

ÉDUMBE LOCAL MUNICIPALITY



ANNUAL REPORT

2023/2024

FINANCIAL YEAR

1.1. MAYOR'S FOREWORD

I would like to express warm wishes to éDumbe citizens for the year 2025. We trust that 2025 will be a great year for us all and especially for the Council and the citizens of éDumbe. I trust that the festive season was a pleasant time spent with loved ones and family; as we start the New Year all of us have come back and none have fallen victim to the carnage of the many senseless road deaths on our national roads. Although this is a new year, 2025, feels like a new beginning, in terms of our fiscal year we are more than half way through the 2024/25 financial year already; therefore, like any house that has intensions to prosper we need to do some



introspections on the months that have gone to ensure that we can rectify the errors of the past and improve on the success we have achieved thus far. I would also like to take time to mention and congratulate the matriculants, the class of 2024 for having done extremely well in their Matric exams, and we trust that the doors of Higher Learning will be opened to allow them to shape their destiny. Those that have not done well, we wish to encourage them to take on the year with more vigour and excitement; they must know that they still have an opportunity to learn and improve their lives and those of their communities.

One thing is clear; voters want Service Delivery, Service Delivery and Services Delivery only. Irrespective of our positions, irrespective of whether we are politicians or officials, irrespective of our different offices, all of us are here for one reason – to fulfill the mandate of voters, the people of éDumbe. Let me hasten to say, we are proud of the work that has been done in this municipality over the past financial year. With much needed support from all of the councillors, management and staff, the municipality maintained its Unqualified Audit Opinion for the financial year 2023/2024. The Auditor-General (AG) attributed our municipality's 2023/2024 success to "effective leadership culture, the implementation of action plans, and established policies and procedures". As éDumbe Municipality we continue to thrive towards clean and accountable governance as we have set our sights to a Clean Audit Opinion for the financial year 2024/25. Much progress has been made in

improving the lives of the people of éDumbe. All we have to do now is to raise the bar and elevate our standard even higher in serving our people without fear of failure.

It should be loud and clear that as public representatives we are not here to fight for our political survival and positions, or to surround ourselves with men and women, who will ensure that we survive any political upheavals, but we are here because vox populi (voice of the people) was heard. Therefore in responding to that strong voice of our community, all of us should not allow any opportunity of serving our own selfish interests. We should also waste no time responding to the call of our people. It is also important for all of us as councillors and management to remember that local government is assigned a crucial role of rebuilding local communities and environments, as the basis for a democratic, integrated, prosperous and truly non-racial society. The Constitution of the Republic of South Africa (1996) mandates local government to:

Create conditions for an inclusive economy that will reduce unemployment, poverty and inequality and produce decent jobs and sustainable livelihoods.

Give access for more and more and more people, especially the youth to adequate education and training to enable them to participate productively in the economy and society.

Better quality health care in a system that is accessible to more South Africans, including the introduction of national health insurance.

More and More rural communities benefiting from investments in basic services (water, electricity, sanitation and roads) and empowered to end hunger by productively using the available or redistributed land. Through rural development we seek to modernise the countryside and bring dignity to rural dwellers.

Safer communities as serious and priority crimes are reduced, corruption defeated and our criminal justice system is radically changed.

The above five priorities have direct impact on us as local government as they have been localised in such a way that would allow the municipalities to work towards meeting the challenges facing our communities. In our own local context these priorities demand us to:

Build local economies to create more employment, decent work and sustainable livelihoods. This will require of us to come with innovative ways and a political will.

Improving local public services and broaden access to them

Build more united, non-racial, integrated and safer communities.

Promote more active community participation in local government and

Ensure more effective, accountable and clean local government that works together with national and provincial government.

Where We Come From As éDumbe?

My past three years in Office focused on the areas below as key image turnaround priorities for éDumbe Municipality:

Strengthening of partnerships with key stakeholders and establishment of sustainable forums.

Changing of éDumbe Municipality's Image and improving organisational culture.

Face-lifting of the Municipality through refurbishment and repair of municipal buildings.

Improving traffic flow through new robots and manning of traffic intersections

Improve CBD outlook through cleanliness of streets, maintenance of cemeteries, timely refuse collection.

Improvement of safety and security by ensuring proper lighting of streets and maintenance of high mast lights

Acceleration of Provision of electricity in the rural areas – 100% electrification

Developing an efficient complaints management and resolution system and expansion of communication on electricity shutdowns.

Attendance of water challenges & sewerage spills.

Road maintenance, pot holes, access roads, paving of streets, building of access roads in inaccessible areas

Cleaning and maintenance of storm water drainage

Monitoring and preventing land invasions and facilitating speedy resolutions of land claims

Enforcement of By-Laws on alcohol abuse, drugs and crime, stray animal pounding, etc.

Parks & gardens management

Improvement of agriculture, lobbying economic investments towards reducing unemployment (youth and cooperatives mainly)

Strengthening of partnerships with TVET colleges, SETAs and other departments on skilling targeting young people

Expansion of the éDumbe through establishment of new settlements for high and middle income group (municipal sites).

Clean governance through fighting corruption, strengthening administration and achievement of a Unqualified Audit Outcome 2021/2022 and 2022/2023

Promotion and development of arts, culture, sports and recreation

Revenue enhancement as a key factor to sustainability of the municipality

Service delivery related projects (MIG projects) monitoring, speedy completion and profiling upon their completion.

Where We Are Now?

As much as we have gained success from above and will continue to champion those areas I have also identified the following high impact areas as opportunities that éDumbe Municipality needs to leverage on and are key priorities to maintain our vision that **“By 2035 éDumbe will be a Liveable, Economically Progressive Municipality and a Gateway to Kwazulu-Natal.”** We intend to attract more investments into our municipality; for us to achieve this there are certain basics that we need to put in place:

Accelerate investment in social and economic infrastructure

Regeneration of tourism initiatives

Special Economic Zones (SEZ)

Road network upgrades

Human resource development

Investment in ICT Broadband and wifi connectivity

Creating and maintaining sound stakeholder relations

Developing sector specific investment and development strategies

Developing investment attraction incentives

Water and Sanitation alternatives

Development in line with the Spatial Development Framework

Land use management, and provision of more land for middle income earners

Overhaul of LED strategies

Empowerment of our youth and women population

Provision of family parks for relaxation and entertainment to foster sound family relationships

Capitalisation of private and public partnerships for maximising the resources to foster impact development. And of course, sound, critical thinking and resourceful administration supporting the political leadership to sustain the successes and putting the municipality on the map.

We have vast amounts of mineral deposits, agricultural land and tourism attractions that have not been explored fully. We need to put more investment into agriculture and its related services; this will create more opportunities and food security. We need to educate our people about farming cooperatives so that they can organize themselves to establish and run co-operatives that can help them fight poverty and create job opportunities. Tourism is one of the significant contributors to our national and provincial revenues, as éDumbe Municipality we need to ensure that we play our part in this very important sector. We have to create a conducive environment for private and public investment in tourism. Small scale manufacturing and industrialization has the potential to drive our economy in the future, this one sector that can create massive investment and job opportunities.

As éDumbe Municipality we need to focus among other things to prioritize areas which also hinder our developmental initiatives, such as intensifying the fight against crime and substance abuse which seems to be escalating in our town.

In conclusion, the road ahead of us presents enormous challenges as well as greater opportunity to change the lives of the marginalized and disadvantaged communities of éDumbe. We will leave no stone unturned so that one day we may give hope to our people that their social status in society will change for the better, through the government they have voted for.

I REAFFIRM MY MOTTO “NOTHING ELSE BUT SERVICE DELIVERY”.

I Thank You!

Yours in Service Delivery

CLLR M.S. MKHABELA

His Worship The Mayor,

éDUMBE LOCAL MUNICIPALITY

1.2. MUNICIPAL MANAGERS OVERVIEW

eDUMBE LONG-TERM VISION

“By 2035 eDumbe will be a liveable, economically progressive Municipality and a gateway to KwaZulu Natal”

The 2023/2024 Annual Report of the municipality reflects on the tremendous achievements of its priorities which are aligned to the Back to Basics principles. The municipality performed well in the following areas:

- Municipal Institutional Development and transformation
- Good governance and Public Participation
- Basic Service Delivery and Infrastructure Development
- Local Economic Development



ACTING MUNICIPAL MANAGER: MR MS KHANYILE

Serious challenges continued in the following Back to Basic pillar:

- Financial viability as a result of sound financial management

Lack of financial resources remained a key challenge in improving the lives of communities that are dependent from eDumbe Local Municipality. A great effort in terms of resolving long outstanding electrification projects were noted. Remarkable strides were then made in the provision of basic services wherein new electricity connections were implemented to the majority of our residence in Ward 1 and 7.

The municipality prudently focused on maintaining financial discipline under the period of harsh economic challenges. We have improved a good payment rate for all our Creditors. However, there is concern regarding the increase of Debtors in the debtors' book. There were no new borrowings, and the ability to service long-standing accruals and to maintain diverse investments has improved. Focus was also placed on internal audit, risk management, and audit action plan strive towards obtaining a good audit opinion.

During the 2023/2024 financial year, the municipality continued to comply with the King III principles and already aiming at King IV compliance, wherein council committees were established with proper terms of reference, annual schedule of meetings and activities, and separation of powers were adhered to. These committees frequently monitors the implementation of council resolutions and activities.

MR MS KHANYILE

ACTING MUNICIPAL MANAGER

POLITICAL STRUCTURES

As at 30 June 2024 eDumbe full Council consisted of 19 Councilors from different political parties and three Amakhosi/AseNdlunkulu. They work collectively and in harmony even though at times challenges crop out.

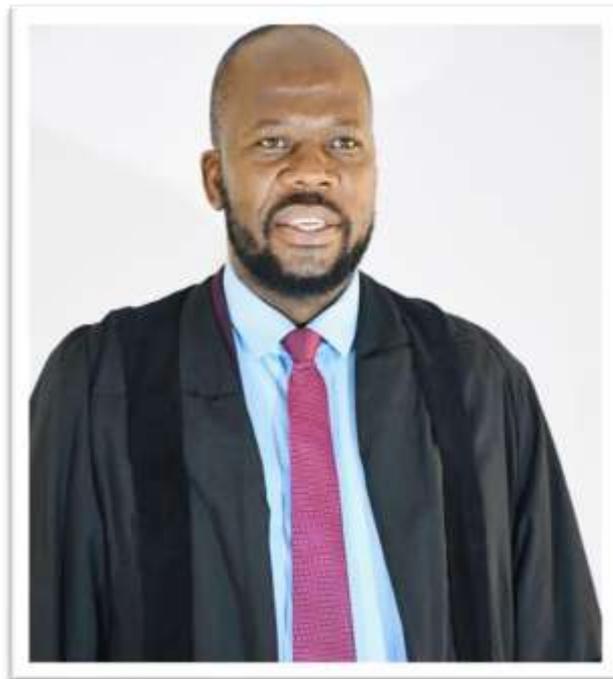
The political representation is as follows NFP- 6, ANC – 5, IFP – 5, DA – 1 and EFF - 1

Full Council Members

1.	Cllr N.D.Mngomezulu	WARD 1	ANC
2.	Cllr M.S Mkhabela	WARD 2	NFP
3.	Cllr V.A. Mthethwa	WARD 3	ANC
4.	Cllr M.V.S Mkwanazi	WARD 4	NFP
5.	Cllr Z.G Masondo	WARD 5	IFP
6.	Cllr M.S.Magagula	WARD 6	NFP
7.	Cllr C.B Mthethwa	WARD 7	IFP
8.	Cllr T.E Kunene	WARD 8	NFP
9.	Cllr D.J Nhlengethwa	WARD 9	NFP
10.	Cllr T.S Mthethwa	WARD 10	NFP
11.	Cllr B.M Nxusa	PR	ABC
12.	Cllr S.J Kunene	PR	ANC
13.	Cllr H.H Vilakazi	PR	ANC
14.	Cllr M.E Kunene	PR	ANC
15.	Cllr N.D Sibiya	PR	DA
16.	Cllr T.T.I Zwane	PR	EFF
17.	Cllr ND Ndlangamandla	PR	IFP
18.	Cllr D.M.Mbokazi	PR	IFP
19.	Cllr K Ngema	PR	IFP



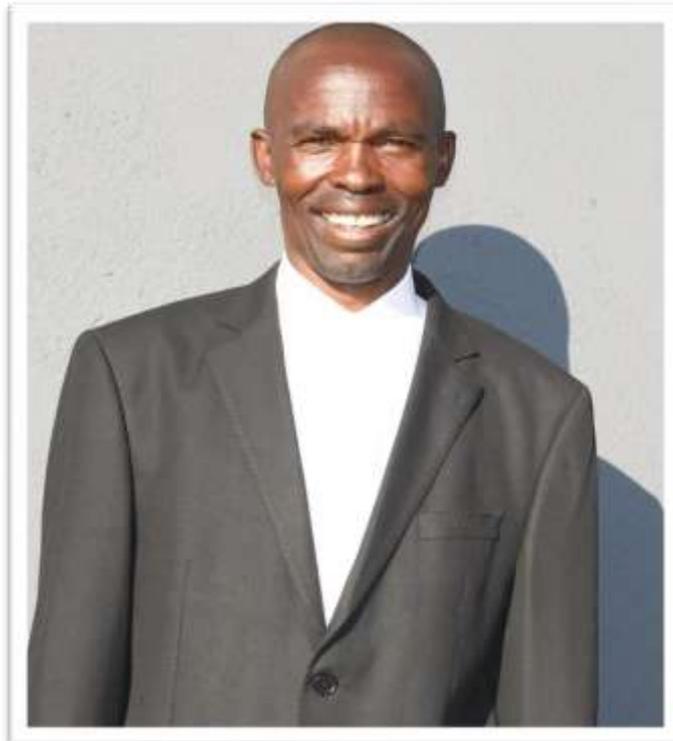
HIS WORSHIP THE MAYOR: HON. M.S.MKHABELA (WARD 02)



HON. DEPUTY MAYOR S.J. KUNENE



SPEAKER OF COUNCIL: CLLR. D.J. NHLENGETHWA (WARD 9 COUNCILLOR)



**EXCO MEMBER: CLLR. ND DLANGAMANDLA
(CHAIRPERSON OF CORPORATE PORTFOLIO COMMITTEE)**



CLLR: H.H.VILAKAZI : MPAC CHAIRPERSON



WARD 01: CLLR ND MNGOMEZULU



**WARD 03: CLLR V.A MTHETHWA
(WHIP OF COUNCIL)**



WARD 04: CLLR M.V.S.MKHWANAZI



WARD 05: CLLR Z.G.MASONDO



WARD 06: CLLR M.S.MAGAGULA



WARD 07: CLLR C.B.MTHETHWA



WARD 08: CLLR T.E.KUNENE



WARD 10: CLLR T.S.MTHETHWA



PR: CLLR B.M.NXUSA



PR: CLLR M.E. KUNENE



PR: CLLR K NGEMA



PR: CLLR T.T.I.ZWANE



PR: CLLRD.M.MBOKAZI

AMAKHOSI ASENDLUNKULU



INKOSI B.P.SIBISI



INKOSI S.W. MTHETHWA



INKOSI L DLAMINI



INKOSI NKOSI

PURPOSE OF THE REPORT

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

CHAPTER 2 – LEGISLATIVE MANDATE

eDumbe Annual Report is compiled in terms of National Treasury Circular No. 63. Information included in the New Annual Report will better inform in a standardised framework how municipalities and municipal entities have performed, by providing information of a financial and non-financial nature in one document.

The Annual Report content will assist municipal councillors, municipalities, residents, oversight institutions and other users of Annual Reports with information and progress made on service delivery. It was also aligned with the Integrated Development Plan (IDP), Budget, Service Delivery Budget and Implementation Plan (SDBIP), and in year reports. The contents will also assist with the annual audits.

The purpose of the Annual Report is:

- to provide a record of the activities of the municipality or entity during the financial year to which the report relates;
- to provide a report on performance in service delivery and budget implementation for the financial year;
- to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- to reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.

With the above in mind, the goals of the new Annual Report Format are to achieve the following:

- standardise reporting to enable municipalities / municipal entities to submit comparable Annual Reports;
- align financial and non-financial reporting in the Annual Report;
- create a standardised reporting structure that will enhance comprehensive oversight, meaningful evaluation and improved understanding of service delivery output;
- ensure the standardisation of terminology used in Annual Reports; and
- support the internal and external audit process.

ADDITIONAL LEGISLATIONS

The Annual Report's objective was compiled in terms of the following legislation:

- The Constitution (1996),
- Local Government: Municipal Structures Act (1998) (MsA),
- Local Government: Municipal Systems Act (2000), (MSA),
- Local Government: Municipal Planning and Performance Regulations (2001),
- Local Government: Municipal Finance Management Act (2003) (MFMA),
- Local Government: Municipal Systems Amendment Act (2003),
- Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers (2006),
- MFMA Circular 63 (Annual Report Guidelines),
- MFMA Circular 13 (SDBIP),
- MFMA Circular 32 (Oversight Report),
- Municipal Public Accounts Committee Guidelines

SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) 56 OF 2003, REQUIRES THAT:

- (1) Every municipality and every entity must for each financial year prepare an annual report. The Council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

**SECTION 129 OF THE MUNICIPAL FINANCE MANAGEMENT ACT (MFMA) 56 OF 2003,
REQUIRES THAT:**

- (1) The Council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control, and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council:
- has approved the annual report with or without reservations;
 - has rejected the annual report; or
 - has referred the annual report back for revision of those components that can be revised.

2.1 ANNUAL REPORT OVERVIEW

MFMA reforms include ensuring transparency and accountability for the fiscal and financial affairs of municipalities and municipal entities through in-year and Annual Reporting. Real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget, SDBIP, service delivery agreement with any municipal entity, performance agreements of senior management and officials, in-year reports covering financial and non-financial information, such as MFMA Sections 71, 72 & 74 and MSA Section 41 among others, annual financial statements, annual performance report and the Annual Report.

Content of the Annual Report

Sections 121(3) and (4) of the MFMA sets out the framework relating to the content of the annual reports for both municipalities and municipal entities. These include:

- the annual financial statements of the municipality/entity and if municipality has municipal entities, consolidated annual financial statements as submitted to the Auditor-General for audit;
- the audit report of the Auditor-General in terms of both section 126(3) of the MFMA and section 45(b) of the MSA;
- municipality's annual performance report as per section 46 of the MSA;
- assessment of any arrears on municipal taxes and service charges;
- assessment of municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the municipality's approved budget;

- particulars of corrective action taken or to be taken on issues raised in audit reports;
- explanations to clarify issues on financial statements;
- any other information determined by the municipality/entity including recommendations made by the audit committee and any other information as may be prescribed.

In addition to the above, section 46 of the Local Government: Municipal Systems Act, as amended, provides for the following information to be included in the municipality's Annual Report:

- ▶ a performance report reflecting performance of both the municipality or any service provider during the financial year to which the annual report relate including development and service delivery priorities and performance targets for the next financial year;
- ▶ GRAP compliant financial statements;
- ▶ An audit report on the financial statements and the annual performance report referred to in the MSA section 46;
- ▶ Other reporting requirements in terms of other legislation;

Additional disclosure requirements:

- ❖ The municipal Annual Report includes, the annual financial statements,
- ❖ amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities.
- ❖ Report committing that it has complied with all statutory requirements, including the payment of taxes, levies, audit fees, and contributions for pension and medical aid funds.
- ❖ The national and provincial reports on grant allocations and reconciliations to ensure all amounts are correctly reported.

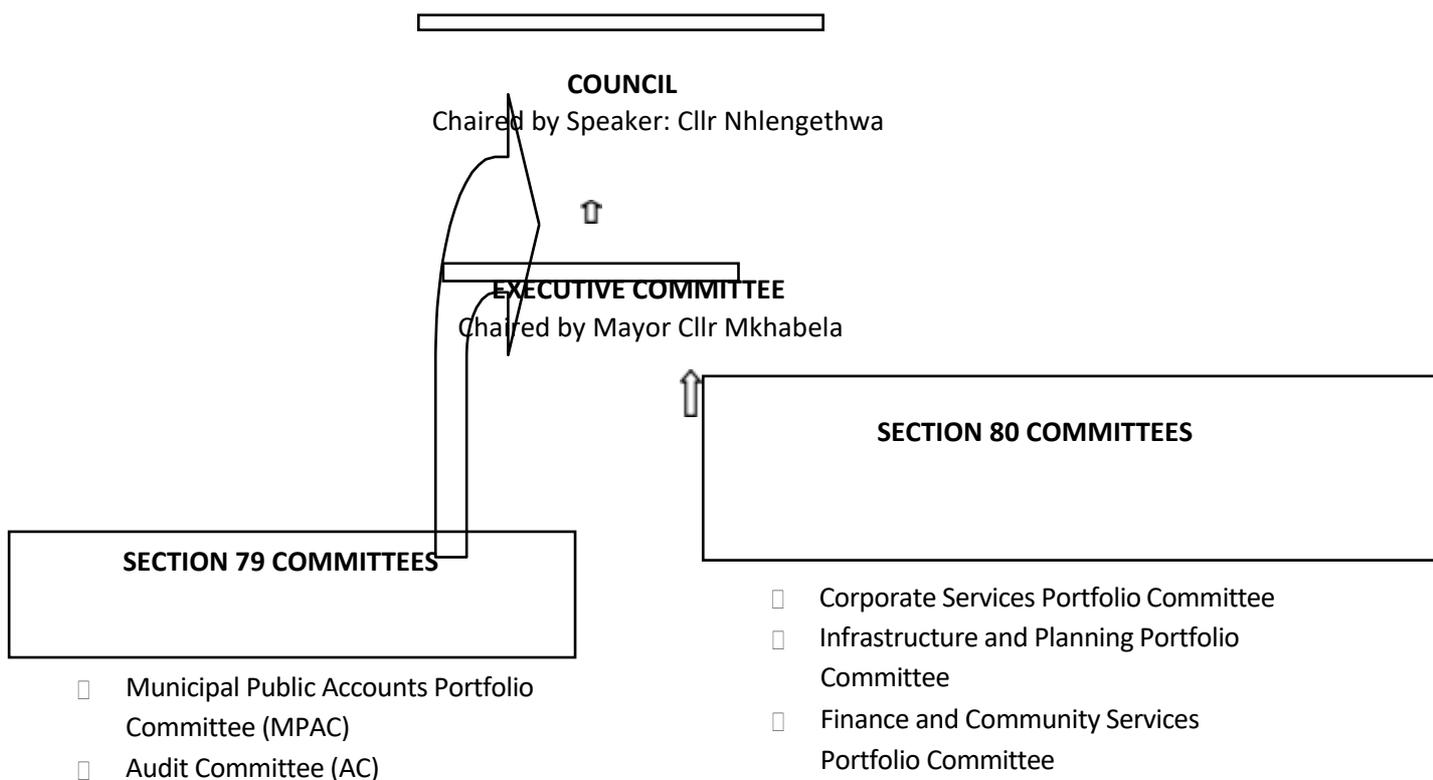
CHAPTER 3 - GOVERNANCE

INTRODUCTION TO GOVERNANCE

The highest decision-making body in the municipality is Council. It is constituted by elected public representatives who were elected during 2021 municipal elections as per Electoral Act and the Constitution of the Republic of South Africa. The Council is assisted by the Executive Committee consisting of three members and two Section 79 Committees consisting of the Municipal Public Account Committee and Audit Committee.

3.1. POLITICAL GOVERNANCE STRUCTURE

COUNCIL STRUCTURES



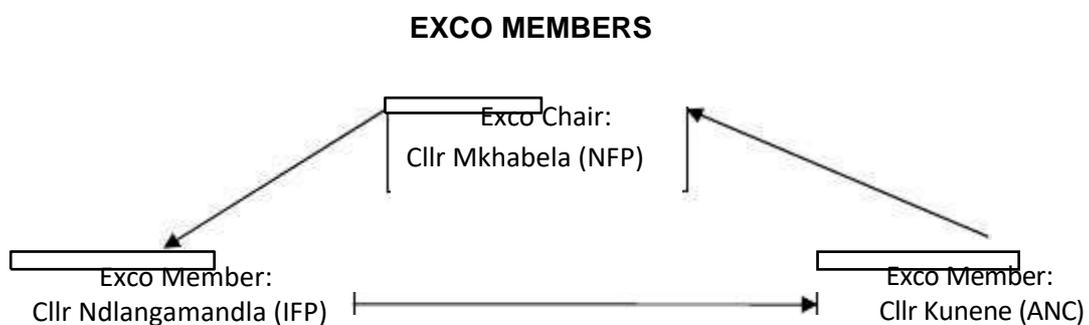
MPAC is a Section 79 oversight committee which comprises non-executive councillors, with the specific purpose of providing oversight over the executive functionaries of Council to ensure good financial governance in the municipality. MPAC also makes comments and recommendations separately on the annual report to Council via the Executive Committee.

Section 81 of the Structures Act requires traditional leaders to attend and participate in any meetings of the Council. Amakhosi. Traditional Leaders located within eDumbe Local Municipality have continued with their participation in all Council Meetings. Their contribution is enormous as it creates a mechanism for rural communities to participate in the Council decision making processes.

The Audit Committee meets at least four times per year and is an independent advisory body that advises Council, political office-bearers, the accounting officer, and the management of the municipality on matters related to internal control, internal audit, risk management, accounting policies, reliability and accuracy of financial reporting and information, performance management, effective governance, compliance with the MFMA, and the Division of Revenue Act. It also provides comments to the MPAC and Council on the annual report. The Audit Committee is also responsible for monitoring the Performance Management System, Risk Management, Information Technology (ICT) and Financial Management. Furthermore, there is an administrative committee commonly known as MANCO which assist Council on governance issues that are led by the Accounting Officer. The Management Committee is attended by Directors that are appointed in terms of section 54/56 of the MFMA but also accompanied by the line manager to assist bigger directorates in the execution of their respective duties.

The position of Speaker is a full-time post, and the incumbent takes responsibility for the running of council meetings in accordance with the approved rules of order. The Speaker is the Chairperson of the Council. Council resolved to convene four ordinary council meetings during the financial under review. eDumbe Local Municipality is unique from a number of municipality in the province as it has eight (8) councilors from the majority party as opposed to eight councilors from the opposition parties. It remains a challenge for decisions to be taken and it is for this reasons that a consensus has to be reached in all council sittings.

The Exco consists of three members and is chaired by the Hon. Mayor Cllr MS Mkhabela . Each party in council is represented at Exco.



The section 80 portfolio committees is to provide general oversight and monitor the activities in the municipality over both the administrative and executive arms of the municipality. The following meetings were facilitated by the Department of Corporate and Community Services:

3.2. ADMINISTRATIVE GOVERNANCE STRUCTURE

Administration is currently led by Mr MS Khanyile the Acting Municipal Manager who was appointed by Council in September 2024 after the sudden and traumatic passing of Mr JFK Khumalo the Municipal Manager. Mr ZR Thusi the CFO was the CFO during the financial year under review, Council then resolved to terminate his employment contract in May 2024 for incapacity due to ill-health. The outcome was based on the Municipal doctor's report undertaken prior to his termination. Mr SGZ Sibiyi was then appointed as a Acting CFO. Other Senior Manager's positions are filled by the following Directors, i.e. Director Corporate & Community Services Mr VB Mbatha, Director Infrastructure & Planning Mr MS Khanyile. Both Directors were appointed by Council in November 2023. Processes for appointing both the MM and CFO are currently ongoing.

Having filled positions for Section 54/56 Managers will assist eDumbe Council to mitigate any risks identified and further improve the audit outcome.

eDumbe Municipality	BRIEF STATUS OF SECTION 54/56 MANAGERS FOR 2023/2024 FINANCIAL YEAR		
	No of posts approved	No of posts filled	No of vacant positions
Municipal Manager	1	0 (Mr MS Khanyile currently acts)	1
Chief Financial Officer	1	0 (Mr SGZ Sibiyi currently acts)	1
Director Infrastructure Development and Planning Department	1	1 (Filled by Mr MS Khanyile)	0
Director Corporate and Community Services Department	1	1 (Filled by Mr VB Mbatha)	0
TOTAL	4	2	2

CHAPTER 4 – DEMOGRAPHIC INDICATORS

The purpose of the situational analysis is to provide an overview of the existing situation by focusing on the relevant aspects of the situation which will enable the management of the municipality to make appropriate management decisions. The Municipal Systems Act requires an assessment of the existing level of development in the municipal area, including an identification of communities which do not have access to the basic municipal services. This prescription should however be seen in the broader context of what information should be at the disposal of the municipality to enable its management to make decisions which are both strategic and practical in terms of their implementation.

The situational analysis should provide decision makers with sufficient knowledge of the nature of the priority issues and problems, existing and accessible assets and resources as well as resource limitations within their municipal area to enable them to make efficient and effective strategic decisions. This chapter provides descriptive data across a range of socio economic indicators of éDumbe Local Municipality. In some cases trends in the municipality have also been compared with trends at district level in order to understand these in their regional context. This is crucial as it provides the municipality and its social partners with deep insight into local socio-economic trends patterns and development challenges.

In order to produce an implementable, delivery-focused and measurable IDP, éDumbe Municipality is following an approach that begins to embark upon crafting a long-term, sustainability strategy for the Municipality. The IDP gives the municipality an opportunity not only to measure its progress in terms of the five-year IDP (Council term), but also serves to educate the communities when it comes to identifying individual needs on a ward-based level, whilst still aligning with the goals of the broad policy environment, specifically with the focus on long-term sustainability.

The IDP sets out what the municipality aims to accomplish over a five-year period and how it will do this. It is a management tool that provides municipalities with a framework for strategic decision making.

DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC INDICATORS

POPULATION SIZE

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

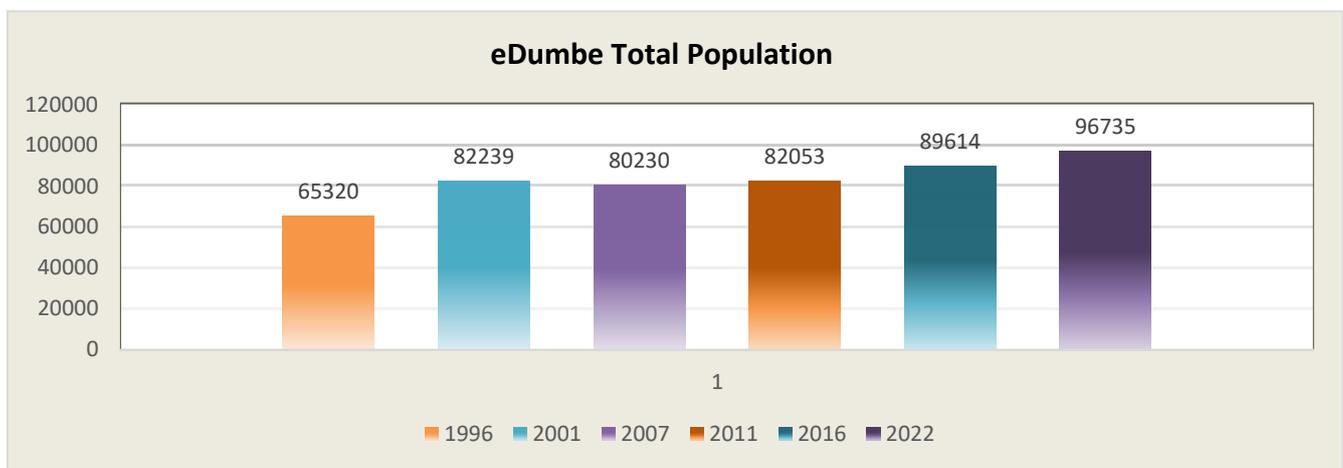
Table 1: Total Population

TOTAL POPULATION					
1996	2001	2007	2011	2016	2022
65 320	82 239	80 230	82 053	89 614	96 735

The éDumbe Municipality experienced an increase in the number of the people residing within its boundaries from 1996 to 2001. However, there has been a small decrease in population size between 2001 and 2011, while there was an increase in the number of the people residing within its boundaries between 2011 to 2016.

POPULATION GROWTH

Figure 1: éDumbe Population Growth



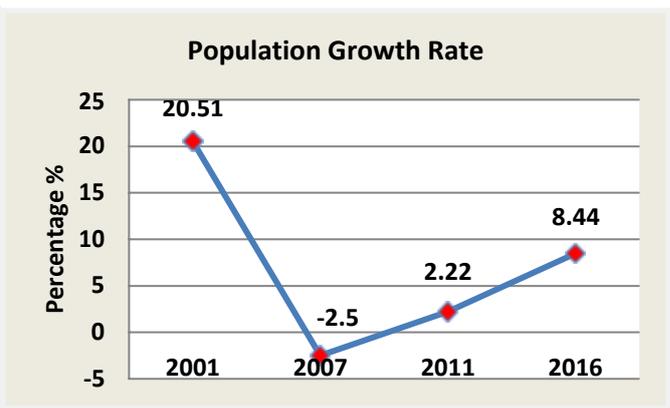
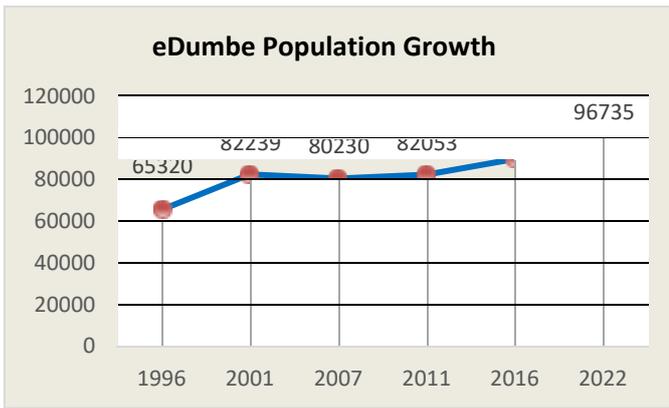
Population Growth between 1996 to 2001 was 20.51%, whilst between 2001 to 2007, population growth rate was negative, namely -2.50%, and between 2007 to 2011, and 2011 to 2016 population growth rates are 2.22% and 8.44%.

Table 2: Population Growth Rates

POPULATION GROWTH RATES				
1996-2001	2001-2007	2007-2011	2011-2016	2016-2022
16 869	-2 009	1 823	7 561	7 121
20,51%	-2.50%	2,22%	8,44%	7.36%

Figure 2: Population Growth

Figure 3: Population Growth Rate



The éDumbe Municipality has an increase of +2.02% Population Change within its boundaries from 2011 to 2016 with the Population Density of 46.1 inch/km² in the year 2016. Its population Growth Rate has increase from 2011 to 2016.

POPULATION DISTRIBUTION

The diagram below shows that only 33% of the municipality’s population lives in urban areas while 67% 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 éDumbe 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.

Map 1: éDumbe Spatial Distribution of Population

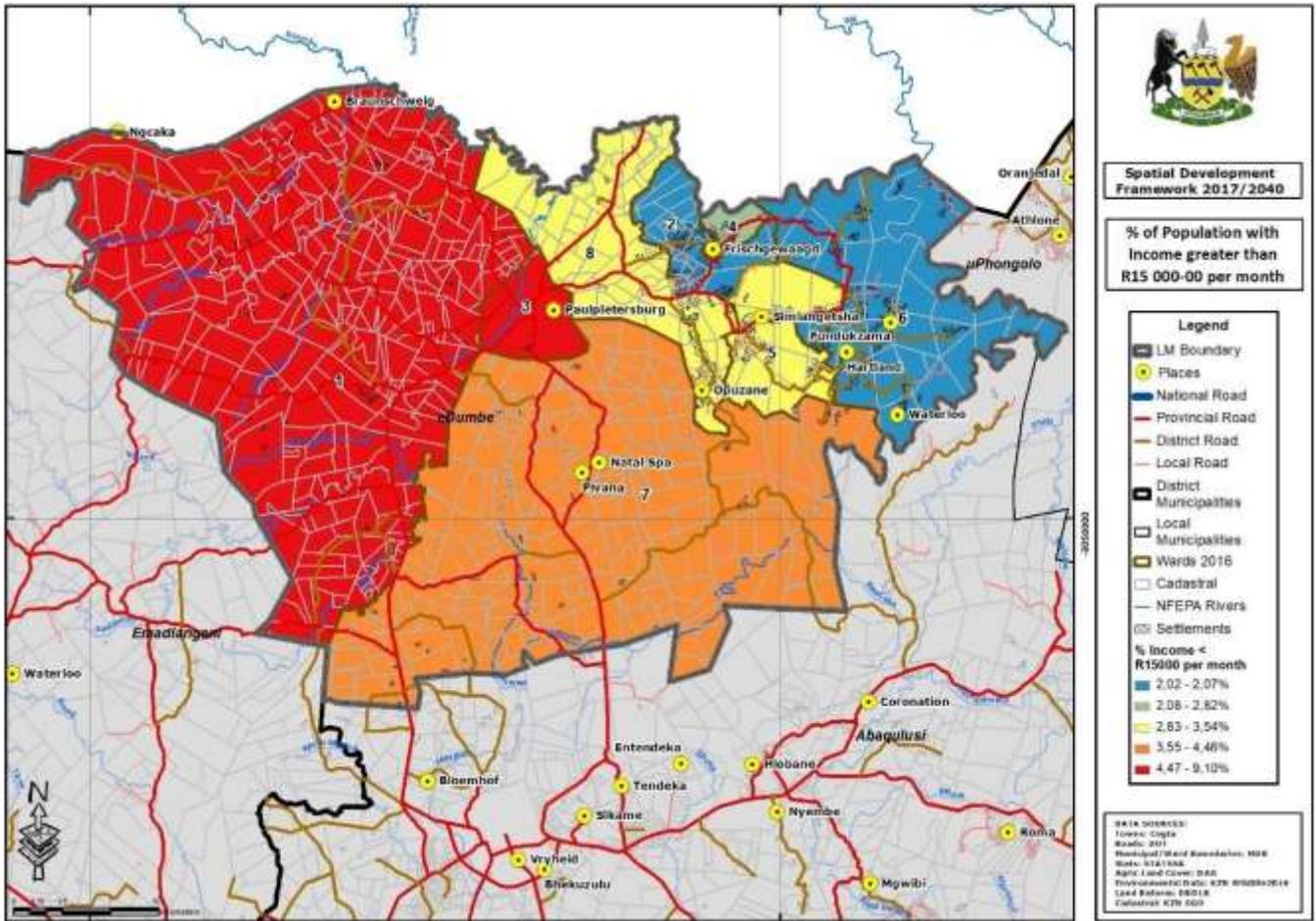
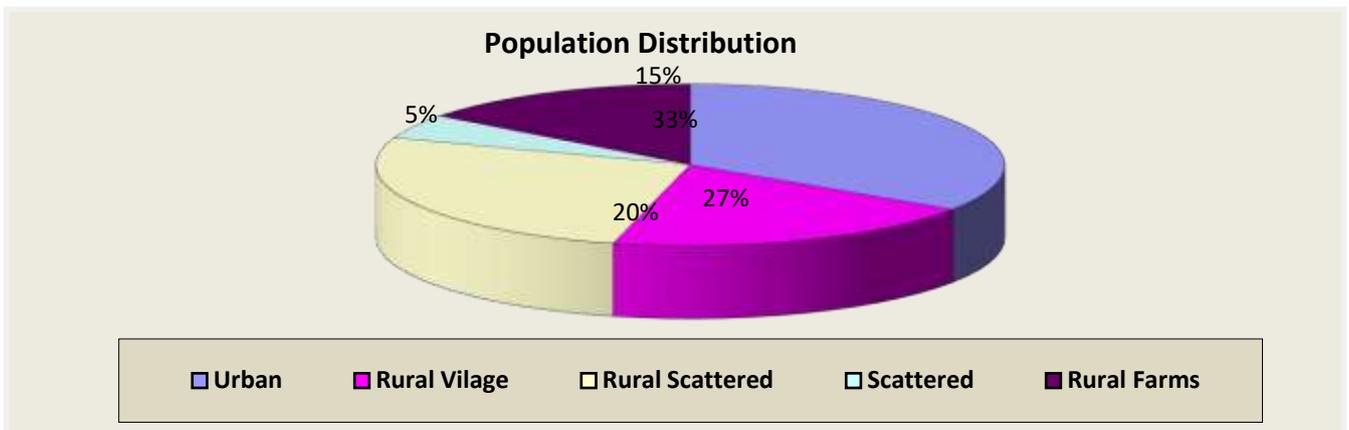
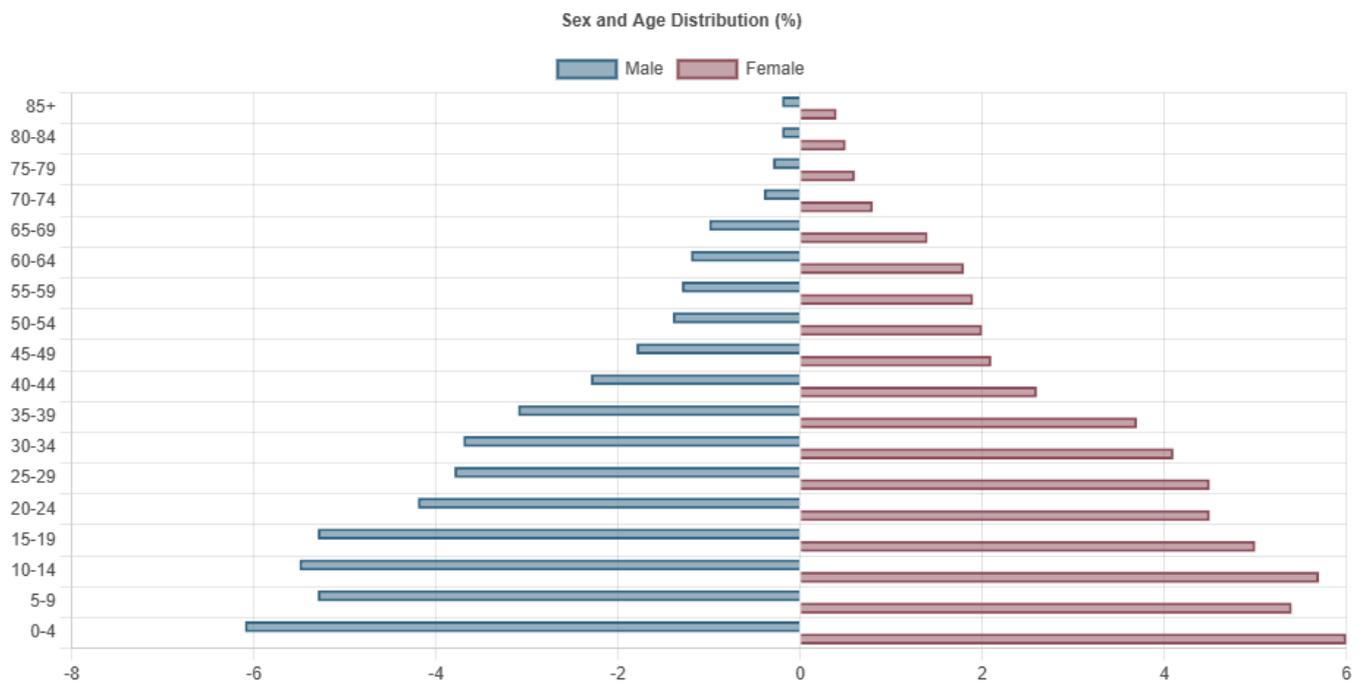


Figure 4: Population Distribution



POPULATION COMPOSITION

Figure 5: Population Composition



Source: Stats SA, Census 2022

Figure 6: Sex Ratio

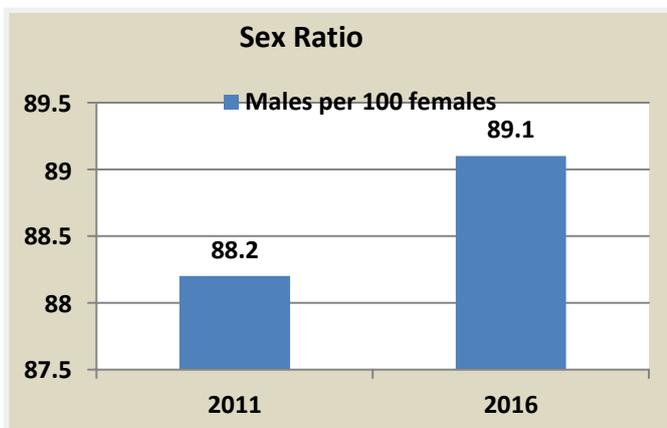
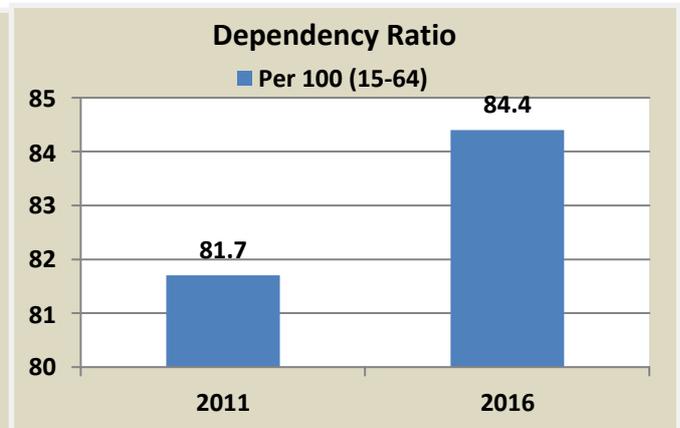


Figure 7: Dependency Ratio



éDumbe sex ratio between 2011-2016 has increased by 0.9% compare to the other years. The dependency ratio also has increased between 2011-2016 by 2.7%.

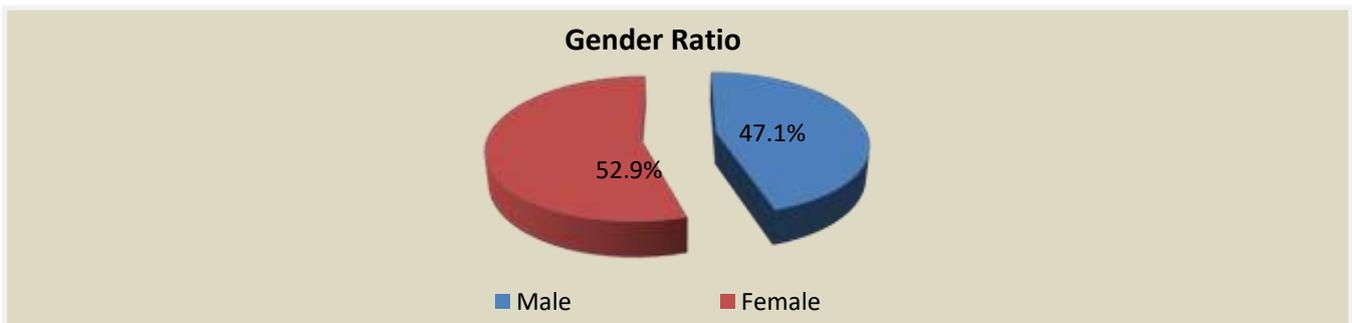
LIFE EXPECTANCY - GENDER DISTRIBUTION

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 3: Gender Distribution and Ratio

YEAR	NUMBER		RATIO IN %	
	MALE	FEMALE	MALE	FEMALE
1996	75 956	94 595	44.54%	55.46%
2001	84 601	103 984	44.86%	55.14%
2011	85 061	103 255	45.17%	54.83%
2016	31 615	57 998	47.00%	53.00%
2022	45 519	51 216	47.10%	52.90%

Figure 8: Gender Ratio



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:

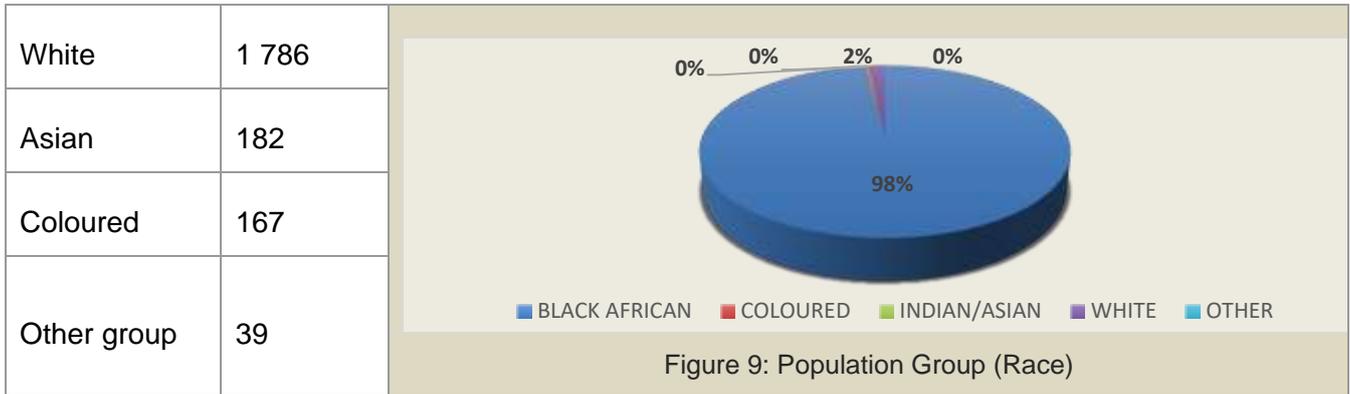
- The specific health and welfare needs of women;
- The needs of women in planning for economic development and job creation;
- Sport and cultural activities specifically relevant to this group; etc.

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.

POPULATION GROUPS

Table 4: Population Groups (Race)

POPULATION GROUP	PERSONS
Black African	94 561



This Table indicates that a large population group is dominated by Black African with more than 50% of the municipality's population and follow by white population group.

Table 5: Population Groups (Home Language)

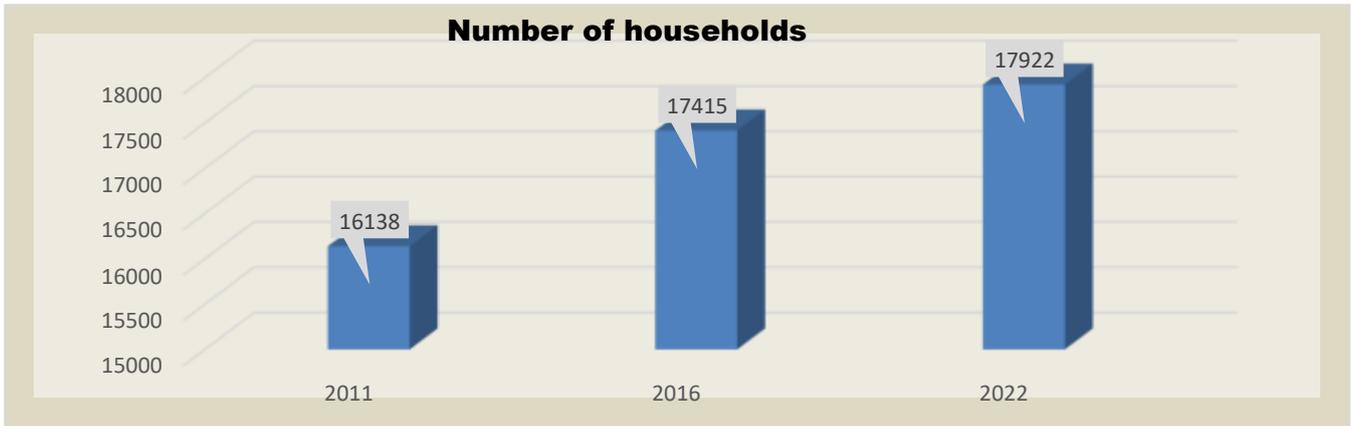
Language	Percentage	Language	Percentage
Afrikaans	1,1%	Setswana	0,7%
English	1,3%	Sign Language	0,5%
IsiNdebele	1,2%	SiSwati	0,3%
IsiXhosa	0,2%	Tshivenda	0%
IsiZulu	93,3%	Xitsonga	0%
Sepedi	0,2%	Other	0,9%
Sesotho	0,1%	Not Applicable	0,3%

SOCIO-ECONOMIC INDICATORS

HOUSEHOLDS

The table below shows that there is the increase in number of the households from 2011 to 2016 and 2022.

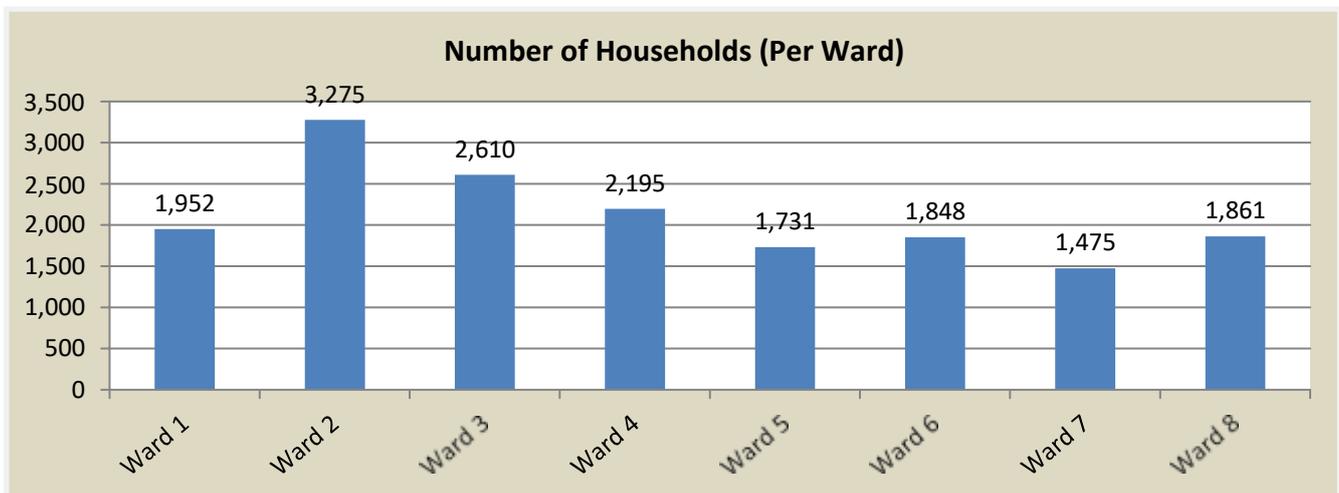
Figure 10: Number of Households



Source: Stats SA, 2022 CS

The table below shows that there is increase in number of households per wards from 2011 to 2016 especial ward 2.

Figure 11: Number of Households Per Ward



Source: Stats SA, 2016 CS

The table shows that between the age of 60 to 65 most of the pensioners are heading the household about 32.4% of them. It is follow by 65-70 years.

Figure 12: Pensioner Headed Households

Pensioner Headed Households (%)

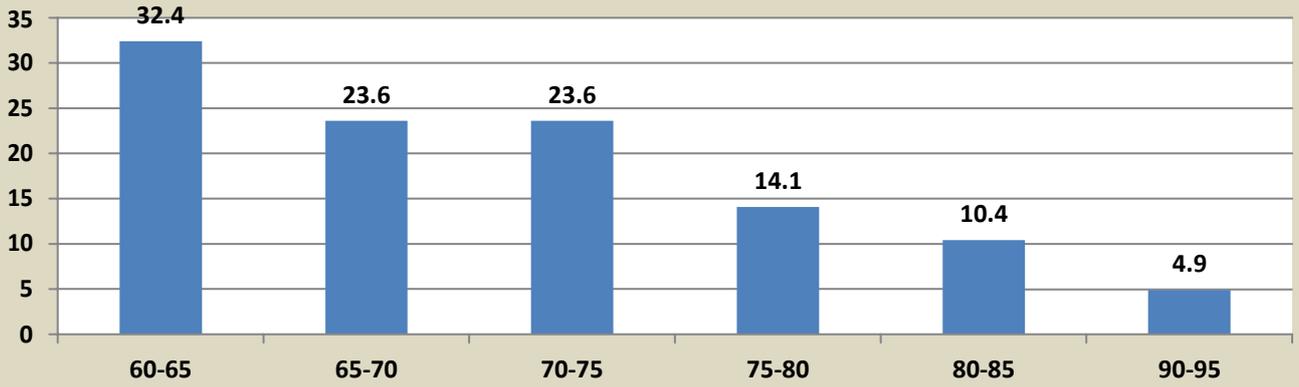
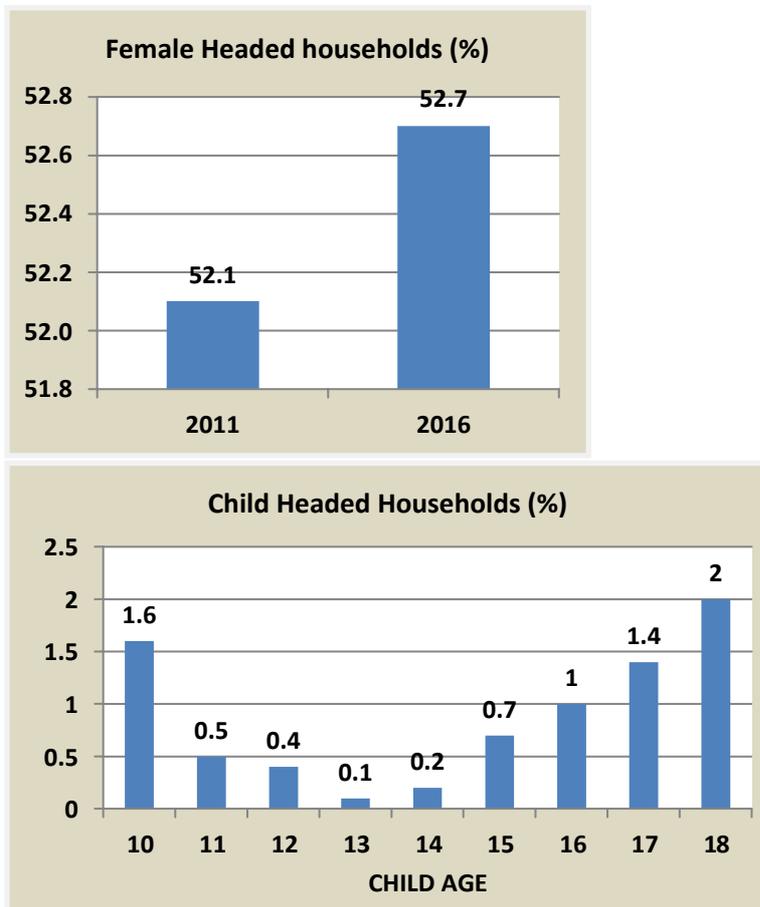


Figure 13: Female and Child Headed Households



The figure above shows that there was the increase in percentage about female headed households from 2011 to 2016. The % is that 52.1% in 2011 and 52.7% in 2016 that the increase of +0.6% in 2016. In the figure shows that most of the households are headed by children which are +- 18 years old. From 2011 to 2016 its shows that from 1.6% to 2% that is the increase of 0.4% of children headed households.

SERVICES

Figure 14: Households Services

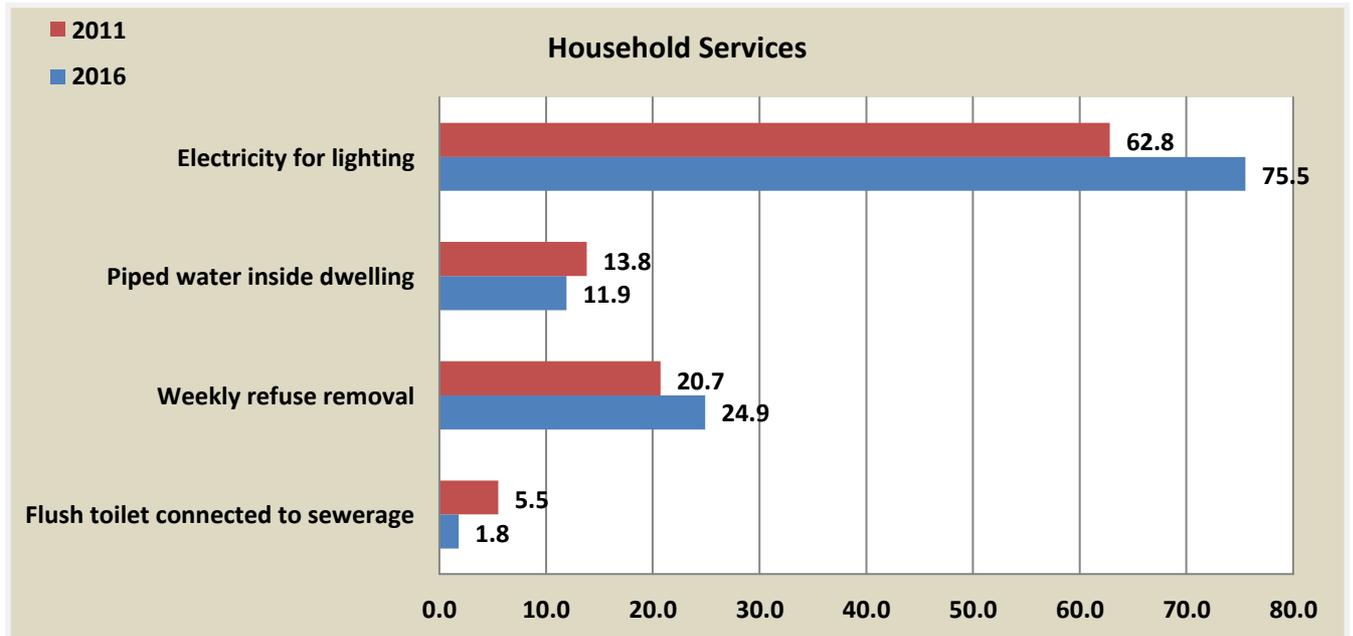
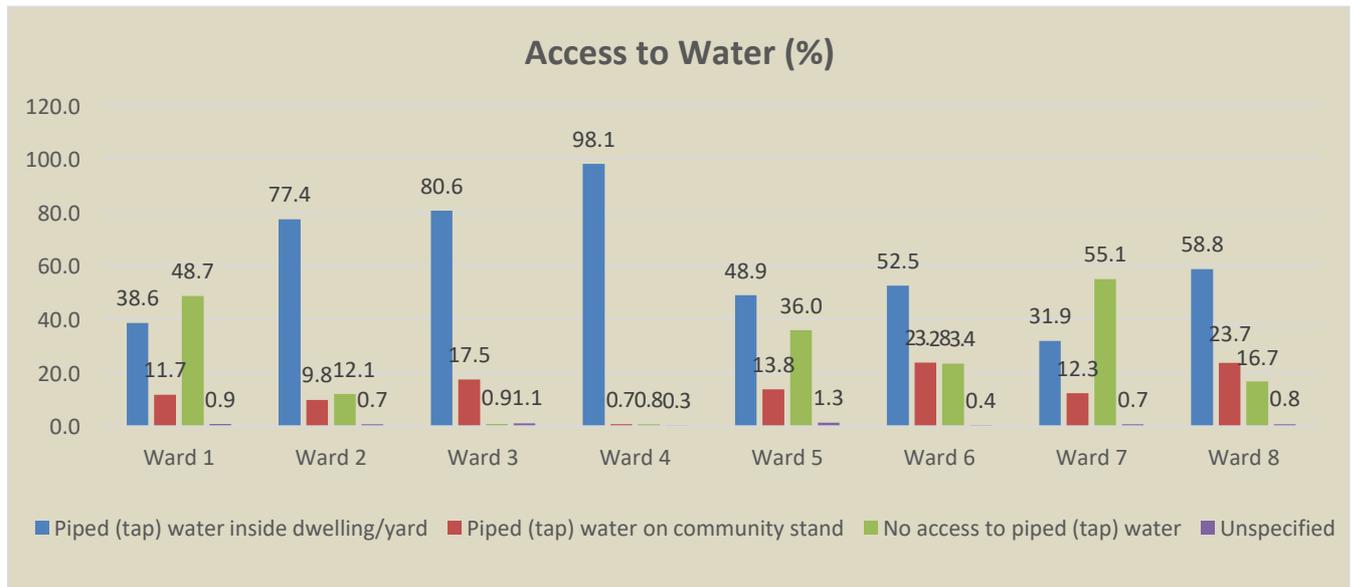


Figure 17 Shows the table that from 2011 to 2016 electricity for lighting has increase from 62.8% to 75.5%. That the increase of 12.7% in the last 5 years. We still have challenge on piped water inside dwelling because we are decreasing from 13.8% to 11.9% that is -1.9%.

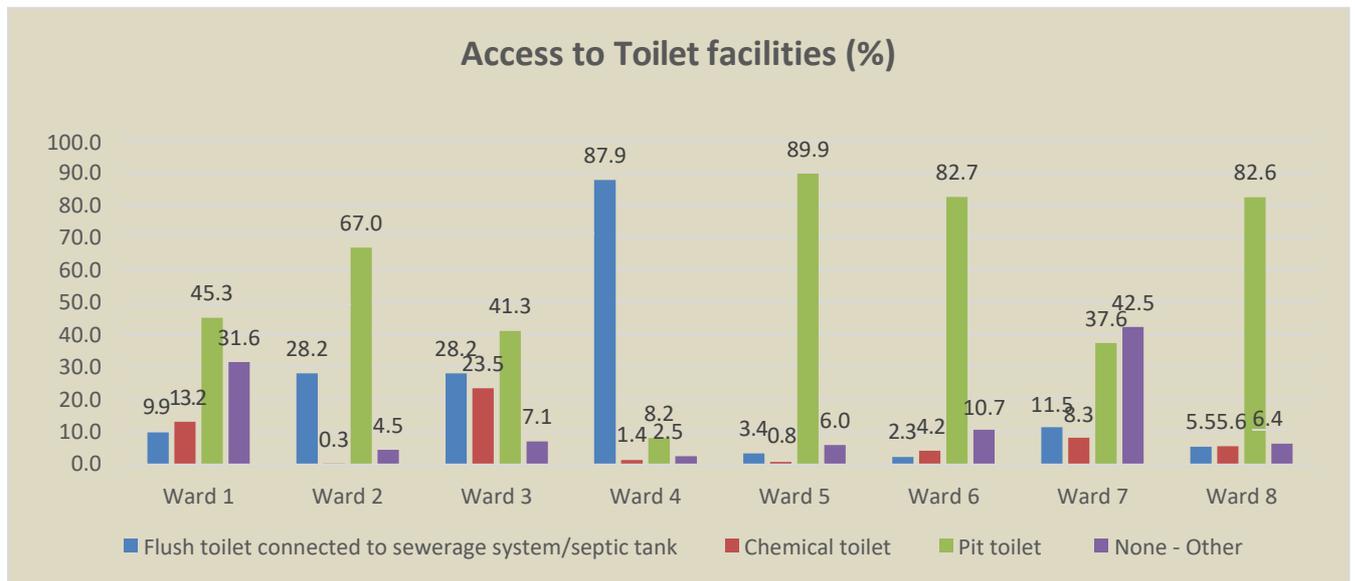
On weekly refuse removal there is the increase in this area because from 2011 to 2016 had a 4.2% increase. The challenge that we had is that of flush toilet where we are still behind schedule because from 2011 to 2016 we are decreasing from 5.5 % to 1.8% that is -3.7%.

Figure 15: Access to Piped Water



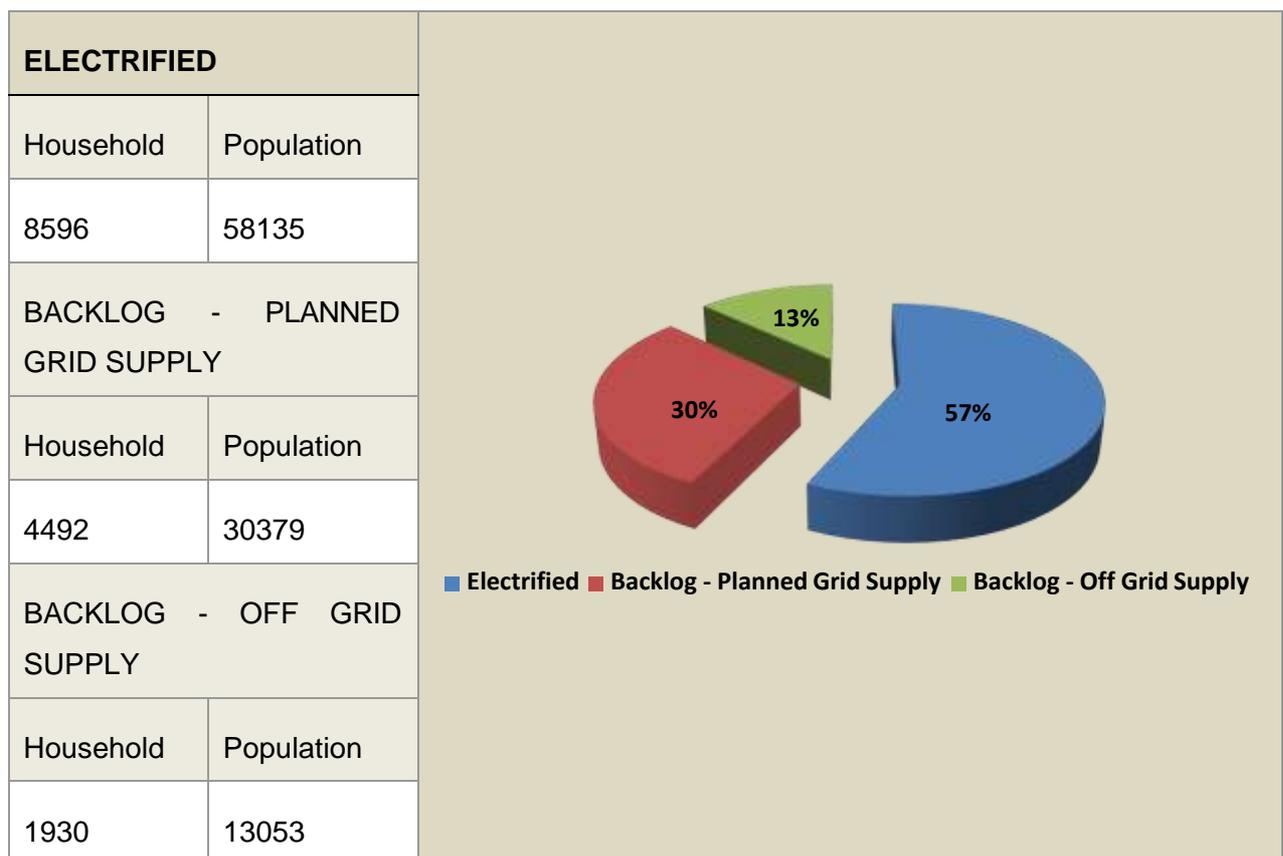
The Figure above shows access to piped water per wards, in this table shows that ward 3,4 and 2 are the most that have water inside dwelling/yard compare to other wards. And we can see that wards like 1,5,6 and 7 still have no access to piped water and all the wards has access to piped water on community stand.

Figure 16: Access to Sanitation



The above Figure Shows that ward 4 has 87.9% flush toilets connected to sewerage system/septic tank than other ward and it is followed by wards 2 and 3 with 28.2%. Those wards that got pit toilets are ward 5 with (89.9%), ward 8 (82.6%), ward 6 (82.7%), wards 2 (67.0%) and ward 1(45.3%) and in some wards there still pit toilet and chemical toilets.

Figure 17: éDumbe Electricity Backlog



The above figure shows the households that has electricity, planned grid supply and off grid supply.57% of household are electrified,30% are planned grid supply and 13% are off grid supply.

Figure 19 below shows that the increase in electricity from what was in 2007 and now in 2011.The increase is 9.2% it shows that more community are using electricity now than before. In 2007 community were cooking with wood but 2011 there decreased from 66.3% to 57.7% that is about - 8.6% decrease. Some community still use paraffin that electricity or wood.

Figure 18: Access to Electricity (Cooking)

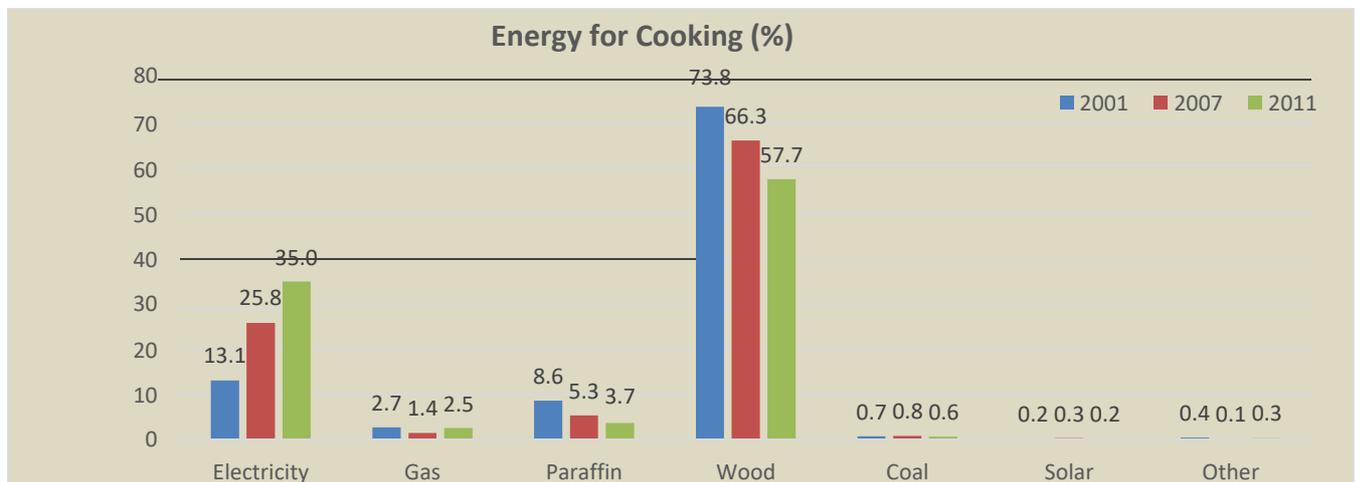
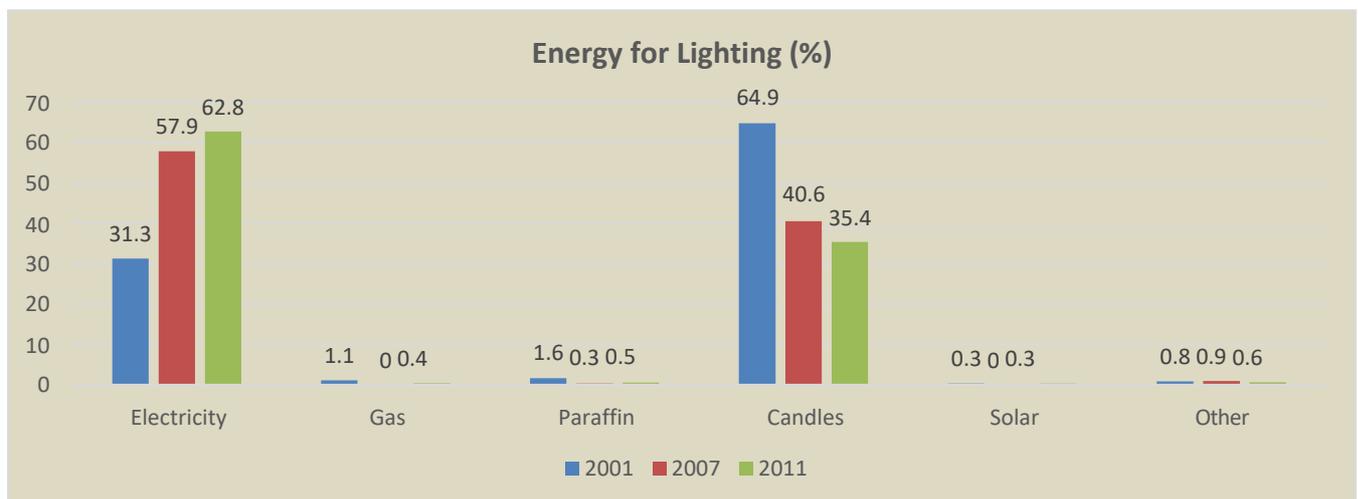


Figure 19: Access to Electricity (Lighting)



Access to electricity (lighting) the below table shows that more community are using electricity now than before.4.9% increase of community using electricity compare to 5.2% of community still using candles instead of electricity(lightning).

Figure 20: Access to Electricity (Heating)

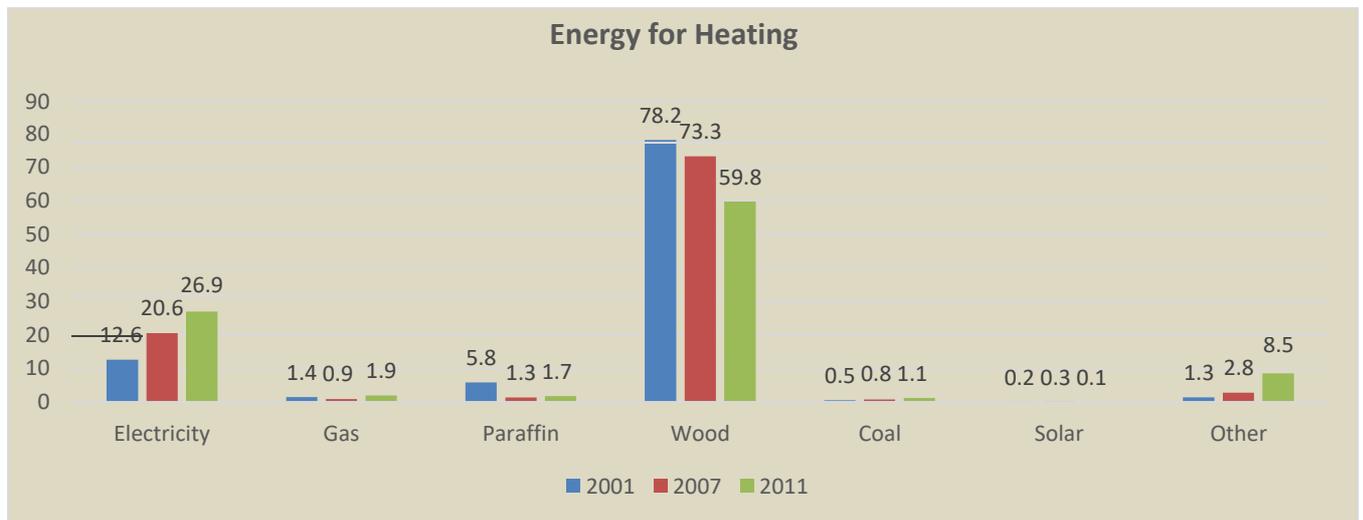


Figure 21 Shows the decrease in community using wood for energy for heating from 73.3% in 2007 to 59.8% in 2011 that shows the decrease of -13.5%. The increase in community using electricity for heating went from 20.6% in 2007 to 26.9% in 2011 that is 6.3% increase.

EDUCATION STATUS

Figure 21: Educational Status

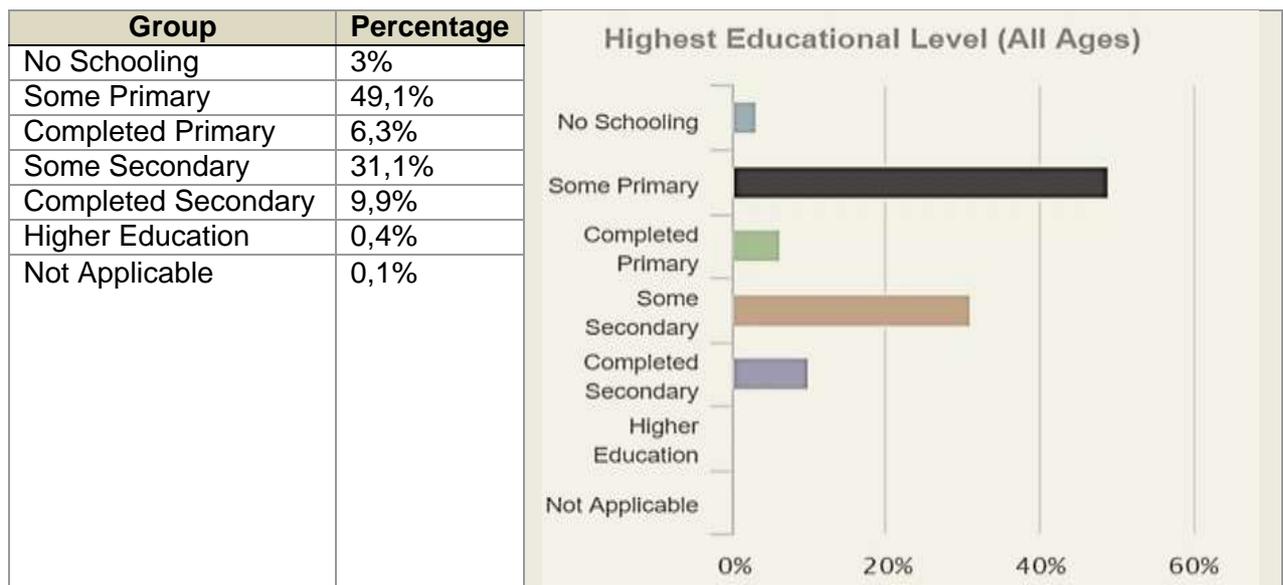
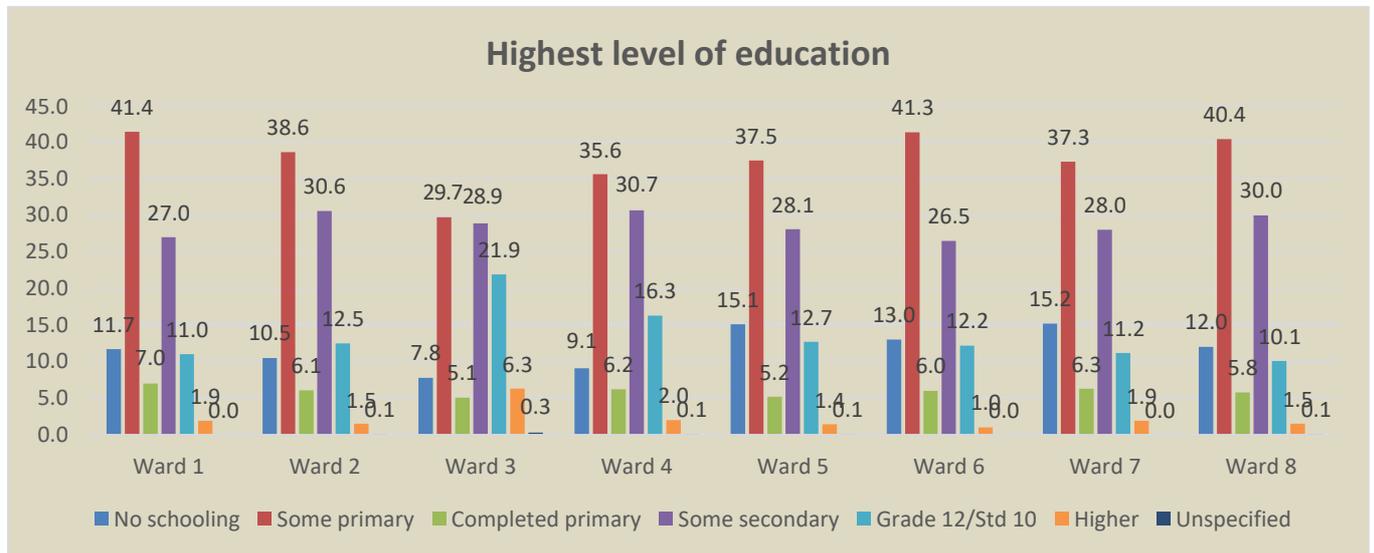


Figure 22: Educational Levels per Ward



The above Figure Shows the highest level of education in all wards has increase from 2011 the highest level of education was 4.0% now in 2016 is 6.6% that shows the increase of 2.6%.

Figure 23: Education Level (Over 20 Years Old)

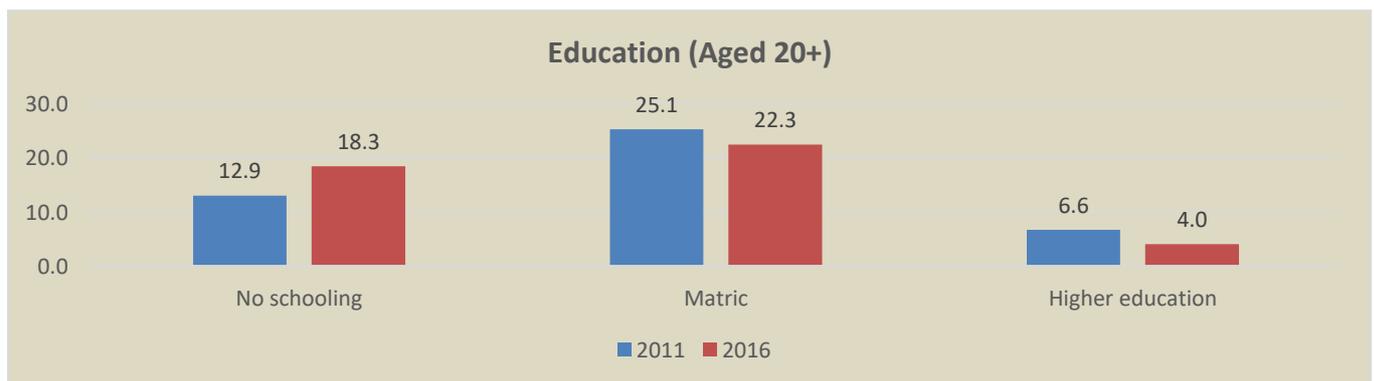
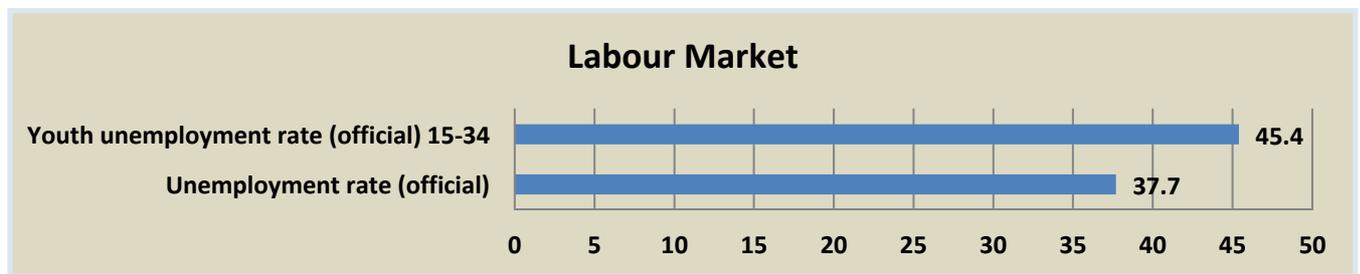


Figure 23 Shows that from 2011 to 2016 there was the increase in matric by 2.8% and for no schooling it has decrease from 18.3% to 12.9% that is 5.4% decrease. For higher education it shows the increase of 2.6% than the precious years.

LABOUR MARKET

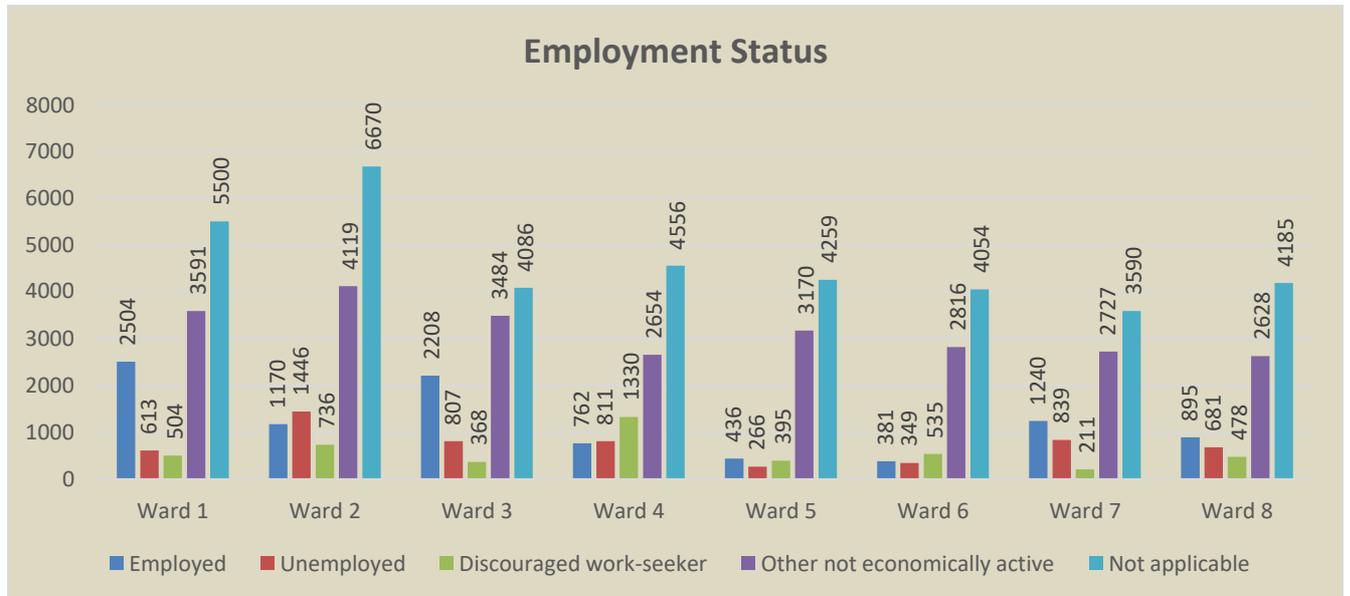
Figure 24: Labour Market



The above Figure Shows that we still have big challenge when it comes to youth unemployment from 2011 45.4% of youth (15-34) still unemployment. And 37.7% unemployment rate (official) still the main concerned at éDumbe.

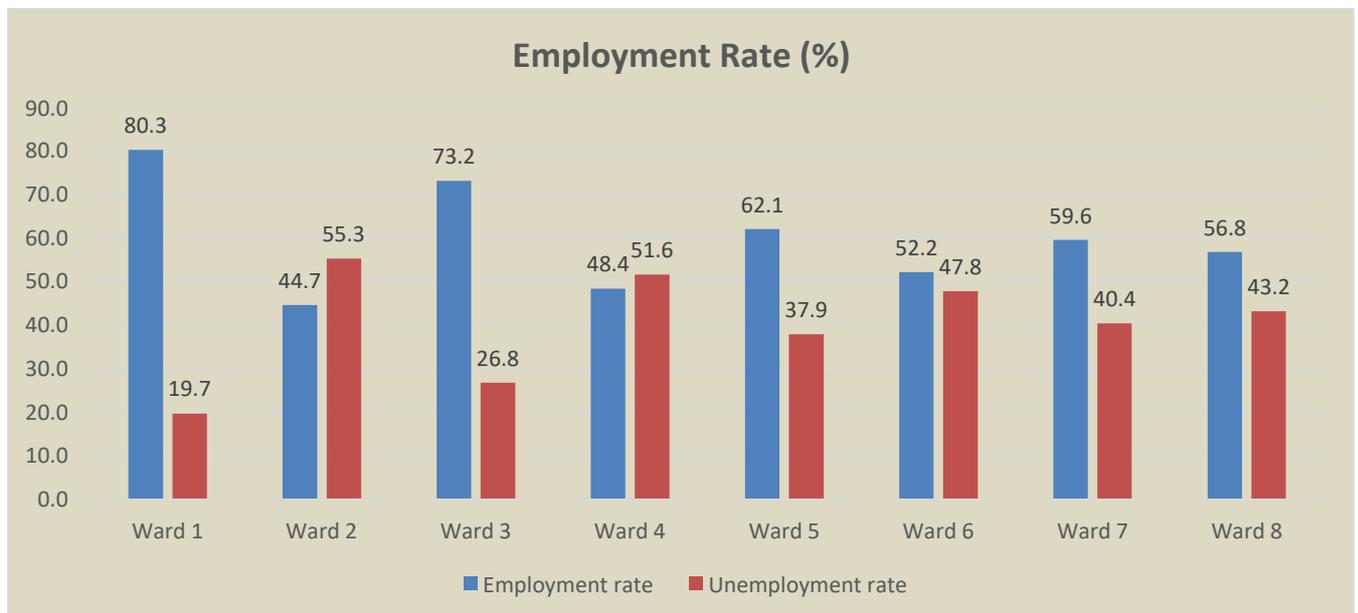
EMPLOYMENT STATUS

Figure 25: Employment Status



The above Figure Shows that all wards at éDumbe has no applicable status that tell you that more people at éDumbe are independency that include pensioners, children and people with disability.

Figure 26: Employment Rate



Employment rate shows on the figure 28 indicate that in ward 1 more community are employed with 80.3% and ward 3 with 73.2%. Ward 2 has most unemployment with 55.3% follow by ward 4 with 51.6% of unemployment rate

KEY FINDINGS (INCLUDING TRENDS ANALYSIS)

- Non-Financial Support
 - ▶ eDumbe LM will offer a number of non-financial support to businesses as a group or sector or on an individual basis. These will be linked directly to improving business processes (efficiency) or reduction of red tape, provide administrative support and technical support to businesses working with various partners to ensure sustainability.
- Business Financial Relief Support
 - ▶ This category of incentives is a combination of various instruments that the municipality will use to support the COVID 19- affected businesses. These incentives are amongst others, the granting of certain fees exemptions, deferral of payments for certain months, adjusting of certain fees, providing of grants wherever feasible and applicable.

CHAPTER 5. GOOD GOVERNANCE AND COMMUNITY PARTICIPATION

COMMUNITY PARTICIPATION PROGRAMMES HELD THROUGH THE OFFICE OF THE MAYOR

The office of the Mayor hosted its annual programs which intend to increase social cohesion and participation within eDumbe. There is no doubt that the society of eDumbe face a myriad of problems such as high unemployment, poor educational outcomes and various forms of poverty. Therefore, these programs are an integral part in establishing the social fabric of eDumbe as they assist in keeping people busy and away from engaging in acts such as crime, excessive drugs abuse, alcoholism etc. The social programs are a necessity for eDumbe citizen and over the years have grown tremendously, resulting in high attendance and participation. Furthermore they have attracted the youth, giving them a platform to explore their gifts and talents, solidifying a goal to keep youth active in Arts & Culture and development programs.

STAKEHOLDER AND COMMUNITY ENGAGEMENT-KWAGWEBU, WARD 6, 02/07/2023

The Mayor of eDumbe Cllr. Sibusiso Mkhabela facilitated a stakeholder and community engagement meeting for residents in KwaGwebu ward 6 with the aim of taking government to the people. Sector departments such as Home Affairs and SAPS were among those that were requested by residents due to issues of obtaining I.D's and theft of farmer's livestock. eDumbe Municipality then assisted all those that needed transport to go to Home Affairs to finalise their I.D registrations with transportation.

STAKEHOLDER AND COMMUNITY ENGAGEMENT-NATAL SPA/MAHLONI/BAQULUSINI, WARD 7, 13/07/2023

The Mayor of eDumbe Cllr. Sibusiso Mkhabela was accompanied by various Government sector departments to Ward-7, with the aim of bringing government services to the people. As a continued initiative by eDumbe municipality the main focus of bringing government to the people is for them to articulate their problems in accessing government departments in order to obtain the services they require. The Hon. Mayor closed the engagement by explaining the 2023/2024 municipal budget to the residents of ward 7.

**STAKEHOLDER AND COMMUNITY ENGAGEMENT-EMBIZENI HALL WARD 4,
17/07/2023**

The Mayor of eDumbe Cllr. Sibusiso Mkhabela facilitated a stakeholder and community engagement meeting for residents in Embizeni, ward 4 with the aim of taking government to the people. Sector departments such as Home Affairs and SASSA were among those that were requested by residents due to issues of obtaining I.D's and social grants. The Hon. Mayor closed the engagement by explaining the 2023/2024 municipal budget and how it would impact the residents of ward 4.

NELSON MANDELA DAY CELEBRATION-MSHIYENI CRECHE, WARD 09, 18/07/2023

The Hon. Speaker of the Dumbe , Cllr. DJ Nhlengethwa and various government departments, namely the Department of Health, and the Department of Social Development (DSD), various stakeholders namely Mondi, Shell Anesco, Thuthugani and Goobs forestry, visited Mmshiyeni Kindergarten in ward 9 in commemoration of Nelson Mandela Day. Government department delivered the key services to surrounding residents. The engagement closed on a spirited note as residents were gifted with gifts, food parcels etc.

**MEETING BETWEEN LOCAL ALCOHOL TRADERS, E'DUMBE LOCAL MUNICIPALITY
AND SAPS- E'DUMBE LM COUNCIL CHAMBER, 25/07/2023**

The Hon. Mayor of Dumbe, Cllr. Sibusiso Mkhabela, expressed his concern over the increasing crime statistics of e'Dumbe which are mainly perpetuated by the abuse of alcohol. These crimes which are mainly domestic abuse, muggings, assault crimes and uncontrollable loitering at night which makes identifying house break-in suspects. The Mayor said this when a meeting was held with alcohol shop owners, SAPS, security clusters in the province of KwaZulu-Natal and municipal officials. e'Dumbe municipal manager Mr. JFK Khumalo outlined that the purpose of the meeting was to seek cooperation between local alcohol traders and the SAPS to fight the crime that is spreading in e'Dumbe.

**E'DUMBE YOUTH IN BUSINESS WORKSHOP- E'DUMBE LOCATION HALL, WARD 3,
26/07/2026**

The Hon. Mayor of e'Dumbe, Cllr. Sibusiso Mkhabela, The Youth development office of e'Dumbe in collaborating with government departments including SARS, SEDA, SASSA-Easy pay, LED, EDTEA and private banks such as FNB to help youth in the business sector by equipping them knowledge they need in order to take the steps they need to establish successful businesses. The youth were given the opportunity to be learning how to start their own businesses, and how to grow their businesses to a stage where the business can make profits while being compliant with regulations such as tax. Small business owners were also given information on secure banking and sectors they can approach for funding their businesses.

ISIBAYA SAMADODA-THOLAKELE HALL, WARD 5 31/07/2023

The month ended on high gear on 31 July 2023 for men who are residents of e'Dumbe. It will be remembered that July has been identified as the month for men in South African calendar. The Hon. Mayor of e'Dumbe, Cllr. Sibusiso Mkhabela, initiated a program known as "Isibaya Samadoda" where all men from all e'Dumbe wards come together to have constructive dialogues about issues they face in life and to promote good social behavior amongst men and young boys. This event took place for the first time in e'Dumbe as they gathered at eTholakele community hall to close men's month. There were also various Government departments that presented their plans to support men with economically through job creation and business initiative, with medical assistance, social development and counseling. The Hon. Speaker of e'Dumbe, Cllr. DJ Nhlengethwa, was pleased that that this men's structure was officially established, and hoped that it would iron out or reduce the social issues faced by men and e'Dumbe communities at large.

PORTFOLIO OF EVIDENCE

STAKEHOLDER AND COMMUNITY ENGAGEMENT – 02 JULY 2023



STAKEHOLDER AND COMMUNITY ENGAGEMENT – 13 JULY 2023



STAKEHOLDER AND COMMUNITY ENGAGEMENT – 17 JULY 2023



NELSON MANDELA DAY CELEBRATION – 18 JULY 2023



**MEETING BETWEEN LOCAL ALCOHOL TRADERS, E'DUMBE LOCAL
MUNICIPALITY AND SAPS – 25 JULY 2023**



YOUTH IN BUSINESSWORKSHOP – 26 JULY 2023



ISIBAYA SAMADODA – 31 JULY 2023



**ELECTRICITY SOD TURNING-THOLAKELE, EMASIMINI WARD 5/ E'DUMBE
LOCATION, PHOQHUKHALO WARD 09, 02/08/2023**

The Hon. Mayor of e'Dumbe, Cllr. Sibusiso Mkhabela, stipulated that e'Dumbe will soon have 100% electricity supply to e'Dumbe residents. The Mayor said this when he visited the Tholakele, eMasimini area in Ward-5 and e'Dumbe Location KwaPhoqhukhalo in Ward-9 where he presented the contractors that would be installing electricity in the remaining homes (infills) that had no electricity.

**SOD TURNING NGWANYA BRIDGE- BILANYONI, KWANGWANYA, WARD 2,
10/08/2023**

The official SOD turning set the foundation for the construction of Ngwanya bridge in Bilanyoni, Ward 2. The Hon. Mayor, Cllr. M.S Mkhabela together with e'Dumbe councillors and officials. Mayor Mkhabela presented the contractors that would be building the bridge upon many complaints from residents that had been struggling to commute if the river was full. The residents of KwaNgwanya also benefited from employment as general workers and others were presented with football jerseys and church dressmaking yards as per formal written request to the Mayor. The mayor then asked for cooperation between the contractors and residents.

**LAUNCH OF UMPHUNDU PROJECT- OPHUZANESSPORTS FIELD, WARD 8, 19/08-
2023**

The Minister of Human Settlements and Public Works, Mr. Siphon Nkosi accompanied by the Mayor of e'Dumbe, Cllr. M.S Mkhabela, Deputy Mayor, Cllr. Majuba Mavuso Kunene, Speaker of the Council, Cllr. DJ Nhlengethwa and Councillors visited Ward-6 in Embilaza to launch the Umphundu rural housing project. The Minister promised residents that they were working hard to ensure that the houses are delivered to residents, highlighting the importance that people should have home that are in good condition for them to hide their heads. The project is expected to build a thousand houses in Ward-6 and Ward-5. Mayor Mkhabela stated that he would ensure that all registered residents get their houses.

**STAKEHOLDER AND COMMUNITY ENGAGEMENT-MANGOSUTHU, MUZIWESIZWE
HALL, WARD 10, 23/08/2023**

The Hon. Mayor of e'Dumbe, Cllr. M.S Mkhabela met with Mangosuthu, ward 10 residents to discuss the construction of RDP houses in Mangosuthu. The Hon. Mayor wanted to reassure residents that the project was on the way and that eligible residents would soon see the construction of the homes as a company called Mpheme has already been appointed to start the project. The Mayor also clarified that the errors in registering certain individuals for houses under Mpheme would be corrected and the registration process will be open to all residents

that fit the criteria.

STAKEHOLDER AND COMMUNITY ENGAGEMENT-BHADENI, ENTUNGWINI AREA, WARD 6, 24/08/2023

There was great joy for the residents of Ntungwini in Ward 6 when the Mayor of e'Dumbe, Cllr. M.S Mkhabela conducted the first stakeholder and community engagement that area. The mayor was accompanied by the Speaker of the Council, Cllr. DJ Nhlengethwa, ward councillor, Cllr. M Magagula, officials from e'Dumbe Municipality and various Government Sector Departments namely DSD, Home affairs, IEC, ZDM, OSS, Agriculture, Human Settlement, Vodacom and the health department. The purpose of this program is to bring essential services to residents that struggle to go into town. The Mayor also donated sewing yards and football jerseys to congregations and teams that had requested the donations.

OFFICIAL OPENING OF MAHLONI SPORTS GROUND- MAHLONI , WARD 7, 25/08/2023

The Mahloni Sports Field was officially opened by the Mayor of e'Dumbe, Cllr. M.S Mkhabela accompanied by the Speaker of Council, Cllr. DJ Nhlengethwa, ward councillor, Cllr. Mthethwa, Councillors, Municipal officials and local residents. To officially open the sports field Mayor Mkhabela Cllr. Kunene donated R7 000 so that the youth of Mahloni could host their first competition.

- **ELECTRICITY SOD TURNING- BILANYONI, DSD, WARD 4, 28/08/ 2023**
- **ELECTRICITY SOD TURNING- MANGOSUTHU, EMASIMINI, WARD 10 29/08/2023**

The Hon. Mayor and the council of e'Dumbe Municipality continued with their mandate of making e'Dumbe a progressive town. The sod turning which took place in Bilanyoni and Mangosuthu was to introduce the appointed contractors to the communities in which the project would be delivered in order to facilitate a cohesive working relationship between contractor and the community they would be working with to complete the projects.

E'DUMBE WOMEN'S SUMMIT- E'DUMBE LOCATION, WARD 9, 29/08/2023

The speaker of the e'Dumbe, Cllr. DJ Nhlengethwa, called upon the women from Ward-9 to celebrate the end of women's month, during this celebration a women's forum was also established for e'Dumbe ward 9. The purpose of this forum was to share information and help each other particularly with problems they face every day such as lack of job opportunities, discrimination and many other socio-economic issues that women face. The community

service manager Ms Z. Mdlazi in her speech pleaded with women to love themselves and trust themselves in everything they do as they are the mothers of the nation and asked them to love each other only to strengthen each other. The speaker then asked the women to stand up and urged them to take care of their bodies because health is the most important thing, to eat well and exercise.

PORTFOLIO OF EVIDENCE

**ELECTRICITY SOD TURNING-THOLAKELE, EMASIMINI / E'DUMBE
LOCATION, PHOQHUKHALO - 03 AUGUST 2023**



SOD TURNING NGWANYA BRIDGE – 17 AUGUST 2023



LAUNCH OF UMPHUNDU PROJECT – 19 AUGUST 2023



**STAKEHOLDER AND COMMUNITY ENGAGEMENT-MANGOSUTHU – 23
AUGUST 2023**



**STAKEHOLDER AND COMMUNITY ENGAGEMENT-BHADENI, ENTUNGWINI
AREA – 24 AUGUST 2023**



OFFICIAL OPENING OF MAHLONI SPORTS GROUND – 25 AUGUST 2023



ELECTRICITY SOD TURNING BILANYONI – 28 AUGUST 2023



ELECTRICITY SOD TURNING MANGOSUTHU – 29 AUGUST 2023



E'DUMBE WOMENS SUMMIT – 30 AUGUST 2023



YOUTH DEVELOPMENT OFFICE CAREER EXPO- BILANYONI, WARD 4, 02/09/2023

The youth development career expo was facilitated as an educational programme for career guidance seminar that was conducted on the 02 September 2023 at Bilanyoni Primary School Hall. The programme is very important for gap year students and matriculants and therefore targeted them for this year's 2023 career expo as the main audience. The programme was very successful as there was a wide array of guest speakers that attended as per invite, among those were (MUT, DUT, UKZN, UNIZUL, MTHASHANA TVET, CAO, IMBEWU FARMERS, and MAJUBA TVET COLLAGE). One of the critical lessons to the students that attended the expo was to highlight how all institutions work in terms of admission; all institutions gave explanations to students on how different faculties operate and the requirements to qualify for entry or specific admission. Furthermore which application to use for admission e.g. CAO.

MEETING WITH THE ROYAL HOUSE HOLD- KWANKOMONYE ROYAL PALACE, 07/09/2023

The Mayor of Dumbe, Cllr. M.S Mkhabela accompanied by the Deputy Mayor, Cllr. M. Mavuso Kunene, Speaker of the Council, Cllr. DJ Nhlengethwa, Cllr. Veli Mthethwa from ward 3, royal chiefs situated in the area of e'Dumbe, Nkosi Sibisi, Nkosi Nkosi and Nkosi Mthethwa, Zulu maidens and municipal officials appeal to the Zulu King for the bad act reported to have been done by the community of e'Dumbe in 1960s when King Kheta oMthandayo Nyangeyeyezizwe kaBhekuzulu of Solomon. It is reported that Ngonyama used to visit schools through the Mavulandlela (scout) program and when he came to e'Dumbe in the area of eMngceleni, the community did not treat him in a dignified manner, which caused him to curse the town of e'Dumbe casting a dark cloud over the town. After many generations, the area of e'Dumbe has not been fortuitous in its growth trajectory and has rather been faced with many obstacles. Leaders under the leadership of Mayor Mkhabela saw the meeting as an opportunity to lift the curse. Leaders of the churches and King Misuzulu KaZwelithi, accepted that this cleanse should take place.

UMKHOSI WOMHLANGA 08/09/2023

e'Dumbe Zulu maidens gathered outside e'Dumbe municipality building where they were bid farewell, congratulated and given wishes of safe travel by the Hon. Mayor and e'Dumbe Municipality's Council for their trip to Nongoma where they participated in this year's reed dance where over 25 thousand Zulu Maidens gathered at King Goodwill Zwelithini's Royal Palace for the Zulu Reed Dance (uMkhosi woMhlanga). The Reed dance is a vibrant and cultural celebration that encourages respect for young women and sanctuaries the custom the

culture of Zulu nation. In addition, the customs is keeping girls as virgins until marriage and also prevent them from diseases that are present in this day and age.

- **BHUKUDA BRIDGE SOD TURNING- E'DUMBE LOCATION, SBONGOKUHLE CRECHE, WARD 9, 21/09/2023**
- **LINDELANI ACCESS ROAD SOD TURNING- E'DUMBE LOCATION, KWAMKHALIPHI, WARD 3, 22/09/2023**
- **ENQABENI ACCESS ROAD SOD TURNING- THOLAKELE COMMUNITY HALL, WARD 5 (26/09/2022)**

As part of éDumbe Municipality mandate to deliver services to its citizens, capital projects identified through consultation with community members took shape with the SOD turning of three budgeted MIG projects, Bhukuda Bridge, Lindelani Access Road e and Enqabeni Access Road where amongst the few that were introduced to the community of éDumbe. The Hon. Mayor and the council of éDumbe Municipality reached another milestone when communities were presented project which would commence in the Month of September. The sod turning was to introduce the appointed contractors to the communities in which the project would be delivered in order to facilitate a cohesive working relationship between contractor and the community they would be working with to complete the projects.

YOUTH DEVELOPMENT OFFICE CAREER EXPO- 02/09/2023





LINDELANI ACCESS ROAD SOD TURNING – 22/09/2023



**PUBLIC SERVICE WEEK- PROJECT MONITORING AND VISITS- E'DUMBE TOWN,
WARD 9, 03/10/2023**

September marks Public Service Month in South Africa. Public Service Month (PSM) is an integrated strategic national event in the calendar of the Department of Public Service and Administration. The Public Service Month serves as a reminder of what it means to serve communities and to also look at the impact the government has, especially around issues of service delivery. As part of the Public Service Month, public servants are expected to:

- Roll up their sleeves and spring-clean their service delivery points;
- Visit schools, hospitals, police stations and courts, talk to citizens, mediate the delivery of services and getting things done;
- Unblock the bottlenecks and red-tape in the delivery of services;
- Ensure the systems and infrastructure are working and use public resources efficiently to the benefit of the citizens; and
- Recommit themselves to belong, to care and to serve the people.

On this note the Mayor of e'Dumbe, Cllr. M.S Mkhabela, accompanied by the speaker of council, Cllr. DJ Nhlengethwa, councillors, municipal manager, municipal officials and various government sector departments embarked on a town wide monitoring and evaluation programme of all Municipal projects to assess the progress and status thereof. The projects include all major roads that are under construction, the building of Boxer Superstore Centre and the assessment of other municipal essential services.

**EDUCATIONAL ADVOCACY AND YOUTH EMPOWERMENT PROGRAMME-E'DUMBE
LOCATION STADIUM, WARD 3, 06/10/2023**

The Educational Advocacy and Youth Empowerment Programme was held in e'Dumbe town hall on the 06th October 2023 whereby young people were invited from all wards within our municipality boundaries to participate and engage in this Programme. To lead the programme higher education institutions were invited i.e. Sants Private Collage, BTC and UNISA from their head office in Sunnyside. The main purpose of this program was to inform and to educate young people about all services rendered by e'Dumbe's educational centre. This programme was proved to critical demand because most young people did not even know that such centres were available in e'Dumbe and with this session became well informed as to where they can obtain career guidance.

**WOMEN IN BUSINESS MEETING- E'DUMBE MUICIPALITY COUNCIL CHAMBER,
WARD 9, 12/10/2023**

In the name of service delivery it is critical that no one is left behind. The Hon. Mayor headed the call for inclusivity and equality in e'Dumbe and invited all emerging women in business to e'Dumbe municipality council chamber for a meeting. The purpose of this meeting was to set a platform whereby emerging business women could articulate their issues with business opportunities within e'Dumbe. The Mayor expressed the importance of diversity in business and that business opportunities should be shared across the board and equally. The Mayor stated that 'women should be assisted to breach the gap between them and men in accessing bigger business ventures' particularly speaking on Municipal Projects and programmes. It was then agreed that a women in business forum be elected, a forum that will advocate for women to have equal access to business opportunities within e'Dumbe. Furthermore this forum would have monthly meetings which will serve as a networking, training, mentoring, and knowledge-sharing exercise to aid their businesses growth.

**STAKEHOLDER AND COMMUNITY ENGAGEMENT- KWASTESHICOMMUNITY HALL,
WARD 1,**

The Mayor of eDumbe Cllr. Sibusiso Mkhabela, the Municipal Manager Mr JFK Khumalo and the Speaker of the council, Cllr. D.J Nhlengethwa and the council of eDumbe Municipality facilitated a stakeholder and community engagement meeting for residents in ward 1 with the aim of taking government to the people. Along with various sector departments such as DSD, SASSA, Education, SAPS, ESKOM, ZDM, DOT, Home Affairs, Human Settlements, Agriculture and DOH. Sector departments were requested to present and explain services that they offer to eDumbe citizens as well as future developments that they have as a government department. Mayor Mkhabela has revealed how critical it was for government to engage with

citizens in order to inform their planning as to the need to the public and for the ever great challenge of poverty amongst éDumbe citizens

CLEANING CAMPAIGN –E'DUMBE DAM, WARD 9, 25/10/2023

A continuation of the éDumbe Municipality Clean Up campaign which was initiated through the Office of the Mayor in conjunction with the EPWP and CWP programme continues every month as the Mayor joins communities in cleaning-up areas in éDumbe particularly dumbe dam on this occasion. The clean-up campaign continues to garner some support from the private sector, gaining new partnership such Shell ANESCO.

PUBLIC SERVICE WEEK- PROJECT MONITORING AND VISITS- 03/10/2023



EDUCATIONAL EDVOCACY AND YOUTH EMPOVERNMENT PROGRAMME- 06/10/2023



WOMEN IN BUSINESS MEETING- 12/10/2023



STAKEHOLDER AND COMMUNITY ENGAGEMENT- 12/10/2023



CLEANING CAMPAIGN -25/10/2023



- **IDP & BUDGET ROADSHOW-HLOKO, WARD 1/ MANANJALO PRIMARY SCHOOL, WARD 9/ LINDELANI SPORTS GROUND, WARD 3, 01/11/2023**
- **IDP & BUDGET ROADSHOW-MANGOSUTHU HALL, WARD 10/ BILANYONI, EMBIZENI HALL, WARD 4/ GULES STORE WARD 4, 02/11/2023**
- **IDP & BUDGET ROADSHOW- PHASE 5, WARD 2/ NKEMBENI STORE, WARD 6/ PAADAFONTEIN COMMUNITY HALL, WARD 8, 03/11/2023**
- **IDP & BUDGET ROADSHOW-BIVANE SPORTS GROUND, WARD 7/ MPANGWENI, WARD 5, 06/11/2023**

The Council of eDumbe Municipality annually adopts an IDP and Budget, paving the way for the document to be published publicly in order to get public inputs. The IDP & Budget road show took place in all wards of eDumbe, the Hon. Mayor of eDumbe called on residents to fully participate in the road shows as they assist in planning for the upcoming financial year. During the IDP meetings community members were afforded an opportunity to raise key issues to the Mayor on service delivery matters that affect them as well as priority issues in their communities. Contained in the IDP & Budget document is Tariffs, Subsidies and issues that affect the eDumbe residents directly. Residents gathered in community halls and stadiums to indicate to the leadership what they wanted to see happening in their wards, and what they want included in the IDP.

STAKEHOLDER AND COMMUNITY ENGAGEMENT- BILANYONI, NQAYI STORE, WARD 4, 10/11/2023

The Mayor of eDumbe Cllr. Sibusiso Mkhabela facilitated a stakeholder and community engagement meeting for residents in Bilanyoni, ward 4 with the aim of taking government to the people. Sector departments such as Home Affairs and SASSA were among those that were requested by residents due to issues of obtaining I.D's and renewal of bank cards in order to obtain their Social grants. eDumbe Municipality then assisted all those that needed transport to go to Home Affairs to finalise their I.D registrations with transportation and with the assistance of Banks, Easy-Pay and SASSA officials new bank accounts were created for attending residents.

MAYORAL CUP- BILANYONI STADIUM, WARD 4, 11/11/2023

As standard practice, eDumbe Municipality hosts their own Local Mayoral Cup Games in

order to be able to select teams/squads per sporting code to represent the local municipality in the District cup. Local Mayoral Cup games are hosted before the district cup. The e'Dumbe Local Mayoral Cup Games were held on the 11th November 2023 in 4 separate venues. Athletics were playing in Ward 3 Dumbe Regional stadium, Ladies soccer played at Mangosuthu Sports field, Dance played at Kanye-Kanye Hall and all other codes played at Bilanyoni sports field. Codes were represented as follows per ward:

CODE	WARD/S
Boxing	4 and 10
Karate	4
Dance	4
Athletics	All Wards
Soccer Males	All Males
Soccer Females	1, 3, 4 , and 10
Netball Females	All Wards
Netball Males	3, 4 and 5

Results of the Local Mayoral Cup games for 2023 were as follows:

CODE	POSITION 1	POSITION 2
Soccer Males	Ward 9	Ward 10
Soccer Females	Ward 10	Ward 4
Netball Males	Ward 4	Ward 3
Netball Females	Ward 2	Ward 4

NOTE 1: Karate, Boxing, Dance there were no winners as competition was limited amongst the wards.

**IDP REPRESENTATIVE FORUM- E'DUMBE MUNICIPALITY COUNCIL CHAMBER,
WARD 9, 14/11/2023**

The IDP Representative Forum which is chaired by the Municipal Manager took place on the 14th of November 2023 was established for the interest of the municipality`s constituency in the IDP Process to;

2.1.2 Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders inclusive of municipal government. 2.1.3 Ensure communication between all the stakeholder representatives inclusive of municipal government. 2.1.4 Monitor the performance of the planning and implementation process. 2.2 Responsibilities of the IDP Representative Forum 2.2.1 Form a structural link between the municipality and the public by informing interest groups, communities and organisations on

relevant planning activities and their outcomes. 2.2.2 Analyse and integrate issues affecting the various sectors, determine priorities, strategies, projects and programmes and identify budget requirements. 2.2.3 Discuss and comment on the draft IDP/Budget. 2.2.4 Monitor performance of the planning and implementation process through the Quarterly and Mid-year Performance Reports and the Annual Report of the municipality.

DISTRICT MAYORAL GAMES- VRYHEID, 18/11/2023

District Mayoral Cup was not held this year; instead the District had selections for different codes on the 18th and 25th November respectively. There are unfortunately no pictures to support this achievement as our Communications section was not in attendance of the selections.

OFFICIAL OPENING OF BOXER SUPERSTORE AND STUDIO 88- E'DUMBE TOWN, WARD 9, 21/11/2023

éDumbe is growing tremendously day by day, the Mayors ribbon cutting of a newly established Boxer Superstore Centre was a pilgrimage of the new strides éDumbe Municipality was taking to grow éDumbe. By obtaining private business investments within the town, this investment would not only boost infrastructure development in éDumbe but also economic development through job creation.

STAKEHOLDER AND COMMUNITY ENGAGEMENT- OPHUZANE, TRADITIONAL COURT, WARD 8, 22/11/2023

The Mayor of e'Dumbe CLLR... Sibusiso Mkhabela and, Ward CLLR.. T.K Kunene, the Municipal Manager, Mr. JFK Khumalo and the Speaker of the council, CLLR... D.J Nhlengethwa Municipality facilitated a stakeholder and community engagement meeting for residents in ward 8 with the aim of taking government to the people. Along with various sector departments such as DSD, SASSA, Education, SAPS, ESKOM, ZDM, DOT, Home Affairs, Human Settlements, Agriculture and DOH. Sector departments were requested to present and explain services that they offer to éDumbe citizens as well as future developments that they have as a government department. Mayor Mkhabela has revealed how critical it was for government to engage with citizens in order to inform their planning as to the need to the public and for the ever great challenge of poverty amongst éDumbe citizens. Ward 8 residents also discussed the construction of RDP houses in OPhuzane. The Hon. Mayor wanted to reassure residents that the project was on the way and that eligible residents would soon see the construction off the homes Furthermore residents that had submitted LED request to boost

their businesses were awarded with the material, instruments and supplies (school uniforms (uniform), football jersey, stove, Pots etc.)

ZIONIST COMPETITION- BILANYONI, BILANYONI PRIMARY SCHOOL, WARD 4, 25/11/2023

The Zion competition was held on the 25th November 2023 at Bilanyoni Primary School hall. The competition was a huge success as it was held for the first time. A total of 11 church choirs battled each other on stage and 5 winners walked away with prize monies. The results for the 2023 Zion Competition are as follows:

GROUP	POSITION	AMOUNT WON
JMC	1	R8000
Salem Izethembiso	2	R6000
Jobba Mission	3	R5000
Lord Creation Praises	4	R4000
Umkhumbi ka Noah	5	R2000

CLEANING CAMPAIGN- DUMBE DAM, WARD 9, 30/11/2023

The Mayor of éDumbe, councillor Sibusiso Mkhabela, rolled up his sleeves and participated in cleaning up waste in the éDumbe town along with CWP's. The Mayor has been clear in that he wants the town of éDumbe to be properly maintained and clean, to enhance it as a tourist attraction and a livable town to all those who stay in éDumbe and those that see it when passing through éDumbe going to other towns. The Mayor says that his goal is for éDumbe to be different than before, and for investors to be able to invest in éDumbe.

IDP & BUDGET ROADSHOW- 01/11/2023



IDP & BUDGET ROADSHOW- 02/11/2023



IDP & BUDGET ROADSHOW- 03/11/2023



STAKEHOLDER AND COMMUNITY ENGAGEMENT - 10/11/2023





IDP REPRESENTATIVE FORUM – 14/11/2023



OFFICIAL OPENING OF BOXER SUPERSTORE AND STUDIO 88- E'DUMBE TOWN- 21/11/2023



STAKEHOLDER AND COMMUNITY ENGAGEMENT- 22/11/2023



ZIONIST COMPETITION- 22/11/2023







CAMPAIGN- OPHUZANE SPORTSFIELD, WARD 8, 05/12/2023

Why is 16 Days of Activism Important? The International 16 Days of Activism campaign focuses on **generating an increased awareness of the negative impact that violence and abuse** have on women and children, and the social fabric of our society. In the absence of MEC champion Dr Mahlaba, MEC Siphon Hlomuka led the campaign. The campaign was conducted on the 03rd December 2023 in OPhuzane, ward 8 eDumbe Local Municipality and

it was partnered with the local municipality, government sector departments including Operation Sukuma Sakhe (OSS).

ROAD SAFETY AWARENESS CAMPAIGN, E'DUMBE TOWN, R33 ROAD, WARD 9, 13/12/2023

The Mayor of eDumbe Municipality advocated for a road safety awareness campaign during the month of December as a reminder to drivers of road safety and to create broader awareness among our community, about the magnitude of the road traffic injury problems and the main factors which place people at risk. This is because **road traffic trauma affects individuals, friends and families, and ultimately the entire community we live in.** The Mayor and Council of eDumbe Municipality strongly believe that every single South African should know and understand that our country has one of the worst road safety records in the world, losing over 40 people a day to traffic crashes, with a further 20 being left permanently disabled and several hundred suffering serious injuries.

Globally road traffic injuries are the leading cause of death for youth aged between 10 and 24 years. Of the 1.2 million people who lose their lives in road traffic crashes each year, almost a third of them are youth under the age of 25 years.

Dangerous roads have significant impacts on developmental objectives – especially because of the immense economic and social cost of road crashes. Road accidents cost the South African economy an estimated R133 billion annually, which has a significant effect on other needs such health, education, housing, job creation initiatives, water and electricity production and other state expenses.

ELDERLY CHRISTMAS- E'DUMBE MUNICIPALITY, WARD 9, 22/12/2023

Under the Special Programs umbrella, the Mayor Cllr.. M.S Mkhabela celebrated Christmas earlier with the senior citizens from all 10 wards of eDumbe municipality. Scores of elderly men & women flooded the municipal premises to celebrate with the Mayor and Councillors. They did not go home empty handed, as they were all gifted with grocery hampers. The municipality purchased grocery hampers for the senior citizens as a token of Christmas for them and their families.

HORSE RIDING- DUMBE DAM, WARD 9, 22/12/2023

The competition was held on the 22nd December 2023 at e'Dumbe Dam. Horse owners and jockeys from e'Dumbe, Mondlo, Ulundi, Newcastle, Ladysmith, Dundee, Utretch participated in this competition. The event was also graced by Amakhosi ase Ndlunkulu Inkosi BP Sibisi and Inkosi SW Mthethwa. Councillors also attended the event. Winners for the Horse riding competition are:

HORSE NAME	POSITION
Mbayimbayi	1
Alpha & Omega	2
Amazondo	3
Trouble Maker	4
Album	5

- **INGOMA YEZINTOMBI- BILANYONI, POLICE STATION, WARD 2 23/12/2023**
- **INGOMA YEZINSIZWA- BHADENI, KWAVOVA, WARD 5, 26/12/2023**
- **ISICATHAMIYA NOSWENKA- E'DUMBE LOCATION COMMUNITY HALL, WARD 3, 27/12/2023**
- **POOL/ SNSOOKER COMPETITION- MANGOSUTHU, MUZIWESIZWE COMMUNITY HALL, WARD 10, 29/12/2023**

- **INGOMA YEZINSIZWA- BILANYONI, KWANGWANYA, WARD 2, 28/12/2023**
- **INGOMA YEZINSIZWA- MANGOSUTHU SPORTS GROUND, WARD 10, 31/12/2023**

Ingoma & Cothoza Competitions 2023: a total of 4 Ingoma competitions and 1 Cothoza competitions were held in December 2023 in different wards. All these competitions were held under the umbrella of promoting Social Cohesion. The results are as follows:

EVENT	DATE & VENUE	WINNERS
Ingoma Yezintombi	23/12/23-Bilanyoni	1.Selimathunzi 2.Amathula Msindo 3.Oqhawekazi
Ingoma Yezinsizwa	26/12/23-Kwa Vova	1.uThuli Iwezinyathi 2.Amavikelambuso 3.Selimathunzi 4.Amathole amnyama 5.Amaphikankani
Cothoza Competition	27/12/23- Dumbe Community Hall	Ophuzane Young Boys Dumbe Jealous Down Rainbow Nation Inhlokomo Blue Khwezi
Ingoma Yezinsiswa	28/12/23- Kwa Ngwanya	Amagcokama Inyunyana Emnyama Abafana benkululeko Abazoloji
Ingoma Yezinsizwa	31/12/23- Mangosuthu	Selimathunzi Uthuli Iwezinyathi Ojikelele Ikameli Amaphikankani

**16 DAYS OF ACTIVISM FOR NO VIOLENCE AGAINST WOMEN AND CHILDREN
CAMPAIGN- 05/12/2023**



ROAD SAFETY AWARENESS CAMPAIGN- 13/12/2023



HORSE RIDING - 22/12/2023



ELDERLY CHRISTMAS- 22/12/2023



INGOMA YEZINTOMBI- 23/12/2023



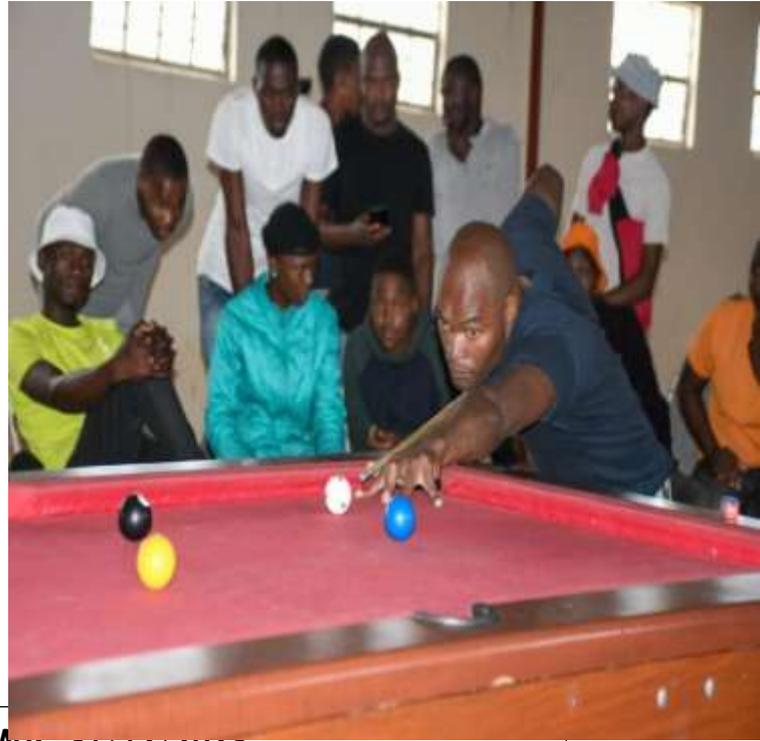
ISICATHAMIYA NOSWENKA- 26/12/2023



INGOMA YEZINSIZWA- 27/12/2023



POOL/ SNOOKER TOURNAMENT- 28/12/2023



INGOMIA YEZINSIZWA- 31/ 12/ 2023





MAYORAL REGISTRATION SCHEME 2024

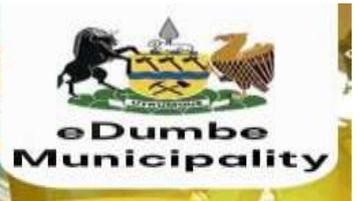
The youth development office assisted about 100 matriculants to apply for mayoral registration fees. Due to budget constrain the office of the mayor managed to at least to pay for 30 – 40 registration fees for students that qualified and accepted to higher education institutions.

MAYORAL MATRIC EXCELLENCE AWARDS 2024

The Matric Excellence Awards ceremony was held at Nhlakanipho community hall in Mangosuthu ward 10, on the 31st of January 2024. The Honorable Mayor Cllr. Sibusiso Mkhabela requested that all 16 high school principals and top 30 achievers to be awarded on the day. The high schools that obtained 100% pass mark rate were also awarded with Trophies and certificates, as well as the top 10 students who excelled per subjects were awarded with certificates and medals.

The program guests were 40 students, 40 parents, councillors, 16 principals, circuit management, and municipal officials. It was a successfully event that was conducted and guest speakers motivated students as they are about to go to higher education institutions.

MAYORAL REGISTRATION SCHEME- 01-31 JANUARY 2024


**CLASS OF 2023
MAYORAL
MATRIC EXCELLENCE
ACHIEVEMENTS AWARDS**

Date : 31st January 2024
Venue : Nhlakanipho Hall (Mangosuthu)
Time : 10:00am

**His Worship
The Mayor Cllr Sibusiso Mkhabela**

"Nothing else but service Delivery"

 Umkhandlu Wase Dumbe
  edumbelm
  @edumbemunicipality
 

MAYORAL MATRIC EXCELLENCE AWARDS – 31 JANUARY 2024





STAKEHOLDER AND COMMUNITY ENGAGEMENT MTHONJENI, WARD 2

The Mayor of éDumbe Cllr. Sibusiso Mkhabela facilitated a stakeholder and community engagement meeting for residents in Mthonjeni ward 2 with the aim of taking government to the people. Sector departments such as Home Affairs and SAPS were among those that were requested by residents due to issues of obtaining I.D's, birth certificates and access to social grant. éDumbe Municipality then assisted all those that needed transport to go to Home Affairs to finalise their I.D registrations with transportation.

MID-TERM BUDGET REVIEW/ADJUSTMENT WORKSHOP 2023/2024

The Budget and Review adjustment workshop for 2023/2024, which is a Mid-Term Review organized by the éDumbe Municipality led by the Hon. Mayor Cllr. Sibusiso Mkhabela, was conducted at the highest level. The meeting was attended by Amakhosi from éDumbe, Deputy Mayor Cllr. Majuba Mavuso, Council Speaker Cllr. DJ Nhlengethwa, Chief Whip of Council Cllr. Velaphi Mthethwa, Exco member Cllr ND Ndlangamandla and all Councilors, Municipal Manager Mr. JFK Khumalo, Directors and Managers to discuss the further development of the éDumbe in order for the remaining budget to be adjusted to focus on priority programs for the remainder of the current financial year.

Honorable Mkhabela in this workshop emphasized concerns on electricity problems as some residents still have illegal electricity connections and this leads to high electricity bill an low revenue turnover in the éDumbe. The Speaker of the Council, Councilor DJ Nhlengethwa, thanked everyone who made the workshop a success. Municipal Manager Mr. JFK Khumalo

confirmed that they will work hard as employees of the éDumbe Municipality to overturn some of the issues that arised particularly the budget.

STAKEHOLDER AND COMMUNITY ENGAGEMENT EBHADENI, KWAGEDLASI, WARD 6

The Honorable Mayor of éDumbe, Cllr. Sibusiso Mkhabela continues his drive of bringing the Council to the people as they visited KwaGedlasi area in Ward 6 in éDumbe. The meeting was attended by local Cllr. Magagula, government sector departments including the Department of Education, DSD, SASSA, Home affairs, Economic Development, Tourism and Environmental Affairs (EDTEA), AVBOB burial company and the Department of Health with the aim of assisting the residents of éDumbe with government services that are far from the areas where they reside.

INNOVATION AND TECHNICAL HUB BRIEFING SESSION

It is expected that an Innovation Hub and Digital Center will be built soon in éDumbe which will help the youth and all citizens of éDumbe. This comes after the éDumbe Municipality led by the Honorable Mayor Cllr. Sibusiso Mkhabela organized a meeting with the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), Innovate Durban and Mosses Kotane Institute to identify a site for the construction of this building. Mayor Mkhabela thanked those who made the meeting a success.

THE FORMATION OF ÉDUMBE BUSSINESS FORUM

The Mayor of éDumbe, Cllr. Sibusiso Mkhabela had a successful meeting with business chamber of éDumbe with the aim of creating a structure that will look after the interests of business owners in éDumbe. Mayor Mkhabela said that development will flow strongly in many areas of éDumbe if the Municipality could work alongside the business sector in growing economic activity in éDumbe.

OFFICIAL OPENING OF CLICKS STORE ÉDUMBE TOWN, WARD 9

It was a time of celebration for éDumbe Municipality and residents when Clicks Store was officially opened for the first time in the éDumbe area. The Honorable Mayor Cllr. Sibusiso Mkhabela says that the aim of developing éDumbe is that in the coming years éDumbe will be a place where residents can live and have access to many services. The Mayor said this during the opening of Clicks Store on the 29th of February 2024 where he was accompanied by, Deputy Mayor Cllr. Majuba Mavuso Kunene, Speaker Cllr. DJ Nhlengethwa, Councillors, the Inkosi Sibisi, the Municipal Manager Mr JFK Khumalo, municipal officials and Clicks store

staff.

**STAKEHOLDER AND COMMUNITY ENGAGEMENT MTHONJANENI,
WARD 2- 02FEBRUARY 2024**



**MID-TERM BUDGET REVIEW/ADJUSTMENT WORKSHOP 2023/2024
- 08 - 09 FEBRUARY 2024**



**STAKEHOLDER AND COMMUNITY ENGAGEMENT EBHADENI,
KWAGEDLASI, WARD 6 – 15 FEBRUARY 2024**



INNOVATION AND TECHNICAL HUB BRIEFING SESSION – 16 FEBRUARY 2024



THE FORMATION OF ÉDUMBE BUSSINESS FORUM – 23 FEBRUARY 2024



**OFFICIAL OPENING OF CLICKS STORE ÉDUMBE TOWN, WARD 9 –29 FEBRUARY
2024**



OFFICIAL OPENING OF PHASE 5 COMMUNITY HALL, BILANYONI, WARD 2

The Hall was officially opened for the residents of Phase 5 in Ward 2 in Mangosuthu by the Honorable Mayor of éDumbe, Cllr. Sibusiso Mkhabela who is also a ward councilor of that area. The meeting was attended by the Speaker of the Council, Cllr. DJ Nhlengethwa, Councillors, Municipal Officials and Government departments including Agriculture, Home affairs and DSD. The residents showed great appreciation to Mayor Mkhabela and the council of éDumbe for the hall after many years of holding public meetings under trees. The Mayor also donated footballs for the local soccer teams as well as school shoes for those in need. The Mayor said urged residents to work together to take good care of this hall..

OFFICIAL OPENING OF ZAMOKUHLE TAXI RANK, ÉDUMBE TOWN, WARD 9

Zamokuhle Taxi Rank was officially opened by the Honorable Mayorr of éDumbe, Cllr. Sibusiso Mkhabela together with the Speaker of Council, Cllr. DJ Nhlengethwa who is also a councilor of that ward, Councilors, the Municipal Manager of éDumbe Mr. JFK Khumalo, Amakhosi, Zamokuhle association and taxi drivers, Municipal Officials and residents of éDumbe. Mayor Mkhabela thanked the good cooperation with the Zamokuhle taxi association for the realization of such a project, as residents would struggle to migrate to their home in rainy weather without adequate shelter as they wait for taxis. The Mayor also promised adequate lighting to reduce any crime in the vicinity.

UMDLALO WAMANZI (INGEZO), ÉDUMBE LOCATION, WARD 3

Umdlalo Wamanzi organized by the Honorable Mayor of éDumbe, Cllr. Sibusiso Mkhabela in collaboration with the Zamokuhle Taxi Rank Association was at the first of its kind to be hosted in éDumbe. The game was attended by drivers from various areas including Jozini, Abaqulusi, Phongolo Mpumalanga and other areas with the aim of promoting cleanliness and safety in the taxi industry.

Results are as follows;

Flag Quantum's

1. Actions
2. KMR 558 MP
3. NPG 1184
4. Msamariya Olungileyo

Color Quantum's

1. KFD 44 ZN

Avanzas

1. KZW 372 MP

Vans

1. NPP 1532

SOD TURNING EZINGUDENI BRIDGE, WARD 1/ SQINTINI BRIDGE, BHADENI, WARD 6

The Honorable Mayor of éDumbe, Cllr. Sibusiso Mkhabela accompanied by Ward 1 Councilor Duduzile Mngomezulu, Municipal Manager Mr. JFK Khumal, Inkosi Nkosi, and Municipal officials were in attendance for the official SOD turning of Ezingudeni Bridge where the contractor of the project was formally introduced to residents of that area. His Excellency Mkhabela also went to Sqintini area in ward 6 where the contractor for that bridge was also formally introduced to the residents. Both bridges would be repaired as the residents could no longer cross over if there were heavy rains.

EASTER WEEKEND PRAYER, BILANYONI PRIMARY SCHOOL, WARD 4

Honorable Mayor of éDumbe Cllr. Sibusiso Mkhabela accompanied by the Speaker of the Council Cllr. DJ Nhlengethwa, Municipal Manager Mr. JFK Khumalo, Amakhosi, Pastors Forum, Municipal officials gathered at Bilanyoni Primary School for an Easter Weekend prayer. The prayer was aimed at seeking safe passage for all commuters during Easter Weekend, reducing accidents on the roads and for all the Easter festivities to be a great success. His Excellency Mkhabela then presented yards to all the churches that attended the prayer and also presented Bibles to the Pastors of the churches.

ROAD SAFETY AWARENESS CAMPAIGN, WARD 9, R33

The Mayor of éDumbe Municipality advocated for a road safety awareness campaign during the month of March as a reminder to drivers of road safety and to create broader awareness among our community, about the magnitude of the road traffic injury problems and the main factors which place people at risk. This is because **road traffic trauma affects individuals, friends and families, and ultimately the entire community we live in.** The Mayor and Council of éDumbe Municipality strongly believe that every single South African should know and understand that our country has one of the worst road safety records in the world, losing over 40 people a day to traffic crashes, with a further 20 being left permanently disabled and several hundred suffering serious injuries.

INGOMA YEZNSIZWA, HLUNGWANA SPORTS FIELD, WARD 9

Ingoma & Cothoza Competitions 2024 were held in March 2024 in Hlungwana and Bilanyoni. Mayor Mkhabela was accompanied by the Speaker of the Council, Cllr. DJ Nhlengethwa, Councilors, Amakhosi and municipality officials.

All these competitions were held under the umbrella of promoting Social Cohesion. The results are as follows:

The results are as follows

1. Uthuli lezinyathi- R7000
2. Amangcokams - R5000
3. Amavikela mbuso- R3000
4. Abafana baka Sbhamu-R2000
5. Selimathunzi -R1000

ISICATHAMIYA, BILANYONI, PHASE 5, WARD 2

The results are as follows:

1. Dumbe jealous down
2. Bilanyoni Citizen
3. Rainbow nation
4. Abafana basuzeni
5. Inhlokomo

OFFICIAL OPENING OF PHASE 5 COMMUNITY HALL, BILANYONI, WARD 2-01 MARCH 2024





OFFICIAL OPENING OF ZAMOKUHLE TAXI RANK, ÉDUMBE TOWN, WARD 9 – 16 MARCH 2024



**UMDLALO WAMANZI (INGEZO), ÉDUMBE LOCATION, WARD 3 – 17 MARCH
2024**



**SOD TURNING EZINGUDENI BRIDGE, WARD 1/ SQINTINI BRIDGE, BHADENI,
WARD 6 – 17 MARCH 2024**



**EASTER WEEKEND PRAYER, BILANYONI PRIMARY SCHOOL, WARD 4 –24
MARCH 2024**



ROAD SAFETY AWARENESS CAMPAIGN, WARD 9, R33 – 28 MARCH 2024



INGOMA YEZNSIZWA, HLUNGWANA SPORTS FIELD, WARD 9 – 30 MARCH 2024



ISICATHAMIYA, BILANYONI, PHASE 5, WARD 2 - 31 MARCH 2024



INGOMA YEZINTOMBI, THOLAKELE, WARD 5

Young girls from éDumbe shared the stage for the Ingoma competition organized by éDumbe Municipality led by the Honorable Mayor Cllr. Sibusiso Mkhabela in Tholakele KwaNkosi shop Ward 5. The Hon. Mayor was accompanied by the Speaker of the Council Cllr. Dj Nhlengethwa

and other Councilors.

There was also a special appearance by the Mayor of Nongoma, the Hon. Ndabandaba.

The results are as follows:

1. Amataliyane
2. Amathula msindo
3. Abagijimi

MAYORAL WINTER HIGH SCHOOL VISITATIONS, WAR 2, 4, 5, 7 & 10

The 16 high schools winter visitation within éDumbe Local Municipality boundaries started from the 08th of April 2024 until the 30th of June 2024. The programme started at Bilanyoni in ward 4 at KanyeKanye high school where the mayor had a very motivating and encouraging message to students especial directed to disadvantage students.

The activity or morning talk that was conducted by the Hon. Mayor Cllr Sibusiso Mkhabela was attended by students, educators, principals, school governing body as well the municipality officials. It went successfully to all high schools and students representatives (SRC`s) were glad and had several requests to the municipality such as winter classes support with security, food, school winter clothes, sport field grounds maintenance, school grass cutting where there is no budget for such. Etc.

His worship the mayor went the extra to assist schools that performed poorly by ensuring support for them to perform better this financial year by assisting with Wi-Fi installation, more school desks and tables, bicycles for long distance students, weekend and late classes with food parcels.

MAYORAL WINTER HIGH SCHOOL VISITATIONS, WAR 1 & 3

Mayor Cllr. Sibusiso Mkhabela of éDumbe also visited Khanyanjolo High School in Ward-3 and Kusaselihle Secondary School in Ward-1 to deliver school shoes to students as part of the Mayoral Winter High School Visitation program.

STAKEHOLDER AND COMMUNITY ENGAGEMENT BILANYONI, WARD 2

The Mayor of eÉDumbe Cllr Sibusiso Mkhabela and, the Municipal Manager, Mr. JFK Khumalo, the Speaker of the council, Cllr D.J Nhlengethwa and the council of éDumbe Municipality facilitated a stakeholder and community engagement meeting for residents in ward-2, 4, 10 with the aim of taking government to the people. Along with various sector departments such as DSD, SASSA, Education, SAPS, ESKOM, ZDM, DOT, Home Affairs, Human Settlements, Agriculture and DOH. Sector departments were requested to present and explain services that they offer to éDumbe citizens as well as future developments that they

have as a government department. Mayor Mkhabela has revealed how critical it was for government to engage with citizens in order to inform their planning as to the need to the public and for the ever great challenge of poverty amongst éDumbe citizens. Furthermore residents that had submitted LED request to boost their businesses were awarded with the material, instruments and supplies (school uniforms (uniform), football jersey, stove, Pots etc.)

STAKEHOLDER AND COMMUNITY ENGAGEMENT, MANGOSUTHU, NHLAKANIPHO, WARD 10

The Hon. Mayor regularly visits the community of éDumbe. Accompanied by the Speaker of the Council, Cllr. DJ Nhlengethwa, Councillors, and various Government Sector Departments including Home affairs, SASSA, IEC, HST, SDS and Education gathered in Nhlakanipho Hall in ward-10.

The Hon. Mayor also invited various bodies (Forums) including Pastor's Forum, Taxi Association, Ocothoza, Sports Confederation, Disability Forum, Woman's Forum and Business Forum with the aim of explaining the key objectives of the 2024/2025 budget and also to gather input from all these structures.

The Hon. Mayor is asked for unity from the citizens of éDumbe and for them to work cohesively with the current council in improving éDumbe and that in that spirit hopefully job opportunities can be created.

IDP & BUDGET ROADSHOW 2024/ 2025

His Worship the Mayor Cllr. M.S Mkhabela presented the Integrated Development Plan (IDP) and 2024/25 Budget. The roadshow was held at Mangosuthu Stadium and included the communities all éDumbe wards. The roadshows provides an engagement space with different community stakeholders who are an integral part of éDumbe Municipality. The stakeholders have an opportunity to be a part of the municipality's process in the development of the IDP and the municipality to provide feedback on the various programs to be included in the IDP. During his address, His Worship the Mayor Cllr. Mkhabela said the majority of the funds for this financial year have been put aside to develop and maintain infrastructure throughout éDumbe, which includes access roads to rural communities.

“By government laws, we visit communities and amaKhosi so that they too can participate in this budget. It brings us joy that we have been warmly welcomed by the community as we embarked on the roadshows throughout éDumbe,” said Mayor Mkhabela. His Worship further encouraged the community to always be vocal about issues that affect them when it comes to lack of service delivery.

The budget presented by Mayor Mkhabela for the 2024/25 financial year was R271 632 789.

CORPORATE SKILLS DEVELOPMENT PROGRAMME, ÉDUMBE LOCATION, WARD 3

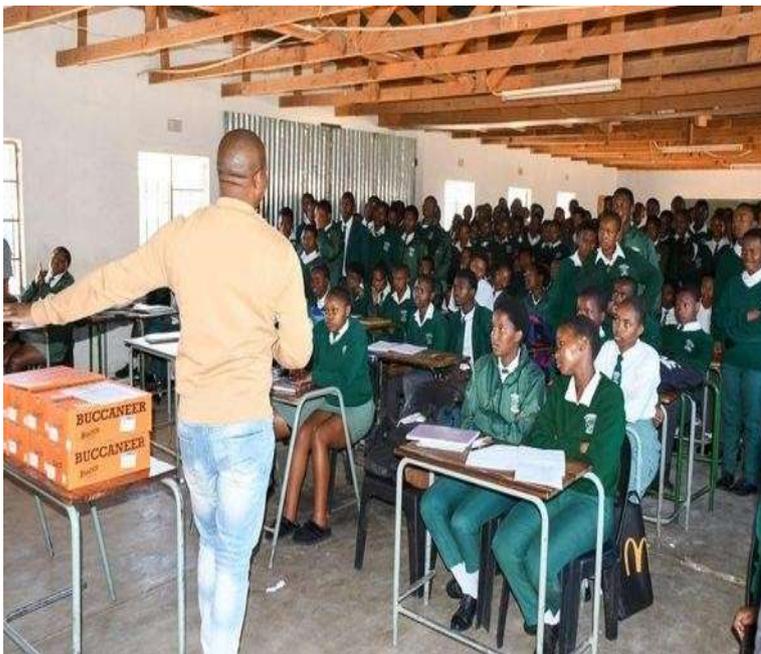
He always cares about the youth of éDumbe, the Honorable Mayor, Cllr. Sibusiso Mkhabela, after he organized a meeting with the Corporate skills Development services company and the Youth Office in éDumbe, led to 120 youth from different wards in éDumbe started their corporate skills training including cooking (Hospitality) NQF LV2, handicrafts using wood (Carpentry) NQF LV2. This skills program will be for two months and the youth will be able to obtain a stipend to assist them to travel to training centers. Upon completion of the program, students will receive accredited certificates of completion.



INGOMA YEZINTOMBI, THOLAKELE, WARD 5 – 01 APRIL 2024



**MAYORAL WINTER HIGH SCHOOL VISITATIONS, WAR 2, 4, 5, 7 & 10, 10 - 11 -
APRIL 2024**



**MAYORAL WINTER HIGH SCHOOL VISITATIONS, WAR 1 & 3 – 12
APRIL 2024**



**STAKEHOLDER AND COMMUNITY ENGAGEMENT BILANYONI,
KWANGWANYA WARD 2 - 15 APRIL 2024**



**STAKEHOLDER AND COMMUNITY ENGAGEMENT, MANGOSUTHU,
NHLAKANIPHO, WARD 10 - 16 APRIL 2024**



IDP & BUDGET ROADSHOW 2024/ 2025 - 26 APRIL 2024





**CORPORATE SKILLS DEVELOPMENT PROGRAMME, ÉDUMBE LOCATION, WARD
3 - 29 APRIL 2024**



STAKEHOLDER AND COMMUNITY ENGAGEMENT- BILANYONI CIRCLE, WARD 4

The Honorable Mayor of the éDumbe Cllr. Sibusiso Mkhabela accompanied by the Aamkhosi, Councillors, various Government sector departments including Home Affairs, SASSA, Economic Development Tourism and Environmental Affairs (EDTEA), IEC, Healthy, DSD, éDumbe Municipal officials visited ward-2 area in Bilanyoni with the aim of bringing Council to the People so that the residents of Bilanyoni would also be able to benefit from sector department services without spending money to access the services which are often far from the area they reside. His Excellency Mkhabela then gave football jerseys to local teams, lawn and tree cutting machines, cooking stoves, fences and other LED projects to the residents of Bilanyoni with the aim of assisting the residents to start small businesses.

OFFICIAL OPENING OF NGWANYA BRIDGE, BILANYONI, WARD 2/ SWITCHING ON OF MASIMINI ELECTRICITY

Residents of Ngwanya in Ward-2 were in high spirit upon the official opening of Ngwanya Bridge which was officially opened by the Honorable Mayor of éDumbe accompanied by the Speaker of Council Cllr. DJ Nhlengethwa, Amakhosi, Municipal Manager Mr. JFK Khumalo, Electricity Manager Mr. Khoza and Municipal officials. This comes after the residents struggled for a long time in especially during rainy season where if it rains residents would struggle to access public transport and vehicles would fail to crossing over the overflowing bridge. Mayor Mkhabela revealed that school children could not cross when it was raining and their parents livestock was threatened as there have been cases of residents losing livestock in the floods. His Excellency also proceeded to the Masimini area in Ward 2 where the electricity project came to completion and all the 100 residents could switch on electricity for the first time.

STAKEHOLDER AND COMMUNITY ENGAGEMENT, ÉDUMBE LOCATION, SBONGOKUHLE CRECHE, WARD 9

Bhukuda Bridge (pedestrian bridge) was officially handed over to the residents of ward 9 by the Honorable Mayor of éDumbe Cllr. Sibusiso Mkhabela accompanied by the Speaker of the Council Cllr. DJ Nhlengethwa, Municipal officials and residents. Cllr. Nhlengethwa stated that they have been struggling for a long time when it rains and the school children of that area were unable attend school if there heavy rains and residents livestock would often be stuck

across the river for days because they could not cross leading to their theft or them being lost

STAKEHOLDER AND COMMUNITY ENGAGEMENT, THOLAKELE, EZINKANGALA, WARD 5

Taking Council to the People as the Honorable Mayor of éDumbe Cllr. Sibusiso Mkhabela together with Cllr. Magagula, Government Sector Department namely Home affairs, and éDumbe Municipality officials visited the area of ward-5 in Nkangala with the aim of bringing the Council to the people so that the residents would be able to benefit from government services without spending money to access these services as they are often located far from where they reside.

STAKEHOLDER AND COMMUNITY ENGAGEMENT, THOLAKELE, KHANYISELUZULU SPORTS GROUND, WARD 5/ MANGOSUTHU, EMAXHAMBOZINI, WARD 10

This has continued to assist the residents of Dumbe, the Honorable Member of the Council of Dumbe, Councilor Sibusiso Mkhabela as today he was accompanied by the Speaker of the Council, Councilor DJ Nhlengethwa, Councilor Thulebona Mthethwa, Government departments including Home Affairs, DSD and éDumbe Municipality officials visited Ngoje area in Ward-5 with the aim of bringing the Council to the people so that the residents would be able to benefit from government services without spending money to access these services as they are often located far from where they reside.

His Excellency also visited Mangosuthu area in Maxhambozini in ward 10. His Excellency Mkhabela then gave football jerseys to local teams, lawn and tree cutting machines, cooking stoves, fences and other LED projects to the residents of Maxhambozini with the aim of assisting the residents to start small businesses.

STAKEHOLDER AND COMMUNITY ENGAGEMENT, THOLAKELE, KWAVELI, WARD 5/ OPHUZANE, EMABHUSIMANENI

The Honorable Mayor of éDumbe, Cllr. Sibusiso Mkhabela, visited KwaVeli area in ward 5 accompanied by the Department of Home Affairs with the aim of bringing residents assistance in obtaining identity cards, birth certificates and more. The Hon. Mayor also went to MaBhusimaneni area in ward-8 where he was accompanied by Cllr. Vegas Kunene with the aim of bringing the Council to the people so that the residents would be able to benefit from government services without spending money to access these services as they are often located far from where they reside.

Residents were very happy with this program as some of them received football jerseys for their local teams, lawn and tree cutting machines, cooking stoves, fences and other LED

projects with the aim of assisting the residents to start small businesses.

STAKEHOLDER AND COMMUNITY ENGAGEMENT- BILANYONI CIRCLE, WARD 4 – 07 MAY2024



OFFICIAL OPENING OF NGWANYA BRIDGE, BILANYONI, WARD 2/ SWITCHING ON OF MASIMINI ELECTRICITY - 11 MAY 2024



STAKEHOLDER AND COMMUNITY ENGAGEMENT, ÉDUMBE LOCATION, SBONGOKUHLE CRECHE, WARD 9 - 14 MAY 2024



**STAKEHOLDER AND COMMUNITY ENGAGEMENT, THOLAKELE, EZINKANGALA,
WARD 5 – 15 MAY 2024**



**STAKEHOLDER AND COMMUNITY ENGAGEMENT, THOLAKELE,
KHANYISELUZULU SPORTS GROUND, WARD 5/ MANGOSUTHU,
EMAXHAMBOZINI, WARD 10 – 22 MAY 2024**



**STAKEHOLDER AND COMMUNITY ENGAGEMENT, THOLAKELE, KWAVELI, WARD
5/ OPHUZANE, EMABHUSIMANENI**

24 MAY 2024



**ÉDUMBE MUNICIPALITY/ EDTA ENVIRONMENTAL MANAGEMENT WORKSHOP FOR
YOUTH**

éDumbe Mayor Cllr. Sibusiso Mkhabela, Council Speaker Cllr. DJ Nhlengethwa and Municipal

Manager Mr JFK Khumalo attended a youth workshop organized by the éDumbe Municipality Youth Office in collaboration with the Department of Economic Development, Tourism and Environmental Affairs (EDTEA). The purpose of this workshop was to inform the youth of éDumbe about the services they provide as a ministry and the opportunities to develop the youth and residents of éDumbe. The Honorable Mayor then thanked all the residents in this Workshop for attending and taking the opportunity to improve their lives through seeking opportunities and information.

**ÉDUMBE MUNICIPALITY/ EDTA ENVIRONMENTAL MANAGEMENT WORKSHOP
FOR YOUTH – 25 JUNE 2024**



This Chapter entails activities for the Corporate and Community Services Departments for 2023/24 financial year. This is in accordance with the Key Performance Indicators of the department as signed at the beginning of the financial year and revised after the mid-term assessment. The department is comprised of five (5) sections namely:

- **INFORMATION AND COMMUNICATION TECHNOLOGY**
- **PUBLIC SAFETY**
- **ADMINISTRATION**
- **HUMAN RESOURCES MANAGEMENT AND**
- **COMMUNITY AND SOCIAL SERVICES SECTION**

A: INFORMATION AND COMMUNICATION TECHNOLOGY

This report seeks to provide information for activities performed by the ICT section during the period under review and it is provided without prejudice.

Introduction

The Public Service Corporate Governance of Information and Communication Technology Policy Framework (2012) stipulate that COBIT (*Control Objectives for Information and Related Technologies*) should be adapted and implemented as the Governance of ICT Framework on the Governance of ICT layer.

COBIT will enable the municipality to achieve their strategic goals by deriving optimal value from ICT through the realisation of benefits and optimising resources and risk.

2. Background

As a set of Governance of ICT and management processes, COBIT will provide Managers, ICT users and Auditors with the following:

- Standard indicators;
- Processes for implementing the Governance of ICT;
- Good practice to maximise the corporate value in using ICT.
- Identification of the accountability and responsibilities of business and ICT process owners.

3. Internet Usage

The new service provider for internet supply appointed in the month of October 2023 had installed fiber in the municipal offices after conducting a survey in all the municipal sites (i.e. Main building, Technical department, Planning department, Tourism section, Bilanyoni offices, and Traffic section). The internet service and speed was improved after the installation of fiber. The internet supply interruption problem was also resolved at Technical department after the installation of fiber cables. However, the problem internet supply gets affected whenever Telkom service experiences disruption.

4. Reviews conducted

As per clause 6.10 of the User Account Management policy reviews should be conducted on a monthly or quarterly basis. Hence, ICT systems reviews for Pastel, Sage VIP, Conlog and Network controller server were conducted throughout the quarter and the reports were

submitted to the director for reviewing and further to PMS unit for evaluation and performance assessment. The PoEs for the reviews conducted were also attached to the reports submitted to the director for signing off. All the reports are then ultimately submitted to the PMS unit for assessment and storage.

5. Disaster Recovery Plan

The ICT unit was successful to install the Cloud backup solution for disaster recovery of information in an event of disaster. Through this technology the information is saved on cloud seamlessly and without fear of disruption during the process as result of load shedding. The UPS system ensures the continuity of the server processing during the load shedding which enables the continuation of information backup in the midst of load shedding. However, the DRP test has not been implemented until the end 2023-24 financial-year due to failure to establish the DRP site. The ICT unit managed to identify the DRP site which is Bilanyoni offices and initiated the process of purchasing the required equipment for establishment of the site by making a requisition, but the process failed whenever SCM office could not issue the advert. Hence, the objective of DRP test implementation was not achieved and prolonged for implementation in 2024-2025 financial year.

The protection of information is intensively ensured by also implementing the physical backing up of information on a weekly and monthly basis and also making restores and testing on a quarterly basis as per clause 4 of Backup and Restore policy. In an event of a disaster, the information could be retrieved from the recovery storages and processed.

6. Backups performed

The ICT unit successfully implement information backup on a daily basis through the installed Cloud backup solution. ICT unit also regularly implement physical information backups on a weekly and monthly basis as well as doing restores on a quarterly basis as per clause 4 of Backup and Restore policy. The screenshots and backups registers for manual backups and restores performed are prepared as evidence (PoEs) and submitted to PMS after signed off by the Director Corporate services on a monthly report. The implementation of this task ensured compliance and achievement of the targets as set out on the SDBIP for 2023-2024 financial year.

7. ICT Contracts

Name of Service Provider	Service provided	Performance status	Expiry Date	Contract current status
1. Itec Company– copier machines	The service provider supplied and maintains the copier machines.	The performance is satisfactory. However, the refurbishment is required to some machines.	31 May 2025	Ongoing
2. Business Connexion (Pty) Ltd replaced by Vuwani Company – Internet	These service providers supply with Internet service.	The service is uninterrupted except in a situation of the total power siege or disruption of network in town as a result Telkom challenges. The performance of internet improved after installation of Fiber technology.	Business Connexion termination date June 2024. Vuwani expiry date in 2027	The Vuwani company finalized the installation of fiber equipment and activated the internet service in June 2024.
3. Conlog – Electricity (Finance)	The service provider provides with electricity sales services.	The service is well performed. The SCM process was initiated to appoint new service provider.	30 June 2025	Ongoing
4. PABX s – Telephone system	Business Connexion (Pty) Ltd supplied and delivered with PABX system on an outright purchase condition.	The telephone system is well handled by the municipality by controlling the outgoing calls to avoid the exorbitant loss on this service.	Telkom for voice data – no fixed contract	Ongoing

5. CCG Systems – Financial management	The service provide responsible for management of financial services.	This financial system is well monitored by ICT unit in collaboration with the Camelsa Group consultants; hence it is functioning well and gets upgraded timeously.	Ongoing	Ongoing
6. Sage VIP – Payroll and Leave management	The payroll system responsible for paying employees' salaries and wages and leaves management for HR unit.	This VIP Sage system functions well and gets upgraded timeously when necessary. However, more improvement required for leaves management.	Ongoing	Ongoing

8. ICT Challenges and Proposals

Challenge	Proposed Solution
1. Shortage of working tools and equipment.	<ul style="list-style-type: none"> • There is still a shortage of computers and laptops for other municipal staff. The process to purchase the required equipment was segmented according to the financial years 2023-2024, 2024-2025, etc. until all the staff is satisfied.
2. The improvement of the server room is inadequate.	<p>The ICT unit still have to purchase the following lacking equipment for the server room:</p> <ul style="list-style-type: none"> • Purchase the steel door • Concrete ceiling • Smoke detector • Fire suppressor <p>The ICT unit failed to purchase these equipment due to financial constraints. However, the budget was made available for purchasing them in 2024-2025.</p>
3. DRP/BCP was not tested until the end of financial year 2023-2024, therefore in an event of a disaster (i.e. burnt building, floods etc.) the municipality may encounter challenges as the process data recovery was not tested.	<p>As stated above the ICT unit initiated the process of DRP site is establishment but was unsuccessful. However Cloud backup solution that runs online backup and the physical backup of information can ensure that information is available in an event of disaster. The DRP site establishment as alternative place for business continuity is contemplated to be achieved in financial year 2024-2025.</p>
<p>4. The municipality ICT policies are still using old software version of King III version instead of king IV. Hence the ICT policies and ICT Strategy need a review and approval by the Council.</p> <p>There are insufficient software products licenses (Microsoft office and windows, network firewall).</p>	<p>The appointment of service provider for reviewing the ICT policies to align with the King IV version was unsuccessful. The budget for the appointment of service provider to review the ICT policies was made available in 2023-2024 financial year, and process started, however, when advert was to be issued the Accounting Officer had different view that SITA and Provincial Treasury should be engaged for assistance. Unfortunately, those organs could not provide with assistance. Therefore, the process of appointing an expert for the service has to be re-done in financial year 2024-2025.</p> <p>The ICT unit will ensure that in financial year 2024-2025 the software licenses are again renewed by purchasing the Ms Office 365 and OS licenses. In purchasing the Ms Office 365 licenses will also protect the possible emails hacking incidents and also improve communication of information among the staff.</p>
<p>5. Information Security and Cyber-attacks.</p> <p>The network infrastructure currently in place is inadequate and vulnerable to external and internal attacks (Cyber-attacks and Fraud). The software license for firewall or Licensed firewall had not been purchased in 2023-2024 financial year due to financial constraints.</p>	<p>The ICT unit will ensure that licensed Firewall server is purchased in 2024-2025 financial year. The purchasing of Ms Office 365 will also contribute in advancing the cyber-attack security.</p>

8. SUCCESSFUL PROCUREMENTS

- The repair and maintenance of the UPS unit.
- The appointment of the service provider for Internet service supply.
- Purchasing of 10 laptops with installed Ms Office 365 licenses
- Purchasing of 05 OS Windows 11 licenses
- Purchase of 02 laptops.

9. UNSUCCESSFUL PROCUREMENTS

- Appointment of service provider for ICT policies and ICT Strategy review.
- Establishment of DRP site.
- Purchasing of Server room equipment.
- Installation of the Energy backup solution e.g. Auto-Generator

10. COMMENTS ON PROCUREMENTS

- a. The senior management of the organization should prioritize the ICT section by giving the support necessary for it to execute its functions.
- b. The ICT unit must be allowed to utilize the budget allocated for ICT equipment (i.e. hardware and software) to ensure the staff have sufficient working tools and that the IT related services are improved.
- c. The organization must fill the post of IT Security officer to address the risk raised regarding it, and as per the recommendation of the AG.
- d. The budget should be made available for trainings for knowledge capacity to the ICT staff.
- e. The senior management must support the ICT section to ensure that ICT findings and ICT risks are attended to timeously.
- f. The senior management must ensure to attend the ICT Steering committee meetings and further support the resolutions taken such meetings in order to address the challenges the ICT unit faced.

11. MUNICIPAL WEBSITE

The ICT section ensures that all necessary documents as per section 71 of MFMA, 2003 and other documents that need to be uploaded on the website are getting uploaded on time after delivered by the relevant department that requires for such service. The ICT section also ensures that the reporting about this function is done on a monthly basis through the SDBIP reports and signed off by the director for Corporate and Community Services department.

12. COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS

ICT section as a support function unit within the municipality; it works with other directorates and departments to ensure that services reach the community through such facilities as community libraries and multi-purpose community halls. Furthermore, access has been increased by ensuring upwards and backwards compatibility of our systems, to ensure that anyone with a device that can process data and that has access to the Internet can open and access our website content. The municipality should monitor and report on the use of its website by the public, for example, by measuring the number of hits on the website.

ICT as a section that plays an integral part in ensuring that all departments of the municipality are seamlessly receiving support with technology as the 4th generation compels that we move to the digitisation model, the municipality equally has a task to ensure that the budget is adequately available for ICT section to fulfil its institutional mandate.

B. PUBLIC SAFETY

1. Vehicles Testing Station {VTS}

The sub-section deals mainly with Testing of vehicles for Roadworthiness. This sub-section has 12 in number of equipment that needs to be calibrated and it is inspected by SABS annually. The revenue generated by this sub-section is for municipality. South African Bureau of Standards {SABS} only takes 3% of each vehicle that has been tested. This sub-section is manned by x2 Examiners with Grade A, X1 Pit Assistant.

REVENUE COLLECTED JULY 2023 TO JUNE 2024

ITEM	July - Sept 2023	Oct–Dec 2023	Jan - Mar 2024	Apr – Jun 2024
COR Application	R13'770.00	R5'050.00	R12'010.00	R10050.00
COR Issued	R5'400.00	R1'920.00	R5'880.00	R5040.00

2. Drivers Licence Testing Centre {DLTC}

The sub-section deals mainly with applications of Driving licence and learners licence, testing and issuing of Learners Licence and Driving Licence, Driving Licences renewals, application and issue Professionals Driving Permits{PrDP}as well as Eye Test. The total revenue generated by this sub-section is for the municipality. This sub-section is manned by 6 employees x1 Examiners with Grade A, X1 Examiner with Grade B, X1 Examiner with Grade L, X1 Examiner with Grade F, X1 Front office Supervisor and x2 Cashiers.

REVENUE COLLECTED FROM JULY 2023 TO JUNE 2024

ITEM	July - Sep 2023	Oct - Nov 2023	Jan - Mar 2024	Apr - Jun 2024
Drivers test	R12'650.00	R300.00	R0	R0
Learners Test	R17'400.00	R7'050.00	R16'050.00	R10'200.00
Learners License Issued	R3'660.00	R1'200.00	R3'620.00	R1'740.00
PrDPs	R20'550.00	R14'676.00	R24'150.00	R12'300.00
Driving Licence Cards Issued	R47' 880.00	R24'111.00	R37'067.00	R21'033.00
Temporary & Duplicates	R13'9500.00	R6'660.00	R8'820.00	R6'840.00

3. Registration and licensing of vehicles:

This sub-section deals with functions related to vehicles mainly Registration and Licensing. Agency fee calculated at 10% of the total revenue is retained by the municipality. This sub-section is manned by 3 employees comprising of x1 Supervisor, x2 Cashiers.

Agency fee calculated at 10%

ITEM	July - Sept 2023	Oct - Dec 2023	Jan-March 2024	Apr-June2024
Agency Fee	R101'783.00	R98'437.00	R93'547.00	R99'365.00

4. Traffic

This sub-section deals with all traffic related matters through National Road Traffic Act, Criminal procedure act and Municipal By-Laws. The revenue generated by this sub-section is for the Municipality. It is manned by x1 Traffic Chief Officer, x1 Superintendent, x 2 Assistant Superintendent, x4 Traffic officers and x1Traffic clerk.

5. ROAD PAINTING

Road markings were performed during the month of November and January successfully. Road Safety Awareness Campaign was successfully done with the help from the Honourable Mayor Cllr MS Mkhabela on the 28 of March 2024. See attached photos for the proof

6. STAFF TRAINING AND ORGANISATIONAL STRUCTURE CHANGES

None

7. OVERTIME

Overtime was paid during this period to all staff members from Public Safety with the exception to Manager Public Safety for duties performed.

8. FIRE

This sub-section deals with fire related functions throughout the whole of eDumbe Area {10

Wards}.It is controlled by the Fire Brigade Act, Standard Municipal By-Laws and Building Regulation SABS 0400-1990.The equipment to service the community is two bakkies with two bakkie sakkies, and 12 beaters. It is manned of 9 Fire Fighters that do all the functions.

Achievements

- None

9. Disaster Management

These sub-section deals with all issues related to Disaster and it works hand in hand with Fire Sub-section. This sub-section report all incidents occurred in eDumbe area to Council and District Disaster Management .It is manned by Acting Disaster officer (Manager Public Safety) and Nine Fire Fighters.

DISASTER REPORT JULY 2022 TO JUNE 2023

BELOW IS SUMMARY STATISTICS ON –HR-HEAVY RAIN, FI-FIRE, LT-LIGHTNING, HS-HAILSTORM, F-FLOODS, SW-STRONG WIND

Purpose

The purpose of this report is to give an overview of the incidents which affected éDumbe municipality in all wards from July 2023 to June 2024. Furthermore; the report shall also indicate the extent of damages and response measures executed by éDumbe Municipality in responding to the incident. éDumbe Municipality experienced strong wind, Lightning, Fire and Storm that caused damages in some areas. There was no assistance provided/given.

éDumbe municipality summary statistics

Wards	Types of incidents	Number of incidents	Household affected	People affected	Fatalities	Injuries	Assistance Given
1	Heavy rain & strong wind	19hr , 1sw,1FI & 2LT	23	141	0	0	9 Blankets '3 B Box'3 Sponge & 9 Plastic sheets
2	Heavy rain , lightning & fire	29HR , 3LI,1ST & 1F	34	215	0	0	25 blankets, 6 Plastic sheets 2B Box & 4 Temporal Shelter
3	Hail storm , heavy rain & fire	2HS , 19HR & 3F	27	114	0	0	23 Blankets, 17 Plastic Sheets,3 Sponge &6 B Box
4	Heavy rain	3HR	3	16	0	0	2 Blankets & 1Plastic Sheets
05	Heavy Rain	13HR	13	116	0	0	4 Blankets, 3 Plastic Sheets & 2 B Box
6	Heavy Rain, Lighting & Fire	2HR, 2L & 2FI	6	22	0	0	7 Blankets, 3 Plastic Sheets, 3B Box & 1 Temporal Shelter
7	Strong Wind, Fire & Heavy Rain	2SW, 1 FI & 27HR	30	280	0	0	13 Blankets, 8 Plastic Sheets, 1 B Box & 3 Sponge
8	Heavy Rain , Hail Storm & Fire	8HR , 1HS & 2F	10	75	0	0	13 Blankets, 5Plastic Sheets & 1 B Box
9	Structural Fire	1FI	1	4	0	0	1Box-B

10	Structural Fire & Heavy Rain	1FI & 2HR	3	13	0	0	3 Plastic Sheets & 1 B Box
TOTAL	FI, SW,HS & HR	2FI, 2SW,114HR, 4L & 3HS	134	939	0	0	96 BL, 10 B Box & 6 T. Shelter, 46 Plastic Sheets & 3 Sponge

10. CHALLENGES

- Alarm System and Fencing of the premises/yard
- Office Space
- Shortage of Fire Equipment
- Disaster officer or Fire Chief

11. GENERAL

Desired State for Public Safety

To have Disaster Centre and Fire Equipment

- Disaster Officer
- Fire Engine
- Alco testers/Breathalyzers
- New blue lights
- New Speed Machine
- Fine control system
- Fixing of Ablution system

C. ADMINISTRATION

2. BACKGROUND

2.1 COMMITTEE/COUNCIL SUPPORT ACTIVITIES

SDBIP REF	KEY PERFORMANCE INDICATOR	QUARTERLY TARGET	STATUS	REASON FOR NONE ACHIEVEMENT	CORRECTIVE MEASURES
KPI 51	14 Council Meetings facilitated by July 2023 to June 2024	4 Council Meetings	Achieved		14 Meetings were facilitated <ul style="list-style-type: none"> • 31 Aug 2023 • 28 Sept 2023 • 05 Oct 2023 • 06 Oct 2023 • 28 Nov 2023 • 19 Dec 2023 • 22 January 2024 • 29 January 2024 • 26 February 2024 • 13 February 2024 • 27 March 2024 • 21 May 2024 • 24 June 2024
KPI 52	07 Executive Committee Meetings facilitated by July 2023 to June 2024	04 Executive Meetings	Achieved		07 Meetings were facilitated <ul style="list-style-type: none"> • 18 Sept 2023 • 26 Sept 2023 • 16 Nov 2023 • 22 Jan 2024 • 26 February 2024 • 25 March 2024

					<ul style="list-style-type: none"> • 21 May 2024
KPI 53	04 Finance & Community Services Portfolio Committee meetings facilitated by July 2023 to June 2024	04 Portfolio Meetings	Achieved		<p>04 Meetings were facilitated</p> <ul style="list-style-type: none"> • 28 July 2023 • 09 Nov 2023 • 23 Nov 2023 • 30 Jan 2024 • 13 May 2024 <p><u>Community portfolio Meetings</u></p> <ul style="list-style-type: none"> • 04 Mar 2024 • 09 Nov 2023
KPI 54	03 Infrastructure & Planning Portfolio Committee meetings facilitated by July 2023 to June 2024	4 Portfolio Meetings	Achieved		<p>03 Meetings were facilitated</p> <ul style="list-style-type: none"> • 25 August 2023 • 11 Dec 2023 • 13 Feb 2024
KPI 55	06 Corporate Portfolio Committee meetings facilitated by July 2023 to June 2024	04 Portfolio Meetings facilitated	Achieved	12 & 18 June 2024 meetings did not quorate.	<p>06 meeting facilitated</p> <ul style="list-style-type: none"> • 19 July 2023 • 26 Oct 2023 • 01 Feb 2024 • 05 Feb 2024 • 12 June 2024 • 18 June 2024

KPI 56	06 MPAC meetings facilitated by July 2023 to June 2024	04 MPAC Meetings	Achieved		06 meeting were facilitated <ul style="list-style-type: none">• 04 July 2023• 12 July 2023• 22 Aug 2023• 29 Aug 2023• 16 Nov 2023• 20 March 2024
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3. Council Resolution Certificates

- Council resolutions are prepared, filed and issued to the relevant department as and when necessary.

4. Amakhosi Travelling Allowance Claims

- All claims were made and submitted to Finance Department for processing.

5. Council Resolution Certificates

- Council resolutions are filed at Registry and issued to the relevant departments for implementation as and when necessary.

6. Tracking Register

- Each and every meeting took place is prepared and updated quarterly.

7. Resolution Register

- It is prepared and updated whenever meetings took place.

8. Council Committees Scheduled Calendar: it has been approved by Council on 21 May 2024, sent out to the website and newspapers for public consumption.

REGISTRY ACTIVITIES

9. CORRESPONDANCE REGISTER

- On daily basis emails and hand delivered mail are received, insert appropriate reference numbers and register the work related letters in the above mentioned register.
- Make copies and distribute to the relevant officials after Municipal Manager's comments.

10. INVOICE REGISTER

- All invoices received by post or hand delivered are recorded in the invoice register.
- Invoices are distributed to creditor's office.

11. REGISTER OF FILES OPENED

- This register is used when there is a record that is created or received and is not accommodated to the existing files.
- Allocate a reference number for that record and register it in the register of files opened.

12. TENDER OPENING REGISTER

- Registry staff is part of tender box opening; they register bid documents and quotations received for that particular tender.

13. PHOTOCOPYING, PRINTING AND SCANNING

- These duties are performed on daily basis as per personnel request.

14. FILING OF CORRESPONDANCE AND CONTRACTS

- Filing of correspondence is updated on daily basis.
- Filing of contracts is done when receiving new contracts.

15. CLEANING

- Cleaners are using cold water to clean the floors even during winter as the geyser is non-functional.

16. RECEIVING OF APPLICATIONS

- Since our nearest post office is currently closed the applications for new vacancies are received via email, printed, registered and are submitted to Human Resources office after the closing date.

17. TRAINING & INSPECTION

- Training took place in the month of March by KZN Archives where 3 employees were selected to participate on Registry course on 4-8 March 2024. Only two employees acquired certificates of competency and one employee could not succeed.
- eDumbe Municipality had a visit by KZN Archives for the Records Management training of employees and inspection. The municipality is awaiting for the outcome report.

16. CHALLENGES

Council Chamber	Computers	éDumbe Municipality Rules of Orders	Records
<ul style="list-style-type: none"> Recording microphones needs to be added in order to accommodate the number of Councillors as it has increased. 	<ul style="list-style-type: none"> The Committee Office needs more laptops, desktop in order to store more information and perform duties efficiently. 	<ul style="list-style-type: none"> A workshop is required for Councillors in order to familiarise themselves with legislations. 	<ul style="list-style-type: none"> The Registry Office needs a counter and that was a finding from Provincial Archives office. We use to include this in our budget input but it always doesn't appear on our final budget. A new postbag with padlock and chain is needed. A new desktop is needed. We are having a challenge with starting disposal process other records are written in Afrikaans which makes it difficult for us to sort and list but a letter requesting assistance have been sent to Provincial Archives Pietermaritzburg and we still waiting for their response. Post is now collected once a week in Vryheid post office since our nearest post office is closed until further notice.

REPORT ON STATUS OF MUNICIPAL RAPID RESPONSE TEAM

17. Purpose

The main purpose is to report about activities that took place from July 2023 to June 2024.

18. Discussion

The purpose of the strategy is to provide mechanisms by which the public can voice their awareness as well as dissatisfaction of government programmes or lack thereof. It is not meant to replace any of the mechanisms required by Chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000), but rather supplement them. In 2010, MUNIMEC resolved that Rapid Response Teams be established in all municipalities. In line with the MUNIMEC resolution, KZN COGTA therefore put mechanisms in place to support municipalities establish Municipal Rapid Response Teams in order to deal with service delivery protests.

19. Functionality of the MRRT

- The MRRT /ICMS is a fully functional unit that holds meeting quarterly

19.1 Status report to KZNCOGTA

All municipalities are required to report to Rapid Response directorate at KZNCOGTA on quarterly basis and there is an assessment conducted by the responsible officials at the department. The following has taken place:

- District Rapid Response meetings were all attended.
- Provincial Rapid Response meetings were attended and some on a virtual platform

19.2. Review of MRRT Policies

The following policies were reviewed in the 2023/2024 financial year:

- MRRT Policy.
- ICMS Policy.

19.3. Challenges

Serious challenges faced by the MRRT is the non attendance of Senior officials of the Municipal Rapid Response Team as they are a vital part of the effectiveness of the functionality of this unit it is an issue that has been addressed and hope there will be a resolution in the near future
A lack of resources to enable the team to complete their work, no complaints boxes no dedicated register or system in place

19.4. Activities

Name of Meeting/ Forum	Date
Provincial Rapid response team Meeting(Mayville)	22 June 2023
eDumbe Municipal Rapid Response Team Meeting	19 July 2023
eDumbe Municipal Rapid Response Team Meeting Transnet issue	7 August 2023
eDumbe Municipal Rapid Response Team Meeting Transnet Issue	23 August 2023
eDumbe Municipal Rapid Response Team Meeting	13 September 2023
eDumbe Municipal Rapid Response Team Meeting (MS Teams) Transnet officials	27 September 2023
District Rapid Response Team Meeting ZDM	28 September 2023
eDumbe Municipal Rapid Response Team Meeting	2 November 2023

Meeting	
Provincial Rapid Response Team Meeting(Microsoft Teams)	30 November 2023
District Rapid Response Team Meeting	5 December 2023
District Rapid Response Team Meeting	7 March 2024
Provincial Rapid Response Team Meeting	26 March 2024
eDumbe Municipal Rapid Response Team Meeting	28 March 2024
eDumbe Municipal Rapid Response Team Meeting	13 June 2024
District Rapid Response Team Meeting	19 June 2024

REPORT ON STATUS OF PUBLIC PARTICIPATION

20. Purpose

The main purpose is to report about activities that took place from July 2023 to June 2024.

21. Discussion

Public participation is provided for in the Constitution as part and parcel for all organs of state's mandate to fulfil when service delivery to the community is considered. To this effect municipalities are expected to ensure that ward committees are elected and inducted in order to give effect to this requirement. Since 2016 municipal elections the municipality has endeavoured to ensure that ward committees form an integral part of this requirement.

22. Functionality of Ward Committees

Functionality of ward committees is measured through the following requirements:

- Submission of ward reports by ward Councilors to the municipality and in this regard there has been a regular submission of reports.
- Monthly sitting of Ward committees and chaired by ward Councilors. This has taken place as expected.
- Community meetings are expected to be held quarterly. Again this has taken place regularly.
- Submission of Sectoral reports to the municipality on monthly basis. This has happened regularly as well.

22.1 Status report to KZNCOGTA

All municipalities are required to report to Public Participation directorate at KZNCOGTA on quarterly basis and there is an assessment conducted by the responsible officials at the department. The following has taken place:

- Ward Committee functionality indicators were all met and the municipality has been functional from 1st Quarter to 2nd Quarter, 03rd Quarter (90%) during the verification process done by KZNCOGTA.
- District Public Participation meetings were all attended.
- Provincial Public Participation meetings were attended.

22.2. Training and Capacity building of Ward Committees

The requirement from all municipalities is that upon election, ward committees need to be inducted and be capacitated yearly on all COGTA accredited modules which are also recognized by Local Government SETA. However this has not taken place.

In the next financial year 2024/2025 Ward committees must be trained with accredited training

throughout their term of office.

It is unfortunate that the municipality did not comply with municipal policy on Ward Committee Elections and Operations as most vacancies were not filled as required in some wards.

22.3. Review of Public Participation Policies

The following policies will be reviewed in the 1st quarter of the 2024/2025 financial year:

- Out of Pocket Expense Policy.
- Ward Operational Plans.

22.4. Challenges

Section 73(4) of the Municipal Structures Act, provides that the municipality is expected to make administrative arrangements to enable ward committees to perform their functions and exercise their powers effectively. It is a standard procedure that public participation is provided with resources to perform their functions effectively however this has not happened during the period of July to June 2024 due to financial difficulties experienced. There is a need for this unit to be provided with operational budget and transport to attend meetings.

22.5. Meeting and Forums

Name of Meeting/ Forum	Date
Ward Committee Verification Process(Abaqulusi)	20 July 2023
Public hearing on National Veld and Forest Fire Amendment Bill, 2021(oPhongolo)	11 August 2023
District Public Participation Forum (uLundi)	26 September 2023
Ward Committee and Youth Unit's Functionality Verification	26 October 2023
District Public Participation Practitioners Forum(oPhongolo)	07 Nov 2023
Provincial Public Participation Steering Committee Meeting(MS Teams)	30 Nov 2023
Deputy Minister's Community Imbizo (oPhongolo)	30 Nov 2023
Ward Committee and Youth Unit's Functionality Verification	12 March 2024
District Public Participation Practitioners Forum	13 February 2024
Ward Committee and Youth Unit's Functionality Verification	04 June 2024

22.6. Ward Committee Meetings

Indicator	Evidence Presented	Ward Number	Meetings held Successfully July 2023-June 2024
Ward Committee meetings held	Minutes and attendance register	Ward 01	12
Ward Committee meetings held	Minutes and attendance register	Ward 02	12
Ward Committee	Minutes and attendance register	Ward 03	12

meetings held			
Ward Committee meetings held	Minutes and attendance register	Ward 04	12
Ward Committee meetings held	Minutes and attendance register	Ward 05	12
Ward Committee meetings held	Minutes and attendance register	Ward 06	12
Ward Committee meetings held	Minutes and attendance register	Ward 07	12
Ward Committee meetings held	Minutes and attendance register	Ward 08	12
Ward Committee meetings held	Minutes and attendance register	Ward 09	12
Ward Committee meetings held	Minutes and attendance register	Ward 10	12

- Sectoral reports were submitted through minutes.

Total number of ward committee meetings held	120
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22.7. Community Meetings

Ward	Meetings held successfully
Ward 01-Ward 10	Yes, except ward 07 in 3 rd Quarter

22.8. Out Of Pocket Expense Paid

July 2023	R97 000.00
August 2023	R97 900.00
September 2023	R97 000.00
October 2023	R97 000.00
November 2023	R102 800.00
December 2023	R101 900.00
January 2024	R96 000.00
February 2024	R95 900.00
March 2024	R95 400.00
April 2024	R95 800.00
May 2024	R102 000.00
June 2024	R91 000.00

TOTAL

R1 169 700.00

22.9. Recommendations

- The municipality must buy or allocate the vehicle for Public Participation Unit or an alternative means be found to ensure that officer(s) are able to attend all meetings.
- There should be an allocation of budget for the training of ward committee secretaries each financial year.
- There should be an allocation of budget for the training of ward committees.

D: COMMUNITY AND SOCIAL SERVICES

1. PURPOSE

The purpose of this document is to present the narrative report on the activities that took place/were performed by the Community Services Department in the 2023/2024 financial year.

2. BACKGROUND

The Community Services department remains as one of the departments that interact mostly with the community at a very local level. With a total of 8 sub-units namely Sports Development, Social Cohesion, Special Programs, Waste Management, Parks & Gardens, Public Participation, Libraries & HIV/AIDS; Most of the activities performed in this department are those that emanate from community structures that are recognized by the municipality. Some of the activities performed are derived from the SDBIP of the municipality whilst others are performed as per the mandate of the department in general. This report covers the activities and programs performed by the department from the months of 1st July 2023 – 30th June 2024.

3. DELIBERATIONS

3.1 DISCUSSION

The approach for this report is to elaborate briefly on the activities performed per sub-unit within Community Services during the year in question.

4. PERFORMANCE PER SUB-UNIT / SECTION

4.1 SPORTS DEVELOPMENT

This Sub-Unit achieved 6 targets in this financial year.

3 targets were achieved in quarter 1. The first target met was the Dundee July Horse Racing event which was held in Dundee under eNdumeni Local Municipality. The event was held from the 14th – 15th July 2023. eDumbe Municipality transported x4 horses and x4 jockeys to this event who took part. The 13th July was used for parade activity and the actual race was on the 15th July 2023.

The second & third targets met were that of participating in the District & Provincial Indigenous Games. The district games were held respectively on the 12th August 2023 in Uphongolo Emkhwakhweni Stadium and the Provincial games were held in Durban from the 24th – 30th September 2023. eDumbe Municipality assisted with transport for our players to the games.

Fourth and fifth targets met were **Local & District Mayoral Games 2023**: As standard practice, eDumbe Municipality hosts their own Local Mayoral Cup Games in order to be able to select teams/squads per sporting code to represent the local municipality in the District cup. Local Mayoral Cup games are hosted before the district cup. The eDumbe Local Mayoral Cup Games were held on the 11th November 2023 in 4 separate venues. Athletics were playing in Ward 3 Dumbe Regional stadium, Ladies soccer played at Mangosuthu Sports field, Dance played at Kanye-Kanye Hall and all other codes played at Bilanyoni sports field. Codes were represented as follows per ward:

CODE	WARD/S
Boxing	4 and 10
Karate	4
Dance	4
Athletics	All Wards
Soccer Males	All Males
Soccer Females	1, 3, 4 , and 10
Netball Females	All Wards
Netball Males	3, 4 and 5

Results of the Local Mayoral Cup games for 2023 were as follows:

CODE	POSITION 1	POSITION 2
Soccer Males	Ward 9	Ward 10
Soccer Females	Ward 10	Ward 4
Netball Males	Ward 4	Ward 3
Netball Females	Ward 2	Ward 4

NOTE 1: Karate, Boxing, Dance there were no winners as competition was limited amongst the wards.

NOTE 2: District Mayoral Cup was not held this year; instead the District has selections for different codes on the 18th and 25th November respectively. There are unfortunately no pictures to support this achievement as our Communications section was not in attendance of the selections.

4.2 The sixth and last target met by the Sports Unit is participation in SALGA Games 2023:

The 2023 SALGA Games were held from the 8th – 11th December 2023 under the King Cetshwayo District Municipality, host local municipalities being uMhlatuze and uMfolozi Local municipalities. The results for the 2023 SALGA Games are as follows:

CODE	POSITION 1	POSITION 2	POSITION 3
Athletics	eThekwini	Umzinyathi	King Cetshwayo
Basketball Males	UMgungundlovu	eThekwini	iLembe
Basketball Females	UMgungundlovu	eThekwini	uMzinyathi
Boxing	eThekwini	King Cetshwayo	iLembe
Chess	eThekwini	iLembe	King Cetshwayo
Dance	eThekwini	uMkhanyakude	Zululand
Football Females	eThekwini	iLembe	Ugu
Football Males	King Cetshwayo	iLembe	uMkhanyakude
Karate	iLembe	eThekwini	Ugu

Netball Females	King Cetshwayo	Zululand	eThekwini
Netball Males	King Cetshwayo	Zululand	eThekwini
Rugby Males	King Cetshwayo	Zululand	uMzinyathi
Rugby Females	King Cetshwayo	eThekwini	uMzinyathi
Table Tennis	EThekwini	UMgungundlovu	King Cetshwayo
Tennis	EThekwini	King Cetshwayo	Ugu
Volleyball Females	Umkhanyakude	eThekwini	Ugu
Volleyball Males	Umkhanyakude	eThekwini	Ugu

NOTE: Overall Winner for 2023 SALGA Games is eThekwini Metro. There are unfortunately no pictures to support this achievement as our Communications section was not in attendance of the games.

PLEASE SEE BELOW PICTURES FOR LOCAL MAYORAL CUP GAMES 2023:



Caption: Ladies Soccer Ward 1 vs Ward 4



Caption: Finalists Soccer Males Ward 9 vs Ward 10



Caption: Mayoral Cup Winners Males Soccer- Ward 9

4.3 SOCIAL COHESION

Social Cohesion is the unit that deals with programs that promote social unity in communities. These programs bring together people with different tastes in entertainment, talent, etc. These programs range from Arts, Sports, Culture, talent, skills, heritage, etc. This sub-unit achieved 12 targets in the 2023/2024 financial year.

This sub-unit achieved 4 targets this quarter. The 1st target achieved is that of attending Umkhosi Wesivivane. It was held on the 3rd – 6th August 2023 at at KwaKhangela Royal Palace. This event is a build up to the main event of Umkhosi Womhlanga. At Umkhosi weSivivane, the Matrons are trained and then they also clean the palace in preparation of Umhlanga.

The 2nd target achieved is that of attending the Umkhosi Womhlanga (Royal Reed Dance). Umkhosi Womhlanga for 2023 was held in eNyokeni Royal Palace from the 08th – 10th September 2023. A total of x 466 Virgins/Maidens and x64 Matrons represented eDumbe Municipality in this year's edition of Umkhosi Womhlanga. The Municipality assisted with transport (x27 taxis), t/shirts

& Amabhayi for maidens as well as golf t/shirts for the matrons. As per the request of the department (DSAC) the municipality also provided breakfast and lunch for the attendees. The District DSAC was responsible for provision of x1 bus.



Pictured Above & Below: The Mayor, Councilors partaking in the Parade with eDumbe Maidens for Umkhosi Womhlanga, 8 September 2023



The 3rd target was that of facilitating profiling & workshop for the Edumbe artists in the film industry. The workshop was done by the district DSAC on the 13th September 2023 at the municipal council chambers. The target beneficiaries were those from the producers, directors, actors, makeup artists, wardrobe, script writers etc in the film industry and those aspiring to be in the industry. A total of 27 people attended the workshop and were profiled for future trainings & workshops.

Fourth target achieved in quarter 1 by this sub-unit is that of assisting x3 groups of Isicathamiya to partake in the Playhouse Provincial Cothoza Competition. The competition was held in Durban on the 23rd September 2023 and the municipality assisted with hiring of x1 65 seater bus for the 3 groups to attend.

In quarter 2, 6 targets were achieved by this unit.

Zion Competition: The Zion competition was held on the 25th November 2023 at Bilanyoni Primary School hall. The competition was a huge success as it was held for the first time. A total

of 11 church choirs battled each other on stage and 5 winners walked away with prize monies. The results for the 2023 Zion Competition are as follows:

GROUP	POSITION	AMOUNT WON
JMC	1	R8000
Salem Izethembiso	2	R6000
Jobba Mission	3	R5000
Lord Creation Praises	4	R4000
Umkhumbi ka Noah	5	R2000





Above: Zion Competition 2023

In quarter 2 a total of 4 Ingoma competitions and 1 Cothoza competitions were held in December 2023 in different wards. All these competitions were held under the umbrella of promoting Social Cohesion. The results are as follows:

EVENT	DATE & VENUE	WINNERS
Ingoma Yezintombi	23/12/23-Bilanyoni	1. Selimathunzi 2. Amathula Msindo 3. Oqhawekazi
Ingoma Yezinsizwa	26/12/23-Kwa Vova	1. uThuli lwezinyathi 2. Amavikelambuso 3. Selimathunzi 4. Amathole amnyama 5. Amaphikankani
Cothoza Competition	27/12/23- Dumbe Community Hall	1. Ophuzane Young Boys

		<ol style="list-style-type: none"> 2. Dumbe Jealous Down 3. Rainbow Nation 4. Inhlokomo 5. Blue Khwezi
Ingoma Yezinsiswa	28/12/23- Kwa Ngwanya	<ol style="list-style-type: none"> 1. Amagcokama 2. Inyunyana Emnyama 3. Abafana benkululeko 4. Abazoloji
Ingoma Yezinsizwa	31/12/23- Mangosuthu	<ol style="list-style-type: none"> 1. Selimathunzi 2. Uthuli lwezinyathi 3. Ojikelele 4. Ikameli 5. Amaphikankan i

In quarter 3 a total of 2 programs were achieved. All these competitions were held under the umbrella of promoting Social Cohesion. The results are as follows:

EVENT	DATE & VENUE	WINNERS
Ingoma Yezinsizwa	30/03/24- Nhlungwana-Ward 9	<ol style="list-style-type: none"> 1. uThuli Lwezinyathi-R 7000 2. Amagcokama – R5000 3. Amavikelambuso – R3000 4. Abafana baka Sbhama – R 2000 5. Selimathunzi – R 1000

Cothoza Competition	31/03/24- Phase 5 Community Hall- Ward 2	1. Dumbe Jealous Down 2. Bilanyoni Citizens 3. Rainbow Nation 4. Abafana ba Suzan 5. Inhlokomo
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Caption: Ingoma Yezintombi 23 December 2023







Above: Ingoma Yezinsizwa December 2023 & March 2024 Program and Awarding

4.4 SPECIAL PROGRAMS

The South African legal and policy framework defines the vulnerable groups as being mainly constituted by children, women, older persons, people with disabilities and to some extent young people as well. As part of the democratic government's commitment of improving the quality of life of all the citizens, vulnerable groups are one of the critical citizens of the society that require special focus. The eDumbe Local Municipality is also mandated to mainstream and advocate for the needs and interest of the special groups (children, women, men, disability, elderly, gender) with the special consideration of their programmes. The community Services department, Special programmes Unit coordinates and has an obligation of addressing challenges relating to socio-economic and cultural marginalization of women, children, elderly, men and people with disabilities.

In an attempt to accomplish what the legislation prescribes, the Special Programs unit embarked on a number of initiatives in the 2023/2024 financial year. The sub-unit achieved 5 targets this year.

The sub-unit achieved 3 targets in this quarter. The 1st target achieved was that of hosting the Local Senior Citizens Games. The senior citizens games were held on the 19th July 2023 at Dumbe Regional Stadium. The luncheon clubs from wards battled against each other for selection to represent eDumbe in the district games. The selections were a success. The municipality provided facilities & transport for the games to be a success

The 2nd target achieved was that of participating in the District Senior Citizens Games. The district games were held on the 26th July 2023 at Cecil Emmet sports grounds under Abaqulusi municipality. The municipality provided transport to the participants to represent us. A total of x4 taxis were hired by the municipality to transport our senior citizens to the district games.

The last target achieved by this sub-unit for quarter 1 is that of hosting the Isibaya Samadoda program. Special programmes unit did this programme on the 31st July 2023 at Tholakele Hall in ward 05, this movement strongly aims to promote the well- being of men and alleviate the health issues they face daily, and often contributing to detrimental social ills such as gender based violence, femicide and inequality. It is a platform where men can speak up and discuss issues related to voluntary medical male circumcision, HIV testing services, TB screening, prostate cancer and mental issues. Stakeholders that were also part of the programme were, DSD, DOH, SAPS, NGO's, IEC, Traditional healers, Religious leaders and Home Affairs.

The sub-unit achieved 2 targets in quarter 2. They are as follows:

PROGRAM	DATE	VENUE
Hosting of Horse Riding Competition	22 December 2023	Dumbe Dam- Ward 9
Elderly Christmas	22 December 2023	Municipal Open Space – Ward 9

Horse Riding Competition 2023: the competition was held on the 22nd December 2023 at eDumbe Dam. Horse owners and jockeys from eDumbe, Mondlo, Ulundi, Newcastle, Ladysmith, Dundee, Utretch participated in this competition. The event was also graced by Amakhosi ase

Ndlunkulu Inkosi BP Sibisi and Inkosi SW Mthethwa. Councilors also attended the event. Winners for the Horse riding competition are:

HORSE NAME	POSITION
Mbayimbayi	1
Alpha & Omega	2
Amazondo	3
Trouble Maker	4
Album	5





Pictured Above: Horse Riding 2023

Elderly Christmas 2023: under the Special Programs umbrella, the Mayor Cllr MS Mkhabela celebrated Christmas earlier with the senior citizens from all 10 wards of eDumbe municipality. Scores of elderly men & women flooded the municipal premises to celebrate with the Mayor and Councilors. They did not go home empty handed, as they were all gifted with grocery hampers. The municipality purchased grocery hampers for the senior citizens as a token of Christmas for them and their families.





Caption: Mayor with grocery hampers given to Elderly People on their day, 22 December 2024

4.5 WASTE & ENVIRONMENTAL MANAGEMENT

Subscribing to the National Environmental Management Act; this unit strives to ensure waste management & preservation of the environment so that it can sustain even the future generations. In ensuring compliance to the legislation this unit has implement awareness campaigns on selected Environmental dates (as per the Environmental Calendar) as well as cleaning campaigns in general.

This sub-unit also managed to ensure that waste is collected as per the approved schedule for the quarter in question. As per the schedule this sub-unit collected waste in Ward 2, 3, 4 and 9. The waste collection is done both in households, shops and industrial area. As part of its functions as well, thus sub-unit also cleans the town streets. Town cleaning is done during the week and also on weekends. On weekends cleaning is done by the EPWP weekend employees.

This unit achieved 5 targets in this financial year. Quarter 1, In terms of Back to Basics, the Municipality hosted a waste picker's workshop on the 23rd August 2023 at eDumbe library. The

purpose of the workshop was to capacitate our waste pickers. This is also part of the integration which forms part of the requirements, where the Municipality shows support to waste pickers. On that day of the workshop, the Municipality had to update waste pickers list and also elect a committee. The committee is said to report to the Municipality directly for any matters affecting the waste pickers on site. The committee was elected where a Chairperson, Deputy Chair, Secretary and Deputy Secretary and two additional members were elected. The workshop was facilitated by the District & Provincial EDTEA. The municipality provided the venue & refreshments for the workshop.

This sub-unit conducted 3 clean up campaigns in quarter 2, they are as follows:

PROGRAM	DATE	VENUE
Cleaning Campaign	25 October 2023	Dumbe Dam
Cleaning Campaign	30 November 2023	Dumbe Dam
Illegal Dump Clearing Campaign	20 December 2023	Dumbe Location

The last target achieved by this unit is a cleaning campaign. On the 27th June 2024, this unit conducted a cleanup campaign in Ward 3 Dumbe location. The campaign was around the eDumbe Regional stadium vicinity. Municipality together with the EPWP's conducted the campaign.



4. 5 LIBRARY & INFORMATION SERVICES

eDumbe Municipality has 3 libraries under its auspices. They are Dumbe Library (Ward 3) which is led by Mr. S Simelane, Paulpietersburg Library (Ward 9) led by Ms T Khumalo & the Bilanyoni Library (Ward 4) which is led by Ms L Ndlangamandla. These libraries operate from Monday – Friday 07:30 am – 16:30 pm. The services offered by our Libraries range from general library services, book loans, reading, assistance with internet searches, homework's, assignment, tertiary textbooks. Our libraries are also involved in Outreach programs for different calendar dates. They also do displays for specific holidays and days that are recognized by the SA Government & the world at large.

The 3 libraries performed as follows in the 2023/2024 financial year:

LIBRARY	PATRONS STATISITICS FOR 2023-2024	CYBERCAFE STATISTICS FOR 2023-2024	DISPLAYS FOR 2023-2024	OUTREACH PROGRAMS FOR 2023-2024
Paulpietersburg	2903	255	9	9
Bilanyoni	330	271	3	5
Dumbe	7128	8072	5	7

Below: Some of the Outreach Programs conducted by our Libraries







E: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Hereunder are the different components of Human Resources:

Human Resources Management
Labour Relations
Human Resource Skills Development
Human Resource Planning & Development
Occupational Health and safety

The field of Human Resources combines administrative personnel functions such as recruitment, employment, training and other personnel issues, with employee relations and resource planning and development. The objective is to maximize the return on investment from the human capital within the Municipality and to minimize financial risk. It is therefore the responsibility of the Human Resources Unit in consultation with Management to conduct these activities in an effective, legal, fair and consistent manner. The Human Resources Unit aimed at being an active partner in the facilitation and creation of a self-motivated and progressive Municipal workforce that is focused on Municipal service delivery objectives whilst also achieving personal and career growth as well as self-fulfilment.

1. ORGANIZATION STRUCTURE:

The recruitment process used by the Municipality is a consultative and incorporated process. A request to fill a vacant position is received from the relevant Head of Department and once the Municipal Manager approves the request, the position is advertised. On receipt of applications,

Human Resources do the initial sorting and summary of applicants. Employment Committee is then called to short list candidates. Once this is completed, the interview is arranged and conducted with the applicants. The interviewing panel consists of the (Municipal Manager, Departmental Directors, two councillors (if it's senior position), Human Resources representative and the relevant Unions).

1.1 Positions Advertised for 2023/24

- Supervisor Waste Collection
- Land Admin Officer
- Tourism Officer
- 5 Disciplinary Board Members
- Electrician

1.2 Interviews seated for a period of 2023/24

- Director Corporate Services (17 August 2023)
- Director Infrastructure Services (31 July 2023)
- Land Admin Officer (13 March 2024)

1.3 Recruitment and Selection employees appointed for a period of 2023/24:

NO:	INITIALS AND SURNAME	DEPARTMENT	POSITION	DATE OF APPOINTMENT	DURATION
1.	Ms P.B. Mabuya	Corporate	Cleaner Supervisor	1 July 2023	Permanent
2.	Mrs S.P.N Maseko	Corporate	Leave Management & Auxiliary Clerk	1 Sept 2023	Permanent
3.	Ms N.A. Madonsela	Corporate	Registry Clerk	1 Sept 2023	Permanent
4.	Mr M.S. Khanyile	Infrastructure	Director Infrastructure	1 Nov 2023	Permanent
5.	Mr V.B. Mbatha	Corporate	Director Corporate	1 Nov 2023	Permanent
6.	Mr T.V. Nkosi	Executive	VIP	13 February 2024	Contract
7.	Mr A.T. Dube	Executive	VIP	13 March 2024	Contract

1.4 Fixed Term Contracts for a period of 2023/24:

The Municipality has appointed

- 30 Weekend Workers (General Assistant) to end of June 2024
- 75 Expanded Public Work Programme (EPWP) workers (February 2024 to January 2025)

1.5 Staff Induction

All appointed staff is always inducted by Human Resources Section.

1.6 Promotion

The municipality does not have the policy for promotion; we follow selection and recruitment policy approved by Council.

1.7 Employees Resigned/Retired/Contract Ended/Deceased & Dismissed in 2023/24

NO	ME & SURNAME	SITION	ASON	TE
1.	N.S.S. Xaba	rnal Auditor Officer	signed	November 2023
2.	N.L. Manzini	rism Officer	signed	November 2023
3.	S.Z. Mjadu	Guard	ceased	December 2023
4.	T.C. Dlongolo	Guard	ntract Ended	December 2023
5.	S.E. Jele	Guard	ntract Ended	December 2023
6.	M.S. Mtshali	ctrical Assistant	ath	February 2024
7.	N.E. Khumalo	min & Secretariat Manager	irement	30 April 2024
8.	Z.R. Thusi	O	health	May 2024

2. LEAVE RECORDS

2.1. Leave Administration and Management

Municipal leave records are updated on weekly basis and also captured on the system.

Municipal staff have adapted the culture of taking 16 days leave compulsory and employees ensures that the leave that the vacation leave is approved before taking it.

Senior Managers also take 10 days compulsory in a cycle those who have not taken the compulsory leave Human Resource Unit has choice to forfeited them, each employee has two files one is for personnel (Particulars) documents and the other is for leave records.

2.2. Leave taken during period under review: 2023/24:

NB: *We currently experiencing problems with our system since July, it doesn't allow us to access on it was reported to our fellow colleague IT & Finance section the Municipality took a decision to upgrade & update the system, its ongoing the finalization will be end of July 2023.*

2.3. Leave paid during period under review: 2023/24:

- Ms N.S.S. Xaba
- Ms N.L. Manzini
- Ms N.E. Khumalo

2.4 Pro -Rata bonuses paid for a period of 2023/24:

- Ms N.S.S. Xaba
- Ms N.L. Manzini
- Ms N.E. Khumalo

2.5 Long Services Paid in 2023/24

Initials and Surname	Number of years
Mr B.E. Thabede	20
Ms N.S.S. Xaba	10
Mr S.M. Kunene	15
Ms T.O. Mbatha	15
Ms S.F. Ngobese	20
Mr M.S. Nkosi	10

Mr S.M. Ngema	10
Mr M.M. Ndlozi	10
Mr S.M. Sibiyi	10
Mr R.B. Vundla	15
Mr Z.A. Nkosi	15
Mr B.L. Nkwanyana	15
Ms N.N. Makhoba	20
Mr H.S. Maseko	15
Mr P.V. Nkosi	30
Ms N.E. Khumalo	37
Mr C.K. Mncwabe	10
Mr T.F. Nxumalo	5
Mr P.P. Mbatha	35

3. JOB PROFILES AND WAGE CURVE IMPLEMENTATION:

The Municipality did the Job Evaluation in 2015 and the outcome was implemented, the salary and wage collective agreement was implemented for 2021 July to 2024 June.

3.1. Job description

All Municipal employees have signed job descriptions and are kept on their personal files

4. EMPLOYMENT EQUITY:

In compliance with the Employment Equity Act, Act 55 of 1998, the eDumbe Local Municipality appointed Mr V.B. Mbatha to developed a five year Employment Equity Plan, starting from 2022 to 2027. The progress and developments of the Employment Equity Plan are annually reported to the Department of Labour at the end of January of each year.

5. WORKPLACE SKILLS PLAN:

The Workplace Skills Plan for 2023/24 for the Municipality was finalized and delivered to LGSETA together with the Annual Training report for 2023/24 on due date, i.e. 30 April 2024.

6. TRAINING & DEVELOPMENT:

The annual training budget (grant plus council provision) is centralized and managed by Human Resources; for this financial year we had:

- x3 employees Registry Management Course
- x4 Councillors & 2 Employees trained for Municipal oversight for Auditors & MPAC
- Code of Conduct
- Disciplinary Hearing Collective Agreement
- IPMS Policy
- Conditions of services collective agreement

7. HUMAN RESOURCES POLICIES:

Through leadership from the Director: Corporate and Community Services, various Human Resources and Administrative Policies were drafted and approved by Council. The process

commenced with the identification of critical areas of concern, prioritisation and selection of HR interventions and agreement on time frames for delivery. Various presentation sessions to all Departments as well as Councillors took place and the Council have already adopted the following Policies in 2023/24 such as:

- Recruitment and Selection
- Remuneration Policy
- Leave policy
- Acting policy
- Subsistence & Travelling policy
- Overtime policy
- Housing policy
- Training and Development policy
- IPMS

8. ATTENDANCE BY EMPLOYEES AT WORK:

All departments have attendance registers, the registers are checked by Manager Human Resources on monthly basis before processing the salary of each and every employee. It is the responsibility of Supervisors to check attendance registers on daily basis, if the employee did not sign the attendance register and no leave form éDumbe Municipality applies no work no pay.

9. OVERTIME/STANDBY

Employees that have worked over time and being on standby were paid for this financial year of **2023/24:**

Quarterly	Overtime & Standby
July – Sept 2024	R496 111.81
Oct – Dec 2024	R505 043.41
Jan – March 2024	R471 726.87
April – June 2024	R 451 747
Total	R1 924 629.09

10. LOCAL LABOUR FORUM meeting seated as follows for **2023/24** financial year

- 27 July 2023
- 07 August 2023
- 21 February 2024
- 30 April 2024

3.3. BACKGROUND TO MUNICIPAL PERFORMANCE REPORTING

PURPOSE OF THE REPORT

The main purpose of this report is to account to the MEC for Local Government, Provincial legislature, NCOP, Minister of Cooperative Governance and Traditional Affairs, National Treasury, Auditor-General and to the citizens of South Africa on progress being made by the Municipality towards achieving the overall goal of “a better life for all”.

Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, MSA and the MFA

The Assessment Process and the Methodology followed in Compiling the Report

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

CHAPTER 4: SDBIP PERFORMANCE STATUS 2023/2024 (COMPARISON'S WITH PREVIOUS FINANCIAL YEAR 2022/2023)

In terms of MSA (1) (a) A municipality must set key performance indicators, including input indicators, output and outcome indicators, in respect of each of the developmental priorities and objectives referred to in section 26 (c) of the Act.

(b) A key performance indicator must be measurable, relevant, objective and precise.

(2) In setting key performance indicators, a municipality must ensure that :

- Communities are involved.

The Municipal Scorecard reflects the 6 National KPAs and local priorities. The Scorecard enables a wider assessment of how the municipality is performing.

The performance report is based on measures included within the Municipal SDBIP and incorporates priority measures selected from the IDP.

The set targets on SDBIP and IDP strategies and objectives were approved by Council on the 29 May 2023 and was further revised on the 27th March 2024 after the mid-term review.

It should also be noted that the approved SDBIP was submitted together with the approved budget to Provincial Departments in terms of the MFMA which requires the budget and other related documents to be submitted by the Accounting Officer

At **Departmental** level, the measures are captured in the SDBIPs /Scorecards of the various departments that operate within the municipality. Performance management should occur at the various levels and relate to one another, as required by the 2001 Municipal Planning and Performance Regulations through cascading performance measures from organisational to departmental level, both the IDP and the SDBIP/Scorecard eventually link with individual performance management. Regarding performance management at individual level, the MFMA specifically requires that the annual performance agreements of Section 54/56 Managers must be linked to the SDBIP and the measurable performance objectives approved with the budget.

It should be noted that Section 72 (1) of the Municipal Finance Management Act stipulates that the Accounting Officer of a municipality must by 25 January of each year— (a) assess the performance of the municipality during the first half of the financial year, taking into account:

(ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan.

MFMA Section 72 (3) (b) further says: The Accounting Officer must, as part of the review recommend revised projections for revenue and expenditure to the extent that this may be necessary

After the Mid-Term assessment the Council recommended that the Mayor must consider revision to the 2023/2024 SDBIP, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the Council following the approval of an adjustment budget

SDBIP was revised and approved on the 27th of March 2024. During adjustment, the following Key Performance Indicators were affected.

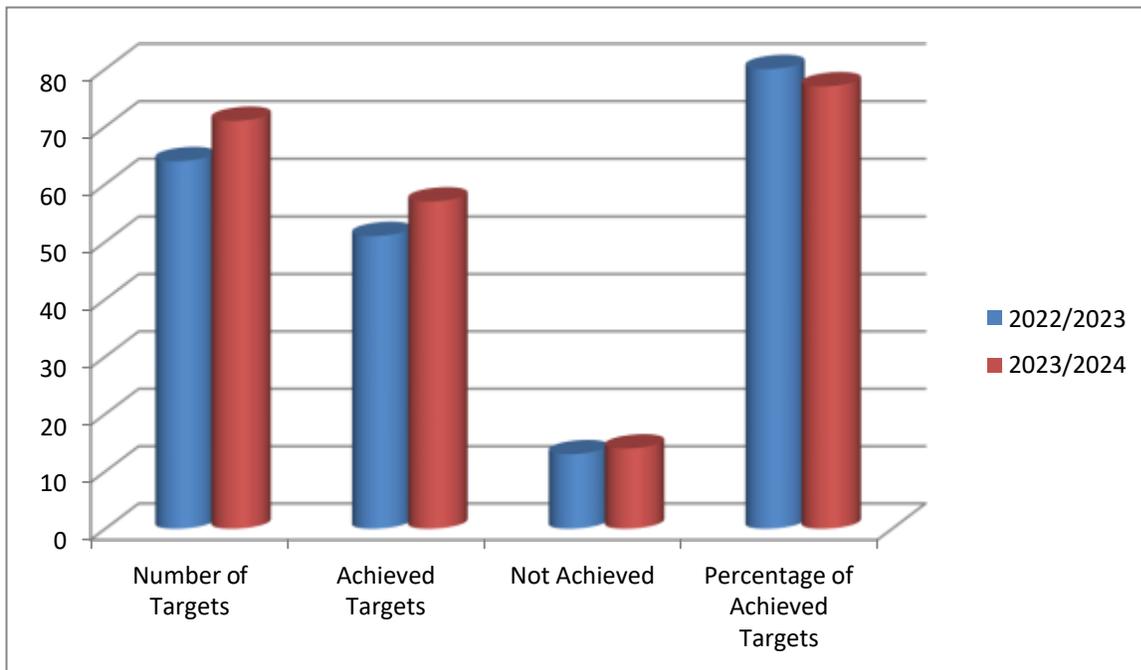
KPI	STATUS	REASONS
Rehabilitation of Lubenjane Bridge by 30 June 2024	Added	Disaster Management funding was granted to the Municipality in February 2024, for rehabilitation of projects
Repairs of Ezingudeni Bridge by 30 June 2024	Added	Disaster Management funding was granted to the Municipality in February 2024, for rehabilitation of projects
Phase 5 Community Hall by 30 June 2024	Added	Own funding was raised to complete few snags which were outstanding from previous year
Construction of KwaLembe Electrification Phase 2 by 30 June 2024	Removed	Funds were re-allocated to other electrical projects
Construction of eMahhulombe Electrification by 30 June 2024	Removed	Funds were re-allocated to other electrical projects
Conduct Mayoral Registration Scheme	Added	Internal (own) funds were raised in consideration of implementing mayoral

				programs
Conduct	Edumbe	Mayor's	Removed	Funds were re-allocated to other programs
Marathon				
Conduct	Disability	Day	Removed	Funds were re-allocated to other programs
Commemoration				

The Annual Performance report (MFMA Section 46) is then compiled based on the approved Special Revised SDBIP which considers the above items.

The information provided on the table below indicates the overall performance of the Municipality during 2023/2024 financial year. It has been done in line with the 6 national KPAs and in the focus of the MSA Section 46.

TARGETS	2022/2023	2023/2024
Total targets	64	71
Achieved targets	51	55
Targets not achieved	13	16
Percentage of achieved targets	80%	77%
Percentage of targets not achieved	20%	23%



4.1. HIGHLIGHTS ON EACH KEY PERFORMANCE AREA AS LISTED ON MUNICIPAL SDBIP AND SCORECARD

Key Performance Areas is the area in which the Municipality plays a role towards delivering services. This may include Infrastructure, Community Services, Strategic and Corporate Services, Social and Economic Development, Institutional Transformation, Governance, Financial Management, etc

4.1.1 MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The approved Annual Performance Plan and SDBIP for the above KPA have the following strategic issues that were considered:

- Human Resources Management
- Performance Management
- Information Technology
- Administration

HUMAN RESOURCES MANAGEMENT

Human Resources field combines administrative personnel functions such as recruitment, employment, training and other personnel issues, with employee relations and resource planning and development. The objective is to maximize the return on investment from the human capital within the Municipality and to minimize financial risk. It is therefore the responsibility of the Human Resources Unit in consultation with Management to conduct these activities in an effective, legal, fair and consistent manner. The Human Resources Unit aimed at being an active partner in the facilitation and creation of a self-motivated and progressive Municipal workforce that is focused on Municipal service delivery objectives whilst also achieving personal and career growth as well as self-fulfillment.

ORGANIZATION STRUCTURE:

The recruitment process used by the Municipality is a consultative and incorporated process. A request to fill a vacant position is received from the relevant Head of Department and once the Municipal Manager approves the request, the position is advertised. On receipt of applications, Human Resources do the initial sorting and summary of applicants. Employment Committee is then called to short list candidates.

INFORMATION TECHNOLOGY

The Public Service Corporate Governance of Information and Communication Technology Policy Framework (2012) stipulate that COBIT (*Control Objectives for Information and Related Technologies*) should be adapted and implemented as the Governance of ICT Framework on the Governance of ICT layer.

COBIT will enable the municipality to achieve their strategic goals by deriving optimal value from ICT through the realisation of benefits and optimising resources and risk.

As a set of Governance of ICT and management processes, COBIT will provide Managers, ICT users and Auditors with the following:

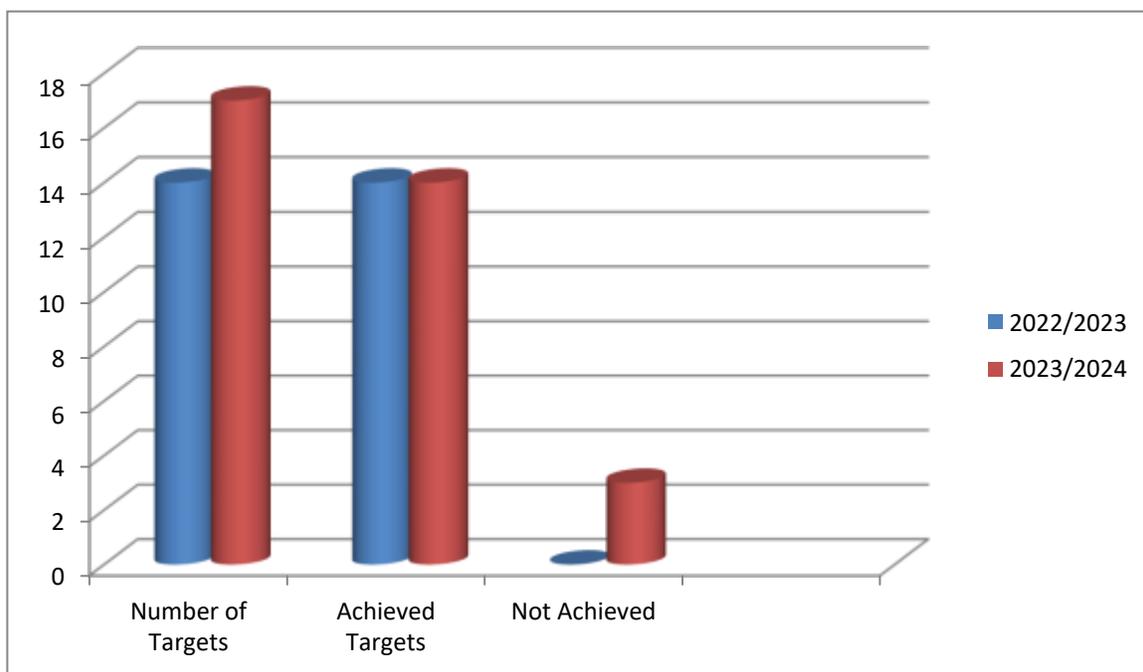
- Standard indicators;
- Processes for implementing the Governance of ICT;
- Good practice to maximise the corporate value in using ICT.
- Identification of the accountability and responsibilities of business and ICT process owners.

OVERALL PERFORMANCE ON KPA

The performance on these KPA indicates a very good performance as most indicators planned for the financial year were achieved, this includes the compliance documents which were compiled and submitted within the stipulated timeframes as per legislations, i.e. approval of SDBIP, signing of Section 54/56 Performance agreements, approval of Annual report, Oversight report and submission of Workplace Skills Plan to LGSETA. Information Technology monitoring, backing up of Municipal information, access logs to financial system were monitored regularly. i.e performing of IT back ups, restores and registers reviewing of access logs. The listed IT functions were performed on monthly basis as required.

Below graph indicates the SDBIP performance on Municipal Transformation and Organizational Development

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	2022/2023	2023/2024
Total targets	14	17
Achieved targets	14	14
Targets not achieved	0	3
Percentage of achieved targets	100%	82%
Percentage of targets not achieved	0%	18%



4.1.2. BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

The KPA focuses more on provision of infrastructure development, maintenance of basic infrastructure, and service delivery to ensure sustainable services to all communities. Indicators within this KPA involves, among other things, the following functions;

- Provision of free basic service delivery to qualifying consumers i.e. electricity and waste service
- Implementation of Capital Projects (Civil and Electrical)
- Roads and Storm Water/ Building and Maintenance

Municipal Buildings

The Municipality is also responsible for the planning and provision of new municipal buildings, maintenance of various structures. To create new facilities while upgrading existing ones to be easily accessible and suitable for community needs. This includes pay points, libraries, community halls, municipal offices, dumping site offices, public ablutions and taxi rank, municipal houses, and other leased municipal buildings.

Electricity Service

éDumbe Municipality is a registered electrical service provider with the Energy Regulator of South Africa (NERSA) to supply electricity to Ward 3 and 9 while the other wards (1,2,4,5,6,7,8 &10) are

supplied and maintained by Eskom Holdings SOC Limited. Under the license we are obliged amongst many other things, to provide electricity in a manner which is fair, safe and within the parameters of the law. We are also obliged to ensure that our employees work in an environment which does not affect their health and safety in a negative way.

Free Basic Services

Some Consumers are still benefiting with first 50 KWH of electricity which is provided as per monthly ESKOM list. The Municipality is aware of the AG finding from last financial year that the register was regarded as unreliable due to inadequate supporting evidence on the ESKOM register, however payments were made throughout the financial year based on the old register to avoid ESKOM debt and payments were recognized to be irregular.

A new detailed register has been developed for implementation during 2024/2025 financial year.

Free basic waste was provided throughout the financial year to all consumers with the property value of R110 000 and less as per the Municipal approved Policy.

Capital Projects (Civil and Electrical)

93% of Capital projects were completed within the financial year, the table below indicates status (civil, electrical and maintenance) as at 30 June 2024

EXECUTION STATUS

PROJECT NAME	WARD	BUDGET	STATUS AS AT 30 June 2024
Nqabeni Access Road	5	R4 500 000.00	100% Complete
Lindelani Access Road	3	R4 800 000.00	100% Complete
KwaBhukuda Pedestrian Bridge	7	R2 800 000.00	100% Complete
KwaNgwanya Bridge	2	R4 400 000.00	100% Complete

KwaNkomo Bridge	10	R3 100 000.00	100% Complete
Lubenjane Bridge	6	R423 775.00	100% Complete
Ezingudeni Bridge	1	R979 225.00	100% Complete
Rehabilitation of Paulpietersburg Road	9	R78 577 000.00	100% Complete
kwaSonkela Electrification Phase 3	1	R5 705 000.00	50% Complete
Moscow Electrification	4	R1 900 000.00	73% Complete
Emasimini Electrification	2	R2 000 000.00	100% Complete
Esikhaleni MV Link line Upgrade	7	R3 500 000.00	100% Complete
Maintenance of Municipal Buildings	Institutional	R2 157 600.00	100% Complete
KwaKhambule Electrification Phase 2	7	R3 300 000.00	70% Complete

Challenges on implementation of Capital Projects

Two electrical projects were put on stand still due budget reduction by Energy Department, Budget was reduced by approximately R3 million. Again construction on other projects escalated budget amounts, variation orders implemented. This halted the overall implementation of INEP projects. During Mid-Term review Council resolved to stop the projects at their design stage.

KwaKhambule Electrification Phase 2 was not completed within the financial year due to underperformance by Service Provider.

Other Challenges

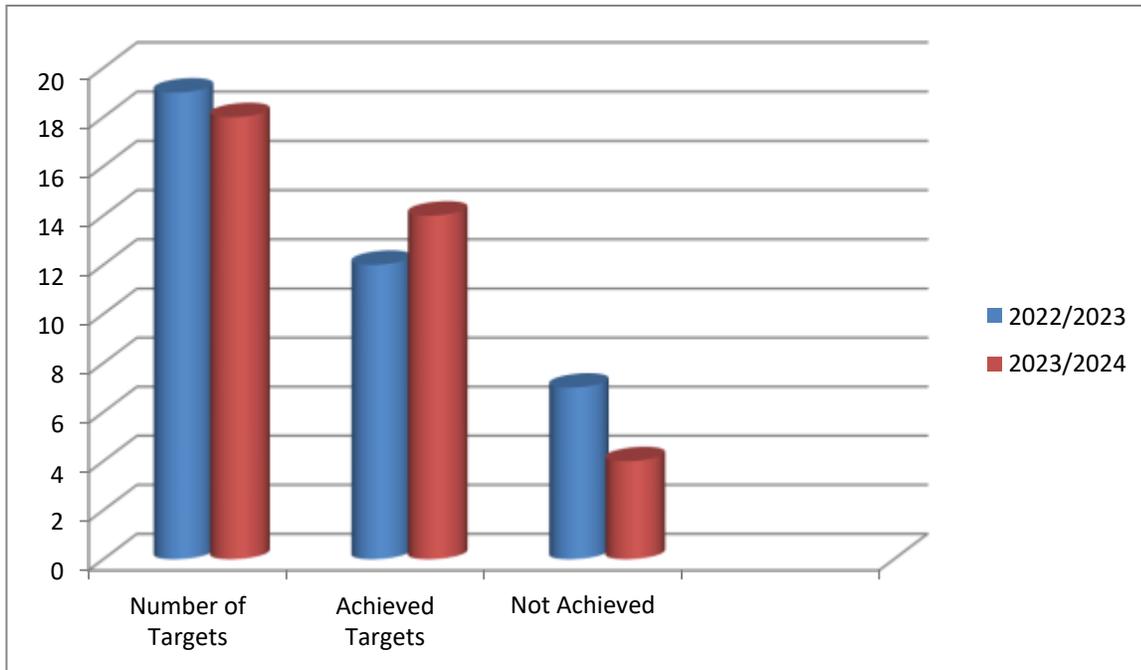
The Municipality still suffers a huge loss on electricity used by consumers in Ward 3. There's a high volume of electricity tempering. Replacement and installation of split meters is ongoing to reduce electricity loss.

Roads Infrastructure Challenges

- Roads conditions in éDumbe Location, Bilanyoni and the entire wards in the municipality area of jurisdiction are bad. The Municipality does not have enough funds to address the concerns in éDumbe roads. Roads need to be rehabilitated as they are ageing and cannot be patched anymore. MIG funds are not sufficient to cover this cost. In other ward roads are also eroded by water storms. Municipality needs to secure more funding to procure asphalt and proper equipment to do patching of potholes
- Due to insufficient Budget, the Municipality is unable to fix Graders as and when required, sometimes the Maintenance Section hire Grader and Roller to execute / maintain roads
- No stormwater and blockage material in stock to unblock the pipes
- Bad gradient / slopes that results to drains not to falling in a right manner, however Technical team make means to open drains using TLB and some drains are fixed by hand in Town, Location and Bilanyoni

Below graph indicates the SDBIP performance on Basic Service Delivery and Infrastructure Development

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	2022/2023	2023/2024
Total targets	19	18
Achieved targets	12	14
Targets not achieved	7	4
Percentage of achieved targets	63%	78%
Percentage of targets not achieved	37%	22%



4.1.3. LOCAL ECONOMIC DEVELOPMENT

The KPA focuses on contributing towards a better life for society by coordinating sustainable, social, and economic developmental programmes. It further creates a conducive environment for business investment and growth for job creation.

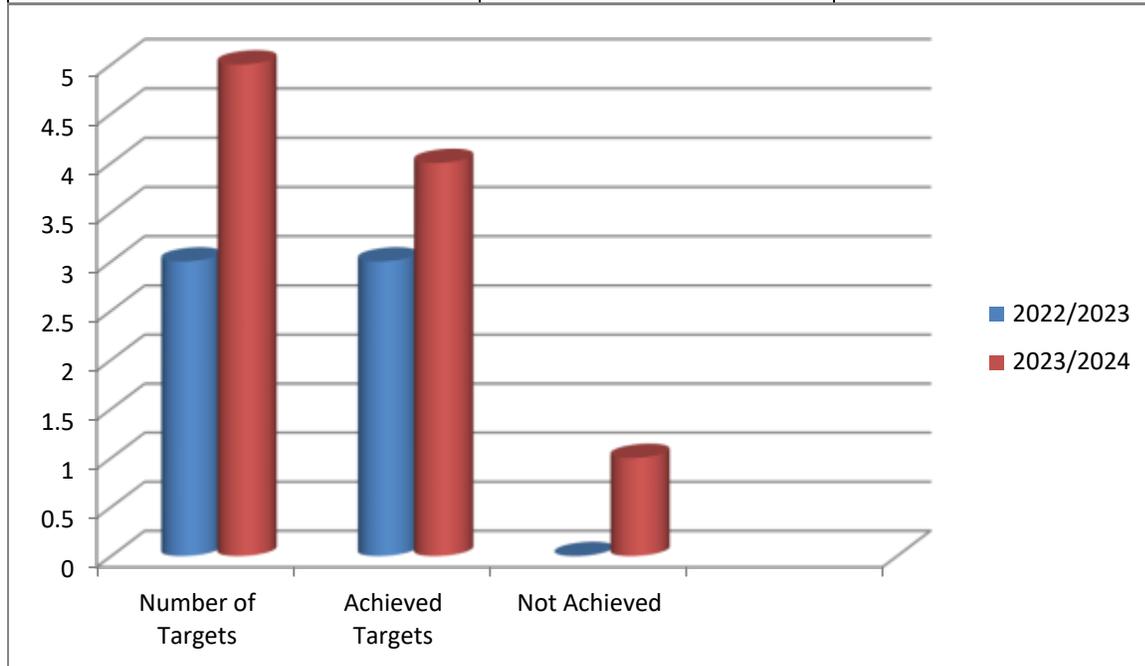
An incentive EPWP grant of R1 638 000.00 was received by the Municipality. As per the incentive agreement signed between eDumbe Municipality and Department of Public Works, eDumbe had a target of 152 Work Opportunities and 57 FTE's to be created in 2023/2024 financial year. The Work Opportunities are created through EPWP grant, implementation of Capital projects funded by MIG, INEP and security services

An actual number of 162 Work Opportunities were created through EPWP (including opportunities created through capital projects and security services). This indicates a very huge improvement as compared to previous years and it may result in a grant increase in the next financial year.

Further to the above, LED projects were procured and delivered to beneficiaries who are entitled with the purpose of encouraging local people to work together towards achieving sustainable economic growth and development by bringing economic benefits and improved quality of life for all residents in a local municipal area.

Below graph indicates the SDBIP performance on Local Economic Development

LOCAL ECONOMIC DEVELOPMENT	2022/2023	2023/2024
Total targets	3	5
Achieved targets	3	4
Targets not achieved	0	1
Percentage of achieved targets	100%	80%
Percentage of targets not achieved	0%	20%



4.1.4. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

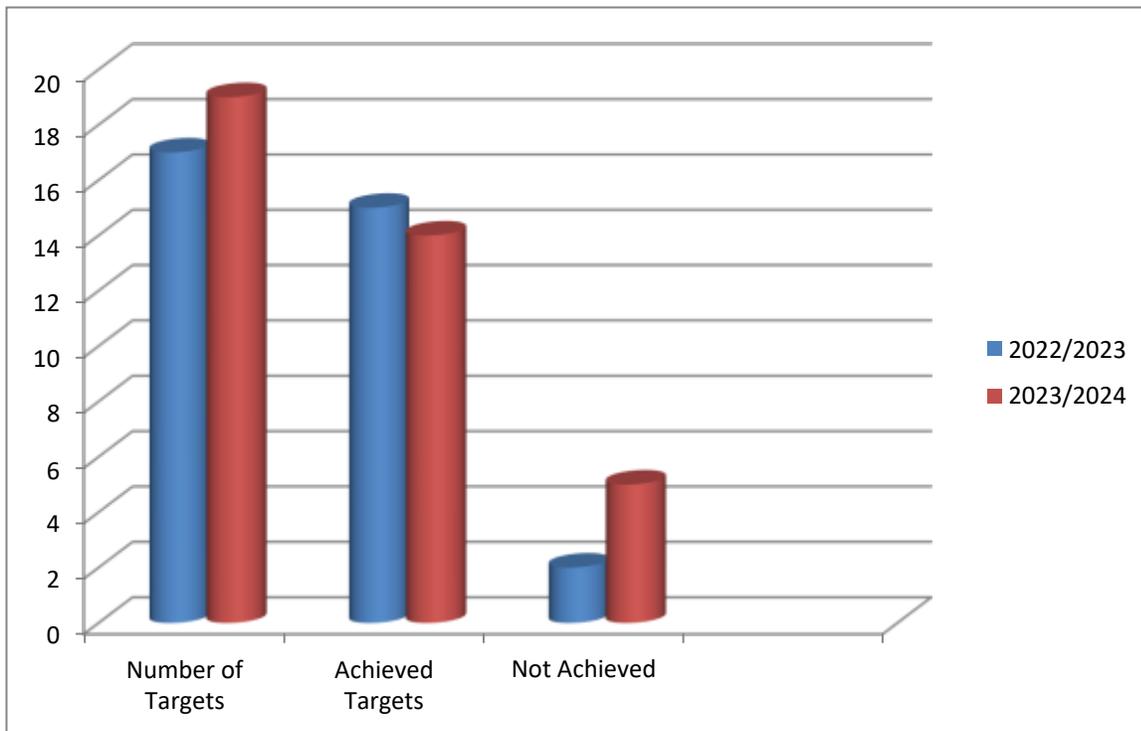
The Key Performance Indicator focuses more on promoting effective Community participation i.e. sport programs, special programs, art & culture programs. It further measures performance on functionality of all Council Committees, i.e. Council, EXCO, MPAC, Portfolios, etc

Outcome of the assessment indicated that, Public Participation systems were achieved during the financial year under review, i.e IDP and Budget road shows were held where the Honourable Mayor was taking Community's wish list for inclusion in the Municipal IDP.

- Special and sport Programs were held as planned in 2023-2024 SDBIP i.e. Horse riding event, Mayoral games, SALGA
- uMkhosi woMhlanga /Royal Reed Dance was successfully held on the 08 September 2023 in Nongoma palace.
- Again the Art and culture programme, Cothoza was successfully held in December 2023.
- Council Structures i.e. Council, Portfolio Committees, MPAC meetings are functional

Below graph indicates the SDBIP performance on Good Governance and Public Participation

GOOD GOVERNANCE AND PUBLIC PARTICIPATION	2022/2023	2023/2024
Total targets	17	19
Achieved targets	15	14
Targets not achieved	2	5
Percentage of achieved targets	88%	74%
Percentage of targets not achieved	12%	26%



4.1.5. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The above Key Performance Area focuses on improving Municipal financial viability by ensuring revenue collection, expenditure on Capital and operational budget and submission of in-year financial reports in line with legislations.

Based on the Revenue analysis, the collection levels are very low meaning that the municipality is depending on grant funding. Therefore the municipality needs to invest in Infrastructure Assets i.e. to priorities in Road and Electricity Infrastructure and look at other Sources of funding that may increase revenue base such as New Developments. Property Investments, Rental of Municipal Houses and revising existing lease agreements to identify if what we get is market related or not

Billing system needs to improve to work reasonably well also through the implementation of a Final Valuation roll. Audit also needs to take place to identify gaps, errors and areas which are not being billed.

Electricity Meter readings- All queries need to be attended to and faulty meters must be

replaced with the functioning meters.

Disconnection on long outstanding debts. The municipality has revived the culture of disconnecting the long outstanding debt and this has to be maintained to up until the cash flow standard of the municipality get back to normal situation

Indigent policy - The municipality has a policy and indigent register, but not implemented.

Further verification has to be done in comparison with the latest Valuation roll.

Whilst eDumbe has over years been experiencing financial challenges, the Municipality need to start maintaining a strong financial position through having sufficient reserves. Our reserves depleted long time as were financing long term contracts, capital and operational projects internally. Due to the rural nature of eDumbe Area, the Municipality relies heavily on government grants.

Challenges

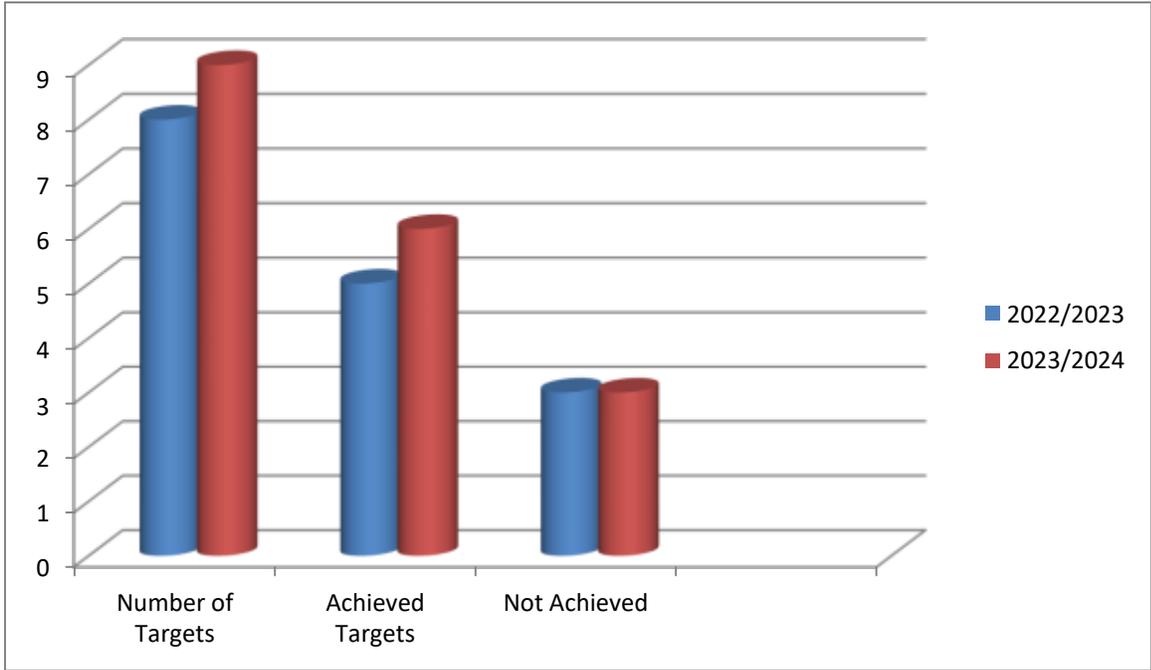
- Municipal Debtors book increases on monthly basis. This is due to high indigent rate and high level of tempered electricity meters at eDumbe. As a result revenue collection at eDumbe Municipality is still a huge challenge.
- Movable assets were not verified on quarterly basis due to capacity constraints
- Few Creditors were not paid within 30 days as per regulation, most are Creditors accumulating from previous financial years.
- Outdated customer information which requires data cleansing

Measures taken to improve performance

- As part of the Revenue Enhancement Strategy, Meter audit is currently ongoing in Ward 3 and 9. All faulty meters are being replaced.
- Revenue Section has to ensure that monthly disconnection list is issued to Electrical department to execute disconnections. This will improve revenue collection for the Municipality
- The Municipality out-sourced the Assets service. This will assist the Municipality in keeping proper record of its Assets and skills transfer in respect of assets verification.

Below graph indicates the SDBIP performance on Municipal Financial Viability and Management

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	2022/2023	2023/2024
Total targets	8	9
Achieved targets	5	6
Targets not achieved	3	3
Percentage of achieved targets	63%	67%
Percentage of targets not achieved	37%	33%



4.1.6. CROSS CUTTING INTERVENTIONS

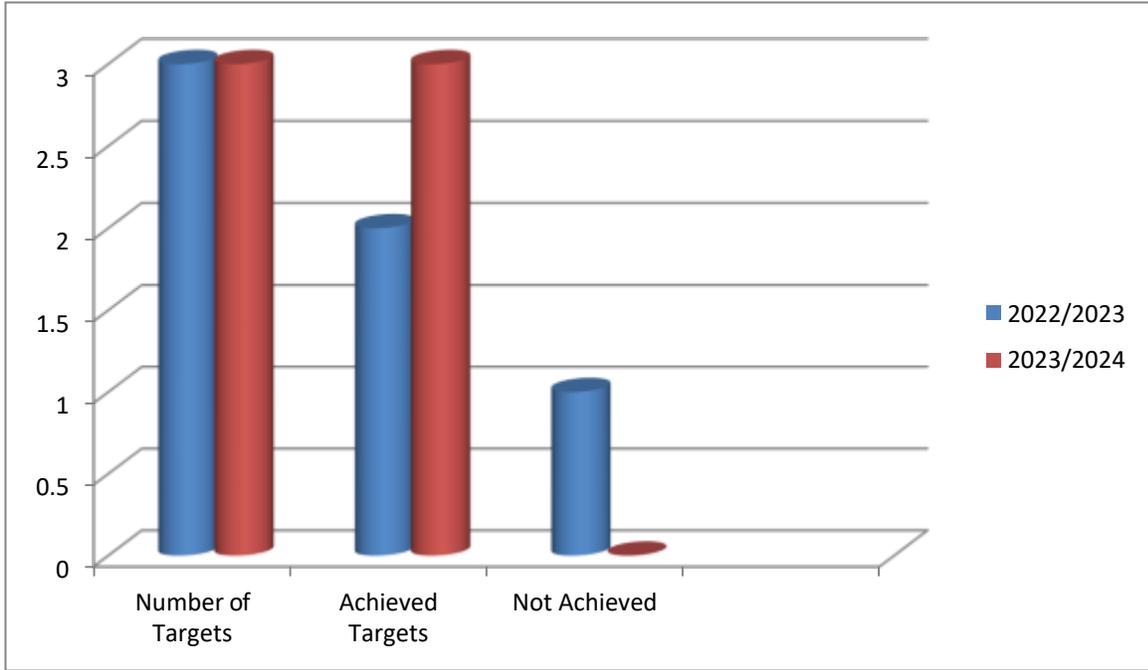
The KPA focuses on Municipal Planning and Development of primary functions, also to regulate and control all development.

- Regulation of land uses and building activities through enforcement of the Spatial Development Framework and the eDumbe Core Urban Scheme, 2014, as well as the National Building Regulations and Building Standards Act No. 103 of 1977.
- Provision of residential, business, industrial, and institutional sites to address the demand by the community
- Promotion of the correction of historically segregated spatial planning of settlements.
- Formalization of informal settlements.
- Creation of rural villages
- Formulation and enforcement of densification policy
- Encouragement of mixed land use
- Promotion of infill development
- Formulation of long term development plans

IDP and Budget road shows were held successfully where the Honourable Mayor met with the Community to present Budget and take wish list. A credible IDP was then developed and adopted by Council on the 21 of May 2024.

Below graph indicates the SDBIP performance on Cross Cutting Interventions

CROSS CUTTING INTERVENTIONS	2022/2023	2023/2024
Total targets	3	3
Achieved targets	2	3
Targets not achieved	1	0
Percentage of achieved targets	67%	100%
Percentage of targets not Achieved	33%	0%



For the full Annual Performance Report, please refer to Annexure A attached as a separate document

CHAPTER 5: PERFORMANCE ASSESSMENT OF EXTERNAL SERVICE PROVIDERS 2023/2024

5.1. INTRODUCTION

The Office of the Municipal Manager conducted an assessment of all service providers that are contracted in terms of Section 116 of the MFMA.

5.2. LEGISLATION

Section 46 of the Local Government Systems Act, No 32 of 2000 stipulates that (1) A Municipality must prepare for each financial year a performance report reflecting (a) the performance of the Municipality and of each External Service Provider during that financial year.

The Municipal Performance Management Framework was amended to cater a provision for the assessment of service providers. The framework requires that the performance assessment of all service providers with contracts above a million rand have to be conducted on an annual basis.

Municipal Planning and Performance Regulations (2) stipulates that the performance monitoring system must be designed in a manner that enables the Municipality to detect early indications of under-performance and provide corrective measures where under-performance has been identified.

5.3. PERFORMANCE MONITORING PROCESS

The Municipality has engaged with a number of external Service Providers to execute capital projects and other logistical services like security companies, assets, financial systems, internet, etc. A contract agreement is then entered between the two Parties stipulating all requirements of the project. A Service Level Agreement is again signed as a monitoring tool.

Throughout the execution of the project, performance is evaluated to identify any signs of under-performance that may result to the project not being complete. Corrective measures are then provided by the Municipality (User Department) where required. The evaluation process is then performed by the Performance Management Unit and the User Department, where the Service Provider will be scored:

Assessments were performed among other Service Providers and the results are as follows:

Assessment Key

Good (G)	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
Satisfactory (S)	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
Poor (P)	<i>The service has been provided below acceptable standards</i>

Bid Number	Name of external Service Provider	Date Contract Awarded	Service provided in terms of the SLA	Contract value as per contract	Comparison with previous year		Current Financial Year		Assessment of Service Providers Performance		
					Target	Actual	Target	Actual	G	S	P
EDUMPRO02/2021/22	Afrilectrical Engineers	2023/07/03	Electrification of Emasimini	R2 659 089,37	N/A	N/A	R2 659 089,37	R2 659 089,37	Good		
EDUMPRO02/2021/22	Afrilectrical Engineers	2023/07/03	Electrification of Moscow	R1 899 502,30	N/A	N/A	R1 899 502,30	R1 899 502,30	Good		
EDUMT03/2023/24	AKUNAMUVA TRADING CC	2023/09/15	CONSTRUCTION OF NQABENI ACCESS ROAD	R3 528 604,16	N/A	N/A	R3 528 604,16	R3 350 690,51		Satisfactory	
EDUMPRO04/2021/22	BTMN ENGINEERS	2023/06/23	EDUMBE ROADS	R33 669 214,78	N/A	N/A	R33 669 214,78	R33 669 209,54	Good		
EDUMPRO02/2021/22	BTMN ENGINEERS	2023/07/06	ESIKHALENI MV LINK LINE	R3 814 979,63	N/A	N/A	R3 814 979,63	R3 814 979,63	Good		
EDUMT01/2022/23	BTMN ENGINEERS	2022/09/09	CONSTRUCTION OF KWANKOMO BRIDGE	R4 510 241,62	N/A	N/A	R4 510 241,62	R4 510 241,62	Good		
01/04/2014	CAMELSA	2022/07/01	Supply, delivery training commissioning	R2 954 431,19	N/A	N/A	R2 954 431,19	R2 954 431,19	Good		
EDUMT14/2022/23	CHM VUWANI COMPUTER SOLUTIONS	2023/04/06	PROVISION OF INTERNET SERVICES	R1 432 550,40	N/A	N/A	R1 432 550,40	R0,00	N/A		

EDUMT12/2 022/23	CON003 - CONLOG SOLUTIONS	2023/01/ 02	Prepaid Electricity Vending Services	R3 767 871,45	N/A	N/A	R3 767 871,45	R3 767 871,45	Good		
EDUMPRO0 2/2021/22	DLA00003 - DLAMINDLOVU CONSULTING ENGINEERS AND PROJECT MANAGERS	2022/07/ 06	KHAMBULE ELECTRIFICAT ION Phase 2	R3 300 000,00	N/A	N/A	R3 300 000,00	R3 090 725,47		Satisfactory	
EDUMT07/2 021/22	DUC00002 - DUCHARME ASSET MANAGEMEN T AND ACCOUNTIN G(PTY) LTD	2022/03/ 18	Fixed Assets Management Consultants 36 Months	R1 662 704,73	N/A	N/A	R1 662 704,73	R1 662 704,73	Good		
EDUMPRO0 4/2021/23	ISANDO STRUCTURA L ENGINEERS	2024/03/ 01	REHABILITATIO N OF LUBENJANE BRIDGE	R423 775,00	N/A	N/A	R423 775,00	R423 775,00	Good		
EDUMRO04/ 2021/23	ISANDO STRUCTURA L ENGINEERS	2024/03/ 01	REHABILITATIO N OF EZINGUDENI PEDESTRIAN BRIDGE	R976 225,00	N/A	N/A	R976 225,00	R976 225,00	Good		
EDUMT17/2 018/19	ITE001 - ITEC NEWCASTLE SOLUTIONS	2022/07/ 01	Office automation lease	R738 348,39	N/A	N/A	R738 348,39	R738 348,39	Good		
EDUMT01/2 021/22	IZI00006 – IZIGQAMA TRADING CC	2022/07/ 01	Grass cutting services for 36 months	R2 970 000,00	N/A	N/A	R2 970 000,00	R 915 000,00	Good		
EDUMT07/2 022/23	KUNENE MAKOPO RISK SOLUTIONS	2022/12/ 01	PROVISION OF INSURANCE SERVICES	R1 285 229,06	N/A	N/A	R1 285 229,06	R1 285 229,06	Good		

EDUMT02/2 023/24	MKF001 - MKF TRADING AND PROJECT	2023/09/ 15	Construction of Kwabhukuda bridge	R2 407 354.46	N/A	N/A	R2 121 328,67	R 2 121 328.67	Good		
EDUMT09/2 018/19	MIL00001 - MILLS FITCHET AFRICA	2018/08/ 27	Preparation And Maintenance Of General Evaluation Roll	R1 603 933,87	N/A	N/A	R1 603 933,87	R1 603 933,87	Good		
EDUMPRO0 5/2021/22	MBD CONSULTING PTY LTD	2022/03/ 01	VAT Recovery Services	R4 957 409,33	N/A	N/A	R4 957 409,33	R4 957 409,33	Good		
EDUMT02/ 2023/24	MKF001 - MKF TRADING AND PROJECT	2023/09/ 15	Construction of Kwabhukuda bridge	R2 121 328,67	N/A	N/A	R2 121 328,67	R2 121 328,67	Good		
EDUMT12/2 022/56	MIL00001 - MILLS FITCHET AFRICA	2018/08/ 27	Preparation And Maintenance Of General Evaluation Roll	R1 603 933,87	N/A	N/A	R1 603 933,87	R1 603 933,87	Good		
EDUMT04/2 023/24	NGW002 - NGWEKAZI SECURITY CONSTRUCTIO N	2023/11/ 01	Security and Protection	R9 900 000.00	N/A	N/A	R2 772 075.00	R2 772 075.00	Good		
EDUMT04/2 023/24	RED HAWKS ARMY PROTECTION PROJECT(P TY) LTD	2023/11/ 01	Security and Protection	R12 544 200,00	N/A	N/A	R3 289 575.00	R3 289 575,00	Good		
	SAGE VIP	2023/07/ 03	SERVICE CONSULTATIO	R 215 194,75	N/A	N/A	R215 194,75	R 215 194,75	Good		

			N							
EDUMPRO04/2021/22	SIM00009 - SIMPHULWAZI ENGINEERS	2023/06/23	EDUMBE ROADS	R35 981 691,25	N/A	N/A	R35 981 691,24	R 35 981 691,24	Good	
EDUMPRO04/2021/22	THO00007 - THOKOMELA ENGINEERING (PTY) LTD	2023/07/03	RENOVATION OF THE MUNICIPAL COUNCIL (PHASE 2)	R990 883,35	N/A	N/A	R990 883,35	R 650 000,01	Good	
EDUMPRO02/2023/24	THO00007 - THOKOMELA ENGINEERING (PTY) LTD	2023/07/03	KwaSonkela Electrification Projects (phase4)	R5 705 000,00	N/A	N/A	R5 705 000,00	R 5 595 142,49	Good	
EDUMT/2023/24	VELIMBUSO CONSTRUCTION	2023/09/15	CONSTRUCTION OF LINDELANI ACCESS ROAD	R3 856 953,36	N/A	N/A	R3 856 953,36	R3 654 084,96	Good	
S110 ZUL	ZULULAND DISTRICT MUNICIPALITY	2023/07/03	WATER SERVICES	R 291 841,93	N/A	N/A	R 291 841,93	R 291 841,93	Good	



eDumbe Local Municipality (KZN261)
Annual Financial Statements
for the year ended 30 June 2024

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

General Information

Nature of business and principal activities

Municipality in terms of section of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998) read with section 115(1) of the Constitution of the Republic of South Africa, 1996 (Act no. 108 of 1996).

The main purpose of the municipality is to engage in local government activities, which include planning and promotion of integrated development planning, economic and environmental development and provision of services to the community.

The municipality provides services such as electricity, refuse and other public services.

Mayoral committee

Honourable Mayor
Deputy Mayor
Speaker
Chief Whip
Chairperson: MPAC
Membership of Exco
Councillors

MS Mkhabela
SJ Kunene
DJ Nhlengethwa
VA Mthethwa
HH Vilakazi
ND Ndlangamandla
ME Kunene
NS Magagula
MVS Mkhwanazi
TS Mthethwa
TE Kunene
DM Mbokazi
K Ngema
CB Mthethwa
ZG Masondo
TTI Zwane
ND Mngomezulu
BM Nxusa
ND Sibiya

Accounting Officer

JFK Khumalo

Chief financial officer

SGZ Sibiya

Business address

10 Hoog Street
Paulpietersburg
3180

Postal address

Private Bag X308
Paulpietersburg
3180

Bankers

First National Bank

Auditors

Auditor-General of South Africa (AGSA)

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the Municipal Council:

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
NPO	Non-profit organisation
SALGBC	South African Local Government Bargaining Council
SETA	Sector Education and Training Authority

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is mainly dependent on grants and own for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, he is supported by the municipality's external auditors.

The accounting officer certifies that the salaries, allowances and benefits of councillors as disclosed in note 32 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with the Remuneration of Public Office Bearers Act, 1997 (Act No. 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with the Act.

The external auditors are responsible for independently auditing and reporting on the municipality's annual financial statements.

The annual financial statements set out on pages 5 to 83, which have been prepared on the going concern basis, were approved and signed by the acting accounting officer on 31 August 2024.

Acting Accounting Officer
MS Khanyile

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2024.

1. Review of activities

Main business and operations

Net surplus of the municipality was R 55 178 590 (2023: surplus R 13 870 060).

2. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of R 397 032 995 and that the municipality's total liabilities exceed its assets by R 397 133 343.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name	Nationality	Changes
JFK Khumalo	South African	28 August 2024

5. Auditors

Auditor-General of South Africa (AGSA) will continue in office for the next financial period.

The annual financial statements set out on pages 5 to 83, which have been prepared on the going concern basis, were approved and signed by the acting accounting officer on 31 August 2024:

Acting Accounting Officer
MS Khanyile

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	90 982	56 680
Receivables from exchange transactions	4	2 440 033	3 251 509
Receivables from non-exchange transactions	5	2 448 692	2 974 272
Other receivables from exchange transactions	6	4 462 132	81 551
Other receivables from non-exchange transactions	7	1 507 475	2 460 143
VAT receivable	8	-	743 848
Cash and cash equivalents	9	2 208 521	21 023 769
		13 157 835	30 591 772
Non-Current Assets			
Investment property	10	21 042 000	20 119 000
Property, plant and equipment	11	430 029 850	371 994 338
Intangible assets	12	2 980	4 307
Heritage assets	13	147 149	147 149
		451 221 979	392 264 794
Total Assets		464 379 814	422 856 566
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	31 596 462	30 326 605
Income received in advance	15	5 209 509	4 603 055
VAT payable	16	1 194 643	-
Consumer deposits	17	250 090	244 064
Unspent conditional grants and receipts	18	-	19 644 000
Employee benefit obligation	19	390 698	390 698
		38 641 402	55 208 422
Non-Current Liabilities			
Employee benefit obligation	19	13 615 000	12 196 000
Provisions	20	14 990 069	13 497 391
		28 605 069	25 693 391
Total Liabilities		67 246 471	80 901 813
Net Assets		397 133 343	341 954 753
Reserves			
Housing development fund	21	100 348	100 348
Accumulated surplus		397 032 995	341 854 405
Total Net Assets		397 133 343	341 954 753

* See Note 48

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	36 278 449	31 606 577
Rental of facilities and equipment	23	1 438 291	1 486 096
Licences and permits	24	987 026	1 184 534
Other income	25	2 616 995	2 684 668
Interest received	26	7 203 304	6 390 843
Infrastructure development construction contracts	27	15 129 170	6 275 601
Total revenue from exchange transactions		63 653 235	49 628 319
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	28	32 663 527	28 832 487
Interest received (non-exchange)	28	3 963 624	3 290 632
Transfer revenue			
Government grants and subsidies	29	206 418 000	141 604 003
Fines	30	2 436 679	2 376 600
Total revenue from non-exchange transactions		245 481 830	176 103 722
Total revenue		309 135 065	225 732 041
Expenditure			
Employee related costs	31	(85 813 200)	(80 529 431)
Remuneration of councillors	32	(8 644 449)	(8 081 000)
Depreciation and amortisation	33	(24 198 738)	(17 492 812)
Impairment losses	34	(6 881 301)	(1 711 918)
Finance costs	35	(2 960 766)	(3 057 612)
Debt impairment	36	(25 495 444)	(15 582 569)
Bulk purchases	37	(42 660 352)	(35 590 192)
Lease rentals on operating lease	38	(283 112)	(283 112)
Contracted services	39	(25 203 726)	(22 472 929)
Loss on disposal of assets and liabilities	40	(298 862)	(854 515)
Infrastructure development construction contracts	27	(15 129 170)	(7 414 823)
General expenses	41	(17 540 358)	(21 420 463)
Total expenditure		(255 109 478)	(214 491 376)
Surplus for the year before extraordinary items		54 025 587	11 240 665
Fair value adjustments	42	923 000	1 200 000
Actuarial gains (losses)	19	230 003	1 811 289
Surplus for the year		55 178 590	14 251 954

* See Note 48

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

Figures in Rand	Housing development fund	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	100 348	326 625 607	326 725 955
Adjustments			
Prior year adjustments (Note 48)	-	976 844	976 844
Balance at 01 July 2022 as restated*	100 348	327 602 451	327 702 799
Changes in net assets			
Surplus for the year	-	14 251 954	14 251 954
Total changes	-	14 251 954	14 251 954
Restated* Balance at 01 July 2023	100 348	341 854 405	341 954 753
Changes in net assets			
Surplus for the year	-	55 178 590	55 178 590
Total changes	-	55 178 590	55 178 590
Balance at 30 June 2024	100 348	397 032 995	397 133 343
Note	21		

* See Note 48

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Taxation		25 245 226	32 686 445
Sale of goods and services		29 931 430	20 684 446
Grants and subsidies received		204 779 000	150 648 003
Interest income		1 725 481	1 021 695
		<u>261 681 137</u>	<u>205 040 589</u>
Payments			
Employee costs		(94 025 191)	(86 067 714)
Suppliers		(99 041 512)	(70 250 378)
Finance costs		(96 410)	(66 209)
		<u>(193 163 113)</u>	<u>(156 384 301)</u>
Net cash flows from operating activities	44	<u>68 518 024</u>	<u>48 656 288</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(87 393 272)	(40 601 478)
Proceeds from sale of property, plant and equipment	11	60 000	99 970
Net cash flows from investing activities		<u>(87 333 272)</u>	<u>(40 501 508)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(18 815 248)</u>	<u>8 154 780</u>
Cash and cash equivalents at the beginning of the year		21 023 769	12 868 989
Cash and cash equivalents at the end of the year	9	<u>2 208 521</u>	<u>21 023 769</u>

The accounting policies on pages 12 to 37 and the notes on pages 38 to 83 form an integral part of the annual financial statements.

* See Note 48

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	54 913 000	1 008 000	55 921 000	36 278 449	(19 642 551)	Note 60
Rental of facilities and equipment	1 522 000	-	1 522 000	1 438 291	(83 709)	Note 60
Licences and permits	734 000	-	734 000	987 026	253 026	Note 60
Other income	1 252 000	8 284 000	9 536 000	2 616 995	(6 919 005)	Note 60
Interest received - consumers	6 235 000	-	6 235 000	5 477 823	(757 177)	Note 60
Interest received - investments	1 249 000	1 706 000	2 955 000	1 725 481	(1 229 519)	Note 60
Construction cost revenue	-	-	-	15 129 170	15 129 170	Note 60
Total revenue from exchange transactions	65 905 000	10 998 000	76 903 000	63 653 235	(13 249 765)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	32 541 000	298 000	32 839 000	32 663 527	(175 473)	
Property rates - penalties	767 000	3 012 000	3 779 000	3 963 624	184 624	Note 60
Licences and permits	1 248 000	-	1 248 000	-	(1 248 000)	

Transfer revenue

Government grants	149 136 000	73 888 000	223 024 000	206 418 000	(16 606 000)	Note 60
Fines	3 244 000	-	3 244 000	2 436 679	(807 321)	Note 60

Total revenue from non-exchange transactions	186 936 000	77 198 000	264 134 000	245 481 830	(18 652 170)	
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Total revenue	252 841 000	88 196 000	341 037 000	309 135 065	(31 901 935)	
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Expenditure

Employee related costs	(78 210 000)	(6 648 000)	(84 858 000)	(85 813 200)	(955 200)	
Remuneration of councillors	(8 533 000)	(1 395 000)	(9 928 000)	(8 644 449)	1 283 551	
Depreciation and amortisation	(12 642 000)	(5 000 000)	(17 642 000)	(24 198 738)	(6 556 738)	Note 60
Impairment loss	-	-	-	(6 881 301)	(6 881 301)	Note 60
Finance costs	(1 282 000)	-	(1 282 000)	(2 960 766)	(1 678 766)	Note 60
Lease rentals on operating lease	-	-	-	(283 112)	(283 112)	Note 60
Debt impairment	-	(7 099 000)	(7 099 000)	(25 495 444)	(18 396 444)	Note 60
Bad debts written off	(7 099 000)	3 017 000	(4 082 000)	-	4 082 000	
Bulk purchases	(48 090 000)	-	(48 090 000)	(42 660 352)	5 429 648	
Contracted services	(34 224 000)	(1 272 000)	(35 496 000)	(25 203 726)	10 292 274	Note 60
General expenses	(19 101 000)	(1 147 000)	(20 248 000)	(17 540 358)	2 707 642	

Total expenditure	(209 181 000)	(19 544 000)	(228 725 000)	(239 681 446)	(10 956 446)	
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Operating surplus	43 660 000	68 652 000	112 312 000	69 453 619	(42 858 381)	
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Loss on disposal of assets	-	-	-	(298 862)	(298 862)	
Fair value adjustments	-	-	-	923 000	923 000	Note 60
Actuarial gains/losses	-	-	-	230 003	230 003	Note 60
Loss on construction contracts	-	-	-	(15 129 170)	(15 129 170)	Note 60

	-	-	-	(14 275 029)	(14 275 029)	
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Surplus for the year	43 660 000	68 652 000	112 312 000	55 178 590	(57 133 410)	
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eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	139 000	200 000	339 000	90 982	(248 018)	Note 60
Other receivables from exchange transactions	-	-	-	4 462 132	4 462 132	Note 60
Other receivables from non-exchange transactions	3 010 000	(3 010 000)	-	1 507 475	1 507 475	Note 60
VAT receivable	(876 000)	10 224 000	9 348 000	-	(9 348 000)	Note 60
Consumer debtors	32 448 000	(20 726 000)	11 722 000	4 888 725	(6 833 275)	Note 60
Cash and cash equivalents	19 889 000	13 492 000	33 381 000	2 208 521	(31 172 479)	Note 60
	54 610 000	180 000	54 790 000	13 157 835	(41 632 165)	
Non-Current Assets						
Investment property	-	20 119 000	20 119 000	21 042 000	923 000	
Property, plant and equipment	369 673 000	86 488 000	456 161 000	430 029 850	(26 131 150)	Note 60
Intangible assets	205 000	-	205 000	2 980	(202 020)	Note 60
Heritage assets	147 000	-	147 000	147 149	149	
	370 025 000	106 607 000	476 632 000	451 221 979	(25 410 021)	
Total Assets	424 635 000	106 787 000	531 422 000	464 379 814	(67 042 186)	
Liabilities						
Current Liabilities						
Payables from exchange transactions	1 283 000	(1 000)	1 282 000	31 596 462	30 314 462	Note 60
Income received in advance	-	-	-	5 209 509	5 209 509	Note 60
VAT payable	9 374 000	(9 374 000)	-	1 194 644	1 194 644	Note 60
Consumer deposits	-	391 000	391 000	250 090	(140 910)	Note 60
Employee benefit obligation	-	32 659 000	32 659 000	390 698	(32 268 302)	Note 60
	10 657 000	23 675 000	34 332 000	38 641 403	4 309 403	
Non-Current Liabilities						
Employee benefit obligation	-	-	-	13 615 000	13 615 000	Note 60
Provisions	-	-	-	14 990 069	14 990 069	Note 60
	-	-	-	28 605 069	28 605 069	
Total Liabilities	10 657 000	23 675 000	34 332 000	67 246 472	32 914 472	
Net Assets	413 978 000	83 112 000	497 090 000	397 133 342	(99 956 658)	
Net Assets						
Reserves						
Housing development fund	111 000	-	111 000	100 348	(10 652)	
Accumulated surplus	413 867 000	83 112 000	496 979 000	397 032 995	(99 946 005)	
Total Net Assets	413 978 000	83 112 000	497 090 000	397 133 342	(99 956 657)	

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Taxation	26 098 000	1 102 000	27 200 000	25 245 226	(1 954 774)	Note 60
Sale of goods and services	37 968 000	12 466 000	50 434 000	29 931 430	(20 502 570)	Note 60
Grants	149 595 000	73 878 000	223 473 000	204 779 000	(18 694 000)	
Interest income	1 249 000	1 706 000	2 955 000	1 725 481	(1 229 519)	Note 60
Other receipts	25 303 000	3 138 000	28 441 000	-	(28 441 000)	Note 60
	240 213 000	92 290 000	332 503 000	261 681 137	(70 821 863)	
Payments						
Employee costs and suppliers	(202 526 000)	(10 810 000)	(213 336 000)	(193 066 706)	20 269 294	Note 60
Finance costs	(20 000)	20 000	-	(96 410)	(96 410)	Note 60
	(202 546 000)	(10 790 000)	(213 336 000)	(193 163 116)	20 172 884	
Net cash flows from operating activities	37 667 000	81 500 000	119 167 000	68 518 021	(50 648 979)	
Cash flows from investing activities						
Purchase of property, plant and equipment	(42 479 000)	(75 868 000)	(118 347 000)	(87 393 272)	30 953 728	Note 60
Proceeds from sale of property, plant and equipment	-	8 060 000	8 060 000	60 004	(7 999 996)	Note 60
Net cash flows from investing activities	(42 479 000)	(67 808 000)	(110 287 000)	(87 333 268)	22 953 732	
Net increase/(decrease) in cash and cash equivalents	(4 812 000)	13 692 000	8 880 000	(18 815 247)	(27 695 247)	
Cash and cash equivalents at the beginning of the year	24 700 000	-	24 700 000	21 023 769	(3 676 231)	
Cash and cash equivalents at the end of the year	19 888 000	13 692 000	33 580 000	2 208 522	(31 371 478)	

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023
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1. Significant account policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher if an asset's fair value less costs to sell and value in use.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 20 - Provisions.

Useful lives of property, plant and equipment

The municipality's management estimates the remaining useful lives and condition of significant items of property, plant and equipment on an annual basis. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a significant impairment of the respective asset.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in note 19.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition. The impairment is measured with reference to historical data and payment trend analysis per group consumers.

Selection of an appropriate reporting framework by the entity as a public entity

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 10).

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Investment property (continued)

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 10).

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.6 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	
ÿ Improvements		20 - 50 years
Plant and machinery	Straight-line	20 - 50 years
Furniture and fixtures	Straight-line	3 - 10 years
Motor vehicles	Straight-line	
ÿ Motor vehicles		3 - 7 years
ÿ Heavy machinery and vehicles		3 - 10 years
Office equipment	Straight-line	2 - 7 years
Infrastructure	Straight-line	
ÿ Electricity		7 - 50 years
ÿ Roads		8 - 50 years
ÿ Sewerage and solid waste		5 - 50 years
ÿ Stormwater		20 - 50 years
ÿ Water		5 - 50 years
ÿ Bridge		30 - 80 years
Community	Straight-line	
ÿ Buildings		20 - 50 years
ÿ Recreational facilities		7 - 50 years
ÿ Security measures		3 - 5 years
Other property, plant and equipment	Straight-line	
ÿ Other equipment		2 - 10 years
ÿ Fences and gates		15 - 25 years
ÿ Paving		3 - 10 years
Other equipment	Straight-line	3 - 10 years
Leased assets	Straight-line	2 - 3 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 11).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
Computer software	Straight-line	3 - 5 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.8 Heritage assets

Assets are resources controlled by an municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.8 Heritage assets (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Financial instruments (continued)

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.9 Financial instruments (continued)

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

1.10 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.10 Statutory receivables (continued)

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions, whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions.

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

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Accounting Policies

1.10 Statutory receivables (continued)

In estimating the future cash flows, a municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.11 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the .

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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Accounting Policies

1.11 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

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1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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Accounting Policies

1.14 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

• the future cash inflows used to determine the asset's or cash-generating unit's value in use; and

• the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

• its fair value less costs to sell (if determinable);

• its value in use (if determinable); and

• zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

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Accounting Policies

1.15 Impairment of non-cash-generating assets (continued)

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Accounting Policies

1.16 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accounting Policies

1.16 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

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1.16 Employee benefits (continued)

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

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Accounting Policies

1.16 Employee benefits (continued)

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.17 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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1.17 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 52.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.17 Provisions and contingencies (continued)

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date.

Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.14 and 1.15.
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

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Accounting Policies

1.19 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.20 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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Accounting Policies

1.20 Revenue from non-exchange transactions (continued)

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The full amount of traffic fines issued during the year is recognised at the initial transaction date as revenue in accordance with iGRAP 1. Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears based on historical trends.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

1.21 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

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Accounting Policies

1.22 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.23 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the municipality is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a municipality is a principal or an agent requires the municipality to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The municipality assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the municipality in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the municipality concludes that it is not the agent, then it is the principal in the transactions.

The municipality is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the municipality has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The municipality applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the municipality is an agent.

Recognition

The municipality, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The municipality, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The municipality recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

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Accounting Policies

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.25 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No.56 of 2003), the Municipal Systems Act, 2000 (Act No.32 of 2000), and the Public Office Bearers Act, 1998 (Act No. 20 of 1998) or is in contravention of the economic municipality's supply chain management policy.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.28 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, 1997 (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

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Accounting Policies

1.29 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.30 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.31 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

eDumbe Local Municipality (KZN261)

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Accounting Policies

1.31 Related parties (continued)

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.32 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date);
- and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.33 Value added tax (VAT)

The municipality accounts for VAT on the accrual basis in the annual financial statements. However, VAT is declared to the South African Revenue Services as input or output VAT only when payments are made to suppliers or payments are received for goods and services. The net difference of VAT payable / receivable on output VAT on receivables (where money has not been received) and input VAT on payables (accruals where payment has not been made) is disclosed in the statement of financial position.

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
ÿ GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact was not material
ÿ iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	The impact was not material
ÿ iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact was not material
ÿ GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	The impact was not material

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
ÿ The Application of Materiality to Financial Statements	01 April 2024	Unlikely there will be a material impact
ÿ Guideline: Guideline on Accounting for Landfill Sites		
ÿ GRAP 103 (as revised): Heritage Assets	01 April 2024	Unlikely there will be a material impact
ÿ GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
ÿ GRAP 1 (amended): Presentation of Financial Statements	01 April 2024	Unlikely there will be a material impact

3. Inventories

Consumables	90 982	56 680
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No inventories have been pledged as security for the overdraft facilities of the municipality.

Inventories is valued at the lower of cost and net reliable value (NRV). No inventory was written down during the year.

4. Receivables from exchange transactions

Gross balances

Electricity	15 945 553	12 662 375
Refuse	109 555 642	104 579 624
Housing rental	198 408	130 324
	125 699 603	117 372 323
Less: Allowance for impairment		
Electricity	(15 686 906)	(11 019 273)
Refuse	(107 374 256)	(103 101 541)
Housing rental	(198 408)	-
	(123 259 570)	(114 120 814)

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
4. Receivables from exchange transactions (continued)		
Net balance		
Electricity	258 647	1 643 102
Refuse	2 181 386	1 478 083
Housing rental	-	130 324
	2 440 033	3 251 509
Electricity		
Current (0 -30 days)	56 888	303 989
31 - 60 days	24 037	39 005
61 - 90 days	16 961	18 742
91 - 120 days	7 773	29 397
> 120 days	152 988	1 251 969
	258 647	1 643 102
Refuse		
Current (0 -30 days)	8 213	16 184
31 - 60 days	8 524	3 699
61 - 90 days	8 454	3 919
91 - 120 days	8 646	4 795
> 120 days	2 147 549	1 449 486
	2 181 386	1 478 083
Housing rental		
Current (0 -30 days)	-	25 207
31 - 60 days	-	18
61 - 90 days	-	7 226
91 - 120 days	-	9 507
> 120 days	-	88 366
	-	130 324
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	901 403	1 941 132
31 - 60 days	628 843	622 466
61 - 90 days	532 483	627 603
91 - 120 days	382 378	1 161 897
> 120 days	86 800 492	105 488 108
	89 245 599	109 841 206
Less: Allowance for impairment	(87 743 343)	(106 769 419)
	1 502 256	3 071 787
Industrial / commercial		
Current (0 -30 days)	1 362 486	1 737 718
31 - 60 days	354 679	7 583
61 - 90 days	230 054	22 444
91 - 120 days	137 692	88 826
> 120 days	9 922 728	2 021 145
	12 007 639	3 877 716
Less: Allowance for impairment	(11 698 742)	(3 785 177)
	308 897	92 539

eDumbe Local Municipality (KZN261)

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
4. Receivables from exchange transactions (continued)		
National and provincial government		
Current (0 -30 days)	754 380	573 802
31 - 60 days	517 684	223 033
61 - 90 days	403 170	63 620
91 - 120 days	221 332	205 318
> 120 days	22 549 800	2 587 629
	<u>24 446 366</u>	<u>3 653 402</u>
Less: Allowance for impairment	(23 817 485)	(3 566 217)
	628 881	87 185
Total		
Current (0 -30 days)	3 018 268	4 252 651
31 - 60 days	1 501 206	853 082
61 - 90 days	1 165 707	713 666
91 - 120 days	741 402	1 456 041
> 120 days	119 273 021	110 096 981
	<u>125 699 604</u>	<u>117 372 421</u>
Less: Allowance for impairment	(123 259 570)	(114 120 813)
	2 440 034	3 251 608
Less: Allowance for impairment		
Current (0 -30 days)	(2 940 623)	(4 142 477)
31 - 60 days	(1 462 587)	(832 724)
61 - 90 days	(1 135 719)	(696 635)
91 - 120 days	(722 330)	(1 421 294)
> 120 days	(116 998 311)	(107 027 683)
	<u>(123 259 570)</u>	<u>(114 120 813)</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	(114 120 813)	(107 571 327)
Contributions to allowance	-	(6 549 486)
Debt impairment written off against allowance	(9 138 757)	-
	<u>(123 259 570)</u>	<u>(114 120 813)</u>
Consumer debtors pledged as security		
None of the consumer debtors have been pledged as security for the municipality's financial liabilities.		
None of the financial assets that are fully performing have been renegotiated in the last year.		
Fair value of consumer debtors		
Management of the municipality is of the opinion that the current value of the consumer debtors recorded at amortised cost in the financial statements approximate their fair value.		
Consumer debtors impaired		
As of 30 June 2024, consumer debtors of R 122 465 987 (2023: R 114 120 813) were impaired and provided for.		
The amount of the provision was R 123 259 570 as of 30 June 2024 (2023: R 114 120 813).		
The ageing of these debtors is as follows:		
3 to 6 months	5 677 521	5 671 836
Over 6 months	117 582 049	108 448 977

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
4. Receivables from exchange transactions (continued)		
The provision for impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.		
In determining the recoverability of receivables from exchange transactions, the municipality has pledged strong emphasis on verifying the indigent status of consumers. The provision for impairment in respect of the receivables from exchange transactions have been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the provision for impairment. Refer to details in the accounting policy for further details.		
5. Receivables from non-exchange transactions		
Gross balances		
Rates	92 677 852	77 906 580
Less: Allowance for impairment		
Rates	(90 229 160)	(74 932 308)
Net balance		
Rates	2 448 692	2 974 272
Rates		
Current (0 -30 days)	43 202	158 771
31 - 60 days	38 479	71 830
61 - 90 days	38 070	71 783
91 - 120 days	40 385	91 625
> 120 days	2 288 556	2 580 263
	2 448 692	2 974 272
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	504 940	1 248 979
31 - 60 days	630 816	561 959
61 - 90 days	680 573	554 496
91 - 120 days	815 145	533 115
> 120 days	62 885 120	31 331 568
	65 516 594	34 230 117
Less: Allowance for impairment	(63 761 927)	(32 923 300)
	1 754 667	1 306 817
Industrial / commercial		
Current (0 -30 days)	763 226	1 192 524
31 - 60 days	355 792	404 890
61 - 90 days	294 035	377 063
91 - 120 days	293 527	358 789
> 120 days	7 188 806	12 046 838
	8 895 386	14 380 104
Less: Allowance for impairment	(8 668 092)	(13 831 109)
	227 294	548 995

eDumbe Local Municipality (KZN261)

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5. Receivables from non-exchange transactions (continued)		
National and provincial government		
Current (0 -30 days)	422 582	1 761 654
31 - 60 days	519 308	727 440
61 - 90 days	515 297	711 729
91 - 120 days	471 831	702 309
> 120 days	16 336 853	25 393 227
	<u>18 265 871</u>	<u>29 296 359</u>
Less: Allowance for impairment	(17 799 142)	(28 117 899)
	466 729	1 178 460
Total		
Current (0 -30 days)	1 690 748	4 203 157
31 - 60 days	1 505 915	1 694 289
61 - 90 days	1 489 905	1 643 288
91 - 120 days	1 580 504	1 594 213
> 120 days	86 410 780	68 771 632
	<u>92 677 852</u>	<u>77 906 579</u>
Less: Allowance for impairment	(90 229 160)	(74 932 308)
	2 448 692	2 974 271
Less: Allowance for impairment		
Current (0 -30 days)	(1 647 546)	(4 042 692)
31 - 60 days	(1 467 435)	(1 629 605)
61 - 90 days	(1 451 835)	(1 580 552)
91 - 120 days	(1 540 119)	(1 533 350)
> 120 days	(84 122 225)	(66 146 109)
	<u>(90 229 160)</u>	<u>(74 932 308)</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	(74 932 308)	(63 772 941)
Contributions to allowance	(15 296 852)	(11 159 367)
	<u>(90 229 160)</u>	<u>(74 932 308)</u>

Receivables impaired

Relating specifically to statutory receivables

As of 30 June 2024, statutory receivables of R 90 309 747 (2023: R 74 932 308) were impaired and provided for.

The amount of the provision was R 90 229 160 on 30 June 2024 (2023: R 74 932 308).

The ageing of these loans is as follows:

3 to 6 months	4 680 255	7 618 099
Over 6 months	85 548 905	67 314 209

Consumer debtors pledged as security

None of the consumer debtors have been pledged as security for the municipality's financial liabilities.

None of the financial assets that are fully performing have been renegotiated in the last year.

eDumbe Local Municipality (KZN261)

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5. Receivables from non-exchange transactions (continued)

Fair value of consumer debtors

Management of the municipality is of the opinion that the current value of the consumer debtors recorded at amortised cost in the financial statements approximate their fair value.

The provision for impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.

In determining the recoverability of receivables from non-exchange transactions, the municipality has pledged strong emphasis on verifying the indigent status of consumers. The provision for impairment in respect of the receivables from exchange transactions have been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the provision for impairment. Refer to details in the accounting policy for further details.

6. Other receivables from exchange transactions

Sundry deposits	309 198	81 551
Staff debt	222 874	-
Recoverable debtor (due to loss)	3 930 060	-
	4 462 132	81 551

Sundry deposits consists of immaterial deposits paid by the municipality from time-to-time. Staff debt consists of recoverable debt due to irregular expenditure incurred.

Recoverable debtor is represented by fraudulent payments made during the year. The matter as been reported to the authorities and the case is being investigated, as required by the MFMA.

7. Other receivables from non-exchange transactions

Fines	1 507 475	2 460 143
-------	-----------	-----------

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Fines (gross balance)	23 345 597	21 146 797
Provision for impairment	(21 838 122)	(18 686 654)
Total other receivables from non-exchange transactions	1 507 475	2 460 143

Other receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2024, R 1 507 475 (2023: R 2 460 143) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	1 507 475	2 460 143
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Reconciliation of provision for impairment of other receivables from non-exchange transactions

Opening balance	(18 686 654)	(17 020 418)
Provision for impairment	(3 151 468)	(1 666 236)
	(21 838 122)	(18 686 654)

8. VAT receivable

VAT	-	743 848
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eDumbe Local Municipality (KZN261)

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8. VAT receivable (continued)

VAT is declared on the payments based and accounted for on the accrual basis for purposes of reporting.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	82	82
Bank balances	2 208 439	21 023 687
	2 208 521	21 023 769

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

AAA	2 208 521	21 023 769
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Cash and cash equivalents pledged as collateral

The municipality has a call account, which has a portion of guarantee withheld by the bank for the Eskom license guarantee. The amount for the guarantee is R 530 000 (2023: R 530 000).

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
First National Bank - Current account - 532 8000 5944	796 316	578 494	11 503 929	796 316	578 494	11 503 929
First National Bank - Call account - 6221 9848 746	152 457	142 649	135 525	152 457	142 649	135 525
First National Bank - Call account - 6132 8003 233	809 351	560 975	769 632	809 351	560 975	769 632
First National Bank - Call account - 6203 3660 376	223 634	26 955	335 519	223 634	26 955	335 519
First National Bank - Call account - 6242 1843 807	204 755	19 694 373	105 279	204 755	19 694 373	105 279
Grindrod Bank - Investment account - 154 009	21 926	20 241	19 023	21 926	20 241	19 023
Total	2 208 439	21 023 687	12 868 907	2 208 439	21 023 687	12 868 907

10. Investment property

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	21 042 000	-	21 042 000	20 119 000	-	20 119 000

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10. Investment property (continued)

Reconciliation of investment property - 2024

	Opening balance	Fair value adjustments	Total
Investment property	20 119 000	923 000	21 042 000

Reconciliation of investment property - 2023

	Opening balance	Fair value adjustments	Total
Investment property	18 919 000	1 200 000	20 119 000

Pledged as security

Carrying value of assets pledged as security:

No investment property has been pledged as security for any liabilities of the municipality.

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the valuation was 30 June 2024. The valuation was performed by an independent valuer, Mr. Alan Robert Stephenson of Mills Fitcher Property Valuers. Mills Fitcher Property Valuers are not connected to the municipality and have recent experience in location and category of the investment property being valued.

The valuation was based on open market value for existing use. These assumptions are based on current market conditions. The following criteria was used to determine whether a property should be classified as investment property:

- A building owned by the municipality and leased out to a third parties under one or more operating leases.
- Land currently held for undetermined future use.
- Property being constructed or developed for future use as investment property.

No restrictions exist unless a property is being leased out to a third party.

Amounts recognised in surplus and deficit for the year.

Rental revenue from investment property	1 259 514	1 296 046
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Maintenance of investment property

No repairs and maintenance were incurred on the investment property during the financial year.

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11. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	44 039 075	(8 809 036)	35 230 039	44 039 075	(8 809 036)	35 230 039
Buildings	57 442 989	(35 026 719)	22 416 270	57 513 931	(34 733 658)	22 780 273
Infrastructure	314 656 144	(86 594 474)	228 061 670	276 405 788	(113 499 348)	162 906 440
Community	176 858 446	(53 054 901)	123 803 545	172 685 308	(47 931 792)	124 753 516
Other property, plant and equipment	22 689 650	(13 703 078)	8 986 572	22 584 872	(12 681 922)	9 902 950
Work-in-progress	11 531 754	-	11 531 754	16 421 120	-	16 421 120
Total	627 218 058	(197 188 208)	430 029 850	589 650 094	(217 655 756)	371 994 338

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Transfer to completed assets - WIP	Disposals	Depreciation	Impairment loss	Impairment reversal	Total
Land	35 230 039	-	-	-	-	-	-	35 230 039
Buildings	22 780 273	-	-	(13 663)	(2 003 516)	-	1 653 176	22 416 270
Infrastructure	162 906 440	532 818	85 740 953	(269 876)	(15 669 406)	(5 179 259)	-	228 061 670
Community	124 753 516	-	4 669 417	(47 026)	(5 392 666)	(179 696)	-	123 803 545
Other property, plant and equipment	9 902 950	267 799	-	(28 301)	(1 131 823)	(24 053)	-	8 986 572
Work-in-progress	16 421 120	85 521 004	(90 410 370)	-	-	-	-	11 531 754
	371 994 338	86 321 621	-	(358 866)	(24 197 411)	(5 383 008)	1 653 176	430 029 850

eDumbe Local Municipality (KZN261)

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11. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfer to completed assets - WIP	Disposals	Other changes, movements	Depreciation	Impairment loss	Total
Land	35 230 039	-	-	-	-	-	-	35 230 039
Buildings	24 778 471	-	-	-	-	(1 998 198)	-	22 780 273
Infrastructure	141 538 089	-	31 119 896	(670 072)	(525 704)	(8 521 866)	(33 903)	162 906 440
Community	121 184 914	-	8 796 019	(106 201)	-	(5 122 209)	993	124 753 516
Other property, plant and equipment	9 569 061	2 369 443	-	(178 068)	-	(1 845 334)	(12 152)	9 902 950
Work-in-progress	18 105 002	38 232 033	(39 915 915)	-	-	-	-	16 421 120
	350 405 576	40 601 476	-	(954 341)	(525 704)	(17 487 607)	(45 062)	371 994 338

Pledged as security

No property, plant and equipment has been pledged as security for any liabilities of the municipality.

eDumbe Local Municipality (KZN261)

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11. Property, plant and equipment (continued)

Other information

Reconciliation of the purchase of property, plant and equipment for the purpose of the cash flow statement:

Additions as per the reconciliation note	86 321 621	40 601 478
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Property, plant and equipment in the process of being constructed or developed

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

Switching station and MV infrastructure upgrade	7 024 931	7 024 931
The project is taking significantly longer due to the unavailability of funds.		
Ward 3 electrification projects and substation upgrade project	4 506 824	4 506 824
The project is taking significantly longer due to the unavailability of funds.		
	11 531 755	11 531 755

Reconciliation of work-in-progress - 2024

	Included within infrastructure	Included within community	Total
Opening balance	13 560 918	2 860 203	16 421 121
Additions/capital expenditure	99 358 869	1 809 184	101 168 053
GRAP 11 transfers	(15 647 049)	-	(15 647 049)
Transferred to completed items	(85 740 953)	(4 669 387)	(90 410 340)
	11 531 785	-	11 531 785

Reconciliation of work-in-progress - 2023

	Included within infrastructure	Included within community	Total
Opening balance	16 520 764	1 584 238	18 105 002
Additions/capital expenditure	39 461 646	6 185 209	45 646 855
GRAP 11 transfers	(7 414 822)	-	(7 414 822)
Transferred to completed items	(35 006 670)	(4 909 244)	(39 915 914)
	13 560 918	2 860 203	16 421 121

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in statement of financial performance:

Building	-	485 314
Equipment	3 435 576	5 930 104
	3 435 576	6 415 418

A register containing the information required by section 63 of the MFMA is available for inspection at the registered office of the municipality.

eDumbe Local Municipality (KZN261)

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11. Property, plant and equipment (continued)

Housing scheme

The land at eDumbe township was sub-divided into 769 portions (as per the council resolutions provided) of land title deeds (excluding church and business stands) and were disposed off to the eDumbe location citizens under the Council Resolution No. 93 of 2000, dated 29 August 2000.

The 769 portions of land which should have been transferred to the aforementioned citizens are currently still registered in the name of the municipality as per the deeds office and register, but the land however belongs to the different beneficiaries and they already in the possession thereof.

12. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	232 961	(229 981)	2 980	232 961	(228 654)	4 307

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software	4 307	(1 327)	2 980

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	9 511	(5 204)	4 307

Pledged as security

All of the municipality's intangible assets are held under freehold interest and no intangible assets have been pledged as security of any liabilities of the municipality.

13. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Mayorial chain	147 149	-	147 149	147 149	-	147 149

Reconciliation of heritage assets - 2024

	Opening balance	Total
Mayorial chain	147 149	147 149

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13. Heritage assets (continued)

Reconciliation of heritage assets - 2023

	Opening balance	Total
Mayorial chain	147 149	147 149

Pledged as security

No heritage asset has been pledged as security for any liabilities of the municipality.

14. Payables from exchange transactions

Trade payables	18 302 883	17 134 134
Payments received in advanced - contract in process	1 818 036	602 443
Consumer debtors with credit balances	-	314 335
Salary control accounts	2 345 117	2 660 626
Accrued leave pay	5 672 017	5 143 759
Accrued bonus	1 993 417	1 821 711
Retentions	1 239 969	2 540 942
Unallocated deposits	225 023	108 655
	31 596 462	30 326 605

Included in trade payables are Eskom bulk purchases (2024: R 11 722 643; 2023: R 10 749 528); operating expenses (2024: R 3 035 388; 2023: R 3 154 386); contracted services (2024: R 2 420 977; 2023: R 1 476 554); and maintenance (2024: R 1 123 875; 2023: R 1 753 667).

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter the interest is charged in accordance with the credit of the various individual creditors that the municipality deals with.

The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe. Payments received in advance is due to payments received for hall hire and prepaid electricity. Payments in advance are consumer debtors' accounts paid in advance.

Accrued leave and bonuses accrue to the staff of the municipality on an annual basis, subject to certain conditions.

15. Income received in advance

Integrated National Electrification Programme (INEP)	5 209 509 4 603 055
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The infrastructure development construction contracts revenue and expenditure recognised are disclosed in note 27.

The stage of completion is measured and reported by the consulting engineer and represents the completion as a % of the project's overall budget.

The grant is paid by National Treasury in order to implement the INEP by addressing the electrification backlog of all existing and planned residential dwellings and the installation of relevant bulk infrastructure.

At year end, not all funds were spent and the remaining portion was recognised as income received in advance in accordance with GRAP 11.

16. VAT payable

VAT payable	1 194 643	-
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VAT is declared on the payments based and accounted for on the accrual basis for purposes of reporting.

eDumbe Local Municipality (KZN261)

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17. Consumer deposits

Electricity	250 090	244 064
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Consumer deposits are paid by consumers on application for new electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit for the outstanding account. No interest is paid on consumer deposits held.

The management of the municipality is of the opinion that the carrying value of the consumer deposits approximate their fair value.

The fair value of the consumer deposits were determined after considering the standard terms and conditions of the agreements entered into between the municipality and its consumers.

18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Provincial: Department of Transport	-	19 644 000
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Movement during the year

Balance at the beginning of the year	19 644 000	10 600 000
Additions during the year	204 779 000	69 439 000
Income recognition during the year	(206 418 000)	(55 791 945)
Income recognition during the year	(18 005 000)	(4 603 055)
	-	19 644 000

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note 29 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

19. Employee benefit obligations

Post retirement medical aid benefit

The amounts recognised in the statement of financial position are as follows:

Carrying value

Opening accrued liability	8 024 000	8 227 000
Current service cost	507 000	524 000
Interest cost	1 060 000	996 000
Benefits paid	(92 217)	(84 798)
Actuarial (gains) / losses	(473 783)	(1 638 202)
	9 025 000	8 024 000

Membership data

	Males	Females
Number of active employees	36	40
Subsidy weighted average	41,7	43,5
Subsidy weighted average past service	10,4	13,9
Number of spouses	14	4
Average salary payable during retirement	R 2 560 R	2 270

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19. Employee benefit obligations (continued)

Continuation members (pensioners)	Males	Females
Number of continuation members		3
Subsidy weighted average		72,2
Average monthly salary	R	- R 2 680

Key financial variables / assumptions used

The two most important financial variables used in our calculation are the discount rate and salary inflation. The assumption has been made for these variables as follows:

Assumed valuation for the current and preceding valuations:	Current valuation	Preceding valuation
Discount rate	Yield curve	Yield curve
Consumer price index	Difference between nominal and yield curves	Difference between nominal and yield curves
Medical aid contribution inflation	CPI + 2,5%	CPI + 2,5%
Net effective discount rate	Yield curve based	Yield curve based

Subsidy agreement:

The municipality has agreed to subsidise the pension fund contributions of retired members in the following way:

- New pensioners (those that are still currently in the service of the municipality) and their dependents will receive 60% subsidy; and
- Existing continuation members (pensioners) and their dependents will continue to receive a 60% subsidy.

Mortality rate:

Average retirement age

- The average retirement age for all active employees was assumed to be 63 years of age. The assumptions implicitly allows for ill-health and early retirements.

Normal retirement age

- The normal retirement age for all active employees was assumed to be 65 years of age.

Mortality rates

- Mortality before retirement has been based on the 85-90 mortality tables. These are the most commonly used tables in the industry. Mortality post-employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

Spouses and dependents

- We assumed that the marital status of members who are currently married will remain the same up to retirement. It was also assumed that 90% of all single employees would be married at retirement with no dependent children. Where necessary it was assumed that female spouses would be five years younger than their male spouses at retirement and vice versa.

eDumbe Local Municipality (KZN261)

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19. Employee benefit obligations (continued)

Decremental withdrawal

Age band (in years) for withdrawal rates:	Males	Females
20 - 24	16 %	24 %
25 - 29	12 %	18 %
30 -34	10 %	15 %
35 - 39	8 %	10 %
40 - 44	6 %	6 %
45 - 49	4 %	4 %
50 - 54	2 %	2 %
55 - 59	1 %	1 %

Long service award

Long service awards are granted to municipal employees after the completion of fixed periods of continuous service with the municipality. The said award comprises of a certain number of additional vacation leave days as prescribed on the basic condition of employment. The effective date used for the purpose of the valuation was 30 June 2024.

The most recent actuarial valuation of the unfunded defined benefit obligation was carried out as at 30 June 2024 by ZAQ Consultants and Actuaries.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Opening accrued liability	4 172 000	3 990 000
Current service cost	388 000	385 000
Interest cost	541 000	465 000
Benefits paid	(754 780)	(494 913)
Actuarial (gains) / losses	243 780	(173 087)
	4 590 000	4 172 000

Membership data:

	Males	Females
Number of active employees	102	74
Subsidy weighted average age (in years)	43,2	41,6
Subsidy weighted average age past service (in years)	10,8	11,1

Formula used to calculate the total long service award liability:

	Liability (% of annual salary)	Completed years of service
(10 / 250) x annual salary	4 %	10
(20 / 250) x annual salary	8 %	15
(30 / 250) x annual salary	12 %	20
(30 / 250) x annual salary	12 %	25
(30 / 250) x annual salary	12 %	30
(30 / 250) x annual salary	12 %	35
(30 / 250) x annual salary	12 %	40
(30 / 250) x annual salary	12 %	45

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19. Employee benefit obligations (continued)

Key financial variables / assumptions used

The two most important financial variables used in our calculation are the discount rate and salary inflation. The assumption has been made for these variables as follows:

Assumed valuation for the current and preceding valuations:

	Current valuation	Preceding valuation
Discount rate	Yield curve	Yield curve
Consumer price index	Difference between nominal and yield curves	Difference between nominal and yield curves
Expected rate of return on assets	CPI + 1%	CPI + 1%
Expected rate of return on reimbursement rights	Yield curve based	Yield curve based

Mortality rate

Average retirement age

- The average retirement age for all active employees was assumed to be 63 years of age. The assumptions implicitly allows for ill-health and early retirements.

Normal retirement age

- The normal retirement age for all active employees was assumed to be 65 years of age.

Mortality rates

- Mortality before retirement has been based on the 85-90 mortality tables. These are the most commonly used tables in the industry.

Decremental withdrawal

Age band (in years) for withdrawal rates:

	Males	Females
20 - 24	16 %	24 %
25 - 29	12 %	18 %
30 - 34	10 %	15 %
35 - 39	8 %	10 %
40 - 44	6 %	6 %
45 - 49	4 %	4 %
50 - 54	2 %	2 %
55 - 59	1 %	1 %

Employee benefit obligations

Non-current liabilities	13 165 000	12 196 000
Current liabilities	390 698	390 698
	13 555 698	12 586 698

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20. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Change in discount factor	Total
Environmental rehabilitation	13 497 391	229 322	1 263 356	14 990 069

Reconciliation of provisions - 2023

	Opening Balance	Utilised during the year	Change in discount factor	Total
Environmental rehabilitation	12 492 735	(525 704)	1 530 360	13 497 391

Environmental rehabilitation provision

The provision for the rehabilitation of the landfill sites relate to the legal obligation to rehabilitation sites used for waste disposal.

As at 30 June 2024, the estimated cost to be incurred by the municipality to restore its landfill sites at the end of their useful lives will be R 14 990 069 (2022: R 13 497 391). The amount of the rehabilitation is dependent on future costs, technology, inflation and site consumption. The landfill provision represents management's best estimate of the municipality's liability.

The municipality currently has two landfill sites:

- The old landfill site is situated near Esikhaleni; and
- The new landfill site by the Coal Siding.

The municipality has not utilised the old site as a landfill site since January 2014 and the current status of the old landfill site reflects that there are no traces of a landfill site. Therefore, the old landfill site does not acquire any provision for closure. The landfill site conditional assessment for both sites were conducted by Ducharme Consulting.

The new landfill site is expected to be fully operational until 30 June 2026 and it is assumed that the rehabilitation will only take place thereafter. The calculation of the provision amount for the new landfill site was done at 30 June 2024 by Ducharme Consulting, whereafter the report was issued to the municipality with a report date of July 2024.

21. Housing development fund

The fund contains all proceeds from housing developments, which include rental income and proceeds through the sale of houses.

Monies standing to the credit of the fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

The balance of the funding is included in the municipality's primary and call bank accounts.

Housing development fund	100 348	100 348
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22. Service charges

Sale of electricity (conventional)	20 494 602	17 320 585
Sale of electricity (prepaid)	13 069 219	11 519 800
Refuse removal	2 714 628	2 766 192
	36 278 449	31 606 577

The amounts disclosed above for revenue generated from service charges are in respect to services rendered and billed to the consumers on a monthly basis in accordance with the approved tariffs, except in the case of service rendered to consumers registered as indigent debtors. It is the municipality's practice not to bill indigent consumer debtors for services rendered.

eDumbe Local Municipality (KZN261)

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
23. Rental of facilities and equipment		
Premises		
Land	14 261	8 334
Plantation	1 259 514	1 296 046
Premises	164 516	181 716
	1 438 291	1 486 096
24. Licences and permits		
Business	37 785	24 454
Driver and learner	377 320	617 112
Motor vehicle	571 921	542 968
	987 026	1 184 534
25. Other income		
Building plan fees	27 500	12 940
Burial fees	29 750	32 132
Clearance certificates	12 790	9 077
Connection and re-connection fees	13 997	8 993
Hall hire	36 006	51 222
Insurance refund	26 835	22 220
Other income	112 067	600 000
Recoveries	1 969 684	1 618 187
SETA refund	1	36
Sale of meters	205 195	156 473
Staff rental income	84 664	81 802
Tender fees	98 506	91 586
	2 616 995	2 684 668
26. Investment revenue		
Interest revenue		
Bank	1 725 481	1 021 695
Consumer debtors	5 477 823	5 369 148
	7 203 304	6 390 843
The amount included in investment revenue arising from exchange transactions amounted to R 7 203 304.		
27. Infrastructure development construction contracts		
Revenue received	15 129 170	6 275 601
Expenditure incurred	(15 129 170)	(7 414 823)
	-	(1 139 222)

The Infrastructure Development Construction Contracts relates to agreements entered into between the municipality and Eskom in respect to electrification infrastructure projects where the municipality is a project developer in this arrangement.

The Infrastructure Development Construction Contract expenses consists mainly of contracted services wherein the municipality procure the services of contractors and other consultants in the construction of the infrastructure.

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Figures in Rand	2024	2023
28. Property rates		
Rates received		
Residential	2 636 996	4 314 080
Commercial	6 121 980	5 950 571
State	17 209 182	13 092 824
Small holdings and farms	1 025 697	37 085
Industrial	1 066 450	1 240 328
Agricultural	4 431 139	4 261 553
Vacant land/stands	1 149 933	1 065 548
Less: Income forgone	(977 850)	(1 129 502)
	32 663 527	28 832 487
Property rates - penalties imposed	3 963 624	3 290 632
	36 627 151	32 123 119
Valuations		
Residential	667 768 720	667 768 720
Commercial	351 394 000	351 394 000
State	645 338 000	645 338 000
Municipal	22 185 000	22 185 000
Place of Worship	15 348 000	15 348 000
Agricultural	2 158 852 000	2 158 852 000
Vacant land/stands	40 234 250	40 234 250
	3 901 119 970	3 901 119 970
<p>Valuations on land and buildings are performed every 5 years. The last general valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.</p> <p>Rebates of 10% (2023: 10%) are granted to businesses, while properties classified as Place of Worship, municipal properties, communal land and NPOs are 100% (2023: 100%) exempt.</p>		
29. Government grants and subsidies received		
Operating grants		
Equitable share	99 029 000	93 029 000
National: Finance Management Grant (FMG)	3 000 000	3 000 000
National: Extended Public Works Programme (EPWP)	1 638 000	1 500 000
Provincial: Arts and Culture	3 390 000	3 390 000
Provincial: Economic Development, Tourism and Environmental Affairs (Municipal Disaster Grant)	1 400 000	-
Provincial: Economic Development, Tourism and Environmental Affairs	-	1 000 000
	108 457 000	101 919 000
Capital grants		
National: Municipal Infrastructure Grant (MIG)	19 385 000	29 055 000
Provincial: Small town rehabilitation	-	10 600 000
National: Integrated National Electrification Programme (INEP)	-	30 003
Provincial: Department of Transport	78 576 000	-
	97 961 000	39 685 003
	206 418 000	141 604 003

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Figures in Rand	2024	2023
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29. Government grants and subsidies received (continued)

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members and the day-to-day running and operational costs of the municipality.

All registered indigents receive a monthly subsidy of 50 KWh (2023: 50 KWh), which is funded from the grant.

National: Finance Management Grant (FMG)

Current year receipts	3 000 000	3 000 000
Conditions met - transferred to revenue	(3 000 000)	(3 000 000)
	-	-

The grant is paid by National Treasury to municipalities to help with the implementation of the financial reforms required by the MFMA. The grant also pays for the cost of the financial management internship programme.

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

National: Extended Public Works Programme (EPWP)

Current year receipts	1 638 000	1 500 000
Conditions met - transferred to revenue	(1 638 000)	(1 500 000)
	-	-

To incentivise the municipalities to expand work creation efforts through the use of labour intensive delivery methods in the identified focus areas, in compliance with EPWP guidelines.

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

Provincial: Arts and Culture

Current year receipts	3 390 000	3 390 000
Conditions met - transferred to revenue	(3 390 000)	(3 390 000)
	-	-

The grant funding is provided by the Department of Arts and Culture to fund library related costs including payment of salaries of library staff.

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

Provincial: Economic Development, Tourism and Environmental Affairs (Municipal Disaster Grant)

Current year receipts	1 400 000	-
Conditions met - transferred to revenue	(1 400 000)	-
	-	-

The grant funding is provided by the Kwa-Zulu Natal Department of Economic Development, Tourism and Environmental Affairs to fund the repairs.

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

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Figures in Rand	2024	2023
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29. Government grants and subsidies received (continued)

Provincial: Economic Development, Tourism and Environmental Affairs

Current year receipts	-	1 000 000
Conditions met - transferred to revenue	-	(1 000 000)
	<u>-</u>	<u>-</u>

The grant funding is provided by the Kwa-Zulu Natal Department of Economic Development, Tourism and Environmental Affairs to fund the compilation of the Long Term Integrated Spatial Economic Development Strategy

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

Provincial: Small town rehabilitation

Balance unspent at beginning of year	-	10 600 000
Conditions met - transferred to revenue	-	(10 600 000)
	<u>-</u>	<u>-</u>

Conditions still to be met - remain liabilities (see note 18).

The grant was allocated for the construction of roads and ablution facilities in terms of the submitted and approved business plan and memorandum of agreement (MOA). The funds were unspent in the previous financial year due to the fact that it was received during the month of June 2022.

All the conditions of the grant were met during the current financial year, and the grant was fully spent by the end of the financial year and no funds were withheld.

National: Integrated National Electrification Programme (INEP)

Current year receipts	18 005 000	11 850 000
Conditions met - transferred to revenue	-	(30 003)
Conditions met - GRAP 11 (construction contracts)	(17 994 106)	(7 216 942)
Transferred to income received in advance	(10 894)	(4 603 055)
	<u>-</u>	<u>-</u>

The grant is paid by National Treasury in order to implement the INEP by addressing the electrification backlog of all existing and planned residential dwellings and the installation of relevant bulk infrastructure.

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

National: Municipal Infrastructure Grant (MIG)

Current-year receipts	19 385 000	29 055 000
Conditions met - transferred to revenue	(19 385 000)	(29 055 000)
	<u>-</u>	<u>-</u>

The MIG was allocated for the construction of roads, maintenance of aging municipal infrastructure and to provide for new rehabilitation and upgrading of municipal infrastructure.

All the conditions of the grant were met, the grant was fully spent by the end of the financial year and no funds were withheld.

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Figures in Rand	2024	2023
29. Government grants and subsidies received (continued)		
Province: Department of Transport		
Balance unspent at beginning of year	19 644 000	-
Current year receipts	58 932 000	19 644 000
Conditions met - transferred to revenue	(78 576 000)	-
	-	19 644 000

Conditions still to be met - remain liabilities (see note 18).

The grant funding received from the Department of Transport in line with the signed memorandum of agreement (MOA) aims at providing rehabilitation of roads within the jurisdiction of the municipality.

No conditions were met at the year end and the full amount received remained unspent.

30. Fines

Traffic fines	2 436 679	2 376 600
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The fines issued, but not yet collected at 30 June 2024 amounted to R 1 507 475 (2023: R 2 460 143). Based on past experience, it is management's best estimate that only 4% (2023: 4%) of the outstanding traffic fines have not been impaired.

31. Employee related costs

Basic	60 036 945	56 011 152
Bonus	4 575 359	4 086 243
Acting allowances	225 783	220 366
Car allowances	2 355 564	2 474 797
Cellphone allowances	394 832	414 796
Housing benefits and allowances	464 065	427 965
Pensioners allowances	507 000	524 000
Risk allowances	170 414	165 171
Standby allowances	1 765 743	1 352 416
Overtime payments	1 046 507	1 131 188
Leave pay provision charge	983 442	1 247 946
Long service awards	388 000	385 000
Risk allowance	511 245	495 515
Defined contribution plans	9 196 895	8 571 061
Council contributions: Medical aid	2 721 004	2 564 253
Council contributions: UIF	434 487	423 520
Council contributions: SALGBC	35 915	34 042
	85 813 200	80 529 431

Remuneration of the Municipal Manager: Mr JFK Khumalo

Annual remuneration	615 137	635 760
Backpay	58 094	43 061
Performance bonus	120 912	94 339
Car allowance	123 027	177 895
Cellphone allowance	28 800	28 800
Housing allowance	133 279	87 164
Remote allowance	41 009	40 056
Leave payout	60 699	-
Council contribution: Pension	153 784	100 573
Council contribution: UIF	2 125	2 125
	1 336 866	1 209 773

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Figures in Rand 2024 2023

31. Employee related costs (continued)

Remuneration of the Chief Finance Officer: Mr ZR Thusi

Annual remuneration	332 157	371 057
Backpay	45 369	2 119
Car allowance	50 196	55 659
Cellphone allowance	31 932	35 653
Remote allowance	22 061	24 737
Council contribution: Pension	83 660	92 764
Council contribution: Medical aid	72 505	24 737
Council contribution: UIF	1 417	1 594
	639 297	608 320

The contract of the CFO was terminated by the municipal council on 31 May 2024 (in terms of council resolution: EDCO 02/249.76-21/05/2024).

Remuneration of the Acting Chief Financial Officer: Mr GC Letsoalo

Annual remuneration	-	135 840
Acting allowance backpay	36 234	-
Car allowance	-	81 506
Cellphone allowance	-	9 600
Housing allowance	-	27 169
Remote allowance	-	10 868
Council contribution: Pension	-	27 169
Council contribution: UIF	-	708
	36 234	292 860

The CFO was paid a backpay for 2021/22 financial period (as per council resolution number: EDCO 11/22/7.52-2/11/2002).

Remuneration of the Director Infrastructure and Planning: Mr MN Nkala

Annual remuneration	-	122 871
Backpay	11 538	2 119
Car allowance	-	18 431
Cellphone allowance	-	11 844
Housing allowance	-	26 622
Remote allowance	-	8 191
Leave payout	-	19 935
Council contribution: Pension	-	30 718
Council contribution: UIF	-	708
	11 538	241 439

The former Director was paid a backpay to align his remuneration with the upper limits (as per the Government Gazette) for the 2022/23 financial period (in terms of council resolution number: EDCO 6/23/7.41-31/08/2023).

Remuneration of the Acting Director Infrastructure and Planning: Mr MB Buthelezi

Acting allowance	-	14 478
Acting allowance backpay	652	7 239
	652	21 717

The former Acting Director was paid a backpay to align his acting allowance with the upper limits (as per the Government Gazette) for the 2022/23 financial period (in terms of council resolution number: EDCO 6/23/7.41-31/08/2023).

eDumbe Local Municipality (KZN261)

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

	2024	2023
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31. Employee related costs (continued)

Remuneration of the Director Infrastructure and Planning: Mr MS Khanyile

Acting allowance	28 955	35 980
Acting allowance backpay	-	8 736
Annual remuneration	340 843	-
Backpay	2 171	-
Car allowance	115 364	-
Cellphone allowance	15 200	-
Housing allowance	56 807	-
Remote allowance	22 722	-
Council contribution: Medical aid	56 807	-
Council contribution: UIF	1 417	-
	640 286	44 716

The director was appointed to commence his duties as Director Infrastructure Services with effect from 01 November 2023.

Remuneration of the Acting Director Corporate and Community Services: Mr VB Mbatha

Annual remuneration	524 685	548 130
Backpay	50 105	42 799
Bonus	110 305	-
Car allowance	160 897	155 304
Cellphone allowance	22 800	22 800
Housing allowance	195 064	210 116
Remote allowance	34 979	36 542
Leave payout	-	80 015
Council contribution: UIF	2 125	2 125
	1 100 960	1 097 831

Remuneration of the Acting Chief Financial Officer: Mr SGZ Sibiya

Acting allowance	44 736	-
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The acting allowance is for the period commencing on 01 March (in terms of council resolution number: EDCO 02/24/7.59-26/02/2024).

Remuneration of the former Director Infrastructure and Planning: S Cele

Performance bonus	108 675	-
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The performance bonus paid to the Director was for 2019/20 financial period (in terms of council resolution number: EDCO 28/23/9.41-28/11/2023).

32. Remuneration of councillors

Executive Mayor	1 004 125	948 170
Deputy Mayor	814 143	839 113
Speaker	819 585	765 681
Chief Whip	459 032	5 676
MPAC Chairperson	438 996	-
Exco Member	455 905	425 607
Councillors	4 652 663	5 096 753
	8 644 449	8 081 000

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023		
33. Depreciation and amortisation				
Property, plant and equipment	24 197 411	17 487 607		
Intangible assets	1 327	5 205		
	24 198 738	17 492 812		
34. Impairment loss				
Impairments				
Property, plant and equipment	3 729 833	45 062		
The impairment loss represents the losses identified during the preparation of the fixed asset register and is attributable to individual items in infrastructure - and community assets.				
Other receivables from non-exchange transactions	3 151 468	1 666 856		
The impairment loss represents the movement in the provision for impairment for the fines debtors recognised.				
Total impairment losses recognised	6 881 301	1 711 918		
35. Finance costs				
Employee benefit liabilities	1 601 000	1 461 000		
Provisions (rehabilitation of landfill site)	1 263 356	1 530 360		
Trade and other payables	96 410	66 252		
	2 960 766	3 057 612		
36. Debt impairment				
Debt impairment	25 495 444	15 582 569		
37. Bulk purchases				
Electricity	42 660 352	35 590 192		
Electricity losses				
	Number (in KWh)	Number (in KWh)		
	2024	2023		
Units purchased	21 610 501	20 700 259	42 660 352	35 590 192
Units sold	(12 933 800)	(12 332 423)	(25 596 211)	(21 203 276)
Total loss	8 676 701	8 367 836	17 064 141	14 386 916
Comprising of:				
Technical and non-technical losses	40 %	40 %	40 %	40 %

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Figures in Rand	2024	2023
38. Lease rentals on operating lease		
Lease rentals on operating lease		
Contractual amounts	283 112	283 112
Operating lease rentals represent rentals payable by the municipality for photocopiers. Leases are normally negotiated for an average term of three (3) years. The municipality entered into a contract with ITEC Solution for photocopiers for a period of three (3) years.		
39. Contracted services		
Outsourced Services		
Burial services	130 252	148 124
Business and advisory	3 299 687	2 990 376
Catering services	1 113 838	1 469 322
Clearing and grass cutting services	1 620 000	1 620 000
Professional staff	467 703	249 532
Refuse removal	145 294	233 699
Security services	7 824 905	4 884 798
Transport services	1 028 624	847 431
Consultants and Professional Services		
Business and advisory	1 275 979	1 681 904
Infrastructure and planning	39 340	428 406
Legal cost	456 457	1 503 919
Contractors		
Maintenance of buildings and facilities	813 927	485 314
Maintenance of equipment	2 215 043	1 953 041
Maintenance of unspecified assets	4 772 677	3 977 063
	25 203 726	22 472 929
40. Gain (loss) on disposal of assets and liabilities		
Proceeds with the disposal of assets and liabilities	60 000	99 970
Carrying value of assets disposed / written-off / derecognised	(358 862)	(954 485)
	(298 862)	(854 515)

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Figures in Rand	2024	2023
41. General expenses		
Advertising	696 030	894 480
Auditors remuneration	1 953 957	2 025 780
Bank charges	100 562	129 217
Computer expenses	34 243	22 920
Consulting and professional fees	3 188 003	4 026 384
Consumables	(34 301)	(14 207)
Electricity	575 874	3 075 981
Accommodation	1 031 180	1 431 008
Seating allowance	45 557	38 541
Skills development levy	802 299	731 426
Fuel and oil	3 435 576	3 183 266
Ward committee	1 169 700	1 174 700
Prepaid electricity	321 453	407 902
Internet costs	94 794	(6 610)
Insurance	1 521 118	1 143 348
Postage and courier	2 322	-
Printing and stationery	529 674	734 085
Protective clothing	188 620	497 062
Subscriptions and membership fees	967 726	908 208
Telephone and fax	367 048	578 759
Travel - local	548 923	438 213
	17 540 358	21 420 463
42. Fair value adjustments		
Investment property (fair value model)	923 000	1 200 000
43. Auditors' remuneration		
Fees	1 953 957	2 025 780
44. Cash generated from operations		
Surplus	55 178 590	14 251 954
Adjustments for:		
Depreciation and amortisation	24 198 738	17 492 812
Loss (gain) on sale of assets and liabilities	298 862	854 515
Fair value adjustments	(923 000)	(1 200 000)
Impairment of assets	6 881 301	1 711 918
Debt impairment	25 495 444	15 582 569
Movements in retirement benefit assets and liabilities	1 419 000	(21 000)
Movements in provisions	1 492 678	1 004 656
Non-cash movement in property, plant and equipment	1 071 651	525 703
Changes in working capital:		
Inventories	(34 302)	(7 868)
Other receivables from exchange transactions	(4 380 581)	78 498
Consumer debtors	(24 158 388)	(15 823 645)
Other receivables from non-exchange transactions	(2 198 801)	(2 147 338)
Payables from exchange transactions	1 269 857	6 577 135
VAT	1 938 495	(3 875 954)
Income received in advance	606 454	4 602 913
Unspent conditional grants and receipts	(19 644 000)	9 044 000
Consumer deposits	6 026	5 420
	6 187 512	534 608
	801 800	42 161
	78 368	8 644 449

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Figures in Rand	2024	2023
45. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
Ÿ Property, plant and equipment	1 758 400	95 931 363
Total capital commitments		
Already contracted for but not provided for	1 758 400	95 931 363
Total commitments		
Total commitments		
Authorised capital expenditure	1 758 400	95 931 363

This committed expenditure relates to property and will be financed through grant funding from the Department of Cooperative Governance and Traditional Affairs (COGHTA) and the Department of Energy, with other portions funded through internally generated funds.

46. Related parties

Relationships

Executive management

Refer to note 31

All related party transactions are concluded at arm's length, unless stated otherwise. The municipality did not conduct any business with a party that was considered to be a related party.

Remuneration of management

Councillors

2024

Name	Basic salary	Backpay	Other short-term employee benefits	Post-employment benefits	Re-imbursive	Total
MS Mkhabela	903 298	55 408	42 200	2 219	1 000	1 004 125
SJ Kunene	722 639	46 085	42 200	2 219	1 000	814 143
DJ Nhlengethwa	722 639	46 085	42 200	2 219	6 442	819 585
VA Mthethwa	377 950	27 736	42 200	2 219	8 927	459 032
HH Vilakazi	366 856	27 723	42 200	2 219	-	438 998
ND Ndlangamandla	377 950	28 295	42 200	2 219	5 248	455 912
ME Kunene	285 860	20 772	42 200	2 219	-	351 051
NS Magagula	285 860	23 542	42 200	2 219	-	353 821
MVS Mkhwanazi	285 860	23 542	42 200	2 219	9 908	363 729
TS Mthethwa	285 860	23 542	42 200	2 219	7 657	361 478
TE Kunene	285 860	23 542	42 200	2 219	6 886	360 707
DM Mbokazi	285 860	23 542	42 200	2 219	-	353 821
K Ngema	285 860	23 542	42 200	2 219	13 024	366 845
CB Mthethwa	285 860	23 542	42 200	2 219	3 969	357 790
TTI Zwane	285 860	23 542	42 200	2 219	1 732	355 553
ND Mngomezulu	285 860	23 542	42 200	2 219	-	353 821
BM Nxusa	285 860	23 542	42 200	2 219	-	353 821
ND Sibiya	285 860	23 542	42 200	2 219	8 334	362 155
ZG Mosondo	285 860	23 542	42 200	2 219	4 241	358 062
	7 187 512	534 608	801 800	42 161	78 368	8 644 449

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2024

2023

46. Related parties (continued)

2023

Name	Basic salary	Cellphone allowance	Data allowance	Re-imbursive	Total
MS Mkhabela	897 051	40 800	1 500	8 820	948 171
SJ Kunene	720 146	40 800	1 500	76 667	839 113
DJ Nhlengethwa	714 750	40 800	1 500	8 631	765 681
SN Ntuli	24 340	3 400	300	5 676	33 716
VA Mthethwa	358 261	40 800	1 500	12 197	412 758
HH Vilakazi	362 941	40 800	1 500	7 062	412 303
ND Ndlangamandla	374 389	40 800	1 500	8 918	425 607
ME Kunene	238 096	34 000	900	7 301	280 297
NS Magahula	280 407	40 800	1 500	750	323 457
MVS Mkhanazi	280 407	40 800	1 500	10 874	333 581
TS Mthethwa	280 407	40 800	1 500	3 962	326 669
TE Kunene	280 407	40 800	1 500	750	323 457
DM Mbokazi	280 407	40 800	1 500	-	322 707
K Ngema	280 407	40 800	1 500	10 720	333 427
CB Mthethwa	280 407	40 800	1 500	5 536	328 243
TTI Zwane	280 407	40 800	1 500	9 228	331 935
ND Mngomezulu	281 741	40 800	1 500	7 879	331 920
BM Nxusa	280 407	40 800	1 500	750	323 457
ND Sibiya	282 270	40 800	1 500	10 961	335 531
ZG Masondo	280 407	40 800	1 500	10 657	333 364
Previous councillors (backpay)	15 606	-	-	-	15 606
	7 073 661	771 800	28 200	207 339	8 081 000

47. Change in estimate

Property, plant and equipment

A change in the estimated useful life of various assets of the municipality has resulted in the following decreases (increases) in depreciation for the mentioned asset categories for the financial year:

Other property, plant and equipment	1 363 542	841 816
Infrastructure assets	(6 339 947)	119 667
Buildings	8 405	927
Total change in estimate for useful life of property, plant and equipment	(4 968 000)	962 410

Intangible assets

A change in the estimated useful life of various assets of the municipality has resulted in the following decreases (increases) in depreciation for the mentioned asset categories for the financial year:

Computer software	3 889	-
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48. Prior period errors

Adjustments made to the carrying value of property, plant and equipment:

During physical asset verification and the compilation of the asset register, management had to make adjustments to the carrying values of individual assets to ensure the balances are accurate and complete. These adjustments were made retrospectively as it constituted prior period errors.

The effect of the adjustments were:

Statement of financial position

Property, plant and equipment	905 938	905 938
Opening accumulated surplus	-	(976 884)
Closing accumulated surplus	(905 938)	-

Statement of financial performance

Depreciation and amortisation	-	70 906
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Adjustments made to the consumer debtors:

During the current financial year various adjustments were made to consumer accounts due to incorrect billing, debt reduction, etc. This error has been corrected, which resulted in the service charges of the previous year being restated. These adjustments were made retrospectively as it constituted prior period errors.

The effect of the adjustments were:

Statement of financial position

Receivables from exchange transactions	-	452 829
Closing accumulated surplus	(452 829)	-

Statement of financial performance

Service charges	-	(452 829)
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49. Unauthorised expenditure

Opening balance as previously reported	152 457 732	122 650 599
Add: Unauthorised expenditure – current	61 570 605	25 204 078
Add: Unauthorised expenditure - current (INEP)	-	4 603 055
Less: Amount approved by Council - prior period	(85 098 561)	-
Closing balance	128 929 776	152 457 732

The amount of unauthorised expenditure is as a result of actual amounts exceeding amount also includes non-cash items.

approved and adjusted budgets. The

The unauthorised expenditure was investigated and presented to MPAC and Council. Council approved the expenditure as valid expenditure on 28 August 2024 (council resolution no. EDCO 08/24/7.9.1).

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49. Unauthorised expenditure (continued)

The over expenditure incurred by municipal departments during the year is attributable to the following line items:

Employee related costs	955 200	120 431
Depreciation and amortization	6 556 738	5 415 906
Impairment of assets	6 881 301	1 711 918
Finance cost	1 678 766	1 826 612
Lease rentals on operating lease	283 112	283 112
Debt impairment	25 495 444	6 789 569
Bulk purchases	-	787 192
Loss with disposal of assets and liabilities	298 862	854 515
Loss with construction contracts	15 129 170	7 414 823
Integrated National Electrification Programme (expenditure)	4 292 012	4 603 055
	61 570 605	29 807 133

Analysed as follows: cash

Employee related cost	955 200	120 431
Lease rentals on operating lease	283 112	283 112
Bulk purchases	-	787 192
Integrated National Electrification Programme (expenditure)	4 292 012	4 603 055
	5 530 324	5 793 790

Analysed as follows: non-cash

Depreciation and amortization	6 556 738	5 415 906
Impairment of assets	6 881 301	1 711 918
Finance cost (employee benefit liabilities)	1 678 766	1 826 612
Debt impairment	25 495 444	6 789 569
Loss with disposal of assets and liabilities	298 862	854 515
Loss with construction contracts	15 129 170	7 414 823
	56 040 281	24 013 343

50. Fruitless and wasteful expenditure

Opening balance as previously reported	7 950 861	7 884 609
Add: Fruitless and wasteful expenditure identified – current	4 026 514	66 252
Less: Amount approved by Council as valid – current	(96 454)	-
Less: Amount approved by Council as valid – prior	(1 637 307)	-
Closing balance	10 243 614	7 950 861

Fruitless and wasteful expenditure is presented inclusive of VAT.

The fruitless and wasteful expenditure incurred during the year was for the interest raised by Eskom, SARS, pension funds and other service providers for non-payments. The cash flow challenges faced by the municipality was the root cause for failure to settle the debts within the prescribed period as per section 65 of the MFMA.

The fruitless and wasteful expenditure was investigated and presented to MPAC and Council. Council approved the expenditure as valid expenditure on 28 August 2024 (council resolution no. EDCO 08/24/7.9.1).

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50. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

	Disciplinary steps taken/criminal proceedings		
Interest on overdue accounts	Council to investigate and write-off or recover expenditure	96 454	66 252
Loss due to fraudulent payments	Council to investigate and recover expenditure	3 920 060	-
		4 016 514	66 252

51. Irregular expenditure

Opening balance as previously reported	54 317 112	28 595 769
Opening balance as restated	54 317 112	28 595 769
Add: Irregular expenditure – current	88 524 350	3 097 739
Add: Irregular expenditure - current (additionally identified)	473 612	22 623 604
Less: Amount recoverable – current	(450 765)	-
Less: Amounts approved by council as valid expenditure	(140 405 131)	-
Irregular expenditure is presented inclusive of VAT.	-	-
Closing balance	2 459 178	54 317 112

Irregular expenditure is presented inclusive of VAT.

Incidents/cases identified/reported in the current year include those listed below:

SCM process not followed	84 545 125	16 135 755
Tax clearances not obtained	-	2 070 389
Incorrect disqualification	-	221 061
Awards to person in the service of the state	-	12 074
Unjustifiable deviations	4 452 837	40 000
Bid committee non-compliance	-	754 215
Rebates granted incorrectly	-	439 087
	88 997 962	19 672 581

Amount written-off

Irregular expenditure amounting to R 140 405 131 was investigated and presented to MPAC and Council. Council approved the expenditure as valid expenditure (council resolution numbers: EDCO 03/24/9.63 and EDCO EDCO 08/24/7.9.1 held on 27 March 2024 and 28 August 2024, respectively).

52. Contingencies

Mgemfu Trading Projects

The municipality has been sued by Mgemfu Trading Projects for the amount of R 120 000 (2023: R 120 000), claiming that he was appointed to deliver 100 000 refuse bags for the municipality, R 60 000 (2023: R 60 000) in respect to unpaid invoices for partial delivery of the aforesaid and R114 000 (2023: R 114 000) for loss of income as a result of the unlawful cancellation of the appointment. The matter has become stagnant as SCM processes were not followed.

MMSD Transport and General Services

The municipality is being sued by MMSD Transport and General Services for loss of income of claiming that he was appointed by the then acting Municipal Manager for the supply and delivery of wet fuel, for which those services were never utilized. The matter was addressed by the then acting Municipal Manager, which has led to the matter not further being pursued by the claimant.

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52. Contingencies (continued)

Maximum Profit Recovery

The municipality is being sued by Maximum Profit Recovery for the deemed unlawful terms surrounding the advertisement and appointment of MBD consulting for the recovery of VAT. The claim totals R 600 000 (2023: R 600 000). The matter is currently at the SCA.

Faizel Kotwal and Kotwal Motor Spares

The matter relates to a letter of demand dated 15 May 2023. The municipality denied liability for the damages suffered by the claimant. The matter is currently pending.

Zenele F. Dlamini

Mr. Dlamini was appointed by main contractor to sub-contract on the housing project and the main contractor did not pay Mr. Dlamini. Mr. Dlamini is now suing the municipality for non-payment. The matter is currently pending.

Mr. MF Madi

Mr. Madi is claiming unfair labour practices and applied to the SALGBC for arbitration and the matter was finalised in June 2023 in favour of the municipality. In an effort to reverse the decision, Mr. Madi took the matter to the Labour Court. The matter is currently pending.

53. Risk management

Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the GRAP mainly apply. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department: Finance and Administration monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

It is the policy of the municipality to disclose information that enables the user of its annual financial statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Liquidity risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its financial environment.

Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation. The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

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53. Risk management (continued)

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

At 30 June 2024	Less than 1 Between 1 and Between 2 and Over 5 years			
	year	2 years	5 years	
Payables from exchange transactions	31 596 462	-	-	-
Income received in advance	5 209 509	-	-	-
Consumer deposits	250 090	-	-	-

At 30 June 2023	Less than 1 Between 1 and Between 2 and Over 5 years			
	year	2 years	5 years	
Payables from exchange transactions	30 326 605	-	-	-
Income received in advance	4 603 055	-	-	-
Consumer deposits	244 064	-	-	-

Credit risk

Financial instrument	2024	2023
Receivables from exchange transactions	2 440 034	2 798 851
Other receivables from exchange transactions	4 462 132	81 551
Cash and cash equivalents	2 208 521	21 023 769

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

Cash and cash equivalents:

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with ABSA Bank, First National Bank, Nedbank and Standard Bank.

Receivables from exchange and non-exchange transactions:

Receivables from exchange and non-exchange transactions are amounts owed by consumers and are presented net of impairment losses. The municipality has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis. The municipality is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services without recourse to an assessment of creditworthiness. Subsequently, the municipality has no control over the approval of new customers who acquire properties in the designated municipal area and consequently incur debt for rates, water and electricity services rendered to them.

The municipality limits this risk exposure in the following ways, in addition to its normal credit control and debt management procedures:

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53. Risk management (continued)

- The application of section 118(3) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), which permits the municipality to refuse connection of services whilst any amount remains outstanding from a previous debtor on the same property.
- A new owner is advised, prior to the issue of a revenue clearance certificate, that any debt remaining from the previous owner will be transferred to the new owner, if the previous owner does not settle the outstanding amount.
- The consolidation of rates and service accounts, enabling the disconnecting services for the non-payment of any of the individual debts, in terms of section 102 of the MSA.
- The requirement of a deposit for new service connections, serving as guarantee and are reviewed annually.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of financial position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Payment of accounts of consumer debtors, who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer in terms of the Credit Control and Debt Collection Policy.

Long-term receivables and other debtors are individually evaluated annually at reporting date for impairment or discounting.

A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment /discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

Market risk

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with ABSA Bank and First National Bank. No investments with a tenure exceeding twelve months are made.

Consumer debtors (included in Receivables from exchange and non-exchange transactions) comprise of a large number of ratepayers, dispersed across different industries and geographical areas.

Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Consumer deposits are increased accordingly.

Long-term receivables and other debtors are individually evaluated annually at the reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

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53. Risk management (continued)

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings.

The municipality's exposures to interest rates on Financial assets and Financial liabilities are detailed in the Credit Risk Management section of this note.

Price risk

Price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in the market prices.

These changes are caused by factors specific to the individual financial instruments for its users or by factors affecting all similar financial instruments in the matrix. The municipality's financial instruments are affected by the whole sale price of electricity from Eskom.

54. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	2 440 034	2 440 034
Other receivables from exchange transactions	4 462 132	4 462 132
Cash and cash equivalents	2 208 521	2 208 521
	9 110 687	9 110 687

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	31 596 462	31 596 462
Consumer deposits	250 090	250 090
Income received in advance	5 209 509	5 209 509
VAT	1 194 642	1 194 642
	38 250 703	38 250 703

2023

Financial assets

	At amortised cost	Total
Receivables from exchange transactions	3 251 509	3 251 509
Other receivables from exchange transactions	81 551	81 551
VAT	743 848	743 848
Cash and cash equivalents	21 023 769	21 023 769
	25 100 677	25 100 677

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54. Financial instruments disclosure (continued)		
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	31 606 577	31 606 577
Consumer deposits	244 064	244 064
Unspent conditional grants	19 644 000	19 644 000
Income received in advance	4 603 055	4 603 055
	56 097 696	56 097 696
55. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Opening balance	1 366 208	791 822
Current year membership / subscription fee	954 476	901 208
Amount paid - current year	-	(326 822)
Amount paid - previous years	(1 366 208)	-
	954 476	1 366 208
Audit fees		
Opening balance	4 860	-
Current year audit fee	2 247 051	2 329 647
Current year interest expense	809	9 421
Amount paid - current year	(2 252 720)	(2 334 208)
	-	4 860
PAYE and UIF		
Opening balance	966 501	1 110 756
Current year payroll expenses	14 091 486	12 780 625
Amount paid - current year	(12 993 236)	(11 784 124)
Amount paid - previous years	(966 501)	(1 110 756)
	1 098 250	996 501
Pension and medical aid fund deductions		
Opening balance	1 448 718	-
Current year deductions and council contributions	18 632 731	17 386 233
Amount paid - current year	(18 945 929)	(15 937 515)
	1 135 520	1 448 718
VAT		
VAT payable	(1 194 640)	743 674

All VAT returns have been submitted by the due date throughout the year.

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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days	Outstanding more than 90 days	Total
DJ Nhlengethwa	1 014	173	1 187
K Ngema	3 097	23 136	26 233
SJ Kunene	579	29 298	29 877
VA Mthethwa	1 194	9 147	10 341
	5 884	61 754	67 638

30 June 2023	Outstanding less than 90 days	Outstanding more than 90 days	Total
K Ngema	2 829	14 303	17 132
SJ Kunene	427	27 721	28 148
VA Mthethwa	930	5 891	6 821
	4 186	47 915	52 101

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the SCM Policy needs to be approved by the Accounting Officer and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident:

Afrihost (E-mail account host)	14 520	14 520
Afrilectrical Consulting Engineers	199 650	-
Dumbo Towing and Recovery	15 000	-
Esri South Africa	45 241	-
Isulami Trading and Projects (Strip and quote for repairs)	129 607	-
Kambula Electrical CC (Emergency situation)	-	142 364
Khuphukani Electrical CC (Emergency situation)	-	91 172
Sibanesihle Trading and Projects (Strip and quote for repairs)	210 432	179 975
Sibanesihle Trading and Projects (Strip and quote for repairs)	366 872	-
The Truth Verification Specialists	-	36 740
Thokomela Engineering (Emergency situation)	-	105 145
Tolini Trading Enterprises CC	43 000	-
Van Zon Transport (Local service providers unavailable)	70 000	-
Zandi Power CC (Emergency situation)	147 954	-
	1 242 276	569 916

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56. Accounting by principals and agents

The municipality is a party to a principal-agent arrangement(s).

Details of the arrangement(s) is/are as follows:

The municipality is the principal in the principal-agent arrangement with Conlog. Conlog undertakes pre-paid electricity sales through the use of third party vendors on behalf of the municipality.

The municipality is the agent in the principal-agent arrangement with the Department of Human Settlements. The municipality undertakes to appoint third party contractors and serve as project managers. No fees are charged for the project management.

The municipality is the agent in the principal-agent arrangement with the Department of Transport. The municipality is responsible for the issuing of vehicles and drivers licences on behalf of the department in exchange for commission of 8,55% (2023: 8,55%).

No significant judgements were applied in determining if the municipality was the principal or agent.

No changes have been made to the terms and conditions for the arrangements during the reporting period.

No significant risks and benefits associated with the arrangements have been identified.

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R385 419 (2023: R -).

Expenses paid or accrued

Entity as principal

Fee paid

The municipality paid 4% commission and other administrative cost to Conlog for acting as the agent on its behalf during the financial year.

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

Resources under custodianship of the agent, nor have they been recognised as such. All resources provided to third party vendors are that of the agent and not the municipality. There is no direct recourse or cost implications for the principal if the principal-agent arrangement is terminated, however this will directly impact on the service delivery continuity and revenue generation negatively due to the reduction in service points.

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57. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of four major functional areas. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

The four major functional areas comprise of:

- Executive and council which includes the mayor and council; and municipal manger, town secretary and chief executive. Revenue is derived through grants that are allocated to the department.
- Finance and administration which includes administrative and corporate support; asset management; finance; information technology; and legal services. The department derive revenue through a number of sources, which includes property rates; service charges; grants and subsidies received; licences and permits; and other income. This department is not a reportable segment.
- Community and social services which includes aged care; animal care and diseases; community halls and facilities; disaster management; fire fighting and protection; police force, traffic and street parking control; libraries and archives; recreational facilities; economic development; regional planning and development; town planning buildind regulations and enforement; and road and traffic regulation. Grants and subsidies are allocated to the department, and in addition to this, the department furthermore generates income through other income, service charges and public contributions and donations received.
- Techncial services which includes energy sources (electricity); and solid waste removal. The department's main source of revenue is service charges, with less significant revenue generated by rental of facilities and equipment. In addition to the aforementioned, government grants and subsidies is allocated to the department.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Management does not monitor performance geographically and does not at present have reliable separate financial information for decision making purposes. Processes have been put in place to generate this information at a transaction level and in the most cost effective manner.

The surplus or deficit for each reported segment is calculated by subtracting the segmental expenditure from the segmental revenue. The assets and liabilities per segment is measured in accordance with the accounting policies and no adjustment has been made to the method of measurement.

Information to report on different geographic areas is not available.

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57. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Executive and council	Finance and administration	Community and social services	Technical services	Total
Revenue					
Service charges	-	7 836 212	2 714 628	25 731 549	36 282 389
Rental of facilities and equipment	14 261	-	-	1 424 030	1 438 291
Licences and permits	-	987 026	-	-	987 026
Other income	-	666 282	1 718 016	228 755	2 613 053
Property rates	-	36 627 152	-	-	36 627 152
Government grants and subsidies	14 854 350	111 284 700	24 595 800	55 683 150	206 418 000
Fines	-	2 436 679	-	-	2 436 679
Interest revenue	-	7 203 305	-	-	7 203 305
Infrastructure development construction contracts	-	15 129 170	-	-	15 129 170
Fair value adjustment	-	923 000	-	-	923 000
Actuarial gain	-	-	230 003	-	230 003
Total segment revenue	14 868 611	183 093 526	29 258 447	83 067 484	310 288 068
Entity's revenue					310 288 068
Expenditure					
Salaries and wages	18 688 348	38 902 504	15 958 106	20 922 224	94 471 182
Other expenses	6 889 617	4 726 288	867 795	5 326 237	17 809 937
Depreciation and amortisation	-	24 198 738	-	-	24 198 738
Interest expense	-	1 697 410	1 263 356	-	2 960 766
Impairment loss	-	6 881 301	-	-	6 881 301
Debt impairment	-	25 495 444	-	-	25 495 444
Bulk purchases	-	-	-	42 660 352	42 660 352
Contracted services	213 677	15 240 090	2 287 757	7 462 202	25 203 726
Loss on disposal of assets and liabilities	-	298 862	-	-	298 862
Infrastructure development construction contracts	-	15 129 170	-	-	15 129 170
Total segment expenditure	25 791 642	132 569 807	20 377 014	76 371 015	255 109 478
Total segmental surplus/(deficit)	(10 923 031)	50 523 719	8 881 433	6 696 469	55 178 590
Assets					
Segment assets	147 149	254 390 570	(37 578 357)	247 420 453	464 379 815
Total assets as per Statement of financial position					464 379 815
Liabilities					
Segment liabilities	368	14 007 799	1 044 000	(82 298 639)	(67 246 472)
Total liabilities as per Statement of financial position					(67 246 472)
Other information					
Capital expenditure			479 518	1 826 817	99 662 335

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57. Segment information (continued)

2023

	Executive and council	Finance and administration	Community and social services	Technical services	Total
Revenue					
Service charges	-	6 690 003	2 766 192	21 697 724	31 153 919
Rental of facilities and equipment	8 334	-	-	1 477 762	1 486 096
Licences and permits	-	1 184 533	-	-	1 184 533
Other income	-	423 025	2 092 087	169 413	2 684 525
Property rates	-	28 832 488	-	-	28 832 488
Government grants and subsidies	13 954 350	41 508 700	21 995 800	64 145 153	141 604 003
Fines	-	2 376 600	-	-	2 376 600
Interest revenue	-	9 681 475	-	-	9 681 475
Infrastructure development construction contracts	-	-	-	6 275 601	6 275 601
Fair value adjustment	-	-	1 200 000	-	1 200 000
Actuarial gain	-	-	1 811 289	-	1 811 289
Total segment revenue	13 962 684	90 696 824	29 865 368	93 765 653	228 290 529
Entity's revenue					228 290 529
Expenditure					
Salaries and wages	16 907 108	35 982 198	15 675 221	20 047 605	88 612 132
Other expenses	6 646 628	10 188 512	541 918	3 948 467	21 325 525
Depreciation and amortisation	-	17 492 812	-	-	17 492 812
Interest expense	-	1 527 252	1 530 360	-	3 057 612
Impairment loss	-	1 711 918	-	-	1 711 918
Debt impairment	-	15 582 569	-	-	15 582 569
Bulk purchases	-	-	-	35 590 192	35 590 192
Contracted services	253 917	11 426 399	2 580 252	8 212 363	22 472 931
Loss on disposal of assets and liabilities	-	854 515	-	-	854 515
Infrastructure development construction contracts	-	-	-	7 414 823	7 414 823
Total segment expenditure	23 807 653	94 766 175	20 327 751	75 213 450	214 115 029
Total segmental surplus/(deficit)	(9 844 969)	(4 069 351)	9 537 617	18 552 203	14 175 500
Assets					
Segment assets	124 313 438	141 744 067	92 466 807	62 973 116	421 497 428
Total assets as per Statement of financial position					421 497 428
Liabilities					
Segment liabilities	-	(19 032 174)	1 044 000	(62 913 639)	(80 901 813)
Total liabilities as per Statement of financial position					(80 901 813)
Other information					
Capital expenditure			2 369 443	8 208 705	30 023 329

eDumbe Local Municipality (KZN261)

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58. In-kind donations and assistance

No in-kind donations and assistance were received during the year under review.

59. Events after the reporting date

After the financial year end, but before the authorisation of the annual financial statements, management became aware of fraudulent activities that have resulted in a financial loss to the municipality. The case has been reported to the authorities for further investigation, as required by the MFMA. At time of these statements, the extent and amount of these activities are unknown and sufficient information is not yet available to determine the impact thereof on the annual financial statements, if any.

60. Budget differences

Material differences between budget and actual amounts

The reasons for the material differences (in excess of 10%) between the budget and actual amounts is attributed to the following:

Statement of financial performance:

1. Service charges: The municipality has an approved policy that allows indigent households with residential values of R110 000 or less not to be billed. In addition to the aforementioned, the municipality embarked on a process to recover outstanding debt by providing discount on debtor current accounts.
2. Licences and permits: More revenue generated as expected. In the previous year, the municipality generated less revenue than budgeted for, which resulted in the current year budget being adjusted downwards.
3. Other income: Management over-budgeted for other income as it planned to open revenue sources to boost its revenue. Unfortunately, due to the economic challenges and the number of indigents within the municipal area, the planned additional revenue sources are not seeing the light of day.
4. Interest received on outstanding debtors: Although included in the budget, less interest was generated as expected. This is due to the number of consumers being provided for as doubtful debt.
5. Interest received on external investments: The decrease in the municipality's bank balances resulted in the target amount not being reached.
6. Property rates - imposed penalties: Budget included in the interest received on outstanding debtors.
7. Infrastructure development construction contracts: During the current financial year the INEP-related projects that are undertaken in the Eskom area of supply were accounted for in accordance with GRAP 11 and the related guidelines. Due to the timing thereof, it was not taken into consideration during the budgeting process.
8. Fines: Less fines were issued than budgeted for.
9. Depreciation and amortisation: Management based their budgeted figure on the results of previous financial years. Due to decrease in the conditions of the assets (through normal use), the depreciation expense was more than expected..
10. Impairment loss (reversal): Non-cash flow item not budgeted for as no impairment of fixed assets were expected.
11. Finance cost: The movement in the employee benefit liabilities are based on actuarial valuations. Management included the budgeted figure based on their best estimate.
12. Lease rental in operating lease: Budget included in general expenses.
13. Debt impairment. Due to non-payment of consumers, the movement in the provision for impairment of consumer debtors increased significantly.
14. Inventory consumed: Although budgeted for separately, this is classified as general expenses and included as such.
15. Fair value adjustment: Not budgeted for by management.

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60. Budget differences (continued)

16. Actuarial gains (losses): This is part of the movement due to the actuarial valuation conducted on the employee benefit obligations, and was therefore budgeted for as part of the employee related costs.

Statement of financial position:

17. Inventory: More inventory was consumed as expected.

18. Other receivables from exchange transactions: Due to the sundry nature of these receivables, they were not specifically budgeted for.

19. Other receivables from non-exchange transactions: Due to the sundry nature of these receivables, they were not specifically budgeted for.

20. Consumer debtors: The balance at year end is significantly less than the budgeted balance, which is due to the material movement in the provision for doubtful debt.

21. VAT receivable (payable): Municipality did not budget for any outstanding VAT receipts and / or payments at year end.

22. Cash and cash equivalents: The cash balance was expected to be significantly higher than the actual budget was. This is mainly due to the service charges budget that was significantly higher than the actual results.

23. Intangible assets: Due to the amortisation expense being recognised every year. No new intangible assets were acquired during the year.

24. Payables from exchange transactions: Due to cash flow constraints, the municipality was not able to settle its creditors by year end.

25. Consumer deposits: Less consumer deposits were generated.

26. Employee benefit obligations: Not included in the budget.

27. Income received in advance: In the previous year INEP funds were utilised for projects that were not approved, resulting in the revenue being written back and the income received in advance being recorded, as required by GRAP 11. This was not budgeted for as management was of the opinion that the costs related to approved projects.

28. Provisions: Management included the budgeted balance based on their best estimate, which were materially different to the actual results.

29. Accumulated surplus: The material difference is the combined result of all listed reasons.

Cash flow statement:

30. The net decrease in the cash and cash equivalent balances is mainly attributable to:

- Under recovery (and charge) of services charges, whilst no other income was generated during the year (due to a lack of additional revenue sources).
- Although not budgeted for, finance cost were incurred as the municipality could not settle their creditors in time.
- The capital expenditure was materially less than was expected, due to cash flow constraints. In addition to this, the proceeds received for the sale of capital assets was significantly less in comparison to the budget.

61. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus (deficit) of R 397 032 995 and that the municipality's total liabilities exceed its assets by R 397 133 343.

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61. Going concern (continued)

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Management considered the following matters relating to the going concern assumption:

- The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.
- The municipality's budget is subjected to a very rigorous independent assessment process to assess its cash-backing status before it is ultimately approved by Council.
- As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.
- The ability of the municipality to continue as a going concern is dependant on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

The municipality is currently not experiencing financial difficulties. Indicators of the municipality's sound financial position are:

- Surplus of R 55 178 590 (2023: R 14 251 954) was realised and government grants and subsidies contributed R 206 418 000 (2023: R 141 604 003).
- The municipality's unspent conditional grants for the current year amounted to R - (2023: R 19 644 000) and its income received in advance to R 5 209 509 (2023: R 4 603 055). This is an indication that monies received are utilised for the specific projects under construction.
- The creditors were paid within 30 days as required by the MFMA.
- Debt collection period has improved during the current financial year.
- The municipality assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets should be impaired (GRAP 104). A provision for doubtful debt amounting to R 212 695 146 (2023: R 189 053 122) has been disclosed in the financial statements.
- As at 30 June 2024 the municipality's current liabilities amounted to R 38 641 403 (2023: R 55 208 422), whilst the current assets amounted to R 13 157 836 (2023: R 30 591 772).
- The current and acid test ratios are above the required ratio of 0,34:1 and 0,32:1, respectively.

Management have considered the risks, but based on their evaluation of the following mitigating factors have concluded that the going concern assumption is appropriate for the following 12 months:

- The eDumbe Local Municipality is a municipality within the local government sphere. Currently, in the municipal environment, municipalities within South Africa rely heavily on government's financial assistance through the provision of grants. For the 2025 financial year, the allocated Equitable Share allocation amounts to R 105 089 000 and the Financial Management Improvement Grant to R 3 000 000.
- No intention by government has been identified that indicates the discontinuing of financial assistance through the provision of government grants. The DoRA and the Division of Revenue Bill, 2023 furthermore disclosed government's proposed allocation of the 2025 and 2026 financial years. This is evidence of government's continued financial support to be provided to the municipality for the following 36 months.
- The municipality has not been placed under administration for the 12 months ending 30 June 2024.



AUDIT REPORT

eDumbe Local Municipality

2023-2024

Date: 30 November 2024

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the eDumbe Local Municipality set out on pages 198 to 281 which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the eDumbe Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of General Recognised Accounting Practice (SA standards on GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2023 (Act No.05 of 2023) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Material impairments-Receivables from exchange and non-exchange transactions

7. As disclosed in note 4 to the financial statements, receivables from exchange transactions were impaired by R123,26 million (2022-23: R114,12 million) respectively as the recoverability of these amounts were doubtful.
8. As disclosed in note 5 and 7 to the financial statements, receivables from non-exchange transactions were impaired by R90,23 million (2022-23: R74,93 million) and

R21,84 million (2022-23: R18,69 million) respectively as the recoverability of these amounts were doubtful.

Material Losses-Electricity

9. As disclosed in note 37 to the financial statements, material electricity losses of R17,06 million (2022-23: R14,39 million) was incurred, which represents 40% (2022-23: 40%) of total electricity purchased. Losses were as a result of illegal connections and other technical losses.

Restatement of the corresponding figures

10. As disclosed in note 48 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at and for the year ended 30 June 2024.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 9, forms part of our auditor's report.

Report on the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

18. I selected the following material performance indicators related to basic service delivery and infrastructure development key performance area presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Percentage of qualifying indigent consumers as per ESKOM monthly list provided with free basic electricity
- Percentage of consumers with a property value of R110 000 and less provided with free basic waste
- Percentage of Nqabeni Access road constructed by 30 June 2024
- Percentage of Lindelani Access Road constructed by 30 June 2024
- Percentage of Kwabhukuda Pedestrian Bridge constructed by 30 June 2024
- Percentage of KwaNgwanya Bridge constructed by 30 June 2024
- Percentage of kwaNkomo Bridge constructed by 30 June 2024
- Percentage of Lubenjane Bridge constructed by 30 June 2024
- Percentage of repairs of Ezingudeni Bridge constructed by 30 June 2024
- Percentage of Paulpietersburg Road rehabilitated by 30 June 2024
- Percentage of kwaSonkela Electrification Phase 4 project constructed by 30 June 2024
- Percentage of Moscow Electrification project constructed by 30 June 2024
- Percentage of Emasimini Electrification project to be constructed by 30 June 2024
- Percentage of kwaKhambule Electrification phased 2 to be constructed by 30 June 2024
- Percentage of Esikhaleni MV Link Line upgrade constructed by 30 June 2024

19. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the measures taken to improve performance.

21. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

22. The material finding on the reported performance information for the selected material indicators is as follows:

Percentage of qualifying indigent consumers as per ESKOM monthly list provided with free basic electricity

23. An achievement of 100% was reported against a target of 100% qualifying ESKOM indigent consumers provided with free basic electricity (first 50KWH) by 30 June 2024. I could not determine if the reported achievement was correct, as the processes established to consistently measure, and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the target has been achieved.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.
26. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages 174 to 197.

KPA: Basic service delivery and infrastructure development

<i>Targets achieved: 83%</i> <i>Budget spent: 100%</i>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Percentage of KwaKhambule Electrification Phase 2 to be constructed by 30 June 2024	100%	70%
Percentage of kwaSonkela Electrification Phase 4 project constructed by 30 June 2024	100%	50%
Percentage of Moscow Electrification project constructed by 30 June 2024	100%	73%

Material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the basic service delivery and infrastructure development key performance area. Management did not correct all of the misstatements, and I reported a material finding in this regard.

Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.
29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

32. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA

33. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R61,57 million as disclosed in note 49 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on the approved budget relating to non-cash items.

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R4,03 million as disclosed in note 50 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest incurred on overdue accounts.

35. Reasonable steps were not taken to prevent irregular expenditure amounting to R88,10 million as disclosed in note 51 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by non-compliance with the municipal supply chain management regulations.

Asset Management

36. Capital assets were disposed of without the municipality council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

Other information in the annual report

37. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in key performance area presented in the annual performance report that have been specifically reported on in this auditor's report.

38. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

39. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in key performance area presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

40. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance

and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

41. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
42. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
43. The accounting officer did not exercise adequate oversight responsibility over internal controls relating to credible and reliable financial and performance reporting as well as compliance with key laws and regulations.
44. Senior management did not ensure that sufficient monitoring controls were in place to prevent non-compliance with applicable laws and regulations.

Other reports

45. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
46. The municipality investigated allegations of fraudulent payments made to a service provider by a municipal official which was discovered during the 2023-24 year. The allegation was reported to South African Police Services (SAPS) and the municipality's banking institution. The investigation is currently in progress as at the date of this report.

Pietermaritzburg

30 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the [consolidated and separate] financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations: 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations: 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for	Regulations: 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)

Legislation	Sections or regulations
Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations: 17(2), 36(1)(a)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections: 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations: 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), Regulations: 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations: 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)