

ITEM:

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PAGE



## REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

File Reference:

Author: CLLR ZH Magubane

Report Number:

Designation: CHAIRPERSON:

MUNICIPAL PUBLIC

ACCOUNTS COMMITTEE

NOT CONFIDENTIAL

1<sup>st</sup> Level: COUNCIL: (27/03/2024)

**FOR APPROVAL AND ADOPTION**

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**SUBJECT: OVERSIGHT REPORT 2022/2023 FINANCIAL YEAR**

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### 1. PURPOSE

- 1.1 To Present to Council for Adoption the Oversight Report on the Annual Report for 2022/2023 Financial Year.
- 1.2 To recommend to Council the Adoption of the Annual Report 2022/2023, without reservations

### 2. BACKGROUND

- 2.1 The Municipal Public Accounts Committee established by Council is responsible for the drafting of the Oversight Report on the Annual Report.
- 2.2 The Adoption of the Oversight Report is the final step in the Annual Report Process of the Municipality and is a requirement in terms of Section 129 of the MFMA, which requires the Council to Adopt an Annual Report.
- 2.3 Once the Annual Report is tabled, the Council has two months in which to consider the report, invite for public submissions and to finalize its Oversight Report.

2.4 Council must consider the Annual Report and Adopt an Oversight Process that includes a statement with one of the following:

- Approval of the report with or without reservations
- Rejection of the report; or
- Referral of the report back for revision of those components that can be revised

2.5 The Oversight Report is a separate document from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Mayor and is part of the process of discharging accountability by the Executive and Administration for their performance in achieving the objectives and goals set by the Municipality in the relevant Financial Year. The Oversight Report follows considerations on the Annual Report and is considered to be a report of the Municipal Council.

### **3. LEGISLATIVE PROVISIONS / POLICIES**

3.1 Municipal Finance Management Act (MFMA), Act 56 of 2003

3.2 Circular 32 issued by National Treasury

### **4. COMMENTS FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

4.1 The Annual Report was tabled to Council on the 31<sup>st</sup> of January 2024

4.2 Immediately after tabling, the Annual Report was made available on the municipal website, as well as the Area Base Management (AMB) offices.

The Annual Report was also made available to the following offices;

- Office of the Auditor General
- National Treasury
- The MEC – KZN Treasury
- The MEC – KZN Department of Local Government and Traditional Affairs

4.3 The Annual Report has been subjected to the Oversight Process as the provisions of S129 of the MFMA and adopted **Oversight Process Plan** on the 2022/2023 Annual Report (Attached as Annexure “**A**” to the Oversight Report)

4.4 **Advertisements** (Attached as Annexure “**B**”) was placed in the local, communal Newspapers, social and radio mediums, communicating the availability of the Annual Report for the Public to comment and inviting the public to the various meetings. No general public comments were received during this phase as per the advertisement.

4.5 The **minutes** of all the meetings the Msunduzi Municipality held on its Annual Report were discussed, approved by the committee and are attached (as Annexure “**C**” – “**J**”) as part of the Oversight Report, which has been distributed separately.

4.6 Attached as Annexure “**K**” is the **Annual Report Checklist** issued by National Treasury. This serves as a guide to determine whether all the requisite content is contained in the Annual Report of 2022/2023 financial year.

## **Overview of the Findings of the Municipal Public Accounts Committee on the Annual Report 2022/2023**

- The Municipal Public Accounts Committee is satisfied that the 2022/2023 Annual Report has been through vigorous process that complies with relevant legislation as well as an Oversight Process Plan.
- Various amendments have been affected and do not warrant specific mention in this report as they have captured in the attached minutes.
- The Municipal Public Accounts Committee noted the sustained Qualified Opinion for the third year in a row and the committee is of the firm view that the following audit outcome will produce a clean audit opinion, given the amount of work that have produced the qualified opinion in the year under review. These negative audit outcomes seem to continue to contribute to the status quo, in which the municipality is under administration that was instituted in 2019.

### **5. IMPLICATIONS:**

#### **5.1 FINANCIAL**

The Oversight meetings were open to the public and the public was notified by means of newspaper publication in the local newspapers and by means of digital media utilized by the Municipality through its communication department. The total cost for the print media was R42 970.99

#### **5.2 LEGAL**

That the report has been compiled according to the requisite legal requirement as per the Municipal Finance Management Act, No.56 of 2003 (MFMA) and circular 32 as issued by the National Treasury.

#### **5.3 COMMUNICATION**

- 5.3.1 The Oversight meetings were open to the public and the public was notified by means of newspaper publication in the local newspapers and by means of digital media utilized by the Municipality through the communication department

#### **5.4 SERVICE DELIVERY IMPLICATIONS**

The direct impact to the Citizens is transparency and give the community of Msunduzi direct access to Management to account on the Annual Report under review through the Oversight of MPAC as Committee of Council.

## 6. RECOMMENDATIONS

### IT IS RECOMMENDED THAT:

- 6.1 That, having fully considered the Annual Report of the Msunduzi Municipality for the 2022/2023 Financial Year, the Oversight Report for the 2022/2023 Financial Year be approved and adopted.
- 6.2 That, , the Accounting Officer ensures that the credit policy is full implemented to obtain 100% debt collection in all revenue streams of the municipality and report back every quoter on obtained results with comparative statistics from previous years, given that in 2022/2023 financial year only 86% was reported as being the collection
- 6.3 That, the Accounting Officer ensures that the credit policy is full implemented to obtain 100% debt collection in all revenue streams of the municipality and report back every quoter on obtained results with comparative statistics from previous years, given that in 2022/2023 financial year only 86% was reported as being the collection.  
  
in so doing, there must be stronger collection measures applied to ensure that the 70% of customers with arears of more then the stipulated payment period to the municipality
- 6.4 That, Legal Services within the Corporate Business Unit must submits a report and a proposal to Council for the courts to increase fines imposed for all by- law transgressions to ensure that they are in line within inflation and to include frequency of review to the fines schedule of the Municipality
- 6.5 That, the Accounting Officer speeds up the process of ensuring that the cascading of performance appraisal from level 4 employees to all levels below in order to assess productivity of the all current staff within the Municipality and report back before the end of the current financial year 2023/2024.
- 6.6 That, that Municipal manager should guide the municipality and relevant business units to ensure that, from above (in point 5.2) potential increase of out standings money to be collected by the municipality, should lead to an increase of the maintenance and repairs budget from the stated 8% to a standard norms of practice.
- 6.7 That, the Chief Financial Officer submits a comprehensive report including a legal opinion on whether the bank charges incurred by the customer when using their bank cards was legal or not. (*discussion on the matter is on the minutes of Financial Services*)
- 6.7 That, the arising from the Auditor Generals finds on all affected business units material

or not, such finds as obtained in the report to Council by the AG, these MUST be rectified and ensure that non are repeated in the next audit to ensure a clean audit opinion

6.8 That the annual report, information such as below, had not been included in the Annual Report as per the requirements of Section 121 of the MFMA and appendices as per the requirements of National Treasury (NT) Circular 63.

- An assessment by the accounting officer on any arrears on municipal taxes and services charges (S121(3)(e) of the MFMA);
- Long Term contracts and Public Private Partnerships (NT Circular 63);
- Municipality entity / Service provider schedule;
- Service connection backlogs at Schools and Clinics (NT Circular 63);
- The performance report did not contain the development and service delivery priorities and performance targets set for the next financial year MSA S46 1 (a).

6.9 *That, arising out of the proceedings of the Oversight Committee meetings, it be noted that the Municipal Public Accounts Committee is highly **concerned** about the following matters:*

6.9.1 That, there is an increase in monies owed to the Municipality by consumers and it is at an unacceptable level above 6 billion with 70% of debtors in arrears of more than 365 days.

6.9.2 That, the challenges around the implementation of the credit policy mainly around the areas of Imbali and Edendale be brought to Council and committee with recommendations of how they can be mitigated and ensure proper and effective implementation.

6.9.3 That, the in the process of disconnecting of services in some volatile areas, Community Services involve the South African Police Services (SAPS) alongside the Municipalities Security cluster to ensure the safety of the Municipal employees.

6.9.4 That, the loss of water from standpipes was noted by the then Acting General Manager: Infrastructure Services and that in the future, management must ensure the full implementation of the credit policy .

6.9.5 That, the bad state of the city's traffic lights, was contributing to all other factors that defect investment and potential added revenue into the city as it is impossible to move around the city and needs to be curbed urgently. The department needs to develop a plan and financial projections that will be within the new financial year budget which will ensure this problem is sorted out and reported to MPAC by the end of the financial year.

6.9.6 That, the Strategic Management Committee ensure that the top ten risks of the Municipality are prioritized and brought to the attention of Council and that there are effective strategies to mitigate them. Portfolio Committees must regularly monitor the risks and report progress through the correct channels to Council.

6.9.7 That, the Office of the Speaker must update and verify on an ongoing basis, gifts and hospitality received by Councillors and Corporate Services must do the same for Officials, guided by the Gifts Policy and report back to Council every quarter of the year.

Resolved;

- 6.9 That, the Accounting Officer ensures that a tracking tool developed of the Auditor Generals findings is monitored and evaluated continuously to ensure that all sighted areas are responded too and reported to MPAC regularly and ensure re-occurrence of these.
- 6.10 The Municipal Public Accounts Committee and Full Council to enable effective oversight in that Council mandates the Accounting Officer to ensure all follow up reports as listed herein this report, must be submitted to the Portfolio Committees, Municipal Public Accounts Committee, Executive Committee & Council.
- 6.11. That, Council mandates the Accounting Officer to ensure all follow up reports as listed herein this report, be submitted to the Portfolio Committees, Municipal Public Accounts Committee, Executive Committee & Council to ensure and achieve proper oversight on this report and all matters wherein.
- 6.12 That, the continuing discrepancies on registers and Portfolio of evidence (POE) files must come to an end and that Deputy City managers of all business units must ensure that they audit the information being submitted to Performance Management Systems (PMS) office.

The following areas were sighted as being the lead in the poor submission of POEs

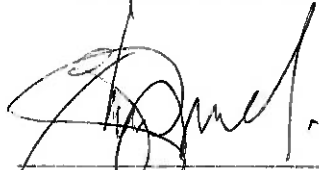
- Waste collection
- Water losses
- Water drainage
- Registers that were not adequately populated
- Incorrect billing

- 6.13 That, the Municipal Public Accounts Committee does not support payment of performance bonuses, rewards, incentives as per the approved individual Performance Management System Policy for the 2022 / 2023 Financial year in view of the continued poor performance and that this sentiment be considered during the assessments as per the approved IPMS policy.
- 6.14 That the Oversight Report be made public in accordance within Section 129(3) of the Municipal Finance Management Act 56 of 2003.
- 6.15 That the 2022/2023 Annual Report and Oversight Report, including the minutes where the Annual Report was discussed, be submitted to the following Offices in terms of Section 129 (2) of the MFMA: -
- National Treasury;

- Auditor General;
- MEC: Cooperative Governance and Traditional Affairs;
- MEC: Provincial Treasury;

6.16 That, the Oversight Report of the 2022/23 financial year be made public in accordance within Section 129(3) of the Municipal Finance Management Act 56 of 2003.

**7. SUBMITTED BY:**

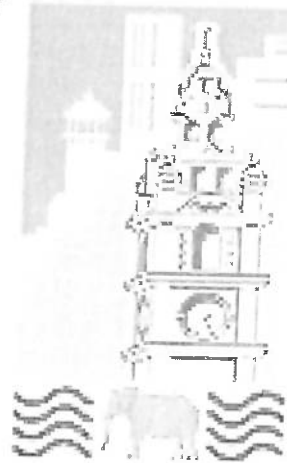


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**CLLR ZH MAGUBANE  
CHAIRPERSON: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

DATE: 15 March 2024

**CITY OF CHOICE**



**PIETERMARITZBURG  
MSUNDUZI**

# **OVERSIGHT REPORT**

**FOR THE FINANCIAL YEAR**

**2022 / 2023**



## Councillors:

**Chairperson of the Municipal Public Accounts Committee  
Councillor ZH Magubane**

**Councillor R Khanyile  
Councillor TG Ngubane  
Councillor R Niemand  
Councillor DB Phungula  
Councillor JJ Ngubo  
Councillor S Reddy  
Councillor P Sithole  
Councillor T Zondi  
Councillor S Zuma  
Councillor MB Zuma  
Councillor L Mgaga  
Councillor B Mkhize  
Councillor S Mncwabe**

## Administrative Support:

**Mr Hlalani Zondi: Office of the MPAC Chair : Chief Administrator  
Miss Kavina Christian: Personal Assistant: MPAC Chair  
Mr Bongakonke Halimana : Manager: Organizational Compliance, Performance & Knowledge  
Management**

**Miss Claudette Jacobs: Committee Officer**

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## 1. INTRODUCTION

The Annual Report is a key instrument of transparent governance and accountability. It is a post-financial year document, which provides an overview of the process of financial and non-financial performance in respect of the previous financial year, in this instance 2022/2023.

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

Given the processes required by Council to effectively undertake its oversight role, the establishment of a Municipal Public Accounts Committee of Council will provide the appropriate mechanism in which Council could fulfill its oversight responsibilities.

The Municipal Public Accounts Committee and herein referred to as the Oversight Committee, has the primary role to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration and adoption by Council.

## 2. BACKGROUND

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

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

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

- ✓ Approval of budgets;
- ✓ Approval of Budget related Policies; and
- ✓ Review of the Annual Report and adoption of the Oversight Report.

### 3. THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

#### 3.1 COMPOSITION

The Municipal Public Accounts Committee is a Committee of Council established under section 79 of the Municipal Structures Act, 1998. Due to the separation of roles and responsibilities between Council and the Executive (Mayor and Executive Committee) it is not appropriate that members of the Executive Committee be members of the Oversight Committee.

The Municipal Public Accounts Committee consists of the following Councillors as nominated and appointed in November 2021 by Council with an amendment in which Cllr R Khanyile replaced Cllr B Bond in 2022 on the committee: -

**Councillor R Khanyile**  
**Councillor TG Ngubane**  
**Councillor R Niemand**  
**Councillor DB Phungula**  
**Councillor JJ Ngubo**  
**Councillor S Reddy**  
**Councillor P Sithole**  
**Councillor T Zondi**  
**Councillor S Zuma**  
**Councillor MB Zuma**  
**Councillor L Mgaga**  
**Councillor B Mkhize**  
**Councillor S Mncwabe**

Councillor **ZH Magubane** serves as Chairperson of the Municipal Public Accounts Committee.

## 3.2 AUTHORITY AND POWER

The Municipal Public Accounts Committee is a Council Committee established in terms of sections 33 and 79 of the Municipal Structures Act, No. 117 of 1998. In terms of line of accountability, the Committee accounts directly to Council.

The Municipal Public Accounts Committee is delegated the responsibility to conduct meetings and to hold public hearings to review and hear public submissions on the Annual Report, on behalf of Council.

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

## 3.3 ANNUAL REPORT OVERSIGHT FUNCTIONS

The Annual Report oversight functions of the Municipal Public Accounts Committee are to:

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

## 4. THE OVERSIGHT REPORT PROCESS PLAN

Section 129 of the Municipal Finance Management Act (Act 56 of 2003) requires the Council to consider its Annual Report and to adopt an Oversight Report.

In order for the Municipal Public Accounts Committee to conduct its oversight over the 2022/2023 Annual Report, an Oversight Process Plan was developed and adopted by Council on the 31<sup>st</sup> of January 2024 (**attached as Annexure "A"**).

The approved Oversight Process Plan in respect of the 2022/2023 Annual Report indicates amongst others, that the Municipal Public Accounts Committee should scrutinize the Annual Report and all other supporting documents, solicit comments from the public, generate questions and submit to the City Manager for written responses, hold public meetings, draft an oversight report and unanimously adopt it prior to this report serving in Council within two months.

The Annual Report 2022/2023 was submitted to Council at its meeting held on the 31<sup>st</sup> of January 2024 and was referred to the Municipal Public Accounts Committee subject to minor amendments to the Report. The community was notified through print, social and audio (radio) media of the availability of the Annual Report and were invited to submit representations on the report (**attached as Annexure 'B'**).

The Annual Report was available at all Area Based Management (ABM) satellite offices in the 5 Zones, the municipal Information Centre at City Hall and the office of the Municipal Manager. It was also placed on the Msunduzi Municipality website ([www.msunduzi.gov.za](http://www.msunduzi.gov.za)). The Public was invited to the tabling of the Oversight Report to Council on 27<sup>th</sup> of March 2024 through the internal Communication section.

Meetings of the Oversight Committee were scheduled and held as follows initially:

No.	Date	Item/ Business Unit
1.	07 February 2024	Introductory Meeting
2.	19 March 2024	Sustainable and Economic Development Services
3.	5 March 2024	Financial Services
4.	20 March 2024	Community Services
5.	12 March 2024	CBU (Offices of the Mayor, Speaker, MM and Internal Audit & Oversight Report Checklist)
6.	14 March 2024	Infrastructure Services
7.	13 March 2024	Corporate Services
8.	25 March 2024	Confirmation of Minutes, Presentation of Draft Oversight Report, Presentation of revised Annual Report 20/21
9.	27 March 2024	Presentation of Oversight report to Council

General Managers and Senior Management were requested to attend the meetings of the Oversight Committee on the respective relevant dates.

## **07 February 2024– INTRODUCTORY MEETING**

### **REFER ANNEXURE 'C'**

This was an introductory meeting, which included a general presentation outlining the Oversight process and requirements. Members were advised that invitations to meetings of the Municipal Public Accounts Committee were sent to all General Managers of the Municipal Manager including those who were acting during the time of the Oversight process. It was stated that reminders were also forwarded before each meeting and that members of the public will be notified through written media publication.

## **20 February 2024– Community Services**

### **REFER ANNEXURE 'D'**

The following sections were dealt within in the Community Services section:

- Waste Management
- Theaters
- Cemeteries
- Bio-Diversity & Landscaping
- Traffic & Public Safety
- Fire Services
- Sports and Recreation
- Library Services
- Waste Management (Landfill Site)

The Business Unit submitted various changes and omissions in the Annual report that the committee agreed to accept and resolved to submit within 48 hours after the meeting to the Organizational Performance Management Office for final printing of the Annual Report.



### **13 March 2024 – CORPORATE SERVICES**

#### **REFER ANNEXURE 'E'**

The following sections were dealt within in the Corporate Services section:

- Political Governance and Administrative Governance
- Human Resources
- Information and Communication Technology (ICT) Services
- Legal Services
- Organizational Development Performance

The Business Unit submitted various changes and omissions in the Annual report that the committee agreed to accept and resolve to submit within 48 hours after the meeting to the Organizational Performance Management Office for final printing of the Annual Report.

### **19 March 2024 – SUSTAINABLE DEVELOPMENT AND CITY ENTERPRISES**

#### **REFER ANNEXURE 'F'**

The following sections were dealt within in the Sustainable Development and City Enterprises section:

- Planning
- Local Economic Development
- Airport
- Building Control and Signage
- Market
- Human Settlement
- Environmental Health
- Art Gallery
- Environmental Management

The Business Unit submitted various changes and omissions in the Annual report that the committee agreed to accept and resolve to submit within 48 hours after the meeting to the Organizational Performance Management Office for final printing of the Annual Report.

**5 March 2024 – BUDGET AND TREASURY (FINANCIAL SERVICES)**  
**REFER ANNEXURE “G”**

The following sections were dealt within in the Budget and Treasury (Finance Services)

- Indigent (Free Basic Services)
- Financial Services
- Supply Chain Management
- Fleet Management

The Business Unit submitted various changes and omissions in the Annual report that the committee agreed to accept and resolve to submit within 48 hours after the meeting to the Organizational Performance Management Office for final printing of the Annual Report.

**14 March 2024– INFRASTRUCTURE SERVICES**  
**REFER ANNEXURE ‘H’**

The following sections were dealt within in the Infrastructure Services section:

- Water Services
- Sanitation Services
- Electricity
- Roads
- Transportation Planning
- Storm Water
- Mechanical Workshop

The Business Unit submitted various changes and omissions in the Annual report that the committee agreed to accept and resolve to submit within 48 hours after the meeting to the Organizational Performance Management Office for final printing of the Annual Report.

## 12 March 2024 – CORPORATE BUSINESS UNIT

### REFER ANNEXURE ‘I’

The following sections were dealt within in the Corporate Business Unit section:

- Office of the Mayor
- Office of the Speaker
- Office of the Municipal Manager
- Internal Audit
- Report of Audit Committee and Recommendations

The Business Unit submitted various changes and omissions in the Annual report that the committee agreed to accept and resolve to submit within 48 hours after the meeting to the Organizational Performance Management Office for final printing of the Annual Report.

## 25 March 2024 - DRAFT OVERSIGHT REPORT

The following matters were dealt within at the meeting:

- Confirmation of Minutes of previous meetings
- Annual Report Checklist
- Draft Oversight Report
- Presentation on the revised Annual Report 2022/2023

The Annual Report Checklist (**attached as Annexure “J”**) was issued by the National Treasury and serves as a guideline to determine whether the requisite content is contained in the Annual Report of 2022/2023.

## 5. OVERVIEW OF THE FINDINGS & RECOMMENDATIONS ON THE 2022/2023 ANNUAL REPORT

The Municipal Public Accounts Committee is satisfied that the 2022/2023 Annual Report has been through a vigorous process that complies within relevant legislation as well as an Oversight Process Plan.

The Committee observed a considerable improvement in the context compared to previous years, which was noted in the Annual Report, as tabled. The committee unanimously noted and agreed that, to improve the quality of the Annual report, all business units, and committees of council must ensure the accuracy of the information for correctness of the Annual report. Minor additions were made such as footnotes to various tables and editing corrections. These do not warrant specific mention in this report and are captured in the attached minutes. Matters arising from the minutes have been incorporated into the report.

The Municipal Public Accounts Committee noted the sustained Qualified Opinion for the third year in a row and the committee is of the firm view that the following audit outcome will produce a clean audit opinion, given the amount of work that have produced the qualified opinion in the year under review. These negative audit outcomes seem to continue to contribute to the status quo, in which the municipality is under administration that was instituted in 2019.

**The Municipal Public Accounts Committee takes pleasure in presenting the Oversight Report to Council and consider the following resolutions:**

### **IT IS RESOLVED TO RECOMMEND:**

- 5.1 That, having fully considered the Annual Report of Msunduzi Municipality for the 2022/2023 Financial Year as per the Municipal Finance Management Act 56 of 2003 Section 129, that Council Approves the Annual Report **without Reservations**.
- 5.2 That, the Accounting Officer ensures that the credit policy is fully implemented to obtain 100% debt collection in all revenue streams of the municipality and report back every quarter on obtained results with comparative statistics from previous years, given that in 2022/2023 financial year only 86% was reported as being the collection.  
  
In so doing, there must be stronger collection measures applied to ensure that the 70% of customers with arrears of more than the stipulated payment period to the municipality.
- 5.3 That, Legal Services within the Corporate Business Unit must submit a report and a proposal to Council for the courts to increase fines imposed for all by-law transgressions to ensure that they are in line with inflation and to include frequency of review to the fines schedule of the Municipality
- 5.4 That, the Accounting Officer speeds up the process of ensuring that the cascading of performance appraisal from level 4 employees to all levels below in order to assess productivity of all current staff within the Municipality and report back before the end of the current financial

year 2023/2024.

- 5.5 That, that Municipal manager should guide the municipality and relevant business units to ensure that, from above (in point 5.2) potential increase of out standings money to be collected by the municipality, should lead to an increase of the maintenance and repairs budget from the stated 8% to a standard norms of practice.
- 5.6 That, the Chief Financial Officer submits a comprehensive report including a legal opinion on whether the bank charges incurred by the customer when using their bank cards was legal or not. *(discussion on the matter is on the minutes of Financial Services)*
- 5.7 That, the arising from the Auditor Generals finds on all affected business units material or not, such finds as obtained in the report to Council by the AG, these MUST be rectified and ensure that non are repeated in the next audit to ensure a clean audit opinion.
- 5.8 That the annual report, information such as below, had not been included in the Annual Report as per the requirements of Section 121 of the MFMA and appendices as per the requirements of National Treasury (NT) Circular 63.
- An assessment by the accounting officer on any arrears on municipal taxes and services charges (S121(3)(e) of the MFMA);
  - Long Term contracts and Public Private Partnerships (NT Circular 63);
  - Municipality entity / Service provider schedule;
  - Service connection backlogs at Schools and Clinics (NT Circular 63);
  - The performance report did not contain the development and service delivery priorities and performance targets set for the next financial year MSA S46 1 (a).
- 5.9 *That, arising out of the proceedings of the Oversight Committee meetings, it be noted that the Municipal Public Accounts Committee is highly **concerned** about the following matters:*
- 5.9.1 That, there is an increase in monies owed to the Municipality by consumers and it is at an unacceptable level above 6 billion with 70% of debtors in arrears of more than 365 days.
- 5.9.2 That, the challenges around the implementation of the credit policy mainly around the areas of Imbali and Edendale be brought to Council and committee with recommendations of how they can be mitigated and ensure proper and effective implementation.
- 5.9.3 that, the in the process of disconnecting of services in some volatile areas, Community Services involve the South African Police Services (SAPS) alongside the Municipalities Security cluster to ensure the safety of the Municipal employees.
- 5.9.4 That, the bad state of the city's traffic lights, was contributing to all other factors that defect investment and potential added revenue into the city as it is impossible to move around the city and needs to be curbed urgently. The department needs to develop a plan and financial projections that will be within the new financial year budget which will ensure this problem is sorted out and reported to MPAC by the end of the financial year.
- 5.9.5 That, the Strategic Management Committee ensure that the top ten risks of the Municipality are prioritized and brought to the attention of Council and that there are effective strategies to

mitigate them. Portfolio Committees must regularly monitor the risks and report progress through the correct channels to Council.

5.9.6 That, the Office of the Speaker must update and verify on an ongoing basis, gifts and hospitality received by Councillors and Corporate Services must do the same for Officials, guided by the Gifts Policy and report back to Council every quarter of the year.

Resolved;

- 5.10 That, the Accounting Officer ensures that a tracking tool developed of the Auditor General's findings is monitored and evaluated continuously to ensure that all sighted areas are responded to and reported to MPAC regularly and ensure re-occurrence of these.
- 5.11 That, Council mandates the Accounting Officer to ensure all follow up reports as listed herein this report, be submitted to the Portfolio Committees, Municipal Public Accounts Committee, Executive Committee & Council to ensure and achieve proper oversight on this report and all matters wherein.
- 5.12 That, the Municipal Public Accounts Committee does not support payment of performance bonuses, rewards, incentives as per the approved individual Performance Management System Policy for the 2022 / 2023 Financial year in view of the continued poor performance and that this sentiment be considered during the assessments as per the approved IPMS policy.
- 5.13 That Council approves the Annual Report of the Msunduzi Municipality for the 2022/2023 Financial Year without reservations, however the Municipal Public Accounts Committee requests that all amendments requested are completed prior to the final annual report being published.
- 5.14 That Council committee must ensure that there is proper and adequate planning towards conditional grants and that there should never be underspending, there must be monitored and quarterly reports be brought to MPAC.
- 5.15 That, adding to the Top ten risks being prioritised by all Council committees, the Municipal Manager must ensure a full function and operational Risk Management office.
- 5.16 That, the continuing discrepancies on registers and Portfolio of evidence (POE) files must come to an end and that Deputy City managers of all business units must ensure that they audit the information being submitted to Performance Management Systems (PMS) office.

The following areas were sighted as being the lead in the poor submission of POEs

- Waste collection
- Water losses
- Water drainage
- Registers that were not adequately populated
- Incorrect billing

5.18 That, the Oversight Report of the 2022 and 2023 financial year be made public in accordance within Section 129(3) of the Municipal Finance Management Act 56 of 2003.

5.19 That, the 2022/2023 Annual Report and Oversight Report, including the minutes where the Annual Report was discussed, be submitted to the following Offices in terms of Section 129 (2) of the MFMA: -

- National Treasury;
- Auditor General;
- MEC: Cooperative Governance and Traditional Affairs;
- MEC: Provincial Treasury;

5.20 That, the Oversight Report be submitted to the Provincial Legislature in accordance within Section 132(2) of the Municipal Finance Management Act 56 of 2003.

## 6. CONCLUSION

This report provides oversight on the Annual Report of the Msunduzi Municipality and its entities for Financial year 2022/2023 in terms of provisions of the MFMA as well as the process that the Municipal Public Accounts Committee undertook to comply within the applicable legislation.

Furthermore, it is the view of the Municipal Public Accounts Committee that corrective measures be taken by the General Municipal Managers within their respective Business Units to address all matters raised during the Annual Report review by MPAC and through the Municipal Manager report back on resolutions requiring actioning.

Furthermore, the Municipal manager must work tirelessly to ensure that the municipality receives as clean audit in the year 2023/2024 Financial year and also get the Municipality out of Administration.

Respectfully Submitted:



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Cllr ZH Magubane  
Chair: Municipal Public Accounts Committee



## ANNEXURES

Annual Report 2022/2023

Annexure 'A' – Oversight Process Plan

Annexure 'B' – Advertisement of Oversight Meetings and Invitation to submit written concerns on the Annual Report

Annexure 'C' – Minutes of the Municipal Public Accounts Committee Meeting 07 February 2024 – Introductory meeting

Annexure 'D'– Minutes of the Municipal Public Accounts Committee Meeting 20 February 2024 – Community Services

Annexure 'E'– Minutes of the Municipal Public Accounts Committee Meeting, 13 March 2024 – Corporate Services

Annexure 'F' Minutes of the Municipal Public Accounts Committee Meeting, 19 March 2024 – Sustainable development and City Enterprises

Annexure 'G'– Minutes of the Municipal Public Accounts Committee Meeting, 5 March 2024 – Finance

Annexure 'H'– Minutes of the Municipal Public Accounts Committee Meeting, 14 March 2024 – Infrastructure

Annexure 'I'– Minutes of the Municipal Public Accounts Committee Meeting, 12 March 2024 - CBU

Annexure 'J'– 2022/2023 Annual Report Checklist

**OVERSIGHT PROCESS PLAN IN RESPECT ON THE 2022/2023 ANNUAL REPORT**

ACTIVITY	DATE	TIME	VENUE	MAIN CONSIDERATIONS
Submission of Oversight Process Plan for adoption by Full Council	Wednesday 31 January 2024	09h00	City Hall, Council Chamber	Oversight Process Plan presentation to Full Council
Place advertisement in the local news papers	Thursday and Friday 1 & 2 February 2024			Announcing dates and inviting public comment on the Annual Report 2022/2023
MPAC Meeting	Wednesday 7 February 2024	09h00	City Hall, Council Chamber	Introductory Meeting on the Interrogation on the Annual Report 2022/2023
MPAC Meeting Corporate Services	Tuesday, 13 February 2024	09h00	KZN Legislature	Solicit input from Officials and Public
MPAC Meeting Community Services	Tuesday, 20 February, 2024	09h00	KZN Legislature	Solicit input from Officials and Public
MPAC Meeting Finance business Unit	Tuesday 5 March 2024	09h00	KZN Legislature	Solicit input from Officials and Public
MPAC Meeting Corporate Business unit	Tuesday 12 March 2024	09h00	KZN Legislature	Solicit input from Officials and Public
MPAC Meeting Infrastructure Services	Thursday 14 March 2024	09h00	KZN Legislature	Solicit input from Officials and Public
MPAC meeting: Draft Oversight Report	Tuesday 19 March 2024	09h00	City Hall, Council Chamber	Adoption of the Draft Oversight Report on the Annual Report 2022/2023 Financial Year
Full Council	Wednesday 27 March 2024	09h00	City Hall, Council Chamber	Presentation of the 2022/2023 Oversight Report to Full Council of Adoption
Submission of Oversight Report to MEC COGTA, A-G, Provincial Treasury, Publish on Msunduzi Website	Monday 2 April 2024			Submission of Annual Report with the Oversight Report



NOTICE OF TENDER ADVERT

INVITATION FOR THE APPOINTMENT OF AN ESTATE AGENT/PROPERTY MANAGEMENT FIRM TO SOURCE IMMOVABLE PROPERTIES FOR LEASING FOR UMGUNDUZI DISTRICT MUNICIPALITY

TENDER NO. 27/2023 The Umgunduzi District Municipality seeks professional service providers for the appointment of an estate agent/property management firm...

Tender documents can be downloaded from the municipal website at www.umsunduzi.gov.za or alternatively can be obtained from the office of the Chairperson of the Umgunduzi District Municipality...

All eligibility criteria must be furnished accordingly, where mandatory or applicable. Tenderers will then be evaluated in terms of the BIDD process...

Table with 2 columns: PERFORMANCE SYSTEM and POINTS. Rows include PRICE, RISK, and various sub-points for each.

All service providers intending to submit a tender are required to be registered on the Central Supplier Database.

Dr. E.X. Muthwa Acting Municipal Manager Umgunduzi District Municipality

HARRY GWALA DISTRICT MUNICIPALITY WATER SERVICES DEPARTMENT SUPERINTENDENT

(UMZIMKHU NI POST) & DR NKOSAZANA DLAMINI ZUMA (NDZ) 1 POST) Salary Grade: R368 725,04 - R478 613,40 p.a. (112) (plus applicable benefits) REF NO: WS/5/47/21

Requirements: A Grade 12/Matric with Physical Science and Mathematics. At least 5 years' experience in water/wastewater treatment.

Key performance areas: Assist with coordination of activities of the department, manage the development of water/wastewater regulatory plans and procedures, provide input on compliance and risk management.

Applications must be submitted with a signed Application Form which can be downloaded from the website www.harrygwala.gov.za.

Further correspondence will be confined to shortlisted candidates if you have not been contacted within the closing date of the advertisement.

MR G.A. SENEKE: MUNICIPAL MANAGER

THE MSUNDUZI MUNICIPALITY PROVINCE OF KWAZULU-NATAL KZN225

MEMBERS OF THE PUBLIC ARE CORDIALLY INVITED TO ATTEND MSUNDUZI PUBLIC ACCOUNTS COMMITTEE MEETINGS AS FOLLOWS:

- Tuesday 13 February 2024 at 09:00 City Hall, Council Chamber
Tuesday 20 February 2024 at 09:00 City Hall, Council Chamber
Thursday 20 February 2024, at 09:00 City Hall, Council Chamber

The adoption of the Oversight Report is the final document in the reporting process of a municipality. The Oversight Report is an important document in terms of Section 129 of the MFMA...

Table with 3 columns: Area Office, Contact Name, Contact Numbers. Lists various offices like Adhurbuth, Edendale, Inbali, Northern, and City Hall.

The public is hereby informed that consultation on the Annual Report will commence on the 15th February 2024.

The public is invited to submit written concerns on the Annual Report to: Office of the City Manager, Ref: Annual Report 2022/2023, Private Bag 3331, Pietermaritzburg 6001.

Take Ad Clicks has a Price to pay. Why not advertise on PRINT Witness Classified, where you are guaranteed readership.

IS AVAILABLE... 0800 567 567

THE WITNESS HORSE RACING FAIRVIEW TURF FRIDAY

Race 1 (12:40) - WELCOME TO NELSON MANDELA BAY MAIDEN PLATE F & M of R2000 over 1000m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 2 (13:15) - RACING240 FOR RACING FOR YOU MAIDEN PLATE (F & M) of R2000 over 1400m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 3 (13:50) - WWW.SOCERR.CO.ZA OPEN MAIDEN OF R6000 over 1400m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 4 (14:25) - RACEHORSE OWNERS ASSOCIATION FM 98 HANDICAP (F & M) of R5000 over 1400m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 5 (15:00) - PLAY SOCCER 6, 10 AND 13 FM 78 HANDICAP (F & M) of R1500 over 1000m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

TAKE AD CLICKS has a Price to pay. Why not advertise on PRINT Witness Classified, where you are guaranteed readership.

THE WITNESS HORSE RACING FAIRVIEW TURF FRIDAY

Race 6 (15:35) - TAB TELEBOT 061 00 822 CLASSIFIED STAKES OF R74500 over 1500m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 7 (16:10) - NEXT FAIRVIEW RACEMEETING FRIDAY 9 FEBRUARY MR 82 HANDICAP OF R18000 over 1000m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 8 (16:45) - ARAGONS TV NR 80 HANDICAP OF R3000 over 1000m. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 9 (17:20) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 10 (18:00) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Take Ad Clicks has a Price to pay. Why not advertise on PRINT Witness Classified, where you are guaranteed readership.

THE WITNESS HORSE RACING FAIRVIEW TURF FRIDAY

Race 11 (18:35) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 12 (19:10) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 13 (19:45) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 14 (20:20) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Race 15 (21:00) - YESTERDAY'S WAAL RESULTS AND DIVIDENDS. Table with columns for race number, time, horse name, jockey, trainer, and odds.

Consistent Advertising = Familiarity = Trust = Customers. You can rely on advertising in The Witness reaching an audience that trusts. To find out more about this space phone 087 353 1314

The Witness Place your classified advert with us. Guaranteed readership. Call us on 087 353 1314

Take Ad Clicks has a Price to pay. Why not advertise on PRINT Witness Classified, where you are guaranteed readership.

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Take Ad Clicks has a Price to pay. Why not advertise on PRINT Witness Classified, where you are guaranteed readership.



# Youth recycling initiative

Initiative aims to assist homeless and unemployed people

Chris Ndaliso

A recycling initiative by a group of young people aims to assist the homeless and unemployed by buying their recyclable waste.

Songimvelo Group buys various types of recyclables ranging from plastic, paper, metal and electronic waste.

With the increase in homelessness and drug addicts in Pietermaritzburg, Songimvelo managing director, Hugo Ngcobo, said one of their aims was to change the lives of the unemployed and homeless for the better.

"What we see is that 95% of our waste pickers are drug addicts and that troubles us a lot because the money they earn here is not being used productively. We then teamed up with Inkunzi Isematholeni so that they can provide their services to homeless waste pickers and the addicts," said Ngcobo. He said their initiative was to also improve business confidence in the city.

"This collaborative effort is focused on providing valuable support to those in need while also making a positive impact on our

environment.

"The programme will not only offer essential resources and assistance to homeless waste pickers, but also create opportunities for them to thrive and contribute to a sustainable future.

"Unfortunately, the majority of the waste collectors are drug addicts and they contribute immensely because they go as far as collecting scrap paper from offices and businesses. We have hope because we have noticed that those homeless young people who have not been introduced to drugs are still clean, and the level of begging is not increasing," he said.

Every afternoon, the Songimvelo waste management site in Chutney Road in lower Church Street becomes a hive of activity as waste pickers form queues dragging their waste bags. The organisation also does household and commercial (businesses and institutions) collections.

"As part of minimising the amount of waste received at the landfill site, our services include recycling on site which enables us



Simphiwe Cebekhulu who collects recyclables and sells them in lower Church Street, Pietermaritzburg. Photo: Nqubeko Mbhele

to divert waste from the site thereby expanding its lifespan which is said to be five years. We run environmental awareness, basic environmental education and community clean-up campaigns. In 2015 we started working with Msunduzi

Municipality and the Department of Environmental Affairs in our programmes," he said.

One of the recyclers, Nkosi Ndlovu,

acknowledged the dangers of living on the streets and taking drugs. "Life is hard out here. I started living in the streets in Durban before coming to Pietermaritzburg in 2017. Sometimes I make up to R80 a day on recyclable material. That is not enough but that's how it is. This place gives us something to get the little that we can just get by," he said.

Inkunzi Isematholeni spokesperson, Thabiso Ngubane, said their teaming up with government departments was beneficial for both drug addicts and the homeless. Ngubane said the addicts

exposed themselves to life-threatening situations in the process of taking drugs.

"The addicts inject drugs using the same needle and are putting themselves at increased risk for developing wounds in addition to skin and soft tissue infections due to repeated puncture of the skin. If not properly treated, those infections can result in severe health conditions. We periodically visit the site to provide counselling and awareness about HIV infections. Some of them are HIV positive so the sharing of the needle is exacerbating the situation," said Ngubane.

He said they test the addicts voluntarily after some educational sessions about the importance of knowing one's status.

"It is a concern that the majority of the waste pickers are addicts because they destructively use their hard-earned money. We provide them with clinical education and encourage them to at least buy food with the money, or some of it, just to be able to stay healthy. We are focused on harm reduction so we engage directly with people who use drugs to prevent infectious disease transmission and improve physical, mental and social well-being. We also offer low barrier options for accessing healthcare services, including substance use and mental health disorder treatment," he said.

**LOVE TO LIVE**  
**PUBLIC EYE**  
25 YEARS, 25 THEMES  
25 ACTS OF KINDNESS  
BREAK THE SILENCE  
YOUTH FESTIVAL

17 - 19 MAY 2024

PROTEA SPORTS CENTRE

TALENT CONTESTS, FASHION CONTEST, MR & MISS  
LOVE TO LIVE, SONG & DANCE CELEBRITIES  
MOTORCADE AND FLOAT PROCESSION

5 KM

Colour Family  
Fun Run/Walk

Date: Sunday, 19th May 2024

Start: Protea Sports Centre, Northdale, Pietermaritzburg at 7:15

Enquiries: Roy Somaroo (082 679 0496) | Raveen Mohanlal: (084 563 9300)

Public Eye

General Enquiries:  
Dan Moodley (082 461 8178)  
Yumeshree Naidoo: (076 707 4574)

## THE MSUNDUZI MUNICIPALITY

PROVINCE OF KWAZULU-NATAL KZN225

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- Tuesday 20 February 2024, at 09h00 City Hall, Council Chamber
- Thursday 29 February 2024, at 09h00 City Hall, Council Chamber
- Tuesday 5 March 2024 at 09h00 City Hall, Council Chamber
- Tuesday 12 March 2024 at 09h00 City Hall, Council Chamber
- Thursday 14 March 2024 at 09h00 City Hall, Council Chamber
- Wednesday 27 March 2024 at 09h00 (Council meeting at which the Oversight Report is to be presented)

The adoption of the Oversight Report is the final document in the reporting process of a municipality. The Oversight Report is a requirement in terms of Section 129 of the MFMA, and requires the Council to adopt an Oversight Report, no later than 2 months after the tabling of the Annual Report.

Msunduzi Municipality's 2022/2023 Annual Report was tabled in Council on 31<sup>st</sup> of January 2024, and is available for public viewing and has been published on the municipality's website [www.msunduzi.gov.za](http://www.msunduzi.gov.za). Copies are available at the following satellite offices:

Area Office	Contact Name/s	Contact Number/s
Vulindlela	Caleb Magubane/ Nomzekelo Magwinyane	033-392 2958/3691
Ashburton	Xolile Hulana/ Nomanga Daba	033-392 3281/2555
Edendale	Xoli Ntshangasa / Mhahabisi Motaung	033-392 3171/2957
Imbali	Sasa Mngadi / Bongwe Mshali	033-392 3622 / 2897
Northern Areas	Anwar Hoosen/ Xolani Ntshangase	033-3923117/ 387 3168
City Hall	Lacil Pillay	033-392 8709

The public is hereby informed that consultation on the Annual Report will convene at the meetings, as outlined above, thereafter, the Oversight Report will be developed and recommended to the Full Council for adoption.

The public is invited to submit written concerns on the Annual Report to:  
Office of the City Manager  
Ref: Annual Report 2022/2023  
Private Bag X321  
Pietermaritzburg  
3200

Or  
Email: [stwellie.zimu@msunduzi.gov.za](mailto:stwellie.zimu@msunduzi.gov.za)  
Final Date for Submissions: Friday, 23 February 2024

L. MAPHOLOBA  
CITY MANAGER



# Kivash Memorial Golf Day

On January 28, the Bhagwande family hosted 'The Kivash Memorial Golf Day' in honour of their son Kivash who died in September 2022. With generous sponsorships, contributions and support from the golfers, family members and friends, R40 000 was raised, of which R20 000 was used to purchase prizes for the golf day. The other R20 000 was donated to four charities.

Initially, the funds were to be donated to the Panorama Recovery Centre. However, due to the overwhelming sponsorships from various companies and individuals, the additional funds were donated to Family Aid, Hospice, and because of

Kivash's love for animals, it was also decided to donate to the SPCA. Bhagwande died about 15 months ago as a result of a tragic illness and the Bhagwande family decided to honour his legacy by hosting the golf tournament.

Bhagwande was one of the few left handed golfers and took up the sport with his twin brother Kiash at a tender age of eight. With the guidance and support from his parents, Kosheek and Simi, they went on to excel in the game, winning multiple tournaments in their district and local clubs (Midlands and Goodfellas GC). Bhagwande, together with Kiash continued to excel in the game and achieved a career low

handicap index of 0.5. Bhagwande was a very talented individual and thrived at every sport he participated in. His coach said that he had 'golden hands' which gave him that extra edge.

Bhagwande died at the age of 20 and the Bhagwande family want his legacy to live on. He will always be missed by his mum, dad, twin brother and sister (Dr Sanam Bhagwande) whom he really loved and looked up to for inspiration.

The Bhagwande family would like to thank all those that supported the 'Kivash Memorial Golf Day' and for making it an amazing success.



The Bhagwande family and representatives of organisations who received donations from the funds raised from Kivash's memorial golf day.

**DID YOU KNOW?**  
**ALCOHOLISM IS A DISEASE**  
 TAKE RESPONSIBILITY TODAY,  
 FIND AN AA MEETING

**AA**  
 0861 439 722  
 24 / 7 HELP LINE

## THE MSUNDUZI MUNICIPALITY

PROVINCE OF KWAZULU-NATAL KZN225

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 3200

Or  
 Email: [stwelife.zimu@msunduzi.gov.za](mailto:stwelife.zimu@msunduzi.gov.za)  
 Final Date for Submissions: Friday, 23 February 2024

L. MAPHOLOBA  
 CITY MANAGER



# McCarthy Renault Pietermaritzburg

## Valentines DEALS



**THINK RENAULT**

THINK BIDVEST MCCARTHY RENAULT

**RENAULT KWID 1.0L LIFE 5-DR ABS**

**FROM R196 999**

Step-up Payment	
Year 1 - 0.0%	R2 520pm
Year 2 - 86.6%	R2 750pm
Year 3 - 93.3%	R2 940pm
Remainder - 100%	R3 145pm

**1 YEAR INSURANCE AND R6 500 DEPOSIT ASSIST**

Deposit of R6 500 + 96 Months + 11.79% Interest Rate + 1% (Residual) + R 650 apply + single used for marketing purposes only. Step-up Payment - subject to Dealer Finance



2020 RENAULT SANDERO 900  
69 000KM R159 900



2019 RENAULT SANDERO 900T (SILVER)  
59 000KM R159 900



2021 RENAULT SANDERO 900T  
42 000KM R169 900



2023 RENAULT CAPTURE EDC (DEMO) FULL HOUSE  
16 100KM R449 900



2022 VOLKSWAGEN T CROSS 1.0 TSI WITH R LINE KIT  
92 000KM R349 000



KOLESOS  
5000KM R555 900



2023 RENAULT KIGER 1.0 ZEN  
3000KM R299 900



2023 RENAULT DUSTER 1.6DCI 4X2 MANUAL  
7000KM R389 900



2022 RENAULT KWID CLIMBER  
21 488KM R179 900



2022 RENAULT TRIBLER 1.0 DYNAMIQUE, INTENS  
68 000KM R209 900



2023 RENAULT TRIBLER 1.0 RENAULT TRIBLER 1.0 PRESTIGE INTENS  
3 294KM R229 900



2021 RENAULT KIGER 1.0T ZEN  
21 000KM R239 900



2022 RENAULT STEPWAY  
26 000 KM R209 900



2023 BLUE POLO VIVO  
700KM R239 900

**Bidvest McCarthy Renault Pietermaritzburg**  
 9 Armitage Road, Pietermaritzburg, 3201

**087 896 6872**



# YOUTH RECYCLING INITIATIVE

Simphiwe Cebekhulu who collects recyclables and sells them at lower Church Street, Pietermaritzburg. Photo: Nqubeko Mbele

CHRIS NDALISO

A recycling initiative by a group of young people aims to assist the homeless and unemployed by buying their recyclable waste.

Songimvelo Group buys various types of recyclables ranging from plastic, paper, metal, and electronic waste.

With the increase of homelessness and drug addicts in Pietermaritzburg, Songimvelo managing director Hugo Ngcobo said one of their aims was to change the lives of the unemployed and homeless for the better.

“What we see is that 95% of our waste pickers are drug addicts and that troubles us a lot because the money they earn here is not being used productively. We then teamed up with Inkunzi Isematholeni so that they can provide their services to

homeless waste pickers and the addicts,” said Ngcobo. He said their initiative was to also improve business confidence in the city.

“This collaborative effort is focused on providing valuable support to those in need while also making a positive impact on our environment.

“The programme will not only offer essential resources and assistance to homeless waste pickers, but also create opportunities for them to thrive and contribute to a sustainable future.

“Unfortunately, the majority of the waste collectors are drug addicts and they contribute immensely because they go as far as collecting scrap paper from offices and businesses. We have hope because we have noticed that those homeless young people who have not been introduced to drugs are

still clean, and the level of begging is not increasing,” he said.

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said. One of the recyclers, Nkosi Ndlovu, acknowledged the dangers of living on the streets and taking drugs. “Life is hard out here. I started living in the streets in Durban before coming to Pietermaritzburg in 2017. Sometimes I make up to R80 a day on recyclable material. That is not enough but that’s how it is. This place gives us something to get the little that we can just to get by,” he said.

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He said they test the addicts voluntarily after some educational sessions about the importance of knowing one’s status.

“It is a concern that the majority of the waste pickers are addicts because they destructively use their hard-earned money. We provide them with clinical education and encourage them to at least buy food with the money, or some of it, just to be able to stay healthy. We are focused on harm reduction so we engage directly with people who use drugs to prevent infectious disease transmission and improve physical, mental, and social wellbeing. We also offer low barrier options for accessing health-care services, including substance use and mental health disorder treatment,” he said.

## THE MSUNDUZI MUNICIPALITY

### ISIFUNDAZWE SAKWAZULU-NATALI KZN225

KUMENYWA AMALUNGU OMPHAKATHI UKUBA AZOKWETHAMELA IMIHLANGANO YEKOMDI ELIBHEKELELA UKUSETSHENZISWA KWEZIMALI ZIKAMASIPALA WASEMSUNDUZI EZOHLALA NGALEZI ZIKHATHI EZILANDELAYO:

- ULwesibili, mhla ziyi-13 kuNhlolanja (Febhuwari) wezi-2024, ngehora le-09h00 e-City Hall, eGunjini loMkhandu
- ULwesibili, mhla zingama-20 kuNhlolanja (Febhuwari) wezi-2024, ngehora le-09h00 e-City Hall, eGunjini loMkhandu
- ULwesine, mhla zingama-29 kuNhlolanja (Febhuwari) wezi-2024, ngehora le-09h00 e-City Hall, eGunjini loMkhandu
- ULwesibili, mhla ziyi-5 kuNdasa (Mashi) wezi-2024, ngehora le-09h00 e-City Hall, eGunjini loMkhandu
- ULwesibili, mhla ziyi-12 kuNdasa (Mashi) wezi-2024, ngehora le-09h00 e-City Hall, eGunjini loMkhandu
- ULwesibili, mhla ziyi-14 kuNdasa (Mashi) wezi-2024, ngehora le-09h00 e-City Hall, eGunjini loMkhandu
- ULwesithathu, mhla zingama-27 kuNdasa (Mashi) wezi-2024, ngehora le-09h00 ekuseni (Ehlanganweni woMkhandu Ophalele okuyokwethulwa kuwo umbiko Wokwengamela Ukuqapha)

Ukwamukekwa koMbiko Wokwengamela Ukuqapha ukusetshenziswa kwezimali, kungumbhalo wenqubo yokubika kumasipala. Umbiko Wokwengamela Ukuqapha uyisidingo ngokweSiga sa-128 se-MFMA, futhi ubophezela uMkhandu ukuba wamukele Umbiko Wokwengamela Ukuqapha esikhathini esingekho ngaphezu kwezinyanga ezimbili ngemuva kokuba Umbiko Wonyaka wethuliwe.

Umbiko Wonyaka kaMasipala waseMsunduzi wonyakazimali 2022/2023 weluhlwa uMkhandu mhla zingama-31 kuMasigane (Januwari) wezi-2024 futhi uvulelekile ukuthi ubhekwe amalungu omphakathi kanti uphinde washicilelwa nakusizindalwazi (webhusayithi) kaMasipala ku-[www.msunduzi.gov.za](http://www.msunduzi.gov.za). Amakhophi awo lombiko ayatholakala kulawa mahhovisi agcina ulwazi alandelayo

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### NOTICE OF AN ENVIRONMENTAL IMPACT ASSESSMENT APPLICATION FOR THE PROPOSED DEVELOPMENT OF A LOW THROUGHPUT RABBIT ABATTOIR ON 308 DARGLE ROAD, BOSTON, IMPENDELE, KZN, SOUTH AFRICA

In terms of the Environmental Impact Assessment (EIA) Regulations, 2014 (as amended April 2017) published under the National Environmental Management Act, 1998 (Act No.107 of 1998) (NEMA), as amended, notice is hereby given of SA Rabbit Company (Pty) Ltd intention to obtain environmental authorisation for the proposed development of a Rabbit Abattoir and associated infrastructure.

**Location of the proposed project:** A portion of Portion 26 of the farm Elands River Drift 4770, Boston situated in KwaZulu Natal. The site is approximately 35km south-west of Howick. Site middle point coordinates is at: 29°40'6.38"S, 30° 0'43.03"E.

**Environmental Authorisation:** The project triggers activities listed in Listing 1 (GN R 327), of the 2014 EIA Regulations (as amended April 2017), published under NEMA and therefore requires environmental authorisation via the undertaking of a Basic Impact Assessment process. The Basic Assessment (BA) will be inclusive of technical studies and public participation. The competent authority responsible for issuing environmental authorisation is the KZN Department of Department of Economic Development, Tourism and Environmental Affairs. The listed activities for authorisation include Listing Notice 1, Activities no. 3ii, & 8.

Please note that comments will be sought from the South African Heritage Resources Agency (SAHRA) in terms of the National Heritage Resources Act, Act 25 of 1999. The BA Process will also confirm the need for a Water Use License (WUL) or General Authorisation (GA) registration in accordance with the National Water Act, Act 36 of 1998, as amended.

Green-Box Consulting is appointed as the Environmental Assessment Practitioner (EAP) to undertake and manage the legislative processes.

If you would like to register as an Interested and Affected Party (I&AP), or comment on the Draft Basic Assessment Report and Environmental Management Programme, please provide your correspondence in letter format that contains your signature, to Danie Krynauw at Green-Box Consulting, giving your name and contact details as well as an indication of your interest in this matter and of any direct business, financial, personal or other interest that you may have in relation to this proposal. The report is available electronically for review and download on the Green-Box Consulting website: [www.green-box.co.za](http://www.green-box.co.za). Registering as an I&AP should please be undertaken in electronic letter format (with signature provided) and sent via email, with correspondence addressed to: Danie Krynauw, Green-Box Consulting, P.O. Box 37738, Langenhovenpark 9330, Cell: 082 435 2108, or e-mail: [danie@green-box.co.za](mailto:danie@green-box.co.za)

The commenting period will commence from 06 February 2024 until 29 February 2024.

Area Office	Contact Name/s	Contact Number/s
Vulindlela	Calab Magubane/ Nomzekelo Magwinyane	033-392 2958/3691
Ashburton	Xolile Hulana/ Nomanga Daba	033-392 3281/2555
Edendale	Themba Lyons / Mthabiseng Motaung	033-392 3171/2957
Imbali	Sasa Mgadi/ Bongwe Mtshali	033-392 3622 / 2897
Northern Areas	Anwar Hoosen/ Xolani Ntshangase	033-3923117/ 387 3168
City Hall	Laci Pillay	033-392 8709

Umphekatho uyaziswa ukuthi izingxoxo ngoMbiko Wonyaka zizokwenziswa emihlanganweni njengoba ihleliwe ngenhla, kuyobe sekusungulwa uMbiko Wokwengamela Ukuqapha bese kuphakanyiswa ukuthi wamukekwe nguMkhandu Ophalele.

Umphekatho uyacelelwa ukuba uthumele imibono/ ukukhathazeka kwawo okubhalwe phansi ngoMbiko Wonyaka lapha: Ekhovisi leMhlonjani yeDolobha Inkomba: Umbiko Wonyaka wezi- 2022/2023 Private Bag X321 - Pietermaritzburg 3200

Noma Bathumele i-imeyil ku: [siwelle.zimu@msunduzi.gov.za](mailto:siwelle.zimu@msunduzi.gov.za)  
Usuku lokuvala: ulweshilano, zingama-23 kuNhlolanja (Febhuwari) wezi-2024  
L. MAPHOLOBA  
IMENENJA YEDOLOBHA



## MSUNDUZI MUNICIPALITY

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE -  
INTRODUCTORY MEETING**

Meeting held on **WEDNESDAY, 7 FEBRUARY 2024** in **COUNCIL CHAMBER** at **9H00**.

**PRESENT:** Councillors ZH Magubane (Chairperson), B Mkhize, L Mgaga, S Mncwabe, TC Ngubane, S Reddy, P Sithole, MB Zuma and S Zuma.

**ABSENT:** Councillors JJ Ngubo (Party commitment), R Niemand (Party commitment) and T Zondi.

**OFFICIALS**

**PRESENT:** Messrs H Zondi (Manager: Municipal Public Accounts Office), B Halimana (Manager: Performance Management) and Ms. C Jacobs (Committee Officer).

1. **WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present at the meeting.

Applications for leave were received on behalf of Councillors JJ Ngubo and R Niemand who had Party commitments. An apology was tendered on behalf of Councillor S Mncwabe who would be joining the meeting late due to a personal commitment.

The Manager: Municipal Public Accounts Office encouraged Councillors to submit leave application forms which would serve as proof of evidence (POE) for their absence at meetings. He mentioned that punitive measures in respect of docking of salaries would be taken against Councillors who were absent from meetings without submitting leave application forms to the Office of the Speaker.

Sharing the sentiments of the Manager: Municipal Public Accounts Office, the Chairperson emphasized the importance of completing written leave application forms for future meetings.

It was

**RESOLVED**

That Councillors JJ Ngubo and R Niemand be granted leave of absence from the current meeting of the Municipal Public Accounts Committee.

*(Councillor S Mncwabe was not present when this decision was taken)*

2. **DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA**

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee.

NOTED.

### 3. OVERSIGHT PROCESS: ANNUAL REPORT ASSESSMENT CHECKLIST 2022/23 (7.2.2)

Msunduzi Municipality Annual Report Assessment Checklist 2022/2023.

(Page 2 of the agenda)

The Manager: Municipal Public Accounts Committee (MPAC) explained the purpose of the Annual Report Checklist for the 2022/23 financial year and encouraged Councillors to peruse the checklist thoroughly. He explained that comments and amendments to the Annual report would be considered at meetings and submitted to Council.

It was indicated that during oversight meetings, Business Units only focused on their presentations and not the Auditor-General's findings. Clarity was sought on the reason why the 2022/23 Annual Report was in a draft format as it was for the previous year.

In response to the above concerns raised, the Manager: Performance Management indicated that a section for the Auditor-General's findings would be added to the checklist of each Business Unit and they would explain how they were addressed. He added that the checklist was prepared in accordance with Circular 63, which highlighted how oversight reports were structured. In respect to the 2022/23 Draft Annual Report, he mentioned that the report would no longer be a draft once Council had approved it.

*(At this point of the proceedings (9h20) Councillor S Mncwabe joined the meeting)*

In response to the request made for the provision of hard copies of the checklist and the 2022/23 Annual Report, the Manager: Performance Management indicated that the Msunduzi Municipality was striving for paperless agendas for cost-saving purposes; hence soft copies were submitted to Councillors.

With regards to clarity on the schedule of meetings, the Chairperson indicated that dates were provided at the previous Council meeting held; however, his secretary would submit the schedule to members as soon as possible.

In respect to the time and venues for oversight meetings, the Chairperson pointed out that that was beyond his control due to other Portfolio Committee meetings taking place.

It was

#### **RESOLVED**

That the Annual Report Assessment Checklist 2022/23 be NOTED.

The meeting terminated at 9h30

Confirmed by  
  
CHAIRPERSON



ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
DOCUMENT PREPARED BY	Ms. C Jacobs	Committee Officer	<i>Claudette Jacobs</i>	13/02/24
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer	<i>B Duze</i>	13/02/24



## MSUNDUZI MUNICIPALITY

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE –  
COMMUNITY SERVICES MEETING**

Meeting held on **TUESDAY, 20 FEBRUARY 2024** in  
**1<sup>ST</sup> FLOOR BOARDROOM, KZN LEGISLATURE** at 9H00.

**PRESENT:** Councillors ZH Magubane (Chairperson), R Khanyile, B Mkhize, L Mgaga, S Mncwabe, R Niemand, TC Ngubane, JJ Ngubo, DB Phungula, S Reddy, P Sithole, MB Zuma, T Zondi and S Zuma.

**OFFICIALS**

**PRESENT:** Messrs M Zuma (Deputy Municipal Manager: Community Services [Acting]), T Lyons (Senior Manager: ABM), S Zimu (Senior Manager: Office of the City Manager [Acting]), H Zondi (Manager: Municipal Public Accounts Office) and F Khan (Chief Fire Officer). Mesdames TT Ntuli (Manager: Disaster Management), P Parag (Manager: Library [Acting]), N Khawula (Advisor: PMS), N Ngcobo (Intern: IDP), N Nyembezi (Principal Language Practitioner) and C Jacobs (Committee Officer).

**ALSO**

**PRESENT:** Councillor N Msimang (Chairperson: Community Services Portfolio Committee).

**1. WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present at the meeting and commended the Chairperson of the Community Services Portfolio Committee for her attendance.

Councillors TC Ngubane and S Mncwabe requested to leave the meeting at 12h00.

Apologies were tendered on behalf of the Senior Manager: Waste Management and the Municipal Manager who had official commitments.

NOTED.

**2. DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA**

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee.

NOTED.

### 3. CHAPTER 3: SERVICE DELIVERY PERFORMANCE

#### 3.1. Component C: Waste Management

(Page 29 of the Annual Report 2022/23)

The Deputy Municipal Manager: Community Services gave a brief overview on the Waste Management Unit explaining the functions of the New England Road Landfill Site and the classification of waste that was allowed to be deposited. He explained that the New England Road Landfill Site was permitted to operate until it reached its maximum level. He added that the Municipality aimed for full compliance on the National Environmental Management Waste Act 59 of 2008. He further added that the weighbridge infrastructure was fully functional including the weighbridge automation and stated that the site had started generating revenue.

The Deputy Municipal Manager: Community Services advised that the Business Unit procured waste collection equipment, which were bulk refuse containers for the skip collection of waste in semi-rural areas, as well as for bulk waste minimization operations at the municipal garden sites. In addition, he mentioned that four NP200 vehicles were procured for supervisory personnel and the enforcement team. He provided a brief overview of the statistics in terms of household collection and indicated that the proportion of households below service level was 26%.

NOTED.

#### 3.2 Component D: Recreation & Facilities

(Page 30 of the Annual Report 2022/23)

The Deputy Municipal Manager: Community Services provided a brief overview of the Recreation and Facilities Unit in terms of the composition of the following core functional areas:

- Parks Management (Horticulture, flora, 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)

NOTED.

#### 3.3 Component E: Disaster Management

(Page 33 of the Annual Report 2022/23)

The Deputy Municipal Manager: Community Services outlined the staff component and challenges in the Unit and advised that a Disaster Manager had recently been employed in December 2023. He explained that Disaster Management was under the jurisdiction of the Disaster Management Act 57 of 2002. He stated that the Act required an integrated and effective response to disasters. He added that the Disaster Management aimed 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 and co-ordinating disasters.

The Deputy Municipal Manager: Community Services advised that Disaster Management comprised of two components, namely, the proactive component that alerts the community to the problem, highlights practices to prevent problems and work with other departments and entities to avoid problems and to lessen the impact of problems.

He indicated that under the leadership of the Environmental Management Unit, significant progress had been made towards determining how climate change projections would affect communities and individuals within the Msunduzi Municipality. He added that the impact of existing climate variability and likely future climatic changes would be cross-sectorial and necessitate adaption planning by the majority of municipal departments. Furthermore, he advised that it was a legal requirement for the Local Authority to develop an off-site plan for every Major Hazard Installation (MHI). He outlined the MHI Legislation and emphasised that it was the intention of Disaster Management together with the Fire Rescue Services to involve all relevant stakeholders and critical departments that needed to play a significant role in the implementation of the off-site emergency plan as per the MHI Regulations.

The Deputy Municipal Manager: Community Services indicated that during the 2022/23 period 24 Disaster Awareness programmes visits were undertaken in various wards of Msunduzi. He mentioned that these programmes were effective and helped in disaster risk reduction within the various wards. He added that relief supplies and assistance in the form of temporary accommodation (tents), food parcels, mattresses, and blankets, plastic sheeting used as waterproofing had been given to those who were affected by storm, fires, winds, and other disasters. He explained that the Disaster Management Unit was also involved in event safety and formed part of the safety and security cluster that oversaw and monitored all events within the Msunduzi area of jurisdiction, adding that it also participated in planning meetings prior to various types of events.

He outlined the service statistics and the disaster management service data and indicated that Disaster Management was also responsible for the Emergency Communications Centre (ECC). He further outlined the responsibilities of the Emergency Communications Centre (ECC), which was to provide prompt, courteous, and professional handling of all emergency calls from the public and to subsequently dispatch appropriate emergency service responders.

NOTED.

#### 3.4 Component F: Fire Services

(Page 33 of the Annual Report 2022/23)

The Deputy Municipal Manager: Community Services provided a brief overview of the Unit and highlighted the challenges it faced in terms of staffing, overtime and vehicles. He mentioned that the lack of fire stations servicing the extreme areas of the municipality was a cause for concern due to the risks attached to the delayed response times from fire stations which were a distance from those areas. It was mentioned that this was further exacerbated by the peak periods which had an impact on the ability to effectively protect life and property. He proposed that new fire stations be built at Vulindlela, Northdale and Ward 39 to mitigate delayed response times. He stated that the severe staff shortage had a direct impact on the morale of staff, safety, and overtime budget implications in order to maintain an effective service. He provided the statistics for the fire service data and mentioned that vehicle repairs and maintenance was negatively impacted by poor supply chain processes which failed to recognize emergency fire vehicle repairs as urgent.

NOTED.

#### 3.5 Component G: Traffic & Security Department

(Page 34 of the Annual Report 2022/23)

The Deputy Municipal Manager: Community Services highlighted the core functions of the By-law enforcement Officers, Traffic Wardens and Traffic Officers. He outlined the measures taken to improve performance in terms of shift changes which accommodated a need of required manpower to deal with daily challenges of traffic. He added that the Department of Public Safety helped to ensure a safe environment and improve the quality of life through effective traffic policing combined with efficient use of security officers.

Their duties included:

- (a) Control and regulate all forms of traffic, promote education and training on the road and traffic safety.
- (b) Attend scenes of motor vehicle collisions and assist with traffic control, removal of injured persons and removal of vehicles so that traffic may flow freely again.
- (c) Eliminate points of congestion, obstruction, hindrance, interference or danger to vehicles and pedestrians.
- (d) Driver licence Test Centre and Registration helps to provide effective issuing of valid driver's licences and Professional Drivers permits.

### 3.5.1 Municipal Security

(Page 35 of the Annual Report 2022/23)

It was stated that the Security Unit served as a Reactionary Unit that was deployed to defuse potential volatile situations, adding that the Unit was responsible for stabilizing situations when normal law enforcement was insufficient namely, 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, Bylaws, assist with forced removals, protest marches / crowd management during public gathering and demonstrations and removing of homeless people in the Central Business District (CBD).

NOTED.

### 3.6 Area Based Management (ABM)

(Page 21 of Annual Report 2022/23)

The Deputy Municipal Manager: Community Services provided a brief presentation on the Unit in terms of the background, challenges faced, Vulindlela operational structure/areas, government services and service statistics for the Area Based Management Unit.

NOTED.

## 4. CONCERNS AND RESPONSES

(Raised Verbally)

Concern was raised regarding fleet management in terms of general repairs and purchasing of new vehicles particularly for the Parks and Recreation Unit. In terms of Parks and Recreation, a query was raised on the status of the tractors and brush-cutters. Further concern was raised on the manner that poaching and snares were managed at the Bisley and Ferncliffe Nature Reserves. It was proposed that revenue be generated from the sale of animals as proposals made for this had been rejected.

Concern was raised on the status of the Disaster Management Unit and it was pointed out that there was a lack of food supplies, a series of fires and no responses during disasters. In terms of traffic. It was proposed that the dysfunctional robots be upgraded to ensure a smooth traffic flow especially during the night when there were no Traffic Officers. It was indicated that traffic officers were non-existent at schools, which made the matter a disaster waiting to happen. The status of the Area Based Management (ABM) Unit in terms of their plans and purpose was queried and it was felt that this Unit was irrelevant.

In response to a query regarding fleet, the Deputy Municipal Manager: Community Services [Acting] indicated that two new employees had been employed in that Unit, namely, the Manager: Workshop and the Fleet Finance Manager who had a turn-around strategy for the workshop. He added that their proposal was currently premature to consider, as it was in the process of being submitted to the relevant Council structures. To assist with the expedition of vehicle repairs, he mentioned that the Supply Chain Unit had provided them with generic parts for vehicles.

Responding to a query on tractors, he indicated that there were currently only three tractors which were used for the maintenance of grounds, open spaces and sports facilities in the entire Municipality. He mentioned that there were insufficient brush-cutters for the cutting of verges as tractors cut larger spaces.

Regarding animal poaching the Deputy Municipal Manager: Community Services [Acting] mentioned that the New Structure consisted of Field Rangers who would assist with this issue by patrolling the Bisley and Ferncliffe Nature Reserves. He added that currently a group named "*Friends of Bisley*" assisted with the snares. In respect to the sales of animals, he mentioned that a report had been submitted to the Supply Chain Management Unit for approval for that.

The Deputy Municipal Manager: Community Services [Acting] mentioned that the traffic lights were the responsibility of the Transport Unit who utilized their technicians to repair the robots; however, if the need arose the Traffic Unit usually assisted. He added that dysfunctional robots were usually left on a red flashing mode to caution drivers at night, as there were no traffic officials were available at that time. Regarding Scholar patrols at schools, he indicated that they were being removed to ensure that authorized Officers enforced the By-laws of the city. He added that Ward Councillors would be informed accordingly as the core function for the mandate of scholar patrols was with the Provincial Department of Transport and the Expanded Public Works programme (EPWP) project which was under them.

In response to clarity on the Area Based Management (ABM) Unit in terms of their functionality, the Deputy Municipal Manager: Community Services [Acting] emphasized that this Unit was a critical component of the Msunduzi Municipality in terms of community based planning and social facilitation. He added that the ABM Unit in the EThekweni area was immense, as they had moved from soft core (community participation, social facilitation and ward audits) to hard core (where they were building and dominating).

Concerns was raised in respect of poor domestic waste collection and broken trucks in the Workshop, which contributed to illegal dumping. The status of the garden refuse sites were queried, particularly, Link Road which was in a terrible condition. The cleanliness of the taxi tanks were queried and it was mentioned that those were in a bad condition and action was needed. Clarity was sought on the status of the sports facilities and it was indicated that they were poorly maintained. It was mentioned that Dales Park used to be in a good condition, however, it was now neglected.

The status of the Westmall Park was queried and it was mentioned that a tavern was currently located on those premises. Concern was raised in respect to the crematoriums that were not working and a turn-around strategy was requested to deal with this. It was mentioned that a budget to fix them had been approved; however, residents were still going to Cato Ridge for cremations. It was felt that this was irregular and it was alluded that Municipal officials were colluding with the person managing the Cato Ridge crematorium in terms of financial gain.

Concern was raised in respect of the diversion of trucks from the N3 to the residential areas which caused the death of a child. It was felt that the abnormal loads which parked in open spaces for sports facilities opposite Richmond Crest (R56) were damaging infrastructure and it was requested that the By-laws regarding this be enforced.

In terms of the broken down trucks, the Deputy Municipal Manager: Community Services [Acting] re-iterated that two newly appointed managers who were implementing a strategy to manage repairs had been appointed. However, he added that the repair rate for fixing of vehicles was delayed due to the slow supply chain management processes, the submission to the Expenditure Committee and service providers that had not been paid; hence, they were reluctant to do the repairs.



*(At this stage of the proceedings (10h52) Councillor JJ Ngubo left the meeting)*

Regarding the garden refuse sites, he agreed that they were in a bad condition; however, they would implement interventions to improve the situation. He mentioned that during waste collection two bags of garden refuse were allowed to avoid dumping.

Responding to a query regarding the maintenance of sports facilities and taxi ranks, the Deputy Municipal Manager: Community Services [Acting] explained that this was due to an insufficient budget and most residents utilise those facilities without payment. Regarding the Westmore Park, he indicated that it was owned by the Transnet Department, not the Msunduzi Municipality; however, he stated that he would investigate the possibility of them selling it to the Municipality. In respect to the crematoriums, he indicated that there were two crematoriums at Mountain Rise, Crematorium A and B, which consisted of two cremators each. He added that Crematorium B had a gas tank and a generator for load shedding purposes but unfortunately, there was a challenge with the burners. However, due to the resolution taken by Council to lease them out, it was recommended that Crematorium A be used for cremations taking cognisance of the load shedding schedule as it consisted of 48kg gas bottles. He added that since the supervisor at the crematorium had been dismissed vandalism of the gas pipes had taken place therefore; they needed to fix them before leasing them out. In terms of the diversion of trucks, he explained that he was unaware of this; however, he would conduct an investigation in order to provide a proper report back.

In response to a query regarding abnormal loads, he explained that the project was ongoing and would be considered holistically in terms of a sporting facility and a facility to be used for the trucks. In respect to a concern raised on waste management, the Deputy Municipal Manager: Community Services indicated that an Integrated Waste Management Plan (IWMP) would be implemented to address all sections of waste management from domestic, industrial waste collection to illegal dumping etc.

Concern was raised in terms of the Safe City reports and it was indicated that the Security Unit was non-responsive in addressing those. In response, the Deputy Municipal Manager: Community Services indicated that a comprehensive report would be submitted to the Municipal Public Accounts Committee, as it was an item on the outstanding matters report.

Clarity was sought on the status of the Imbali Library, the comparison of a pauper burial and indigent burial and disaster relief material such as tents. In response to the concerns raised, the Deputy Municipal Manager: Community Services explained that the Imbali Library was under the Department of Sports, Arts and Agriculture. He added that the budget had been approved and the soil turning had been done but implementation had not taken place. He further added that the Municipal Manager had written to the Head of Department (HOD) and the Mayor had written to the MEC for Sports, Arts and Agriculture, however, they were still unaware of the challenges. Responding to clarity on a pauper Burial and an indigent one, he explained that a Pauper was an unidentified person and an indigent was a person who had been registered on the indigent register.

Concerns were raised in terms of disaster relief in respect of food parcels, the absence of cameras at robots which contributed to the loss of revenue, clarity on the abbreviation "DSAC" and the correction of Councillors names in the various Area Based Management (ABM) Zones, particularly, Councillor Mbusiswa Mkhize's name which was misspelt as "Sibusiso" (Ward 39) and also others on the list.

Responding to a concern on the absence of cameras at robots, it was pointed out that the Acting Manager at Traffic, Mr S Zondi would address that, as it was a good Speed Camera Law Enforcement project for revenue collection. In terms of clarity on the abbreviation "DSAC", he mentioned that this stood for the "*Department of Sports, Art and Agriculture*". Regarding the correction to the names of Councillors on the Area Based Management (ABM) list, he stated that they would verify them and deal with them accordingly.

Concerns were raised in respect to the absence of the one Ward, 1 Co-operative project that had benefitted wards in respect to illegal dumping and climate change and natural disasters. In response to the concerns, it was stated that the Co-operatives were the custodians of the Sustainable Development Unit who were dealing with smaller businesses (SMME's and co-operatives). The Deputy Municipal Manager: Community Services indicated that clarity would be from on that aspect so that issues of illegal dumping and collection could be addressed.

Concerns were raised in terms of tourism attraction areas, which were unkempt, and animals roaming in the city. Responding to those concerns, it was stated that a dedicated person was responsible for the upkeep of the Tatham Art Gallery, Carbineers Garden, Library, City Hall and Freedom Square, however, the challenges in terms of cleanliness in those areas would be investigated. In respect to the roaming animals, it was stated that an Animal Pound Section was on the Security Unit structure, however, it was currently being facilitated by the Area Based Management (ABM) Unit.

Clarity was sought on the closed cemeteries, particularly, Moses Mabhida which was a Heroes Acre, the staff compliment in the Disaster Unit, status of the accommodation for the homeless people, the absence of garden sites in zones two and three, poor state of Dales Park Stadium and the status of the projects under the Building Unit.

Responding to the above concerns the Deputy Municipal Manager: Community Services noted the concerns and indicated that in terms of Moses Mabhida Cemetery a separate heading would be created indicating "Heroes Acre" as it was not closed, and had its own status. In terms of accommodation for the homeless people, he mentioned that the Deputy Mayor was currently addressing this issue. Regarding the closure of garden sites in Wards two and three, he explained that they had been closed due to the development of the Edendale Mall. He added that the developers were supposed to have re-built the garden site and the stadium. He further added that the Municipality had started a garden site in KwaPata; however, the Ward Councillor had earmarked that site for a sports facility for the community.

In response to a query on the sale of Dales Park, the Deputy Municipal Manager: Community Services indicated that a proposal had been submitted to the Municipal Disposal Asset Committee for the upgrade of it. He added that the property had also been earmarked by the Integrated Rapid Public Transport Network (IRPTN) as a bus depot. In terms of the projects within the Building Unit, he mentioned that he would investigate this with the Manager: Building Maintenance. In response to clarity on the absence of equipment for the new Expanded Public Works programme (EPWP) staff, it was indicated that this was due to budget challenges, however, staff normally teamed up with those that had.

*(At this stage of the proceedings (12h00) Councillors TC Ngubane and S Mncwabe left the meeting)*

In terms of concerns raised on disaster relief, the Disaster Manager indicated that the Unit was not a line function department but a co-ordinating function in line with the Disaster Management Act; therefore, the Unit did not have the legislative mandate to provide shelter or groceries as there were departments who were assigned to such. She added that South African Social Security Agency (SASSA) provided social relief of distress in terms of food parcels, not the Msunduzi Municipality. In terms of housing people, she mentioned that that was the function of the National Department of Human Settlement, not their Unit. She added that they had assisted with the housing issue by providing Wendy houses; however, they had experienced challenges as they were costly and upon provision of them, they could not be removed; therefore, they had resolved that the function be returned to the National Department of Human Settlement. In terms of the statistical review, she mentioned that the report had been compiled prior to her appointment therefore she would be unable to account for the incidents that had taken place. She added that her Unit discouraged people to be put in halls or temporary housing as that became a logistical nightmare to feed them and remove them from halls. She further added that in exceptional cases such as flooding overnight, people were sheltered in halls and returned to their houses in the morning. She emphasised that the Department of Human Settlement was accountable for people affected by human disasters. In terms of climate-change, she agreed that the Unit needed to enhance their disaster functionality to ensure that they were prepared for such disasters.



Responding to clarity sought on the staff compliment, the Manager: Disaster Management indicated that currently the Unit consisted of 10 employees and the proposed organogram consisted of an additional 28 more employees.

The breakdown of employees was said to be 8 Officers, 14 Disaster Management Assistants, 2 Directors and 3 Administration staff. She pointed out that the additional staff would therefore enhanced the functionality and capacity of the Unit as more people would respond and attend to issues.

NOTED.

5. **AUDITOR-GENERAL'S FINDINGS AND ACTION PLANS**

(Item 3.8 of the agenda)

The Chairperson reminded Committee of the decision taken at the previous meeting whereby it had been resolved that all Business Units submit action plans on the Auditor-General's findings.

Regarding the fact that a written report on the action plans on the Business Unit was unavailable, the Chairperson recommended that the Deputy Municipal Manager: Community Services compiled a comprehensive report for submission to the Municipal Public Accounts Committee (MPAC) accordingly.

NOTED.

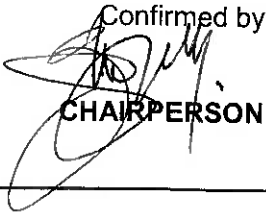
6. **FURTHER APPLICATIONS FOR LEAVE**

(Raised verbally)

There were no further applications for leave.

NOTED.

The meeting terminated at 12h05

Confirmed by  
  
**CHAIRPERSON**

ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
DOCUMENT PREPARED BY	Ms. C Jacobs	Committee Officer	<i>Claudette Jacobs</i>	29/02/2024
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer	<i>B Duze</i>	29/02/2024

The meeting terminated at 12h00



## MSUNDUZI MUNICIPALITY

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE –  
CORPORATE SERVICES MEETING**

Meeting held on **TUESDAY, 13 FEBRUARY 2024** in  
**1<sup>ST</sup> FLOOR BOARDROOM, KZN LEGISLATURE** at **9H00**.

**PRESENT:** Councillors ZH Magubane (Chairperson), R Khanyile, B Mkhize, L Mgaga, R Niemand, TC Ngubane, JJ Ngubo, DB Phungula, S Reddy, P Sithole, MB Zuma and S Zuma.

**ABSENT:** Councillors S Mncwabe (indisposed) and T Zondi.

**OFFICIALS**

**PRESENT:** Mesdames M Molapo (Deputy Municipal Manager: Corporate Services), M Wankra (Senior Manager: Secretariat & Auxilliary Services [Acting]), N Sikhakhane (Manager: Secretariat), S Mbokazi (Chief Legal Advisor), X Ndzingi (Legal Advisor), N Khawula (PMS Advisor), S Madlala (Intern: ICT), A Nyumbela (Intern: IDP), Messrs X Ngebulana (Senior Manager: ICT), H Zondi (Manager: Municipal Public Accounts Office), S Dube (Chief Professional Nurse: Occupational Health), S Pillay (Manager: Occupational Health & Safety), M Mbokazi (Legal Advisor), W Schnaar (Manager: Information Services), MM Govender (Advisor: Skills Development), PS Mosa (Manager: Printing Services), L Nzimande (Intern: IDP), S Sibisi (Interpreter) and Ms. C Jacobs (Committee Officer).

**ALSO**

**PRESENT:** Councillor Z Ngcobo (Chairperson of Corporate Services Portfolio Committee), Mesdames J Fenner and E Statford (members of the public).

1. **WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present at the meeting and commended the Chairperson of the Corporate Services Portfolio Committee for her attendance.

An application for leave was received from Councillor S Mncwabe who was indisposed. An apology was tendered on behalf of Councillor MB Zuma who would be joining the meeting late due to an official commitment. Councillor L Mgaga requested to leave the meeting at 14h00.

Another apology was tendered on behalf of the Senior Manager: Human Resources [Acting] who had an official commitment.

It was

**RESOLVED**

That Councillor S Mncwabe be granted leave of absence from the current meeting of the Municipal Public Accounts Committee.

*(Councillors MB Zuma, JJ Ngubo and R Khanyile were not present when this decision was taken)*

## 2. DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee.

NOTED.

## 3. ORGANIZATIONAL DEVELOPMENT PERFORMANCE

(Page 71 of the Annual Report 2022/2023)

*(At this point of the proceedings (9H15) Councillor R Khanyile joined the meeting)*

### 3.1. Component A: Introduction to Municipal Workforce

(Page 71 of the Annual Report 2022/2023)

The Deputy Municipal Manager: Corporate Services indicated that the Annual Report 2022/23 was compiled in context with the reviewed Structure. She advised that the Municipality was currently in a transitional process of aligning employees to the approved new Structure.

The Deputy Municipal Manager: Corporate Services outlined the report in terms of the employee totals, turnovers and vacancies and indicated that in terms of the 2022/23 Annual Report, the vacancy rate was currently 47.24%. She added that the Municipality had set aside R50m for recruitment processes. She further added that the recruitment process would mainly focus on service delivery units such as Community Services, Electricity, Infrastructure and the support departments. She mentioned that there were various reasons for the high vacancy rate, which were due to resignations, dismissals, deaths and retirements.

NOTED.

### 3.2 Component B: Managing the Municipal Workforce

(Page 71 of the Annual Report 2022/2023)

The Deputy Municipal Manager: Corporate Services pointed out that a few policies had been reviewed in alignment with the Municipal Staff Regulations with effect from 1 July 2023 to ensure that human resource practices were adhered to. She reported that Council had adopted only two Policies in the 2022/23 financial year, which were the Training and Development Policy and the Recruitment and Selection Policy.

The Deputy Municipal Manager: Corporate Services gave a brief overview on the injuries, sickness and suspensions highlighting the total estimated cost of injuries on duty and indicated that there were no fatalities reported. She outlined the executive summary in terms of the Occupational Health and Safety Unit and mentioned that 49 employees had been injured and 554 injury leave days had been taken in the 2022/23 financial year. She emphasized that sick leave was currently being monitored especially in cases where it was frequented and not justifiable.

Furthermore, she outlined the report in terms of the number and period of suspensions during the reporting period and reported that an employee who was found guilty of selling the Municipality's property had been dismissed on the 15 August 2023. She emphasized that fraud and corruption misconduct cases were delayed due to their complexity.

It was explained that the Municipality was currently cascading performance management to other levels in line with the 2021 New Staffing Regulations and Integrated Personnel Management System (IPMS) Policy. In addition, it was pointed out that performance management was currently not linked to a rewards system.

NOTED.

### 3.3 Component C: Capacitating Municipal Workforce

(Page 75 of the Annual Report 2022/2023)

The Deputy Municipal Manager: Corporate Services indicated that the municipal workforce was capacitated through the current framework of the Municipality and the Workplace Skills Plan (WSP). She mentioned that other initiatives were also undertaken to capacitate the workforce such as the signing of the Memorandum of Understanding (MOU) with the National School of Government who provided cost-effective training opportunities for staff and Councillors.

With regards to the skills matrix, the Deputy Municipal Manager: Corporate Services advised that 620 employees had been trained which was an initiation of the Workplace Skills Plan (WSP). She added that all employees were expected to submit Personal Development Plans (PDP's) to ensure that their training was captured in the Workplace Skills Plan (WSP).

The Deputy Municipal Manager: Corporate Services provided a brief overview of the financial competency development progress report and advised that the competency level of employees was high, highlighting those that were not competent were undergoing training to improve their financial capability.

NOTED.

### 3.4 Component D: Managing the Workforce Expenditure

The Deputy Municipal Manager: Corporate Services outlined the workforce expenditure in terms of the number of salaries that had increased due to the upgrade of positions, and employees whose salary levels exceeded the grade determined by job evaluation. She emphasized that job descriptions were thoroughly examined in order to standardize them in accordance with the job grading.

NOTED.

## 4. QUESTIONS AND ANSWERS

(Raised verbally)

A concern was raised in respect to the current organogram as it was felt that it was bloated in some departments, particularly in the Area Based Management (ABM) Unit, taking into cognizance the financial status of the Municipality. In order to ease the financial strain of the Municipality, it was suggested that certain staff, such as employees within the ABM Unit should be placed in other departments where there were vacancies, provided that they were equipped. In response to clarity sought on staff who lacked capacity/skill to perform, it was pointed out that the competencies of staff were not in their agreements and not included in the current Annual Report.

Clarity was sought on the high number of suspended staff and the lengthy period of finalizing cases. It was suggested that other avenues be sought to fast track cases and that the Annual Report should indicate the progress. Clarity was sought on the payment of suspended employees, payment of employees acting in their positions and the loss of finance to the Municipality due to such.

The Deputy Municipal Manager: Corporate Services concurred with Councillor Reddy regarding the bloated structure and stated that this was due to the anomalies on the old Structure. She added that the New Structure addressed those anomalies. She further added that the Annual report was on the 2013 Structure therefore the legislative landscape had since changed. She outlined the Staff Regulations in the New Structure and stated that this clarified the matter.

In terms of a concern raised on capacity versus skills, the Deputy Municipal Manager: Corporate Services explained that the Human Resources Unit (HR) currently tracked competencies and recruitments were done in accordance with job descriptions. She added that the Job Description outlined the skills experience and qualifications required. She further added that development capacity building initiatives were implemented in cases where the recruitment had not conformed to the job description.

The high vacancy rate was questioned and it was suggested that a timeframe for the filling of vacancies be indicated in the Annual Report. A concern was raised in terms of the demographics and the failure of adhering to the Employment Equity Policy each year. It was suggested that the Annual Report should indicate what was being done to balance the demographics in order to make the Municipality effective. In terms of the performance management system, it was suggested that the Annual report should indicate the present status and its effect over the years.

In response to a query raised regarding suspensions, the Deputy Municipal Manager: Corporate Services advised that the Collective Agreement regulated such. She explained that suspensions were normally three months, however, Council had the authority to extend those of Deputy Municipal Managers (DMM's) and the Municipal Manager had authority to extend others on reasonable grounds. She mentioned that suspensions were usually extended beyond three months if investigations were incomplete. She reported that the consequence management report consisted of 96 to 102 cases of which 101 cases had been closed in the 2022/23 financial year; and 47 new cases were recorded in the current financial year, which were not reflected in the report.

Responding to a query raised regarding demographics, the Deputy Municipal Manager: Corporate Services stated that the matter was currently being addressed and assured Committee that a change was forthcoming. She added that the interpretation of the previous Employment Equity Act was problematic; however, the new Act provided a structured way of reporting and implementing initiatives. She advised that a report on the Micro Employment Equity Consultation Committee that appointed the Deputy Municipal Manager: Corporate Services as the chairperson of the Committee had recently been submitted to Council for approval. She added that this would ensure accountability, as there was previously no accountable person. She mentioned that an implementation plan to address the demographic imbalances would be incorporated in the next Annual Report.

Regarding the issue of demographics, management was urged to be innovative and come up with new strategies to ensure that they attracted other racial groups in order to comply with the Employment Equity Act.

*(At this stage of the proceedings (10h05) Councillors JJ Ngobo and MB Zuma joined the meeting)*

In response to a query raised regarding the payment of employees that were suspended, the Deputy Municipal Manager: Corporate Services confirmed that they were being paid as they were not dismissed. She further added that, in line with the Collective Agreement, suspended employees had to receive remuneration.

It was requested that the well-explained responses received at the current meeting in terms of demographics, incompetency levels and vacancy rate be incorporated in the next Annual Report for the benefit of the members of the public.

In response to a concern raised on the Employment Equity Act, the Deputy Municipal Manager: Corporate Services stated that this should be addressed in the current Annual Report; however, it would be rectified where necessary.

Responding to a query raised on the competency levels and the reasons behind the Municipality being placed under administration, the Deputy Municipal Manager: Corporate Services advised that the Ministerial Representative (MR) had recently submitted a report to Council regarding the matter. She advised that there were multiple factors that influenced the issue, however, she did not understand the high competency levels within the Municipality and the reasons behind the administration.

She added that the Department of Cooperative Governance and Traditional Affairs (COGTA) also indicated that one of the reasons for administration was due to the high vacancy rate of 48%. She concurred that this was not an ideal situation for a huge municipality, stating that the Municipality was currently incrementing funds to fill vacancies, which they were doing.

NOTED.

## 5. **CHAPTER 7: RESPONSE TO THE AUDITOR-GENERAL**

### 5.1 Appendix A: Councillors; Committee allocation and Council attendance

(Page 107 of the agenda)

### 5.2. Appendix B: Committee and Committee Purpose

(Page 110 of the agenda)

### 5.3. Appendix C: Third Tier administrative structure

(Page 112 of the agenda)

The Deputy Municipal Manager: Corporate Services provided a brief overview on items 5.1 to 5.3.

NOTED.

## 6. **QUESTIONS AND ANSWERS**

(Raised verbally)

Subsequent to the presentation, Councillor R Niemand referred to page 109 of the Annual Report and requested that the spelling of his name be corrected. Councillor P Sithole requested that Councillor DB Phungula's name be recorded under the list of the Municipal Public Accounts Committee (MPAC).

In response to the above concerns, the Deputy Municipal Manager: Corporate Services assured Committee that the Performance Management Support (PMS) Unit would be informed of the amendments to the report.

It was

### **RESOLVED**

That the Manager: Performance Management makes the following amendments on the Annual Report 2022/23:

- (a) Page 108, Councillor DB Phungula's name be recorded under the list of the Municipal Public Accounts Committee (MPAC).
- (b) Page 109, Councillor Niemand's name to be amended to read "*Rienus*"

7. **AUDITOR-GENERAL'S FINDINGS AND ACTION PLANS**

(Item 3.8 of the agenda)

The Chairperson reminded Committee of the decision taken at the previous meeting whereby it had been resolved that all Business Units submit action plans on the Auditor-General's findings. In response to the above, the Deputy Municipal Manager: Corporate Services advised that the 2021/22 findings which had previously been audited were reported to the Municipal Public Accounts Committee (MPAC). She added that a comprehensive report had been submitted to the last Council meeting on the Auditor-General's findings and action plans whereby the Municipal Manager had requested that it be stood down as they were currently being finalized.

Regarding the fact that a written report on the action plans on the Business Unit was unavailable, the Chairperson recommended that the Deputy Municipal Manager: Corporate Services compile a comprehensive report and submit it to the Municipal Public Accounts Committee (MPAC) accordingly.

The Chairperson thanked everyone for their participation and re-iterated the importance of members perusing the 2022/23 Annual Report thoroughly in order to engage informatively.

NOTED.

8. **FURTHER APPLICATIONS FOR LEAVE**

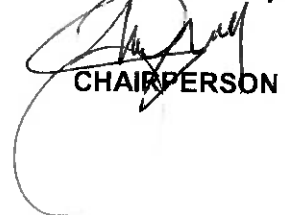
(Raised verbally)

There were no further applications for leave.

NOTED.

The meeting terminated at 11h00

Confirmed by



**CHAIRPERSON**

ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
DOCUMENT PREPARED BY	Ms. C Jacobs	Committee Officer	<i>Claudette Jacobs</i>	19/02/24
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer	<i>B Duze</i>	19/02/24



## MSUNDUZI MUNICIPALITY

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE –  
SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES**

Meeting held on **TUESDAY, 19 MARCH 2024** in  
**1<sup>ST</sup> FLOOR, COUNCIL CHAMBER** at 13H00.

**PRESENT:** Councillors ZH Magubane (Chairperson), L Mgaga, S Mncwabe, R Niemand, TC Ngubane, DB Phungula, S Reddy, P Sithole, T Zondi, MB Zuma and S Zuma.

**ABSENT:** Councillors R Khanyile, B Mkhize and JJ Ngubo.

**OFFICIALS**

**PRESENT:** Messrs M Khumalo (Deputy Municipal Manager: Sustainable Development & City Enterprises [Acting]), AN Khoali (Senior Manager: Town Planning & Environmental Management), N Ngcobo (Manager: Human Settlements), L Myeni (Manager: Local Economic Development), and H Zondi (Manager: Municipal Public Accounts Office). Mesdames N Mofokeng (Senior Manager: City Entities), L Plet (Performance Management Advisor), N Nyembezi (Principal Translator) and C Jacobs (Committee Officer).

1. **WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present at the meeting. Applications for leave were received from Councillors R Khanyile who had a Ward commitment, B Mkhize who had a family commitment and JJ Ngubo who had a Party commitment.

Apologies were tendered on behalf of the Senior Manager: Human Settlement and the Chairperson of the Sustainable Development and City Enterprises.

It was

**RESOLVED**

That Councillors R Khanyile, B Mkhize and JJ Ngubo be granted leave of absence from the current meeting of the Municipal Public Accounts Committee (MPAC).

2. **DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA**

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee.

NOTED.

3. **ANNUAL REPORT 2022/2023**

The Deputy Municipal Manger: Sustainable Development and City Enterprises provided a strategic overview of the various sub-units within the Development Services business unit. He mentioned that the 2013 approved organogram established the Development Services sub-unit, under Sustainable Development and City Enterprises (SD & CE).



The Deputy Municipal Manger: Sustainable Development and City Enterprises [Acting] advised that the functions for Development Services were Economic Development, Business Development, Business Licensing, Economic Planning and Infrastructure.

He gave a brief overview of the Human Settlement Unit and City Entities departments explaining that the City Entities was a section of the Sustainable Development and City Entities Business unit and was made up of six sub-units as listed below:

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

The Deputy Municipal Manger: Sustainable Development and City Enterprises expressed his appreciation on the outlay of the Annual report in terms of the functions, programs and budget which covered the Unit's performance adequately. He referred to component K which was for the *Electricity Supply Unit* pointing out that this had been placed in error under his Unit and requested that it be removed and placed after the "*Town Planning Unit*". He mentioned that Town Planning Unit covered the two main sections being Environmental Health and Environmental Management. He added that other components such as Town Planning, Building Inspectorate and Greater Edendale and Vulindlela Development Initiative (GEVDI) programmes had not been covered adequately in the Annual report.

NOTED.

### 3.1 **COMPONENT H: DEVELOPMENT SERVICES**

(Page 34 of the Annual Report 2022/23)

The Manager: Local Economic Development advised that the Unit had managed to meet all their targets; however, he mentioned that efforts were being made to ensure that all bottlenecks also known as "*Red Tape*" which hinder business development were minimized and eventually eradicated. He added that the sub-unit primarily dealt with promoting Economic Development through the development of Small Medium and Micro Enterprises (SMME's) and Cooperatives (Coops) and furthermore supported the informal economy by the facilitating and monitoring of informal street traders and tuck shops/ spaza shops. He mentioned that the sub-unit also dealt with the support of Business Development by assisting new businesses, promoting investment in the investment in the city and support business retention and expansion. Contrary to Business Development, the sub-unit also regulated business licensing through facilitation of licensing applications, licensing inspections and business registrations.

NOTED.

### 3.2 **COMPONENT I: HUMAN SETTLEMENTS**

(Page 37 of the Annual Report 2022/23)

The Manager: Human Settlements [Acting] indicated that the Human Settlement section had not been covered in its entirety in the Annual report, as there were missing components. He mentioned that the Human Settlement section was 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 was responsible for the provision of the subsidised rental accommodation. He added that the Municipality was currently investigating the establishment of a Municipal entity to deal with the provision and management of rental housing accommodation. In terms of the housing sector plan, he mentioned that his Unit was currently reviewing it internally and targets were being met in terms of housing delivery.

With regards to social housing, he stated that the Human Settlement Unit was currently working together with social housing institutions to deliver social housing. He added that a Land Availability Agreement had been signed with those institutions and detailed planning for those projects were currently underway. He added that the Rental Housing section was in the process of appointing a facilitation management company to assist with the eradication of rental collections, maintenance and other issues that the rental unit was faced with. He emphasised that his Unit was working collectively with the social housing institutions to ensure the deliverance of housing.

NOTED.

### 3.3 **COMPONENT J: CITY ENTITIES**

(Page 37 of the Annual Report 2022/23)

The Senior Manager: City Entities provided a brief overview of her Unit and stated that the Airport had received grant funding which had been spent on the planned projects. She added that since the operation requirements had been met, the licence had thus been renewed by the Regulator. In terms of Safe City, she mentioned that the Key Performance Area (KPA's) as per the Service Level Agreement (SLA) had been met in accordance with the Service Delivery and Budget Implementation Plan (SDBIP). Regarding the Tatham Art Gallery, she mentioned that funding had been received as per the business plan and funding had been spent accordingly. She added that the old Presbyterian Church had been renovated and would be used for functions and other needs by the Tatham Art Gallery. In respect to the Forest, she mentioned that a Service Level Agreement (SLA) had been concluded with the management company and the contract would remain in place for a further three years. In terms of the Municipal Market, she mentioned that operations were ongoing and they were identifying ways to manage the maintenance aspect of it in order to ensure its success. Regarding Tourism, she mentioned that the Key Performance Area (KPA's) were met and the focus for 2024 would be on the branding to increase visibility and promote the city.

NOTED.

### 3.4 **COMPONENT L: TOWN PLANNING**

(Page 40 of the Annual Report 2022/23)

The Senior Manager: Town Planning and Environmental Health indicated that the Unit comprised of Building Control; Town Planning, Environmental Health, Environmental Management, Land Survey and the Greater Edendale and Vulindlela Development Initiative (GEVDI). He added that in accordance with the Service Delivery, Budget, and Implementation Plan (SDBIP) targets, building control had to adhere to the following targets:

- 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 2023.
- 95% of (626) Building Plan Application <500m2 processed for approval by the plan Approval Committee within an average of 17 days from date of receipt of the application by the 30th of June 2023.
- 608 x building contraventions inspections conducted for illegal building works by 30 June 2023.

The Senior Manager: Town Planning and Environmental Management added that the Unit had met their targets; however, they encountered a challenge in terms of compliance regarding building notices that had been issued by the Building Inspectors. He added that the Enforcement Officer who had resigned approximately two years ago only been replaced in February 2024 which created a challenge in ensuring that all contravention notices were submitted to court. He further added that the Signage Unit was poorly managed due to a lack of staff as it only consisted of three employees. He mentioned that the Unit had contracted an external company to manage outdoor advertising under SCM 3 of 21/22, which was the Management of outdoor contract.

The Senior Manager: Town Planning and Environmental Management added that the Msunduzi Municipality had advertised the tender for the Management of Outdoor advertising signs within Council property and JBC Media Group (Pty) LTD was awarded the contract for the management of outdoor advertising signs for a period of 3 years. He added that the Service Level Agreement (SLA) between Council and service provider was not agreed upon and the municipality had subsequently terminated the agreement.

The Senior Manager: Town Planning and Environmental Management provided a brief overview of the Environmental Health Unit stating that it encompassed aspects of human health, including quality of life that is determined by physical, chemical, biological, social and psychosocial factors in the environment. It also referred 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. He added that Environmental Health Services included 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.

The Senior Manager: Town Planning and Environmental Management pointed out that due to the financial situation of the Municipality, the Unit could not procure the rat poison which caused a major problem in the entire city and had forced closure of the court. He added that the Unit had performed well in terms of the monitoring of air and food and had achieved most of its targets in terms of the Service Delivery and Budget Implementation Plan (SDBIP); however, due to funding being taken away during Mid-term Review some targets had not been achieved. He stated that they also experienced a challenge in terms of Town Planning, as there were only two Town Planning Inspectors for the entire city. He thus requested intervention from the Committee in terms of the admission of guilt fines for building transgressions which were ridiculously low. He further mentioned that his Unit had submitted a comprehensive guideline to the Council in the new financial year for building transgressions. He added that a further achievement from the Business Unit were the strategic plans for the Spatial Development Framework (SDF) which would be a part of the Integrated Development Plan (IDP) once it had been adopted. He further added that another achievement was the acquisition of 75% of land in the Greater Edendale area. In terms of the rectification of tenure, he indicated that the Unit had performed adequately; however, they needed a budget to assist the residents in the Greater Edendale area regarding this.

NOTED.

#### 4. CONCERNS AND RESPONSES

Concern was raised on the high vacancy rate in strategic positions particularly the Law Enforcement Officer who had resigned two years ago. The performance of the Unit in terms of SMME'S was applauded; however, it was requested that the Unit work closely with the Communications Business Unit to ensure the exposure of work done in that aspect. The promotion of tourism was commended and it was requested that the Business Unit work collectively with the Communications Business Unit in terms of advertising and ensuring awareness regarding this. Clarity was sought on the absence of rat poison and the reason that it was not procured timeously. With regards to building transgressions, a question was raised on whether an offender would continue operating illegally, subsequent to a fine being paid. Clarity was sought on the number of houses built, number targeted, timeframes and the beneficiaries. A query was also raised in terms of the discounts on flights for Councillors and officials at the Pietermaritzburg Airport.

Concerns were subsequently raised on the registration for houses for the Human Settlement housing project that was taking place in all Wards and the by-laws for shops that were selling food in the city which were not in accordance to their rental agreement/contract.

The maintenance and expenditure of the Airport and Market was commended and it was recommended that Committee considered such entities during the approval of the budget.

It was proposed that a proper bus stop with ablution facilities and stalls for the community to display their products be erected for passengers at the Pietermaritzburg Airport and opposite the McDonalds centre. The absence of information in terms of the Human Settlement Unit was noted and clarity was sought regarding the arrears on the rental stock particularly the Manor and the new flats once the management of rentals was outsourced. In terms of the transgression of the Building Bylaws, it was emphasised that the Senior Manager: Town Planning and Environmental Management inform the Committee when matters were taken to court. With regards to business licensing it was pointed out that the Municipality was targeting shops/businesses that were trading in accordance to their business licenses and environmental health and it was alluded that vendors in the lower Central Business District (CBD) were not targeted. Clarity was also sought regarding the absence of title deeds for some houses that were built between 2007 and 2010 and the selection criteria for Wards in respect of the housing projects and it was recommended that the Building Unit have a plan when building houses.

In response to a concern raised on the disinvestment in the city, the Deputy Municipal Manager: Sustainable Development and City Enterprises [Acting] stated that businesses and foreign shops were not as per the previous standard and had mushroomed everywhere in the Central Business District (CBD). He added that the City Revitalisation Unit on the New Structure would address the attraction of investment, business and revitalisation of the city centre. With regards to business licences, he pointed out that not all businesses required a business licence in terms of Schedule 2, only those that sell food or consumables. He pointed out that vendors who sold food and clothing together were informed that they were in contravention of the Health Regulations and were advised to stop such operations.

In respect to Small Medium and Micro Enterprises (SMME's) development, the Manager Local Economic Development agreed to working closely with the Communications Unit through social media platforms to expose the Unit's activities. He added that his Unit was currently exposing their activities on social media via Facebook on the Msunduzi Municipality's website. In response to a concern raised on the law enforcement in the lower Central Business District (CBD), he concurred with the fact that they needed to focus more on that area as they were currently involved in the CBD regeneration programme and were undertaking a blitz in that area with the South African Police Services (SAPS). He agreed that foreigners had taken over the city; however, he stated that during blitz operations they worked closely with Home Affairs to ensure that the illegal occupants were deported accordingly.

Regarding the resignation of the Law Enforcement Officer two years ago, the Senior Manager: Town Planning and Environment Management indicated that a delay on the appointment was due to processes by the Human Resources Unit. He added that when the post was advertised a suitable candidate had not been identified, as they had not met the requirements for the position; hence the employee had been appointed in February 2024. In response to a concern on the fines for the illegal boarding establishments in the Scottsville and Pelham areas, he stated that those were not suitable as offenders took them lightly; therefore, he suggested that the penalties be increased accordingly.

Responding to a concern on the benefits to Councillors and officials at the Airport, the Manager: City Entities pointed out that there were no benefits in terms of discounts for flights. In terms to the budget for the Municipal Market, she mentioned that R2.5m had been allocated for the roof of the Market for the next financial year. Regarding the erection of a bus stop at the Airport, she mentioned that they would work closely with the Roads and Town Planning Unit to ensure that this was possible.

In response to a concern on the low baiting, the Manager: Environmental Health explained that the problem was with the Supply Chain Management Unit due to two accounts that had not been paid to the service provider; therefore, attempts to procure rat poison had been unsuccessful. He added that his Unit had only managed to procure the rat poison in February 2024. He alluded to the fact that the problem of rodents and pests was due to the management of waste removal and disposal of waste by businesses. He mentioned that funds had to be re-allocated for the procurement of rat poison as the funding for it had been removed in the current financial year.



In response to a concern raised on the enforcement of the Health By-laws regarding salons and vendors selling food etc. he mentioned that this was undertaken throughout the city, such as Imbali, rural areas, the city centre and lower Central Business District (CBD). In respect to a concern on the Law Enforcement Unit, he explained that this Unit was currently understaffed, as there were only ten employees for the entire city instead of twenty six as per the current Structure. He added that a weekly blitz on the enforcement of By-laws was done, 40 to 50 summonses were issued monthly, and revenue of R150, 000 per month was generated from those fines.

The Manager: Human Settlements [Acting] indicated that the housing backlog was currently 44 263, 43463 was in the pipeline and there was a difference of 800 units. In terms of the National Housing Needs Register (NHNR) Program, he mentioned that the Reconstruction and Development Program (RDP) had been strictly for disposal of RDP houses previously, however, due to the different needs of residents, the NHNR program would assist both the National and Provincial government including the gaps in the housing market and would determine the number of people who were left out, people who do not qualify for RDP's and those who do not qualify for a bond.

In response to a concern on the old leases versus new leases, the Manager: Human Settlement [Acting] explained that they were currently enforcing the resolutions taken by Council; however, they were receiving backlash from the community. He pointed out that they were currently working together with the Financial Services Business Unit and they had established that there were 169 defaulters and 104 were on the eviction list of which a few had been evicted. He added that there were currently 11 vacant flats as some residents had chosen to voluntarily vacate the flats and some had refused. He further added that this was a challenge for the Unit as there was no alternative accommodation for the residents and they were communicating with other Units regarding this issue. In terms of the title deeds, he mentioned that the Msunduzi was currently experiencing a backlog regarding this.

Responding to a concern on the treatment of the Councillors during a site visit, the Manager: City Entities explained that the Student Instructor for the Student Pilots had apologised on their behalf. She added that the students were not aware that the Municipal Public Accounts Committee had booked the venue. In terms of clarity on the housing register, the Manager: Human Settlements) pointed out that this catered for everyone. He added that the register was a forward planning tool to ensure the planning of certain types of housing programmes that would target people.

Responding to a concern on the benefits for Msunduzi officials and Councillors at the Airport, the Deputy Municipal Manager: Sustainable Development and City Enterprises advised that legislation did not provide for such as officials and Councillors should not benefit from incentives. He concurred with the proposal for a bus stop and mentioned that this would be strategized with the relevant departments. In terms of the Small Medium and Micro Enterprises (SMME's) it was mentioned that the Unit was taking the advice of the Municipal Public Accounts Committee (MPAC) seriously and a report thereto would be submitted in the next Annual report.

It was

### **RESOLVED**

That the report be amended accordingly to reflect all the activities of the Sustainable Development and City Enterprises Business Unit, particularly the Human Settlement department, Town Planning, Building Inspectorate and Greater Edendale and Vulindlela Development Initiative (GEVDI) programmes

5. **AG FINDINGS AND ACTION PLANS**

(Item 4 of the agenda)

The Deputy Municipal Manager: Sustainable Development and City Enterprises [Acting] advised that the Unit did not have major issues, only compliance one's. He added that the Auditor General had indicated that the Proof of Evidence (POE'S) were not provided in terms of the signing of the attendance register and creating opportunities. He added that in terms of the Greater Edendale Development Initiative (GEVDI), proof of the expenditure for a program in that area had not been submitted to the Auditor-General. In terms of Town Planning, it was pointed out that the Auditor-General had indicated that a plan had not been reported, achieved and targeted. It was mentioned that the action plan regarding this was achieved on the 30 November 2023 and the issues raised by the Auditor-General had since been resolved.

NOTED.

The meeting terminated at 14h35

Signed by  
  
**CHAIRPERSON**

ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
<i>claudette jacobson</i> DOCUMENT PREPARED BY	Ms. C Jacobs	Committee Officer	<i>claudette jacobson</i>	25/03/2024
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer	<i>B Duze</i>	25/03/2024



## MSUNDUZI MUNICIPALITY

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE –  
FINANCIAL SERVICES**

Meeting held on **TUESDAY, 5 MARCH 2024** in  
**1<sup>ST</sup> FLOOR BOARDROOM, KZN LEGISLATURE** at 9H00.

**PRESENT:** Councillors ZH Magubane (Chairperson), R Khanyile, L Mgaga, B Mkhize, TC Ngubane, R Niemand, JJ Ngubo, DB Phungula, S Reddy, P Sithole, T Zondi, MB Zuma and S Zuma.

**ABSENT:** Councillor S Mncwabe.

**OFFICIALS**

**PRESENT:** Ms N Ngcobo (Deputy Municipal Manager: Financial Services), D Gambu (Head: Supply Chain Management), K Shoba (Senior Manager: Revenue), P Ngcobo (Financial Support Services Manager: Corporate Business Unit), TM Nguza (Financial Support Services Manager: Sustainable Development Business Unit), N Buthelezi (Financial Support Services Manager: Infrastructure Services), L Pillay (Financial Support Services Manager: Corporate Services), T Zuma (PMS Advisor) and N Mthembu (Intern: Communications & IGR). Messrs O Langa (Senior Manager: Financial Governance), S Nxumalo (Senior Manager: Expenditure), H Zondi (Manager: Municipal Public Accounts Office) and P Jali (Financial Support Services Manager: Budget Treasury Office [Acting]).

**ALSO**

**PRESENT:** Ms NP Mthembu (Representative from COGTA).

**1. WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present at the meeting and acknowledged the presence of Ms N Mthembu from (Cooperative Governance and Traditional Affairs (COGTA).

An application of leave was received from Councillor S Mncwabe who had a Party commitment. Councillor B Mkhize requested to leave the meeting at 10h30 to attend to a Party commitment.

It was

**RESOLVED**

That Councillor S Mncwabe be granted leave of absence from the current meeting of the Municipal Public Accounts Committee (MPAC).

**2. DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA**

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee.

NOTED.

### 3. **ANNUAL REPORT 2022/2023 – CHAPTER 5 : FINANCIAL PERFORMANCE**

#### 3.1 **COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE**

(Page 83 of the agenda)

The Senior Manager: Financial Governance outlined the statement of financial performance in terms of the financial overview pointing out that the debtor's collection rate was 86%, which was confirmed by the gradual growth of debtors. He highlighted the financial overview for 2022/23 and operating ratios and indicated that the repairs and maintenance budget was below the norm of 8% which would have a negative impact on the sustainability of existing infrastructure.

NOTED.

#### 3.2 **COMPONENT B: SPENDING AGAINST CAPITAL BUDGET**

(Page 84 of the agenda)

The Senior Manager: Financial Governance provided an analysis on the capital budget expenditure, indicating that the actual spending for 2022//23 was 86% which was a slight improvement compared to 21/22 financial year.

NOTED.

#### 3.3 **COMPONENT C: CASH FLOW MANAGEMENT & INVESTMENT**

(Page 85 of the agenda)

It was mentioned that the cash flow report was based on the actual receipts and payments that had been processed through the Msunduzi municipality's main bank account. The monthly cash flow was outlined and it was indicated that the Municipality had a bank balance of R166 million as at the end of June 2023 after meeting its short-term obligations.

NOTED.

#### 3.4 **COMPONENT D: OTHER FINANCIAL MATTERS**

(Page 86 of the agenda)

The Senior Manager: Financial Governance pointed out that the compliance Data Analysis & Reporting reviews the Tariff Policy annually and ensured that all revenue- generating departments adhered to policy imperatives during the review process of tariffs and charges. He added that it was responsible for ensuring that the tariffs were approved in accordance with the relevant legislation; ensured that the tariffs were applied correctly on the SAP ISU Module by analysing and evaluating billed tariffs, to be approved tariffs. He outlined further advantages of the Compliance Data Analysis and Reporting in terms of the reconciliations of the subsidiary and general ledgers, and trial balance and indicated that the draft budget process began in January 2022 for the approval of the 2022/23 tariffs. He further advised that the public participation process took place as follows:

- Businesses on the 4 April 2022
- Government on the 5 April 2022, and
- Civil Society on 5 April 2022.

The Senior Manager: Financial Governance provided a brief overview of the Customer Care, Rates, Utility Services, Revenue Enhancement, Debtors Management, Asset & Liabilities and Expenditure Management Units and mentioned that 70% of customers were in arrears for more than 365 days.

*(At this point of the proceedings, Councillor JJ Ngubo joined the meeting)*

NOTED.



### 3.5 **CHAPTER 6: REPORT OF THE AUDITOR-GENERAL**

(Page 91 of the agenda)

The Senior Manager: Financial Governance pointed out that the Msunduzi Municipality had received a qualified audit opinion. He added that the basis for that was due to service charges on the sale of water, consumer debtors and statutory receivables. He outlined the context of the Auditor-General's opinion in terms of material uncertainty, material impairment, material losses of water and electricity, delayed capital projects and underspending of conditional grants.

NOTED.

### 3.6. **CHAPTER 7: RESPONSE TO THE REPORT OF THE AUDITOR-GENERAL**

(Page 102 of the agenda)

The responses to the report of the Auditor General were highlighted in terms of service charges on the sale of water, consumer debtors, statutory receivables, accumulated surplus and material losses.

NOTED.

### 3.7. **CHAPTER 8: CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

(Page 327 of the agenda)

The Senior Manager: Financial Governance gave a brief overview of the consolidated financial statements in terms of the following:

- operational revenue
- operating expenditure
- operating results per service
- capital expenditure
- external loans, investments and cash
- statement of financial position
- statement of financial performance
- statement of changes in net assets
- cash-flow statement
- accounting policies
- notes to financial statements

### 3.8 **Appendix G: Recommendations of the Municipal Audit Committee**

(Page 145 of the agenda)

### 3.9 **Appendix I: Service Provider Performance Schedule**

(Page 180 of the agenda)

### 3.10 **Appendix J: Disclosure of financial interest**

(Page 263 of the agenda)

### 3.11 **Appendix I: Service provider performance schedule**

(Page 181 of the agenda)

### 3.12 **Appendix K: Revenue collection performance**

(Page 265 of the agenda)

3.13. **Appendix L: Conditional grants received**

(Page 266 of the agenda)

3.14 **Appendix M: Capital expenditure- new & upgrade/ renewal programmes: including MIG**

(Page 267 of the agenda)

3.15 **Appendix N: Capital programme by project current year**

(Page 268 of the agenda)

3.16 **Appendix O: Capital programme by project by ward current year**

(Page 273 of the agenda)

3.17 **Appendix R: Declaration of loans and grants made by the Municipality**

(Page 276 of the agenda)

The Senior Manager: Financial Governance provided a brief explanation of Appendixes G to R in the Annual Report 2022/23.

NOTED.

4. **CONCERNS AND RESPONSES**

(Raised Verbally)

In terms of credit control, it was proposed that the Financial Services Unit be transparent as credit control and the implementation of the policies were not done in certain areas in the city and credit control was not taking place. In order to ensure the implementation of the Credit Control Policy, it was recommended that the annual report be a true reflection of which Wards credit control was not undertaken and the problems that the Unit faced regarding that. It was further emphasized that the Committee had requested that information from the Unit previously; however, it had not been provided.

Clarity was sought on whether the members of public would understand the revenue and financials as reflected in the Annual Report. It was expressed that the revenue that Council collected did not equate with the revenue spent. It was mentioned that properties could be sold at a higher rate than allowing it to be invaded. Clarity was sought on the overstatement for the amount of R241m for the sale of water which was which was an exorbitant amount. It was emphasised that the Committee had requested a report from the Unit on the revenue for the 41 Wards and a breakdown of government departments who were in arrears, however, this had still not been provided. It was cited that the amount that Council brought in versus the amount paid out was insufficient, as this would result in a continuous deficit. The legality of the bank charges in respect to customers was questioned and it was pointed out that customers should not be charged a fee to swipe their cards when making payments. Clarity was sought in terms of the criteria for a rates rebate and the underspending of the conditional grants.

In response to the implementation of the Credit Control Policy, the Senior Manager: Revenue acknowledged that this was still in progress. She referred Committee to page 88 of the Annual report and stated that the Municipality had a challenge in terms of debtors that were not paying their accounts on a regular basis, which has resulted in the debtor's book increasing to R6, 09 billion with 70% of debtors in arrears for more than 365 days. She explained that debt collection strategies which had been approved by Council had been implemented; however, the Unit encountered challenges in terms of tampering and disconnections. She added that challenges were also experienced in terms of security when visiting some areas for disconnections. She appealed to the Committee for support in terms of additional resources and support from the Political offices.

With regards to a concern raised on the qualified audit opinion in terms of revenue from the sale of water, she explained that an Audit Action Plan which had been approved by Council had been developed and they were working with the Water Unit regarding issues raised. In terms of the debtors, she advised that the policies had been reviewed and submitted to the Auditor-General for comments. The Senior Manager: Revenue acknowledged the request for a report on revenue and disconnections per ward and undertook to submit it to the Committee in due course.

In respect of a concern on the bank fees charged to customers, the Senior Manager: Revenue explained that the Municipality also incurred bank fees when customers utilized their bank cards. She added that a fee to the customer was only charged for an amount above R3000, 00. She mentioned that the reason for the implementation of the bank charge fee was due to a customer swiping his card for an amount of R1m monthly to acquire e-bucks which resulted in the Municipality paying for those charges. Hence, she stated that customers were encouraged to use other methods of payment such as EFT in order for the Municipality to save on costs. Responding to a concern on the two billing cycles, she mentioned that this method had assisted the Municipality as collections had improved significantly, which resulted in R490m having been collected by the end of February 2024. She provided clarity in terms of the rates rebates and qualifying criteria, stating that rates rebates of 40% were given to consumers (pensioners, grants and child-headed households) who applied on a monthly basis for it. She outlined the qualifying criteria for indigent applicants stating that the threshold per household was an income of not more than R5700. She added that indigent applicants received 70kw for electricity, 6kl for water and 100% discounts in terms of sewer, refuse and the amp charge. She further added that indigent application process would commence at the end of March 2024.

The Senior Manager: Financial Governance referred Committee to page 85 of the Annual report and explained the reasons for the high banks charges in terms of the number of transactions which had taken place for April, May and June 2023 respectively.

Responding to a query in relation to the sale of property, it was emphasized that this specifically referred to the auction that the Municipality had done during the 2022/23 financial year for obsolete assets, not land sales, which was managed by the Sustainable Development Business Unit. In terms of the audit of the overstatement of water, the Senior Manager: Financial Governance advised that it had been established that during the audit of the financial statements, some meters had not been read due to fraud; however, management had estimated the readings which led to the overstatements. He pointed out that this matter was currently being dealt with by the Water and Sanitation Unit who were replacing faulty meters which were not repaired timeously.

In response to clarity on the grant funding roll-overs in terms of the Annual Financial Statements (AFS), it was indicated that the MIG was spent in November 2023 and there was a saving of R26 000.00. It was added that when grants were received they were banked separately which resulted in the savings. It was further added that due to the insignificant amount, the department had not applied for a rollover and the money had since been paid back to National Treasury. The Senior Manager: Expenditure assured Committee that departments were spending the MIG grants appropriately and timeously.

In respect to the delay in payments of service providers, it was stated that this was caused by non-collection of revenue. However, it was pointed out that payment to Umgeni Water had been concluded and ESKOM was currently in the process of being paid. The Senior Manager: Financial Expenditure added that a plan was in place for payment of the other service providers whereby the older service providers would be paid prior to the current ones. He added that a meeting took place weekly to check on the outstanding debt and to ensure that it was reduced to 60 days.

In terms of the revenue collection, the Chief Financial Officer assured Committee that her Unit was doing everything to ensure collection. She advised that issues that led to the audit qualification was from the Water Unit in terms of the service charges. She indicated that during Operation Qoqomali it had been established that some accounts had not been billed 100%, and losses had been experienced in some areas where there were water losses.

She added that a proposal had been made to the Water Unit to audit and change water meters of which she felt was not moving fast enough and caused delays in the Financial Services Business Unit. She further added that the non-cooperation of the relevant Business Units had made matters difficult for her Unit in terms of revenue collection.

Regarding a concern on the implementation of the credit Control Policy, the Chief Financial Officer acknowledged that there were challenges in terms of the non-collection of revenue in Edendale, Imbali and Vulindlela. She added that an action plan had been developed to ensure that those areas were being attended to in terms of revenue collection. She further added that the verification process in Vulindlela was near completion therefore they would ensure that billing was taking place. In terms of disconnections, she mentioned that employees were being attacked when they visited the Edendale and Imbali areas. She added that a request had been made at weekly Revenue Enhancement meetings for the Community Services Unit to create a plan for the South African Police Services' (SAPS) assistance during disconnections; however, it had been reported to the Security Unit that this was not happening, adding that they needed to improve the issue of security.

The Chief Financial Officer pointed out that they had been instructed to revive Operation Qoqamali which would be headed by the Financial Services Business Unit. In terms of the double billing system, she felt that it was a good initiative that helped when conducting the accuracy of billings. She added that the Municipality endeavoured to ensure that customers who were paid on the 15<sup>th</sup> of the month were billed on that day and those who were paid at month end were billed then. She added that this made it extremely difficult for meter readers who had to read meters on both instances. She further added that a presentation had been made to the Public Protector on how the double-billing system worked and this would further be submitted to her in writing. In terms of bank charges, she explained that some customers requested that money that was transferred to the Municipality be transferred back to them, which resulted in bank charges being incurred by the Municipality.

It was requested that a breakdown of the challenges and the extent of them be recorded in the Annual report for public consumption. A concern on whether the bank charges charged to customers was re-iterated and clarity was sought on whether this was legal or not.

In terms of the legality of the bank charges against customers, the Chief Financial Officer explained that the Msunduzi was also incurring those charges when consumers swiped their bank cards, hence the Municipality would lose a substantial amount of money if they did not charge bank charges as the equitable share did not cover this. She advised that she would seek a legal opinion regarding this and submit it to the Committee in due course. In terms of challenges experienced regarding credit control, the Chief Financial Officer advised that a report had been presented to the Municipal Public Accounts Committee and Council. In respect to which customers were stealing electricity and water, she pointed out that they relied on the Infrastructure Services Business Unit (electricity and water) for assistance, as they did not have the capacity to analyse this. She added that this was also revealed through the audit process conducted by the Water and Electricity Business Units. However, she mentioned that after receiving confirmation that they would start the process, it had still not started. She therefore appealed to the Municipal Public Accounts Committee for assistance to drive this initiative in terms of engaging with the Infrastructure Services Business Unit. She expressed her dissatisfaction on the non-cooperation of the Electricity and Water Units which were the source of the problems identified by the Auditor-General.

It was

### **RESOLVED**

- (a) That the Chief Financial Officer submits a comprehensive report including a legal opinion on whether the bank charges incurred by the consumer when using their bank cards was legal/not.
- (b) That the Chief Financial Officer submits a report to the Municipal Public Accounts Committee on the challenges experienced in terms of credit control and the implementation of the Credit Control Policy.

## 5. AUDITOR-GENERAL'S FINDINGS AND ACTION PLANS

(Item 5 of the agenda)

(Tabled at the meeting)

The Senior Manager: Financial Governance outlined the report in terms of the audit action plans to address the findings raised by the Auditor General. He advised that the Msunduzi Municipality had received a qualified audit due to the following reasons:

- Consumer debtors
- Statutory receivables
- Material irregularities
- Material losses – electricity
- Material losses – water
- Re-instatement of corresponding figures
- Significant uncertainties
- Delayed capital projects
- Underspending of the conditional grants
- Report on the annual performance report
- Compliance findings
- Revenue and expenditure management
- Procurement and contract management
- Human resource management
- Strategic planning and performance management
- ICT findings

The Senior Manager: Financial Governance reported that an Audit Steering Committee chaired by the Municipal Manager met weekly to consider and monitor the issues raised by the Auditor-General. He added that those issues were also submitted to the Audit Committee for comments raised. He further added that the Audit Action Plan had been submitted to National Treasury including COGTA and most of the comments received from them had since been addressed. He added that the main concern was to ensure that all matters were addressed prior to the financial year-end, being June 2024. He alluded that the Municipality would receive another qualified audit if those action plans were not resolved timeously. Hence, he re-iterated the need for assistance from the Municipal Public Accounts Committee (MPAC) to guarantee the assistance of the Electricity and Water Units as the main issue was faulty meters that had not been repaired timeously.

NOTED.

## 6. ADDRESS BY MS NP MTHEMBU (REPRESENTATIVE FROM COGTA).

(Raised verbally)

In terms of a concern raised on the absence of (Cooperative Governance and Traditional Affairs (COGTA), the representative explained that their support was specifically on municipal finance, therefore she attended the current meeting. She added that the COGTA team had analysed the Annual report and submitted their feedback letter to the Committee Officer. She further added that the Department had noted that the following information had not been included in the Annual Report as per the requirements of Section 121 of the MFMA and appendices as per the requirements of NT Circular 63:

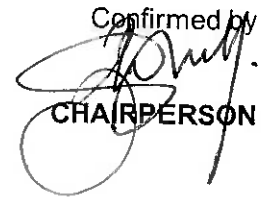
- An assessment by the accounting officer on any arrears on municipal taxes and services charges (S121(3)(e) of the MFMA);
- Long Term contracts and Public Private Partnerships (NT Circular 63);
- Municipality entity / Service provider schedule;
- Service connection backlogs at Schools and Clinics (NT Circular 63);

- The performance report did not contain the development and service delivery priorities and performance targets set for the next financial year MSA S46 1 (a).

The representative from the Cooperative Governance and Traditional Affairs (COGTA) encouraged the Chief Financial Officer to incorporate detailed information in the Annual Financial Statement (AFS) in the Annual Report in order to eliminate queries from the public. She re-iterated the need for a detailed report regarding the Unit's challenges on credit control, which should be submitted to the Municipal Public Accounts Committee in order to measure progress. She further added that the Unit should also submit a report on whether the Electricity and Water Units had commenced with their audit on meters.

NOTED.

The meeting terminated at 11h15

Confirmed by  
  
**CHAIRPERSON**

ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
DOCUMENT PREPARED BY	Ms. C Jacobs	Committee Officer	<i>Claudette Jacobs</i>	13/03/2024
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer	<i>B Duze</i>	13/03/2024





## MSUNDUZI MUNICIPALITY

**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE –  
INFRASTRUCTURE SERVICES MEETING**

Meeting held on **THURSDAY, 14 MARCH 2024** in **COUNCIL CHAMBER  
1<sup>ST</sup> FLOOR, CITY HALL, at 9H00.**

**PRESENT:** Councillors ZH Magubane (Chairperson), B Mkhize, L Mgaga, S Mncwabe, R Niemand, TC Ngubane, JJ Ngubo, DB Phungula, S Reddy, P Sithole, MB Zuma, T Zondi and S Zuma.

**ALSO**

**PRESENT:** The Deputy Mayor (Councillor MT Mkhize – Infrastructure Services Portfolio Committee Chairperson).

**ABSENT:** Councillor R Khanyile (Party commitment).

**OFFICIALS**

**PRESENT:** Messrs S Hlela (Municipal Manager [Acting]), S Mchunu (Deputy Municipal Manager: Electricity Supply Services [Acting]), T Makhanya (Senior Manager: Project Management Unit [Acting]), BS Halimana (Organisational Performance Manager & Knowledge Management), H Zondi (Manager: Office of the Municipal Public Accounts Committee), B Khanyile (Chief Engineer: Revenue Management), T Madlala (Chief Engineer Planning: Electricity) W Shozi (Chief Engineer: Electricity), G Mduduzi (Manager: Mechanical Workshop [Acting]), LC Ntuli (Manager: Electricity), G Nobaza (Human Resource Manager: Infrastructure Services) and S Sibisi (Interpreter). Mesdames L Mngenela (Senior Manager: Roads & Transportation), NP Dlamini (Advisor: Performance Management), N Nyembezi (Interpreter/Translator) and D Blessie (Committee Officer).

**1. WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present.

An application for leave was received on behalf of Councillor R Khanyile who had a party commitment.

Councillor S Mncwabe requested to leave the meeting at 12:00 to attend to party commitments.

Apologies were tendered on behalf of the Senior Manager: Water and Sanitation who was attending a compulsory meeting with the Department of Water and Sanitation and Mr T Khanyile, Chairperson of the Bid Evaluation Committee who was attending a meeting but would join later if the meeting was still in session.

The Chairperson expressed voice concern over another meeting being scheduled on the same day as the Municipal Public Accounts Committee meeting which was accountable to the public.

It was

**RESOLVED**

That Councillor SN Mncwabe be granted leave of absence from the current meeting of the Municipal Public Accounts Committee.

2. **DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA**

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee (MPAC).

NOTED.

3. **INTRODUCTION OF THE INFRASTRUCTURE SERVICES BUSINESS UNIT TEAM**

(Raised verbally)

The General Manager: Infrastructure Services introduced the Infrastructure Services team. The Deputy Mayor indicated that the team was present to account on the activities and funding received for the previous financial year.

NOTED.

4. **COMPONENT A: WATER SERVICES**

(Page 24 of the agenda)

The Chairperson welcomed the Chairperson of the Infrastructure Services Portfolio Committee (Councillor MT Mkhize) to the current meeting and requested him to give a brief overview of the activities in the Infrastructure Services Business Unit. In response, the Deputy Mayor undertook to provide an in-depth report on the services rendered by the business unit as well as the management of the finances for which each unit was held accountable. He further introduced all the managers who would be reporting on the various services provided by their respective units who interrogated the reports on a monthly basis.

The Municipal Manager (Acting) stated that the unit comprised of water and sanitation services, roads and stormwater, transportation, Project Management Unit (PMU) and Mechanical workshops. He expressed concern with the omission of Project Management Unit (PMU) and the mechanical workshop in the report and undertook to follow up with the Manager: Office of the Municipal Manager (Acting). He stated that the Municipality was mandated to ensure that the water provided was of high quality which was continuously assessed in terms of the Water Services Plan. He reported on the various challenges experienced, especially with the migration of people from the rural areas. He added that the major challenge relating to the high levels of burst pipes resulted from ageing infrastructure. He reported that because of high levels of water theft and vandalism of infrastructure, the Municipality was liaising with the Development Bank of South Africa (DBSA) to initiate a Revenue Protection Unit to focus mainly on the vandalism and theft of infrastructure. Furthermore, he indicated that there had been noticeable improvement in water supply and access to sanitation.

NOTED.

5. **COMPONENT B: ROADS & TRANSPORTATION**

(Page 26 of the agenda)

The Senior Manager: Roads and Transportation briefed the Committee on the various activities that were undertaken by the Unit during the 2022/2023 financial year. She reported on the achievements regarding day-to-day road maintenance and drainage infrastructure. She advised that there were notable achievements made in terms of the upgrading of gravel roads and drainage infrastructure. It was stated that the bulk of such upgrades were in Wards 7, 8 and Willowfontain. She added that 37.5 kilometers of the roads upgraded were predominantly in Vulindlela over the past financial year. She pointed out that the maintenance of the roads was done internally as no contractors were appointed. She reported that an area of 1059 560 square meters of tarred roads was rehabilitated, adding that financial challenges impacted negatively on these projects as the funds allocated were insufficient.

The Committee was advised that in the past three (3) financial years, the improved budget allocated resulted with the rehabilitation of roads in Cleland, Lincoln Mead, Morcom road and White Road in Ashburton. It was elaborated that if Council continued with the prioritization of additional funding, that would assist with issues pertaining to the rehabilitation of potholes, transportation planning, road markings and the clearing of storm water drainage. Councillors were thereafter encouraged to assist in educating communities to refrain from illegal dumping.

Concern was raised on the shortage of vehicles in the Drainage Unit and it was indicated that such should be reflected in the report as a challenge due to employees working on a rotational basis. In response, it was emphasized that challenges were encountered as vehicles were old and were hardly operational due to them being mostly in the workshop. It was added that the available vehicles were used to transport staff to work sites to ensure productivity.

#### 6. **COMPONENT K: ELECTRICITY SUPPLY SERVICES**

(Page 39 of the agenda)

The Deputy Municipal Manager: Electricity Supply Services (Acting) introduced the Chief Engineer: Revenue Management, the Senior Manager: Electricity Services (Acting) and advised that they would be partaking in the presentation on Electricity Supply Services. He then gave a brief overview of the activities in the Electricity Supply Services Business Unit. He reported on the serious challenges relating to the high vacancy rate which resulted in high overtime rates, vandalism of infrastructure, high electricity losses due to tampering and illegal connections.

It was noted that the Municipality had significant electricity losses, which were mostly caused by illegal connections and bypassing of meters. In order to curb such losses, it was mentioned that a strategy had been developed. It was the challenges of theft and vandalism to electricity infrastructure had resulted in a large number of revenue losses and power outages. In addition, it was reported that the ageing infrastructure remained a challenge as it contributed to major power outages, adding that some of the transformers at primary substations were more than 40 years old.

The Deputy Municipal Manager: Electricity (Acting) reported that a strategy had been developed to conduct installation audits in all facets of customer categories by applying for funding from the Department of Mineral Resources and Energy (DMRE). He assured the Committee that within the following two (2) years the Municipality would address the bulk of the installation audits. He stated that the organizational structure did not support the intensive maintenance that was required instead supported extensive repairs. He added that the budgeting processes followed did not support extensive repairs and maintenance, stating that the unit was considering reviewing the organizational structure and its funding source. He added that an extensive replacement program was required to replace the aged transformers to avoid the ongoing power outages as the infrastructure was not designed for load shedding.

The Senior Manager: Electricity Supply Services (Acting) reported on the projects that were implemented during the 2022/2023 financial year. He referred to the faulty meter readings where the business unit was working with the Financial Services Business Unit to identify the faulty electricity meters.

He then reported on the project relating to the installation of high mast lighting and stated that the target to install twenty (20) high mast lights was achieved and completed by the end of January 2024. He highlighted the major challenge experienced where the high mast lights were erected and not connected to a network, pointing out that they were exposed to vandalism. He stated that several engagements with various levels of authority were taking place to resolve such challenges.

#### 7. **AUDITOR-GENERALS FINDINGS AND ACTION PLANS**

(Item 3.4 of the agenda)

The Deputy Municipal Manager: Electricity Supply Services (Acting) reported on the issues raised by the Auditor-General who established that the Revenue and Infrastructure Business Units' lack of communication relating to electricity and water meters not being read timeously which resulted in customers receiving estimated accounts. It was stated that the Auditor-General stressed that there was an urgent need to concentrate on the response time when dealing with customers and to refrain from issuing estimated statements.

Moreover, it was reported that the Auditor-General had voiced concern over the exorbitant electricity and water losses and further encouraged the Municipality to employ a strategy to address such losses. The Deputy Municipal Manager: Electricity Services (Acting) advised that the Financial Services Business Unit was already working on an audit action plan for all meters.

#### 8. **QUESTIONS FROM COUNCILLORS AND RESPOSES FROM OFFICIALS**

(Raised verbally)

Councillor S Mncwabe sought clarity on the Municipality's plans in addressing the issues relating to the ageing infrastructure along with a turnaround time for implementation relating to the ongoing burst water pipes and ageing infrastructure. Making reference to the commitments made in 2013 regarding the construction of roads in the informal areas, he sought clarity on the timelines addressing such matters. He referred to a previous discussion he had with the Deputy Municipal Manager: Electricity Supply Services (Acting) regarding the installation of smart meters which would address issues pertaining to electricity theft and the tampering of meters. He queried if there was any form of security personnel at the sub stations to avoid vandalization.

Councillor R Niemand stated that the Municipality was currently under administration for the past five (5) years due to the financial status of the Municipality. He added that the two (2) major trading commodities, water, and electricity, had totally failed in surpassing the income to the expenses. He mentioned that the previous speakers' comments were not included in the report and stated that the purpose of the report was to ensure that a truthful account was delivered to the public. He added that no mention was made on the number of potholes throughout the city and to advise the community of when these would be repaired. He stated that the rampant theft of water has been ongoing for a period of ten (10) years and increasing daily. The quality of the water that the Municipality receives comes from Umgeni as there are no water purification systems in the Municipality. He stated that the report should reflect the status of the short comings within the municipality and the action to be taken to rectify the situation with timeframes attached.

He reported that the continuous loss of water and the critical impact it was having on the municipality should also be reflected in the report. The public should be made aware of where the theft was occurring and what steps were being taken to deal with the matter. He added that the report did not reflect the most critical areas of the problems of the entire municipality as reported in the Attorney Generals Action Plan. He stated that the incumbents could not be held liable for this critical situation but was due to the lack of support, resources, and finances. He added that some Councillors were guilty of inciting violence against officials who were prevented from entering certain areas to perform disconnections.

Councillor TC Ngubane made reference to old manholes in the area and requested the respective unit to assist with the repairs. He also requested if the water unit could assist the community with the filling of reservoirs in their areas to make it easier to access water closer to their residences. He also sought clarity on the progress on the replacement of water meters as this would assist in curbing water theft. He added that there were no road markings on the speed humps, and this often resulted in damages to motor vehicles. He reported that there were many gravel roads in the Kwa-Pata and Azalea areas. He added that on numerous occasions, dating back to 2013, they were promised that the roads would be upgraded but the funds were always then reallocated to other projects. Another area of concern were the streetlights that were installed but never connected. He raised a query if it was possible for the Deputy Municipal Manager: Electricity Services (Acting) to engage with Eskom and request assistance.

Several concerns were raised around burst pipes, potholes, security at sub stations, theft of manhole covers, street lighting, bad condition of roads, challenges with the replacement of water meters, ageing infrastructure, water and electricity loses. The Councillors pleaded with the officials to report on the plans in place to deal with such matters, particularly the timeframes.

The Chairperson: Infrastructure Services Portfolio Committee acknowledged that many of the questions posed were of a similar nature, more specifically the ageing infrastructure. He stated that, although there were plans in place, issues could only be addressed with the availability of finances. He reported that the grants received by a Municipality solely focused on new projects, adding that no funds were currently set aside for maintenance. He reported that at various meetings with Co-Operative Governance and Traditional Affairs (COGTA) and Municipal Infrastructure Grant (MIG), all municipalities were instructed to only set aside 10% of their MIG funding for maintenance which resulted in old infrastructure further deteriorating. He stated that the Municipality had set aside approximately 98% of its MIG funding for new projects rather than new maintenance hence its current condition. It was stated that a BFI funding application of R 5.3 billion had been submitted to National Treasury with a commitment of R450 million which had not yet been received, adding that more funds were required to address the ageing infrastructure issues.

In response to the issue of burst pipes, he reported that an additional team had been appointed but could only resume duty on 1 July 2024 when the new organogram was effective. He acknowledged that certain information was lacking in the Annual report and advised the Committee that departments submitted detailed audited reports. He pointed out that reports were not referred to the Top Management Committee (TMC) to ascertain if there were crucial matters omitted from the Annual report.

It was stated that the installation of water meters in informal areas was ongoing and there were also several informal settlements that did not have water meters. Furthermore, it was stated that this would assist the Municipality in developing a culture of service payments by reducing the non-billed water to eventually reflect as zero.

The Senior Manager: Roads and Transportation requested to be provided with more details on the fencing project in order to determine if it was initiated by the Council or the Department of Transport.

In response to a query raised relating to road markings, she advised that the team had already implemented the project in Ashdown and Imbali and it was ongoing.

The Senior Manager: Roads and Transportation reported that the Municipal Public Accounts Committee members had conducted an onsite visit to Willowfontain and confirmed that the roadworks had been completed. She added that the remaining 500 meters was not completed as the request was not approved.

She reported that a certain road was still under forensic investigation which was being conducted by the Internal Audit Unit.

She advised that the potholes that were reported in Henrietta Street would only be considered once the main roads were upgraded, emphasizing that due to the limited resources, priority was given to the main roads rather than the side streets.

The Senior Manager: Roads and Transportation confirmed that there were inspectors, foremen and supervisors who did inspections on the quality of the roads throughout the City then report back on issues to be dealt with. She stressed that enhancement was required for additional reporting as there was a high level of vacancies in the section. She advised that the posts had been advertised and that assurance was given that the shortlisting process was prioritized to ensure that the critical posts were filled. She noted the concerns raised relating to the cleaning of the drains and the rubble left on the roadside and undertook to report the matter to the relevant officials.

The Deputy Municipal Manager: Electricity Supply Services (Acting) briefly reported on the three (3) types of smart meters that were available and detailed the different functions and the financial implications of each meter. He added that the Municipality did not have the capacity of staff to monitor these types of meters to receive the signals. He reported that the Municipality did not offer any services that were below the standard of 20 amps per installation to all customers. He stated that there were no options to install 10 or 15 amps unlike other municipalities. He then presented the results of his to ascertain the Municipality's current position with regard to ageing infrastructure.

The Chief Engineer: Electricity reported on the Eastwood substation and detailed the procedures that were followed when incidents of that nature occurred at those sites. He reported that the greatest challenge was with the budget when requests were made, further advising that R50 million was received from COGTA to effect the substantial repairs to the substation. He elaborated that the installation of overhead cables during the refurbishment was necessary because the substation's lack of a network connection was the primary reason it was targeted, adding that budgetary constraints also contributed.

He also reported on the Moses Mabhida substation which was also vandalized and could not be repaired due to budgetary constraints. He added that after receiving a budget from the Development Bank of South Africa (DBSA) plans were now on track to refurbish the site.

*(At this point in the proceedings 12:45pm, the Economic Freedom Fighters (EFF) Councillors excused themselves from the meeting)*

In response to a comment relating to high mast lighting, he advised that all communications and engagements were done in conjunction with Eskom. He added that engagements were now being made with personnel of higher authority to ensure that the high mast lights were commissioned.

He responded to a comment made on access roads in terms of maintenance and advised that work had commenced and added that there were challenges with Eskom relating to resources. It was reported that Eskom had its own requirements in terms of maintaining streetlights that were installed in their infrastructure, adding that the majority of the service providers did not need such requirements, however, one or two service providers were attending to all the wards in the Eskom area of supply thus affecting the pace of the project. He stated that they were attempting to work with Eskom and undertook to ensure that all the other service providers committed to working with Eskom. He also noted the request made in terms of the program which he had not inspected, undertaking to follow-up on the matter and liaising with relevant Councillors.

Councillor Niemand stated that the purpose of the meeting was to review the Annual report. He added that the administration needed to ensure that the responses given by the various heads of departments were relevant to the period of review. He stated that the ageing infrastructure was due to the lack of maintenance.

In response, the Municipal Manager (Acting) reported that the challenges encountered by the Municipality were not new or different from any other Municipalities throughout the country. He added that everyone understood that ageing infrastructure was caused by the lack of maintenance which the Municipality was addressing. He added that all the issues required a cash injection as without funding the issues mentioned could not resolve the issue of ageing infrastructure.



9. **VOTE OF THANKS BY THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) CHAIRPERSON.**

The Chairperson of the Municipal Public Accounts Committee (MPAC) thanked the Deputy Mayor, officials from the Infrastructure Services Business Unit and Committee members for partaking in the meeting and requested that inconsistencies in the report be amended accordingly to present a true reflection of the Unit's activities.



It was

**RESOLVED**

- (a) That the Annual Report for the 2022/2023 financial year on the activities of the Infrastructure Services Business Unit be NOTED.
- (b) That the inconsistencies pointed out in the report be amended accordingly to ensure that the report presented a true record of the activities within the Infrastructure Services Business Unit.

**The meeting terminated at 13:00**

Signed by  
  
**CHAIRPERSON**

ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
DOCUMENT PREPARED BY	Ms. D Blessie	Committee Officer		22/03/2024
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer		22/03/2024

## MSUNDUZI MUNICIPALITY



**MINUTES OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE –  
CORPORATE BUSINESS UNIT MEETING**

Meeting held on **TUESDAY, 12 MARCH 2024** in  
**1<sup>ST</sup> FLOOR BOARDROOM, KZN LEGISLATURE** at 9H00.

**PRESENT:** Councillors ZH Magubane (Chairperson), R Khanyile, B Mkhize, L Mgaga, S Mncwabe, R Niemand, TC Ngubane, JJ Ngubo, DB Phungula, S Reddy, P Sithole, MB Zuma, T Zondi and S Zuma.

**ABSENT:** Councillors B Mkhize (no leave application), S Mncwabe (no leave application), JJ Ngubo (indisposed) and DB Phungula (party commitment)

**OFFICIALS**

**PRESENT:** Messrs PJ Mahlangu (Chief Executive Audit), I Chetty (Senior Manager: Strategic Planning), S Zimu (Senior Manager: Office of the Municipal Manager [Acting]), S Bhengu (Manager: Pietermaritzburg Urban Renewal Project), B Halimana (Manager: Organizational Compliance, Performance and Knowledge Management), S Khanyile (Manager: Risk Management), H Zondi (Manager: Office of the Municipal Public Accounts Committee), L Nzimande Intern: Integrated Development Plan), TMJ Maponya (Committee Officer), TG Mkhize (Committee Officer); Mesdames N Mkhize (Manager: Communications) SP Ngcobo (Manager: Integrated Development Plan [Acting]), AS Ngumbela (Integrated Development Plan), NN Khawula (Performance Advisor), N Mthembu (Coordinator: Communications) and M Shezi (Committee Officer).

1. **WELCOME AND APPLICATIONS FOR LEAVE**

(Item 1 of the agenda)

The Chairperson welcomed all present at the meeting.

Applications for leave were received from Councillors DB Phungula who had a party commitment and JJ Ngubo who was indisposed.

It was

**RESOLVED**

That Councillors DB Phungula and JJ Ngubo be granted leave of absence from the current meeting of the Municipal Public Accounts Committee.

2. **DECLARATION OF PECUNIARY AND OTHER INTEREST ON ITEMS ON THE AGENDA**

(Item 2 of the agenda)

The members of the Committee did not have any pecuniary and other interest on the items on the current agenda of the Municipal Public Accounts Committee.

NOTED.

### 3. **OFFICE OF THE MAYOR**

#### 3.1 Mayors Foreword and Executive Summary

The Senior Manager: Office of the Municipal Manager outlined how the Municipality was structured in terms of political and administrative governance, pointing out various Portfolio Committees and business units that reported to the Municipal Manager.

NOTED.

#### 3.2 **COMPONENT A: GOVERNANCE STRUCTURES**

(Page 3 of the agenda)

The Senior Manager: Office of the Municipal Manager highlighted political and administrative structures within the Municipality, stating that business units were headed by Deputy Municipal Managers who to ensured that services were provided efficiently, effectively and economically to the Municipality. Subsequently, he mentioned the following Business Units that were under the direction of Deputy Municipal Managers:

- Infrastructure Services;
- Community Services;
- Sustainable Development & City Enterprises;
- Budget and Treasury Office;
- Corporate Services; and
- Electricity Supply Services

NOTED,

#### 3.3 **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

(Page 6 of the agenda)

The Senior Manager: Office of the Municipal Manager indicated the Municipality was in partnership with various institutions such as the South African Local Government Association (SALGA), Extended Public Works Programme (EPWP), Municipal Entities and Safe City. In addition, the Manager: Pietermaritzburg Urban Renewal Project advised that the Municipality had been granted R13 million by the Department Economic Development and Environmental Affairs (EDTEA) for several initiatives including City revitalization which was approved by Council. Furthermore, the Senior Manager: Office of the Municipal Manager stated that the Municipality had signed a Memorandum of Understanding (MOU) with the Small Enterprises Development Agency (SEDA).

NOTED.

#### 3.4 **COMPONENT C: PUBLIC ACCOUNTABILITY PARTICIPATION**

(Page 8 of the agenda)

Committee members were advised that public participation meetings (Izimbizo) were held by the Municipality for each zone. Moreover, it was mentioned that some of the concerns raised by the community members included crime, potholes, installation and restoration of streetlights as well as urban decay. In addition, the Senior Manager: Office of the Municipal Manager pointed out that capital projects like the current N3 road rehabilitation project by the South African National Roads Agency (SANRAL) did not adequately emancipate the youth.

3.5 **COMPONENT D: CORPORATE GOVERNANCE**

(Page 9 of the agenda)

The Manager: Organisational Compliance, Performance and Knowledge Management elaborated that the Msunduzi Municipality had received a qualified audit opinion, adding that the basis for that was due to service charges on the sale of water, consumer debtors and statutory receivables. He outlined the context of the Auditor-General's opinion in terms of material uncertainty, material impairment, material losses of water and electricity, poor revenue collection and underspending of conditional grants. Moreover, the Senior Manager: Office of the Municipal Manager advised that more vacancies were available in the Youth office, adding that the recruitment process was underway. He further indicated that the Forensic Investigation report had been submitted to the Audit Committee.

NOTED.

3.6 **COMPONENT M: ANNUAL PERFORMANCE REPORT 2022/2023**

(Page 11 of the agenda)

A brief overview of the Annual Performance report was provided.

NOTED.

3.7 **APPENDIX D: FUNCTIONS OF MUNICIPALITY/ENTITY**

(Page 40 of the agenda)

3.8 **APPENDIX E: WARD REPORTING**

(Page 112 of the agenda)

3.9 **APPENDIX F: WARD INFORMATION**

(Page 113 of the agenda)

3.10 **APPENDIX H: PUBLIC PRIVATE PARTNERSHIP**

(Page 139 of the agenda)

3.11 **APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST**

(Page 263 of the agenda)

3.12 **APPENDIX T: NATIONAL & PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT**

(Page 277 of the agenda)

A brief overview in terms of Appendix D to T was provided.

Councillor R Niemand voiced concern over the dysfunctionality of the Risk Management Unit, stating that the information provided by the unit during the Municipal Public Accounts Committee meeting was not detailed. He expressed concerns regarding the fact that the Municipality was losing enormous funds daily as a result, alluding to the fact that accountability and consequence management were not sufficiently enforced.

In response to the Anti-Fraud and Corruption, it was indicated that the Risk Management Unit was reporting to the Audit Committee which was working tirelessly towards improving risk management systems. In addition, the Manager: Risk Management mentioned that the unit was still at an infancy stage adding that there was room for improvement.

In terms of the Youth Office, concerns were expressed that the office was not user-friendly and not publicly known.

In response to a concern raised on the functionality of Youth Office, the Senior Manager: Office of the Municipal Manager acknowledged that there were challenges in terms of the resources available to assist the youth of the Municipality. He emphasized that the issue of budget constraints resulted in the challenges encountered. Moreover, he explained that the recruitment on filling vacant posts was underway, further reiterating that the Municipality had signed the Memorandum of Understanding (MOU) with Small Enterprises Development Agency (SEDA).

A concern was raised regarding urban decay, crime and vagrancy within the City, in particular Ematsheni and the Central Business District (CBD). It was highlighted that the city was attracting more crime than potential investors.

Pertaining to the Ematsheni and the Central Business District (CBD), it was stated that a grant of R3 million was obtained from the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) to revitalise the precinct. Furthermore, it was reported that a City Regeneration Committee was developed with a view to revitalize the city in order to attract investors.

Responding to a query raised pertaining to the Municipality website, the Manager: Communications stated that the website was still under construction, explaining they were working with Information, Communication and Technology (ICT) unit in ensuring that legislative documents were available and also working on the web content. She added that they needed funding to introduce the Application (App) to disseminate information to the public.

With regards to a concern raised on the dysfunctionality of the call centre, noting that some cases had been reported for years with no action taken, it was mentioned that the inception report would be sent to the Executive Committee.

#### 4. **AUDITOR-GENERAL'S (AG) FINDINGS AND ACTION PLANS**

(Page 91 of the agenda)

The Manager: Organisational Compliance, Performance and Knowledge Management pointed out that the Msunduzi Municipality had received a qualified audit opinion from the Auditor General's report due to the discrepancies on registers and Portfolio of Evidence (POEs). Amongst others, he highlighted the following reasons that resulted in the qualified audit opinion:-

- Waste collection
- Water losses
- Water drainage
- Registers that were not tallying up
- Incorrect billing

He stressed that each Business Unit needed perform a thorough internal control on registers and POEs before submitting to Performance Management System (PMS). Additionally, he stated that the unmeasurable and unverifiable POEs would result to the downgrade of business units.



It was

**RESOLVED**

That the Annual Report for the 2022/2023 financial year on the activities of the Corporate Business Unit be NOTED.

**The meeting terminated at 11:27**

Signed by  
  
CHAIRPERSON

ACCOUNTABILITY ACKNOWLEDGEMENTS				
TASK	NAME	DESIGNATION	SIGNATURE	DATE
DOCUMENT PREPARED BY	M Shezi	Committee Officer		19/03/2024
DOCUMENT CHECKED AND CLEARED FOR DISTRIBUTION	Ms. B Duze	Principal Committee Officer		19/03/2024



<b>MSUNDUZI MUNICIPALITY ANNUAL REPORT CHECKLIST</b>			
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