

uMgungundlovu District Municipality

OVERSIGHT REPORT 2023/2024



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INTRODUCTION

The Municipal Finance Management Act 56 of 2003 assigns specific oversight responsibilities to Council in regards to the Annual Report and the preparation of an Oversight Report.

Given the processes required by Council to effectively undertake its oversight role, the establishment of an Oversight Committee of Council would provide the appropriate mechanism in which Council could fulfil its oversight responsibilities.

The Oversight Committee's primary role is to consider the Annual Report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council. Section 129 (1) of the MFMA 56 of 2003 states the council of a municipality must consider the annual report of the municipality, and by no later than two (2) months from the date on which the annual report was tabled in the Council, adopt an oversight report containing the Councils and Public comments on the annual report, i.e., by 31 March.

The MFMA gives effect to financial management reforms that place a greater emphasis on service delivery responsibilities to Managers and make them more accountable for their own performance. Whilst it is the responsibility of the Mayor and the Executive Committee to resolve any performance failures, the Council is also vested with powers and responsibility to oversee both the Executive and Administration.

BACKGROUND

The oversight role of Council is an important component of the financial reforms, and it is achieved through the separation of roles and responsibilities between Council, the Executive Committee and Administration.

Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players. Non-executive councilors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive Committee.

In other words, in exchange for the powers in which Council have delegated to the Executive Committee, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or non-performance of the municipality

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

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

FUNCTIONS OF THE COMMITTEE

Below are functions of the committee in respect of the oversight over the annual report.

- Undertake a review and analysis of the Annual Report.
- Invite, receive, and consider inputs on the Annual Report.
- Consider written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councilor's

COMPOSITION OF THE COMMITTEE

Membership

The Oversight Committee of Council is established under Section 79 of the Municipal Structures Act 117 of 1998. Section 79 of the Local Government: Municipal Structures Act allows for the co-option of advisory members to a Committee of Council, who are not members of the Council.

In the uMDM the Municipal Public Accounts Committee (MPAC) fulfils the role of the Oversight Committee.

Due to the separation of roles and responsibilities, between Council and the Executive (Mayor and Executive Committee) it is not appropriate that members of the Executive Committee be members of the Oversight Committee.

Members of the UMDM Municipal Public Accounts Committee (MPAC)

- **Councilor EM Dladla (Chairperson)**
- **Cllr S Reddy**
- **Cllr G Dladla**
- **T Hlatshwayo**
- **BK Mkhize**
- **T Mkhize**
- **SN Mncwabe**
- **LW Wynne**
- **S Reddy**

Authority and Powers

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

Timely notice of all meetings to be held be given by the Oversight Committee and must be open to the public and minutes of the meetings must be submitted to council meetings and relevant legislated structures.

THE OVERSIGHT REPORT

This Oversight Report is for the financial year ended 30 June 2023 and addresses the 2022/2023 Annual Report. The layout of the said Annual Report is as follows:

Chapter 1 – Mayor’s foreword and Executive Summary (Introduction and Overview of the Municipality)

The foreword compiled by the Mayor includes information related to the following topics:

- Strategic alignment to Provincial and Growth and Development Strategy.
- Corrective actions taken to ensure that strategic objectives as stipulated in the IDP were achieved.
- Methods used / implemented to improve public participation and accountability.
- Statement of corrective actions whereby service delivery can be improved.

The Municipal Managers foreword provides an opportunity to the Municipal Manager to give a public account, guidance and advice on the administrative performance of a municipality / entity. Inclusive in this foreword should be information pertaining to:

- Functions and Powers of the municipality / entity in relation to Section 155/156 of the Constitution and Chapter 3 of the MSA.
- Entities related to the municipality and the sharing of power with these entity/ies.
- Sector departments and the sharing of functions between the municipality / entity and sector departments.
- A statement on the previous financial year’s audit opinion.
- A short statement on the current financial health of the municipality / entity based on new budget formats as required by Treasury Regulations No 31804.
- Information related to the revenue trend by source including borrowings undertaken by the municipality.
- The internal management changes in relation to Section 56/57 managers.
- Risk assessment, including the development and implementation of measures to mitigate the top 5 risks.

Chapter 2 – Governance Report

The governance report gives a brief overview of the Municipality’s political and administrative structure. It takes into account Intergovernmental relations structures and processes, Municipality’s public participation strategies and public involvement on implementation of service delivery deliverables.

Chapter 3 – Service Delivery Performance Report

This chapter mainly focuses on the municipality’s service delivery performance/ highlights for the year. It details performance on service delivery areas/ projects as per the IDP, Budget and SDBIP.

Content of the 2023/2024 Annual Report under Chapter 3 –

- Service Delivery Projects and programs
- Audited Annual Performance Report for 23/24

Chapter 4 – Organizational Development Performance Report

This chapter provides a brief introduction to the municipality’s organisational development function and mainly focuses on the following.

- Component A: Introduction to the municipal workforce (Total Employment, to include staff turnover. This could indicate a stable or unstable institution).

- Component B: Managing the municipal workforce Levels on reporting should be broken down to MM & Section 56, top management, assistant managers, supervisors, etc and not pay levels as there is no consistency among municipalities.
- Component C: Capacitating the municipal workforce.
- Component D: Managing the municipal workforce expenditure.

Chapter 5 – Financial Performance Report

This chapter reflects an overview of the municipality's financial health for the period. It provides a summarised version of the Annual Financial Statement for the period that has been subjected to the Auditor General's audit process.

Chapter 6 – Report of the Auditor General

This chapter provides an overview of the Auditor-General Report of the previous financial year. Specific topics that should receive attention include:

- Detail on issues raised during the previous financial year;
- Remedial action taken to address the above and preventative measures.

Content of the 2023/2024 Annual Report under Chapter 6

- AG report and Audit Action Plan included

Annexures

- Appendix A: Councillors; Committee Allocation and Council Attendance
- Appendix B: Committee and Committee Purpose
- Appendix C: Third Tier Administrative structure
- Appendix D: Functions of Municipality/Entity
- Appendix E: Ward Reporting
- Appendix F: Ward Information
- Appendix G: Recommendations of the Municipal Audit Committee
- Appendix H: Long term Contracts and Public Private Partnership
- Appendix I: Municipal Entity/Service Provider Performance Schedule
- Appendix J: Disclosure of Financial Interest
- Appendix K: Revenue Collection Performance
- Appendix K (i): Revenue Collection Performance by Vote
- Appendix K (ii): Revenue Collection Performance by Source
- Appendix L : Conditional Grants received excluding MIG
- Appendix N: Capital Programme by Project current year
- Appendix O: Capital Programme by Project by ward current year
- Appendix P: Service connection Backlogs at Schools and Clinics
- Appendix Q: Service Backlogs experienced by the community where another sphere of government is responsible for service provision
- Appendix R: Declaration of Loans and Grants Made by the Municipality
- Appendix S: Declaration of Returns not Made in due Time under MFMA s71
- Appendix T: National and Provincial Outcome for local government

Service Backlogs Experienced by the Community where another Sphere of government is responsible for service provision

OVERSIGHT PROCESS PLAN

Following the tabling of the draft Annual report to council on the 30th of January 2025, the below mentioned activities were conducted by MPAC in considering the annual report for the period ended 30 June 2024.

- Draft Annual Report was tabled before the EXCO on the 22 January 2025
- Draft Annual Report was tabled and noted by Council on the 30 January 2024
- Draft Annual Report was uploaded on the website for public inspection www.umdmd.gov.za 03 January 2025
- Draft Annual Report was submitted to Auditor General on the 22 January 2025
- Draft Annual Report was submitted to Cogta and Provincial Treasury on the 03 February 2025
- Draft Annual Report was uploaded on the National Treasury Portal on the 07 February 2025
- The report was also placed at all customer care centers within the Municipality for public inspection/ viewing.
- The report was also submitted to all LMs under the UMDM
- Draft Annual Report was advertised on paper on the 20 February 2025
- Further, an advert was published on the municipal website inviting public representations on the draft annual report. Closing date for public comments and representations was on the 14th March 2025
- At the MPAC meeting, held on the 24th January 2024 the oversight process plan was noted and adopted by the committee.
- Consultative oversight meetings were then conducted by MPAC for four (06) Local Municipalities within the UMDM, namely, Richmond LM, Mpofana LM, Mkhambathini LM, uMshwathi LM, uMngeni LM and Impendle LM

These were held as follows:

- Richmond Local Municipality – 11 February 2025
- Mpofana Local Municipality – 21 February 2025
- Mkhambathini Local Municipality – 24 February 2025
- uMshwathi Local Municipality – 25 February 2025
- Impendle Local Municipality – 26 February 2025
- uMngeni Local Municipality – 28 February 2025

Heads of Departments provided feedback to the public on their department's performance for the previous financial year 2023/2024. Areas of concern, Comments and questions received are summarized and highlighted below per local municipality.

RICHMOND LOCAL MUNICIPALITY

Questions And Comments / Imibuzo Nemibono

- That the indigent programme number of beneficiaries is far less than the number of applications received at Local Municipality level.
- Communication between uMgungundlovu District Municipality and the Local Municipality needs improvement.
- It was requested that proper channels for reporting breach of by-laws be clarified.
- Clarity was requested on what measures are being taken to ensure that water tanks are being cleaned and water quality is being checked.
- Water trucks don't come as often as they should.
- There is a water shortage crisis in the Gaba'ngolwazi area, as the borehole there cannot supply the whole community. A stand pipe was requested.
- Additional water trucks were requested in the Gaba'ngolwazi area.
- It was stated that there has been improvement in Ward 7, the additional Water Trucks that the community had requested has made a big impact as well as the stand pipes. .
- Requested that Ward Committees and Ward Councillors work together.
- Requested for spring protection in the Magoda area, Ward 1.
- Requested that uMDM Fire Services department educate and train communities on fire prevention.
- Water truck drivers selling water.

Responses From The Officials

- That WSA officials will arrange with Ward Councillors to assist community members with the indigent register application.
- The Fire Services Department will conduct a consumer education workshop to train community members on fire prevention.
- Breach of by-laws, such as stray livestock should be reported to Mr Dlamini, Environmental Health Practitioner in Richmond Local Municipality.
- Spring protection request in Ward 1 is being attended to, a Service Provider has been appointed.
- Aqua Water Trucks are cleaned and are requested to submit water quality certificates.
- Ward Committees should communicate with Ward Councillors should there be a need for additional Water Trucks in the area, as there are priority lists for areas that do not have water at all due to dysfunctional water systems or water pressure.

Comments From Councillors

- Councillor E Dladla requested that Richmond Local Municipality and the District Municipality really work together to ensure that the Indigent Register is successful.
- Councillor T Mkhize emphasized all communication needs to be through ward councillors.

The Richmond Local Municipality Deputy Mayor expressed her gratitude to uMDM for the detailed presentations and that the local and district municipalities will work together to attend to the needs of the community.

MPOFANA LOCAL MUNICIPALITY

Questions And Comments / Imibuzo Nemibono

- Requested clarity on the water wasted on leaks on the roads and standpipes. It should be considered to use the dam in Mpofana as a source for water, instead of buying water from UMgeni Water.
- A more efficient way to find cheaper service providers and consultants for Technical Services is to use local businesses and for the Local Municipality to appoint one Service Provider which will oversee all the work done by the companies primarily responsible for it.
- In Ward 1, clarity was requested on the VIP toilets in the Danyane and Ngwenya area, that weren't completed, livestock is dying as a result of falling into the incomplete infrastructure of the toilets.
- Boreholes needed in Ward 1.
- Department of Transport excluded residents from road construction employment opportunities in the area.
- Ward 4, requested that roads are repaired.
- Ward 1, requested an update on the access road in the ward as it is a rural area on the verge on Escourt.
- Ward 1, request for water tanks.
- In Ward 2, requested clarity on the incomplete borehole.
- Gratitude was expressed for the service delivery.
- Requested clarity on who is responsible for ensuring that By-Laws are adhered to.
- Requested that SMME's and Cooperatives get trainings on how they can acquire funding.
- Requested clarity on the application status for SMME support that were done in 2022/23 and 2024.
- In Ward 1, job opportunities are needed.
- In Ward1, water trucks cannot access households during heavy rains.
- In Ward 3, there were houses that were built on wetlands and have since been destroyed in the Mshayezafe area.
- Ablutions required at the cemetery.

RESPONSES FROM THE OFFICIALS

- Water leaks are because of AC pipes, uMDM is currently implementing a project called AC Replacements which is already being implemented in other local Municipalities and will get to Mpofana as well.
- Supply Chain processes and regulations with the Municipality do not allow for a single service provider to be appointed.
- The incomplete VIP toilets are as a result of a big rock, which disabled the contractor to continue, however they will be a follow up done.
- Community to follow the correct procedures of addressing complaints instead of shutting down projects in the area.
- Water leaks should be reported as and when they happen.
- Technical Services will be reviving boreholes in certain areas.
- Spring protection will be done in wetlands.
- Standpipes will be provided in areas that need boreholes in the interim.
- There is a priority list from councillors for areas that need spring protection.
- WSA will conduct workshops on consumer education which will assist in preventing water leaks in households.

- Plumbers are rotated because they are needed in other sites.
- By-Laws should be adhered to, and inspectors are deployed to ensure that.
- The annual report should be approved in March.
- Deputy Mayor has been made aware of the incomplete pipe installations and will investigate, together with the Mpopana Local Municipality.
- Department of Environmental Affairs has been informed of the houses built on the wetlands. Follow up will be done.

Thereafter Councillor Mthethwa requested that the community raises these issues with the ward committees and that communication follows the correct communication channels. Furthermore, ward committees should sit down with their councillors and prioritize issues that need to be attended to urgently.

MKHAMBATHINI LOCAL MUNICIPALITY

Questions And Comments / Imibuzo Nemibono

- The reservoir in the Nkanyezini area affects Ward 5 as well, water supply is minimal. Although a meeting was held last year, there weren't any improvements or updates.
- Clarity was requested on whether uMDM follows up on the work that has been completed by Service Providers, as the quality of their work can be poor at times and not reflect the set outcomes.
- VIP toilets should also accommodate disabled people.
- In Ward 3, clarity was requested on the uMDM officials who were going door-to-door, assisting the community fill out forms for new meters because there has been no feedback or updates since.
- In Ward 3, there were holes dug for VIP toilets, but the work has not been completed since. There is a concern for safety as there are no danger tapes or caution signs to sensitize people to this.
- Gratitude was shown for the VIP toilets delivered in majority of Ward 3, and the water supply in Camperdown through the standpipes.
- It was stated that water tanks are risky because anyone can put something inside the tanks, which can be harmful to the community.
- Pipes were installed in Ward 7, however there is still a shortage of water supply.
- The water tank in Ward 7, Lion Park has successfully been built.
- Communication between Ward Councillors and uMDM needs improvement, as the community does not cooperate with officials if the Ward Councillor is not aware that there is any work being done on the ground.
- Requested clarity was requested on whether the Indigent Register Programme can assist those households that currently don't have water meters.
- It was stated that the community cannot adhere to some of the by-laws because they have no water supply.
- There has been no water in Lion Park since December, clarity was requested on when they will have water supply.
- Ward 2 areas have had no water supply since the vula-vala programme.
- Gratitude was shown for the work that was done in Ward 2.
- It was stated that community meetings should be allocated more time because there are many issues within the community and during meetings officials have limited time and reports must be summarized. This is a disadvantage for those community members who are illiterate.
- It was stated that water tanks should always be filled up with water because when they are empty, they get blown away by the wind.
- Water trucks should make rounds every day and not once a week.
- Water truck drivers sell water to community members.
- Water shutdowns are not communicated timeously.

Responses From The Officials

- That WSA officials will re-evaluate the Indigent Register Programme because in as much as the programme cannot assist those without meters, but it can still assist in other Municipal services.
- It was stated that in Ward 1 the consults contract was terminated because the quality of their work was poor.
- The holes that were dug and left there without any work progressing will be investigated.
- uMDM Technical stated that there is currently only one TLB which works throughout all the wards, hence this results in delays in the work.
- uMDM Technical Services will communicate planned water shutdowns.
- Technical Services will be reviving boreholes in certain areas.
- The issue of Water Truck drivers selling water is currently being investigated and random checks are being made.

COMMENTS FROM COUNCILLORS

- The Chairperson, Councillor E Dladla, requested that the Mkhambathini Local Municipality and the District Municipality really work together to ensure that the Indigent Register is successful.
- The Chairperson, Councillor E Dladla, also stated that HOD Technical Services is to be present at oversight meetings.

The Mkhambathini Local Municipality MPAC Chairperson, Councillor M Cele expressed his gratitude to uMDM for the detailed presentations and that the local and district municipalities will work together to attend to the needs of the community.

UMSHWATHI LOCAL MUNICIPALITY

Questions And Comments / Imibuzo Nemibono

- Ward 2 is still requesting assistance in terms of ensuring that community members adhere to the Municipal by-laws.
- When pipes are repaired, the holes are left unfilled, hence exposing the pipes.
- Gratitude was shown for the work that has been done and for the delivery of water tanks and pipe installations.
- The water project that was implemented in Ward 10 was not handed over to the community.
- It was stated that the Municipality should do more to assist SMME's, as they have made applications before, but no feedback or update has been provided.
- Requested that water truck drivers stick to schedule.
- There are constant burst water pipes on the roads, which result in potholes. It was requested that burst water pipes are attended to efficiently
- Water truck drivers are selling water.
- In Ward 5, amakhosi are placing people on plots/sites that have water pipes.
- In Ward 10, there are 3 water tanks but only 1 of them work, requested that the other 2 are fixed.
- In Ward 6, the standpipes project that was completed is dysfunctional, as there is no water supply from those stand pipes.
- In Ward 6, a delivery of 60 VIP toilets was made but there were 65 VIP that were going to be delivered last year. A follow-up was requested on the shortfall of those toilets.
- Requested that the Draft By-Laws document be circulated and shared within the community.
- Requested educational workshops on Draft By-laws be conducted.

- A concern was raised regarding the Draft By-laws not being adhered to, as the community dumps waste illegally. It was further stated that the Municipality needs to come up with solutions because this is an environmental hazard.

RESPONSES FROM THE OFFICIALS

- The standpipes that are said to have no water supply will be looked into as there is no known reason for them to be not working.
- A meeting will be scheduled to discuss how the Draft By-Laws can be best circulated and shared in the community.
- Awareness campaigns will be conducted once budget allocation is done.
- Communication between uMDM and the Local Municipality will be improved.
- That the problem of selling water to community members will be investigated and random checks.
- Requests that the community provides the team with proof whenever there is someone who is selling water.

IMPENDLE LOCAL MUNICIPALITY

Questions And Comments / Imibuzo Nemibono

- Request for information on the Indigent Register Programme application process and requirements.
- Request on update on the pipe installations from the water tank that the community built in Novuka.
- Exposed pipes in Novuka.
- Request for water quality to be checked.
- Request for repairs on the standpipes in Novuka that constantly has running water which ends up damaging houses.
- Spring protection is requested in Ward 5.
- The senior citizens in Novuka cannot walk to the community standpipes.
- In Ward 1, the project for boreholes is constantly presented but the implementation has not commenced.
- Standpipes in some areas in Ward 2 are not working.
- Request for intervention to resuscitate wetlands and spring protection.

RESPONSES FROM THE OFFICIALS

- The Indigent Register Programme is applied for at the uMDM customer care offices at the Impendle Local Municipality or at the Ward Councillor.
- uMDM gives Indigent beneficiaries 6 kiloliters of free water.
- Water Services Authority officials will travel to each ward to assist the community with indigent register applications.
- The Indigent Register is only applicable to households that have a water meter and not those who use communal standpipes.
- The scheme that was designed in Novuka was designed for communal standpipes, not individual households like at the Swamu area.
- Spring protection is done in communities that use springs for drinking and consuming purposes and not agricultural reasons.
- Plumbers will be deployed to attend to the standpipes that constantly have running water.
- The water project that is constantly being presented is an ongoing secondary project, which is dependent on the Umgeni Water bulk project.
- There is a spring water protection program in place and implementation has started..
- Standpipes will be checked for faults specifically per area.

Thereafter the Chairperson thanked MPAC members, Ward Committee members and the public for attending the meeting.

UMNGENI LOCAL MUNICIPALITY

Questions And Comments / Imibuzo Nemibono

- In Ward 10, a request was made for the Fire Department to be respond more timeously to calls that have been logged.
- Request for a vehicle to be allocated in the Mpophomeni area.
- The water tank in the kwa-Chief area does not have water.
- It was stated that uMDM staff is known for bad service.
- In Ward 10, the RDP houses have 4 meters per household, which are leaking.
- Majority of the meters in the RDP houses cannot be read and are faulty.
- In Ward 3, houses that were built in the Ezenzeni area are inaccessible. Honeysuckers cannot assist residents.
- It is requested that bigger honeysuckers with longer pipes are used to assist those residents.
- The reservoir tank is overflowing, which indicates that the valves aren't working anymore and this is water wasted which also damages households.
- Request for clarity on whether a household is held accountable for a fire that was a result of an electric pole on the street.
- In Ward 12, a concern was raised regarding the scrapyards that are situated in residential areas.
- In Ward 3, there was a concern of the vacuum truck pipes being too short, it was asked if there is a possibility for the pipes to be extended..
- Request for clarity on why uMDM hands over a clients account to debt collectors, although the client is a beneficiary of the Indigent Register.
- Incorrect billings enquiries are not being attended to efficiently.

- In Ward 1, pipes on Siphumelele Road have milk coming from the Fairfields dairy company pouring out into households. The Ward Councillor has tried to intervene but the company claims they have documents enabling them to operate.
- Households have meters that are faulty, yet uMDM sends bills each month.
- Environmental Health is requested to come to the community and conduct a workshop for local entrepreneurs that sell food.
- Sewerage pipes burst in Ebumnandini area, flow all the way to the river. It is then requested that the sewerage system is changed.
- In Ward 7, VIP toilets are required in the Cedara area.
- There is a shortage of water supply as well as poor sanitation in the Cedara area.
- Leaking water meters have been reported overtime but still haven't been fixed.
- RDP houses were built but there are over 500 sites that remain unattended.
- There is no feedback on enquiries regarding water shortage.
- Requested that communication from uMDM to improve when there is water shortage.
- Incorrect billing enquiries are not resolved efficiently.
- Requested that the By-Laws document is also circulated to local SAPS so that they can assist with enforcement.

RESPONSES FROM THE OFFICIALS

- The Indigent Register Programme gives beneficiaries 6000 Kiloliters, should the client use exceed the given liters, they will be charged for the water used after 6000 kiloliters.
- Indigent Register Programme beneficiaries, upon approval stay on the programme for 5 years, however it is checked annually if the beneficiary still qualifies.
- The multiple meters in one household were done during construction of the RDP houses for cost cutting measures, however uMDM plumbers are working on fixing this issue.
- All leaking meters are to be reported to the call center or customer service.
- Some roads are too small for water pipes to work effectively.
- The handed over accounts that are in arrears should make payment arrangements.
- Incorrect billing queries should be resolved within 7 working days, although uMDM still needs to improve in this regard.
- The sewerage pipes that are constantly bursting will be investigated.
- Fire outside of households, whether on power poles is not the responsibility of the residence nor should they be charged for such.
- The RDP houses that are inaccessible for the vacuum trucks are as a result of incorrect housing plans during construction, however the option of building a running sewer system will be explored.
- Some areas can't be serviced due to being privately owned.
- Sewage systems in Cedara is functional, however the toilets were vandalized by the public.
- That the Technical Services team will investigate all these concerns that have been raised.
- Stray livestock should be reported to the Environmental Health department through the call center.
- The Environmental Health department conducts inspections and educational workshops.
- Community members are advised to ensure that their taps aren't leaking and that their toilets aren't overflowing.
- By-Laws will be circulated once they are gazetted.
- Will ensure that reports lodged for leaks, pipe bursts and blockages will be attended to timeously.
- Indigent Register forms will be left at Mpophomeni municipal offices so that it can easily be accessible for community members.
- Cedara and Ezenzani area issues will be escalated to the Technical Services HOD.

Thereafter the UMngeni Local Municipality Deputy Mayor expressed his gratitude for this meeting and said that he hopes that all the issues that were raised will be resolved efficiently.

Thereafter the MPAC Chairperson (UMngeni Local Municipality) thanked MPAC members, ward committees members and the public for attending the meeting.

Written Representations received from the Public

None received

Written Representations received from Provincial COGTA

None received

Written Representations received from the Internal Audit

Page number	Reference	Comment	Status
Pg 46	Financial Health Overview	There is a duplicated paragraph, remove the paragraph that relates to the 2022/2023 financial year.	Done
Pg 73	Health Surveillance of premises	Review as the current paragraph and information relates to the 2022/2023 financial year and NOT 2023/2024	Done
Pg 74	Table on the types of licences issued	Review as the current information relates to the 2022/2023 financial year and NOT 2023/2024	Done
Pg 90	ward-based risk assessments conducted during the 20223/2023	There is a typo error on the year	Done
Pg 462	Appendix R and S tables	The year should be corrected to reflect 2023/2024	Done
Completed Projects			
Pg 65	Manyavu Water	This project reflects on the Draft Annual Report but not on the audited APR	The project appears on the Audited APR as follows : Upgrading of Manyavu community water supply scheme covid 19 project Full wording has been written exactly as the APR

Pg 41 and 42	VIP Toilets	<p>The Draft Annual Report reflects 844, however the audited APR (SDBIP REF Tec 16-23) reflects actual achievement as 746</p> <p>Further audited APR (SDBIP ref 16-24) reflects actual achievement as 420</p> <p>Total 746+420=1166</p>	VIP toilets have been amended to be exactly 1166 and breakdown of 746 and 420 has been done
Pg 40	Upgrading of Nkanyezini Community Water Supply Scheme	The Draft Annual Report reflects 99% complete, however the audited APR (SDBIP REF Tec 1) reflects actual achievements as 96%	<p>Construction of 10ML reservoir -93%, Construction 9,2km of pipelines - 99%, Construction 35km of reticulation pipelines - 96% for Upgrading of the Nkanyezi community water supply scheme (AFA) MIS 306637 by 28 June 2024</p> <p>The above is the APR actual and the 96% was for a single output Overall is 99%</p>
Pg 40	Community Water Supply to Trustfeed Phase 2 AFA MIS 457197	The Draft Annual Report reflects 93% , complete however the audited APR (SDBIP REF Tec 4) reflects as not achieved as the service provider was not appointed	Status has been amended to be exactly as APR as follows: 'Budget available for 24/25 FY for appointment of Service Provider and project implementation'.
Pg 41 and 42	KwaMathwanya Water Reticulation Scheme (Mpofana LM)	The Draft Annual Report reflects 95% complete, however the audited APR (SDBIP REF Tec 39) reflects as not achieved as the service provider was not appointed	Status has been amended to be exactly as APR s follows: 'Budget available for 24/25 FY for appointment of Service Provider and project implementation'.

ANNUAL REPORT CHECKLIST – MFMA REQUIREMENTS

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
<p>121 (3)(a)</p> <p>The annual financial statements (AFS) for the Municipality as submitted to the Auditor-General.</p>	<p>The AFS are to be in the form as required by the applicable accounting standards. MFMA Circular 18 with annexures, 23 June 2005, provides guidelines on the accounting standards for municipalities.</p>	<p>Yes, See Annual Financial Statements Volume II</p>
<p>121 (3)(g)</p> <p>Of any corrective action taken or to be taken in response to issues raised in the audit reports.</p>	<p>The conclusions of the annual audit are: an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable. The objective of the municipality should be to achieve an unqualified audit opinion. Taking into account the audit report, audit opinion and the views of the audit committee, council considered: To what extent does the report indicate serious or minor financial issues? To what extent are the same issues repeated from previous audits? Is the action proposed considered to be adequate to effectively address the issues raised in the audit report? Has a schedule of action to be taken been included in the annual report, with appropriate due dates?</p>	<p>Yes. Audit Action plan has been developed and monitored on quarterly basis</p>
<p>121 (3)(f) An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget.</p>	<p>The budget of the municipality must contain measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP (MFMA s17(3)(b)). The accounting officer must include these objectives in the annual report and report on performance accordingly. Has the performance met the expectations of council and the community? Have the objectives been met? What explanations have been provided for any non-achievement? What was the impact on the service delivery and expenditure objectives in the budget?</p>	<p>Yes. Chapter 3</p>

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
121 (3)(i)(k) Any information as determined by the municipality, the entity, or its parent municipality.	Review any other information that has been included regarding the AFS.	Yes. UMEDA Annual report included (Vol 3)
1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
121 (3)(j) and 121 (4)(g) Recommendations of the audit committee in relation to the AFS and audit reports of the municipality and its entities.	Have the recommendations of the audit committee in regard to the AFS been adequately addressed by the municipality and/or the entity? What actions need to be taken in terms of these recommendations? Conclusions on these recommendations and the actions required should be incorporated in the oversight report.	Yes. See annexure G – Audit Committee report
2. Disclosures - Allocations received and made - Section 123-125 MFMA	Considerations	Responses
123 (1)(a) Allocations received by and made to the municipality.	The report should disclose: Details of allocations received from another organ of state in the national or provincial sphere. Details of allocations received from a municipal, entity or another municipality. Details of allocations made to any other organ of state, another municipality, or a municipal entity. Any other allocation made to the municipality under Section 214(1) (c) of the Constitution. Have these allocations been received and made? Does the audit report confirm the correctness of the allocations received in terms of DORA and provincial budgets? Does the audit report or the audit committee recommend any action?	Yes, See Annual Financial Statement Volume II
125 (1) Information in relation to outstanding debtors and creditors of the municipality and entities.	Municipalities and entities are reminded of the requirement to include, in their annual financial statements, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities. It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds.	Yes, See Annual Financial Statement Volume II

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
	Council should be satisfied that – the information has been properly disclosed. conditions of allocations have been met; and that any explanations provided are acceptable.	
2. Disclosures - Allocations received and made - Section 123-125 MFMA	Considerations	Responses
123 (1)(c) Information in relation to the use of allocations received.	<p>Section 123 of the MFMA and MFMA guidance circular 11, require that the municipality provide information per allocation received per vote and include: The current year and details of spending on all previous conditional grants, for the previous two financial years. Information is to be provided per vote. (For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. Information stating whether the municipality has complied with the conditions of the grants, allocations in terms of section 214(1)(c) of the Constitution and allocations received from other than another organ of state. Where there is non-compliance, details of the reasons for non-compliance are to be provided. Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.</p> <p>This information is required on all allocations excluding the municipality's portion of the equitable share and where prescribed otherwise by the nature of the allocation.</p> <p>The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality. Council should consider this aspect of the audit report and comments by the audit committee on the use of allocations received. Council should be satisfied that – the information has been properly disclosed; conditions of allocations have been met; and that any explanations provided are acceptable.</p>	Yes, See Annual Financial Statement Volume II

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
	The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.	
3. Disclosures in notes to AFS	Considerations relating to section 124	Responses
Information relating to benefits paid by municipality and entity to councilors, directors and officials.	<p>Information on the following items is to be included in the notes to the annual report and AFS:</p> <ul style="list-style-type: none"> salaries, allowances and benefits of political office bearers, councilors and boards of directors, whether financial or in kind; any arrears owed by individual councilors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councilors. salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager; contributions for pensions and medical aid; travel, motor car, accommodation, subsistence and other allowances; housing benefits and allowances; overtime payments; loans and advances, and; any other type of benefit or allowance related to staff. <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> the information has been properly disclosed; conditions of allocations have been met; and that any explanations provided are acceptable. <p>The comments of the Auditor-General and the views of the audit committee should be used to determine the accuracy and appropriateness of this information.</p>	Yes, See Annual Financial Statement Volume II
4. Municipal Performance	Considerations	Responses
The annual performance reports of the municipality and entities.	Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the	Yes

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
	<p>performance with targets set for the previous year and measures taken to improve performance. The report must form part of the annual report. Questions that may be considered are –</p> <p>Has the performance report been included in the annual report?</p> <p>Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report?</p> <p>Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?</p> <p>In terms of key functions or services, how has each performed? E.g. have backlogs for water, sanitation, and electricity been reduced? What are the refuse collection volumes, library usage statistics etc?</p> <p>To what extent has performance achieved targets set by council?</p> <p>Is the council satisfied with the performance levels achieved?</p> <p>Is the community satisfied with performance? Has a customer satisfaction survey been undertaken and, if so, how do the results align with the annual report contents? What were the outcomes of public consultation and public hearings?</p> <p>What actions have been taken and planned to improve performance?</p> <p>Is the council satisfied with actions to improve performance?</p> <p>Did the targets set in the budgets, SDBIP agree with the targets set in the performance contracts of the municipal manager and each senior manager?</p> <p>Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</p> <p>Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</p> <p>To what extent have actions planned for the previous year been carried over to the financial year reported upon?</p> <p>Have any actions planned in the reported year been carried over to the current or future years? If so are any explanations been provided by the municipal manager and are these satisfactory?</p> <p>Council should comment and draw conclusions on information and explanations provided.</p>	<p>Although there has been a vast improvement in service delivery over the past number of years there is still room for improvement as reflected in the Oversight Report that contains the service delivery issues raised at the Community Consultative Meetings. These issues raised by Community Members are being prioritized by the municipality.</p>

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
Audit reports on performance.	Section 45, MSA requires that the Auditor-General must audit the results of performance measurements, as part of the internal auditing processes and annually. Have the recommendations of internal audit been acted on during the financial year? Have recommendations by internal audit and/or the auditor-general been included in action plans to improve performance in the following year?	Yes
Performance of municipal entities and municipal service providers.	<p>The annual report of the municipality should provide an assessment of the performance of the municipal entities and all contracted service providers. This is in addition to the separate annual reports of the entities.</p> <p>The report should evaluate the effectiveness of these services and whether alternative mechanisms should be considered.</p> <p>Is the council satisfied with the evaluation and conclusions of the municipality? What other actions are considered necessary to be taken by the accounting officer?</p>	Yes
5. General information	The following general information is required to be disclosed in the annual report.	Response
Relevant information on municipal entités.	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information to be disclosed includes names and types of entities, members of the board, addresses, and contact details for entities, the purpose of the entity, the functions, and services provided the type and term of service level agreements with the entities.	Yes. Entities Annual report and AFS is included in this Annual report
The use of any donor funding support.	<p>What donor funding has the municipality received?</p> <p>Have the purposes and the management agreements for the funding been properly agreed upon?</p> <p>Have the funds been used in accordance with agreements?</p> <p>Have the objectives been achieved?</p> <p>Has the use of funds been effective in improving services to the community?</p> <p>What actions need to be taken to improve utilisation of the funds?</p>	N/A
Agreements, contracts and projects under Private-Public-Partnerships.	Information similar to the details of municipal entities should be provided. Council should ensure that all details have been supplied.	N/A

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
Service delivery performance on key services provided.	This may be a high level summary, in addition to detailed information on performance, which sets out overall performance under the strategic objectives of the municipality. Overall results on the strategic functions and services should be summarised. This should cover all services whether provided by the municipality, entities or external mechanisms. Council may draw conclusions on the overall performance of the municipality. This information may be found in an executive summary section of the annual report and or in statistical tables.	Yes, Organisational performance report attached
Information on long-term contracts.	Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied.	Included in the AFS
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.	Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services. Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained. Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.	Organisational performance report with service delivery targets is included. This includes IT objectives and achievements for the period
6. Other considerations recommended		Response
Timing of reports.	Was the report tabled in the time prescribed? Has a schedule for consideration of the report been adopted?	Yes
Oversight committee or other mechanism.	What mechanisms have been put in place to prepare the oversight report? Has a schedule for its completion and tabling been adopted?	The oversight process is conducted by the Municipal Public Accounts Committee that also serves as the Oversight Committee appointed by Council. Schedule / process plan on annual report has been tabled and adopted
Payment of performance bonuses to municipal officials.	Refer to Section 57 MSA as amended. Bonuses based on performance may be awarded to a municipal manager or a manager directly accountable to the municipal manager after the end of the financial year and only after an evaluation of performance and approval of such evaluation by the municipal council. Preferably such evaluation should be considered along with the annual report. The basis upon which performance is evaluated for payment of bonuses should be reconciled with the municipal performance reported in the annual report.	N/A, No

Financial Matters – Annual Financial Statements - Section 121 (3) MFMA	Financial reporting matters to be considered	Responses
	<p>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p> <p>If so has a proper evaluation of performance been undertaken?</p> <p>Was the evaluation approved by council?</p> <p>Does the performance evaluation align and reconcile with the performance reported in the annual report? If not, what reasons have been given for non-reporting of the basis of evaluation in the annual report?</p> <p>Are the payments justified in terms of performance reported in the annual report?</p>	
Overtime Policy.	An approved overtime policy could not be produced during the audit. However, a number of employees worked overtime in the current year.	Overtime paid in line with the UMDM approved overtime Policy.

CONCLUSION AND RECOMENDATIONS

The Municipal Public Accounts Committee commends Municipal Council, the Municipal Manager, the Senior Managers and all staff of the uMgungundlovu District Municipality on the strides made towards good governance and ensuring progressive service delivery by commencing and completion of many infrastructure projects that improved the lives of the previously disadvantage communities throughout the district.

The committee also acknowledges the role played by the Municipal Audit Committee in so far as its advisory role is concerned, and that of COGTA in so far as its support to the administration. The Committee trusts that this will continue to support the Municipalities' strategy and plans towards achievement of clean administration.

RESOLVE TO RECOMMEND TO FULL COUNCIL

1. That Council having fully considered the 2023/2024 Annual Report of the uMgungundlovu District Municipality adopts the Oversight Report in line with s129 of the Municipal Finance Management Act.
2. That Council approves the Annual report with the following reservations,
 - 2.1 The issues raised at the oversight consultative meetings be addressed, especially the common trends which includes the following:
 - a) District to consider minimizing use of water tankers and consider investing on infrastructure projects/ and on boreholes to assist members of the community.
 - b) A time-based fair and equitable access plan be developed, implemented, and closely monitored to ensure allegations of selling water does not occur for Water provision through water tankers.
 - c) District should follows up on the work that has been completed by Service Providers, as the quality of their work can be poor and not reflect the set outcomes.
 - d) VIP toilets should also accommodate disabled people.
 - e) Communication between uMgungundlovu District Municipality and the Local Municipality needs improvement.
 - f) Request to ensure that water tanks are being cleaned and water quality is being checked.
 - g) Schedule of delivery of water through water tankers needs to be communicated
 - h) Issue regarding water trucks that they do deliver water as often as they should .
 - i) District Fire Services department educate and train communities on fire prevention.
 - j) District needs to devise a plan for water tankers that cannot reach some parts of the community due to bad roads
 - k) District Municipality needs to consider houses with old meters that do not work and are leaking in many houses

- l) Incorrect water bills being distributed to members of the public and in public institutions.
 - m) District need to give attention to the inaccurate billing systems
 - n) District need to attend to complaints from Cllrs and communities regarding water issues
 - o) Improvement of communication within the community and Customer Care Centres with regards to planned water interruptions
 - p) Issue regarding the septic tank vacuum trucks that cannot reach other areas and that the trucks comes after a long period of time. It is requested that the sewerage system be changed or upgraded.
 - q) Aging infrastructure throughout the district remains a challenge and needs to be urgently addressed.
 - r) Consumer education on the indigent registration process to be conducted throughout all Local Municipalities.
 - s) Request that Councillors of Local Municipalities need to be involved in program of registering indigents at their respective LMs
 - t) Schedule of meetings with management and MPAC to be conducted regularly to monitor and provide feedback on concerns raised by the members of the public through the oversight consultative meetings.
3. That the audit action plan be implemented and monitored on a quarterly basis to address and minimize recurring AG findings.
 4. That the Oversight Report be made public in accordance with section 129 of the MFMA.
 5. That the Oversight and Final Annual report be submitted to Provincial COGTA, Provincial and National Treasury

Annexure

Annexure A - Adopted Oversight Process plan to consider 2023/2024 Annual Report

Oversight Process plan provides progress on the preparation and consideration of the Annual Report 2023/24 Fin Year

Description	Timeframe	Legislative Requirement	Responsibility	Status
Table Draft Annual Report 2023/2024 to Exco	22 January 2025	MFMA	Accounting officer	Done 22 January 2025
Table Draft Annual Report 2023/2024 to MPAC	24 January 2025	MFMA	Accounting officer	Done 24 January 2025
Table Draft Annual Report 2023/2024 to Council	31 January 2025	S127 (2) of the MFMA	Mayor	Done 30 January 2025
Publish Draft annual report 2023/2024 on paper and website	11 February 2025	S127(5) (a) of the MFMA	Accounting officer	Done Website – 03 Feb 2025 Paper - 20 Feb 2025
Submission of Draft Annual Report to AG	January 2025	S127(5) (a) of the MFMA	Accounting officer	Done 22 Jan 2025
Submission of Draft Annual Report to COGTA and Provincial Treasury	03 February 2025	S127(5) (a) of the MFMA	Accounting officer	Done Cogta – 03 Feb Treasury – 03 Feb
Upload Draft Annual Report on the National Treasury Portal	07 February 2025	MFMA	Accounting officer	07 Feb 2025

Proposed Public Consultation dates S129(1) of MFMA				
Richmond LM	12 Feb 2024	MFMA	MPAC	Done 11 Feb 2025
Mpofana LM	15 Feb 2024	MFMA	MPAC	Done 21 Feb 2025
Mkhambathini LM	19 Feb 2024	MFMA	MPAC	Done 24 Feb 2025
uMshwathi LM	21 Feb 2024	MFMA	MPAC	Done 25 Feb 2025
Impendle LM	08 Mar 2024	MFMA	MPAC	Done 26 Feb 2025
uMngeni LM	07 Feb 2024	MFMA	MPAC	Done 28 Feb 2025
MPAC meeting to consider inputs received from the community and stakeholders	17 March 2025	MFMA	MPAC	In progress
Consider AR and Adoption of Oversight report by Council	27 March 2025	MFMA	MPAC	In progress
Submission of Oversight and Annual Report to COGTA, Provincial Treasury and Legislature	03 April 2025	S129 (2) (a) of the MFMA	Accounting officer	In progress

Upload Oversight and Final Annual Report on the National Treasury Portal	03 April 2025	MFMA	Accounting officer	In progress
Publish Oversight report on paper and website	On or before 10 April 2024	S129 (3) (a) of the MFMA Within seven days after adoption of the oversight	Accounting officer	In progress

Oversight report on the Annual Report 23-24 Fin Year

Signed by



Cllr E Dladla
Chairperson MPAC