



uMGUNGUNDLOVU  
DISTRICT MUNICIPALITY

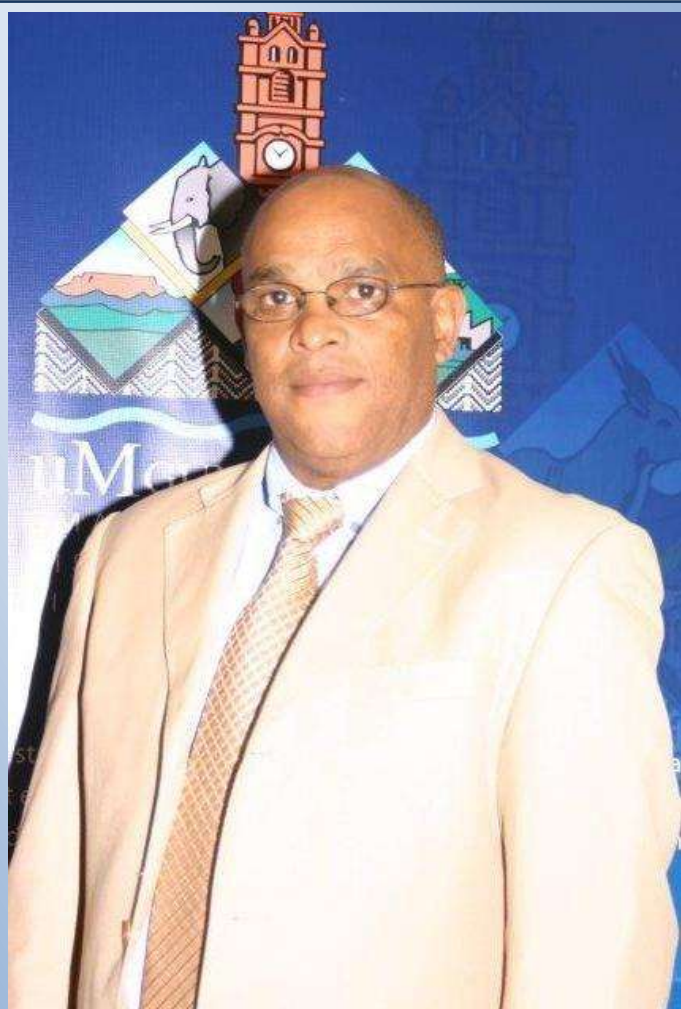
2013 / 2014  
OVERSIGHT REPORT



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### ANNEXURES – PROCESS PLAN FOR THE 2013 / 2014 OVERSIGHT PROCESS



**Councillor PW Moon  
Chair of the Municipal  
Public Accounts Committee**

## **FOREWORD BY THE CHAIR OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

Mr. Speaker,

It gives me great pleasure, on behalf of the Municipal Public Accounts Committee (MPAC), to present the 2013 / 2014 Oversight Report.

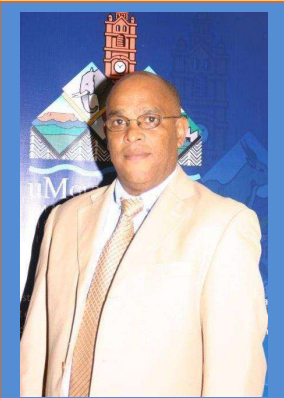
In carrying out its oversight responsibility the MPAC has:

- Reviewed and analysed of the Annual Report;
- Invited, received, and considered inputs from Councillors on the Annual Report;
- Considered any written comments received – none were received;
- Conducted Community Consultative Meetings to allow the local communities or any organs of state to make representations on the Annual Report;
- Received and considered Council's Audit Committee views and comments on the Annual Financial Statements and the Performance Report;
- Conducted departmental hearings where Officials were required to present their respective unit's organizational performance as reported in the Annual Report; and
- Prepared the Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors

Although the attendance at the Community Consultative Meetings could have been better, the standard of inputs received were particularly relevant and of a high standard. The discussions at these meetings were also focused as an extract from the Annual Performance Report was disseminated to delegates, the achievement against targets was reported on and explanations provided where targets were not achieved. Thereafter delegates asked questions on points of clarity and made suggestions as to how the uMDM can improve on service delivery. Matters of concern that were raised at most of the meetings include incorrect water bills, unsatisfactory service received at Customer Care Centres, aging equipment and staff shortages at Fire Stations and insufficient budget for Operations and Maintenance in Technical Services.

Mr Speaker, I present to you the Oversight Report in which MPAC recommends to Council the adoption of the 2013 / 2014 Annual Report with reservations as recorded in this document.

## MEMBERS OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE



**Cllr. PW Moon**  
**(ANC - Chair)**



**Cllr. MS Bond**  
**(DA)**



**Cllr. D Buthelezi**  
**(ANC)**



**Cllr. NV Duze**  
**(ANC)**



**Cllr. MJ Grueneberg**  
**(DA)**



**Cllr. NH Hlope**  
**(IFP)**



**Cllr. PV Jaca**  
**(ANC)**



**Cllr. M Maphumulo**  
**(NFP)**



**Cllr. PN Msimang**  
**(ANC)**



**Cllr. S Ndlovu**  
**(ANC)**



**Top left:** Member of the uMngeni Local Municipality addressing MPAC

**Top right:** Chair of MPAC, Cllr PW Moon and Municipal Manager, Mr TLS Khuzwayo listen to representations being made at one of the community consultative meetings

**Bottom left:** Councillors and officials at the Community consultative meeting at uMshwathi Local Municipality

## 1. INTRODUCTION

The Municipal Finance Management Act (Act No. 56 of 2004) assigns specific oversight responsibilities to Council with regard 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 fulfill its oversight responsibilities. In the uMDM the Municipal Public Accounts Committee (MPAC) fulfills the role of the Oversight Committee.

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.

## 2. BACKGROUND

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

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

The Municipal Finance Management Act, (Act No. 56 of 2004) vests in Council specific powers of approval and oversight.

- ✓ Approval of Integrated Development Plan (IDP);
- ✓ Approval of Budget related Policies; and
- ✓ Review of the Annual Report and adoption of the Oversight Report.

### 3. FUNCTIONS OF THE OVERSIGHT COMMITTEE

The functions of the Oversight Committee are to:

- ✓ Undertake a review and analysis of the Annual Report.
- ✓ Invite, receive, and consider inputs from Councillors and Portfolio Committees, 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.
- ✓ Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance 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 Councillors.



## 4. COMPOSITION OF OVERSIGHT COMMITTEE

### 4.1 Membership

The Oversight Committee is a Committee of Council established under section 79 of the Municipal Structures Act, 1998. Section 79, 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) fulfills 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.

### 4.2 Authority and Power

The Oversight Committee is delegated the responsibility to conduct meetings and to hold public hearings to receive and hear public submissions on the Annual Report, on behalf of Council.

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

### 4.3 Meeting Schedule

The 2013 / 2014 Annual Report was submitted to Council at its meeting on 30 January 2013, and was referred to the MPAC to carry out the necessary oversight. The community was advised through the print media on 10 February 2015 of the availability of the Annual Report and were invited to submit representations on the Report.

The Report was placed at the uMDM's eleven Customer Care Centres throughout the District and also on the Municipality's website. The Annual Report was also submitted to the Auditor-General, Provincial Treasury and the Department of Local Government and Traditional Affairs.

No written submissions were received on the 2013 / 2014 Annual Report. However, extensive verbal comments were received at the Community Consultative Meetings held at Mkhambathini, Richmond , Mpofana, uMshwathi. Impendle and uMngeni Local Municipalities. These comments are recorded in Section 7 of this Oversight Report.

This Oversight Report is for the financial year ended 30 June 2014 and addresses the 2013 / 2014 Annual Report. The said Annual Report must at least address the following:

### **Introduction and Overview**

Overview of the Municipal Area

### **Human Resource and Organisational Management**

Municipal services

Political and Administration structures

### **Performance highlights and challenges**

Service delivery highlights of the past year and possible improvement interventions

### **Financial Information**

Annual Financial Statements

Audit Committee Report

Report of the Auditor-General

Management Responses to the Audit Report

**6. ANNUAL REPORT CHECKLIST**

<b>1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA</b>	<b>Financial reporting matters to be considered</b>	
121 (3)(a) The annual financial statements (AFS) for the Municipality as submitted to the Auditor-General.	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.	Yes Refer to Chapter 5, page 69 and the addendum (erratum) of the Annual Report.
121 (3) (e) An assessment by the accounting officer on any arrears on municipal taxes and service charges, including municipal entities.	Has an adequate assessment been included? Is there sufficient explanation of the causes of the arrears and of actions to be taken to remedy the situation? Is any other action required to be taken?	Yes Refer to Page 98 – 99, note No. 4 in the AFSs of the Annual Report.

<p>121 (3)(g)</p> <p>Particulars 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:</p> <ul style="list-style-type: none"> <li>✓ an unqualified audit opinion with or without management issues, which means that the financial statements are acceptable;</li> <li>✓ The objective of the municipality should be to achieve an unqualified audit opinion.</li> <li>✓ Taking into account the audit report, audit opinion and the views of the audit committee, council considered: <ul style="list-style-type: none"> <li>• To what extent does the report indicate serious or minor financial issues?</li> <li>• To what extent are the same issues repeated from previous audits?</li> <li>• Is the action proposed considered to be adequate to effectively address the issues raised in the audit report?</li> <li>• Has a schedule of action to be taken been included in the annual report, with appropriate due dates?</li> </ul> </li> </ul>	<p>Yes</p> <p>Refer to Chapter 8, pages 147 – 149 of the Annual Report.</p>
	<p>Note that actions taken on audit issues are to be reported to the provincial legislature, the MEC for Cooperative Government &amp; Traditional Affairs to report on any omissions by municipalities in addressing issues. Council should confirm that the audit report has been forwarded to the MEC.</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.</p> <p>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</p> <p>Refer to Chapter 4, page 38 and notes 12, 13 and 14 of the AFSs in the Annual Report.</p>
<p>121 (3)(i)(k) Any information as determined by the municipality, the entity or its parent municipality.</p>	<p>Review any other information that has been included in regard to the AFS.</p>	<p>Not applicable.</p>

<b>1. Financial Matters – Annual Financial Statements - Section 121 (3) MFMA</b>	<b>Financial reporting matters to be considered</b>	
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. Chapter 6 of the Annual Report contains the Audit Committee Report and Chapter 8 contains the Management Progress Report in addressing the findings
<b>2. Disclosures - Allocations received and made - Section 123-125 MFMA</b>	<b>Considerations</b>	
123 (1)(a) Allocations received by and made to the municipality.	The report should disclose: <ul style="list-style-type: none"> <li>✓ Details of allocations received from another organ of state in the national or provincial sphere.</li> <li>✓ Details of allocations received from a municipal, entity or another municipality.</li> <li>✓ Details of allocations made to any other organ of state, another municipality, or a municipal entity.</li> <li>✓ Any other allocation made to the municipality under Section 214(1) (c) of the Constitution.</li> </ul> Have these allocations been received and made? Does the audit report confirm the correctness of the allocations received in terms of DORA and	Yes Refer to page 105 and note 25 (page 123 - 128) of the AFSs in the in the Annual Report. Also page 136 – Appendix G: Grants and Subsidies

	provincial budgets? Does the audit report or the audit committee recommend any action?	
125 (1) Information in relation to outstanding debtors and creditors of the municipality and entities.	<p>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.</p> <p>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.</p> <p>Council should be satisfied that –</p> <ul style="list-style-type: none"> <li>✓ the information has been properly disclosed;</li> <li>✓ conditions of allocations have been met; and</li> <li>✓ that any explanations provided are acceptable.</li> </ul>	<p>Yes</p> <p>Consumer debtors – page 98 and note 4 (page 98 – 99) in the AFSs.</p>
<b>2. Disclosures - Allocations received and made - Section 123-125 MFMA</b>	<b>Considerations</b>	
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:</p> <ul style="list-style-type: none"> <li>✓ 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</li> </ul>	<p>Yes</p> <p>Refer to page 123 – 128 , note 25 of the AFSs of the Annual Report</p> <p>Refer to page 105 and note 10 for unspent conditional grants</p>



	<p>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.</p> <ul style="list-style-type: none"><li>✓ 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.</li><li>✓ Information on whether allocations under the DORA were delayed or withheld and the reasons advanced for this.</li></ul> <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.</p> <p>Council should be satisfied that –</p> <ul style="list-style-type: none"><li>✓ the information has been properly disclosed;</li><li>✓ conditions of allocations have been met; and</li></ul>	
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	<p>✓ that any explanations provided are acceptable.</p> <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>	
<p><b>3. Disclosures in notes to AFS</b></p>	<p><b>Considerations relating to section 124</b></p>	
<p>Information relating to benefits paid by municipality and entity to councillors, directors and officials.</p>	<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"> <li>✓ salaries, allowances and benefits of political office bearers, councillors and boards of directors, whether financial or in kind;</li> <li>✓ any arrears owed by individual councillors to the municipality or entity for rates and services, which at any time were outstanding for more than 90 days, including the names of councillors;</li> <li>✓ salaries allowances and benefits of the municipal manager, CEO of a municipal entity, CFO and every senior manager;</li> <li>✓ contributions for pensions and medical aid;</li> <li>✓ travel, motor car, accommodation, subsistence and other allowances;</li> <li>✓ housing benefits and allowances;</li> <li>✓ overtime payments;</li> <li>✓ loans and advances, and;</li> <li>✓ any other type of benefit or allowance related to staff.</li> </ul>	<p>Yes.</p> <p>Refer to page 36 for personnel expenditure over the last three years</p> <p>Refer to page 37 for disclosures concerning remuneration of political office bearers and Section 54 and 56 Managers and Councillors. Also refer to note 11 on pages 109 – 114 of the Annual Report in this regard</p>

	<p>Council should be satisfied that –</p> <ul style="list-style-type: none"> <li>✓ the information has been properly disclosed;</li> <li>✓ conditions of allocations have been met; and</li> <li>✓ that any explanations provided are acceptable.</li> </ul> <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>	
<b>4. Municipal Performance</b>	<b>Considerations</b>	
<p>The annual performance reports of the municipality and entities.</p>	<p>Section 46, MSA requires municipalities to submit a performance report reflecting the performance of the municipality and each service provider, a comparison of the 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> <ul style="list-style-type: none"> <li>✓ Has the performance report been included in the annual report?</li> <li>✓ Have all the performance targets set in the budgets, SDBIP, service agreements etc, been included in the report?</li> <li>✓ Does the performance evaluation in the annual report compare actual performance with targets expressed in the budgets and SDBIP approved for the financial year?</li> </ul> <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</p>	<p>Yes</p> <p>Refer to Chapter 4 on page 38 of the Annual Report</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 Section 7 of this Oversight Report that contains the service delivery issues raised at the Community Consultative Meetings. These issues raised by Community Members are being prioritized for urgent attention.</p>

	<p>refuse collection volumes, library usage statistics etc?</p> <ul style="list-style-type: none"><li>✓ To what extent has performance achieved targets set by council?</li><li>✓ Is the council satisfied with the performance levels achieved?</li><li>✓ 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?</li><li>✓ What actions have been taken and planned to improve performance?</li><li>✓ Is the council satisfied with actions to improve performance?</li><li>✓ 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?</li><li>✓ Does the report evaluate the efficiency of mechanisms applied to deliver the performance outcomes?</li><li>✓ Taking into account the audit report and opinion and the views of the audit committee, is performance considered to be efficient and effective?</li><li>✓ To what extent have actions planned for the previous year been carried over to the financial year reported upon?</li><li>✓ 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?</li></ul>	
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	Council should comment and draw conclusions on information and explanations provided.	
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 Refer to Chapter 6 for the Audit Committee Report
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?</p> <p>What other actions are considered necessary to be taken by the accounting officer?</p>	<p>The uMDM does not have any municipal entities</p> <p>Performance of service providers in the Annual Report is an area of improvement going forward. Although this is done in practice it is not comprehensively reported on in the Annual Report. In future this will be addressed in the Annual Report more comprehensively.</p>
<b>5. General information</b>	<b>The following general information is required to be disclosed in the annual report.</b>	
Relevant information on municipal entities.	The municipality should disclose all information relating to the municipal entities under the sole or effective control of the municipality. Information	Not applicable. There are no municipal entities.

	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.	
The use of any donor funding support.	<p>What donor funding has the municipality received?</p> <ul style="list-style-type: none"> <li>✓ Have the purposes and the management agreements for the funding been properly agreed upon?</li> <li>✓ Have the funds been used in accordance with agreements?</li> <li>✓ Have the objectives been achieved?</li> <li>✓ Has the use of funds been effective in improving services to the community?</li> <li>✓ What actions need to be taken to improve utilisation of the funds?</li> </ul>	Refer to page 122 - 128, note 25. Appendix G on Grants and Subsidies on page 136. The origins of the grants are also reflected in Appendix G. Memorandums of Understanding (MOUs) are signed on receipt of grants and such MOUs set out the objectives to be achieved. Progress reports are submitted to the Council political structures.
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.	Not applicable for the 2013/ 2014 reporting year.
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	Refer to the Executive Summary on page 7 and Chapter 2 that highlights the Performance Highlights. The highlights include: <ul style="list-style-type: none"> <li>• Mandela Day Marathon Goes from Strength to Strength</li> <li>• District Mayor voted the Best Performing District</li> </ul>

	<p>municipality.</p> <p>This information may be found in an executive summary section of the annual report and or in statistical tables.</p>	<p>Mayor for the second consecutive year</p> <ul style="list-style-type: none"> <li>• The uMDM voted the First Runner-up for the Best Performing District Municipality</li> <li>• Launch of the Liberation Heritage Route</li> <li>• Significant progress in eliminating water and sanitation backlogs</li> <li>• Improving financial viability</li> <li>• Implementing <i>Batho Pele</i> in the workplace</li> </ul>
Information on long-term contracts.	<p>Details of all long-term contracts including levels of liability to the municipality should be included. Council should ensure all information is correctly supplied.</p>	<p>This has not been addressed in the Annual Report, but it will be done going forward.</p>
Information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.	<p>Details of significant IT activities should be outlined indicating the effectiveness of the IT projects and the quality of IT services.</p> <p>Council should consider how effectively the IT services support and facilitate performance of the municipality and whether value for money has been obtained.</p> <p>Details of any future IT proposals should be summarised. Council should comment and draw conclusions on the information provided.</p>	<p>This has not been addressed in the Annual Report, but it will be done going forward.</p>
<b>6. Other considerations recommended</b>		
Timing of reports.	<p>Was the report tabled in the time prescribed?</p> <p>Has a schedule for consideration of the report been adopted?</p>	<p>Yes, on 28 January 2015</p>
Oversight committee or other	<p>What mechanisms have been put in place to prepare the oversight report?</p>	<p>The oversight process is conducted by the Municipal</p>

mechanism.	Has a schedule for its completion and tabling been adopted?	Public Accounts Committee that also serves as the Oversight Committee
Payment of performance bonuses to municipal officials.	<p>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.</p> <p>Have bonuses been paid based on achievements of agreed outputs and after consideration of the annual report by council?</p> <ul style="list-style-type: none"> <li>✓ If so has a proper evaluation of performance been undertaken?</li> <li>✓ Was the evaluation approved by council?</li> <li>✓ 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?</li> <li>✓ Are the payments justified in terms of performance reported in the annual report?</li> </ul>	Performance bonuses for the 2011 / 2012 financial year have not yet been paid, although the appraisals were conducted in line with the legislative provisions.
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 was paid in line with the Overtime Policy.



## 7. SERVICE DELIVERY ISSUES RAISED AT THE COMMUNITY CONSULTATIVE MEETINGS

Councillors, Ward Committee Members and Members of the Public were invited to attend oversight meetings in each of the Local Municipalities where actual delivery as reported in the Annual Report against performance targets set out in the Integrated Development Plan were discussed. The Executive Manager: Technical Services reported on achievements against targets and gave explanations where targets were not achieved. Delegates were then free to comment and ask for clarity where necessary. Issues related to billing and Customer Care issues were also raised and the Customer Care Manager responded to the points raised. The main issues discussed at these public consultative meetings are reflected below.

### 7.1 Mkhambathini Local Municipality

The Chairperson raised the following:

- He was disappointed with the lack of representation of Mkhambathini Local Municipal Councillors;
- The Integrated Development Plan is reviewed annually and Izimbizo are also held annually to ascertain the needs of the Community and those are incorporated into the Service Delivery and Budget Implementation Plans for that financial year;
- The Municipal Public Accounts Committee wanted to find out from the Community if the planned projects for the 2013/2014 financial year, as per the annual report had been achieved;
- Councillors should have been at this meeting and lack of representation may be a misunderstanding as to the purpose of this meeting; and
- Every year there are problems with representation in Mkhambathini Local Municipality.

Thereafter, the Manager: Sound Governance and Administration advised that all Municipalities were informed about the scheduled consultative meetings and had signed the letters as acknowledgement of receipt of the invitation.

In that regard, Councillor MS Bond enquired as to when those letters were forwarded to the Local Municipalities.

Responding thereto, the Chairperson advised that emails were forwarded timeously and the letters were sent on Monday, 09 February 2015 as a follow up.

In ensuing discussion, Councillor MS Bond stated that he was of the view that it was pointless to proceed with the meeting seeing as there were no Councillors representing the Local Municipality.

Responding thereto, Mrs Phoswa (Audit Committee – Mkhambathini Local Municipality) stated that the Municipal Manager, Chief Financial Officer, one Councillor and two Ward Committee Members were present at this meeting and the Municipality was therefore fully represented. Further, the Municipal Manager may respond to issues and other Councillors will join at a later stage.

Following thereon, the Municipal Manager: uMgungundlovu District Municipality advised of the following:

- The business of the day was to deliberate on the annual report that was tabled at the meeting of the Full Council and following thereon the Municipal Public Accounts Committee needs to advise the Full Council to adopt, reject or amend the said report based on the comments from the Local Municipalities;
- The District Municipality is expected to make the annual report public and allow the community to comment, not to raise issues;
- The annual report was made public through various channels
- Input from Mkhambathini Local Municipality is awaited which can take many forms, for example, they can be in writing and the Municipal Public Accounts Committee may consider those at a later stage; and
- There are Members of the public and even though they are minimal, their presence must not undermined although the Municipality should try and improve in future in terms of representations.

The Chief Financial Officer (Mkhambathini Local Municipality) concurred with the Municipal Manager.

Councillor NV Duze added that the Municipality should not lose sight of the business of the day and should respect what the Municipal Manager said and take it as a guideline and proceed with the meeting.

Thereafter, the Chairperson advised the Municipal representatives that if something had been promised and was not achieved, the community should comment on those and the Technical Services Team will respond accordingly to the issues raised.

Following thereon, Councillor N Msimang requested the Head of Department: Technical Services to take the Committee through the Service Delivery and Budget Implementation Plans.

Accordingly, Mr B Mbambo (Head of Department: Technical Services – uMgungundlovu District Municipality) gave an overview of the SDBIP and listed the following projects that were successful:

- Greater Eston – Ukhalo;

- Maqongqo Phase 2;
- Maqongqo Phase 4;
- Manyavu water reticulation;
- Nkanyezini water reticulation;
- Manzamnyama water reticulation; and
- Construction of reservoirs at Manyavu, Nkanyezini and Manzamnyama.

He then listed the following projects where the target was not met:

- Maqongqo Phase 3 – project completion has been extended due to the contractor experiencing financial problems;
- Camperdown AC replacement – had challenges with the acquisition of the preferred piece of land for the new reservoirs but communication with SANRAL will be fast-tracked;
- Lions River water reticulation – challenges with collation of data required at the inception stage and a meeting will be set with stakeholders in an attempt to expedite the process; and
- Waste Water Works Project – waiting for finalization of transfer of the plant to uMgeni Water.

Thereafter, the following questions were raised:

- Why was Mkhambathini Waste Water Works delayed?
- What can be done to avoid awarding tenders to people without capacity?
- Why does the sanitation project for ward 7 not appear on the report?

Responding thereto, the Head of Department: Technical Services stated the following:

- The Mkhambathini Waste Water Works project was delayed due to financial constraints from the Municipality. However, uMgeni Water has been engaged and they will be taking over implementation of the project and fund it fully. Upon completion, uMgungundlovu District Municipality will be responsible for reticulation;
- The general conditions of contract talks about what to do and possibly terminating the contract. The Municipality had been facing challenges in as far as awarding people with insufficient funds to carry out the project but has improved over the years;
- The Sanitation project for Ward 7 will appear in the report for the next financial year as it only started after June.

Thereafter, the following comments were made:

- The Department of Agriculture and Environmental Affairs had delayed some of the projects while conducting their environmental impact studies;

- Councillors are urged to also have a copy of the Integrated Development Plan for dissemination to their Wards; and
- Officials should explain the process of the meeting to Councillors to enable them to be aware that the meeting is for their own benefit.
- It was pointed out that the Fire Station for Mkhambathini is located in Ashburton while it should in Mkhambathini.

## 7.2 Richmond Local Municipality

The Chairperson outlined the process of the consultative meetings as follows:

- The uMgungundlovu District Municipality has an Intergrated Development Plan (IDP) which is carried out over a period of 5 years; and Local Municipalities also have their own;
- The consultative meeting is to deliberate on the District's SDBIP;
- The Municipal Public Accounts Committee conducts oversight meetings to enable the Technical Team and the Municipal Manager, on behalf of the District, to respond on the targets and give reasons for those that were not achieved;
- Communities makes inputs through the annual Mayoral Izimbizo and an IDP is then compiled; and
- Community members should have been at this meeting and lack of representation may be a misunderstanding as to the purpose of this meeting.

Thereafter, the Head of Department: Technical Services listed the following projects whose target was not achieved:

- Richmond: Gengeshe Water - The initial option of abstraction from the Umkomazi river had to be changed due to high Operation and Maintenance costs;
- Richmond AC Pipe Replacement – The project was delayed due to numerous changes with the design;
- Richmond: Landfill Site: Upgraded Landfill Site - No budget was allocated for this project during the financial year despite appearing in the budget;
- A new cemetery at Richmond established for the medium term - The unit does have the staff required to follow through on this project and obtain land from the Ingonyama Trust as the focus is on rescuing donor funded projects and
- Richmond: Wind farm established - Consultant for pre-feasibility investigations could not be sourced.

The following projects were achieved as per the target set:

- Richmond: Ephatheni project;
- Richmond: Zwelethu Housing Development Bulk Water;
- Richmond: Gengeshe Sanitation;
- Richmond: Hopewell Ward 4 VIP Sanitation project; and
- Richmond Waste Water.

Thereafter, the following questions of clarity were raised:

- No budget was allocated for this project during the financial year despite appearing in the budget;
- The road should be resurfaced/refurbished after renewing the pipes;
- Can the Municipality pursue consumer education, can a resolution be taken to that effect;
- Why was the water not chlorinated; and
- Why were the application forms for indigent status not provided for.

Responding thereto, the Head of Department: Technical Services stated the following:

- Funding for consumer education will be requested;
- He is awaiting a Council resolution with regards to debt write off but will follow up on the matter; and
- Information dissemination will be prioritized going forward;

Thereafter, the following comments were made:

- Billing was inaccurate except for the Mayor's account and there was something wrong with that picture;
- The Municipality had to find out through the newspapers that the water was dirty due to the lack of chlorine but such was not communicated to them by the District;
- There are serious issues that the communities are faced with with regards to water and sanitation hence the riots;
- Meters are read once every three months and such was reported at the Infrastructure Portfolio Committee and had not been dealt with; and

Following thereon, the following inputs:

- Consumer education should be revisited;
- Workshops should be conducted for the Customer Care Centre staff members;
- The District should communicate with the Local Municipality timeously;
- The indigent register should be updated;
- The Municipality relies on consumers to assist with saving water and Councillors should assist with consumer education to avoid water losses;
- Communities should also raise issues during the Mayoral/Izimbizo;
- An indigent register is in place and communities were urged to apply for indigent status, it being noted that people who qualify are those earning under R3000 per household excluding pension;

- Councillors should urge the communities to use water sparingly;
- Connection fee should be reviewed to avoid illegal connections; and
- Take over balances should be written off as they are inaccurate. It was acknowledged that the takeover balances that were passed on from Richmond to the uMDM also included none water debt.

### 7.3 Mpofana Local Municipality

The Head of Department: Technical Services detailed the contents of the report and advised that targets were achieved in respect of the following projects:

- Ebuhleni Water Project;
- Craigie burn;
- Muden Water Supply;
- Rosetta AC Pipe replacement;
- Mooi River AC Pipe replacement; and
- Pumlas Water reticulation.

He then advised that targets were not achieved on the following projects:

- Muden VIP Sanitation projects (Muden) - achieved partially and awaiting the Department of Human Settlements to build the outstanding 100 houses in Ebuhleni whereafter, the project will be complete. Also, he is liaising with the Department to fastrack building houses to avoid vandalizing those toilets;
- Mpofana landfill site - compactor not purchased because of budget readjustment; and
- Improving access to cemeteries.

Thereafter, the following questions of clarity were raised:

- What was the delay with the Craige burn project;
- Will more be done in terms of renewing old pipes thus avoiding water leaks;
- Was R8 million only spent for planning of the Mooi River Water Works Sewer;
- When was the compactor purchased for the Mpofana Landfill Site;
- The dump site should be removed totally, the town is dirty because of the site and it is worse in winter;
- Recycling is not regulated and they take the litter back to the town;
- What was the plan for cemeteries?

- Old infrastructure should be replaced urgently and roads should be fixed. Also, who is responsible for fixing the roads as it is a bad reflection?
- Will the Mooi River AC replacement cover the whole of Mooi River or Bruntville only?
- Was the Municipality aware that fire engines were used for campaigning during elections and are used maliciously at night?
- uMngeni Local Municipality also has issues against the malicious use fire engines and the matter was reported to the Municipal Manager by email and there is proof that he received it;
- The Municipality should consider using other service providers besides AQUA who have been around for three years and the community is not benefiting anything from them. Also, whilst noting that the Municipality has financial constraints, why not employ people locally to do the same job instead of going to tender?
- The road should be resurfaced/refurbished after renewing the pipes;
- What is the delay with the water connection for the Rosetta Housing project;
- At Pumlas area, water is always switched off and sometimes for days and the community cannot use toilets due to that;
- Does the Municipality need help with Mooi River AC pipe replacement as the electricity connection is just a minor problem - there are other problems;
- Can the Municipality pursue consumer education, can a resolution be taken to that effect;
- There are no water meters and the people cannot match readings to ascertain accurate billing; and
- Why does the Municipality employ people from Richmond for water and sanitation services while there are qualified people from Mooi River who can also do the job.

Responding thereto, the Head of Department: Technical Services stated the following:

- The report is for the period ending 30 June 2014, there may be new developments which are not covered in this report;
- R11 million was set aside for planning but only R7 million of that amount was spent on the Mooi River Water Works Sewer;
- The budget reflects how much has been spent to date on the project;
- The budget only changes at stage 7 and that is when the contract is awarded;
- Some projects may take up to 5 years hence the budget is still remaining;
- The compactor was not purchased as there was a budget readjustment;
- Councillors represent the Mpofana Local Municipality at the District and they should report on issues and present their concerns regarding budget adjustments;
- The District applied for a license for the Craigie burn dam from the Department of Water Affairs who ascertained that the project was much bigger than what the District could cope with and Mzinyathi District Municipality was given the license instead. They will transfer water from Greytown and 1,4 million litres will be given to cater for Ward 4 as per the Municipality's agreement with Mzinyathi District Municipality;
- uMgungundlovu District Municipality will try for a further license over and above 1,4 million litres that it is getting from Mzinyathi District Municipality;
- Other parts of Mooi River will benefit from localized schemes, for example Makhuzeni;
- The Municipal Manager of Mpofana Local Municipality is engaging with Mayor in terms of the roads;
- Waste management is the function of the Local Municipality and the District may only assist as and when requested;

- He will liaise with the Association of Recyclers to assist;
- The Municipality took a decision to be proactive and start planning for ageing infrastructure and are currently at design stage. Upon approval, the Municipality will source funding to start the project. However, there are challenges with the budget. Also, consumers do not pay for services but will still make sure that we work on revenue enhancement;
- The Municipality has a minimal budget in terms of AC replacement as services are not paid for;
- Mooi River AC covers the whole of Mooi River;
- The issue of fire engines should be reported to the Municipality as and when it happens and records be kept where necessary;
- The roads are being upgraded, and if there are challenges, to report those to the District;
- The road will be fixed/repared;
- AQUA was sourced through a tender process as there was a need of water to be provided;
- AQUA is paid R4000 a day and that caters for diesel and driver, the District will not impose if the community does not need the water tankers;
- uMgeni Water will be supplying the community of Rosetta with water and they have been informed thereof;
- The Municipality relies on consumers to assist with saving water and Councillors should assist with consumer education to avoid water losses;
- The Municipality relies on reservoirs for water; and saving water is the only thing that can assist;
- Electricity issues and ageing infrastructure are another cause for concern;
- Project designing will ensure better and bigger storage for the Pumlal area;
- During the strike people were too involved in the strike and were not wasting water hence there was no shortage;
- A reservoir will be built in Pumlal area; and
- All old pipes will be replaced in Bruntville.

The following comments were raised:

- The Mayor will be representing Mporana at the Full Council of uMgungundlovu District Municipality. She was absent at the last meeting as she was not informed timeously;
- The Mporana Local Municipality has one compactor for the entire Municipality which is a problem as it collects weekly and a budget to purchase a new compactor will be required;
- It was acknowledged that the Mayor of Mporana will be representing her Municipality at the District Municipality and such will ensure better service delivery;
- The Councillors are responsible for dissemination of information to the communities;
- The staff at the Customer Care Centres are not capacitated to deal with queries;
- The Executive Committee will visit fire stations and customer care centres and an audit on fire equipment will be conducted;
- The District was acknowledged for procuring diesel engine pumps to assist in case of load shedding;



- An indigent register is in place and communities were urged to apply for indigent status, it being noted that people who qualify are those earning under R3000 per household excluding pension;
- Communities should also raise issues during the Mayoral/Izimbizo;
- If there is evidence to the allegation of tampering with the water, the community is urged to report to the Municipality through the Office of the Mayor;
- In the case of tenders, the contractor should be informed to ensure skills development and job opportunities;
- Back-up generators should be in place to avoid electricity issues for water and sewerage;
- The community was urged to ensure that they are issued with reference numbers at the Customer Care Centres for follow up purposes;
- If incidents are logged, they escalate to the Manager and customers should ensure that calls are logged on the system and not manually;
- The Call Centre has a toll free number and that number should be used for telephone enquiries to enable the Customer Care Centre to deal with walk in customers;
- The system will be updated to cater for suggestions as well;
- Councillors should urge the communities to use water sparingly;
- Incorrect statements should be reported on and correct meter readings be brought forward;
- AQUA emanated from the request from the community through consumer education for water tankers and is sponsored by the Department of Cooperative Governance and Traditional Affairs;
- Funding for consumer education will be requested;
- The District Municipality has started matching indigent registers to avoid duplication and there are gaps. Attempts have been made to identify people who qualify; and
- Communities should attend Mayoral/Izimbizo and raise issues at that level.

#### **7.4 Impendle Local Municipality**

The Head of Department: Technical Services detailed the contents of the report and advised that targets were not achieved on the following projects:

- Impendle: Nhlambamasoka, Nhlathimbe and Khathikhathi – the ROD for EIA was not received, hence delays in advertising and implementation thereof;
- Impendle: Nkangala / Glen project - the ROD for EIA has not been received, hence delays in advertising and implementation thereof;
- Impendle: Smilobha, NtokozweniLindokuhle and Fikesuthu Water Project – the project was delayed due to an additional scope of work;
- Impendle: LM Bulk Water Supply Project - the ROD for EIA was not received on time, hence delays in advertising and implementation thereof;
- Impendle Village- WWTP - Consultant delayed to finalized project detailed design.

Thereafter, the following questions of clarity were raised:

- Is Steadmore area affected by the demarcation process?
- Why was the Mahlutshini water project, which involved the construction of a big pump, not incorporated into this report and why is that pump not functioning as the community who rely on water from that pump are not getting any;
- Can the Municipality assist with water for dipping as the Department of Agriculture and Environmental Affairs had been engaged and they indicated that they can only construct the dipping area but have no resources to supply water;

The Head of Department: Technical Services responded as follows:

- The Intaka machine was a project by the MEC Cooperative Governance and Traditional Affairs and the project was supposed to have been complete. However, the electricity is insufficient for the pump. A month or two will be needed for the pump to start functioning as reticulation of the damaged pipes needs to be sorted out first and the staff are working on that;
- Councillors are urged to communicate with the staff stationed at Impendle;
- The damaged pipes will be fixed by the operations and maintenance staff and he will set up a meeting with the Councillors from Impendle Municipality to discuss a way forward;
- The Department of Agriculture and Environmental Affairs is responsible for building dips and should assist unless there is a mandate from the Full Council enabling the District to supply the water;
- The District is in the process of finalizing the indigent register to enable those who qualify as per that register to be charged the indigent fee;

Thereafter, the following issues were raised:

- The status of the Impendle: Nhlambamasoka, Nhlathimbe and Khathikhathi and Impendle: Nkangala / Glen project is similar to last year and therefore it gives the impression that a cut and paste exercise was done on the document;
- Water provided through water tankers is not sufficient for the community of Steadmore;
- The project in Mqatsheni area remains the same and is only moving on the side where Sisonke is responsible;
- There is no way forward in terms of getting the EIA and the cause of the delay should be stipulated on the schedule;
- Lots of projects were not achieved when compared to those that were achieved;
- When will the damaged pipes be repaired;
- The consumers are not billed and there are no house connections except for a few houses outside the village;
- The District has planned projects but those are not implemented; and
- The taps in Ward 3 that the District supplied were stolen and the District was requested to change the type of taps from copper.

The following inputs were made:

- Councillors should encourage the people to apply for indigency status; and
- The dip Committee should be a link between uMgungundlovu District Municipality and the Department of Agriculture and Environmental Affairs;

#### **7.4 uMshwathi Local Municipality**

The Chairperson outlined the process of the consultative meetings as follows:

- The uMgungundlovu District Municipality has an Integrated Development Plan which is carried out over a period of 5 years; and Local Municipalities also have their own;
- Service Delivery and Budget Implementation Plans (SDBIP) are drawn annually as informed by the budget;
- The purpose of the consultative meeting is to deliberate on the District's SDBIP;
- Communities makes inputs through the annual Mayoral izimbizo and an IDP is then compiled;
- The Municipal Public Accounts Committee conducts oversight meetings to enable the Technical Team and the Municipal Manager, on behalf of the District, to respond on the targets and give reasons for those that were not achieved;
- These meetings should be well attended by the community and he is of the view that there is confusion as to the aim of the oversight meetings;
- The Municipality should use these meetings as an opportunity going forward; and
- He urged the community to attend the meeting next year and make the session a fruitful one as it will be the last for the next five year plan.

Thereafter, the Head of Department: Technical Services pointed out that the information on this report was as of 30 June 2014.

He then outlined that targets were not achieved on the following projects:

- uMshwathi: Lindokuhle and Mpolweni Water Supply – The project is done between uMgungundlovu District Municipality and uMgeni Water and the two had to align processes for the project to be successful;
- Dalton Cool-Air Water - the water scheme needs to be aligned to the Department of Housing scheme; and
- Dalton and Cool-Air Bulk Sewer.

He then advised that targets were achieved on the following projects:

- uMshwathi: Mpethu and Mbhava Water Supply;
- uMshwathi Regional Bulk Supply;
- uMshwathi Slum Water;

- Wartburg AC Pipe Replacement;
- Swayimane 11;
- uMshwathi: Mpolweni Sanitation;
- uMshwathi Slump Bulk Sewer;

Thereafter, the following questions of clarity were raised:

- How was R4 Million used yet the target was not achieved,
- Is there communication between the District and the Department of Human Settlements in relation to the Dalton Cool-Air Water project as the information from the Department contradicts that of the District;
- Is there a budget allocation for the Dalton Cool-Air Water project, if not uMshwathi Local Municipality will have to make a provision for funding;
- Is the provision of bulk sewer services not the function of the District; and
- The District Municipality should reconsider the connection fee of R3500 as people who cannot afford that amount opt for illegal connection, the Council should rescind the resolution for that connection fee.

Responding thereto, the Head of Department: Technical Services stated the following:

- There is an error in the report as R4 million has not been used;
- The report is as of 30 June 2014. Since then interventions has been made, for example, a meeting was called and Councillors participated. Ibhongo (service provider) was engaged to do the project design and submit that to uMgungundlovu District Municipality to enable the project to continue;
- He could not attend the Full Council meeting at uMshwathi as there was a Full Council meeting at uMgungundlovu District Municipality hence he delegated one of his staff to attend;
- The Dalton Cool-Air Water Project is registered with the Municipal Infrastructure Grant and is funded from that grant;
- The Municipal Manager has made a commitment in writing and the programme is attached to the letter;
- There are three parties involved, namely:- uMgungundlovu District Municipality, uMshwathi Local Municipality and the Department of Human Settlements. Funding for the bulk sewerage and reticulation was allocated to the Department of Human Settlements;
- There were challenges with the funding but the District Municipality has rectified that. It should be noted that the delay is on the side of the Department of Human Settlements;
- A special meeting may be scheduled to enable the issues to be dealt with and the Department of Human Settlement should be invited to that meeting for transparency purposes; and
- The said Department is responsible for the reticulation system and after completion it is handed back to the District for maintenance thereof.

In ensuing discussion, the following comments were made:

- The report should be updated as it is not a true reflection of what is happening currently;
- The Head of Department: Technical Services should be present at meetings and not delegate junior staff members;
- The report is still the same as the year 2012 in terms of project movements;
- There are serious issues that the communities are faced with, especially with regards to water and sanitation, hence the riots;
- Customer Care Centres are opened at 11h00 and they close at 14h00 – staff are not there for the full working day;
- The issues concerning the outstanding amounts started when the District Municipality took over the water and sanitation services and when those amounts were queried the District shifted the problem to uMshwathi Local Municipality who was also not aware of the problem;
- An Official from the Billing section came and promised to return with responses regarding the inaccurate billing but she has never returned;
- The indigent form is too technical and Officials are urged to either teach the people how to fill the form in, or train the Expanded Public Works Programme to perform that task;
- Meters are read once every three months and such was reported at the Infrastructure Portfolio Committee;
- Pensioners cannot afford to pay for water and the District should consider writing off those debts;
- The billed statements are always inaccurate;
- The Municipal Public Accounts Committee scheduled this meeting to play an oversight role in respect of District's performance as of 30 June 2014;
- Issues of concern had been raised and the District those, in particular the pace of service delivery in respect of Dalton Cool-Air Water;
- A report will be submitted to the Full Council to enable them to note the areas of concern and do whatever it takes to expedite the project;
- The District should consider employing people locally from the area as there are qualified people residing in the area;
- It was suggested that at least 60% of the staff at the Customer Care Centres be engaged locally from the area;
- The executive summary should be reviewed as uMshwathi Local Municipality does not deal with sugar cane only.

In ensuing discussion, the Municipal Manager – uMgungundlovu District Municipality stated the following:

- Issues has been raised before and it is time for implementation;
- The billing of inaccurate amounts on statements has a lot to do with the take on balances in 2009, he has tasked the newly appointed Chief Financial Officer to put compile a report recommending the write off of the takeover balances;
- The opening and closing times at the Customer Care Centres will be dealt with at the Water Forum;
- Connection fees will be reviewed and the matter will be addressed in a manner that does not give rise to illegal connections;
- uMgungundlovu District Municipality is in the process of consolidating the Indigent registers of the Local Municipalities and following thereon a report will be submitted to the Full Council. The matter is also currently being dealt with at the District Area Finance Forum; and
- The Dalton Cool-Air Water project will be prioritized.

Thereafter, the Coordinator: Customer Care gave the following overview of the Customer Care Centres:

- The uMgungundlovu District Municipality has two Customer Care Centres and another one has been set up which will be opened upon finalization of the staff;
- The Municipality is looking at relocating the office in Wartburg;
- There is an incident management system in place which escalates queries to various levels of staff leading up to the Municipal Manager;
- Customers should ensure that they are issued with reference numbers and staff are also encouraged to issue those; and
- Duties of the Customer Care Agents involve:- registration for the indigent subsidy, queries, payment arrangements and account adjustments.

## 7.5 uMngeni Local Municipality

The Chairperson outlined the process of the consultative meetings as follows:

- The consultative meetings are conducted on an annual basis;
- The budget informs the Integrated Development Plan which then informs the Service Delivery and Budget Implementation Plan (SDBIP);
- The SDBIP is issued at the beginning of a financial year and the uMgungundlovu District Municipality has targets to meet as per the plan;
- If the targets set are not met, the Technical Team will respond to those and give the reasons as to why they were not met; and
- The information on the document is as of 30 June 2014.

Thereafter, the Head of Department: Technical Services advised that targets were not met on the following projects:

- uMngeni: Hhaza, KwaChiefMashingeni Water Supply - there was an extension of scope of work which delayed the tendering processes;
- Lions River Water Reticulation - Numerous challenges were encountered with collation of data required at the inception stages.; and
- Khayelisha Housing Project – The District Municipality had to wait for the Department of Human Settlement to implement the project of building houses.

He then reported that targets were met in respect of the following projects:

- Hilton N3 Corridor Development;
- Cedara Khanya Village Bulk Water;
- Howick AC Pipe Replacement;
- Merrivale AC Pipe replacement;
- Merrivale Heights AC Pipe Replacement;
- Hilton AC Pipe Replacement;
- uMngeni: Burnham Wood Water Reticulation;

- uMngeni: Hlaza Sanitation project;
- uMngeni: Mpophomeni Waste Water Works

Thereafter, the following comments were made:

- Winterskloof had no water for 18 days in January 2015 and emergency facilities were set up in an attempt to remedy the situation;
- The information dissemination to communities from the District was also an issue;
- The Local Municipality should be informed in the event delays in project implementation are expected;
- The Municipality should not concentrate on the Department of Technical Services for oversight but should include other Departments as well;
- Roads should be refurbished by the District Municipality after new connections; and
- Issues were raised at the last meeting between the District and the community and an Official from the District promised to return with answers but she never did.

Following thereon, the following questions of clarity were raised:

- Was the Winterskloof area prioritized in AC replacement as it is one of the most needy areas;
- Will extension of work not affect the budget;
- Has the number of remaining toilets to be built been ascertained and will those be built in uMngeni as part of the Hlaza Sanitation project;
- The uMngeni: Mpophomeni Waste Water Works has been under construction since 2012, what is causing the delay in finalization of the project;
- What is the purpose of the Hilton N3 Corridor Development;
- Has the grant funding from ORIO been approved; and
- Does the Municipality still grant the free 6 kilolitres of water.

The Head of Department: Technical Services responded as follows:

- The District Municipality had reprioritized projects as per the needy areas and a presentation on such was presented to the Full Council;
- Going forward, the District will communicate with the Local Municipalities;
- The District Municipality also has issues of limited funding;
- Should there be an extension of the scope of work, the District resubmit an application to the Department of Water Affairs and register the project which then continues with the extended scope;
- A business plan has been submitted to the Department of Water Affairs and will be reviewed whereafter additional toilets will be registered on the Municipal Infrastructure Grant;
- Councillors are urged to ensure that the number of outstanding toilets to be built is accurate;

- The water problem in Winterskloof has resurfaced and more people may be without water. Repairs are costing more than the actual renewal. Further, the Development Bank of Southern Africa (DBSA) has been approached for a loan through a tender process for AC replacement and Hilton (including Winterskloof) Marryvale and Mpophomeni will be prioritized. A service provider to conduct the AC replacement will be appointed in 14 days. Further, the community should be made aware that pipes may be broken and there may be leaks;
- The loan to DBSA will be repaid after 36 months of completing the project;
- The District may get more funding after completion of the project; and
- The Hilton N3 Corridor Development conservancy tank is to serve the new hospital, shopping mall, Grace College and Garlington Estate. The Municipality is working on a master plan to ensure that the community no longer uses septic tanks and that master plan will cover the whole of Hilton area.

The following issues were also raised:

- Burst pipes are not attended to which causes water loss;
- People are billed even though they have no water meters;
- Councillors are often scapegoats of the District;
- Sewerage is running around and kids end up playing with it;
- Houses get damaged due to burst pipes;
- Reporting to the Local Municipalities by the District is non-existent;
- Computers at the District are always offline;
- Reference numbers are not issued to customers at the Customer Care Centre;
- Outages of water should be reported to uMngeni Municipality in advance to enable the Councillors to be aware and inform the communities;
- People are not paying for water services because they have no confidence in the District;
- The Customer Care Centre is not effective;
- Monthly reports should be submitted to uMngeni Local Municipality on Environmental Health, water and sanitation;
- Some households have 4 water meters whilst others have none;
- The meters connected in Ward 12 are faulty as they were not connected properly;
- Sewerage in Mpophomeni and Cedara is a health hazard as it is not being serviced;
- When having public meetings, the District should send a Senior Manager who can answer all the questions on the spot and not have to refer them back to the Municipality;
- Inaccurate billing is always an issue;
- Water pumps break every 3 months and it should be ascertained if those pumps were new when purchased;
- Can a local Meter Reader be trained and employed for accountability purposes;



- The Nhlanhleni and Isibongo schools have no water;
- Institutions like creches should also get the 6 kilolitres free water;
- Water tankers had damaged the Midmar Road and it has not been repaired. Why not use the money that is currently allocated for water tankers be used to replace old pipes;
- Customer Care Centre Agents require more training;
- An extra fire truck at uMngeni Fire Station is needed as the fire season is approaching.

In ensuing discussion, the following comments were made:

- The take on balances for water and sanitation from uMngeni Local Municipality were inaccurate;
- A meter audit exercise was conducted but has not been finalized;
- The Indigent Register of uMngeni Local Municipality should be transferred to the District;
- The write off of debts will be dealt with at the Finance Portfolio Committee within the next two months; and
- The Indigent Register should be updated on an annual basis and should be compared with that of uMngeni Local Municipality.

Thereafter, the Municipal Manager stated the following:

- The District had to explore funding mechanisms in 2009 as the Municipality was bankrupt and each funding instrument had its own consequences;
- The Municipality had to invest in the billing system to generate income;
- ORIO was approached for funding and their process has three stages, namely, application, development and implementation;
- The first two stages have been approved; and
- A delegation was sent to the District Municipality to discuss the ORIO funding and the Municipality is now awaiting a response concerning the ORIO funding.

Following thereon, the Manager: Social Development stated the following:

- Progress reports on the provision of Environmental Health Services are forwarded to uMngeni Municipality on a monthly basis. The situation may have erred since. Mr G Mykleburst resigned but he will follow up on the matter;
- The District Municipality does not have information on who owns the vacant land but they have requested the Local Municipality to clear the land and the District will pay for the services. Alternatively, people may be sourced through the Expanded Public Works Programme as a similar programme is used in Richmond Municipality and is very successful;
- The District is aware of all the problematic areas and a letter of compliance will be issued where necessary; and
- Going forward, he will ensure that reports are forwarded to the Local Municipality on a monthly basis.

Mr T Molefe (Coordinator: Customer Care Centre) then stated the following:

- A workshop for the staff of the Customer Care Centre was held recently and will be conducted every two months to ensure that they are able to handle queries and incidents;
- Agents are often not informed properly of what to expect at the centres and they are capable but not privy to the information and going forward such will be rectified;
- Notices will be placed at the customer care centres informing the customers of what services to expect at the centres;
- Reports on sewer breakages sometimes do not cascade properly and such should be communicated with the staff at the centres as customer care cuts across all Departments;
- Incident numbers help customers to trace the progress of their queries and those should be issued at all times;
- The billing system is not a problem but the information on the system needs to be corrected;
- Some of the equipment at the Customer Care Centres will be refurbished and replaced to ensure the provision of an efficient service;
- The Municipality is currently working on the Batho Pele programme and upon implementation, issues of cascading information will be addressed;
- People are encouraged to pay fair value whilst disputing their account and upon rectifying the incorrect billing, the District can reimburse ;
- A Council resolution should be taken to write off the debt and a recurrence of that situation should be avoided;
- People should apply for Indigency status to qualify for the free 6 kiloliters of water;
- The policy is silent on rebates and the Council should take a decision in that regard;
- He appreciates the sentiments and complaints raised as they will assist to help improve the situation going forward.

## 8. DEPARTMENTAL HEARINGS

As part of the oversight process the Municipal Public Accounts Committee conducted departmental hearings where Heads of Departments, Managers and Programme Coordinators were required to do presentations of the organisational performance of their respective units as reported in the 2013 / 2014 Annual Report. In so doing they were required to present the actual performance versus planned performance and explain the variances and planned improvement interventions. This procedure was followed with the:

- Office of the Municipal Manager
- Department of Technical Services
- Department of Community Services
- Department of Financial Services
- Department of Corporate Services

During question and answer sessions some of the Managers were asked to substantiate the reported performance with a portfolio of evidence. The portfolio of evidence that was audited by the Internal Auditors and the Auditors from the Office of the Auditor-General was also available at the venue. Members of MPAC familiarised themselves with these portfolios of evidence.

## 9. CONCLUSION

The Municipal Public Accounts Committee commends Council, the Municipal Manager, the Senior Managers and all staff of the uMgungundlovu District Municipality on the strides made towards good governance.

Having performed the following tasks:

- ✓ Reviewed and analysed of the Annual Report;
- ✓ Invited, received, and considered inputs from Councillors and Portfolio Committees, on the Annual Report;
- ✓ Considered that any written comments received – none were received;
- ✓ Conducted Public Hearings to allow the local community or any organs of state to make representations on the Annual Report;
- ✓ Received and considered Council's Audit Committee views and comments on the annual financial statements and the performance report; and
- ✓ Prepared the Oversight Report, taking into consideration, the views and inputs of the public, representatives of the Auditor-General, organs of state, Council's Audit Committee and Councillors;

The Municipal Public Accounts Committee has pleasure in presenting the Oversight Report to Council to consider the following recommendations:

### **RESOLVED TO RECOMMEND**

1. That Council having fully considered the Annual Report of the uMgungundlovu District Municipality for the 2013 / 2014 Financial Year adopts the Oversight Report for the 2013 / 2014 Financial Year.
2. That Council approves the Annual Report of the uMgungundlovu District Municipality for the 2013 / 2014 Financial Year with the following reservations:

- a) The areas of improvement identified in the National Treasury Checklist for Annual Reports contained in Part 6 of this Oversight Report be addressed
  - b) The issues raised at the Public Consultative Meetings recorded in Part 7 of this Oversight Report be addressed, especially the common threads including:
    - (i) Incorrect billing
    - (ii) The level / standard of customer care provided at Customer Care Centres needs to improve
    - (iii) Aging equipment and staff shortages at Fire Stations needs to be addressed
    - (iv) The budget for Operations and Maintenance, specially pertaining to AC pipe replacements, needs to be increased.
  - c) The omissions contained in the erratum note are included in the final printed Annual Report.
  - d) The comments received from the Auditor-General are factored into the document before the final print.
3. That the Oversight Report be made public in accordance with Section 129(3) of the Municipal Finance Management Act 56 of 2003.
4. That the Oversight Report be submitted to the Provincial Legislature in accordance with Section 132(2) of the Municipal Finance Management Act 56 of 2003.
5. That the Municipal Public Accounts Committee do an on-site inspection of all Customer Care Centres and Fire Stations
6. That consideration be given to ways and means of increasing the attendance at future Community Engagement Meetings
7. That the recommendations contained in the 2011 / 2012 and the 2012 / 2013 Oversight Reports that have not been fully implemented receive urgent attention.
- These include:
- a) The water and sanitation challenges in the Nhlazuka area in Richmond be addressed
  - b) The water tariff challenges being experienced in the Byrne Valley near Richmond be addressed as per the phased approach agreed to by the uMDM and relevant Community Organisations

- c) The Individual Performance Management Policy be implemented without delay
- d) That a dedicated official be designated for administrative support to the Municipal Public Accounts Committee

## 2013 / 2014 OVERSIGHT PROCESS PLAN

Project milestones	Target dates	Responsibility	Comments
<b>1. Process Plan</b>			
1.1 Present documentation to Speaker	22/01/15	Chair of MPAC	Done
1.2 Refine documents as required	23/01/15	Task Team	Done
1.3 Submission of Process Plan for adoption by Full Council	30/01/15	Chair of MPAC	Done
<b>2. Dissemination for comment</b>			
2.1 Place Annual Report at strategic points (Customer Care Centres) for comment	03/02/15	Task Team	Done
2.2 Place advertisement inviting comments and announcing dates of consultative meetings	04/02/15	Task Team	Done
<b>3. Conduct Oversight</b>			
3.1 Present Process Plan and confirm dates	06/02/15	Chair of MPAC	Done
3.2 Consultative meeting at Mkhambathini LM	13/02/15	MPAC	Done
3.3 Consultative meeting at Richmond LM	18/02/15	MPAC	Done
3.4 Consultative meeting at Mpofana LM	25/02/15	MPAC	Done
3.5 Consultative meeting at uMshwathi LM	02/03/15	MPAC	Done
3.6 Consultative meeting at Impendle LM	09/03/15	MPAC	Done
3.7 Consultative meeting at uMngeni LM	16/03/15	MPAC	Done
3.8 Compile Oversight Report	18/03/15	MPAC	Done
3.9 Placed onto Council Agenda	23/03/15	MPAC	Done
3.9 Present Oversight Report to Full Council	27/03/15	MPAC	To be done on 27 March 2015
<b>2 Submission of Annual Report with Oversight Report</b>			
5.1 Submission to MEC, A-G and Provincial Treasury	31/04/15	Task Team	To be done after adoption