

ÉDUMBE LOCAL MUNICIPALITY



ANNUAL REPORT

2015/2016

FINANCIAL YEAR

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CHAPTER 1

**MAYOR'S
FOREWORD AND
EXUCUTIVE
SUMMARY**

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: 1.1.MAYOR’S FOREWORD



1. FOREWORD BY THE MAYOR

This financial year is my last year reporting as a Mayor to people of eDumbe. However let me take this opportunity together with the Council to thank the people of eDumbe whole heartedly for affording us the opportunity to lead the municipality for a period of five years. I will also extend my gratitude thanks to the management and staff of eDumbe for being the agency of change in our Municipality. One of the pillars of Democratic governance is good governance which is strictly uncorrupted, transparent and cares for its clients. I am delighted to say that as Council, we tried our level best to regard people of eDumbe municipality as our clients. It is very crucial to always refer to this in order to accomplish the constitutional mandate of the eDumbe Municipality as prescribed in the constitution of South Africa. This is a time of reporting to the community, our achievements and shortcomings in the reporting year. The municipality has also indicated corrective measures together with people of eDumbe to non-achieved targets. The municipality is subscribed to the principle of accountability and democracy since they are the main objectives of local authorities. So this report is based on the two principles I have mentioned.

This year we have seen a content improvement of our governance and services delivery, it is impressive that the community is gradually growing in terms of understanding the operations of the municipality even though there are still some challenges. In the last three years we started engaging with the community on the subject of governance process and

budget processes. And in the reporting year I am really delighted to note that there are areas of improvement on the understanding. This is also evident on the level of tolerance in the whole municipal area and even on different political parties.

ADMINISTRATION SUSTAINABILITY

I also wish to appreciate the political leaders in the municipal area of eDumbe for putting people first and for considering prioritizing the needs of the people over their political parties. When you visit all the wards people are talking about similar issues which are; Roads, Electricity, Town Development (Shopping Mall) water, Water borne sewerage system and business development. These are the same issues which are at the top priority list of the municipality. We are busy with Zululand District Municipality looking at the issue of water borne sewerage system in our municipality and we have also engaged Cogta in this regard.

As a political head of this institution I wish to applaud the Speaker of Council for making sure that the council sit and consider all items on the agenda, to afford all councilors an opportunity to deliberate on the items without any prejudice. To also appreciate the support and advice from the Deputy Mayor, it is very important to have somebody who understands his role like my deputy Mayor. The Hon Deputy Mayor has been since joining the municipality supportive and he knew when to assume responsibility of a mayor. Our Executive Member who has always objective and able to link our programmers with the provincial programmers and the MPAC Chairperson and the whole committee who has been very vocal on issues of good governance and financial administration on the municipality, our MPAC has changed its operations since the new Chairperson was elected by the Council. This committee did not wait till the last day to sit for the compliance matters. The Council as a whole I am glad to say that this is a developing council and has an interest of people at heart.

The Municipality has only one vacancy in senior management position which indicates sustainability in our management. During 2015/2016 financial, the municipality has managed to acquire the service of Director Planning and Director Technical. This appointment will ensure the sustainability in terms of administration and management; however we regret to report that Director Corporate has been appointed at Uphongolo Municipality.

GOOD GOVERNANCE

This financial year we have experienced an improvement in our governance systems one will remember that in the last report it was noted that we are short of policies more especially on IT and the implementation of the existing policies. This time around we have approved 16 policies and have exceeded our target of approving 13 policies. We have also used effectively the IGR Structure and Treasury and have also implemented the credibility of the information by making it a

standing item on our Exco and Council agenda which check the credibility and reliability of the information on the agenda. We have also updated our financial policies as per the MFMA.

PUBLIC PARTICIPATION

We have sustained our principle on the active participation of the community on the municipal programmes. We have conducted 18 IDP izimbizo to ensure that the community understand the plans of the municipality and approve those plans. We have also deployed our entire senior managers and managers to the war rooms; we enjoy the support of the Office of the Premier through Sukuma Sakhe initiative.

BASIC SERVICE DELIVERY

Based on our commitment we have been playing a very active oversight role to ensure the flow of service delivery to our people. We have noticed that there is a slow movement of projects and we made our intervention to the municipal manager which resulted to the appointment of the service provider to do a programme management of all our projects.

In 2013/2014 financial year, we started with the refurbishing of our town roads which are still a challenge because the budget we get from treasury is not enough. In 2014/2015 financial year, we continued focusing on Regravelling roads in our surrounding rural areas and construction of causeways and we could not finish our roads and causeways. This financial year (2015/2016) we completed the following projects.

- Mahlosana 1.25km road regavelled
- Ophuzane 1.5km road regavelled
- Mangosuthu 3.6 km road regavelled
- Bilanyoni 700 m road regavelled
- Fencing Tholakele Cemetery
- Brech Crèche
- Madulini Crèche
- KwaGamakazi Hall
- Rehabilitated Taxi Rank
- 2 Bilanyoni High Masts

In 2013/2014 financial year we promised that we shall remove livestock on our roads in town by building animal pound. In 2014/2015 financial year the pound was constructed and pound caretaker was also appointed but there is still a challenge for our pound to be more operational because we still need to gazette our by-laws. The formalization of Mangosuthu Township which we reported in 2013/2014 financial year is still on pipeline, this will include a lot of public participation and public education complying with the site designs and payment of services.

ELECTRICITY

Our first priority was to close the phase 3 project, which would then unlock the funding opportunities for new electrifications. Further to that we mandated the Municipal Manager to consider appointing the consultants on risk to source funds for expanding the electrification to other areas. This has borne fruits since the Phase 3 has been officially closed and the Department of Energy has allocated an amount of R5 Million to start a new project which is underway.

Community Participation

We have finally elected ward committees in all our wards. We have approved a budget to train the ward committees and launch them as required by COGTA. We have also increased our budget on out of pocket fees for the ward committees to R400.00 from R250.00. It is exciting that all ward committees are fully operational even though we have not yet trained them but the guidance that was given to them make them function properly. As it has been indicated above that we have been working with the ward committees in IDP, Izimbizo and in maintaining gravel roads, we had meetings with Amakhosi and they have an office allocated to them in the municipal building.

WOMEN

As started in the last report all wards have established the women committees to ensure the representation of women in the community and to allow them to have exclusive programmes. From the ward structures we have established the women's forums.

SPORT

We continue to shine and to dominate in the District. We had our teams being nominated to represent the District at the SALGA Games 2012. We have also seen our players receiving awards in the Department of Sport under Zululand Region, including our officials as most supporting municipality.

OPERATION SUKUMA SAKHE

We continue to see this unit doing well in issues of war rooms and HIV/Aids prevention awareness. We are also doing well even the province has applauded us in this regards. EDumbe Municipality has 10 war rooms which indicate more than 100% establishment and functioning. We have activities that are running monthly.

FINANCIAL STABILITY

SCM

Our SCM is operating well with all the required Bid Committees which support its functioning as per treasury regulations and the MFMA. Yes there are minor shortfalls but we are building up towards full compliance and elimination of fraud. We have been ensuring that all the procurement processes are adhered too. Our Finance Portfolio Committee has been working very hard in ensuring that the SCM policies are implemented and we acknowledge the efforts of the CFO in monitoring these processes.

REVENUE COLLECTION

We have reviewed the following policies/strategies revenue as a tool to help us collect more money:

- Property Rates Policy.
- Tariffs Policy.
- Revenue Enhancement Policy.

We are billing but the collection is not justifiable hence we need to put more man power in this section. We also acknowledge the fact that we are losing more money on the electricity losses which is in two folds, illegal connection and technical loss however the municipality has appointed the service provider to install new smart meters that will help the municipality to collect more revenues.

DEBT MANAGEMENT

This is supported by the above deliberation and we are expecting changes due to the staff allocated in the billing section. We are considering deploying more staff on the debt collection unit to reduce the debt list. We have noticed that some debts are irrecoverable and very old. The reasons for them being irrecoverable are incorrect

information of debtors like addresses, owners, and indigents who are unable to pay their debts. We are considering to do more exercise to identify and separate the debtors into categories, which will be recoverable, indigents, and correct the register for owners. The municipality has also approved the Credit Control and Debt Collection Policy.

FUTURE ACTIONS

In the five year cycle of our IDP we will be committing all our efforts to ensure that eDumbe is no longer the same again. We are still continuing with the process of engaging the Zululand District Municipality, Department of Water Affairs and Department of Cooperative Governance and Traditional Affairs to change the old sewerage system to water borne sewerage system .This is a hard exercise as we are experiencing drought but we are optimistic that as soon as the whole project is complete, it will unlock economic developments in this area. As a municipality a lot has been done to promote housing delivery and LED projects.

CONCLUSION

Lastly on behalf of Council of eDumbe I would like to extend a word of gratitude to the members of the communities we serve for confidently entrusting their plight on our shoulders for the development of eDumbe and we assure them that we are, together going to continue working hard to create a caring, strong and a vibrant eDumbe. I thank all internal and external stakeholders who continue to participate in all efforts to make eDumbe a better place to live in.

Yours in Service Delivery

Cllr B.M Nxusa

HIS WORSHIP THE MAYOR OF EDUMBE LOCAL MUNICIPALITY

COMPONENT B: 1.2.EXECUTIVE SUMMARY

BY MUNICIPAL MANAGER



In terms of Section 121 of the Municipal Finance Management Act (MFMA) read together with Section 46 of the Municipal Systems Act 32 of 2000 regulates the manner in which the Accounting Officer should prepare both the Annual Report and the Annual Performance Report. In compliance with the above mentioned sections of legislation, it is indeed an honor and privilege for management to join His Worship the Mayor, our political head, the Honorable Speaker and the entire Council to present this annual report to all our stakeholders.

During the 2015/16 financial year the eDumbe Local Municipality continued to conduct its planning and business operations in line with the five national KPA's including the sixth provincial KPA which are as follows:

- Basic Service Delivery and Infrastructure
- Local Economic Development
- Financial Viability and Management
- Institutional Development and Transformation
- Good Governance and Public Participation
- Spatial Planning and Environmental Management

The Municipality performed its duties as required in terms of section 155 of the Constitution and Chapter 3 of the Municipal Systems Act 32 of 2000.

Management would like to take this opportunity to thank to thank the Council, EXCO, the Audit Structures, MPAC, as well as staff members for their continued dedication and alertness to the work beforehand and all other external partners such as: Provincial Treasury, COGTA, the Auditor-General and other key sector partners who worked with us in 2015/2016 financial year.

In conclusion management hereby presents the 2015/2016 Annual Report as a reflection of all the activities that were carried out by eDumbe Local Municipality during the year under review.

TV Mkhize
MUNICIPAL MANAGER

1.3. Municipal Overview

1.3.1. VISION, MISSION AND CORE VALUES

VISION

“By 2030 éDumbe will be a livable, economically progressive municipality and a gateway to KwaZulu-Natal.”

MISSION

“éDumbe Municipality seeks to create a healthy, safe environment with economically active communities through promotion of sustainable infrastructure development while unlocking agricultural and tourism potential.”

CORE VALUES

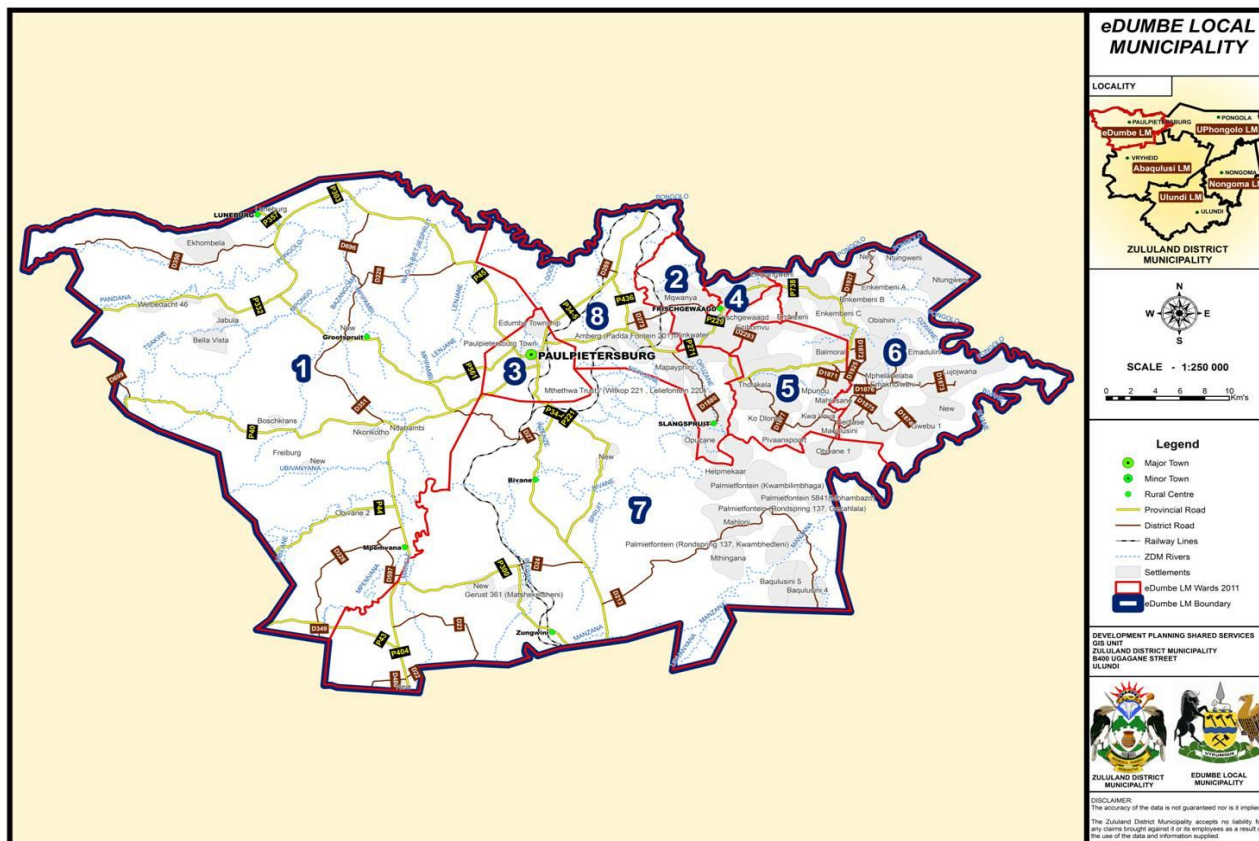
The éDumbe Municipality aims to achieve its primary function and justify its existence as a Local Municipality by prescribing to the following core values:

- **Transparency:** Foster full public participation in all its processes and welcome all comments and enquiries.
- **Service Delivery:** Strive on a day-to-day basis to provide for its people
- **Efficiency:** Work and deliver to our best potential and capability
- **Transformation:** Try to adapt and change to a situation that is in the best interest of the people

MUNICIPAL OVERVIEW

éDumbe Municipality is one of five Category B Municipalities within the Zululand District. It is located on the north of the province of KwaZulu-Natal. éDumbe forms the southern end of Zululand District and the province of KwaZulu Natal. It is bounded by Abaqulusi and UPhongolo Municipalities to the south and the east within the District (Zululand Municipality), with Emadlangeni Municipality of Amajuba District Municipality to the west, and bordered by Mkhondo Local Municipality, Mpumalanga Province in the immediate north.

éDumbe Municipality, covers a geographical area of 1 947 km² of KwaZulu-Natal, is home to a population of about 82 053, and 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.



DEMOGRAPHIC CHARACTERISTICS

Demographics concern human populations - their sizes, compositions, distributions, densities, growth, and other characteristics, as well as the causes and consequences of changes in these factors. Demography is the basis of all planning activities and developmental processes, and has important implications for policymakers in both the public and private.

Reliable demographic analysis depends on good and current data. This has been and continues to be one of the major challenges for municipalities in South Africa. Detailed and comprehensive data is only available via the national census processes which have defined timeframes, with the last census being 2001 and the next one done in 2011 (data expected to be available in 2013).

POPULATION GROWTH

Table 1: Population Growth from 2004 to 2011

Municipality	2004	2005	2006	2007	2008	2009	2010	2011	% Share of ZDM in 2011
ÉDumbe	82,143	81,877	81,195	80,230	79,238	79,208	79,466	82,053	9.79%

POPULATION DISTRIBUTION

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

Table 1: Population Distribution

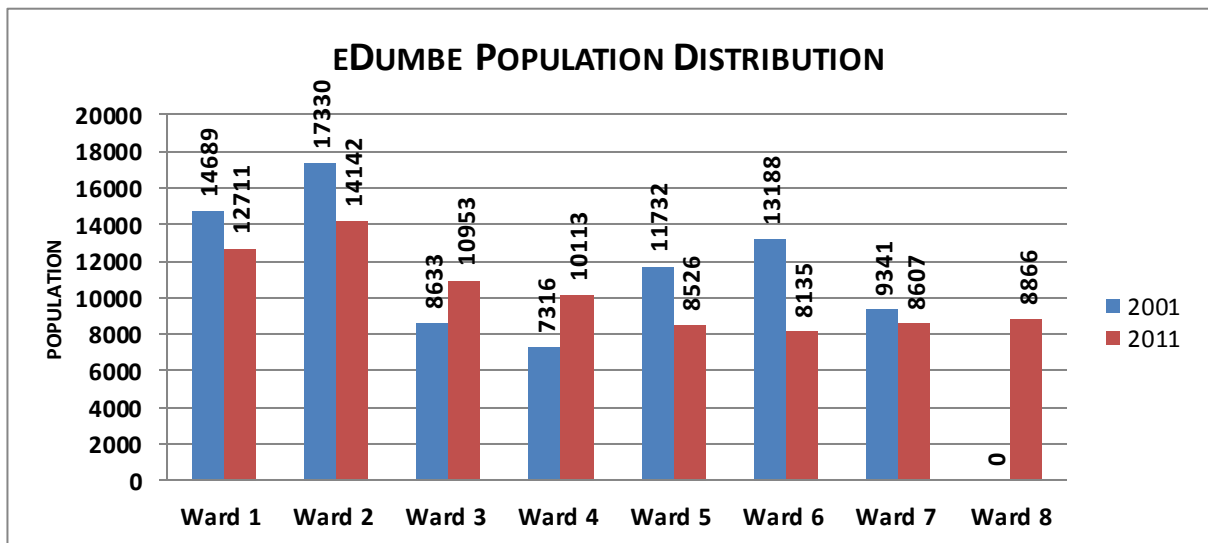
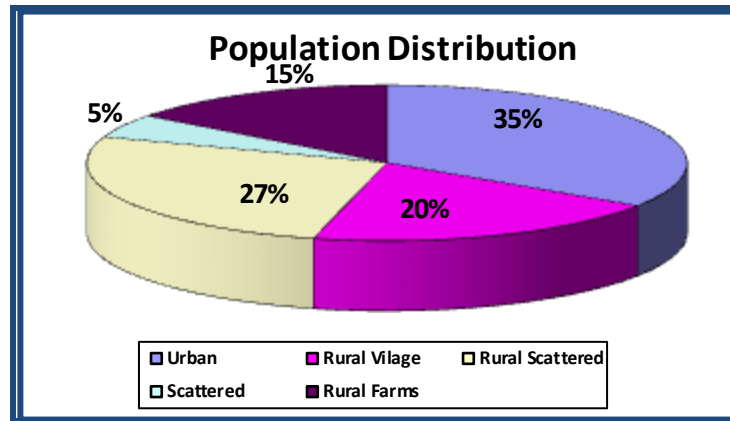


Figure 2: Population Distribution



The above table and the diagram shows that only 26% of the municipality's population lives in an urban areas while 74% lives in the rural surroundings of the municipality in a form or rural village, spread and farms. This factor has severe implications on actual service delivery and the cost thereof. It also implies that the large number of the general public of eDumbe 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.

HOUSEHOLDS

NUMBER OF HOUSEHOLDS

Table 1

Ward Nr.	Councillor	Area (Sq. km)	Households	Population	Settlements
1	Cllr Thela	776.227	1 952	13 201	14
2	Cllr Nhlabathi	47.125	3 275	22 149	3
3	Cllr Mbatha	39.610	2 610	17 651	3
4	Cllr Kunene	11.891	2 195	14 845	2
5	Cllr Nxusa	76.220	1 731	11 707	7
6	Cllr Mtshali	197.654	1 848	12 498	17
7	Cllr Khumalo	642.933	1 475	9 975	15

8	Cllr Simelane	151.131	1 861	• 586	6
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AVERAGE

HOUSEHOLD SIZE

A clear observation that can be made from the table below is the decline in household sizes over the years. There are many reasons that can be the cause to such a problem such as a decrease in population, due to HIV/AIDS and migration of the locals, as well political and administration problems.

Table 2: Average Household Size

Municipality	2003	2004	2005	2006	2007	2008	2009	2010
éDumbe	4.99	4.95	4.92	4.90	4.88	4.86	4.85	4.84

Pensioner Headed households

Table 3

éDumbe Municipality Census 2011						
AGE (years)	60-65	65-70	70-75	75-80	80-85	90-95
TOTAL (%)	32.4	23.6	23.6	14.1	10.4	4.9

Child headed household

Table 4

eDumbe Municipality Census 2011									
Age (Years)	10	11	12	13	14	15	16	17	18

Total %	1.6	0.5	0.4	0.1	0.2	0.7	1.0	1.4	2.0
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Gender Ratio

Gender Distribution

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

Table 5

Gender	
Male	38,447
Female	43,605
Total	82,053

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

Table 6

Age Break Down	Males	Females
Age : 0 – 4	5702	5798
Age : 5 – 14	10845	10473
Age : 15 – 34	13563	15007
Age: 35 – 64	6920	9664

Age : Over 64	1414	2667
Total	38444	43609

Source :Census: 2011

The above table 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;

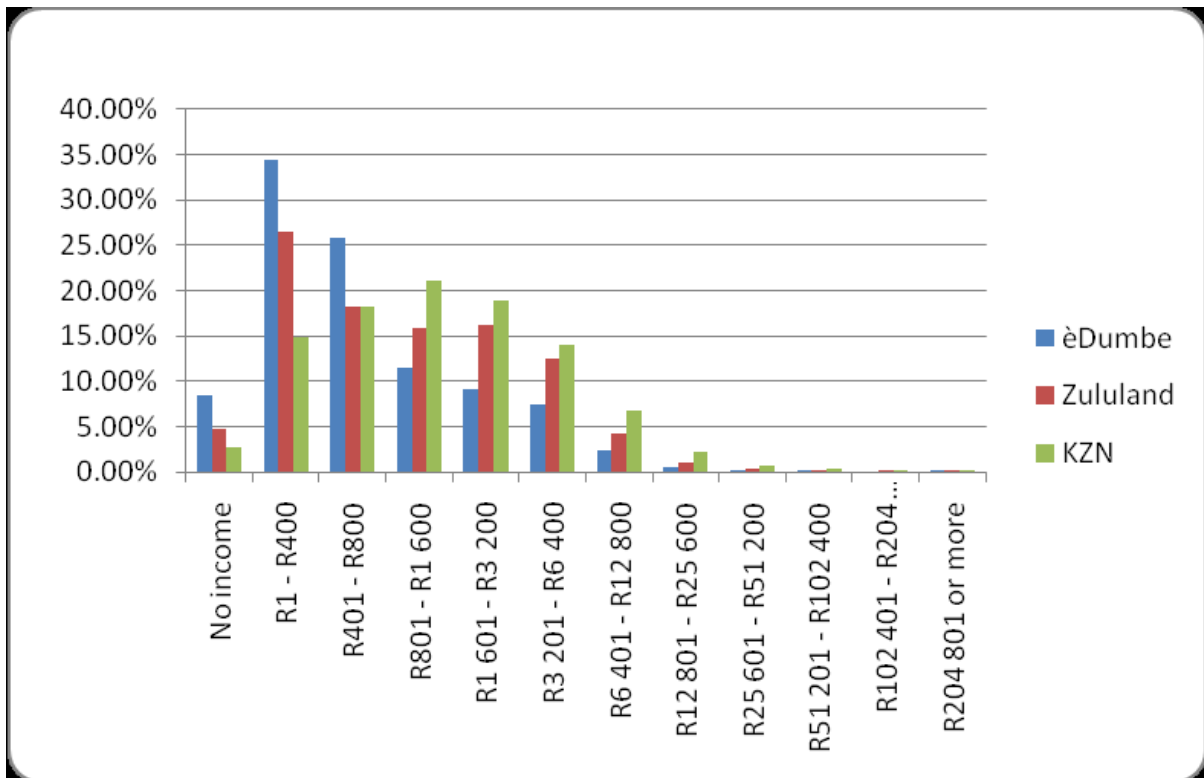
The impact of HIV/AIDS syndrome on the municipality considering the number of people entering the sexually active period of their lives;

The capacity of schools to cope with the large young population; and the expected increase in the number of job 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 \pm 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.

Table 7



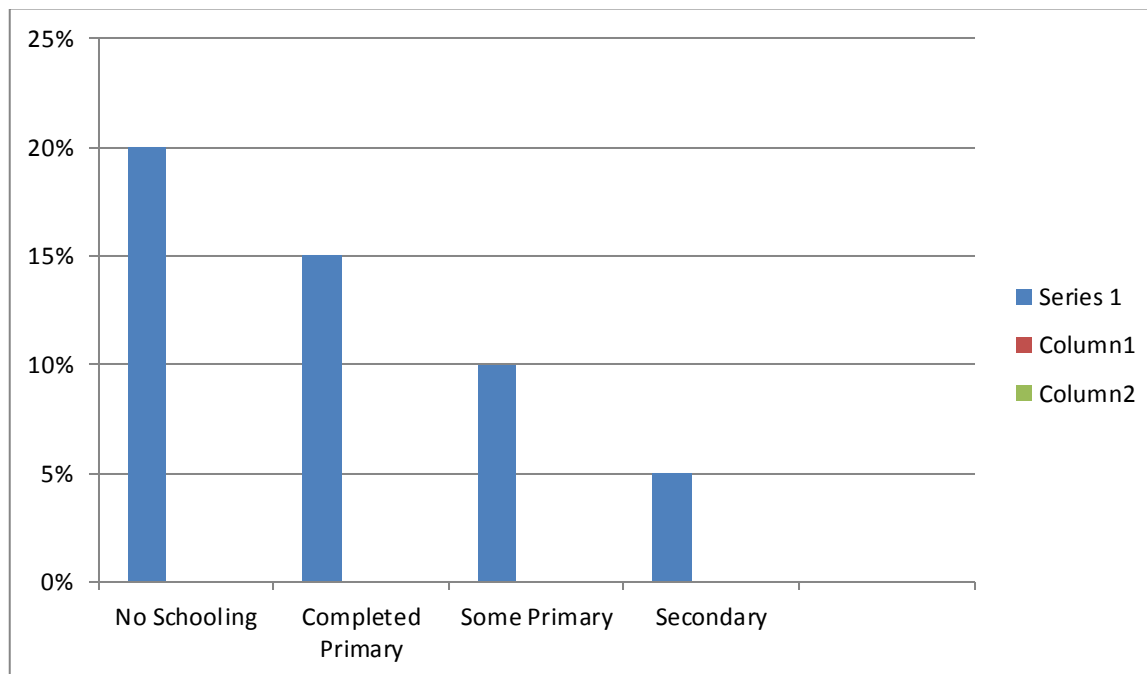
A poverty score devised by the Department of Economic Development which is based on the number of households with no income, unemployment levels, dependency ratio (total population divided by the employed) and households with an income of less than R1 600, shows that most of eDumbe falls in the medium 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 eDumbe.

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. eDumbe 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 eDumbe. 46% of those who are not working in eDumbe cited being unable to find work as their major reason for being unemployed.

Level of Education

Table 8



The diagram above indicates the generally low levels of education of eDumbe residents over 20 years. High percentage of the population has no schooling at all and only 5% have matric. These average levels are generally in line or tend to be slightly better than for the District Municipality, however they lag behind Provincial averages.

HIV

There exists an extremely high prevalence of HIV/AIDS in the municipal area, with the estimated infection rate at approximately 25%. The high mortality rate and burden of AIDS related illness caused by this has resulted in increased socio-economic hardships of families in the municipality, mostly due to a loss of income when economically active family members are unable to work or pass away.

Table 9

Department	Responsibility/Functions	Responsible Official
1. Office of the Municipal Manager	The Municipal Manager is the head of the municipal administration and he/she is also the accounting officer held responsible for financial management of	Mr. T.V.Mkhize

	<p>the municipality. The role of the Municipal Manager includes but not limited to the following.</p> <ul style="list-style-type: none"> • The general financial administration of the Municipality. • Assets and liability management. • Budget preparation and implementation. • Compliance and oversight reporting to Executive Mayor, Council, Provincial and National government. <p>As the head of administration, the Municipal Manager is responsible for :</p> <ul style="list-style-type: none"> • Formation of an economical, effective, efficient and accountable administration. • Implementation of the municipal IDP. • Appointment and management of staff. • Effective utilization and training of staff . • Maintenance of discipline of staff, the promotion of sound labor relations and compliance with applicable labor legislation. • Advise the political decision makers of the Municipality and managing communication between them and the administration. • Implement the decisions of the Council and Executive Mayor. • Administration of municipal laws and implementation of national and provincial legislation. • Facilitate participation of the local community in municipal affairs. <p>Office of the Municipal Manager provides the momentum of the administration and integrates all the components of the Municipality.</p>	
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There are five departments reporting directly to the municipal Manager.

Department	Responsibility/Functions	Responsible Official
<p>Z.</p> <p>Corporate Services</p>	<p>Corporate Services consists of 4 sections</p> <ul style="list-style-type: none"> • Administration • Human Resource • Information Technology • Public Safety. <p>The main objectives and functions of Corporate Services department include the following.</p> <ul style="list-style-type: none"> • To ensure that effective and efficient services are rendered by the municipality. • To ensure that citizens are satisfied with the quality of services delivered by the Local Municipality. • To ensure that residents are aware of the activities of the municipality. • To ensure that residents are aware of the policies, services and activities of the municipality. • To ensure that the municipality's staff is diverse, representative and skilled. • To implement workplace skill plan within the allocated budget. • To provide purposeful systematic and continuous labour relations and effective and capacity building to the staff. • To provide secretariat to the council. • Implement records management practices. • Ensuring proper keeping of council records. • Ensuring that personnel receive specialized training. <p>The fully established and well functional corporate services within a municipality is of a high priority as it is the department that shares a</p>	<p>Vacant from 01/06/2016</p>

	very close relationship with the public.	
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<p>3. Budget and Treasury</p>	<p>The Budget and Treasury Office is a directorate within the municipality responsible for the management, control and monitoring of municipal finances. The administrative head of finance department is Chief Financial Officer. The directorate is composed of the following sections:</p> <ul style="list-style-type: none"> • Budget Planning and financial reporting. • Income and Revenue Management. • Expenditure and Salaries • Supply Chain Unit <p>Budget and Financial Planning</p> <p>This section is responsible for the following activities.</p> <ul style="list-style-type: none"> • Municipal Financial Planning (Budget Preparation) • Reporting on financial affairs of the municipality in a form of annual financial statements and monthly, quarterly and annual reports as prescribed by MFMA. <p>Income and Revenue Management</p> <p>This section is responsible for the following activities.</p> <ul style="list-style-type: none"> • Collecting of income from all cashiering points. • Billing of rates and services. • Issuing out of clearance certificates • Management of the general valuation. <p>Expenditure and Salaries</p> <p>This section is responsible for the following activities</p> <ul style="list-style-type: none"> • Payment of creditors. • Payments of salaries, wages and sundries. 	<p>Mr S Mngwenge</p>
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	<ul style="list-style-type: none"> • Management of creditors' reconciliations. • Management of audit queries <p>Supply Chain Management</p> <p>This section is responsible for the following activities</p> <ul style="list-style-type: none"> • Implementation of the Supply Chain Management regulations and related legislation. This included demand management, acquisition management, logistics management, disposal management, contract administration and management of stores items and stationery. 	
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4. Community Development	<p>The Community department's core function is to ensure that the community is well serviced in regards to the following:</p> <ul style="list-style-type: none"> • Public Participation. • Education (Libraries) • Sports • Community Halls • Social Cohesion • Special Programmes • Waste Management <p>The department is also responsible for ensuring that plans and programmes are developed to focus specifically on the youth, women, disabled and underprivileged</p>	<p>Declared vacant by Council on 13/05/2016.</p>
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5. Technical Services	<p>The main objectives and functions of Technical Department is to provide basic needs of the community and maintain the standard of services provided. The department focuses on the following issues:</p> <ul style="list-style-type: none"> • Water and sanitation. 	<p>Mr S Cele</p>
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	<ul style="list-style-type: none"> • Refuse removal and sewerage. • Electricity • Civil works (roads & bridges) 	
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6.Planning Development	<p>Planning department 's function within the municipality is to regulate and control all development in a municipality. The department is also responsible for the following sections:</p> <ul style="list-style-type: none"> • Strategic Planning • Spatial Development • IDP • Tourism • Housing • LED • DPSS <p>DPSS staff includes the following personnel.</p> <ul style="list-style-type: none"> • Chief Planner • Senior Planner • GIS Specialist • Land Administrator • Building Inspector 	Mr S Ntuli
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Opportunities

The eDumbe 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.

- eDumbe 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. eDumbe 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.
- Obivane 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.

The éDumbe 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 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.

1.3.3. ORGANISATIONAL DEVELOPMENT PERFORMANCE

Introduction

The main focus in this key performance area is the institutional and organizational capacity of municipality to perform their functions and fulfill their developmental role as stipulated in the Constitution and the White Paper on Local Government. Institutional and organizational reform in local government is the key to sustainable municipalities. Having been allocated separate powers and functions entrenched in the Constitution; municipalities had to organize themselves in preparation to fulfill these functions and powers. Organizational transformation in local government is further explicitly prescribed in Section 51 of the Municipal Systems Act which provides as follows:

“A municipality must, within its administrative and financial capacity, establish and organise its administration in a manner that would enable the municipality to:-

- a. be responsive to the needs of the local community;
- b. facilitate a culture of public service and accountability amongst its staff;
- c. Constitution and its developmental duties as required by section 153 of the Constitution;
- d. ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's integrated development plan;
- e. establish clear relationships, and facilitate co-operation, co-ordination and communication, between-
 - i. its political structures, political office bearers and its administration;
 - ii. its political structures, political office bearers and administration and the local community;
- f. organise its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
- g. perform its functions—
 - i. through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units; and
 - ii. when necessary, on a decentralised basis;
 - iii. assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;
 - iv. hold the municipal manager accountable for the overall performance of the administration;
 - v. maximise efficiency of communication and decision-making within the administration;

- vi. delegate responsibility to the most effective level within the administration;
- vii. involve staff in management decisions as far as is practicable; and
- viii. provide an equitable, fair, open and non-discriminatory working environment

This key performance area focuses on organizational capacity and includes indicators that show progress on how municipalities have organized themselves in terms of building capacity to deliver, compliance with equity targets as well as implementing both the organizational and individual performance management systems. Municipal performance in this KPA is assessed in the following six (6) focus areas:

- Performance Management Systems.
- Filling of Section 57 Manager positions;
- Signed performance agreements by Section 57 Managers;
- Disciplinary processes against Section 57 Managers;
- Employment Equity; and
- Skills development.

**Performance Management System
Implementation of PMS in municipality**

eDumbe Municipality	Does the municipality have a PMS Policy Framework developed /review ed and adopted by Council (State date of adoption)	Did the municipality review /develop its IDP and engaged with the community in the process	Have the municipality adopted IDP linked to SDBIP?	No of Section 56/7 Performance contracts signed?	No of Section 56/7 managers with signed Performance Agreements?	Is the municipality' s PMS audited by an Internal Auditor for functionality and legal compliance ?	Has the municipality Appointed Performance Audit Committee (PAC)	Did the municipality submit previous year's council oversight report and made public	No of quarterly performance reports submitted	Has the municipality cascaded PMS to lower levels	State reasons for non-compliance of any of these components
Y/N:	Yes	Yes	Yes	6	6	Yes	Yes	Yes	4	No	We are engaging SALGA on rolling PMS to all staff
Date:	31/03/2016	29/05/2015	29/05/2015			31/03/2016	17/02/2014	27/02/2015			

The Municipal Manager and the Managers that are directly accountable to the Municipal Managers have signed the performance agreements, employment contracts and were forwarded to COGTA before the due date. Our Council Committees are fully functional and effective in performing their delegated tasks.

Table 1: Linkage between IDP and SDBIP

eDumbe municipality	2013/2014			2014/2015			2015/2016		
	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP
Y/N:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Date:	28/03/13	31/05/13	31/05/13	28/05/2014	28/05/2014		29/05/2015	29/05/2015	

The Council has adopted the Municipal Process Plan and has been abide by it in developing the IDP and the community participation through ward committees has been always ensured. The Mayor and the council has been always conducting IDP imbizo in the ward. The community was afforded an opportunity to contribute in the IDP formulation.

Table 2: Filling of Section 56/7 Managers posts

eDumbe Municipality	2013/2014			2014/2015			2015/2016		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	1	1	0	1	1	0	1	1	0
Chief Financial Officer	1	1	0	1	1	0	1	1	0
Technical	1	0	1	1	0	1	1	1	0
Corporate Services	1	1	0	1	1	0	1	0	1
Planning	1	0	1	1	0	1	1	1	0
Community Services	1	1	0	1	1	0	1	1	0
TOTAL	6	4	2	6	4	2	6	5	1

There have been some challenges in the municipality regarding the movement of managers which created the instability in the organization, the movement has been more affecting the CFO, Director Technical and Municipal Manager, Senior Managers are leaving the municipality for greener pastures.

Table 4: Disciplinary processes against Section 56/7 Managers

eDumbe Municipality	2013/2014			2014/2015			2015/2016		
	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases
Number:	0	0	0	0	0	0	0	0	0

1.4.1 Challenges

The implementation of performance to the lower staff and the budget to implement some policies especially on the ICT function. The municipality has limited budget for which the Records and Archives Management Policy can be implemented.

1.4.2. Measures taken to improve performance

The municipality has improved the controls by taking actions against the employees who violate the code of conduct (Schedule 2)

1.4.5. Recommendations

1. Continue awareness about failure to comply and chargeable actions
2. To workshop the Labour forum on dismissible charges and any form of miss conduct

1.5. Annual Report Development Process Plan

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	

9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January

CHAPTER 2

GOVERNANCE

CHAPTER 2- GOVERNANCE

2.1 COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL STRUCTURES



Hon. His Worship the Mayor: Cllr BM Nxusa (Ward 5) Tholakele, Nkangala, KwaVova, Mathunzini & Lubenjana



Deputy Mayor: Cllr. S.Mkhabela & Chairperson of Corporate & Community Services Portfolio Committee



Speaker of Council: CLLR. NR Simelane (Ward 8 Councillor)

From: Ophuzane, eNgulubeni, Paddafontein, Msonco , Sokesimbone & Nhlakanipho



**EXCO Member: Cllr. SJ Kunene (Chairperson of Planning & Development Portfolio Committee)
From: Bilanyoni, Moscow, Mbizeni and Phase 5**



Cllr: SR Nkosi (PR) MPAC Chairperson



Clr. SE Thela (Ward 1) From: Luneburg, Ncaka & Hhulombe :Clr NM Nhlabathi (Ward 2) From: Mangosuthu, Kangwanya, eMbuzini & Ezibomvu.



Clr. MP Khumalo (Ward 7) From: Gamakazi,

Clr: BT Shabalala (PR)

Khambule & Mahloni



Clr. IAT Mbatha (Ward 3) From: eDumbe Location, Paupeitersburg, Esikhaleni & Kw aDokodo .

Clr. DZ Mtshali (Ward 6) From: Obishini eBhadeni, Enkembeni & Ntungwi



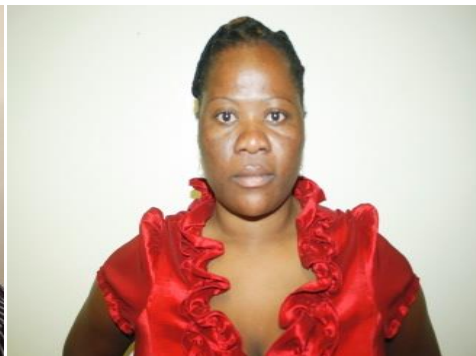
Cllr: NZ Kheswa (PR)



Cllr Gevers (PR)



Cllr:ND Ndlangamandla (PR)



Cllr: TP Sibeko (PR)

eDumbe full Council consists of 15 Councilors from different political parties and they work collectively and in harmony. The representation is as follows NFP: 8 Councilors, ANC: 4 Councilors, IFP: 2 Councilors and DA: 1 Councilor.

Full Council Members

1. Cllr SE Thela
2. Cllr NM Nhlabathi
3. Cllr IAT Mbatha
4. Cllr NZ Keswa
5. Cllr NR Simelane
6. Cllr BM Nxusa
7. Cllr DZ Mtshali
8. Cllr MP Khumalo
9. Cllr SR Nkosi

10. Cllr SJ Kunene
11. Cllr S Mkhabela
12. Cllr R Gevers
13. Cllr ND Ndlangamandla
14. Cllr TP Sibeko
15. Cllr BT Shabalala

Ward Councillors

EDumbe Municipality has 15 Councillors in total, out of 15 Councillors 8 are ward Councillors and 7 are Proportional Representation Councillors. Our quorum is 8. We have 5 women Councillors and 1 is an Executive Member.

Cllr. SE Thela	Ward 1
Cllr. NM Nhlabathi	Ward 2
Cllr. IAT Mbatha	Ward 3
Cllr. SJ Kunene	Ward 4
Cllr. BM Nxusa	Ward 5
Cllr. DZ Mtshali	Ward 6
Cllr. MP Khumalo	Ward 7
Cllr. NR Simelane	Ward 8

POLITICAL DECISION

The Council established its Portfolio Committees which are chaired by members of the Executive Committees as stipulated in the Municipal Structures Act No 117 of 1998 section 80. EDumbe Municipality has the following Portfolio Committees:

- Finance and Technical Services Portfolio Committee.
- Planning and Development Portfolio Committee.
- Corporate and Community Services Portfolio Committee.

The items are firstly presented to the relevant Portfolio Committee which then recommends to the Executive Committee. The Executive Committee recommends to the Council. The Executive Committee has got the power to approve the item or decline the item.

EDumbe Council has its own Municipal Public Account Committee (MPAC) which plays an oversight role on behalf of the Council. The MPAC reports to Council through speaker. MFMA Section 60 (b) : Municipal Manager

is the Accounting Officer of the municipality for the purpose of this Act, he must provide guidance to political structures, political office bearers and municipal officials with regard to compliance to the Act.

Cllr S R Nkosi	Chairperson
Cllr DZ Mtshali	Member
Cllr N M Nhlabathi	Member
Cllr MP Khumalo	Member
Cllr TP Shabalala	Member

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

The Municipal Systems Act section 67 says A municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including (a) to (k)

Base on this section the Municipal Manager developed the delegation of duties to Council to separate the functioning of the departments

2.2. DEPARTMENTAL RESPONSIBILITIES

Office of the Municipal Manager	Financial Services	Corporate Services
Strategic Planning	Budget preparation and implementation	General administration

Overall responsibility for the organization	Revenue and expenditure management	Secretariat
Form and develop efficient and effective administration	Mid-year budget & performance assessment	Council support
Advise political structures and political office bearers	Revenue generation	Legal services
Ensure implementation of decisions of political structures	Debt collection, credit control and loans	Policies and procedures
Ensure implementation of national & provincial legislations	Supply chain management/procurement	Municipal office building management
Accountability for financial & other municipality resources	Capital expenditure control	Capacity building and training
Internal Audit	Investments	Human resources
Audit Committee	Asset and liability management	Ward committees
Intergovernmental and international relations	Internal audit and audit committees	Information services
Miscellaneous responsibilities outlined in the MSA, MFMA and other legislations	Financial reporting and auditing	Research and development
	Payroll	Fleet management
	Management of Grants, Tax & Levies	Business plan
	Business plan	Contract Management
Community Services	Planning & Development Services	Technical & Infrastructure Services
Health	Planning	Electricity
Sports and culture	Land use management	Water (co-ordination and recommendation)
Youth and gender development	Integrated Development Planning	Sanitation (co-ordination and recommendation)

Swimming pools	Local Economic Development	Solid waste sites
Facilities management	Local tourism	Municipal roads
Libraries	Project management	Business planning
People with disability	Program management	Project management
Disaster management	Marketing	Implementing agent
Emergency services	Environmental Management	Housing (technical)
Pounds	Business Plan	Housing and land affairs
Safety and security		Cemeteries
Regulator and monitoring		Parks and recreation
Communication infrastructure		Business plan
Nature conservation		
Poverty alleviation		
Business plan		

2.3. SENIOR ADMINISTRATIVE STRUCTURE

Municipal Manager

Mr T.V.Mkhize





Ms Z.M.Mdlazi (Director Community)



Mr M.W.Nxumalo (Former Director Corporate)



Mr S Cele (Director Technical Services)



Mr S Mngwengwe (Chief Financial Officer)



Mr S Ntuli (Director Planning and Social Development)

2.4 COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

2.4.1 Shared Services

The municipality has received the support from COGTA for the Planning Shared Services whereby COGTA appointed qualified Planners to support the District Family of Municipalities in the Zululand District to improve the implementation of the Planning Act and Development of the Planning Strategic Documents. The Officials are shared among the Municipalities on the rotation schedule.

2.4.2 Leave Management

Leave management has been a challenge in the municipality in the last financial years however a great success has been achieved. The municipality is now able to report to Cogta National on number of leave taken monthly by employees.

2.4.3 Project Implementation and Expenditure

The support by the provincial government regarding the project implementation did not set any sustainable standard procedure as intended. One had a good lesson from the team, which is to balance the project implementation plan and the financial expenditure.

2.4.4 PMU

The establishment of the Project Management Unit that is managing MIG projects and packaging future projects. This supported by COGTA with Budget for the two PMU Technicians. This started in 2008 till to date.

2.4.5 National Intergovernmental Structures

- Presidential Coordinating Council
- National Intergovernmental Forum

éDumbe Municipality has not directly participated on any of these forums except where it has been represented by the Local Government Association as prescribed in the Intergovernmental Fiscal Relations Act 97 of 1997 section 6(1)(h).

2.4.6 Provincial Intergovernmental Relations

The Premier's Intergovernmental Forum. The éDumbe has attended the forum through the extended invitation since it is not a *original* member of the forum but seat through the Intergovernmental Fiscal Relations Act 97 of 1997 section 17 (3). We continue to honour the invitations that are extended to us by the Premier.

2.4.7 District Intergovernmental Structure

District Intergovernmental Forum is where the éDumbe is an original member through the representation of the Mayor. As a member of the District intergovernmental structure we have committed our active participation and meaning contributions to ensure that this structure is used as a platform to resolved issues which affects the municipalities in the district.

COMPONENT C: 2.1. PUBLIC ACCOUNTABILITY AND PARTICIPATION

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

governance,
management
and
development



**PUBLIC
MEETINGS**

Community Meeting at Bilanyoni Ward 4

Public meetings and stakeholders engagements sessions whereby the municipality stage the ward committee meetings to report back on the level of service delivery and get their views on the IDP and Budget implementation.

2.2. IDP

In the IDP and Budget Process the municipality conduct ward izimbizo to present the IDP and Budget wherein the Mayor update the community on the achievements and future plans.

2.2.1. The IDP Steering Committee

The IDP Steering Committee must be established during the IDP process and it must continue performing its functions during the IDP review process. It is a technical working group made up of senior officials and relevant officials to support the Development Planner and ensure a smooth review process.

2.2.2. The IDP Representative Forum

This is the structure, which institutionalises and ensures a participatory IDP review process. It represents the interests of the constituents of the municipality in the review process. It is envisaged that all organisations, stakeholders or interest groups are represented in the forum.

2.2.3. Zululand District Municipality IDP Steering Committee

Zululand District Municipality has established a District IDP Steering Committee (IDP Planners Forum) that will ensure coordination of the IDP Review processes of the district and the local municipalities. Membership of this committee includes all the Local Municipalities and the District's Municipal Managers, IDP Managers and Planners, representatives from the Department of Local Government and Traditional Affairs and targeted service providers within Zululand District Municipality. The Zululand IDP Manager must chair the Committee / Forum

2.3. COMMUNICATION, PARTICIPATION AND FORUMS

Functionality of Ward Committees

The Ward Committees have a crucial role of identifying the needs and service delivery gaps in the community and report to the Ward Councillor. Ward committees had been trained on their functions and procedures to be followed when reporting

community issues. Ward committees are the voice of the communities regarding community needs.

	2013/2014	2014/2015	2015/2016
éDumbe			

éDumbe Municipality	2013/2014		2014/2015		2015/16	
	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees
Number and percentage:	8	100%	8	100%	8	100%

Total number of deployed CDW's per municipality

Municipality	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards
Number of CDW	7	5	7	5	7	5

There are two posts that are not filled

**COMPONENT D: CORPORATE GOVERNANCE
2.3. RISK MANAGEMENT**

Institutions operate in environments where factors such as technology, regulation, restructuring, changing service requirements and political influence create uncertainty. Uncertainty emanates from an inability to precisely determine the likelihood that potential events will occur and the associated outcomes.

Organisational Risk Management forms a critical part of any institution's strategic management. It is the process whereby an institution both methodically and intuitively addresses the risk attached to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of activities. ORM is therefore recognised as an integral part of sound organisational management and is being promoted internationally and in South Africa as good practice applicable to the public and private sectors.

Public sector institutions are bound by constitutional mandates to provide products or services in the interest of the public good. As no institution has the luxury of functioning in a risk-free environment, public sector institutions also encounter risks inherent in producing and delivering such goods and services.

All institutions face uncertainty, and the challenge for management is to determine how much **uncertainty** the institution is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance **value**. It provides a basis for management to effectively deal with uncertainty of associated risk and opportunity, thereby enhancing its capacity to build value. Value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the organisation's objectives. It is accordingly accepted by all stakeholders that Ulundi Local Municipality will manage risks faced in an appropriate manner.

The Institute of Risk Management defines **risk** as "...*the uncertainty of an event occurring that could have an impact on the achievement of objectives*." Risk not only manifests as negative impacts on the achievement of goals and objectives, but also as a missed opportunity to enhance organisational performance. Risk is measured in terms of consequences of impact and likelihood."

This definition applies to each and every level of the organisation and the overriding policy and philosophy is that the management of risk is the responsibility of management at each and every level in the municipality. The management of risk is no more or less important than the management of organisational resources and opportunities and it simply forms an integral part of the process of managing those resources and opportunities.

- Provide guidance for the accounting officer, managers and staff when overseeing or implementing the development of processes, systems and techniques for managing risk, which are appropriate to the context of the municipality.
- Advance the development and implementation of modern management practices and to support innovation throughout the Public Sector.
- Contribute to building a risk-smart workforce and environment that allows for innovation and responsible risk-taking while ensuring legitimate precautions are taken to protect the public interest, maintain public trust, and ensure due diligence.

2.3.1 Legal mandate.

The Municipal Finance Management Act, 2003 has legislated key governance best practices.

2.3.2 Accounting Officer

Section 62(1)(i) of the Municipal Finance Management Act, 2003 requires that:

*“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure –
–
that the municipality has and maintains effective, efficient and transparent systems –
(i) of financial and risk management and internal control”*

2.3.3.MANAGEMENT, OTHER PERSONNEL AND RISK CHAMPIONS.

The extension of general responsibilities in terms of section 78 of the Municipal Finance Management Act, 2003 to all senior managers and other officials implies that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

2.3.4.INTERNAL AUDITORS

Section 165(2)(a)(b)(iv) of the Municipal Finance Management Act, 2003 requires that:

*“(2) The internal audit of a municipality must –
(a) Prepare a risk based audit plan and an internal audit program for each financial year;
(b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matter relating to:*

(ii) risk and risk management”.

“The internal audit activity should assist the organisation by identifying and evaluating significant exposures to risk and contributing to the improvements of the risk management and control systems –

A1 - The internal audit activity should monitor and evaluate the effectiveness of the organisation’s risk management system.

A2 - The internal audit activity should evaluate risk exposures relating to the organisation’s governance, operations and information systems regarding the:

- Reliability and integrity of financial and operational information;*
- Effectiveness and efficiency of operations;*
- Safeguarding of assets; and*
- Compliance with laws, regulations and contracts.*

2.3.5.AUDIT COMMITTEE

Section 166 (2) of the Municipal Finance Management Act, 2003 requires that:

*“(2) An audit committee is an independent advisory body which must –
(a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality on matters relating to –*

(ii) risk management”

2.3.6. THE RISK MANAGEMENT COMMITTEE.

For the 2015–2016 financial year the senior management were elected members of the risk management committee. The following members were involved.

Mrs L Masondo (Senior Risk Officer) – Chairperson

Mrs P Ntanzi (Finance Manager) – Member

Mrs D.J.Nhlengethwa (Manager – Community) – Member

Mr M Mathabela (IT Manager) – Member

Mr B W Dube (PMU Manager) – Member

Mrs SEP Dlamini (Housing Manager) – Member

2.4. TERMINOLOGY

Framework. Includes a policy and a set of procedures to support application of the policy.

Policy. A statement of overall objectives, intent and responsibility for an activity, function or process.

The statement should reflect the expectations of senior management.

Procedure. Procedures support the essential steps in managing an activity, function or process or activity by providing guidance and instruction to staff on how to achieve the objectives of the relevant policy.

Risk. The chance of something happening (an event) that will have an impact upon objectives. It is measured in terms of consequences and the likelihood of a particular risk.

Risk identification. Determining what risk events can happen, why and how.

Risk exposure. A risk exposure is a rating assigned to a risk based on the likelihood and consequences of a risk, which is compared against pre-established criteria for risk classification in the risk management framework. For example risk level ratings might include:

Risk management. The culture, frameworks and structures that are directed towards the effective management of potential opportunities and adverse effects.

Risk management involves the systematic application of management policies,

Procedures and practices to the steps of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

Risk register: A risk register is a comprehensive record of risks across an organisation, business unit or project depending on the purpose/context of the register.

Senior Management: The layer of management in an organisation that makes decisions about direction, focus, policy and corporate governance.

2.5. THE MANAGEMENT OF THE RISKS.

Management conduct organisational risk assessment whereby all possible risks are identified and listed on the risk register. The risk management committee meets on quarterly basis to trace progress on risk mitigation.

2.6. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality has placed suggestion boxes in all municipal offices to afford communities an opportunity to comment on services rendered by the municipality. During IDP meetings people are also given an opportunity to raise issues that affect them either way.

2.7. MUNICIPAL BY-LAWS

Most of Municipal By-Laws are not gazetted which make the law enforcement to who encroach not effective. It has cost the Municipality high price because most businesses and people of middle and high class prefer buying houses in other towns where property values are high. The municipality has targeted to gazette 4 By-Laws during 2016/2017 financial year.

2.8. MUNICIPAL WEBSITE

According to MFMA and Systems Act No.32 of 2000 section 21B, it is stated that the municipality should establish its website and place all the information required to be made public, the following information is available on the municipal website.

Approved Annual Budget

Approved Annual Report

Tenders on advert, awarded and intention to award

Approved IDP document 2016/2017

Public notes

Information about Councillors

Municipal Departments

Municipal Contacts details

Other information.e.g. Gallery, projects, vacancies and ect.

The website is functional however the municipality has appointed the service provider to redesign it. The redesigning exercise will be done in 2016/2017 financial year.

2.9.ANTI-CORRUPTION AND FRAUD

The municipality has launched a hotline number to report any suspected fraud corruption.

CHAPTER 3

SERVICE

DELIVERY

PERFORMANCE