

# **EDUMBE MUNICIPALITY**



**DRAFT ANNUAL REPORT**

**FOR**

**2011/12 FINANCIAL YEAR**

# **ANNUAL REPORT 2011- 2012**

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## **Executive Summary**

The eDumbe Local Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000.

According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. Below is a brief summary of each chapter contained.

**Chapter 1:** This chapter contains the geographic location of the Municipality as well as the population dynamics of the Local Municipality. Key to this chapter is the consultative processes that the Municipality embarked on, which led to the creation of our IDP document. The chapter touches on issues of governance and how the Council is constituted.

**Chapter 2:** This chapter reports and highlights some of the key achievements and challenges of the organisation during the year under review. Though the Municipality had faced a number of challenges, but it continued to excel in service delivery as would be reflected in the report itself.

**Chapter 3:** This chapter reports on the programmes designed by the Municipality to improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.

**Chapter 4:** Also key in this chapter is the fact that we have maintained our timely submission of the Annual Financial Statements to the Auditor-General for auditing.

**Chapter 5:** This chapter reports on the progress on service delivery and development for the year under review. The report is based on the National Treasury guidelines. Performance progress is reported according to the five National KPAs and also highlights the challenges encountered and achievements made despite of all odds. Improvement on compliance is clearly elaborated through IDP development and approval, budget development, SDBIP presentation, PMS Policy Framework, Performance Contract for each senior manage, the development and submission of the WSP and all these was submitted within time frame.

### **Legal Framework**

The 2011/2012 Annual Report has been developed following the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000, and approved by Council after it has been in all the processes determined by Section 129 of the MFMA. This is still a draft report which will be finalised in January as prescribed in Section 127 of the MFMA, and will thereafter be publicised for comments for a period of 21 days, this is done in terms of Section 21(a) of the MSA.

This Draft Annual Report will be further engaged by the Oversight Committee (MPAC) established by the Municipal Council, as directed by Section 129 of the MFMA, to assist the Council in considering the Annual Report. The report of the Oversight Committee will be included in the final Annual Report and will be made available for public viewing and comments Section 21(a) of the MSA.

As we present this draft report for 2011/12 financial year we are excited about the progress made in the year ended in June. We have had challenges but despite that we have managed to go beyond those situations, so that we do not loose confided

**Mr TV Mkhize**

**Municipal Manager**

## **Mayor's Foreword**

I feel humbled to have this opportunity to present to the public the eDumbe Municipality Annual Report for 2011/2012 financial year. This report outlines the total performance of the eDumbe Municipality.

The municipal political leadership knows where we are coming from. It is pleasing that after a year the municipality that has been sitting on the disclaimers for years has just taken a step forward to get a Qualified Audit report in 2010/2011 financial year. Yes this is not good but it indicates the movement towards our vision as the municipality.

When this leadership took over the municipality did not have a Municipal Manager and the Chief Financial Officer who are the key leaders in the organisation. This has been considered as the reason for the instability in the organisation. I am so delighted that within the short period of time we have manage to recruit the Municipal Manager and Chief Financial Officer, on top of that this municipality had an approved position for Director Planning and Development vacant and we have appointed this Director. One can proudly say eDumbe Municipality does not have a vacancy in the senior management. We have a 100 Per Cent fully flashed senior Management.

## **ADMINISTRATION SUSTAINABILITY**

As alluded above the Municipality have no vacancy in the senior management which indicates that there is no decision that cannot be taken and all development plans are strategically led by the relevant Senior Manager. Matters of compliance are being take care of, hence we, have make it our norm to ensure that we comply with all the legislative requirements. To run away from bad records

## Good Governance

As sworn into office we made a commitment to our community that we want to change this municipality for better. When we look back we are very proud that we have review almost all the policies that were in operation and developed new policies which were legally compulsory but were not existing. In terms of good governance we have most of the required policies to run this municipality. We have developed and review 40 Policies in total.

## Human Resources

Amongst the policies we developed were Human Resource Policies to strengthened the unit and to set our recruitment processes very clear and standard. We have also addressed the AG's queries on leave management, by developing a policy and procuring a system to use in managing the pay roll .

## **FINANCIAL STABILITY**

### **SCM**

One will recall that some other route causes for us to get Qualified Audit Report in the last financial year was the none existence of the SCM/BID Committees which than resulted to the unauthorised expenditures. We have established these committees are they are fully functionary. Their records are well kept and available for auditing purpose.

## **REVENUE COLLECTION**

We have reviewed our revenue enhancement strategy to allow us to collect more revenue. It is amazing to note that our revenue collection is increasing from time to time. This is due to have fact that there is an active leadership.

## **DEBT MANAGEMENT**

We have reviewed our debt register which has been creating an unfounded impressions that our debtors can afford to pay which has been practically impossible. On our review we have noted that many people who are on the debtors register are on the indigent register too which means we cannot collect from them.

## **SERVICES DELIVERY**

We are doing all our best to accelerate our pace to meet the demand posed to us. We have procured the plant (Grader, TLB) to improve the speed on roads maintenance.

### **Town Roads**

All our town roads are old and not repairable; we need to redo the whole road network in town,

## **ELECTRICITY**

We also have a challenge of electricity breaks due to the old infrastructure which have been not renewed. Now it has come to a point where it cannot be rehabilitated but need to a total renewal.

### **Community Participation**

We have been in all our wards addressing the community matters using different units in the Community Services. The Youth Programmes the municipality had a Youth Summit wherein the youth identified its role to play in the municipality and programmes of interests. We committed ourselves that we will go an extra mile to ensure that their programmes are implemented. We have established youth structures in all our wards.

## **Women**

We have established the women committees in all our wards to make it a point that women are capacitated and developed.

## **Sport**

Our players have been outstandingly doing well in the competition either district, province nor national. We have attained trophies in Karate Tournament in Pretoria; Our Netball team came the best in the region.

## **Senior Citizens**

We are doing all we can to keep our senior citizen happy and alive, through sport, and Arts and culture activities.

## **Operation Sukuma Sakhe**

This is the inter- governmental stakeholder forum which operate in all municipalities in the Province and the Premier do visit to municipalities and to wards to monitor the functionality of this structure. We have a very active and functioning Sukuma Sakhe.

## **Planning and Development**

The council has taken a decision to formalise the Mangosuthu Settlement and this will be budgeted in the next financial year. The development of a Shopping Mall the municipality have resolve to review the processes to be followed to ensure that we comply with all relavent legislation regarding the Development of Shopping Mall.

## **Conclusion**

We are begging to see the light and gain hope for greater things in this municipality. the support that we have been receiving from the AG's Office and Cogta KZN gives us confidence that we can improved.



With the kind of support we are enjoying from one party to another we have enough strength to move forward and to accelerate our pace in providing a democratic government that is caring to its citizens.

Pulling together to change our future for better

**His Worship, the Mayor**

**Cllr. BM Nxusa**

## **Municipal Manager's Statement**

The year has been a challenging one to the current political leadership and administration. The municipality has been sitting on Declaimer since its inception and this leadership collectively has been fighting for a change. For us to see the results we have to compromise a lot of things which we have to compromise.

“Reflecting on the 2010/2011 financial year, eDumbe municipality has delivered extensively to its people based on the targets and goals it had set aside for that year, but in moving forward, the 2011/2012 financial year will be a year that eDumbe Municipality really transforms and blossoms in justifying its existence as it aims to fully deliver and fulfil the needs of its people as identified in this IDP.

As this IDP highlights, with the development of a Shopping Centre, Middle Income Housing and the constant involvement of the various government sector departments, it is fair to confidently state that eDumbe municipality is moving in the right direction to ensure prosperity to its people.”

We open the financial year without a municipal manager, CFO and Director Planning which has crippled the municipality sustainability. Through the vision of the council leadership we have filled all these positions, as we speak we do not have a vacancy in the senior management level.

This is the most important way of striving for clean audit by having sustainable administration leadership. We have been very focus in our planning and implementation of our programmes. One of the areas of focus has been the spending of the Conditional grants which we have tried to improve to open more chances of getting more.

MIG Funding and projects we have improve our planning regarding MIG funding. Currently our project planning is improving to meet the financial plans of each project. EPWP has bear fruits for those who are unemployed who are benefiting from the programme. CWP also will create more than 1000 job opportunities for our local people.

Human Resources Development has improved its HR policies and systems. Leave and overtime was a challenge in the previous years and today we have pass that point since we have proper policies in place to govern the leave process and overtime authorisation.

We have developed the following policies:

- Recruitment Policy
- Induction Policy

- Training Policy
- Staff Wellness Policy
- Exit Policy
- Leave Policy
- Overtime Policy
- ITC Security Policy
- Fraud and Corruption strategy
- Customer Care Policy

With these policies we intend to change our Human Resource Development for better.

## **GOVERNANCE**

The Municipality was established in 2000, it has been operating since then. The current Council assumed its duties in 2011 May after the Local Government Election. To strengthen our governance we have trained the full Council on Governance matters.

The Council has been able to establish its committees and are fully functioning. The delegation frame work was adopted by Council which indicates the functions of the municipal structures and limitations.

The council has been able to sit more than once per quarter which is above the minimum requirement.

The municipality was operating without an Audit Committee and Internal Auditors but today I am proud that we have a well constituted Audit Committee which has performed its duties tremendously. Our internal Auditor is helping us to move towards the right direction in terms of the addressing the audit queries and matters.

Our Risk Assessment Report is getting greener than before where we had all red. This is the good indication that eDumbe Municipality want to change its standing in terms of compliance matters.

**TV Mkhize**  
**MUNICIPAL MANAGER**

## **Audit Committee Chairperson's Report**

The Audit committee will be sitting on the 30<sup>th</sup> August 2012 to look at the Financial Statements and the Reports before submission to the Audit General and MEC for Department of Cooperative Governance and Traditional Affairs.

### **1. Audit Committee Members and Attendance**

In terms of the Municipal Finance Management Act (MFMA) and the Audit Committee Charter, the Audit Committee has been established after the 30 June 2011, with three external independent members. None of the members were Councillors. The Audit committee had its meetings at least once a quarter. The composition of the Audit Committee as follows :

1. Mr Dannie Bosch
2. Prof De Klerk
3. Dr B.V .Thabethe

who are all external members and internally there is ;

1. the Municipal Manager,
2. CFO.
3. Chairperson of MPAC
4. All Senior Managers, We extended the invitation to all senior managers to be part of the audit committee meetings to ensure that audit queries are attended by relevant Director which make it easy to comply and to address any matter of concern.

## **AUDIT COMMITTEE REPORT**

## **Audit Committee's Responsibilities**

The Audit Committee's responsibilities are outlined in Section 166(2) of the Municipal Finance Management Act, 56 of 2003. The Audit Committee has adopted its Charter, has conducted its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein. A summary of the Audit Committee's responsibilities in terms of the MFMA and its Charter is that it is responsible for, among other things, the following:

### **Auditors and External Auditor**

Discuss and review with external Auditors *inter alia*:

- The nature and scope of the audit function
- Agreeing to the timing and nature of reports from the external auditors
- Considering any problems identified in the going concern of the Municipality
- Review the Auditor-General's management letter and management response; and
- Meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

### **Annual Financial Statements**

- Review significant adjustments resulting from the audit;
- Review effectiveness of the internal audit;
- Review risk areas of the operations to be covered in the scope of the internal and external audits; and
- Review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.

### **Performance Management**

- Review of the quarterly reports submitted by internal audit on the performance management system;
- Review the performance management system ensuring functionality thereof and compliance with the Act;
- Focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators; and
- Reporting on the outcomes of its review and focus areas to the Council, at least twice per annum.
- 

### **Internal Control and Internal Audit**

The monitoring and supervising of the effective function of the internal audit including:

- evaluating performance, independence and effectiveness of internal audit and external service providers through internal auditor
- review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business; and
- Initiating investigations within its scope, e.g. employee fraud, misconduct or conflict of interest.

## **Ethics**

Reviewing the effectiveness of mechanisms for the identification and reporting of:

- Any violation of ethical conduct of Councillors and Municipal Staff
- compliance with laws and regulations; and
- Environmental and social issues.

## **Compliance**

- Carrying out investigations into financial matters as Council may request;
- Reviewing the effectiveness of mechanisms for the identification and reporting of:
  - none compliance with laws and regulations; and
  - of the findings of regulatory bodies or audit observations.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

## **The Effectiveness of Internal Controls**

The system of controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The Quality in Monthly/Quarterly Report Submitted in terms of the MFMA

The Audit Committee received and reviewed an annual performance management reports, though the monthly and quarterly reports has been not submitted for consideration but is satisfied with the content and quality of these monthly and quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

## **Internal Audit Function**

The municipality does not have its own internal audit function. The internal audit function is rendered by the KZN – Provincial Treasury. During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of areas covered by Internal Audit,

- Follow Up reviews: Project and Contract Management
- Human Resources: Recruitment and Retention Management
- Human Resources Management: Leave Management
- Bi-annual reviews of the Performance Management System

An annual assessment of the Internal Audit Function had been completed by Management and the Audit Committee.

The internal audit function is limited with respect to resources however the Audit Committee is satisfied with the performance of the Internal Audit Function and reports that most of the project were implemented following the plan

### **Evaluation of Annual Financial Statements**

The Annual financial statements are not yet Audited, this will be concluded in the final report that is coming in December /January 2012/2013

### **Conclusion**

On behalf of the Audit Committee I would like to thank the effort of the Municipal Manager who have just join the municipality to save the municipality from getting bad record. The kind of cooperation that we always get indicates the commitment to his vision and to move from Qualified Audit Opinion.

We also appreciate working closely with the CFO who is always there to explain when needed. And the entire Management Team for the support they always give to this committee.

The Internal Auditors whom we work closely, we believe our contribution to ensure good governance will bear fruits in the near future.

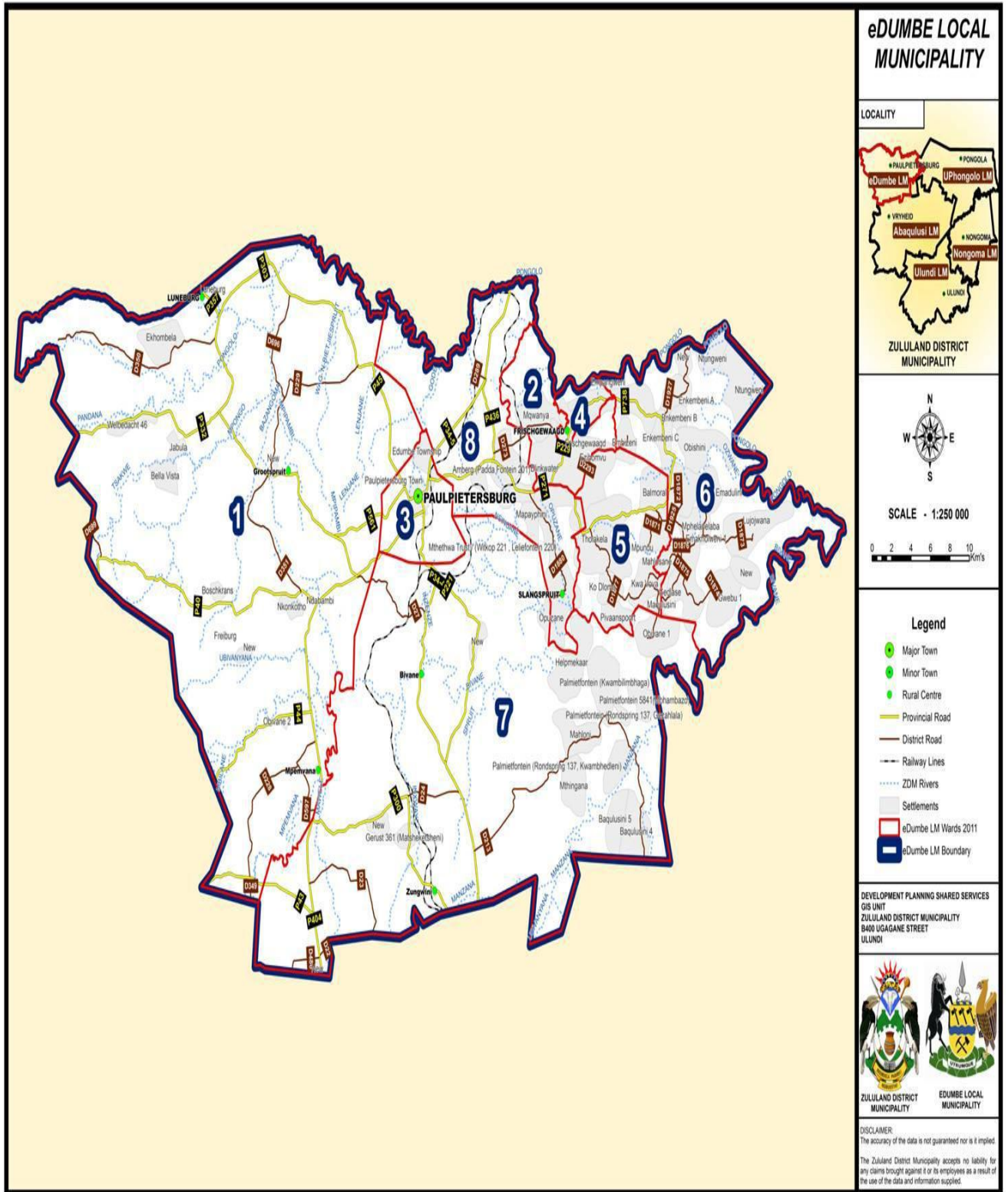
Chairperson  
Audit Committee  
Date; 2012

## **Overview of eDumbe Municipality**

ÉDumbe Municipality is situated in the north-western part of KwaZulu-Natal. It covers a geographical area of 1 947 km<sup>2</sup> and is home to a population of about 101 607. The municipal area of jurisdiction is demarcated into 8 wards which is predominantly rural in nature. Furthermore, the éDumbe Municipal area comprises of 52 settlements in total, which includes 48 dispersed rural settlements, 3 urban areas and one major town. The major town/urban centre are Paulpietersburg/Dumbe, located in relation to the national road and rail networks. A graphical representation of this information is indicated in the map below along with 3 maps which indicate éDumbe Local Municipality's location in relation to the Republic of South Africa, Province of KwaZulu Natal and the Zululand District:

Background éDumbe LM





## Population Distribution

A further breakdown in terms of population distribution of éDumbe area is provided in the table below

### Population Distribution

Types	Number	Percentage
Urban	23 415	35
Rural Village	22 341	20
Rural Scattered	30 464	27
Scattered	5077	3
Rural Farms	20 310	15
Total	101 607	100

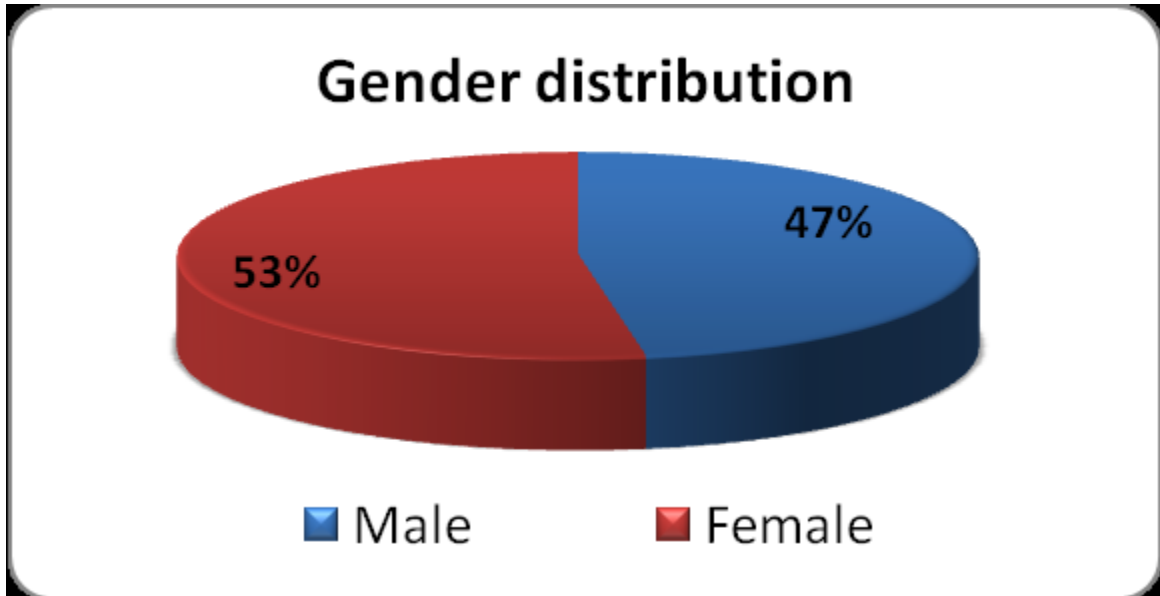
Source: \* Census (2001) and ZDM Aerial Photograph (2007)

The above table shows that only 35% of the municipality's population lives in an urban areas while 65% lives in the rural hinterland of the municipality in a form or rural village, scattered and farms. This factor has severe implications on actual service delivery and the cost thereof. It also implies that the large number of the citizens of èDumbe municipality is far from the formal economy with its concomitant employment opportunities. Due to the impact of HIV/AIDS which is a world concern, population growth is expected to decline over the next 20 years. This trend must be considered in the planning and delivery of new services.

### Gender Distribution

The following table and diagram indicates that a large population group is dominated by females with 53% of the municipality's population while males constitutes only 47%.

### Gender Distribution



#### **Male 47 and Female 53**

The imbalance in terms of gender distribution across the area has a number of implications for planning. Some of the general planning aspects to be considered when planning under these circumstances include:

- The specific health and welfare needs of women;
- The needs of women in planning for economic development and job creation;
- Sport and cultural activities specifically relevant to this group; etc.

This will also impact on the future increase of the municipal population as the life expectancy of woman in KZN is estimated by Statistics SA to be less than 50 years and the prevalence of HIV amongst women are higher than amongst men of the same age group.

#### **Age Distribution**

The following diagram illustrates the age distribution in conjunction with the gender groups.

#### **Age Concord**

<b>Age Break Down</b>	<b>Males</b>	<b>Females</b>
Age : 0 - 4	6, 311	6, 403
Age : 5 – 14	13, 843	13, 656
Age : 15 – 34	15, 457	16, 980
Age: 35 – 64	8, 329	10, 765
Age : Over 64	1, 639	2993

Total	45, 579	50, 797
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Census: 2001

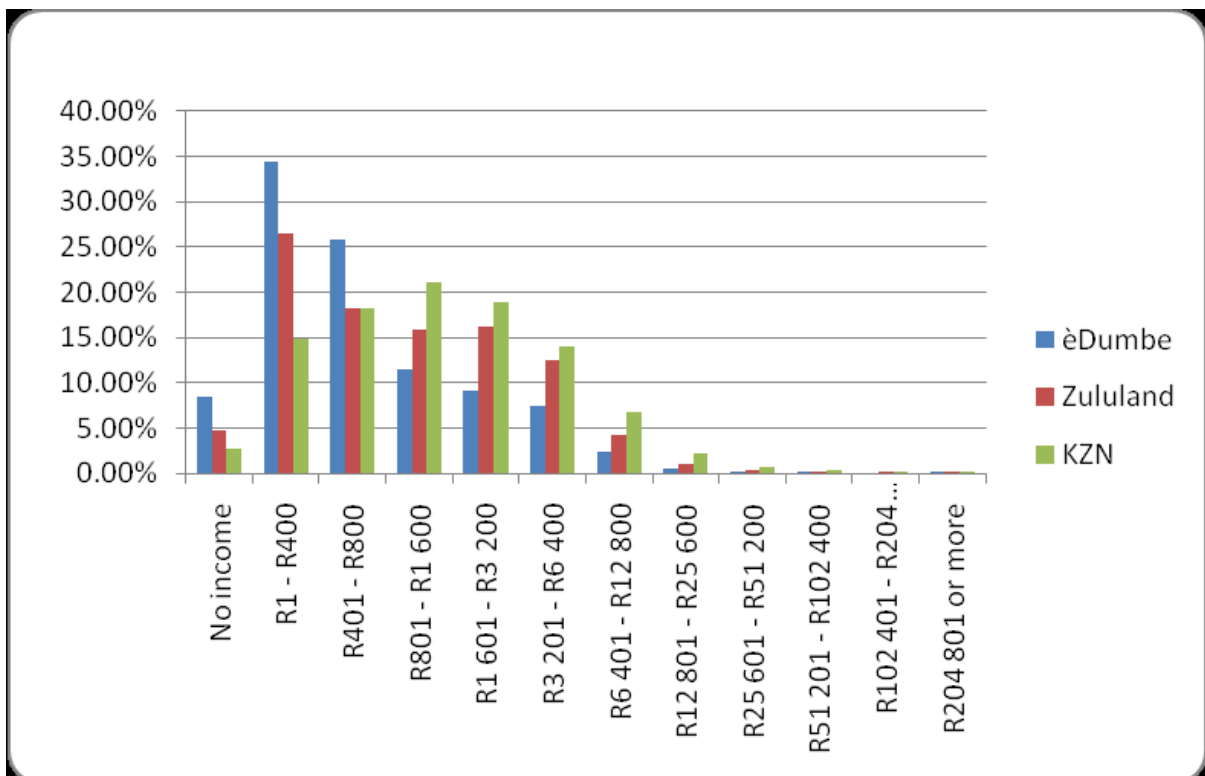
The above diagram indicates the age distribution of the èDumbe population which bears implications for future planning and development and should therefore be carefully considered. Issues to be considered include:

The availability of sport and recreation facilities for a very young population;  
 The impact of HIV/AIDS syndrome on the municipality considering the number of people entering the sexually active period of their lives;

The capacity of schools to cope with the large young population; and The expected increase in the number of work seekers in future years. This diagram also demonstrate the fact that the female population is dominating almost in all stages of life in the area of éDumbe with an exception of age 5-14 which has a very slight different which does not make any significant change. It is also imperial that the population of éDumbe is predominantly dominated by the by both male and female youth group with ± 40% of the total population.

### Income Levels

Income levels in èDumbe tend to be quite low with 69% of the population earning less than R800 a month. This is significantly higher than both the district and provincial levels where 50% and 36% of people respectively earn less than R800 a month. These figures indicate that the majority of the population has low living standards and a poor quality of life. The table below shows the differences in income levels at Local, District and Provincial level.



A poverty score devised by the Department of Economic Development which is based on the number of households with no income, unemployment levels, dependency ratio (total population divided by the employed) and households with an income of less than R1 600, shows that most of èDumbe falls in the medium to high poverty range. This poverty is focused in the eastern and southern parts of the municipality and is particularly severe in the Simdlangentsha region.

R1 600 per month is well below the amount required by households to be able to maintain a healthy and hygienic lifestyle (or household subsistence level). As would be expected income levels appear to be higher in those wards located close to the urban area of Paulpietersburg and Dumbe.

Low income levels are a direct result of low levels of employment in the municipality. According to the 2006 ZDM Data there are 13 524 unemployed people in the region. The unemployment rate is determined by expressing the number of unemployed people as a percentage of the economically active population, i.e. the total population that of working age (15 – 65) that is available for work and is either employed or unemployed. èDumbe's unemployment rate is 57% according to Census 2001 data. This is very high but is representative of a broader regional problem; the unemployment rate of the Zululand District Municipality is even higher at 61%. Both of these statistics are significantly higher than KZN's 39% and points to the scarcity of employment opportunities available in èDumbe. 46% of those who are not working in èDumbe cited being unable to find work as their major reason for being unemployed.

However, this points to the need to stimulate demand driven economic development within the municipality. Unemployment constitutes a massive problem for the area and there can be no quick fixes for a problem that is long term and structural in nature. The strategies looked at in this document will not only be looking at direct employment generation but will also focus on providing opportunities and economic empowerment to enable the population to become economically active and in this manner improve their accessibility in the labour market.

### **Key challenges of the Municipal area**

The èDumbe municipality is located in one of the poorest and poverty stricken district municipalities in KwaZulu-Natal. (It forms part of Presidential Nodes

- A large rural population that depends on the nearby urban area of Paulpietersburg for commercial and public services (e.g. health, social welfare, police services etc) places pressure on the primary node because of the lack of social and economic services within the rural areas.
- Most of the rural settlements are small thus making service delivery costly, this effect is compounded by the aspect that only 35% of the municipality's population éDumbe LM lives in an urban area while 65% lives in the rural

hinterland of the municipality. The spatial development pattern of the municipality will have to be addressed.- 53% of the population of the municipality are women. Women are assumed to be acting as household heads in the absence of partners seeking employment in other urban centres. It is also accepted that these women are more disadvantaged in terms of resources. Strategies need to be developed in order to create security for women and their dependent children.

- Close to half of the population are children, placing pressure on the need for educational and social facilities. Many of these children will be orphaned as a result of HIV/AIDS. At least 17% of the population is already infected with HIV. The severe impact on the need for health, social and welfare services over the next 20 years will have to be accommodated in the Municipalities strategy for service delivery.
- Income levels in éDumbe tend to be quite low with 69% of the population earning less than R800 a month. The traditional and rural areas are the most poverty stricken.
- The majority of the population relies on public transport facilities. This is primarily taxi based. The quality and efficiency of the public transport sector still needs attention.
- Although a large portion of the population has access to household electricity the low income levels in the municipality puts a severe restriction on the number of people actually using electricity as a primary means of energy. Electricity provision at schools and health facilities are especially critical. In the wake of the looming energy crises faced by this country it is vital that the Municipality adopts policy embracing the use of alternative energy sources for new residential and commercial development.

## **Opportunities**

The éDumbe municipal area experiences low economic development and growth per annum but below mentioned are the areas of potential that can help the municipality grow and improve its economic development and growth.

- éDumbe is a gateway to KwaZulu Natal Province and it is a shorter route from Mpumalanga Province to Durban or Pietermaritzburg. In that sense it can attract as many tourists who are exploring KZN as possible.
- Its tourist attraction is highly on cultural tourism with many heritage sites including the Residence and the Grave of Mkabayi kaJama of the Zulu Nation at kwaGamakazi and the Voortrekker Park at Paulpietersburg. éDumbe can be a tourist destination based on the Zulu Heritage Route which is supported by the Zululand District.

- It is also rich in eco-tourism, with the existence of Ithala Game Reserve, Pongola Bush Nature Reserve and Natal Spa Hot Spring and Leisure Resort.
- Other tourism opportunities that have been identified include but not limited to: Hot Water Springs; Battlefields Route; Historical Buildings; Fishing Resorts; Game Farms; Engodini Crater; Traditional Areas; 4X4 Trails, and Paragliding.
- éDumbe has vast mining opportunities with natural resources which can create better socio-economic environment for the people of éDumbe. There are five Mines within the éDumbe area which are currently closed down with remainders of natural resources mainly coal.
- Ubivane Dam which is also known as Paris Dam is currently underutilized as it has the potential to stimulate economic growth through development of Holiday Resorts, Conference Centres, Hot Water Springs and so forth.
- 
- éDumbe is known for being the home and headquarters of the international recognized brands such as Valpre Water and Ignite Charcoal.

### **eDumbe Challenges of Socio-Demographic Nature**

- HIV/AIDS epidemic very escalating
- - Poverty
- Youth alcohol abuse
- Teenage pregnancy and early school leaving
- Grant Dependence
- House Breaking

### **eDumbe Challenges of Economic Nature**

- High unemployment rate
- Infrastructure that does not favour economic development
- Shortage of skills to support the economic development
- Increase of invasive species
- Loss of indigenous vegetation/ biodiversity
- Poor waste management practices
- Wetland degradation
- Soil Erosion
- Unsustainable cultivation
- Water pollution

### **eDumbe Challenges of Governance and Administration Nature**

- skilled staff is attracted by bigger municipality
- under development
- Shortage of Training Fund for staff training
- Poor community participation/ mal-functional community participation structures
- Poor human Resources Capacity

### **Top Ten Challenges**

- Clean Audit
- Water bone sewerage System
- Revenue enhancement strategies
- Debtors management
- Asset Management
- Repairs and maintenance of infrastructure and equipment
- Access to water and sanitation, management and maintenance
- Access to electricity, management and maintenance
  
- Access roads and maintenance of municipal roads



- Upgrade of houses
- Formalisation of informal settlements

## **Chapter 2**

### **Performance Highlights**

- Technical Services
- Corporate Services
- Planning and Development
- Municipal Manager
- Department of Finance

## **Technical Services**

### HOUSING PROJECTS

#### ROADS Projects

### ELECTRICITY PROJECTS

### SPORT FIELDS

### HALLS

### **FREE BASIC ELECTRICITY**

The eDumbe Municipality is providing free basic electricity to 300 house holds, who are on the indigent register

### **WASTE MANAGEMENT PROJECT**

The Municipality has one waste management site which not legal and we are doing our level best to register it with the department of Environment affairs. The Municipal Manager has nominated the Waste Management Officer as per the legal requirement.

## **MIG PROJECTS**

### **MAINTENANCE OF MUNICIPAL ACCESS ROADS**

#### **Corporate Services**

The department has worked tirelessly to regain confidence of the staff and to ensure customer care adherence. Employees were informed about the code of conduct that is application to everyone for good governance. Staff development programme has been happening more specially those in a lower level climbing the ladder.

#### **PROGRAMMES AND POLICIES**

During the year under review, a policy workshop was held which resulted in a number of policies being reviewed and approved. Parts of these policies were the Standing Rules and Orders for Municipal Council.

There is quite a number of training interventions and programmes that the Municipality has under taken in trying to address the issues of capacity and ensuring that officials perform better in their work station.

#### **COUNCIL AND SUB-COMMITTEE MEMBERSHIP**

In accordance with the Section 79 of the Municipal Systems Act 117 of 1998, the municipality approved establishment of its committees and delegated authority for specific matters to various committees, all of which have formal terms of reference. Through regular reporting by the committees, Council is able to oversee risk areas, financial and non-financial aspects relevant to its operations.

The meetings of Council are convened on a quarterly basis and its subcommittees are held monthly. The committees are structured as follows:

##### **All Portfolio committees**

###### **Executive Committee**

1. BM Nxusa
2. DJ Nhlengethwa
3. SJ Kunene
4. NR Simelane (Speaker)

Corporate Services Portfolio Committee

1. DJ Nhlengethwa
2. SE Thela
3. IAT Mbatha
4. ND Ndlangamandla

#### Finance Portfolio Committee

1. BM Nxusa
2. TP Sibeko
3. SR Nkosi
4. NN Nhlabathi

#### Planning Portfolio Committee

1. SJ Kunene
2. SR Nkosi
3. SE Thela
4. DZ Mtshali
5. R Gevers

#### Technical Services Portfolio Committee

1. BM Nxumalo
2. NZ Kheswa
3. NP Khumalo
4. NN Nhlabathi

#### Community Services Portfolio Committee

1. DJ Nhlengethwa
2. TP Shabalala
3. SR Nkosi
4. DZ Mtshali

### **Records of meetings attended by the councillors**

Since there were Local Government Election in May 2011 most of the Councillors are new and the training should be conducted for the new leadership.

Upon anointment of new Councillors, Council established its committees in order to ensure progress of the work already undertaken by the previous council thereby

allowing no vacuum in the delivery of services to the community of eDumbe. Council and its structures were constituted as follows:

### **Members of Council**

NR Simelane	Speaker
DJ Nhlengethwa	Deputy Mayor
BM Nxusa	Mayor
R Gevers	
ND Ndlangamandla	
TP Shabalala	
NZ Kheswa	
IAT Mbatha	
DZ Mtshali	
SR Nkosi	
TP Sibeko	
SJ Kunene	EXCO Member
NN Nhlabathi	
MP Khumalo	
SE Thela	

## **Planning & Development**

### **Integrated Development Planning**

eDumbe Municipality is one of the few municipalities that do its IDP internal not using service providers and our IDP is rated amongst the better ones in the province. The municipality has adopted its IDP in time and submitted to Cogta in time.

### **Performance Management Systems**

The municipality has developed its Organizational Performance Management System (PMS) policy. The Service Delivery and Budget Implementation Plan (SDBIP) for the financial year 2011-2012 was adopted by Council in June 2010. The

Performance Contracts for the Municipal Manager and Section 57 employees were developed and approved after the approval of the SDBIP and submitted to Cogta before the deadline.

## **COMMUNITY SERVICES**

### **Arts and Culture**

The Municipality has an annual cultural event called Umbele Wethu where in the local groups compete for the awards and the space to the District event. The build up starts from ward level to municipal level and the district.

### **Umkhosi Womhlanga (Zulu Reed Dance)**

Each year the eDumbe Municipality support the maidens to the Reeds dance which is held annually by His Majesty the King of the Zulu Nation. The maidens are supported with transport, accommodation tent and food.

## **SPORTS AND RECREATION**

### **Mayoral Cup**

Each year eDumbe Municipality host the Mayoral Games which includes the different sporting codes. Whereby wards compete and the trophies for each code are presented by the His Worship the Mayor to the winners. During the games the eDumbe team is being selected amongst the players to represent eDumbe Municipality at the District Mayoral Games. In the reporting year the games were held in June 2012.

### **Mayoral Marathon**

eDumbe has the Mayoral Marathon which has become a SADAC Competition. We had athletes from Different Districts in KZN, Zimbabwe, Swaziland, Gauteng, Mpumalanga and Local athletes participated.

## **DEPARTMENT OF FINANCE**

### **Financial Planning and Development of Financial Statements**

The municipality is preparing the financial statements for submission to Auditor General and to Department of Cooperative Governance and Traditional Affairs as required by the Municipal Systems Act and Municipal Finance Management Act

### **Implementation of Municipal Property Rate Act (MPRA)**

The municipality is implementing the revenue enhancement strategy and has taken a decision to develop the evaluation roll for all properties within eDumbe Municipal jurisdiction.

### **Personnel Development**

The Treasury has offered the municipality with great support of Financial Interns. The SMIG is so helpful in developing our financial systems and financial staff.

## **Chapter 3**

### **Human Resources and other Organizational Management**

- 3.1 Organisational Structure
- 3.2 Administration Leadership
- 3.3 Human Resources
- 3.4 Skills Development Plan
- 3.5 Disclosures

Organisational Structure

## **Administration leadership**

The head of administration is the Municipal Manager. The municipality has six Administrative Departments, of which one is headed directly by the Municipal Manager and the other five by Directors directly Accountable to the Municipal Manager.

### **Executive Department**

The Executive is directly headed by the Municipal Manager who has the following units;

1. Performance Management
2. Communication
3. Risk Management
4. Mayoralty

### **Performance Management**

Is responsible for the implementation of the Organisational Performance System. That will be cascaded to departments and to Directors and to section Managers.

### **Communication**

Is responsible for coordinating the media statements and responses. Making all publications and marketing of the municipality

### **Risk Management**

Is instrumental in ensuring that the municipality does consider addressing the AG's comments and concerns.

### **Mayoralty**

Is responsible for managing the day to day programme of the Mayor, arranging strategic appointments for the Mayor. Leading the Inter – Governmental Relations.



## **Corporate Services Department**

The Corporate Services Department, headed by the Director: Corporate Services includes: Human Resources, Committee Section, Information and Communication Technology (ICT), Registry and Records Management Services, Customer Care, Fleet Management, Building Access Control and Maintenance.

The following are the functional areas of the sections within the Department:

Human Resources – Coordination of sound labour relations, Human Resources management and recruitment strategies, employee wellness, organisational development and Occupational Health and Safety, LLF, Skills Development and Training.

Committee Section – Provision of secretariat support to Council and its committees, and ensuring that Council Resolutions are implemented.

## **Human Resources Profile**

The Municipality currently has 156 staff members employed, the Corporate Services Portfolio Committee which covers the Human Resources matters; and the following structures are functioning;

Local Labour Forum

Work Place Skills Committee

Occupational Health and Safety Committee

## **Skills Development Plan**

A total of 49 employees received training in the 2011/12 financial year Section 57 and Council. A Skills Audit has been conducted for all Section 57 Managers. DPLG Performance Management Regulations and MFMA provisions stipulate that Performance Evaluation Panels must be set up to conduct performance assessments of municipalities and Section 57 staff in municipalities. All of Section 57 Managers and some of the Councillors have been trained.

## **Minimum Competency Levels for Senior Management**

The Municipal Finance Management Act, Sections 83, 107 & 119 prescribe that the Accounting Officer, Senior Managers, the Chief Financial Officer and other financial officials of a municipality must meet the financial management competency levels prescribed by regulation. National Treasury issued regulations on Minimum Competency Levels on the 15 June 2007 the regulation prescribe the minimum competency levels for the following categories of employees:

- Accounting Officers of Municipalities and Municipal entities;
- Chief Financial Officers of Municipalities and Municipal entities;
- Senior Managers of Municipalities and Municipal entities;

## **Disclosures**

The disclosure forms for councillors and staff

## **Remuneration of Councillors**

## **Remuneration of Senior Management**

## **Chapter 4**

### **ANNUAL FINANCIAL STATEMENTS**

## **Chapter 5**

### **Functional Areas**

#### **Technical Department Functions**

The Department is headed by Director Technical Mr PV Biyela. The main function of Government in all spheres is to deliver services to the people. In local government, Technical Department is the one that is tasked mainly with this function. This Department is responsible for the implementation of all infrastructure projects that are delivered to the community, e.g. road construction, building of community structures like halls, crèches etc and construction of sports facilities, waste management and most importantly provision of houses to local communities.

This makes it the most important Department in local government because it is tasked to address the expectations of communities directly and once it lacks in its mandate, the beneficiaries lose confidence to the entire Municipality and its leadership.

Other function of this Department is to ensure that whenever a certain project is implemented, legal stipulated guidelines are followed by all the stakeholders, e.g. the principles of Extended Public Works Programmes (EPWP) are complied with, regulated working hours and safety of workers are not compromised for bigger profits. Some of this Department's officials play the role of social consultation in other projects

#### **Corporate Services Department Functions**

The Corporate Services Department is headed by the Director: Corporate Services, Mr WM Nxumalo. The department works closely with the office of the Municipal Manager by providing support, assistance and general support services to both other departments as well as political component of Council.

The divisional sections in the department consist of the Human Resources, IT, Registry and Records Management and Committee Section

The Human Resources Section controls the entire staff administration together with the Payroll System. This section is also responsible for Skills Development and Training, policy development, maintaining discipline as well as employee assistance. The Committee Section is in charge for compilation of agendas and minutes for portfolio committees and resolutions thereof, dissemination of information to council and other bodies, provision and maintenance and control of information technology,

telecommunication and records management, security, health and hygiene and all other auxiliary matters.

### **Finance Department Functions**

The Department of Finance is headed by the Chief Finance Officer (CFO). Director Finance: Mrs SQ Mntambo

The function of the financial services is to ensure effective financial management within the Municipality, which encompasses and underscores the following fundamental functions and responsibilities:

- Financial planning
- Preparation of budget
- Development of financial statements, Implementation of SDBIP and PMS Implementation of the MPRA
- Personnel development
- Ensuring that public spending is done legislatively and cost effectively
- Monthly and quarterly reports to provincial and national departments
- Implementation of the Supply Chain Management Policy
- Management of grants and other revenue that the municipality receives throughout a financial year
- Management of income and expenditure
- Budget control

### **Planning and Development Department Functions**

This Department is headed by Director Planning and Development Mr DH Zulu. This department is tasked with the responsibility of coordinating the Spatial Development Framework of the Municipality, integrated Development Plan, Strategic Planning, Land Use Management and Local Economic Development and Tourism.

### **Community Services Department Functions**

This Department is headed by the Director Community Services, Miss ZM Mdlazi and this department is responsible for the Special Programmes: (Women, Youth, Disability), Arts & Culture, Sport, Public Safety and Libraries.

## **Conclusion**

This Draft report indicate the level of commitment that the eDumbe Municipality has put to achieve it vision and goals. We have said things will change and we are still committed to that.