MUNICIPAL SUPPORT AND INTERVENTION PLAN (MSIP)

MUNICIPALITY: ZULULAND DISTRICT MUNICIPALITY

No.	KPAs / Pillars	Identified Challenges	Unblocking Action Needed from other Spheres and Agencies (e.g., intervention or technical support)	Responsible Department or Agency or Entity	Specific Activities to be implemented by each Stakeholder	Budget Allocation or Required Budget and source of funding	Timeframe
1	Political, Governance and Public Participation	• Though the municipality does not have any identified challenges in terms of its political governance, however, due to upcoming elections support will be provided to all councillors and council structures to capacitate them in exercising oversight. • MPAC require additional capacity in respect of investigations, oversight functions and roles and responsibilities. • Partially functional MRRT • No relationship between the AC and MPAC. • The DDM is used as a tool to advance political interest of the ruling party in the province.	**Support required from Provincial COGTA:** • Capacitate governance structures and MPAC to be able to exercise oversight responsibilities and to deal with UIFW expenditure. • Oversee implementation of Section 106 report recommendations	Provincial COGTA	**PROVINCIAL COGTA ACTIVITIES** • Arrange intense training and hands-on support for governance structures & MPAC to capacitate the Committees to deal with UIFW – COGTA Capacity Building BU. • Conduct induction workshop for new Audit Committee members • Councilor Orientation	**PROVINCIAL COGTA BUDGET** In-house	**31 March 2022**
				Provincial SALGA	**PROVINCIAL SALGA ACTIVITIES** Capacitate MPAC on the UIFW process flow reporting	**PROVINCIAL SALGA BUDGET**	**31 March 2022**
2	Administrative	• Vacancies in key positions: The GM: Technical Services and GM: Planning posts are vacant for more than 6 months	• Support in the recruitment process of senior managers	• Provincial COGTA	**PROVINCIAL COGTA OVERSIGHT ACTIVITIES** • Provide generic adverts and screening posts on request • Provide hands on support during shortlisting and interview processes	**PROVINCIAL COGTA BUDGET** None	**31 March 2022**
3	Financial Management	• The municipality is under Financial distress • Unfunded Budget for 3 financial years • Audit opinions: Qualified for 2017/18; Qualified for	**Support required from Provincial Treasury:** • Support the municipality towards adopting a funded budget and compliance with	Provincial Treasury	**PROVINCIAL TREASURY ACTIVITIES** **Funded Budget Support:** • Monitor the implementation of the budgeting framework by municipality • Provide guidance on budget planning and implementation	**PROVINCIAL TREASURY BUDGET** None	**31 March 2022**

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		2018/19; Qualified for 2019/20 • UIFW expenditure R 10 212 935 by June 2021 • Poor Debt collection and implementation of credit control policy. • Weak Creditors management • High Rate of Indigence (Low Revenue Collection)	the MFMA and MBRR requirements. • Support with SCM • Support with asset management internal processes and controls that in the long term can assist in the improvement of audit outcomes. • Support on inter-governmental debt recovery • Support the municipality to implement effective and efficient financial management policies and a comprehensive and effective system of financial delegations • Support in capacitation of Audit Committee, Internal Audit Unit and risk management.		• Monitor, evaluate and report on budget implementation (In Year Monitoring • Monitor and report on compliance by municipalities. **SCM Support:** • Conduct routine compliance assessments in municipalities to ensure proper implementation and compliance with all the relevant SCM prescripts. These assessments inform all the other support initiatives that is provided as they highlight the level of compliance. This process includes the monitoring of audit improvement plans and providing assistance and support in ensuring all audit improvement actions are achieved. • Bid committee workshops are provided to municipalities as well as workshops on the requirements for Local Production and Content in all municipalities as and when requested to do so. These workshops are conducted so as to ensure that all officials appointed as members of bid committees are aware of their roles and responsibilities and that also to ensure that bid committees are fully functional. The workshops may also include any updates to legislation or National Circulars. • Deployment of resources for SCM support towards achieving unqualified audit outcomes where there are distressed SCM units or where there is a lack of capacity at management level within the SCM unit. The resources provide onsite guidance, support and		

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					mentorship of SCM officials in municipalities. **Asset Management Support:** • Review and establish whether internal controls have been developed and implemented for proper asset management practices during the assets life cycle that are in line with rules and regulations, recommended guidelines and GRAP compliance. • Provide guidance and assist municipalities with key municipal asset accounting related matters and the asset register. • Review and assist with aligning the asset management policies, SOP's and asset management plans to applicable legislation, frameworks and guidelines. • Conduct capacity building with municipal asset management staff on asset management reforms including workshops or on-the-job training. **Support on Risk Management and Audit Committee** • Risk Management Support through revision of Risk Management Policy and Strategy. • Support in the establishment of the Disciplinary Board to strengthen consequence management processes. • Review of Audit Committee Charter resulting in an effective Audit Committee. **Support on intergovernmental debt recovery:** • Data Gathering and Analysis • Disaggregation of Debt by Rates/ Services/Department		

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						• Accounts Data Base Management: • Accounts Data cleansing and verification in the municipal and departmental environment • Facilitate debt recovery on behalf of municipalities through Departmental payment plans **Support on Norms and Standards:** • Developing, reviewing and facilitating the implementation of financial norms and standards. • Assessment of financial management system of delegations.		
				Support Required from Provincial COGTA: • Support in improving audit outcomes. • Monitor preparation and submission of AFS by statutory deadline • Support to deal with already-incurred UIFW expenditure and on preventative measures. • Support with revenue enhancement strategies and implementation, • Undertake BTO assessment and support capacitation of the BTO.	Provincial COGTA	**PROVINCIAL COGTA ACTIVITIES** • Develop and implement the Municipal Audit Turnaround Plan. • Provide input and monitor progress on audit action plans. • Monitor preparation and submission of AFS. • Facilitate negotiations with Water Utilities that are owed monies and support with payment plans. • Facilitate and support municipality reduce Government debt. • Jointly develop revenue management enhancement strategy/plan. Plan to be monitored weekly via revenue enhancement committee. • Support provided at interim finance committee. • Support UIFW reduction by supporting MPAC and internal audit. • Conduct skills assessment of the BTO and support implementation of BTO findings and	**KZN COGTA BUDGET**	**31 March 2022**

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					recommendations – KZN COGTA Capacity Building BU		
			Support required from SALGA • Capacity building • Compliance with relevant laws & regulations • Reduction of municipal consumer debt	PROVINCIAL SALGA	**SALGA ACTIVITIES** • Training: Key Year-End Financial Disclosures, Checklist, Audit Management • Facilitate peer learning on AFS Preparation and Review • Monitor and Advise on MFMA Compliance • Lobby for establishment of Municipal Inter-Debt collection • Establish a Municipal Debt collection Campaign		**31 March 2022**
4	Service Delivery	• The district is facing serious challenges with water supply – Water backlog – 23.26%; sanitation backlog – 16.66% • Electricity backlog – 4.9% • Inadequate Capital Project Funding • High Rate of Indigence (Low Revenue Collection)	Short Term interventions: (Back to Basics) Appointment of consultants for Draft designs & contract documentation underway	• Provincial COGTA	**PROVINCIAL COGTA INTERVENTIONS** • The Mandlakazi BWS Project will provide 14260 Households, (9 351 in Hlabisa and 4 909 in Mandlakazi) with an assured supply of potable water.	**KZN COGTA BUDGET** 2021/2022 R100m	**31 March 2022**
			Medium term interventions: •	• DWS	**DWS INTERVENTIONS** DWS allocates Water Services Infrastructure Grant (WSIG) funding annually to the municipality to enable it to prioritize, plan and implement projects which will address water supply and sanitation challenges identified by the municipality.	**DWS BUDGET** MTEF allocation: 2021/22: R110m 2022/23: R120m 2023/24: R135.9m Total: R365.9m	

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					Projects planned by the municipality for the MTEF period are: • Ceza Rural Water Water Supply Scheme - Phase 4 - Reticulation D • eMondlo Water Supply Project • Mandlakazi RWSS Phase 5 Reticulation • Mhlangeni Water Supply • Gluckstadt-Bevenson Water Supply Project Phase 1 & 2 • KwaNkulu Rural Water Supply • COVID-19 Intervention Programme		
		• Long term interventions: • Completion of bulk water and sanitation projects • Leverage private sector and DFI's to fund cost of backlogs and to implement the Water and Sanitation Recovery Plan		• DWS	**DWS INTERVENTIONS** DWS is funding the implementation of Mandlakazi Bulk Water Supply Project and Nongoma Bulk Water Supply Project through the Regional Bulk Infrastructure Grant (RBIG). The projects were planned by the municipality, and are being implemented by the municipality. To date, R507.6 million of RBIG funding has been spent on the Mandlakazi Project, and R763.5 million has been spent on the Nongoma Project. In total, DWS has supported the municipality with R1.27 billion of RBIG funding for implementation of the two projects.	**DWS BUDGET** MTEF allocations for the Mandlakazi Project: 2021/22: R110m 2022/23: R140m 2023/24: R215.3m Total: R577.8m R112.5m has been allocated to the Nongoma Project in the 2021/22 financial year. The allocation is the final annual budget and the project is planned for completion in this financial year.	

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5	Local Economic Development	• LED Strategy is outdated. • Economic Recovery Plan is in place and driven by the district EISIED Cluster but most projects are still at funding request phase. • No funds to implement the Economic Recovery Plan. • **Zululand District Municipality** does not have a District Disaster Management Centre, currently operating at the uLundi Air Port. The District has since identified the site donated by the Abaqulusi Local Municipality in Vryheid.	• Support in implementation of LED Strategy	• Provincial COGTA	**PROVINCIAL COGTA INTERVENTIONS** •	**KZN COGTA BUDGET ALLOCATION** 2024/25 FY – R5m	