembezi Building, The Tatham	Yes	5	3	3	5	3	3	No performance issues reported by the business unit.
OTIS SLA	Otis (Pty) Ltd	3,364,644.39	Maintain And Repair Services For Lifts Building And The City Hall Building	Yes	5	3	3	5	2	2	Otis in progress of replacing all the missing buttons on the lifts at A.S Chetty building. The business unit in consultation with the service provider to fast track the process and re-instate the original use of the lifts.
SS 9 of 2017	Med Pak Cc	200,000.00	Supply and Delivery of Medication		5	3	Adhoc contract	5	3	N/A	the deliverables are acceptable
E38 of 2017	Dusi Electrical CC	1,000,000.00	The Replacement of Lamps and Luminaires Maintenance of Outdoor Lighting Installation	Yes	5	3	5	5	3	5	The performance of the contractor is satisfactory
E38 of 2017	Mzungezwa Projects CC	1,514,761.13	The Replacement of Lamps and Luminaires Maintenance of Outdoor Lighting Installation	Yes	5	3	5	5	3	5	The performance of the contractor is satisfactory
SLA	IMQS Software (Pty) Ltd	1,427,100.76	Annual License and Software Maintenance	Yes	5	3	N/A	5	3	N/A	The Consultant meet all the contractual deliverables of the contract. However the contract has reached it end date and a report has been sent to BAC for extension of time

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
SC-M530f16/17	Akew Investments Cc	1,710,726.88	FABRICATION,INSTALLATION,REPLACEMENT ANDSTRUCTURAL STEEL PASSENGER SHELTERS AT V	YES	5	3	3	5	3	3	Contract expired 15th September 2020. Because of lack of funding business unit has not started the procurement process for new contract.
SCM41-16/17	Kerush'S Transport CC	1,391,570.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	First Works 119	485,460.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly but on the last rotation they absconded the site
SCM41-16/17	Blacks Transport and Logistics	1,000,000.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	NPN Somashp Enterprises	200,000.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly but on the last rotation they absconded the site
SCM41-16/17	Mkholwa IT Services	1,140,082.88	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Valamehlo Truck Sales CC	636,120.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Ekene Investments	639,525.84	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Multi Solution Trading	10,000,000.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	X-Moor Transport (Pty) Ltd	1,596,092.04	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Aqua Transport And Plant Hire	4,994,312.04	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Premier Attraction 217	1,467,540.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly but on the last rotation they absconded the site
SCM41-16/17	Sobuza Investments Cc	698,549.04	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Marlisha Transport Cc	815,952.24	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Midmar Plant Hire Cc	775,620.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM41-16/17	Ethos Transport and Road Services	2,000,000.00	Hire of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SCM40-16/17	Datacentrix Pty Ltd	6,183,731.96	Appointment of service provider for the servers, backup and storage hardware in	YES	5	3	N/A	5	3	N/A	The consultant meet all the contractual deliverables of the contract.

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
SCM41-16/17	Hennox 170 t/a	2,165,040.00	Hire Of Water Tankers (Drinking Water) Msunduzi Municipality	YES	5	3	N/A	5	3	N/A	The company provides the supply of Water promptly and the performance is satisfactory.
SS80 of 2017	Kushj Traders CC	2,000,000.00	Supply and delivery of stationery, tools& equipment, cleaning detergents, weed ki	YES	5	3	4	5	3	4	Business unit satisfied with deliveries
SS80 of 2017	Sinohlase investments	2,000,000.00	Supply and delivery of stationery, tools& equipment, cleaning detergents, weed ki	YES	5	3	5	5	3	5	Business unit satisfied with deliveries
SS80 of 2017	citigas t/a	2,000,000.00	Supply and Delivery Stationery, Tools, Detergents and Sundry Items	YES	5	3	4	5	3	4	Business unit satisfied with deliveries
SS80 of 2017	Olympus Enterprise Pty Ltd	2,000,000.00	Supply and Delivery Stationery, Tools, Detergents and Sundry Items	YES	5	3	4	5	3	4	Business unit satisfied with deliveries
SS80 of 2017	Ilungelo Construction Cc	2,000,000.00	Supply and Delivery Stationery, Tools, Detergents and Sundry Items	YES	5	3	4	5	3	4	Business unit satisfied with deliveries , Supplier is struggling with manufactures price change
SS80 of 2017	Ricky'S Electrical CC	2,000,000.00	Supply and Delivery Stationery, Tools, Detergents and Sundry Items	YES	5	3	5	5	3	5	Business unit satisfied with deliveries
SLA4-11/12	Schindler Lifts (Sa) (Pty) Ltd	30,000,000.00	Maintenance and Repair Services for the Tatham Art	Yes	5	3	3	5	3	3	Service level agreement in place for 3 years. No maintenance issues received from the business unit.
SC-M25OF18/19	Conrite Walls (Pty) Ltd	12,000,000.00	Supply and delivery of VIP top structures	Yes	5	Budget constraints No new work done	Budget constraints No new work done	5	3	No new structures to base target on	No new developments on the utilization of the contract.
SCM52-17/18	ATC INDUSTRIES	1,000,000.00	Maintenance of Traffic signal	Yes	5	N/A	N/A	5	3	N/A	Rotational basis
SCM52-17/18	Imbawula Technical	1,000,000.00	Maintenance of Traffic signal	YES	5	N/A	N/A	5	3	N/A	Rotational basis
SCM52-17/18	SONKEM CONSTRUCTION	1,000,000.00	Maintenance of Traffic signal	YES	5	N/A	N/A	5	3	N/A	Rotational basis
SCM42-18/19	ACKIN INVESTMENTS 2108	14,481,909.50	Rehabilitation of water infrastructure Edendale and Northdale	YES	5	3	3	5	2	2	Contract was suspended by the contractor due to non-payment, the business unit was in arrangement to make payment and call a meeting to reassess and plan for the work on site towards completion. Project nearing completion but delayed by the ongoing suspensions by the contractor.
SCM 5-19/20	Makhubu Civils CC	17,112,582.21	Constr. of Shenstone Ambleton Sanitation Phase 2 Ward 18	yes	5	3	3	5	3	3	The contractor resumed operations in May 2022 with minimal issues on site. The contractor has excavated 2242m of trench for the 160mm Ø uPVC (82% of the total excavated length) and has laid 2242m of 160mm Ø uPVC of sewer pipeline (82% of the total excavated length). Due to high volumes of ground water seepage in the trench the contractor has also installed the subsoil drainage of equal length. The overall completion to date is still 82%
SCM 21 of 19/20	Wavhudi Business Trading	R480 000.00	Appointment of training service provider: in horticulture NQF Level 3 Learnerships Programme (Code: 66649)	No	5	3	3	5	3	3	Training continues human resources has not reported any performance issues.

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
SCM 22 of 20/21	Rapid Recruiting Pty Ltd	Rate Based	Collection and delivery, sorting, drawing of matrix for advertised vacancies and reference checks of recommended candidates for Msunduzi Municipality	No	5	3	3	5	3	3	Work continuous as and when required by Human Resources. No performance issues have been noted from the business unit to date.
SCM 7R of 20/21	Wilson and Pass Incorporated	Rate Based	Appointment of Professional Environmental Management Consultant company specializing in landfill management and restoration for a period of 3 years	Yes	5	3	3	5	3	3	No performance issues noted from the custodians of the contract.
SCM 72 OF 20/21	Zimele ERP IT Services (Pty) Ltd	R3,440,500.00	The proposal call for service providers to provide a mobile meter reading application suitable for electricity and water meter readings	No	5	3	3	5	3	3	SLA concluded. Work continues and no performance issues reported by the business unit. Project nearing completion.
SCM 6 of 21/22	XB Construction cc	R4,959,665.00	Upgrade of 0,5 KM Long Makhathini Road from Dirt to Concrete Road Surfacing in Willow fountain (Ward 14)	Yes	5	3	3	5	4	4	Construction in progress as per Programme
SS 23-R of 2021	Magma Risk Solutions	Rate Based	Appointment of a Panel of Security Service Providers for the Provision of Security Services	Yes	5	3	3	5	3	3	Its supply and service contract and the service is as and when required. No complaints been received from user department therefore the deliverables are satisfactory.
SS 23-R of 2021	Thabzo Security Services	Rate Based	Appointment of a Panel of Security Service Providers for the Provision of Security Services	Yes	5	3	3	5	3	3	Its supply and service contract and the service is as and when required. No complaints been received from user department therefore the deliverables are satisfactory.
SS 23-R of 2021	AET Security Services	Rate Based	Appointment of a Panel of Security Service Providers for the Provision of Security Services	Yes	5	3	3	5	3	3	Its supply and service contract and the service is as and when required. No complaints been received from user department therefore the deliverables are satisfactory.
SS 23-R of 2021	Royal Security cc	Rate Based	Appointment of a Panel of Security Service Providers for the Provision of Security Services	Yes	5	3	3	5	3	3	Its supply and service contract and the service is as and when required. No complaints been received from user department therefore the deliverables are satisfactory.
SS 23-R of 2021	Wise Training Centre	Rate Based	Appointment of a Panel of Security Service Providers for the Provision of Security Services	Yes	5	3	3	5	3	3	Its supply and service contract and the service is as and when required. No complaints been received from user department therefore the deliverables are satisfactory.
SS 23-R of 2021	Unitrade 1047 (Pty) Ltd t/a Isidingo Security	Rate Based	Appointment of a Panel of Security Service Providers for the Provision of Security Services	Yes	5	3	3	5	3	3	Its supply and service contract and the service is as and when required. No complaints been received from user department therefore the deliverables are satisfactory.
SC-M66of12/13	Basfour 170 Cc	163,343,535.12	WIREWALL RETIFICATION PROJECT	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M49of15/16	SLB CONSULTING/ BMK CONSULTING	821,104,246.83	Signal Hill/Peace Valley 3 Integrated Residential Development Programme	Yes	5	3	3	5	3	3	PHASE 1 completed project closed out , balance of project to be done by DOHS.

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SC-M13of16/17	Makhaotse Narasimulu And	32,625,359.84	Appointment of an implementing agent site11	Yes	5	3	3	5	3	3	Project on going, however, the agreements has been changed from Bilateral to Tripartite Agreements therefore going forward all payments will be done by Dohs
SC-M16of17/18	Isikhungusethu Enviromental	1,937,837.48	Land prep for transf.-Military veterans	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M16of15/16	Makhaotse Narasimulu And	55,361,117.12	IMPLEMENTATING AGENT OF 416 LOW COST THAMBOVILLE HOUSING PROJECT	Yes	5	3	3	5	3	3	Project on going and as per programme but payment will be processed by DOHS
SC-M55of18/19	Isibuko Development Planners	1,394,022.10	Operation Sukuma sakhe Woodlands housing project	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M9of16/17	MASEKO HLONGWA AND ASSOCIATES	3,326,590.00	Implementing Agent for Harewood Human Settlement Project	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M62of13/14	MOSEGEDI AND ASSOCIATE	1,330,636.00	Implementing Agent for KWA 30 Housing Project	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M63of13/14	MOSEGEDI AND ASSOCIATE	3,326,590.00	Implementing Agent for Khalanyoni Housing Project	Yes	5	3	3	5	2	2	Project still on planning stage. GP registration still outstanding
SC-M51of20/21	NOBLE HOUSING ASSOCIATION	1,000,000.00	Msunduzi Municipality Social Housing	Yes	N/A	N/A	N/A	N/A	N/A	N/A	No contract, agreement is being vetted by the municipal legal department
SCM51-20/21	LITADOX NPC	1,000,000.00	Rollout of the Msunduzi Municipality Social Housing Pipeline	Yes	N/A	N/A	N/A	N/A	N/A	N/A	No contract, agreement is being vetted by the municipal legal department
SC-M51of20/21	LITADOX NPC	1,000,000.00	Msunduzi Municipality Social Housing	Yes	N/A	N/A	N/A	N/A	N/A	N/A	No contract, agreement is being vetted by the municipal legal department
SC-M51of20/21	DANGALAZA CONSTRUCTION AND CIVILS	1,000,000.00	Msunduzi Municipality Social Housing	Yes	N/A	N/A	N/A	N/A	N/A	N/A	No contract, agreement is being vetted by the municipal legal department
SC-M34of18/19	Mdali Projects	2,145,812.76	Implementing Agent for Human Settlements Projects	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M34of18/19	mabune consulting	536,453.19	Implementing Agent for Human Settlements Projects	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M34of18/19	ZAMAHLOBO TRADING	4,559,451.84	Construction of 80 jika joe Temporary Structures	Yes	5	3	3	5	3	3	Project on going and as per programme
sc-m66of12/13	Basfour 170 Cc	4,000,000.00	Implementing Project for Fairfield Housing Project	Yes	5	3	3	5	3	3	Project on going by DOHS however some parts to implemented by the Municipality
SC-M34OF18/19	SAM GCABA CONSULTING	6,430,425.82	Construction of approximately 2000 houses Ethembeni	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M12of16/17	mabune consulting	7,012,460.00	Feasible study & Planning for Bhobhonono 1400 low houses & 600 site for GAP	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M34OF18/19	Groundwork Project	337,983,166.40	Implementing Agent for the Construction of 760 CRU Housing Project	Yes	5	3	3	5	3	3	Project on going and as per programme
SS34of18/19	MN AFRICA CONSULTING ENGINEERS	537,753.20	Infrastructure Services of Break New Ground And Infrastructure Services	Yes	5	3	3	5	3	3	Project on going and as per programme
SC-M34of18/19	Map Africa Consulting Engineering	3,713,968.00	Planning services for Mantshaheni Township from contract SC-M34of18/19 AD-HOC	Yes	5	3	3	5	3	3	Project on going and as per programme

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SS80 of 2021	1. Platinum Medical & Surgical cc 2. Senzangakhona Industrial Supplies 3. Golden Touch Trading 59 cc 4. New Heights 1466 cc 5. High Voltage Trading 6. Actaforce cc 7. Kush J Traders cc 8. Bright Spark Electrical 9. Graeme Bertha Group 10. Ilungelo Construction 11. Thokozanobuntu Construction 12. OctuChem 13. GT Chemicals 14. Pascalina 15. QUI Trading cc 16. Iqola Trading 17. Waho Trading	RATE BASED	SUPPLY AND DELIVERY OF STATIONERY, TOOLS & EQUIPMENTS, CLEANING DETERGENTS, WEED KILLING & POOL CHEMICALS AND REFRESHMENTS, MOTOR SPARES & SUNDRY ITEMS	YES	5	4	4	5	4	4	new contract in place ,not all items have been awarded only few critical items awarded SUB SECTION F: PEN, PENCIL, HIGH-LIGHTER, GLUE AND BOARDMARKER SUB SECTION A: DISINFECTING LIQUIDS SUB SECTION C: CLEANING DETERGENTS SUB SECTION D: TOILET PAPER AND WASTE RAGS SUB SECTION A: POOL CHEMICAL SUB SECTION B: CEMENT, WHEELBARROW, PAINT AND THINNERS SUB SECTION D: GARDEN TOOLS
SS80 of 2018	Pro-phalt	RATE BASED	Potholes repairs	YES	5	4	4	N/A	N/A	N/A	Contract suspended
SCM 6 of 19/20	Nhane trading	R39,000,000	construction of water bond sanitation system ward 16 Edendale	yes	5	3	3	5	4	4	no funds available Time percentage: 95% Overall progress: 73%
SCM 45 OF 18/19	SIBUSISO PRO-JECTS	R5,645,559.30	ERADICATION OF MID-BLOCK WATER SERVICES IN MSUNDUZI WARD 19 (PHASE II)	NO	5	3	3	5	4	4	main contractor completed the work on site and house connection are done
SCM 40 OF 18/19	Matthew Francis Incorporated	R518 400.00	PROVISION OF LEGAL SERVICES TO THE MSUNDUZI MUNICIPALITY	NO	5	3	3	5	5	5	business unit satisfied with project
SCM 40 OF 18/19	Matthew Francis Incorporated	R83,000,000.00	PROVISION OF LEGAL SERVICES TO THE MSUNDUZI MUNICIPALITY	NO	5	3	3	5	5	5	business unit satisfied with project
SCM 51 OF 20/21	Litadox NPC	N/A	APPOINTMENT OF AN ACCREDITED SOCIAL HOUSING INSTITUTION FOR A PERIOD OF 36 MONTHS AT THE FOX HILL EXTENTION ERF 174 SLANG SPRUIT COMPRISING OF APPROXIMATELY 250 UNITS	NO	N/A	N/A	N/A	N/A	N/A	N/A	project not yet started
SCM 51 OF 20/21	Khanyisampela Housing Development	N/A	APPOINTMENT OF AN ACCREDITED SOCIAL HOUSING INSTITUTION FOR A PERIOD OF 36 MONTHS AT THE BAVERSTOCKSITE COMPRISING OF APPROXIMATELY 300 UNITS	NO	N/A	N/A	N/A	N/A	N/A	N/A	project not yet started
SCM 51 OF 20/21	Litadox NPC	N/A	APPOINTMENT OF AN ACCREDITED SOCIAL HOUSING INSTITUTION FOR A PERIOD OF 36 MONTHS AT THE SIGNAL HILL IRDP PROJECT SITE COMPRISING OF APPROXIMATELY 450 UNITS	NO	N/A	N/A	N/A	N/A	N/A	N/A	project not yet started
SCM 51 OF 20/21	Khanyisampela Housing Development	N/A	APPOINTMENT OF AN ACCREDITED SOCIAL HOUSING INSTITUTION FOR A PERIOD OF 36 MONTHS AT THE ETHEMBENI IRDP PROJECT SITE COMPRISING OF APPROXIMATELY 300 UNITS	NO	5	3	3	5	N/A	N/A	project not yet started
SCM 51 OF 20/21	Dangalaza Construction & Civil (Pty)Ltd	N/A	APPOINTMENT OF AN ACCREDITED SOCIAL HOUSING INSTITUTION FOR A PERIOD OF 36 MONTHS AT THE BUNTINE PLACE PROJECT SITE COMPRISING OF APPROXIMATELY 300 UNITS	NO	5	3	3	5	N/A	N/A	project not yet started

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SCM 51 OF 20/21	Noble Housing Association	N/A	APPOINTMENT OF AN ACCREDITED SOCIAL HOUSING INSTITUTION FOR A PERIOD OF 36 MONTHS AT THE ORIB VILLAGE PROJECT SITE COMPRISING OF APPROXIMATELY 300 UNITS	NO	5	3	3	5	N/A	N/A	project not yet started
SCM 74 of 20-21	Property Search Facility for Deeds Office Records	RATE BASED	Provision of a Property Search Facility for Deeds Office Records		5	3	3	5	N/A	N/A	project not yet started
SCM 74 of 20/21	Ekhaya Search (Pty) Ltd	RATE BASED	Provision of a Property Search Facility for Deeds Office Records		5	3	3	5	N/A	N/A	project not yet started
SCM 8 of 2021	Ibusapha Trading (Pty) Ltd Senzangakhona Industrial supply Mphumelelo Dladla (Pty) Ltd Mboniseni Group (Pty) Ltd Sinawe medical and Surgical supply Sthenhla Investments Ntonkulu Trading Enterprise Springlight 1217 KUSH J Traders Seed of Life The Last Adam XQZ IT	RATE BASED	Panel of service providers for supply and delivery of PPE and related items of COVID-19 for Msunduzi Municipality		5	3	3	5	4	4	business unit satisfied with project
	KushJ traders	RATE BASED	supply and delivery of Protective clothing	YES	5	3	3	5	4	4	business unit satisfied with project
SCM 32 of 20/21	High End General Construction	R13 608 668,75	Upgrading of Mkhize road from track to concrete surface	NO	5	3	3	5	4	4	All services challenges have been accrued .project its complete only few items need to be ratified
SCM 36 OF 2019	Somphek Trading	RATE BASED	Appointment of panel of service providers to supply , deliver and assembling/ installation of furniture	YES	5	3	3	5	4	4	business unit satisfied with project
SCM 36 OF 2019	Regency Office furniture	RATE BASED	Appointment of panel of service providers to supply , deliver and assembling/ installation of furniture	YES	5	3	3	5	4	4	business unit satisfied with project
SCM 47 OF 21/22	Sihlahlasiya'huma Construction	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 130
SCM 47 OF 21/22	National Brake Lift (Gravity Engineering)	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 160
SCM 47 OF 21/22	Mthombo Awushi Contactors (Pty)Ltd	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 96
SCM 47 OF 21/22	NCM Engineering Services	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 130
SCM 47 OF 21/22	uMngazi Group (Pty)Ltd	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 160
SCM 47 OF 21/22	Mthwew and son Plant hire	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 111

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SCM 47 OF 21/22	Yabanathi Projects (Pty)Ltd	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 131
SCM 47 OF 21/22	Topzinto Trading cc	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 110
SCM 47 OF 21/22	KwaJ Investment	1. Standard unit R4 300 2. Disabled Unit R5 200	Appointment of service providers for the construction of VIP toilets within ward 1-39 Pietermaritzburg (CIDB Grade 2CE to 5CE	YES	5	3	3	5	4	4	First set of toilets have been completed contractor busy completing the balance of 131
SLA	Department Of Transport Driving	R3,500,000.00	Agreement for the Performance of the Driving Functions at Msunduzi	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
Bulk Water	Umgenti Water	R30,756,985.41	Supply of Bulk Water to Msunduzi Municipality	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SLA W/water	umgeni water	R950,000,000.00	Interim waste Water Treatment Agreement	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
RT57-2016	Nissan South Africa (Pty) Ltd	R40,015,126.85	Supply And Delivery Of Vehicles Light An Busses And Motor Cycles To The State	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
RT57 - 2016	bidvest mccarthy isuzu trucks	R50,000,000.00	Supply & Delivery UD truck croner,Cube compactor body, Sedan vehicles	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
RT57-2016	Ford Motors Company Of Southern	R11,000,000.00	Supply & Delivery UD truck croner,Cube compactor body, Sedan vehicles	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
4/S36-17/18	Gibb (Pty) Ltd	R874,815.23	MSUNDUZI RAPID PUBLIC TRANSPORT NETWORK (IRPTN)- ENVIRONMENTAL IMPACT ASSESSMENT	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS5 of 2018	Dia champion trading	R150,000,000.00	Supply and Delivery of Fuel (Fuel and Diesel)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS5 of 2018	Dia champion trading	R10,000,000.00	SUPPLY AND DELIVERY OF TWO STROKE FUEL MIX	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	MARISWE	R1,711,400.00	Construction of Ward 7 Community Hall	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	Tis Infrastructure Projects	R605,065.20	Ward 4 Upgrade of Mkhize Road	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	Tis Infrastructure Projects	R3,578,800.76	Upgrading of Gravel Road Ward 7	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SCM48-16/17	Emzansi Engineers	R2,205,000.00	Upgrading of Gravel Rd Ward 6	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	MARISWE	R1,539,359.22	Construction of Ward 34 Madiba Hall	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	HN CONSULTING ENGINEERS (PTY) LTD	R4,312,412.05	Desilting of camps drift canal	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M8of18/19	Anzomode Pty Ltd	R2,000,000.00	Communication Services Dev & Impl Comprehensive Integrated communication	NO	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M8of18/19	Sawep Media CC	R2,000,000.00	Communication Services Dev & Impl Comprehensive Integrated communication	NO	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M8of18/19	Tuscan Mood 1113 CC t/a	R2,000,000.00	Communication Services Dev & Impl Comprehensive Integrated communication	NO	5	3	3	5	4	4	The contractor's performance is satisfactory
SS5 of 2018	Dia champion trading	R4,000,000.00	Section 4 supply and delivery of lubricant and oil	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E1 of 2019	Kushj Traders CC	R10,500,000.00	Supply & Del of Electrical Distribution Installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory

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E1 of 2019	Arb Electrical Wholesalers Pty Ltd	R3,000,000.00	Supply & Del of Electrical Distribution Installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E1 of 2019	MEMOTEK TRADING	R1,000,000.00	Supply & Del of Electrical Distribution Installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E1 of 2019	Ricky'S Electrical CC	R1,000,000.00	Supply & Del of Electrical Distribution Installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E1 of 2019	High Voltage Trading (Pty) Ltd	R3,000,000.00	Supply & Del of Electrical Distribution Installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M11of19/20	PEGASYS	R8,260,000.00	IRPTN Business Planning and Financial	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E14 of 2019	ACTOM	R16,000,000.00	Supply & Del Offloading of Street light High Mast/Floodlight fitting & luminary	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M62R-17/18	Leomat Construction	R88,468,929.52	Upgrading of Moses Mabhidia road From 6.5 to 7.5km	YES	5	3	3	5	4	4	Practical completion has been achieved contractor is busy with snag list
SC-M48of16/17	Emzansi Engineers	R1,388,563.79	UPGRADE OF CALUZA ROAD WARD 20	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M7of19/20	UDUMO TRADING 26	R45,983,040.47	Construction of Outfall sewer Ward 11	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of17/18	HN CONSULTING ENGINEERS (PTY) LTD	R1,022,093.10	Upgrade of Peace Valley III Greater Edendale	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M27of19/20	XB CONSTRUCTION	R6,184,103.09	Phase 1 of Youth Enterprise Park	YES	5	3	3	5	4	4	contract completed
E1 of 2019	MANVI ENTERPRISES	R3,000,000.00	Supply and delivery of electrical distribution & installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E1 of 2019	SOLTANY TRADING	R1,000,000.00	Supply and delivery of electrical distribution & installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
RT57-2016	MERAFA HOLDINGS	R15,000,000.00	Supply And Delivery Of Vehicles Light An Busses And Motor Cycles To The State	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E1 of 2019	Senzangakhona industrial supplies	R1,000,000.00	electrical distribution and installation materials	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2017	Sinothando Construction CC	R6,870,961.74	Upgrade Vulindlela Phase 1 Ward 8 Section 1	YES	5	3	3	5	4	4	contract completed
SS55 of 2017	Sinothando Construction CC	R7,338,026.29	Upgrade Vulindlela Phase 1 Ward 8 Section 2	YES	5	3	3	5	4	4	contract completed
SS26 of 2020	Olympus Enterprise Pty Ltd	R3,000,000.00	supply and deliver of specialized print, boards crafts and carbonless pap	N/A	5	3	N/A	5	N/A	N/A	The contract was suspended
SC-M48of16/17	Emzansi Engineers	R1,673,206.26	Community Hall Ward 5 Mbizana Hall	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	HN CONSULTING ENGINEERS (PTY) LTD	R1,676,321.92	Design & Supervision of Ward 13 Community Hall	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS45 of 2017	High End General And Construction	R7,815,979.00	Upgrade of Dump Site New England Road	YES	5	3	3	5	4	4	contract completed
SC-M48of16/17	Makhaotse Narasimulu And	R1,999,371.60	Consulting for the Sithole Road Ward 9	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	Tis Infrastructure Projects	R4,467,643.90	UPGRADE OF GRAVEL ROAD WARD 18 UNIT P	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS26 of 2020	Olympus Enterprise Pty Ltd	R2,000,000.00	supply and deliver of specialized print papers, boards, crafts and carbonless pap	N/A	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2017	Sinothando Construction CC	R3,337,327.07	Ward 13 - Rehab of Gravel Road Eplazini Section 1	YES	5	3	3	5	4	4	contract completed
SS55 of 2017	Sinothando Construction CC	R3,883,710.48	Ward 13 - Rehab of Gravel Road Eplazini SECTION 2	YES	5	3	3	5	4	4	contract completed
E19 of 2019	Ce Electrical Contracting & Enginee	R1,000,000.00	Supply and Delivery of Top Boxes and Domestic Power Distribution Units	YES	5	3	3	5	4	4	The contractor's performance is satisfactory

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
RT57-2016	Barloworld South Africa t/a	R2,165,403.93	Supply And Delivery Of Vehicles Light An Busses And Motor Cycles To The State	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
RT57-2016	KOMATSU SOUTH AFRICA	R5,000,000.00	Supply And Delivery Of Vehicles Light An Busses And Motor Cycles To The State	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2020	Senzangakhona industrial supplies	R5,000,000.00	Supply & Delivery Of Uniforms (Fire, Safety, Emergency, Security)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2020	Sparks And Ellis (Pty) Ltd	R5,000,000.00	Supply & Delivery Of Uniforms (Fire, Safety, Emergency, Security)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2020	F G Uniforms Cc	R5,000,000.00	Supply & Delivery Of Uniforms (Fire, Safety, Emergency, Security)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2020	VANGUARD FIRE AND SAFETY	R5,000,000.00	Supply & Delivery Of Uniforms (Fire, Safety, Emergency, Security)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2020	IMVELO CENTRICS	R2,000,000.00	Supply & Delivery Of Uniforms (Fire, Safety, Emergency, Security)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	HN CONSULTING ENGINEERS (PTY) LTD	R958,555.99	Peacevalley Road upgrade	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M36of20/21	PHAKAMANOTHAN-DO TRADING	R3,000,000.00	Prof Event management services to the Msunduzi Municipality	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	HN CONSULTING ENGINEERS (PTY) LTD	R708,617.39	Upgrade of Mbambo Road Ward 1	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS 1 of 2019	Diya Valves International Cc	R1,000,000.00	Supply & services of pressure pipe, flexi couplings, steel flanges for waterworks	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
RT57-2016	Volkswagen Of South Africa	R5,000,000.00	Supply And Delivery Of Vehicles Light An Busses And Motor Cycles To The State	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	Emzansi Engineers	R3,104,777.55	Upgrade of Ashdown/old Edendale Road	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M30of19/20	Olympus Enterprise Pty Ltd	R1,000,000.00	Provision of Event Management	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M35of2021	High End General And Construction	R48,448,412.70	Specialist Contractor for the Desilting of Camp Drift Canal	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M30of19/20	Olympus Enterprise Pty Ltd	R5,000,000.00	Panel of Event Management Services	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E32 of 2020	L N FORCE	R10,000,000.00	DESIGN, MANUFACTURE, SUPPLY, DELIVERY OF INSTAL COMM. OF HIGH MASTS LIGHTING	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS5 of 2021	Oti Petrosmart (Pty) Ltd	R2,012,523.74	Provision and Maintenance of Fuel Management System	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M36of2021	CLASSIC EVENTS SOUNDS & MARQUEE	R3,000,000.00	Provision of Event Management	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SCM 27 of 20/21	LETHOKUHLE INVESTMENTS	R7,518,977.50	Upgrade of Gravel Roads in Vulindlela Ward 7 Mthalande Road	NO	5	3	3	5	1	4	Contract has been terminated due to non-performance
SS28 of 2019	Tees Industrial Supplies	R6,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	Senzangakhona industrial supplies	R6,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	0	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	MEGAPHASE ROAD SIGNAGE	R3,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	Kushj Traders CC	R6,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	NEW HEIGHTS 1466	R7,500,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	Tough Work wear & Agencies	R3,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO)	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
SS28 of 2019	Safeway Safety And Industrial	R3,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	Uniforms and Safety Gear	R6,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	TEE'S INDUSTRIAL AND GENERAL SUPPLI	R10,500,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	MEGAPHASE TRADING 380	R3,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS28 of 2019	KwaLanga	R3,000,000.00	Supply and Delivery of Uniforms for Public Safety	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E15 of 2020	Pinnaculum Energy	R5,000,000.00	Supply and Delivery of Electricity meter Current Transformers and Test Blocks	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
E15 of 2020	MEMOTEK TRADING	R2,000,000.00	Supply and Delivery of Electrical Meters Transformers and Test Block	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M36of20/21	BONGA UDONGA	R3,000,000.00	Prof Event management services to the Msunduzi Municipality	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2020	High End General And Construction	R11,106,711.01	UPGRADING OF GRAVEL ROADS IN VULINDLELA WARD 6 (MPAMA ROAD)	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M40of20/21	Inkonka Civils CC	R8,227,038.60	Construction of Madiba Community Hall- Ward 24	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M36of20/21	Andimahle Trading Enterprise Cc	R3,000,000.00	Prof Event management services to the Msunduzi Municipality	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M50of20/21	MEGA ROADS AND CIVILS	R1,000,000.00	Application of Road Traffic Marking within the Msunduzi Area	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M61of20/21	Hi Glen Construction And Plant Hire	R7,649,000.00	Construction of Mbizane Community Hall in Ward 5	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SLA SITA	Sita (Pty) Ltd	R716,814.51	Renewal Of SITA Business Agreement	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M36of20/21	MAXODE TRADING AND PROJECTS	R10,000,000.00	Prof Event management services to the Msunduzi Municipality	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	MARISWE	R500,000.00	Consultant to do detailed design of Eastern ring road	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SC-M48of16/17	Makhaotse Narasimulu And	R2,242,292.25	Consulting for the Baleni Gravel Road	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
scm36of2021	Anzomode Pty Ltd	R6,000,000.00	Event management services	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2020	Sinothando Construction CC	R2,499,257.25	Heavy Rehabilitation Of Fairfield Avenue From Blackburrow Road to Ridge Road	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2020	Sinothando Construction CC	R15,315,334.50	Rehab Grimthorpe RD form Murry to Msunduzi	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2020	Daleka Trading Enterprise CC	R6,607,528.90	Patchwork Call Centre CBD	YES	5	3	3	5	4	4	The contractor's performance is satisfactory
SS55 of 2020	CHASHAZA	R7,735,097.20	Patchwork Call Centre EDENDALE	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SS50 OF 2020	KHANGISWA TRADING ENTERPRISE	R2,000,000.00	Contractors For Replacement And Repair To Damaged Paving, Concrete, Kerbs, Channel	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SS50 OF 2020	Mza Building Contractors	R2,000,000.00	Replacement and Repairs to damaged Paving, Concrete, Kerbs and Chanells	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SC-M48of16/17	Makhaotse Narasimulu And	R500,000.00	Consulting Engineer for Upgrade of Canalization of Stream in Zone 4	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SC-M48of16/17	MARISWE	R1,453,597.00	Construction of Ward 34 Madiba Hall	YES	5	3	3	5	3	3	The contractor's performance is satisfactory

CONTRACT NUMBER	CONTRACTORS NAME	CONTRACT VALUE	DESCRIPTION OF CONTRACT	MULTI YEAR CONTRACT (YES / NO	ANNUAL TARGET 20/21 FY	ACTUAL 20/21 FY	TARGET MET CRITERIA	ANNUAL TARGET 21/22 FY	ACTUAL 21/22FY	TARGET MET CRITERIA	COMMENT
RT57-2016	Toyota South Africa Motors	R10,000,000.00	Supply And Delivery Of Vehicles Light An Busses And Motor Cycles To The State	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SS55 of 2020	CHASHAZA	R2,396,693.45	Contractor to undertake maintenance of Gravel road in Zone 2 Ward 10,12,15& 16	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SC-M35OF21/22	HEIDELBERG GRAPHIC SYSTEMS	R1,166,272.00	Purchase of High Speed Cutter Machine	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SS55of2020	High End General And Construction	R780,839.94	SMOKEVILLE ROAD CALUZA	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SS55of2020	High End General And Construction	R651,919.00	Maintenance of Airport runway & Taxiway	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SS55 of 2020	Daleka Trading Enterprise CC	R6,162,000.00	PATCHWORK CALL CENTRE LIST WITHIN CBD SURROUNDINGS & EDENDALE	YES	5	3	3	5	3	3	The contractor's performance is satisfactory
SUPPLY AND SERVICES CONTRACT NO. 6 OF 2018 SECTION 3	EZ TRADE 536 CC	RATE BASED	SUPPLY AND SERVICE HYGIENE EQUIPMENT AT VARIOUS MUNICIPAL BUILDING WITHIN THE MSUNDUZI MUNICIPALITY'S AREA OF JURISDICTION	YES	5	3	3	5	3	3	Some end-user units still have not fully processed service details thus resulting in nonpayment. Msunduzi' s account is still in arrears.
SPECIALISED CONTRACT No. SCM 67 OF 20/21	MULTIPLE SUPPLIERS	RATE BASED	APPOINTMENT OF ELECTRICAL CONSULTANTS FOR INFRASTRUCTURE SERVICES	YES	N/A + G213:i216	N/A	N/A	5	N/A	N/A	Service Level Agreement still in vetting phase.
CONTRACT No. SCM 03 OF 21/22	JBC MEDIA GROUP (PTY) LTD	RATE BASED	THE MANAGEMENT OF OUTDOOR ADVERTISING SIGNS WITHIN MSUNDUZI MUNICIPALITY PROPERTY	YES	N/A	N/A	N/A	5	N/A	N/A	Service Level Agreement Draft has been concluded, the end-user sought clarity on terminology found in the SLA. A meeting has sat and the end user has sighted desires to expand the scope of the engagement and they were advised to approach the BAC for authorization for the variation.
CONTRACT No. SCM 49 OF 21/22	SPEC COM	RATE BASED	SUPPORT & MAINTENANCE OF THE CURRENT ENTERPRISE VMWARE SERVERS, BACKUP & STORAGE HARDWARE INFRASTRUCTURE, IN ADDITION THE SUPPLY, INSTALLATION & COMMISSIONING OF NEW SOFTWARE & HARDWARE	YES	N/A	N/A	N/A	5	N/A	N/A	Service Level Agreement is being drafted.
CONTRACT No. SCM 27 (R) OF 21/22	Hi-Glen Construction	R11 230 385.95	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF THE COMMUNITY HALL IN KWAMAFUNZE WARD 7	NO	N/A	N/A	N/A	5	N/A	N/A	The contractor was appointment and accepted the appointment. The appointed consultant managed the project picked up discrepancies in the bill with regards to the rates, summary and ultimately total contract amount. A meeting between the contractor, consultant, end-user and SCM has been conducted and the contractor has agreed to amend their rates in line with the summary amount in which they were evaluated on.

SECTION 1: FUNCTIONAL AREA SERVICE DELIVERY REPORTING PER BUSINESS UNIT

COMPONENT A: INFRASTRUCTURE SERVICES BUSINESS UNIT

1. INFRASTRUCTURE SERVICES

This component includes Water & Sanitation Services, Roads, Transportation Planning, and Storm Water & Mechanical Workshops.

1.1 WATER SERVICES

According to the Municipal Systems and Structures act and per legislation; Local Municipalities are empowered to provide delivery services so as not to compromise the dignity of communities. Amongst other delivery services, the provision of potable water is of paramount importance. The most basic provision of water are standpipes. It has to be borne in mind that Municipalities are the closest level of government to communities and all its citizens and as a result become responsible for the wellbeing of its citizens by ensuring a healthy and hygienic living

South Africa's Constitution and Bill of Rights enshrine basic human right to have access to sufficient water and a safe and healthy environment. Government fulfils these rights by means of Legislation.

How do we protect this precious resource?

Water Planning and information Management Programs ensure that South African Water resources are protected, used diligently, and conserved, managed and controlled in a sustainable manner for the benefit of all communities. It is also imperative that we protect the integrity of water ecosystems. This is where the Water Master Plan is of primary importance.

WATER AND SANITATION EMPLOYEE STATISTICS

EMPLOYEE: WATER AND SANITATION SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	215	398	201	197	49
T04-T08	29	78	24	54	69
T09-T13	47	123	52	71	58
T14-T18	7	18	7	11	61
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	299	618	285	333	54
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.					

TOTAL USE OF WATER BY SECTOR (CUBIC METER)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2020/2021	N/A	N/A	7348965	48375966	23626791
2021/2022	N/A	N/A	24 613 589	33 036 034	24 276567

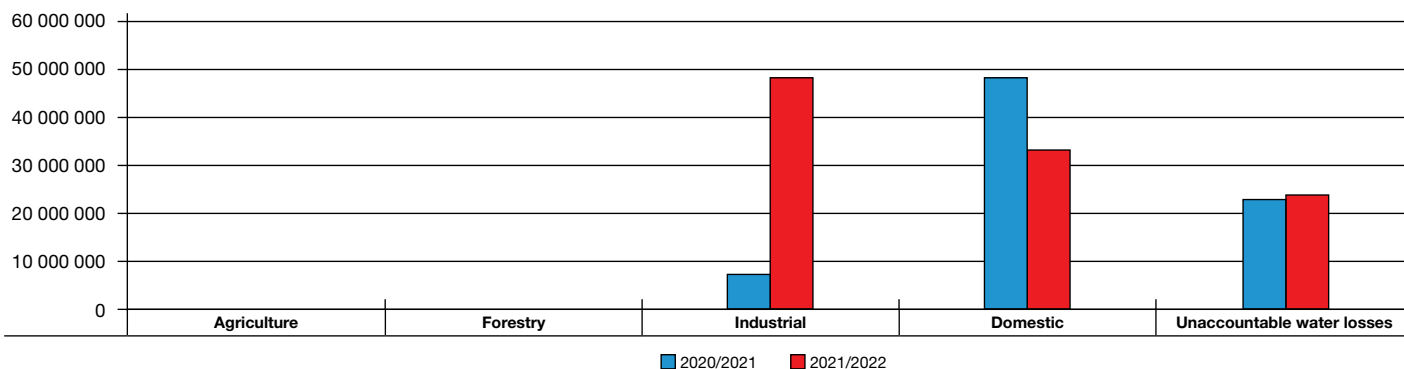
COMMENT ON WATER USE BY SECTOR:

The Labor Relations Act makes provision for the establishment of an Essential Services Committee, which ensures that Water Use is managed properly and that the supply of water takes precedence over any other service deliverables. The graph indicators:

1. Increase in Industrial Usage 334.93%
2. Decrease in Domestic Usage 68.3%
3. Increase in Water Losses 2% (bases on Volume)

It is noted that the year-on-year drastic changes in the industrial and domestic usage is due to changes in the categorization of domestic and non-domestic usage as per the billing data for the financial year. For the 2021/22 FY, only rate categories defined as domestic has been included under domestic usage, with all other categories noted as non-domestic being assigned to Industrial usage (which encompasses business, commercial, municipal usage, welfare, religious and transport).

WATER USE BY SECTOR



Financial Year	2021/2022 Figures	2020/2021
Units purchased - kl	81 746 217	79 351 722
Units sold- kl	(48 543 376)	(55 724 930)
Real losses - kl	19 518 241	19 137 701
Apparent losses - kl	4 578 353	4 489 090
Total water losses - kl	24 096 594	23 626 791
Total water loss as a percentage	29.5%	29.8%
Cost per kl in cents	R8.1210	R9.4543

It is noted that there has been a 2% increase in water losses for the Financial Year. Therefore, the reallocation has only significantly affected the domestic and industrial usage according to the Billing data for the financial year.

There has been an overall increase of total usage of 1 924 692 kl. It is still evident that Domestic and Industrial consumers are not adhering to water conservation efforts.

It should be noted that due to the fragile water infrastructure; the city was subjected to many mainline bursts. 2021/2022 saw the city dealing with 2108 mainline bursts. The increase in water losses is mainly due to these bursts. These combinations of factors will ultimately lead to an increase in bursts and subsequently an increase in water losses.

Factors that also can be attributed to an increase in usage and water losses.

1. Urbanization: People moving from rural areas to seek a better future in the city;
2. Theft of water via illegal connections on service and standpipe connections;
3. Aging infrastructure, contributing to leaking;
4. Vandalism of infrastructure leading to loss of water via leaks and subsequent bursts;
5. Age of consumer bulk meter leading to volume of water actually utilized by a consumer not being read.

The following are fundamental achievements for the 2021/2022 financial year :-

- (1) 1,3km of Water pipeline was replaced.
- (2) 7km of new pipeline was constructed.
- (3) A total of 1865 defective Water Meters were replaced for the 2021/2022 financial year in order to improve billing and revenue.

Currently the Catchment Management Program ensures that water storage and usage is effectively and efficiently undertaken to safeguard this natural resource. However, as per projections; the demand for water is on the increase. Communities are demanding any form of water supply from standpipe supply to tap supply inside dwelling. Over the 2021-2022 financial year, dams levels specific to Msunduzi Municipality all reached a 100% which was first time since 2016. Whilst this storage gave an assurance of raw water, we need to be cognizant that Kwa-Zulu Natal is still deemed a water scare province. Bulk Water treatment and supply is on a healthy level. However, this does not dismiss the fact that consumers should NOT adhere to the water conservation policies, strategies, and programs.

WATER SERVICE DELIVERY LEVELS				
Households				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual Number	Actual Number	Actual Number	Actual Number
Water: (above min level)				
Piped water inside dwelling	81 780	81 817	81 942	81 977
Piped water inside yard (but not in dwelling)	63 907	63 907	63 907	63 907
Using public tap (within 200m from dwelling)	9 468	9 468	9 468	6 663
Other water supply (within 200m)	N/A	N/A	N/A	N/A
Minimum Service Level and Above sub-total	155 155	155 192	155 317	152 547
Minimum Service Level and Above Percentage	91.6%	94.6%	94.6 %	93,02%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	6 396	6 396	6 396	6 396
Other water supply (more than 200m from dwelling)	N/A	N/A	N/A	N/A

WATER SERVICE DELIVERY LEVELS

Households

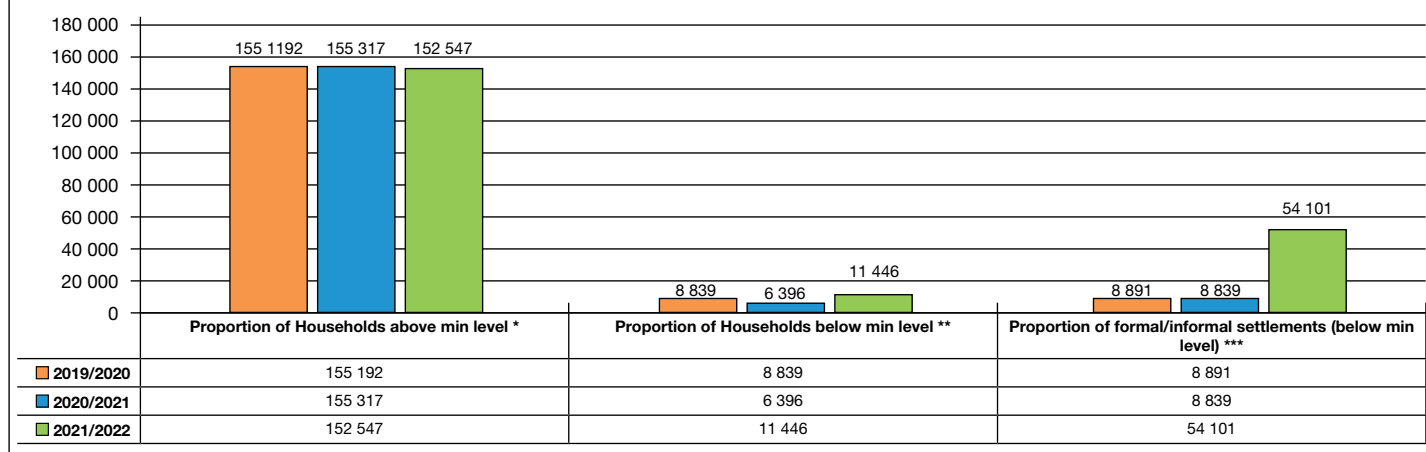
Description	2018/2019 Actual Number	2019/2020 Actual Number	2020/2021 Actual Number	2021/2022 Actual Number
No water supply	2 443	2 443	2 443	5 050
Below Minimum Service Level sub-total	8 839	8 839	8 839	11 446
Below Minimum Service Level Percentage	5.4%	5.4%	5.4%	6.98%
Total number of households	163 994	164 031	164 156	163 993
*To include informal settlements				

HOUSEHOLDS - WATER SERVICE DELIVERY LEVELS BELOW MINIMUM

Households

Description	2018/2019	2019/2020	2020/2021	2021/2022		
	Actual Number	Actual Number	Actual Number	Original Budget No.	Adjusted Budget No.	Actual Number
Formal Settlements						
Total Households	6 396	6 396	6 396	6 396	6 396	6 396
Households below minimum service level	6 396	6 396	6 396	6 396	6 396	6 396
Proportion of households below minimum service level	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Informal Settlements						
Total Households	2 443	2 443	2 443	43 655	43 655	43 655
Households below minimum service level	2 443	2 443	2 443	43 655	43 655	43 655
Proportion of households below minimum service level	1.5%	1.5%	1.5%	26,62%	26,62%	26,62%
						T3.1.4

ACCESS TO WATER



(*) Includes Piped water inside dwelling, piped water inside yard (but not in dwelling), Using public tap (within 200m from dwelling)

(**) Includes using public tap (more than 200m from dwelling, other water supply (more than 200m from dwelling, No water supply)

(***) Includes Formal and Informal supply

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Water forms a very important part of ordinary life.

The Constitution and Bill of rights places a lot of emphasis on basic human rights and fundamentally the provision of clean water. The water services act of 1998 enforces the obligation that the Minister has to maintain a National Water Services Information System to monitor the performance of all water service institutions. The Local Government is the closest level of government to the communities, and they have been tasked to fulfill this obligation. The National Water Policy is based on three fundamental concepts:

1. Equity (Environmental)
2. Sustainability
3. Efficiency and cost effectiveness.

It should be borne in mind that lack of financial and personnel resources has hindered several potable water planned programs. The July 2021 unrest coupled with flooding events meant restructuring what the Water unit planned to undertake further noting we were still recovering of the effects of Covid-19. This also became evident when materials and project cost have increased significantly during the 2021 -2022 financial year.

Our bulk water is supplied from Umgeni Water, and the increase for the 2021-2022 financial year was ?? percent. The Msunduzi Municipality raised concerns of this increase however such was approved. Department of Water (DWS) together with an economic regulator ensures that Raw Water Pricing benefits poor communities. However, the Minister has the final input in regard to Water Pricing.

To this effect one would notice that the bulk purchase tariff from Umgeni Water increased by 5% for 2021/2022 financial year. Whilst the Msunduzi Municipality acknowledges that we did not achieve our target in respect to Water Losses, there was significant progress in relation to planning for the outer years with realistic targets.

The bulk water master plans will be used to guide the city in ensuring that certain short term, medium term and long-term projects are prioritized and the relevant funding is sourced.

The City will also need to undertake a complete meter audit, in order to ensure that all water connections are legal as well as billed.

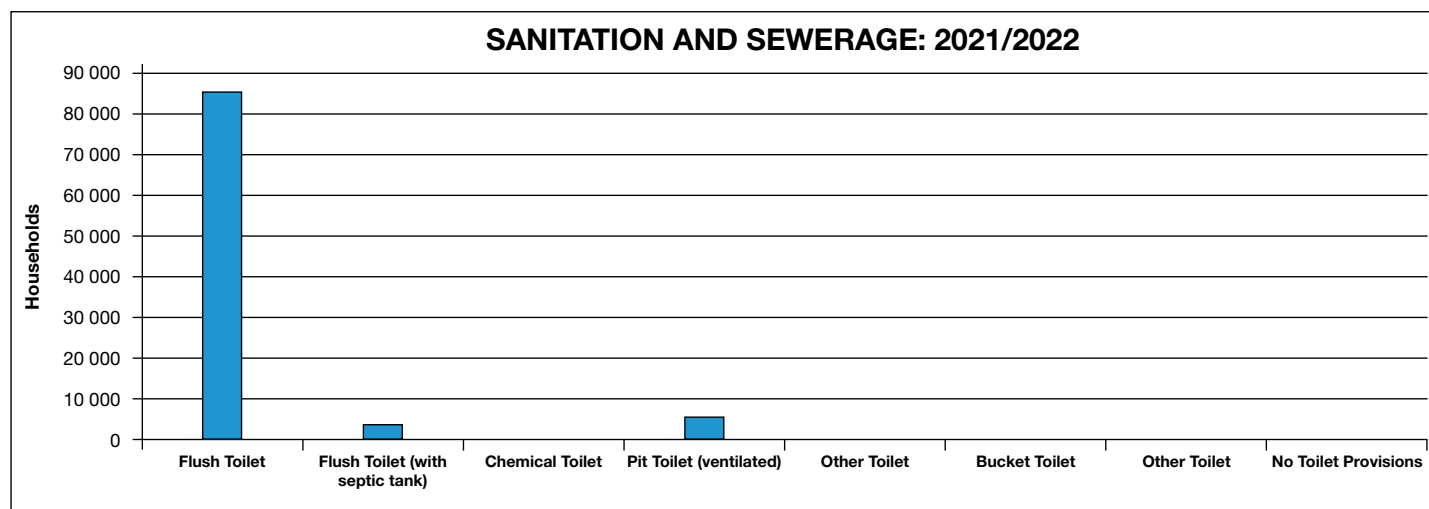
INTRODUCTION TO SANITATION PROVISION

The provision of an acceptable standard of sanitation (above minimum level) is most probably one of the most fundamental service delivery components that ensures healthy living conditions and maintains dignity within the communities concerned.

The priority is developed along the parameters of financial availability and other relevant resources aligned to short- and long-term objectives and programs. The economy at the moment is not robust and therefore it becomes difficult to achieve planned programs to achieve certain objectives. In the 2021-2022 financial year the following represents core activities: -

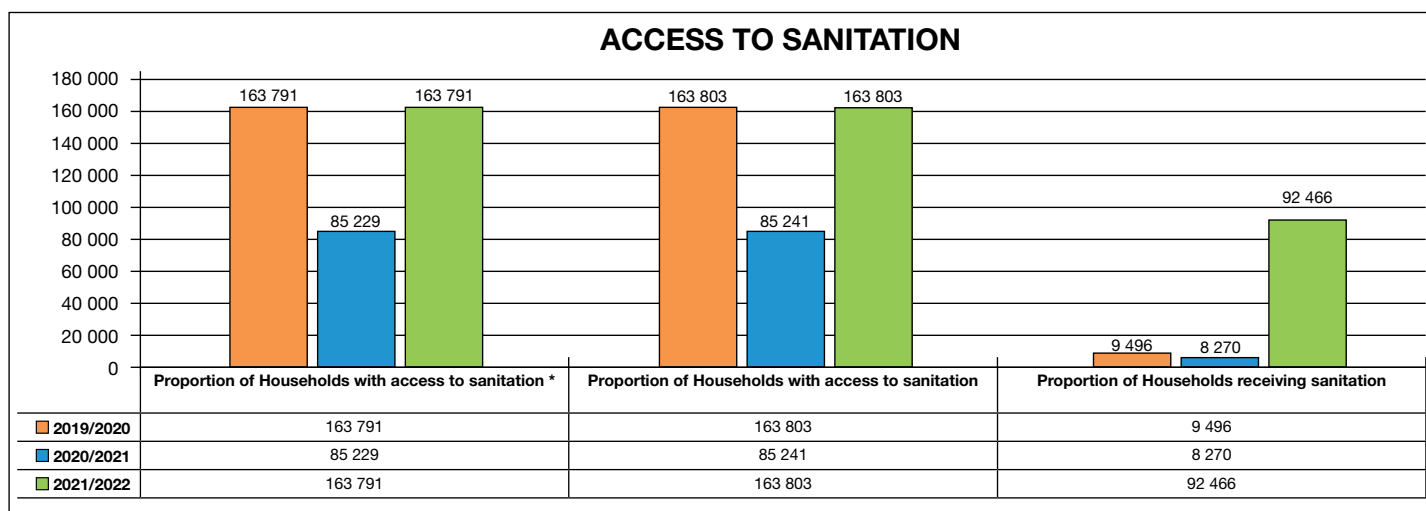
1. Reactively responded to 3804 mainline Blockages.
2. Planning commenced for the Darvill outfall sewer in order to replace the both pipes.
3. A total of 25,1km of sewer lines constructed in various wards.
4. 1180 Ventilated Improved pits (VIPs) where installed.

Improved pits (VIPs) where installed.



SANITATION SERVICE DELIVERY LEVELS				
Households				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual Number	Actual Number	Actual Number	Actual Number
Sanitation / Sewage (above min level)				
Flush Toilet (connected to sewerage)	85 211	85 229	85 241	82 970
Flush Toilet ((with septic tank)	8 319	8 319	8 319	3 160
Chemical Toilet	7 076	7 076	7 076	96
Pit Toilet	61 637	63 167	63 167	6 240
Other toilet provisions (above min service level)	N/A	N/A	N/A	N/A
Minimum Service Level and Above sub-total	162 243	163791	163 803	92466
Minimum Service Level and Above Percentage	98.29 %	99.2 %	99.8%	56,38%
Sanitation / Sewage (below min level)				
Budget toilet	N/A	N/A	N/A	N/A
Other toilet provisions (above min level)	-	-	-	-
No toilet provisions	2 799	1 269	1 269	71 527
Below Minimum Service Level sub-total	2 799	1 269	1 269	71 527
Below Minimum Service Level Percentage	1.71%	0.8%	0.2%	43,62%
Total number of households	163 993	165 060	165 060	163 993
*To include informal settlements				T3.2.3

HOUSEHOLDS - SANITATION SERVICE DELIVERY LEVELS BELOW MINIMUM						
Households						
Description	2018/2019	2019/2020	2020/2021	2021/2022		
	Actual Number	Actual Number	Actual Number	Original Budget No.	Adjusted Budget No.	Actual Number
Formal Settlements						
Total Households	6 396	6 396	6 396	6 396	6 396	6 396
Households below minimum service level	6 396	6 396	6 396	6 396	6 396	6 396
Proportion of households below minimum service level	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Informal Settlements						
Total Households	2 799	1 269	1 269	43 655	43 655	43 655
Households below minimum service level	2 799	1 269	1 269	43 655	43 655	43 655
Proportion of households below minimum service level	1.71%	0.77%	0.77%	26,62%	26,62%	26,62%
						T3.1.4



T3.2.5

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Sanitation Service Objectives form an integral part in the Sanitation Services Performance overall. The primary objectives in Sanitation Service Deliverables include, inter alia:

1. Provision of toilets within standards
2. Basic Service Deliverables
3. Rehabilitation and refurbishment of existing sanitation infrastructure and services

1.2 ROADS & TRANSPORTATION DEPARTMENT**INTRODUCTION TO ROADS & TRANSPORTATION**

This unit includes: Transportation Planning, Integrated Public Transport Network (IPTN), Roads design and Implementation, Roads and Drainage sections.

The comments below provide a brief on the strategy, priorities and provision regarding transportation planning services, roads design, implementation, Roads and drainage maintenance.

This component of the report falls under the Roads and Transportation (R & T) Sub Unit of the Infrastructure Business Unit. R & T deals with the following:

- Transportation Planning, Traffic Engineering Issues, Road Safety and Public Transport Issues;
- Planning, Development and Maintenance of Municipal roads and storm water infrastructure;
- Planning, Development and maintenance of Pedestrian and Vehicle Bridges.

EMPLOYEE STATISTICS FROM ROADS & TRANSPORTATION DEPARTMENT

EMPLOYEE: ROADS, TRANSPORTATION AND STORMWATER					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	228	405	220	185	46
T04-T08	13	47	11	36	77
T09-T13	31	114	30	84	74
T14-T18	5	18	4	14	78

EMPLOYEE: ROADS, TRANSPORTATION AND STORMWATER					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	278	585	266	319	55

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.

INTRODUCTION TO ROADS

The Roads Section continues to address the backlog of Gravel Roads. An attempt is made yearly to upgrade 10-15km of gravel road into "all weather surfacing in order to render uninterrupted access and safety. (i.e. through geometric interventions).

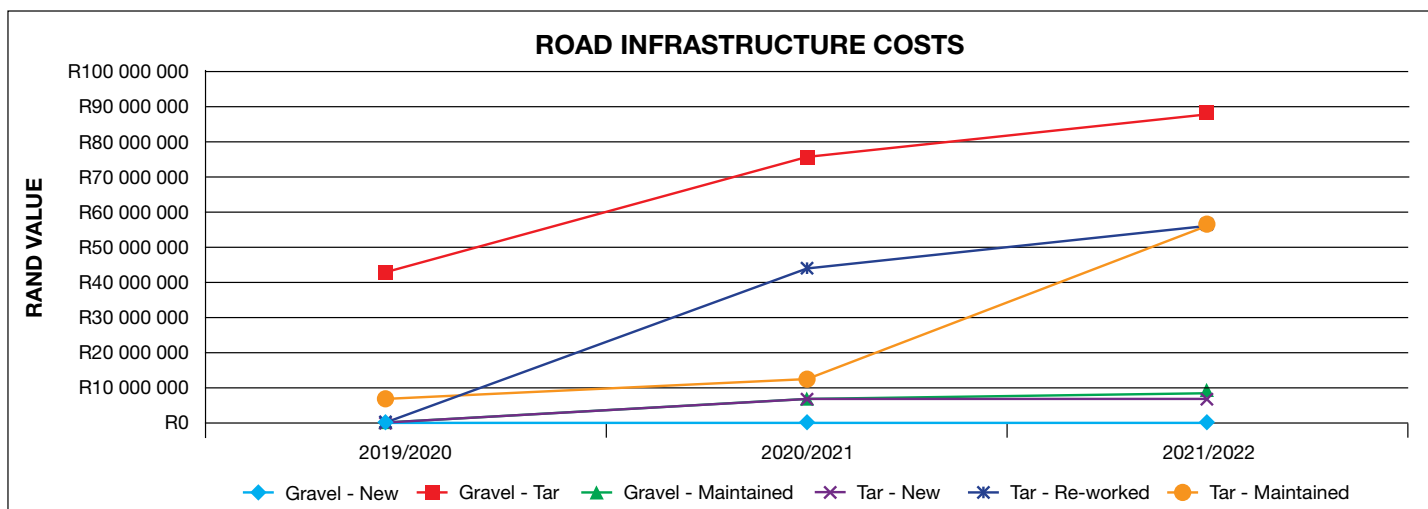
The RAMP also informs the upgrading of gravel roads programme. The gravel roads and backlog is shown up to Ward level. Gravel roads backlog by the time of approval of the RAMP document was approximately 340 km and gravel roads that have been upgraded into tar since the approval of the RAMP document equates to 74 km, therefore the current known backlog is 266,27 km.

The current RAMP document is due for the review as this document has to be reviewed every 5 years. However, based on the current improvements achieved to date compared to the backlog, this document is still relevant up until there is a reviewed document in place. The process to review the RAMP document will commence during the 2022/23 financial year.

GRAVEL ROAD INFRASTRUCTURE Kilometres				
	Total gravel Roads	New Gravel Roads constructed	Gravel Roads upgraded to tar	Gravel Roads graded/ maintained
2019/2020	573.9	0	6.06	2
2020/2021	567.84	0	7.4	20
2021/2022	560.44	0	6.995 (7)	25.1

TARRED ROAD INFRASTRUCTURE Kilometres					
	Total Tarred Roads	New Tar Roads	Existing Tar Roads re-tarred	Existing Tar Roads re-sheeted	Tar Roads Maintained
2019/2020	1536.75	6.06	24 000sqm	0	3 950 sqm
2020/2021	1 542.81	7.4	60 000sqm	0	16 190.9sqm
2021/2022	1 550.21	6.995	120 009sqm	0	137 578,59sqm

COST OF CONSTRUCTION / MAINTENANCE R'000						
	Gravel			Tar		
	New	Gravel-Tar	Maintained	New	Reworked	Maintained
2019/2020	0	42 744 887	1 350 000	0	4 412 321	6 764 679
2020/2021	0	63 704 793	8 414 249	7.4	43 581 189	12 000 000
2021/2022	0	89 007 684	9 042 506	6.995	57 958 531	57 704 249
						T3.7.4



COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The department has continued with its programme of re-gravelling, maintenance of gravel roads and upgrading of gravel roads to all weather surface with a vision of reducing the high backlog of unsafe roads within the city.

Funds are slowly being made available by the Municipality towards the rehabilitation programme, which makes up the preventative maintenance of the department as a result, a total of 120 009m² of surface roads were rehabilitated, 137 578,59 square meters of pothole were repaired and 6.995 km of gravel roads were upgraded to all weather surface roads during the 2021/2022 financial year.

T3.7.10

TRANSPORTATION PLANNING

Transportation Planning Section performs the following functions:

- Evaluation, assessment, and siting of transport facilities
- Planning, co-ordination, facilitation and provision of efficient and effective transport systems and infrastructure for all private and public transport.
- Planning, co-ordination, facilitation, provision, monitoring and regulation of efficient, effective public transport services and facilities within a balanced market demand and supply framework.
- Provides effective traffic management, control and safety through co-ordinated planning and maintenance programmes.

COMMENT ON THE PERFORMANCE OF TRANSPORTATION PLANNING OVERALL:

In the 2021/22 financial year, Non-Motorized Transport (NMT) and Bus Stop Shelter projects were not implemented due to no Budget constraints. Transportation Section was able to achieve 85 km of road markings, replacement of 474 traffic signs & replace and installed 12 meters of guardrails at various wards within the municipality. The department had plan to purchase two spray painting machines in the 2021/22 financial year, unfortunately there were no responsive bidders, hence most of the work was done by hand. Therefore, target for Road markings was not achieved in 2021/22.

STORMWATER DRAINAGE

INTRODUCTION TO STORMWATER DRAINAGE

The Storm water division is primarily responsible for the maintenance and construction of storm water infrastructure within Msunduzi Municipality, such as:

- Unblocking of storm water drainage system
- Replacement of missing manhole covers
- Maintaining the entire infrastructure (storm water)
- Cleaning and rehabilitation of the storm water system and culverts
- Replacing broken pipes and catch pit inlets and manhole slabs and covers.
- Installing new storm water systems, construction of open channels and sub-soil drains etc. The need to protect the health, welfare and safety of the public, and to protect property from flooding hazards by safely routing and discharging storm water from developments

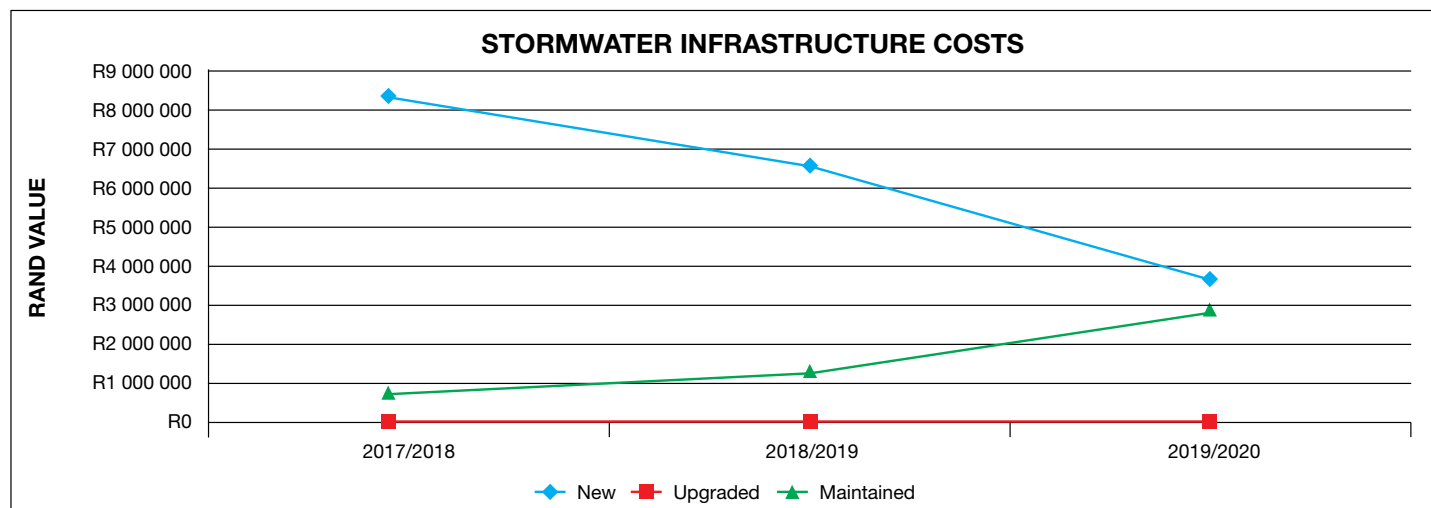
The municipality constructed 4.04km of storm water channel in various roads in the Greater Edendale and Vulindlela Area. This was to prevent or minimise flooding of Municipal Roads. Other new systems are constructed in association with road network upgrade. However, this service is still under funded in terms of new or upgrade and maintenance of existing system. 28km of storm water was maintained during the 2020/21 financial year. Maintaining the stormwater infrastructure is important to ensure that properties and roads in particular are not damaged due to un-drained run-off causing traffic delays and inconveniences, and minimizing danger to vehicles and people.

The main challenges that this Unit is faced with including insufficient funding are as follows:

- Illegal dumping of refuse in storm water outlets/inlets, open channels and manholes
- Damages to infrastructure e.g. broken manhole lids, kerb inlets damaged by vehicles etc.
- Ill-informed community on the importance of storm water infrastructure
- Theft of manhole covers

STORMWATER INFRASTRUCTURE Kilometre				
	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2019/2020	0	2.1	0	21 KM
2020/2021	32,04	4.04	0	28 KM
2021/2022	37	3km	0	31KM

COST OF CONSTRUCTION / MAINTENANCE R'000			
	Stormwater Measures		
	New	Upgraded	Maintained
2019/2020	R 8 327 550	-	R 662 905.91
2020/2021	R6 598 935.00	-	R 1 400 000.00
2021/2022	R3 690 665,6	-	R 2 865 000.00



COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The Municipality continues with the maintenance of stormwater program which is clearing of blocked stormwater drains and cleaning of catch pits. The new stormwater that was constructed it was implemented as part of new roads that were constructed and stormwater infrastructure consisted of kerb and channels, stormwater pipes and pipe culverts.

INTEGRATED RAPID PUBLIC TRANSPORT NETWORK

The infrastructure implementation component entailed the widening of the trunk route along Moses Mabhida Road from Crossing junction to top of Church Street. Skills transfers were implemented through employment of local labours and 30% of the project value was subcontracted to local subcontractors and SMME's.

Other components of the project have been affected by the suspension decision and are pending until the grant has been resuscitated.

COMMENT ON THE PERFORMANCE OF INTEGRATED RAPID PUBLIC TRANSPORT NETWORK

The 4.8km IRPTN road widening along Moses Mabhida Road was to accommodate the dedicated bus lanes, station and NMT facilities and was divided into four construction Work Packages.

Work Package 1 was completed during the 2018/19 financial year.

Work Package 4 was completed in February 2021.

Work Package 2 was completed in June 2022.

Work Package 3 was practically completed in February 2022.

Although the infrastructure component of the project is completed but operations as per the objective of the project will only be implemented once the Municipality has been reaccepted into the grant. Engagements regarding re-admission into the grant with National Department of Transport, National Treasury and National Parliament Committees are ongoing. Traffic management plan to open the additional new lanes to general traffic whilst engaging on the readmission of the municipality into the grant will be finalized by July 2022

1.3 PROJECT MANAGEMENT

INTRODUCTION TO PROJECT MANAGEMENT OFFICE

The Municipal Infrastructure Grant (MIG) is a grant issued by National Treasury to Public Bodies, mainly Municipalities and major government department to fund infrastructure projects and programmes implemented for the sole purpose of improving service delivery.

The grant is facilitated by COGTA and is mainly spent on delivering basic infrastructure services to poor communities in order address the backlog which exists in roads, electricity lighting, water and sanitation.

COMMENT ON THE PERFORMANCE OF PROJECT MANAGEMENT OFFICE OVERALL

The Project Management Office is established to:

- Facilitate the strategic, integrated planning of infrastructure development in the municipality in terms of conditions applicable to a variety of funding sources, plans and programmes of other spheres of government
- Administer and coordinate the MIG and EPWP programmes in terms of the GRANT agreement for the EPWP integrated grant to Municipalities
- Meet the expenditure and other requirements of the Municipal Infrastructure Grant
- Meet the job creation, training, development and empowerment objectives of the Expanded Public Works Programme

The projects executed within the 2020/2021 financial year where service delivery projects ranging from the upgrade of gravel roads to asphalt and concrete, installation of High mast lighting, Rehabilitation of sanitation infrastructure and Construction of Community Halls.

The total Municipal Infrastructure Grant (MIG) allocation inclusive of the MIG Capital Budget and the MIG Administrative costs was R209 331 000. A total MIG expenditure of R209 331 000 was totally spent.

Out of the total of R209 331 000 an amount of R6 530 996, 50 was utilized for operating cost which represent 3.12%.

REPORT ON THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)

The Municipality in the 2021/2022 financial year ensured that MIG is monitored through weekly CAPEX and MIG meetings that track and help accelerate MIG expenditure in the Municipality for the 2021/2022 financial year. The total Municipal Infrastructure Grant (MIG) allocation inclusive of the MIG Capital Budget and the MIG Administrative costs was R209 331 000. A total MIG expenditure of R209 331 000 was totally spent.

SERVICE BACKLOGS AS AT 30 JUNE 2022				
	*Service level above minimum std		*Service level below minimum std	
	No. HHs	%HHs	No. HHs	%HHs
Water	152 547	93,02	11 466	7
Sanitation	92 466	56	71 527	43
Electricity	2 000	25	1 500	75
Waste Management	120 000	73	43 000	27
Housing				
% HHs are the service above/below the minimum standard as a proportion of total HHs				
Housing refers to * formal and ** Informal				

MUNICIPAL INFRASTRUCTURE GRANT (MIG)* EXPENDITURE 2021/22 ON SERVICE BACKLOGS R'000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure – Road transport	N/A	N/A	N/A	N/A	N/A	
Roads, Pavements & Bridges	69 626 280	85 273 154	85 273 154	69 626 280	85 273 154	
Stormwater	N/A	N/A	N/A	N/A	N/A	
Transmission & reticulation	N/A	N/A	N/A	N/A	N/A	
Street Lighting	7 423 227	7 423 227	7 423 227	7 423 227	7 423 227	
Infrastructure – water	15 463 343	-	15 463 343	15 463 343	-	
Dams & Reservoirs	12 885 005	9 502 711	9 502 711	12 885 005	9 502 711	
Water Purification	N/A	N/A	N/A	N/A	N/A	
Reticulation	22 064 870	12 463 343	12 463 343	22 064 870	12 463 343	
Infrastructure – Sanitation	51 301 787	-	51 301 787	51 301 787	-	
Reticulation	N/A	N/A	N/A	N/A	N/A	
Infrastructure – Other	44 126 016	18 250 170.50	18 250 170.50	44 126 016	18 250 170.50	
Waste Management	5 443 984	6 516 881	6 516 881	5 443 984	6 516 881	
Transportation	N/A	1802000	1802000	N/A	1802000	
PMU Operating	10 034 418	6 530 996.50	6 530 996.50	10 034 418	6 530 996.50	
Housing	5 911 945	3 159 557	3 159 557	5 911 945	3 159 557	
Total	184 192 257	150 916 040	203 770 161	1 841 922 570	150 922 040	

COMMENT ON MIG:

There was delays in appointment of the contractors in a panel of Contractors for Construction of Community Halls (SCM 23 of 19 of 20) due to change in procurement strategy. It was further noted that the circular 2 of 2022; exclusion of institutional social development (ISD) from Municipal Infrastructure Grant funding contributed to delays in securing funding for other projects. The programme was also faced with challenge of slow progress in few projects due to the performance of the Contractors, this lead to not meeting set targets as well. The MIG performance remained 37.92% in December 2021. In terms of the way forward and avoiding the challenges experienced in the last financial year the following measures have been put in place:

A comprehensive Procurement Plan was drafted to ensure projects proceeding according to planned timeframes in accordance with required SCM process. The MIG Implementation plan has been revised accordingly with MIG time-frames.

SEVEN LARGEST CAPITAL PROJECTS PER WARD 2021/2022 FINANCIAL YEAR

Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000						
Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
1	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	ELECTRIFICATION OF SWEETWATERS RURAL SETTLEMENTS-INFILLS	1-Jul-21	30-Jun-22	60 x service connections achieved by the 30th of June 2022.	1,428
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER			Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	5	MIG: Rehabilitation of Roads - Vulindlela Ward 2	1-Jul-21	30-Jun-22	Construction of 200m of Mabane Causeway in Vulindlela ward 2 completed by the 28th of February 2022	2,910
	6	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
3	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:ZA:BASIC WATER SUPPLY	1-Jul-21	30-Jun-22	7km of new water pipeline installed in Ward 3 & 6 cumulatively by the 30th of June 2022.	20,107
	3	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	6	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	7	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 3	1-Jul-21	30-Jun-22	Draft detailed design Baleni Road Ward 3 and WULA and EIA NOT submitted by the 30th of June 2022	1,955
4	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7					

**Seven Largest Capital Projects Per Ward 2021/2022 Financial Year
R'000**

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
5	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	COMMUNITY HALL WARD 5	1-Jul-21	30-Jun-22	Roof Construction completed for Ward 5 community hall by the 30th of June 2022	9,354
	5	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7					
6	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:ZA:BASIC WATER SUPPLY	1-Jul-21	30-Jun-22	7km of new water pipeline installed in Ward 3 & 6 cumulatively by the 30th of June 2022.	20,107
	3	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	4	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 6 (Thokozani)	1-Jul-21	30-Jun-22	Construction of 1.5 km road in Vulindlela Ward 6 from gravel to concrete and asphalt surface with kerb & channel and associated stormwater, by the 30th of June 2022	13,070
	5	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	6	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
7	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	5	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 7	1-Jul-21	30-Jun-22	NOT commenced with sub-base for Construction of 1 km road in Vulindlela Ward 7 from gravel to concrete and asphalt surface with kerb & channel and associated stormwater by the 30th of June 2022	1,457
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7	MIG:Z5: WARD 7 COMMUNITY HALL	1-Jul-21	30-Jun-22	Foundations level for Mafunze community hall Ward 7 NOT commenced by the 30th of June 2022.	250
8	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	5	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 8	1-Jul-21	30-Jun-22	Sub-base for Construction of 1.7 km road in Vulindlela Ward 8 from gravel to concrete and asphalt surface with kerb & channel and associated stormwater NOT commenced by the 31st of June 2022	2,441
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
8	7	COMMUNITY HALL		30-Jun-22	Foundations of Ward 8 Community hall NOT constructed by the 30th of June 2022.	474

Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
9	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	Foundations of Ward 8 Community hall NOT constructed by the 30th of June 2022.	474
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	6					
	7					
10	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	4	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	5	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	6	Edendale S Phase 8 Extension	1-Jul-21	30-Jun-22	54 x new houses completed in the 21/22 FY for Edendale Unit S Phase 8 Ext by the 30th of June 2022	7,349
	7	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
11	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:Z2:VULINDLELA HOUSEHOLD SANITATION - Ward 10 (Phase 2)	1-Jul-21	30-Jun-22	4.279 km of new sewer pipeline installed in Ward 11 by the 30th of June 2022.	19,473
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	6	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
12	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	WSIG:Z1:ERADICATION OF GREATER MSUNDUZI SANITATION BACKLOG - VIP TOILETS	1-Jul-21	30-Jun-22	Installation of 1158 VIP units cumulatively by 30th June 2022	19,972
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	5	MIG:Z2: UPGR GRV RD- GEORGETOWN / ESIGODINI	1-Jul-18	30-Jun-19	Contractor NOT appointed for construction of 0.6km of Mission Road in Ward 12 from Gravel to Black top with associated stormwater by the 30th of June 2022	597
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
13	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	4	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7	MIG:Z3: WARD 13 COMMUNITY HALL	1-Jul-21	30-Jun-22	Construction of Foundation level NOT complete for Community hall Ward 13 by the 30th June 2022.	89
14	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	6	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	7	MIG:Z2:UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN	1-Jul-21	30-Jun-22	Complete Layer works for Construction of 0.50 km of Makhathini road in Willowfountain from gravel to concrete surface with associated stormwater completed by the 30th of June 2022	2,934
15	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	6	MIG:ZA:MIDBLOCK SEWER ERADICATION	1-Jul-21	30-Jun-22	6.522 km (completion) of new sewer pipeline installed in Ward 15 by the 30th of June 2022.	6,597
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
16	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	4	MIG:Z2:EDENDALE - SEWER RETICULATION - Ward 16	1-Jul-21	30-Jun-22	8.127 km of new sewer pipeline installed in Ward 16 by the 30th of June 2022.	15,089
	5	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	6	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	7	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358

Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
17	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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18	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:Z3:SLANGSPRUIT AMBLETON SANITATION SYSTEM	1-Jul-21	30-Jun-22	2,242 km of new sewer pipeline installed in Ward 18 by the 30th May 2022	11,086
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	MIG:Z3:UPGRADING OF GRAVEL ROADS - EDN- Roads in Unit 14/ WARD 18	1-Jul-21	30-Jun-22	Construction of 1.5 km road Mkhize Road in Edendale Unit 14/ Ward 18 from gravel to concrete surface with associated stormwater completed by the 31st of May 2022.	9,920
	5	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	6	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
19	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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20	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	MIG:Z2:UPGR GRV RD-GREATER EDN-CALUZA	1-Jul-21	30-Jun-22	Complete 0,695km Concrete road with drainage, surfacing and retaining walls by the 31st of May 2022	5,855
	4	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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	7					
21	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:Z2:EDENDALE - SEWER RETICULATION - Ward 16	1-Jul-21	30-Jun-22	8,127 km of new sewer pipeline installed in Ward 16 by the 30th of June 2022.	15,089
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	MIG:ZA:ELIM OF CONSERV TANKS:SEWER	1-Jul-21	30-Jun-22	3.9 km (completion) of new sewer pipeline installed in Ward 21 by the 30th of September 2021.	8,316
	5	MIG:Z2:UPG GRV RD-EDN-DAMBUZA MJ SWD UPG	1-Jul-21	30-Jun-22	Completed detailed design Dambuza Main Road Ward 21 by the 30th of June 2022	1,845

Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
21	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
22	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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23	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	Infrastructure Implementation	1-Jul-21	30-Jun-22	30% of Work Package 2 completed (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhida Road between km 6.5 to km 7.5), by the 28th of February 2022	45,407
	4	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	5	UPGRADE OF MASON'S PRIMARY SUBSTATION & LAYING OF APPROXIMATELY 26KM OF 630MM 1/C CABLES	1-Jul-21	30-Jun-22	Purchase and delivery of 630mm 1/c cables was achieved by 30 June 2022, however Switchgear Panels were not delivered	21,979
	6	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	7	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
24	1	Infrastructure Implementation	1-Jul-21	30-Jun-22	6% of Work Package 3 completed. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhida Road between km 7.5 to km 8.8) by the 28th of February 2022	22,725
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	COMMUNITY HALL	1-Jul-21	30-Jun-22	Appointment of Contractor for Ward 24 Community hall by the 30th of June 2022.	1,076
	4	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	5	Infrastructure Implementation	1-Jul-21	30-Jun-22	6% of Work Package 3 completed. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhida Road between km 7.5 to km 8.8) by the 28th of February 2022	22,725
	6					
	7					
25	1	CNL - ROAD REHABILITATION - PMS	1-Jul-21	30-Jun-22	129 009m2 of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted emulsion) by the 31st of May 2022	57,959
	2	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
26	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	UPGRADE OF MASON'S PRIMARY SUBSTATION & LAYING OF APPROXIMATELY 26KM OF 630MM 1/C CABLES	1-Jul-21	30-Jun-22	Purchase and delivery of 630mm 1/c cables was achieved by 30 June 2022, however Switchgear Panels were not delivered	21,979
	3	MIG:Z2:UPGR RD IN PEACE VALLEY-10KM	1-Jul-21	30-Jun-22	Construction of 2,1 km length of road in Peace Valley III Ward 26 ,from gravel to black top asphalt with associated stormwater by the 28th of February 2022.	10,791
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	Eastern Ring Road Final detailed design	1-Jul-21	30-Jun-22	Draft Detailed design for Eastern ring Road Completed by the 30th of June 2022	500
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
27	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	Infrastructure Implementation	1-Jul-21	30-Jun-22	6% of Work Package 3 completed. (Construction of earthworks, layer works, surfacing and ancillary works for road widening in Moses Mabhidia Road between km 7.5 to km 8.8) by the 28th of February 2022	22,725
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	5	Purchase of steel containers for toilets	1-Jul-21	30-Jun-22	2 steel containers for toilets for 3 taxi ranks NOT delivered by the 30th of June 2022.	638
	6	Renovation to Building for Roads and Drainage Standby Rooms at the Doull Road Depot	1-Jul-21	30-Jun-22	Design and modify the existing laboratory building to new staff standby rooms using the Annual Supplies and Services Contract 72 of 2019 completed by the 30th of June 2022.	613
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
28	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	4	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
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	6					
	7					
29	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	MIG:Z5:COPEVILLE RESERVOIR	1-Jul-21	30-Jun-22	1.345km of new water pipeline installed in Ward 30 and first lift for reservoir walls NOT completed by the 30th of June 2022.	5,872
	4	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	5	ELECTRIFICATION OF EZINKETHENI INFORMAL SETTLEMENTS-INFILLS	1-Jul-21	30-Jun-22	168 x service connections were achieved by the 30th of June 2022.	2,934
	6	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494

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Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
30	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	MIG:Z5:COPEVILLE RESERVOIR	1-Jul-21	30-Jun-22	1.345km of new water pipeline installed in Ward 30 and first lift for reservoir walls NOT completed by the 30th of June 2022.	5,872
	4	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	6	ELECTRIFICATION OF SWAPO INFORMAL SETTLEMENTS-INFILLS	1-Jul-21	30-Jun-22	43 x service connections were achieved by the 30th of June 2022.	389
	7	Upgrade of canalisation of streams/bank protection in Zone 4	1-Jul-21	30-Jun-22	Conceptual design for the stream canalization/bank protection project completed by the 30th of June 2022 and 41m3 of gabions for No. 80 Kingstone completed by the 30th of June 2022	312
31	1	CNL - ROAD REHABILITATION - PMS	1-Jul-21	30-Jun-22	129 009m2 of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted emulsion) by the 31st of May 2022	57,959
	2	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	6					
	7					
32	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Site 11 Housing project - Woodlands	1-Jul-21	30-Jun-22	53 x new houses completed in the 21/22 FY for Site 11 Housing project - Woodlands by the 30th of June 2022	7,257
	4	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	Happy Valley Housing project - Woodlands	1-Jul-21	30-Jun-22	1 x new houses completed in the 21/22 FY for Happy Valley Housing project by the 30th of June 2022	953
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
33	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	Jika Joe Community Residential Unit	1-Jul-21	30-Jun-22	Construction of external works in phase 1A completed to the value of R3 127 075.87 in the 21/22 FY for Jika Joe by the 30th of June 2022	13,189
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	ELECTRIFICATION OF JIKA JOE CRU'S PHASE 1 ELECTRIFICATION	1-Jul-21	30-Jun-22	0 x House service Connections achieved by the 30th of June 2022.	8,770
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7		1-Jul-21	30-Jun-22		

Seven Largest Capital Projects Per Ward 2021/2022 Financial Year R'000

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
34	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	4	MIG:Z3:WARD 34 MADIBA COMMUNITY HALL	1-Jul-21	30-Jun-22	Community hall NOT completed by the 30th of June 2022.	2,370
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	6					
	7					
35	1	CNL - ROAD REHABILITATION - PMS	1-Jul-21	30-Jun-22	129 009m2 of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted emulsion) by the 31st of May 2022	57,959
	2	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	UMgungundlovu Rectification Project	1-Jul-21	30-Jun-22	33 x new houses completed in the 21/22 FY for UMgungundlovu Rectification Project by the 31st of May 2022	3,358
	5	Development of Ethembeni Cemetery	1-Jul-21	30-Jun-22	Fencing and ablation facilities completed.	3,000
	6	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	7	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
36	1	CNL - ROAD REHABILITATION - PMS	1-Jul-21	30-Jun-22	129 009m2 of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted emulsion) by the 31st of May 2022	57,959
	2	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	3	UPGRADE OF MASON'S PRIMARY SUBSTATION & LAYING OF APPROXIMATELY 26KM OF 630MM 1/C CABLES	1-Jul-21	30-Jun-22	Purchase and delivery of 630mm 1/c cables was achieved by 30 June 2022, however Switchgear Panels were not delivered	21,979
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	6	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	7					
37	1	CNL - ROAD REHABILITATION - PMS	1-Jul-21	30-Jun-22	129 009m2 of surfaced roads rehabilitated (asphalt overlay, slurry seal, crack sealing and diluted emulsion) by the 31st of May 2022	57,959
	2	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	3	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	4	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	6					
	7					

**Seven Largest Capital Projects Per Ward 2021/2022 Financial Year
R'000**

Ward Name (No)	Number	Project Name and Details	Start Date	End Date	Progress 2019/2020	Total Value
38	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Thamboville Housing project	1-Jul-21	30-Jun-22	72 x new houses completed in the 21/22 FY for Thamboville Housing Project by the 30th of June 2022	9,730
	4	Thembalihle Housing project	1-Jul-21	30-Jun-22	0 x new houses completed in the 21/22 FY for Thembalihle Housing Project by the 30th of June 2022	4,262
	5	ELECTRIFICATION OF THEMBALIHLE INFORMAL SETTLEMENTS	1-Jul-21	30-Jun-22	216 x service connections were achieved by the 30th of June 2022.	3,535
	6	ELECTRIFICATION OF ZAMOKUHLE INFORMAL SETTLEMENTS	1-Jul-21	30-Jun-22	210 x service connections achieved by the 30th of June 2022.	2,940
	7	Faulty / Defective Meter Replacement	1-Jul-21	30-Jun-22	103.5% (945/913) of faulty / defective electricity meters replaced as per received technical exception table and audits by the 30th of June 2022.	2,874
39	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	High Masts Lights Installation	1-Jul-21	30-Jun-22	All 20 x High Masts Lights have been erected, Only 2 x High Masts have been Commissioned by the 30th of June 2022	7,012
	4	MIG:Z1:UPGR GRV ROADS-VULINDLELA-WARD 39	1-Jul-21	30-Jun-22	Construction of 1 km length of Masoyi Road in Vulindlela Ward 39, from gravel to asphalt surface with associated stormwater by the 31st of August 2021	4,228
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	6	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	7	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
40	1	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	2	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	3	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	4					
	5					
	6					
	7					
41	1	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	2	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306
	3	PURCHASE OF 11KV CAPITAL EQUIPMENT	1-Jul-21	30-Jun-22	125 x 11kV equipment purchased and delivered by the 30th of June 2022	31,624
	4	MIG:ZA:REDUCTION OF NON REVENUE WATER	1-Jul-21	30-Jun-22	Total Water Losses reduced to 31.3% based on the International Water Association Balance in Wards 1 to 41 (in total) by the 30th of June 2022.	10,579
	5	Construction of 40 traffic calming measures	1-Jul-21	30-Jun-22	40x traffic calming measure installed in various sites as per approved traffic calming implementation schedule by the 31st of May 2022	494
	6	Wirewall Rectification Project	1-Jul-21	30-Jun-22	195 x new houses completed in the 21/22 FY for Wirewall Rectification by the 30th of June 2022	47,306
	7	Wirewall Rectification Project Renovations	1-Jul-21	30-Jun-22	215 x houses renovated for the Wirewall Rectification Project in the 21/22 FY by the 30th of June 2022	47,306

1.4 MECHANICAL WORKSHOPS

INTRODUCTION TO MECHANICAL WORKSHOPS

Mechanical Workshop is a sub-unit of the Infrastructure Services Unit. The Manager Mechanical Workshops reports directly to the General Manager Infrastructure Services.

Mechanical Workshops is responsible for the repairs and maintenance of Councils vehicle and plant. There are six workshops situated strategically around the City. Facilitates the process with Supply Chain Management (SCM) to outsource major components engines gearboxes differentials and C.O.F. (certificate of fitness) to service providers that are compliant on the SCM database.

MECHANICAL WORKSHOPS EMPLOYEE STATISTICS

EMPLOYEE: MECHANICAL WORKSHOPS					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	13	51	13	38	75
T04-T08	5	14	6	8	57
T09-T13	19	25	19	6	24
T14-T18	0	1	0	1	100
T19-T22	0	0	0	0	0
T23-T25	0	0	0	0	0
Total	37	91	38	53	58

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.

STRATEGIC OBJECTIVES OF THESE SUB-SECTIONS ARE:

The Manager: Mechanical Workshops is responsible for managing the repairs and maintenance to the five mechanical workshops. Excluded from the mechanical workshops is Fire and Emergency services workshops which reports directly to the Chief Fire Officer. The five workshops are situated at the following locations and caters for the following departments:

1. DOULL ROAD WORKSHOPS

Situated at 150 Mayors Walk, the workshop is split in two. The one half caters for Waste Management department and the other for the following departments, Water, Sanitation, Plant Pool, Transportation, Roads, and Drainage. Waste Management refuse compactor repairs are done on an urgent base in conjunction with the SCM policy.

2. AUXILARY WORKSHOP

Situated at 150 Mayors Walk, the workshop is responsible for welding and fabrication, tyre and battery replacements. The scrapping of all tyres replaced in the fleet is checked and managed with the service provider and the Foreman: Auxilary.

3. ELECTRICTY WORKSHOP

Electricity workshop is situated at 111 Havelock Road. The workshop foreman manages and controls Electricity and Traffic workshops. The workshops caters for the following departments, Electricity Supply Services, Head Office Pool, the Mayor's and Speaker's offices.

4. TRAFFIC WORKSHOP

This workshop is situated at 21 Washington Road. The workshops caters for the following departments Traffic, Security and Airport quad bikes.

5. PARKS WORKSHOP

This workshop is situated in Alexandra Park. The workshop is split in two, a mechanical workshop for plant and vehicles and a small plant workshops for brush cutter repairs.

COMMENT ON THE PERFORMANCE OF MECHANICAL WORKSHOPS OVERALL:

Mechanical Workshops serviced 642 of the 768 vehicles owned by the Municipality for the financial year 17/18. Fleet Management submit a monthly service plan to the Business units for vehicles due for service. This receives a very poor response from the Business Units in bringing in the vehicles for service.

Also a contributing factor to slow turn around time on repairs is the high vacancy rate in the Mechanical Workshops and turn around times on procuring spares with SCM.

1.5 ELECTRICAL SUPPLY SERVICES

INTRODUCTION TO ELECTRICAL SUPPLY SERVICES

Installation of High Masts Lights, especially in Edendale, Imbali and Vulindlela areas was achieved as part of improvement to public lighting where 20 High Masts Lights were installed.

There has been a huge street light maintenance backlog in the Edendale, Imbali and Vulindlela areas due to Eskom indicating their intention to stop the street light maintenance and hand it back to the Municipality for future maintenance. A process to take over the maintenance of street lights in the Eskom Area of Supply was eventually started and is in progress where in the near future, Msunduzi Electricity Supply Services Business Unit will be maintaining all the street lights under Msunduzi Municipality's geographic area upon Council Approval.

Lastly due to the challenges of illegal connections, meter tampering, faulty meters amongst other challenges, the Electricity Losses are ever increasing to unacceptable levels which eventually affects Municipal Revenue negatively which may soon result in the unsustainable provision of Electricity Supply.

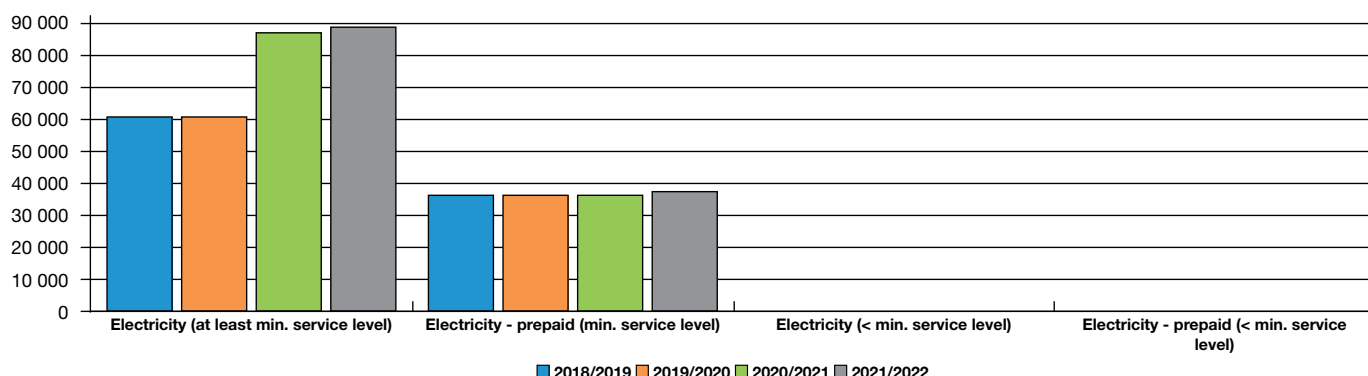
As part of addressing these challenges, the appointment of service providers is ongoing for the auditing of electricity meters on top of the daily auditing conducted by the internal personnel. This will have a huge impact in the improvement of revenue collection.

EMPLOYEE STATISTICS FOR ELECTRICITY SUPPLY SERVICES

EMPLOYEE: ELECTRICITY SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	113	373	104	269	72
T04-T08	26	106	26	80	75
T09-T13	74	222	73	149	67
T14-T18	9	29	9	20	69
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	223	731	213	518	71

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.

ACCESS TO SANITATION



ELECTRICITY SERVICE DELIVERY LEVELS				
Households				
Description	2018/2019 Actual Number	2019/2020 Actual Number	2020/2021 Actual Number	2021/2022 Actual Number
Electricity (above min level)				
Electricity (at least min service level)	60 963	60 981	87 570	89025
Electricity – prepaid (at least min service level)	36 000	36 161	36 449	37904
Minimum Service Level and Above sub-total	N/A	N/A	N/A	N/A
Minimum Service Level and Above Percentage	N/A	N/A	N/A	N/A
Electricity (below min level)				
Electricity (< min service level)	N/A	N/A	N/A	N/A
Electricity – prepaid (< min service level)	N/A	N/A	N/A	N/A
Other energy sources	N/A	N/A	N/A	N/A
Below Minimum Service Level sub-total	N/A	N/A	N/A	N/A
Below Minimum Service Level Percentage	N/A	N/A	N/A	N/A
Total number of households	N/A	N/A	N/A	N/A
				T3.3.3

HOUSEHOLDS - ELECTRICITY SERVICE DELIVERY LEVELS BELOW MINIMUM

Households

Description	2018/2019	2019/2020	2020/2021	2021/2022		
	Actual Number	Actual Number	Actual Number	Original Budget No.	Adjusted Budget No.	Actual Number
Formal Settlements						
Total Households	N/A	N/A	N/A	N/A	N/A	N/A
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Informal Settlements						
Total Households	-	-	-	-	-	-
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A

COMMENT ON ELECTRICITY SUPPLY SERVICES

COMPONENT B: COMMUNITY SERVICES

2. COMMUNITY SERVICES

2.1 PUBLIC SAFETY, ENFORCEMENT & DISASTER MANAGEMENT

INTRODUCTION TO PUBLIC SAFETY, ENFORCEMENT & DISASTER MANAGEMENT

ORGANIZATIONAL UNITS WITHIN PUBLIC SAFETY ENFORCEMENT & DISASTER MANAGEMENT

The units under this component consists of

- Fire,
- Disaster Management,
- Traffic and
- Security

EMPLOYEE STATISTICS

EMPLOYEE: PUBLIC SAFETY ENFORCEMENT & EMERGENCY SERVICES					
DISASTER MANAGEMENT, FIRE SERVICES, TRAFFIC & SECURITY					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T04-T08	262	424	233	191	45
T09-T13	177	322	190	132	41
T14-T18	22	36	21	15	42
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	467	792	450	342	43

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.

DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management falls under the Disaster Management Act 57 of 2002. The Act requires an integrated and effective response to disasters. Disaster Management aims to reduce the risk of disasters, mitigate the severity of disasters, plan and prepare for emerging crisis, events or disasters, respond rapidly and effectively to disasters and to implement post disasters recovery and rehabilitation by monitoring, integrating, co-ordinating the disaster risk management activities of all role-players. The overall implementation of Disaster Risk management initiatives is a shared responsibility of all employees, department, relevant external role-players and the participation of the community.

During the 2021/2022 period, 12 Disaster Awareness programmes and 12 M.H.R visits were done totalling to 24 visits per year as per S.D.B.I.P. This was undertaken in various wards of Msunduzi Municipality. These programmes are effective and help in Disaster risk reduction within the various wards. With the advent of Covid 19 it did interrupt our programme to an extent. We however worked around it in order to meet our set out targets.

Relief supplies and assistance were given to those who were affected by storms, fires, winds and other disasters. Relief provided in the form of temporary accommodation (tents), food parcels, mattresses and blankets, and in many instances plastic sheeting used as waterproofing. Assistance is sometimes offered by other parties eg NGOs.

Disaster Management is also involved in event safety and forms part of the safety and security cluster that oversees and monitors all events within the Msunduzi area of jurisdiction. Also participates in planning meetings prior to various types of events. During the lockdown all events have been postponed.

Disaster Management is also responsible for the Emergency Communications Centre (ECC). The Emergency Communications Centre (ECC) is charged with the responsibility within Public Safety of providing prompt, courteous, and professional handling of all emergency calls from the public and subsequent dispatch of appropriate emergency service responders.

SERVICE STATISTICS FOR DISASTER MANAGEMENT

During the 2021/2022 financial year, a number of incidents of various types of disasters was attended to and as per below:

Total number of incidents: 159
 Total number of People affected: 6044
 Total number of Families affected: 1466
 Total number of homeless: 247
 Cost of relief in relation to emergency supplies: R 910 277.00
 Total Number of Events attended: 15

DISASTER MANAGEMENT SERVICE DATA		
	Details	2021/2022
1	Total incidents attended in the year	159

DISASTER MANAGEMENT SERVICE DATA

	Details	2021/2022
2	Total number of events standby attended in the year	15
3	Total fire related incidents	124
4	Total weather (rain hail, strong winds) related incidents attended in the year	35
5	Total Disaster Staff in post at year end	7

FIRE & RESCUE SERVICES

INTRODUCTION TO FIRE SERVICES

Fight or extinguish a fire and rescue of life or property from a fire or other danger:

Early and timeous response to fire and rescue incidents is critical for life and property saving measures to be effective. In order to improve turnout times to incidents the Municipality has started the process which should see two more fire stations opened in the vast Vulindlela area and Northdale suburb of the City, however due to financial constraints these projects have been placed on hold. Whilst staff shortages are a challenge this is combated by a constant attempt to ensure that a minimum manning standard is complied with on a daily basis, even at the expense of overtime costs.

Prevent the outbreak and spread of fire and the protection of life or property from fire or other threatening danger:

The dedicated Fire Prevention officers ensure that all new building development applications are in compliance with the City by-laws, National Building Regulations and SANS 0400 codes of practice for fire safety in buildings. Existing infrastructure is also subject of daily scheduled and ad-hoc inspections for fire safety compliance.

Basic fire and life safety training:

The Fire Prevention Officers undertake regular scheduled training with hospitals, commerce and industry in order to impart basic fire safety training in the use of first aid firefighting equipment.

The Public Education Section engages schools and communities in a drive to ensure basic fire and life safety awareness and skills are imparted at a rudimentary scale, mostly by meetings, attendance to community structures and visitations to schools, and, of schools to fire stations. Whilst this basic intervention is still not enough it is imperative that communities are aware of the fire service and services it offers, how to access these services, and what it is that they can do to provide basic first aid fire safety protection to themselves.

Our Training Academy is registered as an accredited LGSETA training institution. During 2021/2022 financial year we were responsible for NARYSEC Training Programme for Fire Fighters which was spearheaded and funded by the National Agriculture, Land Reform & Rural Development Ministry. Thirty-Three (33) students participated in this year- long program and all students successfully passed. Msunduzi then offered 16 students a two (2) year Firefighter Learnerships program. They will now have the opportunity to grasp the practical skills of firefighting.

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The lack of fire stations servicing the extreme areas of the municipality is a cause for concern due to the risks attached to the delayed response times from fire stations which are a fair distance from these areas. This is further exacerbated by the time of day response (peak periods etc.), and could have an impact on the ability to effectively protect life and property.

The severe staff shortage has a direct impact on the morale of the fire staff, safety, and overtime budget implications in order to maintain an effective service. Vehicles repair and maintenance is negatively impacted by poor supply chain processes which fail to recognize emergency fire vehicle repairs as emergency/urgent in terms of MFMA Supply Chain Management(SCM)

FIRE SERVICE DATA

	Details	2019/2020 Actual No.	2021/2022 Actual No.	2022/2023 Estimate No.
1	Total fires attended in the year	1441	1441	1114
2	Total of other incidents attended in the year	306	306	278
3	Average turnout time – urban areas	16	16	16
4	Average turnout time – rural areas	35	35	35
5	Fire fighters in post at year end	79	79	79
6	Total fire appliances at year end	12	12	12
7	Average number fire appliances off the road at year end	4	4	4

TRAFFIC DEPARTMENT

Msunduzi Traffic Police

In 2021/2022 the business unit has reinforce the specialised units such as Public Transport and speed law enforcement units to intensify the enforcement in this areas of law enforcement.

Traffic department Priorities

By-law enforcement Officers:

School learner's road crossing (Morning, Midday and Afternoon)
Traffic flow, Traffic Violation and Municipal By-Laws enforcement
Social responsibility (Funeral escort and Public Road Safety education and Training)
Accident scene traffic control

Traffic Wardens:

Free flow of Traffic to alleviate Traffic congestion
On Street Parking and By-Laws enforcement
Accident scene traffic control
Police visibility

Traffic Officers:

Ensure the safe and free flow of traffic and to prevent road crashes
Traffic Law enforcement
Traffic bylaw enforcement
Accident scene traffic control
Free flow of Traffic to alleviate Traffic congestion
Education and training

Measures taken to improve performance

Submission of operational plans
Sector patrols
Joint operational road blocks with other law enforcement agencies
Public Safety Education and training (Schools, Taxi Ranks and Shopping Malls)

Major efficiencies achieved by the Business Unit during the year

Acknowledgements responses from public regarding police visibility
Traffic gridlock intersections receiving attention
The establishment of a Public Transport Unit dealing Public Transport enforcement.
Public Education at Public Schools and Public spaces such as Taxi Ranks, Shopping Malls and any Public Gatherings while also identifying skill gaps within the department and addressing such through internal Training.
Participant in Police Community Forums addressing community needs through such forums

Member of the Urban Safety Reference Group addressing Urban Safety and Violence Prevention through peer to peer learning and knowledge sharing.
Vetted as a member in the Transnet Pipeline Forum which is a ket Point installation.
Vetted as a member of the Airport Security in line with Airports Company South Africa
Vetted as a member with State Security South Africa
Participating in Joint Operations with SAPS and other Law Enforcement agencies
Member of the Provincial Disaster Management Forum
Participating in the CBD Regeneration Programme

TRAFFIC**CO-Functions and Responsibilities**

To provide a free flow of Traffic, relieve congestions at gridlock intersections and minimise occurrences of vehicular accidents in hotspots locations through visible policing and road traffic law enforcement.

The Public Road Safety Education and training targets programmes were achieved.

SERVICE STATISTICS FOR TRAFFIC					
	Details	2020/2021	2021/2022		2021/2022
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	Total: 349 (219 with injuries and 130 without injuries)	+/-349	Total: 299 (97 with injuries and 202 without injuries)	
2	Number of by-law infringements attended	226	+/-226	226	
3	Number of police officers in the field on an average day	26 Traffic Officers	+/-26 T/O	24 Traffic Officers	
		24 Traffic Wardens	+/-24 T/W	18 Traffic Wardens	
4	Number of police officers on duty on an average day	28 Traffic Officers	+/-28 T/O	28 Traffic Officers	
		26 Traffic Wardens	+/-26 T/W	16 Traffic Wardens	

MUNICIPAL SECURITY

The Security Unit serves as a Reactionary Unit that is deployed to defuse potential volatile situations. The Unit is responsible for stabilizing situations when normal law enforcement is insufficient. For example, To counter land invasions and relocations, Human Settlement – Occupation of prescribed land, The safeguarding of Municipal buildings in situations that may be volatile, Illegal Dumping/ Trading, Nuisance Bylaws – invited to assist all Municipal Departments with forced removals, escorting staff members, Protest marches / crowd management during public gathering and demonstrations and Monitoring town and removing homeless people in the CBD.

SERVICE STATISTICS FOR SECURITY					
	Details	2020/2021	2021/2022		2022/2023
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of SECURITY INCIDENTS during the year	230	250	275	225
2	Number of by-law infringements attended	1352	1400	1800	1900

SERVICE STATISTICS FOR SECURITY

	Details	2020/2021	2021/2022		2022/2023
		Actual No.	Estimate No.	Actual No.	Estimate No.
3	Number of SECURITY officers in the field on an average day	115	200	110	200
4	Number of SECURITY officers on duty on an average day	115	200	110	200

FINANCIAL PERFORMANCE 2021/2022: PUBLIC SAFETY ENFORCEMENT & EMERGENCY SERVICES R'000

DISASTER MANAGEMENT, FIRE SERVICES, TRAFFIC & SECURITY

Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:					
Employees	241 974	277 465	277 465	246 590	89
Repairs and Maintenance	1 502	4 823	4 823	3 497	73
Other	128 231	63 216	63 216	111 857	176
Total Operational Expenditure	371 707	345 504	345 504	361 944	
Net operational (Service) Expenditure					

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: PUBLIC SAFETY ENFORCEMENT & EMERGENCY SERVICES R'000

DISASTER MANAGEMENT, FIRE SERVICES, TRAFFIC & SECURITY

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Project A	Computer equipment	250	250	94	37
Project B	Machinery	340	340	0	0
Project C	Shooting range	600	200	0	0
Project D	Transport Assets	2 260	2 260	1 253	55

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

COMMENT ON THE PERFORMANCE OF MUNICIPAL SECURITY OVERALL:

Performance of Municipal Security personnel is anticipated to improve steadily in terms of Service Delivery & Budget Implementation Plan. The lack of Municipal Security Stations servicing the remote areas of the municipality is a cause for concern due to the risks attached to the delayed response to non-compliance and or transgression with the Municipal Bylaws, noting well the ever increasing number of informal settlement as a result of land grabs as well as the consolidation of Ward 39, 40 and 41 under Msunduzi Municipality as per pronounced by the demarcation board.

The growth and development of the City of Choice suggest that more resources in terms of vehicle x 50 (30 4x4 vehicles, and 12 Light delivery vehicles 2 Trucks and 1 TLB's) and personnel (100 Security Officers and 10 Admin personnel) must be introduced. The realization of the above will enable effective and efficient protection of Council property and enforcement of Bylaws thus improving service delivery.

INTRODUCTION TO WASTE MANAGEMENT

Msunduzi Municipality as a local sphere of government is entrusted with a responsibility to provide a basic refuse collection service by means of a kerb side waste collection service provision. This can be by means of an indigent service provision as well a normal service provision which is paid for in terms of refuse collection charges to our customers.

In order for the Msunduzi Community Services Waste Management to achieve the National standards for the weekly collection of waste for every household in terms of percentage of households/indigent households receiving this service , the section has implemented systems and plans to enhance its operation by developing waste collection schedules, waste operational checklists for waste collection as well as monitoring day to day operations through this schedules by means of Dashboard reporting on a weekly basis. The section has also made sure that as part of the 19/20 Financial year it procures additional waste collection fleet for the purpose of overcoming the challenges posed by the constant mechanical breakdowns that the unit experiences on a daily basis. The biggest challenges that the section has been facing is waste collection backlogs as a result of the mechanical breakdowns of its waste collection fleet. The COVID-19 had an impact also in terms of availability of human resources within the waste section in terms of operations and alike.

The waste management section has an objective of providing 100% service to all its wards in terms of long term strategic planning. It is against this background that the municipality will be looking into procuring addition bulk waste collection containers for coming Financial year in order to achieve this objective.

In terms of Street cleansing of the Central Business District and small hubs (Northdale and Edendale) the section has improved a lot in terms of this practice. The improvements come about as again we have enhanced the operation through detailed allocation of duties and streamlined this managerial tool with intensified supervision of operations. With these plans and checklists we are able to measure input in terms of the output which is clean Central Business District with emphasis on consistency. In terms of waste minimisation it is work in progress but the section through its Business waste section has existing programmes of office recycling within some of its buildings but these can be developed further as waste minimisation and diversion has to be emphasized more that the disposal as per the waste management hierarchy.

The three top service delivery priorities are 100% waste collection service provision, Waste Minimisation and diversion and lastly New England Landfill rehabilitation and management. There is significant impact on these three service delivery priorities as we have ensured that plans and systems developed are functional and sustainable. This is in terms of compliance to the relevant waste legislative framework and also ensure that the municipality as the service authority runs a service that is sustainable and does not harm the well being of human beings and the environment.

In terms of informal settlements the municipality has identified areas through management by cleaning up illegal dumping hot spot within the informal settlements as well as planning on terms of the outer year capital budget to procure equipment that will aid in the provision of waste collection services.

EMPLOYEE DATA WASTE MANAGEMENT

EMPLOYEE: SOLID WASTE MANAGEMENT SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	219	359	205	154	43
T04-T08	44	72	41	31	43
T09-T13	8	14	8	6	43
T14-T18	2	2	2	0	0
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	274	448	257	191	43

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.

FINANCIAL PERFORMANCE – WASTE MANAGEMENT

WASTE MANAGEMENT FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE 2021/2022: SOLID WASTE MANAGEMENT SERVICES R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:	90 769	93 819	93 819	90 907	97
Employees	6 086	3 073	3 073	1 967	64
Repairs and Maintenance	26 631	17 179	17 179	14 309	83
Other	123 486	114 071	114 071	107 183	
Total Operational Expenditure	90 769	93 819	93 819	90 907	97
Net operational (Service) Expenditure					
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICE

CAPITAL EXPENDITURE 2021/2022: SOLID WASTE MANAGEMENT SERVICES R'000					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Project A	60	60	47	78	
Project B	7 691	7 691	6 644	86	
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

SOLID WASTE SERVICE DELIVERY LEVELS Households				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual Number	Actual Number	Actual Number	Actual Number
Solid Waste Removal (above min level)				
Removed at least once a week	120 000	120 000	120 000	120 000
Minimum Service Level and Above sub-total	120 000	120 000	120 000	120 000
Minimum Service Level and Above Percentage	73.6%	73.6%	73.6%	73.6 %
Solid Waste Removal (below min level)				
Removed less frequently than once a week	43 000	43 000	43 000	43 000

SOLID WASTE SERVICE DELIVERY LEVELS

Households

Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual Number	Actual Number	Actual Number	Actual Number
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Own Rubbish Disposal	0	0	0	0
No Rubbish Disposal	43 000	43 000	43 000	43 000
Below Minimum Service Level sub-total	43 000	43 000	43 000	43 000
Below Minimum Service Level Percentage	23.4 %	23.4 %	23.4 %	23.4 %
Total number of households	163 000	163 000	163 000	163 000

HOUSEHOLDS – SOLID WASTE SERVICE DELIVERY LEVELS BELOW MINIMUM

Households

Description	2017/2018	2019/2020	2020/2021	2021/2022		
	Actual Number	Actual Number	Actual Number	Original Budget No.	Adjusted Budget No.	Actual Number
Formal Settlements						
Total Households	120 000	120 000	120 000	120 000	120 000	120 000
Households below minimum service level	43 000	43 000	43 000	43 000	43 000	43 000
Proportion of households below minimum service level	26.4 %	26.4 %	26.4 %	26.4 %	26.4 %	26.4 %
Informal Settlements						
Total Households	43 000	43 000	43 000	43 000	43 000	43 000
Households below minimum service level	43 000	43 000	43 000	43 000	43 000	43 000
Proportion of households below minimum service level	26 %	26 %	26 %	26 %	26 %	26 %
						T3.4.3

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

The priority largest capital projects are around the procurement of Refuse collection compactor trucks to enhance waste collection as well as the Procurement of yellow earth moving plant for the New England Landfill as part of the 2020/2021 Financial year. Additionally, the waste management section is also as part of the 2020/2021 financial year will be procuring waste collection equipment which are bulk refuse collection containers which will utilized for the collection of waste in semi-rural areas as well as for bulk waste minimization operations at the landfills recycling plant. This also includes the maintenance of an aesthetical Central Business District through intensified supervision as well as the implementation of operational tools like schedules and supervisory systems for improved operations around the whole municipal jurisdiction. We do not foresee variations in this regard as the procurement plan is in place and it is the guiding document in which all the procurement processes and time frames will be adhered to.

2.2 WASTE MANAGEMENT (LANDFILL SITE)

INTRODUCTION TO WASTE MANAGEMENT (NEW ENGLAND LANDFILL SITE)

The New England Road Landfill Site is permitted to continue operating until it reaches a maximum height of 652 meters above sea level. The current height of the landfill site is approximately within 5% of that limit. The life span is estimated to be at 6 to 10 years at the current rate of waste disposal. The volume that we still need to fill is approximately 1.3 million M3.

We aim to fulfil compliance on the National Environmental Management Waste Act 59 of 2008. The National Environmental Management Act 107 of 1998. The revised compliance notice dated 18 February 2020 issued to Msunduzi Municipality under section 31L of the National Environmental Management Act 107 of 1998. The weigh bridge is now functional and the site has start generating revenue. The municipality has started have started stock piling cover material Reinforce the cover material Plant Team and covering is being adhered to on a daily basis. The plant is that this financial year we will develop or Review the Landfill Emergency or Disaster Management Plan. Including Fire Breaks Plan by the resident landfill manager.

The main considerations include:

Settlement Management, landfill gas Management, Leachate Management System, Elevated temperature Monitoring Systems, Shallow soils and soil compaction and Surface and groundwater flow patterns.

- Step 1: Immediate requirement to establish the Landfill Site Recycling Committee; and expand this to address recycling within the Landfill and waste diversion opportunities for the city.
- Step 2: Sustain the appointment of a qualified and competent Landfill Manager, or alternatively a civil engineer.
- Step 3: Sustain operation of the Weighbridge and the accounting system.
- Step 4: Sustain the Landfill management operations at the landfill as per the permit conditions.
- Step 5: Establish basic recycling facilities on site.
- Step 6: Secure funding for the implements and plant for recycling. Secure stipend for E.P. W.P
- Step 7: Once we have the facility running properly then we can start to manage other issues such as air emission monitoring and leachate management

FINANCIAL PERFORMANCE – WASTE MANAGEMENT SERVICE (NEW ENGLAND LANDFILL SITE)

FINANCIAL PERFORMANCE 2021/2022: LANDFILL SITE - WASTE DISPOSAL SERVICES R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:					
Employees	248	272	272	80	29
Repairs and Maintenance	2 500	3 920	3 920	3 065	78
Other	7 675	2 332	2 332	2 590	111
Total Operational Expenditure					
Net operational (Service) Expenditure					
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICE (NEW ENGLAND LANDFILL SITE)

CAPITAL EXPENDITURE 2021/2022: LANDFILL SITE - WASTE DISPOSAL SERVICES R'000					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Project A	60	60	49	81	60
Project B	2 600	2 600	2 269	87	2 600
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

EMPLOYEE STATISTICS LANDFILL SITE

EMPLOYEE: SOLID WASTE MANAGEMENT SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	219	359	205	154	43
T04-T08	44	72	41	31	43
T09-T13	8	14	8	6	43
T14-T18	2	2	2	0	0
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	274	448	257	191	43
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.					

The Waste Management sub-unit provides refuse collection services to domestic residents (once per week) and to other institutions such as businesses, government schools, and so forth. The unit also provides street cleaning services, provision of public toilets services in the main central business districts, garden refuse collection, clearing of illegal dumping and a landfill site.

A new division focussing on waste minimisation and diversion of waste is being set up and will commence operations early in the new financial year. The provision of services to Vulindlela and other non-serviced areas is in the pipeline. In time waste to landfill will be reduced and other value added opportunities created.

Major challenges face by the unit include the lack of integration between waste management and other services such as water, sanitation, informal and formal trading, traffic and security, the homeless, and so forth. Plans are currently being implemented by the relevant senior management within the business units.

The top three priorities remain the Landfill Site (allied with the waste minimisation and diversion programme), improved refuse collection and the central business district cleaning and cleansing in the quest to revive Pietermaritzburg in terms of strategic waste management.

COMMENT ON WASTE MANAGEMENT SERVICE (NEW ENGLAND LANDFILL SITE) PERFORMANCE OVERALL:

The New England Road Landfill Site is permitted to continue operating until it reaches a maximum height of 652 meters above sea level. The current height of the landfill site is approximately within 5% of that limit. The life span is estimated to be at 6 to 10 years at the current rate of waste disposal. The volume that we still need to fill is approximately 1.3 million M3.

The Capital projects are operational around the operational budget in terms of the outsourced consultancy services which deals directly with the landfill restoration and rehabilitation and also not forgetting the important issue around the daily disposal rates which will now be sourced as the New England Landfill weigh bridge is functional and also generating revenue for the Landfill site and the municipality.

2.3 RECREATION & FACILITIES

INTRODUCTION TO RECREATION AND FACILITIES

- Recreation and Facilities comprises of the following core functional areas:
- Parks Management (Horticulture, flora and fauna and arboriculture)
- Sports & Recreation Management
- Cemeteries & Crematoria
- Conservation & Environment
- Library Services-Community Outreach Programmes
- Maintenance of Council Buildings and Facilities
- Expanded Public Works programme (EPWP)

EMPLOYEE STATISTICS RECREATION AND FACILITIES

EMPLOYEE: RECREATION & FACILITIES					
ART GALLERY, BIO-DIVERSITY AND LANDSCAPE, CEMETERIES & CREMATORIALS, LIBRARIES & SPORT AND RECREATION					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	360	653	345	308	47
T04-T08	168	302	168	134	44
T09-T13	49	70	48	22	31
T14-T18	8	13	8	5	38
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	586	1039	570	469	45
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.					

SERVICE DELIVERY PRIORITIES

Libraries

- Internet – assistance to matriculants and community members
- Mobile Library – Services respective communities (including seniors)
- Partnership with AfriSam to build a new Library in Copesville

Horticulture

- Grass cutting
- Landscaping
- Tree felling

Cemeteries

- Identification of new burial space
- Cremations
- Fencing of cemeteries

Buildings & Facilities

- Maintenance of council buildings and facilities

ORGANIZATIONAL UNITS WITHIN RECREATION AND FACILITIES

BIO-DIVERSITY & NATURE CONSERVATION

This unit is responsible for the management and maintenance of the Msunduzi owned Protected environments, Nature Reserves, Conservation area's and Public open spaces though enforcing and compliance as per requirement from the National Environmental Management Biodiversity [Act 10 of 2004], Nature Conservation Ordinance 15 Of 1974 and the Msunduzi Municipality regulations and bylaws. It is also responsible for the management and control of the Invasive Alien Plants within the Msunduzi jurisdictions as per legislative requirements and the management and control of Human Wildlife Conflicts in the communities.

HORTICULTURE, ABORTICULTURE AND LANDSCAPING

Management, maintenance and development of Parks, open spaces, play lots, verges. Horticultural practices which includes, beautifying, landscaping of cities islands, city entrances, maintenance of surrounds and gardens at council buildings e.g. halls and libraries. Develops new parks. Provides plant material for the entire city by operating a nursery. Manage grass cutting in parks, public open spaces and verges.

CEMETERIES & CREMATORIA

Manage, administer and develop Cemeteries and Crematoria. Plans and implements the development of new cemeteries and crematoria. Prepares burial sites for burial. Manage the pauper burials (public health funeral and indigent) within Msunduzi municipality. Maintains the cemeteries by cutting grass. Enforces the cemeteries and crematoria by-laws.

LIBRARIES

There are eleven libraries within the Msunduzi Municipal Library services which include the main Bessie Head Library, eleven branch libraries and three mobile library services. The Bessie Head Library offers a wide range of resources which includes books, large print books, newspapers, periodicals, audio books, DVD's, music CD's, scores and CD-ROM's for all age groups. We offer specialized services to the visually impaired.

Within the Branch Libraries, three large libraries are identified which includes the Northdale, Georgetown and Eastwood Libraries and eight smaller libraries which include, Woodlands, Sobantu, Ashdown, Ashburton, Alexandra, Mafunze, Slangspruit and Elandskop. The Branch libraries offer a smaller range of materials than is available at the main library, however, they make every effort to meet the needs of the communities that they serve. A limited Adult Reference service is available at Northdale, Georgetown, and Eastwood Libraries. These libraries also offer a study space for tertiary learners and free internet access.

During the last financial year, all 11 libraries were adequately maintained with some maintenance still to be completed. In the current financial year, minimal books were purchased due to the lack of adequate funds. No vacant, funded posts were filled. The tender processes towards building a new library in Imbali are carried through by the SCM of the Department of Sports, Arts and Culture. To date no work on the Imbali Library project has commenced. AfriSam, a manufacturer and supplier of cement and construction materials, entered into a collaboration with Msunduzi Municipal Library Services to build a community library in Copesville (Ward 29). Procurement processes have commenced and the project is underway.

SPORT AND RECREATION

Manage maintenance and development of all municipal sports facilities and swimming pools plus the promotion and development of sports and recreation. Coordination of major sporting events. Development of new sporting facilities. Prepares sports venues for major events. Coordinators sports development.

BUILDINGS AND FACILITIES

This unit is responsible for the maintenance and upgrades of council's buildings as well as for new building related projects, planned and reactive maintenance work to Council owned buildings. There is a call center that filters down urgent/high priority building maintenance related work; requested from different departments; to our administrative personnel who commissions the work to relevant officials and provides progress reports on work logged via the call centre. The requesting departments have the obligation of providing this Unit with appropriate budget information i.e.: WBS, GL numbers & cost centers to ensure that the execution of maintenance work is carried out efficiently with minimal delays. We have qualified staff employed to carry out the following:

MAINTENANCE	FOCUS AREAS
Electrical Maintenance	Repairs/installations to lights, plug points, distribution boards, etc.
Mechanical Maintenance	Repairs/installations of Air-conditioners, Lifts, water pumps, generators, etc.
Quantity Surveying	Preparation of estimates, Bill of Quantities, etc.
Works Inspectors	Project monitoring, site and building inspections
Architectural Technologist	Preparing drawings/sketches for minor maintenance work.
Project Manager	Managing of all building related projects.
Plumbers, carpenters, General workers (located at the Depot)	Attending to all reactive in house work at a rate & standard.

SERVICE STATISTICS FOR RECREATION AND FACILITIES

BIO-DIVERSITY & NATURE CONSERVATION

Invasive alien plant management through identification and eradication plant species. Working in collaboration with Working on Fire (WOF) during fire season to prepare and burn fire breaks and fire blocks. Maintenance of public open spaces within townlands areas. Management and maintainer of Protected Environments and Nature Reserves. Human Wildlife Conflict Management in partnership with Ezemvelo KZN Wildlife.

Service Delivery Priorities:

- Proclamation of Bisley Valley Nature Reserve as a Nature Reserve under the National Environmental management Act.
- Proclamation of the Ferncliffe Nature Reserve as a Protected Environment under the National
- Ketelfontein Establishment as a Conservancy Area
- Partnership with Ezemvelo KZN Wildlife for the upgrading of Alex Park and Bisley Nature Reserve
- Partnership with Department of Economic Development, Tourism and Environmental Affairs on the Eradication of Alien Invasive Species
- Partnership with Ezemvelo KZN Wildlife for the Human Wildlife Management Purposes.
- Fire break preparation and burning of fire blocks.

Challenges at the Bisley Nature Reserve:

- Security in the reserve is an issue
- Poaching of animals
- Overstocking of game species
- Escaping of game animals outside the reserves boundaries
- Burglary at the reserves resource center
- Fencing requirements and standards
- Alien plant species

Corrective measures include:

- Overbreeding- one of two options include, the sale of animals to potential buyers; alternately animals will be donated to interested farms.
- Fencing- so far the contractor has completed approximately 500 meters.
- Alien plants- 20 temporal workers will be tasked with the eradication of alien invasive plants in the nature reserve.
- Employment of field rangers as per the new organizational structure.

HORTICULTURE, ABORICULTURE AND LANDSCAPING

DESCRIPTION	NUMBER	AREA (M2)
PARKS	16	1 319 800
OPEN SPACES	133	4 002 000
TOWNLANDS AREA	-	730 000
PLAYLOTS	14	931 600
TRAFFIC ISLANDS	21	321 780
MAIN ARTERIAL ROUTES	30	4 588 400
VERGES TOTAL	-	12 456 749
CENTRAL	-	3 424 329
NORTH	-	6 882 420
WEST	-	2 150 000

CEMETERIES & CREMATORIA

CLOSED CEMETERIES

- Commercial Road Cemetery
- Roberts Road Cemetery
- Georgetown Cemetery
- Slangspruit Cemetery
- Moses Mabhida (Heroes Acre)
- Dambuza (Madlelengileni)
- Azalea Cemetery

OPERATING CEMETERIES

- Ethembeni Cemetery
- Sinathingi Cemetery
- Mountain Rise Cemetery (Re-openings and pauper burials)
- Willowfountain Community Cemetery

LIBRARIES

	BESSIE HEAD	MOBILE SERVICES	NORTHDAL	WOODLANDS	EASTWOOD	SOBANTU	ALEXANDRA	ASHDOWN	GEORGETOWN	ASHBURTON	MAFUNZE	SLANGSPRUIT	ELANDSKOP
Membership Statistics	552 670	398	22 758	9 246	11 530	6 493	5 224	3 750	3 984	2 085	413	322	2 305
Issue statistics	43 719	15 018	64 335	16 119	25 564	9 421	20 421	7 461	7 326	8 793	-	6 653	2 933
Adult reference user statistics	6 228	-	4 077	1 768	2 895	1 342	1 504	2 794	1 796	1 536	-	694	866
Children's reference user statistics	16 386	-	6 174	1 723	3 391	2 605	622	3 148	2 005	1 007	-	680	1 012
Internet café/study centre	14 674	-	2 796		5 517	174	890	4 348	2 543			172	77
Cataloguing statistic	19 075												
Outreach programmes	Library Services conducted outreach programmes from July 2021 until June 2022. These included flagship storytelling sessions on a weekly basis, outreach programmes to schools and outreach programmes where schools visited libraries. Special days were celebrated which included SA Library Week, Human Rights Awareness, World Read Aloud Day and World Play Day. Local Authors launched their books at the Bessie Head, Georgetown, Sobantu Eastwood, Northdale and Woodlands' Libraries.												

RECREATION

Total number of Sports Facilities – 65

Total number of pools – 7

BUILDINGS AND FACILITIES

COMPLETED PROJECTS			
PROJECT	FUNDING SOURCE	PROJECT COST	ACTUAL PROGRESS
Development of Ethembeni Cemetery (Ablution facility and Fencing)	MIG	R 3 Million	Project completed
Planning and design for Copesville library	Arts & Culture grant and Council	R 10.5 Million	Planning Stage
Electricity Department Roof Upgrades	Council	R4.5 Million	Project completed
Fencing of Commercial Road Cemetery	Council	R 1.1 Million	Project completed

EMPLOYEE INFORMATION – RECREATION AND FACILITIES

EMPLOYEE: RECREATION & FACILITIES					
BIO-DIVERSITY AND LANDSCAPE, CEMETERIES & CREMATORIALS, LIBRARIES & SPORT AND RECREATION					
Job Level	2019/2020	2021/2022			
TASK GRADE LEVELS	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	358	653	350	303	46.40
T04-T08	185	302	175	127	42.05
T09-T13	49	70	47	23	32.86
T14-T18	11	13	10	3	23.08
T19-T22	1	1	1	-	0.00
T23-T25	-	-	-	-	-
Total	604	1 039	583	456	43.89

FINANCIAL PERFORMANCE – RECREATION AND FACILITIES

FINANCIAL PERFORMANCE 2021/2022: RECREATION & FACILITIES					
R'000					
ART GALLERY, BIO-DIVERSITY AND LANDSCAPE, CEMETERIES & CREMATORIALS, LIBRARIES & SPORT AND RECREATION					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:					
Employees	206 393	199 517	199 715	183 730	92
Repairs and Maintenance	5 294	10 074	10 074	6 511	65
Other	124 453	63 219	63 219	34 643	55
Total Operational Expenditure	336 140	252 860	252 860	224 884	
Net operational (Service) Expenditure					
Variances are calculated as follows:					
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE – RECREATION AND FACILITIES

CAPITAL EXPENDITURE 2021/2022: RECREATION & FACILITIES					
R'000					
ART GALLERY, BIO-DIVERSITY AND LANDSCAPE, CEMETERIES & CREMATORIALS, LIBRARIES & SPORT AND RECREATION					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Computer	70	70	47	67	
Machinery	275	275	214	77	
Buildings upgrade	380	380	0	0	
Transport assets	0	0	780	780	
Development of Cemetery	3 000	3 000	5 290	176	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
Variances are calculated as follows:					
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

COMMENTS ON THE PERFORMANCE OF RECREATION AND FACILITIES OVERALL

BIO-DIVERSITY & NATURE CONSERVATION

The sub-unit within Bio-diversity and nature conservation has achieved 40% based on the following:

- Process of the Proclamation of Bisley Nature Reserve
- Appointment of an Administration Officer
- Implementation of EPWP in the eradication of alien plants.

HORTICULTURE, ABORICULTURE AND LANDSCAPING

Beautification projects have been initiated on all council gardens, islands, and city entrance to enhance the aesthetics of the city and is ongoing. Grass cutting program and tree felling program is ongoing. In the process of purchasing new slasher mowers and 50 Brush cutters.

CEMETERIES & CREMATORIA

Development of Ethembeni Cemetery has been achieved with the following milestones:

- Construction of permanent ablution facility
- Supply and installation of perimeter fencing
- Demarcation and formalizing parking area

The dispute regarding land in Hollingwood needs to be resolved. One cremator is operational however Council is in the process of leasing out both crematoria.

LIBRARIES

Book buying and renovations are ongoing library projects. The Library embarked on the digitization and preservation of library material. These major projects are essential for the preservation of Legal Deposit collection in adhering to the Generally Recognized Accounting Practice 103 (GRAP 103) that is of heritage value of the country. Currently the library is focusing on building the Copesville Library in partnership with AfriSam. The fire protection of the legal deposit material is still an essential project.

SPORT AND RECREATION

There as being a lack of maintenance due to the lack of funding only preventative maintenance has been conducted. Grading and Categorization of Venues is ongoing. Maintenance of swimming pools pertaining to mechanical and electrical infrastructure was conducted.

BUILDINGS AND FACILITIES

The unit has been performing relatively well on all new building projects. There is a challenge on most maintenance work due insufficient funds from requesting business units hence delays in executing maintenance work efficiently and processing purchase orders.

2.4 AREA BASED MANAGEMENT

INTRODUCTION TO AREA BASED MANAGEMENT

Thus, Area Based Management ensures that all community complaints received are referred to the relevant departments and/ or Customer services within two (2) working days and community member receives assistance from the municipal departments. The War Room functionality, responds to community disputes and interact between department and communities.

EMPLOYEE SERVICE DATA AREA BASED MANAGEMENT

EMPLOYEE: AREA BASED MANAGEMENT					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	15	55	21	34	62
T04-T08	13	54	22	32	59
T09-T13	27	48	29	19	40
T14-T18	6	6	5	1	17
T19-T22	0	1	1	0	0
T23-T25	0	0	0	0	0
Total	61	164	78	86	52

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.

ZONE 1 VULINDLELA AREA

Vulindlela is a rural area situated in the west of Msunduzi Municipality. It has six traditional councils namely, Mpumuza, Inadi, Kimba, Nxamalala, Amaqadi and Mafunze. There are eleven Wards and all of them form part of Msunduzi Municipality.

There are 33 community halls in the area but most of them are in bad condition because of vandalism. The cause of this vandalism is because some halls do not have security and criminals are always taking advantage.

There are four full time facilitators and one acting facilitator. Each one of them is allocated two wards to service. Each ward has a functional war room and our facilitators have to ensure that war room meetings are taking place on monthly basis.

All issues arising from war room meetings are referred to relevant government departments for interventions. Queries and complaints brought to the office are either dealt with by staff or referred to relevant sections of the municipality or government departments.

Challenges

The main challenge affecting the ABM office as well as the community of Vulindlela is lack of water. This has been going on for a number of years and it affects both staff and the community at large.

The looting that took place in July last year affected the work of ABM very badly. Furniture was stolen, walls were broken and our network system was dismantled. Lack of network in Vulindlela main office is affecting the smooth running of the office as we sometimes fail to meet deadlines.

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 21/22 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 21/22 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 21/22 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 21/22 FY
11	1-9, 39 & 40	None	None

ZONE 2 EDENDALE AREA

Edendale ABM falls under zone 2 of the Msunduzi Municipality inner Demarcation which is constituted by eight (8) wards. It covers the following areas Grater Edendale, Ashdown, Dambuza, Caluza, Sgodini, and Smero, KwaPata amongst others. It is an area that is both urban and rural fishers. It has got high levels of poverty and unemployment most people survive on social security.

EDENDALE AREA OFFICE:

As Edendale we interlink the community and government departments. We also monitor service delivery making sure that government does what is supposed to do in terms of improving the lives of the community and bringing service closer to the people.

Targets: As Edendale we targeted our self on ten referrals per month inclusive of departmental referrals within this 10 targeted referrals five should be resolved within the month. Our turnaround time of referrals is within of three days and completion in three weeks.

Challenges: As a referral department, we do constant follow-ups however if we have referred the matter to the relevant department, it is out of our control to speed up the process. We rely on that relevant department to resolve the matter.

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 21/22 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 21/22 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 21/22 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 21/22 FY
8	8	NONE	NONE

ZONE 3 IMBALI AREA

Zone 3 is a Township area surrounded by informal and rural areas; it is made out of seven wards, 13, 14, 15, 17, 18, 19 & 41

The large part of this area is used for residential purposes even though is largely under service.

There is no tribal authorities in this area.

There is industrial activities in the area.

The majority of people are unemployed and relatively poor.

This area has been identified as one city's areas priority spending with initiative already underway, to support this e.g. GEVDI, Edendale development corridor.

This area is also home to DUT, UMgungundlovu Tvet, Railway depo & Imbali lodge (DUT student village)

80% of the population of zone 3 survives on social grants.

Most of Zone 3 youth are high school dropouts because of substance abuse and teenage pregnancy.

The biggest challenge that zone 3 is facing, there's quite a number of a child headed household.

What has also affected badly to the unemployment rate of Zone 3 is the looting of the malls during the unrest.

Urgent intervention by the Municipality/stakeholders

Young people should be provided by skills training in order to form their job opportunities.

Municipality should also speed up the process of utilizing Youth hub center

Rehabilitation center must be prioritized at zone 3

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 21/22 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 21/22 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 21/22 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 21/22 FY
6 done	Ward 13, 14, 17, 18, 19 & 41	N/A	N/A

ZONE 4 ASHBURTON AREA

What Central- ABM does, if targets were met and challenges

Msunduzi departments do not attend to complaints timeously

It is hard to monitor when the work is completed or not. ABM is required to check themselves. There is no report from the departments.

High number of free use of the Halls deprives the Municipality of generating income

Miss-use of halls by community members resulting in damages to Halls

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 21/22 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 21/22 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 21/22 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 21/22 FY
8	24, 26, 27, 33, 35, 36, 37 & 38	NONE	NONE

ZONE 5 NORTHERN AREA OFFICE

INTRODUCTION TO AREA BASED MANAGEMENT

Northern Areas

There are seven wards which make up the Northern Areas. Mostly have residential communities with a mini CBD in Raisethorpe and a portion of the municipal CBD. Almost all the informal settlements are located in this management area, the most known being 'Swapo', Nhlalakashle and Nkululeku. The Units top 3 service area is;

Provision of complaint Civic hall for hire and community halls for community meetings and projects. All halls are now complaint and in a condition to hire. They are being constantly renovated, repaired and maintained.

The facilitation, monitoring and evaluating of community services to the wards via the war rooms, ABM offices and community organization & structures. All wards have operational war rooms with facilitators servicing the community organizations and structures in their respective wards.

Reporting and monitoring of service delivery queries & complaints, ward audit infrastructure and OSS (war room) issues. ABM is providing an up to date report to the senior management structures and a ten (10) day turn around on a comprehensive evaluation of a query and complaint response.

Challenges:

Complete breakdown on services provided to our unit by other departments. Our area offices are without telephones and reliable connectivity for going on to 24 months. Now that we have resumed full operational functioning post Covid, this retards our effectiveness. Receiving vehicle support from our workshop is most stressful. Our car battery are swopped for dysfunctional ones and our vehicles can park for periods beyond 3 months for a simple service.

SERVICE STATISTICS FOR AREA BASED MANAGEMENT

NUMBER OF WARD BASED PLANS DEVELOPED IN 21/22 FY	WARDS IN WHICH PLANS WERE DEVELOPED IN 21/22 FY	NUMBER OF WARD BASED PLANS REVIEWED IN 21/22 FY	WARDS IN WHICH PLANS WERE REVIEWED IN 21/22 FY
Seven (7)	25,28,29,30,31,32,34	None	None

HIV/AIDS AND SOCIAL SERVICE REPORT

Msunduzi Ward Strategy Facilitation

Msunduzi Municipality in intervening in HIV/AIDS and related issues came up with its own HIV/AIDS strategy in the wards. Msunduzi ward AIDS strategy facilitator facilitates and implement the Municipal planned strategy.

The programme recruit and support Msunduzi Community Health Workers who educate and assist community members that are affected and infected by HIV/AIDS and other related health issues.

Achievements

Most of Home Based Cares (HBC) have been trained on Peer Education and Ten days HIV/AIDS and counselling course by the unit training team. Some of the HBC groups managed to apply and get NPO certificates from Pretoria. The unit help them to write proposals so they can be able to apply for funding to start income generating projects.

Most of the groups have started community gardens with the help of Department of Agriculture and the Unit.

Department of Health, Health Systems Trust (HST) and TB HIV Care to be their community health workers (CHW) often recruit the trained groups because our Municipality does not provide stipend for them. This results in Msunduzi Municipality losing dedicated CHW.

Challenges

Trained CHW recruited by other departments who are able to give them a stipend and the unit ends up having a burden of recruiting and training new ones, leading to a gradual decrease in CHW.

CHW need identification when doing home visits such as name tags or golf t-shirts in order for them to be recognized as health workers.

Some of the wards does not have Home Based Care anymore, and some are now very few because they get discouraged along the way as they are not getting any recognition from Municipality as it used to be before.

Education and Training

HIV/AIDS had been and still a major health problem that is taking lives of innocent individuals.

Education and training on HIV&AIDS was viewed as an effective way to prevent it from spreading.

The unit conduct Ten Days Counselling Course and Four Days Peer Education Programme to educate communities on HIV&AIDS.

Achievements

The unit had recruited individuals to assist participants on how:

To construct a workable CV.

To address issues of Gender inequalities and embracing different sexualities.

The unit received an agreement with officials from Labour Department to be part of our Ten Days Counselling Course where they will unpack business opportunities for the youth.

Our participants continue to secure job opportunities from Non-Governmental Organization such as Health Systems Trust (HST), TB HIV Care and other departments.

The Unit has arranged and coordinated a few Men's Health workshops in wards such as ward 6; 8; 10 and ward 11.

The Unit had established a good working relationship with DUT where the unit provide Peer Education Programme for the fourth year students every year during the month of June.

Challenges

Shortage of training equipment for example, projector, laptops and printing machine.

Staff shortage such that the staff are over stretched and as such, the Unit is unable to conduct other main programmers.

Social Work Services

HIV/AIDS is classified as one of the major social ills that cut across gender, color and race and could be associated with every health and social problem such as abuse. Social Workers deal with cases that are affected and infected with HIV&AIDS and other social ills and refer them accordingly.

Achievements

More homeless were placed in a shelter and some were taken to their homes during the intense Covid-19 period.

Others recovered from substance abuse through education and few are still free today.

More education on prevention of Covid-19 and regulations.

Social Workers continued to conduct counselling telephonically and even from their own vehicle during the intense Covid-19 period.

Improvement of psychosocial and physical well-being of our clients.

Assisted communities by accessing birth certificates and ID's in order for them to get social relief grant.

More people are educated and are practicing one home one garden.

They are also educated on budget; diet of high nutritional value, food preservation and how to prepare food to ensure it does not lose nutritional value; as a result, more people are valuing quality health.

Good relationship with Home Affairs as a result clients are effectively assisted with ID's and Birth Certificates.

Challenges

Social Workers from department of Social Development is having a challenge with transport thus Msunduzi Social Workers has to deal with their cases.

Social worker adding to their existing extended workload also have to chair some War Rooms.

Shortage of staff resulting in over stretched and working long hours.

Msunduzi Local Municipality is vast and that result the 1000km allocated for locomotion allowance being always exceeded.

Capital Expenditure for 2020/2021 Financial year			
Description of Project	Amount allocated	Amount spent/ used	Percentage end of the year (%)
PPE- Furniture	R500 000.00	R433 003.75	80
Computer equipment	R100 000.00	R78 725.00	79
Machinery	R40 000.00	R19 842.02	50
Office Renovations	R1 389 000.00	R814 652.63	59
PPE – only procured on demand.			
Computer - Additional material were refused by the expenditure committee to reach 100%			
Machinery - Additional machinery were refused by the expenditure committee to reach 100%.			
Office Renovations – the delay was caused by the Building Section for our projects.			

FINANCIAL PERFORMANCE – AREA BASED MANAGEMENT

FINANCIAL PERFORMANCE 2020/2021: AREA BASED MANAGEMENT R'000					
Details	2019/2020	2020/2021			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	(5 884)	(1 038)	(1 038)	(2 887)	(278)
Expenditure:					
Employees	30 611	29 377	29 377	24 717	84
Repairs and Maintenance	47	308	308	130	42
Other	11 178	2 692	2 670	2 217	83
Total Operational Expenditure	41 836	32 377	32 355	27 064	84
Net operational (Service) Expenditure	35 952	31 339	31 317	24 177	77

CAPITAL EXPENDITURE – AREA BASED MANAGEMENT

CAPITAL EXPENDITURE 2020/2021: AREA BASED MANAGEMENT R'000					
Details	2020/2021				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Project A					
Project B	NIL	NIL	NIL	NIL	NIL
Project C					
Project D					

COMMENT ON THE PERFORMANCE OF AREA BASED MANAGEMENT

Area Based Management performed in the 20/21 financial year, of the 9 SIDBP programs only the 10 days Counselling Course were we did not achieve 100% due to the regulation on the gatherings.

1. This financial year added 3 critical fixtures which took most of the time, namely the establishment of Ward Committees and the 39 Ward Plans for the New Councillors and the Management of City Hall. We proud ourselves with the above mentioned programs.
2. ABM procured about 4 vehicles which assisted in the shortage of Motor Vehicles.
3. We could not utilize the whole budget mainly because to our reliance on the Building Business and the Expenditure Committee declining some of the expenditure items.
4. All our priority positions were advertised however a concerned is raised with the process of verification form HR. Such a process must be given tight deadline as it affects filing of position and ultimately service delivery.

COMPONENT C: SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES BUSINESS UNIT

3. SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES

This component includes Development Services, Town Planning and Environmental Management, Human Settlements and City Enterprises.

3.1 DEVELOPMENT SERVICES

INTRODUCTION TO DEVELOPMENT SERVICES

The sub-unit deals with the promotion of Business Development by supporting new businesses, promotes investment in the city and support business retention and expansion. Contrary to Business Development, the sub-unit also regulates Business Licensing through facilitation of licensing applications, licensing inspections and business registrations. Development Services has introduced a sub-function, refers to as Special Projects that deals with planning and implementing Local Economic Development infrastructure projects through external funding from Treasury the Neighbourhood Development Partnership Grant (NDPG) and KwaZulu-Natal Cooperative Governance and Traditional Affairs (COGTA), the corridor development and others.

ORGANIZATIONAL UNITS WITHIN DEVELOPMENT SERVICES

The Development Services Business Unit under Sustainable Development and City Enterprises consist of the following sub units:

1. Business Development
2. Economic Development
3. Economic Planning and Infrastructure
4. Business Licensing

BUSINESS DEVELOPMENT

Business Retention and Expansion Visitations

Business Retention & Expansion (BR&E) is an economic development strategy of proactively connecting with existing businesses to understand and respond to their needs. The Business Retention & Expansion (BR&E) strategy is to help businesses with expansion of current sites and facilities.

To identify opportunities to help business grow/expand, assist businesses in overcoming difficulties and challenges, provide general assistance, track trends, and make sure the city remains a viable place to do business.

The purpose of conducting business visitations is:

- To discover the concerns and issues perceived by local businesses
- To encourage new ideas with respect to economic development and job creation
- To respond to immediate business concerns
- To offer possible assistance to businesses

Operational plan target

This target was met as per the operational plan. The unit successfully conducted 12 business retention and expansion visitations in the financial year 2021/22.

Challenges

The challenges that Business Development encountered is the poor attendance of the business units which delays us addressing issues.

Red Tape Reduction

This is an ongoing project that aims to improve developments in the city and fast track applications for investments in the city, Business Development works with business units that contributes to red tape in the Municipality to try and reduce the red tape by reducing the process flow for applications, reduce turnaround time for applications and try and find ways for a quicker service delivery. The below table outlines the Red Tape Guidelines and action plan for the Red Tape.

Operational plan Target

COGTA presented 7 red tape indicators to Msunduzi Municipality (listed on the table below) and in the last 2 financial years we have been working departments to implement the recommended action activity to Businesses in reducing the red tape. Business Development met the target and we have addressed all the 7 red tape with business units in the financial 2021/22.

Challenges

Businesses unit encountered slow participation from business units however with consistency that we have we have managed to address all 7 indicators.

The table below outlines the Red Tape Reduction Plan

REDTAPE ACTION PLAN				
Objective	Red tape Challenge	Root Cause	Expected Outcome	Action Plan
				Action /Activity
To improve Supply Chain Management processes for better service delivery	Municipality procumbent procedure does not include SMMEs into SCM policy.	No procurement process that accommodate local SMMEs.	An effective process which details the Municipality's procurement procedure.	Development of process flow for procurement processes
INDICATOR 1	Lengthy and inefficient supply chain management processes (which ultimately affects the 30-day payment system to SMMEs).			
Key Challenge	Ineffective and inefficient supply chain management processes and controls which result in municipal under-expenditure, which undermines service delivery. This results in irregular, wasteful expenditure and corruption. Ultimately the time stipulated to pay service providers is more than the legislated 30-day maximum period which impacts on business cash flow, sustainability and unemployment.			
To improve the functioning of the Building Inspectorate for better service delivery	Minimal enforcement of building regulation in the town	Insufficient staff has resulted in the inefficiency as there is only one staff in the Building Inspectorate who is responsible for all work.	Improved enforcement and compliance with Building regulation in the Town	Council decision to recruit additional Staff within the Building Inspectorate
		No publicized process with timeframes for each unit to assist with working towards achieving the legislated turnaround timeframes.	Improved communication on Building Plan Approval process with all business units involved in the approval process	
To improve Supply Chain Management processes for better service delivery	Municipality procumbent procedure does not include SMMEs into SCM policy.	No procurement process that accommodate local SMMEs.	An effective process which details the Municipality's procurement procedure.	Development of process flow for procurement processes
INDICATOR 3	Municipal Building Plan Approvals			
Key Challenge	The national building regulations regarding building plan approval time frames are not being adhered to in municipalities.			
INDICATOR 4	Business Registrations and Permits			
Key Challenge	The timeframe of 21 days to approve applications and permits are not adhered to in many municipalities.			
To improve the functioning of the Licensing for better service delivery.	License and permits issued within 21 days. However, there is no system in place to track applications.	No document tracking or management system in place. Insufficient staff has resulted in the inefficiency LED Manager is also is responsible for business licensing.	Efficient management of Business Licensing and permit applications	Development of a register and tracking system for all applications received.
				Document application process and associated timelines
INDICATOR 5	Enforcement of Municipal Bylaws			
Key Challenge	Several municipal policies, regulations and by-laws are often outdated, and/or their costs exceed their benefits because of the unintended impacts they have on businesses or because of the way in which they are, or are not, implemented and enforced, resulting in unnecessary costs, delays, lost business and job losses			
To improve Public's compliance with Municipal By-laws through efficient and effective enforcement	Insufficient capacity to enforce by-laws within the municipality. No bylaws adopted by council.	Insufficient staff to enforce compliance with by-laws	Effective and efficient compliance and enforcement of Municipal by-laws	Council decision to recruit Peace Officers
				Council approve and adopt bylaws
INDICATOR 6	Complaints Notifications System			
Key Challenge	There is either no known channel or means for residents or businesses to submit service delivery complaints to the municipality, OR when complaints are submitted, the municipality does not provide service-specific time frames by which complainants can expect a response from the municipality.			
To improve the handling and response time of complaints made to the Municipality for better service deliver	Complaints are not managed effectively and efficiently, coupled with no turn-around times for addressing them	The Municipality does not implements a policy by which complaints are dealt with effectively and efficiently	An effective and efficient Complaints Management System towards better service delivery	Establish Committee to develop the Complaints Management System
				Implement a Complaints Management Strategy
INDICATOR 7	Communication of Information			
Key Challenge	Lack of or poor communication systems, processes and channels resulting in difficulty in accessing municipal information relevant to residents and/or businesses.			
To improve communication to formal and informal businesses along with the public to assist with information dissemination and create awareness.	Communication with public is limited to notice boards and public meetings. There is no communication plan to effectively communication urgent information.	No singular source of communication channel.	Improved communication to assist with service delivery and information dissemination.	Establish more than one channel of communication. Consideration of forums and committees is suggested.

DEVELOPMENT FACILITATION COMMITTEE

The Development Facilitation Committee is designed to assist potential investors in making informed investment decisions related to possible projects within the municipality by identifying and packaging it to implementable projects.

Development Facilitation Committee is a multi-discipline of municipal official including Infrastructure Planning and Survey, Roads, Transportation, Environment, Town Planning and Development Management, Fire and Disaster Management, Local Economic Development and Water Services where projects are presented and discussed with prospective developers.

Development Facilitation Committee meetings are meant to create an enable environment and motivate business people, traders and investors to invest in the city or undertake diverse economic activities within a specific area of activity or industry.

Operational plan target

Target for the 2021/22 financial year was to facilitate 8x Development Facilitation Committee meetings and we facilitated 11 Development Facilitation Committee meetings.

Challenges

Challenges for DFC is decrease of attendance from the units and lengthy turnaround time from units to assist the proposals.

INCENTIVES SCHEME

The intention of this policy is to Identify the package of incentives required to effectively attract investors to the city, create conditions suitable to the attraction and retention of investment, like reducing the cost of doing business and expediting approvals and appointment within the prescripts of legislation.

The main objectives of Incentives are to:

- Identify the package of incentives required to effectively attract investors and business to the city.
- Create conditions suitable to the attraction and retention of investment, like reducing the cost of doing business and speed up approvals and appointment within the regulations of legislation.
- Establish mechanisms to speed up implementation of innovative, environment friendly, economic and social infrastructure investment in a cost effective and efficient manner.
- Promote inclusive economic growth;
- Provide financial incentives to encourage investment that is critical for driving economic growth and job creation;
- Provide non-financial incentives to encourage ease of doing business for investors

Challenges

The advert was published and we received a total number of 11 applications, however we have not been able to implement incentives as we are experiencing delays in consultations with the relevant departments and the budget was loaded towards the end of financial year which did not allow us enough time to implement. Currently we are consulting with Finance and SAP to create short codes for implementation of the incentives

INVESTMENT PROMOTION (INVESTMENT DIRECTORY)

Business and investment projects on Msunduzi Municipality Investment Directory creates suitable conditions for locals including Small Medium and Micro Enterprises, to participate in the implementation of catalytic projects and major development programmes.

Marketing of the city allows for the placement of unlimited business and investment opportunities on the platform. These opportunities will be actively promoted to well-established network of domestic and international investors, and allows Msunduzi Municipality to engage directly with the private sector, business and investment community, and receive direct responses and enquiries.

Business Development has developed and Investment Directory with all the Catalytic Projects, Investment Opportunities and all the incentives that the Municipality is offering to businesses who are new in the city, expanding and those businesses who were affected by July 2021 Civil Unrest.

Operational plan Target

The Target for the financial year 2021/22 was to present the investment directory to SMC and we have met the target.

Challenges

The Challenges that Business Development is there is no budget to advertise the investment Directory on business platforms like slow lounges and international platforms to attract investment in to the city.

LOCAL ECONOMIC DEVELOPMENT

The main focus of the Unit was to finalize Informal Economy policy which will be used as a guideline to develop and grow street traders and informal economy businesses with the municipality. The other main priority is to provide business support services to existing and potential businesses within Msunduzi jurisdiction in enabling them to undertake income-generated activities resulting in job creation and economic growth.

THE LOCAL ECONOMIC DEVELOPMENT UNIT STRUCTURE

- SMME Development and Support
- Informal Trade and Street Trading
- Informal Economy

SMME DEVELOPMENT AND SUPPORT

The SMME Development and Support is a section of the Local Economic Development Unit that deals with facilitating the development of SMME's and Cooperatives within the jurisdiction of the Municipality. Our mandate as a Unit is to assist aspirant and existing entrepreneurs to start/grow and expand their business.

The functions of the Business Unit are to facilitate:

- Business registration for SMMEs and Cooperatives
- Business compliance in terms of SARS, CSD, CIDB etc.
- Development and support to SMMEs and Cooperatives
- Access to finance

- Business linkages and markets
- Training and mentorship
- Poverty alleviation programmes
- Site visits on various projects to check progress and challenges
- Local Economic Development Forum

The Development Services Unit and its staff are committed to providing to its clients and stakeholders an innovative efficient and professional service. The main objective of the Unit is to provide a conducive environment for distributive economic growth and development. The Unit is guided by both SMME Development and Cooperative Development strategies to implement small businesses programmes and projects.

For 2021/22 financial year, the SMME Development Sub Unit had the following targets:

The Sub Unit also facilitated the following activities successfully:

- 8 x Skills Development and Training workshops facilitated for SMMEs and Cooperatives
- 80 x SMMEs and Cooperatives successfully supported and visited
- 60 x SMMEs and Cooperatives assisted and mentored
- 4 x LED Forum meetings successfully facilitated
- 50 x Illegal Street Traders removed
- Successfully facilitated PPPFA Act of 2017 (sub-contracting) on some of capital projects within the municipality
- Ongoing maintenance of Informal Economy and SMME Database

INFORMAL TRADE AND STREET TRADING

The Msunduzi Municipality as the City recognizes the objective of its existence in terms of the Constitution, which includes –

- To promote social and economic development
- To promote a safe and healthy environment and
- Municipal planning, trading regulations, licensing and control of undertakings that sell food to the public, markets, public places, municipal roads and street trading.

The City therefore recognizes the need to adopt a developmental approach to enable access to job and entrepreneurial opportunities within the Informal Trading sector, to harmonize the relationship between the Informal Trading sector and the formal trading sector and to facilitate the migration of Informal Trading into the formal trading sector (Upward Migration Programme).

In order to achieve and fulfil the abovementioned constitutional objective and responsibility, and after an extensive consultation process with the relevant stakeholders, the City has successfully reviewed an Informal Economy policy, which aims at creating opportunities for the Informal Trading sector to share in the benefits of, and further contribute to, the City's economic growth.

Forms of Informal Trading

Informal Trading may include any of the following forms of trading –

- Street trading, which comprises the selling of goods or supply of services for reward in a Public Road;
- Place;
- Mobile trading such as from caravans, and light Motor Vehicles;
- Selling of Goods in stalls or kiosks; and (f) Selling of Goods at Special Events;
- Selling of Goods in Linear Market

For 2021/22 financial year, the Informal Trade and Street Trading Sub Unit had the following targets:

- 4 x Skills Development and Training workshops successfully facilitated for Informal Traders
- 40 x Street Traders in the CBD precinct formalized (facilitated and registered)
- Successfully sourced funding for the establishment of Informal Trade Stalls, Refuse Bins, Ablution and Storage facilities.

ALLOCATION OF TRADING STALLS: THWALA ROAD STALLS.

The Development Services Sub-unit took the initiative to seek funding from the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) for the erection and refurbishment of the following:



INFORMAL ECONOMY

The following are the duties of the informal economy Unit:

The Unit undertake the following tasks:

- The preparation of the policy that will focus on the development needs of the Informal sector, and identify opportunities within the economy of the Municipality.
- To look both externally at the broader economic situation of the region, as well as internally at its procurement processes.
- Capture an Informal Economy development vision for the Msunduzi Municipality in consultation with key stakeholder organizations.
- Provide an analysis of the Informal Economy environment, including strengths, weaknesses, opportunities and threats within the economy in general and municipality in particular.
- Review the key economic sectors in the municipality and analyze the potential development opportunities in each sector and the most recent trends.
- Analyze the latest Provincial Growth and Development Plan, the Municipal IDP, and the LED strategy together with the various plans of other national and provincial government departments in respect of promotion of Informal Economy growth and development, to identify possible opportunities.
- Support progression from the informal sector to formal small businesses, and enabling SMMEs to expand, diversify and develop a profile beyond the Municipal boundaries.
- Make recommendations on the creation of an enabling environment which is conducive to promote Informal Economy development.

For 2021/22 financial year, the Informal Economy Sub Unit had the following targets:

- Finalized database for Informal Economy for Zone 3
- 4 x Skills Development and Support workshop facilitated for Informal Economy
- Successfully facilitated meetings of Sub Committee Liaison and Informal Chamber

KwaZulu-Natal – RGDP by activity			
Constant 2015 prices - Rand million			
Industry	2019	2020	2021
Primary Industries			
Agriculture, forestry and fishing	29 701	34 412	37 604
Mining and quarrying	6 747	7 127	6 711
Secondary Industries			
Manufacturing	119 282	104 245	110 667
Electricity, gas and water	17 934	17 147	17 465
Construction	25 485	21 516	21 096
Tertiary industries			
Wholesale and retail trade: hotels and restaurants	90 778	78 594	84 261
Transport and communication	82 755	67 032	70 392
Finance, real estate and business services	138 349	138 847	143 195
Community, social and other personal services	103 319	101 274	107 518
General government services	61 734	62 176	62 511
All industries at basic prices			
Taxes less subsidies on products	70 146	62 655	66 863
GDPR at market prices	746 231	695 026	728 284

COMMENT ON LOCAL JOB OPPORTUNITIES

These are Department of Cooperative Governance (COGTA) poverty alleviation and part time job creation projects that are administered at municipal level by both Community Services and Development Services Units. The table below illustrate number of jobs created by both projects in Msunduzi Municipality:

JOB CREATION THROUGH EPWP* PROJECTS		
Details	EPWP Number of Projects	Jobs created through EPWP* Projects No.
2019/2020	29	821
2020/2021	29	821
Extended Public Works Programme		
JOB CREATION THROUGH CWP* PROJECTS		
Details	CWP Number of Projects	Jobs created through CWP*Projects No.
2019/2020	25	970
2020/2021	18	940
2021/2022	20	1 033
Community Works Programme		

COMMENT ON LOCAL JOB OPPORTUNITIES:

For 2021/22 financial year the Development Services Unit successfully facilitated the Preferential Procurement Regulations of 2017 in ensuring that historical disadvantaged Individuals (HDI). The business unit emphasises on awarded tenders to commit to sub-contracting at least 30% of the rand value of the contract to EMEs or QSEs with at least 51% ownership by black people, including those with disabilities and those living in rural or underdeveloped areas or townships, black youth, black women, black military veterans and, co-operatives owned by black people. This was successfully facilitated with internal departments such as Water and Sanitation, Economic Planning and Infrastructure where skills transfer and jobs were created through wards where projects were implemented.

LICENSING

BUSINESS LICENSING

The Business Licensing is a section within the Development Services Unit responsible for issuing and the regulation of business licences within the Msunduzi Municipality area of jurisdiction. The powers to issue the business licence is in terms of the Business Act 71 of 1991, which provides that no person may carry on certain services related businesses unless he holds a licence issued by the local council where the business premises are situated and from which the business activity is operated.

In terms of the Act, the below activities can only be offered and provided once a licence is obtained, if one operates a business which; -

- Makes or sells perishable foods, (item 1)
- Provides health services, entertainment related activities (item 2)
- Trades in food stuffs in respect of informal trade (item 3)

Powers and functions of Local Municipalities

- To issue or refuse a business license
- Refusal, if business premises do not comply with relevant departments
- Can refuse if there is conviction against the applicant
- Can amend a condition on a license
- Can withdraw/suspend license
- Business license cannot be issued on the category previously refused
- Make By-laws that talk to the Act
- Random inspection by inspectors for compliance

Automated Licensing System

The business licensing unit has implemented the online system which is designed to provide economic data and to allow customers easy access to apply for their business license online.

Annual Renewal of Business Licenses

Section 15 of the business regulations in terms of the Business Act 71 of 1991 requires that every license holder must every year confirm that the business for which the license was issued is continuing to be conducted from the premises specified in the license and that no structural changes have been made to the property.

Businesses who fail to comply with the legislation, by trading without a license and by contravening their license conditions will be prosecuted"

CHALLENGES:

The critical shortage of tools of trade (computers, colour printer for printing business licenses, vehicles for inspectorate to carry out the regulatory functions)

The challenges of the unit are the critical staff shortage, the unit desperately requires admin clerks, and the shortage of clerical staff is hampering the roll out the E-licensing program.

BUSINESS VISITS FOR COMPLIANCE

The business licensing unit has exceeded all the set target albeit the Covid 19 challenges

ANNUAL TARGET	ANNUAL ACTUAL (accumulated)
580	868

Business visited for registration and creation of database achieved

ANNUAL TARGET	ANNUAL ACTUAL (accumulated)
520	763

SPECIAL PROJECTS (NDPG): ECONOMIC PLANNING AND INFRASTRUCTURE

- The Unit is responsible for the planning, implementation and management of the Neighbourhood Development Partnership Programme [NDPG] that is intended for public investment. The funding is used to attract private, and community investment to unlock the social and economic potential within targeted neglected townships and neighbourhoods. The Unit is also responsible for administering the implementation of CoGTA and EDTEA grant funding intended for LED initiatives.

- The Unit was successful in sourcing funding to undertake the Dredging of Camps drift which is a canal that had not been maintained over the past ten years due to the unavailability of funds. To date the dredging exercise has reached about 50% of the overall scope of work. The Business Unit has been successful in extending the footprint of NDPG programme through the adoption of Integration Zone to cover the CBD and Northern Areas. In the 2021/2022 financial year, the Business Unit made a consolidated submission for funding to National Treasury through NDPG to undertake the CBD Regeneration programme.
- The challenge has been that the majority of land parcels intended for the Edendale Town Centre development are privately owned and highly invaded with informal settlements. This resulted in the Municipality having to undergo the Land Expropriation process, which lead to a major setback on the development. The land acquisition exercise has contributed to major delays in the construction of some of the roads and other infrastructure in the Edendale town center.
- The unit was also successful in the implementation of 200 street trading stalls as well as provision informal street trading storage and ablution facilities as well as bins within the CBD.
- The unit was successful in sourcing funding from CoGTA towards the refurbishment and development of Heroes Acre Memorial Park located in Imbali Township, which is undertaken to honour liberation struggles. The scope of work involves the installation of fencing, construction of ablution facility and beautification.
- The Unit is also accountable for the planning and implementation of CoGTA funded projects. These are Special LED projects where the unit manage the planning & implementation, SMME space allocation and capacity building.
- The Sub-unit is responsible for the facilitation of spatial planning, land identification and premises access for development. To date, this sub-unit has disposed three properties within 21/22 financial year. Two properties are located in Edendale and proposed for a student accommodation and fuel station. One property is situated in Willowton for the development of a light industry land use.

PROJECT NAME	BUDGET APPROVED	FUNDER	EXPENDITURE	STATUS
Camps Drift Desilting [ISF Project]	R69 373 368	National Treasury	R23 000 000	Construction stage
Promenade 1 [Road R1 & R2]	R18 600 000	National Treasury	R10 395 432.75	Construction stage
Re-establishment of Manaye Hall	R5 355 402	CoGTA	R 5 355 402	Construction stage
Youth Enterprise Park	R9 415 000	CoGTA	R 9 415 000	Construction stage
Old Edendale Road Upgrade	R3 570 494	National Treasury	R 3 570 494	Planning & Design
Informal Economy Infrastructure Project	R4 000 000 R1 000 000	EDTEA Council	R 1 293 750	Construction stage
Refurbishment of Heroes Acre Memorial Park	R6 600 000	CoGTA	- [2022/23]	Planning & Design

EMPLOYEE INFORMATION – DEVELOPMENT SERVICES

EMPLOYEE: DEVELOPMENT SERVICES					
BUSINESS DEVELOPMENT, ECONOMIC DEVELOPMENT & LICENSING					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	-	-	-	-	-
T04-T08	3	5	4	1	20
T09-T13	17	25	16	9	36
T14-T18	2	3	3	-	-
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	23	34	24	10	29

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.

FINANCIAL PERFORMANCE – DEVELOPMENT SERVICES

FINANCIAL PERFORMANCE 2021/2022: DEVELOPMENT SERVICES					
R'000					
BUSINESS DEVELOPMENT, ECONOMIC DEVELOPMENT & LICENSING					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	(2 932)	(465)	(4 152)	(37 976)	815
Expenditure:					
Employees	5 320	6 254	6 364	7 228	14
Repairs and Maintenance	10	493	-	-	-
Other	1 660	5 083	4 490	5 533	23
Total Operational Expenditure	6 990	11 830	10 854	12 761	18
Net operational (Service) Expenditure	4 058	11 365	6 702	(25 215)	(476)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE – DEVELOPMENT SERVICES

CAPITAL EXPENDITURE 2021/2022: DEVELOPMENT SERVICES R'000					
BUSINESS DEVELOPMENT, ECONOMIC DEVELOPMENT & LICENSING					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
EDTEA:Z4:INFORMAL ECONOMY INFRASTRUCTURE	-	1 719 951	1 700 456	(1)	
LEVS:AH:NEW:FURNITURE & OFFICE EQUIP	-	400 000	342 252	(14)	
LEVS:Z4:INFORMAL ECONOMY INFRASTRUCTURE	-	1 000 000	857 501	(14)	
MSE:AH:INSTALLATION OF DRY WALL	-	199 000	-	(100)	
NDPG:Z2:CIVIC ZONE PHASE 1:SKY BRIDGE	3 000 000	-	-	-	
NDPG:Z2:Edendale Town Centre: Promenade1	26 138 268	34 999 999	30 434 387	(13)	
NDPG:Z2:OLD EDENDALE ROAD UPGRADE	1 861 732	1		(100)	
NDPG:Z4:CIVIC ZONE PHASE 1:MARKET STALLS	3 000 000	-	-	-	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
Variances are calculated as follows:					
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

COMMENT ON THE PERFORMANCE OF DEVELOPMENT SERVICES

The sub-unit has performed exceptionally considering the human capital strength being unobtainable and the tools of trade unattainable due to budget constraints. The novel corona virus (covid-19) has taught us the new normal in terms of working smart and making impact without necessarily occupying the office space.

The Development Services has much more room to improve in terms of high impact Local Economic Development programmes and infrastructure projects.

The challenge of not filling the critical post in management is affecting the performance capability of the sub-unit and the propensity to do well in all areas. Especially the key strategic objective of the sub-unit that is to reduce unemployment, increase the economic activity and utilize land optimally. This can be achieved through proper business attraction, retention and expansion strategy and as well as a supportive Business incentives policy.

In order to perform better in the new financial year, the Municipality must adopt a high impact and low usage strategy, meaning work with what we can have in order to achieve better. The Municipality must provide suitable candidate to fill in critical vacancies and employees must have all the necessary tools of trade like laptops, internet and vehicles to produce work. There must be consequence management in all levels in order to be held accountable always. In the Development Services there are cases that are due for consequence management because of failing to their work dismally and unapologetic.

3.2 HUMAN SETTLEMENTS

INTRODUCTION TO HUMAN SETTLEMENTS

The Human Settlements Sector Plan sets out human settlements delivery goals, targets for the municipality, and provides an approach to human settlements delivery and spatial transformation. The Human Settlements Sector Plan is reviewed annually together with the Integrated Development Plan of the Municipality. Msunduzi Municipality developed its first Human Settlements Sector Plan in 2011. The Human Settlements Sub-Unit reviewed its 2011 Human Settlements Sector Plan during the 2014/15 financial year and was approved by Council in 2015. The review of the Human Settlements Sector Plan is underway and will be completed by end of December 2020.

Like other secondary cities in South Africa, the Municipal spatial character depicts the legacy of apartheid planning and high levels of urbanisation. There are currently seventy identified informal settlements located in different parts of the city with limited basic services.

SOME OF THE KEY OBJECTIVES OF THE HUMAN SETTLEMENTS SECTOR PLAN IS TO:

- Upgrade the existing well located informal settlements to improve land tenure and access to basic services
- Accelerate development and consolidate human settlements development in line with the National Policy directives and the IDP of the Municipality
- Contribute towards spatial transformation and creation of an efficient settlements and spatial pattern.

The Municipality is currently acting as a developer and has delivered several Human Settlements projects through funding from the Department of Human Settlements. Since 2004, the Municipality has delivered over 13000 Human Settlements units with access to basic services (water, electricity, roads, storm water, etc.).

We currently have some 40 Projects in various stages of implementation. The total project pipeline will yield over 30 000 units in the next 10 years. The Human Settlements Sub Unit is made up of four (4) Sections with each focusing on key programmes of human settlements.

EMPLOYEE INFORMATION

EMPLOYEE: HUMAN SETTLEMENTS SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	-	1	-	1	100

EMPLOYEE: HUMAN SETTLEMENTS SERVICES

Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T04-T08	11	15	10	5	33
T09-T13	28	43	31	12	28
T14-T18	10	10	9	1	10
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	50	70	51	19	27

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.

INFORMAL SETTLEMENT

The Section is responsible for the social facilitation/ community participation in all Human Settlements projects within the Municipality including setting up of Project Steering Committees and report back to communities. The Section also manages Beneficiary Administration in all Human Settlements projects and provide Human Settlements Consumer Education (training to beneficiaries of Human Settlements projects). The Section also monitors the growth of informal settlements and keeping records of informal dwellers by profiling and annually updating the profiles. The Section further facilitate relocations of informal households to projects. The section further administers the National Upgrading Support Programme (NUSP) which produces upgrading plans and livelihood strategies for informal settlements.

PLANNING

This Section identifies and facilitates the acquisition of well-located land to implement the relevant national Human Settlements subsidy programmes. Ensure the alignment between the Human Settlements Sector Plan, Spatial Development Framework Plan and Infrastructure Development Sector Plan. Prepare and package human settlements projects business plans to secure funding from relevant sources. Develop strategic policies to enhance the development of integrated human settlement within the Municipal area.

There are currently fifteen Human Settlements projects that are in various phases of the planning stage (Pre-feasibility and Detailed Planning), there are currently six projects that have been submitted to the Department of Human Settlements for funding approval these are in the project initiation stage the yield will be determined through. These projects are expected to deliver a combined yield of 26 840 units in different financial years.

PROJECT IMPLEMENTATION

The Section deals with project management of human settlements projects at the implementation to deliver the infrastructure services and mixed typology Human Settlements at scale. Ensuring that infrastructure services in all Human Settlements projects meet the Municipal standards. Section is properly capacitated to play its role as the development arm of Human Settlement effectively.

There are currently nine Human Settlements projects that are in various phases of the implementation stage. These projects are expected to deliver a combined yield of 30202 units in different financial years which is inclusive of Operation Sukuma Sakhe Phase 1 and 2 interventions. During the 2018/19 financial year the municipality was able to deliver 3085 units to low income qualifying beneficiaries of the Msunduzi Municipality.

The Municipality is currently undertaking rectification programmes which include the rectification of 2086 Wire-walled houses. The Municipality has also experienced a challenge whereby most of projects that were undertaken post 1994 were never completed and closed out, about 11 000 units have never been transferred to the beneficiaries. In rectifying this situation, the Municipality had appointed a Conveyancer to verify and transfer the 5685 units.

HUMAN SETTLEMENTS ADMINISTRATION

Human Settlements Administration sections of Human Settlements that deals with Council Rental Stock. Council Rental Stock consists of Flats and Odd properties. Human Settlements Admin also deals with Files that belong to Edendale/ Imbali Township properties.

The Municipality currently owns 248 rental flats and 40 state funded properties and 58 odd/ freestanding properties (houses) that are being leased out to tenants. The unit is also in the process of disposing of the approximately +- 800 ex-state owned pre-1994 properties within the Edendale area by application of the Extended Enhanced Discount Benefit Scheme (EEDBS).

In an attempt to arrest the escalating debt to council, Human Settlements Admin unit undertook an eviction process on tenants that have not verified their occupancy, that are not paying their rentals and those that have illegal electricity connections.

To date we have successfully obtained and implemented 14 evictions, with more cases still in court.

CHALLENGES

There are challenges relating to the management of Informal Settlement due to massive land invasions and mushrooming of more informal settlements, and the Municipality is having a challenge in fighting this phenomenon. What is even more challenging about land invasions is that they are targeting land that has already been identified for human settlements.

Challenges with regards to the time taken on the appointment of service providers, leading to delays on the implementation of Human Settlement projects. Delays in funding approval through the Municipal Infrastructure Grant for Human Settlement Projects. Some of the challenges that are facing the administration of the Human Settlements Rental stock, has been a long history of poor payment of rentals and services.

The other challenges are lack of qualified data that both Human Settlements Administration and Finance work from in terms of rental collection and also the systems being used by the sections to perform property management activities. There has also been minimal maintenance of the rental stock due to lack of funding resulting from non-payment of rentals. However, the Human settlement has appointed the service provider that will be doing maintenance and repairs of rental stock, and the legal that will be dealing with non-payment of rentals (evictions).

PERFORMANCE ENHANCEMENTS

The Municipality is level 1 accredited by the Provincial Department of Human Settlement to perform Human Settlement activities on behalf of the Province. As part of the accreditation, the Municipality is provided with Grant Funding for operational purposes; due to that the Municipality has filled all critical positions, and that has drastically improved the performance of Human Settlement and Service Delivery as whole. The Unit is constantly engaging on staff training through internal bursaries and trainings requested from Provincial and National Department of Human Settlements to improve efficiency.

HOUSING NEED IDENTIFICATION

There are various ways that Human Settlements Unit use to identify Housing Needs, these include; IDP Izimbizo, from Communities from Ward Councillors. Through the Municipal Spatial Development Framework in terms the identification of land suitable for human Settlement, as well as other internal strategic plans e.g Human Settlement Sector and National Upgrading Support Programme. Our communities have recently affected by floods in April 2022 and before that the community of Edendale ward 14/10 and 17 have also became the victims of storms during December – Msunduzi Human settlements were part of the team who were assessing and verifying floods/storms victims. All wards and communities that were affected by floods/storms were visited and the assessment and the comprehensive list submitted to all relevant departments.

HUMAN SETTLEMENT DELIVERY AGENTS

Human Settlement is working together or have a relationship with a Social Housing Institution called Capital City Housing (accredited by the Social Housing Regulatory Authority as per the Rental Housing Act). This Agent is responsible for the provision of the subsidised rental accommodation. The Municipality is currently investigating the establishment of a Municipal entity to deal with the provision and management of rental housing accommodation.

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING			
Year End	Total Households (incl. formal and informal Settlements)	Houses in formal settlements	Percentage of HHs in formal settlements
2018/2019	195 913	183 863	93,85
2019/2020	201 790	191 217	94,76
2020/2021	207 667	196 954	95,64
2021/2022	213 897	202 862	96,53

* Based on population projections with average annual growth rate of 3% per annum.
 * Source: Based on the StatsSa General Household Survey data and Global Insight data.
 * Source: Based on the StatsSa General Household Survey data and Global Insight data.
 Based on population projections with average annual growth rate of 3% per annum.

HUMAN SETTLEMENTS FINANCIAL INFORMATION

FINANCIAL PERFORMANCE 2021/2022: HUMAN SETTLEMENTS SERVICES R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:					
Employees	29 303	38 442	38 232	38 067	-
Repairs and Maintenance	4 419	1 000	1 294	1 028	(21)
Other	11 593	27 663	26 836	29 113	8
Total Operational Expenditure	45 315	67 105	66 362	68 208	3
Net operational (Service) Expenditure	(45 369)	(47 343)	(101 755)	20 398	(120)

Variances are calculated as follows:
 Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: HUMAN SETTLEMENTS SERVICES R'000					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
ACRDC: AH:INSTALL ACCESS CONTROL	-	150	49	(67)	
ACRDC:AH:NEW:NEW:COMPUTER EQUIPMENT	-	1 000	418	(58)	
ACRDC:AH:NEW:NEW:TRANSPORT ASSETS	1 500	300	-	(100)	
HSE:Z4:DOHS JIKA JOE HOUSING DEVELOPM	78 500	71 777	11 266	(84)	
HSE:Z4:DOHS JIKA JOE HOUSING DEVELOPM	-	2 753	2 753	-	
LEVS:AH:NEW:FURNITURE & OFFICE EQUIP	-	630	300	(52)	
LEVS:AH:NEW:FURNITURE & OFFICE EQUIP	-	1 550	1 019	(34)	
LEVS:Z2:INSTAL WATER METERS AND MANHOLES	-	4 388	3 269	(26)	

CAPITAL EXPENDITURE 2021/2022: HUMAN SETTLEMENTS SERVICES
R'000

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
MIG:Z4:JIKA JOE CRU	5 912	3 160	2 749	-13	
Total All					

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

COMMENTS ON THE PERFORMANCE OF THE HUMAN SETTLEMENTS SERVICE OVERALL:

Our four priorities amongst others are; Jika Joe Community Residential Units, Wirewall Rectification Project, Ethembeni and Glenwood South East Sector Housing Projects.

Jika Joe is aimed at providing rental accommodation for low income residents within Jika Joe informal settlement and its surroundings. The project is current under the construction of top structures on Phase 1 of the project which will yield 404 Units. The project performed very well and exceeded the projected expenditure in the financial year 2021/22.

Wirewall Rectification Program is focused on rectifying the houses that were built in late 1990's using the wirewall technology. There are 2086 houses to be rectified in this project, 673 houses have been rectified under this program with 410 units being rectified on financial year 2021/22. The project performed very well and exceeded the projected expenditure in the financial year 2021/22.

Ethembeni Housing project an Integrated Residential Project comprising of multiple housing typologies from BNG, site and services and rental housing units. The project is anticipating approximately 3000 units but it is subjected to final Environmental Approval. The project is currently in the preliminary planning stage with a number of studies already been undertaken namely engineering, geo-technical and preliminary environmental screening. Upon environmental approval the project will move to detailed feasibility which will finalize the layout of the project and undertake township establishment related activities.

Glenwood 2 South East Sector Integrated Residential Development Programme Housing Project comprises of 3000 units of different Housing Typologies. Project Inception, Implementing Agent is appointed to Undertake Detailed Planning Studies to Obtain Environmental Authorization and MPT Approval and Register General Plan of the Approved Layout. Project Commenced in May 2022 Ending May 2025.

Security of tenure has already been attained by multitudes of citizens across the city, through the transfer of ownership to citizens and the handing over of title deeds. Msunduzi is equally at an advanced stage of concluding the Jika Joe Community Residential Units. These will see low income earners being able to live in the dignified dwellings.

3.3 TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT**INTRODUCTION TO TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT**

This component includes Building Control; Town Planning, Environmental Health, Environmental Management, Land Survey and the Greater Edendale and Vulindlela Development Initiative (GEVDI).

The Unit have various Sections which focus on the enforcement of bylaws, creating a livelihood in which people can live, work and play in an environment which is suitable for human settlement.

The other focus is to provide services to the residents of the City by purchasing land for the provision of services, which include services like the provision of houses, roads and others together with proper land tenure rights like the provision of the ownership by resolving land legal issues. The Unit also monitors the followings:

Water quality monitoring, Food control, Waste management, Surveillance of premises, Communicable diseases control, Vector control, Environmental pollution control, Disposal of the dead, chemical safety, and noise control.

EMPLOYEE INFORMATION

EMPLOYEE: TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT					
BUILDING CONTROL, ENVIRONMENTAL HEALTH, ENVIRONMENTAL MANAGEMENT, GEDVI, LAND SURVEY & TOWN PLANNING					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	23	34	23	11	32
T04-T08	11	18	11	7	39
T09-T13	65	150	62	88	59
T14-T18	15	28	19	9	32
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	115	231	116	115	50

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.

BUILDING CONTROL

The Building Control Section monitors building construction in the Msunduzi Municipality boundaries. This is achieved by compliance with the National Building Regulations and Building Standards Act, 1977, the SANS 10400 and Problem Building by-law.

In accordance with our SDBIP targets, building control has to adhere to the below:

95% of Building Plan Applications <500m2 to be processed for approval by the Plan Approval Committee within an average of 30 days from date of receipt of the application by the 30th of June 2022.

95% of (621) Building Plan Application <500m2 processed for approval by the plan Approval Committee within an average of 18 days from date of receipt of the application by the 30th of June 2022.

603 x building contraventions inspections conducted for illegal building works by the 30th of June 2022.

Unit Challenges

- Unit has no Building Enforcement Officer and thus cannot issue summons which are revenue generating to council if issued.
- Shortage of Building Inspectors in the last 2 financial years we have lost 4 inspectors and none of the positions have been filled.

APPROVED BUILDING PLAN INFORMATION FOR THE MSUNDUZI MUNICIPALITY FOR THE PERIOD 1 JULY 2021 TO 30 JUNE 2022																								
Month	1				2				3				4				5				6			
	Residential Dwelling Houses Passed				Other Residential-Flats, Hotels Etc.				RPD Passed		Non Residential- Private Sector		Non Residential- Public Sector		Alteration & Additions-All Buildings									
	No.	Area	Cost		No	Area	Cost		RPD Passed	No.	Area	Cost		No.	Area	Cost		No.	Area	Cost				
JULY	5	2011	R 13 200 000,00	-	-	-	-	-	-	-	1	1538	R 7 600 000,00	-	-	-	-	48	3236	R 17 789 000,00	-			
AUGUST	5	2055	R 10 100 000,00	-	-	-	-	-	-	-	1	707	R 7 000 000,00	-	-	-	-	39	2853	R 1 316 500,00	-			
SEPTEMBER	23	2899	R 15 764 000,00	-	-	-	-	-	-	-	3	1039	R 5 000 000,00	-	-	-	-	56	3934	R 18 070 000,00	-			
OCTOBER	6	1728	R 9 350 000,00	242	24700	R 138 000 000,00	-	-	-	-	-	-	-	-	-	-	-	46	3226	R 14 849 500,00	-			
NOVEMBER	9	1154	R 8 530 000,00	-	-	-	-	-	-	-	3	3454	R 18 000 000,00	-	-	-	-	53	11624	R 68 761 500,00	-			
DECEMBER	3	1606	R 14 277 000,00	10	909	R 6 500 000,00	-	-	-	-	-	-	-	-	-	-	-	23	1661	R 7 798 400,00	-			
JANUARY	6	1048	R 6 650 000,00	60	4608	R 36 000 000,00	-	-	-	-	-	-	-	-	-	-	-	32	1933	R 32 428 000,00	-			
FEBRUARY	5	2091	R 13 600 000,00	-	-	-	-	-	-	-	2	4141	R 19 000 000,00	-	-	-	-	40	3299	R 19 640 000,00	-			
MARCH	20	3125	R 20 460 000,00	8	936	R 6 000 000,00	-	-	-	-	-	-	-	-	-	-	-	41	5727	R 29 810 000,00	-			
APRIL	1	63	R 500 000,00	29	1548	R 10 500 000,00	-	-	-	-	1	12230	R 113 000 000,00	-	-	-	-	40	3502	R 12 642 000,00	-			
MAY	2	707	R 5 000 000,00	-	-	-	-	-	-	-	2	509	R 2 385 500,00	-	-	-	-	35	2859	R 10 731 500,00	-			
JUNE	4	304	R 1 800 000,00	6	453	R 4 500 000,00	-	-	-	-	6	5527	R 49 100 000,00	-	-	-	-	50	3566	R 24 365 000,00	-			
TOTAL	89	18791	R 119 231 000,00	355	33154	R 201 500 000,00	-	-	-	-	19	29145	R 221 085 500,00	-	-	-	-	503	47420	R 258 201 400,00	-			

SIGNAGE CONTROL

The Signage Department is responsible for monitoring, controlling and regulation of outdoor advertising signs, promoting and maintaining an acceptable visual environment by creating equal opportunities for advertising for all businesses within the municipality using SAMOAC (South African Manual for Outdoor Advertising Control) and Bylaws. Furthermore, the department is responsible for the enforcement of bylaws on both private and Council land including the removal of illegal signs.

The department could not reach its target due to cost containment that the Municipality is facing currently. And the department opted to hire 8 General Assistant to assist the department in removing all illegal Signage. Report was submitted to Human Resource department for implementation.

Challenges

The main challenges are as:

- Staff Capacity: -
- The department cannot issue fine/ summons on illegal signage because we do not have the Law Enforcement Officer, working with Signage Department.
- Shortage of Office equipment Laptop to attend crucial meetings
- Signage Inspector cannot issue fines/summons using section 56 and 54 without peace officer training.

ENVIRONMENTAL HEALTH**INTRODUCTION TO ENVIRONMENTAL HEALTH**

Environmental Health encompasses those aspects of human health, including quality of life that is determined by physical, chemical, biological, social and psychosocial factors in the environment. It also refers to the theory and practice of assessing, correcting, controlling and preventing those factors in the environment that can potentially affect adversely the health of present and future generations. Environmental Health Services includes:

Water Quality monitoring, Food control, Waste management, Surveillance of premises, Communicable diseases control, Vector control, Environmental pollution control, Disposal of the Dead, Chemical safety and Noise Control.

The service delivery priorities focused on water quality monitoring, food quality and safety, and air quality monitoring.

SERVICE DELIVERY PRIORITY (1): WATER MONITORING

Monitoring water quality of potable, surface and ground water, ensuring water safety and accessibility in respect of a safe quality (microbiological, physical and chemical) and an adequate quantity for domestic use as well as in respect of the quality for recreational, industrial, food production and any other human or animal use. This was achieved by sampling and testing water in the field and examining and analysing it in the Unit's laboratory, as well as advocating for proper and safe water usage and wastewater disposal.

SERVICE DELIVERY PRIORITY (2): FOOD CONTROL

Ensuring food safety in respect of acceptable microbiological and chemical standards, quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary raw material or raw products production, up to the point of consumption. This was achieved by inspecting food production, distribution and consumption areas; monitoring informal food trading; inspecting food premises and any nuisances emanating there-from; by applying food quality monitoring programmes and principles through various techniques, e.g. Hazard Analysis and Critical Control Points System (HACCP System) audits; and promoting the safe transportation, handling, storage and preparation of foodstuffs, including meat, milk and their products.

SERVICE DELIVERY PRIORITY (3): ENVIRONMENTAL POLLUTION CONTROL

Ensuring hygienic working, living and recreational environments; identifying the polluting agents and sources of water, air and soil pollution; ensuring clean and safe air externally (ambient and point sources) through emission inventory monitoring, modelling and toxicological reports, reviews and complaint investigations; and taking the required preventative measures to ensure that the general environment is free from health risks. This was further achieved by ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc., which involves controlling the internal effects of pollution on the worker, and the external effects of pollution on the community and the environment.

SERVICE STATISTICS FOR ENVIRONMENTAL HEALTH

DESCRIPTION	TARGET	ACHIEVED
No. of Complaints investigated	Dependent on no. received	256
No. of Trade Licence application processed	Dependent on no. received	393
No. of Water samples from rivers/streams	800	801
No. of Water samples from reservoirs, consumer points	1020 samples	1167 samples
Percentage compliance with SANS 241:2015 NB: SANS are national standards that replaced SABS(South African Bureau of Standards) 241: 2015 relates to drinking water	100%	99.7 %
Swabbing: No of swabs and food samples	960 food samples and swabs	960 food samples and swabs
Percentage compliance with microbiological standards:	100%	75 %
No. of Inspections and Registrations of Funeral Undertakers in terms of the Funeral Undertakers' Regulations:	60 premises	71 premises
No. of Food premises inspected and registered in terms of R962 (Food Regulations):	2600	2857
No. of Vector Control investigations, treatment and baiting	17000 sites	9227 sites
No. of Premises inspected for compliance with Tobacco Legislation:	3000 premises	4063 premises
No. of Places of care inspected:	500 premises	557 premises inspected
No. of Health Care Waste generators inspected:	500 premises	616 premises
No. of Commercial, industrial and residential premises inspected	8200 premises	8971 premises
No. of Schedule processes/listed activities:	192 premises	225 premises
No. of Health Education sessions conducted	960	1050
Permit Applications Processed	560	1146
No. of Notices issued	Dependent on contraventions	531 notices
No. of Prosecutions instituted	Dependent on contraventions	196 prosecutions

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL HEALTH OVERALL:

Environmental Health Services continued to be provided without funding from National Treasury. With a limited budget and diminishing resources the nine functional areas relating to environmental health services as defined in the National Health Act, No. 61 of 2003 were carried out to ensure effective and efficient service delivery within the areas of Msunduzi. One of the service delivery priorities focusing on, viz. water quality monitoring, continued for the purposes of Blue Drop status accreditation. The departmental laboratory was used for the monitoring of water and food quality, as well as swabbing to determine standards of hygiene at food premises.

Despite the many challenges experienced, three (3) of the four (4) Air Quality Monitoring Stations of the City's Air Quality Monitoring Network was functional, and data on criteria pollutants monitored is available for the 2021/22 financial year. The Edendale Station was replaced during 2018, and the acquisition of an additional station for the Taylors Halt area had to be put on hold, due to the implementation of cost containment measures. The Edendale station was broken into in 2021, resulting in one of the analysers being stolen. Due to insufficient funding, the insurance claim could not be processed. The Central station incurred damage to the single air conditioning unit during one of the severe hailstorms experienced during the reporting period. The analysers were switched off in order to prevent further damage due to overheating. The Unit awaits the processing of the insurance claim.

ENVIRONMENTAL MANAGEMENT

The purpose of the Environmental Management Unit is to guide development in a Sustainable manner and promote compliance within the municipal area, in alignment with Environmental Legislation, policies, plans and guidelines.

Biodiversity and Open Space Planning Services

- Conduct assessments / investigations and ensure compliance with all environmental legislation, by-laws and statutory legislation
- Coordinate the implementation of and revising the biodiversity component Environmental Management Framework (EMF) and Strategic Environmental Assessment for the Municipality.
- Oversee the preparation of environmental plans and offset agreements related to Biodiversity.
- Provide input into, and comment on Biodiversity specialist reports associated with environmental impact assessments (including Basic Assessment Report (BAR); Scoping Reports & Environmental Impact Assessment (EIA)) and policies such as the Msunduzi EMF
- Compile Rehabilitation plans.
- Coordinate specific administrative and reporting requirements associated with the key performance and result indicators of the functionality
- Provide Geographic Information System (GIS) services

Planning Policy Implementation and Review services

- Contribute towards the preparation and implementation of an Environmental Management System (EMS) for Service Delivery activities.
- Develop practical, implementable, and measurable Standard Operating Procedure (SOPs) for municipal line functions e.g., Electricity/Engineering.
- Coordinate the Tender Process by compiling terms of reference.
- Revise EMF documentation and Strategic Environmental Assessment for the City.
- Oversee the preparation of environmental plans for specific areas or activities in the City.
- Undertake sustainability appraisals of all municipal plans, policies and programs

Environmental Management Impact Mitigation Assessment, Compliance Monitoring and Enforcement Services

- Conduct assessments / investigations and ensures compliance with all environmental legislation, by-laws and statutory legislation.
- Review and evaluate all development proposals and applications against environmental legislation and municipal plans and policies.
- Interacts internally and externally on specific issues related to Environmental projects
- Conduct Investigations and research on respective Standard Operating Procedure Topics and Environmental Management.
- Attending compliance promotions with external departments.

Climate Change Planning, Mitigation and Adaptation Services

- Develop practical, implementable, and measurable mitigation and adaption strategies for climate change risks and opportunities, which can be mainstreamed into all municipal planning and functions.
- Create spatial carbon emissions inventory for the City using GIS based data.
- Develop a municipal Climate Change policy and mainstream climate change strategies into all municipal planning and functions.
- Report on national and international platforms with regards to projects being implemented /proposed that relate to climate change and greenhouse gas reduction

Compliance promotions undertaken in the 21/22 financial year, by the EMIs in Environmental Management:

1. Eston follow-up
2. Eco Cycle
3. Truda Snacks
4. Hulamin
5. Illovo Nerdsberg
6. Birmingham Road

Greater Edendale and Vulindlela Development Initiative (GEVDI)

GEVDI is a subunit that deals with a myriad of developmental issues. GEVDI deals with the acquisition of private land for the redevelopment of the greater Edendale area and the GEVDI area is confronted by many land legal impediments that the subunit is also tasked with addressing. The other facet of GEVDI is to drive planning in the GEVDI area through the formulation of strategic plans, technical advice and planning individual projects. GEVDI is also responsible for the planning of NDPG projects in the Edendale area and implementing the urban network approach as defined in various policy documents within the GEVDI region.

GEVDI dealt with many projects and other service delivery initiatives, below are some of the key projects on Infrastructure Delivery, Service Delivery and Economic development objectives:

Challenges.

- The finalisation of the appointment process for service providers was one of the major challenges encountered for land acquisition
- Delayed starting of project made targets very difficult to meet
- The Civic Zone project was affected by a lot of factors and unresponsiveness to tenancy letters from department

- Getting tenants and commitment for the Civic Zone has been a challenge and this has affected the completion of reports and meeting of project deliverables
- The land acquisition programme was affected by the rollover of funds and has been momentarily halted which affects the momentum that has been built up on the programme.
- Responding to audit requests from the AG's Office limited GEVDI in terms of output
- Limited capacity and high staff vacancy affects GEVDI's ability to function.

LAND SURVEY

Land Survey department deals with the survey of municipality, acquisition of aerial imagery, provision of cadastral information internal departments, public and provide survey related guidance to land development matters.

Main projects conducted by this Unit:

1. Cadastral Data Management – this included the acquisition and cleaning of the cadastral data within the City. This data is used by various departments, such as Valuations department for incorporation into their Valuation Roll, which subsequently gets used as basis for billing in a financial system (SAP).
2. Title Deed Restoration Programme – more than 500 clearance certificates were processed and issued by this department to various conveyancers for transfer.
3. Building Plans Assessments – More than 800 building plan applications were received and processed by this department.
4. Human Settlements Projects – Draft township establishment conditions were done for various human settlements projects including three military veteran projects, Khalanyoni, Kwa-30, Site 11, Signal Hill.
5. Private developments – Various amendments were attended to approvals on Hesketh Development. More than 30 clearances (in terms of SPLUMA) were issued to the Surrey Park development located opposite Beacon Hill.
6. Provision of handplan or survey plans – about 100 survey plans were prepared for various departments including Real Estate, Gevdi.
7. Setting out and as-built surveys for the eThembeni cemetery
8. Monitoring the contractor by doing surveys to confirm if the contractor is constructing internal roads of the cemetery as per the design.
9. Various beacon relocation surveys for Human Settlements low-cost houses
10. Wayleaves co-ordination - this includes processing of Wayleaves applications and doing inspections of the work conducted.

Challenges

The main challenges are as:

1. Lack of survey equipment for most surveyors, which compromises efficiency.
2. No competency and resources within the unit to adequately deal with Wayleaves contraventions
3. There is no GIS structure – these compromises how the city stores and manages all its land data and affects decision related thereto.
4. Not enough budget is allocated in order to acquire various survey related software.
5. Theft in open spaces of the office, as some interns and other workers work in common areas.

TOWN PLANNING

The role of the Town Planning department is to ensure the implementation of the Spatial Planning and Land Use Management Act No.16 of 2013, Municipal Systems Act and other relevant planning legislations through spatial planning and land use management. The Town Planning department is also responsible for planning and preparation of a Land Use Scheme, Spatial Development Framework (SDF), planning policies, planning By-laws, development projects in terms of the IDP, strategies associated with the formulation of a Spatial Development Framework (SDF), and other spatial framework plans.

Town Planning comprises of Spatial Planning with the focus on developing strategies and policies for future land usage and land allocation, Development Management focusing land use management and statutory control and lastly, the Town Planning Inspectorate mandated to perform a regulatory function by enforcing the municipality's land use scheme.

In the 2021/2022 financial year, the unit prepared and reviewed numerous plans and policies, which formed part of the key Town Planning projects within the Service Delivery & Budget Implementation Plan. The table below provides service objectives and outlines the service target for all town planning projects undertaken within the Development Management Sub-Section.

During the 2021/22 financial year, Town planning received numerous development planning applications, most of which were considered within the legislated timeframe. The table below, provides the exact figures of various development applications received and processed within the 2021/22 financial year.

APPLICATIONS FOR LAND USE DEVELOPMENT						
Detail	Formalisation of Townships		Rezoning		Built environment	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Planning application received	18	19	58	48	35	49
Determination made in year of receipt	18	19	35	45	32	46
Determination made in following year	-	-	15	03	03	03
Applications withdrawn	-	-	02	03	-	03
Applications outstanding at year end	-	-	05	-	-	-

Spatial Planning

The spatial planning unit functions involves the facilitation of municipal forward planning through the development of spatial plans and implementation projects for targeted focus areas. The spatial plans articulate the overall spatial vision intended for municipal configuration and further provide guidance to development through coordinated integrated planning. Below are some of the projects undertaken in the financial year.

Town Planning Inspectorate

The regulation and enforcement of land uses within the jurisdiction of the Msunduzi Municipality is the responsibility of the Town Planning Business unit. The Town Planning unit has a dedicated team consisting of 5 Town Planning Inspectors. The functions and powers of the Inspectors are expressly defined under Section 32 of the Spatial Planning and Land Use Management Act 2013 read with the Msunduzi Municipality's Spatial Planning and Land Use Management Bylaw 2021.

During the 2021/2022 financial year the Town Planning Enforcement unit conducted the following;

- Land use inspections in the region of 573 (both complaints based and randomly);
- Issued SPLUMA Notices more than 140.
- Summons and Written Notices totalled 54.
- Written Notices yielded a total amount of R33 300.00 in Admission of Guilt fines.

Comments on Town Planning's Performance:

The 2021/2022 financial year was a recovery year for the unit following the challenges brought by the Covid-19 pandemic. The unit managed to facilitate the review and adoption of the municipal Spatial Development Framework, review and adoption of the municipal Spatial Planning and Land Use Management Bylaws as well as the review and extension of the land use schemes to cover the entire municipal area. These are enormous milestones aimed at driving and guiding development as well as compliance with national legislation.

Financially there was also an improvement in the revenue generated by the unit through development applications from R302 454.58 in the 2020/2021 financial year to R 568 452.07 in the 2021/2022 financial year. Also, through prosecutions the unit generated R 33 300 in revenue.

The unit is faced with capacity challenges, the high vacancy rate as well as the misalignment of the current organogram and legislative requirements poses as a threat in the effectiveness of the unit. There is reliance on Acting and Secondment appointments for carrying out of duties which is not sustainable and hinders continuity.

The appointment of the Chief Town Planner: Spatial Planning on permanent basis is welcomed, anticipating a swift finalisation of all recruitment processes as per the submission made to Human Resources especially that of the Manager: Town Planning as the post is a priority and has been vacant for a while.

TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT

FINANCIAL PERFORMANCE 2021/2022: TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT					
R'000					
BUILDING CONTROL, ENVIRONMENTAL HEALTH, ENVIRONMENTAL MANAGEMENT, GEDVI, LAND SURVEY & TOWN PLANNING					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	(119 856)	(38 412)	(39 554)	(9 482)	(76)
Expenditure:					
Employees	62 676	64 151	64 151	67 141	5
Repairs and Maintenance	344	604	121	40	(67)
Other	7195	18 230	32 988	13 942	(58)
Total Operational Expenditure	70 215	82 985	97 260	81 123	(17)
Net operational (Service) Expenditure	(49 641)	44 573	57 706	71 641	24

Variances are calculated as follows:
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT					
R'000					
BUILDING CONTROL, ENVIRONMENTAL HEALTH, ENVIRONMENTAL MANAGEMENT, GEDVI, LAND SURVEY & TOWN PLANNING					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
CGTAC:Z3:YOUTH ENTERPRISE PARK	-	141	140	(1)	
LEVS:AH:NEW:COMPUTER EQUIPMENT	-	253	253	-	
LEVS:AH:NEW:FURNITURE & OFFICE EQUIP	-	300	299	-	
LEVS:AH:NEW:MACHINERY & EQUIPM	-	400	161	(60)	
PGCAP:Z2:GREATER EDENDALE PROJECTS	-	84 834	2 546	(97)	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)
Variances are calculated as follows:
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

COMMENT ON THE PERFORMANCE OF TOWN PLANNING AND ENVIRONMENTAL MANAGEMENT

- In terms of the Grant funding, the Unit did not perform well as the grant was sent late to the Municipality, there were also challenges which faced the non-expenditure because of the complex nature on the acquisition of land.
- With results to other projects as reflected in the SDBIP & OP, the Unit performed well as except on projects where budget was removed.

- (c) Pertaining to the staff vacancy, the Unit has a staff vacancy of 50%, which really affected the performance of the Unit. Lastly, the Unit finalized the adoption of a Single Wall to Wall Scheme and the Spatial Development Framework (SDF) which was a concern raised by Cogta during the pe

3.4 CITY ENTITIES

INTRODUCTION TO CITY ENTITIES

City entities is a sub-unit of Sustainable Development and City Enterprises Business unit and is made up of six sections as listed below:

- Airport
- Market
- Tourism
- Tatham Art Gallery
- Forestry
- Safe City

The Airport, Market and Forestry are income generating business units. Tourism and Tatham Art Gallery enhance the income generation of the municipality through attraction into the city. Safe City is the only established entity within City Entities and aids in revenue enhancement as a support function other departments within the municipality.

EMPLOYEE INFORMATION

EMPLOYEE: CITY ENTITIES					
AIRPORT, GALLERY AND THEATRE, MARKET & TOURISM					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	13	22	13	9	41
T04-T08	30	42	28	14	33
T09-T13	12	19	13	6	32
T14-T18	3	4	4	0	0
T19-T22	0	1	1	0	0
T23-T25	0	0	0	0	0
Total	58	88	59	29	33

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.

ORGANIZATIONAL UNITS WITHIN CITY ENTITIES

AIRPORT

Pietermaritzburg airport is a licensed Class 3, category 6 Airfield Rescue and Fire Fighting aerodrome. Civil aviation authorities provide the mechanism by which nations ensure the safety of their skies and operations through safety and security regulation. It is the airport's key role to sell aeronautical services and facilities (i.e. the provision of runways, taxiways, aprons and terminals) to airlines. The airlines then sell their own product onto the passengers. The airport also sells services such as shops and car parks, usually through concessionaires, direct to the passengers, local residents and other customers.

In 21/22 the business unit sought to purchase a bigger generator to ensure uninterrupted power supply during load shedding and power disruptions. The business units also sought to install PIDS [perimeter intrusion detection system] throughout the parameter fence. This did not materialise as there was no capital allocation for this project.

MARKET

The Pietermaritzburg Fresh Produce Market operates through a system of market agents acting as the link between sellers and buyers. The main products traded are potatoes, onions, tomatoes, vegetables, bananas and fruit. The crucial variable determining the economic viability of the market is the volume of business, or the tonnage throughput.

Pietermaritzburg Fresh produce market is the facility management unit which makes it possible for agents to communicate with farmers across the country to send their produce in order to be sold. This arrangement is very much beneficial to Msunduzi as the municipality because it receive 5% commission for the sales made and also it is beneficial to uMgungundlovu as the district in terms of food security and also to informal business for fruit and vegetables.

The challenges that the unit is facing is that one of fuel hikes that are recently taking place which create a problem in term of price hikes which results on people being un able to buy produce.

In the 2021/22 year the market had a project to repair roof leaks and the target was met on time.

TOURISM

Programs to increase community awareness on employment and career advancement opportunities available within the Tourism industry

Advocating for development of new and existing tourism sites, products, services etc.

Creating a conducive Environment for tourism development – through entrepreneur development programs, Quality assurance programs etc. Licensing of establishments in accordance with National framework

Implement industry Capacity Building programmes

Encourage stakeholder participation in tourism planning and development of offering

Challenges

Insufficient Tourism Budget allocation for Tourism run Programmers.

Only activities not requiring funding were executed, other were executed in Partnership with the local Community Tourism Organization (CTO).

Successes

Imbali /Edendale Tourism sites audit in partnership with District Municipality and local CTO, EDITO

Project to repackage Edendale Imbali Tourism Route

Kwa Caluza Amakhosi / Traditional Council engagement with regards to community Tourism Awareness and upcoming Tourism Projects in the area.

- Supported the DluUmlando Project
- Successful execution of the All in African Walk led by the municipal Mayor
- Manaye Hall interior upkeep: painting and history banner display

TATHAM ART GALLERY

The Tatham Art Gallery is an Art Museum that serves the visual arts needs of people of KwaZulu-Natal generally and the Msunduzi municipal area in particular. Its core functions are collecting art works of suitable quality to grow the permanent collection; documenting and researching the collections in order to establish a database of relevant information for research purposes; caring for the permanent collection in order that it will be available for the benefit and enjoyment of future generations; displaying exhibitions of quality, based on art works in the permanent collection, and identifying quality exhibitions from further afield and presenting visual arts educational and outreach programmes based on the permanent collections and temporary exhibitions.

The Gallery's top service delivery priority is presenting regular art exhibitions of high quality. The target for 2021/22 was 12 exhibitions hence we were still under pandemic restrictions, the Gallery managed to meet its target by presenting temporary exhibitions this year.

The Education department at the Gallery focused on a teaching programme based on the temporary exhibitions and community awareness campaigns that display inclusivity. The Outreach programme during 2021/22 included art classes for youth who do not have access to art tuition at school. Recognition of important days in our national calendar. Visiting schools for expanding foot prints and recognising youth as part of our stakeholder.

SERVICE STATISTICS FOR ART GALLERY 21/22

Exhibitions- temporary	8
Exhibitions- permanent	4
Physical Walkabouts	1
Online Walkabouts	1
Films	0
Lectures	2
Workshops and Master Classes	3
Online workshops	4
Artist-in-residence programmes	0
Art Class	5
Artist Forum	3
School visits	25
Outreach Events	0
Concerts	3

FORESTRY

The municipality owns and manages the Pietermaritzburg Forestry. Msunduzi Municipality owns a forestry plantation. The extent of the plantation is 2130 hectares. The primary activities are:

- Silviculture - site preparation, mark and pitting, planting, blanking, chemical and manual weeding.
- Harvesting - felling, extraction, staking, loading, short and long hauling.
- Fire management - hoeing and burning of firebreaks, fire standby and firefighting.
- Conservation - chemical and manual weeding of open areas and areas of special interest.
- Road maintenance - Graveling, grading and drainage.

In 2021/22 year, the department went through a competitive bidding process appoint a management company to oversee the primary activities and deliverables of the plantation. This award was made in March 2022. The business unit is still concluding the service level agreement.

SAFE CITY

Safe City Msunduzi NPC is an entity of the Msunduzi Municipality and its primary objective is to prevent and detect crime and bylaw infringements in camera surveillance areas under the jurisdiction of the Msunduzi Municipality, to encourage a crime free environment for the benefit of the Municipality's communities and to attract investors and assist to promote development, tourism and job creation.

Detection, Prevention or Apprehension and Conviction of persons responsible for criminal or bylaw infringements. In this regard we enjoy a healthy working relationship with the local South African Police Service (SAPS), National Prosecuting Authority (NPA) and Msunduzi Traffic Department. The SAPS has provided us with a rapid response motor bike unit which acts promptly on requests from our Control Room, whilst the NPA has provided us with a dedicated court where all footage relating to Safe City cases are displayed for prosecuting purposes. Safe City also facilitates the Joint Operational Centre (JOC) which is situated in the Disaster Board Room. The JOC monitors important events such as High Court cases, gatherings and protest actions. Another very important aspect of our services is the monitoring of eight primary electrical sub stations. As these sub stations performs as vital role in the economy of Msunduzi a dedicated work station has been created for the sole purpose of the monitoring and detection of possible vandalism or theft of electrical equipment acts from these sites. Since the start of monitoring these sites during 2016 no electrical site under surveillance has been out of commission due to theft or vandalism. In order to maintain this healthy interaction with our operational partners we have regular meetings with them whereby any shortcomings are identified and dealt with immediately. Such meetings are the SAPS Station Crime Combat Forum and the NPA monthly meetings.

The maintenance of our surveillance system is of paramount importance. For this purpose, Safe City is conducting in house repairs on all its CCTV cameras, recorders and fibre optic lines. As our system has been in operation 24/7 since January 2003 it is necessary to conduct scheduled maintenance work in order to ensure that all cameras are fully operational at all times. For this purpose, we have set a very high target which is that no less than 10% of all cameras may be off line at any given time. We have achieved and maintained a 99% operational capacity throughout 2021/22. In order to continue with our operational capacity, we carry spares to repair cameras and our technicians are suitably qualified to maintain the system.

CITY ENTITIES FINANCIAL INFORMATION

FINANCIAL PERFORMANCE 2021/2022: CITY ENTITIES R'000					
AIRPORT, GALLERY AND THEATRE, MARKET & TOURISM					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	(14 583)	(64 805)	(65 142)	(26 660)	(59)
Expenditure:					
Employees	17 711	19 198	19 298	20 306	5
Repairs and Maintenance	6 735	4 603	3 053	2 601	(15)
Other	18 887	53 361	51 185	57 543	12
Total Operational Expenditure	43 333	77 162	73 536	80 450	9
Net operational (Service) Expenditure	28 750	12 357	8 394	53 790	541
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE 2021/2022: CITY ENTITIES R'000					
AIRPORT, GALLERY AND THEATRE, MARKET & TOURISM					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
ART:AH:NEW:COMPUTER EQUIPMENT	230	220	138	(37)	
ART:Z4:NEW:FURNITURE & EQUIPMENT	300	200	193	(4)	
LEVS:AH:NEW:MACHINERY & EQUIPM	785	1 124	597	(47)	
LEVS:AH:REFURBISHMNT PRESBYTERIAN CHURCH	1 100 000	1 100 000	949 601	(14)	
LEVS:AH:REFURBISHMT TAG EXTERIOR BUILDIN	1 000 000	1 000 000	994 807	(1)	
LEVS:Z4:BOX QUTTER REPAIR	500 000	500 000	433 792	(13)	
LEVS:Z4:NEW DEBI PLACE OFFICE BUILDING	500 000	300 000	295 455	(2)	
LEVS:Z4:NEW:NEW:TRANSPORT ASSETS	50 000	800 000	196 075	(75)	
PRVOT:Z4:NEW:MACHINERY & EQUIP	-	363 000	326 219	(10)	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

COMMENT ON THE PERFORMANCE OF CITY ENTITIES:

Projects planned for 21/21 were partially achieved.

The PIDS [Perimeter Intrusion Detection System] could not be installed due to nil capital funding allocated.

The Pietermaritzburg market manage to keep position 5 in overall standing when comparing with other 21 markets across the country.

The Fresh produce market is working closely with our local wholesalers and street vendors in order to keep them buying in our market, also we are working together with UMgungundlovu Development agency in order to assist small scale farmers with the alternative market.

The Tatham Art Gallery has met all their objectives for the 21.22 financial year. The ongoing issue of the roof repairs were also attended to in the 21/22 financial year including works commenced on the church. A manager has also been appointed on a full time basis.

The forest lagged behind on all the activities as there were no contracts in place. A competitive bidding process for the appointment of a 3-year management company was awarded in March 2022. The SLA is still being concluded. This has extensively compromised the quality of timber which directly contributes to increased risk exposure to runaway fires, forfeiture of our conservation membership and forestry insurance.

COMPONENT D: CORPORATE SERVICES BUSINESS UNIT

4. CORPORATE SERVICES

This component includes Legal Services, Secretariat & Auxiliary Services, and Information Communication Technology & Human Resources.

4.1 LEGAL SERVICES

Legal Services provides legal support to the Municipality in providing legal comments, opinions and advice to all Business Units. In addition, thereto, the unit undertakes the management of civil litigation in the High and Magistrates' Courts including interdicts and criminal prosecutions relating to the contravention of bylaws and other laws governing local governance. The unit is also responsible for the review, drafting and promulgation of new and existing bylaws, as well as providing input on policies. Labour relations related advice and representation is also provided.

Furthermore, the legal advisors sit on Bid Committees as ex officio members, are alternate Municipal Manager's Representatives at Full Council and Executive Committee, as well as various other forums established for the efficient operations in the Municipality.

THE 3 TOP SERVICE DELIVERY PRIORITIES ARE:

1. Bylaws
2. Legal representation for Civil Litigation, Labour and criminal litigation
3. Provision of legal advice, opinions and the review of contracts

EMPLOYEE INFORMATION

EMPLOYEE: LEGAL SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	1	1	1	0	0
T04-T08	1	1	1	0	0
T09-T13	2	6	3	3	50
T14-T18	5	11	5	6	55
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	10	20	11	9	45

Totals must 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.

IMPACT:

- Four revenue related bylaws were reviewed, namely the Electricity Supply Bylaw, the Indigent Bylaw, the Tariff Bylaw and the Property Rates Bylaw, ahead of schedule.
- The unit achieved 100% legal representation in civil, labour and criminal matters.
- With regard to legal advice, comments and opinions our impact has been less than 100%, having achieved a score of 2 on the SDBIP. Our target was to provide legal advice opinions and comments within 10 days from receiving a request. Whilst all requests were met, some were provided outside the 10-day period due to the following:
 - Staffing Constraints and vacancies in the unit,
 - Disruption of operations due illnesses,
 - Other urgent priorities;
 - Work distribution not optimal;
 - Legal briefs not containing all relevant information.

MEASURES TAKEN TO IMPROVE PERFORMANCE AND MAJOR EFFICIENCIES:

1. The Standard Operating Procedures for accessing legal services were approved in July 2020 and have been in implementation since.
2. Improved the legal brief process to ensure all relevant information contained in brief.
3. Reviewed and improved work distribution.
4. Recruitment processes to fill vacant posts commenced.
5. Three panels of attorneys were appointed, in respect of Public Law, Labour Relations and Conveyancing.
6. Refreshed staff and service providers on the process for the payment of service providers.
7. Maintained compulsory meetings with the attorneys for monthly reports and issues relating to performance.

SERVICE STATISTICS FOR LEGAL SERVICES

1. The review of four Revenue related Bylaws was completed, ahead of the targeted date.
2. Achieved 100% legal representation on all civil labour and criminal matters.
3. No briefs for policies were received, but Legal Services reviewed the PAIA manual and drafted the Code of Conduct for POPIA on its own initiative.
4. Provided legal input and made recommendations on insurance claims against the municipality.
5. Reported on contingent liabilities, particularly the steady reduction of same, on a quarterly basis.
6. Reviewed fines were submitted to the Chief Magistrate for approval.

LEGAL SERVICES FINANCIAL INFORMATION

FINANCIAL PERFORMANCE 2021/2022: LEGAL SERVICES R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	-	(271)	(271)	-	(100)
Expenditure:					
Employees	8 904	13 090	13 090	8 308	(36.53)
Repairs and Maintenance	-	50	27	27	-
Other	4 406	2 645	5 874	2 127	(63.79)
Total Operational Expenditure	13 310	15 785	18 991	10 463	(44.91)
Net operational (Service) Expenditure	13 310	15 514	18 720	10 463	(44.11)
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE 2020/2021: LEGAL SERVICES R'000					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All	-	18	16	(11.11)	
FURNITURE	-	18	16	(11.11)	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

BY-LAWS

The Property Rates Bylaws, Tariff Policy Bylaws, Indigent Bylaws and Electricity Supply Bylaws were reviewed, and public participation undertaken.

BY-LAWS INTRODUCED DURING 2021/22					
Newly Developed	Revised	Public Participation adopted prior to adoption of By-laws (Yes/No)	Dates of Public Participation	By-laws gazette (Yes/No)	Date of Publication
	Property Rates Bylaws	Yes	17 June 2022	No	N/A
	Tariff Policy Bylaws	Yes	17 June 2022	No	N/A
	Indigent Bylaws	Yes	17 June 2022	No	N/A
	Electricity Supply Bylaws	Yes	17 June 2022	No	N/A

Bylaw Review Project: The project seeks to address the longstanding list of Municipal Bylaws in order to bring them up to date. A call for submissions on the required amendments was made to business units. Pursuant to submissions received, as well as based on the consideration of other relevant factors, such as legislative changes and compliance requirements. The outcome was that revenue related Bylaws were prioritised. The Electricity Bylaws, Water Services Bylaws, Tariff Bylaws and Indigent Bylaws were reviewed, and public participation undertaken. In addition, the review of the Credit Control and Debt Collection Bylaws and Water Services Bylaws were review, but which review was only completed in July 2022. The review of for the 22/23 FY, Legal Services has committed to reviewing the Rules of Order Bylaws, Cemeteries and Crematoria, General Bylaws, Street Trading Bylaws, Public Health Bylaws. Limited capacity dictates that a limited number of bylaws is reviewed at a time, and the selection process is through consultation with management.

COMMENT ON THE PERFORMANCE OF LEGAL SERVICES OVERALL:

The SDBIP provides an indication of what has been achieved and the deficiencies. For the sake of brevity, same will not be repeated as the information is contained in the tables above.

Initially the target was to provide legal advice, opinions and comments within 10 days from receiving a request. Whilst all requests were met, some were provided outside the 10-day period due to the reasons stated above. For this reason, this target was amended to increase the number of days to 15 days, for it to be realistic and for consistency with other targets. Ultimately, this target together with the review/drafting of contracts, were not met, however performance was above 80%.

Consistent and competent legal representation was provided in respect of civil matters, labour relations matters and criminal prosecutions. These targets were met at 100%. No policies were recorded as reviewed in the FY, as no briefs were received from Business Units. However, Legal Services did initiate and complete the review of the Promotion of Access to Information Act Manual. Furthermore, Legal Services facilitated the Municipality's compliance with the Protection of Personal Information Act, by developing the roadmap towards compliance and drafting the POPIA Code of Conduct for the Municipality.

4.2 SECRETARIAT AND AUXILIARY SERVICES

INTRODUCTION TO SECRETARIAT & AUXILIARY SERVICES

The purpose of the Secretariat and Auxiliary Services Unit is to provide secretariat support, interpretation and translation, printing and registry services to the Municipality.

The top three service delivery priorities are:

- 1) Provision of secretariat support services: provision of secretariat support services to Council, its committees, administrative committees and community participation engagements (izimbizo) has been compromised by a high vacancy rate of Committee Officer and Language Practitioner positions. Some positions have been filled, some are in process of being filled and those that were not budgeted for are now funded in the 2022/2023 financial year. Also the process of digitization of the preparation of agenda process to improve efficiency is under way.
- 2) Provision of printing services: this service has been hampered by the breakdown of printing machines and other machinery that is old. The stitching and cutting machines have been budgeted for and the procurement processes are under way. The ICT will soon be undertaking the procurement of printing machines.
- 3) Archives, Registry and Information Services: this service has been having a challenge of in that the records/documents cannot be processed and stored electronically but only in paper form. The digitization process that is being put in place will also cater for an electronic document management and storage system.

EMPLOYEE INFORMATION

EMPLOYEE: SECRETARIAT & AUXILIARY SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	-	4	1	3	75
T04-T08	7	10	7	3	30
T09-T13	32	42	31	11	26
T14-T18	2	3	3	-	-
T19-T22	-	-	-	-	-
T23-T25	-	-	-	-	-
Total	41	59	42	17	29

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.

ORGANIZATIONAL UNITS WITHIN SECRETARIAT & AUXILIARY SERVICES

Secretariat Services

This Sub-Unit is responsible to render secretariat, translation and interpretation services to the meetings of Council, Council structures, administrative structures and community engagements. The secretariat services entail issuing out of notices and agendas as well as taking of minutes of meetings. It also includes translation of agendas and minutes and rendering of interpretation services to some of the meetings.

Printing Services

This Sub-Unit renders organization-wide printing services which entail high volume printing and binding of standard municipal documents and registers through lithographic and high speed copying.

Archives, Registry and Information

This Sub-Unit is responsible for the keeping of all records generated by the Municipality and those received from outside the Municipality in accordance with the Council's Records Management Policy, to archive the old and obsolete records and to distribute agendas for the meetings of Council and Council structures.

PORTFOLIO MEETING STATISTICS FOR THE 2021/2022 FY

SERVICE STATISTICS FOR COUNCIL & EXECUTIVE 2021 /2022			
NUMBER AND TYPE OF COUNCIL COMMITTEE MEETINGS:			
ITEM	NUMBER OF MEETINGS FOR THE 2021 2022 FY	NUMBER OF MEETINGS AT WHERE COMMITTEE OFFICER SERVICES WHERE PROVIDED	NUMBER OF MEETINGS AT WHERE TRANSLATION SERVICES WHERE PROVIDED
Full Council	17	17	14
Executive Committee	22	22	17
Corporate Services	8	8	8
Financial Services	11	11	11
Infrastructure Services	8	8	8
Community Services	6	6	6
Sustainable Development & City Enterprises Services	8	8	8
Municipal Public Accounts Committee	13	13	13

COMMENT ON THE PERFORMANCE OF SECRETARIAT & AUXILIARY SERVICES

The Unit experienced a high rate of vacancies. Some are now in process of being filled and those that were not budgeted for have now been budgeted for. Some of the capital projects like the purchase of recorders could not be done due to prolonged procurement processes. The purchase of the stitching and cutting machines did not take place since they are manufactured abroad and could not be dispatched on time. They are however provided for in the current financial year and the process for their procurement has commenced. The tracking of the implementation of Council and EXCO resolutions on a quarterly basis could not be done as per plan since there is no position for a person to perform this function. The Acting City Manager has been approached with a request for secondment of an employee to undertake this function.

4.3 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The top three service delivery priorities for human resources were;

- The development and review of job descriptions,
- The launching of the EAP unit getting
- The approval of reviewed HR policies which will give rise to an updated policy manual.

EMPLOYEE INFORMATION

EMPLOYEE: HUMAN RESOURCES SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	1	6	1	5	83
T04-T08	36	58	33	25	43
T09-T13	33	58	36	22	38
T14-T18	5	11	9	2	18
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	76	134	80	54	40

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.

JOB DESCRIPTIONS

During the 2020/2021 financial year, the Municipality undertook the process of job writing to the 2021 organogram that was approved by the City Manager and noted by the Municipal Council.

Due to the absence of a national collective agreement, SALGA resolved that job evaluation must be handled as a human resources process as opposed to a bargaining process. The Job Evaluation section with the human resources unit thus embarked on the job writing process from August 2021.

EMPLOYEE WELLNESS

The Employee Assistance Programme is a work-based programme designed to assist employees and councilors in identifying how to deal with personal, social and work related challenges that may have a negative effect on their job performance and well-being.

Implemented programmes include;

1. EAP COVID 19 PLANNED PROGRAMMES: Continuation.
During the pandemic from the beginning of 2020 till current EAP has provided free confidential counselling service to individuals who were overwhelmed by fear, stress and anxiety about COVID-19.
2. Employee Wellness Policy DRAFT: Approved by OD & Legal department has reviewed the policy.
3. EAP FRAMEWORK: completed.
It has been generated to underline guidelines and responsibilities of role-players towards preventing the psycho-social stress of its employees.
4. The EAP Framework English & IsiZulu version Booklet was generated and completed
5. EAP ADVISORY COMMITTEE NOMINATION Mandated BY EAPA-SA Standards 2002 was completed.
6. Bereavement/Grief & loss SOP was generated and it was submitted to OD for alignment.
7. Reconciliation SOP was generated and will be submitted to OD for alignment
8. EWP Policy has been reviewed by HRD
9. Financial Education
10. Financial training was workshopped for Electricity employees by December 2020.
11. EAP guideline was also presented to the Electricity employees
12. EAP Framework presentation to SAWMU Union
13. EAP Core functions & EAP Projects in October 2020
14. EAP Covid 19 Planned interventions were presented to SAWMU UNION in October 2020 and interventions are in continuation.

POLICY MANUAL:

The following policies were approved and included in a policy manual for ease of reference;

Acting Policy, Standby Policy & Procedure, Shift and Night Work Policy, Employment Equity Alcohol and Drug Abuse Policy, Smoking Policy, Career Path & Succession Planning Policy, Adult Education and Training (AET), External Bursary Policy, Internship Policy, Professional Membership, Recognition of Prior Learning (RPL), Training & Development Policy, Work Exposure Policy, Study Assistance Policy

4.4 ORGANISATIONAL DEVELOPMENT

INTRODUCTION ON ORGANISATIONAL DEVELOPMENT PERFORMANCE

ORGANISATIONAL DEVELOPMENT PERFORMANCE

HR Services Required by Line Management:

The HR Leadership Team listed the items below as HR needs commonly stated by internal clients:

- Competent staff
- Accurate statistics from HR: staff attendance data, overtime data, vacancy data
- Motivation of staff
- Skill gaps bridged where they exist in order to improve employee performance
- Correct remuneration - correct grading and salary bands
- Harmonization of the work environment
- Information to be available – more communication expected
- Recognition of high performers
- Policy compliance and consistent policy application
- Incentives to perform
- Benchmarking of information

Based on the feedback drawn from the HR Survey, a gap is obvious between what the employees expect and what the HR team presently delivers, and this mismatch appears to be the primary cause for the lack of confidence in HR.

The items above indicate a need for HR to address not only administrative needs, but also facilitate solutions spearheading thought leadership for attainment of meaningful organizational solutions.

EMPLOYEE TOTALS, TURNOVERS & VACANCIES

Description	EMPLOYEES				
	2020/2021	2021/2022			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Solid Waste Management Services	274	448	257	191	43
Landfill Site	21	30	20	10	33
Area Based Management	61	164	78	86	52
Public Safety Enforcement & Emergency Services	467	792	450	342	43
Recreation & Facilities	586	1 039	570	469	45
Human Resources Services	76	134	80	54	40
ICT Services	23	29	21	8	28
Legal Services	10	20	11	9	45
Secretariat & Auxiliary Services	41	59	42	17	29
Electricity	223	731	213	518	71
Water And Sanitation Services	299	618	285	333	54
Roads, Transportation And Stormwater	278	585	266	319	55
Mechanical Workshops	37	91	38	53	58
Human Settlements Services	50	70	51	19	27
City Entities	58	88	59	29	33
Development Services	23	34	24	10	29
Town Planning And Environmental Management	115	231	116	115	50
Assets & Liability Management	50	110	47	63	57
Supply Chain Management	55	81	66	15	19
Budget Planning Implementation & Monitoring	15	27	18	9	33
Expenditure Management	32	43	31	12	28
Finance Governance & Performance	13	23	18	5	22
Revenue Management	266	345	258	87	25
Internal Audit	13	22	10	12	55
Office Of The City Manager	39	63	49	14	22
Political Support	102	104	81	23	22
Strategic Planning	12	42	13	29	69
Totals	3 239	6 023	3 172	2 851	47
Other	5	16	10	6	31
Totals:	3 244	6 039	3 176	2 857	47

VACANCY RATE 2021/2022			
Designations	*Total approved posts No.	Vacancies (Total time that vacancies exist using full-time equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	1	100
CFO	1	0	0
Other S57 Managers (Excl. Finance Posts)	4	0	0
Other S57 Managers (Finance Posts)	0	0	0

VACANCY RATE 2021/2022

Designations	*Total approved posts No.	Vacancies (Total time that vacancies exist using full-time equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Traffic Officers	85	20	24
Fire Fighters	139	73	53
Senior Managers: Levels DU (excl. Finance Posts)	58	18	31
Senior Managers: Levels DU (Finance Posts)	9	3	33
Highly skilled supervision: Levels D1 – D3 (excl. Finance)	208	104	50
Highly skilled supervision: Levels D1 – D3 (Finance Posts)	30	12	40
TOTAL:	535	231	43

TURN-OVER RATE

Details	Total appointments as of the beginning of financial year No.	Terminations during the financial year No.	Turn-over rate* %
2019/2020	190	233	10
2020/2021	22	177	5.4
2021/2022	108	120	3.7

COMMENT ON VACANCIES AND TURNOVER:

The General Manager's: Community and Infrastructure Services posts were filled in the 2020 2021 Financial Year. City Managers post was vacated in April 2022.

The 2013 structure, implemented in June 2015 has a higher post complement which further translated into a higher vacancy rate and while the Human Resources Unit has embarked on a concerted recruitment drive the Organization is still challenged by a relative high staff turn-over.

MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MANAGING THE MUNICIPAL WORKFORCE

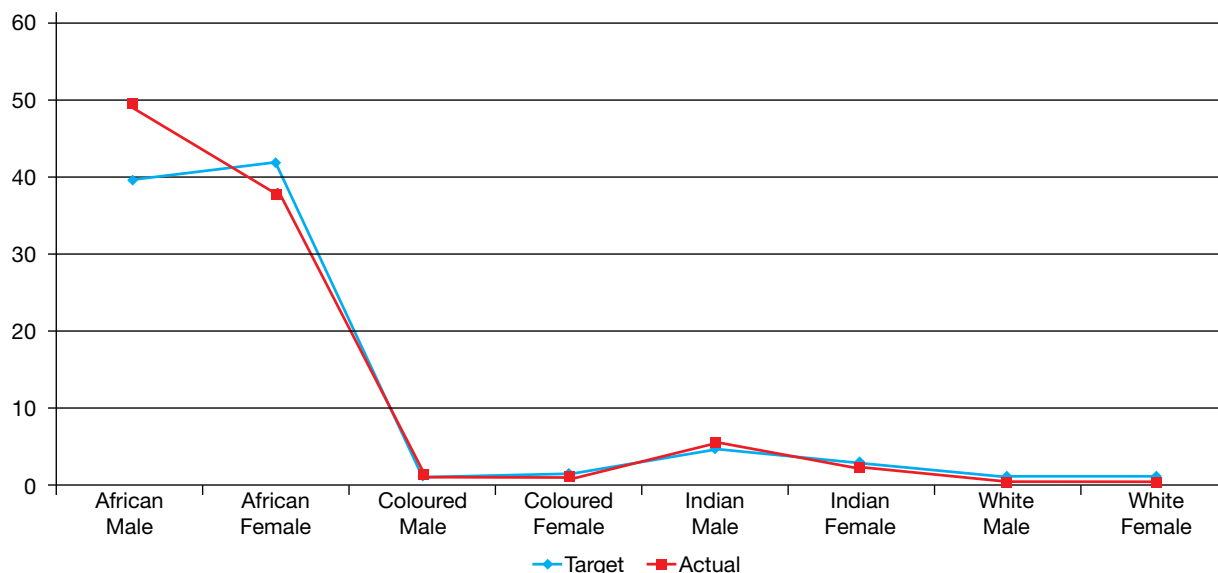
An assessment of workforce requirements for the current and future organisation needs is to be periodically conducted, balancing stability of the approved organisational structure and changing demand and supply dynamics.

There is an urgent need for Msunduzi Management and HR senior management to give attention to attraction of younger recruits in order to bolster the talent pipeline which is presently very weak. Should nothing be done in this regard, the organization will face the risk of business continuity and loss of institutional knowledge as older employees retire. Specific recruitment targets and conscious interventions aimed at turning the age distribution curve around are considered as essential and urgent.

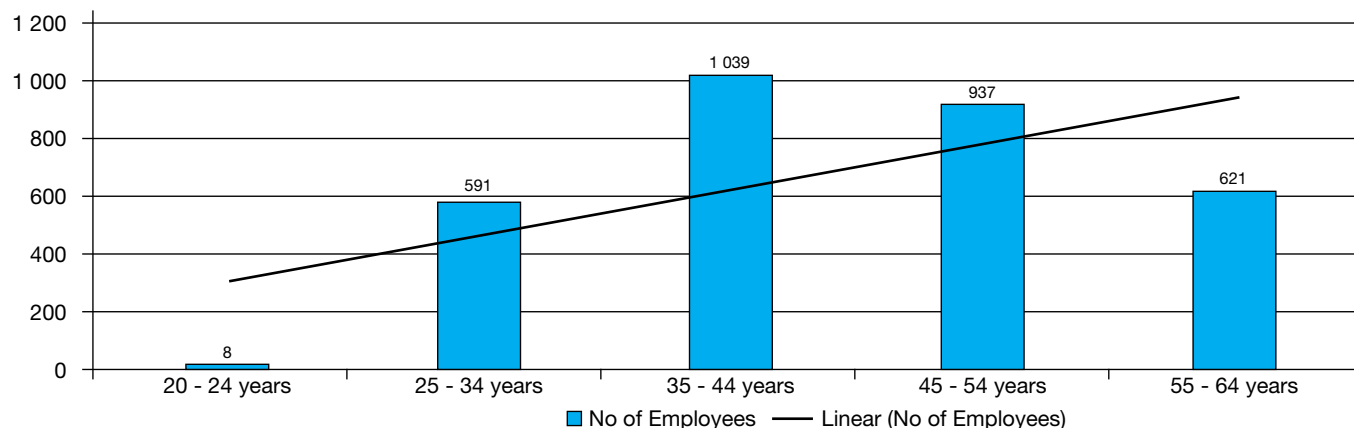
The Municipality pursues the equitable representation of designated groups in all occupational categories and levels in the workforce and actively supports an organizational culture and climate based on diversity, equality, mutual respect and dignity for all.

Currently in the organization, African males are over represented at lower Occupational levels (A Grade) while other demographic groups are minimally or not represented at all. People with disabilities are critically under-represented. Of a workforce of 3176 permanent employees, the municipality has facilitated the formal declaration of only two employees with disabilities.

EMPLOYEE POPULATION DEMOGRAPHICS



EMPLOYEE DISTRIBUTION: AGE GROUP



MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MANAGING THE MUNICIPAL WORKFORCE

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.

Delete Directive note once comment is complete – Discuss the range and emphasis of workforce management at your municipality and briefly mention progress made with the development of workforce policies and management practices during the year.

T4.2.0

POLICIES 21/22 FINANCIAL YEAR

	Name of Policy	Completed %	Date adopted by council
1	Acting Policy	100%	2021/22
2	Standby Policy & Procedure	100%	2021/22
3	Shift and Night Work Policy	100%	2021/22
4	Employment Equity	100%	2021/22
5	Alcohol and Drug Abuse Policy	100%	2021/22
6	Smoking Policy	100%	2021/22
7	Career Path & Succession Planning Policy	100%	2021/22
8	Adult Education and Training (AET)	100%	2021/22
9	External Bursary Policy	100%	2021/22
10	Internship Policy	100%	2021/22
11	Professional Membership	100%	2021/22
12	Recognition of Prior Learning (RPL)	100%	2021/22
13	Training & Development Policy	100%	2021/22
14	Work Exposure Policy	100%	2021/22
15	Study Assistance Policy	100%	2021/22

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Policies for 21 22 have been compiled into a manual, easy for reference. The following policies have been reviewed in alignment with the Municipal Staff Regulations (Recruitment selection and appointment, Training and development, Change management, Induction, TASK Job description, Staff establishment). Human Resources has also reviewed the overtime policy in line with the BCEA.

INJURIES, SICKNESS AND SUSPENSIONS

NUMBER AND COST OF INJURIES ON DUTY					
Type of Injury	Injury Leave taken Days	Employees using injury leave No.	Employees using sick leave No.	*Average sick leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	-	-	-	-	-
Temporary total disablement	166	38	-	13	1 752 856.31
Permanent Disablement	-	-	-	-	-
Fatal	-	-	-	-	-
TOTAL					

Temporary Total DISABLEMENT	
MONTHS	TOTAL AMOUNT PAID FOR MEDICAL EXPENSES
JULY 2021	R354 060.34
AUGUST 2021	-

[illegible]

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

In the 2021 2022 financial year, no suspensions extended beyond the 6 months' threshold for wasteful expenditure. The cost of the man hours lost due to suspensions for 2021 2022 amounts to R464,856.56.

PERFORMANCE REWARDS

The Municipality has implemented Performance Management to level 3 within the organization it is not currently linked to reward.

Performance management is currently not being cascaded to the employees beyond the third level of management.

PERFORMANCE REWARD BY GENDER					
Designation	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 20011/12 R'000s	Proportion of beneficiaries within group %
Lower Skilled (Levels 1-2)	Female	-	-	-	-
	Male	-	-	-	-
Skilled (Levels 3-5)	Female	-	-	-	-
	Male	-	-	-	-
Highly skilled production (Levels 6-8)	Female	-	-	-	-
	Male	-	-	-	-
Highly skilled supervision (Levels 9-12)	Female	-	-	-	-
	Male	-	-	-	-
Senior Management (Levels 13-15)	Female	8	-	-	-
	Male	16	-	-	-
MM and S57	Female	2	-	-	-
	Male	3	-	-	-
Total:		29	-	-	-

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.

During the 2021/2022 Financial Year the Skills Development reviewed 8 of its policies which were approved by the Full Council on the 04 October 2021. These policies have a direct bearing on the various Skills Development interventions that the Unit has on offer to Councillors, Employees and Community Members. The policies are;

- Training and Development Policy
- Adult Education and Training Policy
- Recognition of Prior Learning
- Internship Policy
- Work Exposure Policies
- Professional Membership Policy
- Study Assistance Policy
- External Bursary Policy

During the 2021 / 2022 Financial Year only 243 Employees were trained based on the 2021/2022 Workplace Skills Plan (WSP) due to the delay in the appointment of the Panel of Training Providers. The appointment process was delayed which impacted on the implementation of the training for Employees based on the 2021/2022 WSP. A number of LGSETA Discretionary Grant funded skills development interventions could not be implemented due to this and the funding was lost. One of the criteria used by the LGSETA is to use the accredited panel of providers that the Municipality has appointed to implement skills development interventions as they no longer appoint training providers.

In November 2021 MISA opened a window for the recognition of prior learning opportunities for employees within the Msunduzi Municipality. The Skills Development Unit submitted 55 applications to MISA from interested Candidates from the Electrical, Bricklaying and Plumbing trades. A total of 33 candidates were selected to undergo the initial assessment in May and June 2022.

During the 2021/2022 Financial year the newly elected Councillors were trained through SALGA and COGTA. The National School of Government, SALGA and COGTA have provided funded training opportunities for the Councillors and Employees of the Msunduzi Municipality.

SKILLS DEVELOPMENT & TRAINING

SKILLS MATRIX											
Management Level	Gender	Employees in post as at 30 June 2022	Number of skilled employees required and actual as at 30 June 2022								
		No.	Learnerships			Skills programmes and other short courses			Other forms of training		
			Actual 30 June 2020 (2019/2020 FY)	Actual 30 June 2021 (2020/2120 FY)	Target 2022 (2021/2022 FY)	Actual 30 June 2020 (2019/2020 FY)	Actual 30 June 2021 (2020/2120 FY)	Target 2022 (2021/2022 FY)	Actual 30 June 2020 (2019/2020 FY)	Actual 30 June 2021 (2020/2120 FY)	Target 2022 (2021/2022 FY)
MM and S57	Female		-	-	-	-	-	-	-	-	-
	Male		-	-	-	-	-	-	-	-	-
Councillors, Senior Officials & managers	Female		-	-	5	13	17	7	-	-	-
	Male		-	-	5	19	32	20	-	-	-
Technicians and associate professionals	Female		-	-	-	6	5	39	-	-	-
	Male		-	-	-	5	4	38	-	-	-
Professionals	Female		-	-	-	29	25	9	-	-	-
	Male		-	-	-	63	55	12	-	-	-
Sub-totals	Female		-	-	5	48	47	55	-	-	-
	Male		-	-	5	87	91	70	-	-	-
Totals			-	-	10	135	138	125	-	-	-

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 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 the prescribed competency levels (Regulation 14(4)(e))
Financial Officials	378	2	380	-	-	42
Accounting Officer	1	1	2	2	1	2
Chief Financial Officer	1	-	1	1	1	1
Senior Managers	4	-	4	3	4	3
Any other financial officials	-	-	-	-	-	-
Supply Chain Management Officials	61	-	61	1	-	1
Heads of supply chain management units	3	-	3	2	3	1
Supply chain management senior managers	1	-	1	1	1	1
TOTAL	449	3	452	10	10	51

This is a statutory report under the national treasury: LG MFMA Regulations

SKILLS DEVELOPMENT EXPENDITURE '000										
Management Level	Gender	Employees as at the beginning of the year No.	Number of skilled employees required and actual as at 30 June 2022							
			Learnerships		Skills programmes and other short courses		Other forms of training		Total	
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female		-	-	-	-	-	-	-	-
	Male		-	-	-	-	-	-	-	-
legislators, Senior Officials & managers	Female		-	-	-	-	-	-	-	-
	Male		-	-	-	-	-	-	-	-
Professionals	Female		-	-	-	-	-	-	-	-
	Male		-	-	-	-	-	-	-	-
Technicians and associate professionals	Female		-	-	R3 071	R3 071	-	-	R3 071	R3 071
	Male		-	-	R13306	R13306	-	-	R13 306	R13 306
Clerks	Female		-	-	-	-	-	-	-	-
	Male		-	-	-	-	-	-	-	-
Service and sales workers	Female		-	-	R11822	R11822	-	-	R11 822	R11 822
	Male		-	-	R18915	R18915	-	-	R18 915	R18 915
Plant and machine operators & assemblers	Female		-	-	R6 150	R6 150	-	-	R6 150	R6 150
	Male		-	-	R4 100	R4 100	-	-	R4 100	R4 100
Elementary occupations	Female		R312 000	R312 000	-	-	-	-	R312 000	R312 000
	Male		R168 000	R168 000	-	-	-	-	R168 000	R168 000
Sub-totals	Female		R312 000	R312 000	-	-	-	-	R312 000	R312 000
	Male		R168 000	R168 000	-	-	-	-	R168 000	R168 000
Totals			R480 000	R480 000	R57 364	R57 364	-	-	R537 364	R537 364

*% AND *R VALUE OF MUNICIPAL SALARIES (ORIGINAL BUDGET) ALLOCATED FOR WORKPLACE SKILLS PLAN

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

The Skills Development Unit has submitted the 2021/2022 Workplace Skills Plan(WSP) and the 2020/2021 Annual Training Report to the LGSETA on the 30 April 2021. During the 2021 2022 Financial year the Skills Development Unit facilitated the implementation of the 2021/2022 WSP and 243 Employees were trained. Over the past few years the training budget budgeted by the Units have decreased which impacts on the implementation of training. Business Units are failing to undertake training needs identification and failing to budget for staff development within their various Business Units.

During the 2021 2022 Financial Year 4 Officials and 6 Interns attended a MFMA Training Programme funded through the Municipal Finance Management Grant. In total, the Msunduzi Municipality has trained 113 individuals in the MFMA Competency Regulations since the implementation of the National Treasury Regulations. The funding for the training has been from the Msunduzi Municipality, LGSETA Discretionary grant funding and the National Treasury Municipal Finance Management Grant.

The Skills Development Unit has submitted the Workplace Skills Plan for the 2022/2023 FY and the 2021/2022 Annual Training Report to the LGSETA on the 30 April 2022.

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality has made a concerted effort to manage workforce expenditure by improving the management and control of overtime.

This included the centralisation of the processing of leave and overtime to ensure conformity, and the introduction of standardised pre-approval and overtime claim forms to address such issues as the necessity for work to be carried out after hours, verification that the time claimed was justified in relation to the work done, location of work, vehicle usage, compliance with policy and availability of funding amongst others.

The overtime policy and procedures are also being reviewed to improve the management and control of overtime. HRM ensures that the posts that are advertised are budgeted for with Budget and treasury confirming this. An overtime analysis report is also submitted to the Strategic Management Committee and Council structures who play an oversight Role and ensure that respective General Managers are accountable if there has been excessive spending

EMPLOYEE EXPENDITURE

In the 2021/2022 Financial Year no employee's salaries were increased due to their positions being upgraded.

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED 2021/2022		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled production (Levels 9-12)	Female	
	Male	
Senior management (Levels 13-16)	Female	
	Male	
MM and S57	Female	
	Male	

FINANCIAL INFORMATION HUMAN RESOURCES

HUMAN RESOURCES

FINANCIAL PERFORMANCE 2021/2022: HUMAN RESOURCES SERVICES R'000					
Details	20/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	(1 967)	(2 305)	(2 305)	(1 300)	(44)
Expenditure:					
Employees	48 042	47 892	47 888	48 445	1.16
Repairs and Maintenance	12	150	97	53	(45.36)
Other	22 126	26 097	24 588	22 515	(8.43)
Total Operational Expenditure	70 180	74 139	72 573	71 013	(2.15)
Net operational (Service) Expenditure	68 213	71 834	70 268	69 713	(0.79)

Variances are calculated as follows:
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: HUMAN RESOURCES SERVICES R'000

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All	470	485	389	(19.79)	
OCCUPATIONAL HEALTH - 5 X LAPTOPS	125	133	110	(17.29)	
PERSONNEL - FURNITURE	109	110	107	(2.73)	
PERSONNEL – 5X RECORDER	7	7	3	(5.71)	
EMPLOYEE RELATIONS – 1 X LAPTOP	22	18	16	(11.11)	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION

Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
Accountant	4	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Accounts Officer	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Administration Officer	5	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Administrator	3	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Advisor	2	T14	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Archives, Registry & Information Manage	1	T13	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Area Manager	3	T15	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Artisan	24	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Benefits Administrator	1	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Building Inspector	4	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Business Analyst	2	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Cable Layer	1	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
CAD / GIS Operator	1	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Call Centre Agent	3	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Caretaker	4	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Caretaker (Halls)	2	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Cashier	13	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Chief Administration Officer	2	T13	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Chief Building Inspector	1	T13	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Chief Co-ordinator (Education & Training	1	T13	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Chief Legal Advisor	1	T17	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Cleansing Officer	2	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Clerk of Works	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Committee Officer	9	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Community Development Facilitator	5	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Conservation Supervisor	1	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Control Officer	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Co-ordinator	3	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Crematoria Operators	2	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION

Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
Data Base Support Officer	1	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Data Capturer	2	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Desktop Publisher	1	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Desktop Support Technician	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
District Horticulturalist	1	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
District Horticulturist	2	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Driver	6	T04	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Driver / Supervisor	5	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
EAP Practitioner	1	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
ECC Controller	1	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Economist	1	T15	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Education Officer (Art)	2	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Education, Development & Training Pract	4	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Exit Controller	2	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Facilitator (Ward Strategy)	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Field Hygiene Worker	6	T03	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Financial Controller	1	T14	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Financial Manager	2	T16	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Fire Fighter	21	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Foreman	3	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
General Assistant	452	T03	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
GIS Operator	2	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Handyman	3	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Heavy Plant Operator	1	T03	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
High Speed Copier Operator	1	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
HIV / AIDS Counsellor & Trainer	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Human Resources Manager	2	T15	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Human Resources Officer	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Hydrant Maintenance Inspector	1	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
ICT Projects Administrator	1	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
ICT Support Officer	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Inspector	6	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Installation Inspector	2	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Interpreter / Translator	6	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Landfill Officer	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Liaison Officer (Informal Settlements)	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Librarian	12	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
Library Assistant	30	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Licensing Inspector	3	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Manager	4	T14	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Manager	6	T15	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Manager	4	T16	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Petrol Attendant	3	T03	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Pool Supervisors	2	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Principal Administration Officer	2	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Principal Clerk	16	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Printing Assistant	1	T04	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Project Co-ordinator	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Project Manager (Implementation)	1	T14	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Public Works Manager	1	T16	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Receptionist	3	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Revenue Clearance Officer	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Secretary	15	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Security Officers	67	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Admin Officer (Beneficiary)	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Administration Officer	3	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Auditor	1	T13	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Clerk	77	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Contracts Officer	4	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Co-ordinator (Batho Pele)	1	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Engineer	1	T15	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Fleet Controller	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Groundsman	1	T08	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Librarian	7	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Library Assistant	15	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Manager (Secretariat & Auxiliary)	1	T16	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Technical Town Planner	4	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Technician	1	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Senior Technologist (Project Implementation)	1	T14	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Serviceman	2	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Signs Inspector	1	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Social Worker	1	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Storekeeper	1	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Supervisor	2	T08	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value

EMPLOYEES WHOSE SALARY LEVEL EXCEEDS THE GRADE DETERMINED BY JOB EVALUATION				
Occupation	No. of employees	Job evaluation level	Remuneration level	Reason for deviation
Survey Technician	1	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Systems & Remunerations Officer	1	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Team Leader	1	T06	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Technical Officer (Art)	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Technician	12	T11	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Telephonist	3	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Tractor Driver	12	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Traffic Officer	27	T09	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Traffic Warden	4	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Truck Driver	2	T05	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Tyre Fitter	1	T04	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Valuer	2	T12	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
VIP Protector	1	T07	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Ward Profiler	1	T10	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value
Water Services Authority Manager	1	T16	Personal to Holder	Migration to new structure - previous perceived grading, implementation of TASK with lower monetary value

EMPLOYEES NOT APPOINTED TO ESTABLISHED POSTS		
BUSINESS UNIT	POST TITLE	COMMENTS
Budget & Treasury Office	UN_Finance Support Manager	Employee unallocated to approved structure – Close match not identified
Budget & Treasury Office	UN_Principal Clerk	Employee unallocated to approved structure – Close match not identified
Community Services	UN_Project Manager	Employee unallocated to approved structure – Close match not identified
Community Services	UN_Senior Library Assistant	Employee unallocated to approved structure – Close match not identified
Community Services	UN_Senior Manager: Waste	Employee unallocated to approved structure – Close match not identified
Corporate Services	UN_Personnel Manager	Employee unallocated to approved structure – Close match not identified
Infrastructure Services	UN_Clerk 1	Employee unallocated to approved structure – Close match not identified
Infrastructure Services	UN_Clerk 1	Employee unallocated to approved structure – Close match not identified
Infrastructure Services	UN_Clerk 2	Employee unallocated to approved structure – Close match not identified

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

The approval of the 2013 Structure saw the allocation of employees from the 2004 structure with perceived grades, to the approved task grades aligned to a written Job Description - Where offers of allocation were accepted and are at a lower level, the allocation will be done on Personal to Holder until the post is filled by a new incumbent.

Deficiencies in the current Job Descriptions are currently under review and it is anticipated that this exercise will narrow the gap of perceived and actual. The allocation of the employees was done by matching the job content/requirement of the post per the structure with the skills/competencies, qualifications, experience of the employees, omissions on the new structure, coupled with the provision that an employee may not be allocated into a higher level post without the post having being duly advertised, resulted in 9 employees remaining unallocated to the 2013 structure. Structure Review has commenced into the 21/22 financial year.

4.5 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Msunduzi ICT department's vision is "Supporting service delivery excellence through the provision and maintenance of state-of-the-art ICT systems and infrastructure".

During the 2021/22 financial year, ICT business unit focused on the ICT Governance related functions. This saw the unit developing a new ICT Strategy and Governance Framework, which will guide Msunduzi ICT department for the next 3 years. The two important Strategy plans documents will see ICT unit focusing on enabling the effective operation of critical business operations through the provision of business applications and provide the robust ICT infrastructure which will form the basis of service delivery.

ICT unit also revived the Risk Management function and at least two risk management workshops were held during the 2021/22 financial year which assisted in updating the ICT risk management register.

The two main critical ICT risks are related to ageing ICT infrastructure and lack of or limited ICT funding. Although ICT received R5 million capital injection at the beginning of March 2022 during the midterm process, this is not enough to deal with the long list of old and legacy hardware infrastructure that is long overdue for replacement.

EMPLOYEE INFORMATION

EMPLOYEE: ICT SERVICES					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	0	0	0	0	0
T04-T08	1	1	1	0	0
T09-T13	18	22	17	5	23
T14-T18	3	5	2	3	60
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	23	29	21	8	28
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.					

ORGANIZATIONAL UNITS WITHIN INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT INFRASTRUCTURE

Information technology (IT) infrastructure is critical to maintaining and improving the overall employee performance and productivity in the organisation. A strong network of IT infrastructure components, such as hardware, software, and data storage, makes business operations run better and faster. A weak one, on the other hand, slows down work processes or leads to inefficiency.

With more organisations becoming increasingly digital, the need for strong IT infrastructure management has become critical in providing a coherent IT infrastructure.

5 Components of IT Infrastructure

- 1 Hardware**
The physical components that can be touched. Some examples are computers, laptops, servers and storage devices.
- 2 Software**
A set of instructions that enables hardware devices to function. Software is of two types: system software and application software.
- 3 Network**
Network is a combination of hardware and software and allows communication between users, apps and work processes.
- 4 Data center**
Data center is a physical or virtual space used to store, analyse and manage business information and application.
- 5 Remote connectivity**
Remote connectivity tools help virtually connect, share and manage IT assets and resources in a digital workspace.

The unit is responsible for upholding standards relating to all aspects of the Service desk, User Support, Datacenters, Server, Storage, PABX, Networks and Technology Architecture.

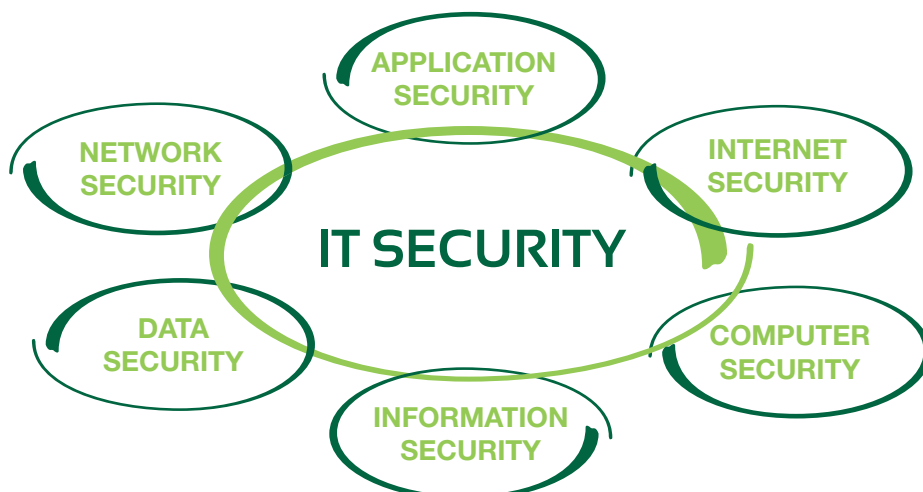
During this financial year, the unit delivered on two priorities;

Fiber connectivity: Two critical sites (Traffic and Galloway buildings), fiber secondary links were commissioned and connected to high-speed for redundancy purposes.

The current Alcatel PABX Telephony system, the Management and monitoring Rampage software have been successfully upgraded during May 2022. The upgrade has added and extended the systems capabilities in terms of functionality and adding more capacity.

ICT SECURITY

The ICT Governance and Security manager will be responsible for all ICT governance and development of cybersecurity strategies that prevents unauthorized access to organizational assets such as computers, networks, and data. Also maintains the integrity and confidentiality of sensitive information, blocking the access of sophisticated hackers. This function will also ensure that audit findings will be addressed timeously. Functional areas:

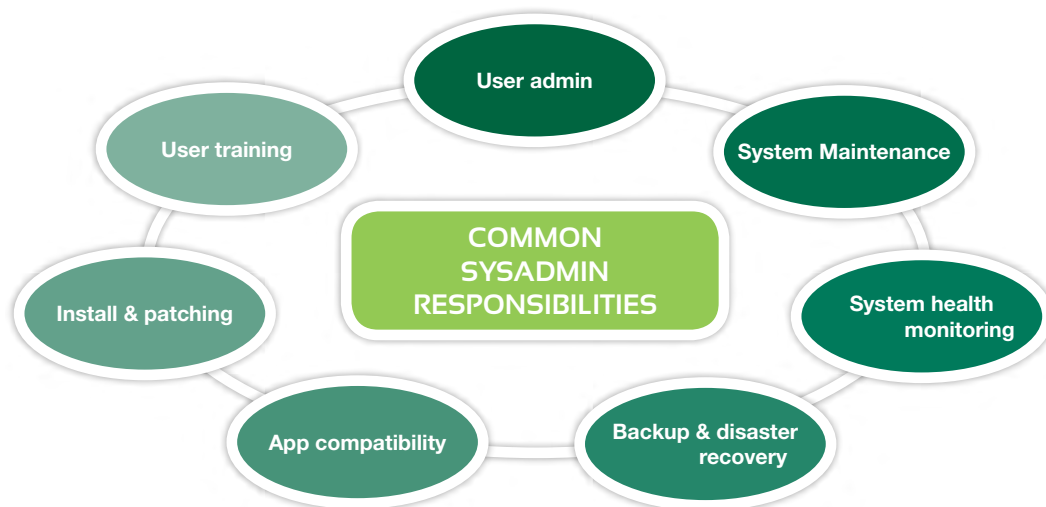


One of the challenges within ICT is in that the position of Security Manager remain unfilled and vacant, however, it was advertised internally and no suitable candidate was appointed. Recommendations were made to HR to also advertise externally. Short listing and interviews for the vacant position of the ICT Security Officer were conducted internally and recommendation for the suitable candidate forwarded to HR. Network tender was evaluation by SCM and awarded.

Procurement and delivery of four new Firewall equipment (SOPHOS XGS 4500 Security Appliance with integrated WEB Filtering) was concluded by June 2022. The equipment will assist in phasing the current outdated Firewall Technology.

SYSTEM ADMINISTRATION

This function focuses on maintaining and administrating various systems, as well as providing first line support for these systems. The average server uptime is greater than 90% for the period 01 July 2021 to 30 June 2022. The day-to-day administrating of the IT systems are mainly used by ICT staff to keep the ICT system landscape operating at a premium. Most of the ICT operational work as depicted below falls within this unit.



PROJECT MANAGEMENT

This function ensures that all ICT projects are managed in a structured fashion using a chosen methodology. Priority ICT projects are driven by this unit. During this 2021/22 financial year, the following projects were registered

1. Automation of all Msunduzi committee agenda meetings
2. Conversion of manual forms into electronic forms and workflows
3. Upgrading of PABX Telephony System

The first two projects were not completed due to various issues encountered during implementation. These projects have been moved over to the next financial year.

The current Alcatex PABX system and Management and monitoring Rampage software have been successfully upgraded during May 2022. The upgrade has added and extended the systems capabilities in terms of functionality and adding more capacity.

BUSINESS OPTIMIZATION

The Business Optimisation section together with the respective Business Units has facilitated and achieved signed Business System SLAs for the following systems:

1. SCADA-Water System
2. SCADA- Electricity System

3. FRESHMARK Market System
4. PETROPORT Fuel Management System
5. METGOVIS Rates/Evaluation System
6. Traffic Contravention System

Due various technology dependencies and challenges, the following KPA's were not achieved but is ongoing in the 2022/2023 financial year:

1. Manual forms Automation

Msunduzi Website Re-Development

SERVICE STATISTICS FOR ICT SERVICES

ASSIGNEE SUMMARY REPORT

Group Name	Assignee	Logged	Open	Resolved	Closed	Average Resolve (Days)
External Vendor	Bytes Communication Systems	107	10	97	-	38,14
	Fujitsu	1	-	1	-	20
	SBD MFPs	468	6	462	-	14,98
	Telkom	9	-	9	-	55,67
	Total	585	16	569	-	19,85
Internal	Andrew Odell	214	26	188	0	46,68
	Devlin Naidoo	9	-	9	-	38,11
	ICT Loans	2	2	-	-	101
	Lumumba Jijana	213	7	206	-	20,79
	Mbulelo Mbedu	137	3	134	-	13,99
	Nazareth Shelembe	350	4	346	-	10,16
	Nkosinathi Dube	636	22	614	-	15,12
	Nompilo Mthimkhulu	363	5	358	-	4,66
	Nontobeko Sithole	32	-	32	-	4,78
	Nothando Mshengu	129	-	129	-	2,33
	Philile Sibiya	86	-	86	-	3
	Sibusiso Ndelela	92	4	88	-	15,67
	Siphehile Madlala	58	2	56	-	31,36
	Siyabonga Dlamini	282	5	277	-	9,18
	Zinhle Mncwabe	3	-	3	-	34,33
	Total	2606	80	2526	-	14,74
Interns	Andiswa Sithole	177	8	169	-	14,68
	Daryl Naidoo	111	1	110	-	5,4
	Dashni Pillay	161	3	158	-	9,6
	gugu Madlala	283	10	273	-	13,1
	Khumbulani	126	3	123	-	12,6
	LindokuhleM	436	16	420	-	4,95
	Londeka Msomi	1	-	1	-	3
	Mondli Shoba	61	5	56	-	22,72
	NickeelB	337	12	325	-	8,98
	Nokwazi Kheswa	539	6	533	-	2
	Nomakhwezi	180	4	176	-	2,81
	Nomathemba	307	22	285	-	17,36
	Sibonelo	396	20	376	-	24,41
	Sindisiwe	177	7	170	-	10,68
	Thandiwe	59	4	55	-	25,14
	Zaahid Essop	19	-	19	-	0,16
	Total	3370	121	3249	-	10,85

CALLTYPE & CATEGORY SUMMARY REPORT

Call type	Category	Sub Category	Logged	Open	Solved	Closed	Average Resolve (Days)
Hardware	Hardware Fault	Desktop	307	1	306	-	7,69
		Device not turning on	28	1	27	-	9,93
		HDD	1	-	1	-	0,00
		Keyboard	11	-	11	-	1,36
		Laptop	182	2	180	-	6,46
		Mouse	10	-	10	-	1,00
		Power Supply	3	-	3	-	14,00
		Printer	987	8	979	-	10,43
		Projector	18	-	18	-	14,83
		Ram	4	-	4	-	2,50
		Scanner	11	-	11	-	14,09
		Screen	41	-	41	-	2,56
		Speaker	4	-	4	-	0,75
	Hardware Request	Assist with PC movement	2	-	2	-	2,00
		Change Computer Name	13	-	13	-	3,85
		Set printer code	8	-	8	-	1,50
		Setup PC	179	2	177	-	11,31
		Setup Printer	69	2	67	-	14,51
		Transfer Data	65	-	65	-	13,03
Internet/Intranet	Internet / Intranet Down	Primary Internet link	1	-	1	-	1,00
	Internet / Intranet Faults	Browser	11	-	11	-	1,45
		Proxy Settings	2	-	2	-	5,00
		Slow Internet Response	7	-	7	-	5,71
	Internet / Intranet Requests	Download data	2	-	2	-	4,50
		Drop box	1	-	1	-	10,00
		Unblock Site	1	-	1	-	13,00
		Upload data	128	-	128	-	13,16
Network	Drive Mapping	Add	63	-	63	-	4,73
		Remove	1	-	1	-	4,00
	Fibre	Repair	1	-	1	-	11,00
	Network Cable	Add	24	-	24	-	9,88
		Move	2	-	2	-	1,50
		Remove	2	-	2	-	0,50
	Network Connectivity	IP Conflict	22	-	22	-	5,50
		No Network	16	-	16	-	3,44
		Out of Domain	79	1	78	-	5,39
		Set Static IP	24	2	22	-	31,75
		Slow Network Response	241	3	238	-	7,19
	Network Fault	Diginet	13	1	12	-	59,15
		Fibre	6	-	6	-	12,00
		LAN	91	-	91	-	6,52
		Network Cable	11	-	11	-	10,55
		Network Point	41	-	41	-	8,63
		Router	2	1	1	-	59,00
		Switch	2	-	2	-	15,00
		VPN	55	-	55	-	2,64
		Wifi	55	-	55	-	9,78
	Network Request	New Network Point	41	4	37	-	31,00
	Site Down	CBD	5	-	5	-	1,00
		DR	1	-	1	-	0,00
		Remote	18	-	18	-	3,50
Security	Access card	Disable	5	-	5	-	1,40
		Enable	28	-	28	-	0,93
	Delete / Uninstall / Revoke	Access Card	10	-	10	-	0,30
		AD User Account	11	-	11	-	7,82
		Heat User Account	1	-	1	-	0,00
		Shared Drive Permissions	1	-	1	-	0,00
	Install / Create / Grant	Access Card	12	-	12	-	1,08
		AD User Account	219	4	215	-	4,60
		Antivirus	1	-	1	-	0,00
		Corp Comms Permissions	1	-	1	-	21,00
		Heat Permissions	1	-	1	-	0,00
		Heat User Account	4	-	4	-	0,25
		Local Permissions	15	1	14	-	37,13

Call type	Category	Sub Category	Logged	Open	Solved	Closed	Average Resolve (Days)
Security	Install / Create / Grant	Shared Drive Permissions	89	13	76	-	40,74
		VPN	90	-	90	-	8,68
	Password Reset	Active Directory	187	-	187	-	2,61
		Heat	3	-	3	-	42,33
		VPN	5	-	5	-	4,60
		Access Card	1	-	1	-	7,00
	Security Fault	Desktop Virus Infection	4	-	4	-	24,25
		Recover User Data	10	-	10	-	5,50
		User Account	7	-	7	-	1,57
		Active Directory	59	1	58	-	9,39
	Unable to log in	Heat	1	-	1	-	0,00
		Active Directory	397	-	397	-	0,48
	Unlock account	Access Card	6	1	5	-	17,67
		AD User Account	248	1	247	-	2,90
	Update / Modify	Antivirus	1	-	1	-	20,00
		Impro	1	-	1	-	4,00
		Internet Permissions	3	-	3	-	42,33
		Shared Drive Permissions	2	-	2	-	13,00
	User Account	Veeam	1	-	1	-	0,00
		Enable	1	-	1	-	13,00
		Unlock	2	-	2	-	1,50
Server	Request	Group Policy	11	-	11	-	86,36
	Server Down	Exchange	2	-	2	-	8,50
		Host Server	2	-	2	-	4,00
		SharePoint	1	-	1	-	37,00
	Server Fault	Active Directory	3	-	3	-	0,00
		SAP	4	-	4	-	0,50
		Terminal Server	1	-	1	-	0,00
Software	Installation	Accuglobe	1	-	1	-	1,00
		Adobe	20	-	20	-	2,85
		Browser	3	-	3	-	6,33
		Cisco VPN	1	-	1	-	0,00
		Contour	2	-	2	-	66,00
		Engage	1	-	1	-	3,00
		GIS	2	-	2	-	2,50
		Google Earth	7	-	7	-	5,14
		Heat	9	-	9	-	2,22
		Inspired Interface - Electricity	1	-	1	-	0,00
		Metval	2	-	2	-	33,00
		Microsoft Office	376	3	373	-	5,11
		Microsoft Project	15	-	15	-	11,40
		Mimecast	1	-	1	-	1,00
		Model Maker	2	-	2	-	1,00
		Open project	4	-	4	-	11,75
		Operating System	26	-	26	-	11,12
		Payday	2	-	2	-	0,00
		Promis Expenditure	3	-	3	-	2,33
		SAP GUI	69	-	69	-	8,04
		SCCM	1	-	1	-	3,00
		Slims	1	-	1	-	11,00
		Software Updates	4	-	4	-	4,50
		Traffic Contravention System (TCS)	3	-	3	-	13,33
	Requests	Heat	7	-	7	-	4,43
	Software Fault	Adobe	81	-	81	-	4,35
		Arcview	1	-	1	-	1,00
		Browser	2	-	2	-	0,50
		Contour	1	-	1	-	1,00
		DocuSoft	2	1	1	-	73,00
		Email	400	5	395	-	9,34
		Engage	3	-	3	-	2,00
		Google Earth	2	-	2	-	11,50
		Heat	64	-	64	-	7,47
		Java	1	-	1	-	2,00
		Meter management	1	-	1	-	4,00
		Metval	5	-	5	-	7,80
		Microsoft Access	2	-	2	-	2,00

Call type	Category	Sub Category	Logged	Open	Solved	Closed	Average Resolve (Days)
Software	Software Fault	Microsoft Excel	24	-	24	-	2,08
		Microsoft Office	304	4	300	-	7,32
		Microsoft Outlook	110	3	107	-	9,00
		Microsoft Project	3	-	3	-	7,00
		Microsoft word	9	-	9	-	3,56
		Mimecast	5	-	5	-	4,20
		Operating System	12	-	12	-	30,58
		Promis Expenditure	1	-	1	-	158,00
		ReAct	1	-	1	-	2,00
		SAP	74	-	74	-	5,49
		Services 2000	1	1	-	-	153,00
		Slims	3	-	3	-	30,00
		Traffic Contravention System (TCS)	4	-	4	-	5,75
		Value Assist	2	-	2	-	0,50
		Weighbridge	4	1	3	-	63,50
Telephony	Telephone Fault	Analogue Line	70	3	67	-	15,07
		Crackling	11	1	10	-	15,64
		Fax	1	-	1	-	2,00
		No Sound	18	2	16	-	52,94
		Not dialing out	35	1	34	-	21,20
		Not ringing	60	-	60	-	5,62
		Padlocked	1	-	1	-	7,00
	Telephone Requests	Airtime	9	-	9	-	14,00
		Bulk SMS	1	-	1	-	12,00
		Call barring	1	-	1	-	0,00
		Change phone details	53	-	53	-	9,75
		Clear extension	18	-	18	-	12,33
		Connect phone	46	1	45	-	12,85
		New extension	3	-	3	-	5,00
		Reset code	38	-	38	-	9,11
Speed dials	24	-	24	-	15,04		
Telephone line	3	-	3	-	15,00		
Total			6440	75	6365	-	8,76

The ICT Helpdesk is the single point of contact for Internal Municipal employees to obtain assistance in IT related Service requests and queries through telephone and email. The helpdesk is currently composed of two Service desk consultants and 4 IT Technicians which is insufficient to cope with the workload on both Incident handling and service provisions. Our service delivery priority is to improve the turnaround time to resolve Incidents, however ICT is understaffed to meet the service delivery standard expected. ICT hired 5 additional Interns to assist in projects and Incident handling. Analysis in reducing Incidents was noted and budget to upgrade ICT equipment and infrastructure has been requested.

Call type Summary Report- Gives an overview of Incidents/Requests logged per Call type, Category and Subcategory. The total Incidents received for FY 2021/2022 is: 6,440 Open: 75, Solved: 5,558 and average days to resolve Incidents is 8.76. In the past year ICT have implemented projects that were urgently required to adhere to Covid regulations that were new laptop deployment to various departments, MS Teams application rollout and providing ICT support to Committee meetings.

Assignee Summary Report – Illustrate the total number of Incidents/Requests logged, Open, solved and the average days taken to resolve Incidents for each ICT officers in the 2021/2022 Financial year. Some service requests take longer to accomplish such as Computer deployment, Asset loans and system faults, these Incidents are categorized as projects, but the call ticket billing would still count.

INFORMATION COMMUNICATION TECHNOLOGY FINANCIAL INFORMATION

FINANCIAL PERFORMANCE 2021/2022: INFORMATION COMMUNICATION TECHNOLOGY					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	30	(2)	(2)	-	(100)
Expenditure:					
Employees	12 042	16 326	16 326	14 958	(8.37)
Repairs and Maintenance	4 648	5 000	5 950	5 344	(10.18)
Other	11 109	14 467	18 407	3 067	(83.34)
Total Operational Expenditure	27 799	35 793	40 683	23 369	(42.56)
Net operational (Service) Expenditure	27 829	35 791	40 681	23 369	(42.56)
Variances are calculated as follows:					
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE 2020/2021: INFORMATION COMMUNICATION TECHNOLOGY
R'000

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All	1 946	6 236	4 745		
Project A : NETWORK REFRESH	750	641	0	(100)	
Project B: LAN/WAN	846	2 241	1 890	(15.66)	
Project C :COMPUTER EQUIPMENT	350	3 354	2 855	(14.88)	
Total All	1 946	6 236	4 745		

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

During the 2021/22 financial year, ICT focused on the Governance functions affecting the department. We were able to finalize the development of the ICT Strategy and the Governance Framework, the facilitation and concluding of the Service Level Agreement for business systems, the advertising, adjudicating and the awarding of various ICT support contracts for the support and maintenance of ICT infrastructure. This enabled ICT department to function without encountering various hindrances and also to address some of the Audit findings that were raised for the same.

INTRODUCTION TO MUNICIPAL WEBSITE CONTENT AND ACCESS:

Communication: To begin with, these sites are a powerful tool for towns to communicate with their citizens, and they allow site visitors to get quick answers to easy questions.

Participation: In addition, these websites expand opportunities for citizens to participate in and be informed by local government. In many smaller towns, town offices are only open at certain times of day, which may be inconvenient for many of those towns' residents. By offering more information online, a town is offering an opportunity for more of its residents to be well informed, and to participate in the process of keeping the community running smoothly.

Access: As more and more people become accustomed to finding the information they need online; municipal website can enable towns to communicate with visitors and residents in a way they are accustomed to.

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL FOR THE 2021/22 FY

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL FOR THE 2021/22 FY			
DOCUMENTS PUBLISHED ON THE MUNICIPALITY'S / ENTITY'S WEBSITE	YES/NO	PUBLISHING DATE	DESCRIPTION
Current annual and adjustments budgets and all budget-related documents	YES	NOT AVAILABLE	
All current budget-related policies	YES	2021-09-15	Msunduzi 2021-2022
The previous annual report (2020/21)	YES	2021-03-28	Msunduzi Annual Report
The annual report (2021/22) published/to be published	NO	NOT AVAILABLE	To be published
All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/22) and resulting scorecards	YES	2021-08-23	Msunduzi Performance Agreements
All service delivery agreements (2021/22)	NO	NOT AVAILABLE	
All long-term borrowing contracts (2021/22)	NO	NOT AVAILABLE	
All supply chain management contracts above a prescribed value (3) for (2021/22)	NO	NOT AVAILABLE	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during (2021/22)	YES	2021-11-04	Msunduzi Finance
Contracts agreed in (2021/22 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	NO	NOT AVAILABLE	
Public-private partnership agreements referred to in section 120 made in (2021/22)	NO	NOT AVAILABLE	

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS OVERALL:

Information is uploaded almost daily. This is done by formatting documents where necessary, logging onto the website, customizing areas if necessary and uploading data. Publishing dates are indicated below the information or file download. The Public can access information on www.msunduzi.gov.za 24hrs a day by viewing some information on respective pages whereas other information is available as downloads viz. PDFs (Readable with Acrobat Reader). Information not up to date is usually due to respective Units not providing them timeously or when prompted about this report or not at all. Most compliance documentation is only made available by respective Units close to or on the due date and usually require further updating a few days later as original info is either incorrect or incomplete. Most information provided is uploaded and available within a few hours.

COMPONENT E: BUDGET & TREASURY BUSINESS UNIT

5. BUDGET & TREASURY BUSINESS UNIT

5.1 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

1. SERVICE DELIVERY

Revenue Management involves all procedures necessary to ensure that all income is fully accounted for. The service delivery objectives of the department is the collection of revenue, the accounting of all revenue streams and the management of indigent residents in the City.

ORGANIZATIONAL UNITS WITHIN REVENUE MANAGEMENT UNIT

COMPLIANCE DATA ANALYSIS & REPORTING

The compliance data and analysis and reporting section manages the Tariff Review and Approval Process by ensuring that the tariffs follow legislative compliance for billing for each financial year, especially in terms of Section 75A of the Systems Act. The approval of the Tariff Policy is also a deliverable in terms of the Systems Act. The section also supports the Annual Financial Statement Process through the finalization of monthly reconciliations relating to the Subsidiary Ledger, General Ledger and Trial Balance. Short and long-term service delivery objectives are monitored as required by the section. The compliance data analysis unit met all the targets set for the 2021/22 period.

CUSTOMER CARE

Customer Care Section is responsible for new service application, application for service alteration, application for property transfers, prepaid electricity sales, receipting and handling of customer queries. Customer Care consists of five sub-sections as listed below: Counter Enquiries Section, Receipting Section, Service Application Section, Correspondence Section and Prepaid Electricity administration Section

DEBT MANAGEMENT MONITORING

The Municipality conducted an analysis of its processes to recover its revenue and well as the processes followed in outstanding debt recovery. This value chain was thoroughly analyzed with intention to revamp, augment or restructure the processes and the organogram. The analysis revealed amongst others that the application of the credit control and debt collection policy does not yield the expected outcomes due to the fact that when services are disconnected/restricted for debt recovery, customers reconnect themselves, hence a low outstanding debt payment. This could be clearly

Revenue management must insert information pertaining to the Indigent Policy for 2021/2022 FY and the implementation thereof. Explain the application process – date opened for applications and closure as well as number of indigent consumers.

2. INDIGENT POPULATION

That the gross household income for qualification as a registered Indigent be determined each year by Council in terms of the tariff register. Currently the threshold income is R 4 560.00

That the prescribed application forms be completed annually.

Qualification for concessions – Indigent policy 2021/22

The municipality has an approved indigent policy which specifies the criteria to be met to qualify for the indigent beneficiary. The criteria also include the income threshold that is reviewed on an annual basis. The following benefits are provided to approved indigent customers:

COMMENT ON ACCESS TO BASIC SERVICES:

The municipality has been experiencing challenges in terms of customers that are making false declarations and submitting false documents to qualify for indigent benefits whilst they are employed. The municipality conducted a vetting of the indigent register where all the indigent beneficiaries that are working for the state were identified and removed from the register and their indigent beneficiary as well previous write-offs reversed

5.2 REVENUE MANAGEMENT

ORGANIZATIONAL UNITS WITHIN REVENUE MANAGEMENT

- Compliance Data Analysis & Reporting
- Customer Care
- Debtors Management
- Rates and Auxiliary services
- Utility Services

ORGANIZATIONAL UNITS WITHIN REVENUE MANAGEMENT

COMPLIANCE DATA ANALYSIS & REPORTING

Reviews the Tariff Policy annually and ensures that all revenue-generating departments adhere to policy imperatives during the process of the review of tariffs and charges. Responsible for ensuring that the tariffs are approved in accordance with the relevant legislation. Ensures that the tariffs are applied correctly on the SAP ISU Module by analysing and evaluating the billed tariffs to be approved tariffs.

The draft budget process began in January 2021 for the approval of the 2021/22 tariffs. The 2022/23 tariff setting that was done during 2021/22 noting that the process was finalised before the end of the financial year. Each department was advised on the guidelines received from the Budget Office and requested to provide their tariff increase submissions. Each Business Unit undertook a cost reflective tariff review process, implementation thereof will follow in the next year's budget. The Draft Register of Tariffs and Charges was finalized in line with Council's approval.

The Public Participation process took place as per the following timelines:

DATE	TIME	STAKEHOLDERS
10 March 2021	2PM	Public Consultation with Business
13 March 2021	5PM	Public Consultation with Wards 21 - 27
14 March 2021	5PM	Public Consultation with Wards 28 - 39
17 March 2021	2PM	Public Consultation with Rate Payers & Civic Associations
19 March 2021	5PM	Public Consultation with Wards 1 - 9
20 March 2021	5PM	Public Consultation with Wards 10 - 20

Adverts advising of the virtual meetings were published in the Witness (05/03/2021), Public Eye (12/03/2021), Eyethu (12/03/2021) and Maritzburg Sun (12/03/2021). ICT created a Public Consultation e-mail address for the purposes of this process. The link for the virtual meetings were supplied as per the advert and virtual meetings took place as scheduled. Verbal queries raised during the consultation meetings were dealt with during the meeting. These meetings were recorded and minutes for each meeting were finalised. Written comments received during the consultation process was collated and submitted to all Senior Managers for their response to formulate an action plan to attend to the concerns raised.

The final percentage increases were captured into the Register of Tariffs and Charges 2021/22 and submitted to the Budget and Treasury Office for inclusion with the Budget Approval within the stipulated timelines. The recommendations relating to the increases contained in the Register of Tariffs and Charges 2021/22 was approved by Full Council on 31 May 2021. The Full Council Resolution and the final document followed the legislative requirements for Section 75A of the Systems Act.

The Full Council Resolution and the Approved Register of Tariffs and Charges 2021/22 was displayed at all the relevant Municipal Offices on 01 June 2021 as required. The advert advising of the approved tariffs were published in the Natal Witness on 24 June 2021, whilst the adverts appearing in the Eyethu, Public Eye and Maritzburg Sun was published on 25 June 2021. All relevant documents were hand delivered to the MEC's office on 29 June 2021 and proof of delivery obtained.

The Tariff Policy is reviewed annually and submitted for approval to Council and that the tariffs are annually reviewed in line with the National Treasury guidelines and prevailing legislation.

All reconciliations are submitted monthly, and all audit queries are addressed timeously. No challenges have been experienced.

CUSTOMER CARE

Customer Care Section is responsible for attending to face-to-face/ telephonic and emailed customer queries and offering assistance to customers to ensure they find the right service. The customer care purpose is to ensure that all customer questions/queries received from customers are answered and resolved while ensuring high standard of customer satisfaction.

Customer Services provides a "one stop shop" for customers requiring new electricity services, upgrades/downgrades to supply, tariff changes, conversion of conventional metering to prepaid and vice versa, subsidized (low cost housing) connections, temporary disconnection/isolation of supply, reconnections and meter tests. In addition to these processes, the section also handles the prepaid vending processes, including customer support and advisory functions.

Our aim is to resolve 100% of queries received within 10 days and we have improved in the turnaround time.

Customer care department has improved turnaround time in resolving queries received in June 2021 82% of queries were resolved and in June 2022 96% of queries were resolved.

	Jun-21	Jun-22
Total number of Queries	1894	4377
Resolved	1546	4185
In Progress	348	189
	82%	96%

Challenges are some queries are received by other departments and not communicated to customer care while other queries are resolved by other departments and not communicated to customer care to clear.

	Jun-21	Jun-22
Total number of Statements emailed to consumers	53 970	62034
Total email addresses that had error when sending statements	1 811	12

Customer care has also improved in the number consumer email addresses used to send statements every month. In June 2021 only 53 970 customer email addresses were recorded and sent statements while in June 2022 62 034 emails were sent at month end.

Our plan is to send all customer invoices via email to customers that have email addresses to ensure it delivered on time and consumer will have a copy anytime they require to make payment and we have improved in ensuring we have the correct email address captured on the system compare to June 2021. The customers with email addresses that had errors were subsequently contacted and statements manually sent to them.

Statements are now also sent via WhatsApp to consumers that do not have access to emails but who are using WhatsApp.

RATES AND AUXILIARY SERVICES

The Rates department is responsible of the raising of property rates on all rateable property as per the Municipal Property Rates Act and ensuring that this is aligned with the Municipality's valuation roll. Monthly reconciliations are conducted between the valuation roll and the billing files to ensure that all discrepancies are realised and corrected. The rates policy, which is aligned to the MPRA is reviewed annually and submitted for approval to Council. Rates randages are reviewed annually and in line with the National Treasury guidelines and prevailing legislation. All reconciliations are submitted monthly and all audit queries are addressed timeously.

The municipality has been issuing electronic rates clearance certificates from 01 September 2019. The e4 system had significantly contributed towards revenue collection by reducing the number of days it takes to issue a rates clearance certificate. The system has proven to be very effective with regard to document tracking and retrieval, audit trails and electronic storage of application and related documents. The system is free to Council.

Rates clearance certificates

2021 2022	Applications Received	Assessments Issued	RCC's	Low Cost Housing	Total RCC's
TOTAL	5347	4522	3258	336	3594

5347 rates applications were received for the 2021/22 financial year. 4522 (85%) rates assessments were generated which met the stipulated targets as per the SDBIP. Each assessment has a 60-day validity period, of the 4522 assessments issued, 72% were paid. 3594 rates clearance certificates were issued: 3258 (90.6%) for conventional transfers and 336 (9.4%) for low cost housing.

Financial year	2018/19	2019/20	2020/21	2021/22
Assessment	31	31	25	14
RCC	48	47	41	31
Total Days	79	78	66	45

The average around times have significantly improved since the rates clearance process has been made electronic. 14 days - average turnaround time from acknowledgement of the application to the assessment being issued. 25 days - average time in which the conveyancer has made the payment. Six days - average turnaround time for cost paid to issuing of the clearance certificate where there are no queries or shortfalls in payment.

Forty-five days annual average turnaround time from acknowledgement of the application to the issuing of the RCC, compared to 2018/2019 which was 79 days, 2019/2020 which was 78 days and 2020/2021 which was 66 days.

Revenue collected for rates clearances 2021 / 2022

2021/2022	Qty	Amount
APPLICATIONS FEES	5347	R2 398 129,50
ASSESSMENTS PAID	3379	R147 220 489,05
TOTAL		R149 618 618,55

Revenue collected for rates clearances for the 21/22 financial year: R149 618 618.55 made up of: R2 398 129.50 for application fees and R147 220 489.05 for payment of rates assessments

UTILITY SERVICES

Utility section key functions are; to ensure that Water and electricity meters are read with regularity and accuracy so that the correct consumption information is recorded on the billing system; meter reading estimates are also minimized or at least carried in accordance with the municipality's Credit Control Policy. Utility section is tasked with ensuring that all services provided to customers are billed for accurate and complete information on billing system, to avoid loss of revenue and overstated revenue where customers are billed in correctly. Utility section encompasses of 4 sub section.

- Meter reading / Bulk
- Validation
- Document Processing
- Memo section
- Refund Section

Utility section has developed a Task team that attends to all estimated accounts for the purpose of ensuring correct billing. Meters that faulty are prompt attend to, as a result the stats of read meters is now increasing which will also restore trust to communities. The section is still facing a challenge in reading meters informal settlement areas where there are no street names, data cleansing is still in progress. Furthermore, the section is in process of introducing handheld devices, the meter reading app has already been developed and tested. Interviews were also held for Vulindlela meter readers, the meter readers will read the area and able to identify any water leaks within the area.

A pilot project was started in month of July where Municipality officials are visiting communities to address all billing issues, this will also assist communities to have a one-on-one section with officials.

REVENUE ENHANCEMENT

Revenue enhancement section's key focus areas currently are monitoring of lights to the properties disconnected by electricity business unit, conducting installation audits as requested by revenue on matters under investigation for account processing or adjustments, adjudication of accounts disputes that could not be resolved by the relevant departments due to unavailability of policy, bylaws and legal frameworks to guide the resolution process.

During the year under review, the Revenue enhancement unit monitored disconnections done during the months of July & August 2021, March to June 2022. There were financial reasons that resulted in the halting of the work during the months of September 2021 to February 2022. Twenty- four property's installations were audited and their respective installation Audit reports were produced during the year. There were 10 accounts disputes that were resolved during the financial under review. These disputes were then ratified by the accounting officer as the apex arbiter of the Municipality.

DEBTORS MANAGEMENT

The debtors section is responsible for the implementation of the credit control policy and ensuring that all monies due to the municipality are collected in accordance with the policy. The municipality has a challenge in terms of debtors that are not paying their accounts of a regular basis and this has resulted in the debtors book increasing to R5,39 billion with 70% of debtors in arrears of more than 365 days. The municipality has implemented various strategies in an attempt to recover the arrear debt, the revenue enhancement plan was implemented during the year with monitoring and regular reporting to Council structures. The following debt collection strategies were implemented:

- Daily electricity disconnections
- Daily water restrictions
- Consolidation of accounts
- Transfer of accounts to surviving spouses for deceased
- Issue of letter of final demands, default judgements, summons and warrants for sale in execution
- Review of credit control policy for the arrangements to be affordable to the customers
- Meter audits
- Improved turnaround time for meter changes
- Monitoring of disconnected properties
- Extensive verification and reconciliation of Government accounts
- Stop landfill services for customers with arrears

The following challenges have been experienced and the municipality has developing strategies to eliminate these challenges:

- Rampant Tampering
- Illegal establishments
- Access to properties
- By Law enforcement
- Vacant/Abandoned Buildings in the City
- Customers have easy access to the water and electricity infrastructure
- Access to the meter boxes and substations that are inside houses, back yards, T-jointed, Looped services and midblock
- Unable to disconnect individuals in shared meter rooms e.g. flats (since the cables are alive and supplying electricity to other flats, the occupier of the flat being disconnected still has access to power and can reconnect them self)
- High number of old meters that need to be changed and their technology cannot be integrated to the new technologies and require immediate change.
- Support from other stakeholders (SAPS, Political Parties, Government Departments)
- Resources (tools of trade and human resources)

The following proposed solutions are being investigated by the municipality for implementation:

- Automation of debtors related functions
- Meters and electricity network that inside properties etc. to be moved to the road frontage boundaries in order to be easily accessed by the municipal staff for ease of meter reading, maintenance, disconnecting, reconnecting.
- Places that have shared meter rooms (e.g. flats, complexes, mini-factories, office blocks etc) must be meters by one bulk electricity meter but the municipality should monitor that all individuals are charged the same tariffs that the municipality has and approved
- Customers found to have tampered with electricity must be disconnected immediately and charged a tamper fee and energy consumed be backed charged as indicated in the credit control policy (actual time from tamper or 3 years, depending on which comes first)
- Funding to relocate services to the road frontage boundary to be made available as this will improve revenue when municipality has full access to its property
- Community must be engaged by all stakeholders involved (political, municipality, provincial and national offices) in order to teach them that paying bills or paying for municipal services helps to get better services (quality electricity, quality water, roads without potholes etc.).
- Funding to be provided to move to new technologies of remote meter reading, disconnections, remote fault detection etc.
- Constant communication within all municipal departments to understand each other and needs
- Government departments to reduce renting from private property owners
- With the demand of work to be done (meter changes, disconnections, auditing etc.), more electricians and tools of trade are required. Currently resources are shared among sections
- SAPS and other stakeholder must come together to assist municipality to bring those people breaking the municipal by-laws to book
- Constant communication within all municipal departments to understand each other and needs
- Government departments to reduce renting from private property owners that stealing from the municipality.
- Meter Audit – Council Wide
- Implementation of smart meters.
- Council wide data cleansing.

DEBT RECOVERY R'000 000								
Details of the types of account raised and recovered	2019/2020		2020/2021			2021/2022		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for billed that was collected in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for billed that was collected in year	Proportion of accounts value billed that were collected in the year %
Property Rates	1 090	83	1 232	1 108	90	1 211	1 150	95
Electricity	2 169	95	2 153	2 038	95	2 550	2 481	97
Water	767	58	773	322	42	774	442	57

DEBT RECOVERY R'000 000								
Details of the types of account raised and recovered	2019/2020		2020/2021			2021/2022		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for billed that was collected in year	Proportion of accounts value billed that were collected in the year %	Billed in year	Actual for billed that was collected in year	Proportion of accounts value billed that were collected in the year %
Sanitation	166	76	167	129	77	182	139	76
Refuse	109	79	114	99	87	114	90	79
Other	423	38	262	277	106	304	277	91

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 T3.70.2

5.3 FINANCIAL HEALTH OVERVIEW

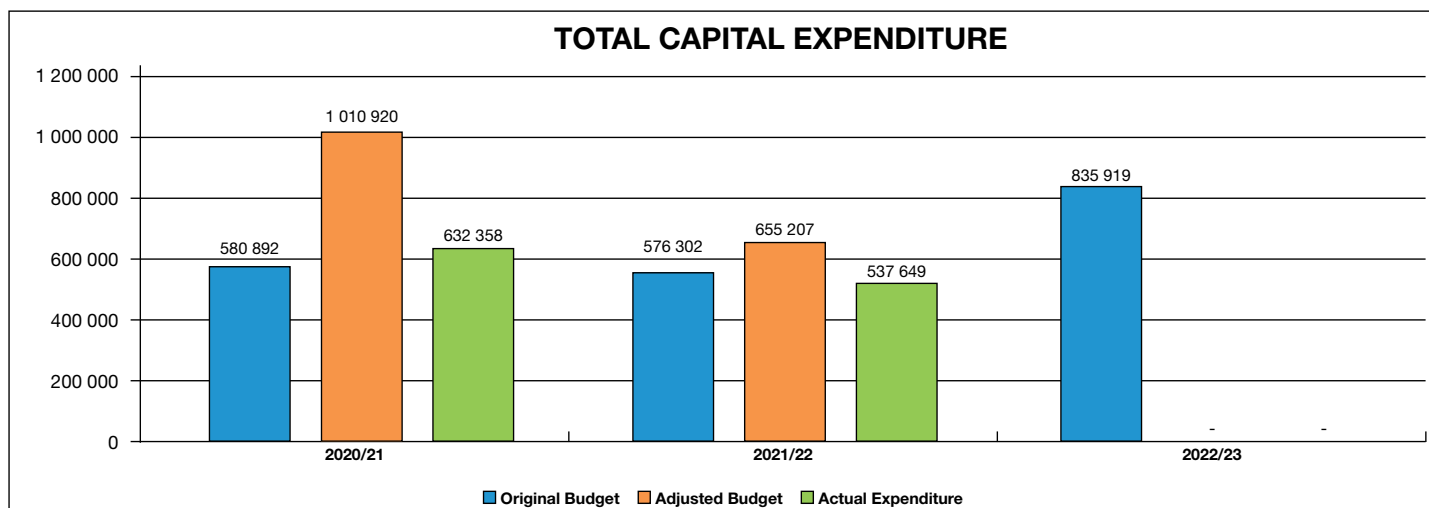
The average debtor's collection rate is 86% the same is confirmed by the gradual growth of debtors unfortunately the expenditure rate is at a normal pattern. The non-correlation of the two will result into serious cash flow challenges and high creditors balance. As at the end of June 2022 Council is sitting at a deficit which can be attributed to low collection rate while expenditure is happening at a normal rate

FINANCIAL OVERVIEW 2021/2022 R'000			
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	661 216	725 957	681 678
Taxes, Levies and Tariffs	5 602 911	5 602 911	5 078 152
Other	217 539	154 287	57 442
Subtotal	6 481 666	6 483 155	5 817 271
Less Expenditure	6 103 181	6 240 523	5 929 412
Net Total*	378 485	242 632	(112 141)
* Note: Surplus/ (deficit)	661 216	725 957	681 678

Operating Ratios	
Details	%
Employee Cost	25%
Repairs and Maintenance	5,3%
Finance Charges and Depreciation	5,7%
	T14.3

Repairs & Maintenance budget is below the norm of 8% this may have negative impact to sustainability of existing infrastructure in that not enough budget is provided to undertake planned and unplanned maintenance. In the coming budget years provision for Repairs & Maintenance must surpass the norm.

TOTAL CAPITAL EXPENDITURE 2020/21– 2022/23			
Detail	2020/21	2021/22	2022/23
Original Budget	580 892	576 302	835 918
Adjustment Budget	1 010 920	655 207	-
Actual	632 358	537 648	-
			T14.4



COMMENT ON CAPITAL EXPENDITURE:

Actual spending for 2021/22 is 82% which is a slight improvement when compared with 2020/21 expenditure of 63%. When cash flow projections are done for the original budget Capital budget is often projected to be 100% therefore any expenditure below 100% has negative ripple effect on municipal property plant and equipment

5.4 BUDGET PLANNING IMPLEMENTATION & MONITORING**EMPLOYEE INFORMATION**

EMPLOYEE: BUDGET PLANNING IMPLEMENTATION & MONITORING					
BUDGET MONITORING AND IMPLEMENTATION & BUDGET PLANNING					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	0	0	0	0	0
T04-T08	2	9	3	6	67
T09-T13	6	9	7	2	22
T14-T18	6	8	7	1	13
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	15	27	18	9	33

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.

PERFORMANCE OF GRANTS

GRANT PERFORMANCE R'000					
Description	2020/2021	2021/2022	2022/2023 Variance		
	Actual	Actual	Original Budget	Adjustments Budget	Actual
OPERATING TRANSFER & GRANTS	60 963	60 981	87 570	89025	60 963
National Government	36 000	36 161	36 449	37904	36 000
Equitable Share	N/A	N/A	N/A	N/A	N/A
Municipal Systems Improvement	N/A	N/A	N/A	N/A	N/A
Department of water Affairs	N/A	N/A	N/A	N/A	N/A
Levy replacement	N/A	N/A	N/A	N/A	N/A
Other transfers/grants: Insert	N/A	N/A	N/A	N/A	N/A
Provincial Government	N/A	N/A	N/A	N/A	N/A
Health Subsidy	N/A	N/A	N/A	N/A	N/A
Housing	N/A	N/A	N/A	N/A	N/A
Ambulance Subsidy	N/A	N/A	N/A	N/A	N/A
Sports and Recreation Protection	60 963	60 981	87 570	89025	60 963
Other transfers/grants: Insert	36 000	36 161	36 449	37904	36 000
District Municipality	N/A	N/A	N/A	N/A	N/A
Insert Description	N/A	N/A	N/A	N/A	N/A
Other grant providers					
TOTAL	N/A	N/A	N/A	N/A	N/A

GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DORA)

GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DORA)						
Details of Donor	Actual Grant 2020/2021	Actual Grant 2021/2022	2021/2022 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, inc description of any contributions in kind
Parastatals						
A - Project 1	N/A	N/A	N/A	N/A	N/A	N/A
A - Project 2	N/A	N/A	N/A	N/A	N/A	N/A
B - Project 1	N/A	N/A	N/A	N/A	N/A	N/A
B - Project 2	N/A	N/A	N/A	N/A	N/A	N/A
Foreign Government / Development Aid Agencies						
A - Project 1	-	-	-	-	-	-
A - Project 2	N/A	N/A	N/A	N/A	N/A	N/A
B - Project 1	N/A	N/A	N/A	N/A	N/A	N/A
B - Project 2	N/A	N/A	N/A	N/A	N/A	N/A
Private Sector / Organizations						
A - Project 1						

GRANTS RECEIVED FROM SOURCES OTHER THAN DIVISION OF REVENUE ACT (DORA)

Details of Donor	Actual Grant 2020/2021	Actual Grant 2021/2022	2021/2022 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, inc description of any contributions in kind
A - Project 2						
B - Project 1						
B - Project 2						

5.5 EXPENDITURE MANAGEMENT

INTRODUCTION TO EXPENDITURE MANAGEMENT

Expenditure Management is a sub-unit within Budget and Treasury Business Unit responsible for the management of payments to creditors of the municipality, payments of salaries and allowances to municipal staff and reporting. The service that we provide is a support service to the municipality and there is no direct impact on service delivery.

ORGANIZATIONAL UNITS WITHIN EXPENDITURE MANAGEMENT

- Creditors, responsible for the management and controlling of payments to creditors
- Internal Controls, responsible for the review and improvement of internal controls within the organisation
- Pay Office, responsible for the management and controlling of payments salaries and allowances

The targets for creditors section was to pay all service provider within 30 days from date of receipt of invoice or statement as per the MFMA. The target could not be met due to delays caused by internal processes and low cash flow.

EMPLOYEE: EXPENDITURE MANAGEMENT

CREDITORS, INTERNAL CONTROLS, PAY OFFICE

Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	0	0	0	0	0
T04-T08	19	23	17	6	26
T09-T13	10	16	11	5	31
T14-T18	2	3	2	1	33
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	32	43	31	12	28

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.

FINANCIAL PERFORMANCE 2021/2022: EXPENDITURE MANAGEMENT

R'000

CREDITORS, INTERNAL CONTROLS, PAY OFFICE

Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:	-	-	-	-	-
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Total Operational Expenditure	-	-	-	-	-
Net operational (Service) Expenditure	-	-	-	-	-

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: EXPENDITURE MANAGEMENT

R'000

CREDITORS, INTERNAL CONTROLS, PAY OFFICE

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All	-	-	-	-	-
	-	-	-	-	-
Project A	-	-	-	-	-
Project B	-	-	-	-	-
Project C	-	-	-	-	-
Project D	-	-	-	-	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

5.6 SUPPLY CHAIN MANAGEMENT

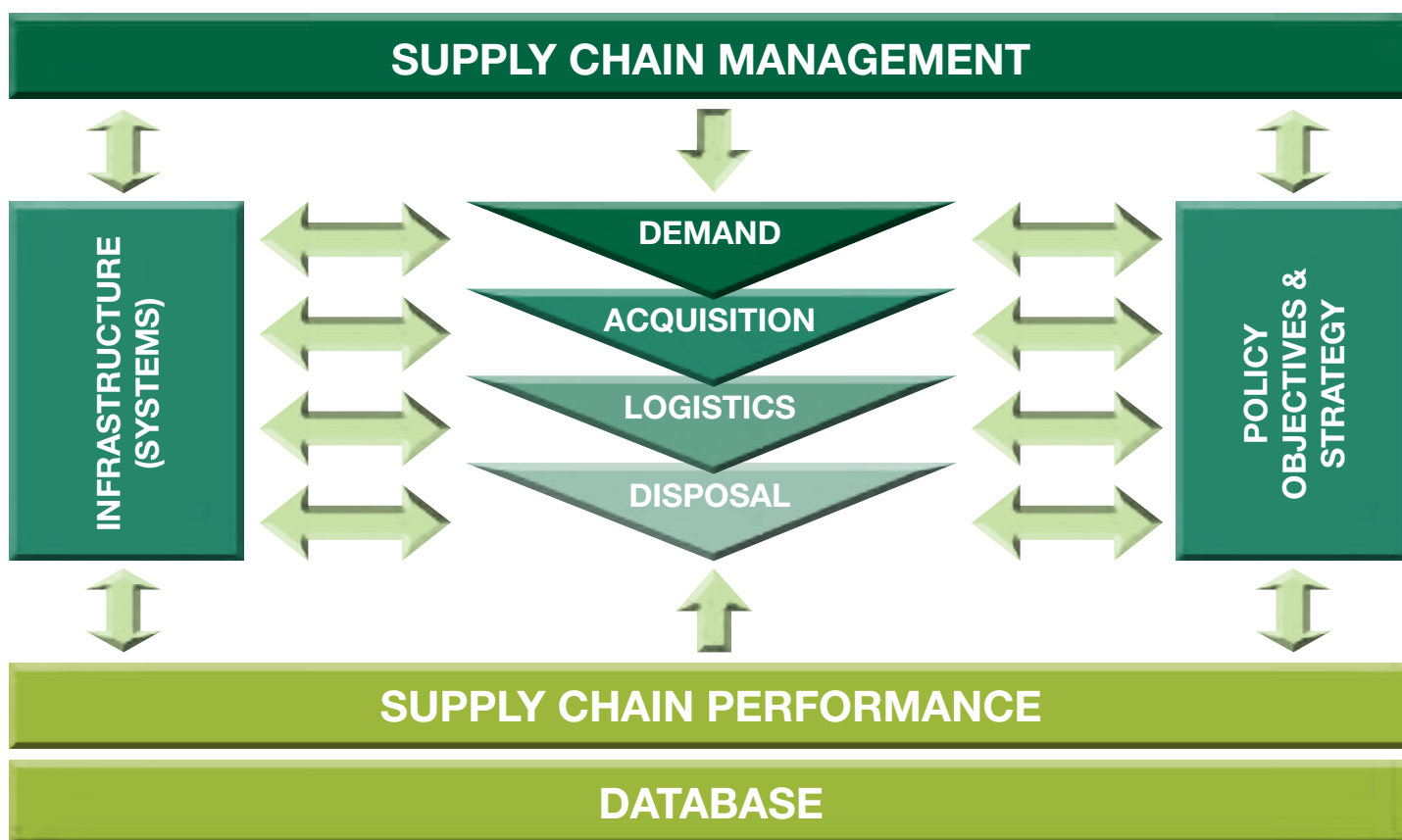
OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The Msunduzi Municipality's Supply Chain Management unit is a support function for all business units within the council to ensure provision of efficient, transparent, fair, equitable and cost-effective procurement services hence assisting the business units to implement their service delivery priorities.

The supply chain management policy for the year 21/22 Financial year (FY) was adopted by Council on 30 May 2021 FY in term of SCM Regulation 3 (1) (a) and implemented immediately thereafter. The main change made to the policy was to bring it in line with the 2017 PPFA regulations and necessary legislative requirements.

An SCM implementation plan was developed and implemented throughout the year and quarterly reports on implementation were submitted to Council.

In terms of the MFMA SCM regulations and relevant legislative provisions regulating local government procurement, the SCM policy of the municipality must provide for a system of demand, acquisition, logistics, disposal, risk and performance management, and thus the Msunduzi SCM policy has been aligned accordingly. The following is a brief overview of the processes that have been established and implemented within the Supply Chain Management system as drawn from the SCM model below.



DEMAND MANAGEMENT

The Procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP, Budget and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three year period, this is especially critical in the case of capital projects requiring the issuing of bids for multiyear projects, as well as in order to obtain cost savings through longer term goods and service contracts (limited to a three-year period in terms of the MFMA)

The main objective of the plan is to assist the service deliver business units to achieve their service delivery mandates and to meet their service delivery requirements without any SCM processes delays and this forms the integral component of the entire process to ensure effectiveness, efficient and economical SCM processes.

The preferential policy objectives were identified at a global level hence during the 2015/2016 financial year a procurement plan was established and implemented.

ACQUISITION MANAGEMENT

Bid committee structures were established and implemented in accordance with section 27, 28 and 29 of the Supply Chain Management regulations, as well as Infrastructure policy. Details of SCM committees during 2021/2022 financial year:

The SCM unit in collaboration with the relevant secretariat support will continually strive to ensure that the three (3) tier Bid Committee structures are fully functional and well trained to execute their functions, it be note that tier 1 which is Bid specification Committee has two committees i.e. BSC technical and general in line with infrastructure model likewise on the tier 2 which is the evaluation committees.

Bid Committee members

Bid Specification Committee Technical (7)	Membership Status	Business Unit	Position
Sibusiso Mkhize	Chairperson	Finance: SCM	Manager: Stores
Mandla Zuma	Member	Community Services	Senior Manager: Recreation and Facilities
Thamsanqa Makhanya	Chairperson	ISF: WnS	Chief Engineer: Planning, Design & Construction Monitoring
Thabani Madlala	Member	ISF: Electricity	Manager: Electricity
Sikelela Ndzalela	Member	SCM	Manager: Demand and Acquisition
Kethiwe P Mvelase	Member	ISF: Roads and Transportation	Manager: Transportation Planning
Wilson P Mhlongo	Member	Community Services: waste	Senior Manager: Waste
Phumzile Muthwa	Ex Officio Member	Corporate Services : Legal	Legal Advisor
Nomfundo Hlophe	Ex Officio Member	Corporate Services : Legal	Legal Advisor

Bid Evaluation Committee Good and Services (7)	Membership Status	Business unit	Position
Mthobisi Khumalo	Chairperson	Sustainable Dev	Senior Manager: Development Services
Zoleka Bhomoyi	Member	Finance :SCM	Manager contract management (A)
Nosipho Mngadi	Member	Community Services: Building	Snr. Architectural Technologist
Radha Gaunden	Member	Sustainable Dev: Planning and Human Settlements	Manager - Planning and Human Settlements
Bekamangwane Kanyile	Member	Electricity	Chief Engineer :Revenue
Sibonelo Xaba	Member	Sustainable Dev: Building Control	Building Inspector
Kass Thaver	Ex Officio Member	Corporate Services : Legal	Legal Advisor

Bid Adjudication Committee(7)	Membership Status	Business unit	Position
Nelisiwe Ngcobo	Chairperson	Finance	CFO
Dudu Gambu	Member	Finance	Senior: manager SCM
Brendon Siversad	Member	ISF	Acting: GM ISF
Ngangenkosi Mpisi	Member	ISF (Electricity)	SM Electricity
Felix Nxumalo	Member	Sustainable Dev	GM: Sustainable Development
Mbongeni Mathe	Member	Community Services	Acting GM :Sd
Mduduzi Mbokazi	Ex Officio Member	Corporate Services	Legal Advisor

Bid Specification Committee Technical(7)	Membership Status	Business Unit	Position
Mr. Njabulo Mthembu	Chairperson	Sustainable Dev: Human Settlement	Project Manager: Human Settlement
Mxolisi Dladla	Member	Budget and treasury: SCm	Contract Officer
Ntuthuko Phungula	Member	Community Services: Building	Manager Logis Technician: Buildings tics
Mzovelile.Qwabe	Member	ISF: WnS	Technician: Water and Sanitation
Bheki Sosibo	Member	ISF: Roads and Transportation	Manager: Operations
SL. Thabethe	Member	ISF: Electricity	Manager: Electricity
Ms L Mnganela	Member	ISF: Roads and Transportation	Senior Manager: Roads and Transportation
Xolie Ndzingi	Ex Officio Member	Corporate Services: Legal	Legal Advisor

5.7 ASSETS & LIABILITIES MANAGEMENT UNIT

The Assets and Liabilities unit is responsible for Assets, Fleet Management, Insurance Management, Loss Control and Real Estate and Valuations.

EMPLOYEE INFORMATION

EMPLOYEE: ASSETS & LABILITY MANAGEMENT					
ASSETS, FLEET MANAGEMENT, INSURANCE MANAGEMENT, LOSS CONTROL, REAL ESTATE & VALUATIONS					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	1	1	1	0	0
T04-T08	30	86	28	58	67
T09-T13	15	16	14	2	13
T14-T18	3	6	3	3	50
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	50	110	47	63	57

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.

ORGANIZATIONAL UNITS WITHIN ASSETS & LIABILITIES MANAGEMENT UNIT**ASSETS**

The Assets Management Unit is responsible for the management of the municipality's assets, ensuring that the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality in accordance with Generally Recognized Accounting Practice.

FLEET MANAGEMENT

Strategic planning: continuous evaluation of fleet management within the Municipality as well as external organizations in order to formulate plans to improve the efficiency, effectiveness and economy of fleet assets available to the Municipality in the short, medium and long term. Develop policies and procedures for the economic acquisition, operation, disposal and administration of the fleet.

INSURANCE MANAGEMENT

Insurance Management is aimed at ensuring that all assets, Councilors, employees and third parties are insured economically and adequately at all times. In terms of the approved Insurance policy and procedures staff manages litigated and non-litigated claims both internally and externally (third party). Claims are settled either through the internal insurance Fund or external insurance cover depending on the nature and value of the claim as outlined in the insurance policy and external insurance cover procured. Tracking and recording of claims is done through a loss register.

Loss Control: Loss control seeks to reduce the possibility that a loss will occur and reduce the severity of those that do occur. Its aim is to reduce claims, through loss management information (policy and procedure) and services.

*NB: Loss control at the moment provides admin support to insurance due to the unit not been fully established therefore service objectives are as per insurance management.

REAL ESTATE & VALUATIONS

The Real Estate and Valuations Unit is responsible for the compilation of the valuation roll and supplementary valuations of all registered properties that fall within the boundaries of the Municipality, in line with the Municipal property rates Act. The unit is also responsible for facilitating the valuation of properties for acquisition and disposal purposes. The Real Estate section also administers and manages lease agreements for municipal owned properties. In terms of the Municipal Property Rates Act, The Municipality is required to compile a General Valuation roll at least once in Five years and also maintain the roll through supplementary valuations which must be published at least once a year.

SERVICE STATISTICS FOR ASSETS & LIABILITIES MANAGEMENT UNIT

SERVICE OBJECTIVE	TARGET	MET /NOT MET	CHALLENGES
Valuation of investment property	Yearly	Met	None
Conduct annual asset verification	Yearly	Met	None
Monthly assets reconciliations	Yearly	Met	None
New Plant and Vehicles	Yearly	Met	None
Branding of Council vehicles and plant	Yearly	Met	None
Annual review of policies	Yearly	Met	None
Create, maintain loss (claims) register	Yearly	Met	None
Adequate and cost-effective Insurance Cover	Yearly	Met	None
Process and settle insurance claims timeously	Within 30 days of receiving claims	Met	Due to dependencies on department for incident reports, legal for legal opinion, SCM for procurement and fleet for vehicle information and the delays on getting the necessary information, the target of 30 days on most claims could not be met.
Compile supplementary valuation roll	Yearly	Met	High vacancy rate. This is currently being addressed as interviews have been conducted. The HR verification processes are underway, and appointments will be made in the 2022/23 financial year.

ASSETS & LIABILITY MANAGEMENT FINANCIAL INFORMATION

FINANCIAL PERFORMANCE 2021/2022: ASSETS & LIABILITY MANAGEMENT R'000					
ASSETS, FLEET MANAGEMENT, INSURANCE MANAGEMENT, LOSS CONTROL, REAL ESTATE & VALUATIONS					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	50	-	-	3 311	-
Expenditure:					
Employees	23 638	27 215	27 445	24 728	(9,90)
Repairs and Maintenance	1 851	2 894	2 894	1 816	(37,25)
Other	34 888	43 723	43 836	37 652	(14,11)
Total Operational Expenditure	60 377	73 832	74 175	64 196	(13,45)
Net operational (Service) Expenditure	60 327	73 832	74 175	60 885	(17,92)

Variances are calculated as follows:

Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: ASSETS & LIABILITY MANAGEMENT R'000

ASSETS, FLEET MANAGEMENT, INSURANCE MANAGEMENT, LOSS CONTROL, REAL ESTATE & VALUATIONS

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All	4 895	5 505	4 382	(20,40)	
Plant and Equipment	20	100	-	(100)	
Furniture & Office Equip	1 020	790	40	(94,94)	40
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)					
Variances are calculated as follows:					
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

COMMENT ON THE PERFORMANCE OF ASSETS & LIABILITIES MANAGEMENT UNIT OVERALL

The Asset Management unit in the 2021/2022 financial year was able to meet all the targets in terms of the Operational plan. There are however areas of improvement that have been identified in the operating procedures and controls that need to be implemented for the units to function optimally.

5.8 FINANCE GOVERNANCE & PERFORMANCE MANAGEMENT

The Finance Governance & Performance management unit is responsible for preparation of Annual Financial Statements in terms of section 122 of MFMA, Developing and monitoring audit action plan, Managing and monitoring municipal bank accounts in terms of section 10 of MFMA, Cash and investment Management in terms of section 13 of MFMA and managing long term loans in terms of section 46 of MFMA.

ORGANIZATIONAL UNITS WITHIN FINANCE GOVERNANCE & PERFORMANCE

FINANCE AND CASH MANAGEMENT

- Managing and monitoring the administration of the Municipality's bank accounts, enforcing compliance with sections 7, 8 and 11 of the MFMA
- Preparation of a quarterly consolidated report of all withdrawals made in terms of section 11(1)(b) to (j) of the MFMA from the Municipality's bank accounts
- Managing cash and investment management in terms of section 13 of MFMA.
- Interacting with Financial Institutions on the status of markets against returns on short term investments and, allocating funds to specific call accounts.
- Updating and maintaining all information, transactional records and investment documentation and registers.
- Managing long term loans in terms of section 46 of MFMA

EMPLOYEE INFORMATION

EMPLOYEE: FINANCE GOVERNANCE & PERFORMANCE					
FINANCE AND CASH MANAGEMENT & FINANCIAL PERFORMANCE					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	0	0	0	0	0
T04-T08	9	13	9	4	31
T09-T13	1	6	5	1	17
T14-T18	2	3	3	0	0
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	13	23	18	5	22
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.					

FINANCIAL PERFORMANCE

- Preparation of Annual Financial Statements and Consolidated Financial Statements and ensure that they are submitted to the Auditor General as legislated
- Developing, Co-ordinate and monitor Audit action plan in terms of section 131 of MFMA.
- Managing and Co-ordinating and guiding specific deadline and financial reporting sequences associated with audit and legal compliance exercises, checking and verifying information / records submitted satisfies the scope of requirements
- Managing and monitoring accounting procedures related to General Ledger reconciliations, posting, updating and adjustment of entries

FINANCE GOVERNANCE & PERFORMANCE

FINANCIAL PERFORMANCE 2021/2022: FINANCE GOVERNANCE & CFO PERFORMANCE R'000					
FINANCE AND CASH MANAGEMENT & FINANCIAL PERFORMANCE					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)	693	16 077	16 077	8 089	(49,69)
Expenditure:					
Employees	41 871	76 545	66 653	40 445	(39,32)
Repairs and Maintenance	1 046	1 300	1 300	800	-
Other	31 838	43 798	52 598	35 994	(31,57)
Total Operational Expenditure	74 755	121 643	120 551	77 239	(35,93)
Net operational (Service) Expenditure	74 062	105 566	104 474	69 150	(33,81)
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE 2021/2022: FINANCE GOVERNANCE & CFO PERFORMANCE R'000					
FINANCE AND CASH MANAGEMENT & FINANCIAL PERFORMANCE					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All	31 162	9 865	974	(90,13)	
Financial System	29 000	7 662	-	(100)	
Furniture	46	197	151	(23,35)	151
Water Metering	1 000	1 000	-	(100)	
Electricity Metering	1 000	1 000	823	(17,70)	823
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

COMMENTS

The Finance Governance and Performance Management Section has vacancy rate of 13% as 3 posts are vacant as of 30 June 2022 from the total posts of 23. However, Human Resources Department has since advertised the posts.

COMPONENT F: OFFICE OF THE CITY MANAGER

6. CITY MANAGERS OFFICE

6.1 INTERNAL AUDIT

INTRODUCTION TO INTERNAL AUDIT

The primary objective of the Internal Audit Unit is to provide an independent and objective assurance and consulting activity services designed to add value and improve Msunduzi Municipality's operations through a systematic, disciplined approach to evaluate and improve the effectiveness of the system of internal control, risk management and governance processes.

The definition of internal auditing has many facets that, if unpacked, gives a very good understanding of what an internal auditor is expected to do. Internal audit as a philosophy is a sounding board to management and designed to apprise and advise the Council, Accounting Officer and management on governance, risk management and internal controls process. This affirms the attitude of the internal auditor's role in internal audit activity that by its nature, Internal Audit Unit is a governance structure which facilitates improvement on service delivery vehicle by reviewing the design and effectiveness of the system of internal controls around the core mandate and support functions of the municipality. Its role is critical in promoting and enhancing control environment through auditing and recommending solutions to management.

The King 4 Report on Governance underpins the need for Audit Committees in the pursuit of good governance. It aligns the function of internal and external audit directly with the oversight by the Audit Committee. In a municipal environment, there are oversight committees of Council who are role-players to advocate for the combined assurance model. The Audit Committee's primary focus is on financial reporting, risk management, governance, performance information and system of internal control space which the universal organization space.

A balance between assurance function and consulting activity is required based on risk assessment exercise and report of the Auditor General. The areas with high risks and strong controls in terms of their design against the risks exposures as per the assessment by management are considered when developing the Internal Audit Plan to provide an independent assurance on the adequacy and effectiveness of the systems of internal control implemented by management. In instances where controls are found to be ineffective and/ or inadequate, recommendations are provided to management to mitigate against the identified risk exposures. Consulting Activities are undertaken in instances where significant risk exposures have no mitigating controls and management has requested assistance in the development of the control activities, Internal Audit treads carefully in its involvement with this process as to not create a conflict in its independence at a later stage.

T3.72.1

EMPLOYEE INFORMATION

EMPLOYEE: INTERNAL AUDIT					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	-	-	-	-	-
T04-T08	1	2	1	1	50
T09-T13	8	16	7	9	56
T14-T18	3	3	1	2	67
T19-T22	1	1	1	-	-
T23-T25	-	-	-	-	-
Total	13	22	10	12	55

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.

SERVICE STATISTICS FOR INTERNAL AUDIT

As South Africa was still impacted by the COVID-19 pandemic and was under lock down in terms of the Disaster Management Regulations, so is the Internal Audit Unit in achieving its KPI's as dictated by the Annual Audit Plan.

The flexible working arrangement adopted by the Municipality as dictated by the Disaster Management Regulations in trying to curb the spread of the virus exacerbated the untimeliness of the deliverables expected from the Internal Audit Unit. Delays were experienced in securing meetings with the relevant officials, receiving audit evidence and obtaining clarity when necessary due to some officials testing positive to COVID-19 and various buildings having to close for disinfection; however, the unit strived in ensuring minimal delays on the overall deliverables. Internal Audit staff itself were not spared from being infected as half of the unit was affected in December 2021 resulting to shut down of the office.

The organogram of the entire municipality was reviewed, and a new structure of the unit was approved by the City Manager in 2022. The 2013 structure had 21 posts compared to the 50 posts in the new organogram. No new staff members were appointed during the period under review and 2 X Managers for assurance and forensic investigations and 1 X Forensic Investigator resigned in February and March 2022 respectively. This increased the vacancy rate drastically, new job description had to be compiled and a special dispensation was made to the SALGA Job evaluation team to prioritize internal audit new structure.

The contract of Service Providers a new panel of Service Providers was appointed on 19 May 2021, effective 1 July 2021 to assist in bridging the gap created by the vacant posts in the unit. This had its own challenges which had to be managed as they affected the implementation of the Annual Audit Plan for 2021/22.

Twenty-three (23) audits were planned for 2021/22 FY as per the approved annual plan. Twenty-one (21) audits were completed & 5 adhoc audit requests, audit on debt arrangements, 3 consumer refunds & audit of leave for GM: Corporate Services were completed. There was an audit which were scheduled to be completed during the 2020/2021 financial year that were rolled over to the 2021/2022 due to complexity.

RISK MANAGEMENT

Despite of the legal requirement in terms of the Section 62 (1) (c) (i) of the Municipal Financial Management Act. Act 56 of 2003 (MFMA) which requires the accounting officer to take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial, risk management and internal control, and the best practice in the King VI report, principle 11, which recommends that the Council should govern risk in a way that supports the municipality in setting and achieving its strategic objectives.

Risk management processes focused on the identification and assessment of risk followed by response, monitoring, and reporting. These processes form part of Msunduzi risk management framework that is applied municipal-wide. As both the environment (internal and external) and municipal objectives are subject to change over time, it is necessary to make regular checks to ensure that the responses to risk and control remain effective and continue to serve the needs of the municipality.

Risk management activity efforts are aimed in providing numerous benefits to the municipality, such as improved decision making, development of plans to minimize the likelihood and the negative impact of risk, protection of resources and for the municipality to be fiscally prudent.

Strategic Risks

Management identified six strategic risk for the municipality. The recent risk assessment conducted arrived at the similar outcome as that of the previous financial periods as presented below.

Strategic Risks	Likelihood	Impact	Risk Rating
Financial Viability	Likely	Critical	
Inadequate infrastructure development and Maintenance	Likely	Critical	
Poor Service Delivery	Likely	Critical	
Poor Administration	Likely	Major	
Unstimulated Municipal Economy	Likely	Major	
Exposure of Community to Health and Safety Hazards	Likely	Critical	

The assessment of strategic risk by management rated the risks as either critical or high. Both ratings are indicative of undesirable risky state of affairs in the municipality. The current risky environment in which the municipality seeks to fulfil its mandate requires management to employ all means necessary to ameliorate the severity of risks.

Financial Viability

The Municipality continues to be under extreme financial pressure, and unable to deliver fully on its mandate. The financial resources are inadequate to the extent that it is unable to implement some of the risk responses.

Management employed numerous mitigation strategies in an effort arrest the worsening financial crisis and bring about healthy financial climate in the municipality. Other stakeholders such the National Treasury and COGTA are also involved in assisting the municipality to be financially viable. Some of the mitigation strategies are:

Stringent cost containment measures.

Expenditure committee in place to support strict adherence to policies and budget.

Revenue enhancement measures

Revenue enhancement committee in place

Revenue enhancement plan monitored on a weekly basis

COGTA and Provincial treasury assisting on collections relating to Government departments

Water and Electricity auditing

Financial recovery plan activated.

Inadequate infrastructure development and maintenance.

The enduring infrastructure remain a foundation for any municipality that seeks to achieve its objectives. The assessment outcome for infrastructure depicted rather a worrying picture which entails that less is spent in development and maintenance of infrastructure. Inadequate infrastructure points to the possible total collapse of the Municipality which can present all sought of challenges to the public the Municipality serves.

In response to the risk, management committed themselves to ensure 100 percent implantation of all awarded capital projects and effective project management and stricter contractor performance management. Other risk mitigation processes by management amongst others are:

1. Alignment of maintenance budget with NERSA and National Treasury recommendations
2. Filling of all funded posts
3. Purchasing of critical vehicle, plant and machinery
4. Alignment of operating budget with repairs and maintenance plans

Poor Service delivery

Poor service delivery emanates from the failure by municipality to provide basic services to the community. Service delivery by municipalities find expression in the Constitution of the Republic of South Africa, to ensure all citizens are provided with services. These services have a direct and immediate effect on the quality of life of the people in Msunduzi community. Poor service delivery renders the municipality unattractive to investors, thereby impacting negatively to the economy, job opportunities and wellbeing of citizens.

To address the challenge of poor service delivery, management devised a number of strategies in line with all the arms of the municipality on service delivery. These plans are monitored regularly by relevant structures to improve chances of fulfilling the municipal mandate on service delivery. The few management interventions are mentioned below.

1. Creating awareness of indigent support offered by municipality.
2. Strict implementation of indigent policy.
3. Improving the number of residents with access to free basic services.
4. Electrification of all planned households' connections.
5. Construction of planned all-weather surface roads.
6. Adherence to the planned maintenance of existing roads infrastructure

Poor Administration

The municipality has to manage a risk of a poorly administered city in its service delivery mandate. This, if left unmanaged in the public service, has serious political undertones and can compromise the community's confidence in the management of the city.

The poor administration strategic risk has a negative effect on numerous strategic objectives and can worsen severity of other strategic risks. It is imperative for management to manage the risk properly. It can also be reasonable argued that the risk is seen to be within management's reach of control.

In the financial period ended in June 2021, the municipality managed a slight improvement in the risk tolerance of audit outcomes by obtaining a disqualified opinion from Auditor General.

In the quest of alleviating the risk of poor service delivery, management introduced the following strategies amongst other many efforts.

1. Improvement of internal controls
2. Ensure compliance with all legislative requirements, municipal policies and processes
3. Implementation of the Organisational performance management framework.
4. Implementation of individual performance management framework
5. Strengthen internal controls to reduce fruitless and wasteful expenditure.

Unstimulated Municipal Economy

Vibrant economy is of a crucial importance to lure more business investments to the City and creating employment opportunities. The current state of the City does not entice prospective investors. The City is bound to create conducive environments for businesses to thrive and prosper.

1. Mitigation measures employed by the City includes:
2. Strategic release of land for industrial and commercial business
3. Implementation of business licensing Act.

The Municipality partnered with National Treasury neighbourhood partnership development program to encourage public private partnership on infrastructure investment within the City.

Health and Safety Hazards

This risk was determined in order to respond to the municipality's mandate of making the city safe, healthy and inhabitable.

Various mitigation strategies have been adopted by municipal management. Hereunder the few strategies are mentioned.

1. Water quality control
2. Air quality control
3. City cleansing programs
4. Crime reduction

Although the management has planned and implemented some of the mitigation strategies, the progress is slow. Rigorous monitoring and review of mitigation strategies need to be invoked to improve and ensure reasonable progress timeously.

A comprehensive program of action by management to mitigate the impact and the likelihood of strategic risks is noticeable and provide a glimpse of hope that in the long run the municipality will attain what is envisaged in its strategic objectives if there are no disruptions to current programmes.

INTERNAL AUDIT FINANCIAL INFORMATION

FINANCIAL PERFORMANCE 2021/2022: INTERNAL AUDIT					
R'000					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:					

FINANCIAL PERFORMANCE 2021/2022: INTERNAL AUDIT R'000

Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Employees	8 573	10 289 195	0	10 065 684	0%
Repairs and Maintenance					
Other	6 561	14 599	-2 200	9 540	653.1%
Total Operational Expenditure					
Net operational (Service) Expenditure					
Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

CAPITAL EXPENDITURE 2021/2022: INTERNAL AUDIT R'000

Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
	-	-	N/A	-	-
Project A	-	-	N/A	-	-
Project B	-	-	N/A	-	-
Project C	-	-	N/A	-	-
Project D	-	-	N/A	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate) Variances are calculated as follows: Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.					

6.2 OFFICE OF THE CITY MANAGER

ORGANIZATIONAL UNITS WITHIN OFFICE OF THE CITY MANAGER

- Communications and IGR
- Organisational Compliance and PMS

EMPLOYEE INFORMATION

EMPLOYEE: OFFICE OF THE CITY MANAGER					
COMMUNICATIONS AND IGR & ORGANISATIONAL COMPLIANCE AND PMS					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.)	Vacancies (as a % of total posts) %
T01-T03	0	2	0	2	100
T04-T08	28	44	39	5	11
T09-T13	5	7	4	3	43
T14-T18	5	9	5	4	44
T19-T22	1	1	1	0	0
T23-T25	0	0	0	0	0
Total	39	63	49	14	22

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.

Communications and IGR

Communications is a key strategic service to ensure that information is widely accessible within the public space to engage citizens in conversation around critical issues and to empower citizens to participate in not only shaping municipal policies but also in taking up opportunities that affect their lives.

Effective communication can also contribute positively to municipal endeavours – leading to good governance, improved internal staff and external citizen/ and contributing towards meeting the Municipality's aims and objectives.

The key communication functions are media liaison and social media, internal and external communications, corporate image and identity of the organisation, branding, publications and exhibitions.

IMPLEMENTATION OF THE COMMUNICATION STRATEGY ACTION PLAN FOR 2021/2022 FINANCIAL YEAR

PRIORITY ISSUE:	ACTIVITIES:	DESIRED OUTCOME:	FEEDBACK
Corporate Image and Brand Identity	Display of correct official portraits at strategic municipal entrances and boardrooms	Compliance with State protocol	Achieved.
	- Improvement of exterior signage for Municipal buildings as per signage audit and designs conducted in the 2019/2020 financial year. - Ark banner - Pull up banners	A clear and consistent visual identity to assist the public in recognizing the municipality	Not implemented due to financial implications.
Communication, education and awareness campaign on the following: 1. Covid-19 2. Keep the City Clean 3. Revenue enhancement 4. Electricity, water and land invasion	- Radio talk shows and interviews - Promotions and activations - Product development and distribution - Social media campaign		Achieved
Know your Councillor campaign	- Develop one poster with all Councillors and contact details - Place advert in local newspapers - Social media campaign to introduce Councillors through individual posters - Councillor to engage with public via uMgungundlovu Radio Slot	Expand on communication platforms in which Councillors can engage with the community within their ward and these are regarded as effective means of communication between the Municipality and the community it serves.	Achieved.
Establishment of Msunduzi Communicators Forum	Representatives from media, government departments and Msunduzi Business Units.	Expanding of communication platforms and stakeholder relations	Achieved
Development of Standard Operating Procedures for Communications and submission to the SMC for approval.		Provision of clear and consistent guidelines for Communications.	Achieved

ORGANISATIONAL COMPLIANCE, PERFORMANCE & KNOWLEDGE MANAGEMENT

The Organizational Compliance, Performance and Knowledge Management Unit is based with the Office of the Senior Manager: Office of the City Managers with the City Managers Business unit. The OC, P & KM unit is predominantly responsible for the following as per the approved Operational Plan for the unit on an annual basis.

- Collation and Development of the Annual SDBIP & OP for approval of the Mayor as well as publication on the Municipal Website,
- Monthly, Quarterly and Annual Monitoring and Evaluation of the SDBIP and preparation of reports to all committees of Council,
- Collation and Development of the Mid-Year Performance review submission to Council for Approval,
- Collation and Development of the Annual Report submission to Council for approval and publication on the website as well as submission to the Sector Departments
- Collation and development of the Annual Performance report annual submission to the Auditor General.
- The Organizational and Individual Performance Management Policies were combined into one Framework in the 21/22 Financial year.
- The Unit also introduced Electronic POE after the Covid 19 pandemic would restrict human interactions, the OC, P & KM unit developed a system where business units were requested to submit POE to the unit electronically, this change management continues to be work in progress.
- Annual Review of the Standard Operating Procedure for the Compilation of the Portfolios of Evidence on the SDBIP
- Development of a performance assessment schedule annually
- The unit is required to prepare the Annual Performance agreements of the City Manager, General Managers, Senior Managers and Senior Managers reporting directly to the City Manager as well as publishing on the website and submission to the MEC KZN CoGTA.
- The unit is also responsible for the continuous publication of performance related articles on corporate communications to allow staff to understand the concept of performance management and the related aspects thereof.
- Knowledge Management Framework was developed for the Municipality to assist the municipality with the functions and benefits of Knowledge Management in the Municipality.
- The unit is responsible for the PMS turnaround strategy and the submission of Monthly reports to portfolio committees of Council.
- The unit is also required to respond monthly on the Back to Basics Report to National CoGTA and Quarterly to the KZN Department of COGTA having collated the information from the business units.
- The unit is responsible for the Quarterly SDBIP submission to National Treasury.

The OC, P & KM unit is responsible for the following on an AD-HOC basis:

- The OC, P & KM unit on an ad-hoc basis is responsible for preparing and submitting the STATS SA Questionnaire to STATS SA having consolidated all responses received.
- The unit is responsible for any monitoring and evaluation report requiring responses from any business unit of Council from any Sector Department, Stakeholder and the Auditor General.
- The Unit is required to provide the necessary performance management responses to Internal Audit and the Auditor General.
- The unit is also required at times to conduct research on various topics for the Office of the City Manager

OFFICE OF THE CITY MANAGER

FINANCIAL PERFORMANCE 2021/2022: OFFICE OF THE CITY MANAGER R'000					
COMMUNICATIONS AND IGR & ORGANISATIONAL COMPLIANCE AND PMS					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Total Operational Revenue (excl. tariffs)					
Expenditure:					

FINANCIAL PERFORMANCE 2021/2022: OFFICE OF THE CITY MANAGER R'000					
COMMUNICATIONS AND IGR & ORGANISATIONAL COMPLIANCE AND PMS					
Details	2020/2021	2021/2022			
	Actual	Original Budget	Adjustment Budget	Actual	Variances to Adjusted Budget %
Employees					
Repairs and Maintenance		22 141 578	-	23 751 173	-
Other					
Total Operational Expenditure		3 210	2 545	5 233	105,6%
Net operational (Service) Expenditure					

Variances are calculated as follows:
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

CAPITAL EXPENDITURE 2021/2022: OFFICE OF THE CITY MANAGER R'000					
COMMUNICATIONS AND IGR & ORGANISATIONAL COMPLIANCE AND PMS					
Details	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variances to Adjusted Budget %	Total Project Value
Total All					
Project A Out sourced Infrastructure cap projects	3 800 000	(3 800 000)	-	100	
Project B : Computer Equip		910 000	274 174,98	(69,9)	
Project C Furniture		150 000	-	(100)	
Project D Machinery		250 000	-	(100)	
Project A Out sourced Infrastructure cap projects	3 800 000	(3 800 000)	-	100	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)
Variances are calculated as follows:
Actual expenditure – Adjusted budget divided by the Adjusted budget x 100.

COMMENT ON THE ANNUAL REPORT PROCESS

The Municipal Manager requested that the Draft Annual Report be prepared by no later than the 31st of August 2022.

The Draft report will be produced by the 31st of August and submitted to the Auditor General.

In terms of the MFMA a draft Report must be submitted to the AG on the 31st of October Annually. The report will continue to be in draft format until tabled at Council on the 31st of January 2023.

COMMENT ON ORGANIZATIONAL COMPLIANCE, PERFORMANCE & KNOWLEDGE MANAGEMENT AND COMMUNICATIONS AND IGR

The unit continues to put measure into place for improving performance management in the Municipality. It was unfortunate to receive a qualified audit opinion on Performance in the 20/21 Financial Year because of two indicators that were deemed to be not smart. Those indicators were rectified during the financial year so as to ensure they do not affect the unit in future audits.

Cascading of Individual Performance to lower levels went up to level 4 in the current financial year, there is a plan to further cascade the performance to all levels of employees.

Tools of trade for communications – the delays in assets numbers and supply management processes resulted in the unit being unable to procure the required tools of trade.

There are critical functions of the unit being carried out by Interns, which indicates that should the contracts for these Interns come to an end; the Unit will not be able to carry out all its functions due to capacity matters. There are currently no posts within the current structure for these functions secured.

6.3 STRATEGIC PLANNING

INTRODUCTION TO STRATEGIC PLANNING

The purpose of strategic planning is to facilitate and manage the strategic direction of the organisation. The functions of the unit is to develop of a long-term roadmap comprised of a set of specific goals, objectives and action; to establish a vision that sets a clear path to the future of the city with the flexibility to adapt the vision as time passes and as needs require; to facilitate and manage the strategic sessions of the municipality and monitor implementation and adherence to the strategic goals thereof and to promote and facilitate inter and intra-governmental relations.

The three priority areas for the 2021/2022 financial year were reviewing the City Development Strategy (CDS). The City Development Strategy (CDS) was approved in 2015. The process of reviewing the strategy began in December 2021. Internal consultation was conducted during the 2021/2022 financial year to produce a draft reviewed strategy and a workshop was held to ensure that the reviewed strategy is aligned to the National Development Plan, Provincial Growth & Development Strategy and District Development Model (One Plan – One Budget). Further, the document was aligned to the Integrated Development Plan (IDP) and Service Delivery Budget Implementation Plan (SDBIP).

The second priority area was the fundraising initiative instituted by the Pietermaritzburg Urban Renewal Programme (PURP) unit. A tender was put out to appoint a consortium of service providers for fundraising. The municipality has successfully appointed service providers for fundraising who have presented their proposals to the municipality regarding assistance with infrastructure development, economic development and various other ambits.

The third priority was the IDP process to ensure that a credible IDP was produced through consultation with the community and all other relevant stakeholders. The backbone of the municipality is the Integrated Development Plan, devised to constructively implement the different programmes aimed at guiding future growth. This new focus on the future of the city, has led to several key catalytic and strategic projects that can leverage the city's economic and social potential. The city is re-positioning itself for a new set of challenges and is aggressively implementing new game changers, which are visible large-scale catalytic projects with a huge impact. The timing and sequencing of these projects require balanced implementation with an emphasis on economic development and employment creation.

EMPLOYEE INFORMATION

EMPLOYEE: STRATEGIC PLANNING					
CITY DEVELOPMENT, PURP & IDP					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	-	-	-	-	-
T04-T08	9	31	9	22	71
T09-T13	-	5	1	4	80
T14-T18	3	5	2	3	60
T19-T22	-	1	1	-	-
T23-T25	-	-	-	-	-
Total	12	42	13	29	69
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)					

ORGANIZATIONAL UNITS WITHIN STRATEGIC PLANNING

CITY DEVELOPMENT

To help the city to harness the potential of growth and development with the view to improve the quality of life for all citizens by formulating a City Development strategy; analysing economic, social, and environmental trends to maintain sustainability. The City Development unit facilitated and monitored the Municipal Support and Intervention Plan (MSIP). The MSIP was part of an intervention from KZN CoGTA. Msunduzi was classified as one of the dysfunctional municipalities in the province, therefore the challenges were identified, and the municipality is required to provide monthly progress reports to CoGTA regarding the progress of addressing the challenges. The following are the 2022 /2023 Plans for the City Development unit:

- Internal Sector Plans should be aligned with the City Development Strategy. Therefore, the unit will have to engage Business Units on the reviewed strategy.
- The unit will conduct quarterly meetings with IDP and PMS sections to ensure alignment.
- The unit will monitor the implementation of the CDS.
- Participate in various strategic forums (DDM, PMCB, IDP Forum, etc)

PIETERMARITZBURG URBAN RENEWAL PROGRAMME

To revitalize the city, stimulate economic growth, restore economic vitality, increase investor confidence in the city by relieving social problems through the maintenance, rehabilitation and rebuilding of the physical environment to create a safe and well-maintained city to improve investor confidence. Develop a coordinated institutional framework for the city and to ensure that infrastructure and service delivery imperatives meets the demands of future growth within the city.

During the 2021/2022 financial year, the unit dealt with the City Revitalization Project through the Pietermaritzburg Midlands Chamber of Business (PMCB). The PMCB undertook the project through funding received from EDTEA. The objective of the project is the rejuvenation of the city centre mall, namely physical improvements to the road and sidewalk infrastructure, aesthetically and functionally upgrading the existing elements: paving, trading kiosks, bins, bollards, lighting, parking layout, stormwater management. The project commenced in July 2021 and is a work in progress.

The unit is responsible for the Fundraising project whereby, service providers present their proposals to the Fundraising Task Team for consideration. Fundraising is a fundamental part of assisting municipalities to add to their grant pool or support service delivery imperatives through infrastructure projects. The unit facilitates such processes.

The section targets Bylaw infringement inspections within the CBD or service delivery matters that needs attention to ensure the municipality is maintaining its Infrastructure and the by-laws are being enforced. The Enforcement Officers daily patrol the Pietermaritzburg Central Business District (CBD) in order to identify any by-law infringements and/or service delivery matters.

All targets for the unit set out in the Operational plan for the 2021/2022 financial year have been met. The plans for the 2022/2023 financial year are:

- To ensure the Fundraising Initiative Project continues by adding different streams such as Public Private Partnerships.
- Regarding the City Revitalization Project, a memorandum of understanding will be concluded, and the project will be completed within this financial year.
- The target for identifying by-law infringements and service delivery challenges was increased from 160 in the last financial year to 600 within this financial year.
- Prevent urban decay and promote and enforce projects that contribute.

INTEGRATED DEVELOPMENT PLAN

To facilitate the development of a single, inclusive and strategic plan for the municipality by preparing a process set out in writing to guide the planning, drafting, adoption and review of the integrated development plan; facilitate the establishment of a vision for the long term development of the municipality; prepare an assessment of the existing level of development in the municipality; identify the council's development priorities and objectives for its elected term, facilitate the development of the council's development strategies and develop appropriate mechanisms, processes and procedures to consult the local community before adopting the IDP. This section targets include ensuring Budget Steering Committee meetings take place, the IDP Review process, draft IDP /Budget /PMS process plan is developed and adopted for the financial year. Attending the DDM forums and facilitating Mayoral Roadshows.

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
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

COMMUNICATION, PARTICIPATION AND FORUMS

Every year around the end of August, Msunduzi Municipality finalizes a Process Plan which is approved by Full Council, once approved a public notice is posted to our website and various newspapers inviting members of public as well as various stakeholders to make submissions with regards to developmental priority needs. The very same Process Plan is posted to the Msunduzi website where different activities and milestones are reflected in terms of the IDP review and PMS and Budget implementation and monitoring.

The Msunduzi Municipality has a structured program or public participation. This program is reflected in the Process Plan and forms the basis for citizenry engagement framework.

The following are forms of citizenry participation that are utilized by the Municipality to ensure the citizen and stakeholders voice are accommodated in the planning, execution and review of the IDP, Budget and PMS processes:

- Ward Committee Monthly Meetings
- Stakeholders Quarterly Meeting (Reporting on PMS Progress/SDBIP and IDP)
- Community Meetings by Councilors
- Project Based Meetings
- Sector Plan Based Engagements
- Executive committee – Public Gallery
- Full Council Meeting – Public Gallery
- Integrated Development Planning Meetings:
- Izimbizo: Public Meetings for IDP and Budget.
- Municipal Property Rates Act (MPRA) (Tariff Consultations)
- Service Standard or Charter
- Community Based Planning
- Complaints Register: Customer Care and Batho Pele Engagements
- Sukuma Sakhe – Premier's Flagship Tool for Accelerated Service Delivery at a Ward Base Level
- Attendance to invitations by Interest groups
- Partnerships and MOUs: MIDI, etc
- District Development Model forums

Some of the above various forms of public participation engagements are conducted throughout the year specifically at an operational level and then some are organized on a monthly, quarterly, and annually as reflected in our Process Plan, the intergovernmental relations and citizenry participation system is adopted by the Full Council as part of the Process plan. With the introduction of the District Development Model, we did have a temporal hold on the IDP forums since the discussions and official attending were the same. Over time the IDP forum was revitalised, and sector departments and organised stakeholders were invited to discuss Msunduzi specific issues that feed into the DDM technical meetings. The IDP Mayoral Izimbizo were held during the month of April and May 2022 at the following venues in Ward 24 Grange community Hall, Ward 38 Tamboville sports field, Ward 39 Ncwadi sports field, Ward 14 Williwofountain sports field and Ward 40 Blackburn sports field.

COMMUNICATION, PARTICIPATION AND FORUMS

Every year around the end of August, Msunduzi Municipality finalizes a Process Plan which is approved by Full Council, once approved a public notice is posted to our website and various newspapers inviting members of public as well as various stakeholders to make submissions with regards to developmental priority needs. The very same Process Plan is posted to the Msunduzi website where different activities and milestones are reflected in terms of the IDP review and PMS and Budget implementation and monitoring.

The Msunduzi Municipality has a structured program or public participation. This program is reflected in the Process Plan and forms the basis for citizenry engagement framework which is currently mooted in a form of a public participation policy.

The following are forms of citizenry participation that are utilized by the Municipality to ensure the citizen and stakeholders voice are accommodated in the planning, execution and review of the IDP, Budget and PMS processes:

- Ward Committee Monthly Meetings
- Stakeholders Quarterly Meeting (Reporting on PMS Progress/SDBIP and IDP)
- Monthly Community Meetings by Councilors (due to financial constraints-are held once in two months /6 meetings per annum per ward)
- Project Based Meetings
- Sector Plan Based Engagements
- Executive committee – Public Gallery
- Full Council Meeting – Public Gallery
- Integrated Development Planning Meetings:
- Izimbizo: Public Meetings for Budget, IDP etc
- Municipal Property Rates Act (MPRA)
- Service Standard or Charter
- Community Based Planning
- Complaints Register: Customer Care and Batho Pele Engagements
- Sukuma Sakhe – Premier's Flagship Tool for Accelerated Service Delivery at a Ward Base Level
- Attendance to invitations by Interest groups
- Partnerships and MOUs: MIDI, etc

Recently the Msunduzi Municipality has developed a communication strategy which embraces the need for responsiveness towards members of public complaints and ensuring the implementation of Batho Pele Principles, this communication strategy is about to be adopted by Full Council.

The above various forms of public participation engagements some of them are conducted throughout the year specifically at an operational level and then some of them are organized on a fortnightly, monthly, quarterly and annually as reflected in our Process Plan, the intergovernmental relations and citizenry participation system model is mooted for adoption by Full Council which forms the basis for Public Participation Policy.

TOP FOUR SERVICE DELIVERY PRIORITIES PER WARD 2021/2022 FINANCIAL YEAR (HIGHEST PRIORITY FIRST)

Top Four Service Delivery Priorities Per Ward 2021/2022 Financial Year (Highest Priority First)			
Ward Name (No)	No	Priority Name and Details	Progress 2021/2022
1	1	Tarring of roads	Rehabilitation of Roads - Vulindlela Ward 1
	2	Water pipes	NIL
	3	Revamping of Community Halls	NIL
	4	Sporting Facilities	NIL
2	1	Mabane road	Planning
	2	Ngcoya road	Planning
	3	Nsika road and other roads	Rehabilitation of Roads - Vulindlela Ward 2
	4	Extension of Soul city	NIL
3	1	Tarring of Mbongwa Road at Msunduzi area	NIL
	2	Upgrading of roads in all VDs of the Ward	Rehabilitation of Roads - Vulindlela Ward 3
	3	Upgrading of access roads in all Areas that constitute a Ward	Rehabilitation of Roads - Vulindlela Ward 3
	4	Construction of RDP houses	Vulindlela housing project
4	1	D 1138 Road at KwaShange	NIL
	2	Water extension pipe at Ndeleshane, Eshowe and Shange	In progress
	3	Rehabilitation of D2341 Mvundlweni	NIL
	4	Henley Dam bridge	NIL
5	1	Upgrade Mbuzemhlope Road (D2344)	NIL
	2	Upgrade D1134	NIL
	3	Phase 2 Concrete Jakalase Road	NIL
	4	Phase 2 Concrete Ngqemane Road	NIL
6	1	Reconstruction of Mbhekeni Road	NIL
	2	Construction of KwaDeda Community Hall	NIL
	3	Ntembeni and Qanda Network Ariel	In progress
	4	High Mastlight	Vulindlela High Mast programme
7	1	Nomo Nkabini road tarring.	NIL
	2	Zinqamu paving and Market stalls.	NIL
	3	VA Ngcobo multi- purpose centre.	NIL
	4	Mbabane hall	Pre-Planning
8	1	Tar Road (D1122)	In progress
	2	Upgrade access at road:	Rehabilitation of Roads - Vulindlela Ward 8
	3	Upgrade access road: Gogo Zondi road up to Ngubane road: Mncwabe and Mbense road	Rehabilitation of Roads - Vulindlela Ward 8
	4	Upgrade access road: Zimu road and Ntuli road	NIL
9	1	Hlela road needs to be upgraded	NIL
	2	Community Hall	Pre-Planning
	3	Manqeleni road needs to be upgraded	NIL
	4	Community Hall	NIL
10	1	Sewer Pipe	Midblock water & sewer eradication
	2	Road Construction and Upgrade of Access Roads	Nil
	3	Establishment of High School	Planning
	4	High Master Light	High mast lights-vul & great edn

Top Four Service Delivery Priorities Per Ward 2021/2022 Financial Year (Highest Priority First)

Ward Name (No)	No	Priority Name and Details	Progress 2021/2022
11	1	Installation of high mast light. Unit H, Tafuleni and Mahlathini	High mast lights-vul & great edn
	2	Construction of Multipurpose centre- unit H	Planning
	3	Construction of Access roads: Mahlathini	NIL
	4	Water –upper snathing Tafuleni	Basic Water supply
12	1	Streetlights maintenance	In progress
	2	Rehabilitation of Sports facilities	NIL
	3	Wadley Stadium	NIL
	4	Esigodini Sports Field	NIL
13	1	Maintenance of gravel roads in Kwa Nyamazane	Mig: z3: rehabilitation of roads - France ward 13 Edendale
	2	Resurfacing of Main Road in France area	Mig: z3: rehabilitation of roads - France ward 13 Edendale
	3	Fixing of Street Lights in Slangspruit, France, Westgate, and Buffer area	NIL
	4	Construction of Community Hall in Westgate	In Progress
14	1	Roads to be tarred	NIL
	2	10 Master lights	High mast lights-vul & great edn
	3	Steady supply of water and Sanitation	WSIG:ZA: BASIC WATER SUPPLY
	4	RDP housing	Willowfontein in progress
15	1	Intage Project at Maqeleni	NIL
	2	Housing Slabs and Roofing in Unit 18, T1,T2 and T3	NIL
	3	Construction of outside gym at Chakide Road open space	NIL
	4	Speed Humps (Unit 18, Mlahlankosi Road) and construction of walkway in	NIL
16	1	Damaged Roads	In progress
	2	Kwa-Pata Main Road needs to be reconstructed.	In progress
	3	Construction of speed humps	NIL
	4	Bongudunga Road for Tollgate to Sportsfield Road Dambuza needs to be reconstructed.	NIL
17	1	Construction of sanitation facilities/ sewer lines	Midblock water & sewer eradication
	2	Construction of roads - access roads	NIL
	3	Construction Park with Swimming pool	NIL
	4	Fixing of roads which are severe damaged	In Progress
18	1	Construction of France Main Community Hall	Pre-Planning
	2	Sanitation (Sewage pipe)	Midblock water & sewer eradication
	3	Tarred/Concrete Road (Thornville area main roads)	NIL
	4	Mpumelelo Multi-purpose and Skills	NIL
19	1	Clinic (Funulwazi)	NIL
	2	Installation of Street lights and master lights (on all roads that has broken streetlights)	High mast lights-vul & great edn
	3	Construction of Roads (Sangspruit access road)	NIL
	4	Agricultural Assistance (Slangspruit)	NIL
20	1	Roads to be fixed	Harewood road construction
	2	Construction of Bridge	NIL
	3	Installation of High master lights	High mast lights-vul & great edn
	4	Housing of 1000 Units in Harewood, Semero and Caluza	In progress
21	1	Clinic	NIL
	2	Library	NIL
	3	Roads	NIL
	4	Buying of Land	In progress
22	1	Construction of library in Imbali Unit 3	Planning
	2	Installation of high master lights in strategic areas of the Ward	High mast lights-vul & great edn
	3	Tar road in Ndawonde Road in Machibisa , John Mabulala near the hall, Tehuis area, Mfokeng road, Madamini Area	NIL
	4	Construction of Community Hall in Imbali unit 3 and CC	NIL
23	1	Ashdown Sports Arena (Ashdown Hall and Ashdown Stadium Upgrade)	NIL
	2	Peace Valley 2 Community Hall	NIL
	3	Transit Area Sewer and Storm-water Upgrade	Midblock water & sewer eradication
	4	Ashdown Storm-water Upgrade	In progress
24	1	Railway line to be fenced by Transnet at Southlands, Bisley and Fairmead.	NIL
	2	Sports Facilities at.	NIL
	3	Upgrading, Renovation and Furnishing of Orib and Grange Hall	Planning
	4	Railway line to be fenced by Transnet at Southlands, Bisley and Fairmead.	NIL
25	1	Electricity System Replacement And Upgrade	Substation Upgrades
	2	Water And Sanitation Upgrade	NIL
	3	Roads Resurfacing	In progress
	4	Upgrading Of Streetlights To Rechargeable Solar LED	In progress
26	1	RDP Houses in Peace valley 3 for the existing approved housing list.	Planning
	2	Upgrade and widening of Mayors Walk/Zwartkop Rds.	Preplanning
	3	Upgrade, replacement and maintenance of current water and electricity	On-going
	4	Community Hall	NIL

Top Four Service Delivery Priorities Per Ward 2021/2022 Financial Year (Highest Priority First)

Ward Name (No)	No	Priority Name and Details	Progress 2021/2022
27	1	Community centre at 128/130 Pine Street including old taxi rank on the corner of Havelock Road.	NIL
	2	Multi-purpose disaster and community Centre.	NIL
	3	Social housing on Havelock Road.	NIL
	4	Extension of tarred surfaces to the gutters	NIL
28	1	SUBSTATIONS	In progress
	2	SPEED HUMPS	In progress
	3	RESURFACING OF THE FOLLOWING ROADS	In progress
	4	SEWERS /STORM WATER DRAINS	NIL
29	1	Housing Project of 3000 units for Pakisi Area	NIL
	2	The underground electricity cable from Northdale Substation to Amethyst Alabaster Substation in Copesville.	NIL
	3	Upgrading of Copesville Sports Ground	NIL
	4	Copesville Old Age Home /Rehab Center	NIL
30	1	Canalization – Linum road to Baijoo Road	NIL
	2	Refurbishment and Maintenance of Sports Facilities – Protea Grounds	NIL
	3	Relocation of Informal Settlement at Khan Road	NIL
	4	New Fencing with a gate at Sohan	NIL
31	1	Electricity Upgrade- There is an urgent need for electricity Infrastructure upgrade residents are without electricity for days and days	In progress
	2	Water Upgrade- Common areas affected are: Cora Rd, Nerina,Olympia, Kingston, Balhambra, Innes	
	3	Widening of Bangalore Road and Mysore Road	NIL
	4	Resurfacing of roads- Dahlia Road, Munireddy Road, Mysore Road, Tajooddeen Rd, Aintree Avenue	NIL
32	1	Housing	NIL
	2	Second road exit from woodlands	Pre-Planning
	3	Roads Resurfacing	In progress
	4	Upgrade Northdale sewer & water systems	NIL
33	1	Manor Flats - Transfer of ownership	NIL
	2	Extension of the Ward Office to include a community hall.	NIL
	3	Installation of Solar Street Lights	In Progress
	4	Central - Scottsville bowling club to be allocated to Scottsville Primary School	NIL
34	1	4 high mast lights	NIL
	2	Making an area called Slaphin in Cinderella A as a Sport Centre for Kids with fencing around.	NIL
	3	Panorama Entrance Park for Kids	NIL
	4	Turning the Eastwood Tennis Court into an Indoor Soccer Ground.	NIL
35	1	Sobantu Hall	NIL
	2	Administration Office	NIL
	3	Construction of computer hub at Sobantu Council Chamber	NIL
	4	Sewer Pipes expansion	Midblock water & sewer eradication
36	1	Road Resurfacing:	In progress
	2	Road Widening:	NIL
	3	Alexandria Road	NIL
	4	Upgrade and increase capacity all electrical sub-stations to prevent frequent outages.	NIL
37	1	SACCA Informal Settlement (Mkondeni/Shortts Retreat Road)	Preplanning
	2	Ashburton and Lynnfield PARK Upgrading of water pipes	Nil
	3	Ashburton/Lynnfield Park- Rehabilitation of roads and storm water drains.	Nil
	4	HAYFIELDS Speed calming interventions	In progress
38	1	Northeast Sector Tar Road	NIL
	2	Sports ground grass planting and fencing.	In progress
	3	High Master Light in Glenwood	NIL
	4	Thembalihle Community Hall	NIL
39	1	Upgrade of Access Roads into concrete/tar surface	Mig: z1: upgr grv roads-vulindlela-ward 39
	2	OSS Housing Project	In progress
	3	Upgrade of Ncwadi Water Scheme Booster Pumps	MIG: Z1: NCWADI PHASE 2A
	4	Renovations of Halls	NIL
40	1	Hall	NIL
	2	High mast lights	High mast lights-vul & great edn
	3	Roads	MIG: Z1: UPGR GRV ROADS-VUL-WARD 40
	4	Houses	VDA Housing project
41	1	Museum completion in Georgetown	NIL
	2	Pedestrian Bridge in Esigodini/Emgodini to Smero	NIL
	3	Satellite police station	NL
	4	Outdoor Gymnasium in Georgetown	NIL

COMMENT ON THE PERFORMANCE OF STRATEGIC PLANNING OVERALL

The Strategic planning unit has undertaken various initiatives to support increased institutional capacity and promote transformation. The unit is responsible for submitting the Msunduzi Turn Around Strategy and Implementation Plan, the Municipal Support and Intervention Plan as well as the Audit Action Plan to CoGTA for monitoring the progress of the municipality and ensuring the municipality is on the road to recovery. In addition, the unit held Strategic Planning sessions and workshops. These workshops were held with the political and the administrative ambit. A portion of the capital budget was used to purchase furniture for the Strategic Planning unit. There are vacancies within the unit however, only the priority posts are being considered at this stage due to financial constraints.

6.4 POLITICAL SUPPORT**INTRODUCTION TO POLITICAL SUPPORT**

The political Support Office Provide support to the Political team to ensure smooth day to day running of the office. Its Consist of four Sub- Unit Mayoralty, Office of the MPAC Chair, Office of the Speaker and Chief Whip, VIP Protection and Youth Development. Managing political team related resources and information to ensure delivery

Manages the key performance areas and associated outcomes of the Council Programs for the Mayor's, MPAC Chair, Speaker and Chief Whip's Office, and controls the administration, facilitation, development and promotion of Special Projects & Programmes, Intergovernmental Relations & Communications, Youth development, VIP operations and Events Coordination, and attends to the development/ review of specific policies, procedures, applications, systems and controls.

Aligns and promotes Council's mandates/resolutions via Councillors, Ward Committees etc. and developing and facilitating Programs (Public Participation Programs, People's Assembly etc.) maintaining compliance of Rules of Order in Council and Portfolio meetings and the Code of Conduct for Councillors and directing the Administrative Policies and Procedures. Prepares and manages the budget of the section

ORGANIZATIONAL UNITS WITHIN POLITICAL SUPPORT

- Mayoralty
- Office of the MPAC Chair
- Office of the Speaker and Chief Whip
- VIP Protection
- Youth Development

EMPLOYEE INFORMATION

EMPLOYEE: POLITICAL SUPPORT					
MAYORALTY, OFFICE OF THE MPAC CHAIR, OFFICE OF THE SPEAKER AND CHIEF WHIP, VIP PROTECTION & YOUTH DEVELOPMENT					
Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents No.	Vacancies (as a % of total posts) %
T01-T03	4	6	5	1	17
T04-T08	72	72	59	13	18
T09-T13	20	20	15	5	25
T14-T18	6	6	2	4	67
T19-T22	0	0	0	0	0
T23-T25	0	0	0	0	0
Total	102	104	81	23	22

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

Ward Councillors By Political Party (2021 – 2022)

WARD COUNCILLORS LIST		
WARD NO.	NAME	POLITICAL PARTY
1.	Msomi Khulekani	ANC
2.	Gabuza Phumlani Emmanuel	ANC
3.	Makhaye Skhanyiso Cyril	ANC
4.	Zondi Hamilton Mlungisi	ANC
5.	Mbanjwa Nkosinathi Maxwell	ANC
6.	Madonda Kwazikwakhe Emmanuel	ANC
7.	Zuma Bukelani Ephram	ANC
8.	Ngubane Mshushisi Aubrey	ANC
9.	Mshengu Mduduzi Caswell	ANC
10.	Ngubane Themba Cyril	ANC
11.	Zuma Sanele Russell	ANC
12.	Masoeu Nkosinathi Patrick	ANC
13.	Mncwango Gladness Sibongile	ANC
14.	Mkhize Sibusiso Alfred	ANC
15.	Bhengu Msawenkosi	ANC
16.	Zuma Micheal Bhekabantu	ANC

WARD COUNCILLORS LIST		
WARD NO.	NAME	POLITICAL PARTY
17.	Ndlou Mphilisi Instance	ANC
18.	Buthelezi Simphiwe Samuel	ANC
19.	Ngwenya Percival Vusi	ANC
20.	Phungula Sphiwe	ANC
21.	Zuma Sbongumusa	ANC
22.	Zondi Thembinkosi	ANC
23.	Phungula Dumisani Bernard	ANC
24.	Nkabini Sinothi Jerome	ANC
25.	Bond Michael Steven	DA
26.	Strachan Ross Bryan (EXCO)	DA
27.	Kemp Haroon Daniel	DA
28.	Naicker Mangalingem	DA
29.	Madlala Sphamandla Sydney	ANC
30.	Soobiah Rachel	DA
31.	Ahmed Rooksana	DA
32.	Middleton Garth Frederick Wesley	DA
33.	Reddy Suraya	DA
34.	Ram Roy	ANC
35.	Dlamini Sandile Wellington (The Chief Whip)	ANC
36.	Roberts Douglas Leslie	DA
37.	Elliot Edith	DA
38.	Dlamini Godman Nkosivelile	ANC
39.	Mkhize Mbusiswa Hencefort	ANC
40.	Ngubo Jabulisile Joyce	ANC
41.	Mkhize Mabhungu Moses	ANC

Proportional Representation Councillors By Political Party (2021 – 2022)

MSUNDUZI MUNICIPALITY PR COUNCILLORS LIST		
	Name	POLITICAL PARTY
	Thebolla Mzimkhulu Meshack (The Mayor)	ANC
	Mkhize Mxolisi Theophilus (Deputy Mayor)	ANC
	Ngcobo Zanele Princess	ANC
	Msimang Nokuthula Prudence	ANC
	Sokhela Ntombizethu Precious	ANC
	Nhlabathi Bongumusa Cyril	DA
	Ntombela Thinasonke Dennis	IFP
	Madlala Hlelelwa Kholeka	ABC
	Mbona Bongani Dum'sani	EFF
	Majola Nomagugu Eunice (The Speaker)	ANC
	Magubane Zwelinjani Henry	ANC
	Dlamini Tholakele Ignatia	ANC
	Mkhize Dorcas Sibongile	ANC
	Sithole Philisiwe	ANC
	Phungula Victoria Mavie	ANC
	Mkhize Thandiwe	ANC
	Lyne Sandra Patricia	DA
	Mgaga Lungile	DA
	Ngubo Zinhle	DA
	Chonco Sibusiso Desmond	DA
	Phungula Nomathemba	DA
	Maphanga Pretty Nelisiwe	IFP
	Ntombela Thandanam Desmond	IFP
	Ndlovu Nomfundo	IFP
	Shezi Mbongeni Jetro	IFP
	Mkhize Bhekukwenza Allison	IFP
	Gcabashe Sandile	ABC
	Niemand Reinus	ACDP
	Dlela Nomalady	AIC
	Ndlovu Sinenhlanhla Love-Joy	JEP
	Adams Randal John	PA
	Mkize Beatrice Nombuyiselo	EFF
	Mncwabe Stanley Ntuthuko	EFF
	Cele Tholakele Nelisiwe	EFF
	Mpulo Mthetho Ephraim	EFF
	Nduli Mduduzi	EFF

MSUNDUZI MUNICIPALITY PR COUNCILLORS LIST

	Name	POLITICAL PARTY
	Mncube Nomusa Wendy	EFF
	Mbuto Mysie Sindisiwe	EFF
	Mpulo Sanele Protas	EFF
	Mzila Thembile Precious Memory	EFF

COMMITTEE ALLOCATIONS – JULY 2021 – JUNE 2022

COMMITTEE ALLOCATIONS – JULY 2021 – JUNE 2022

PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Executive Committee	Councillor Mzimkhulu Meshack Thebolla (The Mayor)	Councillor Mxolisi Theophilus Mkhize Councillor Ntombizethu Precious Sokhela Councillor Zanele Princess Ngcobo Councillor Nokuthula Prudence Msimang Councillor Bongani Dumisani Mbona Councillor Thinasonke Dennis Ntombela Councillor Ross Bryan Strachan Councillor Bongumusa Cyril Nhlathathi Councillor Hlelelwa Kholeka Madlala
Sustainable Development & City Enterprise	Councillor Ntombizethu Precious Sokhela	Councillor Sinothi Jerome Nkabini Councillor Dumisani Bernard Phungula Councillor Dorcas Sibongile Mkhize Councillor Godman Nkosivelile Dlamini Councillor Kwazikwakhe Emmanuel Madonda Councillor Rooksana Ahmed Councillor Edith Elliot Councillor Mysie Sindisiwe Mbutho Councillor Thinasonke Dennis Ntombela Councillor Hlelelwa Kholeka Madlala
Corporate Services	Councillor Zanele Princess Ngcobo	Councillor Nkosinathi Maxwell Mbanjwa Councillor Siphile Phungula Councillor Sibusiso Alfred Mkhize Councillor Sphamandla Sydney Madlala Councillor Nkosinathi Patrick Masoeu Councillor Sibusiso Desmond Chonco Councillor Haroon Daniel Kemp Councillor Bongani Dumisani Mbona Councillor Pretty Nelisiwe Maphanga Councillor Sanenhlahlwa Love-joy Ndlovu
Infrastructure Services	Councillor Mxolisi Theophilus Mkhize (Deputy Mayor)	Councillor Sbogumusa Zuma Councillor Hamilton Mlungisi Zondi Councillor Msawenkosi Bhengu Councillor Percival Vusi Ngwenya Councillor Gladness Sibongile Mncwango Councillor Mduduzi Caswell Mshengu Councillor Bongumusa Nhlathathi Councillor Magalingem Lucky Naicker Councillor Rachel Soobiah Councillor Mduduzi Clive Nduli Councillor Mthetho Ephraim Mpulo Councillor Mshushisi Aubrey Ngubane Councillor Bukelani Ephaim Zuma Councillor Nomalady Eleanor Dlela
Community Services	Councillor Nokuthula Prudence Msimang	Councillor Cyril Sikhanyiso Makhaye Councillor Tholakele Ignatia Dlamini Councillor Mphilisi Instance Ndlovu Councillor Simphiwe Samuel Buthelezi Councillor Thandiwe Mkhize Councillor Victoria Mavie Phungula Councillor Zinhle Regina Ngubo Councillor Sandra Patricia Lyne Councillor Garth Middleton Councillor Nomusa Wendy Mncube Councillor Thembile Precious Memory Mzila Councillor Thandanani Desmond Ntombela Councillor Mbongeni Jetto Shezi Councillor Sandile Gcabashe Councillor Randall John Adams
Financial Services	Councillor Mzimkhulu Meshack Thebolla (The Mayor)	Councillor Roy Ram Councillor Hencefort Mbusiswa Mkhize Councillor Khulekani Msomi Councillor Phumulani Emmanuel Gabuza Councillor Mabhungu Moses Mkhize Councillor Ross Bryan Strachan Councillor Douglas Leslie Roberts Councillor Noma Autrin Phungula Councillor Tholakele Nelisiwe Cele Councillor Sanele Protus Mpulo Councillor Bhekithemba Alison Mkhize Councillor Nomfundo Ndlovu

COMMITTEE ALLOCATIONS – JULY 2021 – JUNE 2022		
PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Municipal Public Accounts	Councillor Zwelinjani Henry Magubane	Councillor Jabulile Joyce Ngubo Councillor Themba Cyril Ngubane Councillor Dumisani Bernard Phungula Councillor Philisiwe Sithole Councillor Michael Bhekabantu Zuma Councillor Sdongumusa Zuma Councillor Sanele Russell Zuma Councillor Thembinkosi Zondi Councillor Michael Steven Bond Councillor Reddy Suraya Councillor Lungile Mgaga Councillor Reinus Niemand Councillor Beatrice Nombuyiselo Mkhize

COUNCILLORS PERFORMANCE: COUNCIL MEETING FOR 21/22 FY

COUNCILLOR		MEETING DATES																
Keys: P=Present; LG=Leave Granted; AWOL=Absent Without Leave, N/A (As they were not yet Cllrs during that term)																		
	07/7/21	28/7/21	25/8/21	30/9/21	04/10/21	01/12/21	14/12/21	25/1/22	24/2/22	16/3/22	31/3/22	06/4/22	26/4/22	25/5/22	30/5/22	01/6/22	29/6/22	Total
Adams RJ (PA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	AWOL	P	P	AWOL	09/12
Ahmed R (DA)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17
Bhengu M (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Bond MS (DA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	LG	P	P	P	P	11/12
Buthelezi SS (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Cele TN (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	P	P	P	P	P	P	11/12
Chonco DS (DA)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17
Dlamini GN (ANC)	P	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16/17
Dlamini SW (ANC)	P	P	P	AWOL	P	P	P	P	P	P	P	P	P	P	P	P	P	16/17
Dlamini TI (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17
Dlela NE (AIC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17
Elliott E (DA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Gabuza PE (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	LG	P	11/12
Gcabashe S (ABC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Kemp HD (DA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	11/12
Lyne SP (DA)	P	P	P	P	AWOL	LG	P	P	P	LG	P	P	P	P	LG	P	P	13/17
Madiala HK (ABC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	LG	P	P	P	P	LG	LG	09/12
Madiala SS (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17
Madonda KE (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Magubane ZH (IFP)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Majola NE (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17
Makhaye SC (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Maphanga PN (IFP)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	AWOL	AWOL	P	P	10/12
Masoeu NP (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Mbanjwa NM (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	AWOL	P	16/17
Mbona BD (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Mbuto MS (EFF)	P	AWOL	AWOL	P	AWOL	P	P	LG	AWOL	AWOL	P	LG	P	P	P	P	P	10/17
Mgaga LR (DA)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	09/09
Middleton GFW (DA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12
Mkhize BA (IFP)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	AWOL	P	P	P	11/12
Mkhize DS (ANC)	P	P	LG	LG	P	P	P	P	P	LG	P	P	P	LG	P	LG	P	12/17

COUNCILLOR	MEETING DATES																		
	Keys: P=Present; LG=Leave Granted; AWOL=Absent Without Leave, N/A (As they were not yet Cllrs during that term)																		
	07/7/21	28/7/21	25/8/21	30/9/21	04/10/21	01/12/21	14/12/21	25/1/22	24/2/22	16/3/22	31/3/22	06/4/22	26/4/22	25/5/22	30/5/22	01/6/22	29/6/22	Total	
Mkhize MH (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Mkhize MM (ANC)	P	P	P	N/A	AWOL	P	P	P	P	LG	P	P	P	P	P	P	P	11/12	
Mkhize MT (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Mkhize SA (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Mkhize T (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Mkize BN (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	AWOL	P	P	P	P	P	10/12	
Mncube NW (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	P	P	P	P	P	P	11/12	
Mncwabe SN (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	P	P	P	P	P	P	11/12	
Mncwango GS (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17	
Mpulo ME (EFF)	P	P	P	P	P	P	P	LG	AWOL	P	P	P	P	LG	P	P	P	14/17	
Mpulo SP (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	P	P	P	P	P	P	11/12	
Mshengu MC (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	AWOL	P	P	P	P	P	P	P	P	P	11/12	
Msimang NP (ANC)	P	P	P	AWOL	AWOL	P	P	P	P	P	P	P	P	P	P	P	P	15/17	
Msimi K (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Mzila TPM (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	P	P	P	P	P	P	11/12	
Naicker M (DA)	AWOL	AWOL	P	P	P	P	P	P	LG	P	P	P	P	P	P	P	P	14/17	
Ndlovu MI (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	AWOL	AWOL	AWOL	P	P	P	P	P	P	P	09/12	
Ndlovu N (IFP)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	AWOL	LG	10/12	
Ndlovu SL (JEP)	N/A	N/A	N/A	N/A	N/A	LG	P	AWOL	P	P	P	P	LG	P	P	P	P	09/12	
Nduji MC (EFF)	N/A	N/A	N/A	N/A	N/A	P	P	LG	P	P	P	P	P	P	P	P	P	11/12	
Ngcobo ZP (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17	
Ngubane MA (IFP)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Ngubane T.C (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	AWOL	P	P	P	P	P	P	P	P	P	11/12	
Ngubo JJ (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17	
Ngubo ZR(DA)	P	LG	P	P	LG	P	P	P	P	P	LG	P	P	P	P	LG	LG	12/17	
Nwenya PV (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Nhlathi BC (DA)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17	
Niemand R (ACDP)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	AWOL	P	16/17	
Nkabini SJ (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Ntombela TD (IFP)	LG	P	LG	LG	AWOL	P	P	AWOL	P	P	LG	P	P	P	P	LG	P	09/17	
Ntombela T Desmond (IFP)	P	LG	P	AWOL	AWOL	P	P	P	P	P	P	AWOL	LG	AWOL	P	LG	P	10/17	
Phungula DB (ANC)	P	P	P	P	P	P	P	AWOL	P	P	P	P	LG	P	P	P	P	15/17	
Phungula N (DA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Phungula S (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Phungula VM (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Ram R (DA)	N/A	N/A	N/A	N/A	N/A	P	P	AWOL	P	P	P	P	P	P	P	AWOL	P	10/12	
Reddy S (DA)	P	LG	P	P	P	LG	P	P	P	P	P	P	P	P	P	P	P	15/17	
Roberts DL(DA)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Shezi MJ (IFP)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	AWOL	AWOL	P	P	P	P	P	10/12	
Sithole P (ANC)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	17/17	
Sokhela NP (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Soobiah R (DA)	P	P	P	AWOL	AWOL	P	P	P	P	P	P	P	P	P	P	P	P	15/17	
Strachan RB (DA)	P	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16/17	
Thebolla MM (ANC)	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16/17	
Zondi HM (ANC)	P	LG	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16/17	
Zondi T (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12	
Zuma BE (IND)	P	LG	P	P	AWOL	P	P	P	LG	P	P	P	P	P	P	P	LG	13/17	

COUNCILLOR			MEETING DATES																		
Keys: P=Present; LG=Leave Granted; AWOL=Absent Without Leave, N/A (As they were not yet Cllrs during that term)																					
	07/7/21	28/7/21	25/8/21	30/9/21	04/10/21	01/12/21	14/12/21	25/1/22	24/2/22	16/3/22	31/3/22	06/4/22	26/4/22	25/5/22	30/5/22	01/6/22	29/6/22	Total			
Zuma MB (ANC)	P	P	P	P	P	P	P	P	P	LG	P	P	P	P	P	P	P	16/17			
Zuma S (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	AWOL	P	P	P	P	11/12			
Zuma SR (ANC)	N/A	N/A	N/A	N/A	N/A	P	P	P	P	P	P	P	P	P	P	P	P	12/12			
MSUNDUZI MUNICIPALITY COUNCILLOR'S DISCLOSURE & DECLARATION OF INTERESTS																					
2021/2022 FINANCIAL YEAR																					
NUMBER	SURNAME	NAME	DESIGNATION	DATE OF DISCLOSURE & DECLARATION	SHARES & SECURITIES IN ANY COMPANY (YES/NIL)	MEMBERSHIP OF ANY CLOSED CORPORATION (YES/NIL)	INTERESTS IN ANY TRUST (YES/NIL)	DIRECTORSHIPS (YES/NIL)	PARTNERSHIPS (YES/NIL)	FINANCIAL INTERESTS IN ANY BUSINESS UNDERTAKING (YES/NIL)	EMPLOYED (YES/NO)	OWNERSHIP / INTEREST IN PROPERTIES (YES/NIL)	PENSION (YES/NIL)	SUBSIDY / GRANT / SPONSORSHIP (YES/NIL)							
1	Adams	Randal John	PR Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
2	Ahmed	Rooksana	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
3	Bhengu	Msawenkosi	Ward Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
4	Bond	Michael Steven	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL							
5	Buthelezi	Simphiwe Samuel	Ward Councillor	22/12/2021	YES	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
6	Cele	Tholakele Nelisiwe	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
7	Chonco	Sibusiso Desmond	PR Councillor	22/12/2021	NIL	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
8	Dlamini	Tholakele Ignatia	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
9	Dlamini	Sandile Wellington	Ward Councillor	26/11/2021	YES	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL							
10	Dlamini	Godman Nkosivelle	Ward Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
11	Diela	Nomlady Eleanor	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL							
12	Elliott	Edit	Ward Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	YES	NIL							
13	Gabuza	Phumani Emmanuel	Ward Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
14	Gcabashe	Sandile	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
15	Kemp	Haroon Daniel	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
16	Lyne	Sandra Patricia	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL							
17	Madlala	Hleliwa Kholeka	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
18	Madlala	Sphamandla Sydney	Ward Councillor	26/12/2021	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
19	Madonda	Kwazikwakhe Emmanuel	Ward Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
20	Magubane	Zwelinjani Henry	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES							
21	Majola	Nomagugu Eunice	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
22	Makhaye	Skhanyiso Cyril	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
23	Maphanga	Pretty Nelisiwe	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
24	Masoeu	Nkosinathi Patrick	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
25	Mbanjwa	Nkosinathi Maxwell	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL							
26	Mbona	Bongani Dumisani	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES							
27	Mbutho	Mysie Sindisiwe	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
28	Mgaga	Lungile Ruth	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
29	Middleton	Garth	Ward Councillor	26/11/2021	YES	NIL	NIL	YES	NIL	NIL	YES	NIL	NIL	NIL							
30	Mkhize	Bhekukwenza Allison	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL							
31	Mkhize	Mxolisi Theophilus	PR Councillor	22/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
32	Mkhize	Mabhungu Moses	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
33	Mkhize	Thandiwe	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
34	Mkhize	Mbusiswa Hencefoth	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL							
35	Mkhize	Sibusiso Alfred	Ward Councillor	22/12/2021	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL	NIL	NIL							

MSUNDUZI MUNICIPALITY COUNCILLOR'S DISCLOSURE & DECLARATION OF INTERESTS

2021/2022 FINANCIAL YEAR

MSUNDUZI MUNICIPALITY COUNCILLOR'S DISCLOSURE & DECLARATION OF INTERESTS															
NUMBER	SURNAME	NAME	DESIGNATION	DATE OF DISCLOSURE & DECLARATION	SHARES & SECURITIES IN ANY COMPANY (YES/NIL)	MEMBERSHIP OF ANY CLOSED CORPORATION (YES/NIL)	INTERESTS IN ANY TRUST (YES/NIL)	DIRECTORSHIPS (YES/NIL)	PARTNERSHIPS (YES/NIL)	FINANCIAL INTERESTS IN ANY BUSINESS UNDERTAKING (YES/NIL)	ADDITIONAL INTERESTS				
											EMPLOYED (YES/NO)	OWNERSHIP / INTEREST IN PROPERTIES (YES/NIL)	PENSION (YES/NIL)	SUBSIDY / GRANT / SPONSORSHIP (YES/NIL)	
36	Mkize	Dorcas Sibongile	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL
37	Mkize	Beatrice Nombuyiselo	PR Councillor	08/12/2021	NIL	YES	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL
38	Mncube	Nomusa Wendy	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
39	Mncwabe	Ntuthuko Stanley	PR Councillor	22/12/2021	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
40	Mncwango	Gladness Sibongile	Ward Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
41	Mpulo	Mthetho Ephraim	PR Councillor	26/11/2121	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
42	Mpulo	Sanele Protas	PR Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES
43	Mshengu	Mduduzi Caswell	Ward Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
44	Msimang	Nokuthula Prudence	PR Councillor	26/11/2121	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
45	Msomi	Khulekani	Ward Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL			
46	Mzila	Thembile Precious Memory	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
47	Naicker	Magalingem "iLucky"	Ward Councillor	26/11/2121	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
48	Ndlovu	Sinenhlanhla Love-joy	PR Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
49	Ndlovu	Mphilisi Instance	Ward Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
50	Ndlovu	Nomfundo	PR Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
51	Nduli	Mduduzi Clive	PR Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
52	Neimand	Rienus	PR Councillor	26/11/2021	NIL	YES	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL
53	Ngcobo	Zanele Princess	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
54	Ngubane	Mshushisi Aubrey	Ward Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL
55	Ngubane	Themba Cyril	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
56	Ngubo	Zinhle Regina	PR Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
57	Ngubo	Jabulisile Joyce	Ward Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL
58	Ngwenya	Percival Vusi	Ward Councillor	24/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
59	Nhlabathi	Bongumusa Cyril	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
60	Nkabini	Sinothi Jerome	Ward Councillor	22/12/2021	YES	YES	NIL	NIL	NIL	NIL	NIL	YES	YES	YES	YES
61	Ntombela	Thandanam Desmond	PR Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
62	Ntombela	Thinasonke Dennis	PR Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES
63	Phungula	Nomathemba Autrin	PR Councillor	26/11/2121	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
64	Phungula	Victoria Mavie	PR Councillor	22/12/2021	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
65	Phungula	Siphiwe	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
66	Phungula	Dumisani Bernard	Ward Councillor	22/12/2021	YES	NIL	NIL	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL
67	Ram	Roy	Ward Councillor	08/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
68	Reddy	Suraya	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
69	Roberts	Douglas Leslie	Ward Councillor	26/11/2021	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
70	Shezi	Mbongeni Jetro	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	YES	NIL	YES	NIL	NIL	NIL
71	Sithole	Philliswe	PR Councillor	26/11/2021	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL
72	Sokhela	Ntombizethu Precious	PR Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
73	Soobiah	Rachel	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
74	Strachan	Ross Bryan	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL
75	Thebolla	Mzimkhulu Meshack	PR Councillor	04/01/2022	NIL	NIL	NIL	NIL	NIL	YES	NIL	NIL	NIL	NIL	NIL
76	Zondi	Hamilton Mlungisi	Ward Councillor	24/11/2021	YES	NIL	NIL	YES	NIL	NIL	NIL	NIL	NIL	NIL	NIL
77	Zondi	Thembinkosi	Ward Councillor	26/11/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
78	Zuma	S'bongumusa	Ward Councillor	22/12/2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

[illegible]

[illegible]

[illegible]

[illegible]

OFFICE OF THE SPEAKER - MSUNDUZI MUNICIPALITY										
Record of Challenges / Complaints / Requests for Services per Ward as per Circular 63 - Municipal Finance Management Act										
2021/2022 Financial Year										
COMMUNITY MEETINGS										
WARD	Date of Meeting	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Challenges / Complaints / Requests for Services received	Date information forwarded to Customer Care / Relevant Department for actioning	Date followed up with Customer Care / Relevant Department	Measures taken to address Challenges / Complaints / Requests for Services received per ward	Status of Challenges / Complaints / Requests for Services received per ward	Dates and manner of feedback given to Councillors to forward to the community
36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Council & Executive Support

SERVICE STATISTICS FOR COUNCIL & EXECUTIVE	
ITEM	NUMBER
Total number of Councillors	81
Total number of Executive Committee Members	08
Total number of wards	41
Total number of ward committee meetings	66
Number and Type of Council Committee Meetings:	
Full Council	18
Executive Committee	22
Good Governance	08
Financial Services	11
Infrastructure Services	09
Community Services	06
Development Services	07
Oversight Committee	18
Municipal Public Accounts Committee	22

COMPONENT G: SAFE CITY – MUNICIPAL ENTITY – MSUNDUZI MUNICIPALITY

SAFE CITY MSUNDUZI NPC

(Registration number 2010/024562/08)

Annual Financial Statements for the year ended 30 June 2022

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provide camera surveillance under the jurisdiction of the Msunduzi Municipality.
Directors	D Sokhela K Basson V Biggs G Moody R Singh S Ako-Nai
Registered office	1st Floor Pietermaritzburg Fire Department Pietermaritz Street Pietermaritzburg 3201
Business address	1st Floor Pietermaritzburg Fire Department Pietermaritz Street Pietermaritzburg 3201
Postal address	PO Box 3110 Pietermaritzburg 3200
Bankers	First National Bank Limited
Tax reference number	9101/228/18/8
Auditors	Auditor General of South Africa
Value Added Taxation reference number	4550261145
Pay As You Earn (PAYE) reference number	7490770601
Skills Development Levy (SDF) reference number	L490770601
Unemployment Insurance Fund (UIF) reference number	U490770601

ANNUAL REPORT

2021/22 DRAFT

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VISION

"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

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DIRECTOR'S RESPONSIBILITIES AND APPROVAL

The directors are required by the requirements of the Municipal Finance Management Act 56 of 2003 and the requirements of the Companies Act of South Africa (Act No.71 of 2008), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the Standards of Generally Recognised Accounting Practices and the requirements of the Municipal Finance Management Act 56 of 2003. The directors are responsible for preparing the directors' report.

The financial statements are prepared in accordance with Generally Recognised Accounting Practices and the requirements of the MFMA and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment.

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

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

The directors have reviewed the company's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 4 to 25 which have been prepared on the going concern basis, were approved by the Board on 24th August 2022 and were signed on its behalf by:



D Sokhela
Chairperson of the Board



L Holtzhausen
General Manager

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note(s)	2022 R	2021 R
Assets			
Non - current assets			
Property, plant and equipment	3	8 590 320	9 579 554
Current assets			
Trade and other receivables from exchange transactions	4	2 500	2 500
Trade and other receivables from non-exchange transactions	5	3 569 856	3 390 727
Cash and cash equivalents	6	1 280 359	1 801 179
		4 852 715	5 194 406
Total assets		13 443 035	14 773 960
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	7	430 982	419 060
Provisions	8	1 064 385	1 003 748
		1 495 367	1 422 808
Total liabilities		1 495 367	1 422 808
Net assets		11 947 668	13 351 152
Reserves			
Accumulated surplus		11 947 668	13 351 152
Total net assets		11 947 668	13 351 152

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2022 R	2021 Restated* R
Revenue			
Revenue from exchange transactions			
Interest received - bank, call and investment account		89 956	74 517
Operational revenue		840	300
Total revenue from exchange transactions		90 796	74 817
Revenue from non-exchange transactions			
Income from non-exchange transactions - Msunduzi Municipality	9	12 416 889	11 793 834
Service in-kind - rental income	10	286 824	263 568
Total revenue from non - exchange transactions		12 703 713	12 057 402
Total revenue		12 794 509	12 132 219
Expenditure			
Consumables	11	(45 794)	(45 298)
Deemed rental expenses - service in-kind	10	(286 824)	(263 568)
Depreciation	3	(925 755)	(1 003 096)
Employee related costs	12	(11 449 782)	(9 853 688)
General expenses	13	(196 158)	(213 734)
Operating leases		(18 676)	(11 214)
Operational costs	14	(1 106 875)	(1 085 635)
Total expenditure		(14 029 864)	(12 476 233)
Deficit for the year from operations		(1 235 355)	(344 014)
Loss on disposal of asset		(168 129)	(323 878)
Deficit for the year		(1 403 484)	(667 892)

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated surplus R	Total net assets R
Balance at 01 July 2020	14 019 044	14 019 044
Deficit for the year	(667 892)	(667 892)
Balance at 01 July 2021	13 351 152	13 351 152
Deficit for the year	(1 403 484)	(1 403 484)
Balance at 30 June 2022	11 947 668	11 947 668

CASH FLOW STATEMENT

	Note(s)	2022 R	2021 R
Cash flows from operating activities			
Receipts			
Transfer from Msunduzi Municipality		14 100 294	13 443 702
Interest		89 956	74 517
Operational revenue		840	300
		14 191 090	13 518 519
Payments			
Employee costs		(11 389 146)	(9 684 184)
Suppliers		(3 218 114)	(3 049 957)
		(14 607 260)	(12 734 141)
Net cash flows from operating activities	15	(416 170)	784 378
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(165 871)	(339 981)
Proceeds from disposal of assets		61 221	35 955
Net cash flows from investing activities		(104 650)	(304 026)
Net increase/(decrease) in cash and cash equivalents		(520 820)	480 352
Cash and cash equivalents at the beginning of the year		1 801 179	1 320 827
Cash and cash equivalents at the end of the year	6	1 280 359	1 801 179

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Notes
	R	R	R	R	R	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Interest received	150 000	-	150 000	89 956	(60 044)	23.1
Operational revenue	-	-	-	840	840	
Total revenue from exchange transactions	150 000	-	150 000	90 796	(59 204)	
Revenue from non- exchange transactions						
Transfer revenue						
Income from non-exchange transactions- Msunduzi Municipality	14 279 000	-	14 279 000	12 416 889	(1 862 111)	23.2
Deemed rental expenses – service in-kind	-	-	-	286 824	286 824	
Total revenue from non - exchange transactions	14 279 000	-	14 279 000	12 703 713	(1 575 287)	
Total revenue	14 429 000	-	14 429 000	12 794 509	(1 634 491)	
Expenditure						
Employee related costs	(11 518 000)	-	(11 518 000)	(11 449 782)	68 218	
Deemed rental expenses - service in-kind	-	-	-	(286 824)	(286 824)	
Depreciation	(954 000)	-	(954 000)	(925 755)	28 245	
General expenses	(976 000)	-	(976 000)	(196 158)	779 842	23.3
Operational costs, Consumables and leases	(1 785 000)	-	(1 785 000)	(1 171 345)	613 655	23.4
Total expenditure	(15 233 000)	-	(15 233 000)	(14 029 864)	1 203 136	
Deficit for the year from continuing operations	(804 000)	-	(804 000)	(1 235 355)	(431 355)	
Loss on disposal of asset	-	-	-	(168 129)	(168 129)	
Deficit for the year	(804 000)	-	(804 000)	(1 403 484)	(599 484)	

Kindly refer to notes 23.1 to 23.4 for an explanation of the material variances.

ACCOUNTING POLICIES

1. Presentation of financial statements

The financial statements have been prepared on a going concern basis in accordance with Standards of Generally Recognised Accounting Practices with the requirements of the Municipal Finance Management Act 56 of 2003. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgments and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements.

Significant estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgments include the following:

Impairment and useful live review of property plant and equipment and intangible assets.

The company determines the estimated useful lives and related depreciation for property, plant and equipment. This estimate is based on the condition and use of the individual assets in order to determine the remaining period over which the asset can and will be used. The impairment of assets is estimated in line with accounting policy 1.3 below.

Provisions

The company assesses its provisions at each reporting date in determining whether an adjustment should be recorded in surplus or deficit. Provisions are estimated in line with accounting policy 1.9 below.

1.2 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	15
Motor vehicles	Straight line	10
Office equipment	Straight line	15
Computer equipment	Straight line	15
Video and data equipment	Straight line	20

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each component is depreciated separately over its useful life. The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that assets may be impaired. If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction. At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.5 Trade and other receivables

Trade and other receivables are stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying value of these receivables approximate fair value due to the short period to maturity of these instruments. Trade and other receivables from non-exchange transactions are disclosed separately from trade and other receivables from exchange transactions. Trade and other receivables in exchange for which the entity gives approximately equal to another entity are recognised as trade and other receivables from exchange transactions. Trade and other receivables received without directly giving approximately equal value in exchange are recognised as trade and other receivables from non exchange transactions.

1.6 Taxes - value added tax (VAT)

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to, the taxation authority is incurred as part of receivables or payables in the statement of financial position.

1.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

1.8 Trade and other payables

Trade and other payables are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

1.9 Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

1.10 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, after sales taxes and discounts. Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Revenue from non-exchange transactions

Refers to transactions where the entity received revenue from the Msunduzi Municipality without giving approximately equal value in exchange. Revenue from non exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.12 Expenditure

Expenditure is recognised using the accrual basis and are recorded in the period in which they are incurred.

1.13 Capital commitments

A capital commitment is a binding agreement to undertake capital expenditure at some set time in the future which has not yet become an actual liability. Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Employees contribute to defined contribution retirement fund and benefits are provided to all eligible employees. Contributions are charged as an expense as the fall due and the fund is externally managed.

1.15 Tax

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.16 Related parties

The entity operated in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a constitutional independence of the three spheres of government in South Africa, only entities within the national, provisional and local sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that member of management in their dealings with the entity.

Directors' contributions consist of items that meet the definition of equity, being any contract that evidences a residual interest in the net assets of the company. The entity is directly controlled by the Msunduzi Municipality.

1.17 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure is disclosed inclusive of VAT. Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the municipal council may write off the amount as debt impairment and disclose such in the relevant note to the financial statements.

The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expenses, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

1.20 Events after the reporting date

Subsequent events that are both favourable and unfavourable which occurred between the reporting date and the date when the financial statements are authorised for issue, are included as a disclosure note to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

Standards and interpretations issued, but not yet effective year

The following Standards and interpretations of GRAP have been approved, but are not yet effective:

Standard/ Interpretation:	Effective Date: Years beginning on or after:	Expected impact:
• GRAP 104: Financial instruments	Not yet determined	The adoption of this Standard of GRAP, when it becomes effective, is not expected to have a significant impact on the financial statements because it is currently being applied.
• GRAP 25 (R): Employee benefits	Not yet determined	The adoption of this Standard of GRAP, when it becomes effective, is not expected to have a significant impact on the financial statements because it is currently being applied.

3. Property, plant and equipment

	2022			2021		
	Cost / Valuation R	Accumulated depreciation R	Carrying value R	Cost / Valuation R	Accumulated depreciation R	Carrying value R
Furniture and fixtures	215 848	(76 664)	139 184	125 343	(72 129)	53 214
Motor vehicles	210 000	(133 000)	77 000	210 000	(116 773)	93 227
Office equipment	11 850	(5 265)	6 585	8 480	(4 589)	3 891
Computer equipment	165 772	(47 053)	118 719	130 752	(38 263)	92 489
Video and data equipment	18 427 792	(10 178 960)	8 248 832	18 893 011	(9 556 278)	9 336 733
Total	19 031 262	(10 440 942)	8 590 320	19 367 586	(9 788 032)	9 579 554

4. Reconciliation of property, plant and equipment - 2022

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	53 214	90 505	-	(4 535)	139 184
Motor vehicles	93 227	-	-	(16 227)	77 000
Office equipment	3 891	3 370	-	(676)	6 585
Computer equipment	92 489	35 019	-	(8 789)	118 719
Video and data equipment	9 336 733	36 977	(229 350)	(895 528)	8 248 832
Total	9 579 554	165 871	(229 350)	(925 755)	8 590 320

5. Reconciliation of property, plant and equipment - 2021

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Furniture and fixtures	36 486	20 000	-	(3 272)	53 214
Motor vehicles	111 025	-	-	(17 798)	93 227
Office equipment	8 659	-	(3 866)	(902)	3 891
Computer equipment	56 733	50 925	(9 274)	(5 895)	92 489
Video and data equipment	10 389 599	269 056	(346 693)	(975 229)	9 336 733
Total	10 602 502	339 981	(359 833)	(1 003 096)	9 579 554

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the entity.

There are no restrictions on title and disposal of property, plant and equipment. Property, plant and equipment are not allowed to be pledged as securities for liabilities.

	2022 R	2021 R		
4. Trade and other receivables from exchange transactions				
Trade receivables	2 500	2 500		
5. Trade and other receivables from non-exchange transactions				
Accrued Income	3 569 856	3 390 727		
This relates to amounts due from the Msunduzi Municipality.				
6. Cash and cash equivalents				
Cash and cash equivalents consist of:				
First National Bank Limited- current account	77 540	81 885		
First National Bank Limited- money market account	1 194 837	1 718 804		
Petty cash	7 982	490		
	1 280 359	1 801 179		
7. Trade and other payables from exchange transactions				
South African Revenue Services – VAT	411 498	404 032		
Accrued expenses	19 484	15 028		
	430 982	419 060		
8. Provisions				
Reconciliation of provisions - 2022				
	Opening Balance	Additions	Utilized during the year	Total
	R	R	R	R
Provision for leave pay	347 811	4 279	-	352 090
Provision for annual bonus - 13th cheque	655 937	712 295	(655 937)	712 295
	1 003 748	716 574	(655 937)	1 064 385
Reconciliation of provisions - 2021				
	Opening Balance	Additions	Utilized during the year	Total
	R	R	R	R
Provision for leave pay	290 423	57 388	-	347 811
Provision for performance bonus	49 568	-	(49 568)	-
Provision for annual bonus - 13th cheque	494 254	655 937	(494 254)	655 937
	834 245	713 325	(543 822)	1 003 748
Provision for leave pay				
The leave pay provision is based on the maximum leave available for staff to use during the 2023 financial year.				
Provisions for performance bonus				
The performance bonus is based on assessments made by management of the staff performance for the prior year.				
Provision for annual bonus (13th cheque)				
The 13th cheque annual bonus is based on one month's cost to company for all employees in the company's payroll.				
9. Revenue from non-exchange transactions				
Income from non-exchange transactions – Msunduzi Municipality		12 416 889		11 793 834
Revenue from non-exchange transactions relates to income received from the Msunduzi Municipality.				

	2022 R	2021 R
10. Services in-kind		
Rental of office premises		
Deemed rental income	286 824	263 568
Less: deemed rental expense	(286 824)	(263 568)
	<u>-</u>	<u>-</u>
The entity is occupying office space owned by the Msunduzi Municipality. The amount of the rental has been quantified by an external valuator.		
Other services in-kind		
- The company's management attended four (4) Municipal Audit Committee meetings in the current year under review and 4 Municipal Audit Committee meetings in the prior year. - Safe City Msunduzi NPC makes use of the Msunduzi Municipality's audit committee and internal audit services, these services in kind were also considered not significant. - Safe City Msunduzi NPC makes use of the Msunduzi Municipality's accounting system - SAP. This is deemed a service-in-kind.		
11. Consumables		
Consumables - standard rated	16 831	18 324
Consumables - zero rated	28 963	26 974
	<u>45 794</u>	<u>45 298</u>
12. Employee related costs		
Basic	8 046 309	6 562 089
Overtime	375 761	764 355
Bonus	712 962	655 937
Medical aid - company contributions	1 065 045	842 591
UIF	80 768	72 739
WCA	54 547	32 844
SDL	97 629	84 557
Travel or motor vehicle allowance	132 000	129 000
Cellphone allowance	97 800	69 250
Board member fees	232 305	185 741
Pension fund	554 656	454 585
	<u>11 449 782</u>	<u>9 853 688</u>
13. General expenses		
Accounting fees	64 167	60 117
Employee wellness	32 647	48 319
Legal fees	5 500	-
External repairs and maintenance	71 240	87 083
Quality control	22 604	18 215
	<u>196 158</u>	<u>213 734</u>
14. Operational Costs		
External audit fees	462 903	454 624
Bank charges	20 477	28 227
Courier and delivery services	1 040	802
Communication	54 341	54 977
Electricity	201 395	169 006
Insurance	357 112	354 362
Motor vehicle licence	-	934
Parking fees	2 779	2 779
Registration fees - seminars	4 087	-
Uniform	-	17 335
Vehicle tracking	2 741	2 589
	<u>1 106 875</u>	<u>1 085 635</u>

	2022 R	2021 R
15. Cash (used in)/ generated from operations		
Deficit for the year	(1 403 484)	(667 892)
Adjustments for:		
Depreciation	925 755	1 003 096
Loss on disposal of asset	168 129	323 878
Movements in provisions	60 637	169 503
Changes in working capital:		
Trade and other receivables from exchange transactions	-	91 792
Trade and other receivables from non-exchange transactions	(179 129)	(119 207)
Trade and other payables from exchange transactions	11 922	(16 792)
	(416 170)	784 378
16. Related parties		
Relationships		
Shareholder	Msunduzi Municipality	
Chairperson	D Sokhela	
Vice Chairperson	G Moody	
Director	V Biggs	
Director	K Basson	
Director	R Singh	
Director	S Ako-Nai	
General manager	L Holtzhausen	
Technical manager	R Holtzhausen	
Administrative assistant	C Holtzhausen	
Related party transactions		
Contribution received - Msunduzi Municipality	12 416 889	11 793 834
Accrued income - Msunduzi Municipality	3 569 856	3 390 727
Electricity and water paid to Msunduzi Municipality	201 395	169 006
	16 188 140	15 353 567
Remuneration of management		
Board members – basic salary		
Chairperson- D Sokhela	73 974	39 241
Vice chairperson- G Moody	41 971	38 158
Director- V Biggs	15 871	13 226
Director- R Singh	31 742	26 452
Director - S Ako-Nai	31 742	21 162
Director- K Basson	37 005	47 502
	232 305	185 741
General Manager - L Holtzhausen		
Basic salary	709 448	663 717
Bonus	61 697	56 811
Cellular allowance	10 000	8 000
Medical aid	28 649	27 048
Travel/ Motor vehicle allowance	30 000	30 000
UIF	2 040	1 898
	841 834	787 474
Technical Manager - R Holtzhausen		
Basic salary	413 654	371 695
Bonus	33 510	29 707
Cellular allowance	8 600	6 600
Medical aid	28 649	27 048
Pension fund	31 023	27 877
Travel/ motor vehicle allowance	24 000	24 000
UIF	2 040	1 898
	541 476	488 825

	2022 R	2021 R
Administrative assistant - C Holtzhausen		
Basic salary	205 365	183 850
Bonus	16 696	14 633
Cellular allowance	6 400	5 200
Medical aid	28 649	21 226
Pension fund	15 402	13 789
Travel/ Motor vehicle allowance	18 000	18 000
UIF	2 040	1 898
	292 552	258 596

Service in-kind

The company received services in-kind from related parties as detailed in note (8) to the these annual financial statements.

17. Prior period errors

During the prior year, the company recognised receipts in respect of insurance claims on damaged property, plant and equipment as revenue from exchange transactions instead of considering the receipts against the net carrying value of the asset in recognising the loss on disposal of asset.

The correction of the error(s) results in adjustments as follows:

Statement of financial performance

Decrease in revenue from exchange transaction -Insurance claim	(35 955)
Decrease in loss on disposal of asset	35 955

18. Going concern

We draw attention to the fact that at 30 June 2022, the entity had an accumulated surplus of R11 947 668 and that the entity's total assets exceed its liabilities by R11 947 668.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

19. Events after the reporting date

The directors are not aware of any other matter or circumstance arising at the end of the financial period that has a material impact on the financial statements.

20. Fruitless and wasteful expenditure

Opening balance	13 716	13 716

21. Irregular expenditure

Opening balance	1 760 544	1 199 498
Add: current year expenses	-	561 046
Balance at year-end	1 760 544	1 760 544

Details of irregular expenditure

Insufficient quotations received as required by the procurement process.	-	48 531
Bidding process not followed	-	354 362
Preference point system not followed	-	96 618
Supplier bid declaration form not attached	-	61 535
	-	561 046

Cases under investigation

Procurement processes not followed	1 199 498	1 199 498

In the case of the irregular, fruitless and wasteful expenditure, it is only after an investigation has been conducted that the expenditure can be certified as irrecoverable and written off by the board.

The investigation is still open and as soon as it is closed the board will write-off or condone the expenditure.

	2022 R	2021 R

22. Deviation from supply chain management regulations

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to dispense with official procurement processes established by the policy and to procure any required goods and services through any convenient process". This would typically include urgent and emergency cases, single source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the Chief Executive Officer is required to report this to the next Board meeting for noting.

Various suppliers	-	7 604

23. Budget variances

Explanations of variances between budget and actual amounts is provided below for all variances in excess of 10%.

23.1 Interest Received

The variance is as a result of the decrease in interest rates on investments, coupled with the timing of cash deposited.

23.2 Income Received from non-exchange transactions - Msunduzi Municipality

The variance is due to the VAT portion.

23.3 General Expenses

The variance is due to the entity following strict cost containment measures.

23.4 Operational Costs and leases

The variance is due to the entity following strict cost containment measures.

SAFE CITY MSUNDUZI NPC

Reg. No. 2010/024562/08

CHAIRPERSON'S ANNUAL REPORT FOR THE YEAR ENDING 30TH JUNE 2022

1: BACKGROUND:

Safe City Pietermaritzburg was formally constituted as an Association incorporated under section 21 of the Companies Act on 28 March 2002.

The need for street surveillance arose when the various South African Police Services amalgamated in 1994 and a moratorium was placed on the recruitment of police officers. The late Mr Des Winship, retired Managing Director of Hulett Aluminium and then chairperson of Business Against Crime (BAC) in Pietermaritzburg realised additional methods for the prevention and detection of crime had to be found and he started with a research process of establishing a CCTV surveillance capability in the Pietermaritzburg. He approached the Pietermaritzburg Chamber of Business who agreed to provide capital funding to install the first phase of surveillance cameras in the city. Detailed crime statistics was then obtained from the South African Police Services to determine crime hot spots where CCTV cameras had to be installed. The South African Police Services also gave their full commitment in supporting the project by undertaking to post a SAPS member on a 24/7 basis in the Control Room and to provide response units to all crime incidents detected on camera. Mr. Winship then approached the Msunduzi Municipality who undertook to fund the project by means of operational and capital funding and the first agreement was signed on the 18th of May 2002. Subsequent addendums to the agreement were signed on the 12th of September 2003, 28th July 2004, 20th July 2005, and 26th July 2006.

The original Board of Directors of Safe City consisted of the mayor as chairperson, two nominated councillors, representatives from the SAPS, NPA and Business.

Mr Winship also approached the National Prosecuting Authority who undertook to provide a dedicated court for all cases detected on CCTV. A TV monitor and DVD player was then donated by BAC to court for the purpose of leading CCTV evidence during court cases.

The first fifteen CCTV cameras started to operate on the 1st of January 2003 on a 24/7 basis with the Control Room situated on the 1st Floor at the Fire Department.

Safe City Pietermaritzburg was registered as a Section 21 company in accordance with the Companies Act: Act 1973 but upon advice from the Intervention Team that took over Msunduzi Municipality administration in 2010 Safe City was compelled to register as a (Pty) LTD company.

Due to the prohibition placed on Municipal Councillors and Government employees in accordance with the Municipal Finance Management Act to serve as directors of boards the mayor, nominated councillors and government employees had to stand down as directors. The remaining Board directors continued to function without any remuneration for their duties.

During 2013 the then Municipal Manager Mr Mxolisi Nkosi advised the Board to register as a Non-For-Profit Company due to tax complications and provided a letter of support from Msunduzi Municipality who was the then sole shareholder of Safe City. The application was approved by the Companies Intellectual Properties Commission (CIPC) on the 18th of September 2015 and an NPC certificate was issued accordingly.

The Safe City project is a partnership which is governed by an agreement by which the Municipality would make the necessary financial resources available for the operation of the organisation as well as the capital expenditure required to extend the CCTV surveillance to other parts of the city. The Service Level Agreement (SLA) for the financial years 2021 to 2024 has been agreed upon and signed by the Municipal Manager and the Safe City Chairperson on the 24th of November 2020.

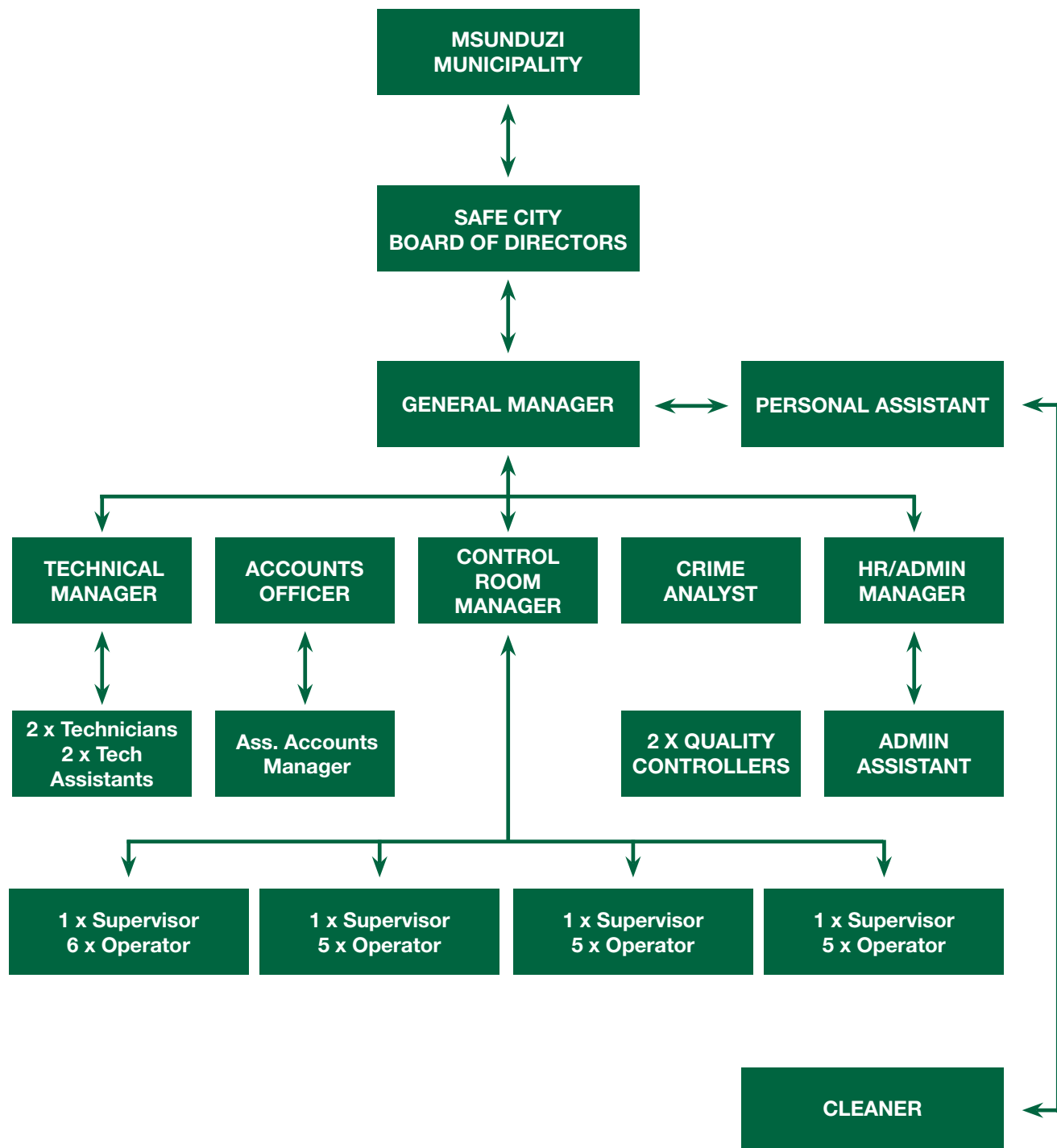
2: MEMBERS OF THE BOARD:

The current Board of Directors has, since the inception of Safe City in 2003, performed its duties diligently in accordance with the Municipal Finance Management Act and other requirements as per the Company's Act. For most of this period, board members provided their expertise and time on a free and voluntarily basis. It is only lately that directors are receiving directors' fees in accordance with Treasury guidelines for the work they perform in respect of governance matters. As Safe City is a Municipal entity performing a vital service to the community and the municipality of Msunduzi, directors serving on the Board need to have a sound knowledge and understanding of the following important aspects:

- Municipal Finance Management
- Municipal Systems Act
- Company's Act and in particular the provisions of the King IV document
- Information Technology
- Human Resource Management
- Criminal and Civil Law requirements and in particular the provisions of the Criminal Procedure Act: Act 51 of 1977
- CCTV street surveillance systems. The basic principles applied in the compilation of Operational Requirements, the Design of Street Surveillance systems and estimate costing of such systems.
- Project Management.
- ISO 9001 Accreditation
- Municipal Supply Chain Management
- Private Security Regulatory Act (PSIRA)
- Basic Conditions of Employment and Sectorial Determination 6 provisions
- General Recognized Accounting Practice (GRAP) Standard practices
- Preparation of Budgets in accordance with Municipal Standard Chart of Accounts (MSCOA)

Name of Director	Background Details	Number of Board Meetings Attended No. of meetings held: 9
Ms. Z Sokhela	1. Trustee of BP Cascades Service Station/BP Edendale. 2. Former President and current Director of PCB 3. Former Deputy Chairperson of uMgungundlovu TVET College 4. Served as UKZN Council member, Served as Deputy Chair of UMDM Economic and Development Agency. 5. Board Member of Comrades Marathon, 6. Chairperson of CMA Corporate Governance Committee 7. Member UKZN Foundation Board of Trustees. Serves in various UKZN Committees and 8. Currently the Chairperson of the Safe City Board of Directors.	9
Mr. G Moody	1. Managing Executive. Aluminum Foil Converters: Bidvest Group. 2. Currently vice chairperson of the Safe City Board of Directors	8
Mr V C Biggs	1. Retired Director: McCarthy Motors, 2. Managing member of Allison Homes, 3. Managing member of SAVS/NCVV, 4. Former member of BFC and 5. Founder member of Safe City.	4
Ms. R Singh	1. Senior Legal Admin Officer Department of Human Settlements (Legal Services) 2. Admitted attorney since 2005 3. Bachelor of Law Degree (UKZN) 4. Post Grad Diploma - Compliance Management (UJ) 5. Master of Law (UKZN)	9
Dr. S Ako- Nai	1. Academic: Lecturer, University of Kwazulu-Natal, PMB – Information Technology. 2. Executive Consultant: Dydx Business Technologies. 3. Academic Advocate: Institute of Directors KZN Branch and ISACA:	9
K Basson.	1. Currently Director at Bastrio Group (Pty) Ltd (Technology & Financial Systems Consultancy & Support) 2. Previously with Legal Practice Council / Natal Law Society for 20 Years in Finance and IT (Former Finance Manager) 3. Currently hold Bachelor of Commerce (Management Accounting) (UNISA) 4. Post Graduate Diploma in Management Accounting. (UNISA) 5. A+ / N+ / Security+ (IT Schooling) 6. Sat on the following School Boards (JC Joshua Pre-Primary / Eastwood Primary / Longmarket Girls School (Current treasurer) 7. On the executive for Pirates Football Club Pietermaritzburg.	9

3: SAFE CITY ORGANOGRAM:



4: PARTNERS:

Safe City considers its partnership with the following Government, Business and Community based institutions as its notable strengths.

4.1 Msunduzi Municipality:

Msunduzi Municipality is the parent entity of Safe City and provides Operational as well as Capital funding.

A Traffic Officer as well as an official from Waste Management performs duty in the Control Room on weekdays between 07:00 and 16:00. A dedicated operational desk has been made available solely for the purpose of detecting bylaw infringements such as littering and to monitor traffic flow during peak traffic hours. Requests for Waste Management to remove litter are directed and controlled by the official from Waste Management whilst the Traffic Officer directs Traffic Department responses to motor vehicle accidents, traffic congestions and traffic violations. There remains a dire need for a dedicated Municipal Response team to respond timeously to all bylaw infringements detected by Safe City. Incidents such as the posting of illegal abortions posters and littering which defaces our beautiful city are being detected daily but the response from Municipal Law Enforcement officials is not efficient to combat this menace.

Safe City also manages and facilitates the Disaster Management Joint Operational Centre (JOC) when it is in operation during events such as gatherings, marches, and ongoing high profile High Court cases.

4.2 South African Police Service:

Safe City has a SAPS representative present in the Control Room on a 24/7 basis. The SAPS provides Safe City with daily, weekly, and monthly crime reports which enables us to monitor our own performance as well as to compile Control Room Operational plans directing staff to focus on problematic areas. SAPS also provides a rapid response capability in the form of the Pietermaritzburg Police Motor Bike unit to deal with all criminal incidents detected on camera. Safe City also attends the daily Pietermaritzburg Station Crime Combat Forum (SCCF) meetings where operational matters are discussed. At these forums Safe City is also informed of forthcoming events such as gatherings and marches. This information enables us to plan the Control Room operations effectively.

4.3 National Prosecuting Authority:

A dedicated court has been made available to facilitate all video evidence emanating from Safe City arrests. For this purpose, Business Fighting Crime (BFC) donated a big screen and laptop to project video images during trials. It is expected from the Safe City surveillance staff to testify in all cases in which they detected and recorded criminal incidents. In this regard our staff have been complying diligently to appear in court despite the fear of intimidation.

4.4 Business Fighting Crime: (BFC):

Safe City has a permanent representative attending BFC meetings. These meetings also include the Banking Task Team. Safe City retains its efficient communication with the Pietermaritzburg business sector such as the Pietermaritzburg Midlands Chamber of Business and its stakeholders. Safe City on a regular basis is invited to present crime prevention presentations to these institutions.

4.5 Community and Sector Police Forums:

Safe City also has a representative attending CPF and Sector Police meetings. We are regularly invited to present crime prevention presentations to community-based organizations. Through the institutions we continue interacting with the various communities.

5: PARTICULAR MATTERS RELATING TO THE YEAR 2021/22:

5.1 Safeguarding of Priority Primary Electrical Sub Stations:

On 18 February 2022 at 00:47 two suspects were detected breaking through the perimeter of the Retief Sub Station. SAPS were dispatched and the suspects arrested on scene, admitting that they wanted to steal electrical cables. On 12th May 2022 both the accused Xolani Mbeje and Mzwandile Mnyaka were found guilty of Damage to Municipal Infrastructure and sentenced to eighteen months imprisonment. Should the suspects have managed to steal electrical cables extensive damaged could have been caused to electrical equipment such as transformers.

5.2 Control Room Performance: July unrest and Covid 19 periods:

It is with great appreciation that it can be reported that the Control Room remained fully functional during unrest period which occurred from the 11th of July 2022 up until 15th of July 2022 and during the various Covid 19 variants which we had to endure during the year. It was then also due to the vigilance of a Safe City operator who detected the first act of unrest in the city centre when a gang was detected braking into a store and trying to set it alight. The SAPS responded and apprehended the suspects but unfortunately the unrest situation thereafter escalated to being out of control. Despite the disruption in public transport our staff members still managed to come to work using private transport and Safe City managers using their private vehicles to transport staff to and from work.

5.3 Revenue Generating Capacity:

During the 4th quarter of the 2021/22 financial year the deputy mayor Councillor M Mkhize paid a number of visits to Safe City. During his visit on the 1st of June 2022, he was met by the Chairperson of the Board Ms. Sokhela as well as two Board members, Dr. Sonny Ako-Nai, and Mr Kerwin Basson. The chairperson gave a presentation on the functionality of Safe City and the delegation viewed the operational capability of the Automatic Number Plate Recognition (ANPR) system. It was agreed during the visit that Safe City will assist the municipality in the generation of revenue by detecting Traffic and Bylaw infringements and then to dispatch a Traffic or Security official to deal with the matter. As can be seen in para 6.3.3 in the below significant revenue has already been generated in this regard. To further enhance Safe City's capabilities to generate revenue the re-introduction of ANPR operations is urgently needed. It is estimated that more than R11 000 000 is outstanding in traffic warrant revenue. The ANPR operations which were conducted between 2010/11 and 2013/14 recovered R 4 378 915. Unfortunately, the ANPR operations were stopped due to Traffic Department labour constraints.

6. CONTROL ROOM PERFORMANCE:

6.1 Core Functions:

Safe City operates on a 24/7 surveillance basis and all the Control Room functions are ISO 9001:2015 certified. The Safe City Control Room is the only street surveillance Control Room in South Africa which can boast such an accreditation. Safe City is also registered with the Information Regulator and is adhering to the provisions of Section 14 the Promotion of Access to Information Act 2 of 2000 as well as the provisions of the Protection of Personal Information in terms of Act 4 of 2013.

Primary Function:

The monitoring of traffic and Municipal Bylaws such as littering, street gambling and illegal trading.

Facilitating the Automatic Number Plate Recognition (ANPR) system for the execution of outstanding traffic warrants and the recovery of outstanding revenue.

- The prevention, detection, and investigation of crime.
- The maintenance of the existing CCTV system. Advising Msunduzi Municipality on expansion of the CCTV system and
- Oversee the design, specification, and installation of new CCTV equipment.

Secondary Function:

- Facilitating the Disaster Management JOC during marches and gatherings.
- The monitoring of gatherings, marches, and events of public interest within camera visual area.
- Attend meetings with the Municipality to determine possible additional services.
- Liaise with Community Policing Forums, Bank Task Group and Non-Ferrous Metal Forum.
- Informing the public and business community regarding current crime tendencies and advise them on crime prevention strategies.

6.2 Monitoring of Priority Primary Sub Stations:

In the past Msunduzi Municipality was plagued with continuous power outages whereby primary substations would be vandalized for copper and other critical electrical gear. These outages had a crippling effect on the business and manufacturing sectors especially in the Mkodeni and Willtown Road areas. Several businesses indicated that they intended closing down if the municipality did not take appropriate steps to curtail these power outages. During 2016/17 the amount of R6,5 million rand was allocated to Safe City whereby 98 CCTV cameras were installed as in the table below. A dedicated desk has been assigned to only monitor the eight primary electrical substations 24/7. It needs, however, to be emphasized that the above installation is only phase 1 of 3 phases to ensure that all Msunduzi Priority substations are effectively safe guarded against vandalism and theft of equipment. Since the installation of CCTV cameras at these sub stations no cases of theft or vandalism have been reported which led to power outages. Ninety-eight (98) CCTV cameras were installed at the following priority primary electrical substations:

Sub Station	Number of CCTV cameras
Riverside	19
Retief Street	17
Prince Alfred	13
Mkodeni	15
Hesketh	7
Woodburn	8
Northdale	8
Pine Street	11

6.3 Street Surveillance Cameras:

Safe City have 71 street surveillance cameras located in the following areas and monitored 24/7.

Area	Number of CCTV cameras
Alan Paton	1
Northdale	4
CBD	56
Freedom Square Taxi	10

Except for the Freedom Square Taxi rank cameras, the street surveillance system can be regarded as antiquated and with the inclusion of the recording equipment needs to be upgraded as soon as possible as its operational capacity has diminished drastically. The system has been in operation on a 24/7 basis since the 1st of January 2003 and spares can no longer be obtained at reasonable prices to repair or replace crucial components.

6.3.1 Summary of Crime and General Incidents Detected:

As a result of an increase in business robberies in the CBD the Pietermaritzburg Business Robbery Task Team was established by Brigadier Gwala to address this tendency. The Task Team is being coordinated from the Safe City Control Room and includes members from the SAPS Highway Patrol, SAPS Motorbike Unit as well as the local Private Security Companies. All the units report their daily labour allocation and area of deployment to Safe City. On 28th June 2022 at about 15:38 a local business was robbed by three suspects who then fled in a vehicle. The dedicated response team was informed, and one suspect was shot and killed in a shootout with the SAPS near Signal Hill in the Prestbury area. Two suspects managed to escape but one was later shot and killed during a failed business robbery attempt in the Frans area.

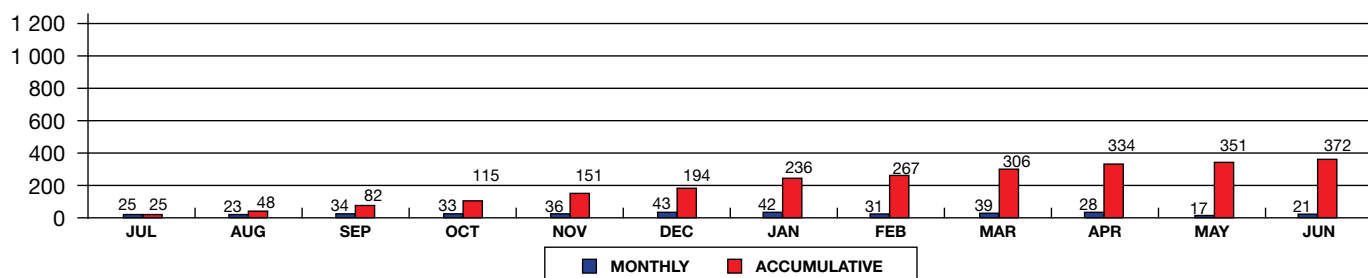
Description	2020/21	2021/22
No of Incidents Detected	1028	4447
Response by SAPS Units	310	372
No Response by SAPS	40	48
SAPS Response Time	Ave 8.3 min	Ave 9 min
Number of Arrests made, and Preventative actions taken	81	185
Dockets send to Court	61	48

6.3.2 SAPS Response:

The SAPS provides rapid response to all crime and general incidents detected. For this purpose, the SAPS Motor Bike unit is utilised extensively. See Para 3.2 in the above.

The SAPS responded to 372 incidents detected:

SAPS RESPONSES 2021/2022



6.3.3 Traffic Bylaws:

As mentioned in para 5.3 Safe City in conjunction with the Traffic and Security Department has since March 2022 embarked on an extensive project to generate revenue for the Municipality from Traffic infringements detected on camera. For the 2021/22 Financial Year the Traffic Department dealt with 66% of dispatches required. There is an urgent need for a traffic officer to be present on a continuous basis in the Control Room especially on Friday afternoons as we experience gridlocks at busy intersections. Currently there is only one traffic officer working on a shift basis in the control room. When she is off duty there is no traffic officer to assist control room staff in dispatching traffic officers to traffic infringements and traffic congestion.

Description	2020/21	2021/22
Road Traffic Ordinance	100	1062
Double Parking/ No Parking Zone		
Obstruction		
Traffic Congestion/Gridlocks		
MVA		
Traffic Signals		
Traffic Dept. Dispatch Required	100	1062
No Traffic Response	32	360
Response by Traffic Dept.	68	702
Ave Traffic Dept. response Time	14 min	21 min

SUMMARY:	Dispatch	Response	No Response	YTD Rev. Gen	YTD Rev Lost
Redline	398	310	88	R589 500	R31 800
Double Parking	178	86	92	R253 000	R95 000
Obstruction	39	12	27	R21 000	R14 000
Vehicle on Pavement	49	27	22	R30 500	R11 000
Washing Taxi/Cars	102	61	41	R13 800	R14 800
Traffic Signals	108	108	0	0	0
MVA's	62	33	29	0	0
Protest Actions	26	20	6	0	0
Traffic Congestion/Gridlock	100	45	55	0	0
TOTAL	1062	702	360	R907 800	R166 600

6.3.4 Municipal Bylaws:

For the 2021/22 Financial Year the Security Department dealt with 43% of dispatches required. Unfortunately, Safe City is unable to obtain any feedback on the results of the responses from the Security Unit. It is therefore at this stage not possible to attach any monetary value to these responses. If the response by Municipal Security can be improved, it will significantly contribute to addressing the disregard of bylaw regulations such as the posting of posters and illegal trading on the sidewalks.

Description	2020/21	2021/22
Bylaw Infringements	226	866
Selling of DVD's		
Illegal Trading		
Littering/Dumping		
Public Nuisance		
Posters		
Illegal Connections		
Security Dept. Dispatch Required	189	866
No Security Dept. Response	168	584
Security Dept. Response	21	282
Ave. Security response time	25 min	30 min

6.3.5 General Municipal Matters:

All these incidents were dealt with by the relevant Municipal Units.

Description	2020/21	2021/22
Fires	17	34
Water leaks	15	35
Traffic Signals		535
Total	32	604

6.3.6 The Public Announcement System as a Law Enforcement Tool:

The PA system has been used with immense success since its inception during 2013/14.

During 2021/22 the PA system has been utilised on 607 occasions.

The system is used in the following instances:

- When suspects are detected in an area, pedestrians or the public will be warned to be on the alert to secure their valuables as they might become victims of crime.
- When known suspects are observed they will be warned that they are under surveillance which in turn will reduce their opportunities to commit a crime.
- When pedestrians are observed who are not complying with Covid 19 protocols they are warned to comply with the regulations.
- When bylaw infringements such as posting of posters and illegal trading are detected the culprits will be warned to cease their activities.

Type of Incident	2020/21	2021/22
Public Warnings at ATM's	82	54
Public Warnings for Suspicious Behaviour	640	376
Covid 19	369	177
Total	1091	607

6.3.7 CBD Regeneration:

A Peace Officer from Waste Department performs duties in the Control Room from Monday to Friday and over alternative weekends. He monitors the CBD which is under camera surveillance and coordinates with the Waste Department to collect waste detected in camera view.

	2020/21	2021/22
Waste Dept. Required		205
Waste Dept Response		163

6.4 Maintenance of Surveillance System:

The average camera downtime was 1.5% of all cameras. Safe City's target is 10%. Power outages and load shedding wreaked havoc on our aging analogue equipment. In this regard the Technical Manager and his team have excelled in restoring the functionality of some of these cameras. Unfortunately, several analogue cameras could not be re commissioned and had to be replaced with IP cameras. The cost of these replacements was funded through Operational funds.

	2020/21	2021/22
Camera Downtime	1.3%	1.5%
Maintenance Trips Conducted	244	255

7: FINANCE:

Safe City Banking Accounts: First National Bank: Boom Street Branch:
Current Acc No 62035467978
Money Market: 62035942392

7.1 Safe City Capital Budget:

7.1.1 2021/22 Financial Year:

The amount of **R3 500 000** has been applied for to upgrade the existing CCTV system. Unfortunately, no capital budget was allocated for this purpose. As highlighted in para.6.3 there is an urgent need to upgrade to a digital system which will assist surveillance staff in the further detection of crime and bylaw infringements. This matter has again been highlighted in the Safe City multi-year business plan which has been submitted with the 2022/2023 budget application.

7.1.2 2022/23 Financial Year:

The amount of **R2 431 965.65** (incl vat). has been applied for to upgrade the existing CCTV system over a three-year period. We are incredibly grateful that the amount of **R650 000:00** (incl vat) has been allocated for the expansion of the surveillance footprint. It is envisaged that cctv cameras will be placed at all entrance and exit routes leading into the city and that these cameras will be linked to the ANPR system. It will therefore enable the Control Room to detect any suspicious or stolen vehicles entering or leaving the city centre.

7.2 Safe City Operating Budget:

7.2.1 2021/22 Financial Year:

Safe City applied for **R14 279 422.44** (incl vat) for the financial year to maintain its high level of service excellence. We would like to thank the Municipality for allocating the said amount to us. This increase was used to maintain the ageing CCTV infrastructure and to accommodate staff salary increases and benefits in accordance with PSIRA guidelines.

Comment:

Safe City experienced delays in receiving its quarterly funding payments. These delays had a negative impact on the cashflow management of the monthly operational budget. The operational budget had to be managed in such a manner that there were always sufficient funds available for staff salaries therefore reflecting a positive variance in expenditure. This positive variance created an impression of overfunding but in the process, expenditure in respect of maintenance had to be reduced which negatively impacted the life cycle of our ageing equipment.

For the past three years Safe City has received unqualified audit reports from the Auditor General which clearly indicates that Municipal funds are well administered and utilized correctly.

7.2.2. 2022/23 Financial Year:

For the financial year 2022/23 Safe City has applied for **R14 809 576.34** (incl. vat). The increase in budget allocation is to accommodate inter alia the estimate cost of: **R795 000.00** to be paid to the Auditor General and **R530 000.00** to be paid for insurance of our assets.

The allocation will also be used to ensure that:

- staff salaries are as per the Sectorial 6 determination
- staff benefits such as medical aid and pension fund is maintained.
- maintenance is conducted on the expanded CCTV system as per the SDBIP for 2022/23

8. KPA's/KPI's Indicators for 2021/22:

PROGRAMME	PROJECT	MEASURABLE OBJECTIVE	ACTUAL 2020/21
Crime, Bylaw. Sub Station and Monitoring through CCTV Cameras	24 Hour crime watch through CCTV Cameras in areas with CCTV coverage	169 x CCTV Cameras to be monitored 24 hours in all areas with CCTV coverage	169 CCTV Cameras monitored 24 hours in all areas with CCTV coverage by the 30th of June 2022
Crime, Bylaw. Sub Station and Monitoring through CCTV Cameras	Reporting	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities within 7 days after month end	12 x Monthly Reports of criminal incidents detected by CCTV Cameras were prepared and submitted to the SM: City Entities within 7 days after month end by the 30th of June 2022
Crime, Bylaw. Sub Station and Monitoring through CCTV Camera	Reporting to SAPS, Municipal Traffic or Security Dept. of every detected criminal or suspicious incidents or bylaws violation	Ave 2 Minutes Turn-around time of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaw's violations taking place in all areas with CCTV Camera coverage	Ave 1.4 Minutes Turn-around time of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaw's violations taking place in all areas with CCTV Camera coverage achieved by the end of 30th June 2022
Crime, Bylaw. Sub Station and Monitoring through CCTV Camera	Inspection of CCTV equipment's	240 x CCTV inspections conducted as per the maintenance schedule by Safe City Technicians	255 x CCTV inspections conducted as per the maintenance schedule by Safe City Technicians by the end of 30th June 2022
Crime, Bylaw. Sub Station and Monitoring through CCTV Camera	Turn-around to repair of faulty CCTV equipment's as per the Faults Register/Book	Average 3 days turn-around time to repair faulty CCTV equipment as per the Faults Register/Book by the 30th of June 2022	Average 1 - day turn-around time to repair faulty CCTV equipment as per the Faults Register/Book by the by the end of 30th June 2022
Crime, Bylaw. Sub Station and Monitoring through CCTV Camera	Reporting of camera downtime	100% Monitoring of Camera Downtime to ensure no less than 90% of Cameras are operational in all CCTV cameras under control of Safe City by the 30th of June 2022	98% Monitoring of Camera Downtime achieved by the by the end of 30th June 2022
Crime, Bylaw. Sub Station and Monitoring through CCTV Camera	Reporting on Safe City ISO accreditation status	100% Safe City ISO 9001 accreditation to be valid and maintained during the 2021/22 FY	100% Safe City ISO 9001 accreditation still valid and maintained during the 19/20 FY by the by the end of 30th June 2022

Safe City's KPA Safe City's KPA's and KPI's for 2021/22 were aligned with the Service Delivery and Budget Implementation Plan.

9. SAFE CITY ANNUAL PERFORMANCE:

Please see Annexure A

10. SUSTAINABILITY AND GOVERNANCE:

The Safe City Board Members remain committed in maintaining strict ethical standards in the operations of Safe City, and accordingly undertake from time-to-time reviews of its business practices and governance responsibilities. In this regard, several important new policies have been implemented whilst existing policies were reviewed and approved.

11. CONCLUSION:

Safe City enjoyed a very fruitful relationship with the city's administration during 2021/22 and we would like to thank the Mayor, Councillor Mzimkhulu Thebolla, the Councillors, the Municipal Manager, Mr Madoda Khathide, and other senior officials for their constructive support towards the Safe City project and for supporting our belief that Safe City is performing a valuable community service.

As the Chairperson of the Board, the Board of Directors, Safe City Management and Staff, allow me to confirm without any doubt that Safe City Msunduzi NPC can be regarded as an asset to the Msunduzi Municipality and its communities. Without the presence of Safe City's CCTV Control Room and its operators, crime would have been rampant in the city. It always remains an important objective for Safe City to be a centre of excellence to ensure the safety of the public when visiting the Msunduzi precinct and to provide an acceptable service to the Municipality, SAPS, National Prosecuting Authority, and other stakeholders.

Safe City has seen it is equally important to get involved in assisting the Msunduzi Municipality in the enforcement of relevant bylaws and to generate revenue in the form of detecting Traffic and Bylaw infringements and the implementation of the ANPR system to generate much needed revenue for the municipality. I am also pleased to report that the re-introduction of ANPR operations can commence during the 2022/23 financial year as the system is now fully operational in the control room. The lack of bylaw enforcement contributes to crime and grime in our city, and we would like to appeal to the Municipality to establish a dedicated Municipal Re-Action Unit who can operate in conjunction with Safe City to effectively address bylaw infringements. This action will also reduce the opportunities for serious crime to take place especially in congested areas.

Our ageing surveillance system is starting to have a negative impact on our operating capability. Continuous power outages and load shedding wreaked havoc on our fragile analogue system and in this regard, we would like to appeal to the municipality to allocate capital funding to Safe City to undertake projects such as the upgrading of the surveillance system, the completion of the safeguarding of the remaining electrical primary sub stations against theft and vandalism and to expand the surveillance footprint to areas such as Edendale Business Centre. These projects have been included in our three (3) year Business Plan. As the capital city of KwaZulu Natal, it is of vital importance that our city has a fully functional and updated surveillance system. Therefore, the allocation of **R650 000:00** (incl vat) to expand the existing cctv footprint is appreciated and we will ensure that the allocated funds will be appropriately utilised.

I would also like to thank all our partners including BFC, SAPS, NPA and several others who are, to a lesser or greater extent stakeholders in our operation.

In conclusion as the Chairperson of Safe City, I would like to extend my greatest appreciation to the members of the board for their undivided and united support in consistently contributing strategically to the good governance of the organisation and to ensure that as a Board we act in good faith and in the best interest of Safe City at all times. The Board further wants to thank the management and staff of Safe City for their commitment in ensuring that Safe City remains a centre of excellence despite numerous operational as well as financial challenges. As the Board of Safe City, the Management, and all staff, we extend our gratitude to our parent municipality, Msunduzi Municipality as our main funder.

SAFE CITY ANNUAL PERFORMANCE

Annex A

MISSION

"To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities. "

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ANNUAL REPORT 2021/22 DRAFT

2020/21				2021/22						2022/23			
SDBIP / OP REFERENCE	ANNUAL TARGET	ANNUAL PROGRESS - ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	SDBIP / OP REFERENCE	ANNUAL TARGET	ANNUAL PROGRESS - ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT	SDBIP / OP REFERENCE	ANNUAL TARGET
CE 05	169 CCTV Cameras to be monitored 24 hours in all areas with CCTV coverage by the 30th of June 2021	169 CCTV Cameras has been monitored 24 hours in all areas with CCTV coverage at the 30th of June 2021	3 (100% - 129%)	CE 22	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities within 7 days after month end by the 30th of June 2022	12 x Monthly Reports of criminal incidents detected by CCTV Cameras was prepared and submitted to the SM: City Entities within 7 days after month end at the 30th of June 2022		N/A	N/A	N/A	Monthly Report to SM City Entities	CE 04	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities within 7 days after month end by the 30th of June 2023
CE 6	12 x Monthly Reports of criminal incidents detected by CCTV Cameras prepared and submitted to the SM: City Entities within 7 days after month end by the 30th of June 2021	12 x Monthly Reports of criminal incidents detected by CCTV Cameras was prepared and submitted to the SM: City Entities within 7 days after month end at the 30th of June 2021	3 (100% - 129%)	CE 23	Ave. 2 Minutes Turn-around time of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaws violations taking place in all areas with CCTV Camera coverage by the 30th June 2022	Ave of 1.4 Minutes Turn-around time was achieved of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaws violations taking place in all areas with CCTV Camera coverage at the 30th June 2022	3 (100% - 129%)	N/A	N/A	N/A	Safe City Occurrence Book	CE 05	4 x Quarterly Reports of operational and financial performance submitted to the Audit Committee by the 30th of June 2023
CE 07	Ave. 2 Minutes Turn-around time of reporting to SAPS or Municipal Traffic Dept. Or Security of every criminal or suspicious incidents & Bylaws violations taking place in all areas with CCTV Camera coverage by the 30th June 2021	Ave of 1.5 Minutes Turn-around time was achieved of reporting to SAPS or Municipal Traffic Dept. or Security of every criminal or suspicious incidents & Bylaws violations taking place in all areas with CCTV Camera coverage at the 30th June 2021	3 (100% - 129%)	CE 24	240 x CCTV inspections conducted as per the maintenance schedule by Safe City Technicians by the 30th of June 2022	255 x CCTV inspections was conducted as per the maintenance schedule by Safe City Technicians by the 30th of June 2022	3 (100% - 129%)	N/A	N/A	N/A	Safe City Technical Maintenance Schedules	CE 06	12 x Monthly meetings with internal stakeholders by the 30th June 2023

[illegible]

PERFORMANCE REPORT

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INTRODUCTION

1. The purpose of the management report is to communicate audit findings and other key audit observations to the accounting officer and to provide a summary of the material irregularities and suspected material irregularities of which the accounting officer was notified. The report does not constitute public information.
2. The management report includes audit findings arising from the audit of the financial statements, performance information and compliance with legislation for the year ended 30 June 2022. These findings were communicated to management and this report details management's response to these findings. The report includes information on the internal control deficiencies that we identified as the root causes of the matters reported. Addressing these deficiencies will help to improve the audit outcome.
3. In accordance with the terms of engagement, our responsibility in this regard is to:
 - express an opinion on the consolidated and separate financial statements
 - express an opinion in the management report on the usefulness and reliability of the reported performance information for selected development priorities, and report the material findings in the auditor's report
 - report on material findings raised on compliance with specific requirements in key applicable legislation, as set out in the general notice issued in terms of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA).
 - notify the accounting officer of any material irregularity or suspected material irregularities identified during the audit, and report on it in the auditor's report.
4. Our engagement letter sets out our responsibilities and those of the accounting officer in detail.
5. This management report consists of the overall message arising from the audit, summary of key findings and observations, annexures containing the detailed audit findings, annexures to the report on the audit of performance information, as well as the annexure to internal control deficiencies reported.
6. The auditor's report is finalised only after the management report has been communicated. All matters included in this report that relate to the auditor's report remain in draft form until the final auditor's report is signed. In adherence to section 50 of the PAA, we do not disclose any information obtained during the audit and contained in this management report.
7. Please note that the information contained in these documents is confidential, privileged and only for the information of the intended recipients. It may not be used, published or redistributed without the prior written consent of the Auditor-General of South Africa (AGSA). Any form of reproduction, dissemination, copying, disclosure, modification, distribution and/or publication of this material is strictly prohibited. Should the information be used or processed in a manner that contravenes any laws in the Republic of South Africa, the AGSA is fully indemnified from liability that may arise from such contravention.
8. The figure that follows provides a pictorial summary of the audit results and our key messages on how to improve the audit outcomes, with the focus on the following:
 - Status of the audit outcomes
 - Status of the level of assurance provided by key role players
 - Status of the drivers of internal controls
 - Status of risk areas
 - Root causes to be addressed

Movement from the previous year is depicted as follows:



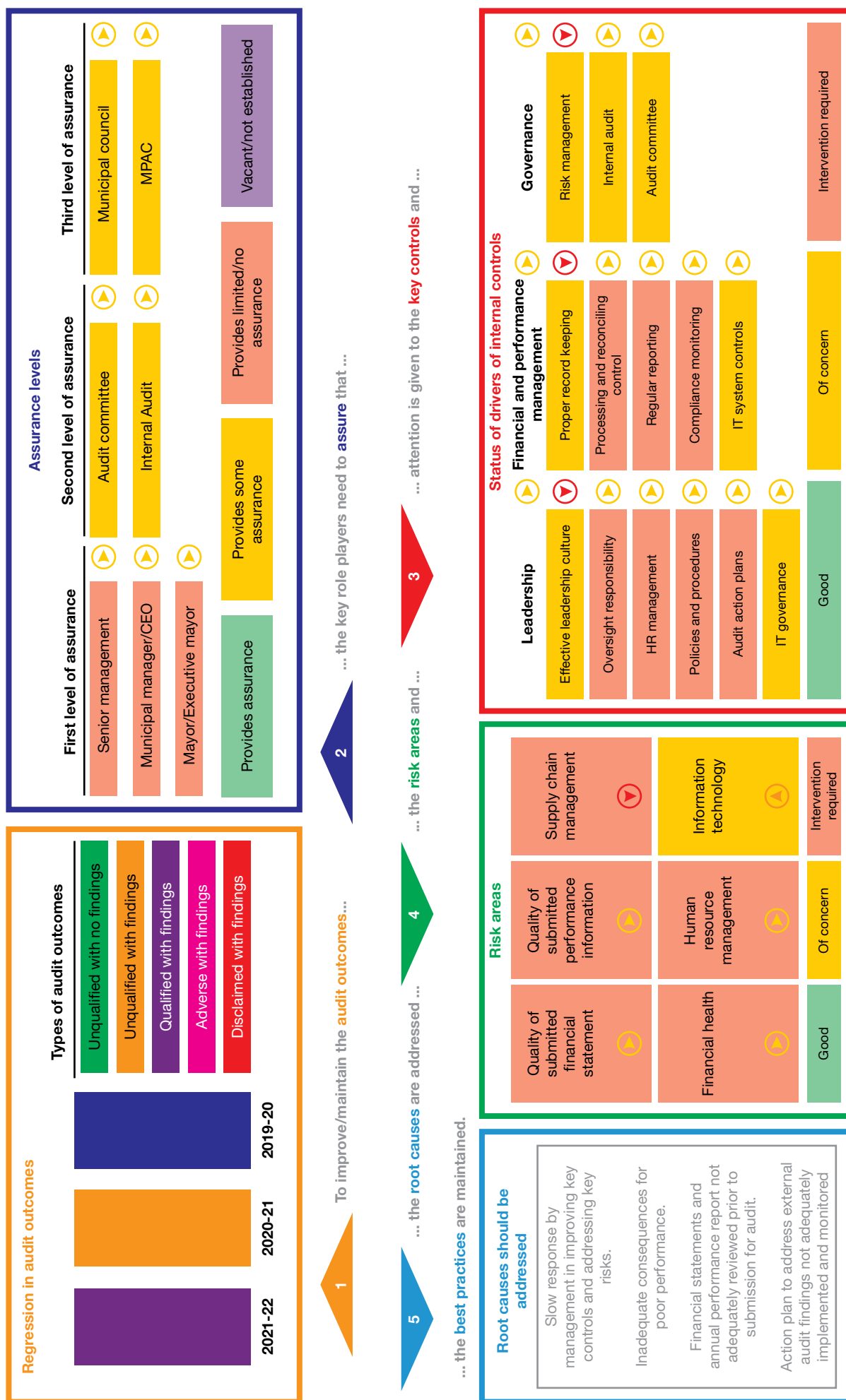
/ Improved



/ Unchanged / slight improvement / slight regression



/ Regressed



OVERALL MESSAGE

7. The audit outcome of the municipality has regressed from the prior years unqualified opinion to a qualified audit opinion in the current year. The municipality receives a substantial portion of funding within the province and is responsible for implementing key programmes to improve the service delivery for citizens. The poor audit outcomes should receive urgent attention from all role players to ensure accountability and improved service delivery as the poorest of the poor are affected.
8. The root causes of the regression include, amongst others is the slow response from management in addressing audit findings reported from prior years and the nonimplementation of proper control systems for the management of revenue, receivables, expenditure and the reporting on predetermined objectives, as well as lack of consequence management for poor performance.
9. Over the past three years, we have consistently raised material findings on compliance with regard to the material misstatements in the submitted financial statements and prevention of irregular expenditure; expenditure management and revenue management as well as consequence management. The financial statements submitted for audit in the current year contained material misstatements related to revenue and receivables and expenditure. There has been no improvement noted with regard to matters reported on non-compliance with laws and regulations.

SECTION 1: INTERACTIONS WITH STAKEHOLDERS RESPONSIBLE FOR OVERSIGHT AND GOVERNANCE

10. During the audit cycle, we met with the following key stakeholders responsible for oversight and governance to communicate matters relating to the audit outcome and matters identified during our status of records reviews of the municipality:

Key stakeholder	Purpose of interaction	Number of interactions
Municipal council	Briefed council on 2020/21 audit outcomes	1
Municipal public accounts committee	Briefed MPAC on 2020/21 audit outcomes	1
Mayor	Presented briefing on NOCLAR	1
Municipal manager	Discussion of engagement and audit strategy Discussion of material irregularities (AGSA MI unit) Introductory meeting with AGSA executives Discussion of audit findings Discussion of the draft management report	4
Audit committee	Engagement meeting, audit strategy meeting, and SORR meeting, attendance at audit committee meetings, discussion of draft management report	4

11. At these interactions, we shared the following key matters affecting audit outcomes and the auditee:
- Assessment of internal controls,
 - Assessment of action plan of the municipality,
 - Management report of Msunduzi Local Municipality
 - Audit status update,
 - Engagement letter for the current audit,
 - Audit strategy for the current audit
12. Some stakeholders made commitments to implement initiatives that can maintain/improve the audit outcome. The commitments given and the progress of previous commitments are included in section 3, which deals with the assessment of assurance providers.

SECTION 2: MATTERS RELATING TO THE AUDITOR'S REPORT

AUDIT OF THE FINANCIAL STATEMENTS

13. We identified material misstatements in the financial statements during the audit. These misstatements were not prevented or detected by the municipality's system of internal control. These material misstatements also constitute non-compliance with section 122 of the Municipal Finance Management Act (MFMA).
14. The misstatements that were not corrected form the basis for the qualified opinion on the financial statements.

Material misstatement		Occurred in prior year (Insert Yes/No)	Impact R current year	Impact R previous year
Financial statement item	Finding			
Material misstatements not corrected				
Revenue				
Revenue from service charges – sale of water	Meter readings do not agree to what is captured on customer statement (overstatement)	No	- 422 694 887	
Revenue from service charges – sale of water	Amount for sale of water as per billing report does not agree with the amount as per debtor's statement	No	-84 996 983	
Revenue from service charges – electricity	Revenue incorrectly calculated (overstatement)	No	-47 515 424	
Material misstatements corrected				
Revenue from service charges	Revenue recorded in the incorrect period	Yes	(13 321 160)	020 215
Revenue from property rates	Valuation adjustment recorded in the incorrect year	Yes	(5 923 610)	27 653 991
Revenue from nonexchange transactions – grants and subsidies	Revenue recognised incorrectly, as conditions of the library grant were not met.	No	- 7 000 000	Not applicable
Expenditure				
Debt impairment	Provision for impairment on deceased debtors incorrectly calculated	Yes	(510 779 160)	423 951 353
Bad debts	Bad debts written off	Yes	(7 738 435)	(5 975 502)
Current liabilities				
Trade payables	Invoices on the supplier statements not recognized as liability	No	46 240 623	Not applicable
Accruals	Incorrect classification of accruals	No	(49 455 322)	Not applicable
Current Assets				
Statutory receivables	Provision for impairment on deceased debtors incorrectly calculated	Yes	(36 590 614,00)	18 842 158,00
Consumer debtors	Provision for impairment on deceased debtors incorrectly calculated	Yes	(14 019 194,00)	468 310 395,00
Liabilities				
Unspent conditional grants	Revenue recognised incorrectly, as conditions of the library grant were not met.	No	7 000 000	Not applicable
Disclosure items				
Irregular expenditure	Irregular expenditure not complete	Yes	154 447 323	73 837 713
Fruitless and wasteful expenditure	Fruitless and wasteful expenditure not disclosed	Yes	(28 127 297)	(28 363 131)
Unauthorised expenditure	Unauthorised expenditure not disclosed	No	510 129 135	Not applicable

MATTERS TO BE BROUGHT TO THE ATTENTION OF USERS

Emphasis of matter paragraphs

15. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

Restatement of corresponding figures

16. As disclosed in note 73 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Material impairment – statutory receivables and consumer debtors

17. As disclosed in note 6 to the financial statements, the municipality reported a provision for impairment balance of R943 million (2020-21: R772,56 million) on statutory receivables as the recoverability of these amounts was doubtful.
18. As disclosed in note 7 to the financial statements, the municipality reported a provision for impairment balance of R2,91 billion (2020-21: R2,52 billion) on consumer debtors as the recoverability of these amounts was doubtful.

Material losses - electricity

19. As disclosed in note 68 to the financial statements the municipality incurred material electricity losses of R362,59 million (2020-21: R321,30 million) which represents 25% (2020-21: 22%) of total electricity purchased. This was mainly due illegal connections, infrastructure vandalism, metering inaccuracies (due to faulty meters), unmetered energy (meter tempering or bypassing the meter at the customer meter), revenue collection as well as ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system and overloading.

Material uncertainty relating to going concern

Going concern

20. We draw attention to note 79 to the financial statements, which includes indicators of doubt as to the appropriateness of the going concern basis of accounting. As stated in note 79, these indicators include the impact of the Covid-19 pandemic on municipal finance and operations, adverse liquidity ratios, below norm cash cost coverage ratio, the outstanding gross debtors balance that has increased significantly and the majority of the debtors have been outstanding for over 365 days, the dwindling of reserves over the recent years, deteriorating creditors days, the increase in net debtors balances and successive deficits. As stated note 79, these events or conditions, along with the other matters as set forth in note 79, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern

Other matter paragraphs

21. The following other matter paragraphs will be included in our auditor's report to draw the users' attention to matters regarding the audit, the auditor's responsibilities and the auditor's report:

Unaudited disclosure notes

22. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, we do not express an opinion on it.

Unaudited supplementary schedules

23. The supplementary information set out on pages X to X does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion on them.

AUDIT OF THE ANNUAL PERFORMANCE REPORT

24. In terms of the general notice issued in terms of the PAA, the opinion on the audit of reported performance information will be included in the management report. The report is included below to enable management and those charged with governance to see what the report will look like once it is published in the auditor's report. We will report all the audit findings included under the basis for opinion and the other matter sections of this report in the auditor's report.

Introduction and scope

25. We have undertaken a reasonable assurance engagement on the reported performance information for the following selected development priority presented in the municipality's annual performance report for the year ended 30 June 2022:

Development priority	Pages in annual performance report	Opinion	Movement
Developmental priority B: Basic service delivery	x – x	Qualified	

26. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements, ISAE 3000(R): Assurance engagements other than audits or reviews of historical financial information.

27. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Development priority B – basic service delivery

Qualified opinion

28. In our opinion, except for the effects of the matters described in the basis for qualified opinion section of our report, the reported performance information for basic service delivery is useful and reliable in accordance with the applicable criteria, as developed from the performance management and reporting framework set out in annexure D to this report.

Basis for qualified opinion

Various indicators

29. We were unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed below against the predetermined indicator definitions. This was due to a lack of measurement definitions and processes. I was unable to confirm the reported achievement by alternative means:

Indicator description	Planned output	Reported achievement
Percentage of households with access to water	100% of households with access to basic level of water by the 30th of June 2022	93.02% of households with access to basic level of water by the 30th of June 2022.
Percentage of households with sanitation	60% Percentage of households with access to basic level of sanitation by the 30th of June 2022	55.66% of households with access to basic level of sanitation by the 30th of June 2022.

Other matters

We draw attention to the matters below. Our opinion is not modified in respect of these matters.

Achievement of planned targets

31. The annual performance report on pages XXX to XXX set out information on the achievement of planned targets for the year. This information should be considered in the context of the qualified opinion expressed on the usefulness and reliability of the reported performance information in paragraph xx of this report.

Adjustment of material misstatements

32. We identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the basis for qualified opinion paragraphs.

Responsibilities of the accounting officer for the reported performance information

33. The accounting officer is responsible for the preparation of the annual performance report in accordance with the prescribed performance management and reporting framework set out in annexure D to this report, and for such internal control as the accounting officer determines is necessary to enable the preparation of performance information that is free from material misstatement in terms of its usefulness and reliability.

Auditor-general's responsibilities for the reasonable assurance engagement on the reported performance information

34. Our objectives are to obtain reasonable assurance about whether the reported performance information for the selected development priority presented in the annual performance report is free from material misstatement, and to issue a management report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that the assurance engagement conducted in accordance with the relevant assurance standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the relevant decisions of users taken on the basis of the reported performance information.
35. Our procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the municipality. We have not evaluated the appropriateness of the performance indicators established and included in the planning documents. Our procedures do not examine whether the actions taken by the municipality enabled service delivery. Our procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, our opinion does not extend to these matters.
36. A further description of our responsibilities for the reasonable assurance engagement on reported performance information is included in annexure E to this report.

AUDIT OF COMPLIANCE WITH LEGISLATION

37. Included below are material findings on compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Strategic planning

38. The performance management system and related controls were inadequate as it did not describe how the performance measurement, review and reporting processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Annual financial statements

39. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

40. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R510,13 million, as disclosed in note 66 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

41. Reasonable steps were not taken to prevent irregular expenditure amounting to R106,30 million as disclosed in note 63 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management regulations.
42. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Revenue management

43. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
44. An adequate management, accounting and information system which accounts for revenue, debtors and receipt of revenue was not in place, as required by section 64(2)(e) of the MFMA.

Consequence management

45. Appropriate action was not taken against officials of the municipality where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and criminal proceedings 6(8).

Procurement and contract management

46. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
47. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43
48. Some of the contracts were awarded to bidders based on preference points that were not allocated or calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations.

OTHER INFORMATION

49. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes mayor's foreword and executive summary, governance, report of the audit committee, oversight report as well as organisational development performance. The other information does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported in the auditor's report.
50. Our opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on thereon.
51. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
52. The following paragraphs will be included in the auditor's report to highlight to the users whether any inconsistencies in the other information exist:
53. The other information we obtained prior to the date of this auditor's report are mayor's foreword and executive summary, governance, as well as organisational development performance, and the report of the audit committee and oversight report are expected to be made available to us after the auditor's report date.
54. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.
55. When we do receive and read the report of the audit committee and the oversight report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and reissue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROLS

56. The significant deficiencies in internal control that led to our overall assessment of the status of the drivers of key controls, as included in the figure in paragraph 7, are described below. The detailed assessment of the implementation of the drivers of internal control in the areas of financial statements, performance reporting and compliance with legislation is included in annexure F.

Leadership

Oversight responsibility

57. As the acting accounting officer did not adequately review the financial statements and the annual performance report before submitting them for auditing, the following matters were not identified and corrected:

- Annual performance report – The initial submitted annual performance report contained indicators that was not aligned to the portfolio of evidence completed. Furthermore, during audit validation, matters were noted where the portfolio of evidence was not accurate.
- Annual financial statements – Numerous adjustments were detected during the execution stages. The issues detected during audit validation could have been prevented had monthly / interim oversight checks been implemented during the year. A schedule of these misstatements are reflected in this management report.

Human resource management

58. Vacancies in internal audit unit were not filled at year end. The vacancy rate at the internal audit unit at 30 June 2022 was at 55%. While the municipality has a co-sourcing arrangements with consultants, the high vacancy rate poses a serious concern as it hinders proper continuity and the ability of the unit to objectively perform its duties which amongst others include a proper review of the financial statements, investigations and following up on corrective measures.

Policies and procedures

59. Management did not ensure that the credit control and collection policy as well as the indigent policy were adequately implemented. This resulted in a significant number of consumers granted indigent status incorrectly and in the municipality not billing revenue to some consumers, writing off as bad some debts owed to the municipality incorrectly and an increasing debtors' book.

Action plans to address internal control deficiencies

60. The municipality developed a plan to address internal and external audit findings, but the appropriate level of management did not adequately monitor adherence to the plan in a timely manner. Findings raised in the prior year were not adequately addressed across majority of departments in the municipality.

Information technology governance framework

61. Key information communication technology (ICT) policies and procedures being developed and approved, lead to information technology (IT) governance controls at Msunduzi Local Municipality improving from intervention required to concerning. Seven (07) of the previously reported fourteen (14) IT governance findings were noted as fully resolved (50%) with two (02) new findings identified. Budget constraints however prevented some required initiatives from being timeously undertaken and resulted in the following nine (09) IT governance findings reported in the 2021-22 financial year:

- Vacancies within the Information Communication Technology organisational structure.
- Personal Development Plans not in place for ICT staff.
- ICT priority projects not timeously executed.
- Incomplete information technology systems catalogue maintained by the municipality.
- Support and maintenance not available for the Metbank system.
- Inadequate agreements in place for the Fuel Master system.
- Inadequate controls related to the Winbridge system.
- Inadequate controls implemented for the Freshmark system.
- Deficiencies noted relating to controls associated with the SCADA Electricity system.

Financial and performance management

Daily and monthly processing and reconciling of transactions

62. Significant cut-off issues were identified in the recording of revenue from property rates, sale of electricity, refuse removal and sanitation.

Regular, accurate and complete financial and performance reports

63. The financial statements contained numerous misstatements; this was mainly due to inadequate review of transactions before processed to the system and the SAP system not supporting financial reporting.
64. The annual performance report submitted for audit contained misstatements that were corrected because of the audit. This was mainly due to lack of validation checks by the performance management unit.

Compliance monitoring

65. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

Information technology systems

66. IT Controls remain a concern as forty one (41) of the seventy three (73) findings previously identified were reported again (56%).
67. Of the forty three (43) findings raised in the 2021-22 AGSA IT Audit, two (02) were new findings (5%), thirteen (13) were reported once previously (30%), four (04) were reported twice previously (9%) and twenty four (24) had been reported more than three times in previous audits (56%).
68. IT findings related to the Windows Active Directory, SAP, Traffic Contravention System, Freshmark, Metbank, Metval, Winbridge, Fuel Master, SCADA Water and Electricity systems. These findings ranged across IT general controls, SAP basis configurations, SAP software licenses, application controls and cybersecurity.
69. Deficiencies in IT controls were attributed to the number of legacy systems with limited functionality that continue to be utilised, non-compliance with approved ICT policies and procedures and management not proactively implementing new leading best practices of ICT environments.

70. The lack of robust ICT systems resulted in the municipality being heavily reliant on manual processes and failing to leverage off automated system controls to improve efficiencies, reduce errors and enable digitisation of processes.

Governance

Internal audit

71. The internal audit could have been more effective had management ensured that the unit is adequately staffed, in order to have more resources to discharge its mandate and also do more assignments that focus on monitoring of implementation of internal and external audit findings as well as monitoring of consequence management where repeat findings are identified.

Audit committee

72. Management was slow in implementing the recommendations by the committee and the responses by management to requests by the committee were sometimes slow and lacked detail.

Summary

73. The matters above, as they relate to the basis for the findings on the annual performance report and findings on compliance with legislation, will be summarised in the auditor's report as follows:
74. The accounting officer and management did not ensure that systems of internal control were adequately implemented and monitored to ensure compliance with key legislation relating to strategic planning, annual financial statements, expenditure management, revenue management, procurement and contract management and consequence management.
75. Management did not adequately review the annual financial statements and annual performance report before submitting for audit. In addition, management did not validate achievements against supporting documents. As a result, material findings were raised during the audit.

MATERIAL IRREGULARITIES

76. In accordance with the PAA and the material irregularity regulations, we have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities reported in the previous year.
77. We have notified the accounting officer of a material irregularity identified during the audit and the actions the AGSA will take with regard to this material irregularity. We also assessed the progress made in resolving the material irregularities reported in the previous year.
78. Except for the summary of material irregularities, the auditor's report will include the following summarised information:

Material irregularities identified during the audit

79. The material irregularities identified are as follows:

POOR MANAGEMENT OF THE NEW ENGLAND LANDFILL SITE

80. The Municipality did not take reasonable measures at the New England landfill site to prevent pollution or degradation of the environment from occurring, continuing or recurring as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA), read with section 16(1)(c) and (d) of the National Environmental Management Waste Act 59 of 2008 (NEMWA), as well as section 19(1) of the National Water Act 36 of 1998 (NWA).
81. The New England landfill site is not operated in terms of the minimum requirements and its waste management license of 2017. This is evidenced by:
- poor access control and inadequate separation of waste disposed at the site,
 - lack of compacting and cover to limit gas emission impacting on air quality;
 - spontaneous combustions and other fires resulting in accidents, other safety risks and air pollution; and
 - lack of / poor leachate and storm water management to prevent continued contamination of the soil and water resources.
82. This state of affairs has been ongoing for several years as noted in compliance notices by the Department of Economic Development, Tourism and Environmental Affairs dating back to 2015 and February 2020, as well as the court ruling of 17 June 2021. A subsequent waste management license (WML) audit report issued July 2021 by engineers contracted by the municipality, and the site visit observations by the AGSA on 28 March 2022, confirmed continued non-compliance with the requirements and little or no progress on the action plan drafted in response to the court ruling or the WML requirements. There was further no gas or water quality monitoring since 2017.
83. Inadequately disposed or untreated waste may cause serious health problems for populations surrounding the area of disposal or safety risks for those exposed to it. It contaminates the soil, surface- and groundwater supplies due to untreated leachate and storm water run-off. Uncontrolled burning and improper landfilling also contributes significantly to air pollution. Greenhouse gasses are generated from the decomposition of organic waste landfills, with untreated leachate or storm water run-off polluting the surrounding soil and water resources (i.e. groundwater, stream or extended water networks).

84. Continued untreated leachate seeping and unmanaged storm water run-off into the adjacent environment and streams are contaminating the soil, ground water, streams and extended water course which may affect the communities in the surrounding environment and along the extended water course. Uncontrolled fires may endanger the lives of the surrounding community, schools and motorists on the N3 highway, posing serious safety and health risks due to air pollution. Health and safety risks for all workers and public accessing and using the site, including waste pickers inhabiting the site may be affected. This non-compliance is likely to cause substantial harm to the communities as it has combined adverse impact on the health, safety and livelihoods of the general public exposed to these environmental risks.
85. The accounting officer was notified of the material irregularity on 14 April 2022.
86. The following are the actions taken and/or planned to resolve the material irregularity:
 - An internal waste management licence audit report dated 21 September 2022 was prepared on the management of the landfill site to assess progress and identify deficiencies.
 - An approved action plan with implementation time frames is in place to address the issues detailed in the compliance notices. The National Department of Water and Sanitation and the National Department of Forestry, Fisheries and the Environment has been consulted with regard to this action plan. The majority of planned corrective actions are targeted for completion by 31 July 2023.
 - The municipality will establish and maintain the landfill gas monitoring points by 31 July 2023 in terms of the approved action plan.
 - A storm water and leachate management system will be upgraded/constructed by 31 July 2023 in terms of the approved action plan. Interim measures are being implemented to prevent pollution in the interim.
 - A new compactor was bought and in operation, together with two dozers, a front-end loader and excavator.
87. I will follow-up on the implementation of the actions being taken during my next audit.

Material irregularities in progress

88. I identified a material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Date of material irregularity notification	Description of material irregularity / suspected material irregularity	Status
10 November 2022	Failure to implement credit control and debt collection policy-Consumer debtors	The response of the accounting officer is in the process of being evaluated

Status of previously reported material irregularities

Revenue not billed at the landfill site

89. Revenue earned from the municipal operated landfill site for waste deposits was not recognised as the weighbridge digitiser was not working for a period of six months in the 2019/2020 financial year. Vehicles entering the site were not weighed and there was no record of tonnage deposited. The non-compliance with section 64(2) (e) (i) of the MFMA is likely to result in a material financial loss for the Msunduzi Local Municipality.
90. The accounting officer was notified of the material irregularity on 1 April 2021 and I included recommendations in the audit report of 2020-21 on the steps that the accounting officer should take to address the MI because the accounting officer had not taken appropriate action in response to being notified of the material irregularity. The accounting officer was required to implement these recommendations by 29 April 2022. However, these were not adequately implemented.
91. On 17 August 2022, I issued a notification to the accounting officer advising him of the following remedial actions, that should be implemented by 17 November 2022, to address the material irregularity:
 - The non-compliance must be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA. Where applicable, the financial loss must be quantified;
 - Disciplinary or, when appropriate, criminal proceeding must commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and Criminal Proceedings; and
 - Any person(s) liable for the losses must be identified and appropriate action must commence to recover the financial loss.
92. I am in the processes of assessing whether the accounting officer has implemented the remedial actions.

Salary payments to a manager that never reported for duty

93. Salary payments were made by the municipality from 1 December 2016 to 31 July 2019 to an employee who never reported for duty since their appointment date. The municipality received no services in return for the payments made. This is evident of a non-compliance with section 65(2) (a) of the MFMA. The non-compliance is likely to result in a material financial loss for the Msunduzi Local Municipality.
94. The accounting officer was notified of the material irregularity on 15 April 2021.
95. The following actions have been taken by the accounting officer to resolve the material irregularity:
 - A forensic investigation was conducted by the municipality's internal audit unit and a report was tabled in council.
 - The Head: Legal services was issued with an instruction by the accounting officer on 24 March 2021 to institute the recovery of the financial loss and the appointed attorney has since instituted the process with the matter having been presented at the High court for personal service to be effected by the sheriff on the defendant.

96. I will follow up on the implementation of the actions being taken during my next audit.

Failure to recover revenue from the sale of timber

97. The municipality failed to collect revenue from a service provider as per the agreement between the service provider and the municipality for the disposal of timber. The resulted in non-compliance with section 64(2) (a) of the MFMA and is likely to result in a material financial loss for the Msunduzi Local Municipality.

98. The accounting officer was notified of the material irregularity on 3 May 2021.

99. The following are the actions taken and planned to resolve the material irregularity:

- An independent expert was appointed to conduct a verification of the plantation was noted to be inconclusive. The accounting officer then instructed internal audit to investigate the matter which was in progress.
- A new organogram has been compiled and approved for the forestry business unit and a forester has been appointed on a contractual basis.
- A tender notice was issued on 19 August 2021 for the appointment of a suitable service provider for total management of the municipal forestry plantation and this was not successful. The process has since been re-initiated and the tender was still to be advertised.
- The Head: Legal services was issued with an instruction by the accounting officer on 10 May 2021 to institute the recovery of the financial loss. The appointed attorney has since instituted the process and a letter of demand has been sent out, however the delays has been experienced as the pursuance of this matter is dependent on the outcome of the investigation that is still in progress.

100. I will follow-up on the implementation of the actions being taken during my next audit.

OTHER REPORTS

101. We draw attention to the following engagements by various parties that have or could have an impact on the municipality's financial statements, reported performance information and compliance with applicable legislation and other related matters. The reports noted do not form part of the opinion on the financial statements or findings on the reported performance information or compliance with legislation.

102. At the request of the accounting officer and senior management, the internal audit unit performed investigations into allegations of fraud, corruption, theft, recruitment, mismanagement and supply chain management irregularities. Thirty two investigations were conducted of which twenty one were concluded and reported to council. Eleven investigations were still in progress at the date of this report. Some of these investigations resulted in disciplinary action against certain officials of the municipality. These proceedings were in progress at the date of this report.

SECTION 3: ASSURANCE PROVIDERS AND STATUS OF IMPLEMENTATION OF COMMITMENTS AND RECOMMENDATIONS

ASSESSMENT OF ASSURANCE PROVIDERS

103. The annual report is used to report on the financial position of auditees, their performance against predetermined objectives, and overall governance. One of the important oversight functions of the municipal council is to consider auditees' annual reports. To perform this oversight function, they need assurance that the information in the annual report is credible. To this end, the annual report includes our auditor's report, which provides assurance on the credibility of the financial statements and the annual performance report, as well as on the auditee's compliance with legislation.
104. Our reporting and oversight processes reflect on past events, as they take place after the end of the financial year. However, management, the leadership and those charged with governance contribute throughout the year to the credibility of financial and performance information and compliance with legislation by ensuring that adequate internal controls are implemented.
105. We assess the level of assurance provided by these assurance providers based on the status of internal controls (as reported in section 2.6) and the impact of the different role players on these controls. We provide our assessment for this audit cycle below.

First level of assurance

Senior management: provides **limited assurance**

- Material findings on the annual financial statements, performance information and noncompliance were raised. Certain findings were repeat findings. Action plans from prior year were ineffective and not implemented timeously. The various deficiencies could have been avoided with senior management holding themselves accountable for their responsible sections and ensuring that self-validation processes were intact.

Accounting officer: provides **limited assurance**

Material findings on the annual financial statements, performance information and noncompliance were raised. This had resulted in certain repeat findings. Furthermore, the accounting officer did not have adequate oversight over senior management in ensuring the effectiveness of senior management in ensuring that the control environment and the implementation of adequate controls was in place.

Mayor: provides **limited assurance**

The mayor supports the initiatives from the office of the Auditor-General. However, there were inadequacies relating to areas of consequence management, performance management, filling of vacancies in the internal audit unit, , implementation of action plans and compliance with laws and regulations.

Second level of assurance

Internal audit unit: provides **some assurance**

- Legislation in South Africa requires the establishment of, and provides for, the roles and responsibilities of internal audit units. Internal audit units must form part of the internal control and governance structures of the municipality and must play an important role in its monitoring activities. Internal audit must provide an independent assessment of the municipality's governance, risk management and internal control processes.
- The internal audit unit of a municipality must prepare a risk-based audit plan and internal audit programme for each financial year. It must advise the accounting officer and report to the audit committee on implementation of the internal audit plan and matters relating to internal audit; internal controls; accounting procedures and practices; risk and risk management; performance management; loss control and compliance with the MFMA. The internal audit unit must also perform such other duties as may be assigned by the accounting officer.
- The unit could have been more effective had the unit ensured the following:
 - Filling of vacancies on time, to avoid undue reliance on consultants,

Audit committee: provides **some assurance**

- The audit committee must be an independent advisory body to the council, accounting officer and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation and any other issues.
- The audit committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with the applicable legislation.
- The committee could have been more effective had the internal audit unit ensured the following:
 - Filling of vacancies on time, to avoid undue reliance on consultants,
 - Following-up on audit findings raised in the prior year and validation of status reported by management on the action plan.

Third level of assurance

Municipal council: provides **some assurance**

- The Msunduzi municipal council supports initiatives from the office of the Auditor-General. However, regular and more detailed oversight of the municipal council could have impacted on more positive audit outcomes.

Municipal public account committee (MPAC): provides **some assurance**

- The MPAC supports initiatives from the office of the Auditor-General. However, regular and more detailed oversight of the municipal public account committee could have impacted on more positive audit outcomes.

STATUS OF IMPLEMENTING COMMITMENTS AND KEY RECOMMENDATIONS

106. Below is our assessment of the progress in implementing the commitments made by the municipality to address the previous and current years' audit findings.

No.	Auditee commitment	Made by	Date	Origin of commitment	Status
1	Supervisors also review the register of all invoices received by creditors section to identify any late payments and to obtain reasons for non-payment within the prescribed period as per requirements of the MFMA;	Accounting officer	28/02/2022	Final management report meeting	In progress
2	Msunduzi Municipality will make use of the TransUnion system to vet all indigent customers to ensure accuracy and completeness.	Accounting officer	28/02/2022	Final management report meeting	In progress
3	Year-end procedures will be strictly implemented at year end closure to ensure business units accrue the invoices for all goods received and services rendered;	Accounting officer	28/02/2022	Final management report meeting	Implemented
4	Finance Officers for each business units will be responsible and accountable to coordinate the accruals information for their respective business units as per the requirements of the payments procedure manual	Accounting officer	28/02/2022	Final management report meeting	Implemented

- Four audit recommendations accepted by management in the previous year on matters included in the auditor's report and other important matters were implemented, or alternative actions were taken to resolve the finding.
- Two recommendations are still being implemented and two have not been addressed, or very limited progress has been made.

SECTION 4: SPECIFIC FOCUS AREAS

FINANCIAL VIABILITY

107. Our audit included a high-level overview of the municipality's financial viability as at year end. The financial viability assessment provides useful information for accountability and decision-making purposes and complements the financial statements by providing insights and perspectives thereon. The financial viability assessment is expected to enhance timely remedial decision-making and policy reforms where financial viability may be at risk. It will also highlight to management those issues that may require corrective action and the urgency and magnitude of the reforms and decisions necessary to maintain operations. The information should be used to complement, rather than substitute, management's own financial assessment.

FINANCIAL VIABILITY ASSESSMENT			
		As at 30 June 2022	As at 30 June 2021
Expenditure management			
1.1	Creditor-payment period	154 Days	111 Days
	Revenue management		
2.1	Debt-collection period (after impairment)	109 Days	130 Days
2.2	Debt-impairment provision as a percentage of accounts receivable	68.3%	65.7%
	Amount of debt-impairment provision	R3 998 319 600	R3 295 569 857
	Amount of accounts receivable	R5 85 467 371	R5 016 993 508
Asset and liability management			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	No
	Amount of the surplus / (deficit) for the year	(R725 578 670)	R54 956 440
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	No	No
	Amount of the net current assets / (liability) position	R21 605 174	R446 937 336
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	Amount of the net asset / (liability) position	R7 455 231 733	R7 691 525 261
Cash management			
4.1	The year-end bank balance was in overdraft	No	No
	Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R289 152 840	R359 519 552
4.2	Net cash flows for the year from operating activities were negative	No	No
	Amount of net cash in / (out)flows for the year from operating activities	R536 138 615	R587 639 863
4.3	Creditors as a percentage of cash and cash equivalents	549%	295.6%
	Amount of creditors (accounts payable)	R1 590 096 878	R1 062 873 573
	Amount of cash and cash equivalents / (bank overdraft) at year-end	R289 152 840	R359 519 552
4.4	Current liabilities as a percentage of next year's budgeted resources **	31.1 %	39.2%
	Amount of current liabilities	R2 513 478 655	R2 039 713 523
	Amount of next year's budgeted income **	R8 134 026 976	R5 198 990 000
Overall assessment			
Overall, the financial viability is assessed as:		Red (unfavourable – intervention required)	Red (unfavourable – intervention required)
* This (these) amount(s) has (have) been adjusted for uncorrected misstatements that resulted in the modification of the audit opinion and will therefore not agree with the financial statement amounts.			
** This amount excludes the portion of next year's budgeted resources that is budgeted to be spent on employee costs and remuneration of councillors.			

High-level comments

108. The overall assessment of the municipality has remained the same as the prior year. This is due to the poor debtors' collection period, creditors' payment period and an increase in the creditors balance at year-end leading to an increase in creditors as a percentage of cash and cash equivalents.
109. The inadequate implementation of the credit control and collection policy has resulted in the municipality not having enough to fund capital expenditure and maintenance of infrastructure assets; this had a negative impact on service delivery to the community around Msunduzi jurisdiction.

Procurement and contract management

110. The audit included an assessment of procurement processes, contract management and the related controls in place. These processes and controls must comply with legislation to ensure a fair, equitable, transparent, competitive and cost-effective supply chain management (SCM) system and to reduce the likelihood of fraud, corruption, favouritism and unfair and other irregular practices. A summary of the findings from the audit are as follows:

Irregular expenditure

111. R 106 302 789 (100%) of the irregular expenditure incurred in the current financial year was because of the contravention of SCM legislation. 100% of irregular expenditure relating to the previous year was identified during the audit process and not detected by the Msunduzi Local Municipality monitoring processes. This was due to lack of implementation of effective prevention and detection control by management.

Procurement and contract management processes

112. The table below is a summary of findings identified on procurement and contract management processes:

	Total		Quotations		Competitive bids		Contract management	
	Number	Value R	Number	Value R	Number	Value R	Number	Value R
Awards selected for testing	72	1 625 189 747.67		1 185 701.26	23	662 519 440.86	32	961 484 605.60
Expenditure incurred on selected awards – current year		461 085 942.81		1 152 203.74		75 964 641.03		383 969 098.04
Limitations – awards selected but could not be tested	-	-	-	-	-	-	-	-
Awards where noncompliance was identified	21	1 099 643 761.22	-	-	5	1 043 557 269.12	16	56 086 492.10
Irregular expenditure identified	3	6 565 760.00	-	-	3	6 565 760.00	-	-
Instances of irregular expenditure where goods/services were not received	-	-	-	-	-	-	-	-

- Two (2) awards were made without following normal procurements process and the reason for deviation was not in accordance with Municipal SCM regulation 36 The total value for these deviations is R6 565 760.
- Two (2) contract was procured from suppliers whose tax matters had not been declared by the South African Revenue Services to be in order.
- One (1) contracts to the value of R418 456 were awarded to bidders who had not submitted a declaration of past supply chain practices such as fraud, abuse of the SCM system and non-performance.
- One (1) contracts to the value of R1 000 000 was awarded without applying the preference points system.
- Three (3) contracts were awarded to bidders based on preference points that were not allocated and/or calculated according to the requirements of the Preferential Procurement Policy Framework Act and its regulations.

Internal control deficiencies

113. Management did not ensure adequate monitoring of compliance with laws and regulations relating to procurement and supply chain management. Further, management did not implement effective prevention and detection controls

FRAUD AND CONSEQUENCE MANAGEMENT

114. The primary responsibility for preventing and detecting fraud rests with management and those charged with governance. We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and for issuing an auditor's report that includes our opinion. Due to the inherent limitations of an audit, there is a risk that some material misstatements, including fraud, may not be detected.

115. Below is a summary of fraud factors identified during the audit that should be addressed to ensure that sufficient measures/controls are in place to prevent material misstatement/ noncompliance due to fraud.

- Number of fraud related investigations are in progress at the municipality.
- Number of employees suspended on fraud related allegations.
- Consumers on prepaid electricity not buying electricity.
- Number of inconsistencies identified on information relating to occurrence of expenditure.
- No evidence of delivery of goods or service procured and paid for by the municipality.
- Transgressions reported to management in the prior year were not investigated
- Indigent applications submitted for deceased debtors
- Lack of evidence to validate claimant and approver signatures on overtime forms
- Standby allowance claims by employees who do not work for qualifying divisions

The MFMA and its regulations clearly stipulate that matters such as incurring unauthorised, irregular and fruitless and wasteful expenditure; the possible abuse of the SCM system (including fraud and improper conduct); and allegations of financial misconduct should be investigated. Disciplinary steps should be taken based on the results of the investigations. Our audits included an assessment of the municipality's management of consequences. The significant findings are provided below:

Ongoing investigations

117. A total of eleven (11) investigations into allegations relating to financial misconduct, fraud or improper conduct in SCM were ongoing at year-end. Some of these investigations have been ongoing for a long time. The Municipal Regulations on Financial Misconduct, Procedures and Criminal Proceedings and the Disciplinary Regulations for Senior Managers require that each investigation be completed within 30 days from the date of appointing the investigator. The table below provides a summary of investigations which had not been completed as at year end:

Total number of ongoing investigations at year-end	11
• Number of SCM-related investigations	1
• Number of fraud-related investigations	10
Number of investigations exceeding 3 months	11

Sanctions/recommendations not implemented for completed investigations

118. The Municipal Regulations on Financial Misconduct, Procedures and Criminal Proceedings and the Disciplinary Regulations for Senior Managers require that, on completion of an investigation, the investigation report be tabled to the council. For sixteen (16) completed investigations, appropriate action (sanction) was not taken as per the findings/recommendations of the investigations.

Transgressions reported to management for investigation

119. During the previous year's audit, we reported findings relating to transgressions by officials or other role players, for management to investigate. During the current year audit, we performed follow-up tests to determine whether the matters reported were dealt with by management.
120. The table below provides a summary of the transgressions reported in the previous year and the year under review that must be investigated and disciplinary steps taken based on the results of the investigations.

Finding	Findings raised in the previous year			Findings reported in current year	
	Number of instances	Number of instances investigated	Number of instances resolved from those investigated	Number of instances	Value (R)
B: Improper conduct in SCM by officials/ role players					
Payments made to suppliers who failed to deliver	1	-	-	-	-

121. Unauthorised/irregular/ fruitless and wasteful expenditure disclosed in notes 63, 66 and 67 to the financial statements must be investigated to determine whether any official is liable for losses incurred as a result of this expenditure. Disciplinary steps must be taken against officials who caused or permitted the unauthorised/ irregular/ fruitless and wasteful expenditure and losses incurred must be recovered from the person liable.
122. In terms of section 225 of the IESBA code, we have a responsibility to consider reporting identified and suspected non-compliance with laws and regulations to an appropriate authority. The following matters have been escalated to the council for them to ensure that appropriate steps are taken to address the non-compliance:

Councillors body guards

123. We noted a non-compliance with the government gazette issued in terms of section 7(1) of the Remuneration of public office bearers' act; where bodyguards to councillors were provided without a threat and risk analysis by SAPS and a deviation in the number of bodyguards provided to the Mayor, Deputy Mayor and Speaker was done without a recommendation from the SAPS. This non-compliance has resulted in irregular expenditure and a likely financial loss to the municipality of R2 639 505 (2020/21: R20 534 605).

Prepaid electricity consumers not buying electricity

124. We noted a possible non-compliance with sections 78 (1)(a) of the MFMA and municipality's credit control and debt collection policy, where 21384 prepaid electricity consumers did not buy electricity in the current year and management did not perform compulsory audits as required by the credit control and debt collection policy. Further, it was noted through inspection of note 68 of the annual financial statements that the electricity losses incurred by the municipality are very high and one of the reasons provided for these losses was that they are due to unmetered energy (meter tempering or bypassing the meter at the customer member) which supports this finding.

GRANTS MANAGEMENT

125. For the financial year under review, the audit included an assessment of the effectiveness of the municipality's use of the following conditional grants received:
- Municipal Infrastructure Grant
 - Water Services Infrastructure Grant
 - Public Transport Network Grant
126. The following compliance findings were raised on the utilisation of selected grants:

Finding	Municipal Infrastructure Grant	Water Services Infrastructure Grant	Public Transport Network Grant
The grant was not spent according to the applicable grant framework	No findings raised	No findings raised	No findings raised
The municipality did not evaluate its performance on programmes funded by the grant	No findings raised	No findings raised	No findings raised
Funds received from DoRA grants transferred to other entities in contravention of section 16(3) of DoRA	No findings raised	No findings raised	No findings raised

127. Key projects funded by the grants above were identified, tested and reported on, over the project life cycle of the selected key projects. We tested the timelines, budget spending, compliance with procurement processes, appropriate recording of the transactions in the financial statements and that the quality of the goods and services delivered agreed with the initial requirements
128. The audit findings raised on each project are reported in the table below.

Summary of key findings per selected project			
Key project name	2019MIGFK225319692 - Construction of community hall at Mbizane ward 5	Vulindlela Phase 3: Water Supply Upgrade: Wards 1-9 & 39	Upgrade of Moses Mabida Road from km 6.5 to km7.5
Brief description of key project	The project entails building of a community hall	The project entails the upgrade to accommodate the increased water demand due to population growth within 1-9&39	The project entails upgrading Moses Mabida road. The upgrade include construction of dedicated BRT lanes, construction and widening existing sidewalks ect.
Project commenced as planned	Yes	No	Yes
Project completed within defined duration (applicable if completed)	Not applicable – Project has not been completed.	Not applicable – the project has not started	No – Project was scheduled to be practically completed on 10 June 2021. Practical completion was revised to 04 February 2022.
Status of completion	In-progress	Not started	Completed
Total project budget	R11 168 009.38	R4 447 511.69	R110 038 276.53
Actual amount spent from initiation to date (end of financial year)	R9 387 465.25	-	R86 670 802.55
Audit findings			
Overspending or underspending on total project budget	No	No	No
Findings identified on the procurement of goods and services for the project	Yes	No	No
Findings identified on the appointment and contract management of implementing agents for the project	N/A	N/A	N/A
Findings identified on procurement and contract management by the implementing agent for the project	N/A	No	No
Findings on the overall project management	No	No	No
Findings identified on consequence management in relation to the project	No	No	No
Findings identified on fraud in relation to the project	No	No	No
Findings identified on the quality of goods and services delivered on the project	No	No	No
Findings on commissioning of the completed project	No	No	No
Findings identified on accounting for the project (annual financial statements)	No	No	No
Spending not aligned to stage of completion	No	No	No
Budget spent but project milestones not achieved	No	No	No
Findings identified on grant spending in relation to the project	No	No	No
Findings identified on fruitless and wasteful expenditure incurred on the project	No	No	No
Findings identified on irregular expenditure incurred on the project	No	No	No

USE OF CONSULTANTS

129. The audit included an assessment of the effective use of consultants. In the local government environment, the partnership between the private and public sectors has become important in driving strategic goals.
130. The total expenditure on consultants was R14 337 984.
131. A summary of the significant findings from the audit is as follows:

Planning and appointment process

- Consultants were appointed without a proper needs assessment.

Internal control deficiencies

- Management did not review and monitor compliance with applicable laws and regulations, as a needs assessment to assess whether the consultant is required or whether the municipality has the requisite skills or resources in its full-time employ to perform the function, was not performed prior to appointing the consultants.

WATER AND SANITATION SERVICES

132. The audit included an assessment of the water and sanitation service delivery objective of the municipality. Procedures were performed in relation to the following:
- Performance planning and reporting on the provision of water and sanitation services
 - Planning and budgeting for water and sanitation infrastructure and routine maintenance
 - Reporting on water losses
133. A summary of the significant findings from the audit are as follows:

WATER SERVICES

Performance planning and reporting on water services

- The table below summarises whether key performance indicators for the provision of water services were achieved, measurable, relevant and whether the reported achievements were reliable.

Planned KPI and target as per IDP/SDBIP	Achievement of target as per annual performance report	KPI and target measurable and relevant	Reported achievement is reliable
100% of households with access to basic level of water by the 30th of June 2022.	93.02% of households with access to basic level of water by the 30th of June 2022.	No	No

SANITATION SERVICES

Performance planning and reporting on sanitation services

- The table below summarises whether key performance indicators for the provision of sanitation services were achieved, measurable, relevant and whether the reported achievements were reliable.

Planned KPI and target as per IDP / SDBIP	Achievement of target as per annual performance report	KPI and target measurable and relevant	Reported achievement is reliable
60% Percentage of households with access to basic level of sanitation by the 30th of June 2022	55.66% of households with access to basic level of sanitation by the 30th of June 2022.	No	No

Solid waste management

134. The audit included an assessment of the solid waste management service delivery function of the municipality. Procedures were performed in relation to the following:

- Whether there is a waste management plan and a waste management officer is appointed
- Whether the landfill sites of the municipality are licensed
- Whether illegal waste dumping in the municipality's jurisdiction is regulated and monitored
- Physical site inspection and selected landfill and/or illegal dumping sites to determine and assess:
 - Physical condition and maintenance of the infrastructure and equipment
 - Management of waste landfills and transfer stations according to legislation and license requirements
 - Whether processes for preventing pollution or degradation of the environment were established or monitored

135. A summary of the significant findings from the audit are as follows:

Waste management processes

- The Integrated Waste Management Plan (IWMP) was not implemented during the year under review.
- An employee was not officially designated the responsibility of waste control officer as required by section 10(3) of NEMWA.

SECTION 5: USING THE WORK OF INTERNAL AUDITORS

136. The auditing standards allow external auditors the option to use the work of internal audit for external audit purposes and for direct assistance. We have used internal audit as follows:
137. The Msunduzi Internal Audit Unit reports listed below were relied upon to amend the nature, timing and extent of the AGSA's IT audit work as per the International Standards on Auditing (ISA 610 Using the Work of Internal Auditors). Top up testing and additional controls were executed by the AGSA ISA team to ensure adequate coverage of the financial period:
- ICT Infrastructure (SOD, Access Controls, Web Infrastructure, Software Licensing & Server Management) Review (Report Number ICT2 of 2021/22)
 - SAP Basis and Licensing Review (Report Number RA2 of 2021/22)
138. The following is a list of reports which were used for risk identification and to amend the nature, timing and extent of audit procedures.

No	Internal audit reports issued
1	Risk based audits & Statutory Audit
2	Human resource management
3	Mechanical workshop
4	Audit of annual financial statements: Msunduzi Municipality
5	Audit of section 66 & 71 Quarter 4 report
6	Audit of Disconnections and Reconnection of electricity meters & prepaid electricity
7	Audit of Revenue Management
8	Audit of section 72 report for 2021/22
9	Audit of the Annual report
10	Audit of SDBIP for 2021/22
11	Audit of Performance information
12	Audit of performance information mid-term – 2021/22

SECTION 6: EMERGING RISKS

ACCOUNTING, PERFORMANCE MANAGEMENT/REPORTING AND COMPLIANCE MATTERS

New pronouncements

Standards of Generally Recognised Accounting Practice (GRAP)

139. The ASB has issued the following GRAP pronouncements, with effective dates as indicated:

GRAP pronouncement	Effective date
GRAP 25 on Employee benefits (revised)	To be determined
GRAP 104 on Financial instruments (revised)	To be determined
IGRAP 7 on The limit on a defined benefit asset, minimum funding requirements and their interaction (revised)	To be determined
IGRAP 21 on The effect of past decisions on materiality	To be determined
Guideline on Accounting for landfill sites	To be determined

SUPPORT AND MAINTENANCE FOR SAP ECC6 ENDING IN 2027

140. SAP has taken the decision to end its support and maintenance of SAP ECC6 in 2027. This means that the SAP ECC6 system utilised by Msunduzi Municipality will reach its end of life and no longer receive patches, corrections or new functionality from SAP.
141. The Msunduzi Internal Audit Unit report titled SAP Project Risk Assurance Preparation Phase (Report Number RA1 of 202122019) dated 29 April 2022 recommended that, "Management should consider revising the terms of reference for the project as mitigation control where the focus on the implementation will be adjusted to the upgrade of the existing SAP ECC6 to SAP Hana with customization to enable mSCOA compliance."
142. Msunduzi Municipality is therefore encouraged to start planning for the upgrading or replacement of the SAP ECC6 system.

SUBSEQUENT EVENTS

143. Per discussions held with management there is no subsequent events identified at the date of this report.

AUDIT FINDINGS ON THE ANNUAL PERFORMANCE REPORT THAT MAY HAVE AN IMPACT ON THE AUDIT OPINION IN FUTURE

144. The planned and reported performance information of selected development priority was audited against the following additional criteria as developed from the performance management reporting framework:
- Presentation and disclosure – overall presentation
 - Overall presentation of the performance information in the annual performance report is comparable and understandable.
 - Relevance – completeness of relevant indicators
 - Completeness of relevant indicators in terms of the auditee's mandate, including whether:
 - relevant core functions are prioritised in the period under review
 - relevant performance indicators are included for the core functions prioritised in the period under review
145. Material audit findings arising from the audit against the additional criteria do not have an impact on the audit opinion of the selected development priority in this report. However, they may have an impact on the audit opinion in future.
146. No material findings were identified in respect of the additional criteria.

SECTION 7: ENTITIES CONTROLLED BY THE MUNICIPALITY

147. In terms of the MFMA, the municipality has certain oversight responsibilities regarding municipal entities over which it has control. The audit outcomes of these entities are summarised below.

Name of entity	Audit outcome			Significant deficiencies in internal control					
	Financial statement opinion	Findings on the performance report	Findings on compliance	Leadership		Financial and performance management		Governance	
				Assessment	Movement	Assessment	Movement	Assessment	Movement
Safe City Msunduzi NPC	Unqualified	No	Yes						



Improved



Improved



Improved

Good

Of concern

Intervention required

SECTION 8: RATINGS OF DETAILED AUDIT FINDINGS

148. For the purposes of this report, the detailed audit findings included in annexures A to C have been classified as follows:
149. Matters to be included in the auditor's report: these matters should be addressed as a matter of urgency.
150. Other important matters: these matters should be addressed to prevent them from leading to material misstatements of the financial statements or material findings on the performance report and compliance with legislation in future.
151. Administrative matters: these matters are unlikely to result in material misstatements of the financial statements or material findings on the performance report and compliance with legislation.

SECTION 9: CONCLUSION

152. The matters communicated throughout this report relate to the three fundamentals of internal control that should be addressed to achieve sustained clean administration. Our staff remain committed to assisting in identifying and communicating good practices to improve governance and accountability and to build public confidence in government's ability to account for public resources in a transparent manner.

Yours sincerely

Nomalungelo Mkhize
Business Unit Leader: KwaZulu-Natal
15 December 2022

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Distribution:
Audit committee
Head of internal audit unit*
Executive authority

SECTION 10: SUMMARY OF DETAILED AUDIT FINDINGS

Page no.	Finding	Classification					Rating			Number of times reported in previous three years	Status of implementation of previous year(s) recommendation
		Misstatement in financial statements	Misstatement in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
	Revenue and receivables										
	Accuracy of service charges – sale of water	X					X			1	In progress
	Amount for sale of water as per billing report does not agree with the amount as per debtor's statement	X					X			1	In progress
	Incorrect billing for revenue recognised– service charges – electricity- Accuracy	X						X		1	In progress
	Meters not read for more than twelve months- Sale of Electricity				X			X		2	In progress
	Meters not read for more than twelve months- Sale of water				X			X		2	In progress
	Traffic fine tickets issued not captured on the system (completeness)				X			X		1	In progress
	Debtors with credit balances incorrectly prescribed				X			X		2	In progress
	Inadequate implementation of the processes of Credit control and debt collection policy.			X				X		2	In progress
	Completeness of sanitation revenue				X			X		1	In progress
	Expenditure										
	Payments not made within 30 days			X			X			3	In progress
	Unauthorised, irregular expenditure not prevented			X			X			3	In progress
	Predetermined objectives										
	Performance indicators not verifiable		X				X			2	In progress
	Procurement and contract management										
	Failure to award the tender to the tenderer scoring the highest points			X			X			0	In progress
	Deviation from normal procurement process			X			X			0	In progress
	Payments made to service provider not forming part of contract agreement			X			X			0	In progress
	Failure to disqualify tax non compliant bidders			X			X			0	In progress
	Incorrect calculation of points for price			X			X			0	In progress
	Indicators of fraud			X			X			0	In progress
	Failure to evaluate SCM 41 in terms of the preference point system			X			X			0	In progress
	Failure to reject unacceptable tenders			X			X			0	In progress
	Failure to reject unacceptable tender SS53			X				X		0	In progress
	Procurement of goods and services with no contract			X				X		0	In progress
	Consequence management										
	Disciplinary action not taken on financial misconduct cases			X			X			3	In progress
	Annexure B: Other Important Matters										
	Information Technology General Controls Review										
	IT Governance										
	Vacancies within the Information Communication Technology organisational structure				X			X		3	In progress
	Personal Development Plans not in place for ICT staff				X			X		0	Not applicable
	ICT priority projects not timeously executed				X			X		0	Not applicable
	Incomplete information technology systems catalogue maintained by the municipality				X			X		3	In progress
	Support and maintenance not available for the Metbank system				X			X		3	In progress
	Inadequate agreements in place for the Fuel Master system				X			X		3	In progress
	Inadequate controls related to the Winbridge system				X			X		2	In progress
	Inadequate controls implemented for the Freshmark system				X			X		3	In progress
	Deficiencies noted relating to controls associated with the SCADA Electricity system				X			X		3	In progress

Page no.	Finding	Classification					Rating			Number of times reported in previous three years	Status of implementation of previous year(s) recommendation
		Misstatement in financial statements	Misstatement in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
IT Security Management											
	Metbank system running on outdated Microsoft Windows server operating system				X			X		2	In progress
	No security and user access controls implemented on the Metbank system				X			X		3	In progress
	Security controls inadequately implemented on the SCADA Water system				X			X		1	In progress
	Password settings configured on the Traffic Contravention System do not comply to the requirements of the Information Security Policy				X			X		3	In progress
	Non-compliance to Information Security Policy as logon attempts not reviewed for the Windows Active Directory				X			X		1	In progress
	Logon attempts not adequately reviewed for the Traffic Contravention System				X			X		3	In progress
User Access Management											
	User management reports not available on the Windows Active Directory				X			X		3	In progress
	Some user account information audit logs not available on the Metval system				X			X		2	In progress
	User account management information logs not available for the SCADA Water system				X			X		1	In progress
	New User Application Form does not cater specific fields for system name, user access roles and functions to be documented				X			X		1	In progress
	Non-compliance with approved user account management policies and procedures for the Traffic Contravention System				X			X		1	In progress
	No detailed records of passwords reset on the Traffic Contravention System				X			X		3	In progress
	Review of system administrator activities inadequately performed for the Metval system				X			X		3	In progress
	Inadequate reviews of system administrator activities for the Traffic Contravention System				X			X		3	In progress
IT Service Continuity											
	Non-operational equipment noted during disaster recovery testing				X			X		3	In progress
	Inadequate backup processes were noted at the Msunduzi Datacentre				X			X		1	In progress
Program Change Management											
	System generated program change log not available for the Windows Active Directory				X			X		1	In progress
Physical and Environmental Controls											
	Some infrastructure at the New England landfill site was not operating as intended				X			X		3	In progress
SAP Basis Review											
	Non-compliance to the SAP Security - Standard Operating Procedure				X			X		1	In progress
	SAP Basis and authorisation administrative functions have not been adequately segregated as required by the SAP Security - Standard Operating Procedure				X			X		1	In progress
	Key security and password requirements relating to the SAP system not specified				X			X		1	In progress
	Requirements set out in the Change Management Policy not addressed in the SAP Change Management Operating Procedure				X			X		1	In progress
	SAP Transport Approval Form and documentation not completed as required by the ICT Change Management Policy				X			X		2	In progress
Software License Assessment Review – SAP											
	No formal monitoring of SAP software licenses and accompanying modules utilised at the municipality				X			X		1	In progress
Application Controls Reviews											
	Manual process followed to confirm customer account numbers from the Promis system reflected on the Metbank system				X			X		3	In progress

Page no.	Finding	Classification					Rating			Number of times reported in previous three years	Status of implementation of previous year(s) recommendation
		Misstatement in financial statements	Misstatement in annual performance report	Non-compliance with legislation	Internal control deficiency	Service delivery	Matters affecting the auditor's report	Other important matters	Administrative matters		
	Daily transaction banking file generated from the Metbank system not encrypted				X			X		3	In progress
	Transactions For Category Report did not reflect the actual rate utilised by the municipality				X			X		3	In progress
	No automated interface between the Winbridge – Weighbridge Management Software and the SAP system				X			X		1	In progress
Cybersecurity Reviews											
	Large cyberattack surface due to significantly high number of vulnerabilities				X			X		3	In progress
	Lack of Operating System security procedure and standard				X			X		3	In progress
	Lack of database security configuration procedure and standard				X			X		3	In progress
	Inadequate firewall configurations				X			X		3	In progress
	Inadequate firewall management				X			X		3	In progress
	Inadequate firewall backup process				X			X		3	In progress

DETAILED AUDIT FINDINGS

ANNEXURE A: MATTERS AFFECTING THE AUDITOR'S REPORT

REVENUE AND RECEIVABLES

1. Accuracy of service charges – sale of water

Audit Finding

Section 62(1) (f) (i) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

Paragraph 17 of GRAP 1 states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.

Paragraphs 34, 34 and 36 of GRAP 3 states the following:

34. "Estimation involves judgements based on the latest available, reliable information."
35. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.
36. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error"

Paragraph 4.10 of 2021/2022 approved tariff policy state that the consumption of measurable services such as electricity and water shall be properly metered by the municipality and meters shall be read whenever circumstances reasonable permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service that they consume.

Paragraph 95 of Municipal Systems Act states that in relation to the levying of rates and other taxes by the municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity:

- (a) Establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality, and where applicable, a service provider
- (d) Where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by the individual users of services is measured through accurate and verifiable metering systems

1.1. Meter readings provided do not agree with meter readings on customer statement

During the audit of sale of water, we noted that readings provided in relation to the following customers do not agree with readings on the customers' statement. Upon inspection of the SAP system we noted that the variance is due to the fact that current readings on the statement are not recorded on the system.

No.	Customer name	Contract account	Consumption per customers statement (Current reading less previous reading)	Consumption per auditors' recalculation (Current reading less previous reading)	Difference
1.	Elphas Khoza	1579341	3820kl-3280kl = 540kl Billed amount = R31 813.71	3282kl-3280kl=2kl Billed amount = R84.57	R31 729.14
2.	Conrad Ntombela	3841435	7327kl-6323kl=100 4kl Billed amount =R59 504,77	6327kl-6323kl=2kl Billed amount = R89.28	R59 415,49
3.	Bayanda Malungana	3675185	3304kl-3298kl=99 975.52 Billed amount =R6 056 159,78	3304kl-3298kl=6kl Billed amount = R25,05	R6 056 134,73
4.	Janet J Capsy	150180	4639kl-2187kl=2452kl Billed amount = R145 407.25	2273kl-2230kl = 43kk Billed amount = R2 241,32	R143 165.93
Total					R6 290 445,29

As a result, sale from water is overstated by a projected amount of R422 694 886, 82

1.2 Actual billing for June inconsistent with previous estimates

We noted that the basis for estimates is not proportionate with the actual consumption as at 30 June 2022 resulting in June billing being significantly different when compared to previous months. Below is an example of consumers that were billed low kilolitres based on estimated consumption however, their actual billing as at 30 June 2022 reflected a difference that is not consistent with billing that was based on estimates.

Customer name	TP Mabaso					
Contract account number	1051907					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	4154	4175,33	4196,6	4221,53	4245	7843
Previous	4129	4154	4175,33	4196,6	4221,53	3758,15
Consumption	25	21,33	21,27	24,93	23,47	4084,85
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						681

Customer name	TJ Madonda					
Contract account number	224307					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	4541,97	4549	4557,72	4564,61	4568,21	7324
Previous	4533,97	4542	4549	4557,72	4564,61	4527
Consumption	8	7	8,72	6,89	3,6	2797
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						466

Customer name	JG Ngcobo					
Contract account number	1316938					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	977,72	1047,42	1096,33	1101,78	1141,45	3298
Previous	907,42	977,42	1047,42	1096,33	1101,78	869
Consumption	70,3	70	48,91	5,45	39,67	2429
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						405

Customer name	DF Kunene					
Contract account number	1573942					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	2166	2236	2306	2376	2446	3778
Previous	1744	2166	2236	2306	2376	2166
Consumption	422	70	70	70	70	1612
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						322

Customer name	MK Zondo					
Contract account number	247449					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	4717	4773,35	4794,5	4801,33	4811	6618
Previous	4647	4717	4773,35	4794,5	4801,33	4647
Consumption	70	56,35	21,15	6,83	9,67	1971
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						328,5

Customer name	R sokhela					
Contract account number	234552					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	18215	18285	18355	18425	18495	19929
Previous	18145	18215	18285	18355	18425	18145
Consumption	70	70	70	70	70	1784
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						297

Customer name	PM Tshabalala					
Contract account number	754167					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	7463	7532	7576,89	7629,56	7649,05	8901
Previous	7399	7463	7532	7576,89	7629,56	7643
Consumption	64	69	44,89	52,67	19,49	1258
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						252

MISSION

"To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities."

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Customer name	TP Ndlovu					
Contract account number	2852064					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	2424,46	2435	2446,91	2453,49	2459,1	3548
Previous	2410	2424	2435	2446,91	2453,49	2424
Consumption	14,46	11	11,91	6,58	5,61	1124
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						225

Customer name	Simaphi Zwane					
Contract account number	1456269					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	1836	1906	1976	no readings	2072,31	2918
Previous	1630	1836	1906		1976	1836
Consumption	206	70	70		96,31	1082
Average Dec-Jan	103					
Billing method	Actual	Estimate	Estimate		Estimate	Actual
Average actual consumption						126

Customer name	MP Qwabe					
Contract account number	1465930					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	2404,85	2432,2	2447,59	2474,94	2501,44	3404
Previous	2374,93	2404	2432,2	2447,59	2474,94	2351
Consumption	29,92	28,2	15,39	27,35	26,5	1053
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						175,5

Customer name	ZJ Mbele					
Contract account number	949215					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	15155	15167	15174,81	15186,94	15197,81	16001
Previous	15150	15155	15167	15174,81	15176,94	15167,81
Consumption	5	12	7,81	12,13	20,87	833,19
Billing method	Actual	Actual	Estimate	Estimate	Estimate	Actual
Average actual consumption						208

Customer name	N Ngcobo					
Contract account number	903860					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	1675,63	1677,21	1676	1677	1678,32	2326
Previous	1674	1675,63	1674	1676	1677	1676
Consumption	1,63	1,58	2	1	1,32	650
Billing method	Estimate	Estimate	Actual	Estimate	Estimate	Actual
Average actual consumption						217

Customer name	ZNP Mkhize					
Contract account number	2655370					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	1706	1715,99	1726,72	1734,4	1740,95	2372
Previous	1691	1706	1715,99	1726,72	1734,4	1706
Consumption	15	9,99	10,73	7,68	6,55	666
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						133

Customer name	SP Memela					
Contract account number	2666205					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	1088,11	1084	1086,48	1088,46	1089,39	1711
Previous	1084	1084	1084	1086	1088,46	1084
Consumption	4,11	0	2,48	2,46	0,93	627
Billing method	Estimate	Actual	Estimate	Estimate	Estimate	Actual
Average actual consumption						209

Customer name	MS Khumalo					
Contract account number	1912401 (New meter installed)					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	6874,62	6934,35	6989,82	7059,82	7268	721
Previous	6608,49	6874,62	6934,35	6689,82	7059,82	205
Consumption	266,13	59,73	55,47	370	208,18	516
Average actual consumption (dec-jan), Apr-May	133,065				104,09	
Billing method	Actual	Actual	Actual	Estimate	Actual	Actual
Average actual consumption						

Customer name	MD Mahabeer					
Contract account number	3419760					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	748	764	777	785	800,84	3406
Previous	723	749	764	777	785	777
Consumption	25	15	13	8	15,84	2629
Billing method	Actual	Actual	Actual	Actual	Estimate	Actual
Average actual consumption (May-June)						1314,5

Customer name	Casheleni Ndlovu					
Contract account number	1442435					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	6802	6872	6942	7012	7045,07	9170
Previous	6732	6802	6872	6942	7012	6802
Consumption	70	70	70	70	33,07	2368
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						395

Customer name	Casheleni Ndlovu					
Jabulile Mnguni	2290190					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	5854,6	5871,4	5882,6	5897,53	5912	8097
Previous	5841,53	5854,6	5871,4	5882,6	5897,53	5912
Consumption	13,07	16,8	11,2	14,93	14,47	2185
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual
Average actual consumption						364

Customer name	TL Silwane					
Contract account number	1422816					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	2198	2204	2212,58	2224,02	2233,6	3334
Previous	2188,22	2198	2204	2212,58	2224,02	2204
Consumption	9,78	6	8,58	11,44	9,58	1130
Billing method	Actual	Actual	Estimate	Estimate	Estimate	Actual
Average actual consumption						283

Customer name	KJ Mbambo					
Contract account number	957008					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	9955,31	9970,66	9984,57	2378	2448	3404
Previous	9939	9955,31	9970,66	9984,57	2378	2378
Consumption	16,31	15,35	13,91	-7606,57	70	1026
Billing method	Estimate	Estimate	Estimate	Actual	Estimate	Actual
Average actual consumption						513

Customer name	BC Sabela Mbambo					
Contract account number	1467006					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	2514,41	3339	3409	3479	3549	4412
Previous	2490,85	2514,41	3339	3409	3479	3339
Consumption	23,56	824,59	70	70	70	1073
Average (Jan-Feb)		412,295				
Billing method	Estimate	Actual	Estimate	Estimate	Estimate	Actual
Average actual consumption						476

Customer name	MP Mwelase					
Contract account number	888604					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	5873,64	5887,81	5900	5916	5927,16	6868
Previous	5859	5873,64	5859	5900	5916	5916
Consumption	14,64	14,17	41	16	11,16	952
Average (Jan-Mar)			20,5			
Billing method	Estimate	Estimate	Actual	Actual	Estimate	Actual
Average actual consumption						476

1.3 Billing for June 2022 not consistent with previous consumption

We noted that the following customer's meters were read for the past five (5) months and billed based on actual consumption however, their billing for June 2022 was significantly higher than previous consumption.

Customer name	Navid N Dayanand					
Contract account number	1996867					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	2310	2321	2333	2349	2363	4372
Previous	2198	2310	2321	2333	2349	2363
Consumption	112	11	12	16	14	2009
Billing method	Actual	Actual	Actual	Actual	Actual	Actual

Customer name	AB Ndebela					
Contract account number	1580308					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	4 249,79	4253	4255	4258	8259	9259
Previous	4242	4249,8	4253	4255	4258	8259
Consumption	7,79	3,2	2	3	4001	1000
Billing method	Actual	Actual	Actual	Actual	Actual	Actual

Customer name	V Maharaj					
Contract account number	869707					
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Current	15232	15260	15282	15715	17202	18679
Previous	15207	15232	15260	15282	15715	17202
Consumption	25	28	22	433	1487	1477
Billing method	Actual	Actual	Actual	Actual	Actual	Actual

Based on the above analysis, there's a possible overstatement of revenue from sale of water.

Internal control deficiency

Management did not adequately review the June billing to ensure that the consumer billing is accurate.

Recommendation

Management must investigate this matter and take appropriate corrective actions including making appropriate adjustments to the financial statements if applicable.

Management response

Audit finding is note, please refer to table below for detailed investigation to the finding and response:

1.1. Meter readings provided do not agree with meter readings on customer statement

No.	Customer name	Contract account	Consumption per customers statement (Current reading less previous reading)	Consumption per auditors' recalculation (Current reading less previous reading)	Difference	Management response
1.	Elphas Khoza	1579341	3820kl-3280kl = 540kl Billed amount = R31 813.71	3282kl-3280kl=2kl Billed amount = R84.57	R31 729.14	We note the finding, however, The meter reading on the SAP system did agree to the statement at the time of billing, subsequent to billing it was identified that the account was over-read in June which resulted in a monthly reading of 540 kl (over charge). This was corrected in July 2022, where the over-read reading was reversed from the system and the reasonable estimate include since the customer is not providing us with access to read the meter. Please refer to the attached statement for June and July where the corrections were done. We have also attached the SAP background screen shots showing the correction of the reading on the system. The 3282 reading used by the auditors was the reasonable estimate that was done in July due to not being provided access by the customer to obtain the correct reading.
2.	Conrad Ntombela	3841435	7327kl-6323kl=100 4kl Billed amount =R59 504,77	6327kl-6323kl=2kl Billed amount = R89.28 Both 6327kl was an actual reading taken in June and 6323 kl was the actual reading taken in May	R59 415,49	We note the finding, however, The meter reading on the SAP system did agree to the statement at the time of billing, subsequent to billing it was identified that the account was over-read in June which resulted in a monthly reading of 1004 kl (over charge). This was corrected in July 2022, where the over-read reading was reversed from the system and an actual reading included to correct the account. Please refer to the attached statement for June and July where the corrections were done. We have also attached the SAP background screen shots showing the correction of the reading on the system. The 6327 reading used by the auditors was the corrected actual that captured in July after reversing the over-read and capturing the correct reading.
3.	Bayanda Malungana	3675185	3304kl-3298kl=99 975.52 Billed amount = R6 056 159,78	3304kl-3298kl=6kl Billed amount = R25,05	R6 056 134,73	We note the finding, however, The meter reading on the SAP system did agree to the statement at the time of billing, subsequent to billing it was identified that the reading was incorrectly captured in June to include a decimal number of 0,34 which resulted in a monthly reading of 99 975.52 kl which resulted in the consumption of R6, 9 million being charged for the month of June. This was corrected in August 2022, where the reading was corrected from the system and the correct actual figure of 3304 was included. Please refer to the attached statement for June and August where the corrections were done. We have also attached the SAP background screen shots showing the correction of the reading on the system. The 3304 reading used by the auditors was the correct actual after correcting the reading that had been incorrectly capture as 3304, 034.
4.	Janet J Capsy	150180	4639kl-2187kl=2452kl Billed amount = R145 407.25	2273kl-2230kl = 43kk Billed amount = R2 241,32	R143 165.93	We note the finding, however, The meter reading on the SAP system did agree to the statement at the time of billing, subsequent to billing it was identified that the account was over-read in June which resulted in a monthly reading of 2452 kl (over charge). This was corrected in July 2022, where the over-read reading was reversed from the system and an actual reading included to correct the account. Please refer to the attached statement for June and July where the corrections were done. We have also attached the SAP background screen shots showing the correction of the reading on the system. The 2273 KL reading used by the auditors was the corrected actual that captured in July after reversing the over-read and capturing the correct reading.
Total					6 290 445,29	

A. Actual billing for June inconsistent with previous estimates

Management notes the finding, however actual meter readings were taken in June 2022, which captures the consumers correct consumption used, and thus the previous estimates being reversed in June 2022 (Please refer to the attached statements). Meters that are not read due to, properties being locked, obstructed meters and faulty meters. The municipality has no control over the consumers actual consumption of the consumers, however, where faulty meters are identified these meters are referred to technical department for investigation and replacement. A consumer's estimated consumption is based on previous actual readings taken. Thus, the actual readings will be dependent on the consumers use.

Customer name	TP Mabaso						
Contract account number	1051907						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	4154	4175,33	4196,6	4221,53	4245	7843	The last actual was obtained in March 2019 and system used this reading to calculate the estimate. The meter readers were visiting the property, however, access was not provided to read the meter. The actual reading was obtained in June 2022. Subsequent to June, the municipality was unable to read this meter in July, August, September and October. The system has now revised the estimate charged, average in now calculated taking into account the actual reading that was obtained in June.
Previous	4129	4154	4175,33	4196,6	4221,53	3758,15	
Consumption	25	21,33	21,27	24,93	23,47	4084,85	
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						681	
							All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.

Customer name	TJ Madonda						
Contract account number	224307						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	4541,97	4549	4557,72	4564,61	4568,21	7324	The last actual was obtained was in November 2021 and system used this reading to calculate the estimate. The actual reading was obtained again in June 2022 and all previous estimates were reversed. The municipality has obtained the actual meter readings in July, August, September and October and all these readings are aligned with the June reading. Therefore the June reading was correct.
Previous	4533,97	4542	4549	4557,72	4564,61	4527	
Consumption	8	7	8,72	6,89	3,6	2797	
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						466	

Customer name	JG Ngcobo						
Contract account number	1316938						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response:
Current	977,72	7047,42	1096,33	1101,78	1141,45	3298	The last actual was obtained was in December 2021 and system used this reading to calculate the estimate. The actual reading was obtained again in June 2022 and all previous estimates were reversed. The municipality also obtained June reading was correct
Previous	907,42	977,42	1047,42	1096,33	1101,78	869	
Consumption	70,3	70	48,91	5,45	39,67	2429	
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						405	

Customer name	MK Zondo						
Contract account number	247449						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response:
Current	4717	4773,35	4794,5	4801,33	4811	6618	The last actual was obtained was in December 2021 and system used this reading to calculate the estimate. The actual reading was obtained again in June 2022 and all previous estimates were reversed. The municipality also obtained June reading was correct an actual meter readings in July and it is aligned with the June reading. Therefore the June reading was correct.
Previous	4647	4717	4773,35	4794,5	4801,33	4647	
Consumption	70	56,35	21,15	6,83	9,67	1971	
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						328,5	

Customer name	R sokhela						
Contract account number	234552						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	18215	18285	18355	18425	18495	19929	The last actual was obtained was in December 2021 and system used this reading to calculate the estimate. The actual reading was obtained again in June 2022 and all previous estimates were reversed.
Previous	18145	18215	18285	18355	18425	18145	
Consumption	70	70	70	70	70	1784	
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						297	
							The municipality has obtained the actual meter readings in July and this reading is aligned readings are aligned with the June reading. Therefore the June reading was correct.

Customer name	DF Kunene						
Contract account number	1573942						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	2424,46	2435	2446,91	2453,49	2459,1	3548	The last actual was obtained in January 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end, the actual readings were obtained in July, August, September and October visiting the property, however, access was not provided to read the meter. The actual reading was obtained in June 2022. Subsequent the actual reading was obtained July and is aligned to the June reading. The system has now revised the estimate charged, average in now calculated taking into account the actual reading that was obtained in July. All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.
Previous	1744	2166	2236	2306	2376	2166	
Consumption	422	70	70	70	70	1612	
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						322	

Customer name	PM Tshabalala						
Contract account number	754167						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	7463	7532	7576,89	7629,56	7649,05	8901	The last actual was obtained in February 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent the actual readings were obtained in July, August, September and October and all readings are aligned to the June reading All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.
Previous	7399	7463	7532	7576,89	7629,56	7643	
Consumption	64	69	44,89	52,67	19,49	1258	
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						252	

Customer name	TP Ndlovu						
Contract account number	2852064						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	2424,46	2435	2446,91	2453,49	2459,1	3548	The last actual was obtained in January 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end, the actual readings were obtained in July, August, September and October and all readings are aligned to the June reading All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.
Previous	2410	2424	2435	2446,91	2453,49	2424	
Consumption	14,46	11	11,91	6,58	5,61	1124	
Billing method		Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						225	

Customer name	Simaphi Zwane						
Contract account number	1456269						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	1836	1906	1976	no readings	2072,31	2918	The last actual was obtained in January 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent the actual readings were obtained in July, August, September and October and all readings are aligned to the June reading All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.
Previous	1630	1836	1906		1976	1836	
Consumption	206	70	70		96,31	1082	
Average Dec-Jan	103						
Billing method	103	Estimate	Estimate		Estimate	Actual	
Average actual consumption						216	

Customer name	MP Qwabe						
Contract account number	1465930						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	2404,85	2432,2	2447,59	2474,94	2501,44	3404	The last actual was obtained in November 2021 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent the actual readings were obtained after year-end and all readings are aligned to the June reading. All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.
Previous	2374,93	2404	2432,2	2447,59	2474,94	2351	
Consumption	29,92	28,2	15,39	27,35	26,5	1053	
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual	
Average actual consumption						175,5	

Customer name	ZJ Mbele							
Contract account number	949215							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	15155	15167	15174,81	15186,94	15197,81	16001	The last actual was obtained in February 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent the actual readings were obtained in July, August, September and October and all readings are aligned to the June reading	
Previous	15150	15155	15167	15174,81	15176,94	15167,81		
Consumption	5	12	7,81	12,13	20,87	833,19		
Billing method	Actual	Actual	Estimate	Estimate	Estimate	Actual		
Average actual consumption						208	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	N Ngcobo							
Contract account number	903860							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	1675,63	1677,21	1676	1677	1678,32	2326	The last actual was obtained in April 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	1674	1675,63	1674	1676	1677	1676		
Consumption	1,63	1,58	2	1	1,32	650		
Billing method	Estimate	Estimate	Actual	Estimate	Estimate	Actual		
Average actual consumption						217	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	ZNP Mkhize							
Contract account number	2655370							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	1706	1715,99	1726,72	1734,4	1740,95	2372	Management response The last actual was obtained in January 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading. All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	
Previous	1691	1706	1715,99	1726,72	1734,4	1706		
Consumption	15	9,99	10,73	7,68	6,55	666		
Billing method	Actual	Estimate	Estimate	Estimate	Estimate	Actual		
Average actual consumption						133		

Customer name	SP Memela							
Contract account number	2666205							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	1088,11	1084	1086,48	1088,46	1089,39	1711	The last actual was obtained in February 2022 and system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	1084	1084	1084	1086	1088,46	1084		
Consumption	4,11	0	2,48	2,46	0,93	627		
Billing method	Estimate	Actual	Estimate	Estimate	Estimate	Actual		
Average actual consumption						209	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	MS Khumalo							
Contract account number	1912401 (New meter installed)							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	6874,62	6934,35	6989,82	7059,82	7268	721	The meter was last read in October 2019 and was estimated due to the meet being faulty. The meter was reported to technical department and replaced in May 2022. The estimates were reversed when the meter was changed. A new meter was installed in May 2022, hence it is still being monitored, June 2022 was the first actual reading after the installation.	
Previous	6608,49	6874,62	6934,35	6689,82	7059,82	205		
Consumption	266,13	59,73	55,47	370	208,18	516		
Average actual consumption (dec-jan), Apr-May	133,065				104,09			
Billing method	Actual	Actual	Actual	Estimate	Actual	Actual	The system has now revised the estimate charged, average in now calculated taking into account the actual reading that was obtained in June.	
Average actual consumption								

Customer name	MD Mahabeer							
Contract account number	3419760							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	748	764	777	785	800,84	3406	The last actual was obtained in April 2022 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	723	749	764	777	785	777		
Consumption	25	15	13	8	15,84	2629		
Billing method	Actual	Actual	Actual	Actual	Estimate	Actual		
Average actual consumption						1314,5	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	Casheleni Ndlovu							
Contract account number	1442435							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	6802	6872	6942	7012	7045,07	9170	The last actual was obtained in November 2021 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading. All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	
Previous	6732	6802	6872	6942	7012	6802		
Consumption	70	70	70	70	33,07	2368		
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual		
Average actual consumption						395		

Customer name	Casheleni Ndlovu							
Jabulisile Mnguni	2290190							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	5854,6	5871,4	5882,6	5897,53	5912	8097	The last actual was obtained in April 2021 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	5841,53	5854,6	5871,4	5882,6	5897,53	5912		
Consumption	13,07	16,8	11,2	14,93	14,47	2185		
Billing method	Estimate	Estimate	Estimate	Estimate	Estimate	Actual		
Average actual consumption						364		
							All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	TL Silwane							
Jabulisile Mnguni	1422816							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	2198	2204	2212,58	2224,02	2233,6	3334	The last actual was obtained in February 2022 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	2188,22	2198	2204	2212,58	2224,02	2204		
Consumption	9,78	6	8,58	11,44	9,58	1130		
Billing method	Actual	Actual	Estimate	Estimate	Estimate	Actual		
Average actual consumption						283	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	KJ Mbambo							
Jabulisile Mnguni	957008							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	9955,31	9970,66	9984,57	2378	2448	3404	The last actual was obtained in April 2022 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	9939	9955,31	9970,66	9984,57	2378	2378		
Consumption	16,31	15,35	13,91	-7606,57	70	1026		
Billing method	Estimate	Estimate	Estimate	Actual	Estimate	Actual		
Average actual consumption						513		
							All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	

Customer name	BC Sabela Mbambo							
Contract account number	1467006							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	2514,41	3339	3409	3479	3549	4412	The last actual was obtained in February 2022 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	2490,85	2514,41	3339	3409	3479	3339		
Consumption	23,56	824,59	70	70	70	1073		
Average (Jan-Feb)		412,295						
Billing method	Estimate	Actual	Estimate	Estimate	Estimate	Actual		
Average actual consumption						268	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	
							Based on the inspection of SAP system there was a reversal processed in July and included in the schedules provided by management.	

Customer name	MP Mwelase							
Contract account number	888604							
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response	
Current	5873,64	5887,81	5900	5916	5927,16	6868	The last actual was obtained in April 2022 and the system used this reading to calculate the estimate. The actual reading was obtained in June 2022. Subsequent to year-end the meter was estimated as there was no access to read the meter. However, the system has recalculated the subsequent statements to be aligned with the actual June reading.	
Previous	5859	5873,64	5859	5900	5916	5916		
Consumption	14,64	14,17	41	16	11,16	952		
Average (Jan-Feb)			20,5					
Billing method	Estimate	Estimate	Actual	Actual	Estimate	Actual	All the estimates that had been previously charged were subsequently reversed in June when the actual reading was obtained.	
Average actual consumption						476		

b. Actual billing for June inconsistent with previous estimates

Customer name	Navid N Dayanand						
Contract account number	1996867						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	2310	2321	2333	2349	2363	4372	We note the finding, the meter was read monthly and jumped in June 2022 and there was suspected be faulty and submitted to technical department. A new meter was installed in July 2022 and is being billed based on actual consumption after installation.
Previous	2198	2310	2321	2333	2349	2363	
Consumption	112	11	12	16	14	2009	
Billing method	Actual	Actual	Actual	Actual	Actual	Actual	
Reversal is not included in the schedule provided by management.							

Customer name	AB Ndebela						
Contract account number	1580308						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response
Current	4 249,79	4253	4255	4258	8259	9259	The last actual was obtained in June 2022. The meter was identified to have a suspected leak and has been reported to technical department for investigation and repair or replacement.
Previous	4242	4249,8	4253	4255	4258	8259	
Consumption	7,79	3,2	2	3	4001	1000	
Billing method	Actual	Actual	Actual	Actual	Actual	Actual	Reversal adjustment not included in the schedules provided by management

Customer name	V Maharaj						
Contract account number	869707						
Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Management response The last actual was obtained in June 2022. The meter was identified to have a leak and has been reported to technical department for investigation and repair or replacement.
Current	15232	15260	15282	15715	17202	18679	
Previous	15207	15232	15260	15282	15715	17202	
Consumption	25	28	22	433	1487	1477	
Billing method	Actual	Actual	Actual	Actual	Actual	Actual	Reversal adjustment not included in the schedules provided by management

Name: Mbali Shembe
Position: Manager – Utilities (Acting)
Date: 17 August 2022

Auditor's conclusion

Management comments are noted. Management were afforded an opportunity after management responses were provided and discussions held with management, to provide a schedule of all adjustments made subsequent to year end for the entire service charges population. The purpose of management submitting this schedule of adjustments was to demonstrate that management had identified the errors in the billing of consumers and has subsequently amended the errors. The auditors then subsequently selected an additional sample of 30 customer accounts and tested the billing on these accounts. It was noted that there were errors noted on 12 of the accounts tested, which needed to be corrected subsequently by management. The identified errors were however, not included in the schedule of adjustments proposed by management, thus demonstrating that the schedule of adjustments submitted for audit was not complete. Furthermore, Subsequent schedules and proposed journals provided were incorrect as they included cut-off adjustments processed in the 2022/23 financial year for transactions relating to 2014 to 2021 financial years.

Based on further audit work performed the following issues were still identified.

- There were adjustments relating to overcharges on customer accounts that were approved for reversal and subsequently adjusted in 2022/23 but not included in both subsequent manual and system adjustments schedules provided by management.
- Some meters were reflecting actual readings even during the months when they were not actually read.
- Meter readings provided not agreeing to readings as per the statements
- It was noted that most of the households with high readings and billings being queried was either due to meter jump, leak, fault and these were reversed subsequently or recommended for reversal. Some of these were not included in the subsequent manual and system adjustments schedules provided by management
- Management did not correct the whole population as expected as material misstatements were still identified on a sample selected for testing

Refer to a table below for a sample of misstatements included as example of issues identified.

Therefore based on the above, finding is not resolved, it will be reported as material misstatement on the audit report.

1	Customer name	Navid N Dayanand						
	Contract account	1996867						
	Month	22-Jan	22-Feb	22-Mar	22-Apr	22-May	22-Jun	Auditor's comment
	Current	2310	2321	2333	2349	2363	4372	High billing on the account was identified during execution stage.
	Previous	2198	2310	2321	2333	2349	2363	Management responded by providing a recommendation from water and sanitation section. According to the recommendation the meter was suspected to have jumped digits from 09 May 2022 to June 2022. The
	Consumption	112	11	12	16	14	2009	recommendation states that the customers' account must be adjusted based up to 3 month consumption prior 09 May 2022. Account is not included in both manual and system subsequent billing schedule that was provided by management.
	Billing method	Actual	Actual	Actual	Actual	Actual	Actual	

2	Customer name	Ms. ET UMAR						
	Contract account	1836648						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment
	Current	1896	1921	1931	6683	6701	6715	
	Previous	1885	1896	1921	1896	6683	6701	
	Consumption	11	25	10	4787	18	14	
	Billing method	Actual	Estimate	Estimate	Actual	Actual	Actual	
The consumer's consumption for April 2022 is significantly high when compared to previous and subsequent month's consumption. Based on enquiry from management and inspection of account history on SAP system confirmed that meter jumped in April and adjustment is not included in both manual and system subsequent billing schedule that was provided by management .								

3	Customer name	Thulani TP Khanyile						
	Contract account	1562041						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment
	Current	9430	9465	9518	12260	12330	12400	The consumer's consumption for April 2022 is significantly high when compared to previous and subsequent month's consumption. Based on enquiry from management and inspection of account history on SAP system confirmed that meter jumped in April and adjustment is not included in both manual and system subsequent billing schedule that was provided by management .
	Previous	9365	9430	9465	9518	12260	12330	
	Consumption	65	35	53	2742	70	70	
	Billing method	Actual	Actual	Actual	Actual	Estimate	Estimate	

4	Customer name	Ms. ZB Goge						
	Contract account	1474726						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment
	Current	3038.34	3043	3051	4058	4064	4067	The consumer's consumption for April 2022 is significantly high when compared to previous and subsequent month's consumption. Based on enquiry from management and inspection of account history on SAP system confirmed that meter jumped in April and adjustment is not included in system subsequent billing schedule that was provided by management . Only R99.84 was included in subsequent manual adjustment schedule instead of R59 661.49
	Previous	3022	3022	3043	3051	4058	4064	
Consumption	16.34	21	8	1007	6	3		
Billing method	Actual	Actual	Actual	Actual	Estimate	Estimate		

5	Customer name	Ms. SS MKHIZE						
	Contract account	1836528						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment
	Current	3904	3912	3919	5141	5211	5281	The consumer's consumption for April 2022 is significantly high when compared to previous and subsequent months consumption. Based on enquiry from management and inspection of account history on SAP system confirmed that meter jumped in April and adjustment is not included in both manual and system subsequent billing schedule that was provided by management .
	Previous	3893	3904	3912	3904	5141	5211	
	Consumption	11	8	7	1237	70	70	
	Billing method	Actual	Estimate	Estimate	Actual	Estimate	Estimate	

6	Customer name	Ms. RB RAMNUND						
	Contract account	2038472						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment The consumer's consumption for April 2022 is significantly high when compared to previous and subsequent month's consumption. Based on enquiry from management and inspection of account history on SAP system confirmed that meter jumped in April and adjustment is not included in both manual and system subsequent billing schedule that was provided by management .
	Current	2498	2528	2538	3824	3846	3916	
	Previous	2490	2498	2528	2498	3824	3846	
	Consumption	8	30	10	1326	22	70	
	Billing method	Actual	Estimate	Estimate	Actual	Actual	Estimate	
7	Customer name	MISTER SHARON FELICITY WOOD						
	Contract account	3879012						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment The consumer's consumption for March 2022 is significantly high when compared to previous and subsequent months consumption. Based on enquiry from management and inspection of account history on SAP system confirmed that meter had massive leak and adjustment is not included in both manual and system subsequent billing schedule that was provided by management .
	Current	15725.67	15773	17362	18654	19734	19804	
	Previous	15667	15725	15667	17362	18654	19734	
	Consumption	58.67	48	1695	1292	1080	70	
	Billing method	Estimate	Estimate	Actual	Actual	Actual	Estimate	
Average - 2 months			847.5					
8	Customer name	Mr. Y REDDY						
	Contract account	4143377						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment Confirmed through inspection of SAP system that there was a meter jump that was corrected in July 2022 for reversal of all billing from September 2021 to 6 June 2022. A new meter was installed for this account. This adjustment is not included in both manual and system subsequent billing schedule that was provided by management.
	Current	6968.6	6983.57	6995.7	7008.7	8046	9099	
	Previous	6899	6968.6	6983.57	6995.7	6899	8046	
	Consumption	69.6	14.97	12.13	13	1147	1053	
	Billing method	Estimate	Estimate	Estimate	Estimate	Actual	Actual	
Average for 9 months = 127					127			
9	Customer name	Logan L Pillay						
	Contract account	471419						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment Confirmed through inspection of SAP system that there was a meter jump that was corrected in July 2022. This adjustment is not included in both manual and system subsequent billing schedule that was provided by management.
	Current	2589	2622	2648	2680.9	2706.55	4142	
	Previous	2564	2589	2622	2648	2680.85	2648	
	Consumption	25	33	26	32.85	25.7	1494	
	Billing method	Actual	Actual	Actual	Estimate	Estimate	Actual	
Average - 3 months						498		
10	Customer name	Pearl PM Tshabalala						
	Contract account	754167						
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Auditor's comment Confirmed through inspection of SAP system that there there's a suspected leak on the meter. Meter was referred to water section and query was finalised by water section. No adjustments were made to the customer's account
	Current	7463	7532	7576.89	7629.6	7694.05	8901	
	Previous	7399	7463	7532	7576.9	7629.56	7532	
	Consumption	64	69	44.89	52.67	64.49	1369	
	Billing method	Actual	Actual	Estimate	Estimate	Estimate	Actual	
Average consumption- 4 months						342		
11	Customer name	KHALIFE INVESTMENTS PTY LTD						
	Contract account	4082526						
		Actual reading per statement		Readings per meter readings			Auditor's comment Confirmed through inspection of SAP system that there is no statement for June 2022, and it was noted with concern that SAP allows access to users to change the historic meter readings where consumption had been previously captured and billed in previous months at any time and changes reflect in previous months. This includes changing estimates to actual readings. The May and June readings were changed in July from actual readings of 4990 to actual of 4976 (fixing meter readings). Statement for June was reversed on the system due to inaccurate billing and June billing on the account is reflected on the July statement. However based on the June billing report we noted that the account was billed.	
	Actual	There's no statement on SAP system		4983				
	Previous			4976				
	Consumption			7				

12	Customer name	MRS TB BHENGU					
	Contract account	1425172					
	Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
	Current	20286	20356	20426	20496	21009	21153
	Previous	20216	20286	20356	20426	20496	21009
	Consumption	70	70	70	70	513	144
	Billing method	Estimate	Estimate	Estimate	Estimate	Actual	Actual
							Auditor's comment
							Based on the discussions held with management and inspection of SAP system confirmed that the account moved out from one owner to another (consolidating the rates and service charges account). Management indicated that the system does not allow accounts to be moved out on an estimated consumption and therefore the estimated reading in May of 20566 was changed to 21009 actual reading when meter was not actually read. This resulted in meter readings for May not agreeing to the meter readings reflected in the statement . June statement reflected a reversal of May estimate whereas based on the meter readings May is reflected as actual due to the changes that were captured in October 2022. June statement reflects 20146 as previous actual meter readings for 9 November 2021 and not 21009, which is the last day meter was actually read. Customer was actually billed for 1.007.000kl in June statement not the 144 as per the changed meter readings. Only an adjustment of R10490 was made on the account and billing was R52078

2. Amount for sale of water as per billing report does not agree with the amount as per debtor's statement

Audit Finding

Section 62 (1) of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA) states, that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for these purposes take reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards

During the audit of revenue from exchange relating to the sale of water, we noted that the amount in the billing report did not agree with the amount in the debtors' statement for the below mentioned account.

Based on the discussions held with management, this was due to reversals relating to an incorrect billing complaint raised by the consumer/debtor. This also included reversals relating to prior year billing estimates and actual billing for prior years (Cut off).

Some of the reversals were made on the SAP system in the June billing (see attached details per billing report), however these were not included in the debtor's statement for June that was provided in an excel format.

The statement initially provided was dated 19 June 2022 for total due of R35 698 950.39 with total outstanding of R 1706 044.08 due by 30.07.2022. On enquiry from management relating to the dates and amount, an excel statement was provided for the total due of R3 570 537.78 but still the statement did not agree to billing report

Copy of Water recalculations 1945573 - Need the original Excel or word to be supplied.

See table below for amount per billing report and consumer statement for sale of water

Contract Account	Business Partner	Business Partner Name	Posting Date	Amount as per billing report	Amount as per statement	Difference
1945573	3000039222	STAND 2436 PMB (PTY) LTD REINETTE VAN RO	2022/06/30	(1 481 672,23)	3 511 689,25	2 030 017,02

This results in material misstatement in revenue from exchange -sale of water projected as follows

Value of population	Value of sample	Misstatement	Projected misstatement
789 023 608,00	18 844 567,23	2 030 017,02	84 996 982,62

Internal control deficiency

Management did not implement appropriate measures to ensure that revenue charged as per billing report agree to the customer's statement.

Recommendation

Management should ensure that service charges billed to consumers agree to the billing report.

Management should investigate the case above and examine the population for the sale of water for any further billing discrepancies.

Management response

Management notes the finding; however, consideration must be given to the reversals that were done on the system including the transactions that took place on 18th and 19th June that can be reconciled back to the amount appearing in the billing report of R1 481 672,23. Under normal circumstances, the reversals and adjustments made during the month would appear on one statements issued on the last day of the month. However, for this account the system included the adjustments and reversals in 41 separate statements that were reversed. This was an isolated case.

The auditors must note that all the transactions that appear on these statements also appear on the billing report.

There were reversals that were done in the account during the month of June, as a result the system generated 41 invoices. The first 40 invoices generated were reversals and the final statement was issued on 30th June 2022. To reconcile the figure on the billing report all statements must be taken into accounts.

Below is the reconciliation of the statements making up the amount that agrees with the billing report for the month of June:

Reconciliation of billing versus consumer statements					
Posting dates of detailed billing	Hyperlink	Hyperlink 2	Amount	Description	Number of statements/billing documents
30.06.2022	30.06.2022!A1	30.06.2022 - Statement Casting!A1	3 541 094,93	Final Statement	1
18.06.2022	18.06.2022!A1		(48 993,80)	Reversed Statements	1
19.06.2022	19.06.2022!A1	Document No."s 19.06.2022!A1	(2 010 428,90)	Reversed Statements	39
			1 481 672,23	Billing report!A1	41

From the system technical side, there was an invoice program that required correction with regard to certain invoice scenarios. The invoice program has since been debugged.

Refer to attached to **POE for COMAF 58 part 1 of the finding** for the detailed recon and evidence to support the reconciliation above.

Name: Mbali Shembe
Position: Manager Utilities
Date: 19 November 2022

Auditor's conclusion

Management comments noted. The statements provided by management however does not resolve the finding.

Statement for 30 June 2022 amount to R5 541 094.93- we agree with management

Statement for 18.06.2022 amount to R48 993.80, however the statement reflects billing not reversal of the billing as management indicated.

Statements for 19.06.2022 totals to R2 010 428.90, however the statement reflects billing not reversal of the billing as management indicated. Therefore transactions on the 18th and 19th of June does not reconcile back to R1 481 672.23 appearing in the billing report

Based on further engagements held with management, it was confirmed that this is not an isolated case as similar cases are identified and addressed by management on a monthly basis.

Finding is not resolved and will be reported as material misstatement

Expenditure management

3. Payments not made within 30 days

Audit Finding

The Municipal Financial Management Act no.56 of 2003 stipulates in section 65(1): "The accounting officer of a municipality is responsible for the management of the expenditure of the municipality."

Furthermore, section 65(2) states that the accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure:

"(e) that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure."

During the audit of expenditure on bulk purchases, general expenditure, inventory consumed, operating cost, operating leases and transfers and subsidies, disclosed in the statement of financial performance, the following invoices were verified with management of the expenditure directorate that they were not paid within the 30 day period:

No.	Supplier Name	Description	Invoice Number	Amount as per Invoice excl. VAT	Date received by responsible department	Date invoice paid by creditors	Number of days between invoice received by business unit and payment date
1	EnviroPro Environmental Consult	Monitoring programme for Graves	8479	R35 833.35	13-01-2022	09-03-2022	55
2	ARC Electrical	Supply of outdoor SF6 circuit breaker	15	R397 100.00	27-01-2022	05-04-2022	68
3	Atam Electrical cc	Underground Mains	406921	R6 488.77	21-10-2021	17-12-2021	57
4	Duzi Electrical	Bare OHL/Hard drawn Cable	INV 0001325	R21 074.71	17-03-2022	05-05-2022	49
5	Siva Chetty & Company	Disbursement Statement	48	R343 402.00	15-03-2022	15-06-2022	92
6	Nambiti Technologies	SAP Support team	17933	R2 042 647.29	17-12-2021	20-01-2022	34
7	Hamsa Consulting Engineers	Audit of Pre-Paid Meters	T21/084	R85 500	29-06-2021	06-08-2021	38
8	Anzomode (Pty) Ltd	Mayoral Inauguration - Msunduzi - News Advert, Screens	1110	R161 788	24-12-2021	01-02-2022	39
9	Barloworld Equipment	Operator development: 330 Hydraulic Excavator	2000083389	R83 500	29-06-2021	19-01-2022	204
10	Bonga Udonga (Pty) Ltd	My Heritage, My Pride Event	1	R212 000.00	24-02-2022	07-04-2022	42
11	Ekhaya Search Proprietary Limited	ID Verification	INV217	R268 740.00	15-02-2022	03-06-2022	108
12	EWC Vehicle Communication	Mantic- Cost - Service	EWCINV183959	R157 377.00	30-09-2021	21-12-2021	82

No.	Supplier Name	Description	Invoice Number	Amount as per Invoice excl. VAT	Date received by responsible department	Date invoice paid by creditors	Number of days between invoice received by business unit and payment date
13	Mzamo Emihle Trading	Servicing/sanitising portable toilets	MZA0012	R65 320.00	06-06-2022	27-07-2022	51
14	Grant & Swanepoel Attorneys INC	Agreed Commission	11/0322	R259 613.07	01-06-2022	14-07-2022	43
15	Magma Risk Solutions	Security Services for March 2022 Msunduzi Forestry	INV19510	R383 220.00	05-04-2022	06-05-2022	31
16	SBD Business Systems	Multi-Function Printer (Mono) K7500	CIN0034500	R53 728.46	16-08-2021	03-11-2021	79
17	SBD Business Systems	Multi-Function Printer (Mono) K7500	CIN0037947	R39 726.01	25-11-2021	07-02-2022	74
18	SBD Business Systems	Multi-Function Printer (Mono) K7500	CIN0044065	R93 150.28	19-05-2022	06-07-2022	48
19	SBD Business Systems	Multi-Function Printer (Mono) K7500	CIN0045246	R36 200.09	19-05-2022	06-07-2022	48
20	SBD Business Systems	Multi-Function Printer (Mono) K7500	CIN0044065	R35 042.54	19-05-2022	06-07-2022	48
21	Black Transport and logistics	Hire of Grader	109	R352 640.00	24-01-2022	23-05-2022	119
22	Conan Construction CC	Hire of TLB	C4704	R210 600.00	14-03-2022	04-05-2022	51
23	Trailways Transport	Tip Truck and driver	INV005958	R146 160.00	03-05-2022	28-06-2022	56
24	Hydrotech Plumbing & jetting	Hire of high-pressure jetting truck	20	R132 000.00	14-02-2022	12-05-2022	87
25	Hydrotech Plumbing & jetting	Hire of high-pressure jetting truck	27	R116 160.00	04-05-2022	20-07-2022	77
26	High end general construction	2xTip truck and driver	167	R172 800.00	17-03-2022	23-05-2022	67
27	Zungu Civils	Hire of a self-propelled Sit on Vibratory Roller - Item 7A (29 March until 29 April 2022)	ZC1779	R267 880.00	24-05-2022	27-07-2022	64
28	Zungu Civils	Hire of a self-propelled Sit on Vibratory Roller - Item 7A (1 May until 31 May 2022)	ZC1823	R269 664.00	06-06-2022	31-08-2022	86
29	Mkholwa Transport & Plant Hire	2xHire of 16000Lt Water Tanker	INV21123	R351 994.38	01-03-2022	10-06-2022	101
30	Godide Engineering Services	Water tanker 16 000 litters	3285:3286:3382	R565 043.61	31-03-2022	15-06-2022	76
31	ekene Investments CC	Hire of Dozer	EINV 44251	R242 500.00	17-02-2022	05-04-2022	47
32	Black transport and logistics	Hire of Water Tanker	106	R460 350.00	30-07-2021	05-10-2021	67
33	Magegeja Trading Enterprise	Hire of water tanker 16000 litres	Mag01	R226 481.00	17-01-2022	22-02-2022	36
34	Godide Engineering Services	Hire of Water Tanker	3286	R191 466.54	31-03-2022	15-06-2022	76
35	Eskom	Energy charge	945425679344	R275 003 810.84	03-09-2021	25-02-2022	171
36	Umgeni Water	BULK WATER JUNE	300040728	R565 650.70	21-07-2021	01-12-2021	133
37	Umgeni Water	BULK WATER JULY	30041466	R385 200.59	19-08-2021	01-02-2022	166
38	Umgeni Water	BULK WATER AUG	300042192	R477 326.15	21-10-2021	04-02-2022	106
39	Umgeni Water	BULK WATER SEPT	300042915	R497 696.14	18-10-2021	09-03-2022	142
40	Umgeni Water	BULK WATER OCT	300043638	R486 336.53	15-11-2021	07-07-2022	234
41	Umgeni Water	BULK WATER DEC	300045084	R510 778.67	08-02-2022	29-07-2022	171
42	Umgeni Water	BULK WATER FEB	300046529	R481 242.78	10-03-2022	11-04-2022	32
43	Umgeni Water	BULK WATER MARCH	300047211	R437 698.19	08-04-2022	15-06-2022	68
44	Tuscan Mood	Advertising - Tender notices	IN002835	R9 556.90	22-07-2021	09-10-2021	79
45	Sizakancane Trading Enterprise 75	Vehicle repairs	CAN756DC5	R54 821.83	24-03-2022	10-05-2022	47
46	Ekhaya Search Proprietary Limited	Indigent take on per record	inv217	R268 748.50	15-02-2022	03-06-2022	108
47	Tuscan Mood	Advertising - Tender notices	IN002839	R22 447.50	22-07-2021	10-09-2021	50
48	Tuscan Mood	Advertising - Tender notices	IN002904	R10 334.80	18-11-2021	11-01-2022	54
49	Tuscan Mood	Advertising - Public Notice Assessment Rates & Tariffs 2022/2023	IN002958	R5 822.28	13-04-2022	23-05-2022	40
50	Tuscan Mood	Advertising - Mayoral Advertorial Maritzburg Sun/ Public eye	IN002889	R34 803.21	06-11-2022	08-12-2022	32
51	Tuscan Mood	Advertising - Vacancy City manager post	IN002954	R83 512.24	26-04-2022	17-06-2022	52
52	Tuscan Mood	Designing and changing Annual Report	IN002979	R166 772.44	27-06-2022	08-08-2022	42
53	SBD Business Systems	Copy Charges	CIN34499	R39 533.56	16-08-2021	03-11-2021	79
54	Tuscan Mood	Pages A4 - 468 pages	IN002916	R141 982.24	04-02-2022	05-04-2022	60
55	Zain Bothers CC	Builders Plastic	ZB3122	R296 630.00	08-10-2021	08-12-2021	61
56	Driving Licence Card Account	Enatis Driving licence fees	182	R61 620.00	13-10-2021	08-12-2021	56
57	Airflex Industrial Gases	LP Gas 48kg	IN459458	R50 174.80	15/12/2021	27/01/2022	43
58	Trillionnaire Projectz 007 (PTY) LTD	Supply and delivery Emergency tents	MSDZ 003	R100 252.80	17-01-2022	18-02-2022	32
59	XQZ IT Construction (PTY) LTD	3 Ply Surgical Masks	105222	R119 000.00	18-06-2021	05-08-2021	48

No.	Supplier Name	Description	Invoice Number	Amount as per Invoice excl. VAT	Date received by responsible department	Date invoice paid by creditors	Number of days between invoice received by business unit and payment date
60	Driving Licence Card Account	R751 - New Card Orders	IN061357	R51 587.00	21-01-2022	16-05-2022	115
61	MPI Emergency solutions (PTY) LTD	Supply and installation of blue lights and sirens	IE23344	R94 309.67	18-03-2022	03-08-2022	138
62	Driving Licence Card Account	R751 - New Card Orders	IN059992	R68 019.00	30-09-2021	09-12-2021	70
63	Driving Licence Card Account	R751 - New Card Orders	182	R61 620.00	13-10-2021	08-12-2021	56
64	Driving Licence Card Account	R751 - New Card Orders	IN061922	R58 460.00	21-02-2022	08-06-2022	107
65	Truvelo Manufactures Africa Electronics	Calibration - Prolaser or Truvelo Lidar	2774	R27 501.03	30-03-2022	07-07-2022	99

b. The below items were signed but not dated when received and could not determine if they were paid within 30 days or not:

No	Supplier Name	Description	Invoice Number	Amount as per Invoice excl. VAT	Date received by responsible department	Date invoice paid by creditors	Number of days between invoice received by business unit and payment date
1	COCRE8 IT Services PTY LTD	Promis Expenditure	21PSI000046	R417 756.00		07-07-2022	
2	Duzi Electrical	Installation of arm	INV0000921	R1 402.95		21-02-2022	
3	CORPORATE CLEANING HOSPITALITY	Hygiene Services	INA12228	R20 916.02		08-07-2022	
4	Conan Construction CC	Hire of TLB	C4673	R417 600.00		08-12-2021	
5	Liberty Midlands Mall	Gift Cards 07xR4000	Jan – 0008	R28 000.00		27-01-2022	
6	Classic events, sounds and marque	Provision of catering services catering for 80 people	INV202215-1	R12 000.00		10-06-2022	
7	Eskom	Energy charge	945951030691	R159 758 973.23			

This results in a material non-compliance with section 65(2)(e) of the MFMA.

Internal control deficiency

Lack of sufficient review and monitoring of compliance with applicable laws and regulations.

Lack of adequate oversight responsibility by management regarding compliance with related internal controls.

Management did not adequately monitor the implementation of action plans to address internal control deficiencies relating to external audit findings timeously.

Recommendation

Management should adopt the appropriate expenditure management processes to ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement from the service providers.

Compliance with applicable laws and regulations should also be monitored by appropriate level of management.

Management should develop and adequately monitor the implementation of action plans to address internal control deficiencies relating to external audit findings.

Management response

Auditor's recommendation has been noted and management accept the finding.

The municipality has experienced low cash due to high debtors' book and this has resulted to delayed payment of municipal creditors. The municipality also entered payments arrangements with bulk suppliers (Eskom and Umgeni) due to low cash flow.

This is being addressed by improving revenue collection (on going revenue collection drive), and the introduction of Expenditure Committee to reduce spending by departments.

Furthermore, the current payment processes are also being reviewed with the intention to minimize number of signatures on payment documents without compromising on internal controls.

Name: Lindiwe Madlala

Position: Acting Manager: Creditors

Date: 11 November 2022

Auditor's conclusion

Management response is acknowledged and the actions to address the findings will be followed during the next status of records review. This still does constitute material non-compliance and will be reported on in the audit report.

4. Unauthorised, irregular as well as fruitless and wasteful expenditure not prevented

Audit Finding

In terms of Section 62(1)(d) of the Municipal Finance Management Act (MFMA), the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented.

The municipality did not prevent irregular expenditure as follows;

Details	2022	2021	Re-occurred?
Expired contract	3 331 253	1 881 453	Yes
Contractors	-	-	N/A
Invalid deviations	100 094	898 100	Yes
Expired contracts	-	2 602 792	No
Non-compliance with regulation 31	22 261 833	26 917 201	Yes
Irregular appointment- Yeshua Aquajetic Communication 32	5 100 250	-	N/A
Irregular appointment- Olympus- Communication 32	14 246 595	-	N/A
Payment with no contract- Roshan Morar Communication 15	5 990 120	-	N/A
Invalid tax compliance- Hi Glen contractors- Communication 17	8 036 645	-	
Total	-	44 144 461	

The municipality did not prevent fruitless and wasteful expenditure as follows.

Details	2022	2021	Re-occurred?
Interest – late payment Eskom	1 515	4 307	Yes
Interest - creditors	20 086	817 170	Yes
Cancellation of tenders	315 372	390 808	Yes
Salaries and wages – suspended employees	108 773	263 739	Yes
Egweni re-establishment cost	-	5 614 524	No
Overtime fraud- Communication 31	643 732	-	No
Abuse of vehicles, absenteeism and overtime fraud- Communication 31	650 901	-	No
Acting and standby allowance- Communication 31	131 872	-	No
Total	1 872 251	6 269 071	

The municipality did not prevent unauthorised expenditure as follows;

Details	2022	2021	Re-occurred?
Unauthorised expenditure incurred-	510 129 135	920 517 748	Yes
Total	510 129 135	920 517 748	

As a result, the municipality has not complied with the requirements of section 62(1)(d) of the MFMA.

A similar finding was raised in the prior year.

Internal control deficiency

There was a lack of adequate preventative controls in place to prevent unauthorised, irregular as well as fruitless and wasteful expenditure. There was a lack of adequate oversight by the accounting officer, chief financial officer and SCM senior management in ensuring that controls are developed, implemented and monitored over procurement and contract management. Management did not adequately monitor the implementation of action plans to address internal control deficiencies relating to external audit findings.

Recommendation

The accounting officer and senior management should ensure that adequate preventative controls are developed in order to prevent unauthorised, irregular as well as fruitless and wasteful expenditure.

Management should develop and adequately monitor the implementation of action plans to address internal control deficiencies relating to external audit findings.

Management response

Irregular Expenditure

The municipality has adopted and approved the UIFW reduction strategy that is aiming at reducing the UIFW expenditure and furthermore to enhance compliance with laws and regulations the municipality has provided training of financial policies including SCM policy to its staff.

Management has also identified further training for bid committees and SCM practitioners the first training conducted by Provincial Treasury took place 21 October 2022 a further training by National Treasury is scheduled to take place on 21 and 22 November 2022. Management has implemented controls that will result in the reduction of irregular expenditure. Several checklists have also been developed and implemented that is aiming to enhance and ensure compliance with supply chain management laws and regulations. Management has also invested in staff one on one work training and continuous discussions and education in ensuring that SCM officials do understand the legislative requirements in the implementation of supply chain management.

Management will continue in their endeavours in ensuring compliance with laws and regulations thus will ensure that the irregular expenditure is reduced to a minimal.

Irregular appointment - Yeshua Aquajetic - Communication 32 and Irregular appointment - Olympus-Communication 32

Management has finalized investigations pertaining to these prior years expenditures and will be implementing the recommendations of the investigation. It being noted that no expenditure was incurred during the year under review and no further expenditure will be incurred in these contracts since they both lapsed.

Invalid deviations Hiring of Portable Chemical Toilets

Management is committed to ensure that there are effective controls to prevent irregular expenditure, however, on this contract it is beyond the control of management. The municipality advertised the contract on two separate occasions as Supply and Service Contract 37 of 2019 for hiring of portable chemical toilets however, a new contract could not be awarded because all bids did not meet the requirements. The contract was advertised for the third time and finalized by management though they were delays as a result of objections that were later resolved in terms of clause 50 of the approved SCM policy.

The municipality procured portable chemical toilets through the extension of the contract with Xolisisizwe Trading and Projects and on basis of sanitation is a basic service delivery imperative to the affected communities. Lack of proper and clean sanitation infrastructure contribute to a risk of health hazards. Service delivery protest could have materialized had the contract for hiring portable chemical toilets not extended by the municipality. If management took a decision not to extend the contract it would have been deemed to be in breach of a right to inherent human dignity which every citizen is entitled to and must be respected and protected as enshrined in the chapter 2 under the Bill of Right in Constitution.

This does not suggest that management encourage non-compliance with SCM Regulations but management is trying to demonstrate the challenges that it is faced with. Management does not condone any poor planning that happened right at the beginning when the processes of ensuring that the process of advertising starts timely before the contract expires and will apply consequence management accordingly.

Given the above backdrop management has finalized a new contract with effect from 1 August 2021 hence minimal expenditure was incurred a new contract is in place and the deviation has since lapsed.

Consequence management is being implemented as per the recommendations of the investigation.

Payment with no contract- Roshan Morar - Communication 15

The item was approved by Bid Adjudication committee, thereafter, Supply Chain Management submitted the item to the accounting officer for approval. The Accounting officer approved the item after discussion with Revenue Management in terms of the resources that were required for audit support, noting that there are limited resources of revenue to ensure that all the information required by the AG is timeously submitted. The provisions for the audit support function were made on the 2021 structure, however, the structure has not been approved as yet. The approval was not timeously submitted to SCM and revenue management continued with the engagement of service provider as the section did not have adequate human resources to deal with the audit support. The AG audit was not concluded not concluded by 30th November and revenue then requested for an extension up until February 2022 when the audit is finalized.

The municipality had signed an engagement letter with the service provider for revenue audit support when the service provider was still part of the internal audit panel. The panel expired and the revenue section therefore requested to continue using Morar up until the 2020/21 audit was finalized noting that the 2019/20 audit was not finalized on time which therefore did not allow the department sufficient time to deal with the AG queries that had been raised and for a new service provider to get an understanding of the municipality's complex revenue system and then also provide support to ensure the accuracy of the financial statements and underlying revenue records.

The payments were processed on the contract that was on the SAP system without verifying contract details, this was an isolated case and an oversight between supply chain and revenue management, however, all work was done and proof of work is available for verification.

Management will further controls to ensure contract are verified before issuing of orders.

Non-compliance with regulation 31 SAP Support

The contract has since lapsed, and the municipality will not be incurring any amount on this contract since August 2022 it being noted that this contract was a major contributor in terms of irregular expenditure. Management has since ensured that for the new contract the provisions of regulation 31 are complied with and written comments were received from SITA.

Invalid tax compliance-Hi Glen contractors- Communication 17

Management did not agree with the finding. MFMA Circular No. 90 state that the designated official(s) should verify the bidder's tax compliance status prior to the finalisation of the award of the bid or price quotation.

The Contract for SCM 61 of 21/22 was awarded by the Bid Adjudication Committee on the 08 July 2021. The resolution state that High Glen Construction must confirm the tender price and correct the tax matters before the award. The process for confirmation of tendered prices was completed on the 25 August 2021 and the tax matters of the supplier were verified where suppliers Tax Matters were confirmed with CSD as tax complaint as per the report submitted to the auditors. on these basis the provisional letter of appointment confirming the appointment was issued on the 26 August 2021.

Therefore, the provisions of circular 90 were complied with by management as per the above.

Name: Dudu Gambu
Position: Head SCM
Date 16/11/2022

VIP security without assessment

The terminations were done in 1 April 2021 for all councillors without security threat assessments and the amount was disclosed in the year the expenditure was incurred during the year under review there was no expenditure incurred.

Name: Kwenza Khumalo
Position: SM: Public Safety
Date: 16/11/2022

Auditor's conclusion

Management response is acknowledged and the actions to address the findings will be followed during the next status of records review. This constitutes material non-compliance and will be reported on in the audit report.

PROCUREMENT AND CONTRACT MANAGEMENT

1. Failure to award the tender to the Tenderer scoring the highest Points.

Audit Finding

Section 112(1) of the MFMA states that: "the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management".

Regulation 6(1) of preferential procurement regulation, 2017 states that, the following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where -

P_s = Points scored for price of tender consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

Furthermore, Regulation 6(8) of preferential procurement regulation, 2017 states that, the contract must be awarded to the tenderer scoring the highest points.

During the audit of the competitive bidding process tender SCM 19 of 21/22, a rate based contract with an estimated contract value of R1 000 000, we identified the following:

- The bid prices for Amaveli trading in the evaluation reports did not agree to the Bid prices as per the bid documents submitted by Amaveli trading.
- Upon further investigations, we ascertained the differences were due to the VAT amount which was included in the bid price of Amaveli trading.
- We then performed further audit procedures to determine whether the VAT amount was an applicable tax to Amaveli trading as required by Regulation 6(1) of preferential procurement regulations, 2017. We identified that Amaveli trading is not a registered VAT Vendor therefore the amount quoted in the bid document should be evaluated excluding VAT as per Amaveli Bid submission. This resulted in non-compliance with regulation 6(1) of preferential procurement, 2017.
- Due to incorrectly adding VAT on the Amaveli Trading bid price, the PPR points were incorrectly calculated resulting in the award for item no. 3 in the bid specification being made to the incorrect supplier (Amber Skies trading and Ilitha) instead of Amaveli trading and Ilitha being awarded the tender for item 3. (Refer to Table A for BEC calculations of Points and Table B for auditor's re-calculations of points).

Table A: Calculations as per evaluation report

Winning Supplier Name	Calculations							
	Bidder Names	Bidder's Quote/ Bid	Lowest Quote/ Bid (R)	Client's calculated R Points	Bidder's BEEE Rating	Points Awarded	Client's calculated points	Ranking
Item 1								
	Mometek trading	9491,30	8399,50	69,60	1	20	90	2
	Amaveli trading	8399,50	8399,50	80,00	1	20	100,00	1
	Amber Skies trading	14 145,00	8399,50	25,28	1	20	45,28	3
	Ilita	13 547,00	8399,50	30,97	1	20	50,97	4
Item 2							-	
	Mometek trading	8 968,85	3 799,50	(28,84)	1	20	-8,84	3
	Amaveli trading	3 799,50	3 799,50	80,00	1	20	100,00	1
	Amber Skies trading	8 717,00	3 799,50	(23,54)	1	20	-3,54	4
	Ilita	8 337,50	3 799,50	(15,55)	1	20	4,45	2
Item 3							-	
	Mometek trading	10 812,59	9 143	65,39	1	20	85,39	4
	Amaveli trading	9 660,00	9 143	75,47	1	20	95,47	3
	Amber Skies trading	9 568,00	9 143	76,28	1	20	96,28	2
	Ilita	9 142,50	9 143	80,00	1	20	100,00	1

Table B: Auditor's calculations

Winning Supplier Name	Auditors's Calculations						
	Bidder Names	Bidder's Quote/ Bid	Lowest Quote/ Bid (R)	BBEE points as per certificate or sworn affidavit inspected	Auditors Calculations	Ranking	Correct Supplier Selected in terms of recalculated points and ranking?
Item 1							
	Mometek trading	9491,30	7303,91	20,00	76	2	Yes
	Amaveli trading	7303,91	7303,91	20,00	100,00	1	Yes
	Amber Skies trading	14 145,00	7303,91	20,00	25,07	4	Yes
	Ilita	13 547,00	7303,91	20,00	31,62	3	Yes
Item 2							
	Mometek trading	8 968,85	3 303,91	20,00	(37,169)	4	Yes
	Amaveli trading	3 303,91	3 303,91	20,00	100,000	1	Yes
	Amber Skies trading	8 717,00	3 303,91	20,00	(31,071)	3	Yes
	Ilita	8 337,50	3 303,91	(20,00)	(21,882)	2	Yes
Item 3							
	Mometek trading	10 812,59	8 400	20,00	77,023	4	Yes
	Amaveli trading	8 400,00	8 400	20,00	100,000	1	No
	Amber Skies trading	9 568,00	8 400	20,00	88,876	3	No
	Ilita	9 142,50	8 400	20,00	92,929	2	Yes

Consequently, this resulted in non-compliance with regulation 6(8) of preferential procurement regulation, 2017 and the total payment made to Amber Skies in relation to SCM 19 of 21/22 should be disclosed in the Annual Financial statements as irregular expenditure. It was however noted per inspection of the payment report there were no payments made to this supplier as at 30 June 2022, however all future payment should be disclosed as irregular expenditure.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure compliance with the MFMA principles of maintaining a fair, equitable, transparent, competitive, and cost-effective procurement and provisioning system.

Recommendation

It is recommended that management should:

- Disclose all the payments made to Amber skies trading under Item 3 as irregular expenditure to ensure compliance with the MFMA.
- Ensure the adequate reviews and monitoring of compliance with applicable laws relating to supply chain management.

Management response

Finding is acknowledged, management has already suspended the contract on SAP to prevent any transaction and initiated a process of terminating item 3 from Amber Skies for the approval of the Bid Adjudication Committee and readvertise item to avoid an incurrance of irregular expenditure on this contract. Management will further strengthen controls to identify any non-compliances with applicable legislation going forward. Management will further ensure the adequate reviews and monitoring of compliance with applicable laws relating to supply chain management by providing additional resource to BEC who will vet points allocation and calculation. Each recommendation to BAC will be accompanied by the check list confirming all the compliance elements within the bid processes.

Name: Dudu Gambu

Position: Head: SCM

Date: 27/10/2022

Auditor's conclusion

Management response is noted. Management is in agreement with the finding, thus finding remains and the matter will be followed up next year.

2. Deviation from normal procurement process

Audit finding

Section 112(1) of the Municipal Finance Management Act no.56 of 2003 (MFMA) states that: "the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive, and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:

- (a) The range of supply chain management processes that municipalities and municipal entities may use, including tenders, quotations, auctions and other types of competitive bidding

Paragraph 36(1)(a) of the Municipal Supply Chain Management Regulations prescribe the requirements under which an accounting officer may deviate from normal competitive bidding processes as follows:

- (1) A supply chain management policy may allow the accounting officer—
 - (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official process

The following discrepancies were noted with the deviations from competitive bidding processes applied by the municipality:

No.	Contract no.	Supplier No.	Description	Award amount	Payment amount
1.	9/S36 of 20/22	Nasa Industrial supplies Pty Ltd	Supply and delivery PPE	R 3 347 770.00	R 3 347 770.00

Issue 9/S36 of 21/22

The Municipality appointed the panel of PPE clothing and sundry items under contract SS 28 of 2021 Below is the list of suppliers in the panel:

1. KushJ Traders,
2. Tees Industrial & General Supplies,
3. New Heights 1466cc,
4. Tough Workwear & Agencies,
4. Uniform & SAFETY Gear cc,
6. Megaphase Trading 380 PTY LTD,
7. Safeway Safety & Industrial Supplies
8. Senzangakhona Industrial Supplies

Management then deviated from the procurement process on the basis that the above suppliers were unable to deliver the required goods due to the impact of Covid 19 and the July 2021 unrest, resulting in the Municipality procuring the goods from Nasa Industrial supplies on an emergency basis.

According to the audit work performed there was no evidence to confirm that the Msunduzi Municipality did try to order the specific goods (PPE) from the suppliers who form part of the panel. Furthermore, no evidence of communication from the suppliers could be furnished to the auditors to support that the Municipality did send the request for orders to the suppliers and all the suppliers forming part of the appointed panel was not able to provide the goods on time.

We further inspected the purchase order made to Mister Tees Industrial supplies sent on the 27/08/2021 and compared it to the purchase order sent to Nasa Industrial Suppliers on the 27/10/2021 and confirmed that the goods ordered are not the same. We also noted that there was a two month delay between the date of the original order sent to Tees Industrial Supplies and Nasa Industrial Supplies, thereby demonstrating that this procurement was not urgent.

There was no other purchase order provided to confirm that the goods were ordered from the panel of suppliers and not delivered. Management was also unable to provide cancellation letters from the suppliers on the panel to demonstrate that the suppliers were unable to deliver the required goods.

The above non-compliance with the Municipal Supply Chain Management Regulations (MSCMR) will therefore result in irregular expenditure being incurred.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure compliance with the SCM legislation.

Recommendation

The accounting officer should ensure that all deviations are substantiated by the appropriate evidence before approval thereof. The deviations should only be approved if they meet the requirements of regulation 36 of the MSCMR

The payments made on the above deviations should be disclosed as irregular expenditure

Management response

Issue 9/S36 of 21/22

Management does not agree with the finding:

1. According to the audit work performed there was no evidence to confirm that the Msunduzi Municipality did try to order the specific goods (PPE) from the suppliers who form part of the panel. Furthermore, no evidence of communication from the suppliers could be furnished to the auditors to support that the Municipality did send the request for orders to the suppliers and all the suppliers forming part of the appointed panel was not able to provide the goods on time.

Response:

The clarity needs to be made that the use of the word panel does not imply that they were all awarded all the items in the contract, in that should we not receive delivery from one supplier than we are at liberty to engage the second or third supplier in the panel.

The terms and conditions of the contract are that the contract is awarded per item in order of preference. Our panel is structured in such a way that each supplier was approved on certain items that were approved in terms of the specifications. For instance, in terms of the two-piece overall item 10 on the contract only Tees Industries were recommended for this item after the withdrawal of the 2nd supplier.

The approval of samples was done by the Health and Safety committee which comprises of various departments within Council. The orders that were raised were informed by the resolutions of health and safety committee. It was, therefore, not possible to engage suppliers where the samples were not recommended by the health and safety committee. That would have constituted a deviation from the contract and further presented a possibility of employees not accepting the uniform which may result in fruitless and wasteful expenditure. After the withdrawal from Tough work wear and Agencies for item ten only Tees industrial and general suppliers remained. Letter of withdrawal

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2. We further inspected the purchase order made to Mister Tees Industrial supplies sent on the 27/08/2021 and compared it to the purchase order sent to Nasa Industrial Suppliers on the 27/10/2021 and confirmed that the goods ordered are not the same. We also noted that there was a two-month delay between the date of the original order sent to Tees Industrial Supplies and Nasa Industrial Supplies, thereby demonstrating that this procurement was not urgent.

Response:

Order is attached for ease of reference as annexure B, items that were ordered from Tees Industrial Supplies and other supplies that could not deliver do match the order that was issued to NASA. The two months delay demonstrate exactly what management is saying in terms of delayed deliveries and that was used as supporting evidence by management to take a decision to invoke regulation 36, that adequate time was provided for the supplier to have the uniforms ready and it was clear that the difficulties were taking time to resolve from the side of the supplier.

There was no other purchase order provided to confirm that the goods were ordered from the panel of suppliers and not delivered.

3. Management was also unable to provide cancellation letters from the suppliers on the panel to demonstrate that the suppliers were unable to deliver the required goods.

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Response:

Orders are attached from the approved service providers on each item, the management evaluated the circumstances that led to non-delivery of some items it being noted that a number of items were delivered but only a few that were delayed as it can be seen from NASA order, the difficulties faced by the suppliers were beyond their control at the time this can be attested by the fact that the following year the suppliers in question were able deliver timeously because circumstances have changed and the situation has returned to a better normal.

4. It is management considered view that all reasonable steps were taken to ensure that the uniform was delivered but due to unforeseen circumstances management had to invoke available means to ensure that health and safety issues are not compromised, it being noted that the very important element of the deviation was an unrest of July 2021 that added from the supply chain disruptions that were caused by COVID with its effect that was felt more especially in KwaZulu Natal.

Name: Dudu Gambu

Position: Head SCM

Date: 08/11/2022

Auditor's conclusion

Management response is noted however the audit finding will remain due to the following:

Management submitted new purchase order no. 4530023969 dated 27/08/2021 to Senzangakhona Industrial Supplies for the Navy Jerseys not relating to the overalls, shirts and safety boots purchased from Nasa industrial therefore this purchase order confirm that the goods purchased from the Nasa was never ordered from this supplier.

Management also submitted purchase order no. 4530024094 dated 13/09/2021 to New Heights 1466 CC, for Har Floppy Blue not relating to the overalls, shirts and safety boots purchased from Nasa industrial therefore this purchase order confirm that the goods purchased from the Nasa was never ordered from this supplier.

Management submitted purchase order no. 4530023960 dated 27/08/2021 to New Heights 1466 CC for Boot safety for ladies size E3, E4, E5, E6, E7, E8. We therefore compared to the purchase order sent for Nasa Industrial and noted that the Safety boots purchased from Nasa are as follows Boots Safety Lemaitre Black size 4, 6, 7, 8, 9, 10, which is evident that are not the same as the one ordered from the supplier in the panel and there is no supporting evidence that New Heights could not deliver the boots required by Msunduzi or that they received the order for these items.

Management submitted purchase order no. 4530023963 dated 27/08/2021 to Mister Tees Industrial Supplies who was not part of the panel to provide the uniforms therefore under contract no. SS 28 of 2021 therefore this evidence is not acceptable to support this deviation.

Only Tough Workwear & Agencies in the panel of supplier sent a letter to the Municipality withdrawing to supply the municipality with item no. 10 Overall D59 as they did not have capacity however there is no evidence that the rest of the 7 suppliers in the panel couldn't provide the required uniform to the Municipality.

Based on the audit work performed we therefore conclude that the audit finding should remain, and the expenditure made to this supplier should be disclosed as irregular in the annual financial statements.

3. Payments made to the service provider for the services not forming part of the initial contract agreement.

Audit finding

Section 112(1) of the Municipal Finance Management Act no.56 of 2003 (MFMA) states that: "the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive, and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management.

Paragraph 36(1)(a) of the Municipal Supply Chain Management Regulations prescribe the requirements under which an accounting officer may deviate from normal competitive bidding processes as follows:

- (1) A supply chain management policy may allow the accounting officer—
 - (a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official process

Section 65 (2)(a) of the MFMA states that the accounting officer is to take all reasonable steps to ensure that the municipality has, and maintains, an effective system of expenditure control, including procedures for the approval and payment of funds.

Section 78 (1) of the MFMA states that each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that:-

- (a) that the system of financial management and internal control established for the municipality is carried diligently
- (b) that the financial and other resources of the municipality are utilised effectively, efficiently, economical, and transparently
- (c) that any authorised, irregular, or fruitless and wasteful expenditure and any other losses are prevented.
- (d) that all revenue due to the municipality is collected.
- (e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary.
- (f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer: and
- (g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in term of section 79, are complied with.

Background

The Municipality appointed Morar Incorporated in accordance with MFMA regulation 36 (i)(V) under contract no.5/S36 of 21/22 for implementation of consequence management due to the following:

In 2020, the KZN Department of Cooperative Governance & Traditional Affairs (CoGTA) presented a confidential Report to the Msunduzi Council titled "Forensic Investigation Report on Msunduzi Municipality", the report was prepared by Morar Incorporated on behalf of KZN CoGTA.

The reason for deviation is that Morar Incorporated prepared the report in its entirety and are required for the processes of implementing consequence management. One of the recommendations of the report was to institute disciplinary action against implicated officials. The Municipal Manager appointed the prosecutor for 2 months, the prosecutor required the witnesses (Morar Incorporated) for a briefing on 26/08/2021 and at the hearing on 27/08/2021 as compilers of the report therefore it was imperative that Morar Incorporated be engaged. If not, the prosecutor will not be able to proceed with the matter as Morar Incorporated remains central to the finalization of the disciplinary matters contained in their report. Morar Incorporated was therefore appointed for a period of 12 months on the 26th August 2021. The staff allocated to the project were as follows:

Item	Resources	Name	Rate per hour (VAT excl)	Payment made to this contract
1	Senior manager	Vinay Bositsumune	R1 944.00	No payment made relating to contract no.5/s36 of 21/22
2	Manager	Hiren Harripersadh	R1 586.00	
3	Senior investigator	Yashveer Ramdth	R786.00	

During the audit of deviations, it was identified that the municipality disclosed a payment under note 61 to the annual financial statements amounting to R 5 208 800.00 under contract no.5/S36 of 21/22 for the appointment of Morar incorporated to be a key witness for the consequence management implementation against Msunduzi Municipality officials. It was however noted that payments made to Morar Incorporated listed below amounting to R5 990 1220 during the year was not in relation to contract no. 5/S36 of 21/22.

No.	Contract no.	Supplier No.	Description	Award amount	Payment amount
1.	5/S36 of 21/2022	Morar Incorporated	Appointment for implementation Consequence management	Rate based as per the above	R 5 990 120.00
Invoice break down		Morar Incorporated Invoices .xlsx - Need the original Excel or word to be supplied.			

Morar Incorporated Invoices

Date	INV no.	Invoice period	Amount invoice amount (Vat Inclusive)	Description
17/09/2021	IN005950	01 April 2021-August 2021	1 304 905,00	Professional services rendered Revenue support
17/09/2021	IN005466	01 June 2021 to 31 August 2021	772 800,00	Professional services rendered -Asset and Adhoc Reconciling payments that were not affected 2020/2021 Financial year
21/10/2021	IN006003	01 July 2021 to 30 September 2021	2 300 000,00	Professional services rendered -Asset and Adhoc Reconciling payments that were not affected 2020/2021 Financial year
20/10/2021	IN006001	30 August to 31 October 2021	308 315,00	Professional services rendered Revenue support
31/03/2022	IN006212	31 January 2022 to 28 February 2022	336 490,00	Professional services rendered Revenue support
17/02/2022	IN006149	29 November 2021 to 28 January 2022	465 290,00	Professional services rendered Revenue support
06/12/2021	INV006074	04 October 2021 to 26 November 2021	502 320,00	Professional services rendered Revenue support
			5 990 120,00	

Issue 1 Short term contract disclosed under the incorrect contract

On the 09th of September 2021, the Bid Adjudication Committee(BAC) approved the appointment of Morar Incorporated for a short term contract for revenue support on a basis that Morar Incorporated was familiar with the revenue system therefore it was impractical for the Municipality to appoint another audit firm or service provider to assist the municipality in resolving the audit findings of the previous financial year for the estimated value of R 739 200.00 for a period of 3 months starting on the 01 September to 30 November 2021.

The award was approved by the BAC on the 16 September 2021.

This short-term contract was not disclosed on its own but was then disclosed under contract no. 5/S36 of 21/22

As per the invoice break down detailed above it is evident that the total payment made for revenue support was amounting to R 2 917 320 VAT inclusive.

We therefore identified per inspection of the invoices that there were payments made for Revenue support to Morar incorporated for the services rendered way before the short-term contract was approved by the BAC on the 16 September 2021 refer to the following invoices:

1. IN005950
2. IN006001

It was also identified that the payment to Morar Incorporated exceeded the approved short-term contract amount of R 739 200 for revenue support as the total payment made was R 2 917 320.

The short-term contract was awarded on the basis that it was impractical to obtain another service provider, or the municipality could not obtain the required services from other service providers. The reason for the deviation is not valid as there are so many audit firms or accounting firms that could have been able to assist the Municipality for the revenue support had the competitive bidding process been followed.

The short-term contract is a separate contract from contract no.5/S36 of 21/22 and was not disclosed on its own in the annual financial statements.

Issue 2 Payment made to the service provider without a contract

When auditing contract no. 5/S36 of 21/22 it was identified that there were payments made to Morar incorporated for Professional services rendered - Asset and Adhoc Reconciling payments that were not disclosed under the above mentioned contract for services as it does not relate to the contract as per the service level agreement and invoices were for services rendered before contract no. 5/S36 of 21/22 was entered to. Refer to the following invoices:

1. IN005466
2. IN006003

The municipality did not have a contract in place for these professional services rendered - asset and adhoc reconciling payments. Per inspection of the contract register, it was confirmed there is no other contract that the Municipality has entered into with Morar Incorporated for these services.

The payment made totalling to R 3 072 800 are separate contract from contract no.5/S36 of 21/22 and should have been disclosed on its own in the annual financial statements.

The Municipality should disclose the total amount of R 5 990 120.00 as irregular expenditure and not disclose it in the deviation note in the annual financial statement as contract no.5/S36 of 21/22 as these payments made do not relate to this contract.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure compliance with the MFMA principles of maintaining a fair, equitable, transparent, competitive, and cost-effective procurement and provisioning system.

Recommendation

It is recommended that management should:

- Ensure the adequate reviews and monitoring of compliance with applicable laws relating to supply chain management are undertaken.
- Implement proper planning on supply chain management processes.
- The accounting officer should investigate this payment made to Morar Incorporated and implement the consequences management process to the implicated officials.
- The accounting officer to take all reasonable steps to ensure that the municipality has, and maintains, an effective system of expenditure control, including procedures for the approval and payment of funds
- Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently

Management response

We note the finding, the item was approved by Bid Adjudication committee, thereafter, Supply Chain Management submitted the item to the accounting officer for approval. The Accounting officer approved the item after discussion with Revenue Management in terms of the resources that were required for audit support, noting that there are limited resources of revenue to ensure that all the information required by the AG is timeously submitted. The provisions for the audit support function were made on the 2021 structure, however, the structure has not been approved yet. The approval was not timeously submitted to SCM, and revenue management continued with the engagement of service provider as the section did not have adequate human resources to deal with the audit support. The AG audit was not concluded by 30th November and revenue then requested for an extension up until February 2022 when the audit is finalized.

The municipality had signed an engagement letter with the service provider for revenue audit support when the service provider was still part of the internal audit panel. The panel expired and the revenue section therefore requested to continue using Morar up until the 2020/21 audit was finalized noting that the 2019/20 audit was not finalized on time which therefore did not allow the department sufficient time to deal with the AG queries that had been raised and for a new service provider to get an understanding of the municipality's complex revenue system and then also provide support to ensure the accuracy of the financial statements and underlying revenue records.

The payments were processed on the contract that was on the SAP system without verifying contract details, this was an oversight between supply chain and revenue management, however, all work was done, and proof of work is available for verification.

Management will further control to ensure contract are verified before issuing of orders.

Name: K Shoba
Position: SM – Revenue
Date: 9 November 2022

Management will amend the deviation note to distinguish the transactions and further amend the irregular expenditure note. It is clear from this transaction that there is breakdown of communication with internal units, management will strengthen communication with internal departments and insist on user departments to submit any information and approvals that have SCM implications to SCM for implementation.

Name: D Gambu
Position: Head: SCM
Date: 11 November 2022

Auditor's conclusion

Management comment is noted. The issue will be reported in the management report and as a non compliance in the audit report.

5. Failure disqualify Tax non-compliant bidders

Audit finding

Section 112(1)(l)(iii) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) read together with Regulation 43 of the Municipal SCM Regulations, prohibits municipalities or municipal entities from awarding bids to persons whose tax matters have not been cleared by SARS.

Regulation 13(b) of Municipal Supply chain management regulations states that, supply chain management policy must state that the municipality or municipal entity may not consider a written quotation or bid unless the provider who submitted the quotation or bid has authorised the municipality or municipal entity to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order.

Regulation 43 (1) of Municipal supply chain management regulations states that, the supply chain management policy of a municipality or municipal entity must, irrespective of the procurement process followed, state that the municipality or municipal entity may not make any award above R15 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

Regulation 43(2) of Municipal supply chain management regulations states that, before making an award to a person, a municipality or municipal entity must first check with SARS Whether that person's tax matters are in order.

MFMA Circular No. 90 application during SCM process paragraph state the following:

The designated official(s) should verify the bidder's tax compliance status prior to the finalisation of the award of the bid or price quotation.

Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.

The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.

During the audit of the competitive bidding process for the following tenders we performed procedures to confirm that the bidders were tax compliant at the date of award. Upon inspection of the CSD report, we identified that the following winning bidders were not tax compliant at the date of either the final award or the day of communication of the award.

Tender no.	Bidder	Final Award date	Communication date	Contract value	Payment made to date
SCM 61 of 21/22	Hi-Glen construction	8 July 2021	22 September 2021	R8 450 527.75	R 8 036 645.89
E47 of 2021	Best guys contractors	8 March 2022	10 March 2022	Panel Rate	-
E38 of 2021	Duzi Electrical Contractors	27 January 2022	11 April 2022	Panel Rate	-

Note: In relation to bids or quotations submitted for a contract, final award means the final decision on which bid or quote to accept;

Accordingly, this resulted in non-compliance with regulation 43 of municipal supply chain management regulations. The total payment of R8 036 645.89 made to Hi-glen construction in relation to SCM 61 of 21/22 during 2021/22 financial year should be disclosed in the financial statements as irregular expenditure. All the future payment made to Best guys contractors (E47 of 2021) and Duzi Electrical Contractors (E38 of 2021) should be disclosed in the financial statements as irregular expenditure.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure that a supplier's tax compliance has been verified at the point of award and that an audit trail is maintained to demonstrate the process followed.

Recommendation

- Management must ensure that before the award is made that the tax matters of the supplier are verified to ensure that respective tax matters has been declared by SARS to be in order.
- Where the suppliers tax compliance status has been verified to be not in order by the SCM unit at the point of award, management should disclose these items as irregular expenditure.
- Further management should conduct an investigation of the entire population to identify similar instances and this together with the above items should be disclosed as irregular expenditure.

Management response

SCM 61 of 21/22:

Management notes the finding however is not in agreement with the finding. MFMA Circular No. 90 state that the designated official(s) should verify the bidder's tax compliance status prior to the finalisation of the award of the bid or price quotation. Msunduzi Municipal Supply Chain Management state that accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties to make final award above R2 million (VAT included), but not exceeding R10 million (VAT included)", the accounting officer delegated such powers to the Bid Adjudication committee.

The Contract for CSM 61 of 21/22 was awarded by the Bid Adjudication Committee on the 08 July 2021. The resolution state that High Glen Construction must confirm the tender price and correct the tax matters before final award. The process for confirmation of tendered prices was completed on the 25 August 2021 and the tax matters of the supplier were verified where suppliers Tax Matters were confirmed with CSD as tax complaint (CSD attached). Based on the above attached the proof of tax compliance report the provisional letter of appointment confirming the appointment was issued on the 26 August 2021, therefore, Supplier tax matters were in order prior to final award.

Therefore, the provisions of circular 90 were complied with as per the above.

E47 of 2021: Best guys contractors

Management notes the finding this was an oversight on the side of management, the service providers was contacted as per the BAC recommendations and submitted the pin however the official that was verifying misplaced the report. Management will ensure that the bidder tax compliance status is verified, and proof is attached on file during the verification and acknowledged by a senior official by signing it off. Management will Further strengthen controls to identify any non-compliance's with applicable laws and regulations. Management will monitor expenditure pertaining to this service provider and record it as irregular, but an option of termination of contract will be investigated to avoid incurring irregular expenditure.

E38 of 2021: Dusi Electrical Contractors

Management notes the finding this was an oversight on the verification of tax matters, the official verified that matters are in order however printout was misplaced. Management will ensure that the bidder tax compliance status is verified, and proof is attached on file before the finalization of the award of bids. Management will Further strengthen controls to identify any noncompliance's with applicable laws and regulations. Management will monitor expenditure pertaining to this service provider and record it as irregular, but an option of termination of contract will be investigated to avoid incurring irregular expenditure.

Name: Dudu Gambu
Position: Head: SCM
Date: 10/11/2022

Auditor's conclusion

SCM 61 of 21/22:

Management response is noted. The matter is resolved and will not be reported.

E47 of 2021: Best guys contractors

Management response is noted. Management is in agreement with the finding, thus finding remains and the matter will be followed up next year.

E38 of 2021: Dusi Electrical Contractors

The auditors have noted management's response. Management is in agreement with the finding, thus finding remains and will be reported on.

6. Incorrect calculation of points for price.

Audit finding

Section 112(1) of the Municipality Financial Management Act no.56 of 2003 states that: "the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management".

Regulation 6(1) of preferential procurement regulation, 2017 states that, the following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or above R30 000 and up to a Rand value of R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where -

P_s = Points scored for price of tender consideration;

P_t = Price of tender under consideration; and

P_{min} = Price of lowest acceptable tender.

During the audit of the competitive bidding process for tender SCM 49 of 21/22, we performed procedures to confirm whether points were correctly calculated as required by the regulation. Upon inspection of the evaluation reports and bid documents, we identified the following:

- The bid prices as per the evaluation reports did not agree to the Bid prices as per the bid documents submitted by the bidders (Refer to Extract A-C below). We then agreed the tendered rate for each item included in the pricing schedule to the bill of quantities and recalculated the total cost of the tender as per the pricing schedule (Refer to extract B and C for pricing schedules) to confirm the accuracy of the bid prices used to calculate the points for price.

Table A below summarizes the work done and issues noted.

Summary: Table A

Bidder	Price as per the bid document*	Price as per the evaluation report**	Inflated/understated
SpecCom	R12 065 177.11	R9 765 171,74	Understated : R2 300 005.37
CHM Vuwani	R17 880 712.10	17 880 827.10	Inflated : R115

Notes:

* Recalculated bid price. Refer to extract B and C attached below.

** Refer to extract A attached below

- We further performed procedures to determine whether the contract was awarded at the correct tendered rates. We compared the tendered rate for each item included in the pricing schedule to the rate included in the award letter (Refer to extract D) and we noted that the tender was awarded at the price that is R2 300 000 below the tendered price. Refer to table B below.

Table B

Items	Items	Tendered rates as per the award letter (Excl VAT)	Tendered rates as per the price schedule (Excl VAT)	Difference
1	Dedicated On-site support engineer	110 000,00	110 000,00	-
2	Production sever	2 839 892,60	2 839 893,67	(1,07)
3	Witness sever	136 472,85	136 472,89	(0,04)
4	Top rack switches	566 542,02	566 541,92	0,10
5	San Switches	893 610,76	893 610,61	0,15
6	Software	220 235,50	2 220 235,50	(2 000 000,00)
7	Storage	3 637 146,14	3 637 146,14	-
8	Professional services	54 403,82	54 403,82	-
9	Formal training	30 400,00	30 400,00	-
10	Call out rate per Hour			-
11	Rate per Km	3,82	3,82	-
12	On-site support per hour	1250	1 250,00	-

Items	Items	Tendered rates as per the award letter (Excl VAT)	Tendered rates as per the price schedule (Excl VAT)	Difference
12	On-site public holidays per hour	1500	1 500,00	-
				(2 000 000,86)
	Understatement(Including VAT) at 15%			(2 300 000,99)

Extracts

Extract A: Evaluation report

CONTRACT No. SCM 49 OF 21/22									
Name of Tenderer	Total Tendered Rate Excl. VAT	Total Tendered Rate Incl. VAT	Is Tender Responsive? <i>Yes/No</i>	Has Tenderer Got Capacity? <i>Yes/No</i>	Is Price Realistic? <i>Yes/No</i>	Tendered Price of Lowest Tenderer	Points for Price Tendered	B-BBEE Status Level	Total Points Scored
SpecCom	R 8 491 453,69	R 9 765 171,74	Yes	Yes	Yes	R 9 765 171,74	80,00	20,00	100,00
CHM Vuwani	R 15 548 545,30	R 17 880 827,10	Yes	Yes	Yes	R 9 765 171,74	13,51	20,00	33,51

Prepared by: Contracts Officer (Vinesh Govender)

Signature: [Signature] Date: 08/04/2022

Checked : Head : Supply Chain Management

Signature: [Signature] Date: 15/04/22

Extract B: CHM pricing Schedule

CONTRACT No. SCM 49 OF 21/22

CALL FOR PROPOSAL: SUPPORT & MAINTENANCE OF THE CURRENT ENTERPRISE VMWARE SERVERS, BACKUP & STORAGE HARDWARE INFRASTRUCTURE, IN ADDITION THE SUPPLY, INSTALLATION & COMMISSIONING OF NEW SOFTWARE & HARDWARE FOR A PERIOD OF 3YEARS

PRICING SCHEDULE

Pricing to be structured around the response time and escalation or/and overtime hours to be included

Table 3.

No.	ITEM	Price Per Month Excl. VAT	Price Per Month Incl. VAT
1.	Dedicated On-Site Support Engineer During Official Office Hours, 07:30 To 16:30, Monday to Friday	R 150 957.00	R 173 606.55
THE PRICING BELOW IS DERIVED FROM THE BOM AND WILL BE USED ON AN AD-HOC BASES			
No.	ITEM	Price Excl. VAT	Price Incl. VA
2.	Production Server Total	R 3 654 400.00	R 4 202 560.00
3.	Witness Server Total	R 168 090.00	R 193 303.00
4.	Top Rack Switches Total	R 567 120.00	R 652 188.00
5.	San Switches Total	R 4 238 968.00	R 4874 814.00
6.	Software Total	R 2 973 106.00	R 3419 072.00
7.	Storage Total	R 3 633 230.00	R 4 178 214.00
8.	Professional Services Total	R 54 800.00	R 63 020.00
9.	Formal Training Total	R 104 900.00	R 120 520.00
Call out Rate per hour			
10.	Rate Per Km	R 4-30	
11.	Onsite support per hour	R 940.00	
12.	Onsite Public Holidays per hour	R 1 980.00	
GRAND TOTAL			
TOTAL COST (EXCLUDING VAT) - CARRY TO TENDER FORM			R 15 545 471.00
ADD VAT @ 15%			R 2 331 820.65
TOTAL COST (INCLUDING VAT)			R 17 877 291.65

SIGNED ON BEHALF OF THE TENDERER:

Name of Tenderer ... CHM VUWANI COMPUTER SOLUTIONS KZN (PTY) LTD

Name of Signatory: ... DEBBIE PATHER

Extract C SpecCom Pricing Schedule

CONTRACT No. SCM 49 OF 21/22

**CALL FOR PROPOSAL: SUPPORT & MAINTENANCE OF THE CURRENT ENTERPRISE
VMWARE SERVERS, BACKUP & STORAGE HARDWARE INFRASTRUCTURE, IN
ADDITION THE SUPPLY, INSTALLATION & COMMISSIONING OF NEW SOFTWARE &
HARDWARE FOR A PERIOD OF 3YEARS**

PRICING SCHEDULE

Pricing to be structured around the response time and escalation or/and overtime hours to be included

Table 3.

No.	ITEM	Price Per Month Excl. VAT	Price Per Month Incl. VAT
1.	Dedicated On-Site Support Engineer During Official Office Hours, 07:30 To 16:30, Monday to Friday	R 110 000,00	R 110 000,00
THE PRICING BELOW IS DERIVED FROM THE BOM AND WILL BE USED ON AN AD-HOC BASES			
No.	ITEM	Price Excl. VAT	Price Incl. VAT
2.	Production Server Total	R 2 839 893,67	R 2 839 893,67
3.	Witness Server Total	R 136 472,89	R 136 472,89
4.	Top Rack Switches Total	R 566 541,92	R 566 541,92
5.	San Switches Total	R 893 610,61	R 893 610,61
6.	Software Total	R 2 220 235,50	R 2 220 235,50
7.	Storage Total	R 3 637 146,14	R 3 637 146,14
8.	Professional Services Total	R 54 403,82	R 54 403,82
9.	Formal Training Total	R 30 400,00	R 30 400,00
Call out Rate per hour			
10.	Rate Per Km	R 3,82	
11.	Onsite support per hour	R 1250,00	
12.	Onsite Public Holidays per hour	R 1500,00	
GRAND TOTAL			
TOTAL COST (EXCLUDING VAT) – CARRY TO TENDER FORM			R 10 191 458,37
ADD VAT @ 15%			R 1 528 718,75
TOTAL COST (INCLUDING VAT)			R 11 720 177,12

SIGNED ON BEHALF OF THE TENDERER:

Name of Tenderer SPECCOM

Name of Signatory: Wesley Peters

Extract D: Award letter

The Msunduzi Municipality

Private Bag X 205
AS Chetty Building
Pietermaritzburg
3200
033 – 392 2597
E-mail: procurement@msunduzi.gov.za

333 Church Street
Pietermaritzburg
3201

www.msunduzi.gov.za

Ref: 52/SCM 49 of 21/22



18 May 2022

SPECCOM
56 Neden Road, Montrose
PIETERMARITZBURG
3201

Contact : W. Peters
Email : wes@speccom.co.za
Number : 033 3940 6674
Cell : 083 460 6407

CONTRACT No. SCM 49 OF 21/22

CALL FOR PROPOSAL: SUPPORT & MAINTENANCE OF THE CURRENT ENTERPRISE VMWARE SERVERS, BACKUP & STORAGE HARDWARE INFRASTRUCTURE, IN ADDITION THE SUPPLY, INSTALLATION & COMMISSIONING OF NEW SOFTWARE & HARDWARE

In connection with the above contract, I am pleased to advise you of the Msunduzi Municipality's acceptance of your tender dated 14 March 2022, at the terms and conditions stated therein.

The contract will be awarded at the following tendered rates:

No.	ITEM	Price Per Month Excl. VAT	Price Per Month Incl. VAT
1.	Dedicated On-Site Support Engineer During Official Office Hours, 07:30 To 16:30, Monday to Friday	R110 000,00	R 126 500,00

The Pricing Below Is Derived From The Bill of Material and Will Be Used on an Ad-Hoc Bases

No.	ITEM	Price Excl. VAT	Price Incl. VAT
2.	Production Server Total	2 839 892,60	R 3 265 876,49
3.	Witness Server Total	R136 472,85	R 156 943,78
4.	Top Rack Switches Total	R566 542,02	R 651 523,32
5.	San Switches Total	R893 610,76	R 1 027 652,37
6.	Software Total	R220 235,50	R 253 270,83
7.	Storage Total	R3 637 146,14	R 4 182 718,06
8.	Professional Services Total	R54 403,82	R 62 564,39
9.	Formal Training Total	R30 400,00	R 34 960,00

Call Out Rate Per Hour

10.	Rate Per Km	R3,82
11.	Onsite support per hour	R1 250,00
12.	Onsite Public Holidays per hour	R1 500,00

1

It should be noted that while this did not ultimately result in the incorrect bidder being awarded the tender, this should be avoided as it may cause non-compliance that results in irregular expenditure.

Accordingly, this resulted in non-compliance with regulation 6(1) of preferential procurement regulation, 2017.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure compliance with the MFMA principle of maintaining a fair, equitable, transparent, competitive, and cost-effective procurement and provisioning system.

Recommendation

It is recommended that management should:

- Ensure the adequate reviews and monitoring of compliance with applicable laws relating to supply chain management take place prior to the award of any contract.

Management response

Finding is acknowledged by management; this was an oversight on the processing of this bid. Management will further strengthen controls to identify any noncompliance's with applicable laws and regulations prior to the award of contract going forward.

Each recommendation to BAC will be accompanied by the check list confirming all the compliance elements within the bid processes. Management has further facilitated a bid committee training through Provincial Treasury that took place on 21 October 2022 with an aim of enhancing understanding, knowledge, and compliance. A further refresher training for SCM practitioners and Bid committees is scheduled for 21 and 22 November 2022 that will be facilitated by national treasury this illustrate management's commitment to supply chain compliance issues with laws and regulations.

Name: Dudu Gambu
Position: Head: SCM
Date: 27/10/2022

Auditor's conclusion

Management response is noted. Management is in agreement with the finding, thus finding remains and the matter will be followed up next year.

7. Indicators of fraud – Yabanathi Projects

Audit finding

Paragraph 93 of ISA 240 states that, If the auditor has identified a fraud or has obtained information that indicates that a fraud may exist, the auditor should communicate these matters as soon as practicable to the appropriate level of management.

Paragraph 13 of ISA 240 states that, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and with management

The term "fraud" refers to an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.

In terms of the Municipal SCM regulation 38(1)(b)(i); "A supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer to investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with the supply chain management policy, and when justified take appropriate steps against such official or other role player.

Municipal SCM regulation 38(1)(f) requires that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer to cancel a contract awarded to a person if:

- (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
- (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person;

Specifications in relation to functionality for tender SCM 41 of 20/21 and SCM 42 of 20/21(panel of service providers) stipulated that, a maximum of 30 points will be allocated for plant and equipment owned by the tenderer and which will be available for the project should the tenderer be successful. Resources owned by the contractor must be accompanied with certified copies of the logbook (Tipper truck and TLP or invoices showing proof of purchase).

Audit finding

During the audit of competitive bidding process for SCM 41 of 20/21 and SCM 42 of 20/21, we performed procedures to confirm whether the certified copies of logbooks provided by the Yabanathi Projects (Pty) Ltd in both tenders to satisfy the functionality criteria (Plant and equipment) are genuine. Copies of logbook provided indicated that the Vehicles are owned by Yabanathi projects. Using the Owner's identification number indicated on the copies of logbooks, we could not find any vehicles registered under Yabanathi projects from eNaTis. However, we could find the vehicles by searching for the engine number and we identified that the vehicles are currently not owned by Yabanathi projects. Refer to the following attached copies of logbooks for results from eNaTis and auditors' analyses.

Logbook 1: Submitted for SCM 41 of 21/22

RC1(7)(2005/02)

Republic of South Africa

**CERTIFICATE OF REGISTRATION
IN RESPECT OF MOTOR VEHICLE
(National Road Traffic Act, 1996)**

Port Shepstone

BYX684L

DW670CX568829

T0608H777692

BELL

670C MOTORGRADER

Special Vehicle / Spesiale Voertuig

Self-propelled / Selfgedrewe

Grader / Skraeper

15582

1999-04-26

Used / Gebruik

2022014-03-19

NPS68645 ND233726

RC1

Republiek van Suid-Afrika

**SERTIFIKAAT VAN REGISTRASIE
TEN OPSIGTE VAN MOTORVOERTUIG
(Nasionale Padverkeerswet, 1996)**

Registrasie-owerheid

Voertuigregisternommer

Voertuigidentifikasienommer (VIN)

Enjinnommer

Fabrikaat

Reeksnaam

Voertuigkategorie

Aandrywing

Voertuigbeskrywing

Tara (T): kg

Datum van aanspreeklikheid
vir eerste lisensiering
(Nie jaarmodel nie)

Voertuigstatus

Datum aanspreeklik vir registrasie

Laaste 3 lisensienommers
(jongste eerste, indien beskikbaar)

TITELHOUER

Soort identifikasie

Identifikasienommer

Land van uitreiking

Naam

EIENAAR

Soort identifikasie

Identifikasienommer

Land van uitreiking

Naam

Beheernommer

Uitreikingsnommer

Datum van uitreiking

Registrasie-owerheid
waar geregistreer

KWITANSIE

Kwitansienommer

Transaksie

Totale bedrag ontvang

Datum

Ontvang deur

Metode van betaling

Nommer

Reg no certificate / Reg nr sertifikaat

2037014JL0009

South Africa / Suid-Afrika

YABANATHI PROJECTS

Reg no certificate / Reg nr sertifikaat

2037014JL0009

South Africa / Suid-Afrika

YABANATHI PROJECTS

2014-03-19

Port Shepstone

20370056XSC8

Vehicle registration / Voertuigregistrasie

R111.00

2014-03-19

NC DLADLA

Cash / Kontant

2014-03-19 09:39:39

BB 3211088

2579

Received by

Method of payment

Number

2037

Results for logbook 1 according to eNatis and auditor's analyses

- According to eNatis, the vehicle is currently owned by "Trevor David Puren family Trust" and they have been owners since 29 July 2019. The copy of logbooks indicates that Yabanathi projects owned the vehicle from 2014. They might have owned it previously, we could not confirm; however, the vehicle was not owned by Yabanathi projects at the date when the tender was advertised on the 28th of January 2021 in the Ilanga newspaper.

Logbook 2: Submitted in both SCM 41 of 20/21 and SCM 42 of 20/21

RC1

Republic of South Africa / Republiek van Suid-Afrika

CERTIFICATE OF REGISTRATION IN RESPECT OF MOTOR VEHICLE
(National Road Traffic Act, 1996)

SERTIFIKAAT VAN REGISTRASIE TEN OPSIGTE VAN MOTORVOERTUIG
(Nasionale Padverkeerswet, 1996)

Registering authority: Port Shepstone

Vehicle register number: SRC320W

Vehicle identification number (VIN): FNH0B90BNCHH04436

Engine number: 1042516

Make: NEW HOLLAND

Series name: LB SERIES

Vehicle category: Special Vehicle / Spesiale Voertuig

Driven: Self-propelled / Selfgedrewe

Vehicle description: Loader-Pump-Lifter / Laaier-Pomp-Opligter

Tare (T): kg 8340

Date of liability for first licensing (Not year model): 2013-06-14

Vehicle status: Used / Gebruik

Date liable for registration: 2013-07-26

Last 3 licence numbers (most recent first, if available): NCW27671

TITLE HOLDER

Type of identification: Business reg certif / Besighd regertif

Identification number: 5100009069628

Country of issue: South Africa / Suid-Afrika

Name: NEDBANK LIMITED NPS

OWNER

Type of identification: Reg no certificate / Reg nr sertifikaat

Identification number: 2037014JL0009

Country of issue: South Africa / Suid-Afrika

Name: YABANATHI PROJECTS

Control number: 20370047D232

Issue number: 2013-07-26

Date of issue: 2013-07-26

Registering authority at which registered: Port Shepstone

RECEIPT

Receipt number: 20370056TBS1

Transaction: 70

Total amount received: R111.00

Date: 2013-07-26

Received by: NG MDLETSHE

Method of payment: Cash / Kontant

Number: 597

Registrasie-owerheid: Registrasie-owerheid

Voertuigregisternommer: Voertuigregisternommer

Voertuigidentifikasienommer (VIN): Voertuigidentifikasienommer (VIN)

Enjinnommer: Enjinnommer

Fabriikaat: Fabriikaat

Reeksnaam: Reeksnaam

Voertuigkategorie: Voertuigkategorie

Aandrywing: Aandrywing

Voertuigbeskrywing: Voertuigbeskrywing

Tarra (T): kg: Tarra (T): kg

Datum van aanspreeklikheid vir eerste lisensiering (Nie jaarmodel nie): Datum van aanspreeklikheid vir eerste lisensiering (jongste eerste, indien beskikbaar)

Voertuigstatus: Voertuigstatus

Datum aanspreeklik vir registrasie: Datum aanspreeklik vir registrasie

Laaste 3 lisensienommers (jongste eerste, indien beskikbaar): Laaste 3 lisensienommers (jongste eerste, indien beskikbaar)

TITELHOUER

Soort identifikasie: Soort identifikasie

Identifikasienommer: Identifikasienommer

Land van uitreiking: Land van uitreiking

Naam: Naam

EIENAAR

Soort identifikasie: Soort identifikasie

Identifikasienommer: Identifikasienommer

Land van uitreiking: Land van uitreiking

Naam: Naam

Beheernommer: Beheernommer

Uitreikingsnommer: Uitreikingsnommer

Datum van uitreiking: Datum van uitreiking

Registrasie-owerheid waar geregistreer: Registrasie-owerheid waar geregistreer

KWITANSIE

Kwitansienommer: Kwitansienommer

Transaksie: Transaksie

Totale bedrag ontvang: Totale bedrag ontvang

Datum: Datum

Ontvang deur: Ontvang deur

Metode van betaling: Metode van betaling

Nommer: Nummer

Results for logbook 2 according to eNaTis and auditor's analysis

The vehicle is currently owned by "Kuhn Sugar Farm CC" and they have been owners since 14 February 2018. The copy of logbooks indicates that Yabanathi projects owned the vehicle from 2013. They might have owned it previously, we could not confirm; however, the vehicle was not owned Yabanathi projects at the date when both tenders were advertised on the 28th of January 2021 in the Ilanga newspaper.

Logbook 3 submitted in both tenders (SCM 41 and SCM 42 of 20/21)

Copy

7/2005/02

Republic of South Africa

**CERTIFICATE OF REGISTRATION
IN RESPECT OF MOTOR VEHICLE
(National Road Traffic Act, 1996)**

Registering authority
Vehicle register number
Vehicle identification number (VIN)
Engine number
Make
Vehicle name
Vehicle category
Vehicle description
Weight (T): kg
Date of liability
First licensing
Year model
Vehicle status
Date liable for registration
Last 3 licence numbers
Most recent first, if available

Port Shepstone
SRC295W
FNH0B90BNCHH03859
1026772
NEW HOLLAND
LB SERIES
Special Vehicle / Spesiale Voertuig
Self-propelled / Selfgedrewe
Loader-Pump-Lifter / Laaiër-Pomp-Opligter
8340
2013-05-24
New / Nuut
2013-05-24
PIETERMARITZBURG
KWAZULU - NATAL

RC1
Republiek van Suid-Afrika

**SERTIFIKAAT VAN REGISTRASIE
TEN OPSIGTE VAN MOTORVOERTUIG
(Nasionale Padverkeerswet, 1996)**

Registrasie-owerheid
Voertuigregisternommer
Voertuigidentifikasienommer (VIN)
Enjinnommer
Fabrikaat
Reeksnaam
Voertuigkategorie
Aandrywing
Voertuigbeskrywing
Tarra (T): kg
Datum van aanspreeklikheid
vir eerste lisensiering
(Nie jaarmodel nie)
Voertuigstatus
Datum aanspreeklik vir registrasie
Laaste 3 lisensienommers
(jongste eerste, indien beskikbaar)

TITELHOUER
Soort identifikasie
Identifikasienommer
Land van uitreiking
Naam
EIENAAR
Soort identifikasie
Identifikasienommer
Land van uitreiking
Naam
Beheernommer
Uitreikingsnommer
Datum van uitreiking
Registrasie-owerheid
waar geregistreer
KWITANSIE
Kwitansienommer
Transaksie
Totale bedrag ontvang
Datum

Business reg certif / Besighd reg sertif
5100009069628
South Africa / Suid-Afrika
NEDBANK LIMITED
2037014510009
YABANATHI PROPERTIES
20370047DCOK RANK
MAGSNOMMER
FORCE NUMBER
NAAM IN DRUK
NAME IN PRYNT
Port Shepstone
20370056SF5T
Vehicle registration/Voertuigregistrasie
R111.00
2013-05-24

Reg no certificate / Reg nr sertifikaat
2037014510009
South Africa / Suid-Afrika
YABANATHI PROPERTIES
20370047DCOK RANK
MAGSNOMMER
FORCE NUMBER
NAAM IN DRUK
NAME IN PRYNT
Port Shepstone
20370056SF5T
Vehicle registration/Voertuigregistrasie
R111.00
2013-05-24

RECEIPT
Receipt number
Transaction
Total amount received
Date

Received by
Method of payment
Number
2037

G NAIDOO
Cash / Kontant
2013-05-24 14:41:53

Ontvang deur
Metode van betaling
Nommer
Z 4858294
Z 679

Results for logbook 3 according to eNaTis and auditor's analysis

- The vehicle is currently owned by "Foundation farm (Pty) Ltd" and has been owners since 24 June 2015. The copy of logbook indicates that Yabanathi projects owned the vehicle from 2013. They might have owned it previously, we could not confirm; however, the vehicle was not owned by Yabanathi projects at the date when both tenders were advertised on the 28th of January 2021 in the Ilanga newspaper.

Based on the above information, we believe that Yabanathi Projects submitted deceiving copies of logbooks as proof of plant and equipment ownership and obtained unjust advantage of being appointed in both SCM 41 of 21/20 and SCM 42 20/21 (Panel of service providers). Furthermore, Yabanathi projects was subsequently appointed in a closed tender SCM 47 of 21/22 (Fixed rate panel) for the construction of VIP Toilets using the panel under contract SCM 42 of 20/21. We further noted that a total R559 000 payments was made to Yabanathi projects in relation to SCM 47 of 20/21 during the year under review. While there were no payments made to Yabanathi projects in relation to SCM 41 of 20/21, the supplier's bid price as per the pricing schedule (Bill of quantities) is R69 652 190 which represents potential future payments.

Accordingly, indicators of fraud as defined has been identified in relation to the aforementioned bidder.

Internal control deficiency

The Bid evaluation committee did not implement an adequate process to verify information submitted by service providers.

Recommendation

It is recommended that the Municipality should:

- Investigate these matters and identify similar items affecting the same supplier and appropriate remedial action should be taken by management based on the outcome of the investigation.
- Design and implement adequate process to verify the authenticity of the supporting documents submitted by service providers.

Management response

Management notes the finding. Management will submit this for investigation to forensic section to confirm the finding. It being noted that management does not have tools or access to the system that was used by auditors. Upon the outcome of the investigation management will implement remedial action.

Name: Dudu Gambu

Position: Head: SCM

Date: 11/11/2022

Auditor's conclusion

Management response is noted. Management is in agreement with the finding, thus non-compliance will be reported, and this matter will be followed up next year.

8. Failure to evaluate SCM 41 of 21/22 in terms of preference point system

Audit finding

Section 2(1) of the Preferential Procurement Policy Framework No. 5 of 2000 states that: An organ of state must determine its preferential procurement policy and implement it within the framework that follows preference point system.

Regulation 28(1) (a) of Municipal Supply Chain Management Regulations states that, A bid evaluation committee must evaluate bids in accordance with—

- (i) the specifications for a specific procurement; and
- (ii) the points system as must be set out in the supply chain management policy of the municipality or municipal entity in terms of regulation 27(2) (f) and as prescribed in terms of the Preferential Procurement Policy Framework Act

Regulation 27(2) (f) of Municipal Supply Chain Management Regulations states that, specifications must indicate each specific goal for which points may be awarded in terms of the points system set out in the supply chain management policy of the municipality or municipal entity

Regulation 4(2) of Preferential Procurement Regulations, 2017 states that, a tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

Section 112(1), paragraph (e) and (f) of MFMA states that, the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive, and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:

- (e) open and transparent pre-qualification processes for tenders or other bids
- (f) competitive bidding process in which only pre-qualified persons may participate.

Issue 1

During the audit of the competitive bidding process for tender no. SCM 41 of 20/21, we performed procedures to confirm that the preference point system was followed. Upon inspection of the evaluation report and the report incorporating recommendations of the bid adjudication committee for the City Manager, we identified the following:

- The tender was not evaluated on 80/20 preference point system as was stipulated in the specification report and tender notice. We noted that the Bid evaluation committee evaluated the tender on functionality and recommended to the bid adjudication committee that all tenderers who met the threshold for functionality points be appointed to the panel.
- Furthermore, we noted that the bid specification report approved by the accounting officer, stipulated that a maximum of 60 contractors are required with the following splits:
 - SECTION 1 (CIDB grade 1CE-2CE) - a maximum of 15 contractors and (CIDB 3CE-4CE)- a maximum of 15 contractors.
 - SECTION 2 (CIDB grade 5CE-9CE) a maximum of 30 contractors.

Contrary to the above specification, we noted that there were 36 contractors who were appointed for Section 2 of the tender. From the above, it is clear that the evaluation and adjudication criteria applied in the evaluation and adjudication of SCM 41 was not the same as those indicated in the approved bid specification report and as a result, the accounting officer incorrectly appointed an additional 6 suppliers for section 2 of the tender. Refer to extract below

REPORT INCORPORATING RECOMMENDATIONS OF THE BID ADJUDICATION COMMITTEE

FOR THE
CITY MANAGER



File Reference: No.
Report Number:

Author: N Ngcobo
Designation: Chairperson: Bid
Adjudication committee

1st Level: Municipal Manager (02/12/2021)

CONSIDERATION

SCM 41 OF 20/21:
PANEL OF CONTRACTORS FOR MAINTENANCE PROJECT (CIDB GRADE 1CE TO 4CE)
FOR SECTION 1 AND (CIDB GRADING 5CE TO 9CE) FOR SECTION 2

DATE: 02 December 2021

1. PURPOSE

It is to recommend to the Accounting officer that the following 52 qualified tenderers be included on the panel of contractors for maintenance projects (CIDB grade 1CE to 4CE) for section 1 and (CIDB grade 5CE to 9CE) for section 2 with the total of 16 and 36 respectively in terms of their functionally points, these contractors are listed below as per CIDB grading:

Below is the list of all appointed bidders and their bid price as per price schedule:

Bidder	Price as per schedule	Level	Grade
Amabomvu Civils (Pty) Ltd	R 8 351 880,75		1CE
Sbahlle Syazethemba Solutions	R 12 094 933,00		1CE
Imbewu Enterprise	R 21 701 989,29		1 CE
Icembe Construction	R 21 701 989,29		1 CE
Kadusho Logistics	R 10 580 390,43		2 CE
African Compass Trading	R 18 493 614,40		3 CE
TSZ Projects	R 14 682 278,85		3 CE
Muchero Logistics	R 11 193 805,00		4 CE
Amandlensizwa Construction and Projects	R 26 400 978,00		4 CE
Zama Zama Engineering Projecta	R 16 774 503,75		4 CE
Yabanathi Projects	R 69 652 190,00		4 CE
Ibusaphi Trading	R 31 699 727,00		4 CE
Sihlahlasiyahluma construction	R 75 546 162,25		4 CE
Awuzibuzise General Trading	R 15 971 111,45		4 CE
Chashaza	R 8 563 645,05		4 CE
Cingba Construction	R 14 998 955,44		4 CE
Gasela Plant Hire	R 44 467 135,68		5 CE
Gravity Engineering	R 15 414 508,22		5 CE
Zhemvelo Enterprise	R 15 513 560,70		5 CE
Ikhandela Technologies	R 53 835 508,66		5 CE
Mjwara Construction	R 59 782 146,56		6 CE
SMC Construction	R 167 825 595,00		6 CE
M-Charlie Trading Enterprise	R 298 845 727,50		6 CE
Amahlangu Civils	R 97 757 105,00		6 CE

Bidder	Price as per schedule	Level	Grade
R Mahange and Associates	R 77 578 764,25		6 CE
GWSB Contractors	R 64 000 000,00		6 CE
Ziyanda Events and Projects	R 100 831 359,00		6 CE
Quiet Storm Trading	R 59 829 865,50		6 CE
Bheka Phezulu Investments	R 99 256 039,00		6 CE
XB Construction	R 58 824 618,91		7 CE
Vikinduku Project Managers JV and Zwelo's Construction	R 92 120 577,50		7 CE
Daleka Construction	R 47 512 643,71		7 CE
Mphilisi Construction CC	R 119 030 473,00		7 CE
Mela Okuhle Trading Enterprise	R 69 481 920,30		7 CE
Wonke Amakhosikazi Construction	R 132 681 343,15		7 CE
Ekene Investments CC	R 39 920 942,45		7 CE
Yimpie Projects CC	R 65 130 514,50		7 CE
Midmar Plant Hire	R 77 529 031,92		7 CE
Akwande Civils	R 343 823 101,00		7 CE
Shikani Trading CC	R 219 459 149,00		8 CE
Leomat Plant Hire and Construction	R 118 876 711,00		8 CE
Makheleni Construction Nozifiso Contracting JV	R 64 232 642,72		8 CE
Egxezi Engineering CC	R 179 282 760,38		8 CE
Jamjo Civils CC	R 158 627 667,07		8 CE
Clives Transport	R 98 569 654,00		8 CE
SSR Security T/a Mahlubi Transport and Plant Hire	R 70 778 861,11		8 CE
Sinothando Construction	R 57 396 142,80		8 CE
Aqua Transport and Plant Hire	R 74 600 170,51		9 CE
Raubex KZN	R 98 444 000,00		9 CE
First works 119 (Pty) Ltd	R 131 936 558,75		9 CE
Anvisda Plant & Civils T/A Danco Plant & Civils	R 133 093 572,15		9 CE
X-Moor Transport Plant Division (Pty) Ltd	R 230 217 129,32		9 CE

Accordingly, this resulted in non-compliance with Section 2(1) of PPPFA No. 5 of 2000 and regulation 28(1) of Municipal Supply Chain Management Regulations and the total payment made towards SCM 41 of 20/21 should be disclosed in the Annual Financial statements as irregular expenditure. It was however noted that during the current financial period no payment has been made to the above suppliers.

Issue 2

During the audit of competitive bidding process for tender no. SCM 41 of 20/21, we identified that the specifications of the tender stipulated that the bidder must meet the following requirements of the pre-qualification criteria to be evaluated further in terms of functionality:

- BBBEE L1 or L2 in line with PPPFA clause 4.1
- National diploma or higher in civil engineering for contract manager

We then performed procedures to confirm that the winning bidders met the prequalification requirements as specified on the specification report approved by the accounting officer. Upon inspection of the bid document for Ikhandlela Technologies, one of the appointed bidders, we noted that this bidder did not attach the proof of their BBBEE status level. It is our view that the bidder's failure to furnish proof of BBBEE status level rendered their bid unacceptable as their status level for pre-qualification criteria could not be verified and should have been disqualified. Furthermore, our view is consistent with the thought process followed by the bid evaluation committee during the pre-qualification stage. As per the evaluation report, the following bidders were disqualified for not furnishing proof of either their BBBEE status level or qualification, however, Ikhandlela Technologies were not disqualified:

Disqualified bidders	Reasons as per evaluation report
SB Homes Construction	Qualifications not attached
Jeambas enterprise	Qualifications not attached
Hambagashle Construction	Qualifications not attached
Inzuza Enterprise	Qualifications and BEE not attached
C bros projects cc	Qualification not attached

Accordingly, this resulted in non-compliance with regulation 4(2) of preferential procurement regulations, 2017 and total payment made towards SCM 41 of 20/21 should be disclosed in the Annual Financial statements as irregular expenditure. However, during the current financial period no payment has been made to this supplier.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure compliance with applicable laws and regulations relating to supply chain management.

Recommendation

It is recommended that management should:

- Ensure the adequate reviews and monitoring of compliance with applicable laws relating to supply chain management take place prior to the award of any contract.

Management response

Issue 1 and 2

Finding is acknowledged, this was an oversight on the processing of this bid however no appointment was allocated for this contract and management has initiated the processes of terminating the contract to avoid an incurrence of irregular expenditure. Management will consider the need for the re-advertisement of this contract. Management will further strengthen controls to identify any noncompliance's with applicable laws and regulations going forward. Each recommendation to BAC will be accompanied by the check list confirming all the compliance elements within the bid processes.

Name: Dudu Gambu
Position: Head: SCM
Date: 11/11/2022

Auditor's conclusion

Management response is noted. Management is in agreement with the finding, thus finding remains and the matter will be followed up next year.

10. Failure to reject unacceptable tenders: SS23-R of 2021

Audit finding

Section 112(1)(l) Municipal Finance Management Act no.56 of 2003 (MFMA) states that: "the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive, and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management.

Section 217. (1) States that, when an organ of state in the national, provincial, or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive, and cost-effective.

Regulation 4(2) of preferential procurement regulations, 2017 states that, a tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

Paragraph 18.2 Pre-qualification: Bidders who submitted bids, which do not meet all of the following pre-qualification criteria set out in Paragraphs 8.2.1 to 8.2.2 will be disqualified and such bids will be deemed non-responsive and will not be considered for evaluation.

Specifications for Tender SS23-R of 2021 included the following mandatory and returnable documents:

- Requirement No. 19 stated that, the bidder shall submit audited financial statements for the past three years.

Regulation 5(6) of preferential procurement regulations, 2017 states that, a tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

The specification included in the tender document for SS23-R of 2021 stated that, for tenders to be evaluated on price and B-BBEE points shall meet the minimum threshold of 70

% (63 Points). As part of the evaluation criteria for measuring the functionality, the specifications included the following requirements, refer to table below.

	Functionality/Technical Criteria Description	Method of evaluation
1.	Number of security contracts concluded (or number of terms in the case of renewing the same contract) and successfully carried out with Organs of State in the past 10 years. To be proven by submitting certified copies of award/confirmation of the contracts, awarded to the Bidder, by the entities which/who awarded such contracts. Such contracts ought to have been awarded to the bidder under its current registration number of which must accompany such letters). Letter of award/confirmation must indicate Bid Number and date of award. Where the original letter of award/confirmation cannot be located, the Bidder shall bear the onus, to obtain such letter for purposes of submission.	Less than 1 Contracts/terms = 0 Points Contract/term=3 to 4 Contracts/terms = 6 5 or more contracts/terms =10
2.	Average Years of Experience of Grade B Supervisors to be utilized for purposes of this contract. (To be calculated, by dividing the accumulated total number of years of security industry experience of such supervisors by the number of such supervisors). To be proven by submitting curriculum vitae of such individuals clearly indicating the experience gained in the security industry.	Less than 1 years = 0 More than 1 to 5 years = 3 More than 5 to 10 years = 6 More than 10 to 14 years = 8 More than 14 years = 10
3.	Average Years of Experience in the security industry, of Directors/Managing Partners/Members/Sole Proprietors. (To be calculated, by dividing the accumulated and total number of years of security industry experience, of such individuals by the number of individuals). To be proven by submitting curriculum vitae of such individuals clearly indicating the experience gained in the security industry.	Less than 1 years = 0 More than 1 to 5 years = 2 More than 5 to 10 years = 4 More than 10 to 14 years = 6 More than 14 to 19 years = 8 More than 19 years = 10

Issue 1

During the audit of Tender no. SS 23-R of 2021, we performed procedures to confirm whether all tenders which did not comply with the stipulated qualifying criteria were disqualified as not responsive/ unacceptable. Contrary to the pre-qualification requirements stipulated above, we noted the following:

Bidder	Concerns
AET Security Service	The bidder did not submit the audited financial statements.
Thabzo Security service	The bidder submitted financial statements for one year.
Excellent security service	The bidder submitted financial statements for two years
Wise training centre	The bidder did not submit the audited financial statements

Based on the approved specifications, it is evident that the bids submissions for the above-mentioned bidders were not acceptable and should have been disqualified on prequalification stage and not evaluated further.

Issue 2

During the audit of Tender SS 23-R of 2021, we performed procedures to verify whether the tenders which failed to achieve minimum qualifying score of 63 Points for functionality were disqualified as unacceptable. Upon performing recalculations of Points for MAGMA, we noted differences

Magma Risk Solutions (Pty) Ltd;			
Technical criteria description	Auditor' calculations	Evaluation report	Details on the difference
Resources			
No. of vehicles owned	10	10	
No. of registered security officers	10	10	
No. grade B supervisors	10	10	
No. of VIP guards(A)	10	10	
Experience levels			
Experience of Tenderer with contracts concluded with organs of the state	6	10	The specifications stipulated that: - The number of security contracts would be proven by submitting certified copies of letters of award/ confirmation of the contracts, awarded to the bidder. - The letter of award/ confirmation must indicate the Bid number and date of award. Auditors' work Upon inspection of the bid document, we noted that the bidder submitted two award letters which met the abovementioned requirements relating to the contracts with the following organs of state: - Mgungundlovu Municipality - Harry Gwala Municipality Accordingly, the bidder should be awarded 6 Points.
Years of experience in the security industry	5	5	
No. of contracts where 100 or more guards have been utilised	0	0	
Average years of experience for Grade B supervisors	3	10	The specifications stipulated that the years of experience would be proven by submitting CV indicating the experience gained in the security industry. Auditor's work Upon inspection of the bid document, we noted that the bidder submitted CVs for the following grade B supervisor's: Ryan Carpenter, The CV did not indicate the years of experience. Adriaan Du Preez, The CV indicated 8 years of experience. Nkosinathi B Jali, The CV indicated 7 years of experience. Based on the information provided, we calculated the average years of experience to be 5 years. Accordingly, the bidder should be awarded 3 points.
Average years of experience in the security industry for directors/ managing partners/sole proprietors	0	8	The specifications stipulated that the years of experience would be proven by submitting CV indicating the experience gained in the security industry. Auditor's work Upon inspection of the bid document, we noted that the bidder did not submit the CV of the Director, Shaheen Suleiman. As a result the bidder was awarded, 0 on this criterion.
Total Points	54	73	

Based on the final score of 54 Points, based on the audit work performed the bidder was incorrectly evaluated on functionality as the bidder was supposed to be disqualified on this stage as it did not meet the minimum functionality criteria of 70% or 63 points as per the specification. Accordingly, the award of the tender to the following tenderers resulted in non-compliance with Section 217(1) of the constitution, regulation 4(2) and 5(6) of the preferential procurement regulations, 2017 and the total amount paid to these tenderers towards the SS 23-R of 2021 amounts to irregular expenditure.

Tenderer/Supplier	Tender value	Total Payments made as payment report
AET Security Service	Rate Based	R23 247 025,77
Thabzo Security service	Rate Based	R16 164 034,00
Excellent security service	Rate Based	-
Wise training centre	Rate Based	R14 550 030,09
MAGMA Security	Rate Based	R8 265 644,10
Total expenditure		R62 226 733,96

Internal control deficiency

Management did not ensure adequate review and monitoring of compliance with laws and regulations relating to procurement

Recommendation

It is recommended that management should:

- Disclose all the payments made to the above-mentioned suppliers under SS No. 23-R of 2021 as irregular expenditure to ensure compliance with Section 125(2) of MFMA
- Ensure that there is adequate reviews and monitoring of compliance with applicable laws relating to procurement.
- Scrutinize the bid documents submitted to ensure that all unacceptable bids are identified and acted upon accordingly.

Management response

Management acknowledges the finding. The contract will be subjected to investigation in the meantime and Legal has been instructed to weigh options of terminating the contract and its implications.

Management will disclose expenditure incurred as irregular expenditure.

However, Wise training centre is a Close Corporation, and the entity submitted a report from their accounting officer who is accredited with SAICA stating that in terms of the companies' act are not required to audit annual financial statements. Based on the above this service provider met the requirements.

Name: Dudu Gambu

Position: Head SCM

Date: 30/11/2022

Auditor's conclusion

Management comment is noted. Management have acknowledged the finding and therefore it will be included as a non compliance finding in the management report and audit report.

9. Failure disqualify Tax non-compliant bidders SS23-R of 2021

Audit finding

Section 112(1)(l)(iii) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) read together with Regulation 43 of the Municipal SCM Regulations, prohibits municipalities or municipal entities from awarding bids to persons whose tax matters have not been cleared by SARS.

Regulation 13(b) of Municipal Supply chain management regulations states that, supply chain management policy must state that the municipality or municipal entity may not consider a written quotation or bid unless the provider who submitted the quotation or bid has authorised the municipality or municipal entity to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order.

Regulation 43 (1) of Municipal supply chain management regulations states that, the supply chain management policy of a municipality or municipal entity must, irrespective of the procurement process followed, state that the municipality or municipal entity may not make any award above R15 000 to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

Regulation 43(2) of Municipal supply chain management regulations states that, before making an award to a person, a municipality or municipal entity must first check with SARS Whether that person's tax matters are in order.

MFMA Circular No. 90 application during SCM process paragraph state the following:

The designated official(s) should verify the bidder's tax compliance status prior to the finalization of the award of the bid or price quotation.

Where the recommended bidder is not tax compliant, the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality or municipal entity, within 7 working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder to the municipality or municipal entity must be verified via the CSD or e-Filing.

The accounting officer should reject a bid submitted by the bidder if such a bidder fails to provide proof of tax compliance status within the timeframe stated above.

During the audit of the competitive bidding process for the following tender we performed procedures to confirm that the bidders were tax compliant at the date of award. Upon inspection of the CSD report, we identified that the following winning bidder was not tax compliant at the date of either the final award or the day of communication of the award, the bidder was non-tax compliant from the 28 October 2020 to 24 February 2022.

Tender no.	Bidder	Final Award date ⁴	Communication date	Contract value	Payment made to date
SS 23 of 2021	MAGMA	22 October 2021	09 November 2021	Panel Rate	R8 265 644,10

Note: In relation to bids or quotations submitted for a contract, final award means the final decision on which bid or quote to accept.

Accordingly, this resulted in non-compliance with regulation 43 of municipal supply chain management regulations. The total payment of R8 265 644.10 made to MAGMA in relation to SS 23 of 2021 during 2021/22 financial year should be disclosed in the financial statements as irregular expenditure.

Internal control deficiency

Ineffective oversight and monitoring by management to ensure that a supplier's tax compliance has been verified at the point of award and that an audit trail is maintained to demonstrate the process followed.

Recommendation

- Management must ensure that before the award is made that the tax matters of the supplier are verified to ensure that respective tax matters has been declared by SARS to be in order.
- Where the suppliers tax compliance status has been verified to be not in order by the SCM unit at the point of award, management should disclose these items as irregular expenditure.
- Further management should conduct an investigation of the entire population to identify similar instances and this together with the above items should be disclosed as irregular expenditure.

Management response

Management notes the finding this was an oversight on the side of management, the service providers was contacted as per the BAC recommendations, however the official could not verifying tax compliance as the CSD was down. Management will ensure that the bidder tax compliance status is verified, and proof is attached on file during the verification and acknowledged by a senior official by signing it off. Management will Further strengthen controls to identify any noncompliance's with applicable laws and regulations. Management will monitor expenditure pertaining to this service provider and record it as irregular, but an option of termination of contract will be investigated to avoid incurring irregular expenditure.

Name: Dudu Gambu
Position: Head: SCM
Date: 28/11/2022

Auditor's conclusion

Management comment is noted and the non compliance will be reported accordingly.

Consequence management

1. Disciplinary action not taken on financial misconduct cases concluded by forensic investigations unit Audit finding

Section 171(4) of the Municipal Finance Management Act states that a municipality must -

- investigate allegations of financial misconduct against the accounting officer, the chief financial officer, a senior manager, or other official of the municipality unless those allegations are frivolous, vexatious, speculative, or obviously unfounded; and
- if the investigation warrants such a step; institute disciplinary proceedings against the accounting officer, chief financial officer, or senior manager, or other official in accordance with systems and procedures referred to in section 67 of the Municipal Systems Act, read with Schedule 2 of that Act.

Furthermore, it is a demonstration of good organizational structure that those who are found guilty of financial misconduct be held accountable.

Contrary to the above, we identified that disciplinary action was not taken against officials who were found guilty of financial misconduct by forensic investigations unit of internal audit, as well as per the resolutions of the disciplinary board.

Thirteen (13) financial misconduct cases were concluded by the forensic investigations division of the internal audit unit and reported to the disciplinary board between May 2021 and August 2021. The outcome on all 13 cases was that the affected officials were found guilty, hence the disciplinary board advised management to implement disciplinary process.

No disciplinary process has since been implemented against the responsible officials

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount Involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
1.	Forensic Investigation into alleged: - abuse of municipal assets (truck and tibs), and - Overtime fraud by Senior Supervisor JT Mbambo pay no: Parks and Cemeteries Unit: Community Services Business Unit	JT Mbambo	R564 940.02	14-May-21	Financial Misconduct That the City Manager ensure that Financial Misconduct be instituted against Mr JT Mbambo within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 for an Act of Financial Misconduct in terms of Section 171 (a), (b) and (c) for Breach of Section 78 of the Municipal Finance Management Act in that: - He failed to carry out the delegated duty, and contravened or failed to comply with a condition of delegated power or duty, and in doing so deliberately caused the Msunduzi Municipality to incur Fruitless and Wasteful Expenditure in respect of the actual hours of overtime that he did not work, and - The usage of the municipal vehicle and TLBs for private use and transporting building material for his private residence in the municipal vehicle. Disciplinary Board on Financial Misconduct (i) Council must refer this report to the Disciplinary Board on Financial Misconduct within seven days from the date of receipt as required in Paragraph 5.3.1.6 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. (ii) The City Manager must report to the Audit Committee on a quarterly basis on the progress of disciplinary proceedings against the named officials implicated in our forensic investigation reports. (i) Recovery of the Fruitless and Wasteful Expenditure. (i) That the Accounting Officer must institute recovery processes against Mr Mbambo to recover an amount of R564 940.02 calculated against the hours that he did not conduct the work allocated to him in terms of his Contract of Employment as well as the cost to Msunduzi Municipality in respect of his private trips undertaken when using NPC 4498, NPC 4499 and NPC 4400. (ii) That the Accounting Officer submit progress reports to the Audit Committee on a quarterly basis on the recovery process instituted. (iii) That the Accounting Officer must promptly inform the Mayor, the MEC for COGTA and the Auditor-General, in writing about the R564 940.02 which is fruitless and wasteful expenditure in terms of Section 32 (a) of the Municipal Finance Management Act. (iv) That the Chief Financial Officer must make the necessary disclosure of the fruitless and wasteful expenditure of the R564 940.02 in the Annual Financial Statements of the 2019/2020 financial year. (i) Criminal Investigation and Prosecution	The accused found not guilty. The Accounting Officer has instructed Corporate Services to take the matter on review.	Outstanding	PMB CAS 495/3/2021	Outcome of the disciplinary proceedings contradicted the resolution of the Disciplinary Board; hence the Accounting Officer took the matter on review. Civil recovery is long overdue since the outcome of this case was reported to Disciplinary Board on 14 May 2021. Implementation is overdue for more than 365 days. Forensic Investigations has already reported this case to SAPS' Fraud Unit for criminal investigation and case number PMB CAS 495/3/2021 was allocated accordingly.	Comment from Human Resources Presiding Officer: Mr S. Dubazana (Senior Manager - Secretariat and Auxiliary Services) Employer Rep: Mr S. Mchunu (Manager - Financial Control) Sanction - Not Guilty 18/05/2022 CASE CLOSED Corporate Services has been tasked with taking the matter for review. Comment from Legal Services Summons issued out of High Court. The plaintiff's attorney has drafted an application for default judgement as the defendant (Mbambo) has not adhered to and complied with the civil procedure and rules of the High Court and is accordingly in default of entering an appearance to defend. Counsel has been briefed to draft a supporting affidavit for quantum (setting out the legal basis for the amount claimed) which will be signed by the Municipal Manager and filed in court simultaneously with the application for default judgement. Comment from Internal Audit Case opened with SAPS Auditor's conclusion The e-mail from Msunduzi Municipality attorneys, GNG Incorporated dated 30 November 2022 indicated that the attorneys are still waiting for the clerk of the High Court to issue the summons in respect of the defendant, Jabulile Thabwakhe Mbambo. The case is still long outstanding; hence the finding stands and will be reported on the management report.

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2.	Forensic investigations into irregular expenditure for 2013/14 to 2014/15, 2017/18 and 2018/19 financial years	- Mr S Mncwabe - Mr D Ragoonandan, - Mr B Sivpersad and - Mr S Kunene	R1 614 808.00 paid to Xolisizwe Trading R4 028 053.35 paid to EOH Mthombo Investment - R49 005.57 incurred as a result of payment(s) made to Afrox Oxygen Ltd - R58 710.00 incurred during 2012/13 financial year be written off as irrecoverable	14-May-21	(i) That it be noted that the Chief Audit Executive is required to report a case of fraud with the South African Police Services (Directorate of Priority Crime Investigative) in compliance with Section 34 of the Prevention and Combating of Corrupt Activities Act, Act 12 of 2004. (ii) Section 32 (6) (a) and (b) and 62(1)(e) of the Municipal Finance Management Act stipulates that the Accounting Officer must report to the South African Police Service all cases of irregular expenditure that constitute a criminal offence and theft and fraud that occurred in the municipality. (a) That the Municipal Manager institute disciplinary actions against Messrs S Mncwabe, D Ragoonandan, B Sivpersad and S Kunene for their failure to advertise the contract for the provision of portable chemical toilets on time before the expiry of the contract in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (As amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council and Section 171 (3) (a), (b) and (c) of the MFMA within a period of three months from the date of the resolutions of the Council on this matter for breach of: (b) General Conduct (i) Section 2 (a) in that they did not loyally execute the lawful policies of the municipal council. (ii) Section 2 (b) in that they did not perform the functions of office in good faith, diligently, honestly and in transparent manner. (iii) Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. (c) Financial Misconduct (i) That financial misconduct be instituted against Messrs S Mncwabe, D Ragoonandan, B Sivpersad and S Kunene in terms of Section 171 (3) (a), (b) and (c) in that they failed to carry out the delegated duty, contravened or failed to comply with a condition of the delegated power or duty and made irregular expenditure. (ii) That the amount of R1 614 808.00 paid to Xolisizwe Trading and Projects for the provision of portable chemical toilets be written off in terms of Section 32(2)(a)(ii) of the MFMA as irrecoverable. (iii) That the General Manager: Infrastructure Services should develop a long-term strategy that will deal with the backlog of sanitation infrastructure (water born sanitation) and apply for Municipal Infrastructure Grant or any other relevant funding as the hiring of portable chemical toilets are not sustainable. (iv) That the litigation process against EOH Mthombo Investment to recover losses incurred, should be pursued in terms of Section 32(2) of the MFMA. (v) That the amount of R4 028 053.35 paid to EOH Mthombo Investment be removed from the register of irregular expenditure.	Outstanding	N/A	N/A	Irregular expenditure should be updated accordingly.	Comment from Human Resources Presiding Officer: Mr Felix Nxumalo (General Manager - SD & CE) Employer Rep: Mrs Nelisiwe Ngcobo – CFO Replacement Mr V Cele (General Manager - IS) Charges served on 08/03/2022 New Replacement: Mr S. Hlela (General Manager - IS) Appointment letter issued on 22/10/2022 Matter in progress

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					(vi) That the expenditure of R10 155 109.00 and R8 093 512.72 in respect of Fynns Construction & Developers which was incurred as a result of the failure to advertise the bids for thirty (30) days be written off as irrecoverable in terms of Section 32(2) (b) (i) of the MFMA. (vii) That the Municipal Manager institute disciplinary actions against Mr Mandla Zuma in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (As amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council and Section 171 (3) (a), (b) and (c) of the MFMA within a period of three months from the date of the resolutions of the Council on this matter for breach of: (d) General Conduct (i) Section 2 (a) in that he did not loyally execute the lawful policies of the municipal council. (ii) Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner. (iii) Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. (e) Financial Misconduct (i) That Financial Misconduct be instituted against Mr Mandla Zuma in terms of Section 171 (3) (a), (b) and (c) in that he failed to carry out the delegated duty, contravened or failed to comply with a condition of the delegated power or duty and made irregular expenditure. (ii) That the expenditure of R49 005.57 incurred as a result of payment(s) made to Afrox Oxygen Ltd based on an invalid deviation be written off as irrecoverable in terms of Section 32(2) (b) (i) of the MFMA. (iii) That the expenditure of R8 942 957.50 incurred as a result of payments made to Fidelity Cash Solutions based on an invalid deviation be written off as irrecoverable in terms of Section 32(2) (b) (ii) of the MFMA. (a) That disciplinary action be instituted against Mr P Sukraj within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (As amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council in that Mr P Sukraj breached the code of conduct and Section 32 and 78 of the MFMA. We have also uncovered sufficient prima facie criminal case committed by Mr P Sukraj. Our Forensic Investigation has revealed the breach of the following: (b) General Conduct (i) Section 2 (a) in that he did not loyally execute the lawful policies of the municipal council.	Resigned	Outstanding	PMB CAS 476/12/2020	Civil recovery is long overdue since the outcome of this case was reported to Disciplinary Board on 14 May 2021. Implementation is overdue for more than 365 days.	Comment from Human Resources Accused retired. No disciplinary action may be instituted. CASE CLOSED Comment from Legal Services - Summons and particulars of claim issued at Court and served by sheriff on defendant (Sukraj) - Defendant filed appearance to defend in Court and served on the Municipality. - Defendant filed the plea in court setting out his defense and served on Municipality attorneys. - The matter is at pre-trial stage.
3.	Forensic investigations into the: - Alleged abuse of municipal vehicles NPC 6260 and NPC 8501 - Absenteeism: Mr P Sukraj and - The abuse of working hours of Mr WJ Moso for private usage and absenteeism.	P Sukraj	R93 129.17	14-May-21						

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					(ii) Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner. (iii) Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. (c) Commitment to serving the public interest (i) Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. (d) Personal gain (i) Section 4 (1) (a) in that he used her position or privileges for private gain and/or to improperly benefit himself. (e) Msunduzi Municipality Fleet Management Policy (i) Mr P Sukrajh contravened the Fleet Management Policy which states that municipal vehicles shall only be used for authorized and essential trips on Municipal business. (ii) Section 3(ii) of the condition of the Touch Key that "Touch Keys cannot be loaned or swapped with another individual/driver due to the unique identifying number linking the individual/driver to the vehicle". (f) Disciplinary Procedure and Code Collective Agreement (i) Did not conduct himself with honesty and integrity. (ii) Committed an act of dishonesty. (g) Breach of the Constitution of the Republic of South Africa Section 195 (1) of the Constitution of the Republic of South Africa of 1996 which states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: (i) a high standard of professional ethics must be promoted and maintained. (ii) efficient, economic and effective use of resources must be promoted. (iii) public administration must be accountable. (h) Financial Misconduct			Forensic Investigations has already reported this case to SAPS' Fraud Unit for criminal investigation and case number PMB CAS 476/12/2020 was allocated accordingly.	- Municipality has drafted, issued at court, and served on the defendant's attorneys a pre-trial notice. - Defendant has requested further particulars to Municipality's claim in preparation for pretrial conference. Comment from Internal Audit Case opened with the SAPS. Auditor's conclusion Summons dated 15 November 2021 (and stamped by the Clerk of the Civil Court on 16 November 2021) included two claims, however, claim one is conflicting with the claim as per the financial misconduct cases register in that the register stated that the claim is on the abuse of municipal vehicles NPC 6260 and NPC 8501, whereas the claim is on the abuse of overtime on the summons. The case is still long outstanding; hence the finding stands and will be reported on the management report.	

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					(i) That financial misconduct be instituted against Mr P Sukrajh within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 for an act of financial misconduct in terms of Section 171(3) (a) (b) and (c) for breach of Section 78 of the MFMA in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty and in doing so deliberately caused the municipality to incur fruitless and wasteful expenditure in respect of the fraudulent locomotion allowance he claimed. (ii) Disciplinary Board on Financial Misconduct (i) Council should refer this report to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. (ii) The City Manager should report to the Audit Committee on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where they were officials implicated in our forensic investigation reports. (i) Recovery of the Fruitless and Wasteful Expenditure or Losses (i) The Accounting Officer should institute recovery processes against Mr P Sukrajh to recover an amount of R93 129.17 calculated against the kilometres travelled on private trips and number of hours of absenteeism for himself and Mr Moso. (k) Criminal Investigation and Prosecution (i) That it be noted that the Chief Audit Executive is required to report a case of fraud to the South African Police Services (Directorate of Priority Crime Investigative). (ii) Section 32 (6) (a) & (b) and 62(1) (e) of the MFMA stipulates that the Accounting Officer must report to the South African Police Service all cases of irregular expenditure that constitute a criminal offence of theft and fraud that occurred in the municipality. (l) Systems of Internal Control (i) Management should utilize the EWCop system to manage the use municipal vehicles, supervision of work done by the contractors and municipal employees effectively. (ii) The Municipal Manager should implement bio-metrics system that would be linked to our ICT system for staff to clock in and out at work in order to prevent bogus employees and absenteeism.					

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4.	Forensic investigations into: Allegations of municipal vehicle abuse and, Absenteeism during working hours on private trips: Mr HE Amoo: Senior Groundsman	HE Amoo	R333 082.83	14-May-21	(a) That disciplinary action be instituted against Mr HE Amoo within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (As amended), Code of Conduct for Municipal Staff members read with read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council in that Mr HE Amoo breached the code of conduct and Section 32 and 78 of the MFMA. We have also uncovered sufficient prima facie criminal case committed by Mr HE Amoo. Our Forensic investigation has revealed the breach of the following: (b) General Conduct (i) Section 2 (a) in that he did not loyally execute the lawful policies of the municipal council. (ii) Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner. (iii) Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. (c) Commitment to serving the public interest (i) Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. (d) Personal gain (i) Section 4 (1) (a) in that he used her position or privileges for private gain and/or to improperly benefit himself. (e) Msunduzi Municipality Fleet Management Policy (i) Mr H E Amoo contravened of the Fleet Management Policy which states that municipal vehicles shall only be used for authorised and essential trips on Municipal business. (f) Disciplinary Procedure and Code Collective Agreement (i) Did not conduct himself with honesty and integrity. 7.1.8 Committed an act of dishonesty. (g) Breach of the Constitution of the Republic of South Africa Section 195 (1) of the Constitution of the Republic of South Africa of 1996 which states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: (i) a high standard of professional ethics must be promoted and maintained. (ii) efficient, economic and effective use of resources must be promoted. (iii) public administration must be accountable.	Outstanding	Outstanding	PMB CAS 22/4/2021	Civil recovery is long overdue since the outcome of this case was reported to Disciplinary Board on 14 May 2021. Implementation is overdue for more than 365 days. Forensic Investigations has already reported this case to SAPS' Fraud Unit for criminal investigation and case number PMB CAS 22/4/2021 was allocated accordingly.	Comment from Human Resources Employee on medical boarding from 31 August 2021 Comment from Legal Services - Summons and particulars of claim issued at Court and served by sheriff on defendant (Amoo) - Defendant filed appearance to defend in Court and served on the Municipality. - Defendant filed the plea in court setting out his defence and served on Municipality attorneys. - Municipality attorneys are in the process of drafting a replication to the plea which will be filed in Court. Comment from Internal Audit Case opened with the SAPS. Auditor's conclusion Summons dated 22 July 2022 (and stamped by Registrar of the Regional Court on 08 August 2022) detailed the claims made against the defendant. The case is still long outstanding; hence the finding stands and will be reported on the management report.

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					(h) Financial Misconduct (i) That financial misconduct be instituted against Mr HE Amoo within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 for an act of financial misconduct in terms of Section 171(3) (a) (b) and (c) for breach of Section 78 of the MFMA in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty and in doing so deliberately caused the municipality to incur fruitless and wasteful expenditure in respect of the fraudulent locomotion allowance she claimed. (i) Disciplinary Board on Financial Misconduct (i) Council should refer this report to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. (ii) The City Manager should report to the Audit Committee on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where they were officials implicated in our forensic investigation reports. (i) Recovery of the Fruitless and Wasteful Expenditure or Losses (i) The Accounting Officer should institute recovery processes against Mr HE Amoo to recover an amount of R 333 082.83 calculated against the kilometres travelled on private trips (R102 109.31) and number of hours of absenteeism R230 973.52. (k) Criminal Investigation and Prosecution (i) That it be noted that the Chief Audit Executive is required to report a case of fraud with the South African Police Services (Directorate of Priority Crime Investigative). (ii) Section 32 (6) (a) & (b) and 62(1) (e) of the MFMA stipulates that the Accounting Officer must report to the South African Police Service all cases of irregular expenditure that constitute a criminal offence of theft and fraud that occurred in the municipality.					

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5.	Forensic investigations into alleged: - vehicle abuse, NPC 4708, and - absenteeism during work hours, and - fraudulent overtime claims submitted for work not done or done during normal working hours	RP Hoskins	R48 335.28	14-May-21	(a) That disciplinary action be instituted against Mr R P Hoskins within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council for breach of: (b) General Conduct: (i) Section 2 (a) in that he did not loyally execute the lawful policies of the municipal council. (ii) Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner. (iii) Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. (c) Commitment to serving the public interest (i) Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. (d) Personal gain (i) Section 4 (1) (a) in that he used his position or privileges for private gain and/or to improperly benefit himself. (e) Msunduzi Municipality Fleet Management Policy (i) That Hoskins breached Clause 5.1.1 of the Municipal Fleet Management Policy and procedure in that he used the vehicle not only for authorised and essential trips on Municipal business or official services, but that he was not permitted to use the vehicle for private purposes and for any private travel. (f) Financial Misconduct (i) That Financial misconduct be instituted against Mr Hoskins in terms of Section 171 (3) (a) and (b) in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty and in doing so deliberately caused the municipality to incur fruitless and wasteful expenditure in respect of the actual hours that he did not work, the usage of the municipal vehicle for private use and transporting his family in the municipal vehicle on a regular basis. (g) Disciplinary Board on Financial Misconduct (i) That Council should refer this report to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.	Outstanding	Outstanding	SAPS docket missing Ltx. Ci. Nandhial	Civil recovery is long overdue since the outcome of this case was reported to Disciplinary Board on 14 May 2021. Implementation is overdue for more than 365 days. CAE will submit files to SAPS, to enable them to open a new docket.	Comment from Human Resources Presiding Officer: Mr A. Jela (SALGA Panel) Replacement: Mr Nkonyane Khoali (Senior Management – Town Planning and Environmental Management) appointed on 10 November 2022 Employer Rep: Mr O. Mhlongo (SALGA Panel) In-progress, matter scheduled on 02 February 2022. Matter sat on 04 April 2022 and adjourned since the prosecutor recused himself. Replacement: Mr Nkonyane Khoali (Senior Management – Town Planning and Environmental Management) appointed on 10 November 2022 Comment from Legal Services This matter was settled. Defendant (Hoskins) did not enter an appearance to defend the summons but has agreed to pay the debt. He has been doing so in monthly instalments. Comment from Internal Audit Case opened with the SAPS. Auditor's conclusion Acknowledgement of debt by the defendant was received from the Municipality on 29 November 2022, however it's indicating that the defendant formally acknowledged the debt on 25 February 2022, which conflicts with Human Resources assertions documented above. The case is still long outstanding; hence the finding stands and will be reported on the management report.

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					(ii) That the City Manager should report to the Audit Committee on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where they were officials implicated in our forensic investigation reports. (h) Recovery of the Fruitless and Wasteful Expenditure or Losses (i) That the Accounting Officer should institute recovery processes against Mr Hoskins to recover the actual loss to Msunduzi Municipality of R 48 335.28 amounts paid calculated against the hours that he did not conduct the work allocated to him in terms of his Contract of Employment as well as the cost to Msunduzi in respect of the private trips undertaken when using NPC 4708 and fraudulent overtime. (ii) The amount of R 2 884.07 which is potential loss relating to fraudulent overtime claimed by Mr RP Hoskins should not be paid to him. (iii) The Accounting Officer should submit progress report on the recovery process instituted to the Audit Committee on quarterly basis. (i) Criminal Action (i) Section 32 (6) (a) & (b) and 62(1) (e) of the MFMA stipulates that the Accounting Officer must report to the South African Police Service all cases of irregular expenditure that constitute a criminal offence and theft and fraud that occurred in the municipality. (ii) That it be recommend that the conduct of Mr Hoskins, insofar as the overtime fraud is concerned, be reported to the South African Police Services for criminal investigations. (i) System of Internal Control (a) That the City Manager and General Managers should ensure that there is an official whose responsibility is to manage fleet with each Business Unit be responsible for the following duties amongst others: (i) Must be training on EWCop Tracking System. (ii) Must be training on OTI Fuel Management System (iii) Must be training on management of fleet (iv) Must conduct an analysis of utilization of vehicles on daily basis and produce reports on weekly basis to the Senior Managers and cumulative monthly reports to General Managers. (v) Must conduct an analysis of fuel drawn by each and every vehicle on daily basis and produce reports on weekly basis to the Senior Managers and cumulative monthly reports to General Managers. (vi) Must produce a monthly report on vehicles that were tracked by the EWCop Tracking System and found to be outside the boundary of Msunduzi.. (vii) Must that each driver of a municipal vehicle completes a trip authority for each and every trip and it is authorized by the delegated Supervisor or Foreman or Manager.					

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6.	Forensic investigation into alleged fraud on monthly travelling allowance claims submitted by Ms BL Mthethwa: Acting Manager - Fleet	B L Mthethwa	R9 129.66	11-June-21	(viii) Must ensure that there are month log returns of each and every municipal vehicle that are submitted to his or her immediate supervisor for checking and to be filed neatly in a safe place. (ix) Must ensure that all daily trip authority sheets are submitted to the Fleet Officer on weekly basis by the drivers. (x) Must conduct fleet inspection on monthly basis. (xi) Must ensure that accident reports are done on time and submitted to Fleet. (xii) Must report any irregularities discovered on the utilization of municipal vehicles. That the report dated 26 February 2021 on the Forensic investigation into alleged fraud on monthly travelling allowance claims submitted by Miss BL Mthethwa be STOOD DOWN pending the finalization of the investigation by HAWKS. The report to be resubmitted to the Board.	Outstanding	Outstanding	PMB CAS 431/3/2021	Civil recovery is long overdue since the outcome of this case was reported to Disciplinary Board on 11 June 2021. Implementation is overdue for more than 365 days. Forensic Investigations has already reported this case to SAPS' Fraud Unit for criminal investigation and case number PMB CAS 431/3/2021 was allocated accordingly.	Comment from Human Resources Presiding Officer: Mr Siwelle Zimu (IDP Manager) Employer Rep: Mr Simphiwe Mbanjwa (Manager – Human Settlements) Internal Audit instructed prosecutor suspended serving of charges as there was another investigation being undertaken. Matter on hold. Comment from Legal Services - Summons and particulars of the case issued at Court and served on the defendant (Mthethwa) by sheriff. - Defendant filed appearance to defend in Court and served on the Municipality. - Defendant's plea in terms of the claw of civil procedure and rules of the Court will become due on 30th of November 2022. Comment from Internal Audit Case opened with SAPS. Auditor's conclusion Summons dated 22 July 2022 (and stamped by Clerk of the Civil Court on 18 August 2022) detailed the claims made against the defendant. The case is still long outstanding; hence the finding stands and will be reported on the management report.

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
7.	Forensic investigation into alleged fraud against Mr AT Zondo and his team for claiming fraudulent overtime amounting to R32 800.32 and R367 727.25 respectively and R75 263.83 for absenteeism of AT Zondo.	AT Zondo	R475 791.40	11-June-21	(a) That disciplinary action be instituted against Mr AT Zondo for financial misconduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council in that Mr AT Zondo and his entire team as per Annexure A that was presented by the Chief Audit Executive breached the code of conduct and Section 32 and 78 of the MFMA. We have also uncovered prima facie case of fraud committed by Mr AT Zondo. Our Forensic Investigation has revealed the breach of the following: (b) General Conduct (i) Section 2 (a) in that they did not loyally execute the lawful policies of the municipal council. (ii) Section 2 (b) in that they did not perform the functions of office in good faith, diligently, honestly and in transparent manner. (iii) Section 2 (d) in that they did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. (c) Commitment to serving the public interest Section 3 (c) in that they did not promote and seek to implement the basic values and principles of public administration described in section 195 (f) of the Constitution, by promoting and maintaining high standard of professional ethics. (d) Personal gain Section 4 (1) (a) in that they used her position or privileges for private gain and/or to improperly benefit himself. (e) Disciplinary Procedure and Code Collective Agreement (i) Did not conduct themselves with honesty and integrity. (ii) They committed an act of dishonesty. (f) Breach of the Constitution of the Republic of South Africa. Section 195 (1) of the Constitution of the Republic of South Africa of 1996 which states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: (i) A high standard of professional ethics must be promoted and maintained. (ii) Efficient, economic and effective use of resources must be promoted. (iii) Public administration must be accountable. (g) Financial Misconduct	Outstanding	Outstanding	PMB CAS 94/4/2021	Civil recovery is long overdue since the outcome of this case was reported to Disciplinary Board on 11 June 2021. Implementation is overdue for more than 365 days. Forensic Investigations has already reported this case to SAPS' Fraud Unit for criminal investigation and case number PMB CAS 94/4/2021 was allocated accordingly.	Comment from Human Resources Presiding Officer: Mr P. Gumede (Manager - Planning) Employer Rep: Ms T. Mafumbatha (Manager – Communications & IGR) assigned on 29/11/2022 Sanction Not guilty. Case closed. Comment from Legal Services - Summons issued at High Court. - The plaintiff attorneys have drafted an application for default judgement as the defendant (Zondo) has not adhered to and complied with the civil procedure rules of the High Court and is accordingly in default of entering an appearance to defend. Counsel has been briefed to draft the supporting affidavit for the quantum (i.e. setting out the legal basis for the amount claimed) which will be signed by the Municipal Manager and filed in court simultaneously with the application for default judgement. Comment from Internal Audit Case opened with SAPS. Auditor's conclusion Summons dated 22 July 2022 (and stamped by Registrar of the High Court on 05 August 2022) detailed the claims made against the defendant. The case is still long outstanding; hence the finding stands and will be reported on the management report.

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
					That disciplinary action be instituted against Mr AT Zondo for financial misconduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 for an act of financial misconduct in terms of Section 171 (3) (c) for the breach of Section 78 of the MFMA and his entire team as per schedule attached marked as Annexure A in that they deliberately caused the municipality to incur fruitless and wasteful expenditure in respect of the fraudulent overtime they claimed. (h) Disciplinary Board on Financial Misconduct. (i) That this report be referred to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. (ii) That the City Manager should report to the Audit Committee and Council on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where they were officials implicated in our forensic investigation reports. (i) Recovery of the Fruitless and Wasteful Expenditure or Losses (i) That the City Manager institutes recovery processes against Mr AT Zondo and his team claimed fraudulent overtime amounting to R32 800.32 and R367 727.25 respectively and R75 263.83 for absenteeism of AT Zondo. (ii) That the City Manager submits progress report on the recovery process instituted to the Audit Committee on quarterly basis. (iii) That the City Manager promptly informs the Mayor, the MEC for CoGTA and Auditor-General, in writing about R32 800.32 and R367 727.25 fraud on overtime and R75 263.83 for absenteeism of AT Zondo which is fruitless and wasteful expenditure in terms of Section 32(4)(a) of the MFMA. (iv) That the Chief Financial Officer should make the necessary disclosure of the fruitless and wasteful expenditure of R32 800.32 and R367 727.25 fraud on overtime and R75 263.83 for absenteeism of AT Zondo in the annual financial statements of 2020/21 financial year. (i) Criminal Investigation and Prosecution (i) That it be noted that the Chief Audit Executive is required to report a case of fraud with the South African Police Services (Directorate of Priority Crime Investigative). (ii) Section 32 (b) (a) & (b) and 62(1) (e) of the MFMA stipulates that the City Manager must report to the South African Police Service all cases of irregular expenditure that constitute a criminal offence of theft and fraud that occurred in the municipality. (k) System of Internal Control (i) That General Managers ensure that their Business Units keep attendance registers and submit them to Pay Office on monthly basis.					

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
8.	Report on the forensic investigation into alleged irregular appointment of manager in the office of the speaker and chief whip	Mr Hadebe	N/A	11-June-21	(ii) That General Managers ensure that the attendance registers are checked on daily basis by supervisors/foreman/man agers. That the Disciplinary Board SUPPORT the criminal case instituted against Mr S Hadebe.	Outstanding	Outstanding	N/A	Disciplinary process is long overdue since the outcome of this case was reported to Disciplinary Board on 11 June 2021. Implementation is overdue for more than 365 days. Criminal case was not reported to SAPS. • Legal proceedings were instituted against Lotz and Hadebe under 691/3/21P. • The Municipality is applying for the default judgement. • Damages affidavit recently signed by the Municipal Manager. • Currently attending to obtain new set down date. • Litigation is ongoing. Comment from Internal Audit Criminal case registered per PMB319/5/2021 was transferred to the Directorate of Priority Crimes Investigation. Detective SGT P.Z. Dlamini of Serious Commercial Crimes is the Investigating Officer. Auditor's conclusion The case is still long outstanding; hence the finding stands and will be reported on the management report.	Comment from Human Resources Employee no longer in the employ of the Council, hence no disciplinary action could be implemented. Comment from Legal Services • Legal proceedings were instituted against Lotz and Hadebe under 691/3/21P. • The Municipality is applying for the default judgement. • Damages affidavit recently signed by the Municipal Manager. • Currently attending to obtain new set down date. • Litigation is ongoing. Comment from Internal Audit Case opened with SAPS.
9.	Forensic investigation into alleged: • Fraudulent overtime claims submitted by Mr VG Phungula (Supervisor - Waste Management of Community Services business unit) and by his team of general assistant workers who work the night shift (street sweeping) and, Absenteeism in that they departed from their workstation many hours before the end of their shift.	VG Phungula	R490 367,59	25-June-21	(a) That that disciplinary action be INSTITUTED against Mr VG Phungula for financial misconduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council in that Mr VG Phungula and his entire team as per attached scheduled marked as "ANNEXURE A" breached the code of conduct and Section 32 and 78 of the MFMA. We have also uncovered prima facie case of fraud committed by Mr VG Phungula. Our Forensic investigation has revealed the breach of the following: (b) Financial Misconduct That the Disciplinary action financial misconduct be INSTITUTED against Mr VG Phungula for financial misconduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of the breach of Section 78 of MFMA and his entire team as per schedule attached marked as "ANNEXURE A" in that they deliberately caused the municipality to incur fruitless and wasteful expenditure in respect of the fraudulent overtime they claimed. (c) Recovery of the Fruitless and Wasteful Expenditure or losses.	Deceased	Deceased	PMB CAS 95/4/2021, however case was closed as the accused is deceased	Money should be recouped from his estate. Implementation is overdue for more than 365 days.	Comment from Human Resources Employee deceased. Case closed. Comment from Legal Services • Summons were issued out of the High Court and sent to the Sheriff for services. • Sheriff sent a return on non-service because Phungula is deceased. • Attorneys are investigating the viability of proceeding against the deceased estate. • Currently attending to obtain new set down date. • Litigation is ongoing. Comment from Internal Audit Case opened with SAPS.

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
					(i) That the City Manager institutes recovery processes against Mr VG Phungula and his team claimed fraudulent overtime R68 785.35 and R325 560.82 respectively and R96 021.42 for absenteeism of Mr VG Phungula. (ii) That the City Manager submits progress report on the recovery process instituted to the Audit Committee on quarterly basis. (iii) That the City Manager promptly informs the Mayor, the MEC for CoGTA and Auditor-General, in writing about R68 785.35 and R325 560.82 fraud on overtime and R96 021.42 for absenteeism of Mr VG Phungula which is fruitless and wasteful expenditure in terms of Section 32(4)(a) of the MFMA. (iv) That the Chief Financial Officer makes the necessary disclosure of the fruitless and wasteful expenditure of R68 785.35 and R325 560.82 fraud on overtime and R96 021.42 for absenteeism of Mr VG Phungula in the annual financial statements of 2020/21 financial year. (d) Criminal Investigation and Prosecution (i) That it be noted that the Chief Audit Executive is required to report a case of fraud with the South African Police Services (Directorate of Priority Crime Investigative). (ii) Section 32 (6) (a) & (b) and 62(1) (e) of the MFMA stipulates that the City Manager must report to the South African Police Service all cases of irregular expenditure that constitute a criminal offence of theft and fraud that occurred in the municipality.				Auditor's conclusion The email from the Municipality's attorneys, GNG Incorporated dated 01 December 2022 stated that the attorneys' attempts to access VG Phungula's file have been unsuccessful, however they will continue to seek access from the Master's office. Only then will they be able to determine if the deceased estate has enough assets to attach for the Municipality to recover the amount claimed. The case is still long outstanding; hence the finding stands and will be reported on the management report.	
10.	Forensic investigations into irregular expenditure for 2013/14, 2014/15, 2017/18 and 2018/19 financial years	Nokubonga Mbomvu	R12 500	23-July-21	10.1 Fynns Construction and Developers It was RESOLVED That the report on the upgrade of Lester Brown, Watkins Road and Station Road be STOOD DOWN pending the submission of proof of payments made and the date reflecting when were those payments were made. 10.2 Fidelity Security Services (PTY) Ltd The Senior Manager Legal Services raised a concern of no consistency where there will be no charges instituted against the employees that were no longer in the service of the Msunduzi Municipality. It was RESOLVED TO RECOMMEND TO THE ACCOUNTING OFFICER That the expenditure of R8 942 957.50 be written off as irrecoverable in terms of Section 32 (2) (b) of the Municipal Finance Management Act (MFMA). 10.3 Award to Service Providers Who Are Other the Service of the State The Chairperson pointed out that the report was reflecting transactions for the 2015/2016 financial year. It was RESOLVED	Retired	N/A	N/A	Irregular expenditure should be updated accordingly. Auditor's conclusion Irregular expenditure should be updated accordingly, hence the finding stands and will be reported on the management report.	Comment from Human Resources Employee retired. Case closed. Auditor's conclusion Irregular expenditure should be updated accordingly, hence the finding stands and will be reported on the management report.

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
					That the report on the Award to Service Providers Who Are Other the service of the State be STOOD DOWN pending the submission of the report from Deloitte reflecting transactions for 2015/2016 financial year. 10.4 False Declaration The Chief Audit Executive reported that he stopped the payment of R11 700.00 when the Auditor-General raised their finding that one of the Directors of Good Example was in the service of the Msunduzi Municipality. It was RESOLVED TO RECOMMEND TO THE ACCOUNTING OFFICER (a) That the Municipal Manager institute disciplinary actions against Ms Nokubonga Mbomvu for financial misconduct in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council and Section 171 (3) (a), (b) and (c) of the MFMA within a period of three months from the date of the resolutions of the Council on this matter for breach of: (b) Financial Misconduct (i) That Disciplinary action be INSTITUTED against Ms Nokubonga Mbomvu for financial misconduct in terms of Section 171 (3) (c) in that she caused irregular expenditure. (ii) That the expenditure of R12 500.00 be written off as irrecoverable in terms of Section.					
11.	Forensic investigation into alleged various irregularities relating to accidents reports and overtime committed by foreman: Mr JP Moseya - Community Services; Waste Management	JP Moseya	R280 000	20-Aug-21	That the report dated 29 April 2021 incorporating the recommendations of the Full Council on the forensic investigation into alleged various irregularities relating to accidents reports and overtime committed by Foreman, Mr JP Moseya - Community Services; Waste Management be STOOD DOWN pending the review of the report and the list of paragraphs to be REVISED or STRUCTURED by the Chairperson, Chief Audit Executive and the Senior Manage - Legal Services.	Entered Plea Bargaining and the matter will be referred to the Accounting Officer with a view to take it on review.	Outstanding	Pending	Enforcement of plea bargain is long overdue. Enforcement is overdue for more than 365 days.	Comment from Human Resources Presiding Officer: Ms M. Gumede (SALGA Panel) Employer Rep: Dr P.D. Thabathe (SALGA Panel) Sanction: - Final warning – Employee to pay back: - The fraudulent overtime claim of R25 235.04, and 10% of gearbox repairs (i.e. R12 844.90). - Case was closed on 14 January 2022 AGM approved a payment of R1 000 a month. - The accused has signed the acknowledgement of debt on 25 May 2022. - Salary deduction will start on 24 November 2022 (the delay was due to an error. It has since been corrected). - Case has been closed.

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
12.	Forensic investigation into alleged irregular removal of property no. 23 Marshal Road, account no: 03721402 from a disconnection list issued by debtors section by a municipal employee: Ms NP Mdletshe	NP Mdletshe	N/A	20-Aug-21	(a) That disciplinary action be instituted against Ms NP Mdletshe for financial conduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with the Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council in that Ms NP Mdletshe breached the Code of Conduct for breach of: (b) Financial Misconduct That the disciplinary action be instituted against Ms NP Mdletshe for financial misconduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 for an act of financial misconduct in terms of Section 171 (3) (a) and (b) for breach of Section 78 of the MFMA in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty.	Outstanding	N/A	N/A	Disciplinary process is long overdue since the outcome of this case was reported to Disciplinary Board on 20 August 2021. Implementation is overdue for more than 365 days.	Comment from Human Resources Presiding Officer: Mr Felix Nxumalo (General Manager – SD & CE) Employer Rep: Mr Vusumuzi Cele (General Manager - IS) Sanction: Written warning – Case closed on 03 December 2021. Auditor's conclusion The written warning is titled "Informal Disciplinary Hearing", laid out the transgression in a generic manner, however it stipulated the terms and conditions of the warning. It was signed (and dated) by both the official and the Municipality's representative. The finding stands and will be reported on the management report since the register of financial misconduct cases was not updated accordingly to reflect that this case was concluded.

No.	Nature of alleged financial misconduct (resolution of council)	Name(s) of implicated officials or councillors	Amount involved	Date report served before the Disciplinary Board	Resolution of the Disciplinary Board	Status of disciplinary proceedings on financial misconduct	Status of civil recovery by the municipality (MFMA s32(2))	Status of the criminal investigation/prosecution (MFMA s173)	Auditor's comment	Management comment
13.	Forensic investigation into alleged irregularities on the supplies and services contract no. 28 of 2019: Section 1: for the supply and delivery of protective clothing and sundry items by municipal employee, Ms PR Mthlane who works in supply chain management and a member of bid evaluation committee.	The said bid evaluation committee comprised of the following members: - MS PR Mthlane - M Khumalo (Senior Manager: Development Services) (as a chairperson), B Khanyile (Chief Engineer: Revenue Enhancement), S Xaba (Building Inspector: SD & CE- Building Control), R Gounden (Manager: Rental Housing), V Govender (Supply Chain Management: Admin Support), Z Bomoyi (Monitoring Officer: Supply Chain Management)	N/A	20-Aug-21	(a) That disciplinary action be instituted against Ms PR Mthlane for financial misconduct within a period of three months in terms of Schedule 2 of the Municipal Systems Act: Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council for breach of: (b) Financial Misconduct That the disciplinary action be instituted against Ms PR Mthlane for financial misconduct within a period of three months for an act of financial misconduct in terms of Section 171 (3) (a) (b) and (c) for breach of Section 78 of the MFMA in that she failed to take all reasonable steps within her respective areas of responsibility to ensure that the system of financial management and internal control established for the Msunduzi municipality is carried out diligently and failed to carry out the delegated duty. (c) Disciplinary Procedure Code Collective Agreement That disciplinary action also be instituted against the following Bid Evaluation Committee members for financial misconduct namely: - M Khumalo (Senior Manager: Development Services) (as a Chairperson), - B Khanyile (Chief Engineer: Revenue Enhancement), - S Xaba (Building Inspector: SD & CE- Building Control), - R Gounden (Manager: Rental Housing), - V Govender (Supply Chain Management: Admin Support), - Z Bomoyi (Monitoring Officer: Supply Chain Management)	Outstanding	N/A	N/A	Disciplinary process is long overdue since the outcome of this case was reported to Disciplinary Board on 20 August 2021. Implementation is overdue for more than 365 days.	Comment from Human Resources Report was received by HR on 12 October 2022. The appointed Disciplinary Committee Panel declined. - New DHC to be appointed. - OCM to advise on appointments. Auditor's conclusion The case is still long outstanding; hence the finding stands and will be reported on the management report.

Internal control deficiency

Management did not ensure compliance with laws and regulations relating to consequence management.

Recommendation

It is recommended that

- Management should ensure that recommendations per forensic reports are implemented; and monitored.
- Management should monitor compliance with laws and regulations relating to consequence management.

Management response

In order to fast track all disciplinary proceedings, Msunduzi Municipality has come up with a Consequence Management Accelerated plan. This plan has been put in place to dispense the long outstanding matters.

- The plan has also been submitted to COGTA for monitoring with the political leadership being briefed every week on the progress.

The report has been submitted to MPAC and will be presented to EXCO and council who will also play their oversight role by monitoring the progress.

- This indeed shows that the Accounting Officer is serious about finalising the cases.

The standard operating procedure on disciplinary matters is available and has timelines which the disciplinary panels must ensure that they adhere to, with exceptions to complex cases which must be reported.

Auditors conclusion

The response of management is acknowledged and the actions to address the finding will be followed up during the next status of records review. This finding is however still valid and forms the basis of the material non-compliance that will be reported.

Predetermined objectives

10. AOPO: Performance indicators are not verifiable (COMAF 8)

Audit Finding

Section 41 of the municipal systems act (MSA) states that:

"1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed

- Set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- Set measurable performance targets with regard to each of those development priorities and objectives;"

The National Treasury Framework for Managing Programme Performance Information (NTFMPPI) states that:

"A good performance indicator should be:

- Reliable: the indicator should be accurate enough for its intended use and respond to changes in the level of performance.
- Well-defined: the indicator needs to have a clear, unambiguous definition so that data will be collected consistently, and be easy to understand and use.
- Verifiable: it must be possible to validate the processes and systems that produce the indicator.
- Cost-effective: the usefulness of the indicator must justify the cost of collecting the data.
- Appropriate: the indicator must avoid unintended consequences and encourage service delivery improvements, and not give managers incentives to carry out activities simply to meet a particular target.
- Relevant: the indicator must relate logically and directly to an aspect of the institution's mandate, and the realization of strategic goals and objectives."

In contravention to the above, it was noted that two indicators as detailed below are not verifiable.

(a) 100% of households with access to basic level of water by the 30th of June 2022 Not Verifiable

The indicator is reporting on the total percentage for the accumulated total of households who have access to water, which is in essence, related to service delivery from the date of inception of the municipality i.e. When the municipality first began providing households with access to water. Listings of households with access to basic level of water have been requested as per RFI 83 however the Municipality has not submitted the required listings for the required years.

(b) 60% Percentage of households with access to basic level of sanitation by the 30th of June 2022 Not Verifiable

The indicator is reporting on the total percentage for the accumulated total of households who have access to basic sanitation, which is in essence, related to service delivery from the date of inception of the municipality, i.e. When the municipality first began providing household's with access to basic level of sanitation. Listings have been requested as per RFI 83 however the Municipality has not submitted the required listings for the required years.

The non-submission of information in support of these indicators results in a material limitation in confirming the reported data on the annual performance report. Consequently, we are unable to confirm whether the data reported for the above indicators on the annual report are accurate, complete and reliable.

Internal control deficiency

Management did not review and monitor compliance with applicable laws and regulations relating to predetermined objectives and did not ensure that the systems and processes for identifying, collecting, collating, verifying and storing of information are properly maintained Management did not adequately review the annual performance report prior to submission for audit.

Recommendation

It is recommended that management should:

- Ensure that the performance indicators and targets are verifiable at the planning stage.
- Ensure that the annual performance report is adequately reviewed prior to submission for audit and furthermore that all supporting documentation for indicators are maintained and filed accordingly to ensure that such is easily retrieved upon request.

Management response

Management will ensure performance indicators and targets are verifiable at the planning stage.

This will be done by collating all listings of water and sanitation connections that have been done in the previous Financial Years and compare the numbers with the Census data to establish a database/baseline for water and sanitation connections.

The Municipality will have a database that contains all the connections from previous financial years and the Water department will update the database upon completion of actual connection every financial year

Management will follow the standard operating procedure for performance management to ensure that documentation for the financial year is maintained and stored correctly and is available upon request.

PMS Comment: The indicators are prepared in terms of Chapter 3 of the Systems Act Regulation 10 (a) which require that the Municipality report on the percentage of households with access to basic level of water, sanitation electricity and solid waste removal. This was the basis of preparing the indicator for the Municipality.

Name: B. Sivparsad

Position: Senior Manager: Water and Sanitation

Date: 26/10/2022

Auditor's conclusion

Management's response is noted. Listing subsequently received on 11/11/2022 in response to this finding was analyzed and it was noted that these listing do not agree with what was reported on the APR. Details of the differences are highlighted below.

Number of households at the end of the year with access			
Source	Summary of connections (As per POE, which reflects the numerator and denominator used for the calculation of the percentage reported in the APR)	Revised Listings provided (11/11/2022)	Difference
Water	152 547	726 658	574 111
Sewer	92 466	57 857	34 609

Due to the above material differences, we are unable to accept the new listings submitted on the 11th November as support for the reported achievement in the APR. The finding is still valid and will be reported as such on the management report.

Material irregularity**11. Failure to implement credit control and debt collection resulting in a likely financial loss to the municipality Audit Finding**

In terms of section 62(1)(f)(iii) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a credit control and debt collection policy referred to in section 96(b) of the Municipal Systems Act."

Further, paragraph 13.1.2 – 13.1.4 of the municipality's 2020-2021 Approved credit control and debt collection policy:

- the account, if in arrears for thirty (30) days or more, a notice of the Municipality's intention to disconnect/restrict services will be issued. This notice is intended to comply with the legislative requirements to notify the customer about the intention to disconnect or restrict services due to non-payment.
- In the event that full payment of the account, including any accumulated arrears and interest, is not received on or before the due date, the electricity supply and the water supply may be disconnected /restricted, unless a formal acknowledgement of debt has been signed by the customer and the necessary payment arrangement for an extension of time has been approved
- Even though a customer may have concluded a satisfactory payment arrangement, the Municipality is not obliged to effect a reconnection of services on the day that payment is received or the agreement has been signed but shall do so as soon as possible after such payment arrangement have been approved.

Contrary to the above, the municipality did not implement the credit control and debt collection policy. This is supported by existence of deceased debtors in the municipality's debtors book who have not been paying for services and the municipality continues to provide services to these debtors as analysed below.

Analysis of deceased debtors:

The municipality's debtors' book included 29 965 deceased consumers across 36 267 service accounts. These debtors amounted to R 1 389 936 684.37, which constituted 28.2% of the total gross debtors balance of R4 935 993 696 at year-end.

At year-end 28 451 of these debtors had a positive balance amounting to R1 399 682 487.29 and 2184 debtors had a negative balance of R9 745 802.92.

The bad debts written off included 5181 accounts for deceased consumers with a total debtor balance of R100 204 438.96.

An analysis of deceased debtors written off as bad above R300 000 was done and the following was noted with concern:

- All these debtors have balances in the age analysis at year-end.
- All have balances in current, 30, 60, 90, 120 and 365, indicating that the municipality is still providing service to them.
- None of these debtors has arranged to pay the municipality.
- Majority of these debtors died more than 5 years ago.

#	Business partner number	Date of death	Years since death at year end	Amount written off	Balance per age analysis
1	3000029191	2015/12/25	6	352 143.33	29 739.61
2	3000043838	2020/01/22	1	326 453.90	41 806.06
3	3000056158	2011/05/05	10	513 770.81	208 345.07
4	3000066961	2006/06/05	15	576 493.82	136 583.67
5	3000067290	2019/03/30	2	357 768.78	34 774.94
6	3000074591	2016/04/28	5	600 118.68	39 257.52
7	3000075993	2019/05/06	2	301 950.97	199 347.33
8	3000076466	2004/03/19	17	394 662.68	44 917.34
9	3000080871	2020/05/14	1	403 991.74	38 243.05
10	3000080985	2015/03/05	6	512 131.72	27 235.20
11	3000084603	2014/04/14	7	305 655.29	13 608.27
12	3000084852	2014/04/14	7	337 076.96	66 145.44
13	3000086327	1993/12/11	28	628 544.24	111 284.66
14	3000093535	2017/02/19	4	338 828.74	73 089.19
15	3000099545	2007/12/13	14	331 631.27	13 815.69
16	3000100814	2004/05/31	17	336 687.00	45 698.25
17	3000108613	2016/01/18	5	462 809.24	20 585.55
18	3000111154	2001/10/27	20	754 477.33	156 392.25
19	3000111478	1987/04/09	34	797 026.25	42 451.71
20	3000113424	2015/03/06	6	430 424.29	68 623.68
21	3000125703	2002/02/08	19	784 220.19	104 257.66
Grant total				9 846 867.23	1 516 202.14

Please refer to annexure A for more details.

Furthermore, upon inspection of the electricity disconnection listing it was noted that there were no restrictions placed on 17 of the 21 debtors listed below in an attempt by the municipality to effectively implement the approved credit control and debt collection policy:

#	Business partner number
1	3000029191
2	3000043838
3	3000066961
4	3000067290
5	3000074591
6	3000076466
7	3000080871
8	3000084852
9	3000086327
10	3000093535
11	3000099545
12	3000100814
13	3000108613
14	3000111154
15	3000111478
16	3000113424
17	3000125703

The water restrictions listing was also inspected and it was further confirmed that none of the debtors listed in the table above were subject to any water restrictions.

An analysis of the billings reports for the period was also conducted and this indicated consistent billing of 20 of the 21 debtors listed in the table above with no indication of any reduction in the amounts billed to these consumers that could have also implied that restrictions were imposed on electricity and water usage by the municipality. Therefore, it was evident that all key step and actions specified in the approved credit control and debt collection policy of the municipality were not implemented.

As result of the above, the accounting officer did not comply with section 62(1)(f)(iii) of the MFMA. Because of the non-compliance the municipality has suffered a financial loss amounting to R100 204 438.96 in the current year and with a high possibility of suffering a likely loss amounting to R 1 389 936 684.37 in future.

Internal control deficiency

Management did not implement credit control and debt collection policy as approved by council to ensure that revenue due to the municipality is collected.

Lack of adequate review and monitoring of compliance with applicable laws and regulations relating to revenue management. Recommendation
It is recommended that management should:

- respond to the finding raised above in line with paragraph 4 of the cover page,
- ensure that adequate review and monitoring of compliance with applicable laws and regulations relating to revenue management. Management response

Management notes the finding however:

Council has implemented Section 16 of the Approved Credit Control and Debt Collection policy for all deceased debtor accounts with arrear balances. Section 16 of the Debt collection policy states:

"16.1 Where debtor accounts are in arrears, the Municipality is authorised to institute any action available in law for the purposes of recovering such debt, including making application to a competent court of law for the issuing of garnishee/ emoluments orders.

16.10 The Municipality may hand the collection of arrear debt to an authorised collecting agent of the Municipality."

Council has appointed a Panel of Debtor Collectors whom these arrear accounts are handed over for collection.

It must be noted that when a natural person dies, that person is called a 'deceased person' and all his or her assets on date of death will be placed in an estate. This estate is called an estate of a deceased person (commonly known as a 'deceased estate'). Assets in a deceased estate can amongst other things include immovable property (house), movable property (car, furniture, etc.), cash in the bank, etc. The person who administers a deceased estate is called an 'Executor'. Once the Executor has finalized all the administration in the deceased estate, the remaining assets (after paying all the debts) will be distributed to the beneficiaries.

From the sample selected, 11 of the deceased debtors' estate have already been reported to the Masters office and the steps taken to recover the arrear debt, and thus a claim against the deceased estate has been lodged. Refer to Annexure D, (Column J).

There are 10 instances from the selected sample, where the estate has not been reported. The approach taken would be communicating to the master's office to report the estate and simultaneously lodge a claim against the deceased estate. The debt collectors have written to Master's office to communicate the debt owed to Msunduzi municipality by the deceased debtors that have not reported their estates. In the letters the Masters office is requested to prioritise the settlement of the Municipal debt when the estate is reported. The municipality submitted a report to Council to request for the approval to nominate the debtors' manager to be able to report the estates on behalf of the municipality in respect of the debtors with unreported estates. Refer to Annexure E & C.

The municipality identified 3 558 deceased accounts with joint ownership and surviving spouses. The municipality has finished processing name changes for these accounts, transferring the accounts to the surviving spouse. Refer to Annexure F.

There are 16 603 deceased debtor accounts which are billing services only. Of these 8 574 are Vulindlela debtors, which are situated in the Ingonyama Trust Land.

- A total of 1 384 deceased debtors have been consolidated to date. It is anticipated that this consolidation exercise will be completed by 31st March 2023 for all deceased accounts. Refer to Annexure G.
- There are 8 574 Vulindlela debtors on ITB land and there are no rates billed on these accounts. These accounts were inherited from Umgeni Water. The municipality has developed a plan to visit each of the properties and obtain service agreements with the occupants of the property. The proposed plan was approved by SMC and is currently going through the Council Structures to obtain Council approval before being implemented.

There are a total of 1 594 deceased debtor accounts with credit balances to a total of R 6,583 million. There are deceased debtors with multiple properties and Revenue is checking if the set of principle can be applied to the arrear accounts in the same name of the deceased owner. It is anticipated that this exercise will be completed by 30th November 2022.

All the deceased accounts with arrears have been handed over to debt collectors.

The arrears deceased accounts are being issued for electricity disconnection and water restriction as part of implementation of the credit control policy. The municipality is currently embarking on a number of strategies to reduce the debt outstanding as detailed below:

Ward based water restrictions

Council is currently embarking on ward-based water restrictions for all debtors with arrear balances. The plan being implemented is aimed at restricting all arrear debtors per ward until all wards under the municipality have been visited.

Challenges encountered:

Community revolts and community obstructing duties carried out by officials performing water restrictions. Furthermore, there are on-going tampering of water metres. Refer to: (Annexure A)

Electricity disconnections

Electricity disconnection are also being implemented on a ward basis, for all debtors.

Challenges encountered:

Community revolts and community obstructing duties carried out by officials performing electricity disconnections. Furthermore, there are on-going tampering of electricity metres.

Legal steps being undertaken for arrear debt

Handing over of debtors and ensuring that all steps available are taken to recover arrear debt is currently being undertaken.

Council wide meter audits

Council is currently implementing, in the current financial year, a comprehensive audit of all electricity metres. This will ensure that suspected tampering is eradicated as well as completeness of billing. Refer to: (Annexure B)

Operation Qoqa mamillion

Management of the municipality are currently involved in accompanying the infrastructure department (i.e., water and electricity) to visit properties to ensure disconnection of services and interaction with debtors, with an intention to encourage them to make payment or payment arrangements.

Name changes of deceased debtor accounts

Where properties are jointly owned but in the name of a deceased debtor these are being changed to the surviving owner to enable legal action and avoid having to wait for the winding-up of the legal estate.

Consolidation of accounts

Where there are separate debtor accounts for rates and services, these are being consolidated to ensure that collection of all amounts, since debtors have a tendency of paying accounts where a disconnection or restriction has been implemented.

Name: Marlon Hoskins & Khanyisile Shoba

Position: Debtors Manager, SM - Revenue

Date: 15/10/2022

Auditor's conclusion

Management response is noted. This matter will be taken through the material irregularity process and further actions will be communicated to the accounting officer. This matter will also be included in the audit report for follow up on actions to be implemented.

ANNEXURE B: OTHER IMPORTANT MATTERS

PROCUREMENT AND CONTRACT MANAGEMENT

FAILURE TO REJECT UNACCEPTABLE TENDER: SS 53 OF 2021

Audit Finding

Section 112(1)(l) Municipal Finance Management Act no.56 of 2003 (MFMA) states that: "the supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive, and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following:

- (i) the barring of persons from participating in tendering or other bidding processes, including persons who were convicted for fraud or corruption during the past five years.
- (ii) Who willfully neglected, reneged on or failed to comply with a government contract during the past five

SCM Regulation 38(1)(g), states that: A supply chain management policy must provide measures for the combating of abuse of the supply Chain management system and must enable the accounting officer: -

- (ii) to reject the bid of any bidder if that bidder or any of its directors has been convicted for fraud or corruption during the past five years.

During the audit of awards made through a competitive bidding process, it was noted that tender no. SS 53 of 2021 with a contract value of R 418 456,00 awarded to Santrack Construction and Inspection (Pty) Ltd was awarded in contravention of the above-mentioned legislation. The winning bidder, Santrack Construction and Inspection (Pty) Ltd was awarded the tender even though in their bid document it was disclosed that the director of the company was convicted of fraud and corruption during the past five years.

All payments made to the supplier for services rendered in relation to contract No. 53 of should be disclosed as irregular expenditure in the annual financial statements.

However, we noted that as at, 30 June 2022 there were no payments made to this supplier relating to this contract. The non-compliance will however be reported in the current financial year.

Refer to Data sheet 7 below:

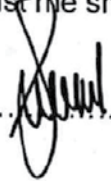
DATA Sheet 7: Declaration of Bidder's Past Supply Chain Management Practices

4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes ☐	No ☒
4.2.1	If so, furnish particulars: N/A		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☒	No ☐
4.3.1	If so, furnish particulars: UMNGENI MUNICIPALITY S. GWAMANDA 10 FORREST LANE RATES		
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes ☐	No ☒
4.4.1	If so, furnish particulars: N/A		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes ☐	No ☒
4.7.1	If so, furnish particulars: N/A		

CERTIFICATION

I, the undersigned (Name) **SANDILE B.V.E. GWAMANDA**

certify that the information furnished on this declaration form is correct. I accept that the state may act against me should this declaration prove to be false.

Signature..........Date.....**30/08/2021**.....

Internal control deficiency

Ineffective oversight and monitoring by management to ensure compliance with the MFMA principles of maintaining a fair, equitable, transparent, competitive, and cost-effective procurement and provisioning system.

Management did not ensure that there was adequate review and monitoring of compliance with laws and regulations relating to supply chain management.

Recommendation

It is recommended that management should:

- Disclose all the payments made under SS No. 53 of 2021 as irregular expenditure to ensure compliance with the MFMA
- Ensure the adequate reviews and monitoring of compliance with applicable laws relating procurements.
- Scrutinize the bid documents submitted to ensure that all unacceptable bids are identified and acted upon accordingly.

Management response

Finding is acknowledged, this was an oversight on the processing of this bid however management has suspended this contract on SAP to avoid any transacting and has initiated the processes of terminating the contract to avoid an incurrence of irregular expenditure on this contract. The contract will be re advertised. Management will further strengthen controls to identify any noncompliance's with applicable laws and regulations going forward. Each recommendation to BAC will be accompanied by the check list confirming all the compliance elements within the bid processes.

Name: Dudu Gambu

Position: Head: SCM

Date: 27/10/2022

Auditor's conclusion

Management response is noted. Management is in agreement with the finding, thus finding remains and the matter will be followed up next year.

REVENUE AND RECEIVABLES

12. Incorrect billing for revenue recognised– service charges – electricity- Accuracy Audit Finding

Section 62(1)(f)(i) of the MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a tariff policy referred to in section 74 of the Municipality Systems Act.

Paragraph 17 of GRAP 1, Presentation of financial statements, states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation

During testing of revenue from exchange- electricity, it was noted that the revenue from electricity on the following statements were incorrectly calculated. It was noted that in some instances, the correct tariff and readings were used, however the total calculation on both the billing report and statements are incorrect. In other instances, the calculation of readings are incorrect resulting in incorrect billing on both statement and billing report.

Enquiries were made with management relating to the issues identified and it was also confirmed with municipal officials that these issues were not rectified on the SAP system as there were no reversals of this incorrect billing on the system.

See table below for details.

Con- tract Acc	BPartner	Post. Date	Amount as per statement	Billing report amount	Auditor's Re-calculation	Audit Difference	Auditors comments
2424020	REDDY JERAM	31.08.2021	Readings Current -10,684,710 Previous - 9,209,610 Consumption = 1 475,09*1,475,09 =144221,23	144 221,23	Readings Current -10,684,710 Previous - 9,209,610 Consumption = 1 475,09*1,4435 = 2 129	142 092,23	Correct tariff and readings were used, however total calculation is incorrect.
1144630	RENSOL CC JERRY AMEER	31.05.2022	Readings Current - 65,017,218 Previous - 64,663,718 Consumption = 353,500*1,4435 = 145 614,86	145 614,86	Readings Current - 65,017,218 Previous- 64,663,718 Consumption = 353,500*1,4435 = 510,10	145 107,76	Correct tariff and readings were used, however total calculation is incorrect.
712921	SEWELL MAUREEN	14.06.2022	Readings Current - 4,067,090 Previous - 104,408,0 Consumption = 899,659,090*1,5775 = 1 419 212,21	1 448 386,85	Readings Current - 4,067,090 Previous - 104,408,0 Consumption - 100 340,91*1,5775 = 158 287,79	1 318 871,09	Incorrect calculation on the readings resulting in incorrect revenue amount (incorrect subtraction of current and previous readings)
649959	JORDAAN JAN	28.02.2022	Readings Current - 60,711,00 Previous- 60,955,0 Consumption = 99,756,00kwh*1,315 =131 179,14	131 179,14	Readings Current - 60,711,00 Previous- 60,955,0 Consumption = 284*1,315 = -373,46	130 805,68	Incorrect calculation on the readings resulting in incorrect revenue amount (incorrect subtraction of current and previous readings)
675691	PATO DAPHNE	07.01.2022	Readings Current - 64,124,00 Previous - 67,910,00 Consumption = 996.214,0*1,5775 = 1 571 527,59	1 571 527,59	Readings Current - 64,124,00 Previous- 67,910,00 Consumption = -3 786*1,5775 = 5 975,42	1 565 555,18	Incorrect calculation on the readings resulting in incorrect revenue amount (incorrect subtraction of current and previous readings)
				3 440 929,67		3 302 431,94	

As a result, revenue from service charges – electricity for the current year and Consumer debtors are overstated by a projected amount of R52 182 557.74

Internal control deficiency

Management did not implement controls to ensure revenue from the sale of electricity is correctly accounted for in the financial records.

Recommendation

- The above matter needs to be investigated and a response submitted to AGSA.
- Management needs to examine the population for other similar instances and ensure that population can be corrected accordingly.
- Management must ensure that all revenue from the sale of electricity are correctly accounted for.

Management response

We do not agree with the finding that revenue and receivables are misstated.

Where the meter installation has multiple meters linked to it (multiple phase meters), the total estimated consumption of each meter linked to the single installation is added and reflected on the invoice.

This can be seen in the excel spreadsheet prefixed 4.1, 4.2, 4.3, 4.4 and 4.5

The amount invoiced is however correct.

Name: L Stratford
Position: SAP ISU Stream Lead
Date: 7 November 2022

Contract Acc	BPartner	Post. Date	Amount as per statement	Billing report amount	Auditor's Re-calculation	Audit Difference	Auditors conclusion
2424020	REDDY JERAM	31.08.2021	Readings Current - 10,684,710 Previous - 9,209,610 Consumption = 1 475,09*1,475,09 = 144221,23	144 221,23	Readings Current - 10,684,710 Previous - 9,209,610 Consumption = 1 475,09*1,4435 = 2 129	142 092,23	M1=0, M2=1475, M3=58 1533*14435 = R 2 212 R1 44221.23 - R2 212 = R142 009.23 Difference The meter reported to have clock-over of 98.377.39 KWH was actually 0 KWH per meter reading report provided for audit. The actual consumption billed was based on 98.377.39 instead of 0kwh. This was reversed as estimate in September 2021. Reversals of estimates occurs when the customer consumption is estimated and when actual readings are available then estimates are reversed. Based on meter readings this was actual reading and not estimates. Due to inaccurate consumption billed, the electricity charge was reversed in September. We agree with management that revenue is not overstated because this was reversed within the financial year. Finding resolved
1144630	RENSOL CC JERRY AMEER	31.05.2022	Readings Current - 65,017,218 Previous - 64,663,718 Consumption = 353,500*1,4435 = 145 614,86	145 614,86	Readings Current - 65,017,218 Previous - 64,663,718 Consumption = 353,500*1,4435 = 510,10	145 107,76	M1=354, M2=2115, M3=-102 2367*14435= R3416.76 145614.86-R3416.76=R142 198.10 The meter B02411 reported to have clock-over of 99.662.0455 KWH was actually -102 KWH per meter reading report provided for audit. The actual consumption billed was based on 99.662.0455 instead of -102 kwh for meter B02411. This was reversed as estimate in June 2022. Reversals of estimates occurs when the customer consumption is estimated and when actual readings are available then estimates are reversed. Based on meter readings this was actual reading and not estimates. Due to inaccurate consumption billed, the electricity charge was reversed in September. We agree with management that revenue is not overstated because this was reversed within the financial year. Finding resolved
712921	SEWELL MAUREN	14.06.2022	Readings Current - 4,067,090 Previous - 104,408.0 Consumption = 899.659,090* 1,5775 = 1 419 212,21	1448386,85	Readings Current - 4,067,090 Previous - 104,408.0 Consumption = -100 340,91*1,5775 = 158 287,79	1 318 871,09	Noted with concern that statement provided by management in response to finding differs from the statement for the same date that was provided to auditors during execution. Based on the meter readings consumption is 0 and this account was not supposed to be billed, however it was billed for 899 659- 090KWH. This billing was not reversed. This finding is not resolved. It will be reported.

Contract Acc	BPartner	Post. Date	Amount as per statement	Billing report amount	Auditor's Re-calculation	Audit Difference	Auditors conclusion
649959	JORDAAN JAN	28.02.2022	Readings Current - 60,711,00 Previous - 60,955,0 Consumption = 99,756,00kwh*1,315 =131 179,14	131 179,14	Readings Current - 60,711,00 Previous - 60,955,0 Consumption = 284*1,315 = -373,46	130 805,68	Management response refers to April statement for the reversal of clockover billed in February 2022. However this reversal is not included in the statement. This amount was not reversed. The April statement provided has balance brought down from December exactly the same as balance in January. The closing balance as per March statement would be expected to reflect as opening balance in April statement. The finding is not resolved. It will be reported.
675691	PATO DAPHNE	07.01.2022	Readings Current - 64,124,00 Previous - 67,910,00 Consumption = 996.214,0*1,5775 = 1 571 527,59	1571 527,59	Readings Current - 64,124,00 Previous - 67,910,00 Consumption = -3 786*1,5775 = 5 975,42	1565555,18	Management response refers to 31 January 2022 statement for the reversal of clock-over billed in 7 Jan 2022. However this reversal is not included in the statement. This amount was not reversed. 7 and 31 January statements provided have a balance brought down from November. The opening balance as per January statement would be expected to reflect closing balance in December statement. The December statement was not provided to confirm accuracy of the opening balance as per January statement. The finding is not resolved. It will be reported.
			3440 929,67			3 015 231,94	

Item 1 and 2 on the table is resolved. As a result, revenue from service charges – electricity for the current year and Consumer debtors are overstated by a projected amount of R47 435 557.84.

Management should investigate the inconsistencies in statements provided by the system.

13. Meters not read for more than twelve months- Sale of Electricity

Audit Finding

Section 62(1)(f)(i) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a tariff policy referred to in section 74 of the Municipality Systems Act.

Section 64(2)(f) of the MFMA states that the accounting officer must for the purposes of subsection (1) take all reasonable steps to that ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;

Further paragraphs 34, 34 and 36 of GRAP 3 states the following:

34. "Estimation involves judgements based on the latest available, reliable information."

35. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

36. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error"

Furthermore, the municipality's Credit Control and Debt Collection Policy for 2020/21 states the following:

- Paragraph 6.6 The Municipality shall endeavour to read, all credit electricity and waters meters in cycles of approximately thirty (30) days, since tariffs are designed on the basis of an average month. At times a reading may not be possible until beyond the 30 day billing cycle. Thus when the actual meter reading at the end of the billing cycle occurs outside the reasonable range, such as less than 30 days or more than 30 days, the monthly bill will be computed on a pro rata basis. However the Municipality reserves the right to read the meters once in twelve (12) months.
- Paragraph 6.7 The Municipality reserves the right to read the electricity & waters meters anytime during the month and project such reading to the end of the month and charge the customer according to projected readings monthly.

- Paragraph 6.8 If for any reason the municipality is unable to read any credit electricity or water meters on any property, the Municipality will estimate the consumption of the service concerned and thereafter bill the consumer for the monetary value of such estimated consumption.
- Paragraph 6.9 In the event that the Municipal official fails to gain access to the property to read the meter(s) and or perform installation audit functions, the following procedure shall be followed:

First attempt - the Municipal official shall leave a letter notifying the customer of the failed attempt to gain access, the customer shall be requested to provide access to the premises within seven (7) days from the date of the notice. In this stage the customer must call the Municipality and make the appointment that will suit both parties

Second attempt - the Municipal official shall leave a letter notifying the customer of the failed second attempt to gain access, this letter shall request that the customer arranges with the Municipality, at a mutually agreed time within working hours that the customer can provide access to the municipality to read the meter(s) and or perform installation audit functions. The customer will be given within five(5) days from the date of the notice to provide access. The letter will serve as a notice that if the customer fails to provide access to the Municipality to read the meter, the Municipality shall terminate the services without any further notice.

Third attempt – If the Municipality continues to be unsuccessful in obtaining access to the premises after the second attempt notice period has lapsed, a service provider will be appointed to gain access to the property. All costs associated with gaining access to the premises, will be for the account of the customer.

It was noted that the municipality had estimated consumption for electricity for a period exceeding twelve months which is in contravention with the credit control and debt collection policy as approved by council. From the audit process point of view, failure to abide with the policy brings the accuracy of revenue recognized during the financial year into question as any estimation done on accounts for a period exceeding 12 months has many limitations. Two such limitations relate to seasonal consumption of electricity and changes to consumer usage demands over a period of 12 months i.e. increased/reduced demand specific to a consumer. It is the auditor's view that the electricity usage tends to fluctuate and consequently the longer the period the more uncertain/unreliably the estimate becomes.

The information on the table below details the length of the period electricity meters were not read based on the readings schedule provided per consumer. 7 consumer debtor's meters out of a sample of 10 selected from a schedule of unread meters for a period over 12 months were confirmed as billed on estimation for periods longer than 12 months

No.	Cont. No	Device	Installation dev	Customer Name	Meter Read date start	Meter Read date End	Number of months estimating
1	406335	E0710399690	5000387208	THE SOUTH AFRICAN NATIONAL ROAD AGENCY	2019/11/05	2022/06/03	29 months
2	202879	265236	5000237321	PARKS AND RECREATION DEPARTMENT	2019/11/06	2022/06/01	29 months
3	305448	449306	5000289423	RIVERTEX TRUST	2019/11/01	2022/06/03	29 months
4	369808	474706	5000238920	PROVINCIAL GOVT OF KZN	2019/11/01	2022/06/06	29 months
5	124542	718997	5000237628	SINGH CHETNA INVESTMENTS CC	2019/11/05	2022/06/09	29 months
6	876574	52861	5000284840	SARASPATHI SEWSUNKER FAMILY TRUST	2020/05/06	2022/06/01	24 months
7	104008	345038	5000270128	DEPT OF PUBLIC WORKS	2019/11/04	2022/06/03	29 months

As a result of the above, revenue from the sale of electricity and consumer debtors are misstated by an unknown amount.

Refer to annexure A- Electricity estimates for a full population of meters not read for more than 12 months.

Annexure A - Electricity estimates.xls - Need original word or excel document.

Internal control deficiency

Management did not implement the requirements of debt and credit control policy to ensure that meter readings are done frequently and estimates are calculated within the time frame of the policy.

Recommendation

It is recommended that:

- The meter reading department should design a system of ensuring that meters are read frequently, so as to ensure that estimate are done with certainty to the extent that estimates made would not be materially different from the actual reading.
- Management should ensure that the implementation of the credit control policy is monitored.

Management response

No.	Cont. No	Device	Installation dev	Customer Name	Meter Read date start	Meter Read date End	Number of months estimating	Management Comments
1	406335	E0710399690	5000387208	THE SOUTH AFRICAN NATIONAL ROAD AGENCY	2019/11/05	2022/06/03	29 months	This is a SANRAL for monitoring the Camera's on the N3 freeway. The meter readers were unable to access the meter as the Cameras were locked by SANRAL. The meter has been changed, where new meters were installed for SANRAL that you can read using a keypad even if you are one meter away from the actual meter. The new meter has been updated on the system and the estimates reversed after year end. The account has since been corrected. The meter was replaced with meter number 04252011343 which is also updated on system.
2	202879	265236	5000237321	PARKS AND RECREATION DEPARTMENT	2019/11/06	2022/06/01	29 months	The meter was sealed and no longer used by the customer as the customer has three phase meters. The meter was read monthly and is giving the same consumption every month since the meter is not used. The account was not marked as sealed on the system and the system therefore treated the consumption as estimates at zero kwh. The codes were updated on the system in August 2022 and estimates reversed. However, there is not impact on revenue since both actual and estimates were zero kwh.
3	305448	449306	5000289423	RIVERTEX TRUST	2019/11/01	2022/06/03	29 months	The meter was sealed and no longer used by the customer as the customer has three phase meters. The meter was read monthly and is giving the same consumption every month since the meter is not used. The account was not marked as sealed on the system and the system therefore treated the consumption as estimates at zero kwh. The meter readers identified that the meter was removed; revenue was waiting for the paperwork to confirm that the meter was removed. The system has since been updated to remove the meter. However, there is not impact on revenue since both actual and estimates were zero kwh.
4	369808	474706	5000238920	PROVINCIAL GOVT OF KZN	2019/11/01	2022/06/06	29 months	The meter was sealed and no longer used by the customer as the customer has three phase meters. The meter was read monthly and is giving the same consumption every month since the meter is not used. The account was not marked as sealed on the system and the system therefore treated the consumption as estimates at zero kwh. The meter readers identified that the meter was removed; revenue was waiting for the paperwork to confirm that the meter was removed. The system has since been updated to remove the meter. However, there is not impact on revenue since both actual and estimates were zero kwh.

No.	Cont. No	Device	Installation dev	Customer Name	Meter Read date start	Meter Read date End	Number of months estimating	Management Comments
5	124542	718997	5000237628	SINGH CHETNA INVESTMENTS CC	2019/11/05	2022/06/09	29 months	The meter was sealed and no longer used by the customer as the customer has three phase meters. The meter was read monthly and is giving the same consumption every month since the meter is not used. The account was not marked as sealed on the system and the system therefore treated the consumption as estimates at zero kwh. The meter readers identified that the meter was removed; revenue was waiting for the paperwork to confirm that the meter was removed. The system has since been updated to remove the meter. However, there is not impact on revenue since both actual and estimates were zero kwh.
6	876574	52861	5000284840	SARASPATHI SEWSUNKER FAMILY TRUST	2020/05/06	2022/06/01	24 months	The meter was estimated due to the fact that the meter had been removed from site. Revenue was waiting for paperwork to remove this meter from the system. 134 kwh (R 161,16– June 2022) were estimated per month and have subsequently been received after year-end.
7	104008	345038	5000270128	DEPT OF PUBLIC WORKS	2019/11/04	2022/06/03	29 months	The meter was estimated since the meter had been removed from site. Revenue was waiting for paperwork to remove this meter from the system. 51.15 kwh (R 84,92– June 2022) were estimated per month and have subsequently been received after year-end.

Furthermore, the attached worksheet as per the finding above has been analysed and the estimated meters have been quantified. As per the AG report there were 402 electricity meters identified in the report as estimated for longer than 12 months after removing the duplicated meter numbers. Out of the 402 meters, 304 meters were read during the year under audit, 26 meters were read after year-end and 72 meters that were estimated longer than 12 months have not been read. Refer to the attached Annexure A for a detailed analysis. The municipality has more than 45 000 electricity meters and from the list that was identified by the auditors, only 72 meters were estimated for longer than 12 months and are still being estimated.

Management has formed the meter reading task that meets on a weekly basis to develop the strategies for dealing for addressing the estimated meters as well as monitor the progress of those strategies. Management has a challenge in terms of the faulty meters and of great concern is the customers that are not giving the municipality access to read meters. The above meters that remain estimated will be investigated and necessary action taken to try and read the meters. Based on the above result and the fact that these 72 meters were estimated for R134 240,04, management believes that the estimates are reasonable and revenue from sale of electricity is not misstated.

Name: Khanyisile Shoba
Position: Senior Manager - Revenue
Date: 17 November 2022

Auditor's conclusion

Management response is noted. This matter is not resolved and will be reported. Management is not taking steps to address recurrence of cut-off issues as this estimation for longer periods will result in cut-off issues when the meter is read after 2 years.

14. Meters not read for more than twelve months- Sale of water

Audit Finding

Section 62(1)(f)(i) of the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) states that, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a tariff policy referred to in section 74 of the Municipality Systems Act.

Section 64(2)(f) of the MFMA states that the accounting officer must for the purposes of subsection (1) take all reasonable steps to that ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed;

Further paragraphs 34, 34 and 36 of GRAP 3 states the following:

34. "Estimation involves judgements based on the latest available, reliable information."

35. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

36. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error"

Furthermore, the municipality's Credit Control and Debt Collection Policy for 2020/21 states the following:

- Paragraph 6.6 The Municipality shall endeavour to read, all credit electricity and waters meters in cycles of approximately thirty (30) days, since tariffs are designed on the basis of an average month. At times a reading may not be possible until beyond the 30 day billing cycle. Thus when the actual meter reading at the end of the billing cycle occurs outside the reasonable range, such as less than 30 days or more than 30 days, the monthly bill will be computed on a pro rata basis. However the Municipality reserves the right to read the meters once in twelve (12) months.
- Paragraph 6.7 The Municipality reserves the right to read the electricity & waters meters anytime during the month and project such reading to the end of the month and charge the customer according to projected readings monthly.
- Paragraph 6.8 If for any reason the municipality is unable to read any credit electricity or water meters on any property, the Municipality will estimate the consumption of the service concerned and thereafter bill the consumer for the monetary value of such estimated consumption.
- Paragraph 6.9 In the event that the Municipal official fails to gain access to the property to read the meter(s) and or perform installation audit functions, the following procedure shall be followed:

First attempt - the Municipal official shall leave a letter notifying the customer of the failed attempt to gain access, the customer shall be requested to provide access to the premises within seven (7) days from the date of the notice. In this stage the customer must call the Municipality and make the appointment that will suit both parties

Second attempt - the Municipal official shall leave a letter notifying the customer of the failed second attempt to gain access, this letter shall request that the customer arranges with the Municipality, at a mutually agreed time within working hours that the customer can provide access to the municipality to read the meter(s) and or perform installation audit functions. The customer will be given within five (5) days from the date of the notice to provide access. The letter will serve as a notice that if the customer fails to provide access to the Municipality to read the meter, the Municipality shall terminate the services without any further notice.

Third attempt - If the Municipality continues to be unsuccessful in obtaining access to the premises after the second attempt notice period has lapsed, a service provider will be appointed to gain access to the property. All costs associated with gaining access to the premises, will be for the account of the customer.

It was noted that the municipality had estimated consumption for water for a period exceeding twelve months which is in contravention with the credit control and debt collection policy as approved by council. From the audit process point of view, failure to abide with the policy brings the accuracy of revenue recognized during the financial year into question as any estimation done on accounts for a period exceeding 12 months has many limitations.

The information on the table below details period of time in months water meters were not read based on the readings schedule provided by management per consumer. 10 consumer debtor's meters out of a sample of 10 selected from CAATS schedule of unread meters for a period over 12 months were confirmed as billed on estimation for periods longer than 12 months

No	Device	Cont. Account	Name	Text for account cl.	Meter reading Start date	Meter reading End date	Period in months
1	18	137076	Joao De Jesus	Business	2020/07/20	2022/07/07	24
2	FKJ1647	3579481	Thokozile Ngubane	Household	2020/07/07	2022/07/06	24
3	C-VKP4383	868742	Jairaj Mahabeer	Business	2020/07/06	2022/07/05	24
4	TFK47481	3548437	Hina Fibre Industry CC	Business	2020/07/06	2022/07/09	24
5	UKR1106	3577639	Sibongile Mkhize	Other	2020/07/06	2022/07/06	24
6	UKR1152	3577879	Mbekwa Xaba	Other	2021/06/08	2022/08/05	14
7	243526	1507562	Funulwazi High Primary School	Provincial: Education	2021/04/21	2022/06/06	14
8	788593	3820315	Aadil Docrat	Household	2020/07/06	2022/07/06	24
9	C-EKS0664	3578583	Nosihle Ngcobo	Other	2020/07/06	2022/07/06	24
10	C-GKA3908	3410372	Musawenkosi Simelane	Household	2020/06/05	2022/06/03	24

As a result of the above, revenue from the sale of water and consumer debtors are misstated by an unknown amount.

Refer to annexure B- Water estimates for a full population of meters not read for more than 12 months.

Annexure B - Water estimates.xlsx - Need the original Word or Excel document.

Internal control deficiency

Management did not implement the requirements of debt and credit control policy to ensure that meter readings are done frequently and estimates are calculated within the time frame of the policy.

Recommendation

It is recommended that:

- The meter reading department should design a system of ensuring that meters are read frequently, so as to ensure that estimate are done with certainty to the extent that estimates made would not be materially different from the actual reading.
- Management should ensure that the implementation of the credit control policy is monitored.

Management response

No	Device	Cont. Account	Name	Text for account cl.	Meter reading Start date	Meter reading End date	Period in months	Management Comments
1	18	137076	Joao De Jesus	Business	2020/07/20	2022/07/07	24	The reason for that the meter had been estimated was due to access not granted to read the meter. The meter is still estimated and the estimates will be reversed when the meter is replaced. The estimate is 43 KL per month.
2	FKJ1647	3579481	Thokozile Ngubane	Household	2020/07/07	2022/07/06	24	The meter reading was estimated due to access not being granted to read the meter. The estimate was 3 KL and was not significantly different from the actual reading obtained. The actual readings were obtained and captured after year-end, all estimates were reversed.
3	C-VKP4383	868742	Jairaj Mahabeer	Business	2020/07/06	2022/07/05	24	The meter reading was estimated due to access not being granted to read the meter. The estimate was 0,9 KL and was not significantly different from the actual reading obtained. The actual readings were obtained and captured after year-end, all estimates were reversed.
4	TFK47481	3548437	Hina Fibre Industry CC	Business	2020/07/06	2022/07/09	24	The reason for that the meter had been estimated was due to it being faulty has been referred to technical department. The meter is still estimated and the estimates will be reversed when the meter is replaced. The estimate is 7,2 KL per month.
5	UKR1106	3577639	Sibongile Mkhize	Other	2020/07/06	2022/07/06	24	The reason for that the meter had been estimated was due to it being faulty has been referred to technical department. The meter is still estimated and the estimates will be reversed when the meter is replaced. The estimate is 1,2 KL per month.
6	UKR1152	3577879	Mbekwa Xaba	Other	2021/06/08	2022/08/05	14	The reason for that the meter had been estimated was due to it being faulty has been referred to technical department. The meter is still estimated and the estimates will be reversed when the meter is replaced. The estimate is 2,4 KL per month.
7	243526	1507562	Funulwazi High Primary School	Provincial: Education	2021/04/21	2022/06/06	14	The reason for that the meter had been estimated was due to it being faulty has been referred to technical department. The meter is still estimated and the estimates will be reversed when the meter is replaced. The estimate is 650,7 KL per month.
8	788593	3820315	Aadil Docrat	Household	2020/07/06	2022/07/06	24	The meter reading was estimated due to access not being granted to read the meter. The estimate was 49 KL and was not significantly different from the actual reading obtained. The actual readings were obtained and captured after year-end, all estimates were reversed. The actual was 37 KL per month.
9	C-EKS0664	3578583	Nosihle Ngcobo	Other	2020/07/06	2022/07/06	24	The meter reading was estimated due to access not being granted to read the meter. The estimate was 9 KL and was not significantly different from the actual reading obtained. The actual readings were obtained and captured after year-end, all estimates were reversed. The actual was 8 KL per month.
10	C-GKA3908	3410372	Musawe nkosi Simelane	Household	2020/06/05	2022/06/03	24	The reason for that the meter had been estimated was due to it being faulty has been referred to technical department. The meter is still estimated and the estimates will be reversed when the meter is replaced.

Furthermore, the attached worksheet as per the finding above has been analysed and the estimated meters have been quantified (Refer to the attached Annexure B).

Name: Khanyisile Shoba
Position: SM - Revenue
Date: 18 November 2022

Auditor's Conclusion

Management response is noted. This matter is not resolved and will be reported. Management is not taking steps to address recurrence of cut-off issues as this estimation for longer periods will result in cut-off issues when the meter is read after 2 years.

15. Traffic fine tickets issued not captured on the system (completeness)**Audit Finding**

Section 62(1) (b) of the Municipal Financial Management Act no.56 of 2003, states that "the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

Furthermore, as per the revenue management, section 64. (1) States that the accounting officer of a municipality is responsible for the management of the revenue of the municipality by ensuring that;

- (a) the municipality has and maintains a management, accounting, and information system which- recognises revenue when it is earned, Accounts for debtors; and accounts for receipts of revenue;
- (b) that the municipality has and maintains a system of internal control in respect of revenue and debtors, as may be prescribed

The following traffic fines were randomly selected from the traffic books for section 56 and section 341 at the traffic department storage and could not be traced to the traffic fine listing/general ledger. These tickets were not captured on the system and thus not reported in the annual financial statements. On enquiry from municipal official on reasons for non -capturing of fines on the system the following was noted:

The traffic officers do not submit tickets on time.

- traffic tickets are left in book and not submitted for capturing, filed in the storage as a book that has been completed
- traffic tickets are submitted for capturing as per register, but not captured on system and could not be located.
- tickets were submitted on time by the traffic officers but were not captured on time by the capturer
- traffic tickets were withdrawn due to late submission to the court

No.	Notice number	Amount	Issue identified
1	19/76010/320/152359	R1 000.00	The ticket was issued on 05 February 2022 but was recorded on 15 July 2022. The issue date captured on the system was also incorrect as the date that was captured is 05 February 2021
2	19/99677/320/199693	R1 000.00	The ticket was submitted by the traffic officer on 07 July 2022, while it was issued on 24 June 2022. The ticket was also not recorded on the system as I observed the capturer searching for it using the unique notice number
3	55/85693/320/172101	R1 500.00	The ticket was issued on 08 June 2022 but was captured on the system on 14 August 2022 which is after the financial year end 30 June 2022
4	55/76722/320/153819	R6 000.00	The ticket was submitted by the traffic officer as it was issued on 08 October 2021. Further observed the capturer searching for the ticket using the unique notice number on the system and identified that the ticket was not captured and can't be located where it is.
5	55/85863/320/172101	R1 500.00	The traffic tickets was submitted by traffic officer on 09 June 2022 but it was only captured on 14 August 2022 which resulted in the ticket being withdrawn
6	55/76866/320/154107	R1 500.00	The ticket was not submitted by the traffic officer. It was left in the book, which resulted in the ticket not being captured.
7	55/76873/320/154121	R4 700.00	The ticket was not submitted by the traffic officer. It was left inside the book that has been filed in the storage as a book that has been completed. This resulted in the ticket not being captured.
8	55/70887/320/142149	R1 500.00	The ticket was not captured on the system after observing the capturer searching for it on the system. We could not verify whether the officer submitted it for capturing or not as the register that it signed when submitting the tickets couldn't be located.
9	55/78212/320/156799	R1 500.00	The ticket was not captured on the system after observing the capturer searching for it on the system. We could not verify whether the officer submitted it for capturing or not as the register that it signed when submitting the tickets couldn't be located.
10	55/79878/320/160131	R2 500.00	The ticket was not captured on the system after observing the capturer searching for it on the system. I could not verify when did the officer submit it for capturing or they did not submit it. The register that it signed when submitting the tickets couldn't be allocated
11	55/86876/320/174127	R5 000.00	The ticket was issued on 29 June 2022 but was captured on the system on 06 August 2022. The capturing date was after financial year end.
12	55/64749/320/129873	R1 500.00	The ticket was not captured on the system after observing the capturer searching for it on the system. I could not verify when did the officer submit it for capturing or they did not submit it. The register that it signed when submitting the tickets couldn't be allocated
13	55/79652/320/159679	R2 800.00	The ticket was not captured on the system after observing the capturer searching for it on the system. I could not verify when did the officer submit it for capturing or they did not submit it. The register that it signed when submitting the tickets couldn't be allocated
14	55/79668/320/159711	R5 200.00	The ticket was not captured on the system after observing the capturer searching for it on the system. I could not verify when did the officer submit it for capturing or they did not submit it. The register that it signed when submitting the tickets couldn't be allocated
15	55/86095/320/172565	R5 300.00	The ticket was issued on 07 June 2022 but was captured on the system on 14 August 2022. The capturing date was after financial year end.

As a result the amount of R14 488 973 disclosed for Fines, penalties and forfeits is understated by an projected misstatement of R7 890 034.80

Internal control deficiency

Management has not adopted proper record-keeping controls to ensure that reported financial information is supported by information that is accurate, relevant, and complete, and readily available

Recommendation

Management should ensure that there are internal controls in place that will assist in ensuring that all tickets are captured, and no tickets get lost after being submitted by the traffic officer, and encourage traffic officers to return tickets on time to avoid delays in capturing.

The management should ensure that there is adequate capacity in the capturing department to avoid the ticket backlog which in some cases it results in cases being withdrawn due to being captured after trail date.

Management response

Management agrees with the finding.

In a bid to enforce law and traffic safety the following is required of a traffic officer:

- When a traffic officer is issued with a book, they are to issue traffic fines to offenders
- On the next available day, after the morning peak hour, every officer must make returns (of issued fines) to the administration office for processing.
- This evolution repeats itself until the book is finished.

Reasons that lead to internal control deficiencies:

- Leave (sick and family emergencies) – if the traffic officer books off sick or has a family emergency, the fines issued on the previous day are likely not to be submitted and captured.
- Operational dictates, disasters, accidents, ministerial, premiers' and national and provincial leaders' visits
- In some instances, management has observed disregard of the Daily return procedure for submission by inspectors and traffic officers.
- In an attempt for the department to fill the capacity gap, the department had advertised the then vacant position of Principal Administration Officer, but the process of appointment was halted due to the fact that the dismissal of the previous Principal Administration Officer was still at the labour court as challenged by the unions.
- Even though employees acted in the position, the duration of time would not allow for the acting incumbent to cover the wall-to-wall functionality of the area.
- The Traffic department accelerated law enforcement drive by providing tools of trade to the traffic officers in the form of more than thirteen vehicles to move around all the areas within the jurisdiction of the municipality, and employing more traffic personnel which led to an increase in the volume of traffic fines issued. This was further exacerbated by projects amongst others, increase of vehicle check point operations. Unfortunately, this was not supplemented by administrative capacity to deal with the increased volume of capturing due to budget constraints.

Corrective measures

Management will revive the following processes:

- The refinement the Daily Returns procedures that will require;
 - (1) all law enforcement officers to submit their daily returns of the previous day's work to their inspectors through a green form where the traffic fines issued are listed according to their notice numbers.
 - (2) the respective supervisor must check and confirm all listed notices that they are correctly captured and confirm by signature and date.
 - (3) On receipt of the green form together with written notices, the administrative supervisor from now going forward will be required to check and confirm receipt by signature and date.
- Administrative processing clerk must perform a reconciliation of day's submission from the daily return form.
- The PoA will then raise the low daily return rate were identified at the Administration / Operations meeting and corrective measures would then take place
- An administration officer and Senior clerk positions have been shortlisted already and when these positions have been filled, a considerable amount of this workload will be reduced. Further to the above, funding has been set aside for the procurement of laptops for allocation of interns on appointment to bridge the gap between now and the next financial year to arrive at a full staff complement.
- The Department will implement the Officer Book control tool in TCMS.
- The System Administrator will print the Missing notices report at least once a month and make a definite effort to track down all missing notices reflected on the report and not yet captured on the system.
- When officers hand back / return the completed books, the books are check by their supervisor, signed off before placed in store room.
- Daily capture registers must be printed and checked by TCMS supervisors, then also checked against submission form from Officers to ensure all submitted notices were captured. Daily registers must also be checked to identify spelling mistakes, and incorrect dates / charges / amounts captured, to be corrected by capturers as soon as possible.
- The traffic department will have a cabinet where all incoming (uncaptured) notices are placed for capturers. Capturers take from this pile.

Name: Zacharia Maluleka

Position: Chief Traffic Officer

Date: 2022-11-16

Auditor's conclusion

Management response noted. Finding is not resolved and will be reported

16. Debtors with credit balances incorrectly prescribed

Audit finding

The Municipal Financial Management Act no.56 of 2003 stipulates in section 62. (1)(b) "that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."

Furthermore, Section 122(1)(a) states that "Every municipality and every municipal entity must for each financial year prepare annual financial statements which— (a) fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year;"

Section 63 (1)(b) The accounting officer of a municipality is responsible for the management of the liabilities of the municipality.

GRAP 1 paragraph 17 states that "The financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the Framework for the Preparation and Presentation of Financial Statements. The application of Standards of GRAP with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation".

Prescription act of no 68 of 1969 stipulates that in section 12 (2) "If the debtor willfully prevents the creditor from coming to know of the existence of the debt, prescription shall not commence to run until the creditor becomes aware of the existence of the debt."

Furthermore, Section 12(3) "A debt which does not arise from contract shall not be deemed to be due until the creditor has knowledge of the identity of the debtor and of the facts from which the debt arises"

During the audit of Note 19 to the annual financial statements, namely Debtors with credit balances, it was noted that debt amounting to R10 144 171, 47 was prescribed. There are no clear indication that management followed up with the creditors before prescribing the debt and recognizing this as revenue. The municipality does not have a policy that stipulates and explains the process of writing off over payments by debtors, thus it can be concluded that the municipality has recognized revenue that they are not entitled to.

This has resulted in an overstatement of revenue by R10 144 171, 47, Thus revenue from exchange transaction has been factually misstated by R10 144 171, 47

Internal control deficiency

Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information.

Management did not follow up on debtors with credit balances in order to ensure that debtors are correctly prescribed

Recommendation

Management should draft a policy that stipulates how long outstanding debtors with credit balances should be followed up on and subsequently written off. Furthermore, the above items should be investigated and followed up.

Management response

Management does not agree with the finding.

The terms and conditions of applying for services from Council include:

Deposit

"I/We acknowledge and accept that my/our deposit or any credit balance on my/our account will be forfeited if I/We do not claim it back within one year after cancellation of this agreement". A copy of the application form is attached.

Statements are sent to consumers with debit balances, these inform the debtor of the amount due and the respective due date. In the same manner, the statements with credit balances are also sent consumers with credit balances and they inform debtors of amounts due to them. The process is then for a formal application for a refund to be made by the consumer.

For these respective consumers, statements were sent out advising them of these credit balances for 36 consecutive months and no application for a refund was made by the debtor. All the debtors with credit balances that were prescribed had accounts that were no longer active/ terminated as at the year-end 30 June 2022.

The approved Debt Write off Policy Covers Prescribed Debt and the write off thereof.

The process of prescribing credit balances due to debtors is further informed by a Senior Counsel opinion, which lays down process to be used (please refer to the attachment as POE). These processes were followed in the writing off of these balances.

The prescription of the above debtors were approved by the Accounting officer as these accounts were closed and the consumers have not claimed their credit balances. The prescription is approved on the condition that is the customers does provide proof that they had filed an application for refund in the past 3 years, then the municipality will process the refund and reverse the prescription in terms of that specific amount. Refer to attachments. The municipality has been following the same process of prescribing the unclaimed credit balances for closed accounts at year-end for the past 3 years. This was after receiving an audit finding from the AG on the high balance of debtors with credit balances.

Management appreciates the Auditor General's recommendation to draft a policy that stipulates how long the outstanding debtors with credit balances should be followed up on and subsequently written off. The credit control policy will be amended for the next financial year include the specific clause for the prescription of credit balances.

Based on the above, management does not believe that revenue is misstated.

Name: Marlon Hoskins

Position: Debtors

Date: 16 November 2022

Auditor's conclusion

Management response noted. However, it should be noted that there were no services rendered by municipality to these debtors with credit balances (creditors) that has since prescribed to warrant municipality to recognize revenue from exchange transactions- Service charges. Revenue from exchange is therefore overstated by this amount. Finding is not resolved and will be reported.

17. Inadequate implementation of the processes of Credit control and debt collection policy.

Audit Finding

Section 62 (1)(b) and (c)(i) of the Municipal Finance Management (Act No 56 of 2003) (MFMA) states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.
- (c) that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control

In terms of section 64(2)(a) of the MFMA, "The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy."

In terms of section 62(1)(f)(iii) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and implements a credit control and debt collection policy referred to in section 96(b) of the Municipal Systems Act."

In terms of section 11(d) of the Prescription Act, a debt will prescribe after 3 (three) years if the running of prescription was not interrupted.

Further, paragraph 13.1.2 – 13.1.4 of the municipality's 2021-2022 Approved credit control and debt collection policy:

- The account, if in arrears for thirty (30) days or more, a notice of the Municipality's intention to disconnect/restrict services will be issued. This notice is intended to comply with the legislative requirements to notify the customer about the intention to disconnect or restrict services due to non-payment.
- In the event that full payment of the account, including any accumulated arrears and interest, is not received on or before the due date, the electricity supply and the water supply may be disconnected /restricted, unless a formal acknowledgement of debt has been signed by the customer and the necessary payment arrangement for an extension of time has been approved
- Even though a customer may have concluded a satisfactory payment arrangement, the Municipality is not obliged to effect a reconnection of services on the day that payment is received or the agreement has been signed but shall do so as soon as possible after such payment arrangement have been approved.

Contrary to above management failed to adequately implement all processes of the Approved Credit control and debt collection policy in order interrupt the running of prescription. The following debts as per the table below, have been written off due to prescription. This includes debts owed by households, businesses and government debtors. Management could have interrupted the running of prescription through adequate implementation of the following processes as included in the credit control and debt collection policy:

- Where notification about intention to disconnect or restrict services due to non-payment has been issued to consumer, and payment is still not received before the due date, electricity supply and water supply should be disconnected/restricted
- Regular follow ups on consumers with disconnected/restricted supply of water and electricity to ensure that services are not illegally reconnected.
- Handing over of the debts to debt collectors so that summons are issued to the consumers.

No.	Business Partner	Contract numbers	Total amount written off per debtor	Was write off Approved	Reason for write off
1	INTERPAK BOOKS (PTY) LTD ROCHELLE CHARLES	3552306	907,586.61	Yes, write off was approved by City manager.	Prescription
2	BARZUN COMMERCIAL ENTERPRISES CC	2310907	758,949.69	Yes, write off was approved by City manager.	Prescription
3	OBAID INV (PTY) LTD	774565	709,576.18	Yes, write off was approved by City manager.	Prescription
4	HILLVIEW LAKE PROPERTIES CC	1922167/ 1997772/ 3082636	537,562.15	Yes, write off was approved by City manager.	Prescription
5	DAWOOD D MOHAMMED	1930305	466,417.03	Yes, write off was approved by City manager.	Prescription
6	A MAHOMED T/A BRAMHILL INVESTMENTS	2664871	442,530.41	Yes, write off was approved by City manager.	Prescription
7	INDERJIT FAMILY TRUST	669095	374,827.08	Yes, write off was approved by City manager.	Prescription
8	HEALTH SERVICES	3470903	358,585.74	Yes, write off was approved by City manager.	Prescription
9	VERONICA VN MBANYANA	812972	206,172.51	Yes, write off was approved by City manager.	Prescription
10	SPOORNET	1143259	317,564.30	Yes, write off was approved by City manager.	Prescription
11	BEVAN BL CLAYTON	684400/ 2354781	656,788.91	Yes, write off was approved by City manager.	Prescription
12	SHALIM SM KATHRADA	2180373	285,249.57	Yes, write off was approved by City manager.	Prescription
13	MIRANDA MP MNCWABE	719268	271,700.90	Yes, write off was approved by City manager.	Prescription
14	KZN PUBLIC WORKS	1106257	246,843.14	Yes, write off was approved by City manager.	Prescription
15	SHOSHOLOZA TRANSPORT CC	135880	198,626.80	Yes, write off was approved by City manager.	Prescription
16	DEPT OF SOCIAL WELFARE & POPULATION	2025314	185,557.69	Yes, write off was approved by City manager.	Prescription
17	D MAHOMED T/A ARTHUR THOMPSON WAREHOUSE	1032213	183,391.53	Yes, write off was approved by City manager.	Prescription
18	VENGETSAMY V CHETTY	1353947	153,918.19	Yes, write off was approved by City manager.	Prescription
19	PATRICK PW MOON	1930961/ 2836915	158,211.64	Yes, write off was approved by City manager.	Prescription
20	STONEGATE PROPERTIES CC ASGAR	3594994	141,490.79	Yes, write off was approved by City manager.	Prescription
21	ROHITH HARICHANDER RH RAMPERSAD	3081488	158,849.77	Yes, write off was approved by City manager.	Prescription
22	IMA PROPS 29 CC REKA	3501439	113,214.86	Yes, write off was approved by City manager.	Prescription
23	K K FORBES-MILNE	628571	89,364.06	Yes, write off was approved by City manager.	Prescription
24	DAYWOOD TRUST Asgar	2984864	70,595.18	Yes, write off was approved by City manager.	Prescription
25	LETTIE LT CROSSON	136756	42,615.41	The write off was approved by the City Manager, even though it is under the CFO's delegation	Prescription

No.	Business Partner	Contract numbers	Total amount written off per debtor	Was write off Approved	Reason for write off
26	MADLULA COURIER ENTERPRISE CC T/A MADLUL A ENTERPR	1654172	37,919.24	Yes, write- off was approved by the CFO.	Prescription
27	VUKANI VJ MZOBOTSHE	3736381	28,461.97	Yes, write- off was approved by the CFO.	Prescription
28	KAYWOOD TRUST ASGAR	1688598/ 3526539/ 3602878	626,342.24	Yes, write off was approved by City manager.	Prescription
29	CATHAY COMMERCIAL ENTERPRISES CC ASGAR	2228089/ 2262033	401,122.17	Yes, write off was approved by City manager.	Prescription
30	DAVID MARAIS	2202997	168,590.28	Yes, write off was approved by City manager.	Prescription
31	JEROME HAMMOND	2204666	166,787.35	Yes, write off was approved by City manager.	Prescription
32	JOHN GOUWS	2203503	110,250.48	Yes, write off was approved by City manager.	Prescription
33	ANN THOMPSON	2204056	101,730.08	Yes, write off was approved by City manager.	Prescription
34	MOEGSEEN PETERSEN	2206470	98,085.28	Yes, write off was approved by City manager.	Prescription
35	SHIREEN RYAN	2204338	78,715.54	Yes, write off was approved by City manager.	Prescription
36	AMANDA MOODLEY	2204465	64,921.36	Yes, write off was approved by City manager.	Prescription
37	AUDREY RAM PILLAY	2203408	63,470.31	Yes, write off was approved by City manager.	Prescription
38	ELAINE FISHER	2205719	62,139.50	Yes, write off was approved by City manager.	Prescription
39	IVAN MARTIN	2204024	54,475.45	Yes, write off was approved by City manager: Madoda Khathide	Prescription
40	EMILY NORTJIE	2206173	52,494.01	Yes, write off was approved by City manager: Madoda Khathide	Prescription
41	ERNEST SMITH	2205941	50,933.39	Yes, write off was approved by City manager: Madoda Khathide	Prescription
42	DARRYL SANSUCIE	2203599	49,680.94	Yes, write- off was approved by the CFO.	Prescription
43	VANESSA GOSS	2205758	44,749.62	Yes, write- off was approved by the CFO.	Prescription
44	PATRICK ROSSOUW	2205483	29,564.85	Yes, write- off was approved by the CFO.	Prescription
45	VICTORIA WALKER	2204553	26,468.95	Yes, write- off was approved by the CFO.	Prescription
46	DEPT OF LOCAL GOVERNMENT & TRADITIONAL LIZ SMITH	2011664	26,130.60	Yes, write- off was approved by the CFO.	Prescription
47	GRAHAM GE HENWOOD	2986935	23,133.40	Yes, write- off was approved by the CFO.	Prescription
48	SNAP SHOT INV 1198 CC	2755399	21,025.88	Yes, write- off was approved by the CFO.	Prescription
49	BENJAMIN BC ROSE	2204539	21,021.68	Yes, write- off was approved by the CFO.	Prescription
50	RETI EF STREET SHARE SHARE BLOCK (PTY) LTD	3717438	20,529.96	Yes, write- off was approved by the CFO.	Prescription
51	ASHWOOD TRUST	765112	16,960.57	Yes, write- off was approved by the CFO.	Prescription
52	OLIVE TREE COFFEE SHOP CC trevor hudson/ADELE	3415162	15,502.59	Yes, write- off was approved by the CFO.	Prescription
53	DEPARTMENT OF WORKS	52672	15,445.43	Yes, write- off was approved by the CFO.	Prescription
54	INKANYEZI DRY CLEANERS	2192065	14,122.61	Yes, write- off was approved by the CFO.	Prescription
55	FOTO FIRST	2187523	12,799.69	Yes, write- off was approved by the CFO.	Prescription
56	SIBONGILE SP NENE	2603269	11,979.74	Yes, write- off was approved by the CFO.	Prescription
57	AG ARCHERY T/A CI RENOVATORS	1296150	11,594.29	Yes, write- off was approved by the CFO.	Prescription
58	MAIN CITY TRUST D MAHOMED	90438	8,755.87	Yes, write- off was approved by the CFO.	Prescription
59	RHODA R PADAYACHEE	3045384	5,622.70	Yes, write- off was approved by the CFO.	Prescription
60	SANETT S ELS	2216260	5,152.71	Yes, write- off was approved by the CFO.	Prescription
61	CONSTONE REEF (PTY) LTD ANNOP RAS BAUCHOO	1670752	4,831.45	Yes, write- off was approved by the CFO.	Prescription
62	ALTERSKYE & PETER ALEXANDRA M	2186520	4,188.42	Yes, write- off was approved by the CFO.	Prescription
63	ZOLUKI 549 CC	2411648	3,636.77	Yes, write- off was approved by the CFO.	Prescription
64	HERITAGE ACADEMY paula greyling	2182726	3,163.64	Yes, write- off was approved by the CFO.	Prescription
65	IMA RENT COLLECTOR 4 CC MOHAMED	3390616	3,024.58	Yes, write- off was approved by the CFO.	Prescription
66	OHRTMANN PROP CC	3470822	2,639.80	Yes, write- off was approved by the CFO.	Prescription
67	AMDAD AA BHATTI	3106823	2,528.65	Yes, write- off was approved by the CFO.	Prescription
68	BHEKINKOSI BC ZUNGU	3524595	2,340.98	Yes, write- off was approved by the CFO.	Prescription
69	TOWNHILL HOSPITAL-THE WORKSHOP SUPERVISOR	2326865	2,198.76	Yes, write- off was approved by the CFO.	Prescription
70	ISAAC I SHABALALA	1639079	1,677.37	Yes, write- off was approved by the CFO.	Prescription
71	Diocese Of Natal	2436138	1,200.00	Yes, write- off was approved by the CFO.	Prescription
72	NODDY'S PANELSHOP REDADO	2129634	1,102.24	Yes, write- off was approved by the CFO.	Prescription
73	NATASHA NL ARMITAGE	2667336	938.07	Yes, write- off was approved by the CFO.	Prescription
74	KENDALL & STRACHAN	2186223	654.24	Yes, write- off was approved by the CFO.	Prescription
75	ASHRAF-ASGAR INV CC ASGAR	3093035	200.32	Yes, write- off was approved by the CFO.	Prescription
76	Mr M Naidoo	771395	101,309.71	Yes, write- off was approved by the CFO.	Prescription
77	Discom	2189898	13,972.24	Yes, write- off was approved by the CFO.	Prescription
			10,732,478.11		

As result of the above finding, the municipality has suffered a total financial loss amounting to R10 732 478.11

Internal control deficiency

Management did not adequately implement all processes of the approved credit control and debt collection policy to ensure that the prescription period is interrupted.

Recommendation

It is recommended that management should:

- respond to the finding raised above in line with paragraph 4 of the cover page,
- Adequately implement all processes of the municipality's credit control and debt collection policy as approved by council in order to interrupt running of prescription.

Management response

Management Notes the finding. However, the following should be taken into account:

In 2010, the Council was placed under administration. As part of the turnaround strategy (cost containment) by the then administration team, a decision was taken, to cancel the debt collecting contract which commenced in 2006 and had expired in 2009.

There was a 5-year period (2009 – 2013), where no work was handed over for collection (no legal steps taken) and debt due to Council had become prescribed by law.

A new debt collecting contract was issued in 2013 and work was allocated to the appointed Panel of Attorneys and Debt Collectors in 2014. In 2016, Council was advised of amendments to the National Credit Act. These changes prohibit one from collecting debt that has prescribed.

<https://www.moonstone.co.za/ombudsman-sets-out-what-consumers-should-know-about-prescription/>

Council was advised that apart from the legal costs incurred, further punitive costs could be awarded against Council for the collection of this prescribed debt.

Despite the appointment of the Panel of Attorneys and Debt Collectors, the collection of this already prescribed debt was not collectable.

In July 2016, a report was submitted to Council for the write off of debt older than 3 years. This debt was prescribed by law and therefore not collectable.

The amount submitted in July 2016 for write off was R 261 565 663.47.

The interest applicable to this prescribed debt of R 51 516 774.67 was also written off. The total amount written off was R 313 082 438.14

During the 2016 – 2017 financial year end audit, the Auditor General raised findings in respect to the debt write off. The findings were that debt write was unauthorized and that all procedures were not followed prior to the debt write off.

The findings were part of the disclaimer audit opinion that Council received for the 2016 -2017 period. This despite the many submissions made by Revenue and a Senior Counsel Legal opinion in respect of the authority to write off debt.

To address the disclaimer audit opinion, the entire amount written off, was written back to the respective accounts. Debtor accounts were debited with the write back in September 2018.

It must be noted that some of the debtor accounts were brought to a zero balance and were closed. No accounts were received by the debtors as a result of the zero balance. In September 2018, these debtors then began receiving accounts, including deceased debtors.

In 2019, a new Panel of Debt Collectors were appointed and these accounts allocated for collection. After initially trying to collect the debt (despite prohibition by the National Credit Act), a recommendation was submitted to write these debts off, as Council would possibly incur legal costs in the attempted collection of this debt.

In an effort to interrupt prescription, more than 19 000 summons have been issued to debtors with arrear balances. The issuing of summons for arrear debt is an ongoing intervention Council is undertaking.

With Covid National Lockdown, rendering the collection of debt not an essential service, progress was hindered. During the various movements between Lockdown levels, attorneys and courts operated on rotational basis. Debt Collectors were rationed with the number of Summons they could issue to the clerk of the Courts for issuance.

Other obstacles are the no street addresses, which poses a challenge to the Sheriff of the Court, whom cannot serve the summons. All this negatively impacting on implementing of legal processes.

When the country was returning to life as normal, the City was then impacted by the July 2021 riots. Rampant looting left some industries closed for extended periods of time, whilst others never recovered.

To counter the effects of the above, Council has increased capacity for the disconnection of electricity and restriction water, with more debtors being disconnected/restricted daily. Operation Qoqimali was introduced and will continue until June 2023. Teams led by Management, consisting of electricity, water and Revenue officials visit properties to implement disconnection/restriction of supply for those debtors with arrear balances.

Council has also formed a Street naming Committee to ensure all streets are named. This will ensure summons can be served to these properties and interrupt prescription.

Furthermore, refer to the attachment "Communication 47 of 2022-Prescribed debt" for details of implementation of the credit control policy for each debt.

Name: Marlon Hoskins
Position: Debtors
Date: 16 November 2022

Auditor's conclusion

Management response is noted. This matter will be taken through the material irregularity process and further actions will be communicated to the accounting officer.

18. Completeness of sanitation revenue**Audit Finding**

Paragraph 17 of GRAP 1 states that financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses. The application of Standards of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation.

Section 62 (1) of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA) states, that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purposes take reasonable steps to ensure that:

- (b) that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

GRAP 9 defines revenue as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

During the audit of revenue from sanitation, we noted that certain properties/households are not always billed for sanitation. We performed a sample verification (whereby we visited customer physical addresses) on a limited number of accounts, which serve as an example of our finding – see Table 1 below and ascertained that these households are receiving sanitation and/or are within the 200 metre radius of the main sewer line, which then means they should have been billed for sanitation. In the table below we also provide notes to each account. The notes represent the verification results as per our site visits. We have also noted that there were further exceptions noted where households were not billed for sanitation. The exercise of comparing the billing for sanitation to the households per the valuation revealed that there were 1726 instances where properties/households are not being billed for sanitation.

Table 1

SG 21/26	Erf Number	Suburb	Contract Account	Notes
NOFT02580000125900000	1259	PMB - PIETERMARITZBURG	657205	Note 1
NOFT04840000090000000	900	EDN - EDENDALE N/13	331644	Note 1
NOFT04870000026700000	267	EDS - EDENDALE S /AZALEA/PATA	397363	Note 1
NOFT04870000035000000	350	EDS - EDENDALE S /AZALEA/PATA	398261	Note 1
NOFT04870000035400000	354	EDS - EDENDALE S /AZALEA/PATA	398303	Note 1
NOFT04930000038460000	3846	EDD - EDENDALE DD/IMBALI 1&2	2675746	Note 1
NOFT02580000139600000	1396	PMB - PIETERMARITZBURG	4079442	Note 1

Note 1

Physically verified these/households and confirmed that they are in fact connected to the main sewer line and thus should be charged for sanitation. It is therefore incorrect that the municipality did not charge sanitation revenue on these accounts

As result, revenue recognised for sanitation is understated by a projected amount of R6 538 441, 08.

Internal control deficiency

Management did not implement adequate monitoring controls over the billing process to ensure that all properties that are supposed to be billed for sanitation are actually billed.

Recommendation

It is recommended that;

- Management should identify properties that should be billed for sanitation
- Quantify the impact of misstatement based on the investigation performed
- Management should ensure that monitoring and review of the billing process is performed on a regular basis to ensure that all properties are correctly billed for sanitation services.

Management response

Management notes the findings, the responses are included on the table below.

Management will investigate the 1726 items identified not to be billing sanitation, however, it must be noted that most of the properties in Vulindlela and some parts of Edendale use septic tanks and are not connected to the sewer lines. If there are any properties identified which should be billed for sanitation, the system will be updated accordingly and customers billed from date of installation.

Going forward revenue management and water section will develop a Standard Operating Procedure to document the process for submission of completed sanitation installation to revenue section for the purpose of billing to ensure that the customers are timeously billed.

Auditors conclusion

Management comment is noted. The finding will be included under annexure B and will be followed up during the next audit.

Budget management

19. Significant underspending of capital budget

Audit Finding

In terms of Section 62(1)(b) of the Municipal Finance Management Act (MFMA) the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

It was noted that the municipality did not spend all its capital budget in the current year. The capital budget was significantly underspent as follows:

	2022	2021	2020
Approved budget	576 302 000	580 891 581	527 357 256
Adjustments	138 484 000	430 028 267	265 765 744
Final budget	714 786 000	1 010 919 848	793 123 000
Actual amount spent	390 441 107	722 847 332	398 905 238
Underspending	324 344 893	280 072 516	394 217 762
% underspending	45%	28%	50%

There is a notable regression in the spending of the capital budget from prior year to the current. Significant underspending of the capital budget has a direct negative impact to service delivery.

Internal control deficiency

- Lack of adequate monitoring of the spending of the capital budget.
- Management did not adequately implement and monitor the financial recovery plan.
- Management did not adequately implement and monitor the implementation of the revenue enhancement strategy.

Recommendation

It is recommended that management should:

- Ensure that the spending of the capital budget is adequately monitored on a regular basis.
- Ensure that the financial recovery plan and the revenue enhancement strategy are adequately implemented and monitored.

Management response

Management notes the finding and has discussed with the auditor that the capital expenditure for the year is 75% not 55% as reported by the auditor. The following management responses support the 25% under expenditure, which is broken down per Vote.

Sustainable Development & City Enterprises

The overall capital expenditure for Sustainable Development & City Enterprises is 29% of their overall budget and below is an extract from capital expenditure report that is produced monthly. In addition to this, the capital expenditure is monitored on a weekly basis at the Capex meeting, and we report on monthly MANCO to discuss strategies to ensure expenditure is achieved. The council funded capital expenditure was hindered due to cost containment strategy and cash flow constraint.

The Great Edendale Land Initiative grant expenditure is not spent due to the fact that majority of this grant is attributable to expropriation of land at Edendale & Vulindlela area. The processes for expropriation may take more than one financial year to realise the expenditure. It is for these reasons that Department of Human Settlements (DOHS) has approved the rollover of this grant of R84.8 million into the 2022/2023.

The Housing Projects grants agreements in 2021/2022 were changed from being a bilateral to tripartite agreements by the Department of Human Settlements after the adjustment budget was approved by full council. This resulted in the overall expenditure being based on only the bilateral agreement projects which amounted to R14,019 million which is 18,81% of the budgeted amount.

The Housing Accreditation grant spending is 49,20% and is an ongoing grant that the municipality gets allocated by DOHS since Council is an accredited level one status. Therefore, Council is not expected to spend the entire funds in one budget year since the grant is for year-on-year operations for the Business Unit in fulfilling the expectations in so far as the accreditation status level is concerned.

Budget and Treasury Office

All Budget and Treasury Office (BTO) capital budget is Council funded. In the 2021/22 financial year, 35% of BTO capital budget was not spent in full i.e. R10.4 million against a total budget of R30 million. The major Capex underspent for BTO was because of:

1. SAP Capex re-implementation project not materialising. Contract by the service provider was cancelled because of non-performance therefore total budget of R7.6 million was unspent.
2. Council could not process a requisition for procurement of vehicles to the value of R6.3 million due to decision to tone down on further commitment until cash flow improves.
3. The balance of the R5.7 million underspent was on other minor projects such as computers, furniture, self-help centre etc. due to cost containment because of cash flow challenges.

Infrastructure Services

The overall capital expenditure for infrastructure is 93% against the overall budget allocation for 2021/2022. The department achieved 100% for the following grants:

- (a) MIG,
- (b) INEP and
- (c) WSIG

The balance of 7% for Council funded projects was not spent due cash flow challenges.

Corporate Services

The overall capital expenditure for Corporate Services is 60% of R9.3 million budget which is entirely Council funded. The capital expenditure is monitored on a weekly basis at the Capex meeting and on monthly basis. A report is analysed at the CS MANCO where strategies are discussed to ensure expenditure is achieved.

Unspent amount of R4.5 million was due to the following reasons:

- A Guillotine was ordered from Germany, but did not arrive by 30 June 2022 due to the Ukraine/Russian war that affected trading and delivery times. Order was subsequently cancelled in 2021/22 to be issued in 2022/23 budget year
- Stitching machine from the USA that did not arrive by 30 June 2022 due to the ongoing war between Ukraine and Russia. Order was subsequently cancelled in 2021/22 to be issued in 2022/23 budget year
- Computers for ICT that were ordered were also not delivered by year-end due to the ongoing war between Ukraine/ Russia. Order was subsequently cancelled in 2021/22 to be issued in 2022/23 budget year
- The ICT Network Refresh project could not begin due to cash flow challenges. It has since resumed in the 2022/23.

Community Services

The overall capital expenditure for Community Services is 88,07%. The reasons for 11,93% under expenditure are stated below. Going forward, weekly meetings are convened to monitor expenditure and devise strategies to improve service delivery and expenditure.

Council Funded Projects

Council approved cost containment policy which focuses on the reduction of expenditure in terms of non-essential items like furniture, computers, events, etc.

Name: Sifiso Khoza

Position: Senior Manager: Budget planning and implementation

Date: 21 November 2022

Auditors conclusion

Auditor notes the management response and confirm that the finding has been discussed with management, and agreed that the capital expenditure for the year is 75% (not 55% as was initially reported by the auditor). The difference was due to R362 674 965 property, plant, and equipment work-in-progress (disclosed in note 14 to the financial statements i.e. reconciliation of property, plant, and equipment) which was erroneously not taken into account in the initial calculation. Under expenditure is therefore 25%. The finding is therefore still valid and will be reported accordingly.

20. Significant underspending of repairs and maintenance budget

Audit Finding

In terms of Section 62(1)(b) of the Municipal Finance Management Act (MFMA) the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.

It was noted that the municipality did not spend all its repairs and maintenance budget in the current year. The repairs and maintenance budget was significantly underspent as follows:

	2022
Approved budget	405 337 000
Adjustments	-
Final budget	405 337 000
Actual amount spent	204 254 779
Underspending	201 082 221
% underspending	49.6%

A significant underspending of the repairs and maintenance budget has a direct negative impact to service delivery. This also has a negative impact on the useful lives and functionality of assets.

Internal control deficiency

- Lack of adequate monitoring of the spending of the repairs and maintenance budget.
- Management did not adequately implement and monitor the financial recovery plan.
- Management did not adequately implement and monitor the implementation of the revenue enhancement strategy.

Recommendation

It is recommended that management should:

- Ensure that the spending of the repairs and maintenance budget is adequately monitored on a regular basis.
- Ensure that the financial recovery plan and the revenue enhancement strategy are adequately implemented and monitored.

Management response

Sustainable Development & City Enterprises

Sustainable Development & City Enterprise	Repairs & Maintenance			30-Jun-22	
Row Labels	Sum of Original Budget	Sum of Adjusted Budget	Sum of Current Budget	Sum of Actual GL	% Spent of R&M
6.1 - City Entities	3 806 220,00	(719 172,43)	3 087 047,57	2 601 315,96	84%
6.3 - Human Settlement Development	1 000 000,00	294 000,00	1 294 000,00	1 028 029,83	79%
6.4 - Town Planning	553 650,00	(432 574,43)	121 075,57	39 887,31	33%
Grand Total	5 359 870,00	(857 746,86)	4 502 123,14	3 669 233,10	82%

Management notes and acknowledges the finding, however the repair & maintenance of Sustainable Development & City Enterprises has utilized 82% the budget for repairs & maintenance allocated to the business unit. The expenditure of the business unit is monitored on monthly basis by the business unit at the MANCO.

The repairs & maintenance for town planning relates to the maintenance of buildings as it was only 33% spent due to cash flow constraints.

Budget and Treasury Office

Budget and Treasury Office (BTO) has a total repairs and maintenance budget of R5.6 million of which the municipality spent R3,2 million i.e. 57.7%. The Major under expenditure of R1 million was for repairs and maintenance to vehicles. Due to Covid-19, vehicles did not cover that much mileage which resulted in less mechanical failures to attend to during the period. Previously there was a fleet of heavy motor vehicles that was repaired under fleet management WBS. Subsequently, only the water tankers have remained allocated to this fleet management plant pool.

The balance of the vehicles that were repaired by using the fleet management budget has been transferred to the respective business units who bear the responsibility for the repairs and maintenance of the vehicles.

The balance of the R1.4 million underspent was for other minor building maintenance items such as the completion of renovations to the 8th floor at a cost of R500 000, etc. were put on hold due to cost containment as a result of cash flow challenges.

Infrastructure Services

The infrastructure services has utilized 76.32% of their allocated budget for the financial year. Prevailing cash flow led to some planned orders being cancelled as service providers were indicating challenges in undertaking new orders especially for electricity repairs while previous payments not processed.

Repairs & Maintenance			30-Jun-22
Row Labels	Sum of Current Budget	Sum of Actual GL	% Actual spent
INFRASTRUCTURE SERVICES			
ELECTRICITY	147 709 088,00	88 559 104,51	59,96%
MECHANICAL WORKSHOPS - MNGT	693 000,00	495 057,91	71,44%
PMU	51 940,00	33 449,80	64,40%
ROADS & TRANSPORTATION	102 036 883,92	99 945 054,60	97,95%
WATER & SANITATION	17 166 142,00	15 235 524,12	88,75%
Grand Total	267 657 053,92	204 268 190,94	76,32%

It is envisaged that with improvement of municipal cash flows, more funding will be allocated towards infrastructure repairs & maintenance in order to ensure Infrastructure life span is improved in order to enhance service delivery.

Corporate Services

Repairs & maintenance for Corporate Services is not significantly unspent as 84% was expenditure achieved. The under-expenditure balance of R1 061 575 which is 16% of the budget is attributable to the following:

- 90% of the budget (R5.9 million) is allocated to the ICT Dept for the maintenance of the Council's ICT infrastructure, which is 85% spent.
- The other expenditure is on minor repairs to offices, office equipment, and vehicles within council.
- The expenditure of the business unit is monitored on monthly basis at the Corporate Services MANCO.

CORPORATE SERVICES 2021 /2022								
Functional area			Original Budget	Current Budget	Used Budget FM	Available Amount FM	Actual Budget % FM	Used Budget % FM
304038	HR - FINAN	CONTRACTORS : MAINT: BUILDINGS AND FACI	20,000	0		0		
304346	OCCUPATI	CONTRACTORS : MAINT: BUILDINGS AND FACI	60,000	16,707	16,706	1	100.00%	100.00%
304346	OCCUPATI	CONTRACTORS:MAINT.-EQUIP.(OPERATING)		0		0		

CORPORATE SERVICES 2021 /2022								
Functional area			Original Budget	Current Budget	Used Budget FM	Available Amount FM	Actual Budget % FM	Used Budget % FM
304346	OCCUPATI	OCONTRACTORS:MAINT.-EQUIP.(GENERAL)	20,000	20,000	10,900	9,100	35.50%	54.50%
304346	OCCUPATI	OCONTRACTORS:MAINT.-EQUIP.(VEHICLES)		10,000		10,000		
304502	LEGAL SE	RCONTRACTORS:MAINT.-EQUIP.(GENERAL)	50,000	27,246	27,245	1	100.00%	100.00%
304505	ARCHIVS_	RCONTRACTORS:MAINT.-EQUIP.(GENERAL)	300,000	0		0		
304506	PRINTING	CONTRACTORS:MAINT.-EQUIP.(GENERAL)	60,000	360,000	199,036	160,964		55.29%
304506	PRINTING	CONTRACTORS:MAINT.-EQUIP.(VEHICLES)	50,000	50,000		50,000		
304507	SECRETAR	CONTRACTORS:MAINT.-EQUIP.(OPERATING)	271,000	271,000	157,133	113,867		57.98%
304525	PERSONN	ECONTRACTORS : MAINT: BUILDINGS AND FACI	50,000	50,000	29,151	20,849	58.30%	58.30%
304526	ICT - PROJ	ECONTRACTORS:MAINT.-EQUIP.(OPERATING)	5,000,000	5,950,000	5,253,206	696,794	84.93%	88.29%
			5,881,000	6,754,953	5,693,378	1,061,575		
					84%	16%		

Community Services

The repairs & maintenance for Community Service only spent 68,1% of the budget for repairs & maintenance allocated to the business unit. The expenditure of the business unit is monitored on monthly basis by the business unit at the MANCO.

Repairs & Maintenance		Community Services		30-Jun-22
Row Labels		Sum of Current Budget	Sum of Actual GL	% Actual spent
ABM		3 509 500,00	2 435 103,59	69,39%
GM		22 000,00	-	-
PARKS AND RECREATION		15 391 864,00	10 121 225,21	65,76%
PUBLIC SAFETY		4 806 698,00	3 497 272,69	72,76%
WASTE		7 266 088,00	5 081 778,64	69,94%
Grand Total		30 996 150,00	21 135 380,13	68,19%

General Manager office could not spend on repairs and maintenance that relate to painting and decorating of his office due to cost containment strategies.

A budget of repairs and maintenance allocated to landfill of R3 919 948 was fully utilized.

Parks and Recreation could not undertake repairs and maintenance for all pools and sport grounds because pools and sport grounds were not a priority in light of cost containment strategy approved by Council.

Name: Sifiso Khoza

Position: Senior Manager: Budget planning and implementation

Date: 21 November 2022

Auditor's conclusion

The response is acknowledged and the finding still remains valid and will be reported on accordingly.

CONSULTANTS

21. Non-Compliance upon appointing consultants

Audit finding

Section 62(1) (a) and (b) of the Municipal Financial Management Act (MFMA) no. 56 of 2003, states that:

- (a) that the resources of the municipality are used effectively, efficiently and economically;
- (b) the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. "

Section 78(1)(b) of the Municipal Financial Management Act (MFMA) no. 56 of 2003 states: "Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure –

- (b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently"

Municipal SCM guide for AOs, chapter 3.1 states: "Demand management is the first phase of SCM. The objective is to ensure that the resources required to fulfil the needs identified in the Integrated Development Plan (IDP) of the municipality or municipal entity are delivered at the correct time, price and place and that the quantity and quality will satisfy those needs. As part of this element of SCM, a total needs assessment should be undertaken."

Municipal Cost Containment Regulations, 2019, Regulation 5.1 states, states: "(1) A municipality or municipal entity may only appoint consultants if an assessment of the needs and requirements confirms that the affected municipality or municipal entity does not have the requisite skills or resources in its full-time employ to perform the function."

Municipal SCM guide for AOs, chapter 5.1.5 states: "5.1.5 Consultants should only be engaged when the necessary skills and/or resources to perform a project/duty/study are not available and the accounting officer cannot be reasonably expected either to train or to recruit people in the time available."

Municipal Cost Containment Regulations, 2019, Regulation 5.5 states: "(5) When consultants are appointed, an accounting officer must -

- (a) appoint consultants on a time and cost basis with specific start and end dates;
- (b) where practical, appoint consultants on an output- specified basis, subject to specific measurable objectives and associated remuneration;
- (c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
- (d) ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
- (e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality or municipal entity's supply chain management policy; and (f) develop consultancy reduction plans to reduce the reliance on consultants.

The Msunduzi's municipality's Appointment Consultants Policy (approved 31 May 2021), section 6.1 – Appointment of Consultants states: "Project/Responsibility managers may recommend the appointment of consultants to render specific services, should there be of the opinion that the Municipality lacks the required skills or necessary capacity and those funds are available within their existing budgets."

During the audit on the use of consultants, it was noted that the following consultants were appointed without performing a needs assessment to determine whether the municipality has the requisite skills or resources in its full-time employ to perform the function.

No	Consultant Name	Amount Paid R
1	XJM Consultants	7 964 273.09
2	Bonakude Consultant	389 381.00
3	Sizayo businesses	330 694.00
4	Morar Incorporated	5 653 630.00

As the needs assessment was not performed to determine the need for the use of the consultant and there is no evidence that the use of the consultant was necessary due to lack of skills or resources in its full-time employ to perform the function, there is a possibility that the expenditure incurred on the use of these consultants was made in vain or the expenditure was incurred for which an equivalent benefit was not received.

This results in non-compliance with the MFMA, the Municipal Cost Containment Regulations, 2019, the Municipal SCM guide for AOs as well as the municipality's policies.

Internal control deficiency

- Management did not review and monitor compliance with applicable laws and regulations, as a needs assessment to assess whether the consultant is required or whether the municipality has the requisite skills or resources in its full-time employ to perform the function, was not performed prior to appointing the consultants.
- Leadership did not establish procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities, as the Appointment consultants policy does not provide sufficient detail as to how the process of appointing consultants and the needs assessment should be performed and documented.

Recommendation

- Management should take all necessary steps to ensure that they comply with all relevant laws, regulations and policies relating to the appointment of consultants.
- The process of appointing consultants should be formalised to ensure that the entire process of appointing consultants is recorded and documented and to ensure consistency when appointing consultants. This may be done in the form of having standard procedures and processes that support the Appointment consultant's policy so as to formalise the process and ensure consistency when appointing consultants.

Management response

Identification of needs – Demand management

Management has adopted a procurement plan for each financial year where needs are identified and approved by Strategic Management Committee. The Procurement Plan defines the Supply Chain Management needs of the organization, aligned to the municipality's IDP, Budget, Operational plan and Departmental SDBIP. The plan is for a minimum of one year but aligned to the IDP three-year period, this is especially critical in the case of any acquisition requiring the issuing of bids for multiyear projects, as well as to obtain cost savings through longer term goods and service contracts (limited to a three-year period in terms of the MFMA)

The main objective of the plan is to assist the end user business units to achieve their service delivery mandates, operational needs of the municipality which includes governance and compliance this allows departments to meet their service delivery requirements without any SCM processes delays; this forms the integral component of the entire process to ensure effectiveness, efficient and economical SCM processes.

Internal Audit Unit - Bonakude

Demand management phase did take place as per our procurement plan which is attached & needs assessment was performed to determine the need for the use of the consultant was necessary due to lack resources of full-time staff to perform the function, the expenditure incurred on the use of these consultants was not made in vain. Internal Audit Unit has a high vacancy rate of 53% in terms of the 2013 organogram and 80% in terms of 2021 organogram. Management has further requested SALGA to priorities Internal Audit Unit for evaluation of the job descriptions but does not appear there is finality in the matter.

Name: P J Mahlaba
Position: Chief Audit Executive
Date: 17/12/2022

It must be noted that needs are identified and assessed through municipal standard processes of developing procurement plans. The need to review VAT for current and previous 5 years was identified, assessed, and included on the Procurement plan. It must be noted that there was no capacity on the existing structure to review VAT submissions of previous 5 years that was initially prepared and submitted to SARS by Internal Staff. The structure has been reviewed to include Accountants that will be responsible for these reviews in the future.

The current process of appointing consultants it is indeed formalized however management is noting the recommendations of the auditor and will develop the standard procedures and processes that support the Appointment consultant's policy.

The revenue support is a result of inadequate organizational structure; this is being attended by management by embarking on the review of the current structure and adding the required resources more resources to support revenue functions. It being noted that the current structure was adopted in 2013 and does not take it to consideration the growth of the municipality, revenue base and expanding customers, which has placed more burden and added on the existing functions of revenue section.

Name: Nelisiwe Ngcobo
Position: Chief Financial Officer
Date: 18/11/2022

Auditor's conclusion

Management's response is noted. We acknowledge that management has implemented a procurement plan annually, where needs are identified. We further acknowledge that there was no internal capacity for the VAT review services.

However, we do believe that there is a need to develop standard procedures and processes that support the "Appointment consultant's" policy and management agrees with this recommendation as well.

Management also states that the current organisational structure was adopted in 2013 and was not updated since, to reflect the updated circumstances of the municipality.

The finding will be reported in the management as a control deficiency and will be followed up in the next financial year, to determine whether management has developed standard procedures and processes that support the "Appointment consultant's" policy as well as if the organisational structure was updated to support operations and reduce the need for consultants.

22. Non-Compliance – Contingency fees paid to consultants

Audit finding

Section 62(1)(a) of the Municipal Financial Management Act (MFMA), Act no. 56 of 2003, states that: "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically."

Section 78(1)(b) of the Municipal Financial Management Act (MFMA) Act no. 56 of 2003, states: "Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure –

(b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently"

Municipal Financial Management Act (MFMA) Act no. 56 of 2003, section 168(1) read in conjunction with the Municipal Cost Containment Regulations, 2019 section 5.5(a), state:

MFMA section 168(1) - "The Minister, acting with the concurrence of the Cabinet member responsible for local government, may make regulations or guidelines applicable to municipalities and municipal entities"

Municipal Cost containment regulations, section 5.5(a) - "(5) When consultants are appointed, an accounting officer must - appoint consultants on a time and cost basis with specific start and end dates"

Municipal Cost containment regulations, section 5.2 states: "An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates -

- (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;
- (b) set out in the "Guide on Hourly Fee Rates for Consultants", issued by the Department of Public Service and Administration; or
- (c) as prescribed by the body regulating the profession of the consultant.

The cost containment regulations direct municipalities to appoint consultants based on time and cost. The terms of reference (page 2) signed between Msunduzi Municipality and XJM Consultants, on the clause related to fees, state that –

"The fees to be charged by the service provider will be contingent based. The service provider is only paid based on a percentage (%) of the amount recovered or savings achieved from SARS by the service provider as follows:

Savings achieved	%
R 0 - R 1 000 000	5
R 1 000 001 - R 5 000 000	8
Over R 5 000 000	10

As the fees charged by XJM consulting are clearly contingency fees and not for the time spent on the job, as contemplated in the Regulations, this fee is in contravention of the time and cost fee which is a fee based on the time spent on the project and the costs disbursed on the project.

Additionally, SAICA provides the rates that should be used as per Circular 1/2021 – "guidelines on fees for audits performed by private firms on behalf of the Auditor General of South Africa (AGSA)". The rates are effective from 01 April 2021 to 31 March 2022 and have remained the same as 2020/21.

As XJM Consulting is an accounting firm, this circular does apply to them and the cost of the services provided. Additionally, the circular also states that "fees for other work performed by private auditors for public sector institutions must be negotiated with those institutions directly utilising this circular as a guide".

The Municipal Cost Containment Regulations were enacted to ensure that the resources of the municipality are used effectively, efficiently and economically and one of the cost containment measures are that consultants must be appointed on a time and cost basis. The Msunduzi municipality, however did not appoint the consultant or make payment on a time and cost basis but instead the payments were made on a contingency fee basis. Consequently, this could result in the Msunduzi municipality having paid more than what it would have paid if the payment method was one contemplated in the Regulations.

The failure to appoint the consultant as required by the municipal cost regulations has resulted in the municipality spending money that could have otherwise been avoided because the auditee paid based on a contingency based fee. The resources of the municipality were therefore not used effectively, efficiently and economically.

There is non-compliance with Section 62(1)(a) of the MFMA and an assessment should be performed to assess whether this noncompliance resulted in a financial loss.

Internal control deficiency

Management did not review and monitor compliance with applicable laws and regulations, as the consultant was not paid in accordance with the relevant laws and regulations.

Recommendation

It is recommended that management should:

- respond to this audit finding in line with paragraph 4 of the cover page above.
- Management should take all necessary steps to ensure that they comply with all relevant laws and regulations.

Management response

Management complied with para 5.5(b) of Municipal Cost Containment regulations. It must be noted that the auditor selectively used para 5.5(a) of Municipal Cost containment regulations, and omitted or did not consider para 5.5(b) of Municipal Cost containment regulations – which reads "When consultants are appointed, an accounting officer must – where practical, appoint consultants on an output - specified basis, subject to specific measurable objectives and associated remuneration" as per attached regulations:

Municipal Cost Containment Regulation - Need the original Word or Excel document.

The contingent fee is output-specified basis in compliance with para 5.5(b) of Municipal Cost containment regulations as the service provider was only paid based on a percentage (%) of the amount recovered or savings achieved from SARS in compliance with para 5.5(b) of Municipal Cost containment regulations.

Management can further confirm that there was no financial loss hence the appointment and payments were certified in line with terms and conditions of the contract that met the requirements of the Municipal cost containment regulations read in conjunction with approved cost containment policy of the municipality considering measurable objectives and associated with remuneration.

Name: Odwa Langa

Position: SM: Finance Governance and Performance Management

Date: 15 November 2022

Auditor's conclusion

Management's response is noted. However, upon reading section 5.5 of the Municipal Cost Containment Regulations it should be noted that the requirements (a) to (f) contains 'and' and not 'or' which implies that all the requirements should be complied with and not only the requirement (b) of the Municipal Cost Containment Regulations.

Additionally, 5.5 (b) of the Municipal Cost Containment Regulations does not absolve the municipality from complying with the Municipal Cost containment regulations, section 5.2 which states: "An accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates -

- (a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor-General of South Africa", issued by the South African Institute of Chartered Accountants;

Additionally, 5.3 of the Municipal Cost Containment Regulations states that: "(3) The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in sub -regulation (2)." This implies that the remuneration for consultants should be rate-based and not on a contingency basis.

Consequently, there is a non-compliance with Section 62(1)(a) of the MFMA and an assessment should be performed to assess whether this noncompliance resulted in a financial loss. The finding will be reported in the management report.

SOLID WASTE MANAGEMENT

23. Noncompliance with the National Environmental Management: Waste Act, 2008(Act No. 59 of 2008) Audit finding

1.1 The Integrated Waste Management Plan (IWMP) is outdated and did not cover the year under review.

According to National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) (NEMWA) Section 11 (4) (a) Each municipality must - (ii) include the endorsed integrated waste management plan in its integrated development plan contemplated in Chapters of the Municipal Systems Act, [Subpara. (ii) Substituted by s. 3 of Act 26/2014]

During the audit of Solid waste management, it was noted that the municipality does not have an updated integrated waste management plan that covers the year under review. Upon enquiry with management, it was confirmed that there is currently no updated IWMP and the existing integrated waste management plan is under review through EDTEA funding.

The above mentioned has resulted the municipality to be non-compliant with (NEMWA) Act Section 11 (4) (a).

1.2 No waste control officer or employee that was officially designated the responsibility

According to National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) section 10(3) requires that the municipality must designate in writing a waste management officer from its administration to be responsible for coordinating matters pertaining to waste management in that municipality.

During the audit of Solid waste management, it was noted that the municipality does not have a waste control officer or an employee that was officially designated the responsibility of waste control officer. Upon enquiry with management, it was confirmed that the municipality does not have a designated WMO nor an employed official against this Post.

The above mentioned has resulted the municipality to be non-compliant with NEMWA Act section 10(3)

Internal control deficiency

Lack of adequate review and monitoring of compliance with applicable laws and regulations in ensuring that the municipality has an updated integrated waste management plan as required by NEMWA section 11 (4) (a) (ii) and have a waste control officer that is appointed / an employee that is officially designated the responsibility of waste control officer as required NEMWA section 10(3).

Recommendation

- Management should ensure that the municipality has updated integrated waste management plan as required by NEMWA section 11 (4) (a) (ii).
- Management should ensure that the municipality have a waste control officer that is appointed / an employee that is officially designated the responsibility of waste control officer as required NEMWA section 10(3).

Management response

Management acknowledges the finding:

- The review for the Integrated Waste Management Plan is currently under review with the assistance from the Department of Economic Tourism and Environmental affairs as Msunduzi Municipality is a stakeholder that was identified to receive this process on behalf of the Department (see appointment letter attached).
- In this regard, Msunduzi was invited to join one of three planned Public Sector Consultation workshops. The workshops were to give insight into the development of the KZN IWMP, while collating/gathering inputs and data from government officials across the province to inform its design.
- The workshops were conducted on the 1st, 4th, and 6th of July 2022. Each workshop was 1 hour (during work hours), and participants needed to only attend one event, using the Microsoft Teams platform. Based on the responses received, specific dates, timeslots and links were sent to participants.
- Management will designate an official as a Waste Management officer pending the allocation of funding for the post for the Waste Management officer as this does form part of the organogram in terms of the waste management human resource's structure.

Name: W. Mhlongo

Position: Senior Manager Waste Management

Date: 17 November 2022

Auditor's conclusion

Management response is acknowledged and the actions to address the finding will be followed during the status of records review. However, the finding is still applicable and will be reported accordingly.

PROCUREMENT AND CONTRACT MANAGEMENT

24. Procurement of goods and services from suppliers with no contract

Requirement

Section 116(1) of the Municipal Financial Management Act no.56 of 2003 states that: "A contract or agreement procured through the supply chain management system of a municipality or municipal entity must:

- (a) be in writing.
- (b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for—
 - (i) the termination of the contract or agreement in the case of non- or underperformance.
 - (ii) dispute resolution mechanisms to settle disputes between the parties.
 - (iii) a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and (iv) any other matters that may be prescribed.

Section 116 (2) of the MFMA, "the accounting officer of a municipality or municipal entity must:

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced.
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement.
- (c) establish capacity in the administration of the municipality or municipal entity—
 - (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and
 - (ii) to oversee the day-to-day management of the contract or agreement; and
- (d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor."

MFMA Circular No. 25 states that:

In accordance with regulation 21 of the Municipal Supply Chain Management Regulations (Promulgated in Government Gazette Number 27636 on 30 May 2005), National Treasury has issued general conditions of contract, municipal bidding documentation and a guide on implementing supply chain management.

3. Municipal Bidding Documents (MBDs)

- 3.1 Accounting officers should customise the attached municipal bidding documents (MBDs) by incorporating the municipal / municipal entity name, logo and contact details.
- 3.2 Other changes to the MBDs should be kept to a minimum, such as variations necessary to address specific contract and project issues. Where no relevant MBD is provided, municipalities / municipal entities should use other internationally recognised documents, acceptable to the accounting officer, in concurrence with the relevant provincial treasury.
- 3.3 The following MBDs are attached for use, where applicable:

MBD Description Document Number

- (i) Invitation to Bid MBD 1
- (ii) Application for tax clearance certificate MBD 2
- (iii) Pricing Schedules MBD 3.1 to 3.3
- (iv) Declaration of Interest MBD 4
- (v) Declaration for Procurement above R 10 million (VAT included) MBD 5
- (vi) Preference claims in terms of the Preferential Procurement Regulations MBD 6.1 to 6.12
- (vii) Formal contract MBD 7.1 to 7.3

Note:

"The standard wording for the application for tax clearance certificate (MBD 2) should not be amended.

The formal contract document (MBD 7.1 to 7.3) should not form part of the bidding documents issued to every prospective bidder, but should rather be made applicable only to the successful bidder after adjudication and award of the bid."

General Condition of Contract

Definitions 1. The following terms shall be interpreted as indicated:

1.2 "Contract" means the written agreement entered between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

Audit Finding

1. No contract agreement to support awards made to suppliers

During the audit of the contract management, it was identified that the following awards made to the supplier does not have a formal contract drafted it terms of general conditions of contract:

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?
1	SCM12 of 21/22 Daleka Trading Enterprise CC	4600001857	30/11/2021	29/11/2022	R 5 872 504.35	R 5 473 237.60	R 417 130.00	No
2	SCM 30 of 20/21 Durban North Books CC	4600001975	31/03/2022	30/03/2025	Rate based	-	-	No
3	SS55 of 2017 High End General and Construction	4600001519	09/07/2021	25/08/2021	R 11 223 595.79	R 11 215 595.79	R 11 207 008.45	No
4	E15 of 2020 Memotek Trading	4600001599	21/09/2021	10/08/2024	R 2 000 000.00	R 347 601.00	R 347 601.00	No
5	SS6 of 2021 Sebata Creative Consulting	4600001595	11/08/2021	10/08/2024	R 3 182 219.28	R 325 954.98	R 452 456.40	No
6	SS55 of 2020 Daleka Trading Enterprise CC	4600001529	30/07/2021	30/08/2021	R 4 009 148.60	R 3 376 864.80	R 3 376 864.80	No
7	SCM32 of 20-21 High End General and Construction	4600001520	21/07/2021	31/05/2022	R 11 833 625.00	R 11 833 625.45	R 8 145 412.90	No
8	SCM16 of 15/16 Makhaotse Narasimulu And	4600000201	23/03/2016	31/10/2022	R 20 962 313.15	R 20 289 569.24	R 21 549 869.05	Contract in place, however not signed by both parties
9	SCM7 of 19/20 Uduro Trading 26	4600001142	12/05/2022	11/05/2023	R 45 983 040.47	R 28 777 965.80	R 30 971 712.40	No
10	SCM28 of 20/21 Mahlubi Transport and Plant Hire	4600001454	08/03/2021	07/03/2022	R 12 584 011.00	R 11 815 490.24	11 815 490.24	No
11	SS80 of 2021 Kushj Traders CC	4600001742	27/01/2022	26/01/2025	R 3 000 000.00	R 97 578.00	R 224 376.00	No
12	SS45 of 2017 Kerush'S Transport CC	4600001194	19/08/2020	30/08/2021	R 1 241 986.46	R 1 241 984.20	R 1 241 984.20	No
13	SS55 of 2017 Sinothando Construction CC	4600000831	20/11/2018	16/02/2022	R 11 000 000.00	R 10 867 557.78	R 24 994 833.40	No
15	SS72 of 2019 4 Gee U trading enterprise	4600001774	18/01/2022	20/04/2022	R 327 431.00	-	-	No
16	SCM69 of 20/21 Bell Equipment Sales S.A Ltd	4600001860	12/08/2021	11/02/2024	R 7 820 500.00	-	-	No
17	SS72 of 2019 Dilmar Investments CC	4600001767	01/02/2022	14/02/2022	R 108 653.56	R 87 851.36	R 87 851.36	No
18	E37 of 2020 Duzi Electrical contractors	4600001508	01/07/2021	30/06/2023	R 5 000 000.00	-	-	No
19	SS72 of 2019 Gabas Construction	4600001836	23/02/2022	22/04/2022	R 2 573 135.54	R 2 745 686.78	R 2 573 135.55	No
20	SCM12 OF 16/17 Mabune Consulting	4600001658	22/11/2021	16/12/2022	R 7 012 460.00	R 2 313 476.00	R 2 313 476.00	No
21	SS72 of 2019 Mza Building Contractors	4600001571	08/09/2021	21/12/2021	R 52 490.00	R 52 490.00	R 49 865.50	No

The table above is only representative of the sample selected in request for information 30 and 40 of 2022. There were other instances identified on the related contracts that is also indicative of there being no valid contracts in place.

Refer to attached annexure:

Annexure.xlsx - Need the original Word or Excel document

Furthermore, through inspection of the tender documents submitted and corroborative enquiry of the SCM officials it was noted that tender documents are being used as a contract, however this is in direct contravention with MFMA circular 25 quoted above which requires that a "formal contract document (MBD 7.1 to 7.3) should not form part of the bidding documents issued to every prospective bidder, but should rather be made applicable only to the successful bidder after adjudication and award of the bid.

Therefore, the submitted tender documents cannot be considered a valid contract as alluded to by the SCM officials for both construction and goods and services contracts.

The above results in non-compliance with the MFMA, circular 25.

2. Payments as per contract register not in agreement with payments reports

Upon inspection of the contracts register for the sample in the table detailed above, it was noted that the payment amounts as contained in the register did not agree to the payment reports from SAP. Resultantly, this constitutes ineffective maintenance and monitoring of the contract register.

Internal control deficiency

Leadership – oversight responsibility over compliance with applicable laws and regulations.

Ineffective oversight and monitoring by management to ensure compliance with the National treasury instruction notes and MFMA principals of maintaining a fair, equitable, transparent, competitive, and cost-effective procurement and provisioning system.

Recommendation

It is recommended that:

- The accounting officer should ensure that the entire population of all awards made are inspected to identify all awards made where there are no signed contract agreements in place to ensure appropriate corrective action is implemented.
- The accounting officer should ensure that after the award is made to the supplier a formal contract is drafted in accordance with the general conditions of contract/ (construction and goods and services contracts) and in accordance with the prescribed legislation.
- The accounting officer should investigate the reasons for this non-compliance and take appropriate disciplinary steps in accordance with the MFMA.

Management response

1. No contract agreement to support awards made to suppliers

The finding is noted. A contract or agreement procured through the supply chain management system of a municipality or municipal entity must be in writing.

1.1 The following contract service level agreements were submitted and are attached for reference or order not issued:

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Comments
2	SCM 30 of 20/21 Durban North Books CC	4600001975	31/03/2022	30/03/2025	Rate based	R 0.00	R 0.00	No	Order not issued to the supplier. SLA is vetted by legal
4	E15 of 2020 Memotek Trading	4600001599	21/09/2021	10/08/2024	R 2 000 000.00	R 347 601.00	R 347 601.00	No	SLA available
5	S36 of 2021 Sebata Creative Consulting	4600001595	11/08/2021	10/08/2024	R 3 182 219.28	R 325 954.98	R 452 456.40	No	SLA submitted
8	SCM16 of 15/16 Makhaotse Narasimulu And	4600000201	23/03/2016	31/10/2022	R 20 962 313.15	R 20 289 569.24	R 21 549 869.05	Contract in place, however not signed by both parties	SLA submitted and signed
16	SCM69 of 20/21 Bell Equipment Sales S.A Ltd	4600001860	12/08/2021	11/02/2024	R 7 820 500.00	-	-	No	SLA available
18	E37 of 2020 Duzi Electrical	4600001508	01/07/2021	30/06/2023	R 5 000 000.00	-	-	No	SLA submitted
20	SCM12 OF 16/17 Mabune Consulting	4600001658	22/11/2021	16/12/2022	R 7 012 460.00	R 2 313 476.00	R 2 313 476.00	No	SLA submitted

1.2 The management disagree with the finding. The following contracts are construction projects. General Conditions of contract (GCC) for construction projects state that the GCC must be used with contract documentation format as prescribed by Construction Industry Development Boards (CIDB) in the standard for uniformity in construction Procurement and in conjunction with SANS 1920 to set out the requirements and constraints relating to the manner in which the contract work is to be performed. The tender document clearly set out all above requirements which includes form of offer and acceptance. The CIDB standard for uniformity prescribe below requirements for a complete contract:

- Annex A: Standard Tender Notice and Invitation to Tender
- Annex B: Form of Offer and Acceptance
- Annex C: Standard Conditions of Tender
- Annex D: Standard Conditions for the calling for Expressions of Interest
- Annex E: Standard Notice and Invitation to submit an Expression of Interest
- Annex F: Record of Addenda to Tender Documents
- Annex G: Compulsory Enterprise Questionnaire

The tender document was signed by both parties in a format prescribed by CIDB and set out the requirements and constraints relating to the manner in which the contract work is to be performed

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Comments
1	SCM12 of 21/22 Daleka Trading Enterprise CC	4600001857	30/11/2021	29/11/2022	R 5 872 504.35	R 5 473 237.60	R 417 130.00	No	Offer and acceptance signed by both parties
7	SCM32 of 20-21 High End General and Construction	4600001520	21/07/2021	31/05/2022	R 11 833 625.00	R 11 833 625.45	R 8 145 412.90	No	Offer and acceptance signed by both parties
9	SCM7 of 19/20 Udumo Trading 26	4600001142	12/05/2022	11/05/2023	R 45 983 040.47	R 28 777 965.80	R 30 971 712.40	No	Offer and acceptance signed by both parties
10	SCM28 of 20/21 Mahlubi Transport and Plant Hire	4600001454	08/03/2021	07/03/2022	R 12 584 011.00	R 11 815 490.24	R 11 815 490.24	No	Offer and acceptance signed by both parties

1.3 Management accept the finding for the following contract:

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Comments
3	SS55 of 2017 High End General and Construction	4600001519	09/07/2021	25/08/2021	R 11 223 595.79	R 11 215 595.79	R 11 207 008.45	No	Finding accepted
6	SS55 of 2020 Daleka Trading Enterprise CC	4600001529	30/07/2021	30/08/2021	R 4 009 148.60	R 3 376 864.80	R 3 376 864.80	No	Finding accepted
11	SS80 of 2021 Kushj Traders CC	4600001742	27/01/2022	26/01/2025	R 3 000 000.00	R 97 578.00	R 224 376.00	No	Finding accepted
12	SS45 of 2017 Kerush'S Transport CC	4600001194	19/08/2020	30/08/2021	R 1 241 986.46	R 1 241 984.20	R 1 241 984.20	No	Finding accepted
13	SS55 of 2017 Sinothando Construction CC	460000831	20/11/2018	16/02/2022	R 11 000 000.00	R 10 867 557.78	R 24 994 833.40	No	Finding accepted
15	SS72 of 2019 4 Gee U trading enterprise	4600001774	18/01/2022	20/04/2022	R 327 431.00	-	-	No	Finding accepted
17	SS72 of 2019 Dilmar Investments CC	4600001767	01/02/2022	14/02/2022	R 108 653.56	R 87 851.36	R 87 851.36	No	Finding accepted
19	SS72 of 2019 Gabas Construction	4600001836	23/02/2022	22/04/2022	R 2 573 135.54	R 2 745 686.78	R 2 573 135.55	No	Finding accepted
21	SS72 of 2019 Mza Building Contractors	4600001571	08/09/2021	21/12/2021	R 52 490.00	R 52 490.00	R 49 865.50	No	Finding accepted

2 The management will ensure that the entire population of all awards made are inspected to identify all awards made where there are no signed contract agreements in place to ensure that all contracts are signed.

3 The management will ensure that contract is signed by both parties in accordance with legislation.

4 There is a system error in terms of the contract register on payments which is being corrected, in the meantime the payment report is generated separately hence the payment report was sent separately.

Auditor's conclusion

1.1 Management disagrees with the auditing

The auditor notes the management contract and concludes that the audit finding for the following contracts is resolved and the client was able to provide the original contracts for these suppliers:

- SCM16 of 15/16 Makhaotse Narasimulu And
- E37 of 2020 Duzi Electrical

3. SCM 30 of 20/21 Durban North Books CC

For the remaining contracts in the table below the audit finding will remain as management had failed to provide the original contracts refer o the table below.

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Comments	Auditors' conclusion
2	SCM 30 of 20/21 Durban North Books CC	4600001975	31/03/2022	30/03/2025	Rate based	-	-	No	Order not issued to the supplier. SLA is vetted by legal	Audit finding resolved as the client has not committed to the supplier to award the services just an appointment of the panel
4	E15 of 2020 Memotek Trading	4600001599	21/09/2021	10/08/2024	R 2 000 000.00	R 347 601.00	R 347 601.00	No	SLA available	Audit finding will remain
5	SS6 of 2021 Sebata Creative Consulting	4600001595	11/08/2021	10/08/2024	R 3 182 219.28	R 325 954.98	R 452 456.40	No	SLA submitted	Audit finding will remain
8	SCM16 of 15/16 Makhaotse Narasimulu And	4600000201	23/03/2016	31/10/2022	R 20 962 313.15	R 20 289 569.24	R 21 549 869.05	Contract in place, however not signed by both parties	SLA submitted and signed	Audit finding resolved as the original contract was provided to the auditors
16	SCM69 of 20/21 Bell Equipment Sales S.A Ltd	4600001860	12/08/2021	11/02/2024	R 7 820 500.00	-	-	No	SLA available	Audit finding will remain
18	E37 of 2020 Duzi Electrical	4600001508	01/07/2021	30/06/2023	R 5 000 000.00	-	-	No	SLA submitted	Audit finding resolved as the original contract was provided to the auditors
20	SCM12 OF 16/17 Mabune Consulting	4600001658	22/11/2021	16/12/2022	R 7 012 460.00	R 2 313 476.00	R 2 313 476.00	No	SLA submitted	Audit finding will remain

1.2 Construction contracts

The auditor notes the management contract and concludes that the tender document offers and acceptance letter signed by both supplier and Accounting officer is acceptable as a contract based on CIDB standard form documents. However tender document for contract SCM 32 of 20/21 High End General and Construction the audit finding will remain as the tender document was not prepared in terms of CIDB

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Client Comments	Auditors comment
1	SCM12 of 21/22 Daleka Trading Enterprise CC	4600001857	30/11/2021	29/11/2022	R 5 872 504.35	R 5 473 237.60	R 417 130.00	No	Offer and acceptance signed by both parties	Audit finding resolved
7	SCM32 Of 20-21 High End General and Construction	4600001520	21/07/2021	31/05/2022	R 11 833 625.00	R 11 833 625.45	R 8 145 412.90	No	Offer and acceptance signed by both parties	Audit finding Remains
9	SCM7 of 19/20 Uduumo Trading 26	4600001142	12/05/2022	11/05/2023	R 45 983 040.47	R 28 777 965.80	R 30 971 712.40	No	Offer and acceptance signed by both parties	Audit finding resolved
10	SCM28 of 20/21 Mahlubi Transport and Plant Hire	4600001454	08/03/2021	07/03/2022	R 12 584 011.00	R 11 815 490.24	R 11 815 490.24	No	Offer and acceptance signed by both parties	Audit finding resolved

1.3 Other contracts

Management comments are noted. The remedial action indicated will be followed up on the next audit cycle. The finding remains and will be reported in the management report.

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Comments	Auditors' conclusion
3	SS55 of 2017 High End General and Construction	4600001519	09/07/2021	25/08/2021	R 11 223 595.79	R 11 215 595.79	R 11 207 008.45	No	Finding accepted	Audit finding remain will be reported on the management report.
6	SS55 of 2020 Daleka Trading Enterprise CC	4600001529	30/07/2021	30/08/2021	R 4 009 148.60	R 3 376 864.80	R 3 376 864.80	No	Finding accepted	Audit finding remain will be reported on the management report.
11	SS80 of 2021 Kushj Traders CC	4600001742	27/01/2022	26/01/2025	R 3 000 000.00	R 97 578.00	R 224 376.00	No	Finding accepted	Audit finding remain will be reported on the management report.
12	SS45 of 2017 Kerush'S Transport CC	4600001194	19/08/2020	30/08/2021	R 1 241 986.46	R 1 241 984.20	R 1 241 984.20	No	Finding accepted	Audit finding remain will be reported on the management report.
13	SS55 of 2017 Sinothando Construction CC	4600000831	20/11/2018	16/02/2022	R 11 000 000.00	R 10 867 557.78	R 24 994 833.40	No	Finding accepted	Audit finding remain will be reported on the management report.
15	SS72 of 2019 4 Gee U trading enterprise	4600001774	18/01/2022	20/04/2022	R 327 431.00	-	-	No	Finding accepted	Audit finding remain will be reported on the management report.
17	SS72 of 2019 Dilmar Investments CC	4600001767	01/02/2022	14/02/2022	R 108 653.56	R 87 851.36	R 87 851.36	No	Finding accepted	Audit finding remain will be reported on the management report.
19	SS72 of 2019 Gabas Construction	4600001836	23/02/2022	22/04/2022	R 2 573 135.54	R 2 745 686.78	R 2 573 135.55	No	Finding accepted	Audit finding remain will be reported on the management report.
21	SS72 of 2019 Mza Building Contractors	4600001571	08/09/2021	21/12/2021	R 52 490.00	R 52 490.00	R 49 865.50	No	Finding accepted	Audit finding remain will be reported on the management report.

1.4 New additions to the audit finding procurement of goods and services from suppliers with no contracts

When we further audited contract management we identified the below contracts, without signed contracts (No contracts) by both Msunduzi Municipality and supplier, that was not art of the initial audit finding however discussed with the client to be part of this audit finding.

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Managements Comments	Auditors' conclusion
1.	SCM 8 of 20/21 Mysitoz Trading and Projects CC	4600001603	31/08/2021	30/08/2024	R 1 000 000.00	-	-	No		Audit finding will remain and will be reported to management report
2.	SCM 8 OF 20/21 Orap Medical Supplies	4600001604	31/08/2021	30/08/2024	R 1 000 000.00	-	-	No		Audit finding will remain and will be reported to management report
3.	SCM 3 of 19/20 Olympus Enterprise	4600001186	02/02/2020	01/02/2023	R 1 000 000.00	-	-	No		Audit finding will remain and will be reported to management report
4.	SS26 of 2020 Olympus Enterprise	4600001306	15/09/2020	14/09/2023	R 2 000 000.00	-	-	No		Audit finding will remain and will be reported to management report
5.	SCM 30 of 19/20 Olympus Enterprise	4600001489	24/11/2020	23/11/2023	R 1 000 000.00	-	-	No		Audit finding will remain and will be reported to management report
6.	SCM 17 of 19/20 Tuscan Mood 1113 CC	4600001147	20/05/2020	19/05/2023	R 1 000 000.00	R 927 829.56	R 914 214.84	No		Audit finding will remain and will be reported to management report

No	Details	Purchasing document number	Contract Start Date	Contract End Date	Contract amount (VAT Incl)	Payment made as per payment report (VAT Incl)	Payment as per contract register	Valid contract in provided?	Managements Comments	Auditors' conclusion
8.	SCM 26 of 13/14 Mdledle Incorporated CC	4600000075	22/09/2014	31/08/2022	R 10 000 000.00	R 9 108 072.91	R 9 405 471.19	No		Audit finding will remain and will be reported to management report
9.	SS6 of 2018 E Z Trade 536	46000000978	01/08/2019	31/08/2022	R 7 000 000 .00	R 5552 096.92	R 5 712 060.76	No		Audit finding will remain and will be reported to management report

TRANSFER PAYABLES

25. Transfer payables memorandum of agreements expired

Audit Finding

In terms of section 62(1)(b) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards."

During the audit of transfer payables, it was noted that the following Memorandum of agreements between the Department of Human settlement and the Msunduzi municipality have expired. This is an indication that the funds received by the municipality are not reconciled with the payments/transferred upon implementation of the projects. Further, upon request for the updated MOA, management provided a rollover letter that rolled over projects for the prior financial year (2020/21) and not for the (2021/22) financial period as detailed below:

Transfer Category	Details	Approval date	Period of agreement	Expiry date	Funding as per MOA	Expenditure as per AFS	Balance as per AFS	Auditors Comment	Management responses
Beneficiary Audit and transfers The provincial department of Human Settlements Kwazulu-Natal and Msunduzi Municipality.	The arrangement was for the Department to transfer funds into the Municipality for the Municipality to undertake beneficiary verification and transfers of completed housing units. The project is solely for the transfer of title deeds to rightful owners	06/Oct/2017	6 months	31/Mar/2018	9 211 500	(909 597)	5 183 090	Management response is noted. The approval letter for extension of contracts is noted and new information to the auditors. However, the finding is revoked.	Management Disagrees with the Audit Finding: That funds received by the Municipality are not reconciled. Funds for this project were received in advance to the Municipality and expenditure on the project was appropriately allocated monthly. Transfer payables GL reconciled to bank account monthly and therefore in terms of reconciliation of funds transaction on the project were reconciled. The last rollover for these funds was in 2020/21, However the Department of Human Settlements submitted an authorization letter for the Municipality to continue utilizing the funds till March 2023. The letter is attached.

Transfer Category	Details	Approval date	Period of agreement	Expiry date	Funding as per MOA	Expenditure as per AFS	Balance as per AFS	Auditors Comment	Management responses
Title deeds Restoration Programmed The provincial department of Human Settlements Kwazulu-Natal and Msunduzi Municipality	The Funds provided by the Provincial Departments to assist the municipality to ensure that people approved through the enhanced extended discount benefit scheme and the housing delivery programme, their ownership is confirmed through this title deeds restoration grant	04/Feb/2019	12 months	04/Feb/2020	8 965 990,71	(25 013)	5 617 554	Management response is noted. The approval letter for extension of contracts is noted and new information to the auditors. However, the finding is revoked.	Management Disagrees with the Audit Finding: That funds received by the Municipality are not reconciled. Funds for this project were received in advance to the Municipality and expenditure on the project was appropriately allocated monthly. Transfer payables GL reconciled to bank account monthly and therefore in terms of reconciliation of funds transaction on the project were reconciled. The last rollover for these funds was in 2020/21, However the Department of Human Settlements submitted an authorization letter for the Municipality to continue utilizing the funds till March 2023. The letter is attached.
Title Deeds Restoration Advertisements for missing beneficiaries The provincial department of Human Settlements Kwazulu-Natal and Msunduzi Municipality.	The Funds provided by the Provincial Departments for services to be rendered in order to find missing beneficiaries for the Title Deeds Programme.	26/Mar/2020	12 Months	26/Mar/2021	250 000,00	-50	0	Management response is noted. The approval letter for extension of contracts is noted and new information to the auditors. However, the finding is revoked.	Management Disagrees with the Audit Finding: That funds received by the Municipality are not reconciled. Funds for this project were received in advance to the Municipality and expenditure on the project was appropriately allocated monthly. Transfer payables GL reconciled to bank account monthly and therefore in terms of reconciliation of funds transaction on the project were reconciled. The last rollover for these funds was in 2020/21, However the Department of Human Settlements submitted an authorization letter for the Municipality to continue utilizing the funds till March 2023. The letter is attached.
Title Deeds activities The provincial department of Human Settlements Kwazulu-Natal and Msunduzi Municipality	The arrangement was for the Department to transfer funds into the Municipality for the Municipality to undertake more activities for the Title deeds programme	24/Feb/2021	12 months	24/Feb/2022	3 713 988,00	-742 794	2 971 174	Management response is noted. The approval letter for extension of contracts is noted and new information to the auditors. However, the finding is revoked.	Management Disagrees with the Audit Finding: That funds received by the Municipality are not reconciled. Funds for this project were received in advance to the Municipality and expenditure on the project was appropriately allocated monthly. Transfer payables GL reconciled to bank account monthly and therefore in terms of reconciliation of funds transaction on the project were reconciled. The last rollover for these funds was in 2020/21, However the Department of Human Settlements submitted an authorization letter for the Municipality to continue utilizing the funds till March 2023. The letter is attached.

Transfer Category	Details	Approval date	Period of agreement	Expiry date	Funding as per MOA	Expenditure as per AFS	Balance as per AFS	Auditors Comment	Management responses
Thembelihle Msunduzi Municipality and ZML Africa Projects cc	ZML Africa Projects cc was then appointment for the construction of 804 units and 20 temporary structures	13/Mar/2019	36 Months	13/Mar/2022	101 501 115.68	(4 261 940)	-	Management response is noted. The new agreement is still not provided by the management. Therefore, the finding remains.	Management Disagrees with the Audit Finding: At the time these funds were paid to the IA, there was a valid contract in place. The contract was terminated due to poor performance on the 18th of March 2022. The Municipality has appointed the new IA, waiting for the agreement from DoHS
Happy Valley Msunduzi Municipality and Sakilo Group and Ingerop (Pty) Ltd	The Msunduzi Human Settlements Unit and the KZN Department of Human Settlements intend to develop the area and provide formal 40m2 houses for all the beneficiaries who were not able to build proper houses for themselves. Ingerop (Pty) Ltd was then appointed for the construction of 158 units and 20 temporary structures and Sakilo Group is the main contractor.	13/Mar/2019 (Correct)	10 months (as per para 4.1 of the agreement)	13/Jun/2020 (Correct)	20 735 237.36 (Correct)	(1 784 713) (Correct)	-	Management response is noted. The new agreement is still not provided by the management. Therefore, the finding remains.	Management Disagrees with the Audit Finding: At the time these funds were paid to the IA, there was a valid contract in place. The contract was terminated due to poor performance on the 28th of February 2022. The Municipality has appointed the new IA, waiting for the agreement from DoHS
Q Section Msunduzi and Mcebo's Trading and ZML Africa Projects cc	ZML Africa Projects CC was appointed for the construction of 804 units and 20 temporary structures. The main contractor for the project is Mcebo's Trading	13 Mar 2019	18 months	13 Sep 2020	53 088 447 (Correct)	-2 740 284 (Correct)	-	Management response is noted. The new agreement is still not provided by the management. Therefore, the finding remains.	Management Disagrees with the Audit Finding: At the time these funds were paid to the IA, there was a valid contract in place. The contract was terminated due to poor performance on the 28th of February 2022. The Municipality has appointed the new IA, waiting for the agreement from DoHS
Correction	Correction								
Q Section Msunduzi and Ingerop South Africa	Ingerop South Africa was appointed for the construction of 416 units and 20 temporary								

Internal control deficiency

- Management did not implement the necessary review and reconciliation processes to the annual financial statements and their supporting documentation.
- Management did not ensure that an efficient process of record keeping is in place in relation to agreements with the Department of Human Settlements.

Recommendation

- Management should ensure that updated addendums/contracts are in place for the amendments to the memorandum of agreements.
- Management should improve on their recording keeping and ensure there is a process in place that ensures agreements with third parties are updated.

Management response

Management responses are document in table above.

Name: Radha Gounden
Position: SM Human Settlements
Date: 17/11/2022

Auditor's conclusion

Management response has been noted. The finding is resolved in relation to Beneficiary Audit and transfers, Tittle deeds Restoration Programmed, Tittle Deeds Restoration Advertisements for missing beneficiaries and Tittle Deeds activities. However, the finding still remains valid in relation to Thembalihle, Happy Valley and Q-section projects since new agreements were not provided by the management.

EMPLOYEE COST**26. Standby allowance claimed by employees who are not eligible resulting in a financial loss****Audit Finding**

In terms of section 61(2)(b) of the Municipal Finance Management Act (MFMA), "Fiduciary responsibilities of accounting officers — An accounting officer may not use the position or privileges of, or confidential information obtained as, accounting officer for personal gain or to improperly benefit another person."

In terms of section 62(1)(a) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically."

In terms of section 62(1) (d) of the MFMA, "The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented."

In terms of section 65(2)(a) of the MFMA, "The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;"

Further note the standby allowance policy stipulates the following;

- Par 3.15 "Standby Duty" - period determined by the Municipality during which an employee shall be available for emergency/ unplanned/ unpredictable work outside his/ her normal working hours and
- Par 3.16 "Standby Duty Criteria" - Emergency Personnel as defined in the Collective Agreement who are enjoined by their conditions of service to respond to life threatening conditions/ emergencies after normal working hours.
In the context of the Msunduzi Municipality, the following Personnel inter alia, maybe considered for standby duties; Fire, Disaster, Traffic Officers, Water & Sanitation and Electricity.
- Par 5.1 - this policy shall apply to all employees in duly designated standby posts which are consistent with the Criteria for Standby Duties under clause 3.16: and that are authorized to perform standby duties in response to life threatening conditions emergencies after normal working hours.

During the audit of standby allowance under employee related cost, it was noted that on the payroll reports there were employees under the budget & treasury and corporate service units who were compensated standby allowance. The standby allowance policy indicates that the units that may claim the standby allowance in the context of Msunduzi Municipality are; Fire, Disaster, Traffic Officers, Water & Sanitation and Electricity as there are defined to be in response to life threatening conditions emergencies.

The total amount paid to these employees amounts to R1 997 334, 02. Please refer to the attached annexure for the list of employees who were paid. It was also noted that under community service and infrastructure units, there were also employees who were compensated the standby allowances who were not eligible to. The divisions within the community service unit that were noted to be receiving standby allowances were waste management and Recreation & facilities and under infrastructure unit, the divisions that were note to be receiving standby allowance were noted to be in Mechanical Workshop.

The attached annexure list examples of standby allowances that were paid to employees amounting to R1 426 038, 17. Please refer to the attached annexure for the list of employees who were paid under these divisions;

Furthermore, upon inspection of internal audit report number A7 2021/2022 it was noted that the report also revealed similar concerns over the following business units that were not classified by clause 3.16 of the policy and were still paid standby allowances:

Fleet management, Human resources, Information and communications, Libraries, Logistics, Market, Mechanical workshop, Office of the City Manager, Recreations and Parks, Roads and Transportation, Security, Supply Chain Management and Waste Management.

The payments as detailed above has resulted in non-compliance with the MFMA.

Resultantly, the non-compliance has led to a likely financial loss.

Internal control deficiency

Lack of adequate review and monitoring of compliance with applicable laws and regulations in ensuring that the standby allowance policy was adhered to and employees were only paid the standby allowances in response to life threatening conditions emergencies after normal working hours and only Fire, Disaster, Traffic Officers, Water & Sanitation and Electricity personnel were paid standby allowances as stipulated on the policy

Recommendation

It is recommended that management should:

1. respond to the finding raised above in line with paragraph 4 of the cover page,
2. ensure that adequate review and monitoring of compliance with applicable laws and regulations and the related policies,
3. ensure that adequate controls are developed and implemented by the human resources directorate of the municipality in ensuring that standby allowance payments are only made to employees who are classified to receive these allowances.

Management response

SCM - LOGISTICS

SCM does not work standby or overtime however a component of SCM which is Stores- Logistics does. The previous policy of the municipality was not excluding stores however during the review of the policy stores was omitted of which SCM management was not aware of. For Stores, overtime commences after completion of day works. Storemen then begins the Standby duties where they are called and issue material to attend to emergencies after working hours. In most cases the materials that is normally requested are the type of material that are not easy to book and keep during the normal working hours, i.e., Cable, Joints Kits, Creosoted poles, Steel poles, fuses, water pipes, Joints sons, water valves, water fitting etc. Stores keep material that is used by departments that responds to service delivery issues, for instance Fuel, Water and Electricity related material. The overtime that is worked by staff at Stores relates to the hours and time that emanate from the user departments (Water and Electricity). During weekends (Saturdays) and Public Holidays Stores also assists departments by issuing of Two stroke Oils, Diesel, and Petrol to service delivery departments. We also issue fuel after hours as and when the need arises informed by emergencies. The departments that require fuel hours after hours are as follows, Landfill site, Electricity, Water, Traffic and Security, and Fire department.

Management can confirm that there is no financial loss as the work was done by the employees where stock items were issued as and when required after hours and weekends for service delivery departments to attend to emergencies.

Name: Dudu Ndlovu

Position: Head of Supply Chain Management

Date: 18 November 2022

ASSETS - FLEET

The finding is noted. The standby allowance at Fleet is in terms of running the Water tankers which is a service delivery function. There is currently a process of transfer of this function to the Water and Sanitation department that is underway. Upon the finalisation of that process, Fleet will not incur any costs relating to standby allowances as it will no longer be providing a service delivery function. A resolution approving this transfer is attached as part of the response.

Name: Manqoba Ntuli

Position: Senior Manager Assets - Acting

Date: 18 November 2022

MECHANICAL WORKSHOP

The finding is noted. The Standby Allowance in Mechanical Workshop is for the support to Essential and Service delivery departments during after hours, public holidays and weekends. The Mechanical Workshop is called by Service Delivery Departments when they are experiencing breakdowns on Plant and Vehicles. The hours worked on standby emanates from the User Departments such Water, Electricity, Fleet, Security and Traffic, Fire and Rescue and Landfill site.

Management can confirm that there was no financial loss as the work was done by Internal staff at the Mechanical Workshop and the work was done during afterhours and weekends for Service Delivery Departments.

Name: Sabelo Hlela

Position: General Manager (Acting) : Infrastructure

Date: 22 November 2022

ICT

ICT positions (Networking, Servers, and Desktop technicians) that are claiming for standby were all approved by the SMC during the 2018/19 financial year as ICT is an essential service. The resolution regarding the approval is available. Going forward ICT will liaise with HR to revise the Standby Policy to include ICT or allow the Accounting Officer to approve standby based on recommendations.

Name: Xolile Ngebulana

Position: Senior Manager: ICT

Date: 21 November 2022

Standby Allowance for ICT_04102019_1429 - Need original Word or Excel document.

HUMAN RESOURCES

Mr Mo Chohan is substantively held against an HR post from the time of his appointment but has been deployed historically and permanently to Electricity Supply Services, as he is a qualified electrician. Corporate Services, by virtue of his post incurs both Overtime / Standby Costs for Mr M Chohan, but authorization thereof happens at electricity. HR is in the process of transferring Mr Chohan to Electricity, initiated by Corporate Services in liaison with Electricity Supply Services as the transfer must be consensual in accordance with the Transfer Policy.

REVIEW OF POLICY

The standby policy is to be reviewed to close the gaps identified. This must be finalised by no later than 30 June 2023.

HRM (Benefits Office)

Management is preparing a deviation report that will be considered by the accounting officer whilst the policy that will include the affected service departments is being reviewed noting that if the services are terminated or standby stopped this will have a negative impact on service delivery and in terms of the operations of the municipality. The benefits office will use the same report in processing the allowance to employees.

Once the deviation is approved by the accounting officer management intends to approach SALGA for the exemption.

It being noted that the remuneration is in lieu of services that were rendered by employees as confirmed by the end user concerned hence this can not be classified as the financial loss.

Name: F Ndlovu

Position: SM: HRM

Date: 17 November 2022

Auditor's conclusion

With regards to the first part of the finding as per annexure A – initially it was identified that two business units were not eligible to be granted the standby allowance; namely budget & Treasury and corporate Service.

Budget & Treasury

In terms of SCM logistics we have confirmed that the employees who were noted on the finding range from petrol attendants, BUYER (LOGISTICS), STORES ADMINISTRATOR (DISPATCH), STORES ADMINISTRATOR (MECHANICAL WORKSHOP, STORES ADMINISTRATOR (RECEIVING), STORES CONTROLLER (RECEIVING), BUYER (LOGISTICS) who are more likely to be supporting the above said departments and therefore this part of the finding is resolved.

In terms of fleet control we have assess the resolution as submitted by management which was FROM MINUTES OF THE STRATEGIC MANAGEMENT COMMITTEE MEETING HELD ON 28 JULY 2020 and noted the following the water distribution is the core function of Water Section, water tankers are a means of distribution and should be classified as such and the drivers currently allocated to water tankers should be transferred to the water section. This part of the finding is resolved, however management needs to fast-track this process of transferring this function to the correct unit for internal controls efficiencies.

However there is still employees we could not confirm whether they fall under fleet control or SCM logistic; Please refer to the attached annexure A: the total amount paid to these employees unresolved is: R59 649.25

Corporate Service

In terms of the ICT response by management, we have assessed the management response and noted the following; as per SMC meeting dated 14 October 2015, there was an approval that was granted to the human resource unit and ICT unit to implement the standby allowance for the respective job designation; network security Officer, System Administrator and Desktop Support Technician, this part of the finding is resolved however management needs to do necessary amendment to the current policy to incorporate the above-mentioned resolutions to internal controls efficiencies.

We have noted management response in terms of Mr Mahomed Ahmed Chohan and we would advise that management fast-track this process in order to ensure internal controls efficiencies. This part of the finding is resolved.

There is still employees whom we couldn't resolve as per management response and kindly refer to the attached annexure A. The total amount paid to these employees unresolved is: R108 379.67

With regards to the second part of the finding as per annexure B – initially it was noted that under community service and infrastructure units, there were employees who were compensated the standby allowances who were not eligible to. The divisions within the community service unit that were noted to be receiving standby allowances were waste management and Recreation & facilities and under infrastructure unit, the divisions that were note to be receiving standby allowance were noted to be in Mechanical Workshop

Management has responded to the mechanical workshop and we have noted the response and this part of the finding is resolved.

However there is still unresolved part of the finding as per annexure B – the standby allowances that were paid to recreation & facilities and waste management remain unresolved. The total paid to these employees and remain unresolved is: R757 183.87.

Therefore the unresolved elements of the findings amounts to: R925 212.79 (757 183.87, 108 379.67, R59 649.25)

27. Inadequate policy on scarce skills allowance resulting in inability to audit entitlement of allowance resulting in a likely financial loss

Audit Finding

In terms of section 61(2)(b) of the Municipal Finance Management Act (MFMA), "Fiduciary responsibilities of accounting officers – An accounting officer may not use the position or privileges of, or confidential information obtained as, accounting officer for personal gain or to improperly benefit another person."

In terms of section 62(1)(a) of the MFMA, "The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically."

In terms of section 62(1) (d) of the MFMA," The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented."

In terms of section 65(2)(a) of the MFMA," The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;"

Furthermore, the Staff Retention and Attraction Policy paragraph no.3 states that:

- 3.1 The assessment of the extent to which Business Units are experiencing difficulties in recruiting staff with scarce skills shall be undertaken in terms of, but not limited to, the following criteria:
- 3.1.1. Evidence of a shortage of the particular skills/qualifications in the national market and reasons why these employees are being lost by the Municipality.
 - 3.1.2. Evidence of the recruitment strategies that were utilized to source staff for these posts, e.g. advertising in national media/professional journals, recruitment agencies, universities, professional bodies/institutions etc.
 - 3.1.3. Whether the department/Unit has implemented special programmes such as contractual bursary scheme, a mentorship program or implemented special plans to address the scarce skills shortage within the unit. Business Units will be required to submit a detailed motivation to the Compensation Management Committee based on the aforementioned criteria.

During the audit of the scarce skills allowance under employee related costs, the scarce skills policy was requested and received however the policy document was not clear as to which employees are entitled to receive a scarce skills allowance and therefore the audit team was not able to determine whether the employees receiving a scarce skills allowance are entitled to receive it or not.

The table below details the sample selected:

No	Employee Number	Description	Scarce Allowance Amount R
1	700990	Senior Manager	10 001,88
2	1704120	Project Officer	3 128,97
3	2009070	Quantity Surveyor	4 061,40
4	2608630	Chief Technologist	4 465,64
5	6300210	Town Planner	3 782,48
6	7006960	Chief Technician	4 360,88
7	7008110	Artisan	2 779,09
8	7010030	Artisan	2 779,09
9	7010870	Technician	2 713,86
10	7011060	Technician	2 650,21
11	7004560	Clerk of Works	3 403,61
12	3002020	Valuer	3 742,24
13	7000490	Faults man	2 221,01
14	7006420	Faults man	2 221,01
15	1703950	Town Planner	4 018,22
16	1703930	Senior Technical Town Planner	3 169,84
17	3001880	Valuer	4 158,85
18	3001970	Valuer	4 158,85
19	7010110	Control Officer	325,03
20	7008130	Installation Inspector	302,71
21	2701380	Senior Project Manager	4 572,78
22	6300150	Chief Technologist (Technical Services)	4 572,78
23	1703890	Manager (Implementation)	6 224,15
24	2009190	Manager (Transportation Planning)	6 078,26
25	7008440	Artisan (Electrician)	2 779,09
26	7009610	Artisan (Electrician)	2 779,09
27	1703600	Project Manager (Implementation)	5 148,41
28	1703770	Project Manager (Implementation)	4 910,01
29	2001710	Water Services Authority Manager	8 273,43
30	1703740	Manager (Land Survey)	7 705,12
Total			121 488,01

The payments as detailed above has resulted in non-compliance with the MFMA.

Resultantly, the non-compliance has led to a likely financial loss.

Internal control deficiency

The scarce skills policy is very vague and does not specifically define exactly which employees are entitled to receive a scarce skills allowance.

Recommendation

It is recommended that management should:

1. respond to the finding raised above in line with paragraph 4 of the cover page,
2. ensure that adequate review and monitoring of compliance with applicable laws and regulations and the related policies,

3. ensure that adequate controls are developed and implemented by the human resources directorate of the municipality in ensuring that the scarce skills allowance are only made to employees who are classified to receive these allowances that is specifically listing in an approved policy.

Management response

Msunduzi Municipality has a scarce skills policy that was approved in 2008. The resolutions attached. Further to that, there are resolutions that approved the Valuers posts.

It is true that some approvals that are not highlighted were not approved as per the policy.

The following must be noted:

The policy has been reviewed and was presented at SMC on 30 May 2022. On the other hand, the recipients of the scarce skills were brought to the attention of the Strategic Management Committee noting the financial implications incurred by the Municipality. It was agreed that the Compensation Management Committee be resuscitated which will comprise the following members.

City Manager or his representative
 General Manager: Corporate Services
 Chief Financial Officer
 Chief Audit Executive
 Any other General Manager appointed by the City Manager
 Senior Manager: Human Resources Management
 Skills Development Advisor
 Compensation Manager
 Other GMs and Senior Managers will be invited to give input relating to their Units.

Recipients of scarce skills have been written to, to re-submit applications for a scarce skills allowance. The Committee will consider all the applications and recommend to SMC the posts to be deemed as scarce skills bearing posts.

It must be noted that no scarce skills allowance will be processed without the SMC resolution after due consideration by the Compensation Management Committee.

The above processes have become necessary to ensure compliance with the approved policy pending approval of the reviewed policy.

Name: F Ndlovu
Position: SM: HRM
Date: 17/11/2022

Auditor's conclusion

Management's response is noted however the response provided is not sufficient and not appropriate. The old policy which was approved in 2008 was submitted and the finding was raised based on that. As a response, the new policy has been submitted which is dated 25 May 2022 however a meeting regarding the resolutions was held on the 5th of July 2022 which is after year end. The policy is therefore applicable and effective in the new financial period.

Management still needs to further respond in line with paragraph 4 of the cover page.

The finding remains unresolved due to the fact that we are still unable to verify whether the employees are entitled to receive a scarce payment or not and will be pursued further as part of the material irregularity process.

INFORMATION TECHNOLOGY GENERAL CONTROLS REVIEW

IT Governance

1. Vacancies within the Information Communication Technology organisational structure

It was previously reported that the municipality had documented and approved a Corporate Services Proposed Structure 2020 which included the Information Communication Technology organisational structure. It was however noted that the positions reflected on the Information Communication Technology organisational structure had not yet been established and filled within the municipality.

In the 2021-22 financial period, the Corporate Services Proposed Structure 2020 had not been approved by the Council for implementation. The Corporate Services: Information Communication Technology Approved Organisational Structure adopted on the 24 April 2013 was therefore the positions available within the ICT Unit.

As per the table below, the ICT Unit was not adequately staffed as of the twenty nine (29) approved positions, eight (08) vacancies were identified. This resulted in the ICT Unit operating with a staffing capacity of 73% (21 individuals).

Position	Vacant or Filled	Funded	Comment
Senior Manager IT	Filled	Yes	None
Manager Systems Administration	Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
Manager ICT Security	Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
Manager ICT Infrastructure	Filled	Yes	None

Position	Vacant or Filled	Funded	Comment
Manager Business Optimisation	Filled	Yes	None
Manager ICT Projects	Filled	Yes	None
ICT Projects Administrator X2	Filled	Yes	None
Super Users X5	- Filled X4 - Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
ICT Security Administrator	Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
GIS Officer X2	- Filled - Vacant	Vacant position not funded.	Not filled as the position is not funded.
Web Master	Filled	Yes	None
Database administrator X2	Filled	Yes	None
Senior Server Administrator	Filled	Yes	None
Server Administrators X2	- Filled - Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
Service Desk Officer	Filled	Yes	None
Service Desk Administrator X2	- Filled - Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
Senior Desktop Support Technician	Filled	Yes	None
Desktop Support Technician X3	- Filled - Vacant	Position only funded in July 2022.	In the process of being filled in the 2022-23 financial period.
Secretary	Filled	Yes	None

In the absence of adequate staff resources, the ICT Unit might not be in a position to provide efficient and effective support to the municipality. This could result in ICT not adequately supporting business operations and in turn not meeting the needs of the municipality.

Internal control deficiency

Leadership: information technology governance framework

Funding was not made available to fill vacant positions within the ICT Unit as a new Corporate Services Proposed Structure 2021 was in the process of being submitted to Council for approval.

Recommendation

The vacant positions within the ICT Unit should be evaluated and those deemed critical prioritised for funding and recruitment. Furthermore, the new Corporate Services Proposed Structure 2021 should be submitted to Council for approval. Once approved, the new structure should be implemented within the municipality with adequate funding being made available to ensure that all available positions can be established and filled.

Management response

Response	Name	Date
Management agrees with the finding.	Xolile Ngebulana (Senior Manager: ICT)	05 December 2022
Action to address findings	Responsible official	Due date
The positions in the new ICT structure need to be evaluated, graded, and funded. Msunduzi will fund the positions once funding is available.	Xolile Ngebulana (Senior Manager: ICT)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

2. Personal Development Plans not in place for ICT staff

Audit finding

Information communications and technology (ICT) staff at Msunduzi Local Municipality did not have personal development plans (PDP) in place, as the last 3 Year Personal Development Plan created was only valid for the period July 2016 to June 2019.

If PDP's are not timeously established and regularly discussed, ICT staff may not be aware of their development points and the proposed interventions to ensure that they have the required knowledge and skills to efficiently and effectively support the municipality.

Internal control deficiency

Leadership: IT governance framework

New PDP's were not established for ICT staff due to budget constraints within the municipality which prevented any formal trainings from being planned and scheduled.

Recommendation

The Senior Manager: ICT should liaise with the Human Resources (HR) department to ensure that new PDP's are established for ICT staff and budget is made available to plan and schedule the formal trainings required to address development points. Additionally, management should consider other interventions such as informal training, on the job experience and skills and knowledge transfer sessions from service providers to ensure that ICT staff skills gaps are addressed.

Management response

Response	Name	Date
Management confirms that there are no PDP's for the 2021-22 financial year due to the moratorium still in place preventing ICT staff from attending formal training and courses.	Xolile Ngebulana (Senior Manager ICT)	08 December 2022
Action to address finding	Responsible official	Due date
ICT to continue using available option in training ICT staff on different technology systems that we support and are in place.	Xolile Ngebulana (Senior Manager ICT)	Immediate

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle. Furthermore, management is encouraged to formally establish and document PDP's for each ICT staff member even though they may not attend formal training and courses in order to make them aware of their development points and evaluate if the informal interventions being implemented addresses some of knowledge and skills they need.

3. ICT priority projects not timeously executed

Audit finding

The ICT Strategy – Project Road Map, page 18 and 19 included a table of Consolidated Project Priorities.

The following projects were noted as having a priority level of 1 which had an implementation timeframe of 2021-22 however no indication that these projects had commenced could be obtained, as they were not being reported on in the ICT Projects Catalogue ISA 16:

No	Architecture	Project	Priority level	Cost
B1	Business Architecture	IT Re-Organisation	1	Medium
B2	Business Architecture	Implementation of IT Governance Framework	1	Low
D1	Data Architecture	ICT Governance Framework and Policies	1	Medium
D2	Data Architecture	Data Governance Policy	1	High
A1	Application Architecture	Centralised Call Centre	1	High
A2	Application Architecture	Decision Support System Toolset	1	Low
A3	Application Architecture	Records Management & ECM/Workflow	1	High
A4	Application Architecture	Implement outstanding SAP Modules	1	Very High
A5	Application Architecture	Licensing System	1	Medium
A6	Application Architecture	Project Management System/Project Server	1	Low
A7	Application Architecture	Microsoft: SCOM	1	Low
A8	Application Architecture	Network Monitoring System	1	Medium
A9	Application Architecture	Property maintenance programme	1	High
A10	Application Architecture	Customer Relationship Management ("CRM") System	1	Medium
A11	Application Architecture	System interfaces and enhancements	1	High
T1	Technology Architecture	ECM Hardware and Platform	1	Medium
T2	Technology Architecture	Licensing System: Hardware and Platform	1	Medium
T4	Technology Architecture	Server Refresh	1	High
T5	Technology Architecture	Active Directory and MS Exchange Upgrade	1	Low
T6	Technology Architecture	Rampage Upgrade	1	Low

If priority projects stipulated in the ICT Strategy – Project Road Map are not completed as per the expected timeframes, this could result in ICT not being aligned and failing to contribute to the achievement of the municipality's business goals and strategic objectives.

Internal control deficiency

Leadership: IT governance framework

Budget constraints within the municipality resulted in priority ICT projects being deferred and not commencing as planned in order to meet the required timeframes.

Recommendation

The Senior Manager: ICT should ensure that budget is made available for the timeous implementation of ICT projects stipulated in the ICT Strategy – Project Road Map that have a priority level of 1. Alternatively, regular reviews and updating of the ICT projects included in the ICT Strategy – Project Road Map should be performed to evaluate which projects are feasible for the municipality to undertake and those that can be deferred.

Management response

Response	Name	Date
Management agrees to the finding however as alluded in the internal control deficiency, budget constraints played a major role in not actioning and implementing some of the priority level 1 projects.	Xolile Ngebulana (Senior Manager: ICT)	02 December 2022
Action to address finding	Responsible official	Due date
ICT to request funding in order to implement priority projects that are beneficial to the municipality. To review the Project Road Map and defer other projects to subsequent years.	Xolile Ngebulana (Senior Manager: ICT)	31 December 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

4. Incomplete information technology systems catalogue maintained by the municipality

Audit finding

It was previously reported that deficiencies were noted with the Catalogue of Business Systems/Apps at Msunduzi Municipality.

In 2021-22 financial period, management had developed an Active Business Systems spreadsheet to record information relating to ICT systems utilised by the municipality. The following discrepancies were however noted with the document:

- The spreadsheet was not an accurate reflection of all systems at the municipality as the Fuel Master and Winbridge systems, which were included in the audit were not listed in the Active tab.
- The IMPRONET system was recorded on the Active tab as well as the Not Found tab.
- Although a column for supporting documents was present on the spreadsheet, the information captured was not consistent and would not allow for the referenced documents to be easily located.

The inadequate recording of ICT systems may result in management not being able to monitor, plan for and support applications utilised by the municipality. This could lead to ICT not meeting the needs of the municipality and failing to contribute to the achievement of business objectives.

Internal control deficiency

Leadership: Information technology governance framework

The Senior Manager: ICT did not ensure due diligence when compiling the Active Business Systems spreadsheet resulting in the document being incomplete with inconsistencies noted.

Recommendation

The Senior Manager: ICT should ensure that:

- The Active Business Systems spreadsheet is updated to include accurate records of all systems utilised by the municipality.
- Supporting documents are referenced so that they can be easily located and used to corroborate the information captured on the Active Business Systems spreadsheet.
- The Active Business Systems spreadsheet is regularly reviewed to ensure that it is kept up to date and changes in IT systems taken into consideration when amendments are being made.

Management response

Response	Name	Date
Management agrees to the finding.	Mergan Naidoo (Manager: Business Optimisation)	02 December 2022
Action to address finding	Responsible official	Due date
The two systems (Winbridge and Fuel Master) have been listed and added to the Active Systems Tab on the Systems Catalogue.	Mergan Naidoo (Manager: Business Optimisation)	25 November 2022
IMPRONET system has been removed from the Not Found tab. POE attached.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding has been assessed and will address components of the finding however, a detailed review of the information systems catalogue needs to be performed as some inconsistencies still remain relating to the referencing of information on the spreadsheet to supporting documentation.

5. Support and maintenance not available for the Metbank system

Audit finding

As previously reported, no support and maintenance was in place for the Metbank system during the 2021-22 financial year.

In the absence of skilled resources or a service provider to assist with support and maintenance, the municipality may not be able to successfully troubleshoot system issues on Metbank, which could result in the system not operating effectively and prolonged downtimes.

Internal control deficiency

Leadership: information technology governance framework

- The Senior Manager Finance did not ensure that management commitments made to resolve the previous audit finding were actioned.
- Internal ICT staff did not have the capacity, knowledge or technical skills to maintain the Metbank system.
- Furthermore, the municipality's intention to integrate the Metbank system functionality into the SAP system was reversed and therefore the process to source a service provider for the support and maintenance of the Metbank system had only commenced recently.

Recommendation

- The Senior Manager Finance should ensure that management commitments made to resolve audit findings are adequately and timeously actioned.
- The process to source a service provider for support and maintenance of the Metbank system should be prioritised and finalised.
- Internal staff should be trained on how to support and maintain the Metbank system while the municipality is in the process of sourcing a service provider.

Management response

Response	Name	Date
Management agrees with the finding, this is a legacy system. The functionality of the Metbank system was planned to be incorporated on the SAP system as part of the SAP re-configuration process. However, the tender was cancelled due to non-performance of a service provider.	Khanyisile Shoba (Senior Manager: Revenue)	25 November 2022
The municipality has subsequently appointed a service provider after year-end to conduct the upgrade of the Metbank system to be in line with the current windows server.		
Action to address finding	Responsible official	Due date
The system is being enhanced and upgraded with support and maintenance for the next year. System issues will be addressed within a reasonable timeframe.	Khanyisile Shoba (Senior Manager: Revenue)	30 November 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

6. Inadequate agreements in place for the Fuel Master system**Audit finding**

It was previously reported that the municipality was in the process of getting a new service provider for the Fuel Master system.

In the 2021-22 financial period, a contract was entered into with OTI Petrosmart Private Company Limited for the Supply, Delivery and Installation of the Fuel Master system on the 06 August 2021.

A Service Level Agreement (SLA) was signed by the service provider on the 28 October 2021. Additionally, an Addendum to Memorandum of Agreement was signed by the municipality with the company on the 14 June 2022, however the following deficiencies were noted with the documents:

(a) Service Level Agreement

- The commencement date was indicated as 06 August 2021 despite the document only being signed off over two months later on the 28 October 2021.
- A table indicating backups performed for the Fuel Master system was included in the SLA on page 19, however this report only indicated backups for the month of May 2022. There was no indication of backups taken for other months in the 2021-22 financial year.
- Disaster Recovery Plan Reporting requirements were included on page 24 and Data Security Policy Reporting requirements included on page 32. No reports as provided for in the SLA were requested or submitted to the municipality for review.
- Page 25, section 22.2 which required the municipality's Physical, Postal, Tel, Email and Attention was not filled out.
- Page 29, section 6 Certification stated that, "The undersigned hereby certifies that he/she has read and understood the data protection policy of OTI PetroSmart, relating to the conduct and ethics of OTI employees, and agrees to comply with these procedures and policies." and page 33, section 8 Certification stated that, "The undersigned hereby certifies that he/she has read and understood the data security policy of OTI PetroSmart, relating to the conduct, systems and ethics of users, and agrees to comply with these procedures and policies." These sections were not completed and signed off by the municipality as confirmation of being read, agreed and accepted.
- There was no provision for the SLA to be signed off by the municipality and only signatures from the service provider were present.
- The document was not signed off by any witnesses.

(b) Addendum to Memorandum of the Agreement

- The Bilateral Agreement date was left blank.
- The implementing agent and witnesses had not signed off on the document.

(c) Service Level Agreement and Addendum to Memorandum of the Agreement

- The below controls were not adequately catered for in the documents:
 - The management of user access administration on the Fuel Master system which includes the processes for new user creations, modifications to a user's access, password resets, suspension or termination of a user's access, user access reviews and administrator activity reviews were not stipulated.
 - Security management controls relating to required password configuration settings, patching, antivirus and version updates that will be applied by the service provider were not included.
 - Program change management controls were not documented.
 - Alignment of the service provider's disaster recovery plans as well as backup and retention policies and procedures with those of the municipality was not indicated.
- The process to be followed and frequency at which the municipality would monitor key performance indicators and service levels received from the service provider had not been specified in the documents.

The absence of adequate agreements could result in management not being able to hold the service provider accountable for non-delivery or poor quality services. If required controls, minimum service levels and monitoring mechanisms are not formally documented and agreed to by both parties, this could result in the service provider delivering services that do not meet the needs of the municipality.

Internal control deficiency

Leadership: information technology governance framework

The Senior Manager: Logistics and Stores did not thoroughly review the SLA and Addendum to Memorandum of the Agreement relating to the Fuel Master system to ensure that all required aspects had been included, and the documents were adequately completed and complied with.

Recommendation

The Senior Manager: Logistics and Stores should ensure that:

- The SLA and Addendum to Memorandum of the Agreement relating to the Fuel Master system are thoroughly reviewed, updated to include all required information, relevant sections adequately completed, and the documents signed off by all parties.
- Furthermore, compliance to the documents is monitored by ensuring that the agreed upon service performance reports are submitted timeously by the service provider and reviewed by the municipality, to ensure activities performed are in line with the approved services stipulated.

Management response

Response	Name	Date
Management agrees with the finding and necessary amendments will be done on the SLA.	Dudu Ndlovu (Deputy: Chief Financial Officer)	01 December 2022
Action to address finding	Responsible official	Due date
SLA will be thoroughly reviewed to address above mentioned deficiencies.	Sibusiso Mkhize (Senior Manager: Logistics)	30 June 2023
1. Commencement date of contract, the award made on the 06 August 2021 and the SLA is normally done once an award is made. In this case the SLA was concluded two months after an award which is a standard or expected time frame for an SLA to be finalised. See attached letter of award (Annex A) to support the commencement date.		
2. As for the backup report, the month of May report was submitted as a report to confirm back up is done and the month was a latest month available. All the monthly back reports will be provided.		
3. Disaster Recovery Plans and Security Policy reporting will be requested from the service provider and reviewed.		
4. SLA and Addendum will be refilled and signed in its entirety.		
5. With regards to the controls that were not adequately addressed in the SLA and Addendum will be addressed by:		
(a) Create a user access management form addressing new user creations, modifications to a user's access, password resets, suspension or termination of a user's access.		
6. Security management controls and program change management will be amended in the SLA.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

7. Inadequate controls related to the Winbridge system

Audit finding

It was previously reported that controls relating to the management and monitoring of the Winbridge system were not adequately implemented.

In the 2021-22 financial period, it was noted that the Winbridge system was entirely managed by the service provider, Opto Gauteng (Pty) Ltd. A service level agreement (SLA) had been developed which outlined the roles and responsibilities to be performed by the municipality and the service provider. Furthermore as per the payment file, the municipality had paid R215 346,88 to the service provider, Opto Gauteng (Pty) Ltd during the financial year.

The following deficiencies were however noted with regard to controls implemented on the Winbridge system:

IT Governance

The SLA between the service provider, Opto Gauteng (Pty) Ltd and the municipality did not include security requirements, steps to be taken if service delivery is not satisfactory (i.e. penalty clauses) and Addendum E: Agreement between Parties was only signed by the Municipal Manager and not the service provider. The date of sign off and witnesses' signatures were also still not recorded on the addendum.

The requirement for service performance reports was not included in the SLA and no formal monitoring of service provider performance was being carried out by the municipality.

Security Management

Passwords settings configured on the system could now be generated however the below non-compliance to the User Access Management Policy was noted:

User Access Management Policy, page 9, section 3.11 User Password Management requirements	Passwords configured on the Winbridge system
Passwords shall be a minimum of 7 characters in length.	"Force long password (6 alpha + 3 number)" was not selected on the system.
All user passwords shall automatically expire after the maximum 60 days.	"Force password change every 30 days" was not selected on the system.

User Access Management Policy, page 9, section 3.11 User Password Management requirements	Passwords configured on the Winbridge system
Passwords shall be complex (contain symbols and/or numbers - alphanumeric), as shown below: • Uppercase letters A,B,C,...Z , • Lowercase letters a,b,c,...z , • Numeric characters 0,1,2,...9 and • Special characters !, \$, #, %...	"Allow Case Insensitive User Password" option enabled, which would allow either uppercase or lowercase letters to be accepted and overrides password complexity standards.
Password attempts shall be set to 3 unsuccessful login attempts and the user must contact the system owners/administrators to reinstate account, if user account has been locked out.	Not configured.
A password history of 12 should be maintained	Not configured.
Session timeout	Not configured.

- Security management controls as follows could not be tested:
 - Monitoring of user logon attempts as reports detailing systems logons were not available.
 - Confirmation that the latest antivirus software and patches were installed could not be verified as the system was running on servers that belonged to the service provider and the municipality had no access to this environment.

(c) User Access Management

- User account management information logs were not available due to functionality limitations on the system, and as a result the following user access management control could not be tested:
 - New users created on the system.
 - Users whose access or account privileges were modified.
 - Passwords that were reset by the system administrator, senior or supervisor.
 - Users whose accounts were suspended.
 - Periodic reviews of user access rights.
 - Formal monitoring of activities performed by system administrators.

d) IT Service Continuity

- The following inadequate IT service continuity controls were noted:
 - Testing of the disaster recovery plan had not been performed.
 - There was no schedule maintained for backups.
 - Restoration testing of backups was not performed.
 - Backups were saved to an external hard drive and it could not be confirmed that this device was consistently taken offsite for storage.

(e) Physical Access and Environmental Controls

- The Winbridge server was hosted in the boardroom at the landfill site, the following physical access and environmental control weaknesses were noted:
 - The server was placed on the floor.
 - The register was not maintained for visitors, third parties and staff who accessed the room in which the server was stored.

Inadequate controls may result in the Winbridge system not operating as intended. Furthermore, the system may be exposed to IT governance, security management, user access management, IT service continuity and physical and environmental controls risks that could negatively affect the confidentiality, integrity and availability of data stored on the system.

Internal control deficiency

Leadership: information technology governance framework

- The Senior Manager: Waste Management did not ensure that management commitments made to address the previous audit finding were adequately and timeously actioned.
- The Winbridge system is entirely managed by the service provider, Opto Gauteng (Pty) Ltd who supplies and hosts the equipment on a separate network infrastructure. The municipality however did not adequately engage with the service provider to configure the required configuration settings and controls on the system.

Recommendation

The Senior Manager: Waste Management should ensure that:

- Management commitments made to address audit findings are adequately and timeously actioned.
- The information communication technology (ICT) Unit should engage with the service provider of the Winbridge system to ensure that required controls are implemented and adhered to.
- Furthermore, roles and responsibilities of the service provider and the municipality relating to IT governance, security management, user access management, program change management, IT service continuity and physical and environmental controls should be clearly defined, agreed to by both parties and monitored.

Management response

Response	Name	Date
Management agrees to the finding.	Wilson Mhlongo (Senior Manager: Waste Management)	23 November 2022
Action to address finding	Responsible official	Due date
1) As part of the 2022 - 2023 financial year the waste management has ensured that the new service level agreement does cover all in terms of the SLA between the service provider, Opto Gauteng (Pty) Ltd and the municipality. It does cover and include security requirements under ICT requirements, this is also not limited to Security Management, User Access Management and IT Service Continuity. 2) Physical Access and Environmental Controls - The Winbridge server was hosted in the boardroom at the landfill site, the following physical access and environmental control weaknesses were noted: - The server was placed on the floor; The server will be mounted, a call to ICT for the mounting will be initiated. - The register was not maintained for visitors, third parties and staff who accessed the room in which the server was stored. There is a register now that is kept for records on who enters the server room at the Landfill site. (Attached P.O.E) - As far as the password security control we will comply moving forward as per the new Service Level agreement. - The servers and PC's were supplied by IT and they have full access to the windows access and the anti-virus management.	Wilson Mhlongo (Senior Manager: Waste Management)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle. Furthermore, management should consider enhancing the register for the server room at the Landfill site to include columns for the time in and time out to be recorded.

8. Inadequate controls implemented for the Freshmark system

Audit finding

It was previously reported that the Freshmark system was inadequately managed and some required controls not performed.

In the 2021-22 financial period, the following deficiencies were identified relating to the Freshmark system which was upgraded in March 2022:

- (a) IT Governance
 - The municipality did not formally monitor the performance of Freshmark Systems (Pty) Ltd, the third party service provider who supported the Freshmark system.
- (b) Security Management
 - Account lockout threshold settings configured on the Freshmark system could not be confirmed, due to a functionality limitation which prevented the settings from being extracted.
- (c) User Access Management
 - Required user account management information audit trails as well as password reset logs were not available on the Freshmark system for the period 01 July 2021 to 28 February 2022. Furthermore, user account management information audit trails which could be generated after the system was upgraded in March 2022 omitted key fields as noted below:
 - Issues relating to the completeness and accuracy of the Listing of Added Users were present as differing lists were provided by the municipality. The initial Listing of Added Users run on the 19 April 2022 indicated only one user was added on the Freshmark system despite a subsequent list run on the 09 November 2021 indicating that three (03) users were added on the system, with the two additional users having been added on 30 November 2021 and therefore should have been included in the initial report.
 - The evidence provided for amendments made to user accounts was insufficient as it did not highlight the exact changes made and mostly indicated passwords that were reset. Details of the prior and new amended values were not reflected and as a result testing relating to modifications made to user accounts could not be performed.
 - The User Access Management Policy, page 9, section 3.9 User Access Review and Monitoring stated that, "f) A quarterly remote user access review shall be conducted by the relevant business unit/department (s) after obtaining the system generated list of such users from system owners/administrators." The user access reviews performed by the municipality for the Freshmark system were inadequate as the Menu Activities by User report used indicated daily transactions performed by users and not the access rights and permissions they had been assigned. Additionally, user access reviews were not conducted as per the quarterly frequency stipulated in the User Access Management Policy and were carried out either monthly or every two months.
 - The User Access Management Policy, page 8, section 3.9 User Access Review and Monitoring stated that, "a) A half yearly review of all administrative privileges shall be performed by the relevant business unit/department (s) after obtaining the system generated list of such users from system owners/administrators. Evidence of the reviews performed and subsequent actions performed should be retained." The Menu Activities by User report reviewed as part of systems administrator activities monitoring performed by the municipality did not contain sufficient information as it only reflected daily transactions performed by the administrators and did not highlight any user account maintenance activities. System administrator activities reviews were also performed on a monthly basis which is not in compliance with the biannual frequency stipulated in the User Access Management Policy.

d) IT Service Continuity

- Backup logs generated from the Freshmark system did not indicate if a backup was success or unsuccessful for the months of 01 July 2021 to 28 February 2022. Once the system was upgraded in March 2022, the backup logs now reflect the status of backups performed. No evidence was maintained to confirm that if a backup was recorded as unsuccessful, follow up actions were taken by the municipality to ensure the backup process was repeated until successful.
- The diagram in the Backup Procedure on page 7 indicated that step 1 entailed "Initiate automated backup" with the narrative stipulating, "Backups are automated and require no manual intervention, unless there is a failure of the backup. Backups are set to run daily." The backups performed for the Freshmark system did not comply with the requirements of the Backup Procedure as they were manually initiated, performed at differing times each day and on some days no backups were taken.

Inadequate controls may result in the Freshmark system not operating as intended. Furthermore, the system may be exposed to IT governance, security management, user access management and IT service continuity risks that could compromise the confidentiality, integrity and availability of data stored on the system.

Internal control deficiency**Leadership: information technology governance framework**

The actions to correct the previously identified deficiencies relating to the Freshmark system were only implemented in March 2022 however management did not ensure that all issues raised were considered and adequately addressed.

Recommendation

The Manager Freshmarket in consultation with the Senior Manager ICT should engage with the service provider of the Freshmark system to ensure that all necessary controls are adequately catered for by the system. Required IT governance, security management, user access management and IT service continuity controls should be implemented and adhered to by all stakeholders who interact with the Freshmark system.

Management response

Response	Name	Date
Management agrees to the finding.	Siyabonga Khumalo (Manager: Freshmarket)	05 December 2022
Action to address finding	Responsible official	Due date
We have engaged with service provider to address the remaining issues.	Bradley Balkisson (Systems Operator: Market)	31 January 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

9. Deficiencies noted relating to controls associated with the SCADA Electricity system**Audit finding**

It was previously reported that the SCADA Electricity system was inadequately managed and not configured to incorporate some required controls.

In the 2021-22 financial period, the following deficiencies were still present as the SCADA Electricity system was only upgraded on the 6 September 2022 and some issues were not addressed:

(e) IT Governance

- The service level agreement (SLA) held with Adroit Technologies (Pty) Ltd for support and maintenance of the SCADA Electricity system was dated 19 July 2021 and valid for 36 months. The SLA had not been updated since it was signed and continued to omit the following required clauses:
 - Change procedure for any portion of the agreement.
 - Steps to be taken if service delivery is not satisfactory, i.e. penalty clauses.
- Additionally, the information below was also not included in the SLA:
 - Termination (describes how the parties can terminate the relationship and who is responsible in such an incident).
 - Confidentiality (this section protects trade secrets and any confidential information obtained during the course of the contractual relationship and beyond).
 - Intellectual Property (IP) Ownership (Outlines who owns the IP created from the service. Typical, the parties keep any IP that they contribute, i.e. the service provider keeps the IP to its process and the auditee keeps its IP used to complete the service).
 - Applicable Laws and Dispute Resolution (in a dispute, this details how the dispute will get resolved and what laws applies).
- Furthermore, no formal monitoring of the SCADA Electricity system service provider performance had been carried out by the municipality.

(f) Security Management

- Password's settings configured on the SCADA Electricity system could not be accessed and as a result it could therefore not be verified if passwords configured were in line with the approved password requirements of the municipality.
- Session timeout settings could not be confirmed, as evidence of this configuration being set was not available.
- A report of failed logon attempts could not be generated during the 2021-22 financial year and no formal monitoring of log on violations was performed as the required report only became available once the SCADA Electricity system was upgraded.
- The SCADA Electricity system was moved to the Msunduzi data centre on 6 September 2022 and connected to the network to receive antivirus and patch updates, prior to this and for the full 2021-22 financial year controls designed at a network level were not being applied and monitored on the SCADA Electricity system. In addition, no record of how security exceptions identified were resolved was maintained by the municipality.

(g) User Access Management

- A screen shot indicating users that had been registered on the SCADA Electricity system was obtained however the information reflected did not indicate the date a user was added, access modified, password reset or account terminated. As a result of the insufficient user account management information, user access management controls as listed below could not be tested:
 - New users created on the system.
 - Users whose access or account privileges were modified.
 - Passwords that were reset by the system administrator, senior or supervisor.
 - Users whose accounts were disabled.
 - Periodic reviews of user access rights.
 - Formal monitoring of activities performed by system administrators.
- Unique administrator and user accounts were only established after the SCADA Electricity system upgrade had been performed. For the entire 2021-22 financial year there was only one user account which was used by anyone who needed to access the system, resulting in accountability for activities performed not being able to be assigned to a specific individual.

(h) IT Service Continuity

- There was no evidence of the following IT service continuity controls being performed for the 2021-22 financial year:
 - Testing of the disaster recovery plan.
 - Backup logs for the SCADA Electricity system could not be obtained and confirmations indicating that failed and successful backups were being monitored was not maintained.
 - Restoration testing of backups.
 - Backups of the SCADA Electricity system were stored in the same Electricity Unit Building in which the server was housed and were not taken offsite for safe keeping.

(i) Program Change Management

- A list of changes implemented on the SCADA Electricity system was still not available and as a result the following program change management controls could not be tested:
 - Confirmation of changes implemented on the system.
 - Adherence of changes implemented to the change management policy of the municipality.

(j) Physical and Environmental Controls

- During the 2021-22 financial year the SCADA Electricity Server continued to be housed in the server room at the Electricity Unit, which did not have smoke detectors, fire suppressors, temperature control and lightning protection systems.

Inadequate controls may result in the SCADA Electricity system not operating as intended. Furthermore, the system may be exposed to IT governance, security management, user access management, IT service continuity, program change management and physical and environmental control risks that could compromise the confidentiality, integrity and availability of data stored on the system.

Internal control deficiency

Leadership: information technology governance framework

The actions to correct the previously identified deficiencies relating to the SCADA Electricity system were only implemented after the 2021-22 financial year however management did not ensure that all issues raised were considered and adequately addressed.

Recommendation

The Senior Manager: Electricity in consultation with the ICT Unit should engage with the service provider of the SCADA Electricity system to ensure that all necessary controls are adequately catered for by the system. Required IT governance, security management, user access management, IT service continuity, program change management and physical and environmental controls should be clearly defined, implemented and adhered to by all stakeholders who interact with the SCADA Electricity system.

Management response

Response	Name	Date
Management agrees to the finding.	T Madlala (Acting GM: Electricity Supply Services)	05 December 2022
Action to address finding	Responsible official	Due date
The findings have been addressed as per attached; however, the work was completed outside the 2021/22 financial year scope of audit. The SLA is currently under review.	Nkosikhona Zondi (Manager: Technical Support)	31 December 2023

Auditor's conclusion

Management response is noted. The evidence submitted by management to confirm addressing components of the finding after the 2021-22 financial year end was evaluated and noted to have been implemented. The municipality should ensure that these controls are consistently performed going forward, with evidence of management monitoring and reviews in the form of sign offs being maintained. Furthermore, the progress made by management in updating the SLA to address the remaining deficiencies will be assessed in the next audit review cycle.

IT Security Management**10. Metbank system running on outdated Microsoft Windows server operating system****Audit finding**

As previously reported, the Metbank system was running on a Microsoft Windows Server 2003 SP2 Operating System, which had reached its end of lifecycle and mainstream support from Microsoft on 14 July 2015.

A lack of support implies that Microsoft will not release any new security patches for the product and this may result in it being more susceptible to security vulnerabilities and threats. An attacker could leverage these vulnerabilities to obtain access to sensitive information or disrupt systems. This may further lead to increased downtime and poor performance of the Metbank system.

Internal control deficiency**Financial and performance management: Information technology systems**

- The Senior Manager ICT did not ensure that management commitments made to resolve the previous audit finding were actioned.
- The municipality did not budget for the upgrade of the outdated Microsoft Windows server operating system on which the Metbank system was running and therefore it could not be replaced.

Recommendation

- The Senior Manager ICT should ensure that management commitments made to resolve audit findings are adequately and timeously actioned.
- The municipality should budget for the replacement of the outdated Microsoft Windows server operating system on which the Metbank system runs, to allow for it to be upgraded to a supported version.
- Furthermore, plans should be developed to ensure future operating systems support requirements are in place and the timeous replacement of outdated software is performed by the municipality.

Management response

Response	Name	Date
Management agrees with the finding, this is a legacy system. The functionality of the Metbank system was planned to be incorporated on the SAP system as part of the SAP re-configuration process. However, the tender was cancelled due to non-performance of a service provider.	Khanyisile Shoba (Senior Manager: Revenue)	25 November 2022
The municipality has subsequently appointed a service provider after year-end to conduct the upgrade of the Metbank system to be in line with the current windows server.		
Action to address finding	Responsible official	Due date
System currently being enhanced and upgraded to Windows Server 2019 with adequate security measures in place.	Khanyisile Shoba (Senior Manager: Revenue)	30 November 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

11. No security and user access controls implemented on the Metbank system**Audit finding**

- As previously reported, the following deficiencies were noted with regard to security and user access controls for the Metbank system:
- No ICT policies and procedures relating to security and user access had been implemented on the system.
- The system was being used by two individuals however, there were no user accounts and unique usernames or passwords required to be entered for authentication to the system.
- There was no individual at the municipality who had been assigned system administrator access on the Metbank system.

The absence of ICT policies and procedures to govern required security and user access processes may result in weak and inconsistent controls being implemented on the Metbank system. A lack of unique user accounts and password security settings increases the risk of unauthorised individuals being able to gain access to the system. Additionally, if a municipal staff member is not assigned administrative access this may result in the municipality placing significant reliance on a service provider to support the system.

Internal control deficiency

Financial and performance management: Information technology systems

- The Chief Financial Officer (CFO) did not ensure that management commitments made to resolve the previous audit finding were actioned.
- Metbank is a legacy system and when the system was initially implemented, the municipality's required security and user access controls were not incorporated into the system.
- Furthermore, the municipality has reversed its decision to integrate the Metbank system functionality into the SAP system and had only recently commenced with the process of sourcing a service provider to support and maintain the Metbank system.

Recommendation

- The CFO should ensure that management commitments made to resolve audit findings are adequately and timeously actioned.
- Management should prioritise the appointment of the new service provider who will support and maintain the Metbank system.
- Detailed security and user access controls should be incorporated into the Metbank system functionality in line with the municipality's ICT policies and procedures.

Management response

Response	Name	Date
Management agrees with the finding, this is a legacy system. The functionality of the Metbank system was planned to be incorporated on the SAP system as part of the SAP re-configuration process. However, the tender was cancelled due to non-performance of a service provider. The municipality has subsequently appointed a service provider after year-end to conduct the upgrade of the Metbank system to be in line with the current windows server.	Khanyisile Shoba (Senior Manager: Revenue)	25 November 2022
Action to address finding	Responsible official	Due date
New enhanced and upgraded system in accordance with ICT policies and procedures.	Khanyisile Shoba (Senior Manager: Revenue)	31 March 2023
System to have unique username and password controls. System Administrator access to be assigned shortly.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

12. Security controls inadequately implemented on the SCADA Water system

Audit finding

It was previously reported that password settings configured on the SCADA Water system could not be generated by the municipality.

In the 2021-22 financial period, an upgrade of the SCADA Water system was done in May 2022 and ICT was now able to generate password settings directly from the system.

The following deficiencies were however noted with regard to security controls implemented on the SCADA Water system:

- Non-compliance to the Information Security Policy, page 13, section 3.5 Password Management, point g) which stated that, "Passwords must be changed every 30 days." was identified due to the setting for the expiry date being configured to 42 days on the SCADA Water system.
- Reviews of logon attempts were only performed in the last quarter of the financial year.

Password settings not configured in line with the approved password requirements of the municipality increases the risk of weak passwords and breaches through the use of social engineering or password sniffing algorithms, which may result in unauthorised access to the system.

Internal control deficiency

Financial and performance management: information technology systems

The Senior Manager: Water and Sanitation did not ensure that the updated password settings configured on the SCADA Water system by the service provider were in compliance to the Information Security Policy Password Management Requirements..

Recommendation

The Senior Manager: Water and Sanitation should liaise with service provider of the SCADA Water system to amend the password configurations so that they comply with the approved Information Security Policy Password Management requirements.

Management response

Response	Name	Date
Whilst the Senior Manager: Water and Sanitation disagrees with the finding relating to SCADA (Water) Password Management, where Water Management is responsible for the SCADA (Water) Password settings, Water Management will liaise with the ICT Department, who are the custodians of the ICT network infrastructure, to amend the password settings to be compliant with the Information Security Policy.	Brenden Sivparsad (Senior Manager: Water and Sanitation)	6 December 2022
Management agrees with the finding relating to the reviews of logon attempts that were only performed in the last quarter of the financial year. This is due to the fact the SCADA (Water) system was upgraded in May 2022 and it was only then that the system was capable of providing audit information.		

Action to address finding	Responsible official	Due date
Management will continue to ensure reviews of logon attempts are performed regularly, diligently and timeously. ICT Department has acknowledged the Password Management non-compliance and has subsequently changed the password settings, on the 25th November 2022.	Brenden Sivparsad (Senior Manager: Water and Sanitation)	Achieved

Auditor's conclusion

Management response is noted. The deficiency associated with password settings will remain and be included in Annexure B of the Management Report, as confirmation shared with the audit team indicated that the SCADA Water password settings were rectified after receiving the finding on the 25th of November 2022. Furthermore, the progress made by the municipality in implementing the remaining action to address the finding relating to logon attempts will be assessed in the next audit review cycle.

13. Password settings configured on the Traffic Contravention System do not comply to the requirements of the Information Security Policy

Audit finding

It was previously reported that evidence relating to the password settings configured on the Traffic Contravention System could not be provided, as the administrator of the system was not aware of how to extract these settings.

In the 2021-22 financial period, the password settings configured on the Traffic Contravention System were extracted by the municipality and provided to the auditors. The following instances of non-compliance to the Information Security Policy Password Management requirements were however noted:

Description	Information Security Policy (Page 15, section 3.5 Password Management, Point g)	Traffic Contravention System Password Settings Configured
Minimum length	8	5
Passwords must be changed	30 days	Not defined
User account locked	3 invalid attempts	Not defined

Password settings that are not configured in line with the approved policies of the municipality increases the risk of weak configuration settings being implemented and unauthorised individuals being able to easily compromise or guess passwords to gain access to a system. This unauthorised access could negatively affect the confidentiality, integrity and availability of traffic data stored on the system.

Internal control deficiency

Financial and performance management: information technology systems

The Senior Manager: Traffic did not ensure that the service provider incorporated and complied with the Password Management requirements stipulated in the Information Security Policy when upgrading the Traffic Contravention System.

Recommendation

- The Senior Manager: Traffic should engage the service provider of the Traffic Contravention System in order to update and align the password settings configured to the Password Management requirements stipulated in the Information Security Policy.
- Furthermore, periodic reviews should be performed to ensure that password settings configured on the Traffic Contravention System continue to comply with the requirements of the municipality and no unauthorised changes are made.

Management response

Response	Name	Date
Management agrees to the finding.	Zach Maluleka (Senior Manager: Traffic)	01 December 2022
Action to address finding	Responsible official	Due date
The password configuration and the responsible person challenges were resolved and the SOP for user account management was submitted as part of POE in adherence to the ICT Policy for user account management. (Please see the attached PoE that was submitted to IA)	Fekisi Nkhethi (System Administrator)	28 February 2023
Management will ensure configuration of the system to prompt password change within 30 days and well as prompt the system to lock at 3 failed login attempts.		

Auditor's conclusion

Management response is noted. The finding will remain and be included in Annexure B of the Management Report as the SOP submitted belonged to the service provider, TCS and furthermore, did not align to the Password Management requirements stipulated in the Msunduzi Municipality's Information Security Policy. The SOP indicated that the "password must be longer than 5 characters" however, the municipality's Information Security Policy requires a minimum password length of 8 characters. The municipality is required to adhere to its own internal policies and not to those of service providers, therefore the progress made by management in implementing the action to address the finding will be assessed in the next audit review cycle.

14. Non-compliance to Information Security Policy as logon attempts not reviewed for the Windows Active Directory

Audit finding

As previously reported, the Information Security Policy page 15, section 3.7.6 Event Logging and Monitoring stated that, "a) Event logs recording user activities, exceptions, faults and information security events shall be produced, kept and regularly reviewed. Details of what shall be reviewed, by who and reporting requirements shall be included in the operations health check schedule."

It was however noted that logon attempts on the Windows Active Directory were still not monitored and reviewed in the 2021-22 financial year.

Not reviewing user logon attempts could result in unauthorised access attempts going undetected for extended periods of time. If inappropriate access is gained to the Windows Active Directory this may compromise the confidentiality, integrity and availability of data stored on the municipality's network.

Internal control deficiency

Financial and performance management: information technology systems

Non-compliance to the Event Logging and Monitoring section of the Information Security Policy resulted due to the tender which included the Active Directory Manager Software tool, required to generate logon attempts reports from the Windows Active Directory not being awarded, as a result of an objection raised in the 2020-21 financial year. Supply Chain Management (SCM) advised ICT to not re-advertise the tender until the court proceedings relating to the objection were finalised.

Recommendation

- The Senior Manager: ICT should ensure that the tender for the procurement of the tool required to generate logon attempts reports from the Windows Active Directory is re-advertised and awarded to a suitable service provider as soon as possible.
- Once the tool has been implemented, management should ensure compliance with the Event Logging and Monitoring section of the Information Security Policy by regularly generating and formally reviewing logon attempts on the Windows Active Directory.

Management response

Response	Name	Date
Management agrees to the finding. Windows Active Directory reviews were not done due to contractual issues resulting in the tender not being awarded on time.	Xolile Ngebulana (Senior Manager: ICT)	25 November 2022
Action to address finding	Responsible official	Due date
The tender has since been awarded and the reviews started from September 2022. ICT to continue with the reviews on a quarterly basis.	Skhumbuzo Msomi (ICT Infrastructure Manager)	31 December 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

15. Logon attempts not adequately reviewed for the Traffic Contravention System

Audit finding

It was previously reported that logon attempts on the Traffic Contravention System were not monitored.

In the 2021-22 financial period, the User Access Management Policy, page 9, section 3.9 User Access Review and Monitoring, point e) bullet 7, stated that, "Unsuccessful login attempts is reviewed annually."

It was further noted that the Traffic Contravention System had been upgraded to be able to produce a User Failed Login Attempts Report in April 2022, which resulted in the report being available from the last quarter of the 2021-22 financial year.

Additionally, the User Failed Login Attempts Report used to perform the annual logon attempts review only contained records for one day, 11/05/2022. This would not have provided management with sufficient assurance that there was no unauthorised logon attempts on the Traffic Contravention System for the period that the User Failed Login Attempts Report was available.

Inadequate reviews of user logon attempts could result in unauthorised access going undetected for extended periods of time. If inappropriate access is gained to the Traffic Contravention System this may be utilised to compromise the confidentiality, integrity and availability of traffic data stored.

Internal control deficiency

Financial and performance management: information technology systems

The Traffic Contravention System was only upgraded in April 2022 resulting in User Failed Login Attempts Report being able to generate required report in the last quarter of the financial period.

Recommendation

The Senior Manager: Traffic should ensure that the reports used to perform reviews of logon attempts for the Traffic Contravention System include records that cover the entire financial period. Evidence of reviews performed and any subsequent corrective actions taken should be maintained.

Management response

Response	Name	Date
Management agrees to the finding.	Zach Maluleka (Senior Manager: Traffic)	01 December 2022
Action to address finding	Responsible official	Due date
The Traffic department started reviewing the login attempts from May 2022. These login attempt reviews were duly signed by the Administrator and the Chief Traffic officer on 11th of May 2022. Management will ensure that when doing the annual review, it is for the entire financial year.	Fekisi Nkhethi (System Administrator)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

User Access Management

16. User management reports not available on the Windows Active Directory

Audit finding

It was previously reported that no user management reports could be obtained from the Windows Active Directory.

In the 2021-22 financial period, the municipality was able to provide a list of users on the Windows Active Directory. The following user management reports were however still not available:

- Changes in users' accesses implemented.
- User accounts terminated with a date disabled recorded.
- Password resets performed.
- Reports that could be used to perform user access reviews.
- Logs of administrator activities performed.

Furthermore, the four (04) user accounts below which were previously identified as belonging to terminated employees were found to be still enabled on the Windows Active Directory:

No:	Personnel No	User Name	Name & Surname	Termination Date
1.	8570840	HEMBELIHLEN	T Thembelihle Ngcobo	2018/07/01
2.	8572120	THOKOZANIM1	Thokozani Mchunu	2018/07/01
3.	8573220	NTOKOZOD1	Ntokozi Dlamini	2018/07/01
4.	2209440	NOMUSAM	Nomusa Mkhize	2018/08/01

This may result in:

- If the municipality is not able to generate all required user management reports, inappropriate user access and unauthorised activities performed on the Windows Active Directory may not be identified.
- Required monitoring processes to ensure compliance with the municipality's policies and procedures may not be carried out, due to the unavailability of systems reports.
- Additionally, user accounts not disabled in a timely manner may be used to compromise the confidentiality, integrity and availability of information stored on the Windows Active Directory.

Internal control deficiency

Financial and performance management: information technology systems

The tender which included the Active Directory Manager Software tool required to generate user management reports from the Windows Active Directory was not awarded due to an objection raised in the 2020-21 financial year. Supply Chain Management (SCM) advised ICT not to re-advertise the tender until the court proceedings relating to the objection were finalised.

Recommendation

- The Senior Manager: ICT should ensure that the tender for the procurement of the tool required to generate user management reports from the Windows Active Directory is re-advertised and awarded to a suitable service provider as soon as possible.
- Once the tool has been implemented, management should ensure that required user management reports are regularly generated, and utilised to confirm that all terminated individual accounts are timeously disabled, no inappropriate or unauthorised access has been granted and all stakeholders are complying with the policies and procedures of the municipality.

Management response

Response	Name	Date
Management agrees to the finding. Windows Active Directory reviews were not done due to contractual issues resulting from the tender not being awarded on time.	Xolile Ngebulana (Senior Manager: ICT)	25 November 2022
Regarding the four identified users, management does not agree with the finding: All of the users identified are not on Active Directory and this can be confirmed by the Pay numbers and designations as they are different. It is a coincidence and quite common to have different people but having the same name and surname. The extract is submitted as POE.		

Action to address finding	Responsible official	Due date
The tender has since been awarded and the reviews will be done as recommended.	Skhumbuzo Msomi (ICT Infrastructure Manager)	31 December 2022

Auditor's conclusion

Management response is noted. The component of the finding relating to terminated employees will however remain and be included in Annexure B of the Management Report, as the POE submitted by management did not include any indicator that confirmed the individual's pay numbers and designations linked to the person reflected on the Windows Active Directory. Management is encouraged to obtain this confirmation and take the necessary remediation action. Furthermore, the progress made by the municipality in implementing the action to address the lack of user management reports will be assessed in the next audit review cycle.

17. Some user account information audit logs not available on the Metval system

Audit finding

It was previously reported that the Metval system was able to display information relating to new users created, user accounts amended, passwords reset and users terminated however, this information could not be extracted in the form of a report from the system. Furthermore, vital details such as the period that the information was being generated for, the date the action was taken and status of the users account was not reflected.

In the 2021-22 financial period, the Metval system was upgraded in May 2022 to allow for the extraction of a password reset report. The following user account information audit logs were however still not available on the Metval system, resulting in the auditors not being able to test the associated controls:

- New user creations.
- User account amendments.
- User terminations.

The absence of adequate user account information audit logs inhibits the municipality's ability to track, monitor and report on user account management activities performed for the Metval system. This could result in management not being aware if required user account management controls are being consistently complied with. Furthermore, unauthorised user account management activities performed may not be detected in a timely manner, which could affect the confidentiality, integrity and availability of information stored on the system.

Internal control deficiency

Financial and performance management: information technology systems

- The Senior Manager: Real Estate and Property Valuations did not ensure the all required user account information audit logs were incorporated into the Metval systems when it was upgraded.
- Furthermore, the tender which included the tool required to generate user account information logs from the Metval system, was not awarded due to an objection raised in the 2020-21 financial year. Supply Chain Management (SCM) advised information communications and technology (ICT) not to re-advertise the tender until the court proceedings relating to the objection were finalised.

Recommendation

- The Senior Manager: Real Estate and Property Valuations should liaise with the service provider of the Metval system to determine if it can be further enhanced to incorporate and allow for the generation of the additional user account information audit logs required.
- Furthermore, the Senior Manager: ICT and Senior Manager: Real Estate and Property Valuations should ensure that the tender for the procurement of the tool required to generate user account information audit logs from the Metval system is re-advertised and awarded to a suitable service provider as soon as possible.
- Once the required reports are available, the municipality should regularly generate and review user account information audit logs from the Metval system to timeously identify and act upon any unauthorised user account activities performed and monitor compliance with required user account management controls.

Management response

Response	Name	Date
Management notes the findings, however, through the system upgrade that was done in September 2022 the municipality can see new users and terminations, that were done by the system administrator and the date on which the activities were performed. The service provider will be requested to upgrade the system to allow for separate reports to be generated for account amendments, additions or terminations. As mentioned above, the facility to view: • New user creations • User account amendments • User terminations must be built into the system. There is no need to advertise for an additional tool.	Chazile Ndhlovu (Manager: Real Estate and Property Valuations)	29 November 2022
Action to address finding	Responsible official	Due date
The system upgrade that was done in September 2022 ensures the municipality can see new users and terminations, that were done by the system administrator and the date on which the activities were performed. The service provider will be requested to upgrade the system to allow for separate reports to be generated for account amendments, additions or terminations. As mentioned above, the facility to view: • New user creations • User account amendments • User terminations must be built into the system. There is no need to advertise for an additional tool.	Chazile Ndhlovu (Manager: Real Estate and Property Valuations)	As soon as possible.

Auditor's conclusion Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

18. User account management information logs not available for the SCADA Water system**Audit finding**

As previously reported, user account management information logs detailing new user accounts created, user profiles modified, user accounts terminated and passwords reset were not available on the SCADA Water system. Furthermore, the periodic review of users' access rights and systems administrator activities was not performed. As a result, controls associated with these activities could not be tested.

The absence of user account management information logs inhibits the municipality's ability to track, monitor and report on user account management activities performed for the SCADA Water system. This could lead to management not being aware if required user account management controls are being consistently complied with. Furthermore, not reviewing user access rights and systems administrator activities may result in inappropriate access and unauthorised user account management activities not being detected in a timely manner. This could negatively affect the confidentiality, integrity and availability of information stored on the system.

Internal control deficiency**Financial and performance management: information technology systems**

- The SCADA Water system is a legacy system with limited user account management reporting functionality. When the system was designed user account management requirements were not taken into account and configured on the system.
- The municipality indicated that they had engaged with the service provider of the SCADA Water system who confirmed that the system could not be enhanced to cater for user account management information logs however, no compensating or mitigating controls had been considered by management.

Recommendation

The Senior Manager: Water and Sanitation should investigate compensating and mitigating controls that can be implemented to reduce the risk associated with the lack of user account management information logs on the SCADA Water system. Supporting documentation for all controls implemented should be maintained with evidence of the corrective actions taken being recorded.

Management response

Response	Name	Date
Management agrees to the finding noting that the system does not incorporate Password Management as it utilises the Windows Active Directory for password management for the SCADA Water system. The SCADA (Water) system was upgraded in May 2022 and although the system does provide some audit review functionality, it does not provide an automated system generated report for user account management information logs detailing new user accounts created, user profiles modified and user accounts terminated. Management did investigate alternative controls and has, since July 2022, implemented mitigating controls to reduce the risks associated with the lack of (automated) user account management logs for the SCADA Water system. The controls are in the form of monthly reviews that are performed diligently and timeously (See POE 03, 04, 05 and 06). Furthermore, any program changes that required on the system can only be implemented after a Program Change Request form has been completed and authorised (see POE 07) Management has further improved the security, in November 2022, for the SCADA Water User Account Management by: 1) Creating two User Groups within the Windows Active Directory: a) SCADA Water Administrators and b) SCADA Water Operators. There are now only two (2) x Administrators and four (4) x Operators. The four Operators do not have Admin privileges thereby mitigating risks associated with user accounts With only six (6) x Users in total, the risks associated with new user accounts created, user profiles modified and user accounts terminated can be managed by the monthly reviewing process.	Brenden Sivparsad (Senior Manager: Water and Sanitation)	25 November 2022
Action to address finding	Responsible official	Due date
Management believes that the controls that have been put in place since July 2022 are adequate to mitigate the risks associated with user account management information logs detailing new user accounts created, user profiles modified and user accounts terminated for the SCADA Water system. Management will ensure that Program Change Request forms are authorised prior to any program changes and that program change reviews will be performed regularly, diligently and timeously.	Brenden Sivparsad (Senior Manager: Water and Sanitation)	Achieved

Auditor's conclusion

Management response is noted. The finding will however remain and be included in Annexure B of the Management Report, as the actions to address the finding were only implemented after the 2021-22 financial year end. Furthermore, the continued performance of the established controls will be assessed in the next audit review cycle.

19. New User Application Form does not cater specific fields for system name, user access roles and functions to be documented**Audit finding**

As previously reported, ICT had implemented an application request form that was to be completed for the adding of users, modifying of functions or access roles and removal of user accesses. The form was applicable for all systems utilised at the municipality.

It was however noted that the design of the New User Application Form was inadequate, as it did not cater for the system name, user access roles and application functions required to be formally recorded.

If the required system, user access roles and application functions are not documented on New User Application Forms completed, this may result in systems administrators not being aware of the correct system accesses to be assigned to a user account. This could lead to inappropriate or excessive access rights being assigned to users and may negatively affect the confidentiality, integrity and availability of data stored on ICT systems.

Internal control deficiency

Financial and performance management: information technology systems

Management commitments made to resolve the previous audit finding were not actioned as the same New User Application Form was still in use and had not been updated to address the prior year deficiencies identified. The New User Application Form was created by ICT and user departments were not consulted to ensure that the design of the form catered for the system name, user access roles and application functions to be recorded.

Recommendation

- Management should ensure that commitments made to resolve audit findings are adequately and timeously actioned.
- ICT Management should consult with each user department to enquire how the New User Application Form can be updated to incorporate the recording of their specific system name, user access roles and application functions.
- The form should then be updated to cater for the formal documentation of all required information.
- Once the form has been updated, it should be workshoped and communicated to the relevant stakeholders for implementation.

Management response

Response	Name	Date
Management agrees to the finding.	Mergan Naidoo (Manager: Business Optimisation)	25 November 2022
Action to address finding	Responsible official	Due date
Response	Name	Date
ICT will amend new user forms and include roles, functions and system names on the amended new user forms. ICT will then also workshop the forms to the system owners/administrators as recommended.	Mergan Naidoo (Manager: Business Optimisation)	31 December 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

20. Non-compliance with approved user account management policies and procedures for the Traffic Contravention System

Audit finding

It was previously reported that the municipality did not have knowledge on how to generate user account management information logs from the Traffic Contravention System.

In the 2021-22 financial period, the municipality had upgraded the Traffic Contravention System in April 2022 to be able to generate user account management reports.

The reports were however only available in the last quarter of the financial year and the following deficiencies noted with regard to the user management processes account for the Traffic Contravention System:

- (a) The Information Security Policy, page 15, section 3.5 Password Management stated that, "a) Users shall keep their user IDs and corresponding passwords confidential and refrain from sharing them with others." and "b) Users shall not store fixed passwords in any computer files, such as logon scripts or computer programs, unless the passwords have been encrypted with authorised encryption software."

Non-compliance to the Password Management requirements stipulated in the Information Security Policy was identified as the user list provided to the audit team contained passwords which were clearly visible and could be used to gain unauthorised access to users accounts on the Traffic Contravention System. Additionally, the report also had a column titled "UserIdNumber" which reflected some users' identity numbers resulting in the municipality not adhering to the Protection of Personal Information (POPI) Act.

- (b) The User Access Management Policy, page 7, section 3.3 User Access Request stated that, "e) All user IDs on ICT assets and information shall be constructed according to the standard user ID construction as defined in this document. The user IDs shall clearly indicate the responsible individual's name, and under no circumstances shall such user IDs permitted to be generic, descriptive of an organisational title or role, descriptive of a project, or anonymous."

The required standard naming convention in the User Access Management Policy was not consistently complied with as the below five (05) generic accounts were active on the Traffic Contravention System:

No.	Username	Name	Surname	Active
1.	TCS SUPPORT	TCS SUPPORT	TEAM	1
2.	WARRANT	WARRANT	COURT	1
3.	CONTROL	CONTROL	ROOM	The account was only made inactive on the 12/05/2022.
4.	CASHIER3	CASHIER3	COURT	The account was only made inactive on the 12/05/2022.
5.	CAMERA	CAMERA	PROSECUTORS	The account was only made inactive on the 12/05/2022.

- (c) The User Access Management Procedure, page 14, section Changing User Access Process Roles and Responsibilities stated that, "A User Access Form must be completed prior to assigning new or removing user roles to any systems. A User Access Form must clearly indicate that it is being used for change of user access. This form is obtained from the ICT service desk."

The municipality did not comply with the Changing User Access Process Roles and Responsibilities section of the User Access Management Procedure as the six (06) users noted in the table below access on the Traffic Contravention System was modified without any formal documentation being completed:

No.	Name	Surname	Active	RoleID	UserAdmin	RoleIDModifiedDate
1.	LUNGA CLIVE	MSOMI	1	3	PMB	2021-12-21 10:06:54.517
2.	Kholeka	Zondi	1	15	PMB	2021-12-01 09:51:30.750
3.	MARY	FEKISI	1	8	PMB	2021-11-02 09:37:43.640
4.	Mxolisi	Meyiwa	1	18	PMB	2021-12-15 08:49:36.413
5.	SIMPHIWE	GAGAYI	1	15	PMB	2021-12-15 08:59:10.320
6.	ZANDILE	MBELE	1	3	PMB	2022-02-18 07:59:36.900

- (d) The Information Security Policy, page 14, section 3.4.3 User Registration and De-Registration stated that, "a) A formal user registration and de-registration procedure shall be followed for granting and revoking access to all information systems and services. At a minimum, the level of access requested shall be documented, checked for segregation of duties conflicts and approved by management. For further details refer to the User Access Management Policy."

The User Registration and De-Registration requirements section stipulated in the Information Security Policy was not complied with as the eight (08) user accounts below were terminated from the Traffic Contravention System without any formal documentation being completed:

No.	Name	Surname	Inactive Date
1.	BALAN	NAIDOO	11/05/2022
2.	CAMERA	PROSECUTORS	12/05/2022
3.	CASHIER3	COURT	12/05/2022
4.	CONTROL	ROOM	12/05/2022
5.	LETTITIA	MOOS	30/06/2022
6.	SCHALK	BREYTENBACH	12/05/2022
7.	VEES	REDDY	12/05/2022
8.	YUSUF	ISMAIL	11/05/2022

- (e) The Information Security Policy, page 14, section 3.4.4 Privileged Access stated that, "a) Privileged access shall be kept to a minimum and where applicable on an event-by-event basis. Activities performed with privileged/administrative access shall be regularly reviewed by an individual independent from the activity. This includes use of utility programs."

Privileged Access was not restricted appropriately as required by the Information Security Policy due to the six (06) accounts highlighted in the table below having system administrator access on the Traffic Contravention System:

No.	Name	Surname	Status
1.	BALAN	NAIDOO	The account was deactivated on the 11/05/2022, however for 10 months of the financial year the account was active with system administrator access assigned.
2.	Doret	Baard	The account is currently active on the systems with system administrator access assigned.
3.	Fekisie	Nkhethi	The account is currently active on the systems with system administrator access assigned.
4.	LETTITIA	MOOS	The account was deactivated on the 30/06/2022, however for the entire 12 months of the financial year the account was active with system administrator access assigned.
5.	TCS SUPPORT	TEAM	The account is currently active on the systems with system administrator access assigned.
6.	ZANDILE	MBELE	The account is currently active on the systems with system administrator access assigned.

If adequate user account management controls as required by the municipality's policies and procedures are not implemented and consistently performed this may result in inappropriate access and unauthorised transactions on the Traffic Contravention System, which could negatively affect the confidentiality, integrity and availability of traffic information stored.

Internal control deficiency

Financial and performance management: information technology systems

- Non-compliance to the Information Security Policy, User Access Management Policy and User Access Management Procedure was due to management not ensuring that the required user account management controls were implemented and adhered to for the Traffic Contravention System.
- Furthermore user account management reports were only available on the Traffic Contravention System in the last quarter of the financial year and this prevented management from monitoring compliance to required controls.

Recommendation

The Superintendent of the Traffic Unit should ensure:

- Compliance to the user account management requirements stipulated in the Information Security Policy, User Access Management Policy and User Access Management Procedures for the Traffic Contravention System.
- Adequate user account management reports are regularly generated and reconciled to completed and approved documentation, in order to confirm that no unauthorised actions have been performed. Passwords should remain confidential and no users' identity number disclosed.
- Generic and privileged accounts not required should be disabled and each account assigned to a unique individual to ensure accountability.

Management response

Response	Name	Date
Management agrees partially to the finding.	Zacharia Maluleka (Senior Manager Traffic) and Xolile Ngebulana (Senior Manager ICT)	01 December 2022
Action to address finding	Responsible official	Due date
The TCS user audit report does not contain anyone's password as all passwords are encrypted, request to not print full ID have been implemented. TCS will confirm this via e-mail. (Does not agree to this finding) The TCS Support user account is TCS administrator account used by TCS support to assist the Traffic Unit with various functions and procedures, this account will be deactivated and user accounts setup individually as per requirement, the service provider only creates user accounts as per request from the Traffic Unit. A user account creation form was created to have the users fill in this form when requesting for a new user to be created, however the request to reset a password or modify roles still goes through the system administrators in an email request. Recommendation would be that the ICT takes over this role to ensure the AG requirements are adhered to and have 2 forms for user creation and modification and one form for deactivation of accounts. The TCS Support user account is TCS administrator account used by TCS support to assist the Traffic Unit with various functions and procedures, this account is deactivated and user accounts setup individually as per requirement. Fekisi Nkethi is the new System Administrator for the Traffic Unit therefore he has administrator rights on the system after he took over from Zandile Mbele who was the interim administrator, no request was made to revoke administrator rights from Zandile Mbele as she is the current supervisor who stands in the absence of Mr. Nkethi. Account management reports are available for review by the administrator. User activity reports are also available to administrators in detail to monitor user activities on the traffic management system.	Fekisi Nkethi (System Administrator), Xolile Ngebulana (Senior Manager: ICT) and Siphesihle Madlala (Web Master)	31 March 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle. Furthermore, the update made to not print full ID's on reports is acknowledged however, management should also consider excluding the user password field from all reports as although it may be encrypted there is a risk that it could be decrypted using available tools.

21. No detailed records of passwords reset on the Traffic Contravention System

Audit finding

It was previously reported that the password reset process of the municipality had not been implemented for the Traffic Contravention System, as users called the systems administrator directly to reset their password.

In the 2021-22 financial period, the Information Security Policy, page 15, section 3.5.1 Password Management System stated that, "e) If a password is forgotten, the user must follow the incident management procedure."

The following deficiencies were however identified with the password reset process followed for the Traffic Contravention System:

- (a) A total of eleven (11) passwords associated with active accounts as detailed in the table below, were noted to have expired during the financial year on the Traffic Contravention System. No report could be obtained to indicate if the expired password had been reset and when the action was performed.

No.	Username	Name	Surname	Active	RoleID	PasswordExpired
1.	Angel	Angel	Moeti	1	8	2022-02-24 10:09:32.827
2.	CLIVE	LUNGA CLIVE	MSOMI	1	3	2022-03-23 12:13:03.190
3.	Doret	Doret	Baard	1	3	2022-12-31 15:41:41.923
4.	Ganas	Ganas	Moodley	1	15	2022-02-23 08:10:23.600
5.	Kholeka	Kholeka	Zondi	1	15	2022-02-09 13:12:19.543
6.	MARY	MARY	FEKISI	1	8	2022-03-27 15:45:30.823
7.	Mxolisi	Mxolisi	Meyiwa	1	18	2022-02-23 12:56:58.367
8.	SANDRA	SANDRA	CHETTY	1	15	2022-03-06 09:56:27.300
9.	SIMPHIWE	SIMPHIWE	GAGAYI	1	15	2022-02-19 09:41:48.097
10.	SOONSIE	SOONSIE	REDDY	1	18	2022-04-06 08:10:26.180
11.	ZANDILE	ZANDILE	MBELE	1	3	2022-03-20 08:17:01.480

- (b) The diagram on the Incident and Problem Procedure page 7, section 2.1 End User Incident and Problem Reporting to Resolution Process Overview indicated step 5 as being Log an incident or problem on the Call Logging System. The records for password resets on the Traffic Contravention System could not be identified on the call logging system used at the municipality as the CallType & Category Summary Report was inadequate due to it simply grouping calls and having no specific details present.

If required password processes are not consistently implemented and adequately documented for the Traffic Contravention System, this may result in unauthorised password resets being actioned. User accounts compromised by inappropriate password resets may be utilised to perform activities that have not been approved. This may negatively affect the confidentiality, integrity and availability of traffic data stored on the system.

Internal control deficiency**Financial and performance management: information technology systems**

Functionality limitations on the Traffic Contravention System as well as the call logging system utilised by the municipality resulted in detailed records relating to passwords reset not being available, in order to confirm that required processes were adequately complied with.

Recommendation

- The Senior Manager Traffic Unit should liaise with the service provider of the Traffic Contravention System to enquire if it can be upgraded to reflect when a password has been reset, the details of the individual who performed the action and the date implemented.
- The Senior Manager ICT should ensure that the call logging system used by the municipality is enhanced to allow for detailed records of all calls logged to be generated.
- Reports relating to passwords reset on the Traffic Contravention System should be regularly produced and reviewed to ensure that required processes are being adequately complied with and any deviations addressed.

Management response

Response	Name	Date
Management agrees to the finding.	Zacharia Maluleka (Senior Manager: Traffic)	01 December 2022
Action to address finding	Responsible official	Due date
The System administrator decides on how to handle password resets for the Traffic Contravention System, the process goes through the Supervisor and the Administrator and the process is monitored by ITC logs. Currently the users report system errors or require assistance via email to their respective Supervisor or the administrator to ensure that whatever changes or modification is required is properly authorised. The system administrator will liaise with the service provider of the Traffic Contravention System to enquire if it can be upgraded to reflect when a password has been reset, the details of the individual who performed the action and the date implemented. The Senior Manager ICT will ensure that the call logging system used by the municipality is enhanced to allow for detailed records of all calls logged to be generated. Reports relating to passwords reset on the Traffic Contravention System will be regularly produced and reviewed to ensure that required processes are being adequately complied with and any deviations addressed.	Zacharia Maluleka (Senior Manager: Traffic) and Xolile Ngebulana (Senior Manager: ICT)	31 March 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

22. Review of system administrator activities inadequately performed for the Metval system**Audit finding**

As previously reported, the quarterly review of system administrator activities that was performed for the Metval system, was inadequate as the report utilised only indicated the transactions performed by users on the system and not system administrator activities.

Users with administrator privileges have full control over a system. If activities of system administrators are not adequately reviewed and monitored, this may result in unauthorised activities performed not being detected in a timely manner. Furthermore, the lack of detailed systems administrator activity reviews could lead to management not identifying user account management activities performed by system administrators without adequate documentation being completed and the required approvals obtained. This could compromise the confidentiality, integrity and availability of information stored on the system.

Internal control deficiency**Financial and performance management: information technology systems**

The tender which included the tool required to generate system administrator activities reports from the Metval system, was not awarded due to an objection raised in the 2020-21 financial year. Supply Chain Management (SCM) advised information communications and technology (ICT) not to readvertise the tender until the court proceedings relating to the objection were finalised. This resulted in systems administrator activities reviews continuing to be performed with the inadequate user transactions reports that were available on the Metval system.

Recommendation

- The Senior Manager: ICT should ensure that the tender for the procurement of the tool required to generate system administrator activities reports from the Metval system is re-advertised and awarded to a suitable service provider as soon as possible.
- Once the tool has been implemented, management should ensure that adequate system administrator activities reports are regularly generated from the Metval system, and utilised to confirm that no unauthorised actions have been performed.
- Additionally, training should be provided to municipal staff responsible for carrying out system administrator activity reviews so that they are aware of how to perform the review and the correct reports to use. Detailed evidence of the reviews performed and corrective actions taken should be maintained.

Management response

Response	Name	Date
Management notes the finding however, the system was upgraded in September 2022 and the Municipality is now able to view activities conducted by system administrators on the system. System upgrade logs can also be viewed and extracted from the system. All activities performed by the administrators will be reviewed on a quarterly basis. Please refer to the attached account management report and system upgrade reports generated from Metval. The Auditors are requested to confirm if the reports are adequate for the review of system administrator activities. Since there was an objection to the provisional award that was made for Valuation Roll system tender, the outcome of the objection was for the bids to be re-evaluated and re-adjudicated. This process is now at Bid Adjudication stage, re-advertising might delay the process. The bid documents for this tender have catered for all the recommendations made by the auditor general in the previous year. The facility to review administrator's system activities must be built into the system. There is no need to advertise for an additional tool.	Chazile Ndhlovu (Manager: Real Estate and Property Valuations)	29 November 2022
Action to address finding	Responsible official	Due date
The system was upgraded in September 2022 and the Municipality is now able to view activities conducted by system administrators on the system. System upgrade logs can also be viewed and extracted from the system. All activities performed by the administrators will be reviewed on a quarterly basis. Please refer to the attached account management report and system upgrade reports generated from Metval. The Auditors are requested to confirm if the reports are adequate for the review of system administrator activities. Since there was an objection to the provisional award that was made for Valuation Roll system tender, the outcome of the objection was for the bids to be re-evaluated and re-adjudicated. This process is now at Bid Adjudication stage, re-advertising might delay the process. The bid documents for this tender have catered for all the recommendations made by the auditor general in the previous year. The facility to review administrator's system activities must be built into the system. There is no need to advertise for an additional tool.	Chazile Ndhlovu (Manager: Real Estate and Property Valuations)	N/A

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle. Furthermore, the account management and system upgrade reports provided by management could not be evaluated for adequacy due to only limited information relating to the months of September and October 2022 being present and some fields omitting headings.

23. Inadequate reviews of system administrator activities for the Traffic Contravention System

Audit finding

It was previously reported that activities performed by system administrators on the Traffic Contravention System were not monitored and reviewed.

In the 2021-22 financial period, the User Access Management Policy, page 8, section 3.9 User Access Review and Monitoring stated that, "a) A half yearly review of all administrative privileges shall be performed by the relevant business unit/department (s) after obtaining the system generated list of such users from system owners/administrators. Evidence of the reviews performed and subsequent actions performed should be retained."

Management indicated that they had performed a review of system administrator activities on the Traffic Contravention System however the following deficiencies were noted:

- Non-compliance to the required half yearly frequency of system administrator reviews stipulated in the User Account Management Policy as the User Activity Detail Report was only generated once on the 22/09/2022 for the entire financial year, and there was no indication that it had been formally reviewed.
- The User Activity Detail Report provided as evidence of system administrator activities reviews was inadequate as it only contained transactional information performed by system administrators. Information relating to user account management activities such as new users created, modifications of user's accesses, passwords reset and termination of user accounts by a system administrator was not present.
- Some accounts with system administrator access were excluded in the User Activity Detail Report as only activities performed by Zandile and Fekisie were reflected. The table below highlights all accounts assigned system administrator access and those that were not present on the User Activity Detail Report and therefore omitted in the review process:

No.	Name	Surname	Status	Comment
1.	BALAN	NAIDOO	Deactivated on the 11/05/2022.	Not included in the system administrator activities review performed.
2.	Doret	Baard	Currently active.	
3.	LETTITIA	MOOS	Deactivated on the 30/06/2022.	
4.	TCS SUPPORT	TEAM	Currently active.	
5.	Fekisie	Nkhethi	Currently active.	
6.	ZANDILE	MBELE	Currently active.	Accounts included system administrator activities review performed.

Users with system administrator privileges have full control over the Traffic Contravention System. If activities performed by system administrators are not adequately logged, reviewed and monitored on a periodic basis, this may result in unauthorised activities performed not being detected in a timely manner. In addition, user account maintenance activities could be performed by system administrators without valid and approved requests. This may affect the confidentiality, integrity and availability of traffic data stored on the system.

Internal control deficiency

Financial and performance management: information technology systems

Non-compliance to the User Access Review and Monitoring section of the User Access Management Policy, due to the report detailing activities performed by system administrators only being available on the Traffic Contravention System in the last quarter of the financial year thus preventing management from performing the required reviews.

Recommendation

- The Superintendent of the Traffic Unit should ensure that systems administrator activities are formally reviewed in compliance with the requirements stipulated in the User Access Review and Monitoring section of the User Access Management Policy.
- Engagements should be held with the service provider of the Traffic Contravention System to enhance reports that detail system administrator activities performed, so that they include user account management activities as well as all systems administrator accounts.
- Evidence of reviews performed as well as documentation of any subsequent corrective actions taken should be maintained.

Management response

Response	Name	Date
Management agrees to the finding.	Zacharia Maluleka (Senior Manager: Traffic)	01 December 2022
Action to address finding	Responsible official	Due date
Response	Name	Date
Due to the audit being concluded late in the past financial year, management only started late to address most of the findings, hence some evidence only appearing in the last quarter. The following are currently being performed:	Zacharia Maluleka (Senior Manager: Traffic)	31 March 2023
User activity report is available in both summary and detail and can be monitored or reviewed by the administrator for each month.		
There are individual reports for password resets, user account management, user account modification and user role permissions that can be extracted every month and at the end of financial year.		
Every account with administrator rights will be reviewed to ensure that systems administrator activities are formally performed in compliance with the requirements stipulated in the User Access Review and Monitoring section of the User Access Management Policy.		
Engagements will be held with the service provider of the Traffic Contravention System to enhance reports that detail system administrator activities performed, so that they include user account management activities as well as all systems administrator accounts.		
Evidence of reviews performed as well as documentation of any subsequent corrective actions taken will be maintained.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

IT Service Continuity**24. Non-operational equipment noted during disaster recovery testing****Audit finding**

It was previously reported that disaster recovery (DR) testing was inadequately performed by the municipality.

In the 2021-22 financial period, ICT disaster recovery testing was performed in June 2022. The following was however noted regarding the ability of the municipality to successfully restore its ICT systems:

- Node 01 of the two-node cluster, MSUACCL01 at AS Chetty building was not operational. The node refused to power on which was suspected to be a faulty mainboard on the node. Since 1 Node on MSUASCCL01 was not in a healthy state, the cluster would not allow a clean switchover from MSUASC to MSUMKT (the two-node cluster at Market Road).
- Additionally, the MetroCluster deployed is currently without vendor maintenance, and as per Netapp, it has reached end of support. This means that Msunduzi does not have the ability to renew maintenance on this hardware.

DR testing that is not successful may result in the municipality not being able to recover its ICT systems in the event of a disaster. Furthermore, equipment that is not operational and has reached its end of support could lead to extended disruptions in ICT systems as a prolonged period may be needed to repair or replace the device.

Internal control deficiency**Financial and performance management: information technology systems**

DR testing was only conducted on the 29 June 2022, one day before the end of the financial year. This resulted in management not having sufficient time to resolve issues noted during the initial DR testing performed and conduct another test.

Recommendation

Management should ensure that non-operational and outdated equipment is replaced. DR testing should be performed early in a financial year to ensure that if the testing is not successful, the required actions to resolve issues experienced can be taken and sufficient time is available for another DR test to be performed.

Management response

Response	Name	Date
Management agrees to the finding. ICT to submit the request for funding during the ICT Steering Committee in order to replace the out of support Metro cluster equipment.	Xolile Ngebulana (Senior Manager: ICT)	25 November 2022
Action to address finding	Responsible official	Due date
ICT to submit the request for funding during the ICT Steering Committee in order to replace the out of support Metro cluster equipment.	Skhumbuzo Msomi (ICT Infrastructure Manager)	31 December 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

25. Inadequate backup processes were noted at the Msunduzi Datacentre

Audit finding

It was previously reported that deficiencies were noted relating to backup and restoration processes implemented at the Msunduzi Datacentre.

In the 2021-22 financial period, backup and restoration processes were still inadequately implemented at the Msunduzi Datacentre due to the following:

- Backups for the month of August 2021 were inspected and it was identified that backups had not been consistently performed. The backups register and Veeam report indicated that backup jobs run at the Msunduzi Datacentre for the sixteen (16) days, 2nd, 6th, 10th, 11th, 12th, 13th, 16th, 17th, 18th, 19th, 20th, 24th, 26th, 27th, 30th and 31st of August had failed.
- There was no evidence of restoration testing being performed for any ICT system during the 2021-22 financial year.

Inadequate backup management controls may result in the municipality not being able to rely on backups taken to restore lost or corrupted data. This could lead to the loss of critical business data and the municipality having to manually recreate records.

Internal control deficiency

Financial and performance management: information technology systems

Management commitments made to resolve the previous audit finding were not actioned. The municipality indicated that backup failures and the lack of restoration testing was due to network failures and power outages caused by loadshedding.

Recommendation

- Management should ensure that commitments made to resolve audit findings are adequately and timeously actioned.
- The Senior Manager: ICT should investigate alternate sources of power that can be implemented to ensure that the network continues to operate and is not affected by power outages.
- Corrective actions should be taken for backups that have failed to ensure that they are re-run successfully.
- Additionally, periodic backup restoration testing should be performed for all systems utilised by the municipality with formal records of the results being maintained.

Management response

Response	Name	Date
Management agrees to the finding however, when backup fails as indicated during the month of August, the system is configured to retry failed backup jobs three (3) times until backups are successful. The retry of backups may be successful on the following day.	Skhumbuzo Msomi (ICT Infrastructure Manager)	25 November 2022
Also the restoration tests for the FY 2021/22 were conducted and POE submitted. When restoring, focus is on mission critical systems with financial implications like SAP, Emails etc. instead of restoring the entire environment as it will not be practical due to available capacity.		
Action to address finding	Responsible official	Due date
ICT to make sure that the UPS and Generator are working optimally at all times as these failed backups are due to power being lost.	Skhumbuzo Msomi (ICT Infrastructure Manager)	31 December 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle. Furthermore, the POE submitted for restoration tests was inadequate as it indicated not available for the months of October 2021, November 2021 and December 2021.

Program Change Management

26. System generated program change log not available for the Windows Active Directory

Audit finding

As previously reported, a log of program changes could not be generated from the Windows Active Directory for the 2021-22 financial year.

The absence of a system generated program change log may result in management not being able to confirm the changes implemented on the Windows Active Directory and whether these changes have adequately adhered to the required change management processes of the municipality. This may lead to untested and unauthorised changes being implemented in the production environment, which could result in data integrity issues, system instabilities and compromise the confidentiality, integrity and availability of data stored on the network.

Internal control deficiency

Financial and performance management: information technology systems

The tender for the Windows Active Directory Audit Engine Report Software tool, required to extract program change logs from the Windows Active Directory was not awarded due to an objection raised in the 2020-21 financial year. Supply Chain Management (SCM) advised ICT not to re-advertise the tender until the court proceedings relating to the objection were finalised.

Recommendation

- The Senior Manager: ICT should ensure that the tender for the procurement of the tool required to generate program change logs from the Windows Active Directory is re-advertised and awarded to a suitable service provider as soon as possible.
- Once the tool has been implemented, program change logs should be periodically generated and reviewed against approved change management documentation, to assist the municipality in identifying unauthorised and inappropriate changes that may have been implemented on the Windows Active Directory.

Management response

Response	Name	Date
Management agrees to the finding. Windows Active Directory reviews were not done due to contractual issues resulting from the tender not being awarded on time.	Skhumbuzo Msomi (ICT Infrastructure Manager)	25 November 2022
Action to address finding	Responsible official	Due date
Response	Name	Date
The tender has since been awarded, the Tool procured and the reviews will be done as recommended.	Skhumbuzo Msomi (ICT Infrastructure Manager)	31 December 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

Physical and Environmental Controls

27. Some infrastructure at the New England landfill site was not operating as intended

Audit finding

As previously reported, despite a number of security guards being stationed at the entrance of the landfill site, entrance to the administrative building and next to the bridge used to weigh vehicles, the following infrastructure deficiencies were however still not addressed at the landfill site:

- The boom gate was not functional and as a result it was left open which may allow unauthorised vehicles to enter the landfill site and illegally use the facilities.
- The site cameras used to confirm the waste type on the vehicle, in order for the tariff charge to be determined were not operational.
- The robot signalling clearance of passage after transaction approval was faulty and showed no signal.

Infrastructure at the landfill site that is not functioning may inhibit management's ability to prevent unauthorised access and ensure that all landfill transactions are being recorded and billed correctly. Furthermore, infrastructure controls that do not operate as intended could lead to revenue generated at the landfill site being not only incorrect but also incomplete.

Internal control deficiency

Financial and performance management: information technology systems

- The Senior Manager: Waste Management did not ensure that management commitments made to address the previous audit finding were actioned.
- Engagements with finance were held to obtain funds to upgrade infrastructure at the landfill site however, due to budget constraints within the municipality these requests were not successful.

Recommendation

The Senior Manager: Waste Management should ensure that:

- Commitments made to address audit findings are adequately and timeously actioned.
- The funding required for repairs and upgrades to allow for infrastructure at the landfill site to operate as intended is made available.
- Furthermore, the municipality should proactively plan for maintenance and repairs of infrastructure at the landfill site in order to ensure that all infrastructure is functional and can be utilised.

Management response

Response	Name	Date
Management agrees to the finding.	Wilson Mhlongo (Senior Manager: Waste Management)	23 November 2022
Action to address finding	Responsible official	Due date
The waste management section has re-advertised the bid for the installation of Physical and Environmental Controls and the weigh bridge as upon the Bid Evaluation it was noted that the previously advertised Bid had no bidders and these are the steps that were taken by Senior Manager waste management in terms of the implementation of the physical and environmental controls (Attached Re-advert).	Wilson Mhlongo (Senior Manager: Waste Management)	31 August 2023
Cameras are functional on site especially at the weighbridge.		
Currently we rely on security personnel in terms of the prevention of unauthorised vehicles entering the Landfill site.		
Currently we rely on security personnel in terms signalling clearance after transaction approval.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

SAP Basis Review

28. Non-compliance to the SAP Security - Standard Operating Procedure

Audit finding

It was previously reported that twenty four (24) sensitive transactions noted in the SAP Security – Standard Operating Procedure were not locked in the production environment.

In the 2021-22 financial period, the SAP Security – Standard Operating Procedure listed transactions on page 42, section 5.10.4 Sensitive BASIS Transactions that needed to be locked to prevent them from use in production.

It was however noted that the following thirteen (13) transaction codes stipulated in the document were not locked in the SAP production system:

- 1) SA38 – ABAP Reporting
- 2) SE16N – General Table Display
- 3) SE37 – Background and Batch jobs
- 4) SM04 – Overview of users
- 5) SM30 – Display and Update Table data
- 6) SM35 – Batch Input Session
- 7) SM36 – Create Background Jobs
- 8) SM37 – Monitor the background batch jobs
- 9) SM59 – FRC Destinations
- 10) SP01 – Output Controller
- 11) SU01 – User Maintenance
- 12) SU10 – User Mass Maintenance
- 13) STMS – Transport Tool

Access to sensitive transaction codes that are not locked may result in inappropriate changes being performed on the SAP production system.

Internal control deficiency

Financial and performance management: Information technology systems

Council had only approved the updated SAP Security - Standard Operating Procedure on the 14 June 2022 for implementation, resulting in the SAP Security - Standard Operating Procedure sensitive transaction codes requirements not being configured on the SAP production system for the 2021/22 financial year.

Recommendation

- The Senior Manager - ICT should ensure that the updated SAP Security - Standard Operating Procedure approved by Council is correctly implemented within the municipality and required sensitive transaction codes locked in the SAP production system.
- Furthermore, SAP Security and User Access policies and procedures should be regularly reviewed to ensure that sensitive transactions that need to be locked are documented and do not affect the daily operations of the municipality.

Management response

Response	Name	Date
Management agrees to the finding.	Bongumusa Shabane (Basis Administrator)	30 November 2022

Action to address finding	Responsible official	Due date
The transaction codes listed above are not locked due to being utilised frequently to perform daily tasks and the policy has been amended accordingly.	Bongumusa Shabane (Basis Administrator)	31 May 2023
Management will ensure annual review of SAP security policy and procedures is undertaken.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

29. SAP Basis and authorisation administrative functions have not been adequately segregated as required by the SAP Security - Standard Operating Procedure

Audit finding

It was previously reported that, SAP authorisation and SAP basis functionalities were not adequately separated among the SAP security administrators.

In the 2021-22 financial period, some functionalities had been segregated between the SAP security administrators. It was however noted that the following SAP basis functionalities were still inappropriately granted to the SAP authorisation administrator PORTIAN:

Transaction code	Description
RZ11	Maintain profile parameters.
RZ10 (Locked)	Maintain profile parameters.
SM49/69	Execute operating system commands.

User administration functions should only be assigned to the SAP Authorisations Team and should be segregated from the functions of the SAP Basis Team and vice versa. A user who has been assigned conflicting accesses poses a high risk as this role can perform security administration functions as well as authorisation functions. Performing incompatible tasks may result in segregation of duties controls becoming redundant and unauthorised activities performed.

Internal control deficiency

Financial and performance management: Information technology systems

The limited resources available to the municipality resulted in management not being able to implement segregation of duties relating to SAP authorisations and basis functionalities, due to the number of activities to be performed by staff to ensure stability of the SAP system.

Recommendation

- Management should consider increasing the resources in ICT to allow for adequate SAP administration segregation of duties.
- The Senior Manager - ICT should ensure that the SAP Authorisations Team are not allocated basis functionalities and the Basis Functionalities Team do not have SAP authorisation functions.
- Additionally, segregation of duties to the authorisation functionalities should be formally implemented and monitored.

Management response

Response	Name	Date
Management agrees to the finding.	Bongumusa Shabane (Basis Administrator) and Sithembokuhle Ndzimbovu (SAP Authorisations)	30 November 2022
Action to address finding	Responsible official	Due date
The duties between Basis and Authorisations were segregated in April 2022.	Bongumusa Shabane (Basis Administrator) and Sithembokuhle Ndzimbovu (SAP Authorisations)	Resolved

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle as no evidence was provided to confirm that basis and authorisations administrative functions had now been adequately segregated.

30. Key security and password requirements relating to the SAP system not specified

Audit finding

As previously reported, security standards are defined to govern system compliance of security configurations within an information technology (IT) environment in order to align to the company's standards or best practices.

During the review of the SAP Security - Standard Operating Procedure document, the following deficiencies were noted:

- The procedure document did not specify the Global Client Settings. It also did not set out the approval process to be followed when the settings need to be changed and the monitoring process during the time the system is open.
- The setup of system logs and the review process for the results of logs such as dialog logon attempts, remote function call (RFC) logon attempts, changes to configuration, etc. was not defined.
- The procedure listed some system/password parameters and their appropriate settings, however we noted that the below key settings were not documented:

- REC/CLIENT setting that specifies whether changes to tables are set to log any changes. It was however properly set to "700" which is the production client.
- LOGIN/FAILED_USER_AOTO_UNLOCK which specifies whether a locked user master record will automatically unlock itself after being locked due to a number of invalid logon attempts. It was however properly set to "0" which will prevent the system to unlock it at midnight.
- AUTH/NO_CHECH_IN_SOME_CASES for the activation of the profile generator to permit authorisation checks. It was however properly set to "Yes" on the system.
- LOGIN/FAILS_TO_SESSION_END that specifies the number of invalid logins attempts until session end. It was however properly set to "3" attempts on the system.
- The procedure did not set out the process a user should follow when a password reset is required.

The lack of well defined and formally documented security criteria or standards increases the risk of unauthorised individuals gaining illegal access to the SAP system. This could adversely affect the business units using the system and may result in misuse of system resources or improper changes being performed.

Internal control deficiency

Financial and performance management: Information technology systems

Council had only approved the updated SAP Security - Standard Operating Procedure on the 14 June 2022 for implementation, resulting in the SAP Security - Standard Operating Procedure still omitting key security password and security requirements for the 2021-22 financial year.

Recommendation

- The Senior Manager - Information and Communication Technology (ICT) should ensure that the updated SAP Security - Standard Operating Procedure approved by Council is correctly implemented within the municipality.
- Furthermore, SAP Security and User Access policies and procedures should be regularly reviewed to ensure that they include specific security and password requirements with compliance tailored to the system and leading best practices.

Management response

Response	Name	Date
Management agrees to the finding.	Bongumusa Shabane (Basis Administrator)	30 November 2022
Action to address finding	Responsible official	Due date
The settings that are not configured in the system were implemented in the system during the 2021/2022 financial year even though the procedure document was not approved yet. The required settings that were missing from the document were developed and drafted in the procedure document during the financial year only the approval happened after.	Bongumusa Shabane (Basis Administrator)	31 May 2023
Management will ensure annual review of SAP security policy and procedures is undertaken.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

31. Requirements set out in the Change Management Policy not addressed in the SAP Change Management Operating Procedure

Audit finding

As previously reported, the ICT Change Management Policy, page 6, section 1.3 Governance of Change Management, stated that, "b) The Change Management Operating Procedure shall include the following:

- Assessment of the potential impact, including security impact of the change(s) on critical systems.
- Identification of the change authorisers.
- Formal approval procedure for the proposed change(s).
- Procedure for testing including security testing of the change(s).
- Communication of details of change to all affected parties.
- Documentation of details of downtime required.
- Communication of downtime to all affected parties.
- Recording of all the changes."

Additionally, the ICT Change Management Policy, page 9, section 1.5.4 Emergency Changes, stated that, "e) A formal process must be documented for dealing with emergency changes to ensure the risk of poorly executed changes are minimised as far as possible."

It was however noted that the above change management processes as required by the ICT Change Management Policy were not included in the SAP Change Management Operating Procedure. As a result, the detail steps that needed to be followed for each of the items were not documented.

This may result in changes to the SAP system not being properly assessed before implementation, which could lead to misuse of system resources or improper changes being performed.

Internal control deficiency**Financial and performance management: Information Technology systems**

Council had only approved the updated SAP Change Management Operating Procedure on the 14 June 2022 for implementation, resulting in the document not being applicable for the 2021-22 financial year.

Recommendation

- The Senior Manager - ICT should ensure that the updated SAP Change Management Operating Procedure approved by Council is correctly implemented within the municipality and required change management processes adhered to.
- Furthermore, regular monitoring and reviewing should be performed to ensure that no unauthorised changes have been rolled out to the SAP system.

Management response

Response	Name	Date
Management agrees to the finding.	Bongumusa Shabane (Basis Administrator)	30 November 2022
Action to address finding	Responsible official	Due date
In future management will ensure that policies and procedures are implemented within the specified time frame.	Bongumusa Shabane (Basis Administrator)	31 May 2023
Management will ensure annual review of SAP security policy and procedures is undertaken.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

32. SAP Transport Approval Form and documentation not completed as required by the ICT Change Management Policy**Audit finding**

As previously reported, the SAP change ERDK914610 was selected for testing compliance to the change policy and procedure and the following deficiencies noted:

- Evidence of the information security risk and impact assessment that was performed and documented by both business and the ICT department before the change request was authorised and prioritised for implementation could not be provided. The change document only indicated that the impact of the change on other modules was none.
- Evidence that post implementation testing was performed to ensure that the change implemented was limited to the request and functioning as expected was not provided. Only evidence of testing that was done in Quality Assurance (QA) before being transported to production was submitted by the municipality.
- All approvals and signoffs for this change was done by the relevant parties specified on the change, however the form completed did not indicate the type of change e.g. whether it has a financial impact or if it was an infrastructure/architectural change or whether it was a business application change without a financial impact. It was therefore not possible to determine who should have done the approval of the change as per the criteria set out in the ICT Change Management Policy, as changes should be approved by either the Chief Financial Officer (CFO), Senior Manager: Information & Communication Technology or the relevant system owner depending the type of change.
- Evidence of rollback procedures for aborting and recovering from failed change(s), including procedures and responsibilities for aborting and recovering from unsuccessful changes and unforeseen events prior to the implementation was not provided.
- The change form did not make provision to record the below as defined in the policy and procedure documents:
 - Proposed urgency of the change.
 - Estimated cost of the change.

The lack of adequate documentation could result in changes implemented in the SAP production environment not adhering to the steps required by the municipality's approved change management processes and inadequately authorised changes may be implemented. This could affect the confidentiality, integrity and availability of data stored on the SAP system.

Internal control deficiency**Financial and performance management: Information technology systems**

The ICT Change Management Policy and SAP Change Management Operating Procedures were enhanced and approved by Council on the 14 June 2022. The Senior Manager - ICT did not ensure that the change request form was also reviewed and amended to align to the new policy and procedure documents.

Recommendation

- The Senior Manager - ICT should ensure that the change request form is updated to include all controls as prescribed by the ICT Change Management Policy and SAP Change Management Operating Procedures.
- Prior to a change being approved, the person delegated for approval of the change needs to ensure that all required evidence has been complied with, adequately completed and included in the change pack prepared.

Management response

Response	Name	Date
Management agrees to the finding.	Bongumusa Shabane (Basis Administrator)	30 November 2022
Action to address finding	Responsible official	Due date
In future management will ensure that policies and procedures are implemented within the specified time frame.	Bongumusa Shabane (Basis Administrator)	31 May 2023
Management will ensure annual review of SAP security policy and procedures is undertaken.		

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

Software License Assessment Review – SAP

33. No formal monitoring of SAP software licenses and accompanying modules utilised at the municipality

Audit finding

As previously reported, the SAP Software License and Support Agreement certified by Legal Services on the 27/06/2022 indicated that Msunduzi Local Municipality had procured the following SAP software licenses and accompanying modules at a cost of R9 242 203,37 including an initial annual support fee of R2 033 284,74:

Product	Blocks of (units)	Licensed Quantity
SAP Professional User	1	145
SAP Developer User	1	2
SAP Application Limited Professional User	1	140
SAP Meter Administration and Operations for Energy Utilities	1000	56
SAP Meter Administration and Operations for Water Utilities	1000	55
SAP Bill-To-Cash Management for Energy Utilities	1000	142
SAP Bill-To-Cash Management for Water Utilities	1000	135
Credit for previous VC/IC0/AL/ZVCL	0	1
SAP Payroll Processing	500	10
SAP Industry Portfolio User	1	27
SAP Contract and Lease Management	1	83

It was however noted that the municipality did not monitor and review the deployment and utilisation of the procured SAP software licenses and accompanying modules. No register of software licences procured and issued had been maintained by the municipality and no automated tools were used to scan the network and ensure adequate software licensing.

Inadequate monitoring of software licenses could result in management not being aware if the municipality is utilising all SAP modules that it is paying for. Furthermore, under or over licensed software may result in the municipality being liable for penalty fines or incurring fruitless and wasteful expenditure.

Internal control deficiency

Leadership: information technology governance framework

The ICT Unit did not possess the necessary expertise, tools and understanding of SAP software to adequately perform reviews of the SAP software licenses and accompanying modules that had been deployed and were being utilised by the municipality.

Recommendation

- The municipality should ensure that training courses and workshops are facilitated for ICT staff so that they have a thorough understanding of SAP software and accompanying modules, to enable them to adequately monitor and assess the utilisation and deployment of SAP software licenses.
- A register of software licenses procured and issued should be maintained by the municipality to continuously assess whether the correct number of licenses are being held.
- Furthermore, the municipality should consider investing in tools that allow for the automated scanning of the network and identification of unlicensed software.

Management response

Response	Name	Date
Management agrees to the finding.	Sipho Nxumalo (SAP Project Manager: ERP)	30 November 2022

Action to address finding	Responsible official	Due date
The municipality has advertised a tender for the provision of SAP training to internal staff in order to capacitate them with knowledge and SAP understanding.	Sipho Nxumalo (SAP Project Manager: ERP)	30 June 2023
Process for the creation of COE has commenced which will allow the municipality to have its own internal staff that is fully trained and knowledgeable on SAP.	Sipho Nxumalo (SAP Project Manager: ERP)	30 June 2023
The municipality will also investigate the possibility of a tool that will assist with creation of a register as due to high volume of activities it will be impossible to undertake this task manually.	Sipho Nxumalo (SAP Project Manager: ERP)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

Application Controls Reviews

34. Manual process followed to confirm customer account numbers from the Promis system reflected on the Metbank system

Audit finding

As previously reported, when customers make direct bank deposits to their municipal accounts using their SAP account number, the Metbank system automatically matches the deposits to the correct customer account.

It was however noted that when a customer makes a deposit using their old Virtual Machine Environment (VME) account number, a manual process is required to be performed by the municipality to cross reference the customer's account number and match it to the SAP system. This process involves the municipality manually searching for the VME account number on the legacy Promis system in order to identify the customer's updated SAP account number.

Manual processes and verifications are prone to human error as if a wrong account number is matched to the SAP system, this may result in funds being allocated to an incorrect customer's account. This could lead to customer disputes and have a negative impact on the municipality's reputation.

Internal control deficiency

Financial and performance management: Information technology systems

- The Chief Financial Officer did not ensure that management commitments made to resolve the previous audit finding were actioned.
- The manual process that is used to check customer account numbers is as a result of some customers still using their old reference numbers from the VME system. The municipality has tried to engage with these customers however, they refuse to amend their reference numbers to the new SAP references.

Recommendation

- The Chief Financial Officer should ensure that management commitments made to address audit findings are adequately and timeously actioned.
- An automated control to match legacy reference numbers to SAP customer accounts when direct bank deposits are made should be implemented.
- The municipality should also investigate the possibility of an account number validation check on the side of the bank prior to an electronic funds transfer (EFT) being made, as this will eliminate the need for a manual matching process.

Management response

Response	Name	Date
Management agrees with the finding, this is a legacy system. The functionality of the Metbank system was planned to be incorporated on the SAP system as part of the SAP re-configuration process. However, the tender was cancelled due to non-performance of a service provider.	Khanyisile Shoba (Senior Manager: Revenue)	06 December 2022
The municipality has subsequently appointed a service provider after year-end to conduct the upgrade of the Metbank system to be in line with the current windows server. The system was upgraded by the 30th November 2022.		
Action to address finding	Responsible official	Due date
The system is being enhanced and upgraded with support and maintenance for the next year. System issues will be addressed within a reasonable timeframe.	Khanyisile Shoba (Senior Manager: Revenue)	30 November 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

35. Daily transaction banking file generated from the Metbank system not encrypted

Audit finding

As previously reported, the daily receipts uploaded on to the Metbank system are extracted in a readable and modifiable clear text format (i.e.: .txt). This unencrypted and clearly visible file which includes the date, customer account number, bank reference and amount paid is then emailed to the Finance department to be manually upload onto the SAP system, in order to update customer accounts and reflect the direct bank deposit payments received.

The Metbank system generated file can be modified prior to it being uploaded on the SAP system. Changes to the daily receipts information contained in the file may result in customer payments being incorrectly assigned, information duplicated or deleted. This could lead to payments being assigned to an incorrect customer account and accounts balances therefore being misstated. Customer disputes may arise and negatively affect the reputation of the municipality.

Internal control deficiency

Financial and performance management: Information technology systems

- The Chief Financial Officer did not ensure that management commitments made to resolve the previous audit finding were actioned.
- Due to the lengthy process of appointing a new service provider who will complete the final phase of the SAP implementation project, the process of integrating the Metbank and SAP systems had not commenced.

Recommendation

- The Chief Financial Officer should ensure that management commitments made to address audit findings are adequately and timeously actioned.
- The municipality should finalise the process of obtaining a service provider to complete the SAP implementation project and ensure that the Metbank system functionality is configured onto the SAP system.
- Alternatively, to prevent unauthorised modifications to the payment file generated and exported from the Metbank system, the file should be encrypted or transferred through an automated interface.

Management response

Response	Name	Date
Management agrees with the finding, this is a legacy system. The functionality of the Metbank system was planned to be incorporated on the SAP system as part of the SAP re-configuration process. However, the tender was cancelled due to non-performance of a service provider.	Khanyisile Shoba (Senior Manager: Revenue)	06 December 2022
The municipality has subsequently appointed a service provider after year-end to conduct the upgrade of the Metbank system to be in line with the current windows server. The system was upgraded by the 30th November 2022.		
Action to address finding	Responsible official	Due date
The system is being enhanced and upgraded with support and maintenance for the next year. System issues will be addressed within a reasonable timeframe.	Khanyisile Shoba (Senior Manager: Revenue)	30 November 2022

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

36. Transactions For Category Report did not reflect the actual rate utilised by the municipality

Audit finding

It was previously reported that incorrect tariffs had been uploaded onto the Winbridge – Weighbridge Management Software utilised for waste management.

In the 2021-22 financial period, the Winbridge – Weighbridge Management Software was updated with the approved Council tariffs.

It was however noted that the Transactions For Category Report generated from the Winbridge – Weighbridge Management Software was incorrectly configured as it reflected the latest tariff uploaded on the system and not the actual applicable tariff that was used to calculate the amount on the date of the transaction.

Management may not be able to rely on the Transactions For Category Report to recalculate and reconcile transactions performed at the Landfill site. Furthermore, this may hinder the municipality's ability to utilise the report as an audit log of previous transactions completed.

Internal control deficiency

Financial and performance management: Information technology systems

The Senior Manager: Waste Management was not aware that the Transactions For Category Report reflected the latest tariff and not the actual tariff utilised when a transaction was performed.

Recommendation

The Senior Manager: Waste Management should engage with the service provider of the Winbridge – Weighbridge Management Software to enhance the configuration of the Transactions For Category Report to reflect the actual tariff utilised on the date of a transaction. Periodic checks should be conducted to ensure that the mass times the rate reflected on the report reconciles to the amounts billed.

Management response

Response	Name	Date
Management agrees to the finding.	Wilson Mhlongo (Senior Manager: Waste Management)	08 December 2022
Action to address finding	Responsible official	Due date
Management will engage the service provider to determine if the configuration of the Transactions For Category Report can be enhanced to reflect the correct historical tariff utilised for a transaction. Furthermore, management will also ensure that a review process is established to identify and correct any discrepancies on reports generated from the system.	Wilson Mhlongo (Senior Manager: Waste Management)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

37. No automated interface between the Winbridge – Weighbridge Management Software and the SAP system**Audit finding**

As previously reported, no automated interfacing between the Winbridge – Weighbridge Management Software and SAP system had been established.

This resulted in speed point transactions that occurred at the New England Landfill Site being manually captured daily on Microsoft Excel and reconciled to bank statements. These reconciliations were then sent to the Finance Department on a monthly basis for capturing on to the SAP system.

Comparison of the WinBridge Report Transactions For all Customers and the General Ledger Extract for Account 8430000000 noted a difference of R517 323,20 relating to landfill site billings for the 2021-22 financial year that had not been posted to the SAP system.

Furthermore, a number of manual journals for the recognition of revenue and correction of VAT from the landfill site were identified as being posted on the SAP General Ledger Extract due to the lack of an automated interface between the Winbridge – Weighbridge Management Software and SAP system.

The manual process followed for the capturing of the New England Landfill Site revenue on the SAP system is inherently prone to human error which can lead to incorrect allocation of funds received. This could lead to disputes with customers who have made payments to settle their accounts.

Internal control deficiency**Leadership: Information technology governance framework**

- The Landfill Site Manager and Weighbridge Controller were not formally trained on the Winbridge – Weighbridge Management Software and could not extract billing reports directly from the system due to access limitations.
- Additionally, the municipality was still in discussions with Opto Africa, the service provider for the Winbridge – Weighbridge Management Software, to obtain full functional access to the system and provide the automated integration of landfill site transactions to the SAP system.

Recommendation

- Formal training should be provided to staff on the Winbridge – Weighbridge Management Software to ensure that they are aware of all functionality and adequately utilise the system reports available.
- The municipality should engage the service provider of the Winbridge – Weighbridge Management Software to provide the required system access to staff at the landfill site.
- Management should continue and conclude on discussions with Opto Africa to configure an automated integration process between the Winbridge – Weighbridge Management Software and SAP system for the transfer and reconciliation of payment transactions.

Management response

Response	Name	Date
Management agrees to the finding.	Wilson Mhlongo (Senior Manager: Waste Management)	05 December 2022
Action to address finding	Responsible official	Due date
The interface had already been initiated by the waste management in collaboration with SAP through the finance expenditure unit as they are custodians to the SAP system. The completion of the interface was affected by the fact that the service provider from the side of SAP, contract stopped and we had to wait for the new service provider so that we can complete the interface. Portfolio of evidence from the side of Weighbridge is attached for ease of reference in terms of what had already been achieved against the interface of the WinBridge system to SAP. Management will also ensure that the weighbridge staff is trained in terms of the system through provision of such training relevant to the system functionality as well as the extraction of data relevant to these findings.	Wilson Mhlongo (Senior Manager: Waste Management) and Sipho Nxumalo (SAP Project Manager: ERP)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

Cybersecurity Reviews

38. Large cyberattack surface due to significantly high number of vulnerabilities

Audit finding

Criteria:

According to NIST SP 800-53 Rev. 4 (RA-5) framework, controls should be established to:

- Monitor and scan for vulnerabilities in the system and hosted applications [organization-defined frequency and/or randomly in accordance with organization-defined process] and when new vulnerabilities potentially affecting the system are identified and reported;
- Employ vulnerability monitoring tools and techniques that facilitate interoperability among tools and automate parts of the vulnerability management process by using standards for:
 - Enumerating platforms, software flaws, and improper configurations;
 - Formatting checklists and test procedures; and
 - Measuring vulnerability impact;
- Analyse vulnerability scan reports and results from vulnerability monitoring;
- Remediate legitimate vulnerabilities [organization-defined response times] in accordance with an organizational assessment of risk;
- Share information obtained from the vulnerability monitoring process and control assessments with [organization-defined personnel or roles] to help eliminate similar vulnerabilities in other systems; and
- Employ vulnerability monitoring tools that include the capability to readily update the vulnerabilities to be scanned.

Please refer to the following link for detailed guidelines on NIST SP 800-53 Rev. 4 RA-5 framework, reference: <https://csrc.nist.gov/Projects/riskmanagement/sp800-53-controls/release-search#!/control?version=4.0&number=RA-5>

Observation:

As previously reported, we detected 2599 critical, high, medium and low vulnerabilities on internal hosts, translating to 98 unique vulnerabilities across the severity groups. On public facing hosts, we detected 24 high, medium and low vulnerabilities, translating to 9 unique vulnerabilities across the severity groups. These vulnerabilities related to missing patches, unsupported systems and insecure configurations.

From the identified unique vulnerabilities, 98 internal hosts contained exploitable vulnerabilities with exploits readily available online. The unique vulnerabilities identified, affect 14 internal IP addresses of the 447 active internal hosts scanned. From a public facing perspective, seven (7) public facing hosts contained exploitable vulnerabilities with exploits readily available online.

The detected vulnerabilities increase the risk of compromise to municipality systems which may lead to unauthorised access to the affected host(s), disruption of services provided by or current operations of the municipality, gathering of sensitive / confidential information generated by or hosted in these municipality systems and subsequently possible fraudulent activities, including ransomware attacks, which may lead to financial loss and or significant revenue loss to the municipality.

Internal control deficiency

Vulnerability management

- The vulnerabilities detected during the internal vulnerability assessment of Msunduzi Local Municipality's network environment were due to a lack of regular vulnerability assessment within the municipality to detect, and address, any vulnerabilities related to missing patches, unsupported software and insecure security configurations.
- The municipality had taken a decision to procure a vulnerability detection tool to address the previously reported network security findings, however the tool was only implemented in May 2022, resulting in the municipality being unable to scan its network and identify vulnerabilities for the majority of the 2021-22 financial year.

Recommendation

The Senior Manager: ICT should consider the following:

Governance:

Develop and formally approve a vulnerability management procedure. This procedure should contain:

- The frequency of vulnerability and security compliance assessments / scanning (i.e. continuous monitoring, once a week or at minimum once a month).
- The timeframe that a system owner and support units have to verify and remediate issues detected. This timeframe must be shorter than the time allotted in the patch management policy/ procedure or if applicable, the time indicated in the security standards for correcting misconfigurations. Inherently, this will constitute an emergency change (requiring compliance to the emergency change process).
- A process of accepting identified risks/ vulnerabilities, i.e. should a vulnerability be detected that cannot be resolved without significantly impacting municipality's ability to conduct business. Please note: although the business may accept a risk/ vulnerability, it must regularly be assessed as to whether it may be resolved. The ICT risk register must be kept up to date with the acceptable patch related risks and the reasons for not patching specific systems, and; should the decision be taken not to apply a particular security update or configuration, approval should be sought at a strategic level to accept the risk.

Detective:

Perform regular internal vulnerability assessments on Msunduzi Local Municipality's network environment in order to detect, and address, potential vulnerabilities and security weaknesses related to patches / upgrades and insecure security configurations.

Preventative:

- Increase scanning frequency and coverage.
- Install host agents that monitor all applications and assist with patch and updates on IT assets to report host configuration information.
- Require hosts to be analysed for vulnerabilities before they can be added or authenticated to the network.
- Build systems using secure configuration guidance to minimise the number of vulnerabilities that may exist.
- Deploy standard IT asset configurations to simplify patch deployment.
- Appropriately segment the network throughout the organisation such that if a compromise occurs it will be detected at and quarantined to the local network.

Management response

Response	Name	Date
Management agrees to the finding.	Xolile Ngebulana (Senior Manager: ICT)	05 December 2022
Action to address finding	Responsible official	Due date
• Develop and formally approve a vulnerability management procedure. • Action plan has been developed defining roles and responsibilities. • Periodic scan of the network using the Nessus Tool procured. • Document equipment that has reached end of life with no maintenance and support from vendors, also update ICT Risk Register.	Skhumbuzo Msomi (ICT Infrastructure Manager), Nkosinathi Dube (Network and Server Administrator), Mbulelo Mbedu (Network and Server Administrator), Odell Andrew (Senior Server Administrator) and Bongumusa Shabane (Basis Administrator)	31 May 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

39. Lack of Operating System security procedure and standardCriteria:

According to NIST SP 800-53 Rev.5 (CM-2), and (CM-6), controls should be established to:

- Develop, document, and maintain under configuration control, a current baseline configuration of the system; and
- Review and update the baseline configuration of the system:
 - [organization-defined frequency];
 - When required due to [organization-defined circumstances]; and
 - When system components are installed or upgraded,
- Establish and document configuration settings for components employed within the system that reflect the most restrictive mode consistent with operational requirements using [organization-defined common secure configurations];
- Implement the configuration settings;
- Identify, document, and approve any deviations from established configuration settings for [organization-defined system components] based on [organization-defined operational requirements]; and
- Monitor and control changes to the configuration settings in accordance with organizational policies and procedures;
- Obtain or develop administrator documentation for the information system, system component, or information system service that describes:
 - Secure configuration, installation, and operation of the system, component, or service;
 - Effective use and maintenance of security functions/mechanisms; and
 - Known vulnerabilities regarding configuration and use of administrative (i.e., privileged) functions;

Audit finding

As previously reported, the municipality has an ICT Security Policy however this policy did not provide sufficient guidelines that outline the security standards or system security settings that are required to be configured for all types of operating systems present at the municipality.

Operating system (OS) administrators may have their own rules in place regarding security related issues which may lead to inconsistent or ineffective implementation of IT controls and management of operating system devices. Furthermore, if accountability cannot be assigned to the administrators who maintain operating system devices for the municipality, this may result certain conducts being ignored without any consequences.

Internal control deficiency

The lack of an OS security procedure and standard was due to inadequate cybersecurity risk assessment processes for the municipality.

Recommendation

- Management should consider a review of cybersecurity governance processes for the Msunduzi Local Municipality to uncover ineffective information security related risk assessment approaches to address the control deficiency.
- Management should consider documenting and approving an operating system security standard and procedures to remediate the finding.

Management response

Response	Name	Date
Management agrees to the finding.	Xolile Ngebulana (Senior Manager: ICT)	05 December 2022
Action to address finding	Responsible official	Due date
- Develop Cybersecurity policy. - Develop operating system security standard and procedures to remediate the finding.	Skhumbuzo Msomi (ICT Infrastructure Manager), Nkosinathi Dube (Network and Server Administrator) and Mbulelo Mbedu (Network and Server Administrator)	30 June 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

40. Lack of database security configuration procedure and standard

Criteria:

- According to NIST SP 800-53 Rev.5 (CM-2), (CM-6), (AC-17), and (AU-2), controls should be established to:
- Develop, document, and maintain under configuration control, a current baseline configuration of the system; and
- Review and update the baseline configuration of the system:
 - [organization-defined frequency];
 - When required due to [organization-defined circumstances]; and
 - When system components are installed or upgraded,
- Establish and document configuration settings for components employed within the system that reflect the most restrictive mode consistent with operational requirements using [organization-defined common secure configurations];
- Implement the configuration settings;
- Identify, document, and approve any deviations from established configuration settings for [organization-defined system components] based on [organization-defined operational requirements]; and
- Monitor and control changes to the configuration settings in accordance with organizational policies and procedures;
- Obtain or develop administrator documentation for the information system, system component, or information system service that describes:
 - Secure configuration, installation, and operation of the system, component, or service; o Effective use and maintenance of security functions/mechanisms; and
 - Known vulnerabilities regarding configuration and use of administrative (i.e., privileged) functions;
 - Identify the types of events that the system is capable of logging in support of the audit function: [organization-defined event types that the system is capable of logging];
- Coordinate the event logging function with other organizational entities requiring audit-related information to guide and inform the selection criteria for events to be logged;
- Specify the following event types for logging within the system: [organization-defined event types (subset of the event types defined in bullet above) along with the frequency of (or situation requiring) logging for each identified event type];
- Provide a rationale for why the event types selected for logging are deemed to be adequate to support after-the-fact investigations of incidents; and
- Review and update the event types selected for logging [organization-defined frequency].
- Establish and document usage restrictions, configuration/connection requirements, and implementation guidance for each type of remote access allowed; and
- Authorizes remote access to the information system prior to allowing such connections.

Audit finding

As previously reported, there is no formally documented security standards or procedure specifying expected database security configurations and parameters. Although there was an ICT Policy in place, however this document policy did not provide adequate guidelines defining the expected database security settings and configurations for all types of databases in the Msunduzi Local Municipality network, including the minimum security standards relating to encryption, patch management, monitoring, vulnerability management and response.

SQL database administrators for SAP systems might make up their own rules regarding security related issues, which may lead to inconsistent or ineffective implementation of IT controls and management of the SAP database devices. Furthermore, if accountability cannot be assigned to the administrators who maintain SAP database devices for the municipality certain conducts may be ignored without any consequences.

Internal control deficiency

The municipality has not proactively embarked on developing a formally documented and approved database procedure and standard specifying expected security configurations and parameters in database servers for the Msunduzi Local Municipality.

Recommendation

The Senior Manager: ICT should consider developing and formally documenting an approved database security standard and procedures, specifying the expected security configurations and parameters for database servers.

Management response

Response	Name	Date
Management agrees to the finding.	Xolile Ngebulana (Senior Manager: ICT)	05 December 2022
Action to address finding	Responsible official	Due date
Develop and document baseline configuration of Databases.	Bongumusa Shabane (Basis Administrator)	31 March 2023

Auditor's conclusion

Management response is noted. The progress made by the municipality in implementing the action to address the finding will be assessed in the next audit review cycle.

41. Inadequate firewall configurationsCriteria:

According to NIST SP 800-53 Rev.5 SC-7(4.d)), (CP-9(6)), (SC-7(11)), (SC-7(5)), (CM-7(1)), and (AU-3)), controls should be established to:

- Document each exception to the traffic flow policy with a supporting mission or business need and duration of that need,
- Conduct system backup by maintaining a redundant secondary system that is not collocated with the primary system and that can be activated without loss of information or disruption to operations,
- The information system generates audit records containing information that establishes what type of event occurred, when the event occurred, where the event occurred, the source of the event, the outcome of the event, and the identity of any individuals or subjects associated with the event.
- Only allow incoming communications from [organization-defined authorized sources] to be routed to [organization-defined authorized destinations],
- Protect the [confidentiality; integrity] of transmitted information,
- Deny network communications traffic by default and allow network communications traffic by exception [at managed interfaces; for [organizationdefined systems]].
- Review the information system [organization-defined frequency] to identify unnecessary and/or nonsecure functions, ports, protocols, and services; and
- Disable [Assignment: organization-defined functions, ports, protocols, and services within the information system deemed to be unnecessary and/or nonsecure].

Audit finding

As previously reported, despite management purchasing a new Sophos firewall, the old Cisco firewall was in use for the entire 2021-22 financial year and the following deficiencies present:

(a) Inadequate comments on the firewall access rules

Although remarks (comments) are included on the majority of firewall access rules however, these comments did not include information relating to the users and devices it affected, the date the rule was added, when the rule should expire (if it is temporary), and the name of the person who added the rule.

Without concise and clear commenting of access rules, the purpose, background and context of a rule cannot be easily established. This will also inhibit better continuity, where different municipality administrators are responsible for modifying access rules over a period of time. In addition, access rules cannot be easily reviewed and audited by municipality management to ensure that irrelevant rules are removed in a timely fashion.

(b) Inadequate firewall backup capability

There is only one firewall installed without redundant or standby firewalls to switch over (failover) automatically upon failure or abnormal termination of the active firewall.

If the currently installed / running firewall fails, a segment or even the entire municipality network will be shutdown. This could cause system outages and data loss, resulting in significant service delays or loss of revenue to the municipality.

(c) Inadequate firewall logging capability

The record of firewall logs do not describe what activities were performed in the firewall.

If firewall audit logs are not adequate to identify activities performed, there will be no detailed record of system problems or user activities and no way for municipality management to track and investigate inappropriate activities.

(d) Insecure "Any" and "Any" to "Any" access rules were permitted on the firewall

Access control rules for Msunduzi Local Municipality allowed the use of either 'ANY' or 'ANY ANY' within the source or destination parameter of the access rule which (overly) permits generic access from anywhere or to anywhere:

Permitted (insecure) access	Affected rule(s)
from a network source to ANY destination	- access-list INSIDE_access_in extended permit ip object EXCHANGE-2016-SERVER any, - access-list INSIDE_access_in extended permit ip object-group Internal_network any, - access-list OUTSIDE_access_in extended permit object-group DM_INLINE_SERVICE_1 any objectgroup Mail-Servers log debugging, - access-list OUTSIDE_access_in extended permit object-group ELECTRICTY-METERINGSERVERS any object-group MSUASC-ELECTMET-SERVER-GRP, - access-list OUTSIDE_access_in extended permit object-group TCPUDP object CONLOG-IRIDIUM any eq 33036, - access-list OUTSIDE_access_in extended permit object-group Fresh-Mark-VPN any object Freshmark_10.1.101.2,
from ANY source to a network destination	- access-list OUTSIDE_access_in extended permit ip any object FWSM, - access-list OUTSIDE_access_in extended permit tcp any object MSUCIVICSQ6 object-group METVAL, - access-list OUTSIDE_access_in extended permit tcp any object-group Mail-Servers eq https, - access-list OUTSIDE_access_in extended permit tcp any object SAP-FTP object-group SAP-SFTP, - access-list AnyConnect_Client_Local_Print extended permit udp any4 host 224.0.0.251 eq 5353, - access-list AnyConnect_Client_Local_Print extended permit udp any4 host 224.0.0.252 eq 5355
from ANY network source to ANY network destination	- access-list AnyConnect_Client_Local_Print extended permit tcp any4 eq lpd, - access-list AnyConnect_Client_Local_Print extended permit tcp any4 eq 631, - access-list AnyConnect_Client_Local_Print extended permit tcp any4 eq 137, - access-list AnyConnect_Client_Local_Print extended permit udp any4 eq netbios-ns

The use of "ANY" may allow unnecessary traffic and/or services that could be utilised by a malicious user or attacker to bypass the firewall rules of the municipality and obtain access to resources in an unauthorised manner. In addition, the use of "ANY" may have the unintended consequence of allowing every traffic / services through the municipality firewall, which could lead to unauthorised access to confidential data stored on IT systems and compromise critical services of the municipality.

(d) Insecure or weak services were active on the firewall

Access rules for the Msunduzi Local Municipality firewall permits TCP traffic with destination port values that match the following insecure or unencrypted protocols or services:

Service(s)	Affected rule(s)
Netbios	- access-list AnyConnect_Client_Local_Print extended permit tcp any4 eq 137, - access-list AnyConnect_Client_Local_Print extended permit udp any4 any4 eq netbios-ns
SNMP version 2c	Firewall configuration

Use of weak protocols / unsecure services could result in sensitive administrative or operational level information (like municipality administrator's credentials or any other sensitive information transmitted) revealed to an eavesdropper. A malicious individual could use this information to gain unauthorised access to critical data of the municipality.

These protocols / services had vulnerabilities that may be exploited to compromise the firewall. For example:

- Netbios service by design is an unauthenticated protocol and therefore subject to spoofing.
- SNMP version 2 sends traffic information in cleartext, and the packets are unauthenticated. The default community string can also allow attackers to gain a large amount of information about the SNMP server and the network it monitors.

Internal control deficiency

- Inadequate firewall configurations were due to:
- Limitations caused by the firewall version that was installed.
- The lack of a standardised firewall configuration and management guidelines.

Recommendation

With the introduction and implementation of the new Sophos Firewall at the municipality, management should consider the following remedial actions to the findings:

- All firewall access rules should be commented and contain other relevant information such as the rule name, a brief description of the rule, the date the rule was implemented, as well as (where applicable) the change control number associated with the request.
- Configure the firewall redundancy settings to preserve continuity in the event of a firewall failure. The process for backing up firewall configurations and rules (for safe keeping) should be automated to ensure that all configurations and rules are completely kept safe.
- Upgrade to a security information and event manager (SIEM), which collects and correlates log data from many sources to find events of interest. SIEMs can be used to monitor for unusual input in near real time or can be used for forensic investigation, such as incident reconstruction.
- Avoid the use of either ANY or ANY to ANY, where possible, and instead of ANY or ANY to ANY identify the specific IP addresses or at minimum, the subnet range.
- Use strong or secure security services and protocols to safeguard sensitive information crossing the insecure and untrusted boundaries such as open, public networks (e.g. Msunduzi Service Provider Network, Internet etc.) and to prevent session hijacking and sniffing of sensitive data off the network.

Management response

Response	Name	Date
Management agrees to the finding; however, the finding was addressed outside the audit period 2021-22.	Xolile Ngebulana (Senior Manager ICT)	05 December 2022
Action to address finding	Responsible official	Due date
The finding has been resolved.	N/A	N/A

Auditor's conclusion

Management response is noted. The new Sophos firewall implemented by the municipality to address the deficiencies experienced with the previous firewall was only completed after the 2021-22 financial year and will be assessed in the next audit review cycle.

42. Inadequate firewall managementCriteria:

According to NIST SP 800-53 Rev.5 (AU-6(1)), (AU-6(4)), (CM-2), and (CM-6), controls should be established to:

- Develop, document, and maintain under configuration control, a current baseline configuration of the system; and
- Review and update the baseline configuration of the system:
 - [organization-defined frequency];
 - When required due to [organization-defined circumstances]; and
 - When system components are installed or upgraded,
- Establish and document configuration settings for components employed within the system that reflect the most restrictive mode consistent with operational requirements using [organization-defined common secure configurations];
- Implement the configuration settings;
- Identify, document, and approve any deviations from established configuration settings for [organization-defined system components] based on [organization-defined operational requirements]; and
- Monitor and control changes to the configuration settings in accordance with organizational policies and procedures;
- Obtain or develop administrator documentation for the information system, system component, or information system service that describes:
 - Secure configuration, installation, and operation of the system, component, or service;
 - Effective use and maintenance of security functions/mechanisms; and
 - Known vulnerabilities regarding configuration and use of administrative (i.e., privileged) functions;
- Integrate audit record review, analysis, and reporting processes using [organization-defined automated mechanisms].
- Provide and implement the capability to centrally review and analyse audit records from multiple components within the system.

Audit finding

As previously reported, although the municipality had purchased a new Sophos firewall, the old Cisco firewall was in use for the entire 2021-22 financial year and the following deficiencies present:

(a) Lack of firewall maintenance and configuration standard procedure

There was no formally documented security standards or procedure specifying expected firewall security configurations and parameters. An ICT Security Policy was in place, however this documented policy did not provide adequate guidelines dictating requirements for security configuration and management of the municipality's firewall such as:

- Rule descriptors: meta-data accompanying each rule
- The frequency at which the ruleset should be reviewed
- Firewall change management process
- Firewall backup / redundancy and recovery process
- Authorisations: who is authorised to access the firewall and what level of access they are authorised to have
- Logical access: from where can one access the firewall and over which channels
- Authentication: what authentication mechanisms are required to access the administrative interface
- Accounting: logging and monitoring requirements and updating / upgrading requirements
- Firewall configuration settings: specific minimum security configurations are defined such as blocking of unnecessary services, spoofing and illegal / bogus addresses.

Firewall administrators might make up their own rules regarding firewall security related issues which may lead to inconsistent or ineffective implementation of firewall controls and management. Furthermore, if accountability cannot be assigned to the firewall administrators who maintain firewall devices for the municipality, this may result in certain conducts being ignored without any consequences.

(b) Firewall logs were manually reviewed

Firewall logs were reviewed manually to identify potential risks or malicious security events.

In the absence of an automated formal log review process for security logs, system compromises (i.e. anomalies, suspicious activities, potential attacks, privileged user activities and system changes) may go unnoticed / undetected by municipality management for an extended period of time thereby compromising the integrity of the network and systems.

Internal control deficiency

Inadequate firewall management was due to:

- Limitations caused by the Cisco firewall version installed.
- A lack of a standardised firewall configuration and management guidelines.

Recommendation

The Senior Manager: ICT should consider implementing the following controls to ensure adequate firewall management for the new Sophos firewall:

- Establish a clearly articulated policy / standard governing the firewall management and operations procedures to ensure secure management and operation of firewall services.
- Develop and formalise the automated firewall log review procedures to proactively identify anomalies and abnormal events (and retain evidence for future reference). Firewall platform audit logs need to be appropriately monitored by ensuring that an acceptable system is in place to automatically alert Firewall Administrators or designated security personnel where potentially malicious security events occur. Review of logs should be automated, using a capable tool to ensure that all potentially malicious security events are detected.

Management response

Response	Name	Date
Management agrees to the finding.	Xolile Ngebulana (Senior Manager ICT)	05 December 2022
Action to address finding	Responsible official	Due date
• Review Firewall Policy. • Develop New Firewall Procedure. • Develop and formalise the automated firewall log review procedures.	Skhumbuzo Msomi (ICT Infrastructure Manager), Nkosinathi Dube (Network and Server Administrator) and Mbulelo Mbedu (Network and Server Administrator)	31 May 2023

Auditor's conclusion

Management response is noted. The new Sophos firewall implemented by the municipality to address the deficiencies experienced with the previous firewall was only completed after the 2021-22 financial year and will be assessed in the next audit review cycle.

43. Inadequate firewall backup process

Criteria:

According to NIST SP 800-53 Rev. 5 CP-9(5), and CP-9(6), controls should be established to:

- Conduct system backup by maintaining a redundant secondary system that is not collocated with the primary system and that can be activated without loss of information or disruption to operations;
- Transfer system backup information to the alternate storage site [organization-defined time period and transfer rate consistent with the recovery time and recovery point objectives].

Audit finding

As previously reported, although a new Sophos firewall was purchased, the old Cisco firewall was utilised for the entire 2021-22 financial year and manual firewall backups were performed.

Firewall rules and running configurations might not be completely backed up (due to human error) to ensure timely recoverability and restoration of service during a disaster situation. Inadequate backups may result in the municipality not having the resources to retrieve an old version of a firewall backup file if needed. This situation can cause undue delays in restoring firewall systems, which may lead to a complete interruption of critical services and the significant revenue loss for the municipality.

Internal control deficiency

Inadequate firewall backup processes was due to the firewall limitation caused by the Cisco firewall version used by the municipality.

Recommendation

The process for backing up firewall configurations and rules should be automated on the new Sophos firewall implemented, to ensure that all configurations and rules are completely and accurately kept safe.

Management response

Response	Name	Date
Management agrees to the finding; however, the finding was addressed outside the audit period 2021-22.	Xolile Ngebulana (Senior Manager: ICT)	05 December 2022
Action to address finding	Responsible official	Due date
The finding has been resolved. Firewall backup effected end of October 2022.	N/A	N/A

Auditor's conclusion

Management response is noted. The new Sophos firewall implemented by the municipality to address the deficiencies experienced with the previous firewall was only completed after the 2021-22 financial year and will be assessed in the next audit review cycle.

ANNEXURE F: ASSESSMENT OF INTERNAL CONTROLS

Below is our assessment of the implementation of drivers of internal control based on significant deficiencies identified during our audit of the financial statements, the annual performance report and compliance with legislation. Significant deficiencies occur when internal controls do not exist, are not appropriately designed to address the risk, or are not implemented. These either had caused, or could cause, the financial statements or the annual performance report to be materially misstated, and material instances of non-compliance with legislation to occur.

The internal controls were assessed as follows:

	The requirement preventative or detective controls were in place
	Progress was made on implementing preventative or detective controls, but improvement is still required, or actions taken were not or have not been sustainable.
	Internal controls were not in place, were not properly designed, were not implemented or were not operating effectively. Intervention is required to design and/or implement appropriate controls.

The movement in the status of the drivers from the previous year-end to the current year-end is indicated collectively for each of the three audit dimensions under the three fundamentals of internal control. The movement is assessed as follows:

	Improved
	Unchanged
	Regressed

	Financial statements		Performance reporting		Compliance with legislation	
	Current year	Prior year	Current year	Prior year	Current year	Prior year
Leadership						
Overall movement from previous assessment						
• Provide effective leadership based on a culture of honesty, ethical business practices and good governance, and protecting and enhancing the best interests of the entity						
• Exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls						
• Implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored						
• Establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities						
• Develop and monitor the implementation of action plans to address internal control deficiencies						
• Establish and implement an information technology governance framework that supports and enables the business, delivers value and improves performance						
Financial and performance management						
Overall movement from previous assessment						
• Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting						
• Implement controls over daily and monthly processing and reconciling transactions						
• Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information						
• Review and monitor compliance with applicable legislation						
• Design and implement formal controls over information technology systems to ensure the reliability of the systems and the availability, accuracy and protection of information			N/A	N/A	N/A	N/A
Governance						
Overall movement from previous assessment						
• Implement appropriate risk management activities to ensure that regular risk assessments, including the consideration of information technology risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored						
• Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively						
• Ensure that the audit committee promotes accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation						

(i) Interactions with stakeholders responsible for oversight and governance

Auditors may include additional information on stakeholder engagements; for example, the effectiveness of meetings, key discussion points worth bringing to the attention of the accounting officer, and problems in arranging meetings with stakeholders may also be included. For the purpose of the management report, the interactions with the accounting officer as part of the regular audit steering meetings can be included.

Auditors should also include briefings held on the status of records reviews and include key areas of concern relating to the following:

- Oversight and monitoring
- Financial management
- Performance management
- Procurement and contract management
- Compliance management
- HR management
- IT management
- Financial health

(add other applicable areas/ delete what is not applicable)]

(ii) Assessment of assurance providers

The colours should be amended to indicate the correct status of each driver. The following options and the levels are available to choose from when assessing the level of assurance provided by assurance providers:

- Provides assurance
- Provides some assurance
- Provides limited or no assurance
- Vacant or not established.

NB: The level of assurance provided should be assessed for all the key positions as per the assurance working papers even if, at the time of the assessment, the positions were vacant (i.e. the person/s who was/were acting in the roles must be assessed. The vacancy option must not be selected if there was a person acting in the role).

Not established means that the assurance provider was not formed; vacant means that there was insufficient membership to constitute the assurance provider.

The assessment of the level of assurance provided by assurance providers must be based on the following:

Assurance providers	Basis of assessment
Senior management	Overall key control assessment of financial and performance management controls. Refer to the assurance provider's working paper
Accounting officer	Overall key control assessment of: • Leadership controls • Risk management activities (included in governance controls) Refer to the assurance provider's working paper.
Mayor	Overall key control assessment of leadership controls. Assessment of impact of executive authority on the controls of the auditee based on interactions with the executive, commitment given and honoured, and the impact of actions/initiatives by the executive. Refer to the assurance provider's working paper.
Internal audit and audit committee	Overall status of the drivers of key controls. Note: The assessment must be the same as the overall status of the drivers of key controls for both assurance providers.

(iii) Status of implementing commitments and recommendations

The commitments to be included in the table should be only the main commitments made by the auditee and should be directly related to the internal control deficiencies reported in section 3. Include in the status column whether the commitment was complete, in progress or not addressed, or whether alternative action was taken. This should be corroborated by the assessment of the key drivers in the dashboard.

An example of a commitment made:

No.	Commitment	Made by	Date	Origin of commitment	Status
1.	Recruitment policies and procedures to be drafted to ensure compliance with legislation.	Accounting officer		Status of records review	In progress
2.	Develop an action plan to address and monitor the internal control deficiencies identified by the internal audit.	Accounting officer		Status of records review	In progress
3.	Promote the culture of proper record keeping by ensuring that it is mandatory that all records for each month are stored in the storeroom for safekeeping.	Accounting officer		Status of records review	In progress
4.	Develop a procedure manual for updating the fixed-asset register to ensure that it is correct and accurate.	Chief financial officer		Status of records review	In progress
5.	Develop a system for ensuring that the policies and procedures for SCM are updated with the latest legislation.	Head of SCM		Status of records review	In progress
6.	The audit committee to consider the performance reports at their meetings.	Audit committee		Status of records review	In progress

(iv) Specific focus areas

This focus area must be reported on for MFMA auditees, except for small auditees and dormant auditees where financial viability is clearly not applicable, or if the auditee is in the process of being wound up / liquidated.

The financial viability reporting is only required to be completed at entity level. It is not required at consolidation level for auditees that have control over one or more entities.

Completion of the financial viability reporting is also encouraged for public sector auditees not audited by the AGSA in accordance with section 4(3) of the PAA, but is not mandatory for such auditees.

(v) Financial viability

If a disclaimer or adverse opinion is expressed on the financial statements, the financial viability assessment should be limited to the overall assessment and high-level comments, and the individual indicators should be omitted from the financial viability assessment table. Refer to the Financial viability reporting section of the Specific focus areas chapter in the reporting guide for guidance in this regard.

Refer to the Financial viability reporting section of the Specific focus areas chapter in the reporting guide for guidance and examples on how to make the overall assessment of "red", "yellow" or "green".

The auditor should indicate which of the R-amounts included in the financial viability table have been adjusted for uncorrected misstatements that resulted in the modification of the audit opinion by placing an asterisk (*) next to such amounts.

(vi) Water and sanitation services key messages

Per TU 38 of 2022 the following key messages are proposed for this focus area:

Service delivery resulting from water and sanitation infrastructure projects with the focus on (as applicable to the auditee):

- financial and budget implications including spending grant funding as intended;
- achievement of planned performance targets relating to water and sanitation targets;
- compliance with SCM and conditional grant framework;
- quality of infrastructure delivered with a focus on whether existing backlogs are addressed, projects are delivered on time and as per predetermined quality requirements (refer to key projects tested under Grant management); and
- whether environmental risks relating to drinking water quality is monitored and actions are taken (Metros only)

(vii) Planned key performance indicators (KPIs) and targets

Refer to the KPIs determined for the provision of water services and the findings summarised in the Water and Sanitation services WP – Part A.

(viii) Planned key performance indicators (KPIs) and targets

Refer to the KPIs determined for the provision of sanitation services and the findings summarised in the Water and Sanitation services WP – part B.

(ix) Entities controlled by the municipality

Complete the table as follows:

- List the entities controlled by the auditee.
- Indicate the type of opinion expressed on the financial statements.
- State 'Yes/No' in the performance report and compliance columns to indicate whether findings were raised in these areas.
- If the entity is a small auditee and no significant deficiencies in internal controls have been identified, the blocks on 'Significant deficiencies in internal control' should be blacked out.

(x) Ratings of detailed audit findings

When reporting on a misstatement in a financial statement item, all the errors detected during the audit that relate to that financial statement item should be grouped together to determine the total misstatement of this item (this is done on the Substantive tests of details working paper). Only one exception should be raised, with one communication of audit finding to the auditee, which should include all the issues that gave rise to the misstatement in that financial statement item.

Where uncorrected misstatements are material, this is reflected in the auditor's report. All issues relating to that financial statement item should be included. It would therefore be unusual to see a 'tick' for matters affecting the auditor's report and also for other important matters for one financial statement item

(xi) Annexure F – Assessment of internal controls

The assessment should be done at an overall level for each audit dimension. The table summarises the overall status of the drivers of internal control after the assessment of key controls for financial statements, performance information and compliance with legislation. The overall status presented in this table informs the information in the general report. The movement from the prior year-end to the current year-end should be included next to the heading Overall movement from previous assessment under each fundamental of internal control for each audit dimension.

The assessment should be obtained as follows, using the ASMIS report 126 – AO Listing – MFMA Key drivers of audit outcomes – by ABU:

Leadership:

Add all the "Overall" scores of the six areas under leadership per auditee.
By using the following formula for leadership, determine the total and percentage for:
Green = COUNTIFS (Range,"<10")
Orange = COUNTIFS (Range,">9",Range,"<14")
Red = COUNTIFS (Range,">13")

Financial and performance management

Add all the "Overall" scores of the five areas under financial and performance management per auditee.
By using the following formula for financial and performance management determine the total and percentage for:
Green = COUNTIFS (Range,"<9")
Orange = COUNTIFS (Range,">8",Range,"<13")
Red = COUNTIFS (Range,">12")

Governance

Add all the "Overall" scores of the three areas under governance per auditee.
By using the following formula for governance determine the total and percentage for:
Green = COUNTIFS (Range,"<5")
Orange = COUNTIFS (Range,">4",Range,"<7")
Red = COUNTIFS (Range,">6")

Please note that the formula for each of the three areas (leadership, financial and performance management and governance) is different – do not copy the same formula for each of the areas.

The internal control table should be included even if there is nothing to report, because the auditor includes an icon in the cells next to each driver to indicate whether management had achieved the three fundamentals of internal control.

If material non-compliance with supply chain management legislation is reported in the auditor's report and/or in part A of section 3 of the management report, the internal control table should reflect the applicable control deficiencies in the compliance with legislation column. Refer to chapter 5 for guidance on the typical control deficiencies.

When detailing the deficiencies below, reflect on the root cause of the deficiency (in other words, why it had occurred).

If a root cause is not clear, try asking questions that start with "why" until there are no more questions that can be asked. The answer to the last "why" is probably the root cause of the finding.

Because there may be many potential root causes, it is important to focus on the key causes. That is, the actions need to address the primary drivers of the findings, and not necessarily all of the potential, yet minor, causes.

Sometimes the root cause is quite simple or obvious (e.g. management simply did not think about doing something). The auditor should not assume that the root cause is an elaborate or complicated set of circumstances.

The root cause should be described in concise, direct language. It is typically necessary to share the root causes with the process owner who is typically looking for a brief explanation of why a finding is raised.

The table should be completed as follows in relation to work performed by information systems auditors:

Leadership – IT governance framework:

The cells relating to financial, performance reporting and compliance with legislation should be completed.

Governance – IT risks:

A separate assessment will not be done under governance. It should be dealt with as part of the IT governance framework.

Financial and performance management – Formal controls over IT systems:

The cells relating to the financial column should be completed for the general control audits performed. The cells relating to performance objectives and compliance with legislation should be marked as N/A.

The performance reporting cells should only be completed if IS audits on performance objectives have actually been performed.

CHAPTER 4 – REPORT OF THE AUDITOR GENERAL 2021/2022 FY

REPORT OF THE AUDITOR-GENERAL TO KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON MSUNDUZI LOCAL MUNICIPALITY

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Msunduzi Local Municipality set out on pages XXX to XXX, which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Msunduzi Local Municipality as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2021 (Act No. 9 of 2021) (DORA).

Basis for qualified opinion

Service charges and consumer debtors

3. The municipality did not correctly recognise service charges from the sale of water as required by GRAP 9, Revenue from exchange transactions. Discrepancies were identified between the meter readings and the billing reports used to calculate the consumption and revenue charged to consumers. I was unable to determine the full extent of the misstatement of the service charges revenue from the sale of water stated at R773,66 million in note 36 to the financial statements, as it was impracticable to do so. There was a resultant impact on consumer debtors, distribution losses, impairment, accumulated surplus and surplus for the period.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAS). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

I draw attention to note 79 to the financial statements, which includes indicators of doubt as to the appropriateness of the going concern basis of accounting. As stated in note 79, these indicators include the impact of the Covid-19 pandemic on municipal finance and operations, adverse liquidity ratios, below norm cash cost coverage ratio, the outstanding gross debtors balance that has increased significantly and the majority of the debtors have been outstanding for over 365 days, the dwindling of reserves over the recent years, deteriorating creditors days, the increase in net debtors balances and successive deficits. As stated note 79, these events or conditions, along with the other matters as set forth in note 79, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Material impairment statutory receivables and consumer debtors

9. As disclosed in note 6 to the financial statements, the municipality recognised a provision for impairment amounting to R943,904 million (2020-21: R785,58 million) on statutory receivables as the recoverability of these amounts was doubtful.
10. As disclosed in note 7 to the financial statements, the municipality recognised provision for impairment amounting to R2,95 billion (2020-21 : R2,10 billion) on consumer debtors as the recoverability of these amounts was doubtful.

Material losses - electricity

11. As disclosed in note 68 to the financial statements the municipality incurred material electricity losses of R362,59 million (2020-21 : R321 million) which represents 25% (2020-21 : 22%) of total electricity purchased. This was mainly due to illegal connections, infrastructure vandalism, metering inaccuracies (due to faulty meters), unmetered energy (meter tempering or bypassing the meter at the customer meter), revenue collection as well as ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system and overloading.

Restatement of corresponding figures

12. As disclosed in note 73 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2022.

Other matter

13. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure note

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

19. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priority presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
20. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the basic service delivery development priority presented in pages' **XXX to XXX** in the annual performance report of the municipality for the year ended 30 June 2022.
22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
23. The material findings on the usefulness and reliability of the performance information of the selected development priority are as follows:

Various indicators

24. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of the actual achievement of the indicators listed below against the predetermined indicator definitions. This was due to a lack of measurement definitions and processes. I was unable to confirm the reported achievement by alternative means. .

Indicator description	Planned output	Reported achievement
Percentage of households with access to water	100% of households with access to basic level of water by the 30th of June 2022	93.02% of households with access to basic level of water by the 30th of June 2022.
Percentage of households with sanitation	60% Percentage of households with access to basic level of by the 30th of June 2022	55.66% of households with access to basic level of sanitation by the 30th of June 2022.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report on pages XXX to XXX sets out information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 26 of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic service delivery development priority. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation**Introduction and scope**

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipalities compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
29. The material findings on compliance with specific matters in key legislation are as follows:

Financial statements

30. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, revenue and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Strategic planning

31. The performance management system and related controls were inadequate as it did not describe how the performance measurement, review and reporting processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Expenditure management

32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R510,13 million, as disclosed in note 66 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the approved budget.
33. Reasonable steps were not taken to prevent irregular expenditure amounting to R1 06130 million as disclosed in note 63 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management regulations.
34. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Revenue management

35. An effective system of internal control for debtors and revenue was not in place, as required by section of the MFMA.
36. An adequate management, accounting and information system which accounts for revenue, debtors and receipt of revenue was not in place, as required by section 64(2)(e) of the MFMA.

Consequence management

37. Appropriate action was not taken against officials of the municipality where investigations proved financial misconduct, as required by section 171(4)(b) of the MFMA and municipal regulations on financial misconduct procedures and criminal proceedings 6(8).

Procurement and contract management

38. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

39. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
40. Some of the contracts were awarded to bidders based on preference points that were not allocated or calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act and its regulations.

Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation, however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
46. Management did not ensure that systems of internal control were adequately implemented and monitored to ensure compliance with key legislation relating to strategic planning, annual financial statements, expenditure management, revenue management, procurement and contract management and consequence management.
47. Management did not adequately review the annual financial statements and annual performance report before submitting for audit. In addition, management did not validate achievements against supporting documents. As a result, material findings were raised during the audit.

Material irregularities

48. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material irregularities identified during the audit

49. The material irregularities identified are as follows:

Poor management of the New England landfill site

50. The Municipality did not take reasonable measures at the New England landfill site to prevent pollution or degradation of the environment from occurring, continuing or recurring as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA), read with section 16(1)(c) and (d) of the National Environmental Management Waste Act 59 of 2008 (NEMWA), as well as section 19(1) of the National Water Act 36 of 1998 (NWA).
51. The New England landfill site is not operated in terms of the minimum requirements and its waste management license of 2017. This is evidenced by:
- poor access control and inadequate separation of waste disposed at the site;
 - lack of compacting and cover to limit gas emission impacting on air quality;
 - spontaneous combustions and other fires resulting in accidents, other safety risks and air pollution; and
 - lack of / poor leachate and storm water management to prevent continued contamination of the soil and water resources.
52. This state of affairs has been ongoing for several years as noted in compliance notices by the Department of Economic Development, Tourism and Environmental Affairs dating back to 2015 and February 2020, as well as the court ruling of 17 June 2021. A subsequent waste management license (WML) audit report issued July 2021 by engineers contracted by the municipality, and the site visit observations by the AGSA on 28 March 2022, confirmed continued non-compliance with the requirements and little or no progress on the action plan drafted in response to the court ruling or the WML requirements. There was further no gas or water quality monitoring since 2017.
53. Inadequately disposed or untreated waste may cause serious health problems for populations surrounding the area of disposal or safety risks for those exposed to it. It contaminates the soil, surface- and groundwater supplies due to untreated leachate and storm water run-off. Uncontrolled burning and improper landfilling also contributes significantly to air pollution. Greenhouse gasses are generated from the decomposition of organic waste landfills, with untreated leachate or storm water run-off polluting the surrounding soil and water resources (i.e. groundwater, stream or extended water networks).

54. Continued untreated leachate seeping and unmanaged storm water run-off into the adjacent environment and streams are contaminating the soil, ground water, streams and extended water course which may affect the communities in the surrounding environment and along the extended water course. Uncontrolled fires may endanger the lives of the surrounding community, schools and motorists on the N3 highway, posing serious safety and health risks due to air pollution. Health and safety risks for all workers and public accessing and using the site, including waste pickers inhabiting the site may be affected. This non-compliance is likely to cause substantial harm to the communities as it has combined adverse impact on the health, safety and livelihoods of the general public exposed to these environmental risks.
55. The accounting officer was notified of the material irregularity on 14 April 2022.
56. The following are the actions taken and/or planned to resolve the material irregularity:
- An internal waste management licence audit report dated 21 September 2022 was prepared on the management of the landfill site to assess progress and identify deficiencies.
 - An approved action plan with implementation time frames is in place to address the issues detailed in the compliance notices. The National Department of Water and Sanitation and the National Department of Forestry, Fisheries and the Environment has been consulted with regard to this action plan. The majority of planned corrective actions are targeted for completion by 31 July 2023.
 - The municipality will establish and maintain the landfill gas monitoring points by 31 July 2023 in terms of the approved action plan.
 - A storm water and leachate management system will be upgraded/constructed by 31 July 2023 in terms of the approved action plan. Interim measures are being implemented to prevent pollution in the interim.
 - A new compactor was bought and in operation, together with two dozers, a front-end loader and excavator.
57. I will follow-up on the implementation of the actions being taken during my next audit.

Material irregularities in progress

58. I identified a material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. This material irregularity will be included in the next year's auditor's report.

Status of previously reported material irregularities

Revenue not billed at the landfill site

59. Revenue earned from the municipal operated landfill site for waste deposits was not recognised as the weighbridge digitiser was not working for a period of six months in the 2019/2020 financial year. Vehicles entering the site were not weighed and there was no record of tonnage deposited. The non-compliance with section 64(2)(e)(i) of the MFMA is likely to result in a material financial loss for the Msunduzi Local Municipality.
60. The accounting officer was notified of the material irregularity on 1 April 2021 and I included recommendations in the audit report of 2020-21 on the steps that the accounting officer should take to address the MI because the accounting officer had not taken appropriate action in response to being notified of the material irregularity. The accounting officer was required to implement these recommendations by 29 April 2022. However, these were not adequately implemented.
61. On 17 August 2022, I issued a notification to the accounting officer advising him of the following remedial actions, that should be implemented by 17 November 2022, to address the material irregularity:
- The non-compliance must be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA. Where applicable, the financial loss must be quantified;
 - Disciplinary or, when appropriate, criminal proceeding must commence against any official who has allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and in the manner prescribed by the Municipal Regulations on Financial misconduct procedures and Criminal Proceedings; and
 - Any person(s) liable for the losses must be identified and appropriate action must commence to recover the financial loss.
62. I am in the processes of assessing whether the accounting officer has implemented the remedial actions.

Salary payments to a manager that never reported for duty

63. Salary payments were made by the municipality from 1 December 2016 to 31 July 2019 to an employee who never reported for duty since their appointment date. The municipality received no services in return for the payments made. This is evident of a non-compliance with section 65(2)(a) of the MFMA. The non-compliance is likely to result in a material financial loss for the Msunduzi Local Municipality.
64. The accounting officer was notified of the material irregularity on 15 April 2021.
65. The following actions have been taken by the accounting officer to resolve the material irregularity:
- A forensic investigation was conducted by the municipality's internal audit unit and a report was tabled in council.
 - The Head: Legal services was issued with an instruction by the accounting officer on 24 March 2021 to institute the recovery of the financial loss and the appointed attorney has since instituted the process with the matter having been presented at the High court for personal service to be effected by the sheriff on the defendant.
66. I will follow up on the implementation of the actions being taken during my next audit.

Failure to recover revenue from the sale of timber

67. The municipality failed to collect revenue from a service provider as per the agreement between the service provider and the municipality for the disposal of timber. The resulted in non-compliance with section 64(2)(a) of the MFMA and is likely to result in a material financial loss for the Msunduzi Local Municipality.

68. The accounting officer was notified of the material irregularity on 3 May 2021.
69. The following are the actions taken and planned to resolve the material irregularity:
- An independent expert was appointed to conduct a verification of the plantation was noted to be inconclusive. The accounting officer then instructed internal audit to investigate the matter which was in progress.
 - A new organogram has been compiled and approved for the forestry business unit and a forester has been appointed on a contractual basis.
 - A tender notice was issued on 19 August 2021 for the appointment of a suitable service provider for total management of the municipal forestry plantation and this was not successful. The process has since been re-initiated and the tender was still to be advertised.
 - The Head: Legal services was issued with an instruction by the accounting officer on 10 May 2021 to institute the recovery of the financial loss. The appointed attorney has since instituted the process and a letter of demand has been sent out, however the delays has been experienced as the pursuance of this matter is dependent on the outcome of the investigation that is still in progress.
70. I will follow-up on the implementation of the actions being taken during my next audit.

Other reports

71. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
72. At the request of the accounting officer and senior management, the internal audit unit performed investigations into allegations of fraud, corruption, theft, recruitment, mismanagement and supply chain management irregularities, covering the period 1 August 2020 to 30 June 2022. Thirty two investigations were conducted of which twenty one were concluded and reported to council. Eleven investigations were still in progress at the date of this report. Seventeen of these investigations resulted in disciplinary action against certain officials of the municipality. These proceedings were in progress at the date of this report.

Auditor - General

Pietermaritzburg
15 December 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on the reported performance information for the selected development priority and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Msunduzi Local Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditors report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

CHAPTER 5 – RESPONSE TO THE REPORT OF THE AUDITOR GENERAL 2021/2022 FY

RESPONSE TO THE REPORT OF THE AUDITOR-GENERAL ON CONSOLIDATED FINANCIAL STATEMENTS OF THE MSUNDUZI MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2022

The Municipality received a qualified audit opinion for the 2021/2022 financial year.

In line with section 131 of MFMA, a corrective audit action plan has been developed to address the matters raised by the Auditor General. The audit action plan includes detailed audit findings, the root causes, planned corrective measures to address the findings, target dates/timeframes and progress to date.

The audit action plan will be monitored on a monthly/regular basis by the Operational Management Committee and structures of Council including MPAC and Audit Committee.

Further strategies on improving the system of internal control are being employed to deal with matters of emphasis, material irregularities and all audit findings on the management report.

CHAPTER 6 – RECOMMENDATIONS OF THE AUDIT COMMITTEE 2021/2022

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
24 AUGUST 2021	UPDATE BY THE OFFICE OF THE AUDITOR GENERAL(REF: 3.10.1.1) NOTED. REVIEW OF AUDIT COMMITTEE AND INTERNAL AUDIT CHARTERS(REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL That the Audit Committee Charter and the Internal Audit Charters as contained in the report dated 2 July 2021, be approved and be adopted. CONSOLIDATED AUDIT COMMITTEE REPORT (01 JUNE 2021 TO 31 JULY 2021)(REF:3.10.1.1) AGREED (a) That the Consolidated Audit Committee for the period ending 31 July 2021 dated 16 August 2021 by the City Manager, be NOTED. (b) That the City Manager submit an action plan to the next meeting of the Audit Committee to resolve all AGSA issues together with a plan to find funding to filling the relevant priority posts including those posts within the Internal Audit Sub-Unit. (c) That the Chief Audit Executive must validate and ensure that all items reflected on the Audit Committee Decision Tracker which was being tracked by the Office of the City Manager were closed off. (d) That the City Manager submit a detailed report to the next meeting of the Audit Committee detailing plans to reduce electricity and water losses for residential / commercial and industrial, detailing all strategies that must be implemented in order to do so, together with a detailed list of the history on the respective electricity and water losses for the past 3 financial years, along with the total amount of funding invested in addressing these losses, and including figures on the total amount of funds recouped. (e) The City Manager requested to report on the waste management strategies and the grass cutting programs in place within the City as part of his next report to the Audit Committee on Tuesday, 26 October 2021. (f) That the City Manager include in the next quarterly report to the Audit Committee, the relevant initiatives in place to control expenditure within without jeopardizing service delivery. REPORT BY THE CITY MANAGER ON EXHORBITANT OVERTIME FOR QUARTER 3 AND QUARTER 4 ENDING 31 JULY 2021: FOR ALL BUSINESS UNITS (REF:3.10.1.1) AGREED That the report 17 June 2021 by the City Manager on the exorbitant overtime for Quarter 3 for all business units, be DEFERRED to the next meeting of the Audit Committee RISK MANAGEMENT REVISED REPORT ON MUNICIPAL FRAUD AND CORRUPTION RISKS (REF: 3.10.1.1) That the item considering the Risk Management Revised Report on Municipal Fraud and Corruption Risks be DEFERRED to the next meeting of the Audit Committee. DATE FOR AUDIT COMMITTEE STRATEGIC SESSION WITH THE STRATEGIC MANAGEMENT COMMITTEE: (FOR DISCUSSION) AGREED That the item considering the date for the Audit Committee Strategic Session with the Strategic Management Committee be DEFERRED to the next meeting of the Audit Committee. REPORT ON THE TRACKING OF ALL HISTORICAL UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW) (REF:.....) AGREED That the item considering the report on the Tracking of all Historical Unauthorised, Irregular, Fruitless and Wasteful Expenditure by the Manager: MPAC be DEFERRED to the next meeting of the Audit Committee. DATE FOR AUDIT COMMITTEE STRATEGIC SESSION WITH THE STRATEGIC MANAGEMENT COMMITTEE: (FOR DISCUSSION) AGREED That the item considering the date for the Audit Committee Strategic Session with the Strategic Management Committee be DEFERRED to the next meeting of the Audit Committee. REPORT ON THE TRACKING OF ALL HISTORICAL UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW) (REF:.....) AGREED That the item considering the report on the Tracking of all Historical Unauthorised, Irregular, Fruitless and Wasteful Expenditure by the Manager: MPAC be DEFERRED to the next meeting of the Audit Committee.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
24 AUGUST 2021	<u>OUTSTANDING REPORTS FOR THE QUARRY: REASONS WHY THIS REPORT HAS NOT BEEN SUBMITTED TO THE AUDIT COMMITTEE</u> AGREED That the item considering the outstanding management response to the Internal Audit Findings on the Quarry be DEFERRED to the next meeting of the Audit Committee. <u>FINAL INTERNAL AUDIT REPORT ON THE REVIEW OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 : SAFE CITY MSUNDUZI NPC</u> AGREED TO RECOMMEND TO THE FULL COUNCIL That Council consider the findings around the Final Internal Audit Report on the Review of the Annual Financial Statements: Safe City Msunduzi NPC for the year ended 30 June 2021 as detailed in the report dated 20 August 2021 by the Manager: Assurance (Ref:A2-2021/2022). <u>FINAL INTERNAL AUDIT REPORT ON THE REVIEW OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021</u> AGREED That the item considering the Final Internal Audit Report on the Review of the Annual Financial Statements for the year ended 30 June 2021, be DEFERRED to the special meeting of the Audit Committee on Monday, 30 August 2021. <u>CONFIDENTIAL: NOT FOR PUBLICATION</u> <u>3. REQUEST WHEN THE AUDIT COMMITTEE WOULD BE CONSIDERING THE RECONCILIATION OF THE 3 YEAR ROLLING AUDIT PLAN</u> AGREED That the item considering the review of the reconciliation of the 3 year rolling Audit Plan be DEFERRED to the next meeting of the Audit Committee. <u>CONFIDENTIAL: NOT FOR PUBLICATION</u> <u>PROGRESS REPORT ON RESOLUTIONS OF THE AUDIT COMMITTEE IN THE RECOVER OF LOSSES (REF: 3.10.1.1)</u> AGREED That the progress on the Recovery of Losses as contained in the report dated 7 July 2021 by the Senior Manager: Legal Services, be noted. <u>FORENSIC INVESTIGATIONS INTO UNAUTHORISED EXPENDITURE INCURRED IN 2016/17, 2017/18 AND 2019/2020 FINANCIAL YEARS (REF: 3.7.1(20/21))</u> AGREED TO RECOMMEND TO THE FULL COUNCIL That Council certify the following reported unauthorized expenditure which includes debt impairment, inventory losses, fair value adjustment on investment on property and employee costs (actuarial), all non-cash items disclosed in the adjusted audited financial statements for 2016/2017, 2017/2018, 2018/2019 and 2019/2020 financial years as irrecoverable and be written off in terms of Section 32 (2)(b) of the MFMA:- (i) R5 234 379 for 2016/2017 financial year, (ii) R361 222 670 for 2017/2018 financial year, (iii) R170 002 042 for 2018/2019 financial year, (iv) R564 658 354 for 2019/2020 financial year. <u>REPORT ON THE PROGRESS ON FORENSIC INVESTIGATIONS, CRIMINAL INVESTIGATIONS AND PROSECUTIONS INTO ALLEGATIONS OF FRAUD, CORRUPTION, THEFT, ETC (3.10.1.1)</u> AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the progress report in the investigation conducted by the Unit, Criminal Investigations by the South African Police Services and the prosecutions by the National Prosecuting Authority of significant cases of fraud and criminal investigations by the Directorate of Priority Crimes Investigations ("Hawks") and the Commercial Crimes Unit for Quarter 4 of 2020/2021 financial year be noted. 2. That Council note with concern the incidents of fraud on overtime, vehicle abuse and absenteeism of staff that are continuing unabated which is indicative of a lack of supervision and management of staff. 3. That Council note with concern the lack of progress on cases reported to the South African Police Service. 4. That the effort of Internal Audit Unit to fight the scourge of fraud, corruption, theft and other gross irregularity be supported. 5. That Council note that criminal and other irregular conduct in the organs of state and private bodies are detrimental to good, effective, accountable and transparent governance and can endanger the economic stability of the Republic of South Africa and have the potential to cause social damage. 6. That Council must play a vigorous oversight on disciplinary cases and recovery process of losses incurred by the Municipality during the Commission of Misconduct or Criminal Act by employees and service provider to ensure that the City Manager implements the resolutions emanating from forensic investigation reports. 7. That the City Manager should hold the relevant Management accountable for serious transgressions identified in the forensic investigation reports, including but not limited to incidents of fraud on overtime, vehicle abuse and absenteeism of staff as these incidents are happening under their watch on a daily basis. 8. That the City Manager implement consequence management in cases where the prosecutors and presiding officers are causing unreasonable long delays in drafting and serving charges as well as setting down disciplinary proceedings.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
30 AUGUST 2021	3. REVIEW OF THE DRAFT ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2021 3.1 Audit Committee member (Mr T Maphumulo) indicated that the issues of electricity and water losses indicated on the Draft Annual Financial Statements were a substantial amount. He expressed concern that the Strategies to address these problem areas had insufficient budget. He reminded the Committee that electricity and water services generated the core income for the municipality and that these sub-units required sufficient investment in order for the municipality to receive good returns on its investment. 3.2 Audit Committee member (Mr L Quayle) sought clarity on the Undefined Difference of R 345 million and what this amount related to. 3.3 The Chairperson advised that many of her comments were of a qualitative nature and that comment by the Audit Committee would be forwarded to the Management Team via electronic mail. With respect to the Budget Statement, the Chairperson pointed out that there supposed to be a Note 82 for the variance analysis comparison. 3.4 There was concern over the Note on Timber on Page 60: which did not have an impairment cost for Timber. This query followed through to Page 140 which showed an amount of R 850 000 as income for timber. Therefore, clarity was sought on whether this amount for the segment accounting was correct. 3.5 The Chairperson thereafter queried the Forestry / Plantation specifically on the valuation of the agricultural assets, as it was difficult to explain from the financial statements as to what was exactly taken into account, or whether this reporting was purely qualitative. She pointed out that it made sense that the agricultural assets would have had an increase in the fair value when there were reports about the bad state of the forests. This would indicate possibly at impairments of the fair value, not only payment adjustments or decreases in the fair value rather than an increase. She indicated that Management should focus in valuing the actual timber and not the land. However, there was no certainty on what extent, as well as the risk. It was reported that the firebreaks at the forests were overgrown, and the invasive species were not cut out to transition. Clarity was sought on what extent this was being taken into account when the timber was valued; as it was a known fact that there was a growth factor that must be taken into account when considering that all the timber was filed last year and the revenue was for that has been recognized. So possibly that was done over the past two years. Furthermore, it was noted that the forestry was rented out. In consideration of this, it was queried how did this potentially affect the classification of the timber plantations as agricultural assets? 3.6 Audit Committee Member (Mr L Quayle) also pointed out that when the plantation was difficult to access and there were expected problems which resulted in increases in the felling and transport costs, which automatically reduced the value of the timber. 3.7 In respect of Heritage Assets, it was suggested that Management should have expanded on this as the item speaks to the valuation of artworks, jewellery and various other items but the note failed to elaborate on the museums, art gallery, parks and stadiums. 3.8 Heritage Assets: The Chairperson brought to the attention of the Committee that the last valuation on artworks and jewelry were undertaken during the 2018/2019 financial year. However, there have been revaluations on artworks this year. This item was not considered to be material. However, it was pointed out that this did not make any sense to have such errors on the Financial Statements. 3.9 With regard to Servitudes on Page 65, it was queried whether the municipality revalued these Rights. 3.10 The Chairperson reported that there was a gap in the accounting policy for intangible assets which could be seen as an inconsistency with the accounting policies and how they were described. 3.11 Page 67: Illegally occupied land: Noting that the issue of land was addressed by the rapid urbanization management within the parameters of the approved Land Use Scheme, it was queried why illegally occupied land was not impairable. 3.12 The Chairperson reported that there needed to be a specific discussion on land in respect of the issue of control and illegal land invasion. Such issues relating to land within the City must be specified in a file to the AGSA. 3.13 Page 68: Living Resource: It was pointed out that Msunduzi Municipality did not have responsibility over the living resources. In view of this, clarity was sought on how this was considered to be an asset of the municipality. 3.14 Page 73: Note 14: The Chief Financial Officer was requested to review the opening and closing balances which had small rounding differences. 3.15 Investment property and PPE: The Chairperson reported that it was difficult to track the movement between transfers and additions to investment properties. The Business Unit was questioned whether this movement was correct. Concern was expressed over the decrease in rental income despite there being a fair value increase on investment property. 3.16 Page 77: Sin Tax: The Business Unit was requested to the correct the spelling errors. 3.17 Page 80: Reconciliation of Landfill Site Provisions: There was concern over the how the High Court Ruling affected the municipality's obligations in managing the New England Road Landfill Site. It was noted that no other evaluations of the Landfill Site had been undertaken. Concern was raised over the adjustment of the remaining life span of the Landfill Site from 4 years to now being extended to 7 years. The Committee needed an explanation to the change in the remaining life span of the Landfill Site. 3.18 Page 70: Accumulated Surplus: Under the 2020 figures, it was noted that there was a surplus deficit of R 261 million. However, the figure on the Statement of Financial Performance differed from the SFP. The Business Unit was requested to review these figures. 3.19 Page 102: External Accounting and Internal Audit: There was some concern that the Nil figure for External Accounting and Internal Audit was not factual, as it must be reflected as an Outsourced Item. (It was mentioned that the issue of utilising external staff must be addressed as this was a cost to the municipality, and it would be more beneficial to filling the vacant posts instead). 3.20 Page 136: Note 78: Risk Management Credit Assessment: Clarity was sought on whether consumer deposits were withheld to settle outstanding debts. On this same page there is a note that the municipality had entered into derivative contracts to manage the risk of a decline in milk prices; which should have reflected timber prices / timber sales instead. The Business Unit was requested to include an expansion of the explanation on this note and to explain how the yield was derived at. 3.21 The note on the formation of the Expenditure Committee to monitor the implementation of the Cost Containment Strategy and to ensure economically efficient spending, was briefly mentioned. It was queried whether the Expenditure Committee had any input and weight on the decision that caused public uproar on the sponsoring of the football club. The effectiveness of the Expenditure Committee was queried. 3.22 The Business Unit was requested to amend the note on Government Grants whereby the municipality was not funded by Government Grants. This was considered to be a misstatement. The municipality budget was in actual fact funded by service charges and tariffs paid by its rate payers. 3.23 Page 53: Property Rates Interest Rate: The Business Unit was requested to review and confirm if the property rates of 11,25 % was correct. 3.24 Note 21: Employee Benefit Obligations: The Chairperson requested confirmation from the Business Unit that the benchmark used accurate. She mentioned that the figure was low in comparison to the previous year. 3.25 There was some concern expressed over the lack of transparency over the information provided on the fully funded maintenance budget. It was preferred that the Business Unit included on the note that some strategies to improve service delivery could not be delivered as a result of the financial constraints within the municipality. The Business Unit was urged to prepare the Financial Statements in a manner that addressed all possible answers and explanations to any possible questions that could be raised by the Auditor General and the rate payers. 3.26 Page 90: Note 24: 2020 Surplus: It was reported that the surplus deficit under the Accumulated Surplus Deficit for the year was different to the amount reflected under the Statement of Financial Performance. AGREED TO RECOMMEND TO THE FULL COUNCIL That Council note the internal audit considerations on the Review of the Annual Financial Statements for the year ended 30 June 2021 as detailed in the report dated 30 August 2021 by the Manager: Assurance (Ref: A1-2021/2022).

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
26 OCTOBER 2021	VERBAL UPDATE BY THE OFFICE OF THE AUDITOR GENERAL (Item 6 on agenda) 6.1 It was reported that the audit for the Safe City Entity was on track and that it was anticipated to be completed by the end of the current week. 6.2 The Audit Committee was advised that the AGSA was ensuring that there were sufficient teams available to complete the Audit. It was reported that these teams were working overtime to ensure completion of the audit. It was also indicated that the flow of information requested from municipal officials was flowing smoothly with the assistance of Mr Odwa Langa and Mr Khulekani Ngcobo. 6.3 National Treasury Representative (Ms Joanne Savari) sought clarity on what the 50% of the CATS Procedure related to, as well as the impact of the Audit on the municipal budget in lieu of overtime by AGSA Teams. 6.4 In terms of the CAT Exception, it was confirmed that the exceptions were selected and validated. The Senior Manager: AGSA reported that the procedure related to Revenue, Debtors, Debtors Write-off, Expenditure, PPE and Employee Costs. In response to a query, he advised that the overtime worked by the AGSA Teams to complete the audit would not impact on the municipal budget, as this was done to assist AGSA staff members who were busy writing exams that coincided with the auditing process. He thereafter advised that 2 communications had been issued to the municipality that were control-related findings which were repeat findings from 2 years ago that did not impact on the findings on the current audit. 7. FINAL INTERNAL AUDIT REPORT ON CONSUMER REFUNDS (REF:3.10.1.1) Management was urged to effect the findings of the Internal Audit Sub-Unit to usher in a positive culture of sound governance within the Organization. Officials were requested to deliberate on these findings prior to consideration by the Audit Committee. In addition to this, Audit Committee member (Mr Vukani Dlamini) sought clarity on the reasons why there was no consensus between Management and the Internal Audit. Sub-Unit. The Chief Financial Officer requested that the audit on Consumer Refunds must continue to form part of the Internal Audit Annual Plan. The Chief Audit Executive explained that refunds must be transferred into the bank accounts that they originated from to prevent any possible money laundering activities, and to ensure that the municipality was not supporting such activities. The Business Unit was urged to report such transactions to National Treasury and to the FICA and the Cyber Crimes Unit. The City Manager was urged to instruct officials to not proceed with such suspicious refund transactions until the relevant source documents and original bank account could be verified for the refund deposit. AGREED (a) That the City Manager issue a directive to finance staff to ensure that the issue of Consumer Refunds must be flagged as a possible fraud risk / or money laundering on transactions that have a different bank account for the refund. Such refunds must be stalled until all the relevant source documents, confirmation on the total balance on the relevant municipal consolidated bill and the original bank account can be verified for the refund. (b) That the Chief Audit Executive ensure that all Internal Audit Reports are deliberated on with Management prior to submission for consideration by the Audit Committee. AGREED TO RECOMMEND TO THE FULL COUNCIL - That the Refunds Supervisor should review all applications and supporting documentation accompanying the applications thoroughly to ensure accuracy and completeness of information received. No applications should be approved and processed for payment where incomplete are received. - That the Senior Manager: Revenue and Manager: Utility Services should review the Refund Application Form against the checklist to ensure that all necessary processes were followed and supporting documents are attached; and should sign the form as evidence. - That the Senior Manager: Revenue and Manager: Utility Services should ensure that all the transactions processed on the customer's account are supported by relevant documents. - That the Manager: Utilities Services should ensure that supporting documentation are maintained for proper audit trail. - That the Chief Financial Officer and the Senior Manager: Revenue Management should ensure that accurate tariffs uploaded on the system as approved by Council by reviewing the Tariff Register against Council approval. - That the Chief Financial Officer and the Senior Manager: Revenue Management should ensure that system parameters were restricted as soon as the approved Tariff Register had been uploaded to avoid unapproved amendments. - That the Manager: Consolidated Billing should ensure that all the transactions processed on the customer's account be supported by the relevant documents and the supporting documents maintained for proper audit trail. - That the Refunds Supervisor should review all applications and supporting documentation accompanying the applications thoroughly to ensure accuracy and completeness of information received. No applications should be approved and processed for payment where incomplete applications are received. - That the Senior Manager: Revenue Management and the Manager: Consolidated Billing should review the Refund Application Form against the checklist to ensure that all necessary processes were followed and supporting documents attached; and should sign the form as evidence thereof. 8. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF PERFORMANCE INFORMATION FOR QUARTER 4 AND ANNUAL PERFORMANCE REPORT FOR 2020/2021 (REF: 3.10.1.1) Report dated 19 October 2021 by the Manager: Assurance (Ref: AoPI 2020/2021). Clarity was sought on the actual root cause of the root cause, as it appeared that Management was not in agreement with the recommendations of the Internal Audit Sub-Unit. National Treasury Representatives offered assistance in improving the relationship between Management and the Internal Audit Sub-Unit in order to provide value added services should the relationship continue to be remain strained. The Chairperson emphasized the importance of the proposed strategic session with the Strategic Management Committee which would address such issues. The Senior Manager: Office of the City Manager agreed that the biggest challenge was the quality of Management responses. She reported that the lack of stability within the Performance Management Unit, coupled with the high vacancy rate and acting appointments by members of staff that did not have the competency requirements within the Unit had proven to be challenging. Another major challenge facing the Performance Management Unit was the unavailability of certain managers due to other work commitments which impacted negatively on concluding the performance assessments.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
26 OCTOBER 2021	Concern was further expressed over the lack of consequence management for Senior Managers that failed to submit their Portfolio of Evidence Files, as well as ongoing late submissions. The Audit Committee expressed concern that there was no control over the issue of Acting Appointments which were not linked to performance monitoring or performance assessment. AGREED - That a special meeting of the Audit Committee be scheduled before the next Audit Committee meeting to focus specifically on Performance Management which shall include the report dated 19 October 2021 by the Manager: Assurance (Ref: AoPI 2020/2021) and other legislated requirements etc for members with pre-reading. - That the Chief Audit Executive ensure that the Chief Financial Officer's requirements for the budget and expenditure for the special meeting referred to in (a) above are met. - That the City Manager ensure that all Acting Appointments for Senior Managers and General Managers are linked to performance monitoring / assessment as a matter of priority to ensure that there was accountability of incumbents acting in senior posts. AGREED TO RECOMMEND TO THE FULL COUNCIL - That the findings around the Final Internal Audit Report on the Audit Performance Information for Quarter 4 of 2020/2021 and Annual Performance Report be considered. - That on an annual basis, the Mayor should discuss with the City Manager performance in relation to the input indicators, output indicators; and corrective action and measures provided for areas of poor performance and/or when the key performance indicator target was not met. - That the City Manager's reporting to the Mayor should be supported with verifiable consumer / customer survey in relation to the municipality's performance for that reporting year. - That this information should be considered when populating the SDBIP for the ensuing financial year, including but not limited to the input indicators, output indicators and outcome indicators for the identified key performance areas. - That the City Managers performance agreement should be concluded between himself and the Mayor once the SDBIP for the ensuing financial year has been approved, key performance areas developed and agreed upon in relation to the municipal development objectives and priorities evidenced by their signatures. - That the City Manager should delegate but retain accountability to his General Managers in respect of their relevant portfolios the key performance areas, including but not limited to the input indicators, output indicators and outcome indicators of that financial year. - That the General Managers should also delegate but retain accountability to their Senior Managers in respect of their relevant portfolios the key performance areas, including but not limited to the input indicators, output indicators and outcome indicators of that financial year. - That Organizational Compliance, Performance and Knowledge Management unit should assist with facilitating and ensuring that the above activities are undertaken within the regulated timeframes and following a process that will improve performance as opposed to a mere compliance process. - That Performance in relation to the input indicators, output and outcome indicators should be assessed independently by the Organizational Compliance, Performance and Knowledge Management unit and reported at least quarterly to Council as an early warning measure. - That consequence management should be implemented promptly on areas of deliberate poor performance and failure to implement corrective measures timely. - That the City Manager should ensure the implementation of the Performance Assessment schedule and report any deviations to Council timely. - That the Performance Assessments should be used to enforce consequence management for consistent poor performance and failure to address and implement corrective measures timely. - That the Manager: Organizational Compliance, Performance and Knowledge Management should ensure that performance terms are developed for the poor performing incumbents to be monitored more frequently (at least monthly) to ensure that their performance gaps are addressed timely. - That the Performance Assessment should also be utilized to identify performance gaps and training needs of the incumbents. - That the City Manager should ensure that performance agreements are entered into timely to ensure adequate planning regarding service delivery and catching up on areas of slow and / or poor performance. - That the Performance Assessments should be used to enforce consequence management for consistent poor performance and failure to address and implement corrective measures timely. - That the City Manager should ensure that officials are not moved and / or rotated between functions as a result of poor performance without involving the Organizational Compliance, Performance and Knowledge Management Unit. The identified poor performance and reasons thereof should be recorded and placed on the relevant file for future references. - That Performance Agreements should be entered into for all acting positions in the General and Senior Management level for a period of 3 months and above; and a formal handover process enforced until a permanent appointment is made. - That the Senior Manager: Office of the City Manager and the Manager: Organizational Compliance, Performance and Knowledge Management should ensure that the OPMS Policy and Standard Operating Procedures are adequately updated on the function of the Organizational Compliance, Performance and Knowledge Management Unit in the performance management process. - That the OPMS Policy and Standard Operating Procedures should also detail the extent of the verification of portfolio of evidence that will be undertaken by the Organizational Compliance, Performance and Knowledge Management Unit. - That the Senior Manager: Office of the City Manager and the Manager: Organizational Compliance, Performance and Knowledge Management should develop a POW verification calendar to ensure and avoid the conflicting of activities between Internal Audit and the Organizational Compliance, Performance and Knowledge Management Unit. - That Senior Manager: Office of the City Manager and the Manager: Organizational Compliance, Performance and Knowledge Management should ensure that an independent report is prepared for Council reporting regarding the credibility and completeness on the quarterly portfolio of evidence as opposed to reporting on unverified information. This will assist in identifying and addressing poor and or slow performance timely. - That evidence of the verification of the portfolio of evidence files and the independent Quarterly report to Council by the Organizational Compliance, Performance and Knowledge Management Unit should be provided to the Internal Audit Unit and the Auditor General at the commencement of their audits as evidence of the unit performing their function regarding the performance management process. - That every quarterly report must be cross-referenced to the portfolio of evidence file to ensure that reported performance is adequately supported. - That General Managers when assessing Senior Managers should verify that all portfolio of evidence has been submitted and placed on file. - That General Managers ensure that there is sufficient evidence to support achieved targets reported in the report; and - That Consequence Management be enforced in instances where the achievement / non achievement of targets is not supported by adequate evidence. - That the proof of evidence files should be updated as and when a particular target is achieved and this information should inform the report on the monthly and quarterly SDBIP and not at the end of the quarter upon Internal Audit's request. - That proof of evidence files should be reviewed by the General Manager and signed as evidence of review. - That proof of evidence should be provided to Internal Audit within the stipulated deadlines and failure thereof should be reported to the City Manager as it is expected that these files are provided for auditing after the General Managers have performed their reviews. - That Senior Managers should ensure that all performance reported is accompanied by supporting documentation that is valid, verifiable and relevant; and - That Consequence Management be enforced in instances where the evidence is not provided for audit purposes.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
26 OCTOBER 2021	33. That the reported achievements relating to targets should be assessed by Management against the portfolio of evidence to ensure that the reported performance is accurate, valid and reliable. 34. That the quarterly departmental reports should be signed as evidence of review for completeness and accuracy; and 35. That Consequence Management should be enforced in instances where there is a lack of evidence of review of POE Files. 36. That the quarterly targets should be specific for example where a target is a report submission, it should indicate whom the report will be submitted to, 9. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF THE SERVICE DELIVERY AND BUDGET AND IMPLEMENTATION PLAN (SDBIP) FOR THE 2021/2022 FINANCIAL YEAR (REF:3.10.1.1) Report dated 25 October 2021 by the Chief Audit Executive (Ref: AoPI 2021/2022). Following discussion, Audit Committee members mentioned that the Committee was not an arbitrator between Management and the Internal Audit Unit. It was emphasized that the Audit Committee considered issues that had a weakness of controls that could cause problems. Therefore, Management was urged to work with the Internal Audit Sub-Unit to address and resolve findings. AGREED TO RECOMMEND TO THE FULL COUNCIL - That Management should ensure that the IDP is reviewed to confirm that it contains outcome indicators linked to output indicators. In achieving this imperative, Management should consider the requirements enshrined in Section MSA, 32 of 2000 as well as the definition and purpose of outcome indicators explicated in the OPMS Policy of the municipality. The difference between the output and outcome indicators should also be appreciated, that, the outcome indicators (OPMS, 2020) entail the quality and impact of programs and / or projects implemented by the municipality in pursuance of the strategic objectives of the municipality encapsulated in the IDP. The next cycle of the IDP Review Process for the 2022/23 financial should prioritize the inclusion of the outcome indicators in the IDP. - Management is also urged to consider improving the manner in which the strategic objectives of the municipality are crafted (see above extracts of the IDP) to ensure that they conform to the SMART Principle in the sense that they are "time bound", an example is "improved customer experience and public participation by 2022, or improved budgeting, reporting and audit opinion by 2023" (IDP, 2021-2022). Time bound objectives communicate the timeline of the objectives, thus providing guidance with respect to the timing (medium or long term) on which data to measure outcome indicators in terms of the impact and / or quality of the output indicators shall be collected. In this way, it will be possible for the municipality to achieve a practical perspective to measure the outcomes and inform future strategic planning. - That a refresher conceptual training or workshoping of the OPMS Policy should also be prioritized to impart knowledge with regard to the output versus outcome indicators in contrast to the strategic objective of the Municipality. - That Management should ensure that technical indicator descriptions are defined for all KPI's included in the SDBIP. This suggested review should take effect as part of the mid-year SDBIP and Budget review for adoption by Council on or before 25 January 2022. - That Management should ensure that all Key Performance Indicators recorded in the technical indicator descriptions are adequately and comprehensively defined to provide clear understanding of the indicator. - That Management should ensure that all aspects of the TIDs are adequately provided for, such as the short definition, purpose / importance of the KPI, calculation method and reporting cycle, etc. - That the SDBIP with TDI's should be reviewed by the Internal Audit Unit for compliance and SMARTness before approval by the Council. - That Management should ensure that all Key Performance Indicators conform to the SMART principle criteria as defined in the Municipal Systems Act, Municipal Planning, Performance Management Regulations and other applicable legislation such as FMPP. This suggested review should take effect as part of the mid-year SDBIP and budget review for adoption by Council on or before 25 January 2022. - That Management should consider reviewing the system of internal control around the process of developing the SDBIP and OP for the municipality. In that, control measures should be put in place to provide for comprehensive management review of the SDBIP and OP's to ensure that performing planning documents conform to Section 41 of the Municipal Systems Act, Section 9 of the Municipal Planning, Performance Management Regulations and other applicable legislation. - That each KPI included in the SDBIP and the OP should be measurable, even the qualitative KPI's ones, as they can be measured by date. - That Management should ensure that the IDP reference is correctly aligned with the national key performance are, thus ensuring alignment of strategic objectives. - That Management should ensure that the compilation of the three-year Infrastructure Capital Works Plan complies with the requirements of the National Treasury MFMA Circular 13 and includes the following information:- - Project planned start date; - Actual start dates; - Planned completion date; - Actual completion date; - Capital costs timed per month; - Reasons for variances including if the project was completed but did not deliver to specification; and - The responsible Senior Manager. - That Management should ensure that the capital work plan is adequately reviewed to ensure complete and accuracy if information. - That Management should ensure that the capital work plan is supported with a summary of Capital Projects for each responsible manager clearly indicating quarterly projections for performance in relation to the implementation of capital projects. - That Management should ensure that performance agreements of the Chief Financial Officer, General Managers and Senior Managers include the KPIs as per the OP. - That Management should perform adequate review of the performance agreements to ensure that the performance plan (attached to the performance agreement) incorporates all key performance indicators and targets impacting the department i.e. key performance indicators and targets enshrined in the OP also appear in the performance agreements. This suggested review should take effect as part of the mid-year SDBIP and Budget Review for adoption by Council on or before 25 February 2022. - That Management should ensure that the PAs are adequately reviewed and that the planned targets as per the OP are aligned to the planned targets in the respective performance agreements. - That Management should ensure that performance agreements are signed within the timeframes stipulated in the Municipal Systems Act, Section 57 (2) – 31 July each year. - That a checklist should be considered by the PMS unit as part of the standard operating procedures for sign-off (by the PMS unit) to conform that all compliance requirements and qualitative aspects of the performance planning information (i.e. alignment between all planning documents and SMARTness thereof) have been ensured. 10. CONSOLIDATED AUDIT COMMITTEE REPORT ENDING SEPTEMBER 2021 (REF:3.10.1.1) Report dated 19 October 2021 by the City Manager. - The Committee was pleased with the presentation of the Audit Committee Decision Tracker. The Senior Manager: Office of the Municipal Manager was requested to reflect realistic timeframes to have items closed out on the Tracker. - Audit Committee members concurred that they would deliberate amongst themselves via email on the way forward with regards to the Audit Committee Decision Tracker.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
26 OCTOBER 2021	10.3 The City Manager was reminded that the request for the Strategy Document on the Reduction of Electricity and Water Losses was outstanding from the previous meeting. 10.4 National Treasury Representative (Mr Leslie Holland) was pleased with Management's response to the audit queries raised by the AGSA. However, he pointed out that the respective target dates were not reflected in the report. He sought clarity on the budget outcomes and dependencies to implement the action plans. He further queried what controls were in place in regard to the daily practices. 10.5 The Budget and Treasury Business Unit was encouraged to ensure that daily, weekly and monthly disciplines were undertaken so that this ensured that all the respective accounting procedures were conducted regularly. 10.6 In relation to the Financial Recovery Plan, it was noted that many of the action items have been marked as achieved. However, it was stressed that the financial position of Msunduzi Municipality did not improve. The Business Unit was requested to track as well as measure the improvements the improvements. It was noted that the Financial Recovery Plan would be assessed during the Mid-Year Budget Assessment Process. 10.7 Responding to a query, the Chief Financial Officer reported that there were improvements in the collection rates upon introducing the Covid Relief Program. However, the July 2021 Civil unrest resulted in a loss of revenue of approximately R 788 million, which affected 51 businesses within the City. 10.8 The Chief Financial Officer and her Team were commended for the improvement in the revenue collection rates. It was mentioned that the interventions which were introduced to improve the collection rates were having a positive effect. 10.9 The improvement in the domestic revenue collection rates were noted. The City Manager was urged to ensure that new Councillors take political responsibility in assisting with improving revenue collection rates within their respective wards. 10.10 Clarity was sought on how the City Manager was addressing the outstanding debt by the outgoing Councillors. 10.11 The National Treasury Representative supported that the incoming Council must take responsibility for assisting in the reduction of ward debt. 10.12 The Audit Committee queried the excessive 50% increase in bulk services in regard to Eskom and Umgeni. 10.13 In response, the Chief Financial Officer advised that she had requested an audit of the Eskom and Umgeni billing, which was in excess of R 78 million. Audit Committee Member (Mr T Maphumulo offered his assistance with auditing the Eskom Billing). 10.14. The Chief Financial Officer was urged to make every effort to recoup the monies that were overpaid to Eskom and Umgeni as this would be catastrophic on the strained Budget. 10.15 The Committee was advised that the UIFW Reduction Plan was approved by Council. 10.16 Concern was expressed that not enough effort had been made to identify fruitless and wasteful expenditure. 10.17 Responding to a query regarding the delay in the Strip and Quote Contract, the Chief Financial Officer undertook to report back on this matter at the next meeting, as this matter fell under the delegation of the user department (Fleet Management). 10.18 The Chairperson cautioned Management against using Covid as a delay in closing out matters. In addition to this, National Treasury Representative (Mr Leslie Holland) emphasized that there must be valid reasons for deviations. 10.19 Management was reminded to reconcile the budget expended on vehicle repairs to an ageing fleet in comparison to a new fleet. Therefore, clarity was sought on whether the level of repairs and maintenance was justifiable based on the age of the fleet. 10.20 Audit Committee member (Mr Leo Quayle) pointed out that the reporting on Vehicle repairs was confusing in terms of the pricing for certain item eg. R 20 000.00 for a Washer. 10.21 The City Manager was urged to ensure that the Municipal Stores was well stocked with all the relevant spares thus ensuring that there were no delays in service delivery. 10.22 In response to a query, the Manager: Safe City Entity reported that he did not receive any correspondence regarding the Camera System for the automated vehicle registration identification. Therefore, there was no system was place that would pick up outstanding traffic fines issued to the respective vehicle registration number. 10.23 Audit Committee Member (Mr Mazwi Shongwe indicated that as a result of a lack of funding, there was no movement on expenditure for ICT Ageing Infrastructure. 10.24 Noting the presentation made on SAP, the Audit Committee expressed concern over the Consultants performance on the implementation of SAP. The Audit Committee reminded Management that there were numerous failed modules on SAP, and that there must be accountability and close monitoring on this Project. AGREED (a) That the Consolidated Audit Committee for the period ending September 2021 dated 19 October 2021 by the City Manager, be NOTED. (b) That the City Manager must ensure that Revenue Collection Reporting is broken up into all wards to ensure that the new council take political responsibility to improve revenue collection in their respective wards. (c) That the City Manager provide the Audit Committee with a progress report on the roll out of prepaid meters as part of the consolidated report to the next meeting of the Audit Committee. (d) That the Senior Manager: Office of the City Manager facilitate a meeting with the leadership on consider reduction in the UIFW Expenditure, and the Handover to new the Municipal Public Accounts Committee; as well as to determine and whether support is needed for the Disciplinary Board. (e) That the City Manager submit a copy of the Action Plan to reduce Electricity and Water Losses to the next meeting of the Audit Committee. (f) That the issue of consequence management against senior managers for lack of performance that impacts on service delivery be flagged for consideration at the Strategic Session with the Strategic Management Management Committee. (g) That the City Manager must take full accountability for the SAP Project and ensure that the Project is carefully monitored to ensure that the municipality did not find itself making repeated mistakes regarding the SAP Project. (h) That the City Manager make the relevant arrangements to appoint a consultant to provide assurance on the SAP Project and to consider the SAP Project Plan, Deliverables by the Consultant and any possible variation so that the Consultant can be held accountable. 11. <u>REPORT BY THE CITY MANAGER ON EXHORBITANT OVERTIME FOR QUARTER 3 AND QUARTER 4 ENDING 31 JULY 2021: FOR ALL BUSINESS UNITS (REF:3.10.1.1)</u> Report dated 17 June 2021 by the City Manager. AGREED That the item considering exorbitant overtime was DEFERRED to the next meeting of the Audit Committee. 12. <u>RISK MANAGEMENT REPORT ON RISK MANAGEMENT MATURITY (REF: 3.10.1.1)</u> Audit Committee members concurred that the Chairperson of the Risk Management Committee must be an independent person. AGREED That the item considering the date for the Audit Committee Strategic Session with the Strategic Management Committee be DEFERRED to the next meeting of the Audit Committee.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
26 OCTOBER 2021	13. DATE FOR AUDIT COMMITTEE STRATEGIC SESSION WITH THE STRATEGIC MANAGEMENT COMMITTEE: (FOR DISCUSSION) AGREED That the item considering the date for the Audit Committee Strategic Session with the Strategic Management Committee be DEFERRED to the next meeting of the Audit Committee. 14. REPORT ON THE TRACKING OF ALL HISTORICAL UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW)(REF:3.10.1.1) AGREED That the item considering the report on the Tracking of all Historical Unauthorised, Irregular, Fruitless and Wasteful Expenditure by the Manager: MPAC be DEFERRED to the next meeting of the Audit Committee. 15. OUTSTANDING REPORTS FOR THE QUARRY: REASONS WHY THIS REPORT HAS NOT BEEN SUBMITTED TO THE AUDIT COMMITTEE AGREED That the item considering the outstanding management response to the Internal Audit Findings on the Quarry be DEFERRED to the next meeting of the Audit Committee. 16. EVALUATION OF THE NEW CONSOLIDATED AUDIT COMMITTEE REPORT TEMPLATE AGREED That the item considering the evaluation of the new consolidated Audit Committee Quarterly Report be DEFERRED to the next meeting of the Audit Committee. 17. OUTSTANDING MATTERS REPORT AGREED That the Outstanding Matters Report dated 2 June 2021 by the General Manager: Corporate Services be DEFERRED to the next meeting of the Audit Committee. CONFIDENTIAL: NOT FOR PUBLICATION 19. FORENSIC INVESTIGATION INTO ALLEGED CORRUPTION AS A RESULT OF ISSUING FORGED BUSINESS LICENCES BY MUNICIPAL OFFICIAL : MR S MSANE: EMPLOYEE NUMBER: 220789: SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES (REF: 3.10.1.1) AGREED That the report dated 21 October 2021 by the Chief Audit Executive (Ref: FI23-2020/21) considering the Forensic Investigation into alleged corruption as a result of issuing forged business licenses be DEFERRED to the next meeting of the Audit Committee. 20. FORENSIC INVESTIGATION INTO IRREGULAR EXPENDITURE INCURRED IN THE 2015/16, 2016/17, 2017/18, 2018/19 AND 2019/20 FINANCIAL YEARS: SAFE CITY MSUNDUZI NPC (REF: 3.10.1.1) AGREED That the report dated 21 October 2021 by the Chief Audit Executive (Ref: FI17-2020/21) considering the Forensic Investigation into irregular expenditure incurred in the 2015/16, 2016/17, 2017/18, 2018/19 and 2019/20 financial years: Safe City Msunduzi NPC be DEFERRED to the next meeting of the Audit Committee. 21. CONSOLIDATED AUDIT COMMITTEE REPORT ENDING SEPTEMBER 2021 CONSEQUENCE MANAGEMENT (REF:3.10.1.1) AGREED That the report dated 19 October 2021 by the City Manager considering Consequence Management be DEFERRED to the next meeting of the Audit Committee.
09 NOVEMBER 2021	REPORT BY THE CITY MANAGER ON EXORBITANT OVERTIME FOR ALL BUSINESS UNITS (REF:3.10.1.1) AGREED That the City Manager incorporate the Quarterly Breakdown for Overtime Expenditure for all Business Units as part of the Consolidated Report to the Audit Committee together with a detailed analysis to determine if overtime expenditure by all business units were in line with the Budget, as well as to identify those business units that were over spending. 4. REPORT ON THE TRACKING OF ALL HISTORICAL UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (UIFW)(REF:3.10.1.1) Mr Leslie Holland (National Treasury Representative) expressed concern over the incomplete information received from the Municipality in regard to the allocation of the 2nd tranche of the Equitable Share. It was thereafter AGREED

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
09 NOVEMBER 2021	(a) That the Manager: MPAC arrange for a special in-committee meeting with the newly appointed Municipal Public Accounts Committee and the Audit Committee as soon as the new members have been sworn into Council. (b) That the City Manager provides feedback to the next Audit Committee meeting on the outstanding information regarding the allocation of the second tranche of the Equitable Share. 5. <u>OUTSTANDING REPORTS FOR THE QUARRY: REASONS WHY THIS REPORT HAS NOT BEEN SUBMITTED TO THE AUDIT COMMITTEE</u> The Manager: Assets apologized to the Committee for the non-submission of the report, and explained that the delay was as a result of the confusion over which business unit the Quarry was structured to report to. He undertook to submit the outstanding report for the Quarry to the next meeting. At the request of the Business Unit Representative, it was AGREED That the item considering the outstanding management response to the Internal Audit Findings on the Quarry be DEFERRED to the next meeting of the Audit Committee. 6. <u>EVALUATION OF THE NEW CONSOLIDATED AUDIT COMMITTEE REPORT TEMPLATE</u> AGREED That the item considering the evaluation of the new consolidated Audit Committee Quarterly Report be DEFERRED to the next meeting of the Audit Committee to allow Audit Committee members to their relevant submissions for comments on the template. 7. <u>RISK MANAGEMENT REPORT ON RISK MANAGEMENT MATURITY (REF: 3.10.1.1)</u> Report dated 7 September 2021 by the Chief Risk Officer. (Page 43 of the agenda) The Chief Risk Officer explained his challenge over the differing views on risk management expressed by representatives of both National Treasury and the Provincial Treasury. The Audit Committee concurred that more discussion was required to determine whether the role of Risk Management should be operational or oversight. Members were in support of there being an Internal Committee to deal with Risk Management to be chaired by the Accounting Officer as opposed to having one Audit and Risk Committee. The Audit Committee expressed their support for and Operational Risk Committee to implement issues outlined in the report by the Chief Risk Officer. Clarity was sought on the structure of the Risk Management Sub-Unit. In consideration of this, the Chief Risk Officer was requested to provide the Audit Committee with this information, together with a copy of the Charter for Risk Management and the Terms of Reference. Mr Leslie Holland (National Treasury Representative) reported that National Treasury supported a Risk Committee that would act in an oversight and advisory role but that this Committee must remain independent. He advised that he was not certain whether National Treasury and the Provincial Treasury had conversed on the issue of Risk Management, and that this needed to take place to ensure consistency on Risk Management. The Chairperson advised that the Audit Committee would play its oversight role, notwithstanding the existing Audit Committee agendas which although had been streamlined, still resulted in lengthy meetings. AGREED That the report dated 7 September 2021 by the Chief Risk Officer considering Risk Management Maturity be STOOD DOWN to allow for the Chief Risk Officer to provide the details on the Structure for Risk Management Sub-Unit, the Terms of Reference, together with the Charter for the Risk Committee. 8. <u>DATE FOR AUDIT COMMITTEE STRATEGIC SESSION WITH THE STRATEGIC MANAGEMENT COMMITTEE: (FOR DISCUSSION)</u> AGREED That as a matter of priority, the Senior Manager: Office of the City Manager secure a date for a strategic session at the Strategic Management Committee for January 2022, which must include Mr Leslie Holland and the relevant officials of the Office of the Auditor General; the focus areas to include the following:- (i) Management's relationship with Internal Audit, (ii) Objective and value of Internal Audit, (iii) Scope of Internal Audit, (iv) How to respond to Internal Audit, (v) Objective and value of External Audit, (vi) MFMA provisions relating to responses to findings raised by AGSA and (vii) How to respond. 9. <u>OUTSTANDING MATTERS REPORT</u> AGREED

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
09 NOVEMBER 2021	That the Outstanding Matters Report dated 14 October 2021 by the General Manager: Corporate Services be NOTED subject to the removal of the following items:- - Item 1: Progress reporting on the SAP Steering Committee, - Item 4: Technical Findings on PPE, - Item 5: Quarterly Tracking of the Use of Consultants for cost containment, - Item 6: Progress on plans to implement a Shift System, - Item 7 and 21: Progress on Appointment of Service Provider for ICT Stabilization, - Item 11: Handover of SAP to ICT and MSCOA Alignment and - Item 18: Risk Management Report on Municipal Risks. 10. QUARTERLY STATUS UPDATE ON THE 2021/2022 FINANCIAL YEAR ANNUAL AUDIT PLAN FOR QUARTER 1 OF 2021/2022 (REF: 3.10.1.1) AGREED That the report dated 19 October 2021 by the Chief Audit Executive (Ref: 3.10.1.1) considering the Quarter 1 status update on the 2021/2022 Annual Audit Plan be DEFERRED to the Audit Committee meeting on 14 December 2021. 11. AUDIT COMMITTEE CONCERNS (Raised verbally) It was pointed out that the Audit Committee needed to redirect its agenda to deal with the core items such as the Review of the 3 Year Audit Rolling Plan and Performance Management. Instead, the Audit Committee was spending majority of its allocated time considering items that were more of an administrative nature. It was stressed that the Committee must focus on reports that required decisions. Items that needed to be noted and tracked by the Audit Committee would still need to be submitted for the Committee for noting purposes. However, the Committee would only raise any pertinent matters on such items thereby maximizing its time and focus on the items that required deliberation and decision. NOTED. CONFIDENTIAL: NOT FOR PUBLICATION 12. CONFIRMATION OF CONFIDENTIAL MINUTES AGREED That the confidential minutes of the Audit Committee meeting held on 24 August 2021, be CONFIRMED. 13. FORENSIC INVESTIGATION INTO IRREGULARITIES IN UTILIZATION OF PERCY TOWING SERVICES TO REMOVE VEHICLES FROM PUBLIC ROADS BY THE TRAFFIC DEPARTMENT DURING THE NATIONAL LOCKDOWN: COMMUNITY SERVICES (3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL 1. The Municipal Manager institute disciplinary action be instituted against Mr Sabelo Mbanjwa within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with read with Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council for breach of: 1.1.1 General Conduct Section 2 (a) in that he did not loyally execute the lawful Supply Chain Management Policy of the municipal council. Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. 1.1.2 He also breached Section 195 (1) of the Constitution of the Republic of South Africa of 1996 which states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: - (a) a high standard of professional ethics must be promoted and maintained. (b) public administration must be accountable. 1.2 The Municipal Manager the system of issuing business licences be revised. 1.3 It is recommended that disciplinary action be instituted against Mr S Msane within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (As amended), Code of Conduct for Municipal Staff members read with Schedule 8 of the Labour Relations Act, Act 66 of 1995 (as amended), Section 78 and 171(3) of the MFMA for breach of: - 1.3.1 General Conduct: 1.3.1.1 Section 2 (a) in that he did not loyally execute the lawful polices of the municipal council; 1.3.1.2 Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner; 1.3.1.3 Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; 1.3.2 Commitment to serving the public interest 1.3.2.1 Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. 1.3.3 Personal gain 1.3.3.1 Section 4 (1) (a) in that he used his position or privileges for private gain and/or to improperly benefit himself.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
09 NOVEMBER 2021	1.4 Financial Misconduct 1.4.1 That financial misconduct be instituted against Mr S Msane in terms of Section 171 (3)(a) and (b) in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty and in doing so deliberately caused the municipality name to be tarnished and put it in disrepute. 1.5 Disciplinary Board on Financial Misconduct 1.5.2 Council should refer this report to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. 1.5.3 The City Manager should report to the Audit Committee on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where there were officials implicated in our forensic investigation reports. 14. FORENSIC INVESTIGATION INTO ALLEGED CORRUPTION AS A RESULT OF ISSUING FORGED BUSINESS LICENCES BY MUNICIPAL OFFICIAL : MR S MSANE: EMPLOYEE NUMBER: 220789: SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL 1. The Municipal Manager the system of issuing business licenses be revised. 1.2 It is recommended that disciplinary action be instituted against Mr S Msane within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (As amended), Code of Conduct for Municipal Staff members read with Schedule 8 of the Labour Relations Act, Act 66 of 1995 (as amended), Section 78 and 171(3) of the MFMA for breach of: - General Conduct 1.2.1 Section 2 (a) in that he did not loyally execute the lawful polices of the municipal council; 1.2.2 Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner; 1.2.3 Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; 1.3 Commitment to serving the public interest 1.3.1 Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. 1.4 Personal gain 1.4.1 Section 4 (1) (a) in that he used his position or privileges for private gain and/or to improperly benefit himself. 1.5 Financial Misconduct 1.5.1 That financial misconduct be instituted against Mr S Msane in terms of Section 171 (3)(a) and (b) in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty and in doing so deliberately caused the municipality name to be tarnished and put it in disrepute. 1.6 Disciplinary Board on Financial Misconduct 1.6.1 Council should refer this report to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. 1.6.2 The City Manager should report to the Audit Committee on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where there were officials implicated in our forensic investigation reports. 15. FORENSIC INVESTIGATION INTO IRREGULAR EXPENDITURE INCURRED IN THE 2015/16, 2016/17, 2017/18, 2018/19 AND 2019/20 FINANCIAL YEARS: SAFE CITY MSUNDUZI NPC (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL 1. It is recommended that the Board of Directors institute disciplinary action against Mr Lucas Haultzhausen in terms of Section 172 (1)(a) and (b) alternatively Section 172 (2)(c) of the MFMA within a period of 3 months from the date of the Council resolution for breach of : Financial Misconduct (i) That financial misconduct be instituted against Mr Lucas Haltzhausen in terms of Section 172 (1)(a) and (b) alternately Section 172 (2) (c) of the MFMA. 2. That the Board of Directors should request Council in writing to write-off the expenditure of R 305 798.00 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA 3. That the Board of Directors should request Council in writing to write-off the expenditure of R 45 702.00 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA. 4. That the Board of Directors should request Council in writing to write-off the expenditure of R 11 191.00 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA. 5. That the Board of Directors should request Council in writing to write-off the expenditure of R 77 781.00 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA. 6. That the Board of Directors should request Council in writing to write-off the expenditure of R 346 214.91 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA. 7. That the Board of Directors should request Council in writing to write-off the expenditure of R 318 644.00 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA. 8. That the Board of Directors should request Council in writing to write-off the expenditure of R 13 708.00 of irregular expenditure as irrecoverable in terms of Section 32(2) (b) of the MFMA. 9. It is further recommended that Safe City utilize the CSD prior to awarding any contract for service providers.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
09 NOVEMBER 2021	16. CONSOLIDATED AUDIT COMMITTEE REPORT ENDING SEPTEMBER 2021 CONSEQUENCE MANAGEMENT (REF:3.10.1.1) AGREED That the Consolidated Audit Committee for the period ending September 2021 : Consequence Management dated 19 October 2021 by the City Manager, be NOTED.
07 DECEMBER 2021	FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF PERFORMANCE INFORMATION QUARTER 4 AND ANNUAL PERFORMANCE REPORT 2020/21 (REF: 3.10.1.1) National Treasury Representative (Mr Leslie Holland) pointed out that Management only noted the Internal Audit Findings and had not indicated the remedial or corrective measures that would be implemented. Clarity was sought on how the Internal Audit Sub-Unit would follow up on the action when Management had not provided any indication on the how the corrective measures will be addressed. The Chief Audit Executive and the Manager: Assurance reported that the Internal Audit Unit followed up on the timelines and action that Management had committed. It was advised that the outcome indicators were outlined in the IDP Document. Therefore, it was advised that the Internal Audit Unit was required to subject Management to compile action plans for the respective findings together with implementation timelines. In view of the findings, it was emphasised that Management was compelled to either "note or "accept and implement" an Action Plan for the findings. Audit Committee members sought clarity from Management on the challenges in implementing the action plans, as well as clarity on which strategies were problematic. Concern was expressed that certain management responses did not address the findings and actual root causes. It was pointed out that this was a qualitative trend in the manner in which management responses were being prepared. Members of the Audit Committee extended their assistance to Management to ensure that there were no repeat findings in future. The Chairperson of the Audit Committee queried the actions that Management had planned to address the root causes in a sustainable manner to prevent further root causes in the future. She also sought clarity from Management on where there were bottlenecks. Management was encouraged to monitor key internal controls. The Committee was advised that the Internal Audit Tracking Tool by the Chief Audit Executive were addressed at the weekly Strategic Management Committee meetings, and that reports were also submitted to the Executive Committee. Management confirmed that there was a lack of implementation, and thereafter undertook to provide a status update at the next meeting of the Audit Committee. RESOLVED TO RECOMMEND TO THE FULL COUNCIL - That the findings around the Final Internal Audit Report on the Audit of Performance Information – Annual 2020/21 be considered. - That on an annual basis, the Mayor should discuss with the City Manager performance in relation to the input indicators, output indicators and outcome indicators; and corrective action and measures provided for areas of poor performance and/ or when the key performance indicator target was not met; - That the City Manager's reporting to the Mayor should be supported with verifiable consumer/ customer survey in relation to the municipality's performance for that reporting year; - That this information should be considered when populating the SDBIP for the ensuing financial year, including but not limited to the input indicators, output indicators and outcome indicators for the identified key performance areas; - That the City Manager's performance agreement should be concluded between himself and the Mayor once the SDBIP for the ensuing financial year has been approved, key performance areas developed and agreed upon in relation to the municipal development objectives and priorities evidenced by their signatures. - That the City Manager should delegate but retain accountability to his General Managers in respect of their relevant portfolios the key performance areas, including but not limited to the input indicators, output indicators and outcome indicators of that financial year. - That the General Managers should also delegate but retain accountability to their Senior Managers in respect of their relevant portfolios the key performance areas, including but not limited to the input indicators, output indicators and outcome indicators of that financial year. - That the Organizational Compliance, Performance and Knowledge Management unit should assist with facilitating and ensuring that the above activities are undertaken within the regulated timeframes and following a process that will improve performance as opposed to a mere compliance process. - That the Performance in relation to the input indicators, output indicators and outcome indicators should be assessed independently by the Organizational Compliance, Performance and Knowledge Management unit and reported at least quarterly to council as an early warning measure. - That consequence management should be implemented promptly on areas of deliberate poor performance and failure to implement corrective measures timely. - That the City Manager should ensure on the implementation of the Performance Assessment schedule and report on any deviations to Council timely. - That the Performance Assessments should be used to enforce consequence management for consistent poor performance and failure to address and implement corrective measures timely. - That the Manager: Organizational Compliance, Performance and Knowledge Management should ensure that performance terms are developed for the poor performing incumbents to be monitored more frequently (at least monthly) to ensure that their performance gaps are addressed timely. - That the Performance Assessment should also be utilized to identify performance gaps and training needs of the incumbents. - That the City Manager should ensure that performance agreements are entered into timely to ensure adequate planning regarding service delivery and catching up on areas of slow and/ or poor performance. - That the Performance Assessments should be used to enforce consequence management for consistent poor performance and failure to address and implement corrective measures timely. - That the City Manager should ensure that officials are not moved and/ or rotated between functions as a result of poor performance without involving the Organizational Compliance, Performance and Knowledge Management unit. The identified poor performance and reasons thereof should be recorded and place on file for future references - That performance agreements should be entered into for all acting positions in the General and Senior Management level for a period of 3 months and above; and a formal hand over process enforced until a permanent appointment is made. - That the Senior Manager: Office of the City Manager and the Manager: Organizational Compliance, Performance and Knowledge Management should ensure that the OPMS Policy and Standard Operating Procedures are adequately updated on the function of the Organizational Compliance, Performance and Knowledge Management unit in the performance management process. - That the OPMS Policy and Standard Operating Procedures should also detail the extent of the verification of portfolio of evidence that will be undertaken by the Organizational Compliance, Performance and Knowledge Management Unit. - That the Senior Manager: Office of the City Manager and the Manager: Organizational Compliance, Performance and Knowledge Management should develop a POE verification calendar to ensure and avoid the conflicting of activities between Internal Audit Unit and the Organization Compliance, Performance and Knowledge Management Unit.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
07 DECEMBER 2021	1.21 That the Senior Manager: Office of the City Manager and the Manager: Organizational Compliance, Performance and Knowledge Management should ensure that an independent report is prepared for Council reporting regarding the credibility and completeness on the quarterly portfolio of evidence as opposed to reporting on unverified information. This will assist in identifying and addressing poor and or slow performance timely. 1.22 Evidence of the verification of the portfolio of evidence files and the independent Quarterly report to Council by the Organizational Compliance, Performance and Knowledge Management Unit should be provided to the Internal Audit Unit and the Auditor General at the commencement of their audits as evidence of the unit performing their function regarding the performance management process. 1.23 Every quarterly report must be cross-referenced to the portfolio of evidence file to ensure that reported performance is adequately supported; 1.24 General Managers when assessing Senior Managers should verify that all portfolio of evidence has been submitted and placed on file; 1.25 General Managers should ensure that there is sufficient evidence to support achieved targets reported in the report; and 1.26 Consequence Management should be enforced in instances where the achievement/non-achievement of targets is not supported by adequate evidence 1.27 Proof of evidence files should be updated as and when a particular target is achieved and this information should inform the report on the monthly and quarterly SDBIP and not at the end of the quarter upon Internal Audit's request; 1.28 Proof of evidence files should be reviewed by the General Manager and signed as evidence of review; 1.29 Proof of evidence files should be provided to internal audit within the stipulated deadlines and failure thereof should be reported to the City Manager as it is expected that these files are provided for auditing after the General Managers have performed their reviews; 1.30 Senior Managers should ensure that all performance reported is accompanied by supporting documentation that is valid, verifiable and relevant; and 1.31 Consequence Management should be enforced in instances where the evidence is not provided for audit purposes. 1.32 Reported achievements relating to targets should be assessed by Management against portfolio of evidence to ensure that the reported performance is accurate, valid and reliable; 1.33 The quarterly departmental reports should be signed as evidence of review for completeness and accuracy; and 1.34 Consequence Management should be enforced in instances where there is a lack of evidence of review of POE files. 1.35 The quarterly targets should be specific for example where a target is a report submission; it should indicate whom the report will be submitted to. 5. UPDATE BY THE AUDITOR GENERAL ON THE AUDIT PROCESS (Raised verbally) The Senior Manager: AGSA explained that as a result of delays, it was anticipated that the Audit Report would be signed by 31 January 2022. He explained that due to staff being affected by Covid-19 (with one member of staff testing positive, 7 members of audit team were required to isolate and quarantine accordingly). Therefore; an action plan had been implemented to accommodate for this resultant delay. In addition to this, committee members were advised that the Office of the Auditor General would close on 17 December 2021 for the festive season and open on 10 January 2022. Management was given the assurance by the Senior Manager: AGSA, that there was sufficient time for management to address all areas of the Audit Report that still required major work. National Treasury Representative (Mr Leslie Holland) pointed out that in the Internal Audit's Final Report on the Annual Report, it was noted that Senior Manager's performance was not assessed. In view of this, Mr Holland sought clarity whether bonuses were paid to Senior Managers for the this financial period. Mr Holland also queried whether the collapse in governance was limited to the Community Services Business Unit, or whether there was an overall collapse in governance throughout the Municipality. Noting that there was no performance management undertaken on contracts within the Supply Chain Management Unit, National Treasury Representative (Mr Leslie Holland) sought confirmation on the Status of Remedial Action and the Status of Irregular Expenditure. Document Management within the municipality was another area of concern. Mr Holland noted that Portfolio of Evidence files were not submitted for assessments. He therefore sought clarity on how this was being addressed by management, noting the limitations on the Audit. Mr Holland made note of the number of acting appointments that were still occurring without Performance Management Agreements in place. The City Manager confirmed that in terms of the Performance Assessments, no Senior Manager qualified for bonuses. The City Manager confirmed that Contract Management was monitored by the Supply Chain Management Unit, and that the Performance Management Unit monitored performance on contracts. He assured the Committee that reports by the Supply Chain Management Unit were submitted to the Full Council on a monthly basis, and on a quarterly basis to the Audit Committee. The City Manager requested that the terminology of "collapse in governance" be amended, as this term implied that politicians were not doing the jobs. AGREED That the update by the Senior Manager: AGSA on the Audit Report for the 2019/2020 Financial Year be noted, and that the term "collapse in governance" be amended. 6. GOVERNMENT NOTICE 29089 1 AUGUST 2006: LOCAL GOVERNMENT MUNICIPAL PERFORMANCE REGULATIONS FOR MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS, 2006 (REF: 3.10.1.1) AGREED That the Government Notice 29089: 1 August 2006 of the Local Government Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006, be NOTED. 7. MFMA CIRCULAR NO.56 OF 2003: INTERNAL AUDIT AND AUDIT COMMITTEE (REF: 3.10.1.1) AGREED That the Municipal Finance Management Act Circular No.2003: Internal Audit and Audit Committee, be NOTED.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
07 DECEMBER 2021	8. <u>REPORT BY THE CITY MANAGER ON THE FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF PERFORMANCE INFORMATION QUARTER 4 AND ANNUAL PERFORMANCE REPORT 2020/21 (REF: 3.10.1.1)</u> AGREED (a) That the report dated 3 December 2021 by the Senior Manager: Office of the City Manager on the Final Internal Audit Report on the Audit of Performance Information for Quarter 4 and Annual Performance Report for the 2020/2021 Financial Year, be NOTED. (b) That the findings that were not yet resolved be added to the Internal Audit Tracking Tool for the 2020/2021 Financial Year. 9. <u>AUDIT COMMITTEE CONCERNS: LENGTH OF AUDIT COMMITTEE MEETINGS</u> NOTED. The National Treasury Representative (Mr Leslie Holland) indicated that the Audit Committee of the Msunduzi Municipality was one of the better committee's that he was allocated to work with. He commended members of the Audit Committee for their professionalism, and the excellent execution of the mandate of the Audit Committee. He pointed out that it was evident that members of the Audit Committee were sincerely concerned about the financial well-being of the Municipality. He pointed out that despite the lengthy duration of the Audit Committee meetings, the length of the meetings were justified in terms of all the issues that were considered by the Audit Committee. He noted that members of the Audit Committee often spoke to matters of completeness and accuracy of reports, together with clarity seeking matters. However, management was not always forthcoming with these requests. He emphasized that the state of internal controls at Msunduzi Municipality was not at the desired level. In addition to this, Mr Holland indicated that the speed at which management dealt with responses to the Committee warranted long meetings. Mr Holland appreciated that Audit Committee members took sufficient time to prepare for these meetings given the fullness of the agendas. Therefore, he pointed out that he was of the view that insufficient time was observed by the Committee to address core matters of the Audit Committee. Mr Holland informed members that there was currently no limit on the rates for Audit Committee members prescribed by National Treasury. He reported that there was a new project underway for the Remuneration Guidelines. Committee members were therefore encouraged to submit their comments to the National Treasury Help Desk. Members concurred that the number of management presentations must be minimized. NOTED.
22 FEBRUARY 2022	<u>VERBAL UPDATE BY THE OFFICE OF THE AUDITOR GENERAL</u> (Item 6 on agenda) The Senior Manager: AGSA thanked members of the Audit Committee for their support during the auditing process. Audit Committee members congratulated the Management Team and encouraged them to keep up these efforts into the next auditing cycle. National Treasury Representative (Mr L Holland) acknowledged the professional manner in which Management dealt with the Audit. He stated that a clean audit created public confidence in the Municipality. NOTED. 6. <u>CONSOLIDATED AUDIT COMMITTEE REPORT (REF:3.10.1.1)</u> 6.1 <u>Audit Committee Decision Tracker</u> Audit Committee members expressed concern over the reporting gap between the City Manager's Consolidated report to that of queries raised by the Auditor General. There was concern that the ITC matters reported in the consolidated report appeared as resolved. However, these items were reflected as unresolved by the AGSA. Audit Committee members emphasized that the City Manager was responsible for all reports that were submitted to the Audit Committee, and should therefore ensure accuracy of the information put to the Committee. It was concerning for the Audit Committee that the Auditor General had indicated that information was not forth-coming, which gave an indication that the Audit Committee was being misled by the submissions contained in the consolidated report by the City Manager. The Management Team were urged to ensure that all action plans were vetted for accuracy. The Manager: Assurance indicated that Follow-up Audits undertaken by the Internal Audit Sub-Unit did not yield the desired results. She indicated that the Office of the City Manager must verify the Portfolio of Evidence prior to the updating of the Audit Committee Decision Tracker. The Management Team undertook to ensure that there was adequate control. The National Treasury Representative informed the Committee that National Treasury had a new online tool for access and monitoring at different levels of governance namely, National Treasury, COGTA, the Municipal Public Accounts Committee and the Audit Committee, which allowed for remote monitoring by the relevant oversight bodies. He notified the Committee that the Tool would be able to address root causes in an effective and sustainable manner. Management was urged to utilize this monitoring tool. AGREED (a) That the consolidated report by the City Manager dated 10 February 2022, be NOTED. (b) That the City Manager reports on the process of how reports and action plans are improved for factual correctness, vetted and validated for accuracy, with a clear guideline of actions that would be implemented by the City Manager on managers who are not complying accordingly for the next meeting of the Audit Committee on 19 April 2022. (c) That the City Manager provides feedback on progress of the Water Loss Plan at the next meeting of the Audit Committee. (d) That in view of the current financial constraints, the City Manager report to the next meeting of the Audit Committee on measures that are in place to increase the City's income. (d) That the City Manager submits a copy of the report on the Impact of the July 2021 Unrest on the City Revenue Collection to the next meeting of the Audit Committee for information.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
22 FEBRUARY 2022	(e) That in regard to Item 5.3 of the report dated 7 January 2022 on Irregular Expenditure incurred for the second quarter of the 2021/2022 financial year, the City Manager was request to clarify and if necessary correct the following statement and report back to the next meeting of the Audit Committee:- "Expenditure in the amount of R 100 093,84 was recorded as irregular during the second quarter of the 2021/2022 financial year for Contract 16/S36 of 17/18 for the hire of chemical toilets. The contract has been awarded and no expenditure will be incurred". (f) That the City Manager must ensure that in terms of reporting on deviations to the AGSA, management must ensure that there are supporting documentation as appropriate evidence for the relevant deviations. (g) That the City Manager provides the Audit Committee with an update on the process of procuring the Assurance Provider for the SAP Project. (h) That the City Manager that the ICT Report must be signed and submitted timeously. (i) That the City Manager ensures that the root causes to the Media Report are detailed in the next consolidated submission, it being noted that root causes will help in resolving all complaints. (j) That the City Manager provides the Audit Committee with an update on the Eskom and Umgeni Debt in the next consolidated report to the Audit Committee. 7. <u>QUARTERLY STATUS UPDATE ON THE 2021/2022 FINANCIAL YEAR ANNUAL AUDIT PLAN FOR QUARTER 1 OF 2021/2022 (REF: 3.10.1.1)</u> AGREED That the Quarterly Status Update on the 2021/2022 Financial Year on the Annual Audit Plan for Quarter 1 of the 2021/2022 financial year dated 19 October 2021 by the Chief Audit Executive (Ref:3.10.1.1), be NOTED. 8. <u>FINAL INTERNAL AUDIT REPORT ON SECTION 52, 66 AND 71 AUDIT QUARTER FOUR OF THE 2021/2022 FINANCIAL YEAR (REF: 3.10.1.1)</u> AGREED TO RECOMMEND TO THE FULL COUNCIL - That management should institute measures to ensure that financial reporting processes with respect to the preparation and review of Section 71 reports are free from any anomalies that could compromise the credibility of the financial information reported on the Section 71 reports presented to Council. - Section 71 reports should be adequately reviewed by the Manager: Budget Planning to ensure that the financial information contained on the Section 71 reports are valid, accurate and complete. This may be achieved through comprehensive peer reviews before the reports are submitted to the Manager: Budget Planning for final review. - That the Manager: Budget Planning should ensure that the final prior year audited amounts as per the audited financial statements are utilized for reporting "prior year actual outcome" amounts are based on unaudited figures. - That Management should put measures in place to ensure that the financial reporting processes with respect to preparation and review of Section 71 reports presented to Council. - That Schedule C reports should be adequately reviewed by the Manager: Budget Planning to ensure that the explanations for the significant variances recorded on the Schedule C reports are valid and complete. - That the Budget and Planning Section should set a deadline for submission of explanations for the reported significant variances for the department. The deadline should be communicated accordingly to the departments and non-adherence should be escalated to the relevant General Managers and where applicable consequence management should be implemented in line with the municipal internal policies. - That Management should ensure that the SAP financial system is adequately configured to comply with MSCOA segment reporting. A Plan with timeframes should be approved by management to ensure the process is monitored effectively. 9. <u>FINAL INTERNAL AUDIT REPORT ON CONSUMER REFUNDS (REF: 3.10.1.1)</u> AGREED TO RECOMMEND TO THE FULL COUNCIL - That the following be performed on Account Number: 02120720:- - That the Indigent Support Beneficiaries be reviewed by the Senior Manager: Revenue Management (Acting) and Manager: Debtors based on Clause 7.3 of the Indigent Policy. - That the customer should have been ceased to be an indigent Support Beneficiary on 4 August 2022 upon receipt of payment from the Road Accident Fund. - That consumption of services should have been billed at a regular rate from 4 August 2021, thus the retrospective calculation of how much this consumer should have been paying for these services based on approved tariffs. - That the consumer should only be refunded the difference between the calculated bills and overpayment amount. - That the Chief Financial Officer should perform an investigation of the consumers account and verify that the write-off of R 128 542,56 was warranted for this consumer. - That the Accounts Officer review all applications and supporting documentation accompanying the applications thoroughly to ensure accuracy and completeness of information received. No application should be approved and processed for payment where incomplete applications are received. - That the Senior Manager: Revenue (Acting), Manager: Customer Care and the Accountant review the Refund Application Form against the checklist to ensure that all the necessary processes were followed and supporting documents attached; and should sign as the form as evidence thereof. - That the Senior Manager: Revenue (Acting) should ensure that all Refund requests submitted to Internal Audit are verified and signed off as evidence that they have been checked for accuracy and completeness. - That the Manager: Consumer Billings should ensure that all the transactions processed on the customer's account are adequately supported by relevant documents, and that the supporting documents are maintained for proper audit trail and record keeping. - That the Manager: Consumer Billing and the Senior Manager: Revenue Management (Acting) ensure proper checks and balances and adequate verifications are performed prior to processing payment for refunds due to consumers. - That adjustments possessed on the system should be adequately supported by accurate, relevant and complete documentation. 10. <u>RISK MANAGEMENT REPORT ON RISK MANAGEMENT MATURITY (REF: 3.10.1.1)</u> The Committee was advised that submission was a revised report as a result of the request of the Audit Committee at its meeting held on 22 August 2021. The Chief Risk Officer indicated that the City Manager had indicated that there were funding constrains for the Risk Committee. Audit Committee members emphasized that Risk Management was a management process. Therefore, it was stressed that the oversight of this Committee must be undertaken by an independent committee.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
22 FEBRUARY 2022	Audit Committee members cautioned that the Municipality must be weary to end up with a committee that had no real impact on the risk processes. The important of strong risk management was explained. There was concern that this matter has been delayed as a result of the confusion over the Provincial Guidelines of having the City Manager as the Chairperson of the Risk Committee. Management were urged to continue with the Risk Committee until this clarity has been obtained from National Treasury. The Chief Risk Officer requested that the Recommendation 7.8 of the report dated 7 September 2021 on the request of Effective System of Combined Risk Assurance to be Developed and Maintained must come from the Chief Audit Executive. AGREED (a) That the City Manager ensures that the Risk Committee continues to operate under its current constraints until the Chief Risk Officer receives the National Treasury Guidelines on the functioning of this Committee. (b) That the City Manager ensures that the report dated 7 September 2021 by the Chief Risk Officer is discussed at the Strategic Management Committee and be implemented by the Management Team. 11. <u>RISK SURROUNDING THE CONTROLS TO PREVENT MONEY LAUNDERING ACTIVITIES THROUGH THE MUNICIPAL BANK ACCOUNTS: FEEDBACK FROM THE CITY MANAGER</u> AGREED That the item considering the risk surrounding the controls to prevent money laundering activities through the municipal bank accounts be added to the Outstanding Matters List. 12. <u>SPECIAL MEETING FOR A STRATEGIC SESSION WITH THE STRATEGIC MANAGEMENT COMMITTEE IN EARLY 2022: FOR DISCUSSION</u> AGREED That proposed dates for a special meeting with the Strategic Management to focus on strategic matters raised by the Audit Committee be communicated by the Committee Officer to the Senior Manager: Office of the City Manager. 13. <u>SPECIAL MEETING TO DEAL WITH PERFORMANCE MANAGEMENT AND THE STRATEGIC MANAGEMENT COMMITTEE FOR DISCUSSION</u> AGREED That proposed dates for a special meeting with the Strategic Management to focus on Performance Management be communicated by the Committee Officer to the Senior Manager: Office of the City Manager. 14. <u>UPDATE ON THE AUDIT OF OVER EXPENDITURE TO ESKOM AND UMGENI</u> AGREED That the City Manager provide the Audit Committee with an update on the Audit of the over-payments made to Eskom and Umgeni, and that this matter be carried forward to the Outstanding Matters List. 15. <u>FEEDBACK ON MEETING WITH NATIONAL TREASURY</u> AGREED That the City Manager provide the Audit Committee with the Feedback Report from the National Treasury at its next meeting. 16. <u>PROGRESS UPDATE ON THE ISSUE OF THE STRIP AND QUOTE CONTRACT AND VERIFICATION OF COSTING OF LINE ITEMS ON FLEET INVOICES SUCH AS EXORBITANT PRICING FOR ON WASHER BEING R 20 000.00</u> The Manager: Logistics reported that the Acquisition of the Motor Spares Contract had been awarded, and that a Plan would be put in place to acquire spares. He explained that this contract would mitigate delays and would address the issue of exorbitant prices of spares. NOTED. 17. <u>UPDATE ON THE APPOINTMENT OF AN ASSURANCE CONSULTANT FOR SAP VERIFICATION</u> The issue of the appointment of the Assurance provider for the SAP Verification was discussed and contained under Item 6 (g) above. NOTED. 18. <u>STATUS UPDATE ON THE INTERNAL FINDINGS ON THE QUARRY (REF: 3.10.1.1)</u> AGREED That the report dated 2 December 2021 by the Senior Manager: Assets and Liabilities (Acting) on the status update on the implementation of the findings by Internal Audit on the Quarry, be NOTED. 19. <u>INTEGRATION OF THE FLEET AND WORKSHOP DEPARTMENTS (REF: 5.1.2.5)</u> AGREED (a) That the report dated 2 December 2021 by the Senior Manager: Assets and Liabilities (Acting) on the update for the Integration of the Fleet and Workshop Departments be NOTED. (b) That the Senior Manager: Assets and Liabilities (Acting) ensures that the report dated 2 December 2021 is submitted to the Strategic Management Committee and other council committees and structures for consultation, consideration, approval and adoption.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
22 FEBRUARY 2022	20. OUTSTANDING MATTERS REPORTS AGREED That the report dated 9 February 2022 by the General Manager: Corporate Services Business, be NOTED. CONFIDENTIAL: NOT FOR PUBLICATION 22. CONSOLIDATED AUDIT COMMITTEE REPORT: CONSEQUENCE MANAGEMENT (REF:3.10.1.1) The General Manager: Corporate Services and her team were complemented for compiling a detailed and concise report. AGREED That the report dated 10 February 2022 by the City Manager incorporating the confidential matter on Consequence Management, be NOTED. 23. REPORT ON THE PROGRESS ON FORENSIC INVESTIGATIONS, CRIMINAL INVESTIGATION AND PROSECUTION INTO ALLEGATIONS OF FRAUD, CORRUPTION, THEFT, ETC. FOR QUARTER ENDING 30 SEPTEMBER 2021 (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL - That the progress report dated 27 October 2021 by the Chief Audit Executive (Ref: 02/2021/22) in the investigation conducted by the Unit, Criminal Investigations by the South African Police Services and the prosecutions by the National Prosecuting Authority of significant cases of fraud and criminal investigations by the Directorate of Priority Crimes Investigations ("Hawks") and the Commercial Crimes Unit for Quarter ending 30 September 2021 be noted. - That the effort of Internal Audit Unit to fight the scourge of fraud, corruption, theft and other gross irregularity be supported. - That Council note that criminal and other irregular conduct in the organs of state and private bodies are detrimental to good, effective, accountable and transparent governance and can endanger the economic stability of the Republic of South Africa and have the potential to cause social damage. - That Council must play a vigorous oversight on disciplinary cases and recovery process of losses incurred by the Municipality during the Commission of Misconduct or Criminal Act by employees and service providers to ensure that the City Manager implements the resolutions emanating from forensic investigation reports. - That the City Manager should hold the relevant Management accountable for serious transgressions identified in the forensic investigation reports, including but not limited to incidents of fraud on overtime, vehicle abuse and absenteeism of staff as these incidents are happening under their watch on a daily basis. 24. OVERTIME ANALYSIS: JULY 2021 TO DECEMBER 2021 (2021/2022 FINANCIAL YEAR) (REF:4.3.4) Report dated 5 January 2022 by the Manager Compensation Management. (Page 55 of Confidential Committee Circular No. 8) The Committee was advised that the Overtime Analysis would be reported to the Audit Committee on a quarterly basis. Audit Committee members were given the assurance that mandatory pre-approval processes were in place prior to overtime work being undertaken. In addition to this, it was indicated that the total number of hours for all overtime work had to be agreed upon and in line with the hours stipulated in the Basic Conditions of Employment Act. Furthermore, it was pointed out that the onus was upon the General Managers to ensure that such overtime worked had the supporting evidence. It was thereafter AGREED TO RECOMMEND TO THE FULL COUNCIL - That the Overtime Analysis for the months of July 2021 to December 2021, as contained in the report dated 5 January 2022 by the Manager: Compensation Management, be NOTED. - That the affected General Managers report back to the Audit Committee on the reasons for excessive overtime being worked in respect of the employees, and what are the corrective measures planned to curb excessive overtime:- - Office of the City Manager, - Budget and Treasury Office, - Community Services and - Infrastructure Services. 25. REPORT ON THE PROGRESS ON FORENSIC INVESTIGATIONS, CRIMINAL INVESTIGATIONS AND PROSECUTIONS INTO ALLEGATIONS OF FRAUD, CORRUPTION, THEFT, ETC FOR THE QUARTER ENDING 31 DECEMBER 2021 (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL - That the progress report dated 18 January 2022 by the Chief Audit Executive (Ref: 03/2021/22) in the investigation conducted by the Unit, Criminal Investigations by the South African Police Services and the prosecutions by the National Prosecuting Authority of significant cases of fraud and criminal investigations by the Directorate of Priority Crimes Investigations ("Hawks") and the Commercial Crimes Unit for Quarter ending 31 December 2021 be noted. - That the effort of Internal Audit Unit to fight the scourge of fraud, corruption, theft and other gross irregularity be supported. - That Council note that criminal and other irregular conduct in the organs of state and private bodies are detrimental to good, effective, accountable and transparent governance and can endanger the economic stability of the Republic of South Africa and have the potential to cause social damage. - That Council must play a vigorous oversight on disciplinary cases and recovery process of losses incurred by the Municipality during the Commission of Misconduct or Criminal Act by employees and service providers to ensure that the City Manager implements the resolutions emanating from forensic investigation reports. - That the City Manager should hold the relevant Management accountable for serious transgressions identified in the forensic investigation reports, including but not limited to incidents of fraud on overtime, vehicle abuse and absenteeism of staff as these incidents are happening under their watch on a daily basis.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
22 FEBRUARY 2022	26. FORENSIC INVESTIGATION INTO ALLEGED IRREGULARITIES IN THE APPOINTMENT OF A SECURITY SUPERINTENDENT WITHOUT RELEVANT QUALIFICATIONS THROUGH HEAD HUNTING BY COMMUNITY SERVICES (3.10.1.1) AGREED That consideration of the report dated 3 December 2021 by the Chief Audit Executive (Ref: FI 34-2019/2020) on the Forensic Investigation into alleged irregularities in the appointment of a security superintendent without the relevant qualifications through head hunting by Community Services be STOOD DOWN to allow for the report to be revised ensuring that the background to the report speak to all parties mentioned in the recommendations. 27. ANNOUNCEMENT: RESIGNATION OF THE MANAGER: ASSURANCE MS S MSOMI(REF: 3.10.1.1) On behalf of the Chief Audit Executive, the Chief Financial Officer notified members of the resignation of the Manager: Assurance (Ms S Msomi). Members of the Audit Committee expressed their well wishes to Ms Msomi for her future endeavors, and extended their gratitude and appreciation for her commitment and valuable work at Msunduzi Municipality and support to the Audit Committee. NOTED.
19 APRIL 2022	CONFIDENTIAL: NOT FOR PUBLICATION 12. CONSOLIDATED AUDIT COMMITTEE REPORT: CONSEQUENCE MANAGEMENT (REF:3.10.1.1) The Committee noted the slow progress in finalizing the disciplinary cases, along with the problem of the victimization of the presiding officers. The City Manager was requested to look into the situation as to why full council reports were not being submitted to the Disciplinary Board over the past few months despite the Audit Committee having considered and recommended numerous forensic reports. AGREED (b) That the report dated 8 April 2022 by the City Manager (Acting) considering the Consequence Management Report annexed to the consolidated Audit Committee Report, be NOTED. (b) That the City Manager to look into the situation as to why full council reports of the Audit Committee were not being submitted to the Disciplinary Board over the past few months despite the Audit Committee having considered and recommended numerous forensic reports, and ensure that all outstanding forensic reports are submitted to the Disciplinary Board for consideration as a matter of priority; with a report back and list of all these outstanding reports to be provided to the next meeting of the Audit Committee. 13. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF DISCONNECTIONS AND RECONNECTION OF ELECTRICITY METERS (REF:3.10.1.1) Audit Committee Member (Mr T Maphumulo) indicated that third party tampering was involved in the disconnections, and that the probability of paying bribes was high. This was followed by a query on what performance monitoring measures were in place by the business unit, as there was a clear lack of monitoring on the control of the systems that Council was trying to control. It was emphasized that there was a fixed consumption for electricity from Eskom. However, Council was paying a debt to Eskom, yet there was no commitment for all consumers to pay for these services. It was suggested that consideration should be given to introducing incentives to employees that work with the disconnections and reconnections, as in the current form the system was open to sabotage by staff and contractors. Audit Committee members reiterated to management that the reality of the situation facing Msunduzi was that there was a large percentage of consumers that were enjoying municipal services but were not paying for these services. It was pointed out that there were too few disciplinary actions in managements response and recommendations on this matter. The Committee stressed that the internal controls must be corrected in order to see management empowered and authorized to take back control. It was noted that corruption amongst the contractors and staff within the Electricity and Revenue Units were rife. The City Manager (Acting) was requested to submit an action plan to the Audit Committee on the follow up of the actions set out in the report. AGREED That the City Manager (Acting) submit a detailed action plan with timeframes to the Audit Committee on the follow up of the actions set out in the report dated 13 April 2022 by the Chief Audit Executive (Ref: A4-2021/22) on the Audit of Disconnections and Reconnections of Electricity Meters. AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the findings around the Final Internal Audit Report on Audit of Disconnections and Reconnections of Electricity Meters as set out in the report dated 13 April 2022 by the Chief Audit Executive (Ref: A4-2021/2022). 2. That the Manager: Debtors Management and the SAP Stream Lead: Revenue should exercise adequate oversight over processes and systems relevant to the execution of his task. 3. That the Manager: Debtors Management and the SAP Stream Lead: Revenue should diligently perform regular reviews over Revenue Management processes and the customer billing database to confirm validity, accuracy and completeness of records. 4. That the consumer database should be updated at least annually or when necessary upon inviting consumers to update their personal records supported with sufficient supporting documents. 5. That System parameters should be set on the debtors book to only allow permitted fields on the database in order to ensure credibility, i.e. numerical values must not be permitted under name or surname, etc. 6. That the physical address and the billing address should be clearly recorded in order to minimize efforts of locating premises to be disconnected. 7. That the Manager: Debtors Management and the SAP Stream Lead: Revenue should ensure that all system errors that were created during to the Migration from ProMis legacy system to the SAP ERP are investigated and corrected. 8. That the Manager: Debtors Management should ensure that customer errors identified by Electricity Services during disconnections are verified with the customer, and are adequately and timeously corrected on the SAP ERP system. 9. That ongoing monitoring and supervision should be undertaken by the Manager: Debtors Management and the SAP Stream Lead: Revenue on all the revenue processes, to ensure that disconnections are performed according to accurate and valid Debt lists.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
19 APRIL 2022	10. That the Chief Financial Officer should ensure that all write offs are processed according to the approved procedures and hierarchy of authority, and should ensure that consequence management is implemented for any deviations. 11. That the system should be configured to generate a Debt Write Off report for review on a monthly basis by the Chief Financial Officer, Senior Manager: Revenue Management and the Manager: Debtors Management and should be signed and dated as evidence of review thereof. 12. That the Senior Manager: Revenue Management and the Senior Manager: Electricity Services should devise a plan and develop a procedure manual that will provide guidance how to identify meter tampering and implementing back charges for those found to be tampering. 13. That the Chief Engineer: Revenue Management should report all meter tampering to the Senior Manager: Electricity Services, Senior Manager: Revenue Management and Manager: Debtors Management as and when identified in order to proceed with the collection process. 14. That the Meter tampering reconciliation should be performed between Revenue Management and Electricity Services on a monthly basis to ensure accuracy and completeness of reporting. This reconciliation should be signed and dated by the Senior Manager: Revenue Management and Senior Manager: Electricity Services as evidence thereof and should be followed up on as part of the Revenue Enhancement process. 15. Consider performing 100% auditing of meters every 3 years. 16. That a list of all bridged meters should be reported to the Chief Financial Officer, Senior Manager: Revenue Management and Manager: Debtors Management as and when they occur and this list should also form part of the Revenue Enhancement process for tracking purposes. 17. Monitoring team to monitor all bridged meters as part of the Revenue Enhancement process. 18. That daily and weekly status updates/ reporting should be made to the Chief Financial Officer, Senior Manager: Revenue Management and Manager: Debtors Management by the Senior Manager: Electricity and Chief Engineer: Revenue Management to ensure timeliness in addressing challenges with the meters. 19. That a report should also be written to Council and the Audit Committee for all meters bridged for a period exceeding 30 days (1 month) with a clear explanation and evidence that customers are billed accordingly and there is no revenue forgone by the municipality. 20. That the Senior Manager: Revenue Management, Manager: Debtors Management and Senior Manager: Electricity Services should review and update the Credit Control and Debt Collection policy, Credit Control and Debt Collection Bylaws and Electricity Supply Bylaws to ensure alignment and seamless operations 21. That the Chief Financial Officer and General Manager: Electricity Services should jointly workshop all their staff in Revenue and Revenue Management (Electricity) on the Electricity and Credit Control Bylaws as well as Credit Control and Debt Collection Policy. 22. That the Senior Manager: Revenue Management and Senior Manager: Electricity Services should ensure that the Credit Control and Debt Collection Policy, Credit Control and Debt Collection Bylaws, Electricity Supply Bylaws, and the notice of intention to disconnect sent to the Customers is aligned and published on the municipal intranet and internet. 23. That the Chief Financial Officer, Senior Manager: Revenue Management and Manager: Debtors Management should ensure adequate retention of documents in line with the National Treasury guidelines. 24. The Msunduzi Municipality's Records Management Policy should be updated to include the duration of the retention of records, the Treasury Regulation can be used as a guide. 25. The draft Debt Recovery Plan should be reviewed by the Chief Financial Officer, Senior Manager: Revenue Management and Manager: Debtors Management to ensure that it addresses the status quo of the municipality and aligned to the current economic climate prior to submitting to Council for approval. 26. Once approved by Council, the Debt Recovery Plan should be workshopped to all the relevant in the Revenue Management section. 27. The approved Debt Recovery Plan should be uploaded on the intranet for ease of future reference. 28. The Senior Manager: Revenue Management and Manager: Debtors Management should ensure that an analysis of the municipality's top debtors is performed and reported timeously to Council to ensure that appropriate action and measures are implemented to reduce the increasing debtors' book. 29. The Credit Control and Debt Collection policy should be updated to include the following: 30. Identify all outstanding/ overdue accounts after 7 days from the due date and follow up by making contact with the customers more especially those with a good payment record. The monitoring of debtors age analysis should start from 7 days of being overdue in order to improve on the collections. 31. Document the reasons for non-payment, including payment arrangements/ commitments. 32. Follow up to ensure that payment is made on the committed date. 33. The Senior Manager: Revenue Management and Manager: Debtors Management should ensure that follow up on overdue accounts is performed on a monthly basis and evidence of review is maintained for future references. 34. Acknowledgement of debt forms should be approved by the City Manager or his/her delegated authority as per the delegation of authority stipulated in the process manual. 35. Acknowledgment of debt forms should be reviewed by the Manager: Debtors Management to ensure that all mandatory fields are completed prior to acceptance and adequately signed and dated as evidence thereof. 36. The Senior Manager: Revenue Management should ensure that stringent measures are implemented when approving the payment arrangement process, i.e. payment of the 50 % outstanding balance with the remaining balance payable in two (2) equal payments. 37. The Chief Financial Officer and the Senior Manager: Revenue Management should review the Credit Control and Debt Collection policy (payment arrangement section) and ensure that it is aligned with the current economic conditions and also encourages customers to honor their payment arrangements. 38. All payment arrangements should be reviewed by the Manager: Debtors Management to ensure commitment and compliance by the customers and follow up made with defaulting customers immediately, i.e. 7 days after payment due date. 39. All other debtors with escalating debt but have not made a payment arrangement should be contacted to effect the same and those not honouring the payment arrangement should be handed over to the Debt Collectors. 40. The Debt Collectors should be placed on performance terms to ensure that they actively following up on all outstanding debts. 41. The Manager: Debtors Management should ensure that the payment arrangement database is timeously updated with customer payments, and that an independent person other than the one capturing performs a review of the records captured on the database against the source documents. 42. The Manager: Debtors Management should ensure that any anomalies reported based on the independent review are verified and corrected timeously by Revenue Management section. 43. Controls should be put in place to ensure that periodical reviews and verifications, updates and monitoring of the payment arrangement database is being performed and the Credit Control and Debt Collection policy should be updated to reflect such. 44. The Senior Manager: Revenue Management and the Manager: Debtors Management should ensure oversight on all Revenue Management processes. 45. Debtors Manager should review and sign the Debt List and confirm validity and completeness of the Debt list prior to submitting to Electricity Services in order to effect disconnections. 46. The Senior Manager: Revenue Management and Manager: Debtors Management should ensure that a disconnection/ visitation fee is charged consistently for all consumers appearing on the Debt List used to effect disconnections. 47. Disconnection/ visitation fee charged for a particular month should be reconciled to disconnection/ visitation fee on the Debt List. This reconciliation should be signed and dated as evidence thereof by the Manager: Debtors Management. 48. The Chief Financial Officer and the Senior Manager: Revenue Management should ensure that the Tariff Register is accurate, valid and complete at all times by performing the following: 49. Updating/ and or uploading the Tariff Register on an annual basis as approved by Council. 50. System parameters for updating the Tariff Register should be restricted to prevent updates by unauthorized officials. 51. The Masterfile amendment/ audit trail of the adjustments on the Tariff Register should be reviewed by the Manager: Debtors Management and the Senior Manager: Revenue Management before the final sign off by the Chief Financial Officer. 52. The Manager: Debtors Management, Senior Manager: Revenue Management and the Chief Financial Officer should review the Masterfile amendment/ audit trail at least on a quarterly basis to ensure that unauthorized amendments are not effected on the system.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
19 APRIL 2022	53. The Senior Manager: Revenue Management and the Manager: Debtors Management should review and sign the Debt List and confirm validity and completeness of the Debt list and Master spreadsheet. 54. The Chief Financial Officer should perform spot checks/ reviews of the Debt List and Master Spreadsheet on a monthly basis. 55. The Senior Manager: Revenue Management should ensure that all the reconnection schedules are reviewed and signed as evidence thereof to ensure accuracy and validity of payment, and accuracy and completeness of customer information that is submitted to Electricity. 56. The Manager: Debtors Management should ensure oversight over the reconnection process prior to submission to Electricity, and ensure accuracy and completeness of documentation prior to handover to other units and signed as evidence thereof. 57. The Manager: Debtors Management should ensure that all the reconnection schedules are reviewed and signed as evidence thereof to ensure accuracy and validity of payment, and accuracy and completeness of customer information that is submitted to Electricity Services. 58. Senior Manager: Revenue Management should ensure oversight over the reconnection process prior to submission to Electricity, and ensure accuracy and completeness of documentation and compliance with policies, prior to handover to other units evidenced by their signature. 59. The disconnection and reconnection workflow should be created on the system to ensure compliance and deviations should be approved by the Chief Financial Officer. 60. The Senior Manager: Revenue Management and the Manager: Debtors Management should ensure that all approved tariffs are uploaded on the system at the beginning of each financial year. 61. Access to effect amendments on the system should be restricted to the Chief Financial Officer supported with an appropriate supporting documentation, i.e. approved tariff register when rectifying an error, approved Council Resolution when revising the approved tariffs, etc. 62. System access profiles should be reviewed on a monthly basis by the Chief Financial Officer and Senior Manager: Revenue Management on a monthly basis and should be signed and dated as evidence thereof. 63. The Chief Financial Officer and the General Manager: Infrastructure Services should ensure that clear roles and responsibilities are developed for the debtors' management, monitoring and disconnection and reconnection teams to ensure that the process is seamless. 64. A workflow should be developed on the process to be followed in compliance with the approved policies and Bylaws. 65. The Senior Manager: Revenue Management and the Manager: Debtors Management should ensure the accuracy of the Debt List prior to submitting to electricity for disconnection/ and or reconnection purposes and should be signed and dated as evidence thereof. 66. Monitoring section should be provided with a report of all disconnections at least weekly from electricity services which should be reconciled with an independent Debt List from the debtor's management section, any discrepancies should be reported formally to the Chief Financial Officer and the General Manager: Electricity Services and through the Revenue Enhancement process. 67. A monthly Monitoring Report should be developed by the Manager- Financial Control, monthly for Council and Audit Committee reporting. 68. The Chief Financial Officer and the General Manager: Electricity Services should ensure that clear roles and responsibilities are developed for the debtors' management, monitoring and disconnection and reconnection teams to ensure seamless operations. 69. A workflow should be developed on the process to be followed in compliance with the approved policies and Bylaws. 70. The Senior Manager: Revenue Management and the Manager: Debtors Management should ensure the accuracy of the Debt List prior to submitting to electricity for disconnection/ and or reconnection purposes and should be signed and dated as evidence thereof. 71. Monitoring section should be provided with a report of all disconnections at least weekly from electricity services which should be reconciled with an independent Debt List from the debtors' management section, any discrepancies should be reported formally to the Chief Financial Officer and the General Manager: Electricity Services and through the Revenue Enhancement process. 72. A monthly Monitoring Report should be developed by the Manager- Financial Control for Council and Audit Committee reporting. 73. The Chief Engineer: Revenue Management should ensure that disconnected properties are communicated timeously to ensure that monitoring is effective and efficient to reduce the chances of illegal reconnections by customers. 74. The Debtors Manager should submit the same list of disconnections to be done by Electricity to both Monitoring and Electricity Services. Monitoring should compare disconnected properties received from Electricity Services against this list and report on discrepancies of the monitored properties. 75. The Senior Manager: Electricity Services and the Chief Engineer: Revenue Management should implement Clause 16.2 and 20.3 of the Credit Control and Debt Collection Bylaw against all customers who are repeat tampering offenders by disconnecting their services and register criminal cases for criminal prosecution in terms of the Bylaw read with the Criminal Matters Amendment Act 18 of 2015. 76. The Chief Engineer: Revenue Management should if need be request from the Chief Audit Executive an assistance on collecting of evidence when they have discovered tampering of services as well preserving such evidence and registration of a criminal cases. 77. The Senior Manager: Revenue Management, Manager: Debtors Management and Senior Manager: Electricity Services should review and update the Credit Control and Debt Collection policy, Credit Control and Debt Collection Bylaws and Electricity Supply Bylaws to ensure alignment and seamless operations. 78. The Chief Financial Officer and General Manager: Infrastructure Services should jointly workshop all their staff in Revenue and Revenue Management (Electricity) on the Electricity and Credit Control Bylaws as well as Credit Control and Debt Collection Policy. 79. Senior Manager: Revenue Management and Senior Manager: Electricity should ensure that the Credit Control and Debt Collection Policy, Credit Control and Debt Collection Bylaws, Electricity Supply Bylaws, and the notice of intention to disconnect sent to the Customers is aligned and published on the municipal intranet and internet. 80. The Chief Financial Officer, Senior Manager: Revenue Management and Manager: Debtors Management should ensure adequate retention of documents in line with the National Treasury guidelines. 81. The Msunduzi Municipality's Records Management Policy should be updated to include the duration for the retention of records and the Treasury Regulations can be used as a guideline. 82. The Senior Manager: Electricity Services should ensure that a procedure manual is developed and articulates clearly the process objectives and controls and also provide consistent and proper guidance on the operations. 83. The procedure manual should detail the process flow of operations in Revenue Management (Electricity) and the administration thereof. 84. The procedure manual should detail health practices, safety standards, security measures, risk and emergency management measures, levels of service, etc. 85. The procedure manual should clearly articulate all administrative internal control mechanisms e.g. source documents, related information system/technology, frequency and turnaround times for each process. 86. The procedure manual should be aligned to legislation as well as the By-laws adopted by Council. 87. That the processes outlined in the procedure manual should specifically state who the responsible (and accountable) official is/are for each process defined. 88. That after having developed the procedure manual (operational and administrative), the job profiles would need to be reviewed and aligned to these procedures and work-shopped to the staff to ensure that they understand their duties. 89. This this procedure manual should be regularly reviewed for relevance and adopted by Council prior to implementation and ensure enforcement of consequence management in instances of a deviation. 90. That a record of all customers who refuse to grant access to their premises for any reason should be maintained by the Revenue and Electricity Services and provided to the Chief Financial Officer on a monthly basis for review and submitted to Council for reporting. 91. That the Senior Manager: Electricity should ensure that first, second and third notices are served on customers who are refusing to give access for disconnection of electricity supply and disciplinary action implemented in areas of non- compliance. 92. That the Senior Manager: Electricity should compile a list of all customers who have been served with first, second and third notices and submit it to the Senior Manager: Legal Services to bring an application to an appropriate court to obtain a court order to compel relevant customers to provide access to premises. . That the Senior Manager: Legal Services should submit a report on the progress achieved in all matters referred to her to the SMC on a monthly basis and on a quarterly basis to Council and the Audit Committee. 94. That the Senior Manager: Electricity Services to apprise the SMC regarding the report and support the positive outcomes it may bring for the Municipality regarding improving revenue collection and other benefits of the project should the budget be approved.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
19 APRIL 2022	9395. That the Senior Manager: Electricity Services should develop a clear plan to address T- joint and looped electricity connections including realistic timeframes for implementation as the municipality is losing significant revenue from these problematic electricity connections. 96. That the Debt list should include all the items necessary for the contractors to perform consumer disconnections. Customers with no meters, proof of payment and those customers where the contractor could not locate the meter in the prior month should be removed from the disconnection list before it is given to the contractor to perform the disconnections. 97. That Customers with no meters and meters that could not be located on the premises should be followed up by Revenue Management section timeously. 98. That Revenue Management Section should ensure that consumer information and profiles are up to date and corrected on SAP system. 99. That the Chief Engineer: Revenue Management should ensure that the Disconnection List is created using the disconnection notices. 100. That the Independent review of the Disconnection list against the Daily disconnection report and disconnection notices should be performed by the Chief Engineer: Revenue Management and Senior Manager: Electricity Services on a spot/ surprise basis to ensure accuracy of consumer data between Electricity and Revenue Management services. 101. That the consumer database on the billing system should be reviewed by the Manager: Debtors Management or delegated official against the Debt List to ensure that it contains accurate, complete and valid consumer records prior to submission to Electricity services. Any anomalies noted should be rectified as a matter of urgency. 102. That the Manager: Debtor's Management should ensure that the debt list drawn from the billing system contains accurate, complete and valid records and this should be attested to by the delegated official's signature. 103. That the signed Disconnection List should be submitted to the Monitoring Section in order for the monitoring function to proceed. 104. That the Manager: Monitoring Section should formally acknowledge receipt of the Disconnection List evidenced by his signature. 105. That Daily disconnection submissions received from Contractors should be reviewed by the Chief Engineer: Revenue Enhancement to ensure validity of work performed and accuracy of disconnections done before payments are effected to the contractors. 106. That Electricity Services should consider reporting formally on the disconnections effected rather than re-creating the Disconnection List which is a timely exercise. This will assist in ensuring timeliness of reporting and effectiveness of the Monitoring Section as they will be able to perform the monitoring function timely and avoid monitoring customers who may already have settled their accounts when the monitoring is performed a month or more after disconnections. 107. That the Chief Engineer: Revenue Management should ensure that all disconnection notices are adequately completed and signed off as evidence of review. 108. That Staff and contractors to be workshopped by the Chief Engineer: Revenue Management regarding requirements of adequately completing documentation for customers. 109. That Fields that are not applicable should be completed or stated as such, ie. N/A. 110. That Management should ensure compliance with the policies by ensuring adequate oversight over processes. 111. That supervisors should review the work of junior staff and contractors and implement disciplinary measures. 112. That Contractor daily timesheets should be reviewed by Supervisors and Chief Engineer: Revenue Management and any anomalies raised and cleared prior to payment. 113. That the Manager: Revenue Enhancement and Chief Engineer: Revenue Management should ensure oversight on all Electricity processes pertaining to disconnections and reconnections, and payment of contractors. 114. That all jumpers returned by the contractors should be clearly marked and maintained separately for an independent verification by the Electricity Supervisor and Chief Engineer: Revenue Management at the end of each shift. 115. That the Stock register of jumpers should be maintained by the Chief Engineer: Revenue Management and reconciled at the end of the month against the activities performed in that month and anomalies addressed timely. 116. That the Senior Manager: Revenue Management and the Manager: Debtors Management should ensure that the Disconnection List is reviewed and signed as evidence of review prior to submission to Electricity to effect disconnections. 117. That the Chief Engineer: Revenue Management or delegated authority to review and confirm all disconnections received from Revenue prior to allocating to contractors and internal Electricity staff, and report on all duplicates received to the Chief Engineer: Revenue Management and Manager: Debtors Management and Senior Manager: Revenue Management. 118. That a list of all bridged meters should be reported to the Chief Financial Officer, Senior Manager: Risk Management and Manager: Debtors Management as and when they occur and this list should also form part of the Revenue Enhancement process for tracking purposes. 119. That daily and weekly status updates/ reporting should be made to the Chief Financial Officer, Senior Manager: Revenue Management and Manager: Debtors Management by the Senior Manager: Electricity and Chief Engineer: Revenue Management to ensure timeliness in addressing challenges with the meters. 120. That a report should also be written to Council and the Audit Committee for all meters bridged for a period exceeding 20 days (1 month) with a clear justification and evidence that customers are billed accordingly and there is no revenue forgone by the municipality. 121. That the Chief Engineer: Revenue Management should ensure appropriate controls exists to ensure that proper records are maintained for customers who tamper, and to ensure that repeat offenders are correctly recorded and charged as per approved register of tariffs. 122. That the Chief Engineer: Revenue Management should report all repeat meter tampering offenders to the Senior Manager: Electricity and the Tampering Committee as and when identified in order to proceed with charging the offender and collections thereof, and seeking necessary remedial action against the offender. 123. That the Chief Engineer: Revenue Management should ensure that a follow up is performed on all customers who were charged with tampering to identify repeat offenders and to ensure they have paid, failing which a disconnection should be performed. 124. That the Senior Manager: Electricity Services should ensure that illegal electricity connections are disconnected immediately upon identification. 125. That the Senior Manager: Electricity Services should ensure that all identified illegal electricity connections are reported to the Audit Committee and Council at least on a quarterly basis. 126. That the Chief Engineer: Revenue Management should ensure that installation audits are performed on all possible and reported tampering / illegally reconnected properties that are reported by Monitoring and provide feedback to Revenue to raise charges against the customer. 127. That the Senior Manager: Electricity Services should ensure that illegal electricity connections are disconnected immediately upon identification. 128. That the Senior Manager: Electricity Services should ensure that all identified illegal electricity connections are reported to the Audit Committee and Council at least on a quarterly basis. 129. That the Chief Engineer: Revenue Management should ensure that Electricity Auditors are workshopped on the different notices issued for non-compliance with the by-laws and Credit Control and Debt Management policy. 130. That all notices issued by the Electricity Auditors should be reviewed and verified by the Chief Engineer: Revenue Management at least weekly and disciplinary measures implemented for continued errors as each notice has a different fine attached to it. 131. That the Senior Manager: Revenue Management and Manager: Debtors Management should ensure that the Data cleansing process is completed and all customer information corrected. 132. That the Chief Engineer: Revenue Management should ensure that Meter audits are conducted to ensure correct meter numbers and MCB size etc. are obtained and submitted to Revenue to update on the SAP system. 133. That the Senior Manager: Revenue Management and Manager: Debtors Management should report to the Audit Committee and Council at least quarterly on the Data Cleansing progress and update of the consumer database. 134. That the City Manager and the Chief Financial Officer should have a defined timeline for the completion of the data cleansing exercise and updates made as and when necessary. 135. That the Chief Engineer: Revenue Management should ensure compliance with regards to documentation to be completed by internal staff and contractors at Electricity Services. 136. That the Electricity Auditors and relevant staff should be workshopped on the completion of the various notices correctly with the emphasis of completing each field in the notice correctly.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
19 APRIL 2022	137. That the Chief Engineer: Revenue Management to provide oversight on all functions at electricity by ensuring that adequate measures of review and approval are implemented, to ensure previous issues are not repeated. 138. That the Chief Engineer: Revenue Management should ensure that a spreadsheet is maintained for installation audits conducted by the Electricity Auditors. 139. That the Chief Engineer: Revenue Management should ensure that spreadsheets are protected to track any amendments done, and are reviewed on a regular basis for updates made and to ensure accuracy and validity of recorded information and signed as evidence thereof. 140. That the Tampering Committee should be a formalised body established in the same manner that every committee follows within the Municipality as per Council Rules Book. 141. That members of the committee should be appointed by the Executive Committee of Council and should have formal terms of reference guiding them on how to perform their duties with due diligence and professional care. 142. That all committee members should be formally appointed and be provided with an appointment letter, sign a confidentiality clause and be workshopped on how the committee members should conduct themselves when performing their duties and engaging with customers where necessary. 143. That the Chief Engineer: Revenue Management should ensure that compliance with the Credit Control and Debt Collection policy is observed by exercising adequate oversight over processes. 144. That ongoing monitoring and supervision should be undertaken by the Manager: Revenue Enhancement on work performed by Contractors and internal staff to ensure that a process is implemented to track and deal with erroneous disconnections and reconnections. 145. That the Manager: Revenue Enhancement should ensure that all information recorded on the daily reconnection sheet submitted by service providers is reviewed against the approved reconnection schedule received from Revenue section and signed and dated as evidence thereof. 146. That the Manager: Revenue Enhancement should ensure that the daily reconnection sheets are signed by the municipal official as confirmation of review and accuracy of the work performed by the service providers. 147. That the Chief Engineer: Revenue Management should ensure compliance with the policies by exercising adequate oversight over processes. 148. Staff and contractors to be workshopped by Electricity management regarding the requirements of adequately completing documentation for customers. 149. That the Chief Engineer: Revenue Management should ensure that all information recorded on the daily reconnection sheet submitted by service providers is reviewed against the approved reconnection schedule received from Revenue section and address anomalies timely. 150. That the Chief Engineer: Revenue Management should ensure that the daily reconnection sheets are signed by the municipal official as evidence of review and accuracy of the work performed by the contractor. 14. FINAL INTERNAL AUDIT OF RATES FOR THE 2021/22 FINANCIAL YEAR (REF:3.10.1.) AGREED That as a matter of priority, the City Manager (Acting) submit a detailed report reconciling every single property that consumes services which are not being billed and which are not included on the General Valuation Roll, together with timelines on rectifying this matter as this was a critical loss revenue stream to Council. AGREED TO RECOMMEND TO THE FULL COUNCIL (a) That the Monthly and Annual rates should be applied on properties with market values exceeding R 15 000,00 at the appropriate tariff in terms of the Municipal Property Rates Act: Section 6.1 [7] which states that Rates to be levied on all rateable property, Subsection (d) which states that: "When levying rates, a municipality must, subject to subsection (2), levy rates on all rateable property in its area. (Amended by Section 5 of Act 29 of 2014)". (b) That Management should review and sign off on the Billing Reports to identify errors and omissions of crucial information and action corrective measures timeously where anomalies are identified:- Accordingly to the Municipal Approved Policy; Page 11, Section 5, Clause 5.1.1: which states that the municipality will not levy a rate on any municipal owned roads, streams or other municipal property where the market value of the property is equal to or less than R 10 000 or such other amount as determined by Council from time to time, provided that there is no occupant on the property. (c) That Management should ensure that the Classification of properties across the Billing and Reporting Systems are consistent. 15. FORENSIC INVESTIGATION INTO ALLEGED CONTINUOUS ABUSE OF MSUNDUZI NPC 764: OVERTIME FRAUD AND ABSENTEESIM BY MSUNDUZI MUNICIPAL EMPLOYEE: NP MEMELA (EMPLOYEE NUMBER: 55104800 AND DERELICTION OF DUTY BY HIS MANAGEMENT IN ALLOWING AND CONDONING THE VEHICLE ABUSE: COMMUNITY SERVICES BUSINESS UNIT: PARKS, RECREATION AND CEMETERIES (REF:3.10.1.1) The Audit Committee requested that Management must look at the Collective Agreement together with the respective Labour Unions in terms of the Code of Conduct of all employees sending a clear directive that such forms of overtime fraud, absenteeism and misuse of municipal vehicles etc. would not be tolerated and that every action available would be instituted against culprits. AGREED That the City Manager (Acting) ensure that the Collective Agreement must be made available to employees, as certain employees were not taking the Employer seriously and that a don't-care culture had deep rooted within the municipality. AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the City Manager should withdraw EWCop Touch Key, OTI Fuel Tag and authority to drive Msunduzi Municipal vehicles in respect of N P Memela with immediate effect in order to fulfil his responsibilities as an Accounting Officer in terms of Section 61 (1)(a) & (b) read with 62(1)(d) of the MFMA which requires that he act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs and to take all reasonable steps to ensure the resources of the municipality are used effectively, efficiently and economically and that fruitless and wasteful expenditure and other losses are prevented. 2. That disciplinary action be instituted against N P Memela, J T Mbambo and Mandla Zuma within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council for breach of:

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19 APRIL 2022	3. General Conduct 3.1 Section 2 (a) in that he did not loyally execute the lawful polices of the municipal council; 3.2 Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner; 3.3 Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised Commitment to serving the public interest 4. Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. Personal gain 5. Section 4 (1) (a) in that N P Memela used his position or privileges for private gain and/or to improperly benefit himself. Financial Misconduct 6.1 That financial misconduct be instituted against Mr N P Memela terms of Section 171 (3) (a) and (b) in that he in terms of Section 171 (3) (c) for breach of Section 78 of the MFMA in that he deliberately caused the municipality to incur fruitless and wasteful expenditure in respect of the actual hours of overtime that he did not work (fraud), absenteeism and abuse of a municipal vehicle. 6.2 That financial misconduct be instituted against Mr T J Mbambo in terms of Section 171 (3) (c) in that he in terms of Section 171(3) (c) for breach of Section 78 of the MFMA in that he deliberately or negligently caused the municipality to incur fruitless and wasteful expenditure in respect of the actual hours of overtime that Memela did not work, absenteeism and abuse of a municipal vehicle. 6.3 That financial misconduct be instituted against Mr Mandla Zuma in terms of Section 171 (3) (c) in that he in terms of Section 171(3) (c) for breach of Section 78 of the MFMA in that he deliberately or negligently caused the municipality to incur fruitless and wasteful expenditure in respect of the absenteeism and abuse of a municipal vehicle by N P Memela. Recovery of the Fruitless and Wasteful Expenditure or Losses 7.1 That the Accounting Officer should institute recovery processes of against Mr N P Memela to recover the amounts paid out against the fraudulent overtime claims, absenteeism and abuse of municipal vehicle NP764 totaling R 103 961.39 within a month from the date of the resolution of the Audit Committee. 7.2 That the Accounting Officer should submit progress report on the recovery process instituted to the Audit Committee on quarterly basis. 7.3 That the Accounting Officer must promptly inform the Mayor, the MEC for CoGTA and Auditor General, in writing about R 103 961.39 which is fruitless and wasteful expenditure in terms of Section 32(4)(a) of the MFMA. 16. FORENSIC INVESTIGATION INTO ALLEGED IRREGULARITIES AND THEFT OF STOCK AT MUNICIPALITY GENERAL STORES BY MSUNDUZI MUNICIPALITY EMPLOYEES (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That disciplinary action be instituted against Messrs Mnembe Mngadi, Sefali and Ms Malinga within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with read with Disciplinary Procedure and Code Collective Agreement issued by South African Local Government Bargaining Council for breach of: 1.1 General Conduct 1.1 Section 2 (a) in that he did not loyally execute the lawful polices of the municipal council; (b) Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner; (c) Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised 1.2 Commitment to serving the public interest 1.2 Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. 1.3 Personal gain 1.3 Section 4 (1) (a) in that he used his position or privileges for private gain and/or to improperly benefit themselves. 1.4 Disciplinary Procedures Collective Agreement Did not conduct himself with honesty and integrity. Committed an act of gross dishonesty. 1.5 Breach of the Constitution of the Republic of South Africa Breached Section 195 (1) of the Constitution of the Republic of South Africa of 1996 which states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: (a) a high standard of professional ethics must be promoted and maintained. (b) efficient, economic and effective use of resources must be promoted. (c) public administration must be accountable. 1.6 Financial Misconduct That financial misconduct be instituted against Mr Mnembe in terms of Section 171 (3) (a) and (b) in that he failed to carry out the delegated duty and contravened or failed to comply with a condition of the delegated power or duty and in doing so deliberately caused or could have caused the municipality to incur fruitless and wasteful expenditure in respect of the actual stock stolen.

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19 APRIL 2022	1.7 Recovery of the Fruitless and Wasteful Expenditure or Losses 1.7.1 That the Accounting Officer should institute recovery processes against Messrs Mmembe, Mr Mngadi, Mr Sefali and Ms Malinga to recover R 1 729,00 which is a loss incurred by Msunduzi Municipality as a result of theft. 1.7.2 That the Accounting Office should submit progress report on the recovery process instituted to the Audit Committee on quarterly basis. 1.7.3 That the vehicles and bags of staff members as well as all people visiting General Stores be search when entering and leaving the premises. 1.8 Internal Controls 1.8.1 That the Head of Supply Chain Management Unit should ensure that the vehicles and bags of staff members as well as all people visiting General Stores be search when entering and leaving the premises. 1.8.2 That the Head of Supply Chain Management Unit should consider putting an additional security that will monitor the cameras on daily basis from 07h30 to 16h00 so that theft can be identified as it takes place. 17. FORENSIC INVESTIGATION INTO ALLEGED FRAUDULENT ACTING ALLOWANCE AS SECURITY INSPECTOR AND SECURITY SUPERINTENDENT BY MS FL NGCOBO: EMPLOYMENT NUMBER 2208830: COMMUNITY SERVICES UNIT: PUBLIC SAFETY AND DISASTER MANAGEMENT (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That a case of fraud be reported with the South African Police Service (Directorate of Priority Crime Investigations). 2. Since Ms FL Ngcobo has resigned from the Municipality no recommendation can be made regarding disciplinary action against Ms FL Ngcobo. 3. Recovery of the Fruitless and Wasteful Expenditure or Losses 3.1 The Accounting Officer should institute recovery processes from Ms FL Ngcobo to recover the losses suffered by the Msunduzi Municipality due to fraud. 3.2 The Accounting Officer should submit progress report on the recovery process instituted to the Audit Committee on quarterly basis. 18. FORENSIC INVESTIGATION INTO ALLEGED MATERIAL IRREGULARITIES ON THE APPOINTMENT OF YESHUA AQUATIC JETC AS PER CONTRACT NUMBER13 SECTION 36 OF 19/20 FOR THE FUMIGATION OF TAXI RANKS, HALLS AND AMENITIES: COMMUNITY SERVICES (REF:3.10.1.1) The Ministerial Representative pointed out that Msunduzi Municipality was captured by its own employees, and that failure by its management and political leadership to not address this corruption would see the Municipality further deteriorate at the expense of the rate payers of Msunduzi. The Ministerial Representative urged the Audit Committee to highlight these sentiments to the Council strongly, as no one was prepared to take any action at Msunduzi. AGREED TO RECOMMEND TO THE FULL COUNCIL 1. Disciplinary action be instituted against Mr Mbongeni Mathe within a period of three months in terms of Schedule 2 of the Municipal Systems Act, Act 32 of 2000 (as amended), Code of Conduct for Municipal Staff members read with Disciplinary Procedure Code Collective Agreement issued by South African Local Government Bargaining Council for breach of: 1.1 General Conduct: 1.1.1 Section 2 (a) in that he did not loyally execute the lawful polices of the municipal council; 1.1.2 Section 2 (b) in that he did not perform the functions of office in good faith, diligently, honestly and in transparent manner; 1.1.3 Section 2 (d) in that he did not act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised. 1.2 Commitment to serving the public interest 1.2.1 Section 3 (c) in that he did not promote and seek to implement the basic values and principles of public administration described in section 195 (1) of the Constitution, by promoting and maintaining high standard of professional ethics. 1.3 Disciplinary Procedure Code Collective Agreement 1.3.1 Did not conduct himself with honesty and integrity. 1.3.2 Committed an act of gross dishonesty. 1.4 Breach of the Constitution of the Republic of South Africa 1.4.1 Section 195 (1) of the Constitution of the Republic of South Africa of 1996 which states that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles: (a) a high standard of professional ethics must be promoted and maintained. (b) efficient, economic and effective use of resources must be promoted. (c) public administration must be accountable. 1.5 Financial Misconduct 1.5.1 That financial misconduct be instituted against Mr Mbongeni Mathe within a period of three months for an act of financial misconduct in terms of Section 171 (3) (c) for breach of Section 78 of the MFMA in that he failed to take all reasonable steps within his respective areas of responsibility to ensure that the system of financial management and internal control established for the municipality is carried out diligently. 1.6 Disciplinary Board on Financial Misconduct 1.6.1 That Council should refer this report to the Disciplinary Board on Financial Misconduct within seven (7) days from the date of receipt as required by paragraph 5.3.1.6 of Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. 1.6.2 That the City Manager should report to the Audit Committee on quarterly basis on the progress on disciplinary proceedings against the named official and other cases reported previously where there were officials implicated in our forensic investigation reports.

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19 APRIL 2022	1.7 Irregular Expenditure 1.7.1 In accordance with the recommendation by the Auditor General the entire expenditure of R5 100 250.00 which is inclusive of VAT be declared irregular and be disclosed in the financial statements of 2021/22 by the Chief Financial Officer and be reported to the MEC for CoGTA and Auditor General in terms of Section 32(4)(a) of the MFMA. 1.8 Recovery of the Fruitless and Wasteful Expenditure or Losses 1.8.1 That the Accounting Officer should institute recovery processes and hold Mr Mbongeni Mathe, Sipho Dubazana and Yeshua Aquajet jointly and severally responsible, one paying the other one to be absolved to recover the amount of R2 215 164.56 plus VAT paid out to Yeshua Aquajet being financial loss as determined by Auditor General in his report of Management report within a month from the date of the resolution of the Audit Committee. 1.8.2 That the Accounting Officer should submit progress report on the recovery process instituted to the Audit Committee on quarterly basis. 1.8.3 That the Accounting Officer must promptly inform the Mayor, the MEC for CoGTA and Auditor General, in writing about R2 215 164.56 which is fruitless and wasteful expenditure in terms of Section 32(4)(a) of the MFMA. 1.8.4 That the Chief Financial Officer should make the necessary disclosure of the fruitless and wasteful expenditure of R2 215 164.56 in the annual financial statements of 2021/22 financial year. 19. ANNOUNCEMENT BY THE MINISTERIAL REPRESENTATIVE (MR S DUMA) The Ministerial Representative (Mr S Duma) reported he was withdrawing his duties at Msunduzi Municipality in order to continue with his full time duties at COGTA. He thanked the Audit Committee for their dedication to their work and contribution to Council over the year that he had been assigned to Msunduzi and wished the Audit Committee and Management well. The Audit Committee extended their well wishes to Mr S Duma and thanked him for his contributions at Msunduzi Municipality. NOTED.
	4. OUTSTANDING MATTERS REPORTS: 2021 AGREED That the report dated 7 February 2022 by the General Manager: Corporate Services Business considering the Audit Committee Outstanding Matters: 2021, be NOTED and be consolidated into the Audit Committee Decision Tracker. 5. OUTSTANDING MATTERS REPORTS: JUNE 2022 AGREED (a) That the report dated 23 May 2022 by the General Manager: Corporate Services Business considering the Audit Committee Outstanding Matters: June 2022, be NOTED. (b) The Acting City Manager was requested to ensure that all relevant General Managers close out and provide the Audit Committee with progress reports on all remaining outstanding matters. 6. VERBAL UPDATE BY THE OFFICE OF THE AUDITOR GENERAL It was indicated that there were no urgent matters from the AGSA to report on. NOTED. 7. FINAL FOLLOW UP INTERNAL AUDIT REPORT ON SAFE CITY (REF: 3.10.1.1) The Manager: Safe City explained the challenges with Prosecutors being constantly changed at the courts. He reported that a Docket Tracker was in place in order to track the progress of all crime dockets with the Investigation Officers from the South African Police Services. AGREED TO RECOMMEND TO THE FULL COUNCIL - That Senior Management and the Board should pursue entering a memorandum of understanding with the South African Police Service to ensure the roles and responsibilities of the SAPS is clearly outlined as well as the expected support in terms of responding to reported incidents. - That Senior Management should also explore areas of alignments and collaboration with other security forums and entities within the same areas that Safe City operate in. This shall increase the security consciousness of the community and potentially broaden the resources available to respond to incidents. - That on-going meetings should be held to monitor and evaluate the operations of Safe City with SAPS. - That Senior Management and the Board should ensure that the crime statistics, specifically the statistics regarding the out of camera areas with the highest crime rates, are identified and form the basis of the expansion plan in the Safe City Strategic Business Plan. - That Senior Management and the Board should ensure that the expansion of camera surveillance is included in the Annual Performance Plan as well as the annual budget to ensure this is prioritized. - That Senior Management and the Board should engage SAPS and other key stakeholders to ensure there is a coordinated effort to preventing and responding to crime, especially in areas that are out of the camera surveillance. - That Senior Management and the Board should ensure that the service level agreement signed covers at least a three-year period, with the budget being reviewed and approved annually. - That Senior Management and the Board must assume responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organization. - That the Municipality must assist in facilitating engagement and collaboration between its stakeholders. - That Senior Management and the Board must pursue the signing of a memorandum of understanding in order to clarify the working relationship with key stakeholder (especially where entering into a Service Level Agreement is not possibility). - That Senior Management and the Board should review whether the amount meets the definition of irregular expenditure. Should this be determined to be the case, the expenditure on this contract must be included in the Irregular Expenditure Register and an investigation must be undertaken. - That Senior Management and the Board should ensure that all procurement undertaken by Safe City is compliance with SCM regulations. - That Senior Management and the Board should ensure that all contracts are reviewed so as they meet the strict contract management standards, specifically regarding their start and end dates. - That Senior Management and the Board should ensure a multi-year service level agreement is signed with Msunduzi Municipality to avoid gaps in funding. - That Senior Management and the Board should ensure the Service Level Agreement is complied with and the invoice is sent timeously to the municipality.

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	16. That Msunduzi Municipality should ensure compliance with Treasury Regulations and settle all invoices submitted within 30 days. 17. That Senior Management and the Board should engage SAPS regarding putting in place processes for managing the SAPS official on duty as well as any absenteeism that may occur. 18. That Senior Management must ensure that all Masterfile amendments are supported by sufficient and appropriate evidence before being approved. 19. That Senior Management and the Board should ensure the position of Data (CI) Analyst is included in the Succession Plan and suitable employees should be identified for development and training in this position. 20. That Senior Management and the Board should review the succession plan to ensure all key positions are included in the plan (not only positions that are traditionally seen as management positions). 21. That Senior Management and the board must ensure that all policies are reviewed periodically and signed with the date of when the review occurred. 22. That Senior Management and the Board should prioritize entering a memorandum of understanding with the NPA. The MOU must include an outline of how feedback will be provided to Safe City regarding the progress of the dockets within the courts. 23. That Managers and Supervisors should ensure the Occurrence Book, Evidence Register, and Docket Tracker are reviewed periodically to ensure the details of incidents are fully captured and the references between these documents align. 24. That Senior Management should ensure that evidence is collected and maintained to support the development undertaken for the identified personnel. 25. That Senior Management must ensure that training and development of personnel must also include recognized courses with certifications so as the quality of training and competence may be better supported.
	8. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF SAP PROJECT: RISK ASSURANCE PREPARATION PHASE (REF: 3.10.1.1) It was pointed out to the Committee that there will be a legal challenge on this matter, and that Council should not pay for the blue prints, as Council did not receive value for money from this Contract. It was stressed to Committee that Nambiti committed an offense of fraud by utilising the blue prints of another municipality. AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That based on the assessed possible scenarios that may materialize within the SAP project and the failures of Nambiti on numerous occasions to meet its deadlines and kept on changing the project plan and go lives dates should consider the following: 1.1 the revised project plan of Nambiti be not accepted 1.2 the current SAP reimplementation project be cancelled. 1.3 through an upfront negotiation with National Treasury to accept manual reporting for the current financial year in so far as mSCOA. 1.4 Management should ensure that supplementary plans are in place to ensure mSCOA reporting. This should be informed by a report which summarizes the impacted municipal areas that would be in a position to provide the expected National Treasury reports. Management should consider revising the terms of reference for the project as mitigation control where the focus on the implementation will be adjusted to the upgrade of the existing SAP ECC6 to SAP Nana with customization to enable mSCOA compliance. This ensures that: 1.4.1 Management avoid going through another implementation iteration as SAP ECC6 support will be ending in 2027 and the SAP Hana upgrade will be mandatory. 1.4.2 That the licensing fees paid accommodate a future product. 1.4.3 A number of Metropolitan Municipalities are currently going through the upgrade or have recently completed one and learnings can be leveraged from these Metropolitan Municipalities; 1.5 That the implementation approach for the later (SAP Hana) be advertised through a panel of service providers to ensure a faster delivery timeline with the following key roles: 1.6 That SAP implementers which specialize in the various modules of SAP be appointed service providers will each have their modular specific project plans and will be responsible for the delivery and reporting on their respective modules. This will remove the dependency on a sole service provider and ensure simultaneous streams running concurrently to ensure quicker delivery of the solution; 1.7 That the Project Managers be responsible for overall oversight and reporting on the project, consolidating the modular specific project plans and establishing a SAP Hana upgrade and mSCOA compliance project plan. 9. FINAL INTERNAL AUDIT REPORT ON FLEET MANAGEMENT (REF:3.10.1.1) Committee expressed concern that this was not a good idea for Msunduzi Municipality to use the vehicles of Mpofana, as these vehicles needed to be returned to Mpofana municipality in the same condition that they were donated / loaned. It was confirmed that Mpofana Municipality donated these vehicles to Msunduzi Municipality. The Acting City Manager was requested to resolve the matters outlined in the report as a matter of urgency. Members stressed that there was a clear lack of supervision and explained that management must ensure that the municipal fleet was managed effectively. AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the General Manager: Corporate Services verify the approval of Fleet Management Policy to the minutes and/or recording of Council meeting held and correct the resolution accordingly. 2. That if the Policy was not approved by the Council, Fleet Management Unit to have the policy represented and approved by Council. 3. That the Fleet Management Policy to be circulated to all municipal employees. 4. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers. 5. That the Accounting Officer should implement consequence management against municipal employees violating the provisions of Fleet Management Policy. 6. That a Fleet Master Plan should be developed and conditional assessment done on the municipality's fleet. 7. That a Fleet Maintenance Plan should be developed, monitored on regular basis and strictly implemented. 8. That the Accounting Officer fast track the development of the module within SAP for fleet management (including repairs and maintenance). 9. That the General Managers of business units to be advised by Fleet and/or Mechanical Workshops Units on areas of non-compliance/ vehicle abuse/negligence. 10. That the Accounting Officer and General Managers of respective business units to implement consequence management against employees (from Drivers to General Managers where relevant) should the cause of breakdown be assessed as driver negligence and abuse. 11. That in cases where Accounting Officer and General Managers of respective business units fail to implement consequence management against employees the Council should implement disciplinary proceedings against the Accounting Officer and the General Managers respectively in terms of the Local Government: Disciplinary Regulations for Senior Managers of 2010. 12. That conduct workshops on Fleet Management Policy with all employees who are authorized to drive municipal vehicles and should sign an attendance register as proof of their attendance.

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	13. That the Accounting Officer and General Managers of respective business units to implement consequence management against employees (from Drivers to General Managers where relevant) should the accident reporting procedures not be adhered to. 14. That the positions of the Fleet Officer in various Business Units should be prioritized for evaluation and to be filled. 15. That workshops on Fleet Management Policy be conducted. 16. That General Managers of relevant business units to submit a schedule in terms of Section 3.5.2 of the Fleet Management Policy to Fleet Management. Updated schedule should also be submitted to the Fleet Management Unit whenever there is a change in vehicle allocation. 17. That an exercise to ensure fleet register is complete, accurate and valid be performed. 18. That the Accounting Officer ensure that fleet that are not in use is de-registered from e-Natis. 19. Fast track the development of the module within SAP for fleet management (including license renewal, COF and COR). 20. That the Fleet Management Unit should ensure that there is an effective record keeping system in place. 21. That Control measures should be reinforced for strict adherence to ensure that adequate and reliable supporting documentation is maintained for all fleet management matters. 22. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers. 23. That the Accounting Officer should implement consequence management against drivers/custodians who fail to ensure vehicles have a valid license disc that is displayed at all times. 24. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers. 25. That the Accounting Officer should implement consequence management against drivers/custodians who fail to ensure vehicles are sent in for COR/COF. 26. Conduct workshops on Fleet Management Policy. 27. That Heads of business units and drivers/custodians must ensure that logbooks and trip authority sheets are completed in terms of the Fleet Management Policy. 28. That employees who are required by virtue of their job description to drive a municipal vehicle must undergo the LMV and HMV (where applicable) driving assessment with the Municipal Traffic Unit before appointment is finalized. 29. That Heads of business units and drivers/custodians must ensure that an ID tag is obtained and only used by whom the tag was issued for. If a driver did not pass the driving assessment, he/she must be booked in for a re-test. 30. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers, to conduct random check on drivers. 31. That the Accounting Officer and General Managers of the respective business units to implement consequence management against employees (from Drivers to General Managers where relevant) for non-compliance with Fleet Management Policy. 32. That an investigation to be carried out by the Accounting Officer to establish whether the transaction entered into with Mpofana Municipality constituted unauthorized, irregular and/or fruitless and wasteful expenditure. 10. FINAL INTERNAL AUDIT OF THE MID-TERM PERFORMANCE INFORMATION FOR 2021/2022 (REF:3.10.1.1) It was noted with disappointment that there was no improvement to this report each year. There was concern that the performance management contracts were not signed. In addition to this, it was pointed out that there was a lack of smartness. Concern was expressed that management was not paying great attention in this area. The Ministerial Representative (Mr M Sithole) indicated that there should not be any repeat findings, and that in terms of findings of this nature it was disappointing that no improvements were in place to change the status. The Acting City Manager was requested to ensure that General Managers be held accountable for the non-submission of Portfolio of Evidence Files, and that consequence management must be applied for any failure in this regard. The Audit Committee stressed that Management must be committed to the respective Action Plans. AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the Manager: Organizational Performance, Knowledge Management and Compliance should ensure that all Senior Management Performance Agreements are signed and dated by both the employee and the City Manager. 2. That the General Managers should review the monthly and quarterly SDBIP reports before submission to the OC, P & KM unit/ audit purposes. 3. That in instances where the monthly and quarterly SDBIP reports are submitted to the OC, P & KM unit without the GM's review, a note should be made and considered during the GM's performance assessment. 4. That the City Manager should ensure consequence management for failure to comply with the SOP on the monthly and quarterly reports. 5. That the City Manager, General Managers, Chief Financial Officer and Senior Managers should ensure that all SMART principles are adhered to when compiling the SDBIP & OP. 6. By adhering to the SMART principles, City Manager, General Managers, Chief Financial Officer and Senior Managers should ensure that performance targets set should be aligned to available resources (e.g. timing, budget, personnel etc). 7. That the Manager: Organizational Performance, Knowledge Management and Compliance should ensure that all performance agreements have performance plans attached to them and appropriately filed. 8. That a checklist should be implemented and completed to assist the Manager: Organizational Performance, Knowledge Management and Compliance in review of performance agreements and supporting documentation, to ensure the completeness of required documentation is verified. 9. That the City Manager should ensure that a review and verification of the actual achievements should be performed to ensure accurate reporting; 10. Furthermore, the PMS unit should perform physical verification to validate the reported information; 11. That Every Quarterly Report must be cross-referenced to the portfolio of evidence file to ensure that reported performance is adequately supported; 12. That General Managers when assessing Senior Managers should verify that all portfolio of evidence has been submitted and placed on file; 13. That General Managers should ensure that there is sufficient evidence to support achieved targets reported in the report; and 14. That the Accounting Officer ensure that Consequence Management should be enforced in instances where the achievement/non-achievement of targets is not supported by adequate evidence. 15. That the Manager: Organizational Performance, Knowledge Management and Compliance should ensure that all documentation pertaining to performance management system should be properly maintained, and filed, and submitted for audit to the Internal Audit Unit. 11. STATUS UPDATE ON THE 2021/2022 FY ANNUAL AUDIT PLAN (REF: 3.10.1.1) AGREED That the status update on the 2021/2022 Financial Year Annual Audit Plan as contained in the Report dated 7 June 2022 by the Chief Audit Executive (Ref: 3.10.1.1) be NOTED.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
	12. FINAL INTERNAL AUDIT REPORT ON HIGH LEVEL REVIEW OF THE 2020/2021 ANNUAL REPORT (REF: 3.10.1.1) AGREED TO RECOMMEND TO THE FULL COUNCIL That the findings around the Final Internal Audit Report on the High Level Review of the 2020/21 Annual Report dated 7 June 2022 by the Chief Audit Executive (Ref: A12-2021/2022), be considered. 13. AUDIT COMMITTEE ANNUAL PLAN AND CALENDAR OF ACTIVITIES FOR 2022/23 FINANCIAL YEAR (REF: 3.10.1.1) AGREED That the Audit Committee Annual Plan and Calendar of Activities for the 2022/2023 financial year, be APPROVED. 14. CONSOLIDATED AUDIT COMMITTEE REPORT (REF:3.10.1.1) 14.1 Audit Committee Decision Tracker 14.1.1 In regard to the Audit Committee Decision Tracker, Audit Committee members expressed disappointment that many items on the AC Tracker remained unresolved. Clarity was sought from the Acting City Manager on the reasonable timeframe for these matters to achieve resolution. 14.1.2 Committee noted the issues regarding the problem with burial sites. 14.1.3 Concern was also raised over the unresolved findings on Water and Sanitation as well as Bulk Meters. 14.1.4 It was reported that the Audit Committee Tracker was addressed at the weekly Strategic Management Committee meetings. In view of this, members queried how management was planning on resolving these findings. It was pointed out that management needed to put in a concerted effort to resolve this ever growing list of findings. However, it was mentioned that a lot of this findings could be resolved if there was the willingness to resolve them. 14.2 AG Audit Findings 14.2.1 Clarity was sought on whether the Benchmarking Exercise Report with National Treasury was shared with the Audit Committee, as well as whether the Budget was funded. 14.2.2 In addition, it was queried whether the funding for the Financial Recovery Plan was reflected in the Budget. National Treasury Representative (Mr L Holland) queried the total costing of the Financial Recovery Plan for this financial year as well as for the following years. 14.2.3 The Acting City Manager undertook to have the revised Financial Recovery Plan circulated to the Audit Committee. In response to a query, she confirmed that she would also submit the Diagnostic Report on the FRP to the National Treasury Representative. 14.3 Revenue Collection 14.3.1 In response to a query regarding the impact of the closure of post offices on the distribution of municipal accounts, it was confirmed that municipal bills were sent to consumers via electronic mail. 14.4 Section 71 14.4.1 It was mentioned that the Audit Committee was anticipating that a reduction in overtime expenditure would bear dividends in time. However, overtime expenditure remained high. 14.4.2 The Acting City Manager indicated that the reduction in expenditure must be advocated as requested by the Interim Finance Committee and the Expenditure Committee. 14.4.3 Committee was advised that follow up meetings would be convened with Eskom and Umgeni for a Catch Up Strategy, which would be utilized from the equitable share. Members took note that the revenue collection rate improved for the month of May 2022. 14.4.4 It was indicated that in regard to overtime and acting allowance expenditure, there was a combination of negligence and abuse. 14.5 Conditional Grants 14.5.1 The Senior Manager: Revenue was requested to include the comments of the respective business units in regard to Conditional Grant Expenditure. 14.6 Irregular Expenditure 14.6.1 National Treasury Representative (Mr L Holland) queried the status of Historical Irregular Expenditure over the past few financial years in terms of Section 32 of which has possible cases of financial misconduct that could have led to the irregular expenditure of the R 470 million. He stressed that in instances where officials were found to be negligent, irregular expenditure must be recovered from such officials. 14.6.2 The Acting City Manager confirmed that management was engaging COGTA on how to address this amount of a ballooning figure on Historical Irregular Expenditure. She undertook to also discuss this matter with National Treasury. In addition, she confirmed that the UIFW Strategy was approved for adoption by the Full Council. 14.7 Fruitless and Wasteful Expenditure 14.7.1 National Treasury Representative (Mr L Holland) sought clarity on the status of fruitless and wasteful expenditure in the amount of approximately R 45 million reflected on the 2020/2021 Financial Statement. 14.8 ICT Governance 14.8.1 The ICT Business Unit was commended on upgrading the PABX Box Infrastructure. The Senior Manager: ICT was urged to ensure that provide the Audit Committee with assurances at its next meeting that certain AG Findings would not resurface. 14.9 Media and Communications 14.9.1 The Acting City Manager was requested to ensure that the report also included positive reporting about the work being undertaken by the City, which did not have any political undertones. It was stressed that ratepayers needed to that their complaints were being addressed by the Municipality. It was suggested that more media coverage was needed with the complainants to show that the Municipality was committed in resolving complaints. AGREED That the Consolidated Report by the City Manager dated 15 June 2022 by the Senior Manager: Office of the Municipal Manager, NOTED.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
21 JUNE 2022	4. OUTSTANDING MATTERS REPORTS: 2021 Report dated as at 7 February 2022 by the General Manager: Corporate Services Business. It was AGREED That the report dated 7 February 2022 by the General Manager: Corporate Services Business considering the Audit Committee Outstanding Matters: 2021, be NOTED and be consolidated into the Audit Committee Decision Tracker. 5. OUTSTANDING MATTERS REPORTS: JUNE 2022 Report dated 23 May 2022 by the General Manager: Corporate Services Business. It was AGREED (a) That the report dated 23 May 2022 by the General Manager: Corporate Services Business considering the Audit Committee Outstanding Matters: June 2022, be NOTED. (b) The Acting City Manager was requested to ensure that all relevant General Managers close out and provide the Audit Committee with progress reports on all remaining outstanding matters. 6. VERBAL UPDATE BY THE OFFICE OF THE AUDITOR GENERAL It was indicated that there were no urgent matters from the AGSA to report on. NOTED. 7. FINAL FOLLOW UP INTERNAL AUDIT REPORT ON SAFE CITY (REF: 3.10.1.1) Report dated 26 April 2022 by the Chief Audit Executive (Ref: FuA1-2021/2022). The Manager: Safe City explained the challenges with Prosecutors being constantly changed at the courts. He reported that a Docket Tracker was in place in order to track the progress of all crime dockets with the Investigation Officers from the South African Police Services. Following brief discussion, it was AGREED TO RECOMMEND TO THE FULL COUNCIL - That Senior Management and the Board should pursue entering a memorandum of understanding with the South African Police Service to ensure the roles and responsibilities of the SAPS is clearly outlined as well as the expected support in terms of responding to reported incidents. - That Senior Management should also explore areas of alignments and collaboration with other security forums and entities within the same areas that Safe City operate in. This shall increase the security consciousness of the community and potentially broaden the resources available to respond to incidents. - That on-going meetings should be held to monitor and evaluate the operations of Safe City with SAPS. - That Senior Management and the Board should ensure that the crime statistics, specifically the statistics regarding the out of camera areas with the highest crime rates, are identified and form the basis of the expansion plan in the Safe City Strategic Business Plan. - That Senior Management and the Board should ensure that the expansion of camera surveillance is included in the Annual Performance Plan as well as the annual budget to ensure this is prioritized. - That Senior Management and the Board should engage SAPS and other key stakeholders to ensure there is a coordinated effort to preventing and responding to crime, especially in areas that are out of the camera surveillance. - That Senior Management and the Board should ensure that the service level agreement signed covers at least a three-year period, with the budget being reviewed and approved annually. - That Senior Management and the Board must assume responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organization. - That the Municipality must assist in facilitating engagement and collaboration between its stakeholders. - That Senior Management and the Board must pursue the signing of a memorandum of understanding in order to clarify the working relationship with key stakeholder (especially where entering into a Service Level Agreement is not possibility). - That Senior Management and the Board should review whether the amount meets the definition of irregular expenditure. Should this be determined to be the case, the expenditure on this contract must be included in the Irregular Expenditure Register and an investigation must be undertaken. - That Senior Management and the Board should ensure that all procurement undertaken by Safe City is compliance with SCM regulations. - That Senior Management and the Board should ensure that all contracts are reviewed so as they meet the strict contract management standards, specifically regarding their start and end dates. - That Senior Management and the Board should ensure a multi-year service level agreement is signed with Msunduzi Municipality to avoid gaps in funding. - That Senior Management and the Board should ensure the Service Level Agreement is complied with and the invoice is sent timeously to the municipality. - That Msunduzi Municipality should ensure compliance with Treasury Regulations and settle all invoices submitted within 30 days. - That Senior Management and the Board should engage SAPS regarding putting in place processes for managing the SAPS official on duty as well as any absenteeism that may occur. - That Senior Management must ensure that all Masterfile amendments are supported by sufficient and appropriate evidence before being approved. - That Senior Management and the Board should ensure the position of Data (CI) Analyst is included in the Succession Plan and suitable employees should be identified for development and training in this position. - That Senior Management and the Board should review the succession plan to ensure all key positions are included in the plan (not only positions that are traditionally seen as management positions). - That Senior Management and the board must ensure that all policies are reviewed periodically and signed with the date of when the review occurred. - That Senior Management and the Board should prioritize entering a memorandum of understanding with the NPA. The MOU must include an outline of how feedback will be provided to Safe City regarding the progress of the dockets within the courts.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
	23. That Managers and Supervisors should ensure the Occurrence Book, Evidence Register, and Docket Tracker are reviewed periodically to ensure the details of incidents are fully captured and the references between these documents align. 24. That Senior Management should ensure that evidence is collected and maintained to support the development undertaken for the identified personnel. 25. That Senior Management must ensure that training and development of personnel must also include recognized courses with certifications so as the quality of training and competence may be better supported. 8. FINAL INTERNAL AUDIT REPORT ON THE AUDIT OF SAP PROJECT: RISK ASSURANCE PREPARATION PHASE (REF: 3.10.1.1) Report dated 24 May 2022 by the Chief Audit Executive (Ref: RA 1 of 2021/22). It was pointed out to the Committee that there will be a legal challenge on this matter, and that Council should not pay for the blue prints, as Council did not receive value for money from this Contract. It was stressed to Committee that Nambiti committed an offense of fraud by utilising the blue prints of another municipality. It was subsequently AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That based on the assessed possible scenarios that may materialize within the SAP project and the failures of Nambiti on numerous occasions to meet its deadlines and kept on changing the project plan and go lives dates should consider the following: 1.1 the revised project plan of Nambiti be not accepted 1.2 the current SAP reimplementation project be cancelled. 1.3 through an upfront negotiation with National Treasury to accept manual reporting for the current financial year in so far as mSCOA. 1.4 Management should ensure that supplementary plans are in place to ensure mSCOA reporting. This should be informed by a report which summarizes the impacted municipal areas that would be in a position to provide the expected National Treasury reports. Management should consider revising the terms of reference for the project as mitigation control where the focus on the implementation will be adjusted to the upgrade of the existing SAP ECC6 to SAP Nana with customization to enable mSCOA compliance. This ensures that: 1.4.1 Management avoid going through another implementation iteration as SAP ECC6 support will be ending in 2027 and the SAP Hana upgrade will be mandatory. 1.4.2 That the licensing fees paid accommodate a future product. 1.4.3 A number of Metropolitan Municipalities are currently going through the upgrade or have recently completed one and learnings can be leveraged from these Metropolitan Municipalities; 1.5 That the implementation approach for the later (SAP Hana) be advertised through a panel of service providers to ensure a faster delivery timeline with the following key roles: 1.6 That SAP implementers which specialize in the various modules of SAP be appointed service providers will each have their modular specific project plans and will be responsible for the delivery and reporting on their respective modules. This will remove the dependency on a sole service provider and ensure simultaneous streams running concurrently to ensure quicker delivery of the solution; 1.7 That the Project Managers be responsible for overall oversight and reporting on the project, consolidating the modular specific project plans and establishing a SAP Hana upgrade and mSCOA compliance project plan. 9. FINAL INTERNAL AUDIT REPORT ON FLEET MANAGEMENT (REF:3.10.1.1) Report dated 3 June 2022 by the Chief Audit Executive (Ref:A8-2021/2022). Committee expressed concern that this was not a good idea for Msunduzi Municipality to use the vehicles of Mpofana, as these vehicles needed to be returned to Mpofana municipality in the same condition that they were donated / loaned. It was confirmed that Mpofana Municipality donated these vehicles to Msunduzi Municipality. The Acting City Manager was requested to resolve the matters outlined in the report as a matter of urgency. Members stressed that there was a clear lack of supervision and explained that management must ensure that the municipal fleet was managed effectively. It was subsequently AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the General Manager: Corporate Services verify the approval of Fleet Management Policy to the minutes and/or recording of Council meeting held and correct the resolution accordingly. 2. That if the Policy was not approved by the Council, Fleet Management Unit to have the policy represented and approved by Council. 3. That the Fleet Management Policy to be circulated to all municipal employees. 4. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers. 5. That the Accounting Officer should implement consequence management against municipal employees violating the provisions of Fleet Management Policy. 6. That a Fleet Master Plan should be developed and conditional assessment done on the municipality's fleet. 7. That a Fleet Maintenance Plan should be developed, monitored on regular basis and strictly implemented. 8. That the Accounting Officer fast track the development of the module within SAP for fleet management (including repairs and maintenance). 9. That the General Managers of business units to be advised by Fleet and/or Mechanical Workshops Units on areas of non-compliance/ vehicle abuse/negligence. 10. That the Accounting Officer and General Managers of respective business units to implement consequence management against employees (from Drivers to General Managers where relevant) should the cause of breakdown be assessed as driver negligence and abuse. 11. That in cases where Accounting Officer and General Managers of respective business units fail to implement consequence management against employees the Council should implement disciplinary proceedings against the Accounting Officer and the General Managers respectively in terms of the Local Government: Disciplinary Regulations for Senior Managers of 2010. 12. That conduct workshops on Fleet Management Policy with all employees who are authorized to drive municipal vehicles and should sign an attendance register as proof of their attendance. 13. That the Accounting Officer and General Managers of respective business units to implement consequence management against employees (from Drivers to General Managers where relevant) should the accident reporting procedures not be adhered to. 14. That the positions of the Fleet Officer in various Business Units should be prioritized for evaluation and to be filled. 15. That workshops on Fleet Management Policy be conducted.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
	16. That General Managers of relevant business units to submit a schedule in terms of Section 3.5.2 of the Fleet Management Policy to Fleet Management. Updated schedule should also be submitted to the Fleet Management Unit whenever there is a change in vehicle allocation. 17. That an exercise to ensure fleet register is complete, accurate and valid be performed. 18. That the Accounting Officer ensure that fleet that are not in use is de-registered from e-Natis. 19. Fast track the development of the module within SAP for fleet management (including license renewal, COF and COR). 20. That the Fleet Management Unit should ensure that there is an effective record keeping system in place. 21. That Control measures should be reinforced for strict adherence to ensure that adequate and reliable supporting documentation is maintained for all fleet management matters. 22. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers. 23. That the Accounting Officer should implement consequence management against drivers/custodians who fail to ensure vehicles have a valid license disc that is displayed at all times. 24. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers. 25. That the Accounting Officer should implement consequence management against drivers/custodians who fail to ensure vehicles are sent in for COR/COF. 26. Conduct workshops on Fleet Management Policy. 27. That Heads of business units and drivers/custodians must ensure that logbooks and trip authority sheets are completed in terms of the Fleet Management Policy. 28. That employees who are required by virtue of their job description to drive a municipal vehicle must undergo the LMV and HMV (where applicable) driving assessment with the Municipal Traffic Unit before appointment is finalized. 29. That Heads of business units and drivers/custodians must ensure that an ID tag is obtained and only used by whom the tag was issued for. If a driver did not pass the driving assessment, he/she must be booked in for a re-test. 30. That the Accounting Officer and General Manager: Budget and Treasury should increase capacity within the Fleet Management Unit, specifically the position of Fleet Officers, to conduct random check on drivers. 31. That the Accounting Officer and General Managers of the respective business units to implement consequence management against employees (from Drivers to General Managers where relevant) for non-compliance with Fleet Management Policy. 32. That an investigation to be carried out by the Accounting Officer to establish whether the transaction entered into with Mpofana Municipality constituted unauthorized, irregular and/or fruitless and wasteful expenditure. 10. FINAL INTERNAL AUDIT OF THE MID-TERM PERFORMANCE INFORMATION FOR 2021/2022 (REF:3.10.1.1) Report dated 6 June 2022 by the Chief Audit Executive (Ref:AoP1-3-2021/2022). (Page 215 of agenda) It was noted with disappointment that there was no improvement to this report each year. There was concern that the performance management contracts were not signed. In addition to this, it was pointed out that there was a lack of smartness. Concern was expressed that management was not paying great attention in this area. The Ministerial Representative (Mr M Sithole) indicated that there should not be any repeat findings, and that in terms of findings of this nature it was disappointing that no improvements were in place to change the status. The Acting City Manager was requested to ensure that General Managers be held accountable for the non-submission of Portfolio of Evidence Files, and that consequence management must be applied for any failure in this regard. The Audit Committee stressed that Management must be committed to the respective Action Plans. It was subsequently AGREED TO RECOMMEND TO THE FULL COUNCIL 1. That the Manager: Organizational Performance, Knowledge Management and Compliance should ensure that all Senior Management Performance Agreements are signed and dated by both the employee and the City Manager. 2. That the General Managers should review the monthly and quarterly SDBIP reports before submission to the OC, P & KM unit/ audit purposes. 3. That in instances where the monthly and quarterly SDBIP reports are submitted to the OC, P & KM unit without the GM's review, a note should be made and considered during the GM's performance assessment. 4. That the City Manager should ensure consequence management for failure to comply with the SOP on the monthly and quarterly reports. 5. That the City Manager, General Managers, Chief Financial Officer and Senior Managers should ensure that all SMART principles are adhered to when compiling the SDBIP & OP. 6. By adhering to the SMART principles, City Manager, General Managers, Chief Financial Officer and Senior Managers should ensure that performance targets set should be aligned to available resources (e.g. timing, budget, personnel etc). 7. That the Manager: Organizational Performance, Knowledge Management and Compliance should ensure that all performance agreements have performance plans attached to them and appropriately filed. 8. That a checklist should be implemented and completed to assist the Manager: Organizational Performance, Knowledge Management and Compliance in review of performance agreements and supporting documentation, to ensure the completeness of required documentation is verified. 9. That the City Manager should ensure that a review and verification of the actual achievements should be performed to ensure accurate reporting; 10. Furthermore, the PMS unit should perform physical verification to validate the reported information; 11. That Every Quarterly Report must be cross-referenced to the portfolio of evidence file to ensure that reported performance is adequately supported; 12. That General Managers when assessing Senior Managers should verify that all portfolio of evidence has been submitted and placed on file; 13. That General Managers should ensure that there is sufficient evidence to support achieved targets reported in the report; and 14. That the Accounting Officer ensure that Consequence Management should be enforced in instances where the achievement/non-achievement of targets is not supported by adequate evidence. 15. That the Manager: Organizational Performance, Knowledge Management and Compliance should ensure that all documentation pertaining to performance management system should be properly maintained, and filed, and submitted for audit to the Internal Audit Unit.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
	11. STATUS UPDATE ON THE 2021/2022 FY ANNUAL AUDIT PLAN (REF: 3.10.1.1) Report dated 7 June 2022 by the Chief Audit Executive. It was subsequently AGREED That the status update on the 2021/2022 Financial Year Annual Audit Plan as contained in the Report dated 7 June 2022 by the Chief Audit Executive (Ref: 3.10.1.1) be NOTED. 12. FINAL INTERNAL AUDIT REPORT ON HIGH LEVEL REVIEW OF THE 2020/2021 ANNUAL REPORT (REF: 3.10.1.1) Report dated 7 June 2022 by the Chief Audit Executive (Ref:A12-2021/2022). (Page 260 of agenda) It was subsequently AGREED TO RECOMMEND TO THE FULL COUNCIL That the findings around the Final Internal Audit Report on the High Level Review of the 2020/21 Annual Report dated 7 June 2022 by the Chief Audit Executive (Ref: A12-2021/2022), be considered. 13. AUDIT COMMITTEE ANNUAL PLAN AND CALENDAR OF ACTIVITIES FOR 2022/23 FINANCIAL YEAR (REF: 3.10.1.1) Report dated 7 June 2022 by the Chief Audit Executive (Ref:03/2021-22). It was subsequently AGREED That the Audit Committee Annual Plan and Calendar of Activities for the 2022/2023 financial year, be APPROVED. 14. CONSOLIDATED AUDIT COMMITTEE REPORT (REF:3.10.1.1) Report dated 15 June 2022 by the Senior Manager: Office of the Municipal Manager. (Circulated separately on the Audit Committee Agenda Link for noting) 14.1 Audit Committee Decision Tracker 14.1.1 In regard to the Audit Committee Decision Tracker, Audit Committee members expressed disappointment that many items on the AC Tracker remained unresolved. Clarity was sought from the Acting City Manager on the reasonable timeframe for these matters to achieve resolution. 14.1.2 Committee noted the issues regarding the problem with burial sites. 14.1.3 Concern was also raised over the unresolved findings on Water and Sanitation as well as Bulk Meters. 14.1.4 It was reported that the Audit Committee Tracker was addressed at the weekly Strategic Management Committee meetings. In view of this, members queried how management was planning on resolving these findings. It was pointed out that management needed to put in a concerted effort to resolve this ever growing list of findings. However, it was mentioned that that a lot of this findings could be resolved if there was the willingness to resolve them. 14.2 AG Audit Findings 14.2.1 Clarity was sought on whether the Benchmarking Exercise Report with National Treasury was shared with the Audit Committee, as well as whether the Budget was funded. 14.2.2 In addition, it was queried whether the funding for the Financial Recovery Plan was reflected in the Budget. National Treasury Representative (Mr L Holland) queried the total costing of the Financial Recovery Plan for this financial year as well as for the following years. 14.2.3 The Acting City Manager undertook to have the revised Financial Recovery Plan circulated to the Audit Committee. In response to a query, she confirmed that she would also submit the Diagnostic Report on the FRP to the National Treasury Representative. 14.3 Revenue Collection 14.3.1 In response to a query regarding the impact of the closure of post offices on the distribution of municipal accounts, it was confirmed that municipal bills were sent to consumers via electronic mail. 14.4 Section 71 14.4.1 It was mentioned that the Audit Committee was anticipating that a reduction in overtime expenditure would bear dividends in time. However, overtime expenditure remained high. 14.4.2 The Acting City Manager indicated that the reduction in expenditure must be advocated as requested by the Interim Finance Committee and the Expenditure Committee. 14.4.3 Committee was advised that follow up meetings would be convened with Eskom and Umgeni for a Catch Up Strategy, which would be utilized from the equitable share. Members took note that the revenue collection rate improved for the month of May 2022. 14.4.4 It was indicated that in regard to overtime and acting allowance expenditure, there was a combination of negligence and abuse. 14.5 Conditional Grants 14.5.1 The Senior Manager: Revenue was requested to include the comments of the respective business units in regard to Conditional Grant Expenditure.

Date	RESOLUTIONS/RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2021/22
	14.6 Irregular Expenditure 14.6.1 National Treasury Representative (Mr L Holland) queried the status of Historical Irregular Expenditure over the past few financial years in terms of Section 32 of which has possible cases of financial misconduct that could have led to the irregular expenditure of the R 470 million. He stressed that in instances where officials were found to be negligent, irregular expenditure must be recovered from such officials. 14.6.2 The Acting City Manager confirmed that management was engaging COGTA on how to address this amount of a ballooning figure on Historical Irregular Expenditure. She undertook to also discuss this matter with National Treasury. In addition, she confirmed that the UIFW Strategy was approved for adoption by the Full Council. 14.7 Fruitless and Wasteful Expenditure 14.7.1 National Treasury Representative (Mr L Holland) sought clarity on the status of fruitless and wasteful expenditure in the amount of approximately R 45 million reflected on the 2020/2021 Financial Statement. 14.8 ICT Governance 14.8.1 The ICT Business Unit was commended on upgrading the PABX Box Infrastructure. The Senior Manager: ICT was urged to ensure that provide the Audit Committee with assurances at its next meeting that certain AG Findings would not resurface. 14.9 Media and Communications 14.9.1 The Acting City Manager was requested to ensure that the report also included positive reporting about the work being undertaken by the City, which did not have any political undertones. It was stressed that ratepayers needed to that their complaints were being addressed by the Municipality. It was suggested that more media coverage was needed with the complainants to show that the Municipality was committed in resolving complaints. It was subsequently AGREED That the Consolidated Report by the City Manager dated 15 June 2022 by the Senior Manager: Office of the Municipal Manager, NOTED. <u>15. DATE OF NEXT MEETING and CLOSURE</u> (Item 21 of agenda) Members were reminded that the Annual Financial Statements needed to be considered earlier, as the business unit was required to submit the AFS to the AGSA by 30 August 2022.

CHAPTER 7 - ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD 01 JULY 2021 TO 30 JUNE 2022

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2022

The Audit Committee has pleasure in submitting its annual report for the financial year, 01 July 2021 to 30 June 2022, in accordance with sections 121(3)(j), 166(2)(b) and (c) of the Municipal Finance Management Act ("the MFMA").

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

In compliance with Section 166(2) of the MFMA, Council has an Audit Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the Municipality, on matters relating to:

- Internal financial control and internal audits;
- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements;
- Performance management;
- Governance;
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit Committee Charter is reviewed by Council as when there are changes either in legislation or in the Institute of Internal Auditors standards or King Report of Corporate Governance to ensure the charter is up to date in with legislation and governance best practices. The Audit Committee consists of the members listed hereunder and meets as a minimum, four times a year as per the approved Audit Committee Charter. The previous Chairperson resigned due to personal circumstances effective 30 April 2022. As result, Council appointed one of the members of the Audit Committee as the new Chairperson. The Committee held six (6) meetings during the year and the Audit Committee Chairperson availed himself to present the Audit Committee oversight reports to Council meetings.

The Chairperson of the Audit Committee also met separately with the City Manager, the Chief Audit Executive and the Auditor General. The meetings of the Audit Committee were held as per the table below.

Date of meeting	Mrs. B Kemp	Mr. V Dlamini	Mr. T Maphumulo	Mr. M Shongwe	Mr. L Quayle
24 August 2021	✓	✓	✓	✓	✓
30 August 2021	✓	✓	✓	✓	✓
26 October 2021	✓	✓	✓	✓	✓
09 November 2021 (Cont.)	✓	✓	✓	✓	✓
22 February 2022	✓	✓	✓	✓	✓
19 April 2022	✓	✓	✓	✓	✓
21 June 2022	●	✓	✓	✓	✓

✓	Attended
●	Resigned

INTERNAL AUDIT FUNCTION

Internal Audit is an independent function reporting administratively to the City Manager and functionally to the Audit Committee. Internal Audit performs audits in terms of a three-year rolling audit plan and annual audit plan which are approved by the Audit Committee at the commencement of each financial year. Internal Audit reports to the Audit Committee on a quarterly basis regarding progress with the implementation of the approved plan as well as the outcome of audits conducted in terms of the approved plan and adhoc requests by the City Manager or the Chief Financial Officer. Internal Audit also performs follow-up audits to assess the implementation of agreed management action plans in response to reported internal audit findings. In addition to the approved internal audit plan, the Internal Audit Unit also conducts forensic investigations into allegations of fraud, corruption, theft, malfeasance or any other irregularities. The forensic investigations are conducted to address, inter alia, the following:

- Identifying improper conduct;
- Identifying the persons responsible for improper conduct;
- Reducing fraud and corruption;
- Sending a message throughout the municipality that fraud and corruption will not be tolerated;
- Determining the extent of potential liabilities or losses that might exist;
- Helping facilitate the recovery of losses;
- Reducing future losses;

- Facilitating criminal investigation and prosecution;
- Mitigating other potential consequences; and
- Strengthening internal control weaknesses.

The Internal Audit Charter as adopted by the Audit Committee regulates the work of Internal Audit. In terms of Section 165(1) of the MFMA each municipality is required to have an Internal Audit Unit. Section 165(3) allows the municipality to co-source the function if the municipality requires assistance to develop its internal capacity. During the current year, as in the previous year, Internal Audit was assisted by co-sourced resources.

Internal Audit structure and capacity

The Internal Audit Unit of the municipality remains a co-sourced function, with an established Internal Audit Unit operating under the Chief Audit Executive (CAE) and reporting to the Audit Committee, in which capacity for the performance of individual tasks within the annual audit plan is supplemented using external service providers.

As previously reported, the Internal Audit Unit remains under-capacitated as the vacancy rates remains at 52,4%.

The Audit Committee is concerned that the municipality's Internal Audit Unit is inadequately structured and resourced. The municipality is in a process of filling four (4) vacancies for junior which will create further burden to one audit senior as the span of control will create inefficiencies and ineffectiveness. The efforts by the municipality to fill vacancies does not go unnoticed by the Audit Committee, however, it is concerning that vacancies at management level have not been filled because the grading of these two posts in 2016 were not at a level that consummate with a municipality that is a secondary city / high-capacity municipality and non-delegated by National Treasury. The major hindrance has been exacerbated by the fact that the former City Manager approved the staff establishment without the adoption by Council and although South African Local Government Association (SALGA) perform the job evaluation on internal audit posts in the new staff establishment they could not give the evaluation to the Provincial Audit Committee for approval because the staff establishment had not been adopted by Council. The Unit will continue to rely heavily on consultants which creates its own challenges as there is no guarantee the outcome that is in accordance with the expectation by the CAE. This is however being dealt with by the Supply Chain Management and the CAE.

Internal Audit performance

The internal audit reports, with management comments, were presented to the Audit Committee meetings. Issues raised were deliberated and resolutions made to Council. The Audit Committee has previously reported its concern that the internal audit reports and findings raised therein are not responded to by management on a timely basis, and that the responses and action plans provided by management in response to the findings are too vague to facilitate timely resolution of the internal control weaknesses reported on a sustainable manner that can be tracked and for which officials can be held accountable.

The Committee noted the Internal Audit findings and the overall assessment of the control environment as well as the detailed recommendations proposed to strengthen controls and the management comments thereof. Council, Accounting Officer and General Managers are urged to implement the recommendations proposed and the resolutions of the Audit Committee which are endorsed by Council and MPAC. If the oversight by MPAC and Council is weak there will no improvement in the systems of internal control and the audit outcomes will continue to be negative.

The Chief Audit Executive (CAE) had direct access to the Audit Committee primarily through the Chairperson. Significant intervention was required by the Audit Committee in ensuring that the work of both internal audit and external audit, as well as the relationship between management and the auditors, was appropriately facilitated and guided where necessary in a manner that was independent and constructive. The Audit Committee was able to achieve this throughout the audit and will ensure that in future is fulfil its responsibilities as per its charter.

The Audit Committee had to deal with complaints by the CEA of infringement of the independence of the internal audit function by the then City Manager at least on two occasions. These were resolved with the then City Manager by explaining to him what standards by the institute of internal auditors, King iv report on corporate governance and internal audit charter and the matter was resolved.

SYSTEM OF INTERNAL CONTROL

As has been consistently reported in previous years and in the previous reports for the past number of years, the Committee remains concerned that many of the Internal Audit reports indicate that the design and the operation of the systems of internal control are inadequate and ineffective, respectively and require urgent attention. Furthermore, the Audit Committee remains concerned that many of the recommended actions from previous Internal Audit reports and resolutions taken by the Audit Committee are not being actioned and may result in negative audit outcomes. This concern was reported to the City Manager and Council that management be held accountable for clear reduction in the number of unresolved recommendations and tangible improvement to the system of internal control.

In the year under review, inadequate progress has been made in improving the system of internal control in place to accurately measure, read electricity and water meters, bill, record, report and collect revenue from consumer and rates debtors and to minimise water and electricity losses. The failure of consumers to pay amounts owing to the municipality, and the municipality's inability to effectively collect the amounts owing, continue to threaten the municipality's cash flows as well going concern and have a direct impact on the municipality's ability to fill the critical vacant positions and information systems in place. The municipality cannot sustain its operations to improve basic service delivery. This has an exponential weakening impact on the systems of internal control at the municipality. Firstly, because those positions that exist to implement internal control processes are not filled, and secondly because other employees are then expected to perform the internal control tasks of more than one position. This leads to increased human error, the need for employees to prioritise between controls that they do and do not implement, exhaustion, apathy and under-performance in general. Under these conditions, the system of internal control is very unlikely to improve.

RISK MANAGEMENT

The Audit Committee is pleased that the position of the Chief Risk Officer (CRO) has been filled and that the CRO has been in attendance at the Audit Committee meetings since his appointment.

Risk assessment

Although the CRO has reported that he has commenced with risk management activities which started with risk assessment. We however have not been provided with a comprehensive report. Hereunder is a summary of the key strengths which is a foundation which the CRO found in the municipality and weaknesses that the Audit Committee has identified in the year under review:

Strengths

- The existence of the Council approved risk management and, anti-fraud and corruption policies.
- The existence of risk management methodology.
- Development of action plans against six strategic objectives of the municipality to address risks poses a threat against them.
- The appointment of the Chief Risk Officer to coordinate and support risk management efforts.
- The reporting of the Chief Risk Officer to Accounting officer, given the latter's responsibility in terms of MFMA for risk management.

Weaknesses

- Risk Management Committee is not effective.
 - Poor risk management initiatives
 - Risk registers ownership not taken up by respective business functions within the Municipality.
 - Risk management does not feature as the standing item of the management agenda of all business functions.
 - No mechanism in place to communicate any changes to the business unit's risk registers to Chief Risk Officer.
 - Risk Management Committee not being chaired by independent person who is not in the employ of the Municipality.
 - Performance indicators to measure the value add of risk management activity not developed.
 - Responsibilities of risk management not adequately incorporated in the performance agreements of relevant officials.
 - Responsibilities of Risk Management Unit not being communicated throughout the Municipality.
 - Reports to Executive Committee and Council requiring decisions to be taken do not highlight possible risks associated with the decisions of Council.
 - Fraud and corruption risk register not regularly monitored and strengthen to deal with materialization of risks e.g. at the Pay Office, Revenue, overtime, abuse of municipal vehicles and absenteeism by employees.
 - The risk management function not appropriately staffed.
- Whilst the basics are in place for effective risk management to continue, the active management of risk, as with the active management of performance, needs to become ingrained in the day-to-day management of daily operations at the municipality and in the reporting structures in order to become effective at identifying risks, assessing them and in mitigation strategies that will actually be effective in risk management within the context of this municipality.

We urge the City Manager to attend to the concerns of the Audit Committee on risk management in the municipality.

FINANCIAL MANAGEMENT AND REPORTING

The Audit Committee reviews reports compiled by management in terms of sections 56, 66, 71 and 72 on a monthly or bi-annual basis as required. The Audit Committee reviewed the reports submitted to it. The Audit Committee also received report on the audit of these reports as per Internal Audit Reports by the CAE. The Committee continuously raises concerns relating to the credibility of these reports on the following bases, and emphasizes them again in this report:

- The figures included in the reports are drawn from the SAP systems and require significant manual input as the systems are still not able to provide the information required in the formats required. The mSCOA module is not functional on SAP. This increases the risk of human error in the information included in these reports. In addition, the Audit Committee has raised concerns over the credibility of the reviews of these reports before being submitted to Council structures for decision-making and oversight.
- The narratives included in the reports explaining the reasons for budget variances are continually inadequate. The explanations given are merely a statement that there is an over or under expenditure, but do not give the reason for this. Failure to provide proper narratives for variances results in root causes not being identified and subsequent failure to address these root causes.
- The General Managers are not compelled to account for any material variances from the municipal projected revenue by source, and from the municipality's expenditure projections per vote.
- There are no remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approve budget.

There has been no significant change in previous concerns raised by the Committee relating to the accuracy and completeness of the information contained in these reports, as well as to the late or non-submission of these reports for review by the Committee. This is particularly concerning when the preparing and reporting of these reports is a legislated requirement and failure to do so results in non-compliance with laws and regulations.

The root cause of inaccurate reporting, previously reported by the Audit Committee as relating to ongoing challenges in the implementation and effectiveness of the SAP ERP system, and which in the previous year, the Committee reported was taking unacceptably long to resolve, remains unresolved even a year later. This is an example of a root cause that cannot be remedied through normal internal control processes and requires a solution that is driven by leadership. It must be aimed at properly understanding the requirements and finding a focused solution in which role players are held accountable for performance. This is an example of a number of significant challenges faced by the municipality which require problem-solving leadership to resolve, rather than being left to ordinary processes or to levels of management who do not have either the strategic vision to find solutions or do not have the authority to put such solutions in place.

As in the previous years, concerns have been raised with management regarding the quality and usefulness of the narratives and explanations included in these reports, as well as to a lack of proper review of the reports before submission through the Council structures, leading to a failure to detect and correct errors in these reports.

The Audit Committee raised specific concerns relating to the content of matters reported, and for the purposes of this report wish to highlight the following critical items:

- Billing inaccuracies;
- Inability to collect consumer debtors;

- Insufficient spending of conditional grants;
- Excessive overtime expenditure;
- Fraud on overtime, absenteeism & abuse of municipal vehicles raised by the CAE in a number of reports;
- Unacceptably high vacancy levels,
- Paying huge scarce skills allowance yet the municipality is paying huge amount of money consulting engineers;
- Fraud on travelling allowance on claims; and
- The use of consultants instead of filling of vacant positions.

PERFORMANCE MANAGEMENT

A performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed.

The Audit Committee participated in the performance reviews of the Section 56 managers for the 2021/2022 year. However, based on these reviews, the Audit Committee would like to re-iterate to Council the following observations previously reported:

- The municipality is advised to improve on KPIs and performance indicators to make them more quantitative output driven than qualitative the case is, it must also focus on the outcomes as the reports by internal audit unit on the review of the SDBIP has reported on this in two consecutive years and to make the measurement thereof clearer.
- The municipality is encouraged to unpack KPIs that require transversal co-operation, for example SCM, into standard operating procedures that can isolate the responsibilities of user departments within these processes to avoid explanations for underperformance such as "SCM still in progress" or "insufficient budget".

INFORMATION AND COMMUNICATION TECHNOLOGY

The Committee continues to monitor the ICT activities of the Municipality in terms of the governance reports and is now able to focus on the management of IT risk, the resolution of IT related findings raised by internal audit and the AGSA, and matters included in the reporting to the Audit Committee.

- On-going ICT related concerns are:
- On-going unresolved SAP issues;
- Budget available to ICT to provide stable and reliable architecture not adequate;
- Capacity to resolve internal help-desk queries;
- Disaster recovery;
- Key-man fragility in ICT;
- The number of repeat findings in the AGSA's ICT management report; and
- The ability of specialized service providers to actually delivery on SAP/MSCOA compliant projects and the possibility of further fruitless and wasteful expenditure on SAP consultants.

The Audit Committee noted with concern of the slow pace in which the Municipality is addressing the SAP ERP legacy issues and that of ensuring that the ERP is mSCOA compliant including the HRM including the Pay Office fraud. Furthermore, some projects aimed to address the ICT aging infrastructure remained unaddressed as a result of lack of available funding. The Committee recommends an ongoing assessment of ICT risks, and intentional implementation of mitigation strategies in order to avoid a catastrophic situation caused by the aging infrastructure.

The Audit Committee recommends that implementation of ICT general controls across business applications and the supporting infrastructure should be prioritised in order to ensure that the confidentiality, integrity, and availability information systems are not compromised. Furthermore, the Audit Committee recommends that among other activities, the ICT Steering Committee should implement measures to ensure that previously reported issues are indeed addressed, as well as ensure that all critical ICT related projects are resources optimally to ensure successful delivery including having an assurance function within the project Steering team.

GOVERNANCE & CONTROL ENVIRONMENT

Good governance entails addressing the needs of the public through consultation and communication; and being accountable to the citizens of Msunduzi as required by the Municipal Systems Act, 2000 (Act 32 of 2000). The control environment remains weak. The overall audit outcomes for the municipality as reported by the Auditor General has regressed and this has been caused by challenges in Revenue which are mentioned above. There is lack of consequence management for poor performance and fraud, theft, breach of the code of conduct and financial misconduct. The control environment indicates lack of basic controls such as review and supervision by management, regular oversight, inadequate action plans as well as the action plans not being realistic to address the significant weaknesses identified.

COMPLIANCE WITH LAWS AND REGULATIONS

Procurement in the municipality is not consistently implemented observing the Supply Chain Management legislation these actions result in issues of Unauthorised, Irregular, Fruitless and Wasteful expenditure. Compliance with legal and financial implications should always be properly articulated to allow for appropriate decision making.

The Audit Committee has previously raised concerns relating to the continuing use of emergency deviations relating to strip-and-quote repairs for municipal vehicles, both in Audit Committee meetings and in our previous report to Council. For the period covered by this report, this matter remains unresolved, although management has put processes in place to secure a panel of service providers for this and to improve internal processes. In this context the Audit Committee would like to highlight the length of time being taken to resolve this issue, in the light of it being previously brought to the attention of Council.

EXTERNAL AUDIT BY AUDITOR-GENERAL OF SOUTH AFRICA (AGSA)

The Committee is concerned that the municipality obtained a qualified audit opinion, however, it accepts this opinion as issued by the Auditor-General on the annual financial statements of the municipality for the year ended 30 June 2022. These financial statements are prepared in accordance with the South African Standards of Generally Recognized Accounting Practice (SA Standards of GRAP), the requirements of the MFMA and DoRA.

The Audit Committee noted with concerns the following material irregularities as reported by the Auditor General:

- Poor management of the New England Landfill site;
- Payments made to a manager that never reported for duty (It was noted that recovery process is progress);
- Forgone revenue at the landfill site due to the breakdown of the weighbridge (The City Manager is in the process of implementing remedial actions);
- Failure to collect revenue from the sale of Timber (the matter is under investigation by internal audit);
- Failure to fully implement credit control policy;
- Expenditure at the homeless shelter could not be verified; and
- Payments made to a service provider for work not done.
- In addition to the qualified audit opinion obtained by the municipality, the audit outcomes related to performance information as well as revenue. The compliance with laws and regulations continue to reflect ongoing deficiencies in planning, recording and reporting on service delivery, and in day-to-day financial management requirements. These deficiencies cut across multiple business units, where these business units are the custodians of service delivery and are responsible for internal controls related to financial management and compliance with laws and regulations relevant to their day-to-day areas of responsibility.
- The Audit Committee encourages all business units to entrench a culture of accountability and sound financial management and discipline on a daily basis and in all levels of operations of the municipality. It is critical that senior management and Council create an ethical environment in which ethics and accountability form the basis of all municipal activities. The message from Council of zero tolerance for underperformance and unethical behaviour needs to be clear, consistent and tangible.

FORENSIC INVESTIGATIONS

Section 166(2) (d) of the Municipal Finance Management Act, 56 of 2003 [MFMA] gives powers to the Audit Committee to carry out investigations into the affairs of the municipality or municipal entity as the council of the municipality, or in the case of the municipal entity, the council of the parent municipality or the board of directors of the entity, may request.

During the period under review, eighteen (18) allegations were investigated and fourteen (14) finalized and four (4) in a draft form and were being reviewed by the CAE. The forensic investigations revealed the following irregularities; issuing of fake business licenses through uttering, irregular appointment of staff, material irregularities raised by the Auditor General on disinfection of rans and halls, revenue forgone at the Landfill Site and procurement fraud.

Thirty (30) cases are under investigation by the Directorate of Priority Crimes and three (3) cases of fraud and corruption are part heard at Durban Specialized Commercial Crime Court. Two cases worth R57 million are with the Anti-Corruption Task Team and investigations are Prosecutor driven and to these relate cases finalized by Internal Audit in the year 2019/20.

CONCLUSION

The Committee will continue to monitor progress being made by the municipality in improving overall governance, systems of internal control, risk management as well as performance management. In addition, the Audit Committee concurs with and accepts the conclusions of both the Internal Audit and the Auditor-General on the matters they have raised during the audits.

The effort of internal audit unit to fight the scourge of fraud, corruption, theft, and other gross irregularities should be supported by Council and Accounting Officer.

Council should note that criminal and other irregular conduct in the organs of state and private bodies are detrimental to good, effective, accountable and transparent governance and can endanger the economic stability of the Republic of South Africa and have the potential to cause social damage.

Council should play a vigorous oversight on disciplinary cases and recovery processes of losses incurred by the municipality during the commission of misconduct or a criminal act by employees and service providers to ensure that the City Manager implements the resolutions emanating from forensic investigation reports.

The City Manager should hold relevant management accountable for all serious transgressions identified in the forensic investigation reports, including but not limited to incidents of fraud on overtime, vehicle abuse and absenteeism of staff as these incidents are happening under their watch on daily basis.

The Committee wishes to express its sincere appreciation to the Accounting Officer, the acting Accounting Officer, Senior Management, MPAC, Portfolio Committees, Executive Committee, Council and staff for their co-operation and support.

Chairperson: Audit Committee
Mr. V.E. Dlamini

CHAPTER 8 – ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

Legal form of entity	Category B Municipality in terms of section 12 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) read with section 155(1) of the Constitution of the Republic of South Africa (Act 108 of 1996) and Municipal Finance Management Act No. 56 of 2003.
Nature of business and principal activities	The primary function of Msunduzi Local Municipality is to provide basic services i.e. water, electricity, sanitation and refuse to the Msunduzi jurisdiction. Msunduzi Local Municipality is controlled by a Mayor, Deputy Mayor, Speaker, Chief Whip, ten Executive Committee members, the Accounting Officer and five General Managers who contribute to day-to-day management.
Executive Committee	Mayor - Mzimkhulu Thebolla Deputy Mayor - Mxolisi Mkhize Bongani Dumsani Mbona Bongumusa Nhlabathi Hlelelwa Madlala Ntombizethu Precious Sokhela Prudence Nokuthula Msimang Ross Strachan Thinasonke Dennis Ntombela Zanele Ngcobo
Councillors	Speaker - Nomagugu Eunice Majola Chief Whip - Sandile Dlamini Municipal Public Accounts Committee Chairperson - Zwelinjani Magubane Aurina Nomathemba Phungula Beatrice Nombuyiselo Mkize Bhekuwenza Mkhize Bukelani Ephraim Zuma Dorcas Mkhize Douglas Leslie Roberts Dumisani Bernard Phungula Edit Elliott Garth F.W. Middleton Gladness Mncwango Godman Dlamini Hamilton Zondi Haroon Kemp Jabulisile Joyce Ngubo Khulekani Msomi Kwazikwakhe Madonda Lungile Ruth Mgaga Mabhungu Moses Mkhize Magalingam Naicker Mbongeni Jetro Shezi Mbusiswa Hencefort Mkhize Mduduzi Clive Nduli Mduduzi Cyril Mshengu Michael Bhekabantu Zuma Michael Bond Mphilisi Instance Ndlovu Msawakhe Bhengu Mshushisi Ngubane Mthetho Ephraim Mpulo Mysie Mbuto Nkosinathi Masoeu Nkosinathi Mbanjwa Nomalady Dlela Nomfundo Ndlovu Nomusa Wendy Mncube Philisiwe Sithole Phumlani Gabuza Pretty Nelisiwe Maphanga Rachel Soobiah Randall John Adams Regina Ngubo Rienus Niemand Rooksana Ahmed Roy Ram Sandile Gcabashe Sandra Patricia Lyne Sanele Protas Mpulo Sanele Russel Zuma Sbongumusa Zuma

Grading of local authority**Accounting Officer****Chief Finance Officer (CFO)****Registered office****Business address****Postal address****Controlling entity****Economic entity****Bankers****Auditors****Telephone****Facsimile****Legislation governing the municipality's operations**

Sibusiso Alfred Mkhize
 Sibusiso Chonco
 Simphiwe Buthelezi
 Sinenhlanhla Love-Joy Ndlovu
 Sinothi Jerome Nkabini
 Siphamandla Madlala
 Siphwe Phungula
 Skhanyiso Makhaye
 Stanley Ntuthuko Mncwabe
 Suraya Reddy
 Tandanam Ntombela
 Thandiwe Mkhize
 Themba Cyril Ngubane
 Thembile P Mzila
 Thembinkosi Zondi
 Tholakele Cele
 Tholakele Ignatia Dlamini
 Victoria Mavie Phungula
 Vusi Percival Ngwenya
 Category - B

Lulamile H. Mapholoba
 Nelisiwe Margaret Ngcobo

The City Hall
 260 Church Street
 Pietermaritzburg
 3201

The City Hall
 260 Church Street
 Pietermaritzburg
 3201

The City Hall
 Private Bag X321
 Pietermaritzburg
 3200

Msunduzi Local Municipality

Safe City Msunduzi NPC

First National Bank

The Auditor General of South Africa

(033) 392 2002

(033) 392 2208

Municipal Finance Management Act (Act 56 of 2003)

The Constitution of the Republic of South Africa (Act 108 of 1996)

Municipal Structures Act (Act 117 of 1998) Municipal Systems Act (Act 32 of 2000)

Municipal Property Rates Act (Act 6 of 2004)

Division of Revenue Act (Act 1 of 2007)

Municipal Demarcation Act (Act 27 of 1998)

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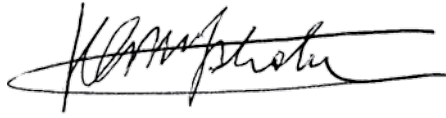
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ABBREVIATIONS

ASB	Accounting Standards Board
COID	Compensation for Occupational Injuries and Diseases
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
FNB	First National Bank
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
KZN	Kwazulu Natal
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
NATIS	National Traffic Information System
NJMPF	Natal Joint Municipal Pension Fund
NPA	Natal Provincial Administration
PAYE	Pay As You Earn
UIF	Unemployment Insurance Fund
VAT	Value Added Taxation

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

Need word version.



Accounting Officer
Lulamile H. Mapholoba

Pietermaritzburg
Monday, 12 December 2022

STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	3	367 397 459	353 716 815
Short term investment	4	32 670 009	32 311 434
Receivables from exchange transactions	5	21 113 837	13 879 333
Statutory receivables	6	516 960 589	550 359 028
Consumer debtors	7	1 315 073 345	1 640 228 436
Cash and cash equivalents	8	289 152 840	359 519 552
		2 542 368 079	2 950 014 598
Non-Current Assets			
Agricultural assets	9	80 200 000	96 300 000
Living resources	10	696 179	743 574
Heritage assets	11	273 106 020	272 918 984
Intangible assets	12	20 954 448	24 463 571
Investment property	13	925 219 355	891 933 607
Property, plant and equipment	14	6 908 465 877	6 771 582 107
Other financial assets	15	-	-
		8 208 641 879	8 057 941 843
Total Assets		10 751 009 958	11 007 956 441
Liabilities			
Current Liabilities			
Consumer deposits	16	132 962 378	120 647 886
Other financial liabilities	17	79 162 900	81 573 484
Transfers payable (non-exchange)	18	20 091 631	21 715 043
Payables from exchange transactions	19	1 925 228 675	1 389 326 632
Provisions	20	7 591 978	9 473 444
Employee benefit obligation	21	41 526 001	39 852 001
Unspent conditional grants and receipts	22	136 087 525	179 373 712
VAT payable	23	178 111 817	179 672 591
		2 520 762 905	2 021 634 793
Non-Current Liabilities			
Other financial liabilities	17	124 581 612	203 744 512
Employee benefit obligation	21	589 320 000	555 608 000
Provisions	20	61 113 708	55 141 588
		775 015 320	814 494 100
Total Liabilities		3 295 778 225	2 836 128 893
Net Assets		7 455 231 733	8 171 827 548
Accumulated surplus	24	7 253 400 681	7 980 838 526
Capital replacement reserve	25	785 902	724 892
Housing development fund	26	105 694 250	95 126 533
Revaluation reserve	27	95 350 900	95 137 597
Total Net Assets		7 455 231 733	8 171 827 548

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Agency services	28	2 139 483	1 931 382
Interest - consumer debtors and receivables	29	148 962 699	144 311 904
Interest received - bank, call and investment accounts	30	10 445 070	8 455 919
Licences and permits	31	984 210	602 789
Operational revenue	32	54 551 729	44 675 656
Rental of facilities and equipment	33	25 415 308	14 558 911
Rendering of services	34	11 233 135	9 124 355
Sale of goods	35	240 065	195 821
Service charges	36	3 619 871 213	3 206 751 663
Total revenue from exchange transactions		3 873 842 912	3 430 608 400
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	37	1 211 348 604	1 232 330 305
Interest from non-exchange receivables	38	50 189 792	38 479 755
Transfer revenue			
Fines, penalties and forfeits	39	14 488 973	16 062 035
Government grants and subsidies	40	1 050 402 242	1 256 029 137
Other transfers	41	60 000	2 197 376
Total revenue from non-exchange transactions		2 326 489 611	2 545 098 608
Total revenue		6 200 332 523	5 975 707 008
Expenditure			
Bad debts written off	42	(83 779 107)	(390 096 130)
Bulk purchases	43	(2 950 207 305)	(2 659 404 299)
Debt impairment	44	(1 003 762 757)	(236 403 910)
Depreciation and amortisation	45	(365 699 314)	(372 532 037)
Employee related costs	46	(1 483 036 965)	(1 418 425 769)
Finance costs	47	(26 915 534)	(35 856 007)
General expenses	48	(693 376 753)	(549 627 353)
Inventory consumed	49	(84 307 652)	(58 158 321)
Operational costs	50	(120 406 042)	(128 891 893)
Operating leases	51	(29 162 299)	(26 036 599)
Remuneration of councillors	52	(49 529 446)	(51 641 246)
Transfers and subsidies	53	(32 412 674)	(16 870 305)
Total expenditure		(6 922 595 848)	(5 943 943 869)
Operating (deficit) surplus		(722 263 325)	31 763 139
Actuarial gains/(losses)	54	1 504 320	(18 190 156)
Fair value adjustments on investment property(gains)	55	16 517 173	42 197 500
Fair value on agricultural assets gains/(losses)	56	(16 100 000)	21 054 552
Gains/(losses) on disposal of assets		4 361 951	(10 483 210)
Impairment loss	57	(6 911 518)	(7 730 183)
Inventory losses	58	(2 687 271)	(3 655 242)
		(3 315 345)	23 193 261
(Deficit) surplus for the year		(725 578 670)	54 956 400

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand

	Revaluation reserve	Housing development fund	Capital replacement reserve	Total reserves	Accumulated surplus / deficit	Total net assets
Balance at 01 July 2020	95 264 535	93 528 758	2 053 876	190 847 169	7 895 820 999	8 086 668 168
Changes in net assets						
Devaluation of Heritage assets	(126 938)	-	-	(126 938)	-	(126 938)
Cash utilised for capital expenditure	-	-	(1 352 943)	(1 352 943)	1 352 943	-
Prior year adjustment	-	-	-	-	30 329 918	30 329 918
Net income (losses) recognised directly in net assets	(126 938)	-	(1 352 943)	(1 479 881)	31 682 861	30 202 980
Surplus for the year	-	-	-	-	54 956 400	54 956 400
Total recognised income and expenses for the 12 months	(126 938)	-	(1 352 943)	(1 479 881)	86 639 261	85 159 380
Interest earned on investment	-	1 597 775	23 959	1 621 734	(1 621 734)	-
Total changes	(126 938)	1 597 775	(1 328 984)	141 853	85 017 527	85 159 380
Restated* Balance at 01 July 2021	95 137 597	95 126 533	724 892	190 989 022	7 980 838 526	8 171 827 548
Changes in net assets						
Revaluation of heritage assets	213 303	-	-	213 303	-	213 303
Transfer to HDF	-	8 769 552	-	8 769 552	-	8 769 552
Net income (losses) recognised directly in net assets	213 303	8 769 552	-	8 982 855	-	8 982 855
Deficit for the year	-	-	-	-	(725 578 670)	(725 578 670)
Total recognised income and expenses for the year	213 303	8 769 552	-	8 982 855	(725 578 670)	(716 595 815)
Interest earned on investment	-	1 798 165	61 010	1 859 175	(1 859 175)	-
Total changes	213 303	10 567 717	61 010	10 842 030	(727 437 845)	(716 595 815)
Balance at 30 June 2022	95 350 900	105 694 250	785 902	201 831 052	7 253 400 681	7 455 231 733
Note(s)	27	26	25		24	

CASH FLOW STATEMENT

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		4 392 383 696	4 038 401 145
Interest income		10 236 357	8 050 166
Interest received - consumer debtors		23 341 885	14 893 006
Government grants		1 015 885 607	1 254 551 714
		5 441 847 545	5 315 896 031
Payments			
Employee costs		(1 485 204 638)	(1 414 140 111)
Suppliers		(3 393 322 259)	(3 323 418 740)
Finance costs		(27 182 033)	(36 203 064)
		(4 905 708 930)	(4 773 761 915)
Net cash flows from operating activities	59	536 138 615	542 134 116
Cash flows from investing activities			
Purchase of tangible non current assets		(527 870 224)	(554 581 526)
Proceeds from sale of property, plant and equipment	14	5 825 155	-
Purchase of intangible assets	12	(2 528 200)	(28 654)
(Increase)/decrease in other financial assets		-	69 164
(Increase)/decrease in short term investment		(358 575)	(32 311 434)
Net cash flows from investing activities		(524 931 844)	(586 852 450)
Cash flows from financing activities			
Repayment of other financial liabilities		(81 573 483)	(113 418 258)
Net increase/(decrease) in cash and cash equivalents		(70 366 712)	(158 136 592)
Cash and cash equivalents at the beginning of the year		359 519 552	517 656 144
Cash and cash equivalents at the end of the year	8	289 152 840	359 519 552

STATEMENT OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue by Source						
Property rates	1 321 378 575	1	1 321 378 576	1 211 348 604	(110 029 972)	Refer to Note 81 for variance analysis comparison
Service charges - electricity revenue	2 961 894 451	(1)	2 961 894 450	2 549 854 260	(412 040 190)	
Service charges - water revenue	773 217 412	-	773 217 412	773 657 197	439 785	
Service charges - sanitation revenue	160 154 913	-	160 154 913	182 241 050	22 086 137	
Service charges - refuse revenue	122 556 901	-	122 556 901	114 118 706	(8 438 195)	
Rental of facilities and equipment	30 634 512	1	30 634 513	25 415 308	(5 219 205)	
Interest received - external investments	16 076 855	-	16 076 855	10 445 070	(5 631 785)	
Interest received - outstanding debtors	213 289 286	-	213 289 286	199 152 491	(14 136 795)	
Fines, Penalties and Forfeits	1 894 810	(36)	1 894 774	14 488 973	12 594 199	
Licences and permits	1 179 465	-	1 179 465	984 210	(195 255)	
Agency services	634 104	-	634 104	2 139 483	1 505 379	
Transfers and subsidies	661 215 835	34 120 202	695 336 037	681 677 625	(13 658 412)	
Other revenue	154 287 075	(119)	154 286 956	66 084 928	(88 202 028)	
Gains	-	-	-	20 879 124	20 879 124	
Total Revenue (excluding capital transfers and contributions)	6 418 414 194	34 120 048	6 452 534 242	5 852 487 029	(600 047 213)	
Expenditure By Type						
Employee related costs	(1 538 089 743)	33 389 451	(1 504 700 292)	(1 468 960 683)	35 739 609	
Remuneration of councillors	(56 332 922)	14	(56 332 908)	(49 529 446)	6 803 462	
Debt Impairment	(150 000 000)	(350 000 000)	(500 000 000)	(1 003 762 757)	(503 762 757)	
Depreciation & asset impairment	(421 872 298)	954 309	(420 917 989)	(372 610 829)	48 307 160	
Finance charges	(34 724 271)	1	(34 724 270)	(26 915 534)	7 808 736	
Bulk purchases - electricity	(2 185 393 029)	(33 000 000)	(2 218 393 029)	(2 212 724 552)	5 668 477	
Inventory consumed	(830 520 119)	(10 386 829)	(840 906 948)	(821 790 405)	19 116 543	
Contracted services	(655 391 205)	(75 839 215)	(731 230 420)	(694 880 791)	36 349 629	
Transfers and subsidies	(45 862 883)	(15 357 069)	(61 219 952)	(32 412 674)	28 807 278	
Other expenditure	(200 227 523)	1 896 366	(198 331 157)	(160 636 256)	37 694 901	
Losses	-	(96 200 000)	(96 200 000)	(102 566 378)	(6 366 378)	
Total expenditure	(6 118 413 993)	(544 542 972)	(6 662 956 965)	(6 946 790 305)	(283 833 340)	
Operating deficit	300 000 201	(510 422 924)	(210 422 723)	(1 094 303 276)	(883 880 553)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	380 796 576	86 400 648	467 197 224	368 724 606	(98 472 618)	
Deficit before taxation	680 796 777	(424 022 276)	256 774 501	(725 578 670)	(982 353 171)	
Surplus/(Deficit) for the year	680 796 777	(424 022 276)	256 774 501	(725 578 670)	(982 353 171)	

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventory	173 496 047	180 220 768	353 716 815	367 397 460	13 680 645	Refer to Note 81 for variance analysis comparison
Consumer debtors	2 549 906 678	427 000 000	2 976 906 678	1 315 073 345	(1 661 833 333)	
Other debtors	729 641 519	-	729 641 519	538 074 425	(191 567 094)	
Cash	355 836 461	(99 484 551)	256 351 910	321 822 849	65 470 939	
	3 808 880 705	507 736 217	4 316 616 922	2 542 368 079	(1 774 248 843)	
Non-Current Assets						
Long term receivables	120	-	120	-	(120)	
Investment property	821 671 435	-	821 671 435	893 009 508	71 338 073	
Property, plant and equipment	6 755 609 329	138 483 629	6 894 092 958	6 943 203 924	49 110 966	
Biological	1 070 250	-	1 070 250	696 179	(374 071)	
Intangible	30 700 413	-	30 700 413	18 426 248	(12 274 165)	
Other non-current assets	360 375 179	-	360 375 179	353 306 019	(7 069 160)	
	7 969 426 726	138 483 629	8 107 910 355	8 208 641 878	100 731 523	
Total Assets	11 778 307 431	646 219 846	12 424 527 277	10 751 009 957	(1 673 517 320)	
Liabilities						
Current Liabilities						
Borrowing	95 346 078	(13 772 594)	81 573 484	79 162 900	(2 410 584)	
Consumer deposits	114 344 431	-	114 344 431	132 962 378	18 617 947	
Trade and other payables	945 608 982	-	945 608 982	2 259 519 635	1 313 910 653	
Provisions	140 397 812	-	140 397 812	49 117 979	(91 279 833)	
	1 295 697 303	(13 772 594)	1 281 924 709	2 520 762 892	1 238 838 183	
Non-Current Liabilities						
Borrowing	377 458 041	-	377 458 041	124 581 612	(252 876 429)	
Provisions	809 779 415	-	809 779 415	650 433 708	(159 345 707)	
	1 187 237 456	-	1 187 237 456	775 015 320	(412 222 136)	
Total Liabilities	2 482 934 759	(13 772 594)	2 469 162 165	3 295 778 212	826 616 047	
Net Assets	9 295 372 672	659 992 440	9 955 365 112	7 455 231 745	(2 500 133 367)	
Net Assets						
Community wealth						
Reserves						
Reserves	228 913 258	-	228 913 258	201 831 052	(27 082 206)	
Accumulated surplus	9 066 459 414	659 992 440	9 726 451 854	7 253 400 693	(2 473 051 161)	
Total Net Assets	9 295 372 672	659 992 440	9 955 365 112	7 455 231 745	(2 500 133 367)	

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Property rates	1 228 882 075	-	1 228 882 075	1 149 564 108	(79 317 967)	Refer to Note 81 for variance analysis comparison
Service charges	3 495 506 596	-	3 495 506 596	3 166 809 930	(328 696 666)	
Other revenue	187 682 426	-	187 682 426	76 009 657	(111 672 769)	
Transfers and subsidies - operational	661 215 835	34 120 202	695 336 037	686 988 866	(8 347 171)	
Transfers and subsidies - capital	380 796 576	86 400 648	467 197 224	328 896 741	(138 300 483)	
Interest	229 366 141	-	229 366 141	33 578 242	(195 787 899)	
	6 183 449 649	120 520 850	6 303 970 499	5 441 847 544	(862 122 955)	
Payments						
Suppliers and employees	(5 465 954 566)	(83 940 188)	(5 549 894 754)	(4 853 520 047)	696 374 707	
Finance charges	(34 724 272)	2	(34 724 270)	(27 182 033)	7 542 237	
Transfers and grants	(45 862 883)	(15 357 069)	(61 219 952)	(25 006 849)	36 213 103	
	(5 546 541 721)	(99 297 255)	(5 645 838 976)	(4 905 708 929)	740 130 047	
Net cash flows from operating activities	636 907 928	21 223 595	658 131 523	536 138 615	(121 992 908)	
Cash flows from investing activities						
Proceeds on disposal of PPE	-	11 311 446	11 311 446	5 825 155	(5 486 291)	
Decrease/(increase in non current receivables	120	(120)	-	-	-	
Decrease/(increase) in current assets	-	-	-	(358 575)	(358 575)	
Capital assets	(576 301 627)	(138 483 629)	(714 785 256)	(530 398 424)	184 386 832	
Net cash flows from investing activities	(576 301 507)	(127 172 303)	(703 473 810)	(524 931 844)	178 541 966	
Cash flows from financing activities						
Borrowing long term/refinancing	100 000 000	(100 000 000)	-	-	-	
Repayment of borrowing	(91 637 534)	-	(91 637 534)	(81 573 483)	10 064 051	
Net cash flows from financing activities	8 362 466	(100 000 000)	(91 637 534)	(81 573 483)	10 064 051	
Net increase/(decrease) in cash and cash equivalents	68 968 887	(205 948 708)	(136 979 821)	(70 366 712)	66 613 109	
Cash and cash equivalents at the beginning of the year	286 867 695	106 464 036	393 331 731	359 519 552	(33 812 179)	
Cash and cash equivalents at the end of the year	355 836 582	(99 484 672)	256 351 910	289 152 840	32 800 930	

Transfers and subsidies approved budget was revised upwards due to the additional allocations received.

Employee related costs approved budget was decreased due to initial over budgeting.

Debt impairment, bulk purchases, inventory consumed, contracted services, transfers and subsidies and losses was revised upwards due to under budgeting.

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003). The reporting framework is as prescribed by the Accounting Standards Board in Directive 5.

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Materiality

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

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

1.4 Significant judgments and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Allowance for slow moving, damaged and obsolete inventories

An allowance for inventories to write inventories down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the inventory losses note 58.

Impairment testing

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of property, plant and equipment

The municipality's management determines the estimated useful lives and related depreciation charges for all assets. These estimates are based on the National Treasury Guideline. This estimate is based on the industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

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

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 21 - Employee benefits obligations.

Effective interest rate

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

Debt Impairment

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

1.5 Agricultural assets

The Municipality recognises agricultural assets or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the fair value or cost of the asset can be measured reliably.

Agricultural assets are measured at their fair value less costs to sell.

A gain or loss arising on initial recognition of agricultural assets or agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of agricultural assets is included in surplus or deficit for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined pre-tax rate where applicable is used to determine fair value.

The plantation harvested is derecognised at its fair value less costs to sell at the point of harvest.

1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services, or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

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

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on property, plant and equipment.

1.7 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment. Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

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

Infinite

Item	Depreciation method	Average useful life
Land		Infinite
Buildings	Straight line	5-50 years
Roads	Straight line	5-50 years
Plant and machinery	Straight line	5-15 years
Furniture and fixtures	Straight line	7-10 years
Motor vehicles	Straight line	5-10 years
System security	Straight line	5-10 years
Storm water drainage	Straight line	25 - 50 years
Airport Infrastructure	Straight line	20 years
Solid waste infrastructure	Straight line	5-10 years
Water and sanitation	Straight line	10 - 50 years
Major substations: buildings	Straight line	5-50 years
Transformers and related equipment	Straight line	50 years
Mains	Straight line	45 years
Street lighting	Straight line	50 years
Recreational facilities	Straight line	5-50 years
Fresh produce and other markets	Straight line	5-50 years
Fire engines	Straight line	20 years
Landfill site	Straight line	5-50 years
Transport facilities	Straight line	5-50 years
Fencing	Straight line	10 years
Heavy and mobile plant	Straight line	10-15 years
Bins and containers	Straight line	5-10 years
Office equipment	Straight line	5 - 10 years
Emergency equipment	Straight line	5 - 15 years
Electricity	Straight line	5 - 50 years
Security	Straight line	5 - 10 years

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

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

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

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 14).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 14).

1.8 Intangible assets

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

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

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

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

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

Item	Depreciation method	Average useful life
Computer software	Straight line	3-5 years
Servitudes		Indefinite

Intangible assets are derecognised:

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

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

1.9 Heritage assets

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses except for Artworks and jewellery.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an municipality's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

After recognition as an asset, all classes of heritage assets are carried at its cost less any accumulated impairment losses except for artworks and jewellery.

The Municipality measures artworks and jewellery using revaluation model.

After recognition as an asset, artworks and jewellery, whose fair value can be measured reliably, are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If artworks carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If artworks and jewellery carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assesses at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

At each reporting date conditions for impairment are conducted.

Classification

The municipality has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Short term investments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Consumer debtors	Financial asset measured at amortised cost

The Municipality has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The Municipality recognises a financial asset or a financial liability in its Statement of Financial Position when the entity becomes a party to the contractual provisions of the instrument.

The Municipality recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The Municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The Municipality measures all financial assets and financial liabilities after initial recognition using the financial instruments at amortised cost.

All financial assets measured at amortised cost, are subject to an impairment review.

Derecognition**Financial assets**

The Municipality derecognises financial assets using trade date accounting.

The Municipality derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the Municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the Municipality, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The Municipality removes a financial liability (or a part of a financial liability) from its Statement of Financial Position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

1.11 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the Statement of Financial Position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The Municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on 1.19 - Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on 1.20 - Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The Municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The Municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the Municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the Municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables is reduced through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

Derecognition

The Municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the municipality:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.12 Income Tax

The Municipality is exempted from income tax in terms of section 10(1)(a) of the Income Tax Act.

1.13 Leases

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

Operating leases - lessor

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

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

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

Operating leases - lessee

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

1.14 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at lower of cost and net realisable value except for land which is carried at current replacement cost.

Inventories are measured at the lower of cost and net realisable value where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Inventories contain land that has been designated for the purposes of housing developments by the Municipality. The land is initially measured at cost. The land shall be subsequently measured at its current replacement cost. The Municipality shall derecognise the land it no longer controls.

1.15 Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

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

Carrying amount is the amount at which an asset is recognised in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

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

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the depreciated replacement cost approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.16 Employee benefits

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

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

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

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

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

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

The municipality provides retirement benefits for its employees and councillors. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The Natal Joint Provident is a defined contribution plan. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable.

The Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Municipality has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Multi-employer plans and/or State plans and/or Composite social security programmes

The municipality classifies a multi-employer plan and/or state plans and/or composite social security programmes as a defined contribution plan.

Where a plan is a defined contribution plan, the municipality accounts for it in the same way as for any other defined contribution plan.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

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

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, less the fair value of plan assets(if any), of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date. The Municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Pension obligations

The Municipality's employees contribute to 6 different Pension Funds, of which the Natal Joint Provident and Retirement Pension Funds cater for the majority of the staff.

The following are defined contribution funds

- The Natal Joint Provident Fund
- The Natal Joint Pension Fund,
- Government Employees Pension Fund,
- Association Institution Pension Fund,
- South African Local Authorities Pension Fund and
- Municipal Councillors Pension Fund

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date. Past-service costs are recognised immediately against revenue.

The Municipality does not apply "defined benefit accounting" to the defined benefit funds to which it is a member where these funds are classified in terms of GRAP 25 as multi-employer plans, as sufficient information is not available to apply the principles involved. The City contributes to the defined benefit plans, which are governed by the Pension Fund Act of 1956 due to the nature of these funds and the fact that there is no consistent and reliable basis for allocating the obligation. Plan assets and cost to individual entities participating in the plan, these funds are accounted for as defined contribution funds in terms of paragraph 31 of GRAP 25, the total contributions are included in employee related costs. As a result, GRAP 25 is applied and such funds are accounted for as defined contribution funds. The Municipality's participation in these plans is limited to the obligation of its own employees.

The NJMPF Superannuation and Retirement funds have been treated as defined contribution plans although they are defined benefit funds.

Other post retirement obligations

The municipality provides post-retirement health care benefits, upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The municipality shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where the effect is material, non-current provisions are discounted to their present value using a prevailing prime rate at year end which reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability. The municipality uses the prevailing prime rate at year end.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Future events that may affect the amount required to settle an obligation shall be reflected in the amount of a provision where there is sufficient evidence of occurrence.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 65.

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognised in the financial statements of the period in which the change occurs.

A contingent liability is:

- (a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non occurrence
- (b) of one or more uncertain future events not wholly within the control of the entity; or
 - (i) a present obligation that arises from past events but is not recognised because:
 - (ii) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (iii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

1.18 Commitments

A commitment is a binding agreement to undertake operating and capital expenditure at some set time in the future which has not yet become an actual liability.

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash. Capital expenditure is expenditure incurred to purchase, upgrade or construct physical assets (for e.g. buildings) for which there will be a long-term benefit. Long-term is defined as longer than one year.

Operational expenditure is expenditure incurred to purchase goods or services for which there will be a short-term benefit and which has been incurred in the normal course of business. Short-term is defined as less than one year.

An approved and contracted for commitment is where the expenditure has been approved and the contract has been awarded, service level agreement signed (where applicable) or any other pertinent authorisation has been granted at the end of the financial year/reporting date.

An approved and not yet contracted for commitment is where the expenditure has been approved and the contract has been awarded but awaiting finalisation of the service level agreement (where applicable) or any other authorisation pertinent to the contract at the end of the financial year/reporting date.

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Revenue arising from the use by others of municipality assets yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

When the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a nonexchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and other funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the grant agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

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

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

The taxable event for income tax is the earning of assessable income during the taxation period by the taxpayer.

The taxable event for value added tax is the undertaking of taxable activity during the taxation period by the taxpayer.

The taxable event for customs duty is the movement of dutiable goods or services across the customs boundary.

The taxable event for estate duty is the death of a person owning taxable property.

The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The municipality recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

1.21 Bad debts written off

Before any debt is written off it is proved that the debt has become irrecoverable.

Irrecoverable debt is debt which can not be traced successfully; and after all reasonable steps were taken to recover the debt.

Bad debt write offs are considered in terms of cost benefit; when it becomes too costly to recover and the chances of collecting the debt are remote, a write off is considered.

1.22 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.23 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.24 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of Standards of GRAP.

1.25 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.26 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is disclosed in a note to the financial statements as an expense in the period that the expenditure is incurred.

1.27 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is disclosed in the notes to the financial statement in the period that the expenditure is incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is disclosed inclusive of VAT.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the municipal council may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.29 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.30. Internal reserves

Capital replacement reserve (CRR)

The CRR is an asset financing source that represents an alternative to the other funding sources available to the Municipality namely external loans (interest bearing borrowings) and government grants & subsidies.

Subsequent to the implementation of GRAP in 2008, Reserves and Funds had to be discontinued as they are not permissible in terms of GRAP. However, the National Treasury determined that the CRR is one of the few funds and reserves that are allowed.

As a matter of principle, the focus is the manner in which these reserves are created and accounted for, which in this instance the capital replacement of major components of Infrastructure Assets in the event of technical failure. For accounting purposes, the CRR will be created by transferring amounts out of Accumulated surpluses/deficits to the respective reserve account, or vice versa, in the Statement of Changes in Net Assets. The net effect of these transfers will be nil in the Statement of Changes in Net Assets, and will not affect the value of reserves in totality. It is the requirement of GRAP that no transactions should be accounted for, directly to the Statement of Changes in Net Assets other than those specifically allowed in terms of GRAP, i.e. Revaluation Surplus Reserve. Therefore, situations should be avoided where reserves are created and accounted for, by taking amounts directly to the Statement of Changes in Net Assets thereby circumventing the Statement of Financial Performance.

The CRR will only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and will not be used for the maintenance of such items.

Self - Insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The self-insurance scheme has a policy that is aligned with the practice in the insurance industry. The balance of the self-insurance reserve is determined based on surpluses accumulated since inception.

The municipality operates a self-insurance scheme under the Self-Insurance Reserve, which has a policy that is aligned with the practice in the insurance industry. The balance of the Self-Insurance Reserve is determined based on surpluses accumulated since inception.

1.30 Internal reserves

Compensation for occupational injuries and diseases (COID) reserve

The Compensation for Occupational Injuries and Diseases Act (Act 130 of 1993) is to provide for payment of medical treatment and compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees in the course of their employment, or for death resulting from such injuries or diseases. The contribution to the COID fund is 0.75% of the salary expense. The municipality is an exempt employer in terms of Section 84 (1) (a)(ii) & (2) and as such does not pay any assessments to the COID Commissioner. In terms of the exempt status the municipality is mandated to establish its own fund and administers this fund in terms of the COID Act.

1.31 Revaluation reserve

The increase arising from the revaluation of Heritage assets is credited to a revaluation reserve. The revaluation surplus is realised upon disposal of artworks and jewellery. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.32 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.33 Budget information

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

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

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

The approved budget covers the fiscal period from 2021/07/01 to 2022/06/30.

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

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

Deviations between budget and actual amounts exceeding 10 percent are obtained monthly for the preparation of the Section 71 reporting and used during the audit process.

The threshold for which reasons for variances are provided is 10% and above.

1.34 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

1.35 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.36 Living resources

Living resources (Game animals) are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an municipality of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation (for purposes of this Standard) comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Group of resources means a grouping of living of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

The residual value of an asset is the estimated amount that an municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an municipality, or the number of production or similar units expected to be obtained from the asset by an municipality.

Recognition

A living resource is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Where the municipality is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the annual financial statements.

Where the municipality holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the annual financial statements. When the information about the cost or fair value of the living resource becomes available, the municipality recognise, from that date, the living resource and apply the measurement principles.

Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

Where a living resource is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

Measurement after recognition

Cost model

After recognition as an asset, a group of living resources are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Living resources are depreciated and the depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset, where appropriate.

The depreciable amount of a living resource is allocated on a systematic basis over its useful life.

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

In assessing whether there is any indication that the expected useful life of the living resource has changed, the municipality considers the following indications:

- (a) The use of the living resource has changed, because of the following:
 - The municipality has changed the manner in which the living resource is used.
 - The municipality has made a decision to dispose of the living resource in a future reporting period(s) such that this decision changes the expected period over which the living resource will be used.
 - Legislation, government policy or similar means have been amended or implemented during the reporting period that have, or will, change the use of the living resource.
 - The living resource was idle or retired from use during the reporting period.
- (b) The living resource is approaching the end of its previously expected useful life.
- (c) There is evidence that the condition of the living resource improved or declined based on assessments undertaken during the reporting period.
- (d) The living resource is assessed as being impaired.

In assessing whether there is any indication that the expected residual value of the living resource has changed, the municipality considers whether there has been any change in the expected timing of disposal of the living resource, as well as any relevant indicators as noted above.

The depreciation method used reflects the pattern in which the future economic benefits or service potential of the living resource is expected to be consumed by the entity.

The depreciation method applied to a living resource is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the living resource, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The useful lives of items of living resources have been assessed as follows:

Item	Depreciation method	Average useful life
Giraffe	Straight-line	25 years
Zebra	Straight-line	30 years
Blue Wildebeest	Straight-line	20 years
Inyala	Straight-line	20 years
Impala	Straight-line	15 years
Bush buck	Straight-line	15 years
Reed buck	Straight-line	15 years

Impairment

The municipality assesses at each reporting date whether there is an indication that the living resource may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the living resource.

Compensation from third parties for living resources that have been impaired, lost or given up, is included in surplus or deficit when the compensation becomes receivable.

Transfers

Transfers from living resources are made when the particular asset no longer meets the definition of a living resource and/or is no longer within the scope of this accounting policy.

Transfers to living resources are made when the asset meets the definition of a living resource.

Derecognition

The carrying amount of a living resource is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a living resource is included in surplus or deficit when the item is derecognised.

1.37 Value Added Tax (VAT)

VAT is payable on the receipt and payment basis.

The transaction date is referred to as the "time of supply". Time of supply applies to certain supplies as the prevailing rate of VAT on that date will apply to the transaction concerned.

- before 1 April 2018 – a VAT rate of 14% will apply;
- on or after 1 April 2018 – a VAT rate of 15% will apply.

1.38 Expenditure

An expense is a decrease in the net financial position of the entity, other than decreases arising from ownership distributions.

An expense arises from exchange and non-exchange transactions, other events such as unrealised increases and decreases in the value of assets and the consumption of assets through depreciation and erosion of service potential and ability to generate economic benefits through impairments.

MISSION

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An expense may arise from individual transactions or groups of transactions.

Expenses are recognised in the Statement of Financial Performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. The recognition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets.

Expenses encompasses losses as well as those expenses that arise in the course of the operating activities of the municipality.

Losses represent other items that meet the definition of expenses and may, or may not, arise in the course of the operating activities of the entity. Losses represent decreases in economic benefits or service potential and as such, they are no different in nature from other expenses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	The Minister of Finance has not determined an effective date	Not expected to impact results but may result in additional disclosure
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

Figures in Rand	Note(s)	2022	2021
3. Inventories			
Consumable stores		32 462 245	32 788 610
Materials and supplies		41 310 862	33 401 053
Water for distribution		1 620 082	1 837 726
Land inventory		292 004 270	285 689 426
		367 397 459	353 716 815

The municipality has not applied the following standards and interpretations, which have been published for the municipality's accounting periods beginning on or after 01 July 2022 or later periods:

Inventory are recorded using the weighted average cost method.

Inventory expensed during the year R84 307 652 (2021 : R58 158 321).

Inventory are carried at lower of cost or net realisable value except for land carried at current replacement cost.

Inventory losses - consumables for the year (R 2 687 271) (2021 : (R3 655 242)).

Consumable stores comprises mainly of fuel inventory, stationery, detergents and street fittings amongst other items.

Inventory pledged as security

No inventory was pledged as security for either overdraft facilities or any financial liabilities of the municipality.

4. Short term investment

Compensation for Occupational Injuries and Diseases Investment (COID)	32 670 009	32 311 434
Reconciliation of short term investment		
Opening balance	32 311 434	-
Interest on maturity	1 688 272	-
Redemption	(33 999 706)	-
Re-investment	32 670 009	32 311 434
Closing balance	32 670 009	32 311 434

COID short term investment invested at 6.65 % (2021: 5.225%).

The current fixed deposit was invested with Standard Bank and will mature on the 30th of March 2023.

The 12 month fixed deposit is re-invested annually.

Figures in Rand	Note(s)	2022	2021
5. Receivables from exchange transactions			
Net balance			
Accrued revenue		12 648	4 157
Cashier's shortages		22 268	22 268
Forestry receivable		13 058 187	13 058 187
Independent Development Trust		-	-
Interest accrual on bank and call accounts		67 841	5 003
Interest accrual on investment		571 412	425 537
Library receivable		7 000 000	-
Prepaid electricity		381 481	364 181
		21 113 837	13 879 333
Gross balance			
Accrued revenue		12 648	4 157
Cashier's shortages		22 268	22 268
Forestry receivable		13 058 187	13 058 187
Independent Development Trust		108 836 507	108 836 507
Interest accrual on bank and call accounts		67 841	5 003
Interest accrual on investment		571 412	425 537
Land sale debtors		66 386	66 386
Library receivable		7 000 000	-
Prepaid electricity		381 481	364 181
		130 016 730	122 782 226
Less: Allowance for impairment			
Independent Development Trust		(108 836 507)	(108 836 507)
Land sale debtors		(66 386)	(66 386)
		(108 902 893)	(108 902 893)

Receivables from exchange pledged as security

There are no receivables from exchange transactions pledged as security for any financial liabilities of the municipality.

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions are neither past due nor impaired except for land sale debtors, and IDT.

There is an ongoing dispute between IDT and Msunduzi Local Municipality on an amount that was paid by Msunduzi Local Municipality to IDT for the implementation of infrastructure projects. IDT was appointed as an implementing agent and advance payments were made to IDT during 2011/12 and 2012/13 financial years. The projects were implemented; however, IDT was unable to account for work amounting to R108 836 507. The municipality referred the matter to the legal team for a civil litigation and has not been finalised as yet. The receivable has been fully impaired since IDT is disputing the receivable and the matter is still under litigation.

During the year under review there has not been any change the matter is undergoing consequence management and legal process.

Receivables from exchange transactions past due but not impaired

Trade and other receivables which are past due and not impaired. At 30 June 2022 R13 080 455 (2021: R13 080 455).

Receivables from exchange transactions impaired

The amount of the provision was R108 902 893 as of 30 June 2022 (2021: R108 902 893).

6. Statutory receivables

Net balance		
Consumer debtors - rates	514 420 520	547 818 959
Fines	2 540 069	2 540 069
	516 960 589	550 359 028

Receivables from non-exchange transactions included in statutory receivables above are as follows:

Consumer debtors - Rates	514 420 520	547 818 959
Fines	2 540 069	2 540 069
	516 960 589	550 359 028
Total receivables from non-exchange transactions	516 960 589	550 359 028

Figures in Rand	Note(s)	2022	2021
Gross balances			
Consumer debtors - rates		1 354 111 404	1 242 107 340
Fines		106 746 008	93 829 368
		1 460 857 412	1 335 936 708
Less: Allowance for impairment			
Consumer debtors - rates		(839 690 884)	(694 288 381)
Fines		(104 205 939)	(91 289 299)
		(943 896 823)	(785 577 680)
Consumer debtors - rates			
Current		106 455 264	113 133 336
0 - 30 days		66 938 738	56 084 439
31 - 60 days		31 807 172	35 476 058
61 - 90 days		29 394 937	32 141 042
91 - 120 days		32 477 467	29 056 466
121 - 365 days		214 431 109	225 581 215
> 365 days		872 606 717	750 634 784
		1 354 111 404	1 242 107 340
Fines			
Current (0-30 days)		722 700	979 350
31 - 60 days		1 763 500	5 453 700
61 - 90 days		3 921 490	2 756 700
91 - 120 days		3 135 300	3 053 400
121 - 365 days		3 373 650	2 703 550
> 365 days		93 829 368	78 882 668
		106 746 008	93 829 368
Summary of debtors by customer classification - rates			
Industrial/Commercial			
Current		34 178 270	42 368 528
0 - 30 days		12 842 555	23 577 131
31 - 60 days		7 578 423	9 762 343
61 - 90 days		7 378 916	9 146 564
91 - 120 days		11 196 463	8 387 796
121 - 365 days		54 693 432	56 439 669
> 365 days		169 898 883	156 847 773
		297 766 942	306 529 804
Government			
Current		11 620 510	10 578 600
0 - 30 days		16 507 733	5 966 804
31 - 60 days		3 547 242	5 079 746
61 - 90 days		3 003 294	4 590 477
91 - 120 days		2 784 051	3 716 650
121 - 365 days		19 995 487	27 426 992
> 365 days		74 630 492	95 499 302
		132 088 809	152 858 571
Consumers			
Current		60 656 484	60 186 208
0 - 30 days		37 588 449	26 540 504
31 - 60 days		20 681 507	20 633 969
61 - 90 days		19 012 727	18 404 001
91 - 120 days		18 496 952	16 952 021
121 - 365 days		139 742 190	141 714 553
> 365 days		628 077 343	498 287 709
		924 255 652	782 718 965

Figures in Rand	Note(s)	2022	2021
Reconciliation of allowance for impairment - Statutory receivables			
Balance at beginning of the year		(772 555 584)	(609 215 873)
(Increase)/decrease in impairment contribution		(108 778 163)	(163 339 711)
Balance at end of year		(881 333 747)	(772 555 584)
Consumer debtors - rates			
Balance at beginning of the year		(694 288 381)	(532 901 325)
(Increase)/decrease in impairment contribution		(145 402 503)	(161 387 056)
Balance at end of year		(839 690 884)	(694 288 381)
Fines			
Balance at beginning of the year		(91 289 299)	(76 314 549)
(Increase)/decrease in impairment contribution		(12 916 640)	(14 974 750)
Balance at end of year		(104 205 939)	(91 289 299)

Statutory receivables general information

Transaction(s) arising from statute

Traffic fines

The two types of traffic fines that are issued are :

- 1) Traffic fines issued in terms of the Administrative Adjudication of Road Traffic Offences Act (AARTO Act).
- 2) Traffic fines issued in terms of the Criminal Procedures Act.

Property rates

The Municipal Property Rates Act No. 06 of 2004 governs property rates billed. The Act regulates, the power of the municipality to impose rates on properties; to exclude certain properties from rating in the national interest; to make provisions for the municipality to implement a transparent and fair system of exemptions, reductions and rebates through the municipalities rating policy, making provisions for fair and equitable valuation methods of properties; to make provisions for objections and appeals.

Determination of transaction amount

Traffic fines

Traffic fines are issued in terms of the AARTO Act by way of notices to offenders which specify the value of the fine that must be paid, along with any discount that can be applied if the fine is paid within a specific period of time.

Traffic fines issued in terms of the Criminal Procedures Act are usually issued by way of notice to offenders, and can:

- indicate the value of the fine to be paid, and that certain reductions could be made to the value of the fine payable and how, or the circumstances under which, such reductions can be applied, or
- indicate that the offender must appear in Court on a specified date (in these instances, the value of the fine may or may not be indicated but this is often only determined after a separate legal process).

Property rates

Property rates are levied in terms of the municipality's rates policy, which is aligned to the Municipal Property Rates Act No. 6 of 2004.

The amount of rates levied by the municipality on properties, is the rate randage

- On the market value of the property;
- In the case of public service infrastructure, on the market value of the public service infrastructure less 30% of that value as contemplated in section 17(1)(a) of the Municipal Property Rates Act of 2004 or on such a lower percentage as the minister determines in terms of section 17(4) of the Municipal Property Rates Act of 2004;
- In the case of property to which section 17(1) (h), of the Municipal Property Rates Act of 2004, applies on the market value of the property less the amount stated in that section, or on such amount as the Minister may determine.

Refer to Note 37 for rate randages.

Interest or other charges levied/charged

Traffic fines

No interest is levied on traffic fines.

Property rates

The following are charges that may be charged in addition to rates levied:

- a) Interest on outstanding rates billed:
Interest shall be charged on all rates arrears in terms of section 64(g) of the Municipal Finance Management Act and the Municipal Systems Act.

The municipality has a Credit control policy that is approved by council. The credit control policy states that amounts on accounts, which remain unpaid after the due date shall attract interest irrespective of the reasons for non-payment. Interest will be charged at a rate of 7%, which is the annual interest rate as per approved tariff register.

- b) In addition to interest charged in respect of any property, collection charges shall accrue as follows:
As from the last working day, an amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75A 1(b) of the Municipal Systems Act;

On the grant of a court order, a further amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75A 1(b) of the Municipal Systems Act.

Basis used to assess and test whether a statutory receivable is impaired

Traffic fines

The impairment loss is calculated as the difference between value of traffic fines issued for the year less finalised cases and the present value of expected cash flows thereof, at reporting date.

Property rates

Impairment regarding property rates are assessed collectively in terms of the municipality's impairment policy. Each debtor is classified into their risk profiles based on total services outstanding.

The difference between the carrying-value at reporting date less the present value of expected future cash flows, determines if impairment needs to be provided for. This is in terms of GRAP 108.

Discount rate not applied to the estimated future cash flows

Considering the fact that traffic fines payments are short term in nature discounting is not performed as it is immaterial.

Statutory receivables past due but not impaired

Statutory receivables which are past due and not impaired. At 30 June 2022 R103 969 206 (2021: R136 148 659).

Statutory receivables impaired

The amount of the provision was R943 896 823 as of 30 June 2022 (2021: R785 577 680).

Factors the entity considered in assessing statutory receivables impaired

Traffic fines

Past history patterns and peculiarity of traffic fines.

Collection rates in the current year.

Finalised cases in the reporting period.

Property rates

Past history payment of debtors and the debtors risk profiling. Accounts outstanding that are above a million are considered material and are assessed separately based on their recovery of debt.

There are no statutory receivables pledged as security for any liability.

Figures in Rand	Note(s)	2022	2021
7. Consumer debtors			
Gross balances			
Electricity		662 250 977	597 566 174
Other service charges		296 431 437	298 684 839
Property rental		54 945 126	54 505 951
Refuse		233 052 957	205 246 434
Sanitation		420 568 791	370 071 959
Water		2 593 343 941	2 214 229 348
		4 260 593 229	3 740 304 705

Figures in Rand	Note(s)	2022	2021
Allowance for impairment			
Electricity		(268 123 516)	(222 200 394)
Other service charges		(216 242 062)	(185 226 126)
Property rental		(36 126 926)	(32 822 467)
Refuse		(166 177 986)	(121 400 912)
Sanitation		(301 853 977)	(219 595 454)
Water		(1 956 995 417)	(1 318 830 916)
		(2 945 519 884)	(2 100 076 269)
Net balance			
Electricity		394 127 461	375 365 780
Other service charges		80 189 375	113 458 713
Property rental		18 818 200	21 683 484
Refuse		66 874 971	83 845 522
Sanitation		118 714 814	150 476 505
Water		636 348 524	895 398 432
		1 315 073 345	1 640 228 436
Electricity			
Current		209 203 858	168 584 630
0 -30 days		80 965 264	85 388 003
31 - 60 days		38 780 567	41 019 499
61 - 90 days		14 983 633	13 196 351
91 - 120 days		14 054 130	11 628 408
121 - 365 days		87 463 422	84 097 661
> 365 days		216 800 103	193 651 622
		662 250 977	597 566 174
Water			
Current		93 874 840	88 093 592
0 -30 days		58 922 907	60 150 008
31 - 60 days		51 211 613	49 323 861
61 - 90 days		46 404 252	44 205 503
91 - 120 days		56 168 447	41 536 388
121 - 365 days		338 327 010	328 263 607
> 365 days		1 948 434 872	1 602 656 389
		2 593 343 941	2 214 229 348
Sanitation			
Current		20 037 733	18 804 658
0 -30 days		10 251 044	10 123 834
31 - 60 days		7 558 552	7 696 730
61 - 90 days		7 026 897	7 335 769
91 - 120 days		7 099 319	6 511 432
121 - 365 days		50 486 258	49 128 580
> 365 days		318 108 988	270 470 956
		420 568 791	370 071 959
Other service charges			
Current		1 521 420	247 909
0 -30 days		1 274 951	2 221 436
31 - 60 days		983 711	1 406 472
61 - 90 days		1 274 788	1 421 531
91 - 120 days		1 502 785	1 437 071
121 - 365 days		10 426 185	13 902 476
> 365 days		279 447 597	278 047 944
		296 431 437	298 684 839

Figures in Rand	Note(s)	2022	2021
Refuse			
Current		13 282 767	10 943 432
0 - 30 days		5 490 510	5 334 880
31 - 60 days		4 115 105	4 378 006
61 - 90 days		3 792 624	3 818 587
91 - 120 days		3 693 553	3 563 078
121 - 365 days		27 002 298	25 557 317
> 365 days		175 676 100	151 651 134
		233 052 957	205 246 434
Property rental			
Current		1 691 558	2 021 162
0 - 30 days		2 968 599	1 239 687
31 - 60 days		177 353	553 845
61 - 90 days		795 689	1 043 662
91 - 120 days		50 155	909 361
121 - 365 days		7 063 761	5 314 129
> 365 days		42 198 011	43 424 105
		54 945 126	54 505 951
Summary of debtors by customer classification			
Consumers			
Current		140 544 744	118 699 035
0 - 30 days)		86 193 179	100 548 724
31 - 60 days		68 121 260	67 929 107
61 - 90 days		60 349 393	56 328 706
91 - 120 days		68 997 541	54 401 473
121 - 365 days		430 178 377	424 946 649
> 365 days		2 679 601 526	2 256 493 111
		3 533 986 020	3 079 346 805
Industrial/ commercial			
Current		165 969 053	139 242 087
0 - 30 days		61 033 275	56 030 884
31 - 60 days		31 926 600	33 277 013
61 - 90 days		11 763 952	11 214 576
91 - 120 days		11 715 911	8 815 084
121 - 365 days		77 825 329	66 952 564
> 365 days		252 950 389	241 521 189
		613 184 509	557 053 397
National and provincial government			
Current		33 098 380	30 754 262
0 - 30 days		12 646 822	7 878 239
31 - 60 days		2 779 042	3 172 292
61 - 90 days		2 164 539	3 478 120
91 - 120 days		1 854 937	2 369 182
121 - 365 days		12 765 227	14 364 557
> 365 days		48 113 753	41 887 851
		113 422 700	103 904 503
Total			
Current		339 612 176	288 695 384
0 - 30 days		159 873 275	164 457 847
31 - 60 days		102 826 902	104 378 412
61 - 90 days		74 277 884	71 021 402
91 - 120 days		82 568 389	65 585 739
121 - 365 days		520 768 933	506 263 770
> 365 days		2 980 665 670	2 539 902 151
		4 260 593 229	3 740 304 705

Figures in Rand	Note(s)	2022	2021
Less allowance for impairment		(2 945 519 884)	(2 100 076 269)
Reconciliation of allowance for impairment			
Balance at beginning of the year		(2 100 076 269)	(2 025 769 236)
(Increase)/decrease in impairment contribution		(845 443 615)	(74 307 033)
Balance at end of year		(2 945 519 884)	(2 100 076 269)

For bad debts written off refer to Note 42.

Consumer debtors pledged as security

There are no consumer debtors pledged as security for overdraft facilities of the municipality.

Consumer debtors past due but not impaired

Consumer debtors which are past due and not impaired. At 30 June 2022 R67 698 720 (2021: R65 318 665)

Consumer debtors impaired

Consumer debtors impaired R2 945 519 883 (2021: R2 100 076 269).

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	27 945	25 897
Bank balances	65 068 507	72 687 852
Short-term deposits	224 056 388	286 805 803
	289 152 840	359 519 552

Average rate of return is based on average interest rate on all bank and investment accounts 4.32 % (2021:3.35%)

Due to the short term nature of these investments, no amortisation was performed.

No cash and cash equivalents were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash except for unspent conditional grants and receipts.

The municipality had the following bank and investment accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
FNB - No: 50941827782 (Primary) Demand deposit	51 681 911	41 761 020	48 478 608	53 830 850
FNB - No: 50940058750 (Electronic Transfers) Demand deposit	-	-	(18 687)	(90 327)
FNB - No: 50941840627 (Market) Demand deposit	2 897 380	2 159 161	2 897 380	2 159 161
FNB - No: 62069378539 (Oribi Airport)	979 964	637 764	979 964	637 764
FNB - No: 62003432846 (Salaries PACs No 1) Demand deposit	742 313	643 126	742 313	643 126
FNB - No: 62006041157 (Post Office) Demand deposit	-	-	11 988 931	15 507 278
FNB - No: 62045272143 (Traffic fines) Demand deposit	-	-	-	-
FNB - No: 62548639725 (Airport Development Fund) Call account	24 529	23 632	24 529	23 632
FNB - No: 62548629403 (MIG Grant) Call account	9 682	208 309	9 682	208 309
FNB - No: 62548623231 (Unspent Conditional Grant) Call account	140 232 671	207 810 701	140 232 671	207 810 701
FNB - No: 62856957588 (Housing Projects: Principal-Agent) Call account	20 652 278	21 305 452	20 652 278	21 305 452
FNB - No: 62548634460 (Insurance Fund) Call account	573 884	552 885	573 884	552 885
FNB - No: 62548632901 (MHOA) Call account	48 986 857	41 452 799	48 986 856	41 452 799
FNB - No: 62548630822 (Housing Accreditation) Call account	10 667 245	12 681 804	10 667 245	12 681 804
FNB - No: 62551687563 (VAT Recovery Grant) Call account	884 443	852 081	884 443	852 081
FNB - No: 62531891879 (General Reserves) Call account	-	-	-	-
FNB - No: 62600253984 (VAT Refund - CRR) Call account	785 902	724 892	785 902	724 892
ABSA - No: 9317549203(7 Day Notice)	1 238 896	1 193 248	1 238 896	1 193 248
Total	280 357 955	332 006 874	289 124 895	359 493 655

9. Agricultural assets

Figures in Rand	Cost / Valuation	2022 Fair value adjustments	Carrying value	Cost / Valuation	2021 Fair value adjustments	Carrying value
Biological assets - Consumable	96 300 000	(16 100 000)	80 200 000	75 245 448	21 054 552	96 300 000

Reconciliation of Agricultural assets - 2022

	Opening balance	Fair value adjustments	Total
Biological asset - Consumable	96 300 000	(16 100 000)	80 200 000

Reconciliation of Agricultural assets - 2021

	Opening balance	Fair value adjustments	Total
Biological assets - Consumable	75 245 448	21 054 552	96 300 000

Non-financial information

The municipality owns a plantation forest that produces felled trees for timber production, separately disclosed as consumable biological assets.

There was harvests of timber 2022: Nil (2021: Nil).

There has been no harvest in the current financial year.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to note 77 for risk management strategies on agricultural assets.

Pledged as security

No agricultural assets have been pledged as security.

Restrictions imposed by regulations

There are no agricultural assets whose use or capacity to sell is subject to restrictions imposed by regulations.

Methods and assumptions used in determining fair value

The valuation at 30 June 2022 was performed by Stephen de Klerk.

Stephen de Klerk is a member of the South African Council for Property Valuers Profession (SACPVP), and has the required qualifications and expertise in the valuation of agricultural assets.

The valuations conform to South African Valuation Standards and were arrived at by reference to market evidence of transaction prices.

10. Living resources

Figures in Rand	Cost / Valuation	2022 Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	2021 Accumulated depreciation and accumulated impairment	Carrying value
Game animals	1 110 250	(414 071)	696 179	1 140 250	(396 676)	743 574

Reconciliation of living resources - 2022

	Opening balance	Increase due to births	Decrease due to deaths	Depreciation	Total
Game animals	743 574	60 000	(53 759)	(53 636)	696 179

Reconciliation of living resources - 2021

	Opening	Increase due to births	Depreciation	Total balance
Game animals	733 181	93 500	(83 107)	743 574

Entity as custodian

Msunduzi Local Municipality does not have any custodial responsibility for game animals held on behalf of other entities, including the legislation or similar means that establishes the custodial responsibility over the living resources.

Living resources borrowed from other entities

There are no resources borrowed from other entities.

Living resources on loan to other entities

There are no living resources on loan to other entities.

Title restrictions

There are no living resources whose title is subject to restrictions.

Restrictions on use or capacity to sell

There are no living resources which are subject to restrictions on use or capacity to sell.

Pledged as security

No living resources have been pledged as security for any financial liabilities.

Compensation from third parties

There was no compensation from third parties for living resources that were impaired, lost or given up during the current financial year.

General Information

Msunduzi Local Municipality Bisley Nature Reserve's main purpose is the conservation of a representative system of biodiversity encompassing fauna, flora and unique scenery within the nature reserve. The municipality does not manage the reserve for reproduction of biodiversity.

The municipality is involved in biological transformation of fauna and flora primarily as a service to the community for the main purpose of recreation rather than for sale.

Other information

Msunduzi Local Municipality has elected the cost model to account for Living resources.

A physical verification of living resources was performed by the conservation department from 17 to 26 May 2022.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

11. Heritage assets

Figures in Rand	Cost / Valuation	2022 Accumulated impairment losses	Carrying value	Cost / Valuation	2021 Accumulated impairment losses	Carrying value
Crematoriums	9 359 518	(26 921)	9 332 597	9 359 518	(26 921)	9 332 597
Jewellery	1 185 000	-	1 185 000	1 185 000	-	1 185 000
Museums and art gallery	23 315 796	(42 806)	23 272 990	23 315 796	(42 806)	23 272 990
Parks	2 487 908	-	2 487 908	2 487 908	-	2 487 908
Stadiums	3 961 963	(49 755)	3 912 208	3 961 963	(49 755)	3 912 208
Other	2 095 896	-	2 095 896	2 095 896	-	2 095 896
Artworks	237 683 229	(6 863 808)	230 819 421	237 469 926	(6 837 541)	230 632 385
Total	280 089 310	(6 983 290)	273 106 020	279 876 007	(6 957 023)	272 918 984

Reconciliation of heritage assets 2022

	Opening balance	Additions	Revaluation increase/(decrease)	Impairment losses recognised	Total
Crematoriums	9 332 597	-	-	-	9 332 597
Jewellery	1 185 000	-	-	-	1 185 000
Museums and art gallery	23 272 990	-	-	-	23 272 990
Parks	2 487 908	-	-	-	2 487 908
Stadiums	3 912 208	-	-	-	3 912 208
Other	2 095 896	-	-	-	2 095 896
Artworks	230 632 385	336 000	(122 698)	(26 266)	230 819 421
	272 918 984	336 000	(122 698)	(26 266)	273 106 020

Reconciliation of heritage assets 2021

	Opening balance	Additions	Revaluation increase/(decrease)	Impairment losses recognised	Total
Crematoriums	8 181 348	1 178 169	-	(26 920)	9 332 597
Jewellery	1 185 000	-	-	-	1 185 000
Museums and art gallery	23 292 823	-	-	(19 833)	23 272 990
Parks	2 487 908	-	-	-	2 487 908
Stadiums	3 961 963	-	-	(49 755)	3 912 208
Other	2 095 896	-	-	-	2 095 896
Artworks	230 719 534	66 000	(126 938)	(26 211)	230 632 385
	271 924 472	1 244 169	(126 938)	(122 719)	272 918 984

Restrictions on heritage assets

There are no ownership and disposal restrictions on heritage assets.

There are no contractual commitments for the acquisitions, maintenance and restoration of heritage assets

Pledged as security

No heritage assets have been pledged as security for any financial liabilities.

Contractual commitments for the acquisition, maintenance and restoration of heritage assets

There are no contractual commitments for the acquisitions, maintenance and restoration of heritage assets.

Revaluations

Heritage assets

Artworks and jewellery whose fair value can be measured reliably are carried at the revalued amount, being their fair value at the date of valuation less any subsequent impairment losses.

Artworks were last valued on 30 June 2019 for the 2018/19 financial year.

According to the municipality's accounting policy, artworks are revalued every 4 years.

Jewellery was last valued in the 2018/19 financial year.

According to the municipality's accounting policy, jewellery are revalued every 4 years.

The valuation of artworks was performed by Harriet Marry Gilfillan who is an independent professional appraiser and has experience in the valuation of artworks and jewellery.

The valuations were arrived at by reference to market analysis, market records and trends relating to each artist and type of artwork was researched in order to arrive at a fair value.

The revaluation reversal relates to the impairment loss of the assets which were previously revalued.

Heritage assets which fair values cannot be reliably measured

The following heritage assets were not recognised due to a reliable measurement not being possible on initial recognition is as follows:

Legal Deposit collection at the Bessie Head Library

In 1916, the Natal Society Library (now the Msunduzi Municipal Library – Bessie Head Library) was identified as one of five libraries in South Africa accorded Legal Deposit status. This privilege helped make it into one of South Africa's major research and information libraries. Legal Deposit libraries play a unique and very important role as custodians, in perpetuity, of this country's cultural wealth and information. They also have to make this information available, as widely as possible, to the citizens of South Africa. The Legal Deposit Collection has become an important asset. Since 1916, the Msunduzi Municipal Library has amassed a huge collection of South African books, pamphlets, periodicals, maps and newspapers which it has to preserve for future generations. Due to the nature of the class of heritage assets, the Department of Arts and Culture has confirmed that there is no monetary value as there is no active market.

Expenditure incurred to repair and maintain heritage assets

There were no repairs and maintenance costs incurred in the current year.

12. Intangible assets

Figures in Rand	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	110 270 044	(90 119 442)	20 150 602	107 741 844	(84 082 119)	23 659 725
Servitudes	803 846	-	803 846	803 846	-	803 846
Total	111 073 890	(90 119 442)	20 954 448	108 545 690	(84 082 119)	24 463 571

Reconciliation of intangible assets - 2022

	Opening balance	Work in progress	Amortisation	Total
Computer software, other	23 659 725	2 528 200	(6 037 323)	20 150 602
Servitudes	803 846	-	-	803 846
	24 463 571	2 528 200	(6 037 323)	20 954 448

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software, other	29 896 567	28 654	(6 265 496)	23 659 725
Servitudes	803 846	-	-	803 846
	30 700 413	28 654	(6 265 496)	24 463 571

Pledged as security

No intangible assets have been pledged as security for any financial liabilities.

Figures in Rand	Note(s)	2022	2021
Intangible assets in the process of being constructed or developed			
Included within intangible assets			
Opening balance		-	-
Additions		2 528 200	-
		2 528 200	-

Restricted title

There are no intangible assets whose title is restricted.

Details of valuation

Servitudes were assessed for impairment using the depreciated replacement cost method. The software was assessed for impairment based on utilisation by the municipality.

Servitudes have an infinite useful life as they are rights held by the Municipality to property.

13. Investment property

Figures in Rand	Valuation at the beginning of the year	2022 Fair value adjustments/ Additions	Valuation at the end of the year	Valuation at the beginning of the year	2021 Fair value adjustments/ Additions	Valuation at the end of the year
Land and buildings	891 933 607	33 285 748	925 219 355	820 686 190	71 247 417	891 933 607

Reconciliation of investment property - 2022

	Opening balance	Work in progress	Fair value adjustments	Total
Land and buildings	891 933 607	16 768 574	16 517 174	925 219 355

Reconciliation of investment property - 2021

	Opening balance	Additions	Transfers	Work in progress	Derecognition	Fair value adjustments	Total
Land and buildings	820 686 190	39 012 320	(15 113 611)	9 871 208	(4 720 000)	42 197 500	891 933 607

Pledged as security

No investment property has been pledged as security for any financial liabilities.

Figures in Rand	Note(s)	2022	2021

Investment property in the process of being constructed or developed

Included within land and buildings		
Opening balance	15 441 272	113 989 199
Additions	16 768 574	9 871 208
Transferred to completed assets	-	(108 419 135)
	32 209 846	15 441 272

Carrying value of Investment property that is taking a significantly longer period of time to complete than expected

Jika Joe Housing	32 209 846	15 441 272
a) Construction delays due to national steel and other raw material shortages		
b) Lockdown delays		
c) Rain delays to construction.		
	32 209 846	15 441 272

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. The valuation at 30 June 2022 was performed by Finley Hamilton an independent valuer.

Finley Hamilton has recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use.

These assumptions are based on current market conditions.

Adjustments to the valuation is attributable to change in market value of investment property.

Finley Hamilton is a member of the South African Council for Property Valuers Profession (SACPVP), and has the required qualifications and expertise in the valuation of investment properties. The valuations conform to South African Valuation Standards and were arrived at by reference to market evidence of transaction prices for similar properties.

Investment property has been accounted for in terms of GRAP 16 and comprises both land and buildings owned by Msunduzi Municipality. Investment property is not depreciated but annually valued at year end in order to determine their fair value as prescribed in GRAP 16.

Amounts recognised in surplus or deficit

Rental revenue from Investment property	7 508 731	5 739 687

The municipality does not hold any operating property interest.

There were no repairs, maintenance and direct operating expenses related to investment property incurred in the current year.

Tenants are responsible for repairs and maintenance.

Included in Investment property is vacant land which has been invaded/illegally occupied. The land has a carrying value of R14 756 000 (2021 : R39 937 000).

The illegally occupied land is not considered impaired by management as the service potential is not considered affected as this land is addressed by the Rapid urbanisation management within the parameters of the approved land use scheme.

14. Property, plant and equipment

Figures in Rand	Cost / Valuation	2022 Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	2021 Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	1 225 430 676	(339 573 641)	885 857 035	1 232 287 252	(325 855 018)	906 432 234
Infrastructure	9 041 967 347	(3 835 046 736)	5 206 920 611	8 563 986 038	(3 551 545 564)	5 012 440 474
Community assets	823 434 976	(394 679 914)	428 755 062	810 873 009	(376 338 979)	434 534 030
Other assets	1 072 233 433	(685 300 265)	386 933 169	1 075 399 684	(657 224 315)	418 175 369
Total	12 163 066 432	(5 254 600 555)	6 908 465 877	11 682 545 983	(4 910 963 876)	6 771 582 107

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	906 432 234	295 896	-	(15 188 703)	8 036 232	(13 718 624)	-	885 857 035
Infrastructure	5 012 440 474	121 825 394	-	63 905 895	298 451 082	(286 117 836)	(3 584 398)	5 206 920 611
Community assets	434 534 030	-	-	(7 138 794)	19 700 761	(18 340 303)	(632)	428 755 062
Other assets	418 175 369	32 123 659	(1 332 323)	(47 939 761)	30 638 192	(42 875 442)	(1 856 525)	386 933 169
	6 771 582 107	154 244 949	(1 332 323)	(6 361 363)	356 826 267	(361 052 205)	(5 441 555)	6 908 465 877

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Transfers	Work in progress	Depreciation	Impairment loss	Total
Land and buildings	915 030 213	1 187 810	(6 735 146)	10 649 021	(13 699 664)	-	906 432 234
Infrastructure	4 785 852 657	130 785 725	82 730 692	309 441 107	(291 044 484)	(5 325 223)	5 012 440 474
Community assets	439 654 690	-	-	13 874 699	(18 987 147)	(8 212)	434 534 030
Other assets	449 072 384	29 759 481	(67 561 836)	51 631 506	(42 452 137)	(2 274 029)	418 175 369
	6 589 609 944	161 733 016	8 433 710	385 596 333	(366 183 432)	(7 607 464)	6 771 582 107

Pledged as security

No property, plant and equipment has been pledged as security for any financial liabilities.

Other information

Refer to Appendix A for detailed property, plant and equipment schedule.

During the year the municipality undertook a conditional assessment of fixed assets, which culminated in the additional decreases/increases in remaining useful lives of assets.

The municipality applies the depreciated replacement cost method to calculate impairment.

Property plant and equipment were impaired by R5 441 557 (2021 : R7 607 464) as result of conditional assessment.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Invaded land

Included in Property, plant and equipment is vacant land which has been invaded/illegally occupied. The land has a carrying value of R25 222 261 (2021 : R25 222 261). The illegally occupied land is not considered impaired by management as the service potential is not considered affected as this land is addressed by the Rapid urbanisation management within the parameters of the approved land use scheme.

Reconciliation of Work-in-Progress 2022

Figures in Rand	Included within land and buildings	Included within infrastructure	Included within community assets	Included within other PPE	Total
Opening balance	57 979 823	997 590 841	76 706 893	87 915 807	1 220 193 364
Additions	8 036 230	298 451 081	19 700 761	30 638 193	356 826 265
Transferred to completed assets	(16 796 092)	(92 663 309)	(11 899 253)	(47 939 761)	(169 298 415)
	49 219 961	1 203 378 613	84 508 401	70 614 239	1 407 721 214

Reconciliation of Work-in-Progress 2021

	Included within land and buildings	Included within infrastructure	Included within community assets	Included within other assets	Total
Opening balance	54 065 948	726 409 147	62 832 194	104 439 835	947 747 124
Additions	10 649 021	309 441 107	13 874 699	51 631 506	385 596 333
Transferred to completed assets	(6 735 146)	(38 259 413)	-	(68 155 534)	(113 150 093)
	57 979 823	997 590 841	76 706 893	87 915 807	1 220 193 364

Figures in Rand	Note(s)	2022	2021
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance			
Contracted services		204 254 779	103 773 403
Inventory consumed		29 755 985	18 665 180
Operating leases		4 878 808	1 644 590
		238 889 572	124 083 173

Repairs and maintenance on property, plant and equipment is included in General expenses, inventory consumed and operating leases.

Projects taking a significantly longer period of time to complete than expected	Reason for project taking long	2022	2021
IRPTN project	This is a multi year project. The delays were due to: a) The relocation of houses and infrastructure currently built on road reserve. b) Community strike action and objections to relocations and compensation. c) Land acquisition for relocations and road reserves. d) Procurement disputes of local subcontractors and court Interdicts. e) Re allocation of Unit f) Covid delays	299 050 735	330 132 169
Youth Enterprise Park	The project was not fully funded in the current financial year by COGTA and the preapproved site for the project lacked the necessary infrastructure.	143 025	8 982 500
Unit H	Project delayed due to contractual disputes with originally appointed contractor	50 077 165	36 431 369
Rehabilitation of roads in Ashdown	Project delayed due to political unrest.	-	2 212 883
Upgrade road in Peace Valley	Project delays due to community protests and strike action by employees of contractor over non payment of salaries.	19 100 402	9 771 129
Azalea PH2	Multi year project, and technical delays - service provider on penalties	24 337 295	22 483 449
Ward 3 Vulindlela	Contractor abundant site, contractual dispute	22 780 547	21 159 117
Community hall ward 7	Insufficient funding to start construction, delays in submitting the drawings to building plans	921 607	671 734
Community hall ward 8	Insufficient funding to start Construction b)Resistance in Implementation of the Project from other Community members	1 509 430	1 107 760
Techno Hub	The project has not commenced due to funding contains. Only the preliminary designs were undertaken.	1 467 147	-
Connor - Ottos Bluff Road -link Projects halted	The project is delayed due to due to insufficient funding. Reasons	129 620	-
		419 516 973	432 952 110
The Hollingwood cemetery project	The community boycotted the project	4 874 038	4 874 038

Projects taking a significantly longer period of time to complete than expected	Reason for project taking long	2022	2021
Edendale Town Centre	Legal complexities, expropriation and relocation of Informal settlements caused the project to be halted until the issues are resolved.	3 100 603	3 100 603
Mayor's Walk road widening	Budget constraints	1 435 825	1 435 825
Community hall ward 24	Insufficient funding to start Construction. b) Spluma Application process	1 796 006	782 608
Community hall ward 38	Insufficient funding to start Construction. b) Spluma Application process	1 360 625	1 278 097
Design and construction of east ring road	The project is halted due to insufficient funding to start Construction.	2 449 450	1 949 450
Supertube pump refurb at Alex Pool	The project is halted due to an investigation process currently underway.	989 049	-
		16 005 596	13 420 621

Figures in Rand	Note(s)	2022	2021
15. Other financial assets			
16. Consumer deposits			
Electricity		96 831 992	91 016 667
Landfill site		361 031	-
Market buyer's card		4 603 654	1 317 928
Refuse		38 155	23 155
Rental properties		2 821 334	2 524 493
Sewer		7 355	7 355
Valuation appeal		8 907	8 907
Water		28 289 950	25 749 381
		132 962 378	120 647 886
17. Other financial liabilities			
At amortised cost			
DBSA loan		203 744 512	285 317 996
DBSA - funding required for capital expenditure. Loans bear interest rates between 6.75% and 16.50% (2021: 6.75% and 16.50%). Loans are repayable over a period between 10 to 20 years, repayments are made quarterly and bi-annually. During the reporting period the municipality did not default on any of the interest or capital repayments of the external loans.			
Non-current liabilities			
At amortised cost		124 581 612	203 744 512
Current liabilities			
At amortised cost		79 162 900	81 573 484
Reconciliation of other financial liabilities			
Opening balance		285 317 996	398 736 254
Repayments		(81 573 484)	(113 418 258)
		203 744 512	285 317 996

18. Transfers payable (non-exchange)

Advance receipts - Transfers	20 091 631	21 715 043

Funding provided by Department of Human Settlements as part of the restoration programme to assist in fast tracking the issuing of title deeds to the people of Msunduzi. The arrangement is through the MOA in order for the Provincial Department to provide funding in advance to the Municipality for appointment of social facilitators and a panel of conveyancers to undertake this process Beneficiary Audit and Transfers.

The Beneficiary Audit and Transfers was a National Programme which was then delegated to the Municipality through Provincial Department of Human Settlements. The EEDBS was a National program which was delegated to Municipalities in order to ensure that restoration of title deeds for houses constructed in Pre 1994 through the Housing Subsidy Scheme It was an existing programme that was handed over to the Municipality and the Municipality provided with the funding. The Municipality has no power to determine the beneficiary list . The project is solely for the transfer of title deeds to rightful owners. Title deeds are legal documents which the Municipality is not allowed to sell to beneficiaries and neither can those be use by the Municipality for own use.

The Municipality is not exposed to variability of the transactions, The Provincial Department of Humans settlements is responsible for fulfilling all rights and obligations. Even in the event of disputes the Provincial Department and the court make the final determinations on who the beneficiaries will be.

Figures in Rand	Note(s)	2022	2021
Beneficiary Audit and Transfers			
Balance at beginning of year		5 885 204	6 686 063
Current year interest received		207 483	219 020
Payments to date		(909 597)	(1 019 879)
Balance in terms for the advance receipt		5 183 090	5 885 204

Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake beneficiary verification and transfers of completed housing units. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the municipality to review all projects approved prior to 1994 and ensure that beneficiary verification is completed to facilitate transfers without the municipality being exposed to any risks associated with the implementation of the Programme.

Military Veterans - Houses

Balance at beginning of year	6 473 254	7 252 863
Payments to date	(153 442)	(779 609)
Balance in terms of the advance receipt	6 319 812	6 473 254

The arrangement between the Municipality and the Provincial Department of Human Settlements is to undertake planning and servicing of 180 proposed residential sites for the military veterans in the Msunduzi municipal area of jurisdiction. The department is responsible in fulfilling rights and obligations with respect to payment of service providers as well as processing of allocation of beneficiaries. The Municipality through the MOA signed between both parties undertook transactions with implementing agents on behalf of the department to get the sites ready for Human settlements projects (Military Veterans) . The sites will be handed over to the Provincial Department of Human Settlement once ready for development and the Department will eventually hand over to beneficiaries as allocated by the Provincial Department.

Site 11

Balance at beginning of year	-	-
Current year receipts	7 221 824	2 970 760
Payments to date	(7 221 824)	(2 970 760)
Balance in terms of the advance receipt	-	-

Funding provided by Department of Human Settlements for the construction of 252 top structures in Woodlands Site 11 housing project in accordance with the technical specifications and drawings. The houses to be built already have beneficiaries as identified by the Department, the Municipality is merely assisting in the construction of the houses. The Municipality appointed the Implementing Agents through SCM processes which will facilitate the construction of the top structures, the specification was provided for by the Department of Human Settlements. Funding is not transferred into the Municipality but claimed as and when the work is completed by the Implementing Agents. The Provincial Department approves all payments prior to funding being transferred to the Municipality for payment of Implementing Agents.

Thamboville

Current year receipts	9 481 488	4 786 611
Payments to date	(9 481 488)	(4 786 611)
Balance in terms of the advance receipt	-	-

Funding provided by Department of Human Settlements for the construction of 416 top structures in Glenwood Thamboville housing project in accordance with the technical specifications and drawings. The houses to be built already have beneficiaries as identified by the Department, the Municipality is merely assisting in the construction of the houses . The Municipality appointed the Implementing Agents through SCM processes which will facilitate the construction of the top structures, the specification was provided for by the Department of Human Settlements. Funding is not transferred into the Municipality but claimed as and when the work is completed by the Implementing Agent. The Provincial Department approves all payments prior to funding being transferred to the Municipality for payment of Implementing Agents.

Title Deeds Restoration Programme

Balance at beginning of year	5 642 567	8 802 946
Payments to date	(25 013)	(3 160 379)
Balance in terms of the advance receipt	5 617 554	5 642 567

Funds provided by the Provincial Department of Human Settlements to assist the municipality to ensure that people approved through the enhanced extended discount benefit scheme and the housing delivery programme, their ownership is confirmed through this title deeds restoration grant.

The Municipality is not exposed to variability of the transactions, The Provincial Department of Humans settlements is responsible for fulfilling all rights and obligations. Even in the event of disputes the Provincial Department and the court make the final determinations on who the beneficiaries will be.

Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake beneficiary verification and transfers of completed housing units. The purpose of the Principal-Agent relationship with regards to the Beneficiary Audit and Transfers is to task the Municipality to review all projects approved prior to 1994 and ensure that beneficiary verification is completed to facilitate transfers without the municipality being exposed to any risks associated with the implementation of the Programme.

Figures in Rand	Note(s)	2022	2021
Title Deeds Restoration Advertisement for Missing Beneficiaries			
Balance beginning of year		50	250 000
Inter project transfer		(50)	-
Payments to date		-	(249 950)
Balance in terms of the advance receipt		-	50

Funds provided by the Provincial Department of Human Settlements for services to be rendered in order to find missing beneficiaries for the Title Deeds Programme. The funding is solely for finding missing beneficiaries in order to fast track the Title deeds restoration programme. The department to provide the financial resources, monitor the project and accept forecasts, plans, milestones as well as project completion. However, the responsibility for day-to-day management of the project is delegated from the Department of Human Settlements to the Municipality to manage it based on the agreed upon objective.

Title Deeds Activities

Balance at beginning of year	3 713 968	-
Current year receipts	-	3 713 968
Payments to date	(742 794)	-
Balance in terms of the advance receipt	2 971 174	3 713 968

Funds provided by the Provincial Department of Human Settlements for services to be rendered for the Title Deeds

Programme. Significantly the arrangement was for the Department to transfer funds into the Municipality in order for the Municipality to undertake more activities for the Title deeds programme. The purpose of the Principal-Agent relationship for this Programme is to task the Municipality to review all projects approved prior to 1994 and ensure that beneficiary verification is completed to facilitate transfers without the Municipality being exposed to any risks associated with the implementation of the Programme.

Thembalihle

Balance at beginning of year	-	-
Current year receipts	4 261 940	-
Inter project transfer	(4 261 940)	-
	-	-

The Thembalihle Housing Project is located in ward 38 of Msunduzi Municipality, the township was established in the late 1990's through a government initiated housing project. The Msunduzi Human Settlements Unit and the KZN Department of Human Settlements intend to develop the area and provide formal 40m2 houses for all the beneficiaries who were not able to build proper houses for themselves. The duration of the project is 36 months and the project is funded by the DoHS. The nature of the project to be implemented is called a consolidation whereby the new subsidy will be consolidated to the previously approved subsidy. ZML Africa Projects cc was then appointment for the construction of 804 units and 20 temporary structures. Funding is not transferred into the Municipality but claimed as and when the work is completed by the Implementing Agent. The Provincial Department approves all payments prior to funding being transferred to the Municipality for payment of Implementing Agents.

Happy Valley

Balance at beginning of year	-	-
Current year receipts	1 784 713	-
Payments to date	(1 784 713)	-
	-	-

The Happy Valley Housing Project is located in ward 32 of Msunduzi Municipality, the township was established in the late 1990's through a government initiated housing project. The Msunduzi Human Settlements Unit and the KZN Department of Human Settlements intend to develop the area and provide formal 40m2 houses for all the beneficiaries who were not able to build proper houses for themselves. The project is funded by the DoHS. The nature of the project to be implemented is called a consolidation whereby the new subsidy will be consolidated to the previously approved subsidy. Ingerop (Pty) Ltd was then appointed for the construction of 158 units and 20 temporary structures. The main contractor for the project is Sakilo Group. Transfers payable (non-exchange) (continued)

Q Section

Balance at beginning of year	-	-
Current year receipts	2 740 284	-
Payments to date	(2 740 284)	-
	-	-

The Glenwood Q-Section Housing Project is located in ward 38 of Msunduzi Municipality, the township was established in the late 1990's through a government initiated housing project. The Msunduzi Human Settlements Unit and the KZN Department of Human Settlements intend to develop the area and provide formal 40m2 houses for all the beneficiaries who were not able to build proper houses for themselves. The duration of the project is 36 months and the project is funded by the DoHS. The nature of the project to be implemented is called a consolidation whereby the new subsidy will be consolidated to the previously approved subsidy. ZML Africa Projects CC was then appointed for the construction of 804 units and 20 temporary structures. The main contractor for the project is Mcebo's Trading.

Figures in Rand	Note(s)	2022	2021
19. Payables from exchange transactions			
Trade payables		245 238 597	182 954 694
Accrued leave pay		147 949 191	139 486 004
Retention liability		22 666 648	26 886 023
Accruals		221 171 560	229 440 328
Credit balances in debtors		157 017 334	153 688 093
Accrued Interest		112 601	379 101
Advance payments		4 818 228	5 057 170
Auditor General		384 423	242 154
Water bulk purchases		570 802 929	351 888 433
Electricity bulk purchases		552 499 379	297 700 406
Unallocated deposits		2 507 785	1 404 226
Surety		60 000	200 000
		1 925 228 675	1 389 326 632

20. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Utilised during the year	Change in discount factor	Increase due to re-measurement	Total
Litigation	2 792 487	(2 792 487)	-	-	-
Landfill rehabilitation	61 822 545	-	16 592	6 866 549	68 705 686
	64 615 032	(2 792 487)	16 592	6 866 549	68 705 686

Reconciliation of provisions - 2021

	Opening Balance	Utilised during the year	Change in discount factor	Increase due to re-measurement	Total
Litigation	3 118 321	(325 834)	-	-	2 792 487
Landfill rehabilitation	59 228 344	-	703 040	1 891 161	61 822 545
	62 346 665	(325 834)	703 040	1 891 161	64 615 032

Non-current liabilities	61 113 708	55 141 588
Current liabilities	7 591 978	9 473 444
	68 705 686	64 615 032

Landfill rehabilitation

The landfill rehabilitation provision represents management's best estimate of the municipality's rehabilitation liability based on a valuation provided by an external consultant on the remaining useful life of the landfill site.

One Pangea Expertise and Solutions was appointed to perform the annual valuation of the provision for the rehabilitation and closure costs of the New England Road landfill site.

At the end of the life of the landfill site, the municipality is expected to restore the landfill site to the condition it was before its use.

According to the National Environmental Management Act, Act 107 of 1998, the operation of a landfill results in an obligation to rehabilitate the landfill and prevent any further pollution after closure thereof. The landfill site provision was created to ensure that the site is environmentally and publicly acceptable and suited to the implementation of the proposed end-use. The estimated remaining life of the landfill site is 6,32 years.

The key assumptions used by the experts were:

Net discount rate 3.56%
Average density of the waste 0.7 tonnes per cubic metres
Expected growth rate of waste generation 1.81%
Excavatable cover depth 2.5 metres
Cover to waste ratio 1.25

The municipality was declared to have been in breach of the Variation Waste Management Licence issued by the department of Economic Development, Tourism and Environmental Affairs (KwaZulu-Natal) on 3 July 2017, in respect of operation of the New England Road Landfill Site on Lot 1853 of the Farm Darvill No 15036, New England Road, Pietermaritzburg.

The High Court of South Africa issued a court order directing the Municipality to discharge its duty of care and remediation of environment as required by section 28(1) and (3) of the National Environmental Management Act 107 of 1998.

Litigation

Litigations against the Municipality recognized as provisions are those that the appointed attorneys have considered probable that the Municipality is liable and an outflow of economic benefits associated with the litigation is expected and the costs can be measured reliably.

Key assumptions provided by legal counsel are:

Net effective discount rate varies case by case and range from prime rate to 15.5%

Alien vegetation provision

According to the National Environmental Management Act, 1998 (Act No. 107 of 1998) the municipality was encouraged to recognise a provision in this regard.

The Department of Agriculture has since 2006 provided considerable support to the municipality in terms of clearing listed alien invasive plants. The municipality's involvement and responsibility is effectively operational support to the Department of Agriculture for the clearing of listed alien invasive plants.

No work has been carried out during the current reporting period.

Defined contribution plan

The Council provides retirement benefits to its employees by contributing to either a Provident fund, Retirement Pension Fund or Superannuation Pension Fund.

Membership to either a pension or provident fund is compulsory for all permanent employees.

The majority of the members and the Council contributes to the Natal Joint Municipal Pension and Provident funds (NJMP), employees contribute to the South African Local Authorities Pension Fund (SALA) and, Associated Institution Pension Fund (AIPF), Pietermaritzburg Provident Fund and Government Employees Pension Fund (GEPPF). Employees contributing to SALA, AIPF, Pietermaritzburg Provident Fund and GEPPF make up the minority of members contribution to the pension funds.

The municipality's liability in these funds cannot be determined owing mainly to the assets not being allocated to each employer and one set of financials being compiled for each fund and not for each contributing employer. The majority of personnel are members of the following pension funds:

KwaZulu-Natal Joint Municipal Provident Fund

An actuarial valuation was performed as at 31 March 2021 by SNG Argen Actuarial Solutions.

The market value of the fund's assets was R7 255 819 000 as at 31 March 2021.

Results of the valuation

The Fund self-insures its risk benefits in excess of the full benefit. It therefore maintains a Risk Reserve Account as a measure of protection against volatility in claims experience. The amount of R20 563 000 required to be held in the Risk Reserve Account.

The Fund is financially sound as at the valuation date.

Benefits of the fund:

- 1) Pension age - 65 years
- 2) Earliest retirement age - 58 years (55 years if more than 10 years continuous service)
- 3) Full benefit - Initial transfer plus member's contributions plus employer's contributions for full benefits plus investment earnings and bonuses.
- 4) Member's portion of full benefits - Initial transfer plus members contributions plus local authorities contributions for full benefits plus interim, special and final bonuses.
- 5) Benefit on retirement after earliest retirement age or pension age - full benefit.
- 6) Benefit on retirement because of ill health - full benefit.
- 7) Benefit on death in service - Full benefit plus 0.7% of annual pensionable salary for each month of potential service to a maximum of 2.1 years salary

Contributions to the fund

Members may choose to contribute at a rate of 5%, 7% or 9.25% of their pensionable emoluments in terms of regulation 14(a).

Local Authorities Contributions

Participating employers contribute at a rate of 1.95 times of the rate of members contribution in terms of regulation 17(1)(b).

Benchmark:

Investments:

Domestic Investments	R5 350 282 000
International Investments	R2 173 321 000
Risk Reserve Account	R20 563 000
Membership	17 619

Liabilities and reserves

Member share account	R6 720 997 000
Reserves and accounts	R491 033 000

Defined contribution plans

Natal Joint Municipal Pension Fund: (Superannuation) actuarial valuation

An actuarial valuation was performed as at 31 March 2021 by SNG Argen Actuarial Solutions.

The market value of the fund's assets was R13 978 064 000 as at 31 March 2021.

The regulations of the fund have been amended with effect from 1 July 2004, so that the Committee of Management is able to levy a separate surcharge on local authorities which grant excessive salary increases, thereby causing a financial strain on the fund to the detriment of other stakeholders.

The employers are no longer permitting members to join the Fund, so that it is effectively closed to new members. This means that the average age will increase over time which, in turn, means that the required rate of contribution will also increase. Thus, once the surcharge ceases, the underlying rate of contribution will not be sufficient to meet the cost of the benefits. It is necessary to set aside a reserve to hold assets equal to the expected shortfall. For this reason a Contribution Reserve is held equal to the present value of the shortfall in terms of the Financial Services Board's Circular PF117 for the 5 years to 2015 when it is expected that the surcharge will cease.

Benefits of the fund:

- 1) Members Contributions - 9.25% of pensionable salaries.
- 2) Pension age 65 years.
- 3) Final average salary - average annual pensionable salaries during the last year of service.
- 4) Pension on retirement at pension age - 2.2% of final average emoluments per year of continuous service.
- 5) Lump sum on retirement at pension age - 8.25% of final average emoluments per year of service.
- 6) Pension on retirement because of ill-health (minimum ten years continuous service) - pension as for retirement at pensionage.
- 7) Lump sum on retirement because of ill-health (minimum 10 years continuous service) - lump sum as for retirement at pension age.
- 8) Lump sum on retirement because of ill health (less than ten years continuous service) - the greater of the resignation benefit or twice the members contributions.
- 9) Surviving spouses pension on death in service - 1,2% of final average emoluments per year of continuous service that the member would have had at the pension age.
- 10) Surviving spouses pension on death of pensioner - 1,2% (0,77% in the case of a pensioner who retired before 1 July 1999) of final average emoluments per year of continuous service.
- 11) Lump sum on death in service - Annual pensionable emoluments. 10.75% of final average salaries.
- 12) Withdrawal - members contribution plus 5/12% for each month of continuous service (the addition is approximately equal to compound interest at 10% a year) and increased by 5% for each complete year of service up to a maximum of 20 years. Benchmark

Investments

Domestic	R 9 541 175 000
International	R4 571 008 000
Membership	3 349

Liabilities and reserve

Accrued liability	R11 848 788 000
Risk reserve	R214 949 000
Prescribed minimum benefits	R836 101 000
Contribution reserve	R80 018 000
Balance of assets	(R985 977 000)

Natal Joint Municipal Pension Fund: (Retirement) actuarial valuation

An actuarial valuation was performed at 31 March 2021 by SNG Argen Actuarial Solutions.

The market value of the fund's assets was R4 806 932 000 as at 31 March 2021.

The regulations of the fund have been amended with effect from 1 July 2004, so that the Committee of Management is able to levy a separate surcharge on local authorities which grant excessive salary increases, thereby causing a financial strain on the fund to the detriment of other stakeholders.

Legislation does not oblige a fund to hold a Solvency Reserve for purposes of financial soundness. However, being financially sound only on the "best estimate" basis means that there is still a 50% chance of the Fund being in deficit in the future. Provisions of PF 117, the Circular issued by the FSCA setting out the level of solvency reserves that the FSCA considers reasonable as well as the guidelines set out in PF Notice No. 2 of 2016 were applied.

Benefits of the fund:

- 1) Members Contributions - 7 % of pensionable salaries.
- 2) Pension age 65 years.
- 3) Final average salary - average annual pensionable salaries during the last year of service.
- 4) Pension on retirement at pension age - 2.1% of final average emoluments per year of continuous service.
- 5) Lump sum on retirement at pension age - 5.5% of final average emoluments per year of service.
- 6) Pension on retirement because of ill-health (minimum ten years continuous service) - pension as for retirement at pensionage.
- 7) Ill health retirement (minimum 10 years continuous service) - Same as normal retirement.
- 8) Ill health retirement (less than ten years continuous service) - the greater of the of the resignation benefit or twice the member's contributions.
- 9) Surviving spouses pension on death in service - 1,05% of final average pensionable salaries per year of continuous service at date of death and 75% of potential service to the pension age.
- 10) Surviving spouses pension on death of pensioner - 1,2% (0,77% in the case of a pensioner who retired before 1 July 1999) of final average emoluments per year of continuous service.
- 11) Lump sum on death in service - Annual pensionable emoluments. 10.75% of final average salaries.
- 12) Withdrawal - members contribution plus 5/12% for each month of continuous service (the addition is approximately equal to compound interest at 10% a year) and increased by 5% for each complete year of service up to a maximum of 20 years.

Benchmark**Investments**

Domestic	R3 259 323 000
International	R1 619 458 000
Membership	1 278

Liabilities and reserve

Accrued liability	R3 778 245 000
Risk reserve	R84 937 000
Prescribed minimum benefits	R312 654 000
Contribution reserve	5 940
Balance of assets	R575 233 000

The Municipality does not apply "defined benefit accounting" to the defined benefit funds to which it is a member where these funds are classified in terms of GRAP 25 as multi-employer plans, as sufficient information is not available to apply the principles involved. The City contributes to the defined benefit plans, which are governed by the Pension Fund Act of 1956 due to the nature of these funds and the fact that there is no consistent and reliable basis for allocating the obligation. Plan assets and cost to individual entities participating in the plan, these funds are accounted for as defined contribution funds in terms of paragraph 31 of GRAP 25, the total contributions are included in employee related costs. As a result, GRAP 25 is applied and such funds are accounted for as defined contribution funds. The Municipality's participation in these plans is limited to the obligation of its own employees.

The NJMPF Superannuation and Retirement funds have been treated as defined contribution plans although they are defined benefit funds.

Figures in Rand	Note(s)	2022	2021
The employees of the Council as well as the Council as employer contribute to municipal pension, retirement and various provident funds as listed below:			
Associated Institution Pension Fund		-	50 329
Councillors Pension Fund		5 849 913	8 852 302
Government Employees Pension Fund		2 519 591	2 717 297
Natal Joint Pension Fund		91 294 991	97 146 646
Natal Joint Provident Fund		134 596 112	124 776 655
South African Local Authorities Pension Fund		660 682	782 083
		234 921 289	234 325 312

21. Employment benefit obligations**Post employment medical aid**

Eligible employees will receive a post-employment subsidy of 60% of the contribution payable should they be a member of a medical scheme at retirement.

Continuation members and their eligible dependants receive a between 60% and 65% subsidy.

Continuation members and their eligible dependants receive a 60% subsidy, with the exception of continuation members who retired prior to 2004, who receive a 65% subsidy. Members' individual subsidy rates were provided.

Upon a member's death-in-service, surviving dependants are entitled to commence receipt of the same post-employment subsidy. Upon a member's death-in-retirement, surviving dependants are entitled to continue to receive the same subsidy.

All post-employment subsidies are subject to a maximum subsidy. The maximum for the year ending 30 June 2023 is an assumed value of R 5,011.78 per member per month, which is the previous year's maximum of R 4,773.12 increased by 5.00% (the assumed 1 July 2022 general salary increase). The maximum subsidy amount has been assumed to increase in future at 75% of salary inflation.

The municipality's employees and councillors are members on 6 accredited medical aid schemes, namely:

- 1) Bonitas
- 2) Discovery Health
- 3) Hosmed
- 4) Key-Health
- 5) LA Health
- 6) SAMWU Med

Pensioners continue on the option they belonged to on the day of their retirement.

The latest actuarial valuation was performed by Arch Actuarial Consulting for the period ended 30 June 2022.

The valuation undertaken in accordance with the requirements of Professional Guidance Note (PPN) 301 of the Actuarial Society of South Africa.

The expert is independent and an approved pension fund valuator and a member of the Actuarial Society of South Africa (ASSA).

According to the last valuation the accrued liability amounted to R547 258 001 (2021: R512 371 001).

Long service awards

The Municipality offers employees Long Service Awards (LSA) for every five years of service completed, from five years of service to 45 years of service, inclusive.

Employees' LSA are based on basic salary.

On termination of service of an employee with five or more years of service, for reasons of retirement after reaching pensionable age (excludes early retirement), medical incapacity or retrenchment, the above leave award is paid on a pro-rata basis. The pro-rata factor applicable is the number of years of service since an employee's most recent service milestone, divided by five.

An employee may choose to take the long service leave due to him/her or encash it. Whatever the employee chooses, it must be done in the same leave year in which he/she qualified for such leave.

Figures in Rand	Note(s)	2022	2021
The amounts recognised in the Statement of Financial Position are as follows:			
Carrying value			
Long service awards		(83 588 000)	(83 089 000)
Post employment medical aid		(547 258 001)	(512 371 001)
		(630 846 001)	(595 460 001)
Non-current liabilities		(589 320 000)	(555 608 000)
Current liabilities		(41 526 001)	(39 852 001)
		(630 846 001)	(595 460 001)
Current			
Long service awards		(11 458 000)	(12 148 000)
Post employment medical aid		(30 068 001)	(27 704 001)
		(41 526 001)	(39 852 001)
Non current			
Long service awards		(72 130 000)	(70 941 000)
Post employment medical aid		(517 190 000)	(484 667 000)
		(589 320 000)	(555 608 000)

Changes in the present value of post employment medical aid benefit obligation are as follows:

Opening balance	(512 371 001)	(470 193 001)
Current service cost	(13 314 000)	(11 309 000)
Interest cost	(49 136 000)	(45 590 000)
Benefits paid	28 946 351	28 513 424
Actuarial gain/(loss)	(1 383 351)	(13 792 424)
	(547 258 001)	(512 371 001)

Figures in Rand	Note(s)	2022	2021
Changes in the present value of long service awards obligation are as follows:			
Opening balance		(83 089 000)	(75 821 000)
Interest cost		(7 046 000)	(5 032 000)
Current service cost		(7 212 000)	(6 863 000)
Actuarial gain/(loss)		2 887 671	(4 397 732)
Benefits paid		10 871 329	9 024 732
		(83 588 000)	(83 089 000)

The total post employment medical aid benefit obligation increased by R34 887 000 (7%) from the previous valuation attributed to the following reasons:

- 1) An increase in the average age which means members are closer to retirement, which in turn results in less discounting.
- 2) An increase in the average age also diminishes the likelihood of members to leave before retirement.
- 3) The average in service non member liability increased.
- 4) The increase in the number of continuation members.

The significant decrease in the actuarial loss of 90% is attributed to the net effect of changes in the net discount rates, subsidy increases higher than assumed, changes to membership profile different from assumed and actual benefits vested greater than expected.

The total long service awards liability increased by R499 000 (1%) due to the following reason:

- 1) There are 36 more eligible employees compared to the previous year.

Net expense recognised in the Statement of Financial Performance (Post employment medical aid)

Current service cost	(13 314 000)	(11 309 000)
Interest cost	(49 136 000)	(45 590 000)
Actuarial (loss)/gain	(1 383 351)	(13 792 424)
	(63 833 351)	(70 691 424)

Net expense recognised in the Statement of Financial Performance (Long service awards)

Interest cost	(7 046 000)	(5 032 000)
Current service cost	(7 212 000)	(6 863 000)
Actuarial/(loss)/gain	2 887 671	(4 397 732)
	(11 370 329)	(16 292 732)

Key assumptions used (Post employment medical aid)

Assumptions used at the reporting date:

Discount rates used	11,01 %	9,85 %
Health care inflation rate	7,85 %	6,65 %
Maximum subsidy inflation rate	5,51 %	4,61 %
Proportion with a spouse dependent at retirement	60,00 %	60,00 %
Continuation of membership retirement	75,00 %	75,00 %

The average retirement age is: 62 years.

Mortality during employment: SA 85 -90.

Mortality post-employment: PA(90) -1 with a 1% mortality improvement p.a. from 2010

The projected unit credit method is used as the standard valuation methodology for the valuation of the liability at the reporting date.

Other assumptions

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change is assumed in healthcare care inflation and discount rates changes and would have the following effect liability:

	One percentage point increase	One percentage point decrease
Health care inflation rate (8%/ -9% change)	590 497 000	499 297 000
Discount rate (-11%/13% change)	488 835 000	618 698 000

Amounts for the current and previous four years are as follows:

	2022	2021	2020	2019	2018
Defined benefit obligation	547 258 000	512 371 000	470 193 000	526 822 000	629 855 000
Surplus (deficit)	(547 258 000)	(512 371 000)	(470 193 000)	(526 822 000)	(629 855 000)
Experience adjustments on plan liabilities ((gain)/loss)	3 760 000	(17 252 000)	(16 924 000)	(22 837 000)	(17 781 000)

Figures in Rand	Note(s)	2022	2021
Total contribution to medical aid (employer and employees)			
Bonitas		28 728 490	28 181 153
Discovery		454 933	499 599
Hosmed		450 184	433 492
Key Health		26 052 015	28 054 783
LA Health		86 366 118	81 704 578
Profmed		60 660	176 118
Samwumed		3 570 012	3 456 163
		145 682 412	142 505 886

Experience adjustments are the effects of differences between the previous actuarial assumptions and what has actually occurred.

Key assumptions used (Long service awards)

The long service awards provision represents the amount of money that should be set aside in present day terms to cover all expected long service awards for current employees.

The long service award provision is created to ensure adherence to SALGA collective agreement requirements. The liability was estimated by an Actuary in terms of GRAP 25 (Employee Benefits).

Long service awards payments are expected on the anniversary of appointment for all the qualifying employees.

At the reporting date there were no future events that could affect the future payment costs for long service awards.

As at 30 June 2022, the liability was estimated by experts, Arch Actuarial Consulting.

The key assumptions used by the experts were:

Net effective discount rate- 3.20%
Average retirement age- 62 years
Mortality during employment- SA 85-90

The projected unit credit method is used as the standard valuation methodology for the valuation of the liability at the reporting date.

22. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Expanded Public Parks Programme	-	469 014
Neighbourhood Development Partnership Grant	70 702	1 070 247
Public Transportation Infrastructure Grant	-	50 446 079
Water Services Infrastructure Grant	18 715	-
Greater Edendale Development Initiative	105 990 396	99 595 434
Housing Accreditation	8 832 225	10 064 740
Informal Economy Infrastructure Development	81 854	1 719 951
Jika Joe Community Residential Units	-	7 909 450
Library	7 512 207	6 445 855
Manaye Area Precinct Upgrade	-	761
Pietermaritzburg Airport	47 442	359 982
Operation Dlusumlando	-	1 136 990
Tatham Art Gallery	38 801	18 939
Youth Enterprise Park	190 805	136 270
Eastwood Primary Substation	6 077 724	-
Corridor Development (Heroes Acre Memorial Park)	6 606 654	-
Municipal Disaster Response Grant	620 000	-
	136 087 525	179 373 712

Figures in Rand	Note(s)	2022	2021
Movement during the year			
Balance at the beginning of the year		179 373 712	180 851 130
Funds paid back to National Treasury		(469 000)	(43 000)
Current year receipts		395 037 710	569 800 865
Current year interest received		5 105 034	2 390 850
Transfer to MHOA (Repayment of bridgefunded INEP expenditure for 2020/2021)		(8 769 502)	-
Transfer of savings on Operation Dluksimlando to own revenue		(50 186)	-
Transfer of VAT on Jika Joe project to own revenue		(6 876 324)	-
VAT recovered from grant		(43 271 357)	(54 992 924)
Conditions met - transferred to revenue		(383 992 562)	(518 633 209)
		136 087 525	179 373 712

The extent of government grants recognised in the Statement of Financial Performance relates to the extent of the grant conditions having been met.

Refer to Appendix D for details of Unspent Conditional Grants, Receipts and Transfers from National, Provincial, Government and other departments.

See note 40 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

23. VAT payable

VAT payable	178 111 817	179 672 591
VAT Reconciliation		
Accrued output tax	379 757 916	325 591 206
Accrued input tax	(193 780 864)	(135 257 921)
VAT refund (due)/payable (from)/to SARS	(7 865 235)	(10 660 694)
	178 111 817	179 672 591

VAT is claimed on a payment basis.

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

Only once an invoice is paid is VAT claimed and receivable from SARS.

24. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2022

	Accumulated surplus	Insurance reserve	COVID reserve	Total
Opening balance	7 937 573 357	10 953 735	32 311 434	7 980 838 526
Interest earned on COVID	(1 688 272)	-	1 688 272	-
Interest earned on insurance reserve	(20 999)	20 999	-	-
Interest earned on CRR	(61 010)	-	-	(61 010)
Interest earned on HDF	(1 798 165)	-	-	(1 798 165)
Transfer out of insurance reserve	10 400 849	(10 400 849)	-	-
Transfer to/from COVID	1 329 697	-	(1 329 697)	-
Deficit	(725 548 670)	-	-	(725 578 670)
	7 220 156 787	573 885	32 670 009	7 253 400 681

Ring-fenced internal funds and reserves within accumulated surplus - 2021

	Accumulated surplus	Insurance reserve	COVID reserve	Total
Opening balance	7 858 871 204	19 790 045	17 159 750	7 895 820 999
Prior period error	30 329 918	-	-	30 329 918
Cash utilised for capital expenditure	1 352 938	-	-	1 352 938
Interest earned on COVID	(547 968)	-	547 968	-
Interest earned on insurance reserve	(18 274)	18 274	-	-
Interest earned on CRR	(23 957)	-	-	(23 957)
Interest earned on HDF	(1 597 772)	-	-	(1 597 772)
Transfer out of insurance reserve	8 854 584	(8 854 584)	-	-
Transfer to/from COVID	(14 603 716)	-	14 603 716	-
Surplus	54 956 400	-	-	54 956 400
	7 937 573 357	10 953 735	32 311 434	7 980 838 526

Figures in Rand	Note(s)	2022	2021
25. Capital replacement reserve			
Based on the approval by the strategic management committee on the 7th April 2015 the CRR was created by transferring funds of R151 935 999 from the accumulated surplus. This reserve will be used for the funding of property, plant and equipment.			
Included in the reserve is an amount of R61 010 (2021: R23 957) in respect to interest earned on the reserve.			
The CRR is a cash backed reserve			
Opening balance		724 892	2 053 876
Utilised for capital expenditure		-	(1 352 943)
Interest earned		61 010	23 959
		785 902	724 892
26. Housing development fund			
Accumulative HDF utilisation		71 437 358	60 869 641
Loans extinguished by Government on 1 April 1988		34 256 892	34 256 892
		105 694 250	95 126 533
27. Revaluation reserve			
Opening balance		95 137 597	95 264 535
Change during the year		213 303	(126 938)
		95 350 900	95 137 597
28. Agency services			
Commission earned on driver's licenses renewals		2 139 483	1 931 382
29. Interest - consumer debtors and receivables			
Electricity		9 722 333	2 609 293
Property rental		635 082	745 945
Sanitation		16 600 379	17 156 170
Service charges		9 446 666	16 711 883
Waste management		9 113 413	9 963 701
Water		103 444 826	97 124 912
		148 962 699	144 311 904
30. Interest received bank, call and investment accounts			
Bank		767 040	118 945
Short term investments		9 678 030	8 336 974
		10 445 070	8 455 919
31. Licences and permits			
Taxi ranks		196 978	109 361
Abnormal loads		628 730	292 574
Trading		113 761	163 734
Market porters		44 741	37 120
		984 210	602 789
32. Operational revenue			
Skills development levy		1 285 808	1 460 320
Breakages and losses recovered		6 786	2 876
Commission insurance		704 805	726 809
Incidental cash surplus		1 324	4 998
Commission - transaction handling fees		16 576 760	19 498 229
Landing fees		2 090 039	1 325 522
Passenger levy		3 824 359	1 780 400
Collection charges		18 417 734	17 758 554
Administration and handling fees		2 294 054	1 437 856
Request for information - plan printing and duplicates		27 053	9 857
Bursary refund		19 317	501 777

Figures in Rand	Note(s)	2022	2021
Sale of property		-	167 981
Merchandising, jobbing and contracts		9 303 162	-
Staff recoveries		528	477
		54 551 729	44 675 656
33. Rental of facilities and equipment			
Premises			
Non-residential		17 986 626	6 961 657
Residential		7 032 131	7 449 058
		25 018 757	14 410 715
Facilities and equipment			
Rental of facilities		396 551	148 196
		25 415 308	14 558 911
34. Rendering of services			
Building plan approval		1 935 657	1 923 379
Cemetery and burial fees		5 190 053	3 878 397
Entrance fees		176 778	6 704
Fire services		811 125	249 752
Legal fees		23	371 007
Management fees		191 516	143 181
Parking fees		18 104	84 346
Rates clearance certificates		1 583 030	1 544 875
Sign application fee		746 666	517 427
Town planning and servitudes		568 452	302 455
Wayleave tariffs		11 731	102 832
		11 233 135	9 124 355
35. Sale of goods			
Cleaning and removal		54 128	24 207
Buyer's card		45 075	37 079
Demolition application fees		275	108
Sub-division and consolidation		50 511	50 218
Tender documents		62 885	46 548
Valuation services		16 574	22 165
Waste paper		10 617	15 496
		240 065	195 821
36. Service charges			
Sale of electricity		2 549 854 260	2 152 783 170
Sale of water		773 657 197	773 169 373
Sanitation		182 241 050	167 102 484
Refuse removal		114 118 706	113 696 636
		3 619 871 213	3 206 751 663
Reconciliation			
Gross revenue billed			
Sale of electricity		2 551 570 145	2 150 014 371
Sale of water		792 074 469	770 001 503
Sanitation		192 428 906	183 224 892
Refuse removal		112 986 500	113 749 074
		3 649 060 020	3 216 989 840
Less: Revenue foregone free basic services			
Sale of electricity		(413 993)	(170 276)
Sale of water		(3 050 862)	(4 643 713)
Sanitation		(12 372 368)	(18 430 498)
Refuse removal		(30 424)	(13 905)
Net Service charges		3 633 192 373	3 193 731 448

Figures in Rand	Note(s)	2022	2021
37. Property rates			
Rates per category			
Commercial		236 472 152	292 274 155
Farm properties		509 919	(923 968)
Unauthorised use		13 562 683	18 911 836
Small home business		-	(49 322)
Industrial		127 732 459	130 261 674
Public benefit organisation		2 215 484	867 892
Residential		706 384 717	672 148 958
Communal land - other		3 301 024	2 521 600
State		41 939	698 319
Mining		405 447	106 720
Public service purpose		120 722 780	115 512 441
		1 211 348 604	1 232 330 305
Reconciliation			
Gross revenue billed			
Property rates		1 303 071 038	1 247 058 231
		1 303 071 038	1 247 058 231
Less: Revenue foregone free basic services			
Rebates property rates		(85 798 824)	(42 381 917)
Net Property rates		1 217 272 214	1 204 676 314
Valuations			
Agriculture		452 132 000	443 200 000
Commercial/Mining/Industrial/Unauthorised		23 519 125 766	24 939 127 138
Municipal properties		974 000	21 574 000
Residential		49 457 005 473	49 886 871 973
Rural communal land		203 416 000	165 726 000
Public Benefit Organisation		983 186 000	963 786 000
Public Service Infrastructure		212 832 635	212 322 635
Public Service Property		5 108 229 000	4 826 478 000
Vacant land		2 126 205 700	2 285 276 700
		82 063 106 574	83 744 362 446
Rate randage are as follows:		Rate per category 2022	Rate per category 2021
Agriculture		0,0034	0,0032
Public Service Property		0,0244	0,0232
Residential		0,0139	0,0132
Rural communal land		0,0189	0,0179
Public Benefit Organisation		0,0034	0,0032
Public Service Infrastructure		0,0034	0,0032
Vacant land		0,0252	0,0239
Commercial		0,0244	0,0232
Mining		0,0244	0,0232
Industrial		0,0244	0,0232
Unauthorised		0,0433	0,0411
Municipal property		0,0244	0,0232
Sectional Title Garages		0,0139	0,0132

Valuations on land and buildings are performed every 4 years in terms of the Municipal Property Rates Act. The last general valuation came into effect on 1 July 2019. Interim/ Supplementary valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The significant decline from R 21 574 000 to R 974 000 in the Municipal properties resulted from the property

NOFT00000001496700000 (R 20 600 000) being removed from this category to the Mining category. The mining category is therefore, R26 070 000 in value, where previously it was R5 470 000.

Figures in Rand	Note(s)	2022	2021
38. Interest from non-exchange receivables			
Property rates		50 189 792	38 479 755
39. Fines, penalties and forfeits			
Building fines		30 463	14 000
Law enforcement fines		299 018	277 334
Overdue books fines		8 398	-
Court traffic fines		14 127 350	15 718 700
Tender withdrawal penalties		23 744	52 001
		14 488 973	16 062 035
40. Government grants and subsidies			
Operating grants			
Equitable Share		616 262 000	682 403 000
Municipal Infrastructure Grant		6 107 918	10 493 133
Expanded Public Works Programme		3 516 014	3 918 986
Finance Management Grant		1 900 000	1 700 000
Public Transport Infrastructure Grant		23 042	10 840 834
Housing Accreditation		4 663 110	33 724 163
Greater Edendale Development Initiative		3 222 622	1 249 599
Tatham Art Gallery		421 883	744 109
Library		15 381 529	9 265 622
Housing Projects		9 106 293	1 231 264
Water Services Infrastructure Grant		19 986 410	-
Municipal Disaster Relief Grant		-	1 192 000
Operation Dlusumlando		1 086 804	363 010
CBD Revitalisation		-	300 000
		681 677 625	757 425 720
Capital grants			
Manaye Area Precinct Upgrade		-	210 119
Informal Economy Infrastructure Development		1 700 456	2 324 673
Municipal Infrastructure Grant		203 223 082	193 940 410
Integrated National Electrification Programme		11 230 498	-
Neighbourhood Development Partnership Grant		34 999 545	16 930 754
Public Transport Infrastructure Grant		62 323 037	167 291 661
Housing Accreditation		1 785 915	512 954
Greater Edendale Development Initiative		2 545 502	12 892 132
Library		399 257	5 882 335
Pietermaritzburg Airport		326 219	2 173 164
Youth Enterprise Park		140 025	2 595 863
Water Services Infrastructure Grant		19 994 875	44 804 151
Tatham Art Gallery		81 475	142 347
Jika Joe Community Residential Units		20 895 493	48 902 854
Eastwood Primary Substation		9 079 238	-
		368 724 617	498 603 417
		1 050 402 242	1 256 029 137
Government grants and subsidies			
Included in above are the following grants and subsidies received:			
Equitable Share		616 262 000	682 403 000
Operating grants		62 501 911	73 950 537
Capital grants		321 490 649	444 682 672
VAT recovered - operating grants		2 913 714	1 072 182
VAT recovered - capital grants		47 233 968	53 920 746
		1 050 402 242	1 256 029 137

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Figures in Rand	Note(s)	2022	2021

In terms of section 227 of the Constitution, the Equitable Share grant provides funding for the municipality to deliver free basic services to poor households and subsidises the cost of administration and other core services for the municipality.

Energy Efficiency and Demand Side Management Grant

Balance unspent at beginning of year	-	664
Funds paid back to National Treasury	-	(664)
	-	-

The energy efficiency and demand-side management grant is provided to implement energy-efficiency projects, with a focus on public lighting and energy-efficient municipal infrastructure.

Expanded Public Works Programme

Balance unspent at beginning of year	469 014	-
Funds paid back to National Treasury	(469 000)	-
Current year receipts	3 516 000	4 388 000
VAT recovered from grant	(41 692)	-
Conditions met - transferred to revenue	(3 474 322)	(3 918 986)
	-	469 014

Conditions still to be met - remain liabilities (see note 22).

The purpose of the grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines:

1. Road maintenance and the maintenance of buildings
2. Low traffic volume roads and rural roads
3. Basic services infrastructure, including water and sewer reticulation, sanitation and pipelines (excluding bulk infrastructure)
4. Other economic and social infrastructure
5. Tourism and cultural industries
6. Waste management
7. Parks and beautification
8. Sustainable land-based livelihoods
9. Social services programmes
10. Community safety programmes

Finance Management Grant

Current year receipts	1 900 000	1 700 000
VAT recovered from grant	(131 943)	(91 083)
Conditions met - transferred to revenue	(1 768 057)	(1 608 917)
	-	-

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

Integrated National Electrification Programme

Balance unspent at beginning of year	-	-
Current year receipts	20 000 000	-
Transfer to MHOA (Repayment of bridge funded INEP expenditure for 2020/2021)	(8 769 502)	-
VAT recovered from grant	(849 504)	-
Conditions met - transferred to revenue	(10 380 994)	-
	-	-

The purpose of the grant is to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog in all existing and planned dwellings (including informal settlements, farm dwellings, new and existing dwellings) and the installation of relevant bulk infrastructure.

A letter dated 15 February 2022 was received from National Treasury advising of their intention to stop the 3rd tranche of the INEP allocation amounting to R4 million which was due on the 25th February 2022. The reason for stopping was due to Msunduzi under performing in terms of the grant allocation.

In the Government Gazette 46095 dated 25th March 2022, the allocation for Msunduzi was reduced from R24 million to R20 million.

Figures in Rand	Note(s)	2022	2021
Municipal Disaster Relief Grant			
Balance unspent at beginning of year		-	1 192 000
VAT recovered from grant		-	(129 897)
Conditions met - transferred to revenue		-	(1 062 103)
		-	-

Funding received for response and intervention measures for COVID-19 pandemic. The approved funding is meant to augment the resources of the municipality with regard to the following prioritised areas: a) Sanitation; b) Decontamination of specific selected municipal spaces; Personal Protective Equipment, and hygiene packs; and c) Waste management Municipal Infrastructure Grant

Balance unspent at beginning of year	-	10 712 542
Current year receipts	209 331 000	193 721 000
VAT recovered from grant	(24 823 847)	(24 275 494)
Conditions met - transferred to revenue	(184 507 153)	(180 158 048)
	-	-

The funding has been provided:

1. For addressing specific capital projects for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.
2. For for the development of asset management plans for infrastructure servicing the poor.

Neighbourhood Development Partnership Grant

Balance unspent at beginning of year	1 070 247	43 336
Funds paid back to National Treasury	-	(42 336)
Current year receipts	34 000 000	18 000 000
VAT recovered from grant	(4 565 158)	(2 208 359)
Conditions met - transferred to revenue	(30 434 387)	(14 722 394)
	70 702	1 070 247

Conditions still to be met - remain liabilities (see note 22).

Funding provided to plan, catalyse and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in targeted locations, underserved neighbourhoods, generally townships and rural towns.

Public Transportation Infrastructure Grant

Balance unspent at beginning of year	50 446 079	94 578 575
Current year receipts	11 900 000	134 000 000
VAT recovered from grant	(7 873 889)	(22 383 251)
Conditions met - transferred to revenue	(54 472 190)	(155 749 245)
	-	50 446 079

Conditions still to be met - remain liabilities (see note 22).

Funding provided for accelerated planning, construction and improvement of public and non-motorised transport Infrastructure that form part of the municipal integrated public transport network (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.

In the Government Gazette 46095 dated 25th March 2022, Msunduzi was allocated an amount of R11,9 million which was received on the 28th March 2022.

Water Services Infrastructure Grant

Balance unspent at beginning of year	-	248 151
Current year receipts	40 000 000	44 556 000
VAT recovered from grant	(4 985 325)	(5 904 841)
Conditions met - transferred to revenue	(34 995 960)	(38 899 310)
	18 715	-

Conditions still to be met - remain liabilities (see note 22).

Figures in Rand	Note(s)	2022	2021

The purpose of the grant is:

1. To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural.
2. To provide basic and intermittent water and sanitation supply that ensure provision of services to identified and prioritised communities, including through spring protection and groundwater development.
3. To support municipalities in implementing water conservation and water demand management (WC/WDM) projects.
4. To support the close out of the existing bucket eradication programme intervention in formal residential areas.
5. To support drought relief programmes in affected municipalities.

CBD Revitalisation

Current year receipts	-	300 000
Conditions met - transferred to revenue	-	(300 000)
	-	-

Funding has been provided by the Department of Economic Development, Tourism and Environmental Affairs for the revitalisation of the City centre, The area that will be revitalised is the central mall area, Church Street between Chief Albert Luthuli and Peter Kerchoff. This will entail the removal of the fountains and tree stumps and to repave the central mall area with eco-pavers made from recycled plastic material and purchased by citizens. Pavers are to be laid in a substrate of recycled crushed glass instead of sand. All the property owners in the area will be contacted to request their assistance in doing up their building facades and to ask for a contribution towards the initiative, from which contribution the purchase of curbing made from recycled plastic, paint bollards and vendor stands, replace bins etc can be done.

Greater Edendale Development Initiative

Balance unspent at beginning of year	99 595 434	14 436 496
Current year receipts	8 158 820	98 000 000
Current year interest received	4 004 267	1 300 669
Conditions met - transferred to revenue	(5 768 125)	(14 141 731)
	105 990 396	99 595 434

Conditions still to be met - remain liabilities (see note 22).

The funding was provided by the Department of Human Settlements for the following:

1. To support GIS with the interrogation of housing layout against services in Edendale.
2. To support the finalisation of the town planning scheme.
3. For the development of an integrated land use management system for Edendale.
4. To value additional properties which are not within the 5 priority housing projects.
5. For advertising costs for expropriation of properties.
6. For costs relating to tenure conflicts, cadastral and deed office rectification.
7. For Increasing the resources for sales administration with regard to drawing up, signing and managing sales agreements.
8. For the provision of further training for personnel using GIS and property tracking systems.
9. For employment of two planning interns to be employed by the Land Legal Committee for a period of two years.

Balance unspent at beginning of year	10 064 740	29 829 350
Current year receipts	4 853 172	3 401 916
Current year interest received	363 338	681 590
Conditions met - transferred to revenue	(6 449 025)	(34 237 116)
Transfer from Jika Joe Community Residential Units	-	10 389 000
	8 832 225	10 064 740

Housing Accreditation

Conditions still to be met - remain liabilities (see note 22).

Funding provided for Level 1 accreditation subsidy for the operation of the Housing Delivery Unit within Msunduzi Municipality.

In the Provincial Government Gazette No 2355 dated 23 December 2021, the allocation for Msunduzi was increased from R4 264 000 to R4 839 000.

Housing Projects

Current year receipts	9 106 293	1 231 264
Conditions met - transferred to revenue	(9 106 293)	(1 231 264)
	-	-

Funding provided by Department of Human Settlements for implementation of Housing Projects as follows:

1. Harewood Informal Settlement Upgrade Housing Project No K15020002 - Implementation of Stage 1 activities on 1000 housing units.
2. The Kwa 30 Informal Settlement Upgrade Housing Project No K15080001 - Implementation of Stage 1 activities on 400 housing units.
3. Khalanyoni Informal Settlement Upgrade Housing Project No K15080002 - Implementation of Stage 1 activities on 1000 housing units.
4. Mkhondeni Informal Settlement Upgrade Housing Project No K20011125 - Implementation of Stage 1 activities on 2000 housing units.

Figures in Rand	Note(s)	2022	2021
5. eThembeni IRDP Project No K15110002/1 - Implementation of Stage 1 activities on 2446 housing units.			
6. Bhobhonono and Masomini Housing project No K21080002 - Implementation of Stage 1 activities on 2000 housing units.			
7. Jika Joe Housing project - Social facilitation costs for 3015 dwellings.			

Informal Economy Infrastructure Development

Balance unspent at beginning of year	1 719 951	-
Current year receipts	-	4 000 000
Current year interest received	62 359	44 623
Conditions met - transferred to revenue	(1 700 456)	(2 324 672)
	81 854	1 719 951

Conditions still to be met - remain liabilities (see note 22).

Funding has been provided by the Department of Economic Development, Tourism and Environmental Affairs for the development of Informal economic infrastructure. Funding is to be used for the refurbishment of 250 existing informal trading stalls as well as the provision of additional support facilities and services in the Msunduzi Municipality CBD.

Jika Joe Community Residential Units

Balance unspent at beginning of year	7 909 450	24 872 619
Current year receipts	12 986 042	42 328 685
Conditions met - transferred to revenue	(14 019 169)	(48 902 854)
Transfer to Housing Accreditation	-	(10 389 000)
Transfer to own revenue	(6 876 323)	-
	-	7 909 450

Conditions still to be met - remain liabilities (see note 22).

Funds provided by the Provincial Department of Human Settlements for the addressing of the housing backlog in the Municipality, and rental stock has been identified as a strategic intervention in addressing the formal accommodation needs. The Jika Joe project has been identified as a priority to address the Jika Joe informal settlement. The project also aims to relocate the residents from the existing Masukwana Street temporary housing and the removal of the of structures.

Project funding for Jika Joe project is inclusive of VAT. The Department of Human Settlements and Msunduzi Municipality on 25 February 2019 entered into an addendum to memorandum of agreement for the adjustment of the Value added Tax from 14% to 15%. Provincial Treasury approved the rollover of unspent balances which was VAT on claims submitted to Department of Human Settlements in the 2019/ 2020 and 2020/2021 financial year. Council approved a once the portion of the VAT on claims submitted is utilised in the project for prepaid water meters and temporary houses that were not funded by the Provincial Department of Human Settlement, the remaining balance be transferred to the Municipality as own revenue at the end of the financial year and subsequent years thereafter.

Library

Balance unspent at beginning of year	6 445 855	221 889
Current year receipts	16 363 000	21 186 000
Current year interest received	484 138	185 922
Conditions met - transferred to revenue	(15 780 786)	(15 147 956)
	7 512 207	6 445 855

Conditions still to be met - remain liabilities (see note 22).

Funds provided by the Provincial Department of Arts and Culture for the provision of library services.

Manaye Area Precinct Upgrade

Balance unspent at beginning of year	761	204 370
Current year interest received	26	6 510
Conditions met - transferred to revenue	-	(210 119)
Transfer to Youth Enterprise Park	(787)	-
	-	761

Conditions still to be met - remain liabilities (see note 22).

Funds received from Cooperative Governance and Traditional Affairs for the Manaye Area Precinct Upgrade in order to assist the municipality in fulfilling the developmental mandate and achieving the outcome of improving the lives of the communities through the implementation of the Corridor Development Programme that contributes towards creating an enabling environment for economic growth and job creation.

Figures in Rand	Note(s)	2022	2021
Pietermaritzburg Airport			
Balance unspent at beginning of year		359 982	-
Current year receipts		-	2 500 000
Current year interest received		13 679	33 146
Conditions met - transferred to revenue		(326 219)	(2 173 164)
		47 442	359 982

Conditions still to be met - remain liabilities (see note 22).

The funding has been provided by the Economic Development, Tourism and Environmental Affairs for the improvement of the safety and security infrastructure of the Pietermaritzburg Airport.

Operation Dlulisumlando

Balance unspent at beginning of year	1 136 990	1 500 000
Conditions met - transferred to revenue	(1 086 804)	(363 010)
Transfer to own revenue	(50 186)	-
	-	1 136 990

Conditions still to be met - remain liabilities (see note 22).

Funds provided by the Office of the Premier to support the establishment and implementation of the Dlulisumlando Project, a national historical development initiative and imperative.

Tatham Art Gallery

Balance unspent at beginning of year	18 939	395 076
Current year receipts	515 000	488 000
Current year interest received	8 220	22 318
Conditions met - transferred to revenue	(503 358)	(886 455)
	38 801	18 939

Conditions still to be met - remain liabilities (see note 22).

Funds provided by the Provincial Department of Arts and Culture for Tatham Art Gallery to provide financial support to the municipality with a focus on the development and maintenance of Museum care and the preservation of the cultural heritage.

Youth Enterprise Park

Balance unspent at beginning of year	136 270	2 616 061
Current year receipts	188 382	-
Current year interest received	5 391	116 072
Transfer from Manaye	787	-
Conditions met - transferred to revenue	(140 025)	(2 595 863)
	190 805	136 270

Conditions still to be met - remain liabilities (see note 22).

Funds received from Cooperative Governance and Traditional Affairs for Youth Enterprise Park which emerged to address the challenges of finding appropriate localities for businesses. The concept of the park will be to cluster a purpose built park of 30 to 50 container enterprises in a particular locality either in community, small town or rural district or as part of urban or rural renewal programmes. The programme will also offer on site training facilities and support micro enterprises that operate within the park. The idea is to create a purpose built precinct at scale where the local community is able to take up local economic community opportunities to establish businesses. The Youth Enterprise Park should fundamentally be able to reconnect the economy with communities whose needs offer economic opportunity for its local entrepreneurs.

Eastwood Primary Substation

Balance unspent at beginning of year	-	-
Current year receipts	15 000 000	-
Current year interest received	156 962	-
Conditions met - transferred to revenue	(9 079 238)	-
	6 077 724	-

Conditions still to be met - remain liabilities (see note 22).

Funding has been provided by the Department of Cooperative Governance and Traditional Affairs for the electrification project Eastwood 132/11kv primary substation infrastructure, building of 132kv over head lines and refurbishment of the 132kv primary substation.

Figures in Rand	Note(s)	2022	2021
Eastwood was established to cater for the local growth in the industrial network between Riverside and Northdale Substations including to cater for the residential areas in the vicinity. This project will relieve the loads on the Riverside and Northdale Substation strengthening the network and allow for future load growth. The refurbishment of the Eastwood primary substation into effective service will bring a lot of benefits to the Willowton industrial area and the surrounding residential area.			
Corridor Development (Heroes Acre Memorial Park)			
Current-year receipts		6 600 000	-
Current year interest received		6 654	-
		6 606 654	-
Conditions still to be met - remain liabilities (see note 22). Funding has been provided by the Department of Cooperative Governance and Traditional Affairs. The Heroes Acre Memorial Park is a symbol of bravery and selflessness for the Moses Mabhida and Johnny Makhathini who played a significant role in the liberation struggle as exiled leaders of the South African Communist Party. In recognition of the liberation struggles, this project seeks to beautify, upkeep, maintain and repair of the Heroe's Acre as a place of honour, dignity and respect. The project was approved on 10 June 2022 by Cooperative Governance and Traditional Affairs for implementation in 2022/2023 financial year. This grant allocation has been gazetted in the Provincial gazette for the 2022/2023 financial year, however this funds was transferred to the Municipality on the 23 June 2022.			
Municipal Disaster Response Grant			
Balance unspent at beginning of year		-	-
Current-year receipts		620 000	-
		620 000	-
Conditions still to be met - remain liabilities (see note 22). Funds received from Cooperative Governance and Traditional Affair for responding to and providing response and relief measures for unforeseeable and unavoidable disasters within the municipal area. This funding was transferred to the municipality on the 30th June 2022.			
41. Other transfers			
Donations		-	2 103 876
Living resources (Non exchange)		60 000	93 500
		60 000	2 197 376
42. Bad debts written off			
Bad debts written off		83 779 107	390 096 130
Prior to write off of bad debts it must be proved that the debt has become irrecoverable and all reasonable steps were taken to recover the debt.			
Bulk purchases			
Electricity		2 212 724 552	1 906 837 267
Water		737 482 753	752 567 032
		2 950 207 305	2 659 404 299
44. Debt impairment			
Contribution to debt impairment		1 003 762 757	236 403 910
Reconciliation of debt impairment			
Electricity		45 923 122	(5 987 944)
Rates		145 402 503	161 387 056
Refuse		44 777 074	(2 468 056)
Property rental		34 320 394	(72 342 049)
Sanitation		82 258 523	10 642 282
Water		638 164 501	144 462 799
Total consumer debtors		990 846 117	235 694 088
Other financial assets		645 262	(14 264 928)
Statutory receivables - traffic fines		12 916 640	14 974 750
		1 004 408 019	236 403 910

Figures in Rand	Note(s)	2022	2021
45. Depreciation and amortisation			
Property, plant and equipment		359 608 355	366 183 434
Intangible assets		6 037 323	6 265 496
Living resources		53 636	83 107
		365 699 314	372 532 037
46. Employee related costs			
Municipal Staff			
Acting allowances		17 961 606	16 625 381
Basic salaries		835 458 906	806 618 634
Bargaining council		381 052	372 834
Bonus		66 562 546	64 376 155
Housing benefits and allowances		4 244 809	4 340 295
Leave pay provision		19 775 085	25 686 752
Long-service awards		27 794 892	25 708 631
Medical aid		65 721 060	63 779 739
Other allowances (tools, uniform, telephone etc)		19 319 916	7 959 406
Overtime payments		110 788 735	97 747 525
Pension contribution		161 170 078	159 441 813
Post employment medical aid benefit		62 450 000	56 899 000
Scarcity allowance		7 385 411	7 132 745
SDL		11 033 178	7 873 387
Standby allowance		25 047 888	27 330 451
Travel/Motor vehicle allowance		28 706 315	28 296 386
UIF		6 786 475	5 921 949
WCA		1 538 779	1 568 993
		1 472 126 731	1 407 680 076
Remuneration of City Manager			
Basic salary		1 045 975	1 394 633
Bargaining council		93	119
Contributions to UIF, medical and pension funds		190 516	253 908
Leave gratuity		105 808	-
Leave pay provision		-	11 941
		1 342 392	1 660 601
Remuneration of Chief Finance Officer			
Basic salary		1 228 641	1 228 641
Acting allowance		69 667	-
Bargaining council		124	119
Bonus		60 000	60 000
Contributions to UIF, medical and pension funds		121 833	121 691
Housing allowance		180 000	180 000
Leave pay provision		19 462	34 239
Phone allowance		14 400	14 400
Travelling allowance		176 493	176 493
		1 870 620	1 815 583
Remuneration of Chief Audit Executive			
Basic salary		1 200 226	1 159 639
Bargaining council		124	119
Bonus		100 019	96 637
Contributions to UIF, medical and pension funds		254 898	246 043
Housing allowance		11 574	11 574
Leave pay provision		14 288	33 593
Phone allowance		13 800	13 800
Travelling allowance		153 262	153 262
		1 748 191	1 714 667

Figures in Rand	Note(s)	2022	2021
Remuneration of General Manager: Corporate Services			
Basic salary		1 304 980	1 291 764
Bargaining council		124	119
Bonus		90 000	90 000
Contributions to UIF, medical and pension funds		236 937	234 416
Phone allowance		20 400	20 400
Leave pay provision		811	33 167
Travelling allowance		127 251	127 251
		1 780 503	1 797 117
Remuneration of General Manager: Sustainable Development and City Enterprises			
Basic salary		958 373	987 159
Bargaining council		124	119
Contributions to UIF, medical and pension funds		59 318	59 176
Leave pay provision		11 511	16 619
Phone allowance		14 400	14 400
Travelling allowance		338 550	383 145
		1 382 276	1 460 618
Remuneration of General Manager: Community Services			
Acting allowance		3 698	-
Basic salary		1 354 200	1 335 758
Bargaining council		124	119
Contributions to UIF, medical and pension funds		15 111	1 898
Leave pay provision		5 600	25 685
Phone allowance		20 400	20 400
		1 399 133	1 383 860
Remuneration of General Manager: Infrastructure Services			
Basic salary		1 354 200	902 800
Bargaining council		124	79
Contributions to UIF, medical and pension funds		2 040	1 303
Leave pay provision		7 155	9 065
Phone allowance		23 600	-
		1 387 119	913 247
The General manager: Infrastructure services was appointed 1st of November 2021.			
City Manager		1 342 392	1 660 601
Chief Finance Officer		1 870 620	1 815 583
Chief Audit Executive		1 748 191	1 714 667
General Manager: Corporate Services		1 780 503	1 797 117
General Manager: Sustainable Development and City Enterprises		1 382 276	1 460 618
General Manager: Community Services		1 399 133	1 383 860
Remuneration of General Manager: Infrastructure Services		1 387 119	913 247
Total section 57 employees		10 910 234	10 745 693
Municipal staff		1 472 126 731	1 407 680 076
		1 483 036 965	1 418 425 769

47. Finance costs

Non-current borrowings	26 893 932	35 032 549
Trade and other payables	21 602	823 458
	26 915 534	35 856 007

The non-current borrowings finance costs relate to the DBSA loans (Refer to note 17 for further details)

48. General expenses

Air pollution monitoring	22 200	72 635
Air traffic control	4 244 614	4 513 942
Animal care	1 482 653	1 400 050
Artists and performers	17 408	70 000
Burial services	47 998	171 500
Business and financial management services	55 517 777	58 662 692

Figures in Rand	Note(s)	2022	2021
Cleaning services		6 961 976	8 940 897
Clearing and grass cutting services		6 134 225	1 474 359
Communications		982 583	196 455
Commission- prepaid electricity vendors		3 331 253	3 079 104
Connection/dis-connection		3 567 467	6 870 118
External security services		102 619 888	110 637 800
External sewerage services		-	184 407
Graphic designers		85 110	142 515
Infrastructure and planning consultancy		6 385 578	12 098 258
Legal costs		35 912 958	17 668 452
Medical services		118 496	93 198
Organisational transformation		2 601 165	2 682 474
Outsourced repairs and maintenance		208 951 557	112 985 183
Project management		24 272 875	21 045 558
Professional valuation services		1 821 497	1 735 265
Quality control - bacteriological		44 105	77 430
Refuse removal		4 150 017	2 509 873
Research and advisory		640 605	563 074
Sewerage services		222 909 092	181 752 114
Transportation		553 656	-
		693 376 753	549 627 353

49. Inventory consumed

Consumables	81 812 717	54 936 995
Materials and supplies	2 494 935	3 221 326
	84 307 652	58 158 321

50. Operational costs

Advertising	5 320 537	4 926 946
Bank charges	4 560 388	5 561 569
Bursaries (employees)	126 170	210 835
Catering municipal activities	1 504 018	156 002
Commission	14 155 299	13 239 834
Communication	5 669 994	12 124 313
Conferences and seminars	1 139 543	368 911
Drivers licenses and permits and other	1 746	3 240
Entertainment	16 957	50 762
External audit fees	12 136 245	11 028 784
External computer services	8 489 855	14 055 643
Insurance	13 071 919	8 854 584
Interest cost - provisions	6 680 957	6 680 957
IT expenses	25 484	21 430
Learnerships and internships	969 809	4 497 688
Motor vehicle expenses	5 202 774	4 311 365
Municipal services	11 856 671	19 514 250
Office decorations	64 858	155
Printing, publication and books	3 661 560	2 685 863
Signage	292 750	98 714
Subscriptions and membership fees	16 444 415	14 866 601
Storage of files	3 924	22 369
Title deed search fees	543	9 788
Travel - local	492 208	159 903
Uniform and protective clothing	8 517 418	5 441 387
	120 406 042	128 891 893

51. Operating leases

Motor vehicles		
Contractual amounts	19 824 061	18 481 188
Equipment		
Contractual amounts	9 338 238	7 555 411
	29 162 299	26 036 599

Figures in Rand	Note(s)	2022	2021
52. Remuneration of councillors			
Mayor		1 368 792	1 430 078
Deputy Mayor		1 116 880	1 172 661
Speaker		1 110 085	1 170 604
Chief Whip		1 092 013	1 101 089
Executive Committee Members		8 351 621	8 871 127
Municipal Public Account Committee chairperson		1 022 587	1 081 372
Councillors		35 467 468	36 814 315
Total Remuneration of Councillors		49 529 446	51 641 246
Remuneration of Mayor			
Basic salary		1 100 919	1 155 131
Pension Contributions		165 138	173 270
Medical aid contributions		58 335	57 277
Phone allowance		44 400	44 400
		1 368 792	1 430 078
Remuneration of Deputy Mayor			
Basic salary		1 005 937	945 394
Medical aid contributions		16 844	39 558
Pension contributions		48 266	141 809
Phone allowance		45 833	45 900
		1 116 880	1 172 661
Remuneration of Speaker			
Basic salary		745 311	870 159
Medical aid contributions		52 515	50 339
Pension contributions		111 797	130 524
Phone allowance		44 400	45 900
Travelling allowance		156 062	73 682
		1 110 085	1 170 604
Remuneration of Chief Whip			
Basic salary		906 481	932 505
Medical aid contributions		24 995	19 865
Pension contributions		89 889	-
Phone allowance		36 333	42 900
Travelling allowance		34 315	105 819
		1 092 013	1 101 089
Remuneration of Executive Committee Members			
Basic salary		6 694 104	6 345 986
Housing allowance		28 423	-
Medical aid contributions		236 802	217 349
Pension contributions		512 456	951 898
Phone allowance		275 133	353 700
Travelling allowance		604 703	1 002 194
		8 351 621	8 871 127
Remuneration of other councillors			
Basic salary		27 143 856	24 374 603
Housing allowance		71 416	132 892
Medical aid contributions		1 223 798	1 460 593
Pension contributions		2 079 085	3 125 405
Phone allowance		2 277 867	2 838 724
Travelling allowance		2 671 446	4 882 098
		35 467 468	36 814 315

Figures in Rand	Note(s)	2022	2021
Municipal Public Accounts Committee Chairperson			
Basic salary		829 210	641 888
Medical aid contributions		32 187	39 558
Pension contributions		43 326	96 283
Phone allowance		33 383	44 400
Travelling allowance		84 481	259 243
		1 022 587	1 081 372
Other information			
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time.			
53. Transfer and subsidies			
Grants paid to ME's			
Safe City Msunduzi NPC		12 416 889	11 793 834
Other subsidies			
Grant in aid		9 000 000	2 423 304
Injury on duty		1 811 361	1 754 682
Post retirement benefits		866 350	673 451
Arbitration awards		8 318 074	225 034
		19 995 785	5 076 471
		32 412 674	16 870 305
54. Actuarial gains/(losses)			
Long service		2 887 671	(4 397 732)
Post retirement benefit - medical aid		(1 383 351)	(13 792 424)
		1 504 320	(18 190 156)
55. Fair value adjustments on investment property			
Investment property (fair value model)		16 517 173	42 197 500
56. Fair value on agricultural assets			
Fair value on agricultural assets		(16 100 000)	21 054 552
57. Impairment loss			
Impairments			
Property, plant and equipment			
The procedure used to determine if the asset was impaired was to physically inspect the asset and determine if the asset was impaired and what factors contributed to the impairment and then comparing the condition, age and cost of the asset to the current records in the asset register and if there was a change this was then adjusted.		(6 885 251)	(7 607 463)
Heritage assets			
A grading system which reflects the condition of each asset in relation to a monetary value whereby 0 indicated a 100% loss of value and 5 signified 100% retention of value with a sliding scale for the degree of damage apropos value was used to arrive at the impairment value.		(26 267)	(122 720)
		(6 911 518)	(7 730 183)
58. Inventory losses			
Inventories losses		(2 687 271)	(3 655 242)
59. Cash generated from operations			
Deficit for year		(725 578 670)	54 956 400
Adjustments for:			
Depreciation and amortisation		365 699 314	372 532 037
(Gain) /loss on sale of assets		(4 361 951)	10 483 210
Fair value adjustments		(16 517 173)	(42 197 500)
Impairment loss		6 911 518	7 730 183
Debt impairment		1 003 762 757	236 403 910
Bad debts written off		83 779 107	390 096 130

Figures in Rand	Note(s)	2022	2021
Movements in retirement benefit assets and liabilities		35 386 000	49 446 000
Movements in provisions		4 090 654	2 268 367
Fair value on agricultural assets		16 100 000	(21 054 552)
Inventory losses		2 687 271	3 655 242
Donations and transfers -non cash		(60 000)	(2 197 376)
Changes in working capital:			
Inventories		(10 053 071)	(12 152 285)
Receivables from exchange transactions		(7 234 504)	395 490
Consumer debtors		(604 067 629)	(486 954 702)
Statutory receivables		(124 920 703)	(176 385 940)
Payables from exchange transactions		535 902 024	150 773 699
VAT		(1 560 774)	281 079
Transfers payable (non-exchange)		(1 623 412)	(1 276 829)
Unspent conditional grants and receipts		(43 286 187)	(1 477 418)
Consumer deposits		12 314 492	6 808 971
HDF - housing operating fund		8 769 552	-
		536 138 615	542 134 116

60. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government			
Current year subscription		859 758	902 345
Amount paid - current year		(859 758)	(902 345)
		-	-

Audit fees

Opening balance		210 569	386 104
Current year fees		12 136 245	11 028 784
Amount paid - current year		(11 801 964)	(10 818 215)
Amount paid - previous years		(210 569)	(386 104)
		334 281	210 569

PAYE and UIF

Opening balance		15 757 828	17 342 943
Current year contributions		211 333 069	198 170 380
Amount paid - current year		(209 800 477)	(199 755 495)
		17 290 420	15 757 828

Statutory payments are due by the 7th of the following month.

Pension and medical aid deductions

Opening balance		31 158 111	30 130 855
Current year contributions		380 603 702	377 858 454
Amount paid - current year		(379 875 630)	(376 831 198)
		31 886 183	31 158 111

Total medical aid and pension contributions are payable by the 4th and 7th of the following month respectively.

VAT

VAT payable		(178 111 817)	(179 672 591)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days.

30 June 2022	Outstanding more than 90 days

30 June 2021

Outstanding
more than 90
days

Alucia Mankoane	653
Cyril Emmanuel Simphiwe Dlungwane	4 265
Khethukuthula Brian Njokwe	43 692
Michael Ntshangase	41 127
Prudence Msimang	1 099
Nomalady Diela	46 814
Siphamandla Madlala	4 173
Siphiwe Ndawonde	17 275
	159 098

Included in the consumer debtors impairment (Refer to note 7) is Councillors in arrears outstanding debt. The total councillors' impairment is Nil (2021:115 362)

Bad debts recognised in the Statement of Financial Performance relating to Councillors amounts to Nil (2021: Nil). Refer to note 42

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to "dispense with official procurement processes established by the policy and to procure any required goods or services through any convenient process".

This would typically include urgent and emergency cases, single-source/sole providers of goods and services, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the Accounting Officer is required to report this to the next council meeting for noting.

Figures in Rand	Note(s)	2022	2021
Deviations per category			
Advertisements		998 767	-
Health and safety		597 934	-
Legal		1 464 360	-
Other		100 094	-
Repairs and maintenance		1 215 219	2 249 271
Repairs to motor vehicles		14 975 354	12 699 412
Rate based contracts		58 959 671	26 539 158
Service delivery		-	919 690
Uniforms		3 842 770	-
		82 154 169	42 407 531

Reasons for deviations	Contract name	Description of contract	Reasons for deviation	2022 Contract amount
Contract No.16/S36 OF 19/20	Various companies	Appointment of a panel of security service providers for the provision of security services at certain municipal facilities and places of work including VIP protection	Delays in the appointment of a panel of security services at municipal facilities and VIP protection	51 999 921
Database	Various companies	Repairs to motor vehicles	Urgent need for safety	14 975 355
Contract No.5/S36 of 21/22	Morar Incorporated	Appointment of a service provider for the implementation of consequence management	Morar Incorporated prepare the report in its entirety and are required for the processes of consequence management.	5 208 800
Contract No.8/S36 of 20/21	EPI Use Business Services	Appointment of a SAP expert to provide advice to the Legal team	Due to the confidentiality, sensitivity and the need to safeguard the integrity of the SAP expert testimony in court it was impractical to go for open tender process.	575 640
Contract No.8/S36 OF 21/22	Syntell Pty (Ltd)/Siemens Mobility Pty (Ltd)	Supply and delivery of traffic signal controllers	Due to Syntell (Pty) Ltd being the sole suppliers of Syntell traffic signal controllers that are being utilized by the municipality and Siemens (Pty) Ltd being the sole suppliers of Siemens traffic signal controllers that are being utilized by the municipality.	428 170
Various orders	Various companies	Advertisement	Sole supplier	998 767

Reasons for deviations	Contract name	Description of contract	Reasons for deviation	2022 Contract amount
Contract 12/S36 of 21/22	Garlicke and Bousfield Inc	Legal services	Due to Garlick and Bousefield Inc. having initiated the case under Contract No.SCM 40 OF 18/19 which expired before the matter could be finalised.	1 347 351
16/S36 of 17/18 Xolisisizwe	Eco Car Hire and Xolisisizwe Trading and Project	Hire of portable toilets	Urgent service	100 094
Contract 9/S36 of 21/22	Nasa	Supply and delivery of uniforms	Urgent need for protective clothing for staff	3 842 770
Contract No.4/S36 OF 21/22	Adroit Technologies	Appointment of service provider for software upgrade and maintenance of the scada system.	The department is in possession of Adroit Technologies SCADA Software network that was developed and modelled using Adroit Technologies SCADA System which cannot be accessed using a different software. Instead purchasing software would be easier to upgrading the existing system.	381 923
Contact No.8/S36 of 20/21	EPI Use Business Service	Appointment of SAP expert to provide advice of the Legal team	Due to the confidentiality, sensitivity and the need to safeguard the SAP expert testimony in court it was impractical to go for open tender process.	575 640
Contract No.8/36 of 21/22	Syntell Pty (Ltd)/Siemens Mobility Pty (Ltd)	Supply and delivery of traffic signal controllers	Due to Syntell (Pty) Ltd being the sole suppliers of Syntell traffic signal controllers that are being utilised by the municipality and Siemens (Pty) Ltd being the sole suppliers of Seimens traffic controllers that are being utilised by the municipality.	428 170
Various orders	Various companies	Advertisement	Sole suppliers	998 767
Contract No.12/S36 of 21/22	Garlicke and Bousfield Inc	Legal services	Due to Garlicke and Bousefield Inc. having initiated the case under Contract No.SCM 40 OF 18/19 wich expired before the matter could be finalised.	1 347 351
16/S36 of 17/18 Xolisisizwe	Eco Car hire and Xolisisizwe Trading and Project	Hire of portable toilets	Urgent service	100 094
Contact No.9/S36 of 21/22	Nasa	Supply and delivery of uniforms	Urgent need for protective clothing for staff	3 842 770
Contract No.4/S36 Of 21/22	Andriot Technologies	Appointment of service provider for software upgrade and maintenance of the SCADA system.	The department is in possession of Andriot Technologies SCADA Software network that was developed and modelled using Andriot Technologies SCADA System which cannot be accessed using a different software. Instead purchasing software would be easier to upgrade the existing system.	381 923
Contract No.1/S36 OF 21/22	Mazondi Construction	Appointment of a service provider for burning and hoeing of fire breakings and fire stand-by services for the msunduzi forestry company	The business unit had completed the procurement process for a 3 year harvesting contract which was envisioned to commence on 01 May 2021 , whereby the execution of fire breaks would have been the responsibility of the contractor. The decision to continue with the harvesting contract was rescinded after the bids were adjudicated. This then muddled the planning of the business unit. The insurer has also indicated that cover will be terminated should there be no dedicated team on the ground for firefighting.	597 933
Contract No.10/S36 OF 21/22	Evaluations Property Enhanced Solution	Appointment of a service provider for the conclusion of g.v 2019 appeals	The MPRA requires the valuer to be present to defend values in dispute cases handled by the Appeal board	365 216
Contract No.13/S36 OF 21/22	Lexus Nexus	Provision of Sole service legal research provider database		117 010

Reasons for deviations	Contract name	Description of contract	Reasons for deviation	2022 Contract amount
Contract No.13/S36 OF 21/22	ATC Industries	Service provider to undertake traffic signal repairs at the intersection of Moses Mabhida/Sutherland and Moses Mabhida /Archie Gumede intersections.	The Traffic Signals Specifications used in the IPTN route are different from the one we are currently using as the Municipality, hence we requested to deviate from normal processes due to time constraints. ATC Industries was the contractor appointed to install all traffic signals along Moses Mabhida under the IPTN project, they are familiar with the intersection configuration and all other aspects required. This will shorten the project duration and save cost, since project duration will only be two months . We are currently doing a Traffic Management study to open new lanes to public traffic by end of June 2022, however this will be impossible if these intersections are not functioning.	1 215 219
				82 154 169

62. Supply Chain Management regulation 45 of the MFMA

Awards to close family members of persons in the service of the state.

Name of the service provider	Employee name	Job title	Organ of state	Amount paid
The Borain Brothers cc T/A Borain Leyland	Mchunu Nomvula Teresa	General Worker Infrastructure	Msunduzi Municipality	113 975
Mathew Francis Inc	Brenden Sivparsad	Senior Manager Water and Sanitation	Msunduzi Municipality	22 702 909
Eka GP Trading Enterprise	Nhlakanipho Wiseman Gini Dlamini	General Assistant Mechanical Workshop	Msunduzi Municipality	841 340
Valimbo Primary Co-Operative	Mzwenzihlanhla Wiseman Khoza	General Assistant Waste Management	Msunduzi Municipality	-
Ekuseni Investment Holdings	Sandile Dlamini	Councillor		-
Gibb (Pty) Ltd	K. Pillay	Data Capturer	Department of Education	-
	P. Pillay	Educator	Department of Education	-
	Alan Moon	Head: Business Continuity	City of Cape Town	-
	John Watson	Director Accounting Support and Reporting	National Treasury	
	Leigh Stolworthy	Principle: Professional IRT System Planning	Department of Education	
	Sonnika Cilliers	Educator	Department of Education	
	Nokuthula Mkhize	Accounting Clerk	National Department of Water Affairs and Forestry	
	Jeanne Mare	Senior Educator	Department of Education	
	Imra Brink	Educator	Department of Education	
	Nkosinathi Mzayiya	Correctional Officer	Department of Correctional Services	
	Jacqueline Gooch	Head of Department	Department of Transport	
	Unathi Lekonyana	Deputy Director: Grant Monitoring and Analysis	Deputy Director: Grant Monitoring and Analysis	
	Douglas Kiewiet	Area Manager (North)	National Department of Water Affairs and Forestry	
	Rajiv Beharie	Senior Engineer	Eskom	
	M B Haq	Architect/Town Planner	City of Cape Town	
Isibuko Development Planners	Mrs Hlongwa	Assistant Director	Department of Social Development	956 505
Ihawu Firearms Centre	IS - Affleck	Rifleman Parachute	SANDF Reserve Force	113 490
Govett Vetten	S. Vetten		Western Cape Department of Health	2 401 708
				27 129 926

Figures in Rand	Note(s)	2022	2021
63. Irregular expenditure			
Opening balance as previously reported		566 089 144	581 531 563
Opening balance as restated		566 089 144	581 531 563
Add: Irregular expenditure - relating to prior year		26 072 427	6 844 388
Add: Irregular expenditure - relating to current year		80 230 362	50 766 130
Less: irregular expenditure written off		-	(73 052 938)
Closing balance		672 391 933	566 089 143

Analysis of expenditure awaiting Council's decision for write off or recovery per age classification

2008/2009	4 689 501	4 689 501
2009/2010	6 277 108	6 277 108
2010/2011	4 084 312	4 084 312
2011/2012	43 930	43 930
2013/2014	12 650	12 650
2014/2015	814 711	814 711
2016/2017	173 135 231	173 135 231
2015/2016 and 2016/2017 written off	(66 475 518)	(66 475 518)
2017/2018	175 906 287	175 906 287
2018/2019 plus comparative periods identified in current year	226 367 643	226 367 643
2013/14, 2014/15, 2017/18 and 2018/19 written off	(73 052 938)	(73 052 938)
2019/2020	56 675 709	56 675 709
2019/2020 identified in 2020/2021	6 844 388	6 844 388
2020/2021	50 766 130	50 766 130
2020/21 identified in 2021/22	26 072 427	-
2021/2022	80 230 362	-
	672 391 933	566 089 144

Incidents/cases identified in the current year include those listed below:

Cases under investigation

Irregular expenditure has not been written off or condoned.

Section 32(4) of the Municipal Finance Management Act requires that Council can deal with these matters in the manner prescribed.

Expired contract	3 830 941	5 156 882
Invalid deviations	3 965 043	1 032 815
Non compliance with regulation 31	66 444 258	30 954 781
Payment made not part of the initial contract	5 990 120	-
VIP security without threat assessment	-	13 621 652
	80 230 362	50 766 130

In the case of irregular and fruitless and wasteful expenditure, it is only after an investigation has been conducted that irregular expenditure can be certified as a irrecoverable and written off by council, hence there were no movement between financial years 2008/2009 to 2017/2018 as the investigations are still open and as soon as they are closed council will write off or condone this expenditure.

64. Commitments

Authorised capital expenditure

Approved and contracted

• Property, plant and equipment	301 772 284	465 277 898
• Intangible assets	-	2 174 982
	301 772 284	467 452 880

Total capital commitments

Already contracted for but not provided for	301 772 284	467 452 880

Authorised operational expenditure

• Approved and contracted	485 190 675	521 167 819

Figures in Rand	Note(s)	2022	2021
Total operational commitments			
Already contracted for but not provided for		485 190 675	521 167 819
Total commitments		786 962 959	988 620 699
Operational expenditure - not yet contracted (Department of Human Settlement has not yet approved the funding)		-	810 151 756

The future commitments will be financed through council own funding, national and provincial grants in terms of DORA. Commitments are exclusive of Value Added Taxation.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	-	5 384 773

Operating lease payments represent rentals payable by the municipality for certain office equipment.

The lease contract ended on 30 June 2022.

The prior year comparative disclosure has been restated refer to note 74.

65. Contingencies

The municipality is defending various litigation and claim cases against it.

Should the litigation and claims against the municipality be successful the total estimated liability of all the cases is approximately R242 737 174 (2021: R308 628 880).

Refer to Appendix E for further details.

66. Unauthorised expenditure

Opening balance as previously reported	2 257 535 679	1 336 963 931
Opening balance as restated	2 257 535 679	1 336 963 931
Less: Amount written off - prior period	(1 101 117 445)	-
Expenditure identified - current year	-	920 571 748
Closing balance	1 156 418 234	2 257 535 679

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	-	920 571 748

Analysed as follows: non-cash

Bad debts written off	-	384 120 628
Debt impairment	-	536 451 120
	-	920 571 748

67. Fruitless and wasteful expenditure

Opening balance as restated	17 037 460	9 922 449
Add: fruitless and wasteful expenditure - relating to current year	681 580	7 115 011
Closing balance	17 719 040	17 037 460

Analysis of expenditure awaiting Council's decision for write off or recovery per age classification

2006/2007	92 967	92 967
2008/2009	15 167	15 167
2009/2010	2 696 668	2 696 668
2010/2011	235 478	235 478
2011/2012	879 143	879 143
2012/2013	36 490	36 490
2013/2014	162 279	162 279
2014/2015	449 104	449 104
2015/2016	242 977	242 977
2016/2017	11 455 538	11 455 538
2017/2018	16 744 573	16 744 573

Figures in Rand	Note(s)	2022	2021
2018/2019		3 542 655	3 542 655
2019/2020 (Comparative periods identified in current year)		7 941 214	7 941 214
2008/2009 to 2019/2020 written Off		(34 571 804)	(34 571 804)
2020/2021		7 115 011	7 115 011
2021/2022		681 580	-
		17 719 040	17 037 460
Details of fruitless and wasteful expenditure			
Cancelled tenders		315 372	390 808
Interest on late payments: Eskom		1 515	-
Interest - Creditors		20 086	-
Salaries and wages for suspended employees with unresolved cases within prescribed timeframe		108 773	263 739
Egxen re-establishment cost		-	5 614 524
Absenteeism during working hours whilst engaged in private trips No. FI-06/2019-20		103 961	-
Abuse of municipal assets (Truck and TLBs) and fraud on over time No: FI-09/2019-20		131 873	-
2016 and 2019 Mr J P Moseya abused his position No FI-49/2019-20		-	281 000
Abuse of municipal assets (Truck and TLBs) and fraud on over time No: FI-09/2019-20		-	564 940
		681 580	7 115 011

Fruitless and wasteful expenditure has not been written off or condoned.

Section 32(2)(b) of the Municipal Finance Management Act requires that Council can deal with these matters in the manner prescribed.

In the case of irregular and wasteful and fruitless expenditure, it is only after an investigation has been conducted that irregular expenditure can be certified as irrecoverable and written off by Council hence there is no movement between financial years 2008/2009 to 2020/2021 as the investigations are still open and as soon as they are closed Council will write off or condone this expenditure.

A system has been put in place to stream-line the payment process to ensure non occurrence of interest costs.

Staff have been advised on possible recovery of costs due to negligence.

68. Electricity and water losses

Electricity losses

Units purchased - kWh	1 716 486 536	1 745 111 594
Units sold - kWh	(1 290 028 774)	(1 354 209 162)
Loss - kWh	426 457 762	390 902 432
Electricity loss as a percentage	24,67	22,12
Costs per kWh in cents	0,85000	0,82195
Electricity losses in rand value	362 588 493	321 301 494

The significant electricity losses of 426 457 762 kWh occurred during the year under review, which resulted in material revenue losses to the municipality.

The increase of losses from previous financial year may be as a result of the following:

Some of the main contributing factors to increased electricity losses are:

Non -Technical Losses

- 1) Illegal connections.
- 2) Infrastructure vandalism.
- 3) Metering inaccuracies (due to faulty meters).
- 4) Unmetered energy (meter tempering or bypassing the meter at the customer meter).
- 5) Revenue collection.

Technical losses (these are inherent in the distribution networks and cannot be eliminated):

- 1) Ageing infrastructure that results in increased power dissipation during transmission and distribution on lines, cables and transformers in the system.
- 2) Overloading.

How are these non technical and technical losses being addressed

Strategy to minimize electricity losses has been developed and is being implemented in line with available resources.

Figures in Rand	Note(s)	2022	2021
Water losses			
Units purchased (kl)		81 746 217	79 351 722
Units sold (kl)		(57 649 623)	(55 724 930)
Real losses (kl)		19 518 241	19 137 701
Apparent losses		4 578 353	4 489 090
Total water losses (kl)		24 096 594	23 626 792
Water loss as a percentage		29,50	29,80
Cost per kl in cents		9,981	9,454
Water loss in rand value		240 510 514	223 374 770

MFMA circular dictates that real losses and apparent losses be considered jointly as total water losses.

A calculated outcome of 24 096 594 kl was identified as a material water loss for the 2021/2022 year under review.

Progressive deterioration, illegal water connections, aging and increasing levels of fragility in the bulk water infrastructure is progressively contributing to increase in water losses.

Service Delivery initiatives slowed down marginally due to the Covid-19 protocols.

Budgetary and personnel constraints to effectively and efficiently undertake maximum service delivery efforts.

Due to the recent heavy rains; the Msunduzi's fragile water infrastructure became further compromised.

Resultant outcome was that there were frequent burst pipes (an increase of approximately 40% compared prior to the heavy rains).

Many areas were without water for long periods of time due to the complexities of initiating repairs. Furthermore the slippery environmental conditions did not allow for reasonably quick repairs.

In addition there were shortage of essential materials to undertake repairs timeously.

Financial and personnel constraints to undertake re-active measures within the shortest time period.

The above reasons can be attributed to the physical loss of 29.5 % (Water Losses)

The recent flood damage has further weakened the Water Infrastructure thus resulting in more frequent bursts and subsequently increase in water losses.

Core Water Loss initiatives undertaken for 21/22 as at end of June 2022

- 4311 water meters were audited (Inventory and Inspection for accuracy and correct billing) in order to improve, reduce estimations and improve billing.
- 1865 water meters were replaced in order to improve reduce estimations and improve billing.
- Initiation of leak detection and repair tender, contract has been awarded to the panel of service providers. There is currently no budget available for commencement of work packages.
- Pressure Reduction design of forty (40) new Pressure reduction Valve Zones, to be implemented when the Civils tender becomes active in the 2022/2023 financial year.
- Reactively responded to 2108 (cumulative) burst pipes in the 2021/2022 financial year as at end of June 2022.
- Monthly Water balances were undertaken in line with the International Water Association Balance principles and guidelines.

The following core Non-Revenue Water Interventions are proposed for the 2022/23 FY

Real Losses Interventions:

- Pressure Reduction (Rezoning);
- Pressure Reduction (Implementation);
- PRV (Pressure Reducing Valves) Optimization;
- Leak Detection ;
- Leak Repair;
- Reservoir Inspection and Control valve optimization.

Billing Improvement Interventions:

- Top Consumer Investigation;
- Meter Reading Accuracy;
- Non-Domestic Meter replacement;
- Domestic Meter Replacement;
- Custody Transfer Points meter installation.

69. Non - compliance with Municipal Finance Management Act

The Municipality did not comply with section 65(2)(e) of the MFMA.

There were instances of non-compliance wherein some suppliers were not paid within 30 days.

70. Accounting by principals and agents

The Municipality is party to principal-agent arrangements.

Details of the arrangements are as follows:**Department of Human Settlements KwaZulu Natal (Housing Projects)**

The Municipality is Level 1 accredited Municipality and in terms of the Implementation Protocol. Msunduzi Local Municipality is accredited in terms of section 10 of the Housing Act to Administer all the National programmes on behalf of the Provincial Department of Human Settlements. The Municipality is authorised within its municipal area to manage and administer all Housing programmes as per Para 7 of the Implementation Protocol.

Sale of Prepaid Electricity

The municipality utilises the service of an agent for provision of supply, delivery, installation and commissioning of an online hosted prepayment electricity vending and revenue management system for the Msunduzi Local Municipality.

There is a binding arrangement where Contour Technology (Pty) Ltd (agent) undertakes transactions with 3rd parties, on behalf of, and for benefit of, Msunduzi Local Municipality (principal).

Terms and conditions are as per the contract and no changes occurred during the reporting period.

No risks as the Municipality is able to access the Contour prepaid electricity and is able to reconcile monies paid to the municipality by the agent to the actual sales as per the reports for correctness.

Department of Transport (Driver's licences)

The municipality acts as an agent of the KwaZulu-Natal Department of Transport for the following services:

- 1) Application for renewal of driving licence;
- 2) Issue of credit card format driving licence, including eye test and fingerprints;
- 3) Issue of duplicate credit card format driving licence, where required;
- 4) Renewal of credit card format driving licence, including eye test and fingerprints;
- 5) Issue of temporary driving licence
- 6) Issue of professional driving permit, including eye test and fingerprints;
- 7) Issue of duplicate professional driving permit, where required;
- 8) Substitution of Foreign Driving licence and issue of Credit Card Format Driving licence card, including eye test and fingerprints;
- 9) Verification of driving licence particulars;
- 10) Referral of all queries to the Departmental employee specified by the RTI contact person within two working days of a query or lodging of a complaint or dispute.

The agreement is valid for the period from 1 November 2020 to 31 October 2023. Terms and conditions are as per the contract and no changes occurred during the reporting period.

The purpose of the principal-agent relationship is to ensure greater access to clients throughout the province. No significant risks have been identified in this relationship.

Figures in Rand	Note(s)	2022	2021
Municipality as an agent			
Resources held on behalf of the principal(s), but recognised in the entity's own financial statements			
There are no resources held on behalf of principals.			
Revenue recognised			
The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principals is show below			
Driver's Licenses and professional driver's permits		2 139 483	1 931 382
Department of Human Settlements - Accreditation fee		4 853 172	3 401 886
Liabilities and corresponding rights of reimbursement recognised as assets			
There are no corresponding rights of reimbursement that have been recognised as assets.			
Additional information to municipality as an agent			
Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement			
Amount of revenue received on behalf of the principal during the reporting period			
Driver's licences and Professional driver's permits		671 737	590 288

Figures in Rand	Note(s)	2022	2021
Receivables and/or payables recognised based on the rights and obligations established in the binding arrangement(s)			
Reconciliation of the carrying amount of payables			
Department of Human Settlements (Housing Settlements)			
Opening balance		21 715 044	22 991 872
Amount transferred by the principal		25 490 248	11 471 339
Interest earned on behalf of the principal		207 482	219 021
Payments on behalf of the principal		(27 321 143)	(12 967 188)
		20 091 631	21 715 044
Department of Transport (Driver's licences)			
Opening balance		135 090	17 696
Payment to principal		(135 090)	(17 696)
Revenue received on behalf of the principal (unpaid)		240 397	135 090
		240 397	135 090
All categories			
Opening balance		21 850 134	23 009 568
Amount transferred by the principal		25 490 248	11 471 339
Interest earned on behalf of the principal		207 482	219 021
Cash paid on behalf of the principal		(27 321 143)	(12 967 188)
Payment to principal		(135 090)	(17 696)
Revenue received on behalf of the principal (unpaid)		240 397	135 090
		20 332 028	21 850 134

Entity as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent

There are no municipal resources under the custodianship of the agent.

Fee paid

Fee paid as compensation to the agent -Prepaid electricity	3 331 253	3 079 104

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

None

71. Related parties

Relationships

Municipal entity	Safe City Msunduzi NPC
Controlling entity	Msunduzi Local Municipality
Close family member of key management	Ekuseni Investment Holdings
Members of key management	City Manager: Madoda P Khathide (July 2021 - March 2022)
	Chief Financial Officer: Nelisiwe M. Ngcobo General Manager Community Services:
	Mbongeni Mathe
	General Manager Corporate Services: Mosa L.I
	Molapo
	General Manager Infrastructure Services:
	Vusimuzi Cele
	General Manager Sustainable Development and City
	Enterprises: Felix Nxumalo
	Chief Audit Executive: Petrus J. Mahlaba

Mr M.P. Khathide resigned on the 30th of March 2022

Councillor Sandile Dlamini is a brother of a Director of Ekuseni Investment holdings.

In kind benefits

The salary and benefits of the Ministerial representative are paid by the Department of Cooperative Governance and Traditional Affairs. The municipality has not been charged for the services rendered by the Municipal representative.

Figures in Rand	Note(s)	2022	2021

Related party balances**Amounts included in Trade receivable (Trade Payable) regarding related parties**

Matthew Francis Inc		(4 425 812)	(13 005 101)
Safe City Msunduzi NPC		(3 569 856)	(3 390 727)

There are no guarantees given or received with regards to the related party balances outstanding.

There are no commitments with regards to related parties.

There related party balances are unsecured.

The terms and conditions with related parties are on an arm's length basis. There is no specific provision with regards to the nature of the consideration to be provided in settlement of the related party balances.

Refer to note Note 60 for Councillors' arrear consumer accounts for further details on outstanding balances.

The Safe City Msunduzi NPC balance relates to the outstanding last quarter payment.

Impairment relating to outstanding balances with related parties

Councillors in arrears		-	115 362

Expenses recognised in respect of bad debts

Councillors in arrears		-	-

Related party transactions**Grants paid to related parties**

Safe City Msunduzi NPC - Safe City is an entity of the Municipality.		12 416 689	11 793 834

Services from related parties

Matthew Francis Inc - The senior manager water and sanitation's spouse is a Director at Matthew Francis Inc. The law firm is a service provider.		12 355 430	19 581 223
Ekuseni Investment Holdings - Councillor is a brother of an employee of the service provider.		-	320 678

Service charges paid received from related parties

Safe City Msunduzi NPC - Safe City is an entity of the Municipality.		201 396	169 006

Remuneration of management**Councillors****2022**

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Motor vehicle allowance	Total
Mayor	1 100 919	44 400	-	-	165 138	58 335	-	1 368 792
Deputy mayor	1 005 937	45 833	-	-	48 266	16 844	-	1 116 880
Speaker	745 311	44 400	-	156 062	111 797	52 515	-	1 110 085
Chief whip	906 481	36 333	-	34 315	89 889	24 995	-	1 092 013
MPAC chair	829 210	33 383	-	-	43 326	32 187	84 481	1 022 587
Executive committee members	6 694 104	275 133	28 423	604 703	512 456	236 802	-	8 351 621
Other councillors	27 143 856	2 277 867	71 416	2 671 446	2 079 085	1 223 798	-	35 467 468
	38 425 818	2 757 349	99 839	3 466 526	3 049 957	1 645 476	84 481	49 529 446

2021

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Motor vehicle allowance	Total
Mayor	1 155 131	44 400	-	-	173 270	57 277	-	1 430 078
Deputy mayor	945 394	45 900	-	-	141 809	39 558	-	1 172 661
Speaker	870 159	45 900	-	73 682	130 524	50 339	-	1 170 604
Chief whip	932 505	42 900	-	105 819	-	19 865	-	1 101 089
MPAC chair	641 888	44 400	-	39 195	96 283	39 558	220 048	1 081 372
Executive committee members	6 345 986	353 700	-	1 002 194	951 898	217 349	-	8 871 127
Other councillors	24 374 603	2 838 724	132 892	4 882 098	3 125 405	1 460 593	-	36 814 315
	35 265 666	3 415 924	132 892	6 102 988	4 619 189	1 884 539	220 048	51 641 246

Executive management

2022

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Acting allowance	Bonus	Other	Total
City Manager	1 045 975	-	-	-	189 008	-	-	-	107 409	1 342 392
Chief Financial Officer	1 228 641	14 400	180 000	176 493	119 792	-	69 667	60 000	21 627	1 870 620
Chief Audit Executive Internal audit	1 200 226	13 800	11 574	153 262	216 041	36 817	-	100 019	16 452	1 748 191
General Manager: Corporate Services	1 304 980	20 400	-	127 251	234 897	-	-	90 000	2 975	1 780 503
General Manager: Sustainable Development and City Enterprises	958 373	14 400	-	338 550	-	57 277	-	-	13 676	1 382 276
General Manager: Community services	1 354 200	20 400	-	-	-	13 070	3 698	-	7 765	1 399 133
General manager: Infrastructure services	1 354 200	23 600	-	-	-	-	-	-	9 319	1 387 119
	8 446 595	107 000	191 574	795 556	759 738	107 164	73 365	250 019	179 223	10 910 234

2021

Name	Basic salary	Phone allowance	Housing allowance	Travelling allowance	Pension	Medical aid	Bonus	Other	Total
City Manager	1 394 633	-	-	-	252 010	-	-	13 958	1 660 601
Chief Financial Officer	1 228 641	14 400	180 000	176 493	119 792	-	60 000	36 257	1 815 583
Chief Audit Executive - Internal audit	1 159 639	13 800	11 574	153 262	208 735	35 410	96 637	35 610	1 714 667
General Manager: Corporate Services	1 291 764	20 400	-	127 251	232 518	-	90 000	35 184	1 797 117
General Manager: Sustainable Development and City Enterprises	987 159	14 400	-	383 145	-	57 277	-	18 637	1 460 618
General Manager: Community services	1 335 758	20 400	-	-	-	-	-	27 702	1 383 860
General manager: Infrastructure services	902 800	-	-	-	-	-	-	10 447	913 247
	8 300 394	83 400	191 574	840 151	813 055	92 687	246 637	177 795	10 745 693

72. Events after the reporting date

There were no material events after the reporting date of the annual financial statements.

73. Prior period error

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Performance and Cash Flow statement that have been affected by prior-year adjustments:

Statement of Financial Position

2021

	Note	As previously reported	Correction of error	Reclassification	Restated
Accumulated surplus		(7 500 536 239)	(480 302 287)	-	(7 980 838 526)
VAT payable		(190 234 402)	10 561 811	-	(179 672 591)
Consumer debtors		1 176 104 174	464 124 262	-	1 640 228 436
Statutory receivables		545 319 677	5 039 351	-	550 359 028
Receivables from exchange transactions		19 679 207	-	(5 799 874)	13 879 333
Investment property		892 583 607	(650 000)	-	891 933 607
Property, Plant and equipment		6 772 072 289	(490 182)	-	6 771 582 107
Consumer deposits		(128 836 470)	8 188 584	-	(120 647 886)
Payables from exchange transactions		(1 388 654 967)	(6 471 539)	5 799 874	(1 389 326 632)
		197 496 876	-	-	197 496 876

Figures in Rand	Note(s)	2022	2021
Accumulated surplus			
As previously reported		-	(7 500 536 239)
Correction of unclaimed input in terms of section 16(3) of the VAT Act		-	(11 466 366)
Correction of departmental accounts		-	3 773 874
Correction of incorrect postings on consumer debtor's general ledger		-	(15 975)
Correction of short code receipting into revenue		-	(483)
Correction of unallocated deposit		-	(1 902 992)
Correction of poster allocation and hoarding receipts incorrectly allocated to consumer deposits		-	(180 785)
Correction of 2020/21 accruals		-	(272 500)
Correction of 2019/20 accruals		-	(8 409)
Correction of landfill site revenue VAT not accounted for 2020/21		-	89 194
Correction of landfill site revenue not recognised in 2020/21		-	(5 525 880)
Recognition of assets found on the floor		-	(536 641)
Reversal of interest on incorrect billing and debt amnesty		-	15 345 530
Correction of duplicated accrual on both accruals and creditors accruals		-	(1 069)
Correction of advance payments-transfer from revenue		-	8 642 988
Derecognition of assets not physically verified		-	1 400 000
Correction of revenue recognised in the incorrect period pre-2020/21		-	742 069
Correction of revenue recognised in the incorrect period - 2020/21		-	378 953
Write off of other financial assets		-	14 035 644
Reassessment of other financial assets impairment after write off		-	(14 035 644)
Correction of work in progress capitalised in incorrect year		-	276 824
Correction of prepaid electricity revenue classified as consumer deposits.		-	(2 767 045)
Correction of property rates revenue recognised in an incorrect accounting period.		-	(25 942 686)
Correction of unbilled sanitation revenue pre 2021		-	(64 552)
Correction of unbilled sanitation revenue 2020/21		-	(67 459)
Correction of the reversal of bad debts in an incorrect period		-	(8 060 142)
Correction of cut off system adjustments		-	(44 223 029)
Recalculated debt impairment 2020/21		-	(409 915 706)
Restated		-	(7 980 838 526)
VAT payable			
As previously reported		-	(190 234 402)
Correction of unclaimed input in terms of section 16(3) of the VAT Act		-	11 466 367
Rasing of 2019/20 accruals		-	13 520
Correction of landfill site revenue VAT not accounted for 2020/21		-	(89 194)
Correction of landfill site revenue not recognised in 2020/21		-	(828 882)
Restated		-	(179 672 591)
Consumer debtors			
As previously reported		-	1 176 104 174
Correction of departmental accounts		-	(5 319 568)
Correction of incorrect postings on consumer debtor's general ledger		-	18 944
Correction of landfill site revenue not recognised in 2020/21		-	1 114 491
Correction of revenue recognised in the incorrect period pre-2020/21		-	(740 029)
Correction of revenue recognised in the incorrect period - 2020/21		-	(378 953)
Correction of unbilled sanitation revenue pre 2021		-	64 552
Correction of unbilled sanitation revenue 2020/21		-	67 459
Correction of the reversal of bad debts in an incorrect period		-	8 060 142
Correction of cut off system adjustments		-	38 299 419
Recalculated debt impairment 2020/21		-	422 937 805
Restated		-	1 640 228 436
Statutory receivables			
As previously reported		-	545 319 677
Correction of departmental accounts		-	1 545 694
Correction of incorrect postings on consumer debtor's general ledger		-	(2 970)
Reversal of interest on incorrect billing and debt amnesty		-	(15 345 531)
Correction of revenue recognised in the incorrect period pre-2020/21		-	(2 041)
Correction of property rates revenue recognised in an incorrect accounting period.		-	25 942 686
Correction of cut off system adjustments		-	5 923 609

Figures in Rand	Note(s)	2022	2021
Recalculated debt impairment 2020/21		-	(13 022 096)
Restated		-	550 359 028
Consumer deposits			
As previously reported		-	(128 836 470)
Correction of short code receipting into revenue		-	483
Correction of poster allocation and hoarding receipts incorrectly allocated to consumer deposits		-	180 785
Correction of landfill site revenue not recognised in 2020/21		-	5 240 271
Correction of prepaid electricity revenue classified as consumer deposits.		-	2 767 045
Restated		-	(120 647 886)
Payables from exchange transactions			
As previously reported		-	(1 388 654 967)
Correction of accruals 2020/21		-	268 457
Correction of unallocated deposit		-	1 902 993
Caseware reclassification - from receivables to payables		-	5 799 874
Correction of advance payments-transfer from revenue		-	(8 642 987)
Restated		-	(1 389 326 630)
Property, Plant and equipment			
As previously reported		-	6 772 072 289
Recognition of assets found on the floor		-	536 641
Derecognition of assets not physically verified		-	(750 000)
Correction of work in progress capitalised in incorrect year		-	(276 823)
Restated		-	6 771 582 107
Receivable from exchange transactions			
As previously reported		-	19 679 207
Caseware reclassification - from receivables to payables		-	(5 799 874)
Restated		-	13 879 333
Investment property			
As previously reported		-	892 583 607
Derecognition of assets not physically verified		-	(650 000)
Restated		-	891 933 607

Statement of Financial Performance

	Note	As previously reported	Correction of error	Restated
Surplus/deficit for the year		395 015 969	(449 972 369)	(54 956 400)
Service charges		3 188 294 762	18 456 901	3 206 751 663
Property rates		1 204 676 315	27 653 990	1 232 330 305
Interest received - property rates		44 323 254	(5 843 499)	38 479 755
Operational revenue		53 318 643	(8 642 987)	44 675 656
General expenses		(549 998 397)	371 044	(549 627 353)
Operational costs		(128 892 961)	1 069	(128 891 892)
Bad debts written off		(384 120 628)	(5 975 502)	(390 096 130)
Debt impairment		(660 355 263)	423 951 353	(236 403 910)
Surplus/deficit for the year		3 162 261 694	-	3 162 261 694

Figures in Rand	Note(s)	2022	2021
Deficit for the year			
As previously reported		-	(395 015 969)
Correction of 2020/21 accruals		-	371 044
Correction of landfill site revenue VAT not accounted for 2020/21		-	(89 194)
Correction of landfill site revenue not recognised in 2020/21		-	5 525 881
Reversal of interest on incorrect billing and debt amnesty		-	(5 843 499)
Correction of duplicated accrual on both accruals and creditors		-	1 068
Correction of advance payments-transfer from revenue		-	(8 642 988)
Correction of revenue recognised in the incorrect period - 2020/21		-	(378 953)

Figures in Rand	Note(s)	2022	2021
Write off of other financial assets		-	14 035 644
Reassessment of other financial assets impairment after write off		-	(14 035 644)
Correction of property rates revenue recognised in an incorrect accounting period.		-	25 942 686
Correction of unbilled sanitation revenue 2020/21		-	67 459
Correction of the reversal of bad debts in an incorrect period		-	8 060 142
Correction of cut off system adjustments		-	15 043 017
Recalculated debt impairment 2020/21		-	409 915 706
Restated		-	54 956 400
General expenses			
As previously reported		-	(549 998 397)
Correction of 2020/21 accruals		-	371 044
Restated		-	(549 627 353)
Service charges			
As previously reported		-	3 188 294 762
Correction of Landfill site revenue VAT not accounted for 2020/21		-	(89 194)
Correction of landfill site revenue not recognised in 2020/21		-	5 525 880
Correction of revenue recognised in the incorrect period - 2020/21		-	(378 953)
Correction of unbilled sanitation revenue 2020/21		-	67 459
Correction of cut off system adjustments		-	13 331 709
Restated		-	3 206 751 663
2021			
Interest non - exchange receivables			
As previously reported		-	44 323 254
Reversal of interest on incorrect billing and debt amnesty		-	(5 843 499)
Restated		-	38 479 755
Operational revenue			
As previously reported		-	53 318 643
Correction of Advance payments-transfer from revenue		-	(8 642 987)
Restated		-	44 675 656
Operational costs			
As previously reported		-	(128 892 961)
Correction of duplicated accrual on both accruals and creditors		-	1 068
Restated		-	(128 891 893)
Property rates			
As previously reported		-	1 204 676 315
Correction of property rates revenue recognised in an incorrect accounting period.		-	25 942 685
Correction cut off system adjustment		-	1 711 305
Restated		-	1 232 330 305
Bad debts written off			
As previously reported		-	(384 120 628)
Write off of other financial assets		-	(14 035 644)
Correction of the reversal of bad debts in an incorrect period		-	8 060 142
Restated		-	(390 096 130)
Debt impairment			
As previously reported		-	(660 355 263)
Reassessment of other financial assets impairment after write off		-	14 035 644
Recalculated debt impairment 2020/21		-	409 915 709
Restated		-	(236 403 910)

Cash flow statement

2021

Cash flow from operating activities

Sale of goods and services

Suppliers

Note	As previously reported	Correction of error	Restated
	4 078 745 887	(40 344 742)	4 038 401 145
	(3 318 257 735)	(5 161 004)	(3 323 418 739)
	760 488 152	(45 505 746)	714 982 406

Cash flow from investing activities

Purchase of tangible non current assets

(600 087 269) 45 505 743 (554 581 526)

The cashflow statement was recalculated due to corrections in the Statement of Financial Performance and Position.

Figures in Rand	Note(s)	2022	2021

74. Prior period error - disclosures

Presented below are those items contained in the disclosure notes that have been affected by prior-year adjustments:

The correction of the error(s) results in adjustments as follows:

Fruitless and wasteful expenditure

As previously disclosed	-	45 277 565
Mr Mhlatshana -theft and fraud	-	123 025
2016 and 2019 Mr J P Moseya abused his position No FI-49/2019-20	-	281 000
Absenteeism during working hours whilst engaged in private trips No. FI-06/2019-20	-	362 733
Abuse of municipal assets (Truck and TLBs) and fraud on overtimeNo: FI-09/2019-20	-	564 940
Report of the forensic investigation Cogta S106 Manilal	-	5 000 000
Written Off (2008/2009 to 2019/2020)	-	(34 571 804)
Restated	-	17 037 459

Adjustment made to the disclosed Fruitless and wasteful expenditure is due to the identification of the case above .

Minimum lease payments due	Within one year	In second to fifth year inclusive
As previously disclosed	5 174 736	5 384 773
Adjustments made	210 037	(5 384 773)
Restated	5 384 773	

Operating leases - as a lessee (expense)

Adjustment made to the disclosed operating lease commitments correct an error.

75. Comparative figures

Certain comparative figures have been reclassified and restated.

76. Change in accounting estimate

Property, plant and equipment

GRAP 17: Property, plant and equipment requires that the review of the remaining useful life of an item of property, plant and equipment be conducted at least at each reporting period. The municipality performed this review as at 30 June 2022 and the following results were achieved:

Based on the condition assessment and utilisation of assets ascertained during the physical verification exercise, the remaining useful lives of assets were reviewed.

The impact of the adjustment is that depreciation charges on property, plant and equipment decreased by R365 760 983 (2021:R49 864 836).

Depreciation before the review of useful life	(370 159 405)	(422 411 724)
Depreciation after the review of useful life	365 760 983	372 546 888
Change in estimate	(4 398 422)	(49 864 836)

It is impractical to determine the amount of the effect in future periods.

Property, Plant and Equipment - Landfill rehabilitation provision

Landfill rehabilitation provision is created to ensure that the municipality will be able to restore the landfill site to its original condition at the end of its life. The provision represents management's best estimate of the municipality's liability with regards to aforementioned restoration costs. The effect of the current year's revision was an increase of R6 883 141 due to change in discount factor and effect of re-measurement.

Employment benefit obligation

The municipality provides post-employment medical benefits to certain staff members. The provision represents management's best estimate of the municipality's liability with regards to aforementioned post-employment medical benefits. The effect of the current year's revision is an increase of R34 887 000 to R547 258 001, owing to the net effect of the actuarial loss, current service and interest costs for the reporting period ended 30 June 2022.

Leave accrual

The leave pay accrual is created to ensure adherence to SALGA collective agreement requirements. It states that at the end of a leave cycle, an employee may not have more than 48 days annual leave to their credit. The effect of this revision has increased the accrual by R8 463 187 to R147 949 191.

Long service awards

In terms of the SALGA conditions of service collective agreement, employees qualify for long service leave upon completion of specified periods in the agreement. The provision was created to comply with the agreement. The effect of the current year's revision is an increase by R499 000 to R83 588 000, attributed to the net effect of the actuarial loss, benefits vesting, current service, past service and interest costs for the reporting period ended 30 June 2022.

77. Risk management**Financial risk management**

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The municipality is exposed to the following liquidity risks:

Other financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
At 31 June 2022				
Borrowings	79 162 900	74 270 956	50 310 656	203 744 512
At 30 June 2021				
Borrowings	81 573 484	79 162 900	124 581 612	285 317 996

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the municipality.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise mainly water, sanitation, refuse, rates, property rental, electricity and other service chargers, dispersed across different industries and geographical areas. Management evaluated credit risk relating to customers financial conditions on an ongoing basis, and have been presented in these financial statements net of a provision for impairment. In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to consumers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

The carrying amount of financial assets recorded in the financial statements that represent the municipality's maximum exposure to credit risk obtained details - Refer to note 78 - Financial instruments disclosure.

As at the end of the reporting period, no collateral was being held as a means of mitigating the risk of financial loss from default except for consumer deposits.

Credit quality

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. Although credit quality can be assessed, the Municipality did not apply any methods to evaluate the credit quality. The credit quality of receivables from exchange transactions are neither past due nor impaired except for land sale debtors, insurance claims and IDT. The analysis of the age of receivables that are past due but not impaired for the Municipality (Refer to note 7 - consumer debtors) for the analysis and details.

Market risk

Risk from agricultural assets

The municipality is exposed to financial risks arising from changes in timber prices. The municipality does not anticipate that the timber prices will decline significantly in the foreseeable future. The municipality has not entered into derivative contracts to manage the risk of a decline in sale of timber. The municipality reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

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

Figures in Rand	Note(s)	2022	2021
78. Financial instruments disclosure			
Categories of financial instruments			
2022			
Financial assets			
At amortised cost			
Short term investment		32 670 009	32 311 434
Receivables from exchange transactions		21 113 837	13 879 333
Consumer debtors		1 315 073 345	1 640 228 436
Cash and cash equivalents		289 152 840	359 519 552
		1 658 010 031	2 045 938 755
Financial liabilities			
At amortised cost			
Payables from exchange transactions		1 925 228 675	1 389 326 632
Consumer deposits		132 962 378	120 647 886
Other financial liabilities		203 744 512	285 317 996
		2 261 935 656	1 795 292 514

Other information

Receivables/payables from non contractual/compulsory arrangements have been removed or excluded from financial instruments disclosure, ie Property rates debtors, traffic fines debtors, transfers payable and unspent conditional grants. Statutory receivables/Payables are not financial instruments, as they arise not as a result of a contract, entered into by willing parties to the arrangement but rather a statutory or legislative arrangement.

79. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Provincial Executive Council of KwaZulu-Natal and MEC for Department of Co-operative Governance and Traditional Affairs, resolved to intervene in terms of Section 139 (1) (b) of the Constitution and in terms of section 139 of the Municipal Finance Act. **at the municipality and appointed the Ministerial representative. The appointment became effective on 14 April 2019 to 31 October 2022.** The terms of reference specified the functions of the Ministerial representative which also include the implementation of governance systems and procedures including oversight of the administration including the ratification of decisions taken by the Municipal Council, the Executive Committee, Municipal Manager and Section 56 Managers in terms of the authority.

The terms of reference amongst others include, establishment of the Interim Finance Committee to monitor and manage the cash flow of the municipality. It is envisaged that the intervention will assist in improving the municipality's financial viability.

In assessing the going concern, management identified indicators casting doubt on the municipality's ability to continue operating as a going concern. These indicators are summarised below:

- 1) Impact of Covid-19 pandemic on municipal finance and operations.

- 2) Adverse liquidity ratios.
- 3) Below norm cash cost coverage ratio.
- 4) The outstanding gross debtors balance has increased significantly and the majority of the debtors have been outstanding for over 365 days.
- 5) The dwindling of reserves over the recent years.
- 6) Deteriorating creditors days. 7) The increase in net debtors balances 8) Successive deficits.

The following measures are being implemented by management in response to the going concern risk indicators:

- 1) The municipality has monitored the implementation of the financial recovery plan that was developed in 2018. Management has voluntarily requested National Treasury to assist with the development of the revised financial recovery plan that is linked to the current challenges of the municipality after Covid-19. The revised recovery plan will be implemented in 2022/23 financial year.
- 2) There is a revenue enhancement committee that meets on a weekly basis to monitor the implementation of the revenue enhancement plan and the identification of additional revenue streams. The committee monitors implementation of the strategies that have been developed to recover the outstanding debt.
- 3) The dispute resolution committee was formed to speed up the process of dealing with consumer appeals.
- 4) The following strategies are currently being implemented to recover the outstanding debt:
 - a) The electricity disconnections conducted daily.
 - b) The water restrictions conducted daily.
 - c) The consolidation of accounts for customers with multiple accounts.
 - d) Consolidation of accounts where rates and services were billed on separate accounts.
 - e) Improved turnaround time for responding to customer queries.
 - f) Development of the customer dispute resolution process.
 - g) Review of the organogram to include the functions that were previously not catered for on the structure.
 - h) Processing name changes for deceased debtors with surviving spouses.
 - i) Increasing capacity at validations section.
 - j) Audit of bulk meters to ensure accuracy and completeness of billing.
 - k) COVID relief amnesty campaign for qualifying debtors.
 - l) Review of the credit control and by laws to allow debtors to enter into affordable payment arrangements.
 - m) Emailing of statements to customers.
 - n) Media campaigns for encouraging the debtors to pay.
 - o) Legal processes instituted against arrear debtors.
 - p) Vetting of indigent debtors.
 - q) Improved turnaround time issuing rates clearance certificates and processing name changes for changes in property ownership
- 5) The debt recovery plan was developed and approved by Council.
- 6) The debt collectors were appointed to recover long outstanding debtors.
- 7) KZN Provincial CoGTA and National Treasury are consistently monitoring the implementation of the financial recovery plan and revenue enhancement plan.

Financial Recovery Plan

Given the decline of the financial status and the nature of the recurring financial problems and that there was no noticeable progress made since the implementation of the current FRP the municipality requested National Treasury Municipal Financial Recovery Service to assist in revising the discretionary financial recovery plan for the municipality.

The revised FRP will be used as an instrument to guide the municipality in addressing the financial crisis and to ensure that the municipality regains its financial health within the shortest timeframe while ensuring that all issues which adversely affect the financial health of the municipality are comprehensively addressed. FRP adopts a strategic, focused approach which is timebound yet comprehensive enough to ensure that the underlying causes of the crisis are adequately addressed. To achieve this objective, the draft financial recovery plan presents a phased approach to recovery, differentiating between issues to be addressed in the short, medium and long term.

The FRP is divided into three distinct but interdependent phases. These include:

- a) Rescue Phase (Phase 1) which focuses primarily on cash and restoring the cash position of the municipality.
- b) Stabilization Phase (Phase 2) which expands on the financial indicators to be monitored and emphasizes key governance and institutional issues which must simultaneously be addressed.
- c) Sustainability Phase (Phase 3) to ensure that indicators are developed that will give effect to the long-term financial sustainability of the municipality.

Notwithstanding, the above negative indicators, the municipality continues to adopt the going concern assumption as it is management's view that the municipality will continue to operate in its present form provided that the financial recovery plan, the debt recovery plan and the other revenue and expenditure enhancement strategies are successful and there is a successful relationship between the municipality and consumers, and consumer behaviour is supportive of the municipality's efforts.

80. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of nine major functional areas: Electricity, Water, Rates, Sanitation, Refuse, Airport, Market, Forestry and Support services. The segments were organised around the type of goods and services delivered. Management uses these same segments for determining strategic objectives. Supporting services segment was aggregated for reporting purposes.

The identification of these segments is consistent with the functional classification of local government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Separate financial and other relevant information on geographical areas in which the municipality operates is not available. The necessary information is not available and the cost to develop it would be excessive.

Aggregated segments

Support services segment was aggregated as a practical limit has been reached beyond which segment information becomes too detailed. Management is of the view that such additional detailed segments are not useful and relevant .

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Electricity	Provision of electricity
Water	Provision of water
Rates	Property tax
Sanitation	Provision of solid and water waste services
Refuse	Refuse removal services
Airport	Aviation services
Market	Administration and handling fees
Forestry	Timber
Support services	Various goods and services

Information about geographical areas

The municipality's operations are in the KwaZulu Natal Province.

Separate financial and other relevant information on geographical areas in which the municipality operates is not available. The cost to develop the necessary information would be excessive.

Segment surplus or deficit, assets and liabilities

2022

Figures in Rand	Electricity	Water	Rates	Sanitation	Refuse	Airport	Market	Forestry	Support Services	Total
Revenue										
Revenue from exchange transactions	2 574 354 409	773 621 808	20 002 088	187 079 753	109 344 748	8 269 546	17 430 637	-	38 059 060	3 728 162 050
Revenue from non-exchange transactions	17 361 757	264 573 904	1 280 669 978	84 520 939	28 364 904	326 219	-	-	73 313 375	1 749 131 076
Interest consumer debtors and receivables	25 067 700	103 444 826	-	16 600 379	9 113 413	-	-	-	(5 263 619)	148 962 699
Interest - bank, call and investment accounts	-	-	-	-	-	-	-	-	(71 677)	(71 677)
Total segment revenue	2 616 783 867	1 141 640 539	1 300 672 066	288 201 071	146 823 065	8 595 764	17 430 637	-	106 037 139	5 626 184 149
Unallocated revenue/non-segment										574 148 374
Total entity's revenue										6 200 332 523
Expenditure and gains/(losses)										
Bulk purchases	(2 212 724 552)	(737 482 753)	-	-	-	-	-	-	-	(2 950 207 305)
Debt impairment	(80 243 516)	(638 164 501)	(145 402 503)	(82 258 523)	(44 777 074)	-	-	-	(12 916 640)	(1 003 762 757)
Depreciation and amortisation	(94 045 139)	(49 180 885)	(110 589)	(20 547 744)	(2 708 375)	(6 737 942)	(5 347 841)	(92 553)	(37 594 729)	(216 365 796)
Employee related costs	(122 089 067)	(112 767 717)	(36 323 430)	(9 725 661)	(92 702 215)	(2 764 026)	(11 992 495)	-	(407 476 386)	(795 840 999)
Finance costs	(11 290 397)	(4 788 215)	-	(3 934 094)	(747 398)	-	-	-	-	(20 760 104)
Other expenses	(74 115 560)	1 628 812	(51 001 169)	(229 979 633)	(26 438 380)	(14 265 787)	(11 954 532)	(2 598 952)	(201 289 806)	(610 015 008)
Actuarial gains/losses	-	(152 169)	-	-	-	-	-	-	2 759 480	2 607 311
Fair value adjustments on investment property	-	-	-	-	-	-	-	-	16 517 173	16 517 173
Gains/(losses) on agricultural assets	-	-	-	-	-	-	-	(16 100 000)	-	(16 100 000)
Gain/(loss) on disposal of assets	-	(645)	(1)	-	-	-	-	-	(927 864)	(928 510)
Impairment loss	(464 228)	(37 674)	(3 248)	(10 655)	(19 659)	(3 346)	(13 394)	(1 562)	(856 802)	(1 410 566)
Inventory losses	-	(217 644)	-	-	-	-	-	-	-	(217 644)
Total segment expenditure and gains/(losses)	(2 594 972 460)	(1 541 163 391)	(232 840 939)	(346 456 310)	(167 393 102)	(23 771 101)	(29 308 262)	(18 793 066)	(641 785 574)	(5 596 484 205)
Total segmental surplus/(deficit)	21 811 407	(399 522 852)	1 067 831 127	(58 255 239)	(20 570 037)	(15 175 337)	(11 877 625)	(18 793 066)	(535 748 435)	603 848 318
Unallocated expenditure/non segment										(1 325 643 881)
Unallocated gains/(losses) / non segment										(3 783 106)
Surplus (deficit) for the period as per Statement of Financial Performance										(725 578 670)

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"To ensure that the Municipality functions efficiently to deliver basic, social, economic and environmental services to build better Communities."

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[illegible]

Unallocated expenditure/non segment
Unallocated gains/(losses) / non segment
Surplus (deficit) for the period as per Statement of Financial Performance

[illegible]

81. Variance analysis comparison of budget against actual

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2022	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
STATEMENT OF FINANCIAL PERFORMANCE							
Revenue by Source							
Property Rates	1 211 348 604	1 321 378 575	1	1 321 378 576	-110 029 972	-8%	Within an acceptable range
Service charges - electricity revenue	2 549 854 260	2 961 894 451	-1	2 961 894 450	-412 040 190	-14%	Loadshedding also played a role in less electricity being used less due to stage 6 being implemented. This resulted in less revenue than anticipated. Decrease in consumption due to loadshedding and electricity outages also contributed to actual being less. The negative variance is also attributed to the increase in electricity losses.
Service charges - water revenue	773 657 197	773 217 412	0	773 217 412	439 785	0%	Within an acceptable range
Service charges - sanitation revenue	182 241 050	160 154 913	0	160 154 913	22 086 137	14%	The increase can be attributed to new service applications (vacant land and households). The increases in trade effluent also contributes to the higher variance
Service charges - refuse revenue	114 118 706	122 556 901	0	122 556 901	-8 438 195	-7%	Within an acceptable range
Rental of facilities and equipment	25 415 308	30 634 512	1	30 634 513	-5 219 205	-17%	Revenue on this item is dependent on usage of council facilities. At the end of the year, usage was a little lower than anticipated.
Interest received - external investments	10 445 070	16 076 855	0	16 076 855	-5 631 785	-35%	Due to cashflow constraints, money in the call accounts is not sitting long enough to earn interest as anticipated. The adverse variance is also in line with the decrease in the cash and cash equivalents for the year.
Interest received - outstanding debtors	199 152 491	213 289 286	0	213 289 286	-14 136 795	-7%	Within an acceptable range
Fines, penalties and forfeits	14 488 973	1 894 810	-36	1 894 774	12 594 199	665%	This is a secondary revenue source on which revenue generated is dependent on offences. Its impossible to accurately estimate. The actual sec 341 and 56 traffic fines issued where higher than envisaged. The increase is attributable to intensifying traffic law enforcement operations and increasing the visibility of law enforcement in an effort to restore law and order on the City's roads.
Licences and permits	984 210	1 179 465	0	1 179 465	-195 255	-17%	The licences and permits revenue activities was much lower than predicted. Its impossible to accurately estimate as this is dependant on consumer needs and demand for licences and permits.
Agency services	2 139 483	634 104	0	634 104	1 505 379	237%	The relaxation of the constrictive lockdown regulations resulted in the clearing of backlogs which accumulated during the lockdown period. The extended operating hours and the increased activities were not envisaged during the budget preparation process. Revenue stream for this item is determined by how many customers will require these licenses on a monthly basis.
Transfers and subsidies	681 677 625	661 215 835	34 120 202	695 336 037	-13 658 412	-2%	Within an acceptable range

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2022	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
Other revenue	66 084 928	154 287 075	-119	154 286 956	-88 202 028	-57%	The operational revenue collected is less than forecasted. This is partly attributable to the adverse weather conditions experienced. The devastating floods destroyed infrastructure, interrupted agricultural activities and disrupted business activities. Which lead to the decrease in transaction commission transaction handling fees and administration handling fees.
Gains	20 879 124	0	0	0	20 879 124	100%	These are dependent on expert reports which are unavailable at the time of budget preparation. The valuations are done at year-end and are dependant on market variables which are difficult to predict at the budgeting stage.
Total Revenue (excluding capital transfers and contributions)	5 852 487 029	6 418 414 194	34 120 048	6 452 534 242	-600 047 213		
Total revenue from exchange transactions	5 852 487 029	6 418 414 194	34 120 048	6 452 534 242	-580 802 443		
Expenditure By Type							
Employee related costs	-1 468 960 683	-1 538 089 743	33 389 451	-1 504 700 292	35 739 609	-2%	Within an acceptable range
Remuneration of councillors	-49 529 446	-56 332 922	14	-56 332 908	6 803 462	-12%	The transition of a new council structure resulted in the appointment of new councillors and the resignation of old due to the Local Government Elections. During this transition new councillors do not get paid until their official appointment.
Debt impairment	-1 003 762 757	-150 000 000	-350 000 000	-500 000 000	-503 762 757	101%	Within an acceptable range
Depreciation and asset impairment	-372 610 829	-421 872 298	954 309	-420 917 989	48 307 160	-11%	Due to aging infrastructure and assets reaching the end its useful life, a decrease in depreciation is notable. The conditional assessments conducted on the assets have resulted in the extension of the asset useful life consequently depreciation decreased.
Finance charges	-26 915 534	-34 724 271	1	-34 724 270	7 808 736	-22%	The municipality anticipated raising a new loan which did not materialise hence the actual finance cost is lower than budget.
Bulk purchases electricity	-2 212 724 552	-2 185 393 029	-33 000 000	-2 218 393 029	5 668 477	0%	Within an acceptable range
Inventory consumed	-821 790 405	-830 520 119	-10 386 829	-840 906 948	19 116 543	-2%	Within an acceptable range
Contracted services	-694 880 791	-655 391 205	-75 839 215	-731 230 420	36 349 629	-5%	Within an acceptable range
Transfers and subsidies	-32 412 674	-45 862 883	-15 357 069	-61 219 952	28 807 278	-47%	The actual expenditure incurred was less than anticipated due to cost-cutting measures.
Other expenditure	-160 636 256	-200 227 523	1 896 366	-198 331 157	37 694 901	-19%	The actual expenditure incurred was less than anticipated due to cost-cutting measures.
Losses	-102 566 378	0	-96 200 000	-96 200 000	-6 366 378	7%	Within an acceptable range
Total expenditure	-6 946 790 305	-6 118 413 993	-544 542 972	-6 662 956 965	-283 833 340		
	5 852 487 029	6 418 414 194	34 120 048	6 452 534 242	-600 047 213		
	-6 946 790 305	-6 118 413 993	-544 542 972	-6 662 956 965	-283 833 340		
Operating deficit	-1 094 303 276	300 000 201	-510 422 924	-210 422 723	-883 880 553		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	368 724 619	380 796 576	86 400 648	467 197 224	-98 472 605	-21%	Cost cutting measure resulted in the significant decrease of transfers and subsidies. Bursaries are 72% down compared to 2019/20
	-725 578 657	680 796 777	-424 022 276	256 774 501	-982 353 158		
Deficit before taxation	-725 578 657	680 796 777	-424 022 276	256 774 501	-982 353 158		
Surplus/(Deficit) for the year	-725 578 657	680 796 777	-424 022 276	256 774 501	-982 353 158		

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2022	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
STATEMENT OF FINANCIAL POSITION							
Classes of assets							
Current assets	2 542 368 079	3 808 880 705	507 736 217	4 316 616 922	-1 774 248 843	-41%	Consumers debtors increased by 13,4% due to the relaxed credit controls during the COVID-19 pandemic. Due to the financial constraints experienced by the municipality the cash and cash equivalents is lower than budgeted. The budget for the COVID investment is under the cash and cash equivalents line item.
Non-Current Assets	8 208 641 879	7 969 426 726	138 483 629	8 107 910 355	100 731 524	1%	Within acceptable range
Classes of liabilities							
Current Liabilities	2 520 762 905	1 295 697 303	-13 772 594	1 281 924 709	1 238 838 196	97%	The variance was mainly due to the dire cashflow constraints experienced by the municipality which impacted the creditors payments. Consumer deposits depends on the demand of municipal services, hence its difficult to predict consumer behaviour.
Non-Current Liabilities	3 295 778 225	1 187 237 456	0	1 187 237 456	2 108 540 769	178%	The municipality anticipated raising a new loan which did not materialise hence the actual financial liability is lower than budget. The employee benefit obligation dependent is on expert reports which are unavailable at the time of budget preparation.
Reserves							
Reserves	7 455 231 733	9 295 372 672	659 992 440	9 955 365 112	-2 500 133 379	-25%	There was a write off of R14m relating to other financial assets , transfer of R8m bridging finance ,the increase of COVID investment and the increase of insurance expenditure was not factored in during the budget process.Negative effects of COVID and the adverse weather conditions has impacted debt collection resulting in the municipality having to increase the debt impairment.
STATEMENT OF CASH FLOWS							
Cash flows from operating activities							
Receipts	5 441 847 545	6 183 449 649	120 520 850	6 303 970 499	-862 122 954	-14%	The cash receipts collected is less than forecasted. This is partly attributable to the adverse weather conditions experienced. The devastating floods destroyed infrastructure, agricultural activities and disrupted business activities. Which lead to the decrease in cash collection. Negative effects of COVID and the has impacted debt collection.
Payments	536 138 615	-5 546 541 721	-99 297 255	-5 645 838 976	6 181 977 591	-109%	Cashflow constraints were a cause for low payment rates.
Cash flows from investing activities							
Net cash flows from investing activities	-524 931 844	-576 301 507	-127 172 303	-703 473 810	178 541 966	-25%	Over expenditure on the budgeted cashflow is mainly explained by unspent grants.

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"By 2040 Msunduzi will be a safe, vibrant, sustainable and smart metropolis."

Account Balance / Transaction / Disclosure	Current year-to-date actual amount as at: 30 June 2022	Current year budget amount, as per approved budget	Current year budget adjustment	Current year budget final amount	Difference between current year actual and final budget - R	Difference between current year actual and final budget - %	Explanation for significant fluctuations
Cash flows from financing activities							
Net cash flows from financing activities	-81 573 483	8 362 466	-100 000 000	-91 637 534	10 064 051	-12%	The variance is attributed to the repayment of the long term DBSA loans, a couple of which were fully repaid in the current year.

MSUNDUZI LOCAL MUNICIPALITY APPENDIX A												
Land And Buildings	COST/VALUATION			ACCUMULATED DEPRECIATION			ACCUMULATED IMPAIRMENT			BALANCE		
	Cost 01/07/2021	Valuation 01/07/2021	AUC 01/07/2021	Cost/Valuation 01/07/2021	Transfers/ Adjustments	Depreciation 2021/22	Balance 30/06/2022	Disposals	Adjustments/ Transfers	Balance 30/06/2022	Impairment 01/07/2021	Balance 30/06/2022
Land	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-
Total Land And Buildings	1 175 057 428	1 175 057 428	295 897	1 175 057 428	295 897	(13 697 499)	(339 877 187)	-	(59 983)	(669 396)	-	712 426 741
Infrastructure												
ELECTRICITY RETICULATION	-	-	-	-	-	-	-	-	-	-	-	-
HV OVERHEAD LINES	4 374 861	-	-	4 374 861	-	(404 048)	(4 374 861)	-	-	-	-	-
HV SUBSTATIONS	65 963 416	-	-	65 963 416	-	(4 558 836)	(4 558 836)	-	-	-	-	-
HV UNDERGROUND CABLES	416 571 462	-	-	416 571 462	-	(141 736 053)	(416 571 462)	-	-	-	-	-
LV STREET LIGHTING	75 208 203	-	-	75 208 203	-	(12 313 327)	(75 208 203)	-	-	-	-	-
MV GROUND MOUNTED TRANSFORMERS	160 461 606	-	-	160 461 606	-	(43 896 425)	(160 461 606)	-	-	-	-	-
MV MINI SUBSTATIONS	64 830 718	-	-	64 830 718	-	(2 448 742)	(64 830 718)	-	-	-	-	-
MV OVERHEAD LINES	132 272 160	-	-	132 272 160	-	(6 683 951)	(132 272 160)	-	-	-	-	-
MV POLE MOUNTED TRANSFORMERS	24 804 369	-	-	24 804 369	-	(867 372)	(24 804 369)	-	-	-	-	-
MV RING MAIN UNIT	58 894 054	-	-	58 894 054	-	(1 823 452)	(58 894 054)	-	-	-	-	-
MV UNDERGROUND CABLES	38 879 189	-	-	38 879 189	-	(2 010 739)	(38 879 189)	-	-	-	-	-
MV SUBSTATIONS	180 773 334	-	-	180 773 334	-	(6 296 001)	(180 773 334)	-	-	-	-	-
MV UNDERGROUND CABLES	714 754 969	-	-	714 754 969	-	(45 862 897)	(714 754 969)	-	-	-	-	-
Total Electricity	1 937 788 341	-	-	1 937 788 341	-	(85 402 362)	(1 937 788 341)	-	(19)	(1 937 788 341)	(10 270 145)	1 057 442 035
AIRPORT RUNWAY	73 574 386	-	-	73 574 386	-	(4 577 405)	(73 574 386)	-	-	-	-	-
BRICK ROADS	148 520 649	-	-	148 520 649	-	(44 634 859)	(148 520 649)	-	-	-	-	-
BRIDGES AND TUNNELS	309 378 322	-	-	309 378 322	-	(13 151 558)	(309 378 322)	-	-	-	-	-
CONCRETE ROADS	76 513 278	-	-	76 513 278	-	(2 452 388)	(76 513 278)	-	-	-	-	-
GRAVEL ROADS	132 448 299	-	-	132 448 299	-	(3 482 237)	(132 448 299)	-	-	-	-	-
ROAD SIGNAGE	205 283	-	-	205 283	-	(46 234)	(205 283)	-	-	-	-	-
SIGNALED INTERSECTIONS	88 149 905	-	-	88 149 905	-	(4 437 385)	(88 149 905)	-	-	-	-	-
TARRED ROADS	2 188 163 204	-	-	2 188 163 204	-	(65 429 538)	(2 188 163 204)	-	-	-	-	-
Total Roads	3 016 953 327	-	-	3 016 953 327	-	(86 142 851)	(3 016 953 327)	-	(19)	(3 016 953 327)	(10 270 145)	1 455 400 604
BULK SEWERS	104 815 665	-	-	104 815 665	-	(3 106 665)	(104 815 665)	-	-	-	-	-
PUMPSTATIONS	11 920 171	-	-	11 920 171	-	(7 837 230)	(11 920 171)	-	-	-	-	-
SEWER RETICULATION	453 988 246	-	-	453 988 246	-	(16 777 262)	(453 988 246)	-	-	-	-	-
SEWER TREATMENT WORKS	64 742 053	-	-	64 742 053	-	(671 013)	(64 742 053)	-	-	-	-	-
Total Sanitation	635 466 136	-	-	635 466 136	-	(20 914 972)	(635 466 136)	-	(19)	(635 466 136)	(10 270 145)	1 455 400 604
PUMPSTATIONS	13 290 716	-	-	13 290 716	-	(123 076)	(13 290 716)	-	-	-	-	-
RESERVOIRS	248 653 667	-	-	248 653 667	-	(8 468 620)	(248 653 667)	-	-	-	-	-
WATER METERS	120 933 009	-	-	120 933 009	-	(7 796 520)	(120 933 009)	-	-	-	-	-
WATER RETICULATION	456 624 656	-	-	456 624 656	-	(15 765 959)	(456 624 656)	-	-	-	-	-
WATER SUPPLY BULK WATER PIPELINES	360 590 901	-	-	360 590 901	-	(18 716 068)	(360 590 901)	-	-	-	-	-
WATER SUPPLY PRESSURE REDUCE VALVES	2 469 374	-	-	2 469 374	-	(154 097)	(2 469 374)	-	-	-	-	-
Total Water	1 201 962 324	-	-	1 201 962 324	-	(40 001 079)	(1 201 962 324)	-	(19)	(1 201 962 324)	(10 270 145)	1 455 400 604
ACCESS CONTROL	288 234	-	-	288 234	-	(261 795)	(288 234)	-	-	-	-	-
FENCING	20 850 854	-	-	20 850 854	-	(2 133 441)	(20 850 854)	-	-	-	-	-
SECURITY SYSTEMS	25 670 253	-	-	25 670 253	-	(22 956 626)	(25 670 253)	-	-	-	-	-
Total Security	48 819 340	-	-	48 819 340	-	(22 956 626)	(48 819 340)	-	(19)	(48 819 340)	(10 270 145)	1 455 400 604
HEAD AND WINGWALLS	6 475 942	-	-	6 475 942	-	(2 835 640)	(6 475 942)	-	-	-	-	-
MANHOLE	101 039 376	-	-	101 039 376	-	(8 817 797)	(101 039 376)	-	-	-	-	-
MINOR CULVERTS	68 080 073	-	-	68 080 073	-	(2 556 009)	(68 080 073)	-	-	-	-	-
OPEN CHANNELS	32 345 399	-	-	32 345 399	-	(6 132 043)	(32 345 399)	-	-	-	-	-
RETICULATION	407 726 162	-	-	407 726 162	-	(18 716 068)	(407 726 162)	-	-	-	-	-
Total Stormwater	711 751 012	-	-	711 751 012	-	(22 011 438)	(711 751 012)	-	(19)	(711 751 012)	(10 270 145)	1 455 400 604
Railway Lines	3 449 377	-	-	3 449 377	-	(115 452)	(3 449 377)	-	-	-	-	-
Total Railway Lines	3 449 377	-	-	3 449 377	-	(115 452)	(3 449 377)	-	(19)	(3 449 377)	(10 270 145)	1 455 400 604
GARDEN REFUSE	3 590 993	-	-	3 590 993	-	(71 489)	(3 590 993)	-	-	-	-	-
LANDFILL SITE	8 075 607	-	-	8 075 607	-	(227 136)	(8 075 607)	-	-	-	-	-
SORTING STATIONS	538 741	-	-	538 741	-	(48 644)	(538 741)	-	-	-	-	-
Total Solid Waste	12 205 341	-	-	12 205 341	-	(308 174)	(12 205 341)	-	(19)	(12 205 341)	(10 270 145)	1 455 400 604
Total Infrastructure	7 566 395 197	-	-	7 566 395 197	-	(284 709 759)	(7 566 395 197)	-	(19)	(7 566 395 197)	(10 270 145)	1 455 400 604
Assets Under Construction	1 235 634 837	-	-	1 235 634 837	-	-	-	-	-	-	-	-
W.I.P : Project	-	-	-	-	-	-	-	-	-	-	-	-
W.I.P : Movable Assets	-	-	-	-	-	-	-	-	-	-	-	-
Community	1 235 634 837	-	-	1 235 634 837	-	-	-	-	-	-	-	-
CEMETERIES	934 821	-	-	934 821	-	(349 967)	(934 821)	-	-	-	-	-
CINIL THEATRES	13 733 672	-	-	13 733 672	-	(11 935 690)	(13 733 672)	-	-	-	-	-
CLINICS	29 442 063	-	-	29 442 063	-	(17 149 592)	(29 442 063)	-	-	-	-	-
COMMUNITY CENTRES	112 840 031	-	-	112 840 031	-	(59 300 693)	(112 840 031)	-	-	-	-	-
FIRE STATIONS	23 464 095	-	-	23 464 095	-	(15 725 886)	(23 464 095)	-	-	-	-	-
LIBRARIES	90 620 065	-	-	90 620 065	-	(51 756 612)	(90 620 065)	-	-	-	-	-
PARKS	3 846 887	-	-	3 846 887	-	(80 163)	(3 846 887)	-	-	-	-	-
PUBLIC CONVENIENCES	32 725 343	-	-	32 725 343	-	(20 395 139)	(32 725 343)	-	-	-	-	-
STADIUMS	83 047 476	-	-	83 047 476	-	(61 047 020)	(83 047 476)	-	-	-	-	-

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MSUNDUZI LOCAL MUNICIPALITY APPENDIX A

Land And Buildings	Cost 01/07/2021	Valuation 01/07/2021	AUC 01/07/2021	Cost/Valuation 01/07/2021	Additions	Fair value gain/ (losses)	Transfer/ Adjustments	Additions AUC	Depreciation	Balance 30/06/2022	Depreciation 2021/22	Disposals	Accumulated Depreciation Adjustments/ Transfers	Balance 30/06/2022	Balance 01/07/2021	Accumulated Impairment 2021/22	Carrying Value 30/06/2022	
BEER HALLS																		
Total Community Buildings	390 654 454	-	-	390 654 454	-	-	4 340 604	-	(9 968 915)	(240 288 364)	(9 968 915)	-	-	(250 275 278)	(1 444 481)	(68 548)	(1 513 027)	143 208 762
CEMETERIES																		
TOTAL CEMETERIES	5 616 444	-	-	5 616 444	-	-	-	-	(84 469)	(3 020 139)	(84 469)	-	-	(3 104 609)	(14 858)	-	2 496 978	
PARKS																		
TOTAL PARKS	16 227 905	-	-	16 227 905	-	-	-	-	(9 135 014)	(22 299 576)	(9 135 014)	-	-	(24 011 842)	(42 624)	-	6 727 439	
SPORT FACILITIES																		
TOTAL SPORT FACILITIES	63 475 625	-	-	63 475 625	-	-	419 855	-	(6 505 128)	(75 609 799)	(6 505 128)	-	-	(80 665 128)	(585)	-	38 988 419	
SPORT GROUNDS																		
TOTAL SPORT GROUNDS	214 488 441	-	-	214 488 441	-	-	-	-	(3 703 248)	(23 346 514)	(3 703 248)	-	-	(24 451 060)	(83 724)	-	133 664 644	
SWIMMING POOLS																		
TOTAL SWIMMING POOLS	343 511 963	-	-	343 511 963	-	-	419 855	-	(8 278 887)	(133 411 043)	(8 278 887)	-	-	(141 689 930)	(1 152 669)	(43 008)	19 168 433	
Total Community Recreational Facilities																		
	734 188 117	-	-	734 188 117	-	-	4 760 459	-	(10 285 820)	(373 598 407)	(10 285 820)	-	-	(391 985 209)	(2 597 150)	(111 552)	(2 708 702)	344 252 685
Other Assets																		
AIRPORT BUILDING																		
TOTAL AIRPORT BUILDING	13 980 560	-	-	13 980 560	-	-	-	-	(7 559 586)	(7 559 586)	(7 559 586)	-	-	(7 776 600)	(5 494)	-	6 203 960	
CRECHES																		
TOTAL CRECHES	15 717 855	-	-	15 717 855	-	-	-	-	(325 924)	(5 370 645)	(325 924)	-	-	(5 596 569)	(112 288)	-	6 437 339	
CREMATORIUMS																		
TOTAL CREMATORIUMS	7 004 221	-	-	7 004 221	-	-	-	-	(29 375)	(5 148 071)	(29 375)	-	-	(5 177 446)	-	-	1 856 363	
HOTELS																		
TOTAL HOTELS	1 557 482	-	-	1 557 482	-	-	-	-	-	-	-	-	-	-	-	-	380 046	
HOUSING SCHEMES																		
TOTAL HOUSING SCHEMES	47 437 565	-	-	47 437 565	-	-	-	-	(1 488 719)	(30 817 542)	(1 488 719)	-	-	(32 306 261)	(2)	(2)	15 333 485	
LANDFILL SITE																		
TOTAL LANDFILL SITE	241 019 233	-	-	241 019 233	-	-	-	-	(4 965 662)	(165 769 847)	(4 965 662)	-	-	(170 735 509)	(13 482)	-	70 250 242	
MARKETS																		
TOTAL MARKETS	10 835 503	-	-	10 835 503	-	-	-	-	(300 893)	(8 119 689)	(300 893)	-	-	(8 420 573)	(6 226)	-	2 408 705	
MURSERIES																		
TOTAL MURSERIES	924 086	-	-	924 086	-	-	-	-	(711 231)	(14 156)	(711 231)	-	-	(725 387)	-	-	186 699	
OLD AGE HOMES																		
TOTAL OLD AGE HOMES	796 654	-	-	796 654	-	-	-	-	(637 152)	(637 152)	(637 152)	-	-	(643 949)	-	-	152 704	
SEWERAGE WORKS AND DUMPSITE																		
TOTAL SEWERAGE WORKS AND DUMPSITE	4 298 468	-	-	4 298 468	-	-	-	-	(2 856 633)	(2 856 633)	(2 856 633)	-	-	(2 844 169)	-	-	1 354 299	
TRAINING CENTRE																		
TOTAL TRAINING CENTRE	43 956 072	-	-	43 956 072	-	-	-	-	(1 414 895)	(26 619 924)	(1 414 895)	-	-	(28 034 819)	-	-	15 921 254	
TRANSPORT FACILITIES																		
TOTAL TRANSPORT FACILITIES	31 508 703	-	-	31 508 703	-	-	-	-	(778 058)	(23 345 673)	(778 058)	-	-	(23 345 673)	(280)	-	8 162 750	
WORKSHOPS AND DEPOTS																		
TOTAL WORKSHOPS AND DEPOTS	419 038 212	202 184	-	419 038 212	202 184	-	-	-	(10 410 788)	(250 981 038)	(10 410 788)	-	-	(261 101 538)	(137 774)	-	(137 774)	127 889 787
Other Properties																		
COMPRESSORS																		
TOTAL COMPRESSORS	371 985	-	-	371 985	-	-	2 375	-	(42 348)	(201 930)	(42 348)	-	-	(244 260)	(511)	(458)	129 121	
FIREARMS																		
TOTAL FIREARMS	2 659 122	-	-	2 659 122	-	-	-	-	(1 761 033)	(1 761 033)	(1 761 033)	-	-	(1 659 355)	-	-	689 767	
GRADEY																		
TOTAL GRADEY	12 629 142	-	-	12 629 142	-	-	-	-	(6 102 346)	(6 102 346)	(6 102 346)	-	-	(6 183 740)	(17 869)	-	9 022 751	
GRADY EQUIPMENT																		
TOTAL GRADY EQUIPMENT	4 362 893	-	-	4 362 893	-	-	431	-	(5 349 346)	(5 349 346)	(5 349 346)	-	-	(5 349 346)	(5 349 346)	-	1 891 699	
LAWNMAOWERS																		
TOTAL LAWNMAOWERS	80 243 485	-	-	80 243 485	-	-	-	-	(3 280 861)	(41 226 670)	(3 280 861)	-	-	(44 507 108)	(91 707)	(29 782)	(121 549)	1 481 679
PLANT AND EQUIPMENT																		
TOTAL PLANT AND EQUIPMENT	3 492 576	-	-	3 492 576	-	-	91 832	-	(17 126 082)	(17 126 082)	(17 126 082)	-	-	(17 126 082)	(17 126 082)	-	1 358 494	
RADIO EQUIPMENT																		
TOTAL RADIO EQUIPMENT	6 412 720	-	-	6 412 720	-	-	-	-	(3 602 261)	(3 602 261)	(3 602 261)	-	-	(3 602 261)	(3 602 261)	-	2 810 459	
TELECOMMUNICATION																		
TOTAL TELECOMMUNICATION	13 120 286	-	-	13 120 286	-	-	-	-	(117 620)	(5 830 536)	(117 620)	-	-	(5 948 156)	(110 575)	(113 828)	350 736	
TRACTORS																		
TOTAL TRACTORS	123 620 700	-	-	123 620 700	-	-	94 638	-	(5 637 275)	(67 353 872)	(5 637 275)	-	-	(72 991 268)	(1 561 744)	(550 119)	(2 161 954)	60 131 537
Total Plant And Equipment																		
	19 800 409	-	-	19 800 409	-	-	4 868	-	(821 328)	(16 467 340)	(821 328)	-	-	(17 288 870)	(190 019)	(15 857)	(205 876)	2 760 851
AIRCCONDITIONERS																		
TOTAL AIRCCONDITIONERS	104 945 392	-	-	104 945 392	-	-	193 107	-	(7 660 081)	(7 660 081)	(7 660 081)	-	-	(84 851 434)	(688 004)	(121 388)	(809 402)	25 908 383
COMPUTER HARDWARE																		
TOTAL COMPUTER HARDWARE	5 323 505	-	-	5 323 505	-	-	-	-	(272 617)	(4 217 874)	(272 617)	-	-	(4 217 874)	(61 911)	(23 254)	(878 594)	878 594
OFFICE MACHINES																		
TOTAL OFFICE MACHINES	130 069 307	6 971 867	-	130 069 307	6 971 867	-	300 332	-	(8 754 356)	(8 754 356)	(8 754 356)	-	-	(106 545 255)	(839 354)	(106 508)	(1 100 442)	29 545 589
CABINETS AND CURBOARDS																		
TOTAL CABINETS AND CURBOARDS	12 188 442	-	-	12 188 442	-	-	28 921	-	(44 302)	(8 822 255)	(44 302)	-	-	(9 256 153)	(261 531)	(199 550)	(461 081)	2 823 584
CHAIRS																		
TOTAL CHAIRS	9 766 516	-	-	9 766 516	-	-	62 285	-	(10 666)	(16 453 055)	(10 666)	-	-	(9 821 160)	(608 635)	(71 027)	(979 862)	4 172 228
FURNITURE AND FITTINGS OTHER																		
TOTAL FURNITURE AND FITTINGS OTHER	5 768 293	-	-	5 768 293	-	-	12 544	-	(300 945)	(3 547 860)	(300 945)	-	-	(3 848 482)	(208 779)	(23 273)	(232 052)	2 061 185
TABLES AND DESKS																		
TOTAL TABLES AND DESKS	9 125 484	-	-	9 125 484	-	-	29 480	-	(4 908)	(10 040 034)	(4 908)	-	-	(6 337 192)	(228 080)	(47 712)	(275 792)	2 967 000
Total Furniture And Fittings	36 848 735	-	-	36 848 735	-	-	133 240	-	(60 825)	(40 395 632)	(60 825)	-	-	(26 622 967)	(1 207 068)	(341 562)	(1 548 587)	12 024 057
BULK CONTAINERS																		
TOTAL BULK CONTAINERS	1 641 584	-	-	1 641 584	-	-	-	-	(138 393)	(975 488)	(138 393)	-	-	(1 113 891)	(191)	(3 645)	(3 645)	523 696
HOUSEHOLD REFUSE BNS																		
TOTAL HOUSEHOLD REFUSE BNS	2 203	-	-	2 203	-	-	-	-	(1 936)	(80)	(1 936)	-	-	(2 002)	(62)	(52)	149	
Total Containers	1 643 787	-	-	1 643 787	-	-	-	-	(1 936)	(975 488)	(1 936)	-	-	(1 113 891)	(191)	(3 645)	(3 645)	523 696
FIRE EQUIPMENT																		
TOTAL FIRE EQUIPMENT	5 080 026	-	-	5 080 026	-	-	8 653	-	(162 830)	(3 589 209)	(162 830)	-	-	(3 221 074)	(139 789)	(52 608)	(1 675 208)	1 675 208
MEDICAL EQUIPMENT CLINICS																		
TOTAL MEDICAL EQUIPMENT CLINICS	385 360	-	-	385 360	-	-	-	-	(7 862)	(512 148)	(7 862)	-	-	(512 148)	(951)	(59 270)	59 270	
Total Fire And Medical Equipment	5 465 056	-	-	5 465 056	-	-	8 653	-	(170 745)	(3 582 479)	(170 745)	-	-	(3 533 223)	(140 750)	(52 608)	(183 568)	1 727 478
BUSES																		
TOTAL BUSES	3 631 939	-	-	3 631 939	-	-	-	-	(207 986)	(1 487 061)	(207 986)	-	-	(1 695 056)	(7 981)	(56 781)	(64 762)	1 872 121</

MS/INDUZI LOCAL MUNICIPALITY APPENDIX A																	
Land And Buildings	Coast 01/07/2021	Valuation 01/07/2021	AUC 01/07/2021	Coast/Valuation 01/07/2021	Additions	Fair value gains/(losses)	Transfers/ Adjustments	COST/VALUATION APPENDIX A			ACCUMULATED DEPRECIATION				Accumulated Impairment		
								Additions AUC	Derecognition	Balance 30/06/2022	Balance '01/07/2021	Depreciation 2021/22	Disposals	Adjustments/ Transfers	Balance 30/06/2022	Balance '01/07/2021	Impairment 2021/22
Investment Property	877 142 335	-	-	877 142 335	-	-	16 517 173	-	-	(650 000)	893 009 508	-	-	-	-	-	893 009 508
Intangible Assets																	
COMPUTER SOFTWARES																	
SERVICES	50 850 272	-	-	50 850 272	-	-	-	-	50 850 272	(43 422 648)	(1 833 761)	-	-	(45 256 409)	(21 683)	-	5 572 200
SOFTWARES	803 846	-	-	803 846	-	-	-	-	803 846	-	-	-	-	-	-	-	803 846
	56 891 572	-	-	56 891 572	-	-	-	-	56 891 572	(40 559 132)	(4 203 562)	-	-	(44 762 694)	(78 675)	-	12 050 202
Total Intangible Assets	108 545 690	-	-	108 545 690	-	-	-	-	108 545 690	(83 981 781)	(6 037 323)	-	-	(90 019 104)	(100 339)	-	18 426 248
Living Resources																	
Living Resources	1 140 250	-	-	1 140 250	60 000	-	-	-	1 110 250	(396 676)	(53 636)	(36 241)	-	(414 071)	-	-	696 179
Total Living Resources	1 140 250	-	-	1 140 250	60 000	-	-	-	1 110 250	(396 676)	(53 636)	(36 241)	-	(414 071)	-	-	696 179
Agricultural Assets																	
Plantations	96 300 000	-	-	96 300 000	-	(16 100 000)	-	-	80 200 000	-	-	-	-	-	-	-	80 200 000
Total Agricultural Assets	96 300 000	-	-	96 300 000	-	(16 100 000)	-	-	80 200 000	-	-	-	-	-	-	-	80 200 000
Total Non Current Assets	11 708 981 102	117 729 187	-	13 062 344 926	531 223 833	294 476	(6 824 501)	(25 329 247)	13 562 619 487	(4 895 022 380)	(965 753 087)	(22 179 562)	(240)	(6 238 596 149)	(108 352 895)	(114 685 286)	8 208 641 878
Housing Stock																	
Housing Stock	285 689 426	-	-	285 689 426	83 098	-	6 361 364	(129 616)	292 004 270	-	-	-	-	-	-	-	292 004 270
Total Housing Stock	285 689 426	-	-	285 689 426	83 098	-	6 361 364	(129 616)	292 004 270	-	-	-	-	-	-	-	292 004 270
Land Held For Sale																	
Land Held For Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Land Held For Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non Current Assets & Inventory	11 994 670 528	117 729 187	-	13 348 034 353	531 223 833	294 476	536 863	(25 458 865)	13 854 623 757	(4 895 022 380)	(965 753 087)	(22 179 562)	(240)	(6 538 596 149)	(108 352 895)	(114 685 286)	8 500 656 149

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MSUNDUZI LOCAL MUNICIPALITY APPENDIX B SEGMENTAL ANALYSIS OF ALL NON-CURRENT ASSETS CLASSIFICATION AS AT 30 June 2022														
DESCRIPTION	HISTORICAL COSTS					ACCUMULATED DEPRECIATION AND IMPAIRMENTS					CLOSING BALANCE			
	OPENING BALANCE	ADDITIONS/ UNDER CONSTRUCTION	TRANSFERS	REVALUATION	ADJUSTMENTS	DISPOSALS	DONATED ASSETS	CLOSING BALANCE	OPENING IMPAIRMENT	CURRENT YEAR DEPRECIATION	DEPRECIATION TRANSFER	DEPRECIATION ADJUSTMENTS	CURRENT YEAR IMPAIRMENT	NET BOOK VALUE
Executive and Council	32 782 702.35	2 667 519.05	-11 767.20	1 176 500.00	28 360.25	-	-	36 643 114.45	-299 397.91	-1 399 022.19	7 683.53	-13.73	-28 150.34	19 493 440.98
Community and Social Services	595 560 947.29	21 334 370.35	-1 368 971.99	116 196 889.65	204 919.96	-	-	731 926 854.86	-8 348 380.42	-11 025 850.65	306 198.92	-88.01	-128 786.99	476 566 802.95
Electricity	2 022 535 233.23	98 778 021.42	-4 145 898.53	3 450.00	25 492.16	-8 253 979.22	-	2 111 842 719.06	-15 411 456.03	-94 035 885.71	564 877.79	-9.09	-412 336.00	1 140 236 970.65
Environmental Protection	5 428 600.81	159 005.00	-398.12	-	32 931.95	-	-	5 619 441.64	-64 113.22	-266 449.71	2 599.26	-10.64	-66 430.85	2 108 316.55
Finance and Administration	1 736 343 817.19	16 527 563.35	7 178 916.81	-	118 036.19	-18 984 755.08	208 000.00	1 741 391 678.46	-6 901 313.82	-38 751 396.42	-1 254 781.90	-57.21	-1 166 641.24	1 095 971 240.29
Housing	1 001 133 366.48	21 823 783.76	287.82	-	11 718.05	-650 004.36	16 309 173.07	1 038 627 904.82	-113 898.26	-3 586 226.42	-49.07	-5.46	-19 435.50	1 008 795 616.45
Other	462 811 641.56	2 031 633.94	-818.15	-	12 070.83	-	-16 100 000.00	448 754 747.98	-119 785.39	-12 221 026.49	1 130.60	-4.24	-30 535.71	206 406 096.12
Planning and Development	227 729 514.67	37 597 354.01	13 510.40	-	26 836.30	-138 583.93	-	265 216 631.65	-297 218.24	-3 968 114.69	-291.06	-13.40	-160 296.16	237 381 813.49
Public Safety	41 050 381.10	94 470.00	-108 304.97	-	31 081.15	-	-	41 067 527.26	-359 919.21	-1 147 089.74	108 351.73	-7.07	-80 502.82	16 543 330.12
Road Transport	4 316 363 203.22	200 564 624.85	-122 252.11	-	24 761.20	-4 420.18	-	4 516 626 136.98	-2 747 029.96	-113 816 067.48	114 228.71	-7.03	-3 957 496.73	2 612 333 179.64
Sport and Recreation	538 419 180.53	1 101 083.51	-1 171 633.19	176 650.00	16 863.57	-90 000.00	-	538 461 154.42	-2 069 203.31	-12 673 536.44	96 853.48	-3.61	-197 489.40	292 143 167.80
Waste Management/Solid Waste	89 968 119.68	15 204 568.25	-134 517.38	187.64	-	-	-	105 038 368.19	-469 104.91	-3 076 299.27	17 397.07	-0.10	-35 667.37	61 197 866.01
Waste Water Management	775 563 973.40	54 321 981.29	-7 517.56	-	2 093.45	-	-	829 880 530.98	-4 180 069.79	-20 561 619.95	7 252.36	-1.01	-11 902.93	571 940 177.43
Water	1 383 474 333.93	58 051 642.31	-120 657.83	55 000.00	1 480.45	-87 122.04	-	1 441 374 696.82	-66 146 863.31	-49 180 884.72	28 748.38	-0.35	-37 673.92	760 367 119.26
TOTALS	13 229 164 915.64	531 246 831.09	0.00	117 606 687.29	536 664.91	-26 208 864.81	417 173.07	13 852 763 507.19	-107 496 845.78	-362 699 469.88	0.00	-220.95	-6 332 340.96	8 801 502 137.74

MSUNDUZI LOCAL MUNICIPALITY
APPENDIX C
ACTUAL VERSUS BUDGET (ACQUISITION OF ALL NON-CURRENT ASSETS) FOR THE YEAR ENDED 30 JUNE 2022

Description	2022 Budget R	2022 Actual R	2022 Assets Under Construction R	2022 Additions R	2022 Variance R	2022.00 Variance %	Explanation of Significant Variances greater than 5% versus Budget
Executive and Council	6 326 000.00	2 638 711.39	1 563 390.13	1 103 928.92	3 687 288.61	58%	
Finance and Administration	41 776 984.00	15 706 116.78	5 668 489.16	10 859 074.19	26 070 867.22	62%	
Planning and Development	125 979 448.30	37 614 091.51	28 409 822.92	9 177 531.09	88 365 356.79	70%	
Public Safety	1 100 000.00	94 470.00	-	94 470.00	1 005 530.00	91%	
Community and Social Services	29 953 251.56	27 991 474.87	19 929 801.04	1 404 569.31	1 961 776.69	7%	
Health							
Sport and Recreation	725 000.00	1 041 093.51	-	1 101 093.51	-316 093.51	-44%	
Road Transport	178 811 233.16	201 376 703.88	145 319 949.67	55 244 675.18	-22 565 470.72	-13%	
Water	55 466 054.00	58 051 642.31	57 033 698.68	1 017 943.63	-2 585 588.31	-5%	
Waste Water Management	58 408 960.00	54 321 981.29	49 917 560.83	4 404 420.46	4 086 978.71	7%	
Electricity	154 510 889.00	99 778 021.42	41 495 257.56	58 282 763.86	54 732 867.58	35%	
Housing	85 707 294.07	21 823 763.76	20 037 849.11	1 785 914.65	63 883 530.31	75%	
Other	3 361 906.77	2 049 987.10	729 247.40	1 302 606.54	1 311 919.67	39%	
Environment Protection/Solid Waste	17 242 606.00	15 160 689.25	6 017 974.25	9 344 899.00	2 081 916.75	12%	
TOTALS	759 369 626.86	537 648 747.07	376 123 040.75	155 123 890.34	221 720 879.79		

MSUNDUZI LOCAL MUNICIPALITY

APPENDIX D

DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2022

Account Description	Unspent balance @ 01 July 2021	Transfers to income	Transfer to own revenue	Inter project	Funds paid back to National Treasury	Repayment of bridgelifunding of INEP exp from MHOA	VAT recovered from NT grants	Current year interest earned	Current year receipts	Unspent balance	Source Code
GRANTS UNSPENT/CP-NT-NEIGHBOURHOOD DEV P/SHIP GRANT	- 1 070 247	30 434 387	-	-	-	-	4 565 158	-	-34 000 000	-70 702	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-EXPANDED PUBLIC WORKS PROGRAMME	- 469 014	3 474 322	-	-	469 000	-	41 692	-	-3 516 000	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-FINANCE MANAGEMENT GRANT	-	1 769 057	-	-	-	-	131 943	-	-1 900 000	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-WATER SERVICES INFRAST GRANT	-	17 545 560	-	-	-	-	2 451 315	1 218 000	-21 218 000	-5 125	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-WATER SERVICES INFRAST GRANT	-	17 452 400	-	-	-	-	2 534 010	-1 218 000	-18 782 000	-13 990	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-PUBLIC TRANSPORT NETWORK GRANT	- 49 852 139	54 449 148	-	-570 898	-	-	7 873 889	-	-11 900 000	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-PUBLIC TRANSPORT NETWORK GRANT	- 593 940	23 042	-	- 570 898	-	-	-	-	-	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME	-	10 380 994	-	-	-	8 769 502	849 503	-	-20 000 000	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	-	178 605 305	-	-3 572 710	-	-	24 617 778	-	-199 650 373	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	-	5 901 848	-	3 572 710	-	-	206 069	-	-9 680 627	-	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-NT-MUNICIPAL INFRASTRUCTURE PROGRAMME	- 51 985 340	320 033 064	-	-	469 000	8 769 502	43 271 357	-	-320 647 000	-89 416	UNSPENT CG - NATIONAL GOVERNMENT
GRANTS UNSPENT/CP-DOHS-JIKA JOE	- 7 909 450	14 019 169	6 876 324	-	-	-	-	-	-12 986 042	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-DOHS - HOUSING PROJECTS	-	9 105 293	-	-	-	-	-	-	-9 106 293	-	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN - PIETERMARITZBURG AIRPORT	- 359 982	325 219	-	-	-	-	-	-13 679	-	-47 442	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-EDTEA - INFORMAL CBD	- 1 719 951	1 700 456	-	-	-	-	-	-62 359	-	-81 854	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-COGTA-EASTWOOD PRIMARY SUBSTATION	-	9 079 238	-	-	-	-	-	-156 962	-15 000 000	-8 077 724	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-COGTA-CORRIDOR DEVELOPMENT	-	-	-	-	-	-	-	-6 654	-6 600 000	-6 606 654	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-COGTA-MUNICIPAL DISASTER RESPONSE GRANT	-	-	-	-	-	-	-	-	-620 000	-620 000	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-A/CULTURE-TATHAM ART GALLERY	- 11 009	421 883	-	-	-	-	-	-5 028	-425 000	-19 154	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-A/CULTURE-TATHAM ART GALLERY	- 7 930	81 475	-	-	-	-	-	-3 192	-90 000	-19 647	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-HOUSING/DALE PVT LAND ACQ	- 15 746 005	3 222 622	-	-	-	-	-	-598 392	-	-13 121 774	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-HOUSING/DALE PVT LAND ACQ	- 83 849 429	2 545 502	-	-	-	-	-	-3 405 876	-8 158 820	-92 868 623	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN - ARTS/CULTURE-LIBRARY	- 3 173 021	399 257	-	-726 979	-	-	-	-220 683	-3 500 000	-7 221 426	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-ARTS/CULTURE-LIBRARY	- 3 272 834	15 381 529	-	-726 979	-	-	-	-263 455	-12 863 000	-290 781	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN: HOUSING- ACCREDITATION	- 8 775 301	1 785 915	-	5 000 000	-	-	-	-227 217	-1 000 000	-3 216 604	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN: HOUSING- ACCREDITATION	- 1 289 439	4 663 110	-	-5 000 000	-	-	-	-136 120	-3 853 172	-5 615 621	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-COGTA-MANAYE AREA PRECINCT UPGRADE	- 761	-	-	787	-	-	-	-26	-	0	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-COGTA-YOUTH ENTERPRISE PARK	- 136 270	140 025	-	-787	-	-	-	-5 390	-188 382	-190 805	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-OFF PREMIER-DLULISIMLANDO	- 1 136 990	1 086 804	50 186	-	-	-	-	-	-	0	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANTS UNSPENT/CP-KZN-OFF PREMIER-DLULISIMLANDO	- 127 388 373	63 959 487	6 926 510	-	-	-	-	-5 105 034	-74 390 710	-135 998 109	UNSPENT CG - PROVINCIAL GOVERNMENT
	- 179 373 712	383 992 561	6 926 510	-	469 000	8 769 502	43 271 357	-5 105 034	-395 037 710	-138 087 525	

MSUNDUZI LOCAL MUNICIPALITY APPENDIX E CONTINGENT LIABILITIES AS AT 30 JUNE 2022										
MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ADVO CATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	JUNE 2022	JUNE 2021
B.A. Clark v. Msunduzi Municipality	Delictual Claim. The Municipality dug trenches along Old Howick Road, a net was placed adjacent to the trenches. Plaintiff alleges that he was caught	Internal	Internal	2009	Awaiting new set down for trial.	R379 975.83 Plus interest at 15.5 per cent per annum.	Not Probable	R379 975.83	2 473 556	2 141 607
Nzaba IN v Msunduzi Municipality	Delictual Claim. The claim arises from a motor vehicle collision involving a municipal vehicle and Plaintiff's vehicle.	Internal	Internal	2008	Set down for trial was part-heard. Ongoing.	R73 500.00 Plus interest at 15.5 per cent per annum.	Not Probable	R73 500	552 631	478 468
F. Osman V Msunduzi Municipality	Delictual Claim: Plaintiff fell on an uneven pavement and sustained injuries	Internal	Internal	2007	The defendants plea has been filed. The matter is ongoing.	R198 840.00 plus interest at 15.5 per cent per annum.	Not Probable	R198 840.00	1 726 766	1 495 036
Zuma NG v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for unlawful arrest and detention by Municipal Traffic Officers.	Internal	Internal	2008	Correspondence exchanged between attorneys of record. The matter is ongoing.	R100 000.00 Plus interest at 15.5 per cent per annum.	Not Probable	R100 000	751 879	650 977
Zondi PS v Msunduzi Municipality	Delictual Claim: Plaintiff is suing the Municipality for damages to his motor vehicle after it collided with a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2007	The matter is ongoing.	R15 080.00 plus interests at 15.5 per cent per annum.	Not Probable	R15 080.00	130 958	113 383
Haffejee RB v Msunduzi Municipality	Delictual Claim against the municipality initiated by plaintiff seeking compensation from the municipality for alleged losses incurred. Claims are dealt with by insurance section. Plaintiff's claim based on the alleged negligence.	Internal	Internal	2004	Ongoing	R98 800.00 plus interest at 15.5 per cent per annum.	Not Probable	R98 800.00	1 322 004	1 144 592
Majozi HS v Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality for injuries sustained as a result of having fallen into an uncovered manhole.	Internal	Internal	2010	Matter is ongoing.	R95 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R95 000.00	535 436	463 581
Mans N. v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to her vehicle as a result of a collision between her vehicle and a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2010	An application for condonation was opposed and the matter is ongoing.	R7 045.75 plus interest at 15.5 per cent per annum.	Not Probable	R7 045.75	39 711	34 382
Reddy Ronald v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2010	The matter is part-heard.	R282 818.08 plus interest at 15.5 per cent per annum.	Not Probable	R282 818.08	1 594 010	1 380 095
Mavundla AB v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for being allegedly unlawfully arrested and detained by Municipal Traffic Officers.	Internal	Internal	2010	The matter is ongoing	R200 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R200 000.00	1 127 233	975 960
Mpungose NK v Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality due to structural and mechanical damage to his vehicle caused by towing by municipal traffic officers.	Internal	Internal	2011	The matter is ongoing	R23 964.42 plus interest at 15.5 per cent per annum.	Not Probable	R23 964.42	116 942	101 248
Nxumalo TR v. Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to his motor vehicle as a result of a street lamp pole falling on it. The Municipality alleges that the site at the time was	Internal	Internal	2011	The matter is part-heard.	R21 791.04 plus interest at 15.5 per cent per annum.	Not Probable	R21 791.04	106 336	92 066

MSUNDUZI LOCAL MUNICIPALITY										
APPENDIX E										
CONTINGENT LIABILITIES AS AT 30 JUNE 2022										
MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ADVO CATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	JUNE 2022	JUNE 2021
Dladla NB v. Msunduzi Municipality	Overpayment of Rates. The Plaintiff is disputing a rates account and is seeking reimbursement.	Internal	Internal	2011	The defendant's plea has been filed. The matter is ongoing.	R109 038.97 plus interest at 15.5 per cent per annum.	Not Probable	R109 038.97	532 088	460 682
Naidoo M. v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality because he fell on an uneven pavement in the vicinity of Delhi Road	Internal	Internal	2011	Defendant's plea has been filed. Matter ongoing.	R 370 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R370 000.00	1 805 525	1 563 225
Kroese J. v. Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality and the Minister of the Police for unlawful arrest and detention.	Internal	Internal	2011	The matter is part-heard.	R40 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R40 000. 00	195 192	168 997
Check One Supermarket (PTY) LTD v. Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality for overcharges in relation to a water account.	Internal	Internal	2012	The matter is ongoing	R139 961.45 plus interest at 15.5 per cent per annum	Not Probable	R139 961.45	591 328	511 972
Govender Kern v. Msunduzi Municipality	Delictual Claim: Plaintiff suffered damages due to a power surge at his property.	Internal	Internal	2012	The matter is ongoing	R22 242.00 plus interest at 15.5 per cent per annum.	Not Probable	R22 242.00	93 971	81 360
Mkhonza B. v Msunduzi Municipality	Delictual claim. Plaintiff is suing the Municipality due to a fall on an uneven	Internal	Internal	2012	The matter is ongoing	R293 000.00 plus interest at 15.5 per cent per annum.	Not Probable	R293 000.00	1 237 905	1 071 780
Ogle COO v Msunduzi Municipality	Delictual Claim: Plaintiff fell on an uneven pavement and sustained injuries.	Insurance	Internal	2012	The matter is ongoing.	R267 660.00 plus interest at 15.5 per cent per annum.	Not Probable	R267 660.00	1 130 846	979 087
Makhaye SB v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality for damages to his vehicle after a collision involving his vehicle and a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2013	An application to dismiss was received and opposed. Various correspondences exchanged between attorneys of record. The matter is ongoing.	R8688.46 plus interest at 15.5 per cent per annum.	Not Probable	R8 688.46	31 782	27 517
I Hansa v Msunduzi Municipality	Delictual Claim: Plaintiff fell into an uncovered manhole in the vicinity of Mountain rise.	Internal	Internal	2013	The matter is ongoing	R124 734.50 plus interest at 9% p.a.	Not Probable	R124 734.50	270 910	248 541
Asiphakame Projects CC 9321-14 v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2014	The Plaintiff applied for summary judgement and this was successfully opposed. Matter not yet finalised.	R195 035.85 plus interest at 15.5 per cent per annum.	Not probable	R195 035.85	617 690	534 796
Asiphakame Projects CC 9358-14 v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract	Internal	Internal	2014	The Plaintiff applied for summary judgement and this was successfully opposed. The matter is not yet finalised with	R73 590.47 plus interest at 15.5% p.a.	Not probable	R73 590.47	233 065	201 788
EMT. Kapp v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for damaged sustained to his vehicle as a result of an open trench in a public road.	Internal	Internal	2014	Plaintiff not having moved Pleadings have closed in the matter. Matter ongoing.	R13 154.75 plus interest at 15.5% p.a.	Not probable	R13 154.75	41 662	36 071
V. Barnabas v Msunduzi Municipality	Delictual Claim: The claim arises from Plaintiff's vehicle having collided with a pothole in the vicinity of Plymouth Road.	Internal	Internal	2014	Matter ongoing	R18 228.00 plus interest at 15.5 per cent per annum	Not probable	R18 228.00	57 729	49 982
Musawenkosi Isaac Dlamini v Msunduzi Municipality	Delictual claim. Plaintiff collided with a tree that had fallen across the road.	Internal	Internal	2014	The Municipality has filed a plea. Matter ongoing.	R78 616.27. plus interest at 9% per annum	Not probable	R78 616.27	156 648	143 714
NS Ngwenya v Msunduzi Municipality	Delictual claim. Plaintiff's vehicle collided with a municipal vehicle.	Internal	Internal	2015	The matter is ongoing	R11 395.37 plus 9% interest per annum.	Not probable	R11 395.37	20 831	19 111

MSUNDUZI LOCAL MUNICIPALITY APPENDIX E CONTINGENT LIABILITIES AS AT 30 JUNE 2022										
MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ ADVOCATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	JUNE 2022	JUNE 2021
Bermin Investments CC t/a Magalela electrical v Msunduzi Municipality	Contractual claim. Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2015	This is a claim arising from a contractual dispute. The claim is being defended and an appearance to defend as well as a defendant's plea have been filed.	R 170 100.69 plus interest at 15.5% p.a.	Not probable	R170 100.69	466 423	403 829
Abbas Ghulam v Msunduzi Municipality	Delictual Claim: The claim arise from an alleged assault by a Municipal Traffic Officer in the course and scope of his employment.	Internal	Internal	2015	The matter is ongoing	R1 00 000.00 plus interest at 15,5% per annum.	Not probable	R100 000.00	274 204	237 406
SM Mazibuko v Msunduzi Municipality	Delictual Claim: The claim arises from an incident whereby Plaintiff's motor vehicle collided with a Municipal vehicle driven by a Municipal employee in the course and scope of his employment.	Internal	Internal	2015	The matter is ongoing	R11 395.73 plus 9% interest per annum.	Not probable	R11 395.73	20 832	19 112
Anthoo Marion and Associates v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2015	Matter ongoing	R12 935.00 plus interest at 15.5% p.a.	Not probable	R12 935.00	35 468	30 708
A. Aboobaker v Msunduzi Municipality	Delictual Claim: Plaintiff's vehicle collided with a municipal vehicle driven by an employee in the course and scope of his employment.	Internal	Internal	2015	Ongoing	R10 411.46 plus 9% interest per annum.	Not probable	R10 411.46	19 033	17 461
L. Van Zyl v Msunduzi Municipality	Delictual Claim. Plaintiff's motor vehicle collided with a Municipal vehicle driven by an employee in the performance of his duties.	Internal	Internal	2016	The matter is ongoing	R46 692.18 plus 9% interest per annum.	Not probable	R46 692.18	78 307	71 842
N. Singh v Msunduzi Municipality	Delictual Claim: Plaintiff's vehicle hit a pothole on a public road that falls within the jurisdiction of the Municipality.	Internal	Internal	2016	The matter is ongoing	R9 406.21 plus 15,5% interest per annum.	Not probable	R9 406.21	22 331	19 334
S. W. Khanyile v Msunduzi Municipality	Delictual Claim: Plaintiff claims that he was unlawfully assaulted and detained by Municipal Traffic Officers.	Insurance	Internal	2016	The matter is ongoing	R200 000.00 plus 9% interest per annum.	Not probable	R200 000.00	335 420	307 725
M. Brown v Msunduzi Municipality	Delictual claim: The Plaintiff claims that he was arrested unlawfully by a Municipal Traffic Officer.	Insurance	Internal	2016	Ongoing	R257 000 plus 9% interest per annum.	Not probable	R257 000.00	431 015	395 426
S.S.Nyoka v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle.	Internal	Internal	2016	The summons herein was issued in the Magistrates Court.	R67 008.77 plus 9% interest per annum.	Not probable	R67 008.77	112 380	103 101
Ilitha Research and Management CC v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Internal	Internal	2016	The summons was issued in the Magistrates Court. Further particulars were sought from ICT. The matter is ongoing.	R62 768.00 plus interest at 15.5% p.a.	Not probable	R62 768.00	149 015	129 017
L.M. Stillies v Msunduzi Municipality	Delictual Claim: The Plaintiff herein has sued the Municipality as a result of injuries sustained during a fall on an uncovered manhole.	Insurance	Internal	2016	The summons was issued at the High Court. Matter ongoing	R864 272.36 plus interest at 15.5% p.a.	Not probable	R864 272.36	2 051 835	1 776 481
Ziyad Alley v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Internal	Internal	2016	A summons has been received. An appearance to defend was filed and served on the Plaintiff.	R45 887.66 plus interest at 15.5% p.a.	Not probable	R45 887.66	108 940	94 320

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MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ADVO CATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	JUNE 2022	JUNE 2021
Koshik Singh v Msunduzi Municipality	Delictual Claim: The plaintiff has sued the Municipality as a result of a collision with a pothole.	Internal	Internal	2016	The Defendant's Plea was filed in court and served on the Plaintiff.	R9 406.21 plus 15.5% interest per annum.	Not probable	R9 406.21	22 331	19 334
Akira Pillay v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Internal	Internal	2016	The Defendant's Plea and counterclaim were filed in court and served on the Plaintiff	R14 365.96 plus 9% interest per annum.	Not probable	R14 365.96	24 093	22 104
Taro Govender / Msunduzi Municipality/ Case No. 12048/11	Delictual Claim: The Plaintiff is suing the Municipality for damages arising from a flood that allegedly caused damage to the	Internal	Internal	2011	The matter is ongoing	R100 000.00 plus 15.5% interest per annum.	Not probable	R100 000.00	487 980	422 493
Mr Mduduzi Collen Sosibo, Mrs Sosibo v Msunduzi Municipality	Plaintiff's Delictual Claim: The plaintiff is suing the Municipality in respect of rates, taxes and services owed by the previous owner of the property.	Internal	Internal	2016	Summons were received from the plaintiff. Discovery notices have been filed and served on the plaintiff.	R132 431.96 plus interest at 10.25% p.a.	Not probable	R132 431.96	237 829	215 718
Philani Kenneth Sikhosana v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for damages incurred as a result of the alleged failure of the defendant to keep the Hall in good condition for the Plaintiff's event on time.	Internal	Internal	2016	The plaintiff has claimed an amount of R 90 000. A plea has been filed and served on the plaintiff.	R90 000 plus 9% interest per annum.	Not probable	R90 000.00	150 939	138 476
Telkom SA Soc Limited Case No. 9672/16	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused	Internal	Internal	2016	Summons in the amount of R 33 523.55 was received. A plea has been filed in the matter.	R33 523.55 plus 15.5% interest per annum.	Not probable	R33 523.55	79 587	68 906
Lanre Ayodele Olaboye and Sibongile Mthembu v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a	Internal	Internal	2016	An Appearance to defend was filed and served on plaintiff.	R42 376.09 plus 10,25% interest per annum.	Not probable	R42 376.09	76 101	69 026
Prethaburan Govender v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein the municipality allegedly caused damages to the	Internal	Internal	2016	A Notice of Exception in terms of Rule 19 (1) to Plaintiff's Particulars of claim has been filed in	R48 200.00 plus interest at 15.5% p.a.	Not probable	R48 200.00	114 430	99 073
Krishna Govender v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a	Internal	Internal	2016	An Appearance to Defend was filed and served on the Plaintiff.	R13 405.21 plus 15.5% interest per annum.	Not probable	R13 405.21	31 825	27 554
Elizabeth Fredrica Jepson v The Msunduzi Local Municipality	Municipal Delictual Claim: The Plaintiff is suing the Municipality for an incident wherein Plaintiff allegedly tripped over the	External Insurers	Internal	2017	The matter is ongoing	R600 000.00 plus 15.5% interest per annum.	Insurance (external insurers)	R600 000.00	1 233 279	1 067 774
Electro Technical Agencies cc v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a	Internal	Internal	2017	A notice to withdraw the action was received from the Plaintiff.	R10 817.73 plus 9% interest per annum.	Not probable	R10 817.73	16 644	15 270
Musa Nxumalo and Msunduzi Local Municipality/ Petros Reta Mokoena	Municipal Delictual Claim: The Plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a Municipal	Internal	Internal	2017	A Plea and Counterclaim were filed and served on the Plaintiff.	R44 454.88 plus 9% interest per annum.	Not probable	R44 454.88	68 399	62 752
Qalapha Jacob Ngubane v Msunduzi Municipality	Delictual claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered a loss as a result of a power outage which resulted in a power	Internal	Internal	2017	An Appearance to defend was filed and served on the Plaintiff.	R21 862.00 plus 15.5% interest per annum.	Not probable	R21 862.00	44 937	38 906

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Lionel Longsdale Vuminkosi Magaqa v Msunduzi Municipality	Delictual claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly damaged in a	Internal	Internal	2017	An Appearance to defend was filed and served on the Plaintiff.	R19 724.58 plus 15.5% interest per annum.	Not probable	-	-	35 102
Catherine Scott v Msunduzi Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered a loss as a result of a colliding with a pothole.	Internal	Internal	2017	The matter is ongoing	R11 443.92 plus 15.5% interest per annum.	Not probable	R11 443.92	23 523	20 366
Gys De Necker Ontwinkkelings (Pty) Ltd v Msunduzi Local Municipality	The plaintiff is suing the Municipality for an alleged failure to refund the Plaintiff in respect municipal service. The plaintiff issued	Internal	Internal	2017	The Defendant's Plea was filed in court and served on the Plaintiff.	R77 083.05 plus 10,25% interest per annum.	Not probable	R 77 083.05	125 560	113 887
Anton Venter v The Msunduzi Municipality Case No. 7596/17	The Plaintiff is suing the municipality for allegedly suffering damage in the amount of R 13 641.50 for	Internal	Internal	2017	The matter is ongoing	R13 641.50 plus 15.5% interest per annum.	Not probable	R13 641.50	28 040	24 277
Wiseman Sibonelo Thamsanqa Maphumulo v Msunduzi Local Municipality	Delictual Claim: The Plaintiff is suing the Municipality for an incident where the Plaintiff fell into an open	Insurance	Internal	2017	The matter is ongoing	R177 000.00 plus 15.5% interest per annum.	Insurance (external insurers)	R177 000.00	363 817	314 993
Servest Hygiene v Msunduzi Municipality	Breach of contract. The Plaintiff is suing the Municipality for services	Internal	Internal	2017	The matter is ongoing	R36 941.89 plus 10,25% interest per annum.	Not probable	R36 941.89	60 174	54 580
Thandeka Brightness Dubazana and Mzwenhlanhla Wiseman Khoza and Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's	Internal	Internal	2017	Matter settled	-	Matter settled	-	-	51 011
Ncamisile Madlala v Msunduzi Municipality	The plaintiff is suing the Municipality for damages arising because of the Defendant's alleged erroneous disconnection of	Internal	Internal	2017	The Defendant filed its Appearance to Defend in court and served it on the Plaintiff.	R1 495.23 plus 15.5% interest per annum.	Not probable	R1 495.23	3 073	2 661
Sibongile Priscilla Zama v Msunduzi Municipality/ Philani Patrick Vidima	The plaintiff is suing the Municipality for damages arising because of a motor vehicle collision between a municipal vehicle driven by a municipal worker and the Plaintiff's vehicle	Internal	Internal	2018	The Defendants filed an Appearance to defend in court and served same on the Plaintiff.	R53 152.22 plus interest at 15.5% p.a.	Not probable	R53 152.22	94 591	81 897
Kandasamy Moonsamy Devan v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for allegedly suffering damage from having tripped on a broken protruding portion of a pavement block/slab.	Internal	Internal	2018	The Defendant's Plea has been filed in the matter.	R92 596.44 plus 15.5% interest per annum.	Not probable	R92 596.44	164 787	142 672
Skhumbuzo M Mpata v Msunduzi Municipality	The plaintiff is suing the Municipality for damages arising because of the natural flow of water, which caused damage the Plaintiff's property	Internal	Internal	2018	Defendant filed its Notice of Appearance to Defend as well as its Plea in court and served both on the Plaintiff	R 11 914.43 plus interest at 15.5% p.a.	Not probable	R11 914.43	21 203	18 358
Nimie Mahomed v The Msunduzi Municipality	Plaintiff is suing the municipality for damages arising out of the Plaintiff allegedly falling on an uneven concrete slab.	Insurance (external insurers)	Internal	2018	The matter is ongoing	R585 400.00 plus 15.5% interest per annum.	Insurance (external insurers)	R585 400.00	1 041 791	901 984
Melvyn Conrad Jansen v The Msunduzi Municipality	Delictual claim. Plaintiff suing the Municipality caused by having fallen into an uncovered manhole.	Insurance (external insurers)	Internal	2018	The matter is ongoing	R927 400.00 plus 15.5% interest per annum.	Insurance (external insurers)	R927 400.00	1 650 422	1 428 937

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Mzotshingwe Million Mzobe v Kevin Deon Joseph/ The Msunduzi Municipality	Delictual claim: The plaintiff is suing the Municipality for damages arising because of a motor vehicle collision between a municipal vehicle driven by a municipal	Internal	Internal	2018	The matter is ongoing	R75 119.79 plus interest at 15.5% p.a.	Not probable	R75 119.79	133 685	115 744
Eskom Holdings Soc Limited v Msunduzi Municipality and Indiza Airport Management (PTY) Limited	The Plaintiff is suing the Municipality for having allegedly suffered damage to its aircraft due to a fire breakout.	Insurance (external insurers)	Internal	2018	The matter is ongoing	R17 963 805.75 plus 10% interest per annum.	Insurance (external insurers)	R17 963 805.75	26 300 808	23 909 825
Dharam C Deeplaul v Msunduzi Municipality	The Plaintiff is suing the Municipality for damages allegedly suffered to its motor vehicle as a result of colliding with a pothole.	Internal	Internal	2018	The matter is ongoing	R50 462.89 plus 10,25% interest per annum.	Not probable	R50 462.89	74 557	67 625
Rowan Gareth Blakeman v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a large pothole.	Internal	Internal	2018	The matter is ongoing	R104 352.10 plus 10% interest per annum.	Not probable	R104 352.10	152 782	138 893
Bhekezakhe Victor Langa v Msunduzi Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Internal	Internal	2018	Conducted research, consultations and instructions on plea and claim in reconvention	R24 909.17 plus 10% interest per annum.	Not probable	R24 909.17	36 470	33 154
Dan Moonsamy Naidoo v Msunduzi Municipality/ Hlengiwe Sithole	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Internal	Internal	2019	A round table conference has been arranged between the parties.	Claim 1 R 35 000.00, Claim 2 R 3 000.00 plus interest at 15.5% p.a.	Not probable	R38 000.00	58 550	50 693
J Supathy v Msunduzi Local Municipality	Delictual Claim for damages: The plaintiff is suing the Municipality for damages as a result of his motor vehicle having allegedly collided with a pothole in the vicinity of New Holmes Way.	Internal	Internal	2019	The matter is ongoing	R26 250.30 plus interest at 15.5% p.a.	Not probable	R26 250.30	40 446	35 019
Sunil Rakuban Case No. 3199/19	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a pothole within the jurisdiction of the Municipality.	Internal	Internal	2019	Matter settled	-	Not probable	-	-	60 366
R J Walker Case No. 6149/19	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R31 266.67 plus 10,25% interest per annum.	Not probable	R31 266.67	41 900	38 005
Rhonda Basdeo Case No. 6914/19	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R54 566.01 plus 10% interest per annum.	Not probable	R54 566.01	72 627	66 025

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Bongani Charles Zondi Case No. 7432/19	Plaintiff is suing the Municipality for damage to property due to the alleged negligence of the Municipality.	Internal	Internal	2019	The matter is ongoing	R192 000.00 plus interest at 15.5% p.a.	Not Probable	R192 000.00	295 833	256 133
Seelan Naidoo and The Msunduzi Municipality/ Devante Delvin Shaw	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R64 115.19 plus interest at 15.5% p.a.	Not probable	R64 115.19	98 789	85 531
Zwelinzima Jakusja and Msunduzi Municipality Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R73 750 plus 10.25% interest per annum.	Not probable	R73 750.00	98 832	89 644
Andre Hagen and Thulani Zakhele Dlamini/ Msunduzi Local Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2019	The matter is ongoing	R11 420.48 plus 15.5% interest per annum.	Not probable	R11 420.48	17 597	15 235
MJ Essack and Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2019	The matter is ongoing	R91 029.10 plus 15.5% interest per annum.	Not probable	R91 029.10	140 258	121 435
Muhammad Sheik and Msunduzi Local Municipality.	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2019	The matter is ongoing	R8 066.12 plus interest at 15.5% p.a.	Not probable	R8 066.12	12 428	10 760
Tlhago Elias Ngwanto and Msunduzi Municipality.	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2019	The matter is ongoing	R34 405.93 plus interest at 15.5% p.a.	Not probable	R34 405.93	53 013	45 898
Datcentre Motors (Pty) Ltd trading as CMH Datcentre Pietermaritzburg	The Plaintiff is suing the Municipality in respect of work allegedly done and automotive parts supplied to the Defendant.	Internal	Internal	2019	The matter is ongoing	R 212 344.06 plus interest at 15.5% p.a.	Not probable	R212 344.06	327 179	283 272
Duanne Dominic Naidoo and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a pothole within the jurisdiction of the Municipality.	Internal	Internal	2019	The matter is ongoing	R11 495.50 plus 10.25% interest per annum.	Not probable	R11 495.50	15 405	13 973
Flavour More (PTY) LTD and Msunduzi Municipality	The Plaintiff is suing the Municipality for damages that allegedly occurred from a power surge/outage as a result of the failure of the Municipality to maintain a constant supply of electricity and perform timeously	External Insurers	Internal	2019	File with External Insurers	R949 084.85 plus interest at 15.5% p.a.	Not probable	R949 084.85	1 462 349	1 266 103

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Barend van AS and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter ongoing	-	Not probable	-	-	26 955
Duncan Stewart Harrison N.O and Msunduzi Municipality	Contractual Claim	Internal	Internal	2020	Matter ongoing	R164 552.79 plus 10,25% interest per annum.	Not probable	R164 552.79	200 015	181 419
Suresh Gopal and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Appearance to defend has been filed.	R36 171.00 plus interest at 15.5% p.a.	Not probable	R36 171.00	48 253	41 778
Robyn Hemmens and Msunduzi Local Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2020	Appearance to defend has been filed.	R9 351.14 plus interest at 15.5% p.a.	Not probable	R9 351.14	12 475	10 801
Abigail Dlamini and Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Appearance to defend has been filed.	R16 584.53 plus 15.5% interest per annum.	Not probable	R16 584.53	22 124	19 155
Jadamei Trading and Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Appearance to defend has been filed.	R22 678.84 plus interest at 15.5% p.a.	Not probable	R22 678.84	30 254	26 194
Noxolo Zungu and Msunduzi Local Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter settled	-	Not probable	-	-	84 099
Ajith Lachman and Msunduzi Local Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	File has been diarized for entering an appearance to defend.	R15 859.09 plus interest at 15.5% p.a.	Not probable	R15 859.09	21 156	18 317
Telkom SA SOC LTD/ Msunduzi Municipality (127 Waterwork Road-Edendale) Case No. 13903/2015	Delictual claim: The plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:mail@mfilaw.co.za, Adv. AJ Dickson, 17 Prince Edward Street, Advocate's Chambers, tel: 38453542/3, fax: 38453544, email:adickson@la w.co.za	2014	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R74 803.90 plus interest at 15.5% p.a.	Not probable	R74 803.90	236 908	205 115

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Farouk Jasat N.O & 3 others v Msunduzi Municipality	Delictual Claim for damages: Plaintiff's motor vehicle collided with a pothole on Scania Road intersection. Action instituted in the Magistrate's Court under case No. 2219/2015	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax:0862428747, email:alicia@mfilaw.co.za,	2014	Municipality is not the dominus litis, and we await enrolment of the matter by the Applicant	R54 588.60 plus interest at 15.5% p.a.	Not probable	R54 588.60	172 885	149 684
Msunduzi Municipality/ The SA Incinerator Company	Delictual Claim for damages: Action instituted in the High Court, Pietermaritzburg under case number 5422/2015	Dudu Ndlovu (SCM)	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:mail@mfilaw.co.za, Advocate H. Gani	2015	Awaiting signed and commissioned discovery affidavit from Ms DuduNdlovu Gambu	R970 568.88 plus interest at 15.5% p.a. (in respect of the Defendants counterclaim for retention monies)	Not probable	R970 568.88	2 661 339	2 304 190
Telkom SA SOC LTD/ Msunduzi Municipality (Oribi Road, Pelham) Case No. (15146/2015)	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za, REF: 22M003128	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R75 433.42 plus interest at 15.5% p.a.	Not probable	R75 433.42	206 842	179 084
Telkom SA SOC LTD/ Msunduzi Municipality (Eden Park Drive) Case No. 14572/2015	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za, REF: 22M003161	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R43 262.08 plus interest at 15.5% p.a.	Not probable	R43 262.08	118 626	102 707
Telkom SA SOC LTD/ Msunduzi Municipality (Zwartkop, Blackridge) Case No. 15793/2015	Delictual claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za,	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R25 554.55 plus interest at 15.5% p.a.	Not probable	R25 554.55	70 072	60 668
Msunduzi Municipality/ Gubela Trading	Contractual dispute: Applicant sought an order to review the Municipality's decision to cancel a contract of services.	P Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent,tel033 940 1497, fax:0862428747, email:mail@mfilaw.co.za, advocate A. De Wet ,17 Prince Edward Street, Advocates' Chambers, tel: 0338453534, fax: 033-3428941, email:dewet@grou p8.co.za	2015	Gubela Trading has made a proposal to withdraw the Application against the Municipality with each party to tender its own legal costs.	R595 337.26 plus interest at 15.5% p.a. plus costs of the application.	Not probable	R595 337.26	1 632 439	1 413 367
Moteko v Msunduzi Municipality	Claim for contractual damages	K. Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za,	2017	Municipality's replying affidavit needs to be delivered in the review proceedings and a trial date needs to be obtained in the action	Moteko Cost Consultants Claim A - R15 079 193.37 Claim B - R10 475 572.38 plus 15.5% interest per annum.	Not probable	R25 554 765.75	52 526 907	45 477 841
Msunduzi Municipality v SBS Electrical Contractors	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za,	2015	Matter on going	R987 821.88 plus interest at 15.5% p.a.	Not probable	R987 821.88	2 708 648	2 345 150

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Farouk Jasat N.O & 3 others v Msunduzi Municipality	Delictual Claim for damages: Plaintiff's motor vehicle collided with a pothole on Scania Road intersection. Action instituted in the Magistrate's Court under case No. 2219/2015	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za,	2014	Municipality is not the dominus litis, and we await enrolment of the matter by the Applicant	R54 588.60 plus interest at 15.5% p.a.	Not probable	R54 588.60	172 885	149 684
Msunduzi Municipality/ The SA Incinerator Company	Delictual Claim for damages. Action instituted in the High Court, Pietermaritzburg under case number 5422/2015	Dudu Ndlovu (SCM)	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: mail@mfilaw.co.za, Advocate H. Gani	2015	Awaiting signed and commissioned discovery affidavit from Ms DuduNdlovu Gambu	R970 568.88 plus interest at 15.5% p.a. (in respect of the Defendants counterclaim for retention monies)	Not probable	R970 568.88	2 661 339	2 304 190
Telkom SA SOC LTD/ Msunduzi Municipality (Oribi Road, Pelham) Case No. (15146/2015)	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za, REF: 22M003128	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R75 433.42 plus interest at 15.5% p.a.	Not probable	R75 433.42	206 842	179 084
Telkom SA SOC LTD/ Msunduzi Municipality (Eden Park Drive) Case No. 14572/2015	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za, REF: 22M003161	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R43 262.08 plus interest at 15.5% p.a.	Not probable	R43 262.08	118 626	102 707
Telkom SA SOC LTD/ Msunduzi Municipality (Zwartkop, Blackridge) Case No. 15793/2015	Delictual claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	K Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za,	2015	Applicant has requested that matter be held in abeyance, until a similar matter is heard in the Johannesburg High Court, in order for the outcome to be used as precedence	R25 554.55 plus interest at 15.5% p.a.	Not probable	R25 554.55	70 072	60 668
Msunduzi Municipality/ Gubela Trading	Contractual dispute: Applicant sought an order to review the Municipality's decision to cancel a contract of services.	P Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: mail@mfilaw.co.za, advocate A. De Wet, 17 Prince Edward Street, Advocates' Chambers, tel: 0338453534, fax: 033-3428941, email: dewet@grou p8.co.za	2015	Gubela Trading has made a proposal to withdraw the Application against the Municipality with each party to tender its own legal costs.	R595 337.26 plus interest at 15.5% p.a. plus costs of the application.	Not probable	R595 337.26	1 632 439	1 413 367
Moteko v Msunduzi Municipality	Claim for contractual damages	K. Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za,	2017	Municipality's replying affidavit needs to be delivered in the review proceedings and a trial date needs to be obtained in the action	Moteko Cost Consultants Claim A - R15 079 193.37 Claim B - R10 475 572.38 plus 15.5% interest per annum.	Not probable	R25 554 765.75	52 526 907	45 477 841
Msunduzi Municipality v SBS Electrical Contractors	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za,	2015	Matter on going	R987 821.88 plus interest at 15.5% p.a.	Not probable	R987 821.88	2 708 648	2 345 150

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Msunduzi Municipality v Zama Traffic Signs	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za,	2015	Matter on-going	R752 257,23 plus interest at 15.5% p.a.	Not probable	R752 257.23	2 062 720	1 785 905
Msunduzi Municipality v Bewton Investments (T/A Ukukhanya)	Claim for invoices paid by the Msunduzi Municipality for work partially done or not done at all.	PJ Mahlaba	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: alicia@mfilaw.co.za,	2015	Matter on - going	R8 561.29 plus interest at 15.5% p.a.	Not probable	R8 561.29	23 475	20 325
Deveng Africa Consulting (PTY) LTD and Municipal Manager, The Msunduzi Municipality/ The Msunduzi Municipality	Contractual Claim	M Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2018	Pleadings Closed. To proceed with Pre- Trial Processes.	R5 309 127.01 plus 10,25% interest per annum.	Not probable	R530 9127.01	7 843 999	7 114 738
Giyani Engineering v Msunduzi Municipality	Contractual claim	K. Thaver	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2017	Matter referred to trial.	R1 193 005.79 plus interest at 15.5% p.a.	Not probable	R1 193 005.79	2 452 181	2 123 100
SB Mkhize	Monetary claim	M. Mbokazi	Tomlinson Mnguni James Attorneys, 12 Montrose Park Blvd, Victoria Country Club Estate- Office Park, 170 Peter Brown Drive. Tel: 033 341 9100, email: claudettep@tmj.co.za / noluthandod@tmj.co.za /tmj@tmj.co.za	2019	Plea filed, anticipate possible summary judgment application	R318 383 plus interest at 15.5% p.a.	Not Probable	R318 383.00	490 564	424 731
Planet Waves 399/Msunduzi Municipality	Council withholding payment to contractor that built sludge dams. Possibility of eventual liability.	K. Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2012	We await the Plaintiff to set matter down for trial. Alternatively, we await instruction to push the matter forward.	Planet Waves sued for R1 694 937.70 plus interest at 15.5% p.a. and Municipality countersued for R1 940 934.00.	Not Probable	1 694 937.70	7 160 998	6 199 999
S Dewaraj v Msunduzi Municipality	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	The matter is at pre-trial stage.	R15 575.00 plus interest at 15.5% p.a.	Not Probable	R15 575.00	42 707	36 976
Indo Contractors cc v Msunduzi Municipality	Termination of contract: contract dispute with Contractor claiming premature termination.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2013	Parties to set up a date for arbitration. The matter has been in limbo and the Claimant is not pushing it. Thus the final outcome is still pending.	R2 660 888.31 plus interest at 15.5% p.a..	Not probable	R2 660 888.31	9 733 398	8 427 185

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Andre Geard Ramsingh v Msunduzi Municipality	Delictual claim: The plaintiff herein is suing the Municipality for damages suffered as a result of being arrested and detained unlawfully.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	Matter was partly heard on 24 May 2018. Plaintiff to set matter down for trial.	R200 000 plus interest at 15.5% p.a.	Not Probable	R200 000.00	548 408	474 812
Sikelephi Ngubane v Msunduzi Municipality	Delictual Claim: This claim arises from plaintiff's vehicle having collided with a municipal vehicle driven by a municipal employee in the course and scope of his employment.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB. tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2014	The matter is at pre-trial stage.	R17 312.33 plus interest at 15.5 per cent per annum.	Not Probable	R17 312.33	54 829	47 471
AJC White v Msunduzi Municipality	Delictual Claim: The matter arises from plaintiff having fallen into an uncovered meter box in the vicinity of Flemming Street/ Prince Alfred Street.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2015	Plaintiff's Attorneys withdrawn as attorneys on record awaiting Plaintiff to set the matter down for Trial.	R100 000.00 plus interest at 15.5% p.a.	Not probable	R100 000.00	274 204	237 406
Infraserve (Pty) LTD v Msunduzi Municipality	Contractual dispute claim: Breach of contract for cancellation and nonpayment of invoices.	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2005	The Plaintiff has filed a notice of withdrawal of action in settlement of the matter. The matter is therefore finalised and settled with the entire claim being withdrawn as settlement.	-	Not Probable	R14 007 158.61	-	140 495 299
Simphiwe Jonathan Zama v Msunduzi Municipality case no. 199039/12	Delictual Claim: The Plaintiff has sued the Municipality as a result of a collision involving a Municipal Vehicle and Plaintiff's vehicle	Kass Thaver	Xaba Attorneys, 223 Boom Street, Central Office Park, PMB.tel: 0333457927, fax: 3456985, e-mail: dumixaba@xabainc.com / mail@xabainc.com	2012	Municipality to revert on settlement proposal.	R14 846.22 with interest rate at 15.5% p.a.	Not Probable	R14 846.22	62 724	54 307
Telkom v Msunduzi Municipality Case No12506/08	Delictual Claim: Plaintiff is suing the Municipality due to damage to its underground cables allegedly cause by Municipal water pipes.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2008	A judgement awaited before moving forward. Matter ongoing	R45 979. 87 Plus interest at 15.5 per cent per annum	Not Probable	R45 979.87	345 713	299 318
Telkom SA LTD v Msunduzi Municipality Case No.6292/05	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2004	Awaiting judgement in another case. Matter ongoing	R22 541.11 plus interest at 15.5 per cent per annum	Not Probable	R22 541.11	301 614	261 137
Telkom SA LTD v Msunduzi Municipality Case No.3994/06	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2006	Awaiting judgement in another case. Matter ongoing.	R13 283.82 plus interest at 15.5 per cent per annum.	Not Probable	R13 283.82	133 240	115 359

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Telkom SA LTD v Msunduzi Municipality Case No 542/06	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2006	Awaiting judgement in another case. Matter ongoing.	R21 697.25 plus interest at 15.5 per cent per annum.	Not Probable	R21 697.25	217 629	188 423
Telkom SA LTD v Msunduzi Municipality Case No.16356/05	Delictual Claim. The claim arises from a dispute between Plaintiff and the Municipality due to damage caused to Plaintiff's underground cables.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2005	Awaiting judgement in another case. Matter ongoing.	R34 806.17 plus interest at 15.5 per cent per annum.	Not Probable	R34 806.17	403 227	349 115
Telkom SA LTD v Msunduzi Municipality Case No.3806/12	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2012	Awaiting judgement. Matter ongoing.	R49 834.75 plus interest at 15.5 per cent per annum	Not Probable	R49 834.75	210 548	182 293
Telkom SA LTD v Msunduzi Municipality Case No. 4709/13	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R46 628.06 plus interest at 15.5 per cent per annum	Not Probable	R46 628.06	170 563	147 674
Telkom SA LTD v Msunduzi Municipality Case 12403/07	Delictual Claim: The matter arises from a dispute wherein Telkom alleges that Municipal water pipes cause damage to their underground cables.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R34 951.26 plus interest at 15.5% p.a.	Not Probable	R34 951.26	127 850	110 693
Telkom SA LTD v Msunduzi Municipality Case No. 7256/14	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R40 236.47 plus Interest at 15.5 per cent per annum	Not Probable	R40 236.47	147 183	127 431
Telkom SA Limited v Msunduzi Municipality Case No.14696/13	Delictual Claim: The Plaintiff is suing the Municipality for damages to its underground cables allegedly caused by Municipal water pipes.	Kass Thaver	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, Pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	2013	Awaiting judgement in another case. Matter ongoing.	R34 951.26 plus interest at 15.5 per cent per annum.	Not Probable	R34 951.26	127 850	110 693

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KZN-Digi connect v Msunduzi Municipality	Claim by contractor for payment for IT services allegedly rendered.	Kass Thaver	Kwela Attorneys. 224 Boom Street, Pietermaritzburg, 3201. james@kwelalaw.co.za. Tel: 033 394 8116	2012	Matter in abeyance.	R505 000.00 plus interest at 15.5% p/a plus legal costs	Not probable	R505 000.00	2 133 591	1 847 265
APS Panelbeaters (Hugo's Panel Beaters) v Msunduzi Municipality	Delictual Claim: The claim arises from a new meter that was installed at Plaintiff's premises giving inaccurate readings resulting in Plaintiff being overcharged.	Kass Thaver	Kwela Attorneys. 224 Boom Street, Pietermaritzburg, 3201. james@kwelalaw.co.za. Tel: 033 394 8116	2015	Matter in abeyance	R292 725.00, plus interest at 15.5% p/a plus legal costs.	Not probable	R292 725.00	802 664	694 947
Minnes Singh v Msunduzi Municipality	Delictual Claim: Plaintiff is suing the municipality for damages to his motor vehicle after it collided with a pothole/ uneven road surface.	Kass Thaver	Afzal Akoo and Partners Tel: 033 394 7274 Fax: 033 345 0938. Physical Address 187 Boshoff Street, Pietermaritzburg, 3201. Postal Address PO Box 7836, Cumberwood, 3235.	2015	Defence has closed its case. Magistrate requested written heads of argument based on the record of the proceedings.	R69 224.62 plus interest at 15.5% p.a.	Not probable	R69 224.62	189 817	164 343
3 DM contractors v Msunduzi Municipality	Contractual Claim: The Plaintiff is suing the Municipality for monies owed in terms of a contract.	Kass Thaver	Diedricks attorneys,90@ Roberts road, claredon, Pietermaritzburg, tel:3429808, fax:0862191672, email:admin@diedricksattorneys.co.za, Adv. Flemming, Tel: 033 845 3501	2011	The matter is ongoing	R66 930.35 plus interest at 15.5% p.a.	Not Probable	R66 930.35	326 607	282 776
Ramharak RJ v Msunduzi Municipality	Delictual Claim: The Plaintiff is a Municipal employee. He is suing the Municipality because he was assaulted by a fellow employee within the premises of the Municipality whilst they were in the course and scope of their employment.	Kass Thaver	Diedricks attorneys,90@ Roberts road, claredon, Pietermaritzburg, tel:3429808, fax:0862191672, email:admin@diedricksattorneys.co.za,	2012	The matter is ongoing	R300 000.00 plus interest at 15.5% p.a.	Not Probable	R300 000.00	1 267 480	1 097 385
Rajendra Govender and Msunduzi Municipality	Labour Dispute (appeal and High Court application). Application for reinstatement.	KEVIN PERUMAL	Diedricks Inc. Tel: 033 342 9808 Fax: 086 219 1672 Physical Address: 90 C Roberts Road, Clarendon, Pietermaritzburg. PO Box 50, Pietermaritzburg, 3200. Adv. Gani - Appeal. Adv. Moola- High Court Application. Advocates Chambers Block A1, 17 Prince Edward Street, PMB, 3201		The matter is ongoing	Risk of R115 000.00 (Salary related)	Not Probable	R115 000.00	115 000	115 000
E. G. Alexander v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the Municipality as a result of colliding with a pothole whilst cycling in the vicinity of Murray Road.	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2014	Matter is at a stale mater and Plaintiff must take the next step.	R83 499.16 plus interest at 15.5% p.a.	Not Probable	R83 499.16	264 447	228 958
Kua-Siza Transporters CC V Msunduzi Municipality	Delictual claim: The Plaintiff is suing the Municipality for an incident wherein the Plaintiff's vehicle was allegedly involved in a collision with a Municipal driven by a Municipal employee in the course and scope of his employment.	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritz Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2017	The Plea has been filed and we are waiting for the Plaintiff's Attorneys to proceed further.	R55 532.34 plus interest at 15.5% p.a.	Not Probable	R55 532.34	114 145	98 827

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Red Alert TSS (PTY) LTD v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritzburg Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2018	The matter is partly heard and we are awaiting a further trial date.	R105 930.97 plus 10% interest per annum.	Not Probable	R105 930.97	155 094	140 994
Israel Sibiya v Msunduzi Municipality	Delictual Claim: The plaintiff is suing the Municipality for an alleged unlawful arrest and detention, defamation of character as well as injuries sustained to his wrist.	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritzburg Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2016	We are awaiting a hearing date for the Special Plea raised.	R400 000 plus 15.5% interest per annum.	Not Probable	R400 000.00	949 624	822 186
Ntombeningi Sokhela v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment.	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritzburg Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2018	The matter is at Pre-Trial stage and there is an Application to Compel Discovery set down for hearing on 27 July 2020.	R19 345.83 plus interest at 15.5% p.a.	Not Probable	R19 345.83	34 428	29 808
AMA-Grace Business Enterprises v Msunduzi Municipality	Delictual Claim: The Plaintiff is suing the municipality for an incident wherein Plaintiff allegedly suffered damages as a result of a burst pipe which then allegedly caused damage to the plaintiff's property	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritzburg Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2016	We are awaiting a further trial date herein.	R59 042.52 plus interest at 15.5% p.a.	Not probable	R59 042.52	140 171	121 360
Mr Mduduzi Collen Sosibo, Mrs Sosibo	Delictual Claim: The plaintiff is suing the Municipality in respect of rates, taxes and services owed by the previous owner of the property.	Kass Thaver	Mdledle Inc. Suite 201, Second Floor 161 Pietermaritzburg Street, Pietermaritzburg, 3201 Tel: 033 345 4022.	2016	This matter was removed from the roll and we are awaiting a further hearing date.	R132 431.96 with interest calculated at 10,25% p.a.	Not probable	R132 431.96	237 829	215 718
SAMRO and Msunduzi Municipality- Case No KZN/ PMB/RC723/17	The Plaintiff is suing the Municipality for an alleged breach of contract wherein the Plaintiff suffered in the amount of R 369 337, 77	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:mail@mfilaw.co.za,	2017	Settlement proposal submitted by Applicant's attorneys. As advised by legal department, settlement has been submitted to Management for consideration	R369 337.77 plus 10,25% interest per annum.	Not probable	-	-	545 680
SAMRO and Msunduzi Municipality- Case No KZN/PMB/ RC7295/17	The Plaintiff is suing the Municipality for an alleged breach of contract wherein the Plaintiff suffered in the amount of R 25 062,90.	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:mail@mfilaw.co.za,	2017	Settlement proposal submitted by Applicant's attorneys. As advised by legal department, settlement has been submitted to Management for consideration	R25 062.90 plus 10,25% interest per annum.	Not probable	-	-	37 029
Hatch Africa and Msunduzi Municipality	Contractual Claim: the Plaintiff is suing for unpaid monies owing to Plaintiff for work done flowing from an alleged agreement between the parties.	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za,	2018	The matter was enrolled for trial from 18 May to 21 May 2020. The matter was removed from the roll and reinstated to October 2020 by consent in line with the Judge President's directives. Trial preparation is complete and counsel is in the process of	R8 323 443.20 plus interest of prime plus 2% per annum.	Not probable	R8 323 443.20	12 075 945	10 779 100

MSUNDUZI LOCAL MUNICIPALITY APPENDIX E CONTINGENT LIABILITIES AS AT 30 JUNE 2022										
MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ADVO CATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	JUNE 2022	JUNE 2021
Beka Schreder (Pty)Ltd/ Msunduzi Municipality	Vindictory Application - Claim for return of goods delivered/ payment	Sibusiso Mkhize	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email:alicia@mfilaw.co.za,	2019	Powerex and Beka entered into a settlement agreement in terms of which Msunduzi is to pay the full contract amount. The settlement agreement, which Msunduzi is not a party to, still has to be made an order of court. Matter is ongoing.	R3 791 340 plus interest at 15.5% p.a.	Not probable	R3 791 340.00	5 841 692	5 057 742
Makhosazane Mbanjwa v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Kass Thaver	MC Ntshalintshali Manqoba Ngcobo Cell No. 076 614 4566 Physical Address: 131-133 Clark Rd, Glenwood, Durban. 4001 Postal Address: P.O. Box 217 DURBAN, 4001 Office Tel. no. 031 301 3554 email:mngcobo@mcna.co.za or info@mcna.co.za or mngcobopa@mcna.co.za	2020	Matter is ongoing	R29 000.00 plus interest at 7.00 per annum	Not probable	R29 000.00	33 202	31 030
Yolanda De Langa v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R17 917.00 plus interest at 7.00% per annum	Not probable	R17 917.00	20 513	19 171
Karyn Micayla Harrichand v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	MC Ntshalintshali Manqoba Ngcobo Cell No. 076 614 4566 Physical Address: 131-133 Clark Rd, Glenwood, Durban. 4001 Postal Address: P.O. Box 217 DURBAN, 4001 Office Tel. no. 031 301 3554 email:mngcobo@mcna.co.za or info@mcna.co.za or mngcobopa@mcna.co.za	2020	Matter is ongoing	R33 904.82 plus interest at 9.75% per annum	Not probable	R33 904.82	40 839	37 211
Hayworth Road Properties CC v Msunduzi Municipality	The Plaintiff is suing the Municipality for an amount of R 14 663.50 in respect of damages that allegedly occurred when a municipal employee collided with the Plaintiff's property, specifically the gate.	Internal	Internal	2020	Matter settled	-	Not probable	-	-	16 130
Santosh Singh v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with apothole within the jurisdiction of Msunduzi Municipality	Internal	Internal	2020	Matter is on going	R62 904.33 plus interest at 7.00% per annum	Not probable	R62 904.33	72 019	67 308
Thulasizwe Collen Ncalane v Msunduzi Municipality	The Plaintiff is suing the Municipality for an amount of R 66 937.08 in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal	Internal	2020	Matter is on going	R66 937.08 plus interest at 7.00% per annum	Not probable	R66 937.08	76 636	71 623

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Gonaselen Valautham Naidoo v Msunduzi Municipality	The Plaintiff is suing the municipality for an amount of R 13 505.72 for incident wherein Plaintiff's vehicle was allegedly involved in a collision with municipal vehicle driven by a municipal employee within his course and scope of employment	Internal	Internal	2020	Matter is on going	R13 505.72 plus interest at 7.00% per annum	Not probable	R13 505.72	15 463	14 451
Kameel Maharaj v Msunduzi Municipality	The Plaintiff is suing the Municipality for an amount of R 7 100.00 in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality.	Internal		2020	Matter is ongoing	R7 100.00 plus interest at 8.75% from 4 June 2020 to date of payment	Not probable	R7 100.00	8 397	7 721
Tulisa Cables (Pty) Ltd v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of breach of contract to pay Plaintiff in respect of outstanding invoices	Internal	Internal	2020	Matter is ongoing	R288 221.39 plus interest at 8.75% per annum	Probable	R288 221.39	340 867	313 441
Udash Jaipal Vather v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter settled	-	Not probable	-	-	16 042
Yagambaram Pandaram v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter settled	-	Not probable	-	-	18 794
Sixolile Exelent Nene v Msunduzi Municipality	The Plaintiff is suing the Municipality for damages allegedly suffered as a result of the negligence of Municipal employees failing to cover the water drain	External Insurers	External insurers still to confirm appointed attorneys	2020	Matter is ongoing	R4 921 000.00 plus interest 7.00% per annum	Not probable	R4 921 000.00	5 634 053	5 265 470
Therisa Julia Pitout v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R11 667.76 plus interest at 7.00% per annum	Not probable	R11 667.76	13 358	12 485
Nandha Thatayiya Naidoo v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Awaiting court set down date	R46 435.45 plus interest at 8.75% per annum	Not Probable	R46 435.45	54 917	50 499
Dumisani Emmanuel Radebe v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matte is on going	R6 685.53 plus interest at 7.00% per annum	Not probable	R6 685.53	7 654	7 154

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Zutari (Pty) Ltd v Msunduzi Municipality	Plaintiffs previously known as Aurecon South Africa (Pty) Ltd who allege entered into a contract with the Municipality in 2012 under SCM 7 of 2013 for the design and contract administration for the installation of water borne sanitation in ward 10 as per the tender, allege have not been paid even after submitting an invoice	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel033 940 1497, fax:0862428747, email: mail@mfilaw.co.za,	2020	Matter handled by external attorneys	R2 139 446.97 plus interest at 7.75% per annum	Not probable	R2 139 446.97	2 483 911	2 305 254
Rajinne Erradu v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2020	Matter is ongoing	R131 182.18 plus interest at 7.00% per annum	Not probable	R131 182.18	150 190	140 365
Tumelo Mongali v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Internal	Internal	2020	Matter is ongoing	R180 000.00 plus interest at 15.5% per annum	Not probable	R180 000.00	240 125	207 900
Indirah Ramroop v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment	Internal	Internal	2020	Matter settled	-	-	-	-	115 382
Babonke Twetwa v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a physical altercation and an unlawful arrest by the Municipality's Road Traffic Official during the course and scope of his/ her employment	Internal	Internal	2020	Matter is on going	R1 200 700.00 plus interest 7.00% per annum	Not probable	R1 200 700.00	1 374 681	1 284 749
Isnon Trading (Pty) Ltd v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2020	Matter is ongoing	R66 937.08 plus interest at 7.00% per annum	Not probable	R66 937.08	76 636	71 623
Nonkululeko Masikane v Msunduzi Municipality	The Plaintiff is suing the Municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	MC Ntshalintshali Manqoba NgcoboCell No. 076 614 4566 Physical Address: 131-133 Clark Rd, Glenwood, Durban. 4001Postal Address: P.O. Box 217 DURBAN, 4001 Office Tel. no. 031 301 3554 email:mngcobo@mcna.co.za or info@mcna.co.za or mngcobopa@mcna.co.za	2021	Matter is ongoing	R34 810.78 plus interest 7.00% per annum		R34 810.78	37 248	34 811

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Thokozani Michael Mahlaba v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment	Internal	Internal	2021	Matter is ongoing	R60 654.85 plus interest at 7.75% per annum	Not probable	R60 654.85	65 356	60 655
Sanjay Arjun v Msunduzi Municipality	The Plaintiff is suing the Municipality for overpayment of municipal services	Internal	Internal	2020	Matter is ongoing	R74 738.49 plus interest at 8.75% per annum	Not probable	R74 738.49	88 390	81 278
Dr A A Khan v Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance	Internal	Internal	2021	Matter is ongoing	R22 741.68 plus interest at 10.25% per annum	Not probable	R22 741.68	25 073	22 742
Dashendran Govender and the Msunduzi Municipality 14051/2021	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A plea has been filed and served on opposition.	R3 395.00 at prescribed rate of 7.75%	Probable	R3 395	3 395	-
Sasha Rambullu v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2020	Matter is ongoing	R39 976.39 plus interest 7.00% per annum	Not probable	R39 976.39	45 769	42 775
Mark Francis v Msunduzi Municipality	The plaintiff is suing the Municipality in respect of damages whereby a storm caused trees within the jurisdictional area of the defedant to fall on overhead electricity lines. The Plaintiff is suing for subsequent electrical surge which damaged various of the Plaintiffs electrical appliances, installations and fittings	kass Thaver	Mastross Inc. 393 Jabu Ndlovu Street, Pietermaritzburg, 3201. PO Box 3139, Pietermaritzburg, 3200 Docex 69. Tel (033) 394 5828. Email- Ori@ mastross.co.za	2021	Discovery affidavit filed in March 2022. Matter is at pre-trial stage	R85 288.00 plus interest at 7%pa	Not probable	R85 288	91 258	-
Dudu Rose-Mary Khumalo v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of 2 Traffic Officers of the Msunduzi Municipality Traffic Police Department, in uniform and acting within the course and scope of their employment, harassed and assaulted the Plaintiff and the person who was driving the vehicle.	External Insurers	Prinsloo Whitehead Attorneys Old House of Trade Building 226 Prinsloo St Pretoria Tel : 27 12 329 7126 Fax : :+27 86 626 9649 mail: shannon@ pwmlaw.co.za	2021	Matter has been handed over to external attorneys by our insurers	R250 000.00 plus interest at 7.00% per annum a tempora morae	Not probable	R250 000.00	267 500	250 000
Yalekile Freda Kheswa v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2021	Matter is ongoing	R19 901.84 plus interest 7.00% per annum	Not probable	R19 901.84	21 295	19 902
Liberty Group/ First Rand Bank Limited NO/ Liberty Two Degrees Limited/ Two Degrees Properties (Pty) Ltd v Msunduzi Municipality	The Plaintiff's are suing the Municipality in respect of an alleged breach of contract for upgrade and supply of electricity services to the Plaintiffs expansion project to the retail facilities at the Liberty Midlands Mall. The Plaintiffs are suing for refund of amount paid	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel033 940 1497, fax:0862428747, email:mail@mfilaw.co.za,	2021	Matter is on going	R1 859 588.00 plus interest at 7.00% per annum	Probable	R1 859 588.00	1 989 759	1 859 588

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Marece Donnelly v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Intenal	Internal	2021	Notice of appearance to defend has been filed in court and served on the Plaintiffs attorney	R8 767.32 plus interest at 7.00% per annum	Not probable	R8 767.32	9 381	8 767
Lisalihle Mavuso v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of the Plaintiff walking past a street pole adjacent to transformer number 360. Injuries caused by high voltage power line which had alleged become detached from the connection	Internal	Internal	2021	Matter is on going	R150 00.00 plus interest 10.5% from date of services of summons	Not probable	R150 00.00	165 750	150 000
Sonny Kulan Thangalan v Msunduzi Municipality	The Plaintiff is suing the Municipality for an incident wherein Plaintiff allegedly tripped and fell and landed on his left arm due to the unevenness of the pavement/road within the municipal boundaries of the Municipality	External Insurers	External insures still to appoint attorneys	2021	Matter has been handed over to external attorneys by our insurers	R550 000.00 plus interest at 7.00% per annum	Not probable	R550 000.00	588 500	550 000
Thavandan Subramanian Marie v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	Internal	2021	Matter is on going	R 43 061.96 plus interest at 7.00% per annum	probable	R43 061.96	46 076	43 062
Danielle Gounder v Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a motor vehicle collision with a municipal vehicle, allegedly driven by an employee of the Defendant, within the course and scope of his employment.	Internal	Internal	2021	Appearance to defend has been filed.	R9 260.93 plus interest at 7.00% per annum	probable	R9 260.93	9 909	9 261
Theresa Khetive Mlotshwa v Msunduzi Municipality		Internal	Internal	2021	Appearance to defend has been filed.	R73 760.10 plus interest at 7.00% per annum	probable	R73 760.10	78 923	73 760
BAFANO NDLOVU AND THE MSUNDUZI MUNICIPALITY	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle allegedly collided with a pothole, that falls under the Defendants area of Jurisdiction and maintenance,	Internal	Internal	2021	Diarised for filing of appearance to defend	R17 754.65 plus interest at 7.00% per annum	not probable	R17 754.65	18 997	17 755
SELLO SIMON MABOEE AND THE MSUNDUZI MUNICIPALITY	The Plaintiff is suing the municipality for an incident wherein the employees of the Municipality who were cutting down trees near the boundary of the Plaintiffs premises, cut a tree which fell and damaged the Plaintiffs palisade fencing together with the tennis court	Internal	Internal	2021	Diarised for filing of appearance to defend	R125 350 plus interest at 7.00% per annum	not probable	R125 350	134 125	125 350
DONALD RAYMOND MIDDLETON AND THE MSUNDUZI MUNICIPALITY	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Internal	internal	2021	matter settled	-	probable	-	-	8 114

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Sakhumnotho Development Services vs Msunduzi Municipality	The Plaintiff is suing the Municipality for an alleged breach of contract wherein the Plaintiff suffered in the amount of R 2 305 360.00	Kass Thaver	Matthew Francis Inc.Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel033 940 1497, fax:0862428747, email:mail@mfilaw.co.za,	2021	A plea has been filed.	R2 305 360.00 at prescribed rate at 7.25%	File with external insurers.	R2 305 360.00	2 472 499	-
Thulani Eric Ntshiza and Msunduzi Municipality	Delictual Claim: Plaintiff's vehicle hit a pothole on a public road that falls within the jurisdiction of the Municipality.	Kass Thaver	Internal	2021	A summons has been received. An appearance to defend was filed and served on the Plaintiff.	R64 930.48 at 7%	Not probable.	R64 930.48	69 476	
Udash Jaipal Vather and the Msunduzi Municipality 9877/2021	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2021	A plea has been filed and served on Plaintiff.	R 27 651.77 at 10.25%	Not probable.	R27 651.77	30 486	
Patricia Anne Luckin and the Msunduzi Municipality 11070/2021	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly damaged due to the negligent driving of a municipal employee in the course and scope of his/ her employment	Kass Thaver	Internal	2021	A summons has been received. An appearance to defend was filed and served on the Plaintiff.	R29 019.17 at 7%	Not probable.	R29 019.17	31 051	
Surishinee Pillay and the Msunduzi Municipality 13487/2021	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly damaged due to the negligent driving of a municipal employee in the course and scope of his/ her employment	Kass Thaver	Internal	2021	A plea has been filed and served on Plaintiff.	R24 195.31 at 7%	Not probable.	R24 195.31	25 889	
M.I.A Ganie N.O and two others v Msunduzi Municipality	Plaintiffs' are suing for a refund of monies allegedly overpaid on application for a rates clearance certificate.	Kass Thaver	Internal	2021	matter set down for pretrial conference.	R231 471.00 at 7%	Not probable.		247 674	
Radley Keys and the Msunduzi Municipality 13161/2021	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2021	A plea has been filed and served on Plaintiff.	R16 033.30 at prescribed rate at 7.75%	Not probable.	R16 033.30	17 276	
Bongiwe Andrietta Malgas, Thamsanqa A Ndlovu vs Msunduzi Municipality	The Plaintiff is suing the Municipality for an alleged that mother was run over by the Defendant's dumptruck	Kass Thaver	external insurers	2021	A plea has been filed and served on Plaintiff.	R4 000 000.00 at 7% interest rate	Not probable.	R4 000 000.00	4 280 000	
Thandiwe Beatrice Mchunu and the Msunduzi Municipality	The Plaintiff is suing the Municipality for an alleged assault by Defendant's employees.	Kass Thaver	Mastross Inc. 393 Jabu Ndlovu Street,Pietermaritz burg,3201. PO Box 3139, Pietermaritzburg, 3200 Docex 69. Tel (033) 394 5828. Email- Ori@mastross.co.za	2021	A plea has been filed and served on Plaintiff.	R6 000 000.00 at 9% interest rate	Not probable.	R6 000 000.00	6 540 000	
Usomandla Projects and the Msunduzi Municipality, MEC for Transport	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R75 484.69 at prescribed rate at 7.75%	Not probable.	R75 484.69	75 485	
Jithen Dursen and the Msunduzi Municipality 13669/2021	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A plea has been filed and served on opposition	R2 000.00 at 7%	Probable	R2 000.00	2 000	

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Pamella Meintjies and the Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R30 108.96 at prescribed rate at 7.75%	Not probable.	R30 108.96	30 109	
Infinity Automotive pty Ltd and the Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R12 776.42 at prescribed rate of 7.75%	Not probable.	R12 776.42	12 776	
Stephen Richard Pons and the Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R17 389.55 at prescribed rate at 7.75%	Not probable.	R17 389.55	17 390	
Sir George-Gray Ntokozo Khumalo and the Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Kass Thaver	Mastross Inc. 393 Jabu Ndlovu Street, Pietermaritzburg, 3201. PO Box 3139, Pietermaritzburg, 3200 Docex 69. Tel (033) 394 5828. Email- Ori@ mastross.co.za	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R66 188.24 at 7%	Not probable.	R66 188.24	66 188	
Nerika Singh and the Msunduzi Municipality	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R42 474.47 at prescribed rate of 7.75%	Not probable.	R42 474.47	42 474	
Jithen Dursen and the Msunduzi Municipality 2272/21	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A plea has been filed and served on opposition	R900 at 7%	Not probable.	R900	900	
Makhosazane Ngcobo and Msunduzi Municipality	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R19 710.87 plus 7.25%	Not probable.	R19 710.87	19 711	
Jabulani Tholakele Dhlamini	The Plaintiff is suing the Municipality for an incident wherein the Plaintiff alleges that the Municipal employees cut trees on his property without his consent or authority.	External Insurers	External insurers still to appoint attorney	2022	Matter has been handed over to external attorneys by our insurers	R10 000 000.00 plus interest at the prescribed rate of 7.75%	Not probable	R10 000 000.00	10 000 000	
Bongani Mwel	The Plaintiff is suing the municipality for an incident wherein Plaintiff's vehicle was allegedly involved in a collision with a Municipal vehicle driven by a Municipal Employee in the course and scope of his/ her employment	Kass Thaver	Matthew Francis Inc. Suite 4, 1st Floor, Block A, 21 Cascades Crescent, tel 033 940 1497, fax: 0862428747, email: mail@mfilaw.co.za, advocate AJ Dickson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544, email: adickson@law.co.za	2022	Pleadings have closed. In light of our special Plea Plaintiff launched an application, set down for hearing on 28 April 2022 for condonation in terms of the Legal Proceedings Act which we duly opposed. Our answering affidavit was filed on 26.4.2022 and the matter was removed from the roll due to the fact that the court file was not in order. Plaintiff/ Applicant filed its reply on 13.5.2022.	R219 671.94 plus 7.25%	probable.	R219 671.94	219 672	

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MATTER ID	DESCRIPTION	INSTRUCTING OFFICIAL	ATTORNEY/ ADVOCATE	YEAR INITIATED	CURRENT STATUS/ PROGRESS	QUANTUM	PROBABILITY OF OUTFLOW	AMOUNT	JUNE 2022	JUNE 2021
Yugunathan Moodley	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of a collision with a pothole within the jurisdiction of the Msunduzi Municipality	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	12 972.00 plus 7%	Not probable.	R12 972	12 972	
Khanyisile Patricia Bhengu and the Msunduzi Municipality, Hugo Plant and Civil 626 Pty Ltd	The Plaintiff is suing the Municipality in respect of damages that allegedly occurred as a result of an injury as the Plaintiff fell on a trench dug by 2nd Defendant	Kass Thaver	Internal	2022	A plea has been filed in court and served on Plaintiff.	R1 185 000.00 at prescribed rate. AT 7.75%	Not probable.	R1 185 000.00	1 185 000	
The Mandlethu Civils Daleka Venture and the Msunduzi Municipality 5253/2022	A multiplicity of claims arising out of a roadworks contract for work performed ito of the roadworks tender.	Kass Thaver	Mastross Inc. 393 Jabu Ndlovu Street, Pietermaritzburg, 3201. PO Box 3139, Pietermaritzburg, 3200 Docex 69. Tel (033) 394 5828. Email- Ori@mastross.co.za	2022	A plea has been filed in court and served on Plaintiff.	R27 000 780.88	Not probable.	R27 000 780.88	27 000 781	
Fynn's Construction & Developers cc and the Msunduzi Municipality,	The Plaintiff is suing for retention monies held by Defendant.	Kass Thaver	Internal	2022	A notice of intention to defend has been filed in court and served on Plaintiff.	R555 399.12 at prescribed rate of 7.75%	Not probable.	R555 399.12	555 399	
									242 737 174	308 628 880

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ANNUAL REPORT

2021/22 DRAFT

NOTES:

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