

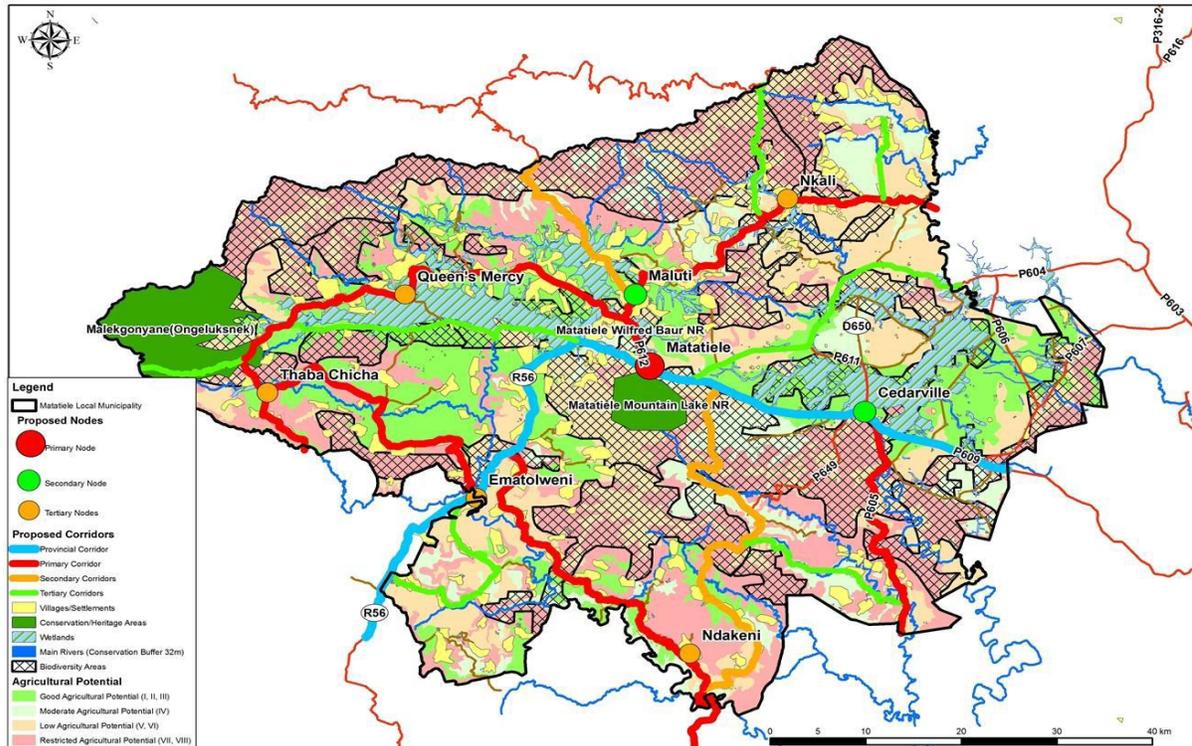


# MATATIELE

LOCAL MUNICIPALITY

## DRAFT INTEGRATED DEVELOPMENT PLAN 2012/17

MAY 2012



102 Main Street

Matatiele

4730

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## TABLE OF ACRONYMS AND ABBREVIATIONS

ISRDP	Integrated Sustainable Rural Development Program
ABET	Adult Basic Education and Training
ABP	Area Based Plan
AIDS	Acquired Immune Deficiency Syndrome
ANDM	Alfred Nzo District Municipality
ARC	Agricultural Research Council
BEE	Black Economic Empowerment
CASP	Comprehensive Agricultural Support Program
CBNRM	Community Based Natural Resource Management
CDW	Community Development Workers
CPF	Community Policing Forum
CIPS	Companies and Intellectual Property Commission
CPF	Community Policing Forum
CSC	Community Service Centre
DAFF	Department of Agriculture Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DEAT	Department Environmental Affairs and Tourism
DECT	Digital Enhanced Cordless Telephone System
DEDEA	Department of Economic and Environmental Affairs
DFA	Development Facilitation Act
DLGTA	Department of Local Government and Traditional Affairs
DM	District Municipality
DME	Department of Minerals & Energy
DOA	Department of Agriculture
DOE	Department of Education
DoE	Department of Education
DOH	Department of Health
DORPW	Department of Roads and Public Works
DoT	Department of Transport
DRDAR	Department of Rural Development and Agrarian Reform
DRT	Department of Roads and Transport
DSD	Department of Social Development
DSL	Department of Safety and Liaison
DSRAC	Department of Sport, Recreation, Art and Culture
DTF	District Transport Forum
DWAF	Department of Water Affairs and Forestry
ECD	Early Childhood Development
ECDC	Eastern Cape Development Cooperation
EEP	Employment Equity Plan
EIA	Environmental Impact Assessment
EMF	Environmental Management Framework
EMP	Environmental Management Plan
EPWP	Extended Public Work Program
FET	Further Education and Training
FMG	Finance Management Grant
FSA	Forestry Service Aid
GBH	Grievous Bodily Harm
GGP	Gross Geographic Product
GIS	Geographical Information System
GVA	Gross Value Adding
HCT	HIV Counselling and Testing

HIV	Human Immune Virus
IDP	Integrated Development Plan
IGF	Inter Governmental Forum
IGR	Intergovernmental Relations Framework Act
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
JTT	Joint Task Team
KZN	Kwazulu Natal
LED	Local Economic Development
LM	Local Municipality
LRAD	Land Reform/Redistribution for Agricultural Development
LTO	Local Tourism Organization
MDR	Multi-Drug Resistant
MDTP	Maloti Drakensberg Transfrontier Conservation and Development Project
MEC	Members of Executive Councillor
MIG	Municipal Infrastructure Grant
MLM	Matatiele Local Municipality
MSA	Municipal Systems Act
MTSF	Medium Term Strategic Framework
NSDP	National Spatial Development Framework
NGO	Non Governmental Organisation
PGDP	Provincial Growth and Development Plan
PMS	Performance Management System
PSF	Provincial Strategic Framework
PSDP	Provincial Spatial Development Plan
SANRAL	South African National Roads Agency Limited
SAPS	South African Police Service
SDF	Spatial Development Framework
SASSA	South African Social Security Agency
SMME	Small Medium and Micro Enterprises
TB	Tuberculosis
TSP	Tourism Safety Plan
WFTC	Working for the Coast
WPLG	White Paper on Local Government
WSA	Water Services Authority
WSDP	Water Services Development Plan

## **MAYOR'S FOREWORD**



The 2012/2017 IDP is in essence the first strategic document that the newly elected Council will adopt for their term in office. For the next five years, we will annually review our aims and objectives with the sole aim of ensuring sustainable development and the speeding up of service delivery.

The Municipality has geared itself to complement other spheres of government so as to reach the identified targets. We are proud to announce that the IDP remains our strategic document and is the key driver of our performance management and budgeting systems within the Municipality.

Through a process of reassessing National and Provincial priorities we have once again refined and refocused our strategic programmes so as to effectively respond to key challenges faced by the Municipality.

The five key strategic priorities for Matatiele are:

- Reduction of Service Delivery Backlogs
- Local Economic Development, and Rural Development
- Employment Creation through the Expanded Public Works Programmes (EPWP) and Community Work Programme (CWP)
- Proper Spatial Development Planning through the SDF and localized SDF's for the Nodal Areas of Maluti, Cedarville and Matatiele
- Financial Management

Therefore this IDP becomes essential towards the achievement of these strategic priorities. Active public participation by all stakeholders (Communities, Workers, Business Community, various interested groups, sector departments together with Traditional Leaders is pivotal towards strengthening of the Local Government Development Agenda.

The participation of Designated Groups (Youth, People living with Disabilities, People living with HIV and AIDS) is also encouraged as this will ensure a robust debate that will positively influence future planning processes for Matatiele Local Municipality. The IDP is also in line with the Outcome 9 and Vision 2030 of the Nation Planning Commission.

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**CLLR. M.M. MBEDLA**

**HIS WORSHIP THE MAYOR OF MATATIELE LOCAL MUNICIPALITY**

## **EXECUTIVE SUMMARY**

The Municipal Systems Act (No.32) of 2000 requires that local government structures prepare Integrated Development Plans (IDPs). The IDPs serve as tools for transforming local governments towards facilitation and management of development within their areas of jurisdiction. In terms Chapter 5 and Section 25 of Local Government Systems Act, (Act 32 of 2000), that the municipal council must within a prescribed period after the start of its elected term, adopt a single all inclusive and strategic plan for the development of the municipality. The Local Government Systems Act also identifies the IDP as the vehicle to be used in the achievement of these goals. In conforming to the Act's requirements the Matatiele Council has delegated the authority to the Municipal Manager to prepare the IDP. The IDP Strategic Approach is to ensure that the Municipality is a more responsive, efficient, effective and accountable local government.

### **GEOGRAPHIC LOCATION**

Matatiele Local Municipality (MLM) is located at the Northern part of the Eastern Cape Province. It adjoins onto Elundini Municipality to the South West, Greater Kokstad Municipality (KZN) to the East, uMzimvubu Municipality to the South, and Lesotho to the North. Matatiele is one of the four local municipalities located within Alfred Nzo District. It consists of 26 municipal wards with a population of 258 758 people and accounts for 58% (4352 km<sup>2</sup>) of Alfred Nzo District geographical size

### **INTEGRATED DEVELOPMENT PLANNING IN MATATIELE**

Matatiele local Municipality IDP (2012 – 2017) will serve a strategic guide during for the Municipality. It is based on the issues articulated by the stakeholders and is aligned with the National and Provincial development imperatives such as Accelerated and Shared Growth for South Africa (AsgiSA) and the Provincial Growth the Development Strategy (PGDS).

### **KEY COMPONENTS OF THE IDP**

Section 26 of the Municipal Systems Act prescribes the key components of an IDP. In keeping consistency with this section of the Act, Matatiele Municipality IDP is presented four main sections as follows:

- The Executive summary which gives the municipal overview and developmental challenges.
- An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).
- A strategic framework which outlines a council long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies.
- A capital program including a one year program, three year program aligned to the medium term Expenditure Framework and the five year plan.
- Implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan.

*The IDP is systemically aligned to the budget process, and the Performance Management System (PMS).*

## CHALLENGES FACING THE MATATIELE AREA

The Matatiele IDP through a consultative process identified various challenges that need to be addressed in order to meet the needs of the community and achieve sustainable development and the vision for the future development of the area. These challenges were identified as follows;

- Access to social facilities is considered to be a challenge. The existing police stations are considered to be inadequate and a need exists for satellite police stations. The health facilities are also said to be inadequate to cater for community needs. Furthermore, due to the remote and rural nature of other villages, access by even mobile clinics in some villages is a challenge. Shortage of sports and recreation facilities as well as other facilities such as banks, Post Offices are some of the issues that still require attention by the Municipality in partnership with sector departments, the District Municipality and other stakeholders.
- Due to the distance from service centers, other localities do require satellite municipal and government offices. Also, educational facilities are considered to be inadequate, particularly the technical skills centers and public schools. In addition, there is a major backlog with general maintenance of infrastructure and service delivery.
- There is a need to improve safety and security particularly for low cost townships. The provision of street lights as a means to reduce the incidents of crime has been suggested as a strategy. Stock theft is considered to be very high. Community Policing Forums (CPFs) need to be revived. An allowance needs to be made as compensation to the CPFs as a form of motivation.
- General moral regeneration is a need in the Matatiele municipal area. The level of alcohol consumption amongst the youth is attributed to the lack of entertainment and recreation centers.
- Land and Housing – land ownership and access to land is a severe problem. Limited land use management and development control makes it difficult to prevent and control land invasion. Upgrading tenure security is essential, particularly providing more secure rights for people that already occupy land. The need for rural planning is noted. There is a shortage of housing within the urban areas and access to funding is a major concern for middle income housing in particular. Settlements are mushrooming in an uncontrollable environment.
- Local Economic Development and Tourism – Due to the high rate of unemployment in Matatiele, there is a need to attract private sector investment. The local resources are underutilized due to poor skills base. The need to offer comprehensive skills development programmes that not only focus on technical skills but include business skills has been expressed. The tourism potential (heritage) is currently not being fully harnessed. Lack of access to Markets for SMMEs is glaring. The presence of an information centre at the entrance of Matatiele is critical.
- Environmental pressure – there are several environmental threats and limitations which if not addressed could contribute to decline in the supply of natural resources and livelihoods in the municipality. Key limitations include poor soil and highly erodible soils contributing to land degradation and poor crop yield. In addition to that the harsh climatic conditions such as high temperature, heavy rainfall, and periodic strong winds which under favourable conditions could result in natural disasters such as floods and runaway bush fires. The highly rugged terrain can significantly reduce the development potential of the municipality. The management of wetlands is a critical issue.

- Encroachment of settlements onto high potential agricultural land affects the significantly limited land capability of the Matatiele local Municipality. Only an estimated 30% of the total land area of the municipality is constitute of land with minor limitations to agricultural production. The remaining 70% is either not arable or has severe limitations to agriculture. Unfortunately, the limited land for agriculture is decimated by extensive settlement and the associated uses. Currently, it appears that commercial agriculture is not a viable land use option for a development programme in most parts of the municipal area. Viable agricultural schemes have also proved to be difficult to implement in rural areas due to shortage of land.
- Uncontrolled settlements – the sprawl of rural settlements and growth of informal settlements in Maluti is considered a critical issue affecting the municipal area. This phenomenon could be ascribed to the factors such as the collapse of the land administration systems, lack of forward planning together with the tendency for people to be opportunistic and move to highly accessible areas (such as along R56 corridor and road to Lesotho).

#### **OPPORTUNITIES WITHIN THE MATATIELE AREA**

The municipality has vast opportunities. These are inclusive of the following:-

- Heritage and eco-Tourism – The environment within Matatiele Municipality provides several opportunities for eco-tourism development provided these would be harnessed appropriately and utilized on a sustainable basis.
- The largely rural wilderness areas for the development of ecotourism and wilderness education.
- Rugged terrain with its relatively undisturbed and water sources environment for biodiversity conservation initiatives.
- Huge wetlands system that provide suitable habitats for wildlife and raw materials for local economic activities.
- The heritage resources in the municipality that could augment tourism and education.
- The LED Strategy identified a strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports facilities for supporting tourism.
- Matatiele CBD as a potential vibrant and dynamic rural centre – Matatiele town plays a significant role within the municipal area. It is an administrative, service and main economic centre with a threshold that covers the full extent of the municipal area and beyond. It is a link between Matatiele and other towns within the district as well as the major provincial centres and beyond. As such, the town should be planned as a rural town and be structured and managed to enable it to perform its functions efficiently and effectively. The opening of road linkages between Matatiele with the neighbouring Ulundi Municipality, Lesotho as a potential trade and tourism route will improve access to Ukhahlamba, Maloti Drakensburg Transfrontier Park. This will adds further impetus to the need to the development Matatiele Town as a vibrant and dynamic rural centre.
- Value Adding Products – There is a strong potential for large-scale production, processing and marketing of local products in external markets (e.g. agricultural, forestry products and related products and sandstone) with the view to introduce value-addition activities in all economic sectors. The opportunities also exist for establishing and identifying new markets for locally-produced products and services. The need exists to explore opportunities for investment in activities, businesses or services currently not offered in Matatiele as well as

exploring the potential for use of available underutilized land and other natural resources (e.g. rivers) resources for income generation purposes.

- High potential agricultural areas offer unique opportunities for cultivation and food security. Areas of high agricultural potential are identified as areas with inherent potential for cultivation based on the soil, slopes and climate of the area. It is recommended that activities that will result in the loss of agricultural potential such as the subdivision of land, settlement and extensive infrastructure development should not be undertaken in this zone. Ultimately these areas should not be developed for purposes other than agriculture, and should retain the opportunity for future agricultural production. As such, they should be maintained either for cultivation or grazing. In areas of high agricultural potential that also have high biodiversity value it will be important to attempt to identify land uses that may achieve both objectives such as grazing or less intensive cultivation that include areas to be set aside for biodiversity management. High potential agricultural land located within existing settlements but is too small or lack the appropriate infrastructure to become viable agricultural areas could be considered for small scale or intensive food production and urban agriculture. Agricultural development should be promoted based on latent potential with high production potential land being reserved mainly for agricultural purposes. The following agricultural activities are prevalent in the area:
- Timber plantations should be established in areas where the adverse effects on the environment will be easily mitigated. Otherwise the area is too environmentally sensitive for timber plantations.
- Extensive livestock farming should be promoted, particularly in communal areas. But, grazing land management programmes should also be introduced to address the increasing problem of soil erosion.
- Crop production (irrigated and dry land) should be promoted in low - lying areas and irrigation along the main river tributaries.
- Irrigation estates along the major rivers.
- Pastures and dairy in and around Cedarville.
- Farms stay within a five to ten kilometer radius from Matatiele Town and Cedarville should be considered for the establishment of smallholdings where limited processing of agricultural products and tourism facilities should be allowed. The same applies to farms located immediately along development corridors.
- Regional Access – R56 which runs through Matatiele in an east-west direction serves as the main regional access route that links Matatiele with other urban centres such as Kokstad to the east and Mount Fletcher to the south west. Secondary to the N2, it serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province. It is identified in the Draft Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes. R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville-Matatiele Area, tourism zones in the Ongeluksnek area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area.
- Development along R56 Development Corridor should follow the following guidelines.
- R56 is a regional limited access and high speed public transport route; as such direct access onto this road is subject to the provincial road transport regulations.
- Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities; and

- A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.
- R56 also provides an alternative shorter route to Cape Town with views of scenic beauty, which can attract both domestic and International tourist thereby promoting LED projects at some locations.

# CHAPTER 1

## INTRODUCTION

This Integrated Development Plan (IDP) is being prepared for the period 2012-2017 in accordance with the prescription of the Municipal Systems (Act 32 of 2000), which further requires that, all municipalities review their integrated development plans annually.

The development of this IDP will be based on three major principles namely, consultative, strategic and implementation oriented planning.

In terms of the Municipal Systems Act (Section 25.1) the municipality is required to adopt a single, inclusive and strategic plan for the development of the Municipality which:

- Links, integrates and co-ordinates all development plans of the municipality
- Aligns the resources and capacity of the municipality with the implementation plan.
- Forms policy frameworks which constitute the general basis on which the annual budget must be based
- Is compatible with the National and Provincial development plans and planning requirements

The IDP would have to be integrated with other plans and be aligned with the municipality's resources and capacity and must also be compatible with national and provincial plans and priorities. The IDP formulation and implementation process will therefore be guided by the following legislation and/ or policies:

- Constitution of the Republic of South Africa 1996
- Local Government: Municipal Systems Act, 2000
- Local Government: Municipal Structures Act, 1998 as amended
- Local Government Municipal Finance Management Act, 2003
- White Paper of Local Government
- The Provincial Growth and Development Plan (2010) as well as other National Policies

A good environment for the preparation of the IDP has been established.

As prescribed by Section 28 of MSA, a process plan was prepared and adopted by Council. The process plan made provision for institutional arrangements, roles and responsibilities, the organisational structure, procedures and mechanisms for public participation and for alignment of the IDP with that of the Alfred Nzo District Municipality.

## BACKGROUND

Matatiele Local Municipality (MLM) is located on the Northern part of the Eastern Cape Province. It adjoins onto Elundini Municipality to the South West, Greater Kokstad Municipality (KZN) to the East, Umzimvubu Municipality to the South, and Lesotho to the North. It is one of the four local municipalities forming part of the Alfred Nzo District Municipality. The other municipalities are uMzimvubu, Mbizana and Ntabankulu Local Municipalities. With the changes in ward demarcation, Matatiele now consists of 26 municipal wards with a population of 258 765 people and accounts for 58% (4352 km<sup>2</sup>) of Alfred Nzo District geographical size.

R56 road is a major arterial and trade route running through the municipality in an east-west direction linking Matatiele with Kokstad to the east and Mount Fletcher to the west. It links the municipality with KwaZulu-Natal Province and parts of the Eastern Cape Province located south of Matatiele Municipality. The western parts of the area (commercial agricultural farms) forms part of high production potential land stretching from Matatiele and Kokstad in the south through the KwaZulu-Natal Midlands to the north western parts of KwaZulu-Natal.

Matatiele Municipal area is composed of the commercial farmlands surrounding the service centre of Matatiele, the town of Cedarville together with the R293 township of Maluti. The municipality is predominantly rural in nature, with 91% of households classified as rural and only 9% as urban (ANDM, WSDP, 2010: 37). The district is dominated by expansive poorly developed rural villages.

While Matatiele Town serves as a service centre and/or the main economic hub for Matatiele Municipality and beyond, and is identified in the District Municipality SDF as a primary node, the settlement pattern is characterised by dispersed rural settlements surrounded by subsistence farmlands in the former Transkei region, which fell within the previous Umzimvubu boundary. The area is located at the foothills of Drakensburg Mountains. It adjoins onto the World Heritage site along its western boundary and was included in the Maloti-Drakensberg Transfrontier Conservation and Development Project (MDTP). The latter was a collaborative initiative between South Africa and the Kingdom of Lesotho to protect the exceptional biodiversity of the Drakensberg and Maloti mountains through conservation, sustainable resource use, and land-use and development planning. This area encompasses distinct landscape and biological diversity. It is quite rich in species and high in endemism

## **MATATIELE DEVELOPMENT STRATEGY**

The development strategy for Matatiele local Municipality is seeks to respond to the development issues facing the municipal area as outlined in the preceding sections of this document. It aligns with and seeks to contribute to the attainment of the Provincial and National development imperatives as outlined in the relevant policy documents. The municipality's development vision is as follows:

**“WHERE NATURE, AGRICULTURE, TOURISM  
ARE INVESTMENTS OF CHOICE”**

**Matatiele Local Municipality's mission is:**

**“To create an awerness on nature conservation**

**To promote and support agricultural activities**

**To promote and market Local Tourism organizations  
and Small, Medium and Micro Enterprises**

**To create an environment conducive for investment”**

The vision is guided by the constitutional imperatives, which generally require all local governments' structures to be service delivery driven in nature, and continuously strive to empower their communities socially and economically.

## **IDP OBJECTIVES**

Integrated development planning is a process whereby municipalities prepare strategic development plans for a five-year period. These plans should inform planning, decision making, budgeting, land management, promotion of local economic development, and institutional transformation in a consultative systematic and strategic manner.

This Integrated Development Plan (IDP) seeks to achieve the following:-

- Speed up delivery through making more effective use of scarce resources
- Attract additional funds
- Strengthen democracy
- Overcome the apartheid legacy at local level
- Promote intergovernmental co-ordination

This IDP also aims to:-

- Create a higher level of focus and thereby improve the strategic nature of the document;
- Align this strategic document with the limited financial and human resources
- Align the IDP with the activities of the municipality's departments and other service providers in other spheres of government
- Align the IDP with the various sector and management plans of the municipality.

## **METHODOLOGY**

The preparation of this IDP is based on a Process Plan, which Matatiele Municipality adopted by council on the 29 August 2011, council resolution number CR42/29/08/2011 in terms of the Systems Act, 32 of 2000 at the beginning of the review process. The plan establishes a firm foundation for the alignment of the IDP and budget preparation processes. As such, one all encompassing Process Plan was prepared for these two processes and adopted by Council to ensure proper management of the IDP planning process.

- In addition, the preparation of the IDP preparation process took cognisance of the following:
- Preparation of the Executive Summary indicating the issues facing the municipality, development opportunities, municipal plans to address opportunities and constraints, institutional development programmes and five year service delivery programme.
- A shared and detailed analysis of the current situation. This should form the basis for the identification of key development issues, development opportunities and review of the strategic framework.
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process.
- Development strategy clearly indicating the long, medium and short terms development vision. These are expressed in the form of long term vision, medium term development strategies and short term interventions – projects.
- An indication of the organisational arrangements for the IDP process.
- Binding plans and planning requirements, i.e. policy and legislation and mechanisms and procedures for vertical and horizontal alignment.

- Alignment of the budget and the IDP expressed in the form of a medium term (3 years) capital programme corresponding with the medium term expenditure framework, one year capital programme indicating the projects to be implemented in this financial year, etc.
- Spatial development framework indicating a link between the IDP policy framework and the site specific Land Use Management System (LUMS).

Further, the preparation of this IDP considered Section 26 of the Municipal Systems Act prescribes the key components of an IDP. In keeping consistency with this section of the Act, Matatiele Municipality IDP is presented four main sections as follows (refer to Figure 1):

- The Executive summary which gives the municipal overview and developmental challenges
- An outline of the key development issues and trends based on an analysis of the current level of development (Situational Analysis).
- A strategic framework which outlines a Council long term vision with specific emphasis on the municipality’s most critical development objectives, actions plans and strategies.
- A capital program including a one year program, three year program aligned to the Medium Term Expenditure Framework and the Five (5) Year Plan.
- Implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan.

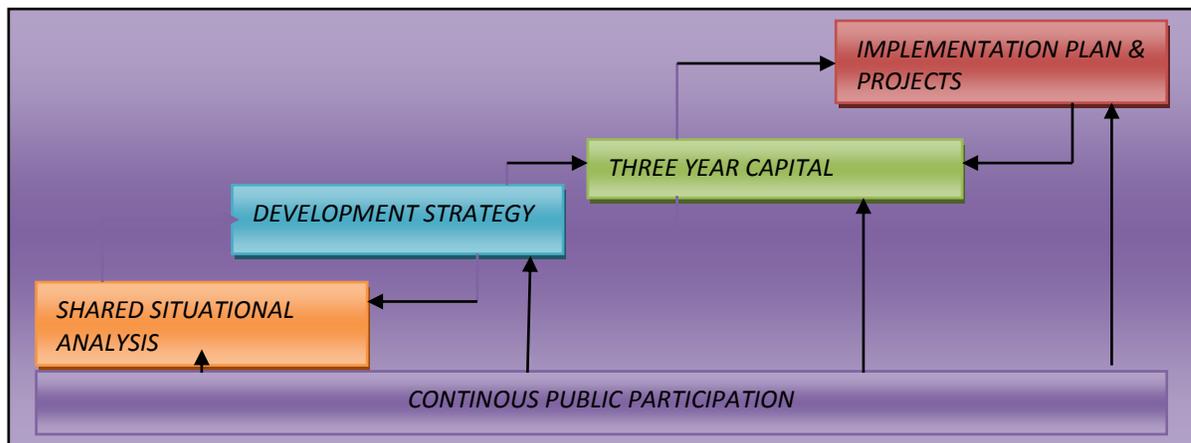


Figure 1: Brief IDP Process

## **ALIGNMENT OF THE IDP, BUDGET AND PERFORMANCE MANAGEMENT SYSTEM**

The IDP is systemically aligned to the budget process, and the Performance Management System (PMS). The nature of the alignment is depicted on figure 2 below.

Figure 2: The Matatiele Municipality IDP, Budget and PMS Linkages

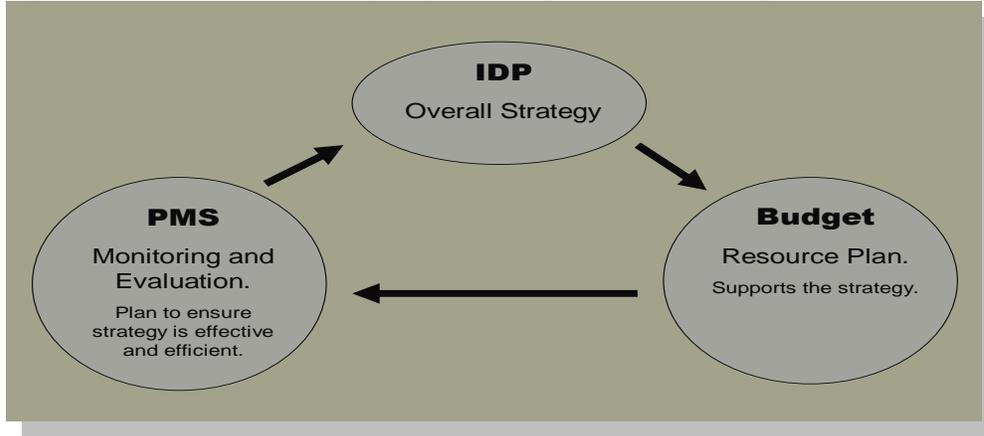


FIGURE 3: SCHEDULE OF 2012/2017 IDP PROCESS PLAN MEETINGS

MILESTONE	ACTIVITIES & PURPOSE	RESPONSIBILITY	TIMEFRAME
<b>PROCESS PLAN</b>			
	Council Adoption of the IDP Process Plan for the review 2012/2016	Municipal Manager IDP / M& E Manager	29 August 2011
	1 <sup>st</sup> IDP Steering Committee	Municipal Manager	08 September 2011
	1 <sup>st</sup> IDP Representative Forum meeting	IDP / M&E Manager	
	Outlining and buy – in on the process plan		
	Submit Process Plan to relevant authorities	Municipal Manager IDP / M& E Manager	09 September 2011
<b>SITUATIONAL ANALYSIS</b>			
	Issue GM's with IDP planning guidelines and requirements	Municipal Manager IDP / M& E Manager	10 September 2011
	All IDP sector plans to be reviewed commence situation analysis	All Departments	15 September 2011
	Finalize Ward Based plans	IDP / M& E Manager	12 – 15 September 2011
	IDP community Outreach -confirm community needs and priorities	Municipal Manager IDP / M& E Manager	26-29 September 2011
	2 <sup>nd</sup> IDP Steering Committee	Municipal Manager	07 October 2011
	2 <sup>nd</sup> IDP Rep Forum	IDP / M& E Manager	
	Draft status quo report	ALL Departments	
	<ul style="list-style-type: none"> <li>• service Delivery achievements and identified gaps</li> <li>• Presentation of community needs</li> <li>• Presentation of status quo on IDP sector plans</li> </ul>		
<b>EXCO SITTING</b>	Draft IDP Status Quo Report to EXCO	Mayor, Municipal Manager, IDP / M& E Manager	19 October 2011
<b>COUNCIL SITTING</b>	Draft IDP Status Quo Report to Council	Mayor, Municipal Manager, IDP / M& E Manager	28 October 2011
<b>STRATEGIES</b>			
	<u>Strategic Plan Session</u> <ul style="list-style-type: none"> <li>• <i>Evaluate the status quo</i></li> </ul>	<u>ALL Section 57 Managers</u> <u>Municipal Manager</u>	<u>05 February 2012 to 10 February 2012</u>

	<ul style="list-style-type: none"> <li><u>Formulate Strategies and Indicators</u></li> <li><u>Review of Policies</u></li> <li><u>Align indicators with Performance framework</u></li> </ul>	IDP / M& E Manager Communications Manager	
<b>PROJECTS PHASE &amp; PRIORITISATION</b>			
	<ul style="list-style-type: none"> <li><u>All project proposals finalized and submitted to the Municipal manager</u></li> </ul>	ALL Departments	<u>13-15 February 2012</u>
<b>INTEGRATION</b>	<u>Integrate - interdepartmental &amp; sector projects</u>	All Sector Departments IDP / M& E Manager	<u>13 – 15 February 2012</u>
	Integrate all IDP sector Plans		
	3 <sup>rd</sup> steering Committee 3 <sup>rd</sup> Representative Forum Meeting <u>Presentation of Strategies &amp; Projects</u>	Mayor Municipal Manager IDP / M& E Manager	<u>16 February 2012</u>
<b>EXCO SITTING</b>	Draft IDP to EXCO, <u>Strategic Planning session Report to EXCO</u>	Municipal Manager, IDP / M& E Manager	16 March 2012
<b>COUNCIL SITTING</b>	Table 1 <sup>st</sup> Draft IDP to Council , <u>Adoption of the Strategic Planning Session Report</u>	Mayor, Municipal Manager, IDP / M& E Manager	22 March 2012
<b>SUBMIT FOR MEC COMMENTS</b>	Forward Draft IDP to Department of Local Government & Traditional Affairs for MEC comments, ANDM for comments	Municipal Manager IDP / M& E Manager	26 – 30 March 2012
	Advertise draft IDP, Draft Budget, Outreach Programme & Tarrifs	Municipal Manager, CFO	29 March 2012
	Draft Budget and IDP Outreach	Municipal Manager, CFO	10 – 13 April 2012
	Incorporate Inputs into the IDP	Municipal Manager, IDP / M& E Manager	23 April 2012 - 27 April 2012
<b>EXCO SITTING</b>	Final Draft IDP to EXCO (Special EXCO)	Mayor, Municipal Manager, IDP / M& E Manager	16 May 2012
	Performance Framework 2012/2013 to EXCO	Mayor, Municipal Manager, IDP/M& E Manager	25 May 2012
<b>COUNCIL SITTING</b>	Final draft for IDP for Approval or adoption (Special Council)	Mayor	30 May 2012
	Performance Framework 2012/2013 to Council (Special Council)	Mayor, Municipal Manager, IDP/M& E Manager	30 May 2012
<b>PUBLICIZING AND SUBMISSION</b>	Advertise the Approved IDP, Budget and Tariffs and submit to relevant Stakeholders	CFO/MM	01 – 07 June 2012
<b>SDBIP</b>	Preparation and signing of SDBIP	Mayor	01 – 07 June 2012 (14 Days After the Adoption of the Budget)
<b>PERFORMANCE CONTRACTS</b>	Signing of Performance Contracts by all Senior Managers	Mayor/MM	By 15 July 2012

## **PUBLIC PARTICIPATION**

The consultation and involvement of the general community in the development agenda of Matatiele is primary to the IDP. This informs the strategic planning process and ensures that planning responds to the root causes of development challenges, the ward based community needs and ward based priorities. In essence, the fact that approximately ninety five percent of the population of Matatiele is rural, high levels of illiteracy, and is generally poor indicated the need for the Municipality to use means of participation that would be both relevant and maximise the impact of the participation. As a result, whilst written media (newspapers, internet etc.) was utilised as a means of communication, other forms of communication that are relevant to the municipality were utilised to a greater extent. The use of radio, word of mouth and the use of the existing traditional structures like senior traditional leaders, together with the existing council support structures like the ward clerks and community development workers were effective. The following is a list of the tools that were utilised to consult with the community:-

- **IDP Representative Forum (IDP REP):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, Senior Traditional leaders, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business and organized agriculture.
- **Media:** Local newspapers are used to inform the community of the progress of the IDP and planned meetings.
- **Radio Slots:** The community radio station is used to make public announcements where necessary.
- **The ANDM and Matatiele Website:** The Alfred Nzo DM's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for people and service providers to download.
- **Ward Committees:** Matatiele Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery. They are represented in the IDP REP meetings and their input is always considered. They are also being used to disseminate the information about the developmental agenda of the municipality.
- **Traditional leaders:** As a rural community, the reliance of the majority of the community on the traditional leaders as the custodian of culture, state land and leadership cannot be overemphasized. IDP outreach meetings were also communicated through these institution

The IDP Guide Pack recommends the following roles and responsibilities:-

- **Mayor**  
The Mayor coordinated and made the final decisions on issues regarding the process plan.
- **IDP Manager**  
The IDP Manager as delegated by the Municipal Manager was given the responsibility to prepare, properly manage, monitor, organize and implement the planning process on a daily basis.
- **IDP Steering Committee (Technical Representation)**  
The IDP Steering Committee is made up of technical specialists, such as the Municipal Manager, representatives from each municipal directorate (General Managers), Executive

Committee members, and the Chairperson of the IDP Representative Forum. The IDP Steering Committee is chaired by the Municipal Manager. The Steering Committee assists the IDP Manager in driving the IDP process. They are a technical committee which provides direction to Representative Forum meetings.

➤ **IDP Representative Forum (Community Representation)**

The IDP Representative forum represents the broader community. They advise all stakeholders and assist in the IDP process by providing information for review and gap identification. They represent the interests of the organizations and contribute their knowledge and ideas towards identifying community priorities. The IDP Representative Forum is composed of the steering committee, all ward councillors and ward committees, youth, women, disabled, business, religious leaders and other recognized stakeholders. The Mayor chairs the IDP Representative Forum.

The Municipality in its process plan assigned roles and responsibilities to various stakeholders involved in the development of the IDP.

*The following figure provides a graphic overview of the organisational structure for the IDP*

Figure 4: Mechanisms and Procedures for Public Participation

## MUNICIPAL POWERS AND FUNCTIONS

The powers and function for Matatiele Municipality as well as Alfred Nzo District Municipality are indicated in the table below.

Table 1: powers & functions

<b>FUNCTION</b>	<b>MATATIELE LM</b>	<b>ALFRED NZO DM</b>
<b>Air pollution</b>	X	
<b>Building regulations</b>	X	
<b>Child Care facilities</b>	X	
<b>Electricity reticulation</b>	X	
<b>Fire Fighting</b>	X	X
<b>Local Tourism</b>	X	X
<b>Municipal airports</b>	X	
<b>Municipal planning</b>	X	X
<b>Municipal Health Services</b>		
<b>Municipal Public Transport</b>	X	
<b>Pontoons and Ferries</b>		X
<b>Stormwater</b>	X	
<b>Trading regulations</b>	X	
<b>Water (potable)</b>		X
<b>Sanitation</b>		X
<b>Schedule 5 part b</b>		
<b>Beaches and amusement facilities</b>	X	
<b>Billboards and the display of adverts in public places</b>	X	
<b>Cemeteries, Crematoria and funeral parlous</b>	X	
<b>Cleansing</b>	X	
<b>Control of public nuisances</b>	X	
<b>Control of undertakings that sell liquor to the public</b>	X	
<b>Facilities for the accommodation, care and burial of animals</b>	X	
<b>Fencing and fences</b>	X	
<b>Licensing of dogs</b>	X	
<b>Licensing and control of undertakings that sell food to the public</b>	X	
<b>Local amenities</b>	X	
<b>Local sport facilities</b>	X	
<b>Markets</b>	X	
<b>Municipal abattoirs</b>	X	
<b>Municipal parks and recreation</b>	X	
<b>Municipal roads</b>	X	
<b>Noise pollution</b>	X	
<b>Pounds</b>	X	
<b>Public places</b>	X	

<b>Refuse removal, refuse dumps and solid waste disposal</b>	X	
<b>Street Trading</b>	X	
<b>Street lighting</b>	X	
<b>Traffic and parking</b>	X	

## **MEC COMMENTS**

The MEC comments on the 2011/2012IDP review rated the Municipality with an overall high rating. However, ratings of Medium were obtained in the KPAs of Good Governance, Service Delivery and infrastructure development.

The MEC Comments were also taken into account specifically looking at improvement of these areas, namely:-

Development of a Comprehensive Infrastructure Plan

Human Resource Plan

Strategy for HIV/AIDS and special groups

## MATATIELE LOCAL MUNICIPAL TURNAROUND STRATEGY

The Local Government Turnaround Strategy (As approved by Cabinet in December 2009) aims to ensure that local government has the correct management, administrative and technical skills. Towards this end, Local Government a ten- point plan was adopted by Government. Subsequently, Municipalities were expected to have developed their Municipal-specific turn-around implementation plans by 2012. Matatiele Local Municipality adopted the Local Municipality Municipal Turn- around implementation Strategy in 2010. The table below portrays the progress on the Strategy to date.

KPA:	INDICATORS	TARGETS	PROGRESS	CRITICAL INTERVENTIONS
<b>Municipal Institutional Development &amp; Transformation</b>	Filling of critical positions	To have all vacant critical posts filled BY 30 June 2012	All posts are being filled	None
	HR Policies	To have the HR plan in place by 30 June 2012	A workshop has been conducted on policies	A service provider appointed by DLGTA is busy developing a generic Retention policy for customisation and adoption by Municipalities
	Functionality of LLFs	To hold monthly LLF meetings	Monthly meetings are being held except when circumstances do not permit	None
<b>Basic Service Delivery</b>	Adherence to sector plans	Transport plan to be in place by 30 June 2011	Consultant appointed	None
	Implementation of Comprehensive Infrastructure Plans (CIP)	CIP to be in place by 30 June 2012	Consultant appointed the project on Data-collection Phase	None

KPA:	INDICATORS	TARGETS	PROGRESS	CRITICAL INTERVENTIONS
	Acceleration of Service Delivery Refuse Removal	Increase refuse removal to rural households Khoapa, Ramohlakoana and Masakala (350 households)	Business plan complete Public participation underway	None
	Access Roads	33,5 km by end of June	20km in progress	Purchasing of municipal plant underway
	Disaster Management	Disaster management plan	Plan in place  A dedicated person employed to deal with disaster	Funding needed as it is an unfunded mandate
	Sporting facilities	To have developed facilities in each village and ward by 2017	Sporting facilities maintained in Matatiele town, the plan will be included in the IDP	Funding for construction of facilities in all wards.
<b>LED/JOB CREATION</b>	LED Strategy development & Review capacity for implementation of LED	To adopt the strategy by December 2010	LED strategy adopted June 2010	More funding is required for implementation
	Implementation of CWP	24 wards in each municipality need to implement the CWP	CWP is implemented in 20 wards. The Nkhoesa Mofokeng is operational in all wards. The CWP Reference group was established.	More sites to cover the remaining 6 wards
	Implementation of clean cities through waste management and job creation	Establish at least one recycler before 30 June 2012.	Re-cycling initiative, establishment of parks underway.	DLGTA to provide the strategic framework and the execution plan

KPA:	INDICATORS	TARGETS	PROGRESS	CRITICAL INTERVENTIONS
	Revitalisation of small towns	Review by-laws and upgrade bulk infrastructure encourage investment	Business Plan being prepared for bulk infrastructure upgrading	More funding needed for the bulk infrastructure upgrading.
<b>Finance/ Financial Viability</b>	Financial controls	Daily banking	Daily banking undertaken	None
		Monthly bank reconciliation	On target	None
		Expenditure control	Orders only issued against available funds	Basic financial Management training needed for unit managers
	Plans to achieve clean audits	Audit action plan regarding the AG's Report	Plans were circulated to all Managers	MANCO meetings
		Adherence to legislation	All non-adherence is discussed and rectified at Management	MANCO meetings
	Transparent Supply Chain Management	Quarterly SCM reports to Council	All quarterly reports tabled at Council	Generic templates of all SCM templates required
	Revenue enhancement	Appointment of a service provider	Tender advertised	Fast-tracking appointment of service provider
	Reduction of Municipal debt	Appointment of debt collectors	None	Budget allocation
Outsourcing of the debt collection – tender has been advertised.			None	
Government Debt to be settled		Monthly schedules submitted to DCOGTA	Matter discussed at IGR	
	Recovery of R10m debt	Electricity sales blocked for overdue accounts.	Funding for consumer awareness campaigns	
<b>Governance</b>	Increase in number of functional ward committees	To have all ward committees functional by December 2010	All ward committees are functional	
	Functionality of IGR Structures	IGR meetings are held regularly	The Local Rapid Response team has been constituted and is functional	Increased participation by Sector Departments like:- DOJ, SAPS, Department of Home affairs, Department

KPA:	INDICATORS	TARGETS	PROGRESS	CRITICAL INTERVENTIONS
				of Transport is needed
	IDP Planning Processes	Adoption of the IDP process plan by 30 August 2011, and the IDP by May 2012	The IDP process plan e adopted	None
	Strengthening of Public Participation Structures/Forum	Functional ward committee structures	Ward committees have been elected in all wards.	Assistance towards ward committees
	Customer satisfaction surveys	Conduct one customer satisfaction survey per year	Not yet conducted	Financial Assistance A model/template for the survey
<b>ICT Infrastructure</b>	ICT capacity within municipalities	Functional ICTUnit	Basic infrastructure available and functional. External consultants used for specialised technical support. One IT officer employed	Establishment of an IT Unit

## CHATER 2: CURRENT SITUATIONAL ANALYSIS

This section presents an analysis of the current development situation within Matatiele Municipality. It provides background to the strategic framework and identifies development trends and patterns. It is based on information collected by means of stakeholder interviews, review of secondary data in the form of records and sector plans, IDP Forum meetings and IDP road shows.

### 2.1. DEMOGRAPHIC PROFILE

#### 2.1.1 District context

A comparative demographical analysis demonstrates that Matatiele has the largest geographical size within Alfred Nzo District Municipality. The area also boosts with a slightly higher population density than the neighbouring Umzimvubu Local Municipality. However Matatiele has a rather lower density within the ANDM. Nevertheless this density of 59 people/ km<sup>2</sup> is higher than the provincial average of 41 people/ km<sup>2</sup> as well as the national average of 39 people/ km<sup>2</sup>.

*Table 2: Population Estimates, Density and GVA: Matatiele Municipality, Alfred Nzo District Municipality, Eastern Cape Province and South Africa*

<b>Area</b>	<b>Area Size (Km<sup>2</sup>)</b>	<b>Population Estimate for 2007</b>	<b>Population Density (persons per km<sup>2</sup>)</b>	<b>Gross Value Adding (GVA) R000</b>
<i>South Africa</i>	1,221,219	48,028,110	39.33	1,768,272,907
<i>Eastern Cape</i>	168,966	6,527,745	41	137,456,510
<i>Alfred Nzo DM</i>	6,858	479,395	70	1,142,483
<b>Matatiele Municipality</b>	<b>Local 4,352</b>	<b>258,758</b>	<b>59</b>	<b>519,984</b>
<i>Umzimvubu Municipality</i>	<i>Local 2,506</i>	<i>220,636</i>	<i>88</i>	<i>622,496</i>
<i>Ntabankulu Municipality</i>	<i>Local 1456</i>	<i>141,358</i>	<i>Unknown</i>	<i>207, 163</i>
<i>Bizana Municipality</i>	<i>Local 2417</i>	<i>279,739</i>	<i>Unknown</i>	<i>480,773</i>

**Source: Census 2007 and ANDM IDP 2010/ 11**

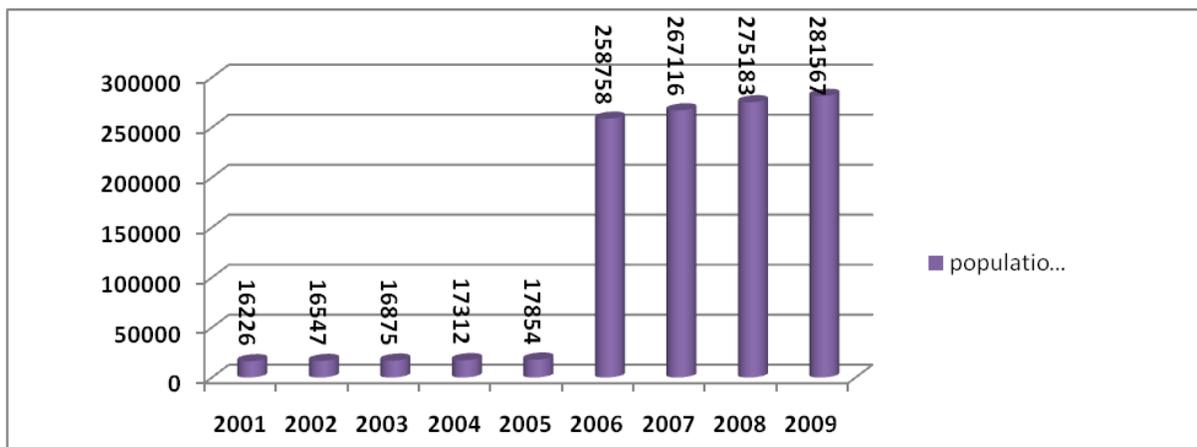
The Gross Value Added (GVA) produced and services rendered within Matatiele totalled R519, 984 in 2007. This is slightly lower than Umzimvubu Municipality which had a GVA of R622, 496. The sectors that contributed the most to this output were government services, trade and financial services. Output in the mining sector showed a declining trend from 1996 to 2007.

### 2.1.2 Population size and growth projections

The total population of Matatiele is estimated to 258 758 people. The area accounts for 54% of the district population. The number of households is estimated at 54 208 households. 98% (53 241) is African and the majority of these resides in rural villages and formal townships around Matatiele, Maluti and Cedarville.

Population Growth trends

Figure 5: Population growth Trends



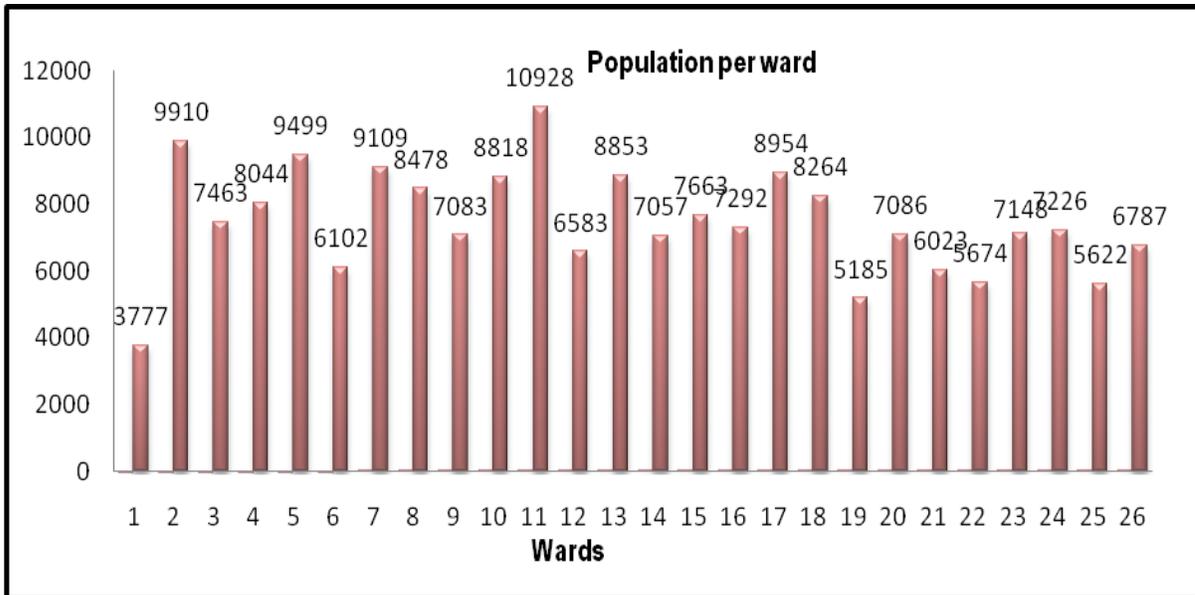
Source: Census 2001, 2007 and Matatiele LED Strategy

Figure 5 demonstrates the gigantic growth in population in the municipality as a consequence of the 1 March 2006 demarcations. According to adjusted tables based on this new demarcation, the total estimated population for Matatiele is 259000 people. The figure above suggests that the population grew more than tenfold as a result of the demarcation. This gigantic growth in population clearly suggests that the municipality is now faced with major challenges in all areas of service delivery.

### 2.1.3. Population distribution

Population is spread unevenly amongst 24 municipal wards. The majority of the population is African and the majority of these reside in rural villages and formal townships around Matatiele, Maluti and Cedarville. As evident from figure 4 above, the majority of the population reside within ward 21 which consist of approximately 13 villages. The ward with the least population is ward 22 which accommodate 1 village.

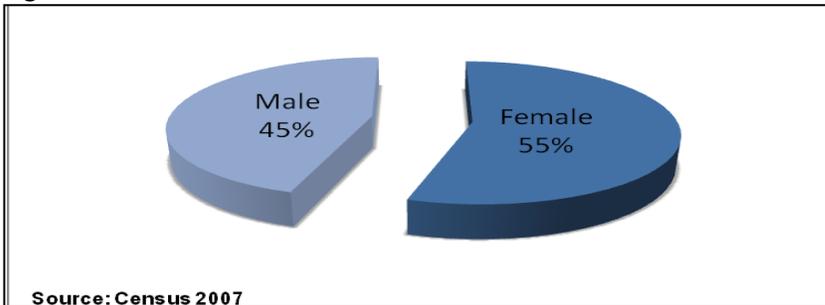
Figure 6: Population per ward



### 2.1.4 Gender Differentiation

With reference to figure 7, Matatiele has a slight imbalance between the females and the males. The females outnumber the males such that they constitute 55% (141 790) of the population while the males amount to 45% (116 975) of the population.

Figure 7: Gender Differentiation



Nevertheless this confirms with the national trends that a higher proportion of women are found in the dominant rural areas than men. This disparity in the proportion could well be attributed to

the fact that the male counterpart still tend to leave the homestead in search of work. Therefore, how the municipality factors this gender split into their service delivery priorities, especially human settlement development, is of essence. How the population and the gender split changes as a result of the impact of the new manufacturing plant in the nearby Elundini municipality still remains to be seen. In addition to the above, it can also be suggested that there is a need for a developmental agenda that should pro – actively target women empowerment within Matatiele Municipal Area.

### 2.1.5 Age Composition

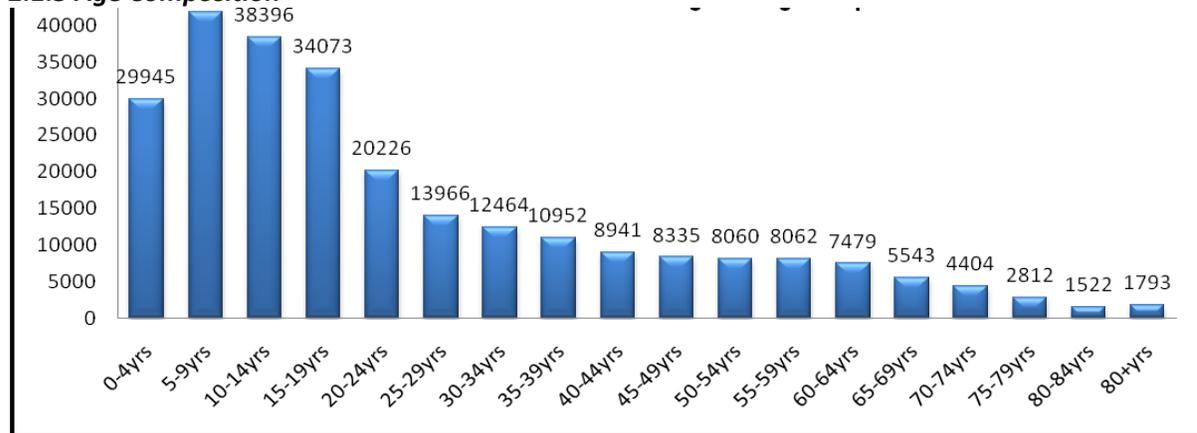


Figure 8

Source: Census 2007

The age composition or structure determines the kinds of economic activities within the locality. Different age groups have different economic needs and different spending patterns. According to the Census 2007, 64% of the population in Matatiele is younger than 25 years of age and only 6% are over 65 years of age.

This represents a significantly higher percentage of the young population than for Eastern Cape and South Africa. In Eastern Cape, 55% of the population is younger than 24 years old while nationally, 51.8% of the population are younger than 24 years old. The age profile shows a large proportion of the population being young people between 0-34 yrs old.

This trend in age composition obliges the government departments and the municipality to ensure that a large percentage of the budget is allocated to social development facilities in order to meet the needs of a youthful population and ensuring that people falling within this age acquire relevant skills and grow up to become responsible adults. The creation of more job opportunities should also be one of the key aspects of the developmental agenda by the municipality in partnership with the sector departments such as the Department of Education.

## 2.2. SOCIO-ECONOMIC PROFILE

### 2.2.1 HIV and AIDS

The number of individuals infected with HIV/AIDS continues to be a major challenge for all spheres of government, and an attempt to stabilize the pandemic, is reflected in terms of budget allocations and programmes for implementation by the Department of Health. The estimated number of people living with HIV in Matatiele was 27,455 in 2009. A comparison of this figure estimated 2008 figure, which was 25,515, shows that the former exceeded the latter by 1,840. Thus, the estimated number of Matatiele residents living with HIV increased by 7.18% between 2008 and 2009. In addition, the estimated number of people who have died of HIV/AIDS related illnesses increased from 1,659 in 2008 to 1,811 in 2009. Table 3 shows the HIV/AIDS prevalence in Matatiele during the period 2002-2009.

Table 3: HIV/AIDS Prevalence in Matatiele (2002 – 2009)

Year	Total Population of Matatiele	Number of Residents Living with HIV	% of Population living with HIV	Number of AIDS Related Deaths in Matatiele	AIDS Related Deaths as a % of Population
2002	209563	15199	7.25	797	0.38
2003	216609	17134	7.91	979	0.45
2004	223670	18918	8.46	1129	0.5
2005	230740	20608	8.93	1253	0.54
2006	237655	22237	9.36	1387	0.58
2007	245229	23963	9.77	1530	0.62
2008	252711	25615	10.14	1659	0.62
2009	262638	27455	10.45	1811	0.69

Source: Quantec research, 2009

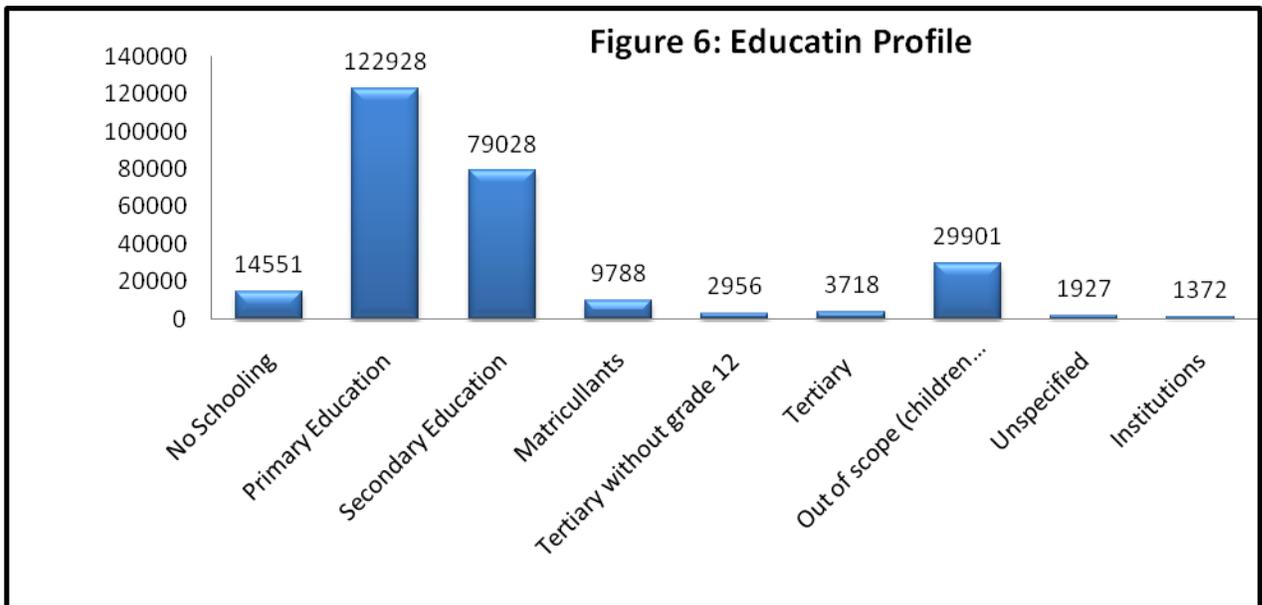
South Africa is one of the 17 countries that have adopted the Abidjan Declaration of 11997 to develop a response by municipal leaders to HIV and AIDS. The declaration recognizes that local government is the closest to the people and hence is responsible for addressing local problems. As such, its roles should include the following:

- Provide strong political leadership on the issue
- Create an openness to address issues such as stigma and discrimination
- Coordinate and bring together community centre multi sectoral actions
- Create effective partnerships between the government and civil society

At a national scale, the 2004 survey conducted by the National Department of Health indicates that 29.5% of women who visited antenatal clinics are HIV/AIDS infected.

### 2.2.2 Education Profile and Literacy Levels

Literacy and education levels among the residents of Matatiele Local Municipality are generally low. Assuming fully literate individuals are those who have completed primary school, it can be extrapolated that approximately 6.37% of the population of Matatiele that was at least 5 years old in 2007 was illiterate. This percentage is lower than the percentage for the Eastern Cape, where approximately 9.03% of the population is still not fully literate. Despite this fact, the percentage of Matatiele residents who have higher education is very low. While 0.39% of them had a Bachelors Degree during the same year, only 0.10% had a BTech. This implies that more efforts are needed to educate the residents of Matatiele.



**Source: Census 2007**

Education plays a pivotal role on community development. It provides a set of basic skills for development, creativity and innovative abilities within individuals. The South African Constitution provides that everyone has a right to education, which includes Adult Basic Education. The education profile in Matatiele is an area of concern that should be addressed.

**2.2.3 Employment profile**

The population which is economically active (labour force) in Matatiele Local Municipality increased from 15,579 in 1996 to 21,799 in 2008. However, most of the economically active population is unemployed. 62.2% (13,550) of the economically active population in 2008 comprises of those without employment. 30.6% (6,680) were those employed in the formal sector and just 7.2% (1,569) were those employed in the informal sector.

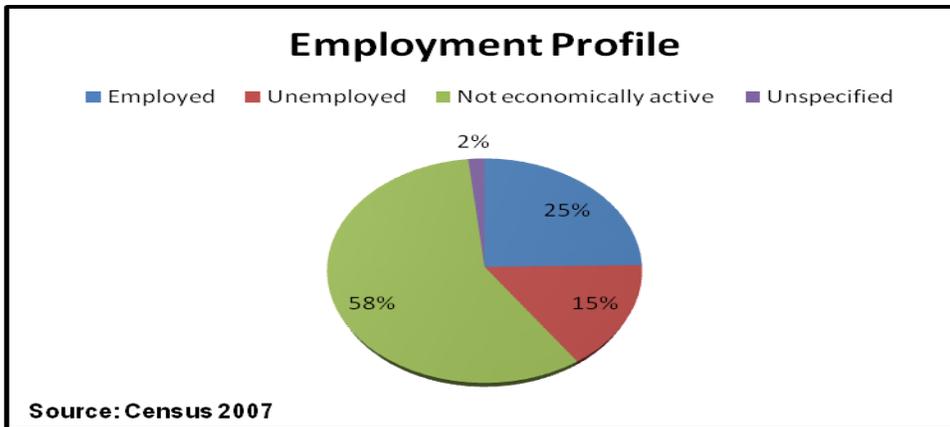
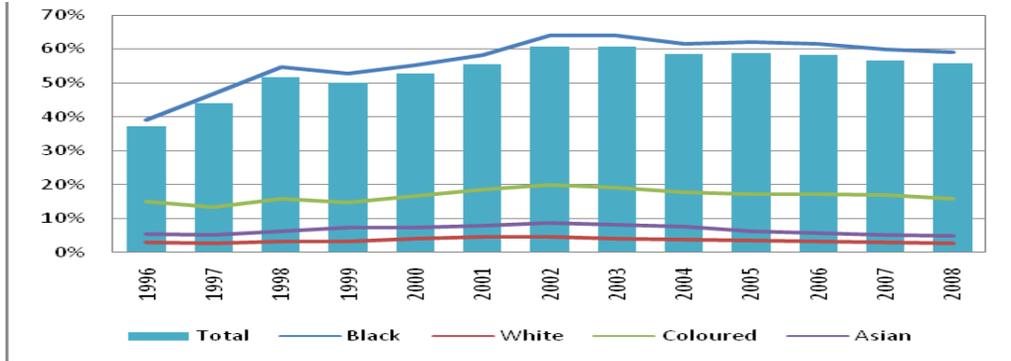


Figure10: Employment Profile

Unemployment is one of the key challenges facing Matatiele Municipality. The total unemployment rate, which indicates the percentage of the labour force that is unemployed grew by an annual average of 53.9% between 1996 and 2008. In 1996, the rate of total unemployment was 37.3%. In 2001 the rate grew to 55.6% after which it increased to 55.7% in 2008 from what it was in previous years.

The number of unemployed people increased from 6,642 in 1996 to 11,089 in 2001. In 2008, the number of unemployed people increased to 12, 124 (DBSA, 2010). The total number of people employed (formal and informal) in 2008 was 8,249 from 8,939 in 1996. In 2008, formal sector employment accounted for 81% (6,680) while the informal sector accounted for 19% (1,569) of total employment in the Municipality. Unemployment rate is highest among the Black African people who accounts for the majority of the total population, and resides in rural villages with marginal production potential. It is pleasing to note that the municipality managed to create over 101 job opportunities through EPWP since 2010/ 11 financial year.



### 2.2.4 Economically active population

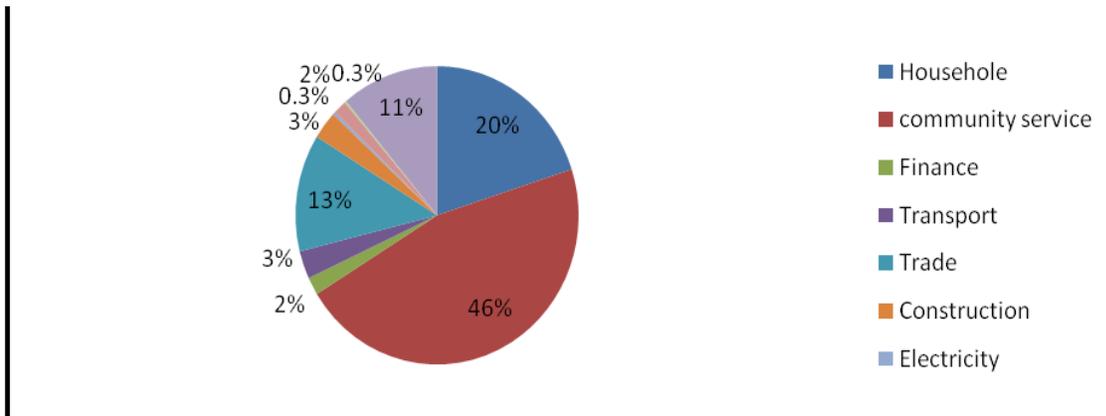
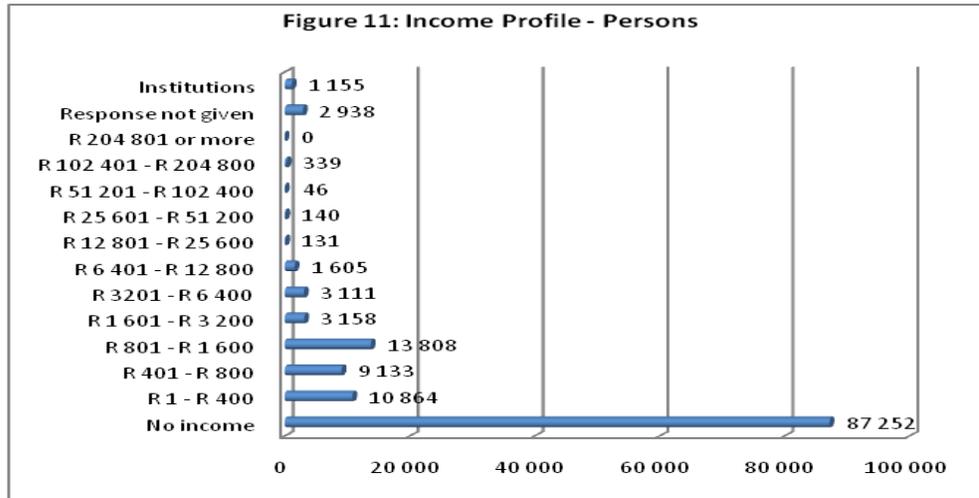


Figure 12: Employment per Sector

Figure 12 above indicate how each sector contributed to total employment (formal and informal) in 2008. The community services sector is the major contributor to employment in the Municipality with 46.7%. Private household, trade and agriculture sectors are also making some contribution to employment with 19.8%, 12.6% and 11% respectively. The remaining sectors had low percentages ranging from 3% for transport and construction to 0.2% in mining. This was due to relatively low employment creation and absorption capacity in those sectors.

### 2.2.5 Income Profile

Another key socio-economic feature of Matatiele Municipality population is a relatively high rate of income inequality. Income levels drops significantly from R1600 per month suggesting a high dependence of social grants. Again, this suggests general lack of well-paying employment opportunities and investment in the area.



Source:  
Census  
2007

### 2.2.6 Indigent Support

High poverty levels in Matatiele Local Municipality imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.

Matatiele Local Municipality is characterized by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels. High unemployment rates impact negatively on municipalities as low affordability levels generally result in a poor payment rate for services. Matatiele Local Municipality's unemployment rate is estimated to be 38.7%. This implies that the households that do not obtain any form of income can be considered as indigents who should be subsidized with some of the services. Currently indigent supports in the form of free basic electricity and refuse removal in areas such ongoing.

## 2.3 ACCESS TO BASIC SERVICES

### 2.3.1 Water

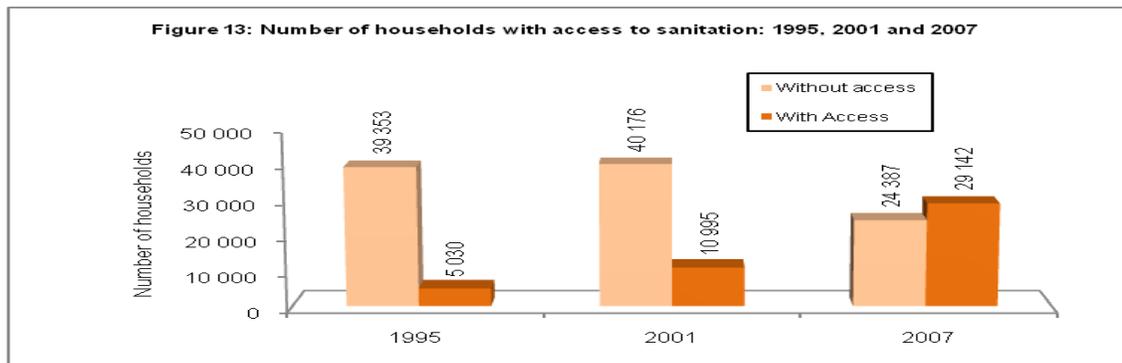
The Stats SA 2007 Community Survey Data undertaken suggest that Matatiele has made major strides in addressing service backlogs since 2006. However according to Alfred Nzo District Water Service Development Plan (ANDM WSDP), the backlog for households without access to water at RDP standard is higher (43469 Households) than the 2007 community survey findings.

The backlog of RDP standard water provision in Matatiele is therefore 64 %. Communities in rural areas are still highly dependent on undeveloped water sources and there remains a challenge in meeting the water demand due to source identification. The District Municipality has identified this need and has commissioned a study to report on the implementation of a

Rural Bulk Raw Water Supply Scheme for the area. Based on ANDM Water Services Development Plan the total capital budget to address the water backlogs is estimated at R260 814 000.

2.3.2 Sanitation According to Stats SA 2007 community survey, there are approximately 24387 households without access to appropriate sanitation infrastructure within Matatiele. This figure is however very compared to the ANDM WSDP which estimated the sanitation backlog at 57662 households. The backlog of RDP standard sanitation is 85%. Waterborne sanitation is only provided in urban areas. Toilets in rural areas comprise VIP latrines and the bucket system has been totally eradicated.

The District Municipality has a rural sanitation programme in place and believes that sanitation targets for 2010 will be met. Based on ANDM WSD the total capital budget to address the sanitation backlog is estimated at R201 817 000.

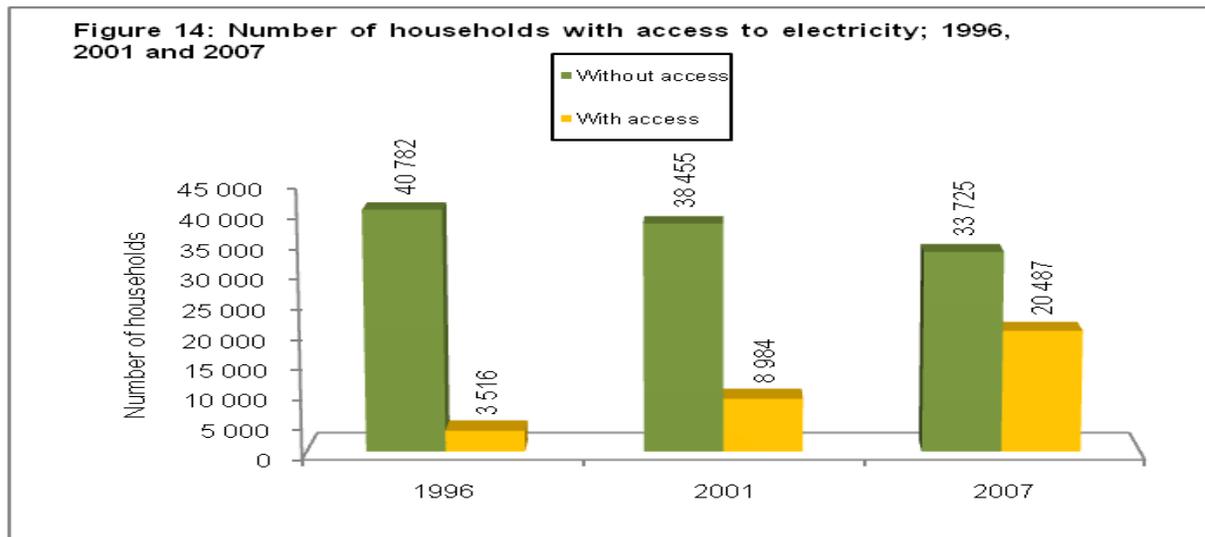


### 2.3.3 Energy

Eskom is the licensed distributor of electricity in the majority of the municipal area with the exception of the town of Matatiele where Matatiele Local Municipality is the licensed distributor.

According to statistics provided to ANDM by ESKOM, it is estimated that only 25 % of households in the District have access to electricity and that the backlog for the whole District is 75 % which translates to approximately 95 000 households.

The electrification of housing by Matatiele Local Municipality is ongoing, but not at the desired pace, primarily because national demand for electricity has outstripped the available supply which is having a negative impact on meeting the set targets. Consequently the Statistics South Africa Community Survey 2007 indicates that the community is heavily dependent on alternative energy sources with 62 % of the community relying on an alternate source for lightning, 86 % for heating and 75 % for cooking. Areas for prioritised intervention include the Upgrade existing sub-station feeding Matatiele, investigate means for rural communities to access alternative free basic energy and facilitate to accelerate access to electricity and lobby for funding to address backlogs for the provision of universal energy in rural areas by 2012 (ESKOM/ DMF). The municipality has engaged DME for electrification of (ward 10 & 12) from 2010/2011 financial year. The project has been started and is progressing well.



### 2.3.4 Solid Waste

According to the Statistics South Africa Community Survey 2007, only 10% of households in Matatiele have access to a weekly refuse removal service. 82 % of households make use of their own refuse dumps which implies a high level of indiscriminate dumping and little regard for the impact on the environment. The Matatiele Local Municipality is responsible for waste management in their area of jurisdiction.

The Municipality collects household refuse from all three urban areas on a weekly basis, but provides no rural service. A newly developed and licensed waste disposal site came into operation in Matatiele in 2008. This site has the capacity to accommodate all the waste from the urban areas for at least the next 15 years. There is also an unlicensed site in Cedarville which is not designed or operated according to DWAF's minimum requirements. Operation of the new site has been contracted out and the contract makes provision for the closure of old landfill sites.

MLM is also in the process of introducing an integrated waste management system that includes a recycling component that will contribute to local economic development and cleaning of the environment. Areas of prioritised intervention including licensing of the unlicensed site at Cedarville, implement the local Integrated Waste Management System. Obtain a copy of the District WMP, coordinate initiatives, investigate the expansion of refuse removal services and facilities to prevent indiscriminate dumping in rural areas.

### 2.4. TRANSPORT INFRASTRUCTURE

At a broad level, Matatiele has a well established road system comprising of provincial, district and local access roads. This improves accessibility and connectivity at a regional scale and serves as an opportunity for corridor based development. R56 is the main provincial road linking KwaZulu-Natal and Eastern Cape through Matatiele. The other provincial roads that play an important role in terms of linkages include P612 which link the area with Lesotho. There are also

provincial routes that play a significance role in terms of linking various parts internally within Matatiele. These routes are P607, P604, P649 and P605.

District Roads connects different settlements and provide access to public facilities. These district routes include D639, D641, D642, D660, D643 and D611. Local Access Roads which provides access within each settlement.

#### **2.4.1 Road Network**

Construction and maintenance of access roads is the competency of the Local municipality. On the other hand, the maintenance of provincial roads is the responsibility of the provincial road department, and the district roads are maintained by the district municipality. Road maintenance includes re-gravelling, storm water drainage, bridges, pothole patching, paving, road signs, road markings and foot paths. The main role player is the technical services department.

At a broad level, Matatiele has a well established road system comprising of provincial, district and local access roads. Although the the municipality currently has not developed a Roads Master Plan as well as a Storm Water Management Plan, it will be ebarcking on the development of such a plans with assistance from the Department of Roads, Department of Transport as well as ANDM. This improves accessibility and connectivity at a regional scale and serves as an opportunity for corridor based development. The estimated Access road backlog is 52% (Community base outcome).

The EPWP Programme (Nkhoesa Mofokeng) Programme was introduced in order to maintain local access roads, where there are 20 employees per ward who are rotated after every year and paid by the municipality Progress of this programme. Access roads that were constructed in 2010/2011 financial year were, Moliko Access Road, Malubaluba A/R, Diaho Great Place A/R, Greater Cedarville Internal Roads A/R, Felleng A/R, T69-Moqhobi A/R, Thabaneng A/R.

The modes of transport that are mainly used by the community are public transport and private transport. Matatiele Local Municipality is currently using the District Municipality's Intergrated Transport Plan. According to the community based outcomes the following wards require scholar transport 1, 2, 10, 13, 14, 15, 18, 24 and 26. AB350 Buses is requirerd in wards 3, 5, 6, 7, 16 and 17.

There are challenges of poor road conditions, inadequate pedestrian signs, marketing and off loading zones especial within the urban area. There are limited traffic measures within areas of high accidents, absence of traffic lights in major intersections. There is an adequate cooperation between public transport operators and municipal authorities.

#### **2.4.2 Public transport**

Despite some investments in new roads and maintenance there remain local communities who are isolated and disconnected due to poor road infrastructure. This has significant consequences in terms of local economic development as well as service delivery, especially accessibility to emergency ambulance services. Transport whether motorized or non-motorized faces many challenges within the Municipal area. These can be summarized as follows:

- Poor conditions of roads;

- Inadequate pedestrian signs and markings and off loading areas especially within the few urban areas;
- Limited traffic calming measures within areas of high accidents;
- An absence of traffic lights, especially at major intersections;
- Unavailability of adequate public transport facilities especially for the disabled;
- Lack of cooperation between public transport operators and the municipal authorities;
- Lack of institutional capacity at Local and District Municipal level to manage transport planning and implementation;
- Outdated / non-existent information at the taxi registrar; and
- Lack of pedestrian and non-motorized transport facilities.

The Department of Roads and Transport did initiate some rural transport initiatives including:

- The Shova Kalula bicycle project which benefited a number of schools in the District
- The AB 350 which established 16 buses on various routes in Matatiele
- Scholar transport was operated by a number of schools in the Municipal area.

Areas of prioritised intervention include improving pedestrian signs, markings and off loading areas especially in the urban areas. Investigate traffic calming measures within areas of high accidents, provision of additional traffic lights, and facilitate the provision of adequate public transport facilities especially for the disabled. Improve cooperation between public transport operators, the municipal authorities. Build and improve institutional capacity at Local and District Municipal level to manage transport planning and implementation. Create and update information in respect of the taxi registrar.

### **2.4.3 Rail**

Matatiele does not have an established public and goods rail transport system. However, a railway line runs through the area connecting the area with KwaZulu-Natal towns (Kokstad and beyond) although it has not been in use for over three years.

### **2.4.4 Air Transport**

Matatiele does not have an established and operational air transport system. A small landing strip (airstrip) exists within both Matatiele and Cedarville. Both of these are currently in a bad condition and requires upgrading. The municipality has attempted to solicit support from the Department of Roads and Transport in order to upgrade these. The main issue that needs to be resolved are the land usage obstacles.

## **2.5. ACCESS TO COMMUNITY FACILITIES**

### **2.5.1 Health**

Matatiele has one (1) Hospital, Tayler Bequest Matatiele Hospital, two (1) TB Hospital Khotsong TB Hospital, Maluti Community Health Centre, 17 Clinics and 2 Mobile clinics. The application of the planning standards suggests that a population of 50 000 people needs to be provided with a hospital while 6000 people needs to be provided with a clinic. This therefore suggests that the area is supposed to be serviced by 5 hospitals and 43 clinics which suggest a backlog of 2 hospital and 19 clinics. Substantial inroads have been made in terms of the provision of health care facilities including:

- The Khotsong TB Hospital has been upgraded to accommodate multi-drug resistant (MDR) TB patients
- The Maluti Community Health Centre which was constructed in 1978 is currently in process of being extended and renovated. Funding is provided on the Departments budget to continue with these projects in the 2011/2012 financial year
- 12 of the clinics were originally mud structures which have been upgraded in the last few years
- There have been additional two clinics built in Mparane and Madlangala.
- All clinics are supported by Community Health workers and Clinic Committees and a number of clinic gardens have been established.

Other significant programmes of the Department include:

- A ISRDP in the Maluti sub-district which aims to eradicate poverty in the Masupa and Madlangala areas together with other sector Departments
- Saving Mothers Saving Babies Project
- Integrated nutrition programme

There remain significant challenges in the provision of health services including:

- The provision of facilities falls short of the Departments desired norms of providing all inhabitants of the municipality with access to at least a primary health care facility within a radius of 5 km that has the capacity to serve between 8000 – 12000 people. This is largely attributable to the rural nature of the area.
- All facilities are short staffed and the vacancy rate is on average 60%.
- Clinics are unable to render the full range of services at this stage and many are hampered by a lack of communication with no telecommunication network within the area and electricity.
- Some clinics are underutilized and this is primarily attributable to the perception that the aim of clinics is to provide curative and not preventative services.

### **2.5.2 Education**

There are 233 schools within Matatiele Municipality (both primary schools and secondary schools). There are no existing tertiary education facilities within the Municipal Area. An application of planning standards for education facilities, suggest that 1 primary school per 600 households and 1 secondary school for every 1200 households. The backlogs in terms of both the primary schools and secondary schools can be determined based on these standards.

The PGDP identified education, agriculture and industrial development strategy as the main ingredients towards poverty eradication. Therefore education remains an important factor in the development of our country and the municipality. Through education, individuals are prepared for future engagement in the labour market, which directly affects their quality of life as well as the economy of the country. The high unemployment rate is aggravated by a general lack of skills within the community. Further to that, the first of the twelve (12) distinct priority outcomes emerging from the Manifesto and the MTSF is quality basic education. The Provincial Strategic Priorities identifies Strengthening Education, skills and human resource base as one of the strategic priorities. The municipality therefore has to also prioritise skills development, particularly in areas where education levels are low. ABET is also highly recommended.

The Department is still faced with a challenge of mud schools but the problem is being addressed through the mud structure Eradication Programme. A great deal of progress has

been made in the construction of schools. There are eight (8) schools that are currently under construction in wards 9, 10, 15, 18, 24 and 3 schools in ward 21. Fourteen (14) schools have been completed in wards 21, 11, 06, 03, 09, 04, 06, 10 and 4 schools in ward 18. There are no existing tertiary education facilities within the municipal area.

Some of the above schools needed new classrooms, admin block, toilets, fencing, water tanks, laboratory, library, electricity, security rooms and assembly slabs.

### **2.5.3 Cemeteries**

According to the 2010/ 11 IDP, the municipal cemeteries satisfy the existing service demand but there is urgent need to expand current capacity and ensure that all communities have access to adequate burial facilities. Cemeteries also need to be secured in order to ensure preservation of heritage and prevent vandalism of graves and tombstones. The areas of prioritised intervention include the identification of all rural cemeteries which must be fenced and maintained. There is a need to look at options to expand current capacity or identify new site in Matatiele, Cedarville and Maluti (LUMS and Environmental Impact Assessment where necessary) and investigate the provision of extended cemetery services to ensure that entire area has access to services.

### **2.5.4 Sports Facilities**

The municipality comprises of mainly of the youthful population and this warrant that specific attention should be given to the development of sport and recreation facilities and initiatives. Currently there are only three (3) formal sport stadiums with limited facilities in the urban areas which are in use by the community. All facilities are maintained as and when required, but require upgrading. There is a need for a Sport complex in Matatiele (town)which will cater for a viriety of sporting codes as well as indoor games.

### **2.5.5 Community Facilities**

The municipality currently has nine (24) community halls which are available for the use by the community. The condition of the majority of these facilities is fair. There are no standards applied in the development of these facilities. However a demand for further community halls may be existing as the majority of the settlements make use of the schools for meeting.

### **2.5.6 Other social services**

Department of Social Development is composed of 2 service offices one office is located in Matatiele and the other in Maluti and a place of safety services. 87% people living below poverty line while 53% of households are living in traditional structures. To improve the social welfare of the people of Matatiele the department currently operates the following programmes:

- Crime Prevention, Substance Abuse, Teenage against Drug Abuse (TADA) project is operational in schools and in communities. A number of ex-offender beneficiaries received skills training in welding. Each member received a starter pack comprising one generator and starter kit. Beneficiaries are now working independently under the supervision of the Department and Correctional Services. Four hundred (400) children were reached through crime prevention programmes

- Child Protection Services, Hiv/Aids and Families - There are 27 Early Childhood Development Centres that are funded. 1650 children that are benefiting from the ECD centers with 320 caregivers and 2 NGOs rendering services to the children that are subsidized by the Department. 1 family Resource Centre is operating from the Development Centre. Children from Maluti Township and surrounding areas benefit from the after school program. 124 ECDC practitioners captured for EPWP programme
- 7 Home Community Based Care Centres - 149 care givers receive monthly stipend from the HCBCs. One EPWP project is operational and 18 care givers receive monthly stipends amounting to R1 200-00 per person. One Family Preservation programme is operational and 29 families participate in the program
- Older Person and People with Disabilities - 6 service centres for Older Persons are operational and receive funding on monthly basis from the Department. 18 care givers implement the community based care and support programme. 260 older persons benefit from the day programmes and food supplements and about 137 people received information on disability policy through awareness campaigns.
- Youth Development - a number of youth projects are operational in the area, 1 project has managed to secure sustainable market for its produce and is operating independently. 1 project was revived and is operational. It received training in egg production, financial management and record keeping from the local supplier.
- Sustainable livelihood: women development & food security - 11 Women Development Projects are operational in the Area and are monitored regularly, at Provincial level (Egg Production) 7 Food Security.]
- Projects funded are also operational in the Area Mphatlalatsane Food Security Projects have managed to secure market with 2 Local Businesses that resulted to improvement on their accrued income.

One of the major challenges that are faced by the department is the influx of people from illegal immigrants and thus increases the demand of services and poverty rates as arrive looking for employment opportunities.

## **2.6. PUBLIC SAFETY AND SECURITY**

### **2.6.1 Police services**

In the past, crime prevention and by implication community safety was the exclusive domain of the SAPS. The 1996 Constitution introduced a fundamental change to the role played by municipalities in the management of crime and safety in South Africa by requiring of them to provide a safe and healthy environment for the communities within their areas of jurisdiction. The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums and boards. Crime has the potential to impact negatively on the local economic development of the municipal area, and for this reason it is imperative that the Municipality play an active role in ensuring the safety of their community. As in all areas the Matatiele Municipal area is also affected by crime. An analysis of crime tendencies at the three urban police stations revealed that the following crimes are most common:

- Assault (GBH)
- Burglary at residential premises
- Stock theft

- Other theft
- Shoplifting

It is also noted that crime incidents are highest in Maluti and lowest in Cedarville. The areas prioritised intervention include lobbying for increased visibility of SAPS in Maluti and Matatiele towns, create awareness around police forums; and lobby for additional police stations or satellite police units. Efforts need to be put in place to encourage participation of other stakeholders and the community at large in the fight against crime, such as forums, The municipality has an integrated community safety forum in place and the development of a Community Safety Plan is being developed

## **2.6. 2 Disaster management**

The District Municipality is responsible for the provision of Disaster Management and Fire Services in the District. The Municipality has a Disaster Management plan in place to effectively manage disasters which stem primarily from natural causes (tornadoes, storms and winds etc.). Services are rendered from the central disaster management centre in Mount Ayliff and a satellite centre in Maluti which serves the Matatiele Local Municipality.

## **2.7. HOUSING**

The housing facilitator has been deployed from the Provincial Department of Human Settlement. The role that housing facilitator play to assists the municipality includes co-ordinating project administration and facilitating the implementation of projects. Even though housing is the competency of the Department Housing and Human Settlements, the municipality plays an active role providing support to Human settlements development .The Municipality has a functioning Human settlements office providing services in the form of :

- Beneficiary identification & Administration
- Community Consumer Education
- Housing Demand Assessment & Management
- Project Management
- Emergency Human Settlement assessment and Applications

The backlog of housing is considered to be enormous in Matatiele. This backlog occurs mainly in the traditional areas as well as the informal housing settlements found in and around towns. A continuous flow of people from rural to urban areas – urbanization – has vast implications on the housing backlog. Housing delivery is hindered by red tape bureaucracy in accessing funds and there is a lack in the variety of alternatives when it comes to housing projects within housing policies. The erection of houses is also affected by expenses related to the delivery of materials because of the geographic location. The rate at which houses are built is relatively slow.

Housing delivery is affected by issues such land invasion and non-conformity to approval standards. The provision of formal housing for low and middle income residents is a core function of provincial and national government, with local municipalities being spaces where implementation takes place. Within the urban areas, housing development is generally occurring, but within the rural or communal areas, the provision of housing has still not been addressed. When it comes to housing and housing delivery the Matatiele area stands to an advantage because the capacity in terms of skilled and qualified builders is available.

The IDP also reveals that the people are willing to be actively involved in housing programmes. It is predicted that with these advantages emerging building material suppliers may grow stronger and ultimately impact on the economic growth and job creation. Housing growth/subsidies by National Department of Housing and Provincial Government present an opportunity to improve housing delivery through access of social grants. Public participation is an important component of housing delivery and fortunately as already mentioned above the people are generally willing to participate.

The Municipality has developed a draft housing sector plan. Development of a Housing needs register is in underway and as such capturing will start soon which will assist in identifying areas with housing needs. A land audit is currently underway which should be able to assist with additional information to the land asset register. The Municipality has a land and buildings register and a valuation roll. With regards to mechanisms to control land invasions, Matatiele Local Municipality is working with the Department of Rural Development and Land Reform to address the situation. It also recognised that the issue of controlling land invasions should be a joint effort including other stakeholders such as the Traditional leaders, SAPS, and the community in general. Day to day inspections, awareness campaigns and workshops, have assisted the municipality to deal with land invasions.

The following is the status of current housing projects undertaken in 2010/2011:-

*Table 4: Current and Planned Housing Projects*

DESCRIPTION	No of UNITS	STATUS
<b>Current Projects</b>		
Harry Gwala (Topstructure)	583	583 units are already constructed. 476 applicants are already approved and 107 are still outstanding.
Caba-Mdeni	300	Construction of top structures
<b>Planned Projects</b>		
Masakala	500	Geo Tech
Mafube	300	Establishment of PSC and training, Attending to Alternative Building Technology (ABT) Show house in Mthatha
Thaba-chicha	500	Geo Tech
Mvenyane	500	Geo Tech
Maritseng	1500	Land Surveying and Geo Tech
Kwa-sibi Village	16	Enrolment with NHBRC
Mehloloaneng	989	Beneficiary Registration
Queens mercy	300	Establishment of PSC and training, Attending to Alternative Building Technology Show house in Mthatha
<b>TOTAL NUMBER OF UNITS</b>	<b>5 982</b>	

The housing backlog which occurs mainly in the traditional areas as well as the informal housing settlements found in and around towns, is considered to be enormous in Matatiele. Some of the issues surrounding housing are :-

- Unmanaged urbanization has huge implications on the housing backlog. Housing delivery is hindered by red tape bureaucracy in accessing funds and there is a lack in the variety of alternatives when it comes to housing projects within housing policies. The erection of houses is also affected by expenses related to the delivery of materials because of the geographic location. The rate at which houses are built is relatively slow and the houses are prone to disaster.

- Housing delivery is also affected by issues such as land invasion and non-conformity to approval standards. Within the urban areas, housing development is generally occurring, but within the rural or communal areas, the provision of housing has still not been addressed. When it comes to housing and housing delivery the Matatiele area stands to an advantage because of its capacity in terms of skilled and qualified builders.

As a rural Municipality, rural housing delivery has been prioritised as a key housing human settlements delivery strategy. The objective of the rural housing scheme is to give rural communities an opportunity to benefit where they live in order to reduce urbanisation. The municipality has managed to develop few housing projects though there are still housing backlogs. Housing demand is defined as the number of households requiring formal housing. Traditional housing is perceived as an acceptable form of housing and the majority of the traditional population lives in this form of housing. The majority of the population in the municipal area reside in traditional houses with formal and informal houses concentrated mainly in urban areas. The community base plan estimates the current backlog of RDP houses to be 77%.

#### Challenges with regards to addressing Housing Backlogs

These are some of the challenges that are encountered in addressing housing backlogs

- Difficulties in locating missing beneficiaries lead to delays in many housing projects. The Municipality should develop an effective policy to administer this issue. Thereby avoiding the enormous delays encountered.
- The delay in the payment of contractors is a risk. Projects that experience this challenge often fall behind schedule. The payment of Contractors is the responsibility of the Provincial Department of Housing. Systems for processing contractor claims should be improved.
- The delay in the finalising of rectification projects is a cause for concern. The condition of some of the houses that need reconstruction does not improve in the meantime. The Municipality should pursue the matter with the Provincial Housing Department.
- Lack of proof of ownership of sites in rural areas. Beneficiaries in Rural Housing Projects sometimes do not have the rights to the site. They acquire sites depending on verbal agreements with site owners. When site owners dishonour these agreements for approved subsidies, delays are encountered. Two of the rural housing projects were affected by this issue. This is an implementation risk for which there are minimal remedial actions that can be effected.
- Beneficiaries often decide on re-location after they have been approved in a particular project. This causes problems as such beneficiaries would have to be de-registered and new beneficiaries allocated. Delays become unavoidable as a result. This issue suggests that Communities are not static but indeed dynamic. It is also clear that, despite the consumer awareness workshops at registration of subsidies is sometimes not fully comprehended by Communities. Therefore, regular Consumer awareness should be conducted for Communities.

#### **2.7.1 Informal Settlements**

A differential strategy will be followed in the development of human settlement, with particular focus in the urban areas being paid to the eradication of informal settlements and release of land for the establishment of new settlements and delivery of a range of housing products

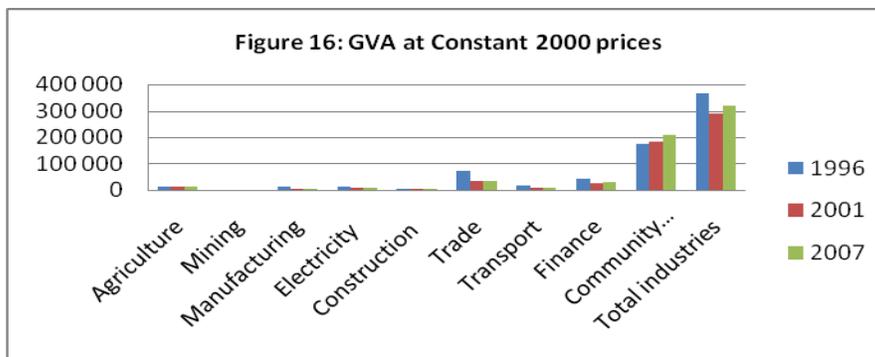
within the urban edge. Matatiele local municipality currently does not have a Migration plan. The plan is to be developed; assistance is will be sought from other stakeholders as well as the DLGTA. The following spatial planning directives will be applied in the implementation of slums vs informal settlements clearance projects:

- Identify all informal settlements and quantify housing need.
- Mapping and assessment of informal settlements to establish whether they can be upgraded *in situ* or requires relocation.
- Develop and introduce a land invasion policy as a means to prevent development of new and expansion of the existing informal settlements.
- The land tenure upgrading project in Maluti should be broadened to include the formalization and upgrading of the surrounding informal settlements

## 2.8. ECONOMIC PROFILE

### 2.8.1 Size of the local economy

The real value of goods produced and services rendered totalled R365,158 in 1996; R289,899 in 2001 and R318,130 in 2007. The sectors that contributed the most to this output were government services, trade and financial services. Output in the mining sector showed a declining trend from 1996 to 2007. However, this figure is lower than the estimated Gross Value Added (GVA) as predicted by Global Insight which estimated that a total of services and goods produced within Matatiele amounted to R519, 984 in 2007.



### 2.8.2 Structure of the local economy

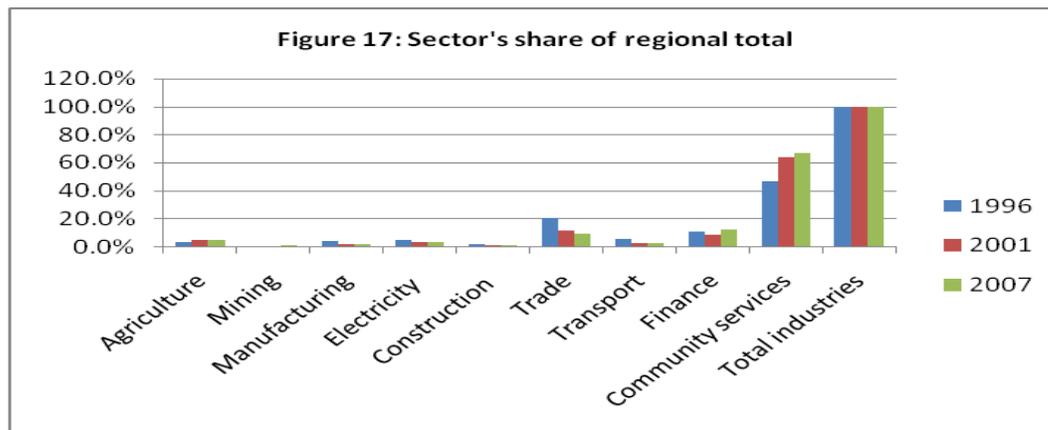
The share of the community services sector to the local municipality's economy was the highest compared to other economic sectors at 46.7% in 1996; 63.7% in 2001 and 66.4% in 2007. The trade sector became the second largest value contributor to the region's economy, contributing 21% in 1996; 11.9% in 2001 and 8.9% in 2007. The least contributor was the mining sector. The contribution of the local municipality to the district municipality's economy was 50.5% in 1996, decreasing to 43.8% in 2001 and 45.2% in 2007.

The dependency of the region on a small number of sectors increases its vulnerability to external factors. Drought, hailstorms, commodity price fluctuations, fires, etc. would negatively

harm the agriculture sector, while activities such as labour strikes would adversely affect the government services sector.

### 2.8.3 Sectoral analysis

The recently adopted Matatiele LED Strategy analysed the eight economic sectors which exists within Matatiele. This sub-section provides an overview of these sectors as they are considered important for current and future employment opportunities, economic growth and quality of live. It also attempts to describe the challenges facing them and opportunities to improve the contribution.



#### 2.8.3.1 Agriculture

The most common farming activities in Matatiele are livestock and crop farming. The former is the dominant agricultural activity in this municipality. The main livestock farming activities in this municipality are cattle farming, sheep farming and goat farming. The Department of Agriculture provides support for emerging livestock farming in the area through the Comprehensive Agricultural Support Programme (CASP). This programme targets emerging farmers who occupy private farms. Its support comes in the form of stock water-dams and boreholes, dipping tanks, shearing sheds, fencing, divisions of livestock camps and veterinary services. Poultry farming, fruit production bee farming are also common in certain parts of the municipality.

The good quality of Matatiele's soil and favourable rainfall conditions suggest that its agricultural sector has the potential to be more productive, efficient and competitive than it is at the moment. In view of the many opportunities and challenges facing emerging farmers in Matatiele, this sub-section devotes its attention to the discussion of emerging farming in the municipality. It is worth pointing out that emerging or semi-commercial farmers are previously disadvantaged farmers who aspire to increase their share of the commercial farming market.

**Cattle Farming** - Many emerging livestock farmers in urban Matatiele raise cattle on their farms mainly for their beef and their biggest customers, which they sell to local slaughter-houses, supermarkets and individuals. Some of them also sell their cattle to buyers from Durban, Howick

and Pietermaritzburg in KwaZulu-Natal, and Port Elizabeth in the Eastern Cape through auctions organised by the Cedarville Farmers Association. A smaller number of them also sell their milk. Among their customers are local institutions such as crèches and individuals in both urban and rural areas. Cattle farming is also a popular economic activity in rural Matatiele. However, commercial cattle farming activities are very limited in these areas. There are a number of challenges that these farmers experience when trying to sell their cattle through these auctions. One of them is lack of ownership of selling facilities.

Since emerging Matatiele farmers do not own selling facilities, such as sale pens, they incur the costs of transporting their cattle to sales pens in Cedarville. Furthermore, since these sales pens are owned by the Cedarville Farmers Association, they are charged for keeping their cattle in them during auctions. In addition, they have to wait for the members of the Cedarville Farmers Association to sell their cows first during the auction sales. As a result, sometimes their cattle do not get sold because the buyers buy all the cattle that they want from the members of the association before their turn to sell theirs comes. In an effort to avoid paying for the transportation of these cattle back to their farms, they often end up settling for the next best solution, which is to sell them at low prices. In addition to these challenges, emerging cattle farmers in Matatiele generally face a number of difficulties that compromise the productivity of their cattle. They are:

- *Lack of proper stock-handling facilities,*
- *Lack of dipping facilities for protecting cows against diseases,*
- *Need for bulls to improve certain types of breeds and perpetuate those that are not found in large numbers, such as the Nguni breed,*
- *Shortage of grazing land for some cattle including Nguni cattle,*
- *Need for a feedlot for cows that are raised for commercial purposes,*
- *Lack of modern milking parlour,*
- *Poor access to economic-enabling physical infrastructure, such as electricity, roads and water infrastructure, which hamper productivity,*
- *Limited understanding of modern farming methods and practices, which compromises the quality of the cattle raised in the municipal area, especially in the rural areas, and*
- *Overgrazing, which increase the risks of:*
- *Decreased grass or plant growth and reproduction,*
- *Declining land or soil productivity,*
- *Soil erosion, and*
- *Desertification.*

Goat and Sheep Farming – are important economic activities among the emerging farmers of Matatiele. They sell live goats and sheep to consumers and slaughter houses in Matatiele and some of its surrounding areas, such as Mount Ayliff. Some of them farmers in the area also shear mohair/wool from the animals and sell them through brokers such as BKB Limited/Beperk to local manufacturers in Port Elizabeth and Durban and to those based in other countries. A number of emerging goat producers and goat producers” organisations exist in the area. However, commercial goat product processing activities are very limited. Some of them were members of the Umzimvubu Goat Project, which collapsed recently. Through the project, the meat from the goats was processed into various meat products and sold to local hypermarkets, such as Shoprite and Spar. The meat and/or meat products were also sold in various parts of Matatiele, including its rural areas. They were also sold in Umzimvubu Local Municipality. Wool

was also sheared from them and processed into fibre. It would then be sold to manufactures in China for further processing. Their skins were also processed into belts and shoes. Although many emerging goat producers in Matatiele would like to see a similar project started in Matatiele, it will be difficult to do so unless a number of challenges are first addressed. They include:

- Lack of machinery for meat and skin processing and for wool selection, grading and packing,
- Skill shortages,
- Shortage of land space for establishing a slaughter-house and processing plant(s), and
- A generally low demand for goat and sheep products.

Emerging goat and sheep producers in the area need to take advantage of the fact that no value is currently added to their farming activities by expanding them to include milk-processing. However, one of the biggest challenges that they are currently facing is that lack of modern milking facilities may compromise the quality of the milk that they may decide to produce. Available opportunities in livestock farming in Matatiele include:

- Dairy production
- Red meat production (beef, mutton and goat meat)
- Other cattle, sheep and goat products (leather products, wool, mohair, etc.)

Crop Farming – These include maize, wheat, sorghum, beans, soya beans, canola, potatoes, butternut, green leafy vegetables (cabbage, spinach, turnip etc.), green, red and yellow pepper and sunflower. Many emerging farmers grow a variety various crops. They include grains (maize, wheat, and sorghum), highly perishable vegetables such as green, leafy vegetables (cabbage, spinach, turnip, etc.), other vegetables such as red, yellow and green pepper, as well as beans, potatoes, canola, butternut, sunflower sorghum beans, soya beans and hemp.

The markets for those who sell vegetables include local formal businesses, such as supermarkets, including Shorprite and Pick'n'Pay, local vegetable vendors and vegetable traders from Lesotho. In addition, there are opportunities for them to supply of crops/vegetables to local orphanages, hospitals and some primary schools. The availability of of water resources in various parts of Matatiele, such as rivers, streams and wetlands, the good quality of its soil and rainfall render the area suitable for large-scale production of the above-mentioned crops. Despite this potential, Matatiele's agricultural crop sales have been ranked among the lowest in the country for many years. Among the challenges that emerging crop farmers experience are:

- Lack of storage facilities for the preservation of crop products, especially maize: Many rural farmers who produce excess maize are forced to sell it at prices lower than its market value because they do not have storage facilities to protect it against harsh weather conditions and some insects,
- Lack of fuel (e.g. diesel) and/or electricity for the very few who own farming equipment
- Absence of milling plants in areas where they are needed the most: Mafube, Belfort in Ward 16 are among the areas that can benefit greatly from milling facilities,
- The existence of a vast area of under-utilised agricultural land under-utilised in many parts of the municipal area: Limited access to land to lack of title deeds and on-going land hamper crop production and productivity in this municipal area,
- Many emerging farmers who have been granted permission to use land in the rural areas for growing crops do not have modern farming machinery such as tractors and implements: As a result, they do not participate in most local projects, including those in the rural areas,

- Subsistence crop farming, especially in the rural areas,

Fruit Production – Matatiele’s fertile soil, particularly in the Ongeluksnek area, is good for a variety of fruits. There is good potential for large-scale production of a variety of fruits for commercial purposes. They include:

- Apples,
- Citrus fruit, and
- Peaches

Honey Production – Matatiele also has the potential to benefit economically from bee farming. There are many bees living in the mountains that surround the municipal area, including those closest to the Matatiele town area. They are of three types. Several business people are already involved in the bee production business. However, the honey production sub-sector is hugely underdeveloped. For example, efforts have not yet been made to retain them, since they move from place to place. One way of doing this is to plant sunflowers where they are found in large numbers.

### **2.8.3.2 Tourism**

The abundant natural beauty that Matatiele has makes it an area of high tourism potential. Among its attractive features are its wide, open spaces, mountainous terrain, rivers, scenic botanic features, flora and fauna (biodiversity), wetlands, picnic spots, birds, including special bird species, and snowy winters. In addition, Matatiele is home to diverse cultures. These features provide opportunities for the growth or expansion of the following existing forms of tourism in the municipality:

Nature-based tourism: The municipality boasts several unspoiled environments with a diversity of naturally occurring attractions.

Cultural tourism: There are opportunities for the showcasing of the various cultures that exist in the municipality.

Agricultural tourism: A number of festivals, all of which are associated with farms and agriculture, have been held in the municipality. They include agricultural shows, pumpkin festivals, fruit festivals, flower festivals, bird watching trips, hikes and wagon rides. The development of the educational aspect of this form of tourism should be considered since it has the potential to attract more tourists.

Bird-watching/ Avitourism: Since bird-watching has become one of the fastest growing recreational activities that attract international tourists, it can be used for boosting the economic performance of the municipality. One of the conditions for the success of avi-tourism in this municipality is that habitat protection and environmental education are incorporated into the strategic documents of the municipality.

Eco and Adventure Tourism: The area has the potential to become one of the most important econ-tourism and adventure travel tourist destinations in the country. Existing activities include rafting, hiking and 4X4 trips through the mountain passes that form the border between the municipality and the Southern districts of Lesotho. Qacha’s Nek, Ramats’eliso’s Pass and Ongeluksnek provide access to Lesotho.

Winter Tourism: Since snow is often experienced in winter, the municipality may consider exploring the possibility of introducing skiing as one of the tourism activities in the municipal area,

The Rural Nature of Matatiele: The rural setting of Matatiele renders it suitable for the development of tourism that is nature based, utilises the environment as a key resource, and places people development at the core of the planned tourism enterprises

- Matatiele’s tourism sector faces a number of challenges. They include:
- Poor tourism infrastructure along the R56 leading to the municipality. There is a general lack of services that most tourists may require, such as fuel, banking, restaurants, rest stops with the internet. Matatiele is the only place that comes close but is still lacking in some of the aspects.
- There is also a general lack of outlets that cater for the foreign tourist market, including backpackers and adventure travellers.
- Public transportation problems: Lack of public transportation in the Alfred Nzo District, including Matatiele, hampers tourism progress. In addition, there are no well-defined places for vehicles to stop and for tourists to get off and stretch their legs. Furthermore, the poor condition of many local roads discourages self-drive.
- Lack of signage to encourage self-drive,
- Land disputes, which have led to very slow allocation of land for development,
- Generally poor infrastructure and lack of maintenance (roads, water, information, communications, shopping, quality of accommodation, etc),
- Lack of knowledge or understanding of tourism opportunities and threats facing local people.

### 2.8.3.3 FORESTRY

Matatiele Local Municipality is one of the municipalities in the province that have areas that are biophysically suitable for commercial forestry. The total number of community forestry plantations in Matatiele Municipality was 408 in 2007. While none of them were owned by private individuals, 400 were state owned. Only 8 were owned by local communities. In terms of percentages, while privately-owned plantations accounted by 0% of the total number of plantations in the municipality, 98.04% were owned by the state (i.e. the municipality). Those that were owned by local communities accounted for only 1.96% of the total number of plantations in the municipality. Table 5 below is a tabular presentation of the distribution of Matatiele’s forestry plantations by ownership in 2007. It also presents the same distributions for Alfred Nzo District and Umzimvubu.

Table 5: Breakdown of Forestry Plantations in Matatiele and Surrounding Areas (2007)

Ownership of Forestry Plantations in Alfred Nzo District in 2007						
Ownership	Matatiele		Umzimvubu		Total: Alfred Nzo	
	Total no. of Plantations in Matatiele	% of Total no. of Matatiele Plantations	Total no. of Plantations in Umzimvubu	% of Total no. of Umzimvubu Plantations	Total no. of Plantations in Alfred Nzo	% of Total No. of Alfred Nzo Plantations
Private	0	0	419	12.31	419	10.91
State	400	98.04	2182	64.1	3212	83.60
Community	8	1.96	203	5.96	211	5.49
Total	408	100	3434	100	3842	100

Source: Department of Water and Forestry, 2007

Being the main facilitator of development and owner of the majority of forestry plantations in the area, the government has an indispensable role to play in the development of the local forestry sector. This includes the facilitation of the process of converting of some of the plantations that it owns into commercial forestry plantations through:

- *Speedy processing of applications for commercialisation of local natural forests and plantations,*
- *Expediting of the process of transferring forests and forestry plantations to private operators,*
- *Feasibility studies and environmental impact assessments, and*
- *The development of policies and by-laws.*

Potential for Afforestation - Currently, none of Matatiele's 408 forestry plantations are used for commercial purposes. As a result, no formal processing of timber products takes place in the municipality. The 5 plantations that are currently in operation are woodland plantations. A total of 7 people are employed in these plantations. An assessment of the Eastern Cape's forestry potential done in 2007 identified 269,238 hectares within the Department of Water and Forestry's Water Management Area 12 (WMA 12) in Matatiele as having potential for commercial forestation<sup>21</sup>. About 6.80% of this land area was identified as having „Good“ potential for forestation. The remaining 250,928 hectares, or 93.20% of the total land area in question, was classified as having Moderate potential. Table 14 below is a tabular presentation of these data.

The following is a list of forestry products that can be produced from the natural forests and forestry plantations in Matatiele Local Municipality.

- *Timber Products*
- *Manufacture of furniture, poles (e.g. sign-posts), etc.*
- *Manufacture of charcoal from timber waste products*
- *Non-Timber Forest Products (closely related to natural forests and forestry plantations)*
- *Beekeeping and honey production*
- *Basket-making*
- *Picking and packaging of edible plants*
- *Ferns, foliage and flowers*
- *Hiking trails*
- *Medicinal plants*
- *Picking and packaging of mushrooms*

In response to the official recognition of Matatiele's forestry sector growth potential, a number of applications for the use of some forestry plantations in Matatiele for commercial purposes were approved by the provincial Department of Agriculture and Forestry in recent years. Plans are underway for implementation of forestry projects. In spite of many proposals for the commercialisation of some forestry plantations in the area being approved by the Municipality, there are concerns over the potential negative impact of some of them on the supply of water.

Some of them are said to be located on some of the municipality's sources of water. Since some of the trees found near some of these areas are known to consume a lot of water, the likelihood that they will cause a reduction of the amount of water flowing to certain parts of the municipality is believed to be high<sup>23</sup>. If this happens, some of the development-oriented activities, such as agricultural and manufacturing processes might be negatively affected by water shortages.

It is also believed that they will have a huge negative impact on the tourism potential of the municipal area since some tourist attractions, including fishing rivers, need a constant supply of water. Like many other forestry plantations, Matatiele's natural forests and forestry plantations

face a number of threats, including: fire, disease, drought, strong winds, snow, trespassing by livestock, and vandalism.

### 2.8.3.4 Commerce

Some progress has been made as far as developing the commerce sector of Matatiele. However, this industry is still far from being fully developed. Formal business in Matatiele consists mainly of retail and commercial farming businesses. As far as the former are concerned, supermarkets, clothing stores and spaza shops are the most common types of business in the rural areas of this municipality. It is important to note that many businesses people are members of sectorally-organised business co-operatives. Table 15 below lists some of the most common ones in the urban areas.

Table 6: Types of Entrepreneurs in Matatiele

Type of Business	Type of Business (cont)	Type of Business (cont.)
Retail (Take-away, liquor stores, wholesalers, bakeries, clothing stores, butcheries, etc.)	Catering businesses	Architects
Hair salons	Carpentry	Painting contractors
Petrol filling stations	Bed and Breakfast	News paper vendors
Cell phone shops	Internet cafes	Manufactures (cleaning detergents)
Repair services	Driving schools	Appliances repairs
Dress-makers	Pharmacies	Shoe repairs
Internet café/ printing/ copying, stationery	Tent hire	Car repair shops (mechanics, panel beaters, etc.)
Book stores	Tourism agents	Furniture shops
Photo studios	Video hire	Estate agents
Property leasing agents	Taverns	Funeral parlours
Jewellers	Spaza shops	Bed and Breakfasts/Guesthouses
Private Doctors/Surgeries	Butcheries	Hardware centres
Driving schools	Funeral parlors	Petrol filling stations

Source: Urban-Econ Matatiele Business Survey, August 2009

The area still faces the challenge of lack of formal shopping areas. While there are many informal businesses in the major centres of the municipality, which function as retail businesses, there is a shortage of retail services in the rural areas. Thus, many of the shopping needs of Matatiele communities have not yet been provided for and require attention. According to the Shopper Survey undertaken in Matatiele Town in August 2008, the majority of shoppers who reside in Matatiele and neighbouring areas do their shopping in Matatiele Town. Monthly groceries and daily, top-up items top the list of items they buy from this town.

While 83% of the respondents indicated that they buy monthly items from this town, 87% buy top-up items from it daily. The second most preferred shopping area is Kokstad, where clothing is the most preferred item, followed by shoes and furniture. The corresponding percentages are 40% for clothing, 39% for shoes and 30% for furniture. Very few of the respondents buy shopping items from Cedarville and Maluti. This result implies that the variety of goods and services sold in these towns is very limited. Table 16 is a tabular representation of this information.

Table 8: % Response to Place of Consumer Purchases (% of Respondents)

Shopping Items	Matatiele Town	Cedarville	Maluti	Kokstad	Durban	Pietermaritzburg	IXopo	Gauteng	Qumbu	Total
Monthly Grocery	83	1	2	10	1	0	1	1	0	100
Daily Top-up Groceries	87	1	3	6	0	0	1	1	0	100
Clothing	53	1	0	40	0	2	1	1	1	100
Shoes	38	1	1	39	17	3	0	1	0	100
Furniture	50	1	1	30	14	1	1	1	1	100
Take-away / Restaurant food	68	1	1	22	6	0	0	1	1	100
Gifts	73	1	3	16	2	1	0	1	1	100
Personal Care	71	1	0	21	5	0	0	1	0	100
Entertainment	48	2	0	41	6	0	0	2	1	100
Pharmacy	71	1	1	15	10	0	0	1	0	100
Bank	83	1	0	12	1	0	0	1	1	100
ATM	81	1	1	13	1	1	0	1	0	100
Cell phones	75	1	1	14	4	1	0	1	1	100
Special Goods	60	1	1	26	8	0	0	1	1	100
School Supplies	62	2	0	24	7	2	2	2	0	100

Source: Urban-Econ Shopper Survey, 2009

A number of businesses and/or business services are not found in Matatiele. They include:

*Suppliers of agricultural inputs: Farmers buy supplies from other municipalities, such as Umvoti Local Municipality in KwaZulu-Natal;*

*A tourism information or support office: A tourism office is needed for the provision of assistance to tourists;*

*Stationery shops for the government sector: The government buys stationery from other municipalities;*

*Forex services: since local banks do not offer forex services, international tourists have to travel to the other commercial centre for foreign (e.g. Durban and Johannesburg);*

Although efforts by the Department of Trade and Industry to promote co-operatives throughout the country have received a positive response from many local business people, many co-operatives have not yet made a significant positive impact on economic development in the municipality. One of their biggest challenges is that they receive very limited support from the local municipality<sup>28</sup>. Table 17 lists the challenges that the representatives of the local businesses that were surveyed regarded impediments to the successful operations of their businesses.

Table 8: Challenges Experienced by local Businesses

Challenges	Percentage	Challenge	Percentage
Financial problems/Inadequate funding	11.32	Transport problems	3.77
Stiff Competition	13.21	Untrustworthy customers	4.72
Lack of customers/low demand	6.60	Untrustworthy staff	2.83
Lack of access to municipal services, especially water and electricity	8.49	Lack of security	2.83
Low profitability	4.72	High cost of living	1.89
Unskilled skilled staff	1.89	Strikes in Matatiele	2.83
Shoplifting	5.66	No response	5.66
Lack of access to financial assistance (loans)	4.72	Irrelevant answers	5.66
Poor budgeting	3.77	No challenges	3.77
Suppliers too far away	5.66		
Total = 100%			

Source: Urban-Econ, Matatiele Business Survey, 2009

In addition to these challenges, who were interviewed in separate meetings believe that Chinese businesses and, to a lesser extent, some businesses owned by citizens of some African countries, have a negative impact on the growth of local businesses. In their view, the quality of Chinese products is mostly poor and often fake copies of some of the brands that they themselves sell. As a result, they sell them at cheaper prices. This lowers the demand for goods sold by local businesses and deprives them of the opportunity to grow.

- *Local entrepreneurs do not receive marketing assistance from the local municipality: Trade fairs are yet to be organised in the municipality<sup>29</sup>,*
- *Financial institutions are reluctant to lend local entrepreneurs money to start or expand businesses because of their lack of access to land: Many applications for land are generally not successful due to on-going land claims,*
- *Some local business people are of the opinion that it usually takes a very long time for the local municipality to process applications for business plans.*

Business in Rural Matatiele – The dominant businesses in the rural areas are spaza shops (general dealers), transport businesses, cultural and eco-tourism activities, small-scale agricultural production and wood processing. One of the major challenges that they face is that their generally low density in these areas and a dispersed business population undermine their ability to access and benefit from knowledge transfer, which can help them grow.

### **2.8.3.5 Construction**

The construction industry in Matatiele is very small. Construction activities include road construction and the building of houses. This industry has the potential to provide more job opportunities in the future, based on rapidly increasing fiscal allocations for public infrastructure:

- *Expansion of the EPWP (there needs to be a District (i.e. Alfred Nzo) EPWP Plan, with an M&E capability).*
- *Increased house-building (human settlements) and retail infrastructure.*

### **2.8.3.6 Manufacturing**

Matatiele's manufacturing sector offers a number of services. Agri-processing is one of them. Current activities that fall under agri-processing include yoghurt-making and small scale dairy product production. Below is an overview of the opportunities and challenges facing the manufacturing sector. A number of opportunities exist in manufacturing. These include the processing of wool and mohair into warm clothing since Matatiele is characterised by extremely cold winters. Other products that can be produced include charcoal, which can be produced from waste timber produced in this municipal area.

Among the major challenges that the manufacturing industry in Matatiele is facing is the generally low skills level. In some instances, the quality of products have been found to be poor. This has not only lowered their demand, but also increased the cost of producing them. Another challenge is that there is a general lack of innovation. It has been discovered that instead of producing what is not available in the municipality, a considerable number of local manufacturers produce the same types of products. Examples include corrugated water tanks and Seshoeshoe" garments. Another major challenge is limited of access to land for the manufacturing firms, including wood processing firms, brick-making.

### **2.8.3.7 Co-operatives**

In urban parts of Matatiele, such as Matatiele Town and surrounding areas, Cerdaville and Maluti, is heterogenic and ranges from street traders to mechanics. Since it falls outside the regulatory environment within which formal businesses operate, it poses a number of challenges. These include health problems and blocking of pavements and access to formal businesses nearby. These risks make it difficult for the government to offer sufficient support and protection to the local informal traders. There are many informal traders in the municipality who still operate in a dysfunctional uncoordinated environment that is characterised by lack of access to trading facilities, markets and other important commercial services.

Those who have been provided with shelter and other necessary facilities still face challenges, some of which have a huge significant impact on their businesses. They include the fact that the metal facilities that they have been provided with do not provide protection from bad weather and that their design does not offer adequate security. Some informal traders in major centres, such as Matatiele Town, trade at taxi ranks and other places that attract many people. There is also no programme in place to develop their skills. Given that the informal economy of

Matatiele supports the livelihoods of many residents, there is a need for the municipality to provide more support in terms of more proper facilities to trade amongst other things.

### 2.8.3.8 Mining

Little quarrying activity takes place in the municipality. However, the majority of operators, a significant number of them are not registered. The stone that is extracted is used in road construction projects and in building houses. There is a potential for exporting the stone to various parts of the country for building purposes. Since there is an abundance of river sand in the municipality, sand mining is a common activity in the municipality. Most of the sand obtained from the local river banks is exported to other municipalities for construction purposes. According to the Matatiele Municipality IDP Review (2008-2010), a number of environmental management areas and eco-tourism with the potential for diamond, coal and paraffin mining exist in Wards 8 and 24. Its recommendation in this regard is that detailed investigations into these potentials should be undertaken.

## 2.9. STRATEGIC ENVIRONMENTAL ASSESSMENT

### 2.9.1 Topography

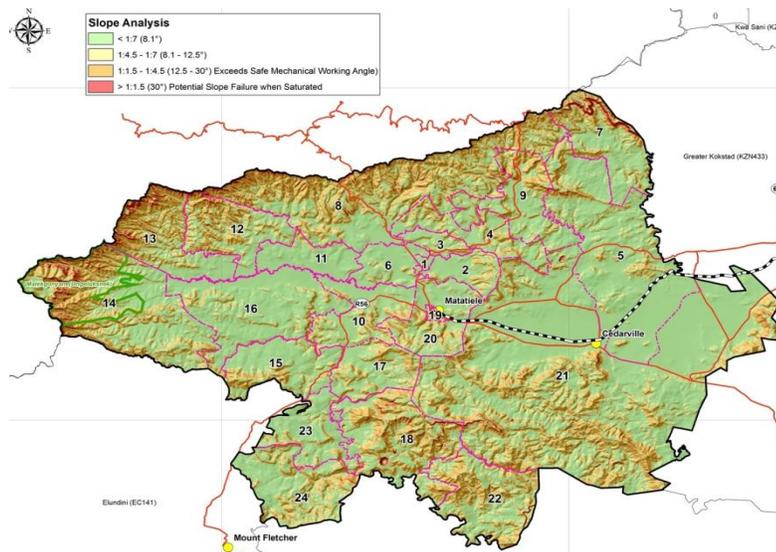


Figure: 16

Topography and slope within Matatiele Municipality varies from very steep gradients of 1:1,5 to a relatively gentle slope of less than 1:7 at the foothills of the mountain and river plans. Matatiele Municipality consists of two topographical regions, that is:

- *a central plateau with relatively good soils and intermediate rainfall supporting a mixed agriculture with a lower population density; and*
- *a high plateau leading up to the Drakensberg Mountains with relatively good soils, a high rainfall supporting a mixed agriculture with a lower population density.*

Very steep terrain occurs mainly along the western boundary as an extension of the Drakensberg Range and also along the south-eastern boundary. The farming areas that surround Cedarville and Matatiele tend to have a much gentle gradient. This is considered beneficial for possible future expansion of these urban areas and consolidation of commercial agriculture. Some of the rural settlements are located in the hilltop areas which renders access and delivery of services a major challenge. On the other hand, steep slopes, incised river valleys and the plateau creates splendid scenery, and gives the area a comparative advantage in terms of tourism development.

### **2.9.2 Soil**

Matatiele Municipality is located on Karoo sediments, the south western portion on grey and reddish-brown Adelaide mud and sandstone, and in a north-westerly direction, followed by fine-grained Tarkastad sandstone and mudstone, coarse grained Molteno sandstone and by maroon, green or grey Elliot sediments. Later intrusions of dolerite are found throughout the municipal area. Matatiele IDP Review 2010/2011 Page 29 Alluvium is found along the Kinira and Tswereka rivers west of Matatiele and north of Cedarville. The soil types generally associated with these geological formations are: - Sedimentary rock (Ecca mud and Sandstone); Dolerite, and Alluvium.

**Sedimentary rock** – is a shallow greyish brown and yellow-brown soils on partially weathered rock. They may have prominent bleached layers in the upper subsoil. The latter in particular are extremely erodible and should normally not be cultivated. Rock outcrops are common. Much of these soils in the study area is cultivated or was cultivated in the past. According to the Natural Resource Conservation Act and subsequent legislation pertaining to the Eastern Cape, most of the soil in this category should not be cultivated, while some soil forms, only if the slope is less than 12%. Soils on plateaus are sometimes deeper and sandier with neocutanic properties and may have water tables that are perched. Because of their position on the landscape they are less erodible. They are normally arable provided the slope is less than 12% be the upper limit.

Alluvial soils are widely found along the major rivers and on the broad valley floor between Matatiele to the east of Cedarville. They consist of sandy and loamy soils that are deep or moderately deep with a granular or poorly developed blocky structure. Because of the even slopes on which they occur, they may have perched water tables in the lower laying topographical units. Because of the even topography the rivers meander and much of the soils have wetland properties (grey matrix colours on the subsoil that is gleyed below 500mm). These are normally high potential soil if not waterlogged. Most of the irrigated land falls in this group.

### **2.9.3 Geology**

Matatiele Municipality is located on Karoo sediments, the south western portion on grey and reddish-brown Adelaide mud and sandstone, and in a north-westerly direction, followed by fine-grained Tarkastad sandstone and mudstone, coarse grained Molteno sandstone and by maroon, green or grey Elliot sediments. Later intrusions of dolerite are found throughout the municipal area. Matatiele IDP Review 2010/2011 states that Alluvium is found along the Kinira and Tswereka Rivers west of Matatiele and north of Cedarville.

#### **2.9.4. Grasslands**

The landcover within Matatiele is dominated by unimproved grasslands and degraded grasslands. 111,928 ha (25.7%) within the municipality is covered by degraded grasslands, which are generally associated with high levels of soil erosion and gullyng, and low livestock carrying capacities. Such degradation leads to siltation in water bodies, and general loss of ecosystem integrity within rivers and terrestrial areas. 56.1% of the municipality has retained its natural or near natural state (in other words unimproved grassland, water-bodies, wetlands etc). The concerning corollary is that 43.9% of the area is in a non-natural, transformed or degraded state (in other words urban/settlement areas, cultivated land, plantation and degraded grassland etc). This implies that a large proportion of the municipality has more or less lost its original ecosystem functioning and biodiversity status.

#### **2.9.5 Sensitive vegetation**

Matatiele falls generally within the Sub-Escarpment Grassland Bioregion and the Drakensberg Grassland Bioregion. These bioregions are characterised by high species richness and a high rate of species turnover (or variation) associated with changing gradients, altitude and environmental conditions. The main vegetation types change from Lesotho Highland Basalt Grassland at highest altitude, to Southern Drakensburg Highland Grasslands, East Griqualand Grassland and finally Drakensburg Foothill Moist Grasslands at lower altitudes.

Within this pattern, Mabela Sandy Grasslands occur in two sections of alluvial/ saturated soils. East Griqualand (making up 57% of the area) and Mabela Sandy Grasslands (making up 10.8% of the area) are classified as vulnerable vegetation types in a national biodiversity context. Both these vegetation types are classified as “Hardly Protected” in terms of protection within declared reserves. In terms of Area Based Planning, ideally widespread development in endangered and vulnerbale areas should be avoided or conducted in an environmentally sensitive manner.

#### **2.9.6 Land Cover**

Basal cover of the grasslands shrinks over time, exposing the soil to erosion forces, resulting in extensive sheet erosion over large areas.

Loss of productive plant biomass as palatable, nutritious species is replaced by unpalatable, non-nutritious species.

Unimproved grasslands and degraded grasslands dominates the landscape in Matatiele Municipality. Degraded grasslands accounts for 111,928 ha (25.7%) and is generally associated with high levels of soil erosion, gullyng, and low livestock carrying capacities. This creates conditions for siltation in water bodies, and general loss of ecosystem integrity within rivers and terrestrial areas. On the contrary, 56.1% of the municipality area remains unimproved.

This includes grassland, water-bodies, wetlands etc. It is however, concerning that 43.9% of the area is in a non-natural, transformed or degraded state (in other words urban/settlement areas, cultivated land, plantation and degraded grassland etc). This implies that a large proportion of the municipality has more or less lost its original ecosystem functioning and biodiversity status.

The majority of unimproved grassland is degraded. Significant impacts on the rural economy as productive land gradually becomes unproductive and fewer families are able to subsist on the land. The EMP identifies the following as indicators of this phenomenon:

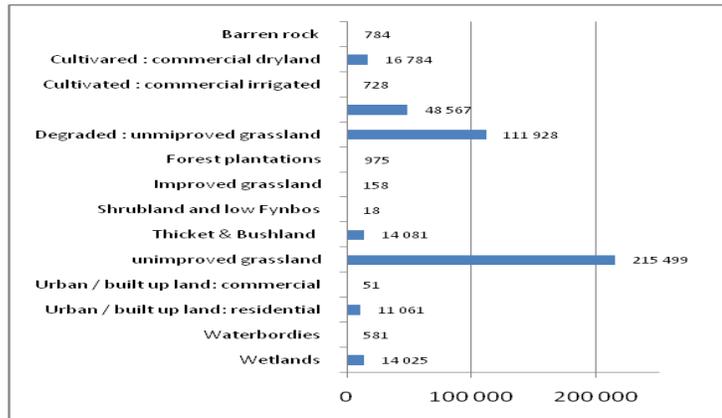
Alien plants invade ecologically depressed grasslands.

Carrying capacity diminishes over time and quality and productivity of livestock deteriorates (lower calving rates, lower annual growth of individuals, lower wool returns). Significant loss of plant diversity, especially of the palatable grasses and forbs (and presumable associated invertebrate and vertebrate species).

The reduced biomass associated with such over-grazing means that

more pressure is placed on remaining grasslands and the process accelerates over time, leading to run-away erosion and further loss of plant material.

Changes in plant community structure from a diverse resilient composition to a vulnerable plant community composition unable to withstand climate change.

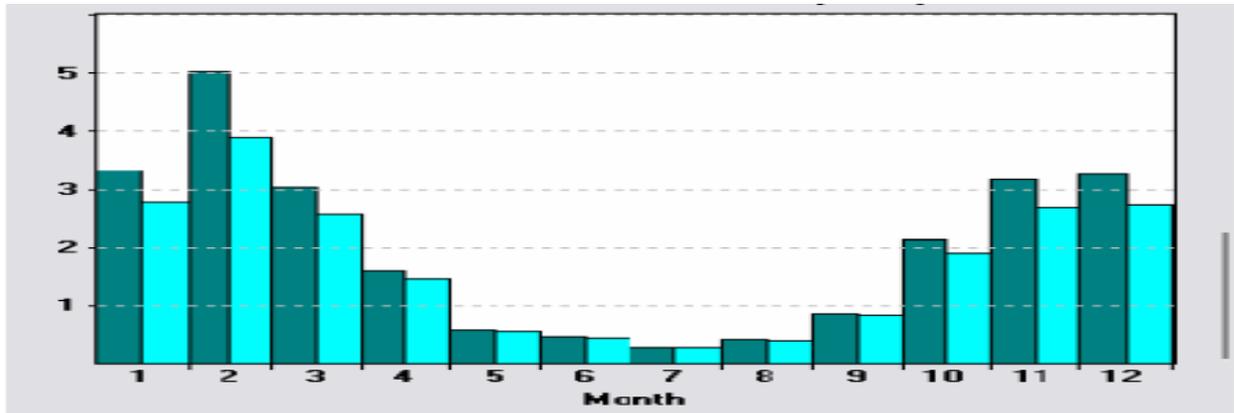


The following land uses taking place within Matatiele Municipality have a tremendous impact on the natural environment (ABP, June 2007):

- *Cultivation of crops.*
- *Grazing which can be one of the least damaging of land uses IF stocking rates are adhered to, and rotational grazing is practiced.*
- *The practice of annual burning to stimulate new green growth is prevalent because of the persistence of the stereotype that fires stimulate early growth.*
- *Forestry adjacent to grasslands can sometimes increase local animal species diversity as it provides another habitat along the margin of the plantation and grassland interface.*
- *Road construction is often the source of gully erosion due to creation of concentrated run-off from improperly designed road drainage systems.*
- *The link between settlements and livestock concentrations, with heavy grazing and trampling in such areas, is a major threat to the health of groundcover in general*

### 2.9.7 Temperature and rainfall

Figure 17: Total and Effective Rainfall (mm/d)



Station Name	Record years	Latitude	Longitude	MAP mm/y	Altitude msl
Cedarville	93	30° 25"	29° 3"	685	1500
Matatiele	86	30° 20"	28° 49"	682	1510
Mount Fletcher	98	30° 41"	28° 30"	822	1480
Mount Frere	80	30° 54"	28° 59"	835	1120
Mount Ayliff	92	30° 48"	29° 22"	738	1086
Qacha's Nek	76	30° 7"	28° 42"	925	2010

*Table 9: Average Annual Rainfall*

The southern portion has a moderate climate with an average maximum in summer of 26°C which then falls to 1°C in mid winter. The average temperature at Matatiele is four degrees colder with an average maximum of 17°C in January which falls to 2°C in June. Minimum temperatures can fall well below zero.

The mountainous areas south of Matatiele and the border region in the north eastern parts can expect frost for more than 75 days. Snow at the latter is common. Average annual rainfall ranges from below 550 mm to more than 1 000 mm, which falls in a typical summer rainfall pattern that commences in October and continues through to April.

The highest rainfall is in February (refer to Figure 16). A rain shadow is experienced in the northern valley area south of Cedarville and Matatiele. This is also where the reliability of the rain is at its lowest and the chances of consistently high crop yields are lowest. Runoff is exceedingly high in most of the study area because of poor vegetation cover. This has increased the erodibility of the soil. The average rainfall of some monitoring stations in and around the study area is indicated in Table 10. A more comprehensive list can be found as an addendum.

## CHAPTER 3: INSTITUTIONAL ANALYSIS

### Introduction

Integrated development planning is not and cannot be a universal remedy for all problems facing the municipality and its people. As a result, one of the distinguishing features of integrated development planning is its focus on strategic areas of intervention and concern with interventions with a high impact using the limited resources available to the municipality. This focus is intended to achieve faster and appropriate delivery of services and create an enabling framework for social and economic development. Based on the assessment of the current situation, Matatiele Municipality has identified the following as key development issues

### 3.1 INSTITUTIONAL SWOT ANALYSIS

#### Conclusion of the situation analysis: swot analysis

*The preceding analyses have pointed to a range of issues which have to be taken into consideration when devising an LED Strategy for the Matatiele Local Municipality. Below is a summary of the main strengths, weaknesses, opportunities and threats facing the Matatiele economy.*

#### The Main Strengths, Weaknesses, Opportunities of the Matatiele Economy

• THE MAIN STRENGTHS, WEAKNESSES, OPPORTUNITIES OF THE MATATIELE ECONOMY	
• Strengths	• Weaknesses
<ul style="list-style-type: none"> <li>• Abundant natural resources: fertile soil and favourable rainfall conditions, natural forests and forestry plantations, flora and fauna, mountains and water (i.e. wetlands, rivers, streams, lakes, etc.),</li> <li>• Livestock, crop, poultry, pigs and bees raised in the municipality,</li> <li>• Reliable markets and/or a steady demand for Matatiele Town goods and services (e.g. neighbouring communities and the southern districts of Lesotho),</li> <li>• Strong willingness and efforts by some local business people expand and/or diversify their businesses (e.g. fundraising),</li> <li>• Strong tourism potential due to conducive <i>climate</i> for winter tourism, rich history, national heritage sites, nature reserves, various cultures, rivers and lakes, mountainous terrain,</li> </ul>	<ul style="list-style-type: none"> <li>• Limited access to funding, technical support and facilities for emerging farmers, entrepreneurs(e.g. SMMEs and informal traders) and local tourist attraction operators,</li> <li>• Limited access to land for farming land in the rural areas and commercial land in the urban areas due to ongoing land claims and land disputes: A large proportion of the municipality's land in the urban areas is zoned as nature reserve land,</li> <li>• Underutilisation of arable agricultural land in the rural areas, most of which is communal land, as well as forests and forestry plantations not used for commercial purposes</li> <li>• Agricultural activities in the rural areas mainly for subsistence,</li> <li>• Skills shortages across economic sectors and limited scientific knowledge in the agricultural and forestry sectors,</li> </ul>

<ul style="list-style-type: none"> <li><b>THE MAIN STRENGTHS, WEAKNESSES, OPPORTUNITIES OF THE MATATIELE ECONOMY</b></li> </ul>	
<p>developed commercial agricultural sub-sector<sup>1</sup> and unique bird types.</p> <ul style="list-style-type: none"> <li>• Existence of access roads leading to various existing and potential tourist attractions in the area,</li> <li>• Relatively low levels of crime,</li> <li>• Active co-operatives in various economic sectors,</li> <li>• Regular road transport to some major centres of South Africa, including Durban and Gauteng, and existence of rail network and an airstrip,</li> <li>• Some policies and strategies are in place to guide local economic development.</li> </ul>	<ul style="list-style-type: none"> <li>• Poor infrastructure and lack of infrastructure maintenance, complete lack of physical infrastructure and lack of access to municipal services, especially in the rural areas,</li> <li>• Limited number of suppliers of local businesses, which leads to high transport costs,</li> <li>• Human and technical capacity constraints in the public sector, including the Local Municipality, which lead to poor planning, poor installation and maintenance of infrastructure and slow or complete lack of implementation of policies and plans,</li> <li>• Government red tape, which causes delays in the processing and approval of business plans and in delivering essential services,</li> <li>• Limited value-addition activities across the board.</li> </ul>
<ul style="list-style-type: none"> <li><b>Opportunities</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Threats</b></li> </ul>
<ul style="list-style-type: none"> <li>• Strong potential for large-scale production, processing and marketing of local products in external markets (e.g. agricultural, forestry products and related products and sandstone, and introduction of value-addition activities in all economic sectors,</li> <li>• Opportunities for establishing and/or identifying new markets for locally-produced products and services,</li> <li>• Potential for use of available underutilised land and other natural resources (e.g. rivers) resources for income generation purposes,</li> <li>• Opportunities for investment in activities, businesses or services currently not offered in Matatiele,</li> <li>• Opportunities for training and capacity-building for better</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of access to land and demarcation disputes hamper development: Ongoing land claim matters lead to slow allocation of land that can be used for business purposes,</li> <li>• Poor infrastructure, lack of maintenance and upgrading of infrastructure likely to drive away interested investors, shoppers and tourists,</li> <li>• Limited access to municipal services, especially in rural areas, may deter business, investment and tourism,</li> <li>• Labour force migration, HIV/AIDS and low school completion rates may adversely affect labour force participation rates in the municipality: Low skill completion rates can lead to a rise in unemployment and crime rates,</li> </ul>

**• THE MAIN STRENGTHS, WEAKNESSES, OPPORTUNITIES OF THE MATATIELE ECONOMY**

<p>understanding of production, preservation and marketing of products, for running commercial businesses and tourist attractions,</p> <ul style="list-style-type: none"> <li>• National and provincial government’s support for LED provides opportunities for enhancing local municipality’s capacity to facilitate LED,</li> <li>• Strengthened institutional and financial assistance across the sectors of the local economy,</li> <li>• Strong potential for the development and promotion of winter tourism, cultural tourism, eco-tourism, agricultural tourism, adventure tourism, avi-tourism (e.g. bird-watching) and water sports, and of facilities supporting tourism,</li> <li>• Potential for improving Matatiele reputation as a business, shopping, service, tourism area through provision economic infrastructure (e.g. roads),</li> <li>• Existence of roads linking Matatiele to other areas and of airstrip and railway provide opportunities for transportation of local products to markets and of raw materials, semi-finished and finished products into the area, and</li> <li>• Opportunities for introduction of self-help projects for unemployed community members in both urban and rural areas.</li> </ul>	<p>which hamper development.</p> <ul style="list-style-type: none"> <li>• Limited financial and technical support for projects can ultimately lead to their collapse.</li> <li>• Overgrazing in the rural areas poses challenges of decreased grass/plant growth and reproduction, decline in soil productivity, soil erosion and desertification,</li> <li>• Burning of grass in the municipality likely to destroy important plant species and adversely affect the tourism potential of the area,</li> <li>• Forests face many threats, including fire, disease, drought, strong winds, snow, vandalism and trespassing by livestock, which can lead to damage to drains, soil structure and the trees themselves.</li> <li>• Some natural forests/forestry plantations located near water sources likely to deprive some parts of the municipality of water and decrease water-based tourism potential since they consume a lot of water,</li> <li>• Continuous exposure of goods sold by informal traders to the sun and other weather conditions due to lack of trading facilities compromises the quality of their goods and may lead to health problems,</li> <li>• Low quality goods sold by many Chinese businesses in the area at low prices threaten to drive local businesses out of the market: Some of these goods are fake copies of the brands sold by local business people,</li> </ul>
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## 3.2 ORGANISATIONAL STRUCTURE

Matatiele Local Municipality (EC441) is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting of nine (9) Executive members of whom one is the Mayor. There are three women serving in the Executive Committee. The Council consists of 52 Councillors including the members of the Executive Committee and ten traditional leaders. Of the 52 Councillors, 26 are Ward elected Councillors. The Council has six (6) standing committees. The six (6) portfolio of the municipality are as follows:

- ❖ Budget and Finance – Portfolio Head: Cllr. S.A Selllo
- ❖ Community Services – Portfolio Head: Cllr. N.C Ludidi-Mzonke
- ❖ Corporate Services – Portfolio Head: Cllr. J. Magangana
- ❖ Local economic Development – Portfolio Head: Cllr. V.C Sigalelana
- ❖ Infrastructure – Portfolio Head : Cllr. S. Mngelena
- ❖ Special Programmes Unit- Cllr: G.M Letuka

### 3.2.1 Municipal administration

The Municipality's organisational structure comprises three hundred and fifty seven (57) positions which are divided into six (6) departments including the office of the Municipal Manager. The organogram of the municipality is attached as annexure B. The purpose of this function is to render a professional support service that is well aligned to the municipality's Integrated Development Plan (IDP) as well as to the needs of the municipality's stakeholders and customers. The Municipality currently has 192 employees with 37% vacancy rate (See Table 7). There are a total of 102 vacancies, 45 of which have been budgeted for and 57 have not been budgeted for. (See Annexure B – Organogram). The status quo has to be dramatically changed around in order for the municipality to be able to deliver according to its mandate. It is therefore critical for the budgeted positions to be filled.

Table 8: Departmental Functions

DEPARTMENT	FUNCTIONS
<b>Budget and Treasury</b>	Revenue collection & Expenditure ,Supply Chain Management, Internal Audit, Budgets and Financial Planning, Financial Information systems
<b>Community Services</b>	Public Safety and Security Services,Disaster Management,Public Amenities ,Solid Waste ,Environmental Management Services
<b>Corporate Services</b>	General Administration Services, HR Development Services, Labour Relations,Legal Services, IT Services ,Council Support
<b>Economic Development and Planning</b>	Local Economic Development and Tourism,Development Planning ,Building Inspectorate, EPWP & Human Settlement , CWP
<b>Infrastructure Services</b>	Electricity Operations & Maintenance Project Management Unit
<b>Office of the Municipal Manager</b>	Accounting Officer and Head of Administration ,Communications and Inter-Governmental Relations (IGR)and Protocol, Internal Auditing,Integrated Development Planning and Performance Management System,Public Participation, Petitions and Protocol,Special Programmes ,

All the departments have Executive managers and Middle Managers. The following table reflects the different categories of employment.

CATEGORIES OF EMPLOYMENT	NUMBER OF EMPLOYEES	%
Executive Managers including the Municipal Manager	6	2
Middle Managers	20	6
Other Managers	23	6
Technical/Professional Staff	64	18
Other Staff (clerical, labourers, etc.)	244	68
Total Staff = 357		

Table 11: Filled and Vacant Positions

DEPARTMENT	APPROVED POSITIONS FILLED	VACANT				VACANCY RATE
			BUDGETED FOR	NOT-BUDGETED FOR	TOTAL	
MM's Office	17	12	3	2	5	29%
Corporate Services	59	45	6	8	14	24%
Budget & Finance	41	23	10	8	18	44%
Community Services	48	27	11	10	21	44%
Technical Services	167	127	10	30	40	24%
EDP	25	10	5	10	15	60%
<b>GRAND TOTALS</b>	<b>357</b>	<b>244</b>	<b>45</b>	<b>68</b>	<b>113</b>	<b>38% (Department/ 6 + total of %)</b>

As illustrated in the above table, there are still vacancy rates that are more than thirty percent (30%) for three of the Municipal Departments.

There is staff development initiatives taken by the municipality in the form of training programs and bursary assistance offered to the municipal officials and councillors, during the financial year 2011/2012. The skills development ranged between one week to 12 months with the assistance of different service providers like DBSA, Cape Peninsula University of Science and Technology, Loyiso ICT Consulting, Dept of Transport, Nelson Mandela Metropolitan University etc. Approximately 124 beneficiaries were trained in the following areas:-

- IDP Skills Programme
- Turf Grass Course
- Introduction to Project Management

- Introduction and Advanced Computer Skills
- Pay-Day
- Law Enforcement for Peace Officers
- IRP 5 Workshop
- National Traffic Information System
- OD-ETDP Learnership
- Advanced Enterprise Risk Management Strategies
- Customer Care
- Supply Chain Management
- LED Learnership
- Environmental Practice for Refuse Employees
- ABET Level 1,2,3,4

Over and above this, some bursaries were allocated for two students to study BA Social Studies and ND Public Relations Management.

The following are objectives for the Corporate Services Department

- To provide effective and efficient Council Support
- To provide effective Human Resource Management
- To provide effective and efficient administrative services
- To ensure compliance with all relevant pieces of legislation and agreements
- To ensure development and implementation of policies and bylaws

The following has been achieved:

- ▶ Implemented Workplace Skills Plan resulting in the training of 73 out of 77
- ▶ Implemented Employment Equity Plan (EEP) resulting in the employment of additional six female middle managers, totalling eleven in all excluding vacant positions.

#### **EMPLOYMENT EQUITY PLAN**

- The MLM is committed to the implementation of employment Equity to redress the legacy of past discrimination during which people were denied access to equal opportunities based on their race, gender, HIV/AIDS, marital status, sexual orientation, religion; ethnic/social origin, age and disabilities.
- MLM is committed to redress the past legacies through the establishment of EE Forum

- In order to guide its implementation process and review, the municipality developed an Employment Equity Plan covering a period until 2014 in 2009.
- The plan needs to be continually reviewed and updated to ensure that it is consistently in line with the economic realities of the Municipality.
- Timeous submission of the EEP Report
- Employment Equity Reports are submitted online in October annually

#### **TRAINING POLICY**

- To provide skills development framework for officials and Councillors.
- To provide a framework for aligning training needs with the strategic objectives of the Municipality.
- To equip Municipal Human Resources with the necessary skills for better service delivery.
- To manage skills development processes within the Municipality.
- To cater for the previously under privileged sections of the Municipal Human Resources.

#### **SUCCESSION POLICY**

- The reasons for preparing succession planning and career pathing plans are as follows:
- To ensure continuity of suitably trained staff in key posts for the future
- To ensure that someone is always available to fulfil any particular job in the municipal service, even in the event of illness, resignation or death. More than one staff member in a specific department should always be able to do any particular job.
- To comply with the legal requirements of the Employment Equity Act which requires the appointment and promotion of suitably qualified persons from previously disadvantaged groups, to ensure proportional representation in all occupational categories and levels.
- To ensure that training programs are undertaken in an orderly way and that staff do not simply attend training courses without a purpose. In this way training initiatives can be properly focused.
- To develop career paths for individual staff members to assist them in their careers, making them more enthusiastic about their jobs and therefore making them more productive. In this way, the individual skills may be utilised to achieve the goals of both the department as well as the organisation
- To assist the employee in meeting his/her performance goals. Individual goals must be aligned with the goals of the overall department and the organisation, including the Council's Integrated Development Plan (IDP) and budget. Succession planning and career planning must, furthermore, be aligned with all other human resources activities such as selection, training, performance management etc
- To establish a highly motivated work force which could lead to a decrease in staff turnover
- Employed successful applicants in the identified critical and budgeted posts
- Implement Salary and Wage Agreement
- Consolidated Conditions of Service
- Started implementing the Electronic Archiving System

The following are some of the challenges experienced by the department:-

- Take-over of the Payroll System
- Outstanding Job Evaluation - Final Outcomes Results
- Limited office space
- Implementation of Ward Committee Award System
- Integration of the CDWs into the municipality
- Contractual relationship between the Municipality and VODACOM on behalf of Councillors
- Lack of Occupational Health and Safety

The following plans and programmes would have to be developed and finalised together with the IDP. This will benefit the IDP implementation and ensure that planning is linked to implementation.

A Human Resource Plan is in the process of being developed. The DHLGTA has assisted the municipality to embark on this process. There is a need for the municipality to embark on a public participation process so that stakeholders can be engaged.

The following plans still have to be developed:-

- Retention Strategy
- Workplace Skills Plan
- Recruitment & Selection policy
- Human Resource plan

It is necessary to continuously monitor, periodically measure and review performance in terms of the implementation plan and programme. The effectiveness of the implementation strategy will be measured against achievements. This promotes accountability at all levels and also contributes towards the overall development of the local government system. In terms of Chapter 6 (Section 38) of MSA, the Performance Management System has to be developed, linked to the IDP implementation plan. As mentioned in Section 1.6.1, the outputs for the implementation phase include the preparation of Performance Indicators as well as the 2012/2017 Performance Framework to be adopted by Council.

### **3.3 LOCAL ECONOMIC DEVELOPMENT**

#### **3.3.1 LED Institutional Capacity**

Setting up the LED unit had been identified as essential towards the fulfilment of the LED mandate of the institution. The LED unit currently has three LED officers. The officers are responsible for overseeing the SMME development, Cooperatives Development and Support, Tourism development, Agriculture and Forestry initiatives in the Municipality. Two of the officers have gathered extensive experience in Local Economic Development having worked in the LED department for more than four years. One of the officials is pursuing a degree in Development Studies with the intention to specialise in Local Economic Development. The position of the LED Manager has recently been filled.

The institution is currently building up its internal LED expertise. To enhance available LED skills, three officers were registered for an LED learner ship (NQF5) which will be offered through the Development Bank of Southern Africa (DBSA) in the next financial year. The LED Forum/Local Action Team (LAT) has been set up. Relevant LED Stakeholders are part of the Local Action Team (LAT) i.e. DEDEAT. The LAT has adopted terms of reference and meets monthly.

Ten (10) employment opportunities were created through Expanded Public Works programme and One thousand seven hundred and eleven (1 711) opportunities through the Community Works programme. The total work opportunities created amount to 1811.

Further to that, a concerted effort was applied towards the attainment of LED objectives.

➤ Improve public and market confidence

The Municipality has a Spatial Development Framework (SDF) as adopted by Council in 2011. The SDF provides a guide for the location of future development projects. It also details the Spatial Planning strategies that guide the Development of the Municipality in general. For example, one of the strategies is the focusing of development on strategic Nodal Points so as to maximize the Public and Private sector investment.

➤ Investment and trading by laws

The Municipality recognized the importance of improving the policy framework in order to attract investors. As a result funding was obtained towards the development of a trading by-law.

The Municipality does have an investment policy. This policy does amongst other things seek to position the Municipality as an investment destination for the domestic and foreign investors.

➤ Exploitation of Comparative and Competitive advantages

Exploiting sector comparative and competitive advantage of the Municipality is essential. As a result, enhancing and creating an enabling environment for the growth of these sectors is pursued. Funds are regularly sourced to assist in the financing of initiatives that are aimed at exploiting this competitive advantage, as discussed in Section 2.3.4. The various agricultural projects were assisted by the Municipality in terms of Management and Project monitoring. One Flea Market was undertaken during the previous financial year and approximately two hundred (200) SMME opportunities were created. As a result Partnerships were entered between agricultural cooperatives and the Local Supermarkets for the supply of vegetables produce by five (5) Cooperatives.

➤ Intensify enterprise support and business development

The Municipality is yet to develop an SMME development and support programme. This will entail methods of assisting Cooperatives, Informal Sector in the following:-

- *Skill Development /Training*
- *Financial Support*
- *Monitoring and Business Advice*
- *Access to funding*
- *Compiling Business Plans*
- Newly Established SMMES

The Municipality also assisted in the establishment of 20 new Cooperatives. This figure could be more since more Cooperatives could have been established directly with Companies and Intellectual Property Commission (CIPS). Similarly three hundred and four (304) informal traders can be recorded as established.

### **3.3.2 Existing Businesses**

Some progress has been made as far as developing the commercial sector. However, this industry is still far from being fully developed. Formal business in Matatiele consists mainly of retail and commercial farming businesses. As far as the former are concerned, supermarkets, clothing stores and spaza shops are the most common types of business in the rural areas of this municipality.

Other than agriculture the dominant businesses in the rural areas are spaza shops (general dealers), transport businesses, cultural and eco-tourism activities, small-scale agricultural

production and wood processing. One of the major challenges that they face is that their generally low density in these areas and a dispersed business population undermine their ability to access and benefit from knowledge transfer, which can help them grow.

A number of businesses and/or business services are not found in Matatiele. These include:

- Suppliers of agricultural inputs: Farmers buy supplies from other municipalities, such as Umvoti Local Municipality in KwaZulu-Natal;
- A tourism information or support office: A tourism office is needed for the provision of assistance to tourists; and

### **3.3.3 LED Sectors**

The LED Strategy was adopted in 2010 and aims to provide a strategic direction to guide the municipality in efforts towards achieving local economic development of the municipality. It suggests the following sectors as the ones that make the largest contribution to Matatiele's economy:-

- Commerce and industry
- Community, social and other personal services
- Wholesale & retail trade; catering and accommodation
- Finance and business services
- Transport and Communication
- Construction
- Agricultural and Agri-Tourism
- Manufacturing mining and quarrying

However, due to numerous challenges facing each of these sectors, creation of employment opportunities to adequately address poverty and to keep up with the economic needs of local communities has been very slow. As a result, the municipality is home to many poverty-stricken communities with high levels of poverty and unemployment, and generally low income levels. Many of these communities face the challenge of very limited access to basic services such as water and electricity. Many people living in the rural areas rely mainly on subsistence agriculture. The ward based plan indicates that there are existing projects, namely,

Ward 2 - Poultry and sewing, Ward 13 - poultry and vegetables, Ward 17 - Ilima project, Ward 20 – bakery and manufacturing of wire.

On the other hand, the construction industry is very small. Construction activities include road construction and the building of houses. This industry has the potential to provide more job opportunities in the future, based on:-

- Rapidly increasing fiscal allocations for public infrastructure

- Expansion of the EPWP (there needs to be a District (i.e. Alfred Nzo) EPWP Plan, with an M&E capability).
- Increased house-construction (human settlements) and retail infrastructure.

According to the Local Economic Development Strategy (2010), economic growth declined from an economic growth rate of 4.24% in 2002 to only 3.20% in 2008. However, this decline was not a steady one. Frequent fluctuations occurred between 2002 and 2007. The municipality experienced an average decline of 0.04% per annum. This decline was in line with the decline in provincial, district and local economic trends. Umzimvubu and Alfred Nzo district also experienced negative economic growth rates during this period.

LED Projects support is required in the following eleven (11) wards, 4, 5, 7, 8, 18, 19, 20, 22, 23, 25 and 26.

#### **Matatiele's main economic development challenges**

Based on the findings of the situation analysis as captured in the SWOT analysis in the preceding section the following main challenges faced by Matatiele's economy are identified:

- Matatiele's agricultural potential is not fully utilised;
- There is a need to expand and diversify the economy especially with respect to the secondary sector that includes manufacturing and tourism development;
- The low human development capacity of the population is a particular challenge to the economy;
- The poor provision of infrastructural services and access to basic resources is a constraint to the development of the economy of Matatiele.
- There is a weak business development system of commercial services, information and advisory services, skills access to resources;
- Emerging entrepreneurs requires access a participatory institutional structure that can facilitate and lead economic growth and development in Matatiele through partnership agreements;
- A serious challenge in Matatiele is the poverty and needs within the rural areas

## THE GOALS AND OBJECTIVES FOR THE DEVELOPMENT OF THE ECONOMY OF MATATIEL

GOALS	OBJECTIVES
1. To develop the Agriculture, Forestry and Agri-business potential in the municipality to its optimal level;	1.1 To promote the growth and development of the agriculture sector
	1.2 To strengthened support for emerging livestock and crop producers
	1.3 Promote the development of agri-business and optimum use of available agri-processing opportunities
	1.4 Improve the training and capacity building for agriculture and agri-processing development
2. To broadening of the economic base of Matatiele beyond the traditional sectors and to growth and develop the secondary sector of the municipality with a focus on the manufacturing, tourism, forestry, construction and utilities sectors	2.1 To promote tourism sector growth and expansion
	2.2 To promote the development of tourism facilities and other facilities to increase interest among potential tourists
	2.3 To promote training and capacity building for tourism development
	2.4 To promote forestry sector growth and development
	2.5 To promote growth of construction, manufacturing mining and transport sectors
	2.6 To promote training and capacity building in construction, manufacturing, mining and transport sectors
3. To build the capacity and ability of the people and communities in the municipality in support of economic development	3.1 To promote community economic and social development through the provision of business development related capacity building programmes
	3.2 To promote and enhance high school entrepreneurial activities and interests
	3.3 To improve basic environmental, economic, social, and quality of life conditions in the communities
4. To create a Business and Investment-enabling Environment	4.1 To promote infrastructure development
	4.2 To promote training and capacity building specifically for infrastructure development and maintenance in the communities
	4.3 To promote the equal spatial distribution and development of economic opportunities through the formulation of a municipal wide Spatial Development Plan
5. To promote the development of the Commerce and tertiary sectors	5.1 To promote commerce sector development through retail development
	5.2 To promote SMME, entrepreneurship & informal sector participation
	5.3 To promote access to land for commercial development in the urban areas
6. To facilitate economic development through institutional partnerships and	6.1 To promote institutional development to facilitate partnerships on the area

improved relationships	
7. To promote rural community economic development and empowerment.	7.1 To promote investment in basic infrastructure and social services in the rural areas
	7.2 To promote improving income and employment opportunities in the rural areas
	7.3 To promote broaden access to productive resources and source funding for led planning and implementation in the rural areas
	7.4 To promote resource conservation in the rural areas
	7.5 To promote training and capacity building in the rural areas

The following economic sectors as presented by the LED Strategy report are the competitive advantages for the municipality:-

### 3.3.4 Agricultural Development

The availability of water resources in various parts of Matatiele, such as rivers, streams and wetlands, the good quality of its soil and rainfall render the area suitable for large-scale production of a number of crops. Particular areas have been identified to be suitable for certain types of crops, for example, Matatiele’s fertile soil, particularly in the Ongeluksnek area, is good for a variety of fruits such as apples, citrus fruit, and peaches. Despite this potential, Matatiele’s agricultural crop sales have been ranked among the lowest in the country for many years due to a number of challenges:-

- Lack of storage facilities for the preservation of crop products, especially maize
- Lack of fuel (e.g. diesel) and/or electricity for the very few who own farming equipment.
- Absence of milling plants in areas where they are needed the most: Mafube, Belfort in Ward 16 are among the areas that can benefit greatly from milling facilities.
- The existence of a vast area of under-utilised agricultural land in many parts of the municipal area Limited access to land as well as lack of title deeds hamper crop production and productivity.
- Lack of modern farming machinery such as tractors and implements
- Subsistence crop farming, especially in the rural areas is very dominant

Livestock farming and crop farming are the most common farming activities, the dominant of which is the livestock farming. The main livestock farming activities include cattle farming, sheep farming and goat farming. Many emerging livestock farmers in urban Matatiele raise cattle on their farms mainly for beef which they sell to local slaughter-houses, supermarkets and also to individuals. Some sell cattle to buyers from Durban, Howick and Pietermaritzburg in

KwaZulu-Natal, and Port Elizabeth in the Eastern Cape through auctions organised by the Cedarville Farmers Association. Live sheep, goats and wool get sold to local manufacturers in Port Elizabeth and Durban and to manufacturers based outside the country. A need for provision of dipping tanks has been raised for fourteen wards.

A recently collapsed Umzimvubu Goat Project was a good example of goat product processing activities and many farmers in Matatiele would have liked to see a similar project started but the Umzimvubu one had a number of challenges.

Emerging farmers in Matatiele generally face a number of difficulties, including:-

- Lack of proper stock-handling facilities,
- Lack of dipping facilities for protecting cows against diseases,
- Need for bulls to improve certain types of breeds and perpetuate those that are not found in large numbers, such as the Nguni breed,
- Shortage of grazing land for some cattle including Nguni cattle,
- Need for a feedlot for cows that are raised for commercial purposes,
- Lack of modern milking parlour,
- Poor access to economic-enabling physical infrastructure, such as electricity, roads and water infrastructure, which hamper productivity,
- Limited understanding of modern farming methods and practices, which compromises the quality of the cattle raised in the municipal area, especially in the rural areas, and
- Overgrazing.

Crop farming includes mainly maize, wheat, sorghum, beans, soya beans, canola, potatoes, butternut, green leafy vegetables (cabbage, spinach, turnip etc.), green, red and yellow pepper and sunflower. The markets for those who sell vegetables include local formal businesses, such as hypermarkets, including ShopRite and Pick'n'Pay, local vegetable vendors and vegetable traders from Lesotho. In addition, there are opportunities for them to supply crops and vegetables to local orphanages, hospitals and some primary schools.

Opportunities also exist for honey production, although this sub-sector is highly underdeveloped. Efforts to retain bees could be made through planting of sunflowers in areas where most bees are found.

Approximately nine (9) wards indicated that they require fencing for their cultivate fields in order for them to better cultivate their land. Currently, the Department of Agriculture has committed funds towards economic development focussing on poverty alleviation and unemployment:-

The following Siyazondla projects are currently in progress

Table 7: Current Poverty Alleviation Projects

AREA	VILLAGES	ALLOCATED BUDGET
MALUTI 'A'	21 villages	250,000.00
MALUTI 'B'	9 villages	250,000.00
MALUTI 'A' SCHOOLS	10 schools	250,000.00
MALUTI 'B' SCHOOLS	15 schools	250,000.00

CASP Projects are distributed per ward for the following areas:-

Table 8: CASP Projects Distribution/Ward

AREA	WARD	LAND TENURE	INFRASTRUCTURE REQUEST	ESTIMATED BUDGET
KLEIN JONAS	11	COMMUNITY	DIP TANK & STOCK WATER	1 078,000.00
GXAKU	24	COMMUNITY	DIP TANK & STOCK WATER	1 078,000.00
HONCROFT FARM	21	PRIVATE	FENCING	700,000.00
MOOIPLAAS	21	LRAD	FENCING	200,000.00
ROSSLEIGH FARM	21	LRAD	HANDLING FACILITY	300,000.00

Massive Food Production and Siyakhula projects are also distributed per ward:-

Table 9: Massive Food Production/Ward

WARD	VILLAGE	QUANTITY	PROJECT	AMOUNT
	NGCOBO FARM	20	MAIZE PRODUCTION	R75 500
16	SHEPARD'S HOPE FARM 2	49	MAIZE PRODUCTION	R222 950.00
16	ADE FARM	49	MAIZE PRODUCTION	R143 000.00
9	LENN'S FARM 2	100	MAIZE PRODUCTION	R143 000.00
10	CLOVER	25	MAIZE PRODUCTION	R73 000.00
10	GLENLEARY FARM	49	MAIZE PRODUCTION	R143 000.00
10	SHELTER FARM	40	MAIZE PRODUCTION	R117 000.00
9	HONCROFT FARM	35	MAIZE PRODUCTION	R252 000.00
5	BLACK DIAMOND	30	MAIZE PRODUCTION	R195 000.00
10	KILKENNY FARM	40	MAIZE PRODUCTION	R117 000.00
16	WILLARY FARM 2	49	MAIZE PRODUCTION	R143 000.00
10	STANFORD FARM 1	25	MAIZE PRODUCTION	R64 350.00
10	TRY AGAIN	60	MAIZE PRODUCTION	R175 000.00
17	MGUBHO PROJECT	49	MAIZE PRODUCTION	R55 250.00
21	Cedarville Project	10	MAIZE PRODUCTION	R172 250.00
11	PONTSENG HEMP PROJCT	10	MAIZE PRODUCTION	R55 250.00
18	NYANISO 1	10	MAIZE PRODUCTION	R72 500.00
18	NYANISO 2	10	MAIZE PRODUCTION	R72 500.00

10	TRY AGAIN	60	MAIZE PRODUCTION	R175 000.00
17	MGUBHO PROJECT	49	MAIZE PRODUCTION	R55 250.00
21	Cedarville Project	10	MAIZE PRODUCTION	R172 250.00
11	PONTSENG HEMP PROJCT	10	MAIZE PRODUCTION	R55 250.00
18	NYANISO 1	10	MAIZE PRODUCTION	R72 500.00
18	NYANISO 2	10	MAIZE PRODUCION	R72 500.00
8	MEJAMETALANA	3	POTATO PRODUCTION	R83 000.00
21	NTLOLA	3	POTATO PRODUCTION	R83 000.00
15	NTATAISE	3	POTATO PRODUCTION	R83 000.00

According to the Outreach Outcome, additional wards are in need of massive food production projects – wards 1, 16, 19, 22, 25 and 26.

Funding opportunities were also available for the municipality, as follows:-

Table 10: Funding Opportunities by other Funders

SOURCE	AMOUNT	PROJECT NAME	AMOUNT SPENT	PERCENTAGE
<b>DEDEA</b>	<i>R 1 338 200.00</i>	Khuthalani Sinosizo Poultry and Multi Primary Cooperative Project	R 1 311 638.09	26.3
	<i>R 750.00</i>	Mokhosi Milling Project	NIL	NIL
	<i>R 595 000</i>	Matatiele Tourism Initiative Project	R 350 000.00	7
	<i>R 467 000</i>			
	<i>R504 000</i>	Sikhululiwe Bawo Development Project	R 504 000.00	10
<b>Thina Sinako</b>	<i>R1 100.00</i>	Informal Trade Rank	R 381 549.70	8
<b>Department of Local government</b>	<i>R 110 000.00</i>	Thembalihle Leather Craft	Nil	Nil
	<i>R 110 000.00</i>	Cedarville Emerging Famers	Nil	Nil
<b>TOTAL</b>	<b>R4 974 200.00</b>	<b>51.30 %</b>		

### 3.3.5 Forestry

Matatiele Local Municipality is one of the municipalities that have areas that are biophysically suitable for commercial forestry, in the province. The total number of community forestry plantations in the Municipality was 408 in 2007. While none of them were owned by private individuals, 400 were state owned. Only 8 were owned by local communities. Currently, none of the 408 forestry plantations are used for commercial purposes. As a result, no formal processing of timber products takes place in the municipality. Matatiele was assessed as having potential for commercial forestation, in approximately 269,238 hectares within the Department of Water and Forestry's Water Management Area in Matatiele. Of this about 93% was classified as having moderate potential and the remaining 6, 8 % as having good potential. Approximately thirteen wards have existing forestry plantations. The following is a list of forestry products that can be produced from the natural forests and forestry plantations in the Municipality:

- Timber Products
  - ▶ Manufacture of furniture, poles (e.g. sign-posts), etc.
  - ▶ Manufacture of charcoal from timber waste products
- Non-Timber Products (closely related to natural forests and forestry plantations)
  - ▶ Beekeeping and honey production
  - ▶ Basket-making
  - ▶ Picking and packaging of edible plants
  - ▶ Ferns, foliage and flowers
  - ▶ Hiking trails
  - ▶ Medicinal plants
  - ▶ Picking and packaging of mushrooms

A number of challenges and threats facing the forestry sector were identified, including fires, diseases, drought, strong winds, snow, livestock trespassing and vandalism. There are also concerns about the potential impact on the water supply which could negatively affect existing agricultural and manufacturing processes and might also have negative impact on the tourism sector since some tourist attractions need a constant water supply.

### 3.3.6 Tourism Development

The abundant natural beauty of Matatiele makes it an area of high tourism potential. Among its attractive features are its wide, open spaces, mountainous terrain, rivers, scenic botanic features, flora and fauna (biodiversity), wetlands, picnic spots, birds, including special bird species, and snowy winters. In addition, Matatiele is home to diverse cultures. These features

provide opportunities for the growth or expansion of the following existing forms of tourism in the municipality:-

- Nature-based tourism: The municipality boasts several unspoiled environments with a diversity of naturally occurring attractions.
- Cultural tourism: There are opportunities for showcasing various cultures that exist in the municipality.
- Agricultural tourism: A number of festivals, all of which are associated with farms and agriculture, have been held in the municipality. They include agricultural shows, pumpkin festivals, fruit festivals, flower festivals, bird watching trips, hikes and wagon rides. The development of the educational aspect of this form of tourism should be considered since it has the potential to attract more tourists.
- Bird-watching/Avitourism: Since bird-watching has become one of the fastest growing recreational activities that attract international tourists, it can be used for boosting the economic performance of the municipality. One of the conditions for the success of avitourism is that habitat protection and environmental education are incorporated into the strategic documents of the municipality.
- Eco and Adventure Tourism: The area has the potential to become one of the most important econ-tourism and adventure travel tourist destinations in the country. Existing activities include rafting, hiking and 4X4 trips through the mountain passes that form the border between the municipality and the Southern districts of Lesotho. Qacha's Nek, Ramats'eliso's Pass and Ongeluksnek provide access to Lesotho.
- Winter Tourism: Since snow is often experienced in winter, potential exists for skiing as one of the tourism activities in the municipal area,
- The Rural Nature of Matatiele: The rural setting of Matatiele renders it suitable for the development of tourism that is nature based, utilises the environment as a key resource, and places people development at the core of the planned tourism enterprises

### **3.3.7 Mining**

Limited quarrying activity takes place in the municipality with some of them not registered. The stone that is extracted is used in road construction projects and in building houses. There is great potential for exporting the stone to various parts of the country for building purposes. Since there is an abundance of river sand in the municipality, sand mining is a common activity.

Most of the sand obtained from the local river banks is exported to other municipalities for construction purposes. According to the Matatiele Municipality IDP Review (2008-2010), a number of environmental management areas and eco-tourism with the potential for diamond, coal and paraffin mining exist in Wards 8 and 24. It is recommended in this regard that detailed investigations into these potential areas should be undertaken. Mining also has some potential but has to be further investigated.

### **3.4 LED STRATEGY**

#### **Introduction**

The Matatiele LED strategy was adopted in 2010. S.A has adopted the Local Economic Development (LED) approach as a key element of integrated approach to development. LED is an integrated, multi-disciplinary approach that aims to ease poverty in a local area and to develop its economic ability to improve its economic and social conditions. Municipalities are mandated to develop LED strategies and plans to build up the economic capacity of their respective areas to improve their economic future and quality of life.

Matatiele Local Municipality recognizes that it has a significant role to play in addressing the developmental challenges that it faces and in promoting economic development and human welfare. LED strategy is as a result of the high unemployment and poverty levels experienced. This Local Municipality is endowed with a variety of natural resources, counting fertile soils, game reserves, historical sites, natural forests, rivers and mountains. These resources provide opportunities for the development of diverse sectors of the local economy.

#### **Purpose and Objectives**

The purpose of this LED Strategy is to provide a strategic direction to guide the Matatiele Local Municipality in its actions and efforts to lead local LED stakeholders towards achieving local economic development in the municipal area. It sets out actions that will help improve the strength of the local economy and encourage its growth in a sustainable mode.

The objectives are to:

- Capacitate the Matatiele Local Municipality in carrying out its LED mandate
- Develop a strategic implementation plan that outlines the strategies and activities that the municipality and other LED stakeholders can employ
- Facilitate the creation of an enabling framework for private and public sector investment

- Provide an overall economic assessment for Matatiele in order to identify sectors or areas of high economic potential
- Identify and estimate the cost of projects that will potentially contribute to the improvement of both Matatiele's economic future and quality of life within the municipal area
- Provide guidelines for implementing LED projects in Matatiele Local Municipality and for monitoring and evaluating them
- Identify the roles and responsibilities of local stakeholders in LED
- Provide guidelines for the monitoring and evaluation of the strategy.

The formulation and eventual implementation of the LED Strategy in this document takes place within the context of the national and provincial policy and strategy frameworks.

### **Situation analysis**

An overview of the current demographic, socio-economic and economic profiles and trends of the municipality was done. Through this overview, it was possible to identify the development strengths, weaknesses, opportunities and threats of the economy of the municipality. This section accordingly deals with the following:

- ▶ Overview of Matatiele;
- ▶ Demographic and socio-economic profile of the area;
- ▶ Economic profile and trends
- ▶ Analysis of main economic sectors of the municipal area and
- ▶ Provision of services and resources impacting on the economy.

### **Strategic Framework for Led intervention**

Formulation of a strategic framework for the implementation of the LED Strategy consists of the following components:

- The identification of the main challenges facing Matatiele's economy as derived from the SWOT analysis;
- The formulation of an LED Vision as derived from the Municipal IDP vision and as was discussed in the 2<sup>nd</sup> consultation workshop;
- The formulation of goals and objectives. The goals and objectives flow from the vision, the main challenges and the inputs received from the 2<sup>nd</sup> consultation workshop.

The above section contains the main components of the LED Strategy of the municipality. This is followed below with the implementation strategy indicating the actions and projects that should be implemented in order to achieve the vision, goals and objectives

Implementation Strategy

The purpose of the section is to unpack the actions and projects that need to be employed by the stakeholders in order to achieve the goals and objectives outlined in the previous section. The main components of this section are the following:

- Identification of prioritized actions and projects for implementation
- From the prioritized list of projects a set of key anchor projects has been developed for the implementation by the stakeholders;
- An implementation schedule is devised from the key projects identified indicating responsibilities and resource requirements;
- Identification of monitoring and evaluation criteria that would be used to assess progress in terms of the implementation of the LED Strategy;
- Project Implementation Guidelines.

#### **Implementation Guidelines**

This section aims to guide the Matatiele LED Unit when implementing this LED Strategy in general and the identified LED anchor projects in particular. It is intended to be used by the Matatiele LED unit as a manual for implementing the LED strategy. The section is structured as follows:

- ❖ *Roles and responsibilities Of Programme and Project Level Institutions*
- ❖ *General step-by-step guidelines for project implementation, and*
- ❖ *Creation of an environment that is constructive for economic growth and development*

### **3.5 SPATIAL DEVELOPMENT FRAMEWORK**

#### **Introduction**

The main purpose of the SDF is to guide the form and location of future spatial development. It is a legislative requirement and has a legal status. Matatiele Local Municipality has an adopted Spatial Development Framework. SDF facilitates decision making with regard to the location of service delivery projects and guides public and private sector investment, it strengthens democracy and spatial transformation and facilitates effective use of scarce land resources. It promotes intergovernmental coordination on spatial issues and serves as a framework for the development of detailed Land Use Management Scheme (LUMS).

#### **SPATIAL ANALYSIS**

##### **Settlement Pattern**

**Urban settlement:** comprises of three towns Cedarville, Matatiele and Maluti.

**Administrative areas:** Serves as a basic spatial unit in the greater part of the Eastern Cape rural landscape

**Dispersed rural settlements:** Municipal Area comprises of 238 dispersed rural villages occurring in small pockets of settlements within traditional authority areas.

**Commercial farmlands:** The space that commercial agriculture occupies is characterized by widespread farm homesteads and clusters of farm workers accommodation (farm dwellers).

**Settlement density:** low-density settlements with an average density of 50 persons per km<sup>2</sup>.

### **Current Land Use**

Current land use pattern has evolved in response to the settlement pattern, rural character of the municipal area, applicable planning policies and land use management practices. A Land use pattern includes the commercial agriculture mainly to the east and west of Matatiele town. There are areas that are conserved and protected, which include natural ecological state and should remain as core areas for conservation of protective species. Rural villages with residential occurring in the form of a grid with sites being relatively equal in size. Urban land use pattern is characterized by a high level of spatial fragmentation and land use separation. Land uses in the urban area are commercial activities concentrated in the central business district (CBD). Industrial land Middle income residential located around the CBD and away from industrial land. Low-income residential situated in peripheral locations. Centrally located is a golf course, which serves as a buffer and inhibits spatial linkage of various parts of the town.

### **Access and movement**

Matatiele Municipality has a general good and well established road system comprising of provincial, district and local access roads, there is a non operational railway running through the area. Small landing strips exist in Matatiele and Cedarville. Public transport is provided mainly through taxis, buses and vans.

### **Infrastructure**

Approximately 64% (43 469) of households do not have water at the acceptable RDP standard. Waterborne sanitation is only provided in Matatiele and Cedarville urban areas. Toilets in rural areas mainly comprise of VIP latrines. Access to electricity is limited to areas around Matatiele Town and Cedarville and most rural areas are not connected. The general quality of the road infrastructure in Matatiele is poor; this includes R56 and other important routes such as the link road from Matatiele to Lesotho.

### **Public Amenities**

There are 233 schools both primary schools and secondary schools. Matatiele has 1 DISTRICT Hospital (Tayler Bequest Matatiele Hospital), two TB Hospitals, 19 clinics. Currently there are only three (3) formal sport stadiums with limited facilities in the urban areas which are in use by the community. The municipality currently has nine (9) community halls.

### **Spatial Economy**

In terms spatial economy, Matatiele has restricted agricultural potential, it is ascribed to the limiting topographical features such as rugged terrain and steep slopes. Two forms of agriculture occur in Matatiele, namely commercial agriculture and subsistence agriculture. 6.8% of the area has potential for forestry. The remaining 93% (250,928ha) is classified as having moderate potential. Tourism development composed of natural beauty and a diverse range of cultural groups. These attributes complements the elements of eco-tourism, adventure tourism and cultural tourism.

### **Natural Environment**

Matatiele Municipality is located along the Drakensberg and Maluti Mountain Range, in an area that is characterized by relatively high level of environmental sensitivity and highly endangered species. Umzimvubu River rises from this region, and its feeder tributaries are endowed with major wetlands which serve as habitat for rare and endangered species, and a source of water.

### **Physical Environment**

Topography and slope within Matatiele Municipality varies from very steep gradients of 1:1, 5 to a relatively gentle slope of less than 1:7 at the foothills of the mountain and river plains. Municipality consists of two topographical regions, central plateau and a high plateau leading up to the Drakensberg Mountains. Matatiele Municipality is located on Karoo sediments, the south western portion on grey and reddish-brown Adelaide mud and sandstone, and in a north-westerly direction. Soils generally found in Matatiele are highly erodible.

### **Biodiversity**

The area falls generally within the Sub-escarpment Grassland Bioregion and the Drakensberg Grassland Bioregion characterized by high species richness and a high rate of species turnover. Unimproved grasslands and degraded grasslands dominate the landscape in Matatiele Municipality and accounts for 111,928 ha (25.7%).

### **Water Resources**

The municipality accumulates water from the catchment area, wetlands and springs. Available protected areas are:-

- Ongeluksnek Nature Reserve measures approximately 13 000ha.
- The Matatiele Nature Reserve (MNR)

### **KEY SPATIAL PLANNING ISSUES**

Encroachment of settlement onto high potential agricultural land, only 30% of the total land area of the municipality has land with minor limitations to agricultural production. 70% has severe limitations to agriculture. Uncontrolled settlement results in sprawl of rural settlements and growth of informal settlement in commonage areas.

### **SPATIAL PLANNING STRATEGIES**

The municipality will give effect to the intentions of the SDF through a set of spatial planning strategies that indicates the desired future spatial situation, and broad policy positions to guide decision-making.

- Enhancing The Quality Of The Environment
- Protection Of High Value Agricultural Land
- Supporting An Efficient Movement System
- Development Corridors As Investment Routes
- Focusing Development In Strategic Nodal Points
- Integration Of Different Landscapes And Land Use Zones
- Developing Sustainable Human Settlements
- Establishing Framework For Growth And Development

### **SPATIAL RESTRUCTURING**

The following are the key elements of a spatial restructuring program:-

- Hierarchy of corridors
- Hierarchy of nodes
- Settlement clusters.

#### **Hierarchy of Development Corridors**

##### **Primary Development Corridors**

R56 which runs through Matatiele in an east-west direction serves as the main regional access route that links Matatiele with other urban centres such as Kokstad to the east and Mount Fletcher to the south west. Secondary to the N2, it serves as the main link between the Eastern Cape Province and KwaZulu-Natal Province. It is identified in the Draft Provincial Spatial Development Plan (PSDP) - Eastern Cape as one of the Strategic Transport Routes

##### **Secondary Development Corridors**

Two existing roads have potential to develop as secondary or sub-regional development corridors, creating opportunities to unlock new development areas through the use of a network of secondary corridors.

- The road from Matatiele to Lesotho through Maluti - provides access to a large number of peri-urban and rural settlements located just outside of Maluti.
- Road to Ongeluksnek which branches nearly 15km outside of Matatiele - providing access to a tourist destination (tourism node) and block of high potential agricultural land.
- Proposed Maluti – Kingscote link road, to run along the foothills of the Drakensburg Range and thus provide strategic linkages and unlock tourism development potential.

### **Tertiary Corridors**

Tertiary corridors which link service satellites in the sub-district also provide access to public and commercial facilities at a community level. Tertiary corridors are as follows:

- Road linking Matatiele and Ongeluksnek
- Road linking Swartburg with both Matatiele and Cedarville.
- Other district roads providing access to clusters of settlements.

### **System of Development Nodes**

**Primary Node** - The Matatiele Town is a sub-regional centre servicing the entire Matatiele Municipality and beyond. Therefore this is a primary node for investment promotion and centre of supply of services in the Matatiele Municipality. It forms part of the district spatial systems and is identified in the district SDF as a primary node or main economic hub.

**Secondary Node** - Two other areas present an opportunity for the development of secondary nodes with much less threshold/sphere of influence, namely, Maluti and Cedarville.

**Tertiary Centers** - In addition to the secondary centres, the vision for the future spatial development of Matatiele Municipality makes provision for the development of community centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Caba/Mdeni, Afzondeling, Outspan, Queens Mercy, Qili and Thaba Chicha /Sjoka.

### **Continuum of Settlement Clusters**

Urban Settlements - Matatiele Town including the surrounding townships, Maluti and Cedarville

Peri-Urban Settlements - Large and expansive settlements have developed around Maluti, including Ramohlakoana, Maretsheng, Sikiti, Mtsekoa

### Dense Rural Settlements

### Scattered Rural Settlements (Izilali) and

### Settlement Clusters

The Implementation framework has identified some projects including the preparation of a strategic planning document to guide future development and expansion of Matatiele Town and CBD Master Plan.

## **3.6 DEMOCRACY AND GOVERNANCE**

### **3.6.1 COMMUNICATION STRATEGY**

Matatiele Local Municipality has an adopted communication strategy and will be reviewed in the next financial year (2012/2013). For the local sphere to fulfill its mandate effectively the need for consultative, democratic, integrated, participatory and developmental communication becomes central to the developmental agenda of local government in line with the local government turn-around strategy (Igtas). A national effort has been initiated by the tripartite alliance of: Salga, Cogta and Gcis to develop a system of local government communication which will ensure effective and coordinated communication between the three spheres of government.

The main objectives of communication are:-

- To promote transparency in the municipality
- To enhance maximum public participation
- To empower communities with information

To communicate successes in service delivery

- To coordinate internal and external communication
- To build good working relations with traditional leaders, NGO's, CBO's, FBO's and other civil society structures.
- To ensure compliance to communication policy and protocol
- To brand and market the municipality

The community Participation Strategy /Plan was adopted and – Communications Annual Report Outreach Programme - Ward Committees made a great contribution to ward priorities (Ward Based Plans to be made available)

In line with the Batho Pele Principles the following are the communication Objectives:-

- To Promote Transparency in the Municipality
- To Enhance Maximum Public Participation
- To Empower Communities with Information
- To Communicate Successes in Service Delivery

- To coordinate internal and external communication
- To build good working relations with traditional leaders, NGO's, CBO's, FBO and other civil society structures.
- To ensure compliance to communication policy and protocol
- To brand and market the municipality

Communication environment has Positive Perceptions including business opportunities, tourism potential, cleanest town and clean audit reports. Public Perceptions on the other hand involve slow service delivery, lack of quick feedback to people's needs, politicians are only interested in people's votes - politicians are more with power struggle than service delivery, lack of local economic development support from the municipality, nepotism, high crime rate, poverty, corruption and poor public participation of NGO's, CBO's and FBO's.

Media relations with local and national needs to be strengthened through:-

- Minimal coverage on electronic and print
- Municipal support on local print media is still a challenge.
- Maximum utilization of community radio

#### **Internal Communication Assessment**

Internal Communication Assessment done revealed the following:-

- Staff members are viewed to be the best marketers and implementers of institutional communications when they are well informed, once they are not well informed, they dent the institutional image.
- Lack of understanding of the communication role as well as the strategic or political role within the municipality

#### **External communication assessment**

External communication assessment revealed a lack of information and understanding of government and municipal functioning in communities. A lack of public participation and lack of communication personnel in sector departments was also revealed.

Some of the communication challenges to be dealt with are:-

- Coordination of communication between sector departments and municipality (slow response on lcf by Sector departments)
- The geographic rural nature of Matatiele villages versus the semi-urban type of the town causes an imbalance on the rate of communication flow within the municipal area.

- Non availability of electricity and lack of network poles lack of network poles in most wards contribute to a slow flow of information dissemination
- Communicating in sign language is a challenge in the municipality.
- Internal communication flow and tools for communication is a challenge e.g. intranet and audiovisuals.
- Interpretation of document into languages used in Matatiele is a very big challenge.
- Improve on compliance by the municipality to SALGA Resolution (Local Government Communication System)

The Municipality must align its events with the national calendar of events. There should also be consistency in themes, messages, tone and style, to ensure an instantly recognizable look and feel to all communications from the council to all audiences. Communications should be timely and accurate.

### **Communication Channels**

The following channels of communication are considered to be utilized when implementing this communication Strategy:

- Exco Outreach Programmes
- Traditional Councils
- School Governing Bodies
- Electronic and Print Media
- Posters, Brochures, Banners, and Fliers
- Information Days
- Civil Society Organizations
- Municipal Billboards
- Loud Hailing
- Municipal Staff
- Municipal Website
- Sms
- News Letters
- Public Participation Outreaches
- Constituency Offices
- Distribution Points
- Council Meeting
- Local Communicators Forum

The following are some of the challenges experienced with communication:-

- Coordination of communication between sector departments and municipality (poor response on lcf by departments)
- Lack of understanding of the strategic role of communication by management

- The Geographic rural nature of Matatiele villages versus the semi-urban type of the town causes an imbalance on the rate of communication flow within the municipal area.
- Non availability of electricity in most wards contribute to a slow flow of information dissemination
- Lack of network poles restrict usage of cell phones and contribute to lack of fast and proper flow of information.
- Communicating in sign language is a challenge in the municipality.
- Internal communication flow and tools for communication is a challenge e.g. intranet and audiovisuals.
- Interpretation of document into languages used in Matatiele is a very big challenge.
- No structured relationship with traditional leaders
- No budget for communication unit within the municipality

#### **Inter-Governmental Relations**

IGR Structures are still not functioning well. The Municipality is working in conjunction with the District Municipality to turn the situation around in order to realize fully functional IGR Structures (Annual Report (2010/11)). Discussions around improvements suggested monthly meetings. The local municipality is working hand in hand with the adjacent municipalities i.e. Buhlebezwe Local Municipality and Greater Kokstad Municipality in KwaZulu Natal Province.

### **3.7 PERFORMANCE MANAGEMENT SYSTEM**

#### **3.7 HIV/AIDS STRATEGY**

The Matatiele Local Municipality guided by SALGA and AMICAALL Policy Framework for municipalities respond to HIV/AIDS challenge, facilitated the establishment of a multi-sectoral AIDS council. This council convened a workshop to develop a strategic framework to guide all stakeholders and role-players involve in the fight against HIV/AIDS within the municipal jurisdiction.

The workshop was attended by representatives from local municipality including the Councillors, government departments, non –governmental organisations, community based organisations and the religious sector. This document is the product of that engagement and it is organised according to six sections which are:

**Section1: Municipal Situational analysis:** the Matatiele multi-sectoral plan focuses on issues that are critical in developing the multi-sectoral municipal respond to HIV and AIDS. The Municipal HIV/AIDS multi-sectoral plan analyses different socio-economic conditions that drives for the spread and impact of the HIV and AIDS pandemic in our communities.

The Municipal situational analysis focuses on the following:

- Municipal geographic location
- Municipal Socio-economic profile
- Access to basic services and health care services

**Section 3: Policy and Legal framework for municipal response to HIV and AIDS:** this section of the strategy document provides a policy framework for municipality's response to HIV/AIDS. The document focuses on the National and International prescripts.

**Section 4: HIV Prevalence and impact on the municipality:** in this section of the strategy document we map out the landscape of the pandemic within the municipality. The landscaping traces the HIV prevalence in the provinces, district and local. As part of this landscaping we also look at some of the factors that contribute towards the spread of the pandemic. The second part of this section focuses on the impact of the pandemic in the livelihood of the communities and it focuses on:

- *Impact on Family Life and Children*
- *Provision of Service Health, Education and Welfare*
- *Impact on Local Economy*
- *Impact on community and poverty*

**Section 5: Matatiele Local Municipality HIV and AIDS strategy 2010-2015:** in line with the national strategic framework, the Matatiele multi-sectoral strategic plan has set its broad objectives as to:

- Reduce the rate of infection of HIV and AIDS
- Reduce the impact of the HIV and AIDS on individuals, families, communities and the broader society by ensuring improving access to treatment care and support and service delivery targeting the infected and affected.

This section is organised into three focus areas which are:

- Prevention, education and awareness
- Treatment, care and support
- Care and support for orphaned and vulnerable children

In each of these three focus areas the Matatiele Municipality HIV and AIDS strategic plan document outline:

- The broad goal
- Problem analysis
- Available services
- Gap analysis between the available services and needs
- Outputs needed and approach towards the implementation.

**Section 6: Structural arrangements and co-ordination of the municipal response:** this last section of the strategic documents focuses on the establishment and function of the local AIDS council. The document outlines the structures, roles and responsibilities and what it need to ensure effective co-ordination and implementation of multi-sectoral response.

### 3.6.3 AUDIT AND COMPLIANCE

The local municipality has an Audit Committee. The Audit committee operates in terms of accepted terms of Reference for the Audit Committee as set out in the appointment letters subject to the provisions of Section 166 of the MFMA. In particular the Committee emphasises that its overall objective is to ensure that good corporate governance is observed and practiced by the Municipality. In particular the purpose is to assist the Council in the course of the Council fulfilling and achieving its developmental objectives which are to deliver a quality service to ratepayers, service consumers and stakeholders utilizing minimum resources, while creating and bringing about a self-sufficient municipality.

#### **Audit Committee Members**

<b><u>Chairperson:</u></b> Advocate Andrew Duminy	082 776 3148
• Ms Shivaun Jane Katherine Earle	082 3357 805
• Dr. Merida Roets	083 630 7787
• Mr. Lulamile Mapholoba	083 2624 265
• Mr. Maurice Mthandeki Boki	083 592 4458

#### **MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

S79 Committee reporting directly to Council. Municipality had an “Oversight Committee” as prescribed by the MFMA for the conclusion of the Annual Reporting Process. The MPCA has been established and in early stages of executing its duties.

#### **MPAC Members:**

- T.V. Mongoato (Chairperson)
- J.Z. Munyu
- P.G. Muir
- N. Nkukhu
- R.T. Mnika
- S. Baba
- S. Mavuka
- N.B. Nkomo
- N.N. Ndukwana
- V.M. Mlandu

## **REVIEW OF THE ANNUAL FINANCIAL STATEMENTS**

The annual financial statements for the 2008/2011 financial year were considered by the Audit Committee and comments from the committee were discussed with management. The Audit Committee has noted the unqualified opinion expressed by the Auditor-General in his report on the Annual Financial Statements and commends management on the preparation and presentation of these financial statements for the year under review.

### **Audit Outcomes Opinions**

- 2008/2009 Unqualified Opinion
- 2009/2010 unqualified Opinion
- 2010/2011 unqualified opinion

The Auditor-General, without qualifying his opinion, raised the following issues:

- The disclosure in note 44.9 of the Financial Statements of electricity distribution losses of R4.3 million during the year.
- Measures to improve performance were not provided in the performance report as required by section 46 (1) (c) of the Municipal Systems Act, 32 of 2000, (MSA) and in particular that none of the reported targets had details of measures taken to improve performance.
- Integrated Development Plan of the municipality does not include key performance indicators and performance targets determined according to its performance management system as required by sections 26 (i) and 41 (1) (b) of the Municipal Systems Act, 32 of 2000 (MSA).
- Annual Financial Statements were not originally prepared in all material respects with the requirements of Section 122 of the MFMA. The Auditor General noted that this issue has been corrected (as discussed and pointed out by the Audit Committee in its special meeting of the 31<sup>st</sup> of August 2011).
- Annual Performance Report did not contain a comparison of the performance of each external service provider with targets set for and performances in the previous financial year as required by Section 46 of the MSA.
- Money owing by the Municipality was not always paid within 30 days as required by section 65 (2) (e) of the MFMA. This item was raised in the previous financial year and will be strictly monitored by the Audit Committee to attempt to ensure compliance.

The Auditor General considered internal control processes relevant to his audit, but not for the purposes of expressing an opinion on the effectiveness of internal control.

The Auditor General noted that management is not aware of the need to exercise oversight responsibility over activities of IT service providers. The Auditor General noted the irregular expenditure of R0.4 million relating to overpayments made to councillors during the period 1 July 2008 to 31 December 2009 as disclosed in note 44 to the financial statements

The Audit Committee accepted the conclusions of the Auditor-General on the Annual Financial Statements for the year ended 30 June 2011.

### **3.6.3.1 AUDIT PLAN**

#### **Introduction**

The purpose of this plan is to set out the nature, role, responsibility, status and authority of the Internal Audit function within the municipality and to outline the scope of the internal audit.

#### **Internal Audit Scope of Work**

The scope of work of the Internal Audit function is to determine whether the municipality's risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:-

- That risks are appropriately identified and managed;
- That interaction with the various governance groups occurs as needed;
- That significant financial, managerial, and operating information is accurate, reliable, and timely;
- That employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- That resources are acquired economically, used efficiently, and adequately protected;
- That programs, plans, and objectives are achieved
- That quality and continuous improvement are fostered in the municipality's control process.
- Those significant legislative or regulatory issues impacting the municipality are recognised and addressed appropriately.

**COMPLIANCE AUDITING** - Compliance Auditing is performed after the internal controls have been evaluated and is defined as test of controls with the objective to express an opinion that is satisfactory, needs improvement, or unsatisfactory on the achievement of the control objectives of each significant system.

**PERFORMANCE AUDITING** -The promotion of economy, efficiency and effectiveness depends on adequate overall management arrangements for planning, budgeting, authorisation, control and evaluation of the use of resources. Whereas accounting officers are responsible for the implementation of proper functioning of such overall management arrangements, the responsibility of performance audit is to confirm independently that these measures do exist and are effective and report to the management and the Audit Committee on these issues.

**INFORMATION SYSTEMS REVIEW** - A high level review of the Information system controls to obtain an understanding of the control environment, to support the audit risk assessment and to ensure that proper IS controls are in place in such a way as to ensure that IS supports the business objectives and process of the organization.

**FRAUD PREVENTION** - The identification and prevention of fraud is clearly the responsibility of management. Internal Audit function is well qualified to assist management to identify the main fraud risks facing the Organisation and to design appropriate controls that could help minimize the effects of the risks.

**ACCOUNTABILITY** - The Internal Audit function, in the discharge of its duties, shall be accountable to the Audit Committee to:-

- Provide annually, an assessment on the adequacy and effectiveness of the organisation's processes for controlling its activities and managing its risk in the areas set forth under the mission and scope of work;
- Report significant issues related to processes for controlling the activities of the organisation including potential improvements to those processes;
- Periodically provide information on the status and results of the annual audit plan and sufficiency of the division resources; and
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance security, legal, external audit).

**INDEPENDENCE** - To provide for the independence of the Internal Audit function, it reports to the Accounting officer administratively and operationally to the Audit Committee periodically.

**RESPONSIBILITY** - The Internal Audit function has responsibilities amongst others to develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well periodic updates. It also has a responsibility to implement the annual audit plan as approved, including as appropriate any special task or projects requested by the management and the Audit Committee.

**AUTHORITY** - There are no restrictions placed upon the scope of internal audit's work. Members of the internal audit function engaged on internal audit work are entitled to receive whatever information or explanations they consider necessary to fulfill their responsibilities to

senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organization.

**EXTERNAL AUDITORS** - The External Auditors will be notified of the activities of Internal Audit in order to minimize the duplication of audit effort. This will be accomplished by a compulsory meeting between Internal and External Audit to discuss the annual internal and external audit plans.

**STRATEGIC INTERNAL AUDIT PLAN** - Internal audit will in consultation with management prepare a one year rolling internal audit plan to the Audit Committee for approval. The plan should set out the recommended scope of their work in the period.

**OPERATIONAL INTERNAL AUDIT PLAN** - Internal audit will in consultation with management present an annual internal audit operational plan to Audit Committee for approval. The plan should set out the recommended scope of their work in the year.

**REPORTING** - The Internal Audit function will carry out the work as agreed, report the outcome and findings to the management, and will make recommendations on the action to be taken. The details will be copied to the relevant line management, given a maximum response period of two weeks. A follow up report will be issued to the managers of the affected section three months after the main report enquiring about the progress made regarding the corrective measures take as a result of the audit. On a quarterly basis the Internal Audit will submit an Executive Report to the Audit Committee. The process of drafting annual financial statements and the ensuing audit will take up at least 6 months of the financial year between July and December.

**STANDARD OF AUDIT PRACTICE** - The Internal Audit function will meet or exceed the Standard for Professional Practice of Internal Auditing of The Institute of Internal Auditors, provided that sufficient resources have been allocated. A full time resource will be available to MATATIELE Local Municipality to in ensuring the proper implementation of systems and controls at the Municipality.

### **3.6.3.2 FRAUD PREVENTION PLAN**

The purpose is to ensure that the Matatiele Local Municipality has a successful, efficient and transparent system of financial and risk management and internal control. It is committed to fighting fraudulent behaviour at all levels within the organization.

The policy of the Municipality is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be inspected and followed up by the application of all remedies available within the full extent of the law and implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of the Municipality. It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their managers. The Municipality encourages the members of the public or providers of goods and/or services who suspect fraud and corruption to contact any member of management, the Municipal Manager, the Speaker, the Executive Mayor and/or the chairperson of the Audit Committee.

For issues raised by employees, ratepayers, members of the public or providers of goods and/or services, actions taken depend on the nature of the allegation. The matters raised will be screened and evaluated and may be subsequently:

- Investigated internally
- Directed to the law enforcement agency

Any fraud and corruption committed by any employee or any other person will be practiced by a thorough examination and to the full level of the law, consider the following:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident.
- Instituting civil action to recover losses;
- Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- Any other appropriate and legal remedy available

#### **Components of the plan**

The main principles of this plan are based on and aligned to the LGAS including the following

- Creating a culture which is ethical and intolerant to fraud and corruption:
- Deterrence of fraud and corruption;
- Prevention of fraud and corruption which cannot be deterred;
- Detection of fraud and corruption;
- Investigating detected fraud and corruption;

- Taking appropriate action in the event of such irregularities, e.g. disciplinary action, recovery of losses, prosecution, etc and
- Applying sanctions that include blacklisting and prohibition from further employment.

### **Approach to Fraud Prevention**

Steps of approaching fraud prevention:

- Organizational focus
- Focus on employees including management
- Focus on other stakeholders
- Enforcement
- Implementation

### **Human Resources-Employment Practices**

The Municipality is committed to developing human resources systems, policies and procedures, which incorporate prevention practices. There is a risk of poor implementation of its human resource system, policies and procedures. Employees focused anti-fraud and anti-corruption measures should be visible from the point of advertising a vacant post, recruitment, specific employment conditions, maintaining high employee morale, performance management and even exit procedure upon resignation or retirement.

The approaches indicated below are key Municipality's efforts in this regard:

- Advertising posts
- Pre-employment screening
- Probation
- Ongoing financial disclosure
- Employee induction programme
- Obligatory leave periods
- Managers will encourage ensuring that appropriate control
- Exist procedures for employees and control over assts
- The Municipality will ensure that an exit interview process is in place

### **Discipline**

The Municipality will be consistent and efficient in its application of disciplinary measures.

Additional measures, which will be considered include:

- Communication of specific disciplinary standards and forbidden conduct
- Introducing a system where the application of disciplinary measure is applied consistently
- Steps for ongoing training of managers in the application of disciplinary measures
- Where managers are found to be inconsistency and/ or inefficient in the application of discipline, the Municipality will consider firm action;
- Publicize the outcomes and sanction of disciplinary action as a deterrent effect to others.

### **Financial Systems and Control**

Appropriate finance policies and procedures are also necessary to ensure appropriate internal control over finance management and to limit fraud and corruption risks. Effectiveness of existing finance policies and procedures will be tested during the course of internal audits and shortcomings are addressed. The finance policies, procedures and other prescripts of the Municipality prescribe various controls, which, if effectively implemented, would limit fraud and corruption within the Municipality. These controls, may be categorize as follows, it being recognized that the categories contain overlapping elements:

- Prevention controls, which are further subdivided into: authorization control and physical control
- Detection controls, which are further subdivided into:
  - Arithmetic and accounting controls, which is known as the basic control
  - Physical control, relating to the security of records and are similar to preventive controls in that they are also designed to limit access.
  - Supervision, which relates to supervision by responsible officials of day-to-day transactions and the recording thereof.
  - Management Information which relates to the review of management accounts and budgetary controls.
  - Segregation of duties

### **Physical and information security**

#### **Physical security**

The Municipality's main physical security threat arises in the area of control over its physical assets, facilities and employees. Security personnel and access system are deployed to ease this threat.

### **Information Security**

The Municipality will ensure that all employees are sensitized on regular basis to fraud and corruption risks related with information security and the utilization of computer resources, particularly access control, & to ensure systems are developed to limit the risk of manipulation of computerized data.

### **Enforcement**

No Fraud Prevention Plan would be complete without enforcement forming an integral component for instances where fraud and corruption occurs.

The implementation and awareness will be achieved through: Monitoring, Creating awareness, Education, Communication, Implementation structure, Adoption and Implementation-This Plan shall take effect on the date of Council resolution. It shall be reviewed as and when required.

## **3.6.2.3 RISK MANAGEMENT PLAN**

### **INTRODUCTION**

The management of risk is the process by which the Accounting Officer, Chief Financial Official and the other senior management of the municipality will proactively, purposely, and regularly, but at least annually, identify and define current as well as emerging business, financial and potential risks and identify appropriate, business and cost effective methods of managing these risks within the municipality, as well as the risk to stakeholders.

The purpose of risk assessment is to provide management with an assessment of the risk profile of the municipality. The risk analysis also provides an indication of the impact and likelihood of critical risks occurring that may prevent the Municipality from attaining the desired performance against strategic objectives.

#### *Objective of the risk management policy*

The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

- An effective risk management architecture
- A reporting system to facilitate risk reporting: and
- An effective culture of risk assessment

### **Risk Management Framework**

The framework is used to ensure that risk management becomes the concern of line management and everyone in the Municipality and that risk management practices are consistent across the whole of the municipality.

A risk management committee for the municipality will be established to oversee the implementation of the risk management framework. The committee shall comprise of the following disciplines

- Municipal manager's office
- Financial services
- Corporate services
- Community services
- Technical services
- Electrical services
- Protection services

The committee shall

- Ensure that the Risk Management Strategy is appropriate to the Municipality
- Convene and facilitate Risk Assessment workshops for the purpose of identifying, analysing and evaluating risks
- Prepare the Risk Profile of each Department
- Ensure that the Risk Assessment and Risk Profile is completed prior to the end of each financial year
- Oversee the implementation of the Strategy within the Organisation to ensure that Departments identify, analyse and rate risks and furthermore implement the necessary control measures as prescribed by management to respond to risks identified

## **RISK MANAGEMENT STRATEGY**

### **Risk Identification and Evaluation**

Risks will be identified and related to the process objectives for each department. It is accepted that risks within the three categories are themselves subjected to further categorization. For instances, within the High-risk category, it is accepted that some risks will be of a higher level than others, whilst all of them will be globally categorized as "high".

### **Assessment of controls**

According to South African Auditing Standard, an internal control system" consists of all the policies and procedures (internal controls) adopted by management of an entity to assist in achieving management's objective of ensuring, as far as it is practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Controls are evaluated and rated as being strong, medium or weak. Non-existent controls are indicated as such in the assessment of controls.

### **Residual risks**

After documenting the activities; identifying, classifying and rating risks as well as identifying and rating the existing controls, the residual risks per activity, will be established. Residual risks

are the risks that are identified after taking into consideration the effect and impact of direct control measures implemented as well as the impact of compensating control measures, relative to a risk identified.

#### **Risk profile**

A risk profile will be maintained by Internal Audit reflecting all activities with a residual risk and shall categorize the residual risks into High, Medium and Low. The residual risks will be depicted in tabular form and the rating of residual risks will be indicated. Management shall identify the person/s responsible for the implementation of the control measure and time frame within which the control measure will be implemented.

#### **Control Self Assessment**

The final phase of the risk management strategy requires continuous monitoring and evaluating of the risk profile.

Management shall conduct a cost-benefit-analysis to establish whether the benefits of implementing a control measure exceed the costs thereof. If not, the effects of the risk should be carefully analysed and appropriate action taken.

#### **Monitoring / Review**

The Manager shall, on a regular basis, but at a minimum on an annual basis, review the risks identified in the risk profile, with due regard of the impact of any compensating controls, and report to council on the effectiveness of the Risk management strategy. Accounting officer will coordinate an annual review of the effectiveness of this policy with the key managers in the municipality. This annual review will take place immediately prior to the development of the annual business and integrated development plans so that it can have due regard to the current as well as the emerging risk profile of the business.

Internal audit will monitor key controls identified in the risk management system as part of the annual audit plan developed in conjunction with the Accounting Officer and approved by the Audit Committee

### **3.7 INTEGRATED WASTE MANAGEMENT PLAN (IWMP)**

#### **INTRODUCTION**

IWMP was adopted in 2009 and is essentially a strategic planning document including background information on the current waste situation in the LM, a regulatory framework and objectives and strategies to improve the waste management system.

The primary objective of Integrated Waste Management Planning is to integrate and optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of life of all South Africans including those in the Matatiele LM.

#### **Current Waste Categories and Characteristics**

- **General domestic waste:** This consists of paper, plastic, metal, glass, putrescibles / food waste, garden refuse and building rubble.
- **Commercial waste:** This waste is produced in insignificant quantities in the area and can also be categorised as general waste. Commercial wastes identified in the area include used cooking oil from restaurants and takeaways
- **Industrial waste:** This waste is derived from industrial activities taking place in Matatiele LM, such as waste from sawmills (sawdust, residual treatment chemicals, etc).
- **Medical waste:** This includes hazardous medical waste such as sharps, infectious waste.
- **Hazardous waste:** Includes waste such as sewage sludge, oil from workshops and putrescible organic matter.

**Agricultural waste:** Includes combination of the above, but could also include waste such as pesticide, herbicide and fertilizer residues and containers.

## **WASTE COLLECTION**

Refuse is collected by the local authority/private company at least once a week in 5 472 households. Approximately 89% of the households do not have access to refuse collection, mainly in rural areas. Domestic and commercial waste tends to be collected together, mingled and is transferred to the respective landfill sites. There are two land fill sites in Matatiele, one has been closed and a new one was opened. Maluti land fill site has been closed and Cedarville has not been licensed.

Commercial waste in Matatiele LM take in the form of packaging materials, such as cardboard boxes and plastic is generated in large quantities. Repair and body shops have a practice of burying old oily wastes at local mechanical repairs workshops.

Sanitation waste is collected in the form of water borne sewage and reticulation has been installed within the main urban areas of Matatiele, Cedarville and Maluti. Rural areas use Ventilated Improved Pit (VIP) toilet which is the accepted minimum form of sanitation service level.

## **Waste recycled or minimization**

There is some evidence of limited recycling of cardboard in Matatiele LM, however, these activities are limited. In addition, there is no evidence of recycling of any measurable quantities of commercial, industrial, medical and hazardous waste generation in Matatiele LM.

## **Priority issues with regards to waste management**

- Recycling is not coordinated
- There appears to be a great deal of recyclable waste in urban centres such as Matatiele that is sent to the landfill (e.g. cardboard, paper, engine oil, tins, metal, plastics, tyres, etc.)
- Landfill site is filling up rapidly
- The IWMP must come up with recommendations to deal with the impact of VIP toilets on undergroundwater, particularly in rural areas
- Widespread littering
- There appears to be a general lack of awareness among the public concerning good waste management practices
- Hazardous waste and medical waste entering landfill site
- Hospitals seem to have adequate waste management practices in place, including medical waste
- Clinics generally appear to have good practices for the disposal of medical waste (e.g. Maluti Clinic).
- Waste disposal from funeral parlours is unknown
- There is a problem of LMs not having a lot of input in the allocation of MIG funding from the district municipality. This funding will help LMs in implementing the waste management plan.

#### **Proposed Waste Management Objectives and Strategies for Priority Issues**

- Integrated long term planning of waste management in a sustainable manner
- Increase waste management related capacity and awareness among LM officials and councillors and the public
- Make provision of extended sustainable waste services
- Promote broader public awareness concerning waste management issues and cleaner urban areas
- Establish an effective legal, regulatory and policy framework for waste management
- Reduce waste disposal to landfills or dump sites and promote waste minimization, reuse and recycling
- Promote better waste management practices in rural areas

### **Financing of waste management**

Sources of funding for waste management in Matatiele LM are derived from revenues generated and allocation of operational and capital budgets. Revenues are derived from both domestic and commercial waste services to the three main urban centres of Matatiele, Cedarville and Maluti

### **WATER SERVICES DEVELOPMENT PLAN**

Key issues raised in the IDP:

- Need for water in all the villages
- Electricity tends to be the most needed in most villages
- The sanitation facilities were listed amongst the areas of need
- Need for health facilities
- The impact of the HIV/AIDS pandemic is noted with serious concern by communities
- Accessibility (roads and bridges to be constructed) has been highlighted as one of the issues that limit development within the district
- Social Infrastructure in the form of schools, health, police stations and recreational facilities were cited as areas that need partnering between the public sector, the private and the communities
- Unemployment and poverty has surfaced as the major problem affecting the communities. The communities expressed keenness to become partners in fighting unemployment and poverty.

### **Objectives listed in the IDP**

- The municipality is striving towards the offering of potable water and sanitation services that are consistent with a clean, safe and healthy environment.
- Affordable and reliable municipal services (e.g. water, sanitation, electricity, transportation).
- Regular investment in infrastructure and productive municipal equipment.

ANDM has three levels of service, namely, Basic, Intermediate and Full Service Levels. Basic Service Level (RDP Level), Intermediate Service Level (Above RDP Level), Full Service Level (Above RDP Level)

### **GOALS**

#### **Rural**

The goal for rural level is that all households are provided with basic level of service. All households are provided with a “basic” sanitation facility, which does not have undue negative impact on the environment and which does not impose undue ongoing service requirements on ANDM, together with an ongoing service appropriate to the facility provided.

## **Urban**

In the Urban Areas, all low income housing households are provided with a level of service which is appropriate to the area and which does not impose undue water service and sustainability impacts on ANDM, together with an ongoing service appropriate to the level of service provided. Middle and higher income housing within the Urban Edges is provided with a full level of service within the constraints of the location of the development and the capacity of the bulk services to support such development.

**Residential Consumer Units in the Rural** dependant on funding availability from National Government, the original ANDM objective was that all rural households would be provided with a basic service within the time-frames set by National Government (i.e. 2008/9 for water and 2010/2011 for sanitation). This has not been achieved so a new set of targets is required.

The aim in the low Income housing in the Urban is to remove all people currently residing in informal settlements by 2014 and to accommodate them in formal housing with appropriate levels of service. Middle and Higher Income Housing is delivered at rates dictated by the economy but within the confines dictated by infrastructure and water resource constraints.

**Pit Emptying and Sludge Disposal -Rural-** Effective and sustainable pit emptying and sludge disposal methodologies are developed and implemented.

**Urban-** Investigate and implement where required, effective and sustainable pit emptying and sludge disposal methodologies. The 2010 Target for Basic Sanitation was set by National Government are met for all households located outside of the Urban Edges, to the extent to which funding, infrastructure and resources constraints permit. The remaining backlogs (those within the Urban Edges), will be addressed by the housing backlog delivery program.

### **Availability of Surface Water**

The Mzimvubu to Keiskamma WMA has the highest mean annual runoff in South Africa, and equates to almost 15% of the total river flow in the country. 40% of that occurs within the Mzimvubu River catchment. Consequently from a water availability perspective, it can be expected (and will be illustrated) that the water sources and the selection of sites for potential bulk storage within this Municipal Area are plentiful.

The Mzimvubu River with its main tributaries the Tsitsa, Tina and Mzintlava Rivers, is the largest river in the WMA and is also the largest undeveloped river in South Africa. Rainfall occurs mainly in summer and the mean annual rainfall (MAP) within the Municipal Area is fairly constant, varying from between 700 to 800 mm. The surface water flows within this region are fed by

conventional catchment runoff during wet periods, water from springs and seeps, as well as snow melt from snowfalls occurring on the higher ground.

The Mzimvubu to Keiskamma WMA has the highest mean annual runoff in South Africa, and equates to almost 15% of the total river flow in the country. 40% of that occurs within the Mzimvubu River catchment. Consequently from a water availability perspective, it can be expected (and will be illustrated) that the water sources and the selection of sites for potential bulk storage within this Municipal Area are plentiful.

#### **DWA Blue Drop Water Quality Assessment**

The Department of Water Affairs initiated the drinking water quality (DWQ) regulation programme in 2005 with the objective of ensuring the improvement of tap water quality through compliance monitoring. A survey conducted in the previous year indicated that less than 50% of municipalities monitored water quality as per legislated requirements. To address this shortfall, in 2008 the Department introduced an incentive-based regulation programme called the “Blue Drop Certification”. In the 2009 Assessment, the Alfred Nzo District Municipality was not assessed so was not allocated a grading. Hence the 2010 assessment is the first time that the Municipality has been assessed.

#### **Waste water Quality Assessment**

The Department of Water Affairs initiated the drinking water and wastewater quality (DWQ) regulation program in 2005 with the objective of ensuring the improvement of tap water quality and wastewater quality through compliance monitoring. While the Blue Drop Assessment Programme focussed on drinking water quality (DWQ), a companion “Green Drop” programme was instigated to assess and reward good wastewater quality.

Unlike the Blue Drop initiative, the Green Drop assessment process was found to be much more strenuous due to the fact that there are many more wastewater treatment systems that needed to be evaluated. Alfred Nzo District Municipality was one of the municipalities in the Eastern Cape that failed to submit sufficient information for an Assessment and therefore received a 0% rating. Their failure to adhere to the Green Drop Certification Programme’s requirements necessitates that all systems under the jurisdiction of these Authorities be subjected to strict regulatory audits of which the results will be published in due course. As for now the Department is unable to assure the public of the confidence it has in the Wastewater Quality managing abilities of the municipality, since it has been classified with a Zero Green Drop scores.

It must be noted that the current performance of the urban wastewater treatment plants at Mount Frere, Cederville, Matatiele and Mount Ayliff is not good. If the trend of dysfunction that has been identified in the Green Drop assessment continues then the situation for wastewater quality, community health and the general environment is not good. The implementation strategy that emerges may well address issues such as:-

### **Water Demand Management**

- Implement efficient distribution management measures
- Zoning and zone management
- Monitor levels of Unaccounted for Water (UAW)
- Pressure management and active leak control management
- Night flow Analysis
- Implement efficient water effluent management measures
- Ensure adequate information to support decision-making process
- Database management
- Resources and training

### **Water Conservation**

- Promote the efficient use of water by consumers and customers
- Community awareness and the promotion of alternative water sources
- Develop and implement direct WCDM measures
- Prohibit the wasteful use of water by consumers and users
- Implement water tariffs that promote social equity and use of water.
- Adopt the ethos of partnerships and transparency
- Adopt Integrated Resource Planning (IRP) Principles
- Contribute to Catchment Management Strategies
- Ensure the implementation of WCDM best practices

ANDM has a Project Management Unit (PMU) to implement capital projects funded through the Municipal Infrastructure Grant. The organogram of the PMU currently makes provision for 11 positions, of which six posts are currently filled. The position of PMU Manager has recently been filled, while the Financial Controller and one of two Project Manager Positions have been advertised.

The Municipality has a strong desire to recruit the competencies required to fulfill its service delivery obligations. It makes use of Technical Assistance Contracts on a limited, interim basis where necessary to address gaps until such time as the municipality is able to perform the full function itself. In addition to the benefits of this external support, the municipality has gained valuable experience in contract management.

The ANDM currently faces a challenge in adequately filling their organogram for key WSP functions at all levels. Particular gaps have been identified by others as follows:-

- Insufficient, appropriately qualified and experienced water and wastewater treatment works personnel
- No artisan millwrights or fitters
- No artisan electrician
- No instrument technician
- No specialist equipment (i.e. crane truck, TLB)

At present the ANDM is struggling to attain an acceptable level of basic maintenance. None of the higher level activities such as demand management, asset management, ground water monitoring, etc are being performed. It is however noted that the new management team within the technical department have displayed a desire and significant energy to turn this situation around. It is assumed that the current capacity challenges will be addressed through the upcoming Section 78 assessment.

## **3.8 FINANCIAL PLAN AND SDBIP**

### **3.8.1 FIVE (5) YEAR FINANCIAL PLAN**

#### **Introduction**

In general usage a financial plan is a budget, in other words a plan for spending and saving future income. This plan allocates future income to various types of expenses, such as salaries, insurances and also reserves some income for short term and long term savings. A financial plan is also an investment plan, which allocates savings to various assets or projects expected to produce future income.

One of the key issues identified for the sustainability of Matatiele Local Municipality is expanding its revenue base whilst remaining financially viable and sustainable. The objectives are therefore to provide effective, efficient and co-ordinated financial management and financial accounting.

This financial plan includes therefore the assumptions used when compiling the budget, the operating and capital budget, financial strategies as well as the accounting policies.

#### **BUDGET PREPERATION ASSUMPTIONS**

*The following assumptions have been used to prepare the proposed final budget,*

##### **Headline inflation forecasts**

On setting up increases on tariffs and increasing of budget expenditures, the National Treasury issued inflation forecast through MFMA circular No 58 for 2012/13 of 5.4% has been well considered and this resulted to all tariffs except electricity to be increased below 5.4%.

##### **Revision of rates, tariffs, and other charges**

As detailed on paragraph 1 above, when revising tariffs, rates and other charges, inflation forecast has been considered to ensure that all are proposed to increase not above 5.4%.

Further to the above, the labour and other input costs of services have been taken into account to ensure financial sustainability, local economic conditions and the affordability of services and also taken into consideration the municipality's indigent policy.

The proposed rates, tariffs and other charges have been tried to be kept as low as practically possible.

##### **Eskom bulk tariff increases**

On announcement of Eskom bulk increases by NERSA, the municipality proposed increases on electricity tariffs is 11.3% as guided by NERSA and final approved tariffs will be subject to NERSA.

These will be only tariffs to increase above 5.4% and this is beyond municipality as electricity is purchased in bulk from Eskom.

Funding choices and management matters

Tough decisions on the expenditure side have been made by giving priority to ensure that service delivery is improved in all aspects as follows,

- Supports of meaningful local economic development initiatives that foster micro and small business opportunities and job creation.
- Day to day operations for provision of service delivery.
- That there is expediting spending on capital projects that are funded by conditional grant and council revenue.
- Support of meaningful special programs for community groups.

### **The Municipal Budget and reporting Regulations**

Since 1 July 2009, the budgets have been prepared as per requirements of the regulations. The municipality has complied with the formats set out in schedule A, B and C and the relevant attachments to each of the schedules.

#### **MFMA Circular No. 58 and 59**

Circular No. 58 has provided guidance on budget preparations on many aspects on this current budget preparations, the inflation forecast for increases have been considered.

Circular No.59 provides further guidance to municipalities for the preparation of 2012/13 Budgets and Medium Term Revenue and Expenditure Framework.

*Main guidance provided is on need to ensure that the inputs into 2012/13 budget and MTREF safeguard the financial sustainability of the municipality. More specifically, the council is advised against unrealistically low tariff increases and over-ambitious capital expenditure programmes.*

### **Capital & Operating Budget**

The five-year financial plan includes an Operating Budget and Capital Investment Programme for the five years ending June 2017.

#### **a) Operating Budget**

Table F1 details the Operating Budget for the five years starting 1 July 2012 and ending 30 June 2016.

#### **Table F1 Operating Budget**

	<b>Audited Outcome 2009/10</b>	<b>Audited Outcome 2010/11</b>	<b>ADJUSTED BUDGET 2011/12</b>	<b>BUDGET 2012/13</b>	<b>BUDGET 2013/14</b>	<b>BUDGET 2014/15</b>	<b>BUDGET 2015/16</b>
Employee related costs	27 139 217.00	37 770 574.00	52 549 389	62 855 807	65 370 039	67 984 841	70 704 234
Remuneration of Councilors	11 154 896.00	11 345 842.00	12 521 875	15 497 577	16 117 480	16 762 179	17 432 666
Bad Debt Provision	7 532 776.00	1 394 822.00	2 000 000	2 000 000	2 000 000	2 000 000	2 000 000
Depreciation	10 655 758.00	14 784 257.00	10 697 549	12 583 587	13 086 930	13 610 408	14 154 824
Repairs and maintenance	8 412 748.00	8 451 073.00	15 643 000	12 817 500	13 330 200	13 863 408	14 417 944
Interest external borrowings	71 688.00	784 861.00	1 431 790	0	0	0	0
Bulk purchases – Electricity	12 448 772.00	16 078 220.00	23 615 855	28 300 000	29 432 000	30 609 280	31 833 651
Contracted Services	7 161 382.00	5 710 645.00	9 539 917	10 329 782	10 742 973	11 172 692	11 619 600
Grants and subsidies paid	8 245 626.00	35 640 749.00	12 283 442	16 454 257	17 112 427	17 796 924	18 508 801
General Expenses	12 560 410.00	15 689 601.00	30 328 898	34 192 789	35 560 501	36 982 921	38 462 237
Internal Charges	-	-	302 500	1 590 500	1 654 120	1 924 505	2 116 956
<b>Sub-Total</b>	<b>105 383 273.00</b>	<b>147 650 644.00</b>	<b>170 914 215</b>	<b>196 621 799</b>	<b>204 486 671</b>	<b>235 123 847</b>	<b>258 636 232</b>
Capital Grants	33 170 212.00	25 755 376.00	90 851 050	52 815 783	52 928 414	57 125 551	59 410 573
Surplus			-5 307	-5 991	6 231	6 480	6 739
<b>TOTAL OPERATING EXPENDITURE</b>	<b>138 553 485.00</b>	<b>173 406 020.00</b>	<b>261 759 958</b>	<b>249 443 573</b>	<b>259 421 316</b>	<b>269 798 169</b>	<b>280 590 095</b>

**Break down of Employee Related Cost of R 62 855 824.00 per department:**

<b>Unit</b>	<b>Amount</b>
Municipal Manager's Office	6 407 704.00
Budget and Treasury Office	11 119 238.00
Corporate Services	14 195 698.00
Community Services	12 708 979.00
Local Development Planning	5 149 974.00
Infrastructure	13 274 231.00
	62 855 824.00

	<b>AUDITED OUTCOME 2009/10</b>	<b>AUDITED OUTCOME 2010/11</b>	<b>ADJUSTED BUDGET 2011/12</b>	<b>BUDGET 2012/13</b>	<b>BUDGET 2013/14</b>	<b>BUDGET 2014/15</b>	<b>BUDGET 2015/16</b>
Property Rates	13 203 902.00	12 775 595.00	25 173 298	22 020 230	24 222 253	26 644 478	29 308 926
Service Charges	24 524 886.00	33 900 466.00	43 331 139	43 624 028	47 986 431	52 785 074	58 063 581
Rentals of facilities and equipment	498 288.00	499 200.00	1 183 382	555 570	611 127	672 240	739 464
Interest earned – external investments	3 305 996.00	4 254 880.00	3 000 000	4 000 000	4 160 000	4 326 400	4 499 456
Interest earned – outstanding debtors	1 663 970.00	2 168 878.00	1 785 000	1 785 000	1 963 500	2 159 850	2 375 835
Fines	962 407.00	966 187.00	487 000	403 000	443 300	487 630	536 393
Licenses and permits	1 016 846.00	1 059 482.00	2 154 484	2 600 000	2 860 000	3 146 000	3 460 600
Government grants & subsidies	101 035 851.00	135 377 298.00	91 763 651	120 256 666	125 066 933	130 069 610	135 272 394

Capital Grants			90 851 050	52 815 783	52 928 414	57 125 551	59 410 573
Other	1 147 298.00	1 412 321.00	2 030 954	1 383 296	1 521 626	1 673 788	1 841 167
<b>TOTAL OPERATING INCOME</b>	<b>147 359 445.00</b>	<b>192 414 306.00</b>	<b>261 759 958</b>	<b>249 443 573</b>	<b>261 763 584</b>	<b>279 090 621</b>	<b>295 508 389</b>

*b) Capital Budget per department*

The Capital Investment Programme is listed in Table F2 below.

Description By Main Votes	Proposed Expenditure	Proposed Income	Capital
Executive & Council	31 152 365	-370 501	925 500
Budget & Treasury	34 969 428	-133 401 892	14 631 500
Corporate Services	17 594 938	-200 000	15 794 000
Community Services	29 157 962	-13 020 983	3 167 183

Economic Development & Planning	12 785 459	-3 253 273	15 780 000
Infrastructure and Housing Development	70 961 648	-99 196 924	129 671 100
Capital Grants	52 815 783	0	0
<b>Surplus</b>	<b>5 991</b>		
<b>Total</b>	<b>249 443 574</b>	<b>-249 443 574</b>	<b>R 179 969 283</b>

**CONDITIONAL AND UNCONDITIONAL GRANTS**

Grant Description	DoRA Allocation 2012/2013	DoRA Allocation 2013/2014	DoRA Allocation 2014/2015	Purpose
Equitable Share	105 328 000	113 183 000	123 036 000	Unconditional, provisioning of municipal services and indigent support.
Municipal Systems Improvement Grant	800 000	870 000	950 000	Conditional, municipal administration systems

(MSIG)				enhancement and improvement.
Financial Management Grant (FMG)	1 500 000	1 500 000	1 750 000	Conditional. Financial Management Reforms implementation as per MFMA.
Municipal Infrastructural Grant (MIG)	37 795 000	39 869 000	42 174 000	Conditional, infrastructural improvement for provisioning of basic services.
Extended Public Works Programme (EPWP)	3 430 000	0	0	
Intergrated national Electrification Programme Grant	4 000 000	10 000 000	27 000 000	Conditional Grant for Intergrated national Electrification Programme Grant
<b>Total</b>	<b>R 152 853 000</b>	<b>R 165 422 000</b>	<b>R 194 910 000</b>	

#### **FINAL CAPITAL BUDGET PER FUNDING SOURCE**

<b>Description on Sources of Funding</b>	<b>Amount Allocated as Per Budget 2012/2013</b>	<b>Amount Allocated as Per Budget 2013/2014</b>	<b>Amount Allocated as Per Budget 2014/2015</b>
Municipal Infrastructural Grant (MIG)	36 044 600	39 869 000	42 174 000
Grants Available, carried forward from previous years	12 771 183	3 000 000	2 000 000
Capital Replacement Reserve	28 453 500	15 000 000	15 000 000
DOE	4 000 000	10 000 001	27 000 000
External Loan	98 700 000	0	0
<b>Total</b>	<b>179 969 283</b>	<b>67 869 001</b>	<b>86 174 000</b>

**PROPOSED DRAFT TOTAL CAPITAL AND OPERATING BUDGET**

The total proposed draft capital and operating budget for 2012/2013 is set at a sum of R294 622 037 and this is tabled as follows:

<b>Description</b>	<b>2011/2012 Capital &amp; Operating Budget</b>	<b>2012/2013 Capital &amp; Operating Budget</b>	<b>2013/2014 Draft Capital &amp; Operating Budget</b>	<b>2014/2015 Draft Capital &amp; Operating Budget</b>
<i>Operating Budget</i>	170 908 908	196 627 791	204 492 903	212 672 619
<i>Capital Budget</i>	123 713 129	179 969 283	79 019 683	82 180 470
<b>Total Budget</b>	<b>R294 622 037</b>	<b>R376 597 074</b>	<b>R283 512 586</b>	<b>R294 853 089</b>

In conclusion, this final budget for both capital and operating estimates as suggested by all the Municipal departments. The capital estimates have been compiled after taking into account the IDP projects.

c) Grants receivable

**Operational GRANTS and subsidies to be ALLOCATED TO MLM 2012/2013**

	<b><u>Subsidies</u></b>		<b>241 400</b>
<b>Museum</b>	<i>Subsidy (ito SLA)</i>	41400	
<b>Health</b>	<i>Subsidy (ito SLA)</i>	-	
<b>Road</b>	<i>Subsidy (ito SLA)</i>	-	
<b>Admin Corporate</b>	<i>LG Seta</i>	200 000	
	<b><u>Total Equitable Share</u></b>		<b>109 050 000</b>
<b>Finance</b>	<i>Equitable Share</i>	102 180 409	
<b>Electricity</b>	<i>Equitable Share - Free Basic Services</i>	1 233 516	
<b>Refuse</b>	<i>Equitable Share - Free Basic Services</i>	1 914 075	
<b>Roads</b>	<i>MIG Admin Fee</i>	1 422 000	
<b>Finance</b>	<i>FMG</i>	1 500 000	
<b>Finance</b>	<i>MSIG</i>	800 000	
	<b><u>Establishment Plan Grant (DHLGTA)</u></b>		<b>9 214 866</b>
<b>MM</b>	<i>Election Grant</i>	170 501	

<b>IDP</b>	<i>Alfred Nzo</i>	<i>200 000</i>	
<b>Finance</b>	<i>Audit Verification</i>	<i>275 683</i>	
<b>Finance</b>	<i>Capacity Building</i>	<i>100 000</i>	
<b>Finance</b>	<i>Office Accommodation</i>	<i>123 000</i>	
<b>Finance</b>	<i>Valuation Roll GIS</i>	<i>185 030</i>	
<b>Finance</b>	<i>PMS</i>	<i>181 540</i>	
<b>Finance</b>	<i>Conference Centre and Lodge</i>	<i>200 000</i>	
<b>LED</b>	<i>LED Project</i>	<i>2 793 583</i>	
<b>EDP</b>	<i>Town &amp; Lums Amalgamation (PT)</i>	<i>383 529</i>	
<b>Infrastructure</b>	<i>EPWP</i>	<i>4 602 000</i>	
<b>TOTAL</b>			<b><i>118 506 266</i></b>

**TARIFFS**

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## **Property Rates**

<b>Categories</b>	<b>Rate Randages/Rand Value – c/R</b>	<b>Ratio in relation to residential property</b>
Residential property	0.015045	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.003762	1: 0.25
Agricultural property used predominantly for commercial and / or industrial purposes	0.003762	1:1.2
Smallholdings used predominantly for commercial and / or industrial purposes	0.003762	1: 1.2
Commercial / Business properties	0.018055	1: 1.2
Industrial properties	0.018055	1:1.2
Public Service Infrastructure properties	0.018055	1:0.25
Municipal properties	0.018055	1:0
Mining properties	0.018055	1:1.5

The new Property Valuation Roll came into effect the 1 July 2009.

This final budget will translate to the following increases, Residential Properties will be 4%, and also Business, Multi-purpose and Industrial will be 4%.

Rebates are to remain for residential properties at 35% in 2012/2013, and for business and industrial at 10%.

Rates exemptions for residential properties will remain at first R30 000 (Thirty Thousand Rand) of the property value as determined in the rolls.

Electricity tariffs were increase between 5.4% and 11.03% in terms of the directive from National Treasury and NERSA.

Refuse tariffs were increased by 4% and all other tariffs kept at the same level.

### **SPECIAL PROGRAMMES UNIT**

Included in the Operating Budget provision was made for Special Programs as requested by the Office of the Mayor. These programmes are listed per table 6. Business plans must be developed and submitted to the Municipal Manager and Chief Financial Officer for approval prior to funds been released.

<b>SPECIAL PROGRAMMES</b>	
HIV/Aids campaign	100 000
Disability	100 000
Youth summit	200 000
Children in school	100 000
Woman - forums	150 000
Elderly - workshop on art & games	100 000
<b>TOTAL</b>	<b>750 000</b>

### **3.8.2 Financial Strategy**

Matatiele Local Municipality is a developing municipality located in the rural areas of the Province of the Eastern Cape. Only 6.5% of its population is economically active which poses specific challenges regarding financial sustainability. Council operations must be conducted in a manner that will ensure that services will remain affordable and yet tariffs must be able to cover costs.

#### **a) Revenue Raising Strategy**

Outstanding debt amounts to R42 million. Drastic steps must be implemented to have this amount reduced as it will eventually lead to cash flow problems. The target is that 90% of all billing must be collected.

The following are some of the more significant programmes that have been identified:

**The review and implementation of the Credit Control & Debt Collection Policy.** This policy and the relevant procedures detail all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

- **The review and implementation of the Indigent Policy.** This policy defines the qualification criteria of an indigent, the level of free basic services enjoyed by indigent households, penalties for abuse etc.
- **The review and implementation of the Tariff Policy.** This policy will ensure that fair tariffs are charged in a uniform manner throughout the Matatiele Local Municipality area. Tariffs must remain affordable but also insure sustainable services.
- **The review and implementation of the Property Rates and Valuation Policy.** This will ensure that a fair rates policy and an updated valuation roll is applied to the entire Matatiele Local Municipality area and will aim to ensure that all properties are included in the municipality's records. Furthermore the policy will ensure that valuations are systematically carried out on a regular bases for all properties.
- **The review and implementation of the Customer Incentive Scheme.** This scheme will detail the incentives and prizes that will be made available to encourage customers to pay their accounts promptly.
- **The review and implementation of the Improved Payment Strategy.** This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month, including increasing the methods of payment and implementing on-line pre-payment systems.

*b) Asset Management Strategy*

*The following are some of the more significant programmes that have been identified:*

- **The implementation of an integrated asset management system.** This programme will involve the investigation, identification and implementation of a suitable integrated asset management system. It will also include the capture of all assets onto this system, the maintenance of this system and the production of a complete asset register in terms of GRAP requirements.
  
- **The implementation of the fixed asset infrastructure roadmap i.e. action plan.** This plan will involve a status quo assessment of current infrastructure assets, the implementation of individual action plans within the roadmap and the development of individual infrastructure asset registers. This project is contingent on various departments maintaining their respective infrastructure asset registers and supplying all the necessary information to the Asset Management Section to enable the necessary infrastructure asset information to be included in the asset register in terms of GRAP requirements

The review and update of asset and risk insurance procedures and the renewal of the insurance portfolio. This programme will involve the identification of risks in conjunction with insurers and all Departments and the review and update of the asset and risk insurance procedure manual. It will also include the review of the existing insurance portfolio and the renewal of the insurance policy as per the renewal terms.

#### c) Capital Financing Strategy

The following are some of the more significant programmes that have been identified:

- **The review and implementation of the debt capacity policy.** This policy will ensure that any borrowings taken by the Matatiele Local Municipality will be done in a responsible manner and that the repayment and servicing of such debt will be affordable.
- **The review and implementation of the policy for access finance (including donor finance).** This policy will ensure that all available funding sources are vigorously pursued.

#### d) Projected staff growth and costs

Matatiele Local Municipality provides limited services to its rural population. When refuse removal services, roads and storm water management, building and town planning control and other services affected in the 3 towns are extended to the 256 rural villages, the staff complement will have to increase. This will be done through the Extended Public Works Programme.

### **3.8.3 Financial Management Policies**

#### a) General Financial Philosophy

The financial policy of the Matatiele Local Municipality is to provide sound, secure and fraud free management of financial services.

The Budget and Finance Office has the following objectives:

- Implementation of LG MFMA
- Implementation of the LG Municipal Property Rates Act
- Management of the Budget Process
- Performance of the Treasury Function
- Management of Municipal Revenue
- Management of a Supply Chain Management Unit
- Establishment of a FBS/Indigent Support Unit
- Maintenance of Internal Financial Control
- Production of Financial Performance Reports
- To Retain the Financial Viability of the Municipality
- To have an Unqualified Audit Report

#### b) Budget Policy

The aim of the policy is to set out the budgeting principles which the municipality will follow in Preparing each annual budget, as well as the responsibilities of the chief financial officer in Compiling such budget.

#### c) Tariff Policy

A tariff policy must be compiled, adopted and implemented in terms of Section 74 of the Local Government: Municipal Systems Act 2000, such policy to cover, among other things, the levying

Of fees for municipal services provided by the municipality itself or by way of service delivery Agreements.

d) Property Rates Policy

In developing and adopting this rates policy, the council has sought to give effect to the sentiments expressed in the preamble of the LG Municipal Property Rates Act, namely that:

- the Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;
- there is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfill its developmental responsibilities;
- revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and
- it is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation, and which takes account of historical imbalances and the burden of rates on the poor.

In applying its rates policy, the council shall adhere to all the requirements of the Property Rates Act no. 6 of 2004 including any regulations promulgated in terms of that Act.

e) Indigent Support Policy

The objective of Indigent Support Policy is to ensure the following:

- The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- To provide procedure and guidelines for subsidization of basic provisions received from Central Government, according to prescribed Policy guidelines.

The Council also recognizes that there may be residents simply not able to afford the cost of full provision and for this reason the Council will endeavour to ensure affordability through:

- Settings tariffs in terms of the Council Tariff Policy; which will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

f) Credit Control & Debt Collection Policy

The purpose is to ensure that credit control forms an integral part of the financial system of the local authority, and to ensure that the same procedure be followed for each individual case.

g) Supply Chain Management Policy

The objective of this policy is to provide a policy framework within which the municipal manager and chief financial officer can institute and maintain a supply chain management system which is transparent, efficient, equitable, competitive, which ensures best value for money for the municipality, applies the highest possible ethical standards, and promotes local economic development.

By adopting this policy the council further pledges itself and the municipal administration, to the full support of the Proudly SA campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- LG Municipal Finance Management Act No. 56 of 2003, including the regulations relating to the prescribed framework for supply chain management.

A paraphrase of the relevant provisions of the foregoing statutes is annexed to this policy.

Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board Act No. 38 of 2000 and its regulations.

#### h) Banking and Investment Policy

The objective of this policy is to gain the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.

To provide effective cash management

To comply with Sect. 13 of the MFMA

#### i) Fixed Asset Management Policy

The objective to specify the duties of all role players involved in asset management.

To provide directives regarding the management, depreciation and acquisition of fixed assets.

#### j) Transport Policy

Vehicles allocated to officials for carrying out their official responsibilities or to use in the service of the municipality;

The officials designated by the municipal manager to control and allocate municipal vehicles;

The use by employees and councillors of official transport.

#### k) GRAP Framework Policy

The objective of the policy is to define the practical implementation of Generally Recognised Accounting Practice at the municipality, in accordance with the provisions of the Municipal Finance Management Act.

#### l) Risk Management Policy

Define roles and responsibilities and outlining procedures to mitigate risks,

Ensure pro-active, consistent, integrated and acceptable management of risk,

Define a reporting framework to ensure regular communication of risk management information,

Provide a system to accommodate the central accumulation of risk data, and,

Comply with Sect. 62 and 95 of the MFMA

#### m) Data Backup Policy

The objective of the policy is to provide guidelines on the backup procedures to be adhered to regarding all data utilised by the municipality in the normal course of business.

#### n) Cash Management Policy

The Council of the municipality is the trustee of the public revenues which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

#### Special Services Tariff Policy

The objective of the policy is to define the guidelines to be utilised regarding the reduction of tariffs for municipal services to qualifying institutions.

#### Grant & Donation Policy

The objective of this policy is to define the conditions under which grants and donations may be made to organizations or individuals from the municipal operating budget.

#### Donor Finance Policy

The objective of the policy is to provide guidance to the management team of the municipality on the actions required to attract donor finance, grants and donations from Government and the private sector, for projects identified by the municipality.

#### Procurement Policy

The objectives of this policy are as follows:

To create a procurement system that is uniform within the municipality;

To clarify procurement definitions;

To eliminate fraud or any other irregularities in the procurement of goods and services; and

To outline the code of conduct of municipal staff.

#### Payment Policy

The objective is to describe the process to be followed regarding payment of invoices from creditors.

#### Virement Policy

The objective of the policy is to provide the guidelines to be followed, to effect virements of approved budgeted expenditure during the course of a financial year.

#### Cash-up Policy

The objective of this policy is to provide the guidelines to all staff tasked with the collection of cash at the various cash-taking points.

#### Cash Shortage Policy

The objective of the policy is to describe the steps to be taken when there is a cash shortage subsequent to a cashing up procedure at any cash taking point of the municipality.

#### Electricity Token Policy

The objective of the policy is to provide guidance on the actions required regarding requests from electricity consumers to replace a lost token or refund unused capacity relating to a token purchased.

#### Credit Card Policy

The objective of the policy is to describe the conditions and methods relating to the use of Credit Cards by office bearers of the municipality.

#### Entertainment / Refreshment Policy

The objective of the policy is to provide guidance on the expenditure allowed on the provision of Refreshments and Entertainment to staff, visitors and the public.

#### Customer Incentive Scheme Policy

The objective of the policy is to provide a framework for attracting industrial development to the municipal area by offering financial incentives.

#### Strategy to improve Debtor Payment Policy

The demands on the municipality to deliver services within its powers and functions underline the urgency to recover the cost of delivery wherever possible, to ensure continuity and expansion of service delivery to the inhabitants within its area of jurisdiction.

### Customer Care Policy

The objective of this policy is:

- ♦ To provide a reliable, responsive, competent, courteous, multi-optional, affordable quality service;
- ♦ To define a manageable customer care framework;
- ♦ To promote the culture of paying for services;
- ♦ To protect Municipal services users who are paying; and
- ♦ To encourage those not paying, to do so in the interest of sustainable services delivery.

Aligned to Sect. 95 of the Municipal Systems Act

### Fraud Prevention & Response Plan Policy

Fraud prevention is about changing organisational features that allow fraud to occur and possibly go unnoticed or unreported. Fraud control is an essential element of sound corporate governance and is integral to internal risk control.

### Debt Capacity Policy

The objective of the policy is to define the circumstances under which the municipality can incur debt.

### Accounting Policies

Matatiele Local Municipality has always submitted its Annual Financial Statements in time to the Auditor General. Regrettably, qualified audit reports were received for the 2005/2006 and 2006/2007 financial years. The Budget and Treasury Standing Committee has addressed the matters that caused the qualifications and correctives steps have being implemented, which includes amongst others the strict adherence to policies. Hence, an Unqualified Audit Report was received for the 2007/2008, 2008/2009, 2009/2010, 2010/2011 financial years.

These accounting policies were adopted in the preparation of the Annual Financial Statements;

#### **1. Basis of Presentation**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with the Accounting Standards as prescribed by the Minister of Finance in terms of Government Gazette number 31021, Notice Number 516, dated 9 May 2008, and also in terms of the standards and principles contained in Directives 4 and 5 issued by the ASB in March 2009.

The Accounting Framework of the municipality, based on the preceding paragraphs, is therefore as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changing in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases

GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets
GAMAP 9	Paragraphs relating to Revenue from Non-exchange Transactions
IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-generating Assets
IFRS 3	Business Combinations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an Arrangement contains a Lease

## 1. BASIS OF PRESENTATION (continued)

### 1.1 Changes in Accounting Policy and Comparability

**Accounting Policies have been consistently applied, except where otherwise indicated below:**

For the year ended 30 June 2009 the municipality has adopted the accounting framework as set out above. The details of any resulting changes in accounting policy and comparative restatements are given in Notes 40 and 41 to the Annual Financial Statements.

The municipality changes an Accounting Policy only if the change:

- (a) Is required by a Standard of GRAP; or
- (b) Results in the Annual Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions, on the performance or cash flow.

### 1.2 Critical Judgements, Estimations and Assumptions

The following are the critical judgements, apart from those involving estimations, that the management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

#### 1.2.1 Revenue Recognition

Accounting Policy on Revenue from Exchange Transactions and Accounting Policy on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9 (Revenue from Exchange Transactions) and GAMAP 9 (Revenue) as far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

#### 1.2.2 Financial Assets and Liabilities

The classification of Financial Assets and Liabilities, into categories, is based on judgement by management.

### **1.2.3 Impairment of Financial Assets**

Accounting Policy on Impairment of Financial Assets describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in Note 7 to the Annual Financial Statements.

### **1.2.4 Useful lives of Property, Plant and Equipment**

As described in Accounting Policy clause 2.3, 4 & 5, the municipality depreciates its property, plant and equipment, Intangible Assets and Investment Property over the estimated useful lives of the assets, which is determined when the assets are brought into use. As mentioned in the said policy, the estimated useful life of the assets and the depreciation methods of the assets were however not reviewed during the current or prior financial years. The useful lives and residual values of the assets are based on industry knowledge.

### **1.2.5 Impairment: Write-down of PPE and Inventories**

Significant estimates and judgements are made relating to PPE impairment tests and write down of Inventories to Nett Realisable Values.

### **Defined Benefit Plan Liabilities**

As described in Accounting Policy, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 18 to the Annual Financial Statements.

### **Presentation Currency**

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

### **Going Concern Assumption**

The Annual Financial Statements have been prepared on a going concern basis.

### **Offsetting**

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.

Standards, Amendments to Standards and Interpretations issued but not yet Effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements

GRAP 103 Heritage Assets - issued July 2008

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date is not currently available.

#### 1.6 Standards, Amendments to Standards and Interpretations issued but not yet Effective (continued)

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

IAS 39 Financial Instruments: Recognition and Measurement - portions of standard effective 1 July 2009

Management has considered all the of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

See Note 58 to the Annual Financial Statements for more detail.

## 2. PROPERTY, PLANT AND EQUIPMENT

### Initial Recognition

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

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, Plant and Equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

## Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, except for Infrastructure Assets, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses.

Or given up is included in surplus or deficit when the compensation becomes receivable.

### Depreciation

Depreciation on assets other than land is calculated on cost, using the straight-line method, to Depreciation only commences when the asset is available for use, unless stated otherwise.

**The depreciation rates are based on the following estimated useful lives:**

Asset Class	Years	Asset Class	Years
Infrastructure		Other	
Roads and Paving	10 - 100	Buildings	25 – 30
Pedestrian Malls	15 - 30	Specialist Vehicles	10 – 15
Electricity	15 - 60	Other Vehicles	5 – 15
Water	15 - 100	Office Equipment	3 – 15
Sewerage	15 - 60	Furniture and Fittings	5 – 15
Housing	30	Watercraft	15 – 20
		Bins and Containers	5 – 15
Community		Specialised Plant and	
Improvements	25 - 30	Equipment	10 – 15
Recreational Facilities	15 - 30	Other Plant and	
Security	15 - 25	Equipment	2 – 15

Residual values, estimated useful lives and depreciation methods were not reviewed in the previous and current financial years as required by GRAP 17. The municipality applied ASB directive 4 which states that the municipality need not comply with the measurement requirements of GRAP 17 for the years ending 30 June 2009 and 2010 but must comply with the measurement requirements for the year ending 30 June 2011. It must however identify and correctly classify all PPE on an assets register during the 2009 and 2010 years. reciated as it is regarded as having an infinite life Regarding to their estimated useful lives.

## **Infrastructure Assets**

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the Asset Management Policy. recognition of Property, Plant and Equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or Included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

## **Impairment**

### **Impairment of Cash Generating Assets**

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

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

### **Impairment of Non-cash Generating Assets**

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

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

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

#### **Transitional Arrangements**

The estimated useful lives and the depreciation methods were not reviewed in the previous financial year as required by GAMAP 17 as these requirements were exempted in terms of General Notice 522 of 2007. The estimated useful lives and depreciation methods have not been reviewed for the year ended 30 June 2009 in accordance with the transitional arrangements of ASB Directive 4.

### **3. INTANGIBLE ASSETS**

#### **Initial Recognition**

Identifiable non-monetary assets without physical substance which are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes are classified and recognised as Intangible Assets. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

It is technically feasible to complete the intangible asset so that it will be available for use;

Management intends to complete the intangible asset and use or sell it;

There is an ability to use or sell the intangible asset;

It can be demonstrated how the intangible asset will generate probable future economic benefits;

Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years. Development assets are tested for impairment annually, in accordance with IPSAS 21 / IAS 36.

Intangible Assets are initially recognised at cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

#### **Subsequent Measurement, Amortisation and Impairment**

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 3 to 5 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes obtained by the municipality give the municipality access to land for specific purposes for an unlimited period – however, such intangible assets are subject to an annual impairment test.

The estimated useful lives and depreciation methods have not been reviewed for the year ended 30 June 2009 in accordance with the transitional arrangements of ASB Directive 4.

## **Derecognition**

Intangible Assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **Transitional Provisions**

Costs incurred on intangible assets (other than on computer software) were expensed and not capitalised in the previous financial year as required by IAS 38 as this requirement was exempted in terms of General Notice 522 of 2007. The municipality accounted for all costs incurred that meet the intangible asset definition and recognition requirements as intangible assets for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GRAP 102, GRAP 3 and ASB Directive 4.

## **4. INVESTMENT PROPERTY**

### **Initial Recognition**

Investment Property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;

Land held for a currently undetermined future use (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);

A building owned by the municipality (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality); and

A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory or Non-current Assets Held-for-Sale, as appropriate:

Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;

Property being constructed or developed on behalf of third parties;

Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;

Property that is being constructed or developed for future use as investment property;

Property that is leased to another entity under a finance lease;

Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and

Property held for strategic purposes or service delivery.

### **Subsequent Measurement**

Investment Property is measured using the cost model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **Transitional Provisions**

Investment Properties were not recognised in the previous financial year as required by IAS 40 as these requirements were exempted in terms of General Notice 522 of 2007. Investment properties are recognised, and subsequently measured in accordance with the cost model, in terms of GRAP 16 and have been disclosed for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GRAP 16, GRAP 3 and ASB Directive 4.

## **5. FINANCIAL INSTRUMENTS**

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

Financial Assets – Classification

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality may have the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

### **Debtors**

#### **Other Debtors**

Bank, Cash and Cash Equivalents

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows into the four categories allowed by this standard:

Type of Financial Asset	Classification in terms of IAS 39.09
Listed Investments	Held at fair value through profit or loss
Unlisted Investments – Stock	Held at fair value through profit or loss
Bank, Cash and Cash Equivalents	Available for sale
Bank, Cash and Cash Equivalents – Call Deposits	Available for sale
Long-term Receivables	Loans and receivables
Consumer Debtors	Loans and receivables
Other Debtors	Loans and receivables
Investments in Fixed Deposits	Held to maturity
Bank, Cash and Cash Equivalents – Notice Deposits	Held to maturity

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

They are classified as held for trading; or

Upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

Available-for-sale investments are financial assets that are designated as available for sale or are not classified as:

Loans and Receivables;

Held-to-Maturity Investments; or

Financial Assets at fair value through the Statement of Financial Performance.

Held-to-Maturity Investments are financial assets with fixed or determinable payments and fixed maturity where the municipality has the positive intent and ability to hold the investment to maturity.

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). Cash Equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, which are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash-on-hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as Financial Assets: Available for Sale.

#### **Financial Liabilities – Classification**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality may have the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Long-term Liabilities

Creditors

Bank Overdraft

Short-term loans

Current Portion of Long-term Liabilities

### **Consumer Deposits**

There are two main categories of Financial Liabilities, the classification based on how they are measured. Financial liabilities may be measured at:

Fair value through profit or loss; or

Not at fair value through profit or loss ('other financial liabilities')

Financial liabilities that are measured at fair value through profit or loss are financial liabilities that are essentially held for trading (i.e. purchased with the intention to sell or repurchase in the short term; derivatives other than hedging instruments or are part of a portfolio of financial instruments where there is recent actual evidence of short-term profiteering or are derivatives). Financial liabilities that are measured at fair value through profit or loss are stated at fair value, with any resulted gain or loss recognised in the Statement of Financial Performance.

Any other financial liabilities are classified as Other Financial Liabilities and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

In accordance with IAS 39.09 the Financial Liabilities of the municipality are all classified as "Other Financial Liabilities".

Initial and Subsequent Measurement

### **Financial Assets:**

Held-to-maturity Investments and Loans and Receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

Financial Assets at Fair Value and Available-for-Sale are initially and subsequently, at the end of each financial year, measured at fair value with the profit or loss being recognised in the Statement of Financial Performance.

### **Financial Liabilities:**

Financial liabilities at fair value are initially and subsequently measured at fair value. Other financial liabilities are measured at amortised cost using the Effective Interest Rate Method.

### **Impairment of Financial Assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with IAS 39.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are

credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Consumer Debtors are stated at cost less a provision for impairment. The provision is made in accordance with IAS 39.64 whereby the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risks characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

#### **Derecognition of Financial Assets**

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **Derecognition of Financial Liabilities**

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

#### **Transitional Provisions**

### **6. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES**

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

Risks and exposure are disclosed as follows:

#### **Credit Risk**

Each class of financial instrument is disclosed separately.

Maximum exposure to credit risk not covered by collateral is specified.

Financial instruments covered by collateral are specified.

#### **Liquidity Risk**

A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 48.7 to the Annual Financial Statements.

Risk management of Financial Assets and Liabilities were presented and disclosed in accordance with the requirements of the old version of IAS 32 in the previous financial year and not in accordance with the requirements of IFRS 7 as these requirements were exempted in terms of General Notice 522 of 2007. Risk management of Financial Assets and Liabilities are presented and disclosed for the financial year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of IFRS 7 and GRAP 3.

## **7. INVENTORIES**

### **Initial Recognition**

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

### **Subsequent Measurement**

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge, they are valued at the lower of cost and current replacement cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

## **8. NON-CURRENT ASSETS HELD-FOR-SALE**

### **Initial Recognition**

Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

### **Subsequent Measurement**

Non-current Assets and Disposal Groups classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held-for-sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale are recognised in surplus or deficit.

## **9. REVENUE RECOGNITION**

### **General**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### **Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

### **Service Charges**

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year end when estimates of consumption up to year end are recorded as revenue without it being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In

respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

#### **Finance Income**

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Interest earned on the following investments is not recognised in the Statement of Financial Performance:

spent Conditional Grants, if the grant conditions indicate that interest is payable to the funder.

#### **Rentals Received**

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

#### **Tariff Charges**

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant advertised tariff. This includes the issuing of licences and permits.

#### **Sale of Goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

#### **Revenue from Non-exchange Transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

#### **Public Contributions**

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

#### **Other Donations and Contributions**

Donations and Contributions are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

#### **Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure**

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

#### **Transitional Provisions**

Revenue was initially recognised at cost and not at fair value in the previous financial year as the requirements of GAMAP 9.12 and SAICA circular 09/2006, which states that revenue should be recognised initially at fair value through discounting all future receipts using an imputed rate of return, have been exempted in terms of General Notice 522 of 2007. Revenue is initially recognised at fair value for the year ended 30 June 2009 (and retrospectively, where practicable) by discounting all future receipts using an imputed rate of return in accordance with the requirements of GRAP 9, GRAP 3 SAICA circular 09/2006.

#### **10. GOVERNMENT GRANTS AND RECEIPTS**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in the Statement of Financial Performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

The municipality accounted for government grants and receipts in the previous financial year in accordance with the requirements of IAS 20. Government grants and receipts is accounted for the year ended 30 June 2009 (and retrospectively, where practicable) in accordance with the requirements of GAMAP 9.42 – .46 and ASB Directives 4 and 5.

#### **11. PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

The municipality has a detailed formal plan for the restructuring identifying at least:

The business or part of a business concerned;

The principal locations affected;

The location, function, and approximate number of employees who will be compensated for terminating their services;

The expenditures that will be undertaken; and When the plan will be implemented.

The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

### **11.1 Reserves**

#### **11.1.1 Capital Replacement Reserve (CRR)**

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash allocated to the CRR can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.

Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.

The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.

The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.

The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.

The Council determines the annual contribution to the CRR.

#### **11.1.2 Capitalisation Reserve**

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

#### **11.1.3 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation

charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

#### **11.1.4 Public Contributions and Donations Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from Public Contributions is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/ (deficit).

#### **11.1.5 Revaluation Reserve**

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. Land and buildings are revalued every four years. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/ (deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

## **12. EMPLOYEE BENEFITS**

### **Short-term Employee Benefits**

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a provision in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

### **Defined Contribution Plans**

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

#### **Defined Benefit Plans**

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

#### **Post-retirement Health Care Benefits**

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. The other Medical Aid Funds, with which the Municipality is associated, do not provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

#### **Long-service Allowance**

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the Statement of Financial Performance.

#### **Exemption regarding defined benefit accounting in previous financial year**

Defined benefit accounting in accordance with the requirements of IAS 19, as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information, has been exempted in the previous financial year in terms of General Notice 522 of 2007. The municipality has applied defined benefit accounting to the defined benefit plans for the financial year ended 30 June 2009 in accordance with the requirements of IAS 19.

### **Provincially-administered Defined Benefit Plans**

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 49 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

## **13. LEASES**

### **The Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **The Municipality as Lessor**

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale revenue is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental revenue is recognised on a straight-line basis over the term of the relevant lease.

### **Transitional Provisions**

The recognition of operating lease payments / receipts on a straight-line basis in accordance with the requirements of IAS 17 has been exempted in the previous financial year in terms of General Notice 522 of 2007 (provided that the municipality recognised the lease amounts on the basis of the cash flows in the lease agreement). The municipality recognised operating lease payments / receipts on a straight-line basis for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 13 and ASB Directive 4.

### **14. BORROWING COSTS**

Borrowing costs incurred relating to qualifying assets and all other borrowing costs incurred were recognised as expenses in the Statement of Financial Performance in the previous financial year in accordance with the benchmark treatment in the old IAS 23, i.e. expensing all borrowing costs. The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset only when the commencement date for capitalisation is on or after 1 July 2008, while all other borrowing costs incurred (including borrowing cost incurred on qualifying assets where the commencement date for capitalisation is prior to 1 July 2008) are recognised as an expense in the Statement of Financial Performance for the financial year ending 30 June 2009 in accordance with the requirements of GRAP 5 and ASB Directive 4.

It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established - the municipality expenses borrowing costs when it is inappropriate to capitalise it. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

### **15. GRANTS-IN-AID**

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;

Expect to be repaid in future; or

Expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

### **16. VALUE ADDED TAX**

The Municipality accounts for Value Added Tax on the cash basis.

### **17. CASH AND CASH EQUIVALENTS**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

### **18. UNAUTHORISED EXPENDITURE**

Unauthorised Expenditure is expenditure that has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state; and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

#### **19. IRREGULAR EXPENDITURE**

Irregular Expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

#### **20. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the Council, it is treated as an asset until it is recovered or written off as irrecoverable.

#### **21. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS**

Changes in Accounting Policies that are affected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality restated the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 40 for details of changes in accounting policies.

The retrospective application, where practicable, of changes in accounting policies affected by management in accordance with the requirements of GRAP 3 was exempted in the previous financial year in terms of General Notice 522 of 2007 (providing that these changes in accounting policies were applied prospectively by the municipality). The municipality applied changes in accounting policies affected by management retrospectively, where practicable, for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 3.

Changes in Accounting Estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the Notes to the Annual Financial Statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 41 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

The identification and disclosure of the impact of GRAP standards that have been issued but are not yet effective was exempted in the previous financial year in terms of General Notice 522 of 2007. The municipality identified and disclosed the impact of GRAP standards that have been issued but

are not yet effective for the financial year ended 30 June 2009 in accordance with the requirements of GRAP 3.

## 22. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

## 23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes 51 and 52 to the Annual Financial Statements.

## 24. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in Note 56 to the Annual Financial Statements.

## 25. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

## 26. COMPARATIVE INFORMATION

### 26.1 Current year comparatives:

Budgeted amounts in respect of capital expenditure have been included in the Annual Financial Statements for the current financial year only.

### 26.2 Prior year comparatives:

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

## Information and Communication Technology

The ICT Software used by Matatiele Local Municipality is summarized in Table F6 below:

Table F6

COMPANY	PROGRAMME	APPLICATION
1. Fujitsu	1. Abakus	Billing Creditors Stores Ledger Assets Advances Cash Book Customer Care Audit Extracts Hot key
	2. SCO Unix	Operating System
	3. Corvu	1 Report Writer
2. Payday	1. Payday	Payroll Leave

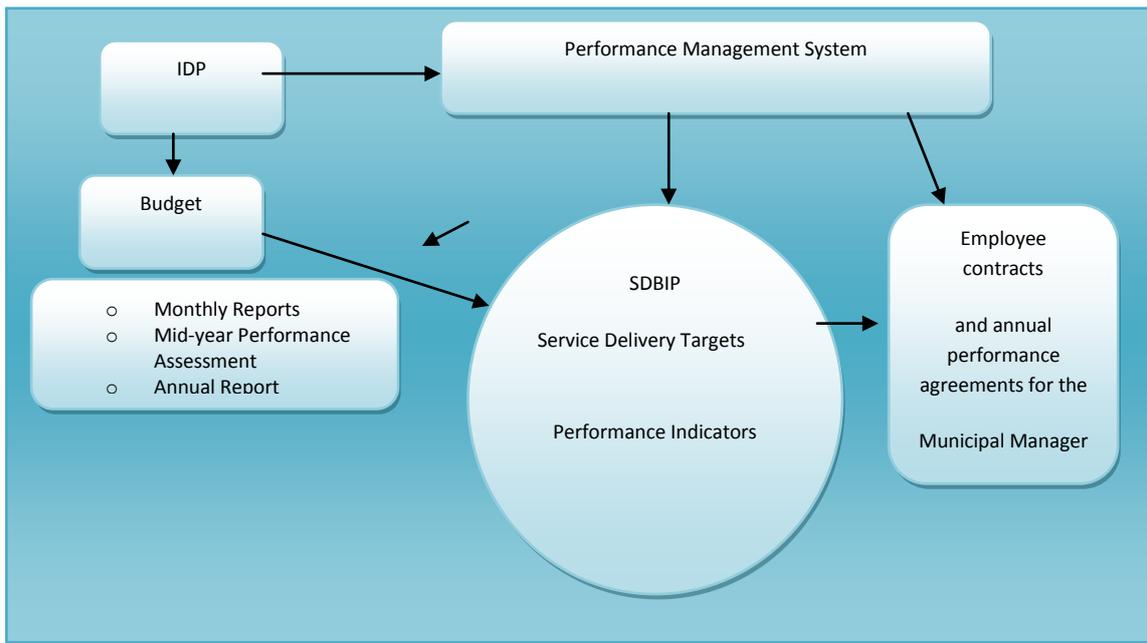
		Equity Human Resource Post Third Party Cheque General Ledger Interface Skills WSP & Implementation Reports Employee Self Service Employee Photo Statistical Budget
3. Contour	1. Contour	Pre-paid Electricity Vending
4. Syntell	1. Syntell	Pre-paid Water Vending
5. Elster	1. Cash flow 2000	Pre-paid Water Vending
6. Microsoft	1. MS Office	Word Excel Power Point Presentations and Publisher Adobe Acrobat 6.0, 8 & 5
	2. MS Exchange	Email
	3. Ms Small Business Server	Fire wall
7. Windeed	1. Windeed 2. Winsearch 3. Win Transfer	Property transfers Title deed searches Report on property transfers
8. Standard Bank	1. CATS	Electronic Banking
9. SITA	1. eNatis 2. Pals	Motor Vehicle Registration Library Book issues
10. MAMS (PTY)LTD	1. MAMS	Municipal Asset Management System
11. Juta	1. Juta Law	Legislation searchers
12. First National Bank	Business Internet Solution	Electronic Banking
13. Co-Driver	1. Co-driver	Fleet Management
14. TradePage	1. Web Host	Website hosting
15. Coretalk	1. Coretalk	SMS Facility & reporting
16. Arch View	1. Arch View	GIS
17. TGIS	1. Cemetery Register	Cemetery Register
18. Juta Law	1. Juta Law	Regulations of South Africa
19. CQS Technology Holding (PTY)LTD	1. Caseware	1 Report writer

## THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP)

### INTRODUCTION

The SDBIP marries the Performance Management System (as required under the Municipal Systems Act) with the budget and the IDP. Thus the strategic direction mapped out in the IDP is matched with

financial resources and delivery of services as specified in the PMS. The requirement for a SDBIP is stated in the MFMA, Section 69.3 (a) and is the responsibility of the Municipal Manager.



The SDBIP allows the budget to be implemented fully as it identifies:

The Strategic Imperative – Through links with the IDP.

The Financial Imperative – Through links with the budget.

The Performance Imperative – Through links to the PMS.

The National Treasury Circular 13 describes in detail the approach to SDBIP's. Basically there is a high level SDBIP for the purpose of high level monitoring by stakeholders, backed by full detail all the way to the individual employee. Starting from the top (the Municipal Manager), all staff operate under KPI's within the identified KPA's. In effect the SDBIP becomes the implementation tool for the budget and the basis for non-financial monitoring.

At the highest level every vote could be aligned to an IDP strategy and some KPI's. These then form the basis of future monthly and in year reporting.

### **SDBIP**

The SDBIP for the Budget & Finance Department is at annexure A.

## CHAPTER 4: KEY DEVELOPMENTAL ISSUES

Integrated development planning is not and cannot be a universal remedy for all problems facing the municipality and its people. As a result, one of the distinguishing features of integrated development planning is its focus on strategic areas of intervention and concern with interventions with a high impact using the limited resources available to the municipality. This focus is intended to achieve faster and appropriate delivery of services and create an enabling framework for social and economic development. Based on the assessment of the current situation and Ward Based plans, Matatiele Municipality has identified the following as key development issues.

### 4.1 WARD BASED PRIORITIES

MATATIELE LOCAL MUNICIPALITY IDP COMMUNITY PRIORITIES 2012/2017	
BASIC SERVICE DELIVERY & INFRASTRUCTURE	WARD & LOCALITY
<b>1. WATER</b>	
<b>1.1. Proposed (New) provision</b>	
	1 -Skiti, Maritseng, Maluti, Motsekuoa
	2 - Ramohlakoana, Jabavu, Rockville, Malubaluba, Nkululekweni, Tsepisong, Mahlani, Molweni
	3 - Mdeni, Likhohlwaneng
	4 - Tsitsong, Mazizini, Zazingeni, Maphokong New-stance, Hlwahlweng, Sehlabeng
	5 - Mnceba, Chibini, Matiase, Water Maintenance tanks - Vikinduku, Lubaleko, New village
	6 - Nobhaca, Mokhoabo, Red Cross Hall (Tap)
	7 - Goxe (Taps but no water), Sifolweni, Mgeni, All village Schools, Hillside
	8 - Nchodu, Mafube Mission, Belford, Makhankaneng, Thembalihle, Coshert, Matue, Nkonoane, Pehong
	9 - Gobizembe, Magasela, Rantsiki, Lufa, Makhoaseng
	11 - Qilwane
	12 - Reservoir - Nkau, Mampoti, Bekesdan, Queen's Mercy, Sikhulumi
	13 - <b>Water Scheme</b> - Ramaqele, Chere, Masupa, Mahareng, Letsoapong, Mahareng, Thaba-Bosiu, Mohapi, Kholokoe, Tlhakanelo, Likamoreng, Thabaneng; <b>Drought Relief Water tanks</b> - Ramaqele, Thotaneng, Letsoapong, Chere, Mahareng
	14 - Liqalabeng, Mangopeng, Mapoleseng, Mahasheng, Letlapeng, Nicefield, Mateleng, Moikesti, Motsekeng, Fatima
	15 - Pongseng, Mahlabatheng, Maapoleng, Qhobosheaneng, Semokong, Pabalong, Lihaseg, Likoentlaneng, Lekhalong
	16 - Mechachaneng, Mehloloaneng, Moaeneng
	17 - Mango, Nyanzela, Polile, Luxeni, Nkalweni, Lugada
	18 - Mrwabo, Khesa, Nkungini, Fiva, Mnyamaneni, Nkonkotha
	19- Storm water drainage -Mountain View, Boxtan Park
	20 - Njongweville Ext, Phola Park, Mdeni

	21 -Mvenyane water under process, Mvenyane Post Office
	22 - Roloweni, Zitapile, Upper Mkemane, Mpofini, Palane
	23 - Electric Water Pump - Tafa, Bathesda, Polile
	24 -Zingcuka , water supply to the clinic in Silindini clinic -Zingcuka, Zimpofu, Mahlake, Purutle, Zibi Meyer, Mdeni, Madlangeni, Soalane
	Moriting, Ramafole
	25 - NedFarm, Nkosana2, Jabulani, Martinfeveld, Khutsong, Marwaneng, New Stance
	26 - Entire ward
<b>1.2. Maintenance of tank /</b>	1 - Yard connection - Skiti, Maritseng, Motsekuoa
<b>Yard Connection Water</b>	2 - Malubaluba, Jabavu, Tsepisong
	3 - Hardenburg, Magema, Zwelitsha, Outspan, Madimong, Hebron
	4 - No locality
	5- Maintenance of tank Vikinduku, Lubaleko, Mbombo, Manderstone, Yard connection-no locality
	6 - Water pipes Maintenance - Ramatli, Dengwane, Zwelitsha, Bhakaneni, Botsula, Polokong, Taung, Matsetseng
	7 -Water tank - Hillside, Goxe, Lufefeni, borehole not working in Pamplaville
	9 - yard connection - Afsondering, Mahangu, Shenxe, Sphola, Mphoshongweni, borehole maintenance - Gudlintaba, Khashule
	10 - Extension - Magongqolweni, Change of Engine Pump to Electric Pump - Sijoka, Maintenance of Pipes - Silindini, Additional Taps - Lunda Village,
	11 - Scheme - Pontseng, Khaola, Treseng, Mapfontein, Maloto, Mbobu, Tsekong (No taps and gatevelve)
	12 - Maintenance of Tank - Mampoti, Khubestwana, Phulu, Nkau
	13- Yard connection- Entire ward
	14 - Upgrading weir, Motseng construction of weir, Yard Connection - entire ward
	16 - Khoarai, Likhettleane, Mehloloaneng, Majoro
	17 - Extension - Luxeni, Mgubo, Embizeni, Sigoga
	20 - Masakala (yard connection)
	23 - Maintenance of Water Pipes (no locality specified)
	24 - Maqhatseng, Madlanganeni bore hole to be fixed
<b>1.2. ACCESS ROADS</b>	
<b>1.2.1. Proposed (new) Projects</b>	
	1 - Motsekuoa, Skiti, Tar road in Maluti - Thulang route, and street passing Star Hotel
	2 - Ramohlakoana, Tsepisong, Nkululekwani, Malubaluba
	3 - Manase-Top (4.5 Km), Magema, Zwelitsha
	4 - Sehlabeng, New Stance, Bethel, Tiping, Maphokong
	5 - Chibini, From Mzongwana J.S.S to Vimba access road 9 km, from Esikhewini to Tshayamoya 7 km, from Gangweni to Vikinduku 7.5 km, Vikinduku to Popo ecess road
	6 - Nobhaca, Ramatli, Polokong School, Bhakaneni Pre-School, Vinci Phango - Zwelitsha, Sendezama- Matsetseng Project
	7 - Hillside, Manzi, Lufefeni, Dumisa
	8 - From T12 (Belford), to Sibi S.S.S, from Tsitsa to Pehong via Nkonoane to Mabua,

	from T12 via Mafube River to Roland
	9 - Shenxa, Plantation, Gobizembe, Magasela, Khashule, Gudlintaba,
	10 - Lunda, Sijoka, Magonqolweni (from Mtshayazafe to join Lunda bridge to access Magadla S.S.S & Clinic), Caba (the whole), Silindini,
	11 -Thotaneng, Madlangala, Mbobo, Tsekong
	12 - Nkau, Makhaoleng, Moqhobi to Sera, Paninkukhu, Sekhutlong, Phulu-Makading, Spatsane-Rantsu
	13 -Mohapi, Letsoapong, Ramaqele, Thotaneng, Likamoreng, Kholokoe, Tlhakanelo, Thotaneng Ext, Thaba-Bosiu Ext, Mahareng Ext
	13- Main road - Construction DR08646, T70, T60
	15 - Mapoleng, Qhobosheaneng, Lhaseng, Likoentlaneng, Lisang, Lekgalong
	14 - Moiketsi, Mateleng - Moalusi, Tabachicha clinic road
	16 - Mechachaneng, Khoarai - tar road, Likhethlane (Maqhangasini), Moaeneng to Ramoipone, Sketlane
	17 - Nyanzela ,Sigoga, Ndlela, Ncanywa
	18 - Mantla, Fiva, Lavutha, Khesa, Moyeni, Phelandaba
	19 - New road -Dark City, Speed hump - Mountain view
	20 - Access road- From Matatiele Town to Masakala
	21 - Mabheleni, Ntlola, Sityweni, Machi, Mathafeni, Magxeni, Gwadane, Mvenyane to Cedarville ( Tar road)
	22 - Lukholweni, Ephiphane to Mkhemane, Lukholweni to Cedarville
	23- Bethesda, Thafa, Sekhutlong
	24 - Zibi Meyer, Soalane, Koenig, Madlangeni, Purutle, Naledi JPS
	26 - Access road to the crop fiels at khohlong
<b>1.2.2. Access Road Mantainance</b>	
	1 -Maluti Township (storm water drainage), Skiti, Motsekuoa, Maritseng, Tholang
	2 - Protea AR, Tsepisong AR, Rockville AR, Malubaluba AR, Ramohlakoana AR, Mapateng
	3 - Magama, Outspan, Hebron, Mdeni, Dikhotlwaneng, Hardenburg, Madimong
	4 - Nkasela, Tsitsong, Mazizini, Zazingeni, Zikhalini, Maphokong, Tiping, New Stance, Hlwahlweng, Sehlabeng, T67
	5 - Afsondering Police Station access road, Mnqayi Access Road
	6 - Regravel Road - Bhakaneni from T69 to Zwelitsha, R56 to Zwelitsha -Mahangwe to Taung, Botsola - T69 to Taung - Nobhaca, Matsetseng , Dengwane
	Dengwane - Zwelitsha, R56 - across the bridge to Dengwane
	7- Pamlaville, Ngcwengana, Mngeni
	8 - T507 to Matue, from T69 to Tsista-Tshenola, from T69 to Pehong, Nkosana, Coshert
	9 - Shenxa, Makhoaseng, need for Extension - Afsondering, Maromeni, Sphola, Newresh, Shenxa
	10 - Silindini, Caba, Magongqolweni, Hlomendlini Access Road Via Chief Zweliyazuza Home Stad
	11 - Maloto, Springana, Khaola- Pontseng
	12 - Sekhulumi - Nkau, Sera - Qilwane, Kotsoana - Mokaka, Sekhotlong, Bekesdan, Queens Mercy
	13 - Masopha, Thaba-Bosiu, Mahareng, Thabaneng, Kutloanong J.S.S
	14 - Upgrading of T415, internal road, Maintenance of gravelling
	15 - Pontseng, Mahlabatheng

	16 - Mechachaneng - regravelling of RD 145, Modikadiko to Maapoleng in Mehloloaneng, T415 re-gravelling
	17 - T15 Tar road, Lugada, Luxeni, Mango-Sulinyembezi incomplete, Embizeni, Mdeni
	18 - Mrwabo, Vezinyawo
	19 - North End
	20 - Street roads - Harry Gwala Park, Dark City, Harry Gwala Park Extension
	21 - Gwadane, Magxeni
	24 - Moriting, Zimpofu, Purutle, Mahlake
<b>1.2.3. Bridges</b>	
<b>1.2.3.1. Maintenance &amp; New bridges</b>	
	2 - New bridges -Malubaluba; Maintenance of Bridge -Protea
	3 - Between Mdeni and Hebron, Between Masakala and Mdeni, Mdeni, Likhlotlwaneng , Outspan, Foot Bridge in Hardenburg,
	4 - Tsitsong - Nkasela bridge, Lower Mazizini
	5- Gwala Bridge to Matiase, Mkhize Bridge
	6 - new bridge - Nobhaca- Taung, between Zwelitsha (Chancele) mini bridge
	8 - Bridge - Mateu, Bridge to Seven (Bergview farm)
	9 - Newresh, Shenxe to Mnuka S.S.S maintenance - Khashule, Mahangu
	10 - New Bridges - Lunda-Magongqwolweni, Hlomendlini-Lwalweni, Sijoka
	11 - Maintanance - Madlangala, Pontseng bridge
	12 - New Bridge - Queensmercy clinic to Khawula, Mqhobi -Potlo
	13- Kenira bridge, two Masopha bridges, Queens Mercy bridge, Tlakanelo bridge, Walkway bridge - Tlakanelo, Nene bridge
	14 - Mahasheng, Fatima
	15 - new bridge -Popopo, Semokong, Mantainance - Mahlabatheng, Likoentlaneng, Lekgalong, Qhobosheaneng
	16 - Bridge to Komodiare river, Moaeneng bridge
	17 - New Bridge - Luxeni, Sigoga, Embizeni - Maintenance - Dwaleni, Zokozi, Kwa Bhuzi
	18- New bridges - Rolweni, Bubesi, Maintanance - Phelandaba bridge
	20 - Between Njongweville and Itsokolele and Foot bridge, Paving of Pavements in Res Areas
	21 - New bridge - Mabheleni, Maintanance - Mvenyane bridge
	23 -New - between Fobane & Bethesda bridge; Maintenance - Mangolong and Sekhutlong
	24 - Between Xam crossing, Mqawu, Naledi, Zimpofu
<b>1.3. ELECTRICITY</b>	
<b>1.3.1. Street Lights</b>	
	1 - Maluti, Tholang, Maritseng, Motsekoua, Skiti ( High Mast street lights), Infills - whole ward
	2 - Whole ward
	3 - Madinong
	6 - whole ward
	19 - Mountain View Street lights & Apollo's, North End, Matatiele Town, Road to North End, Streets from KFC

	20 - Apolo lights in Harry Gwala Ext, Harry Gwala Park, Masakala, Njongweville Extension
	21 - Apolo lights at Mvenyane Mission, Upper Mvenyane
<b>1.3.2. Electrification</b>	
	1 - In-Fills in Maluti, Motsekuoa, Skiti, Maritseng, Tholang
	2 - Malubaluba, Rockville, Ramohlakoana, Jabavu, Protea, Nkululekweni, Tsepisong, Molweni, Mapakising
	3 - Mdeni, Likhutlwane, Manase, Thulamela, Infills in Madimong and Lusaka - <i>Infills at Magema, Zwelitsha, Outspan, Madimong, Hebron, Hardenburg</i>
	4 - Zikhalini, Maphokong, New Stance, Hlwahlweng, Sehlabeng, Tsitsong, Infill's - Zazingeni, Tiping, Lower Mazizini
	5- Entire ward needs electricity
	6- Nobhaca, Mokhoabo, Redcross Community Hall, Infill's Zwelitsha, Polokong School, Polokong, Mahangwe, Matsetseng, Dengwane, Vinci Phango
	7 -Pamlaville, Goxe, Lufefeni, Mngeni, Manzi, Sifolweni, Ngcwengane, Hillside, Pote, Dumisa, and all schools
	8 - Belford(Thabana-Tsoana), Tsenola, Nkosana, Tsitsa(Pehong), Coshert, Nkonoane
	Mateu, Tembalihe, Descuur, Infill's - Nchodu, Mafube, Mafube Mission, plus Streets lights
	9 - Rantsiki, Makhoaseng, Gudlintaba, Khashule, Lufa, Shenxa, Gobizembe, Afsondering, Mahangu, Mphoshongweni
	10 - Silindini, Myendeka Extension of Hlomendlini, Infills - Entire ward
	11 - Qilwana, Madlangala, Madlangala Clinic, Thotaneng, Mabua, Lehata, Moloto, Motjatjane, Phomolong
	12 - New Trust, Sekhutlong, Moqhobi, Mafayisa, Potlo, Sera, Khubetsoana, Nkau, Mampoti
	13 - Thotaneng, Thabaneng, Chere, Mahareng, Letsoapong, Likamoreng, Masopha, Tlakanelo, Mohapi, Kholokoe, Thaba-Bosiu, Ramaqele
	14 - Liqalabeng, Mangopeng, Mapoleseng, Mahasheng, Letlapeng, Nicefield, Mateleng, Moikesti, Motsekeng, Fatima
	15 - Pontseng, Mahlabatheng, Maapoleng, Qhobosheaneng, Semokong, Pabalong, Lihaseg, Likoentlaneng, Lekhalong
	16 - Mechachaneng, Khoarai, Likhethlane, Mehloloaneng, Moaeneng, Majoro, Sketlane
	17 -Nyanzela, Mgubo, Embizeni, Nkwaweni, Infills - Lugada, Sigoga, Luxeni
	18 -Through out the ward except Tshisa area
	20- Masakala, Mdeni, Phola Park
	21 - Infills (100) - Mvenyane (As a whole)
	22 - Zitapile, Upper Mkemane, Rolweni, Mpofini, Palane, Elukholweni
	23 - Mangolong, Thafa, Good Hope, Sekhutlong, Fobane, Emitshatshaneni, infills in Bethesda
	24 - Mahlake, Purutle, Soalane, Moriting, Ramafole, Maqhatseng, Linotsing, Madlangeni in Silindini, schools, Ramafole,
	25- St Paul, Ned Farm, Khutsong, infills - all villages
	26 - Entire ward
<b>1.4. SANITATION</b>	
	1 - Maritseng, Tholang, Skiti, Motsekuoa, Maluti
	2 - Malubaluba, Tsepisong, Ramohlakoana, Nkululekweni
	3 - Infills in Hebron, Madimong, Zwelitsha, Magema, Hardenburg, outspan, Mdeni, Likhutlwane
	4 - Sehlabeng, Hlwahlweng, New Stance, Maphokong, Zikhaleni, Zazingeni, Upper Mazizini, Tsitsong, Bethel Infill's - Tiping

	5 - Munderstone, Matiase, Vikinduku, Mnqayi, Mavundleni, Mbombo
	6 - Manguzela J.S.S, Redcross Community Hall, Matsetseng, Mahangwe, Taung, Polokong, Botsola, Nobhaca, Dengwane hall
	7 - Lufefeni, Goxe, Manzi, Pote, Hillside, Mngeni, Pamlaville, Ngcwangeni, Dumisa, Sifolweni, Nkawulweni SPS
	8 - Mafube Mission, Mokhankhaneng, Thembelihle, Descuur, Pehong, Nkonoane
	9 - Gobizembe, Asondering, Lufa, Mphoshongweni, Newresh, Sphola
	10 - Lunda, Sijoka, Hlomendlini, Silindini, Caba
	11 - Mapfontein, Felleng, Mboho, Maloto
	12 - Nkau, Mampoti, Queen's Mercy, Khobetsoana, Sekgutlong, Moqhobi, Sekhulumi
	13 - Letsoapong, Likamoreng, Masopha, Ramaqele
	14 - Motseng, Moiketsi, Letlapeng, Mateleng, Nicefields, Mangopeng, Liqalabeng, Fatima
	15 - Lhaseng, Mahlabatheng, Mapuleng, Semokong, Likoentlaneng, Lekhalong
	16 - Mechachaneng, Khoarai, Likhethlane, Mehloloaneng pre-school, Incomplete toilets in Mehloloaneng, Moaeneng, Majoro, Sketlane
	17 - Lugada, Polile, Sigoga, Embizeni, Nyanzela, Luxeni
	18 - Hillside, Nkungwini, Mrwabo, Qili, Fiva, Tshisa
	20 - Mountain View -Water drainage pipes-maintanance and regular inspections, Sewerage - Itsokolele, Ngongweville Extension, Masakala
	21 - Magxeni, Nkaulweni, Ntlola, (Toilets have no doors) Rhasheni, Upper Mvenyane, Mvenyane whole (64 Shortage)
	22 - Zitapile, Rolweni, Epiphany, Palane, Elukholweni
	23 - Fobane, Good Hope, Bethesda, Thafa, Incomplete - Emitshatshaneni, Good-hope
	24 - Zimpofu (Toilets are incomplete), Mahlake, Zubi Meyer, Mdeni, Soalane, Moriting, rem-Madlangeni, Maqhatseng, Linotsing
	25- Nkosana2, Jabulani, Martineveld, Nedfarm, Khauoe, Thabang, Malosong, Khutsong, Magogogong, New Stance
<b>1.5. TELEPHONE ACCESS</b>	
	1 - Telkom Network - Maluti
	2- Tsepisong, Malubaluba, Nkululekweni, Ramohlakoana, Jabavu
	7 - Network Pole- whole ward
	8 - Nkonoane
	9 - Mtn network - Tsoelike, Gobizembe, Magasela, Bhareni, Kwadada
	11 - Network Pole- Madlangala, Thotaneng, Mabua, Lehata
	14 - Network Pole - Mangopeng, Moiketsi, Mahasheng, Fatima, Mapoliseng, Letlapeng, Liqalabeng, Motseng
	17 - Network Pole- Vodacom network - Nkalweni, Nyanzela
	19 - Mountain View - have no access to Telkon lines
	21 - Mtn Network - Ntlola, Nkaulweni, Satallite signale
	23 - Good-Hope, Thafa, Bethesda, Sekutlong
	24 - Network pole vodacom - Mahlake, Soalane, Moriting
<b>2. COMMUNITY SERVICES / FACILITIES</b>	
<b>2.1. Fencing of cemetery</b>	

	1 - Maluti, Motsekuoa, Tholang
	2 - Tsepisong, Malubaluba, Nkululekweni, Ramohlakoana, Molweni, Jabavu
	3 - Taba Bosio - Hebron, Madimong and all the other villages
	6 - Bhakaneni, Zwelitsha, Taung, Mahangwe, Dengwane, Matsetseng, Botsola
	7 - Pamlaville
	8- Nchodu, Mafube A/A, Thabana - Tsoana, Nkosana
	11 - Thotaneng, Mabua, Matjatjane
	12 - Queen's Mercy, Nkai, Khobetswana, Skhutlong, Sekhulumi
	13 - Ramaqele, Mohapi, Likamoreng, Letsoapong, Masopha, Mahareng
	15 - All villages
	18 - Qili, Bubesi
	20 - No locality specified
	25 - all villages
<b>2.2. Sport fields</b>	
	1 - Maluti Township - Incomplete
	2 - Jabavu, Protea, Tsepisong, Malubaluba, Nkululekweni, Molweni, Ramohlakoana
	3 - Outspan sport field (renovation), Hebron, Likhlotlwaneng, all other villages
	4 - All villages
	5 - Mdanyana sportfield at Mbombo village, Chibini, Matias, Upgradings - Lubaleko, Chibini, Moster
	6 - Grading level - Zwelitsha, Dengwane, Mahangwe, Polokong, Matsetseng
	8 - Soccer poles - Nkosana sport ground, Mafube Mission sport ground
	9 - Entire ward
	10 - Magadla S.S.S, Sijoka (Grading level), Magonqolweni (Grading level), Caba & Hlomendlini (Grading level)
	11 - Upgrading, Poles & Grading - Madlangala, Mapfontein, Mbobu, Tsekong, Springkaan, Thotaneng, Mabua, Lehata, Ponsteng
	12 - Queen's Mercy , Nkai, Trusting, Khubetswana
	13 - Chere, (Thabaneng, Thotaneng, Letsoapong, Masopha, Mohapi - Grading level & Fencing)
	11 - Sabasaba
	14 - Nicefields, Moiketsi
	15 - Entire ward
	16 - Mechachaneng, Khoarai, Likhethlane, Majoro, Sketlane, Mehloloaneng & Basketball field
	17 - Sigoga to be leveled, Mango, Mgubo
	18 - Hillside, Fiva
	19 - Matatiele town new sport field, Mountain view
	20 - Harry Gwala Park, Dark City, Masakala
	21 - Gwadana, Mvenyane Mission, Mdeni, Upper Mvenyane, Magxeni, Mabheleni, Ntloa, Sityweni
	23 - Mangolong, Fobane, Emitshetshaneni, Bhethesda
	24 - Entire ward
	26 - Entire ward
	19- Matatiele Sports Complex
<b>2.3. Pre schools</b>	
<b>2.3.1.New Preschools</b>	1 - Tholang (there is a site), Maritseng

	2 - Ramohlakoana, Malubluba, Protea, Tsepisong
	3 - Hebron, Manase, Likhlotlwaneng, Mdeni, Modimong, Hardenburg
	4 - Rantsiki, Khashule, Bethel, Lower Mazizini,
	5 - Manderstone, Mnceba, Mavundleni, Mnqayi, Moster, Mbombo
	6 - Ramatli, Boitiko preschool, Matsetseng Pre-school
	7 - Hillside, Manzi ( Nkawulweni), Pamlaville, Dumisa
	8 - Pehong, Nkooane, Tsenola, Belford
	9 - Mahangu, Shenxe, Gobizembe, Khashule, Makhoaseng
	10 - Lunda, Silindini, Caba (Happy Home Pre-School, Noluntu Pre-School, Noncedo Pre-School)
	11 - Khaola, Madlangana, Springkaan, Lehata, Maloto
	12 - Sekhutlong, Moqhobi, Zimbotyini, Sekhulumi, Nkau, Mafayisa, Sera, Sekhulumi section B
	13 - Mahareng, Masopha, Mohapi, Mpharane(Thotaneng)
	14 - Nicefields, Fatima
	15 - Mahlabatheng, Pabalong, Semokong, Lekhalong, Qhobosheaneng
	16 - Mechachaneng, Mehloloaneng (Lekena), Majoro
	17 - Nkalweni, Luxeni, Mango, Nyanzela, Polile
	18 - Sdakeni, Qili, Fiva, Khesa, Tshisa
	20 - Njongoville, Harry Gwala Park, Harry Gwala Park Extension
	21 - Gwadana, Upper Mvenyane, Day care Centre in Rosheni, Mabheleni
	22 - Epiphany, Elukholweni
	23 - Mangolong, Sekhutlong, Emitshatshaneni, Good Hope, Thafa
	24 - Ramafole, Soalane, Purutle, Madlangeni, Zimpofu, Linotsing, Maqhatseng
	25 - Nkosana2, Ned Farm
	26 - khohlong
<b>2.3.2. Preschool Renovation</b>	
	2 - Ramohlakoana Pre-school
	3 - Outspan
	4 - Bethel, New Stance, Mazizini
	6 - Khulani - Zwelitsha, Dengwane, Taung
	8 - Mechaeling Preschool, Trumor pre-school.
	9 - Gudlintaba, Phumelela, Afsondering
	10 - Sijoka
	11 - Pontseng - Lesedi
	12 - Nkau, Mokaka, Trusting
	13-Likamoreng, Thabaneng
	15 - Pontseng, Mapoleng, Paballong
	16 - Mehloloaneng & fencing
	17 - Lugada, Sigoga roofing
	18 - Nyaniso pre-school
	20 - Masakhane Pre-school, Boiteko needs permanent structure
	21 - Nkaulweni, Mvenyane day care centre
	24 - Mdeni, Mahlake, Ramafole
	25 - Jabulani pre-school

<b>2.4. Schools</b>	
	1 - Zamokokuhle J.S.S, Tholang -Blocks to be added
	2 - Tsepisong, Malubaluba, Ramohlakoana
	4 - Nkasela
	6 - Polokong (five blocks to be added), ABET for Adults entire ward, Hlomendlini to add two blocks of classroom & Staff room Office, Technical College - Khoapa, Dengwane, Caphus Classrooms to be added
	5 - technical college -No locality specified.
	7 - Nkawulweni SPS add one block of classrooms
	8 - Belfort( classroom extension), Nkosana- Spring side J.S.S
	10 - Renovation - Magadla SSS, Science Lab & Hall in Magadla SSS
	11 - Qilwane (extension), Madlangala (extension), Khaola SPS to be a J.S.S, Mapfontein S.S.S, Mboobo S.S.S, Thotaneng (extension), Lehata (extension)
	12 - New High school in Nkau, Mount Zion J.S.S three blocks to be added , Hohobeng J.S.S two blocks to be added
	13 - Mpharane J.S.S, Kutloanong J.S.S, Maria-Linden J.S.S, Comprehensive High School - Thotaneng Special School of Disability - Masopha
	14 -Thabachicha, Pallang, Mahasheng, Mariazel J.S.S - one to be added, Nicefield S.S.S
	16 -High school - Khoarai Classroom renovation - Mehloloaneng J.S.S, Disable School - Moaeneng, ABET- Majoro, Majoro S.S.S
	18 - Mrwabo J.S.S, Maduba J.S.S
	20 - High School - Masakala, Need School Road signs next to Khanya Naledi High
	21 - Mvenyane S.S.S (the hostel is not finished), Ntlola, Mdeni, Magxeni
	22 - Hotolo JSS, Mkemane JSS
	23 - Fobane, Sekhutlong, Emitshatshaneni, Bethesda, Good -Hope
	24 - Zimpofu, Zibi Meya JSS needs a structure
	26 - GI Primary School (new site)
<b>2.5. Community Halls</b>	
	1 - Tholang, Motsekoua, Skiti, Maritseng
	2 - Malubaluba, Tsepisong
	3 - Likhohlwaneng, Hebron, Outspan, Magera, Hardenburg, Zwelitsha near Pre-School, Mdeni near Pre-School, Maintenance of Bahlakoana Tribal Authority Hall
	4 - Bethel, Nkasela, Zikhalini, Lower Mazizini, Upper Mazizini
	5 - Dalibhunga, Vikinduku, Matias
	6 - Zwelitsha, , Mahangwe, Bhakaneni, Maintenance - Dengwane
	7 - Lufefeni, Hillside
	8 - Nkosana, Tsita - Tsenola, Tsita, MPCC Nchodu
	9 - Tsoelike
	10 - Magongqolweni, Silindini, Sijoka, Renovations - Lunda
	11 - Madlangala, Mboobo, Tsekong, Thotaneng, Mabua, Motjatjane, Lehata, Maloto Renovation - Mapfontein
	12 - Sekhutlong, Queens Mercy, Renovations - Nkau Development centre , Khubetswana
	13 - Mahareng, Mohapi, Masopha
	17 - Nyanzela, Mgubo, Nkalweni, Mango, Polile
	14 - Moiketsi, Fatima

	15 - Ponseng, Mahlabatheng, Maapoleng, Semokong, Pabalong, Lihaseg, Likoentlaneng, Lekhalong
	17 - Mgubo, Mango, Embizeni, Nyanzela, Sigoga, Polile
	16 - Khoarai, Mehloloaneng, Majoro, Sketlane
	18 - Bubesi, Nyaniso, Fiva, Nkungwini, Mrwabo, Tshisa
	19 - Mountain View, Matatiele Town Hall to complete renovations
	21 - Zwelitsha, Ntlola need roofing of the hall, Mdeni
	20 - Maintenance - Masakala Community Hall
	22 - Elukholweni, Rolweni, Zitapile
	23- Thusong, Thafa
	24 - Zingcuka, needs renovation - Zimpofu, Mahlake, Purutle, Mdeni, Soalane, Moriting, Maqhetseng, Linotsing, Zibi Meyer J.S.Supper Mtumase S.S.S Naledi JPS
	26 - Blackdiamond
<b>Multi Pepose Centre</b>	
	3 - MPCC - Zwelitsha
	10 - Lunda/Sijoka Multi Perpose Agricultural Coparative
	12 - Thusong Centre, Queens Mercy, Nkau
	13 - Youth Multi-Purpose Centre - Thotaneng
	14 - Youth Multi-Purpose Centre - Mateleng, Liqalabeng
	16 - Mehloloaneng
	20 - Harry Gwala Park
	23 - Matolweni Civic Centre
	24 - Zibi Meyer
<b>SASSA Satelite Paypoint</b>	
	1 - Maluti
	6- Khoapa Red Cross community hall
	12 - Nkau Development centre
	13 - Thotaneng
	14 - Mateleng, Liqalabeng
	15 - Lekgalong, Mahlabatheng
	20 - Masakala
	24 - Zingcuka, Zimpofu, Mdeni, Purutle
<b>2.6.Library</b>	
	1 - Maluti - need for books
	2 - Tsepisong, Ramohlakoana, Malubaluba
	5 - Lubaleko School
	7 - Pamlaville
	8 - Nchodu
	10 - Lunda
	12 - Nkau, Queen's Mercy
	13 - Thotaneng
	16 - Likhethlane

	20 - Harry Gwala Park, Masakala, Itsokolele
	21 - Mdeni
	24 - Ramafole, Zibi Meyer
<b>2.7. Clinics/ Mobile Clinics</b>	1 - Maluti Clininc - shortage of medication and HIV treatment, Extention of the clinic, Additional staff
	2 - Tsepisong, Malubaluba, Nkululekweni
	3 - Mobile Clinic - Hebron, Likhohlwaneng, Hardenburg
	4 - Clinic - Bethel, Sehlabeng, Tsitsong, Hospice - Bethel
	6 - Clinic in Khoapa, Mobile Clinic - Zwelitsha, Dengwane, Mahangwe, Taung, Matsetseng
	7 - Mobile Clinic - Manzi, Sifolweni, Pamlaville
	8 - Mafube A/A, Tsenola
	9 - Clinic - Shenxe Mobile clininc - , Makhoaseng, Rantsiki, Gudlintaba, Khashule
	10 - Hospice - Lunda
	11 - Mobile Clinic - Pontseng, Khaolo, Mbobo, Tsekong
	12 - Mobile Clinics - Moqhobi, Machekong, Nkau, Sera, Clinic - Nkau (pre-school site)
	13 - Ambulance Service - Kholokoe, Tlhakanelo, Masopha, Likamoreng, Letsoapong, Thaba-Bosiu, Mohapi, Ramaqele, Thotaneng, Thabaneng
	14 - Clinic - Tabachicha, Mobile clinic - Mahasheng, Mateleng, Liqalabeng
	15 - Clinic - Qhobosheaneng, Mobile - whole ward
	16 - Clinic - Khoarai, Majoro, Sketlane Mobile clinic - Mehloloaneng, Ambulance Services - Mehloloaneng, Sketlane, Moeaneng
	17 - Clinic- Lugada, Nyanzela, Mgubo Mobile clinic - Mango
	18 - Fiva, Mrwabo, Nkungwini
	19 - Matatiele Hospice
	20 - Mobile Clinic - Masakala, Harry Gwala Park
	21 - Upper Mvenyane, Magxeni
	22 - Epiphany, Upper Mkemane
	23 - Mobile Clinic- Fobane and Clinc - Mangolong
	24 - Zimpofu, Purutle, Maqhatseng, Soloane, Mahlake, Linotsing
	25 - Mobile Clinic - Nkosana2, Martinveld, Ned Farm, St Paul, Jabulani, Khaoue
	26 - Clinic - Cederville
<b>2.8. Public Transport</b>	
	1 - Transport for school children from Skiti, Motsekuoa - Tholang to Maluti, AB350 Buses
	2 - Tsepisong, Protea, Malubaluba, Jabavu
	3 - AB 350 - Dikhohlwaneng
	4 - Nkasela -Scholar transport
	5 - AB350 Lubaleko, Vulindlela
	6 - AB350 - Zwelitsha, Khoapa, Mahangwe, Dengwane, Taung, Matsetseng, Botsola, Polokong
	7 - AB350 - Mngeni, Goxe, Pamlaville (Manzi)
	10 - Scholar Transport - Magadla S.S.S - Hlomendlini, Dengwane, Zwelitsha, Silindini, Magonqolweni, Caba,
	12 - Subsidised buses - Khubetsoana, Queen's Mercy, Verona, Sekhutlong

	13 - Scholar Transport - Chere, Mahareng, Likamoreng, Masopha, Kholokoe, Tlhakanelo, Mohapi, Ramaqele, Thaba-Bosiu, Thotaneng, Thabaneng, Letsoapong
	13 - Tlhakanelo, Masopha, Mahareng
	14 - Scholar Transport - Khorong S.S.S, Mahasheng to Fatima J.S.S
	15 - Scholar Transport - Ponseng, Qhobosheaneng, Semokong to Pabalong
	16 - AB350 - Mechachaneng, Moaeneng, Majoro, Sketlane
	17 - Subsidised buses for Nyanzela, Mango, Polile, Mt Hargreaves, Embizeni, School transport - Phumelele S.S.S
	18 - Sdakeni, Khesa, Fiva
	24 - Mahlake, Purutle, Zimpofu
	26 - Entire ward
<b>2.9. Disaster Management</b>	
	2 - Ramohlakoana, Nkululekweni, Tsepisong, Jabavu, Malubaluba
	3 - FBA establishment
	6 - Chaphus J.S.S
	7 - firefighting workshops and training, tools & equipment
	10 - Lunda
	12 - Nkau Development Centre
	13 - Lighting Conductors - Tlhakanelo, Kholokoe, Mohapi, Ramaqele, Thaba-Bosiu, Thotaneng, Letsoapong, Likamopreng, Masopha, Thabaneng, Chere, Mahareng
	15 - Whole ward
	18 - Bubesi, Mrwabo, Sidakeni
	20 - Masakala
	24 - Zingcuka, Mdeni, Ramafole, Maqhatseng, Linotsing, Zimpofu
<b>2.10. SAFETY &amp; SECURITY</b>	
	1 - Satellite Police station - Maluti
	2 - Satellite Police station- Tsepisong
	4 - Satellite Police Station - Tipping, Maphokong
	6 - Satellite Police Station - Zwelitsha
	7 - Satellite Police Station - Ngcwengana, Hillside, Goxe, Mngeni
	10 - Satellite Police Station - Lunda
	11 - Police Station - Qilwane Mobile Police - Mapfontein, Satellite Police - Madlangala, Ponseng
	12 - Satellite Police Station- Queens Mercy, Mafayisa, Sera Police Forum Support
	13 - Police Station - Thotaneng, Police Patrolling - Letsoapong, Thabaneng, Ramaqele, Mohapi, Kholokoe, Tlhakanelo, Thaba-Bosiu, Chere, Mahareng, Likamoreng, Masopha
	14 - Satellite Police Station - Tabachicha
	16 - Satellite Police Station - Mechachaneng, Khoarai, Mehloloaneng, Moaeneng, Majoro, Sketlane
	17 - Satellite Police station - Sigoga Store, Polile
	18 - Satellite Police Station - Bubesi, Fiva
	19 - Matatiele police office sites, V -Café ensure safety of the youth, North End old building behind Rhino to be demolished
	20 - Satellite Police station - Harry Gwala Park, Masakala
	21 - Police Station - Mvenyane and Police Forum, Youth Forum
	24 - Satellite Police Station at the hall in Zingcuka
<b>3. SDF &amp; LUMS</b>	

	1 - Maluti, Skiti, Tholang, Maritseng, Mostekuo
	2 - Tsepisong, Ramohlakoana, Malubaluba, Nkululekweni, Jabavu
	15 - All villages
	19 - Matatiele Town- land for sale, stands for Hawkers
	20 - Masakala,
<b>3.1.1. New sites</b>	
	6 - Post Office site but no implimentation done - Khoapa
	8 - Nchodu, Tsoana, Nkosana, Pehong, Tsenola, Nkonoane
	17 - New Sites + 500 at Sigoga store
	20 - Harry Gwala Park more houses
<b>3.1.2.Rural housing</b>	
	1 - Motskuoa, Maluti Township, Skiti, Maritseng, Thulang
	2 - Malubaluba, Ramohlakoana, Tsepisong, Jabavu, Nkululekweni, Molweni
	3 - <i>Councillor to check how many per village</i>
	4 - Whole ward
	5 - Whole ward
	6- Zwelitsha, Mahangwe, Dengwane, Taung, Matsetseng, Botsola, Polokong, Nobhaca, Bhakaneni, Ramatle
	7 - Pote, Manzi, Hillside, Dumisa
	9 - Entire ward
	10 - Lunda, Magonqolweni, Sijoka, Hlomendlini, Silindini
	11 - Diaho A/A 500 Units, Klein Jonas A/A 500 Units, Tsita A/A 500 Units, Madlangala 500 Units
	12 - Nkau, Mampoti, Trusting, Moqhobi, Potlo, Sera, Mafayisa
	13 - Thotaneng, Mahareng, Chere, Thabaneng, Letsoapong, Likamoreng, Mohapi, TLhakanelo, Kholokoe, Mahapi, Ramaqeale, Thaba-Bosiu
	14 - Entire ward
	15 - Entire ward
	16 - Mechachaneng, Khoarai, Likhethlane, Mehloloaneng, Moaeneng, Majoro, Sketlane
	17 - Mgubo, Embizeni, Nkalweni, Nyanzela, Luxeni, Sigoga, Lugada, Mango, Polile
	18 -Hillside, Qili, Mnyamaneni
	20 - Masakala
	21 - (564 Units) - Gwadane, Sityweni, Mvenyane Mission, Nkaulweni, Rhasheni, Magxeni, Upper Mvenyane, Mabheleni, Ntlola, Mdeni, Rohlweni
	23 - Entire ward
	24 - Zingcuka, Madlangeni, Mdeni, Ramafole, Maqhatseng, Linotsing
	26 - Entire ward
<b>3.1.3 Environmental</b>	
	1 - Donga's to be filed & Grass cutting - Tholang, Skiti, Motsekuoa
	2 - Whole ward
	6 - Donga's to be filed - Ramatli, Khoapa
	10 - Donga's to be field - Lunda, Magonqolweni, Silindini, Hlomendlini, Sijoka, Caba
	11 Donga's to be filled - Tsekong, Mbobu, Maloto, Mapfontein, Khaola, Springkaan,

	Pontseng, Qilwane, Lehata, Mabua, Thotaneng, Motjatjane, Madlangala
	12 - Eradication of Wattle & Donga's to be filled - Nkau, Mampoti, Phiri, Mafayisa
	13 - Rehabilitation of wetlands and wattle removal, Land care- Mospha, Likamoreng, Ramaqele, Thaba-Bosiu, Kholokoe, Tlhakanele, Thotaneng, Chere, Lestoakong
	14 - Black wattle eradication - Mateleng, Donga to be filled - Letlapeng
	17 - Donga rehabilitation - Mgubo fields
	19 - Matatiele town - cleaning of streets, West Street-grass cutting, Shoprite Centre - be kept clean
	20 - Donga to be filled - Harry Gwala Park
	21 - Donga's to be filled - Sityweni, Mdeni, Gwadane, Nkaulweni, Rhasheni, Ntloa; Removal of Wattle - Magxeni, Upper Mvenyane, Mabheleni, Mvenyane Mission,
	24 - Donga's rehabilitation - Mahlake, Ramafole Maqhatseng, Soloane
<b>3.2. LED PROJECTS</b>	
	1 - Jabu Thabang, Motsekuoa Sewing Project
	2 - Fanang Deatla carpentry, canning of peaches, Vegetables
	3 - Old age care - Zwelitsha, Egg and Chicken Project - Outspan
	6 - Zwelitsha Vunci Phango project, Sindezama Project - Matsetseng, Vukani Makhosikazi Nursery - Taung, Ziwelele Agricultural Project
	9 - Boi Njongine (Veg) Project , Mt Elephant Project, Siyakhula Poultry Project, Sakhikamva Orphanage
	10 - Magadla old age project in Hlomendlini, Phaphama Lunda Old age project, Lunda -Multi Purpose -Agricultural Project, Nyamezela Makhaya Project
	10 - Masizame Fruit and Veg - Lunda, Thulamsindo Poultry - Silindini, Magadla Cashmeer knitting project, Masibancede Home Base Care, Masikhule Poultry - Caba
	11 - Tsekong Iketsetseng Poultry Project, Diaho Poultry Project
	12 - Ziphilise Production, Rorisang Poultry, Piggery, Ipupeng Farming (fencing of camps), Sekhutlong Co-op, Khubetsoana Co-op, Sekgutlong Recycling Project, Mafayisa Farming
	13 - ASGISA, Green Revolution, Rehabilitation of plantation - Ramaqele, Fishing, Fruit Orchards
	14 - Lesedi Multi project, Nicefields Veg Project, Mapoliseng Project
	15 - Lesedi Bana Balebenya, Pabalong, Qhobosheaneng
	16 - Asgisa - Mechachaneng, Khoarai, Hare lebohe Project, Majoro -Lima Project
	17 - Lima Project - Sigoga, Luxeni
	21 - Masithichu Bakery, Masiyemama Project, Masisebenzisane, Gugulethu Veg Production Project, Gqweza fruit & Veg Project
	24 - Ramafole, Zibi Meyer
<b>3.2.1. FENCING OF FEILDS</b>	
	2 - Whole ward
	3 - Taba Bosio - Hebron, Madimong (and Grazing Camps)
	4 - Bethel
	7 - Ngcwengana, Goxe, Lufefeni, Manzi, Mngeni
	9 - Mahangu, Mphoshongweni, Khashule, Gobizembe, Shenxa
	11 - Madlangala, Tsita, Diaho, Klein Jonas, Nkau
	12 - Fencing of Sphatsane Farmers Association Office, Nkau, Moqhobi, Phiri, Ntshalo, Queens mercy, Khubetswana, Trusting
	13 - Mahareng, Chere, Litsoapong, Ramaqele, Kholokoe
	15 - Ploughing fields -Pabalong

	14 - Mapoliseng, Moiketsi
	16 - Mechachaneng, sketlane fencing of forestry - Moaeneng
	17 - Mgubo, Nkalweni, Luxeni, Sigoga, Embizeni, Nyanzela, Mango, Polile, Lugada
	18 - Mnyamaneni, Qili, Fiva, Bubesi, Khesa
	20 - Njongweville Ext, Masakala
	21 - Mabheleni, Ntlola, Sityweni, Mdeni, Gwadana, Mvenyane Mission, Nkaulweni, Rhasheni, Magxeni, Upper Mvenyane
	23 - Fobane, Thafa, Mangolong, Sekutlong
	24 - Entire ward
<b>3.2.2.FORESTRY PLANTATION</b>	
	2 - Ramohlakoana
	4 - On the Nkasela mountains to New Stance
	6 - Fencing of plantation - Khoapa, Zwelitsha
	7 - Removal of wattle - Manzi, Mngeni, Sifolweni
	9 - Mahangu, Gudlintaba
	10 - Lunda
	12 - Nkau along the mountains
	15 - Lekhalong
	16 - Sketlane
	18 - Fiva
	20 - Masakala
	21 - Turning Wattle into Charcoal - Mvenyane, Ntlola
	24 - Maqhatseng
<b>3.2.3. MASSIVE FOOD PRODUCTION</b>	
	2 - Protea, Jabavu, Ramohlakoana, Tsepisong, Malubaluba
	3 - Magema, Zwelitsha, Hebron, Dikgutlwaneng-Manase, Mdeni
	4 - All Villages
	5 - Lubaleko, Vinduku, Mbombo, Manderstone, Magusha needs fencing
	6 - Zwelitsha, Taung, Dengwane, Matsetseng, Bhakaneni
	7 - Goxe
	8 - Tshenola, Coshert, Nkonoane, Pehong, Nchodu
	9 - Makhoaseng, Rantsiki, Gudlintaba, Rashule, Lufa
	10 - Lunda, Sijoka, Magonqolweni, Silindini, Hlomendlini, Caba
	11 - Tsekong, Mboho, Maloto, Mapfontein, Khaola, Springkaan, Pontseng, Qilwane, Lehata, Mabua, Thotaneng, Motjatjane, Madlangala, Tsekong
	12 - Nkau, Trusting, Queens Mercy, Khubetswana
	13 - Mahareng, Thotaneng, Chere, Lestoapong, Likamoreng, Masopha, Kholokhoe
	14 - All villages
	15 - All villages
	17 - Mgobo, Nkalweni, Luxeni, Sigoga, Embizeni, Nyanzela, Mango, Polile, Lugada
	18 - Nyaniso, Mnyamaneni, Fiva
	20 - Masakala
	21 - Ntlola, Sityweni, Mabheleni, Magxeni, Mvenyane Mission
	23 - Fobane, Bethesda, Mangolong, Thafa

	24 - Entire ward
<b>3.2.4. Skills development</b>	
	1 - Maluti, Tholang, Motsekoua, Skiti, Maritseng
	2 - Jabavu, Pretea, Tsepisong, Ramohlakoana, Nkululekweni, Malubaluba
	3 - Fanang Diatla in Madimong, Brick Laying in Magera, Nomakhaya Sewing Project, Pheellanf Poultry veg & Piggery, Mzimhlophe livestock Project
	5 - The whole ward - gardening, sewing
	6 - Ramatli, Bhakaneni, Zwelitsha, Mahangwe, Polokong, Dengwane, Matsetseng, Nobhaca, Taung, Botsola in bricklaying and other skills
	7 - Ngcwengana, Sifolweni, Pote, Hillside, Manzi, Dumisa, Pamllaville, Mngeni, Lufefeni, Goxe
	8 - Belford
	9 - Entire ward
	10 - Lunda, Sijoka, Magonqolweni, Silindini, Hlomendlini, Caba
	11 - EPWP - Tsekong, Mboho, Maloto, Mapfontein, Khaola, Springkaan, Ponseng, Qilwane, Lehata, Mabua, Thotaneng, Motjatjane, Madlangala, Tsekong
	12 - Busaries, Night School - Nkau, Queen's Mery, Khubetswana
	13 - Learnership in - Computer, Cell phone repairs, Electrification, Plumbing, Farming, Tourism, Sports Development, HIV/AIDS awareness campaigns
	13 - Skills Training Centre - Mpharane - Skills Programme - Sewing, Leather making, Bead Work, Carpentry, Welding, Food Processing, Timber Processing
	14 - Bricklaying, Gardening, Sewing, Busaries
	15 - Mining
	17 - Lima Project - Luxeni, Nyanzela, Mango, Polile
	18 - Qili, Mnyamaneni
	19 - Matatiele Town - Multi purpose centre - Projects /Co-operatives
	20 - Ward Basaries for youth and Skills Motivation, need for NHBRC
	21 - Mvenyane (Whole) -Forming Corporatives, Training on Poultry Production, Training on Massive Food Production
	24 - Computer skills for Matriculants
<b>Other Projects</b>	
	2 - Poultry- Mzingisi, Nomakhaya sewing
	13 - Poultry - Lestoapong, Vegetables - Thabaneng, Masopha
	17 - Lima project - Mango, Luxeni, Nyanzela, Polile, Sigoga
	20 - Harry Gwala Park - Bakery, Manufacturing of wire fencing - Masakala
<b>3.2.6. Dip Tanks</b>	
	2 - Ramohlakoana, Jabavu, Tsepisong, Nkululekweni, Malubaluba
	3 - Recover Dipping Tank - Tipini
	4 - Sehlabeng
	6 - Polokong- dip tank to be fenced
	9 - Makhoaseng, Rantsiki, Gudlntaba, Rashule, Shenxe, Gobizembe
	10 Dip tank - Magonqolweni, Lunda
	12 - Dip tank Renovation - Sekgutlong, Khubetswana Shearing Shed in Nkau
	13 - Dip Tank - Renovation - Mohaphi
	14 - Tabachicha, Moiketsi

	16 - Mechachaneng, Likhethlane, Majoro, Sketlane Shearing shed - Mehloloaneng , Moaeneng
	17 - Dip tank - Lugada Shearing shed - Nyanzela
	18 - Mnyamaneni, Qili, Bubesi, Khesa
	21 - Dip tank - Ntlola, Magxeni, Gwadana
	24 - Pound - Zingcuka, Ramafole, Moritsing Shearing shed - Zimpofu
<b>3.2.7. Job creation</b>	
	1 - Maluti, Tholang, Motsekuoa, Skiti, Maritseng
	2 - entire ward
	3 - Trust (Guest House for Tourists)
	4 - Entire ward
	5 - entire ward
	6 - EPWP - Ramatli, Bhakaneni, Zwelitsha, Mahangwe, Polokong, Dengwane, Matsetseng, Nobhaca, Taung, Botsola
	7 - EPWP - Ngcwengana, Sifolweni, Pote, Hillside, Manzi, Dumisa, Pamlaville, Mngeni, Lufefeni, Goxe
	9 - Entire ward
	10 - Lunda, Sijoka, Magonqolweni, Silindini, Hlomendlini, Caba
	11 - Tsekong, Mboobo, Maloto, Mapfontein, Khaola, Springkaan, Pontseng, Qilwane, Lehata, Mabua, Thotaneng, Motjatjane, Madlangala, Tsekong
	12 - Sekhutlong, Nkai, Queens Mercy, Khubetswana, Moqhobi, Mafayisa, Potlo, Sera
	13 - EPWP - Tlhakanelo, Kholokoe, Mohapi, Ramaqele, Thaba-Bosiu, Thotaneng, Letsoapong, Likamoreng, Masopha, Thabaneng, Chere, Mahareng
	14 - All villages
	15 - Entire ward
	16 - Mehloloaneng
	17 - EPWP - whole ward
	18 - Mrwabo, Nkungwini, Fiva(EPWP)
	20 - Whole ward
	21 -EPWP, Nkhoesa Mofokeng - Ntlola, Sityweni, Mdeni, Mbheleni, Mvenyane Mission, Upper Mvenyane
	23 - Bethesda, Sekutlong
	24 - Entire ward

## 4.2 OBJECTIVES AND STRATEGIES

This phase is based on the situational analysis phase where key issues were identified. The purpose of this phase is to guide the IDP process towards recommendations for future projects that will assist to resolve the identified issues and challenges. A Strategic planning meeting was held on 05 to 09 February 2012 to formulate future development strategies, flowing from the issues.

The subsequent discussion is linked directly to the findings of the Situational Analysis and taken further to identify the development vision of the municipality. Further to that, municipal planning documents were also perused, including the following:-

- *Integrated Development Plan (2010/11)*
- *LED Strategy*
- *Spatial Development Framework*
- *Alfred Nzo Economic, socio-economic and demographic status quo*

Alfred Nzo District Wide Programme of Action and Score Card

#### 4.2.1 OFFICE OF THE MUNICIPAL MANAGER

##### 4.2.1.1 Communications

Key Issues	Objectives	Performance Indicator	Key Performance Targets	Strategies	Current /Proposed Projects	BUDGET
<b>ineffective Communication</b>	<i>To intensify internal and external communications.</i>	Communication Strategy workshop	5 year Communication Strategy adopted by Council by October 2012	<i>To develop a five (5) year Communication Strategy and be reviewed annually.</i>	<i>Communications Strategy and Annual Review</i>	R100 000.00
<b>Lack of transparency in Municipal activities/ programmes</b>	<i>To promote transparency within the Municipality in line with the 5 KPAs as set out in Section 152 of the Constitution.</i>	Number of media briefings and radio slot held	IDP Priorities Communicated by August 2012	<i>To have a 5 year Media Engagement Plan aligned with Communication Strategy</i>	<i>Radio Slots, meetings with Community, Outreaches, newspaper articles</i>	R300 000.00
<b>Lack of Policies</b>	To adhere to statutes and legislation	Number of existing policies	Two Existing Policies by September 2012	To develop communication and events policies	Policy workshops	R200 000
<b>Lack of understanding of communication IGR and Protocol</b>	To Capacitate the Municipal Staff and Councillors on Communication, IGR and Protocol	Number of Training Organised	Trained personnel and Councillors September 2013	To train and workshop Councillors and Staff Members on Communication, IGR and Protocol	Communication Workshops  Protocol Training IGR Workshop Events Management workshop	R300 000
<b>Lack of public participation in IGR</b>	<i>To promote public participation</i>	Number of meetings held, minutes, and attendance registers	Functional fora by October 2012	<i>To develop a five (5) year Stakeholder involvement Strategy.</i>		
<b>MARKETING AND BRANDING SUB-UNIT</b>						
<b>Outdated Municipal Logo</b>	To change the Municipal logo	Number of schools entry forms returned.  Meeting with school principal	New Municipal logo registered with the South African Heritage Council by September 2012	Develop an entry form with terms of reference  School Competitions	To develop a new Municipal Logo	R35 000

		School logo designs		Public Participation outreach  Registration with the South African Heritage Council Launch Ceremony		
<b>Unexplored investors Opportunities within the Municipal area</b>	<i>To promote and brand the Municipality so as to attract potential investors</i>	Number of promotional booklets produced,  Number of adverts placed on national advertising magazine	To brand and Market the Municipality by January 2013	<i>Develop a Marketing and Branding Strategy.</i>	Organise new Municipal Branding Material Change old logo on all Municipal Promotional Material  Organise the Municipal welcoming boards in all Municipality entrances  Change the Municipal branding manual  Develop new Municipal Information booklets and brochures  Develop Municipal adverts for the use of national promotional Magazines	R1000 000
<b>Lack of proper coordination of events</b>	<i>To hold well coordinated Municipal, Provincial and National Events.</i>	A number of events held	Well coordinated Municipal events	To develop 5 year Municipal calendar of events to be reviewed annually by November 2012	Establish teams Marketing and Mobilisation Branding Accreditation	

#### 4.2.1.2 IDP/ M&E

KEY ISSUES	OBJECTIVES	PERFORMANCE INDICATOR	KEY PERFORMANCE TARGETS	STRATEGIES	CURRENT /PROPOSED PROJECTS	BUDGET
<b>Reviewal of Performance Framework</b>	To bring it in line with the reviewed IDP	Performance Reporting by all Managers	To receive Monthly, Quarterly, Mid-year and Annual reports timeously	Implementation of Performance Framework	Annual Review and Implementation of Performance Management Framework	R350 000.00
<b>Lack of Capacity Building on PMS</b>	To capacitate all Councillors and all Staff about PMS by 2017	-Training for Councillors on PMS -Training for all Managers -Training for other staff members	2 Training/ workshops per year	To have training and workshops for staff and councillors	Training of Councillors, Traditional Leaders and Managers Training supervisors and all levels of employment	R200 000.00
<b>PMS only focuses on Management</b>	Develop a PMS that include all levels of employment	Cascading of PMS to all levels of employment	2012/2013 All Managers & Middle managers  2013/2014 Supervisors  2014/2015 all levels of employment	To have PMS implemented in phases- (i) from The Municipal Manager to Section 56 Managers and Middle Managers (ii)From Supervisors and lower levels	PMS cascaded to All Managers Middle Managers & Supervisors All employment levels	R200 000.00
<b>No Performance Contracts developed for all levels below Section 56 Managers</b>	Develop Performance contracts for all levels of employment by end July annually.	Signed Performance contracts	Annually signed Performance contracts	Monthly performance monitoring	Performance Contracts are signed at all levels of employment and performance assessed.	
<b>Reviewal of Monitoring &amp; Evaluation Policy</b>	To align the M&E Policy with changes in the Legislation	Council Resolution adopting the policy	Annual Reviewal of the Policy July 2013.	To regularly assess gaps and shortfalls	Reviewal of M&E Policy	R60 000.00
<b>Inadequate Information on the Mid Year Assessment Report</b>	To have a credible Mid-Year Assessment Report by the 10 <sup>th</sup> of January each year	Council Resolution adopting the Mid-Year Assessment Report	To have a credible Mid-Year Assessment Report by the 10 <sup>th</sup> of January each year	Training Compliance by Enforcement	Training	See PMS Budget
<b>Inadequate information on</b>	To ensure a adoption of	Submission of the Annual	Timeous compilation and	Involvement of all	Compilation of the report	R350 000.00

<b>the Annual Report</b>	the by 31 January each year	Report with the required attachments i.e. Auditor General Report, Audit Action Plan	submission of the Annual Report by end March each year.	stakeholders		
<b>Non supervision on Monitoring the Performance of Service Providers</b>	Proper supervision	Quarterly performance reports on supervision	Quarterly performance reports	To ensure compliance by all involved		
<b>Lack of Credibility of the IDP in certain areas : Basic Service Delivery and Good Governance</b>	To have a Credible IDP by 2012/2013	MEC Comments and IDP Assessment Report	To have a Credible IDP by 2012/2013	-identify the gaps using the IDP Assessment Tool and bridge the identified gaps -To request the service provider to assist	Development of IDP and Annual reviews	R800 000.00
<b>Lack of alignment of IDP and the budget</b>	Identify and rectify causes of non alignment	MEC Comments and IDP Assessment Report	To have an aligned IDP by 2012/2013	-identify the gaps using the IDP Assessment Tool and bridge the identified gaps -To request the service provider to assist	Development of IDP and Annual reviews	
<b>Poor Sector Department involvement in IDP Processes</b>	Increase the level of participation by sector departments in IDP Processes to 80% by 2013/2014	Percentage of Sector Departments attendance as reflected by the Attendance Register	To have at least 80% of attendance	Timeous communication and clarification of roles		

#### 4.2.1.3 SPECIAL PROGRAMMES UNIT

KEY ISSUES	OBJECTIVES	PERFORMANCE INDICATOR	KEY PERFORMANCE TARGETS	STRATEGIES	CURRENT/PROPOSED PROJECTS
<b>Poor participation of youth</b>	Ensure participation of youth in municipal processes Youth be Part of decision-making in matters relating to young people by 2012/2013	Attendance Registers and minutes Council Reports	Functional Structures  To have 4 reports a year on matters relating to youth	To establish youth structures at Municipal and ward levels Ensure all youth issues are deliberated at STANCO-ECO-COUNCIL	To provide for the functioning of the structures; quarterly meetings
<b>No clear guidelines for youth development</b>	To have a guiding document for youth development.	Youth Development Policy Youth Development Strategy	Youth Development Policy Youth Development Strategy	To develop and or review youth development policy and a strategy	Development of Youth Development strategy and annual review
<b>Lack of access to information</b>	To have youth advisory centre by 2013/2014.	Fully fledged youth centre by 2013/14	Youth Advisory Centre by 2013/2014	To set up one stop information service centre for youth development /empowerment related issues.	Establishment of Youth Advisory Centre/ Resource Centre and provide for the functioning thereof.
<b>Lack of Sports Development</b>	To facilitate participation young people in sport	Mayoral Cup finals played	26 wards participating in the mayoral cup	To have Mayoral Cup, coaching clinics and sports indaba	Mayoral Cup yearly
<b>High prevalence of teenage pregnancy, spread of HIV/AIDS, STI</b>	To decrease the rate of teenage pregnancy, spread of HIV/AIDS, STI and drug abuse by 20% by 2014	20% reduction in prevalence of HIV/AIDS, teenage pregnancy by 2014	20% reduction in prevalence of HIV/AIDS, teenage pregnancy by 2014	To have an awareness and education campaign targeting young women.	Miss Matatiele yearly, condom Week, women's day, youth month
<b>Arts and Culture</b>	To unearth talent in young people	Talent show	Talent show	To host music, dance, acting, poetry talent search.	Talent search show/event yearly before the jazz festival
<b>Youth unemployment</b>	To ensure participation of youth in LED initiatives	Quarterly reports indicating % of jobs benefiting young people	Quarterly reports indicating % of jobs benefiting young people	To ensure that 25% of jobs created at any given time benefit young people	

<b>Youth at risk</b>	To bring to the mainstream young people that have been adversely affected by crime, substance abuse.  To assist young affected adversely by Poverty and orphaned.	6 campaigns	6 campaigns	Conduct crime prevention campaigns, drug awareness campaigns.  To facilitate the vegetable gardens and indigent support and access to grant	Awareness Campaigns  Vegetable gardens and registration to indigent support
<b>Children</b>	To facilitate assistance for orphaned and vulnerable children  To assist ECDC for the development of a child	4 HBC's and or NGO's funded  4 ECDC funded	Assist 4 NGO's HBC'  4 ECDC's assisted	To work with NGO's, HBC and schools to identify such children and visit for assessment  To identify unfunded ECDC and assist them with their needs	Home visits  Supply learning material to 4 ECDC's yearly
<b>Poor participation by women in municipal processes</b>	To facilitate public participation in municipal policies, programmes and plans	Attendance Registers and minutes	Functioning Women Caucus Women's Sector	Ensure the participation of all women structures by creating a platform for engagement	Establishment of women's forums at ward level and municipal level
<b>Poor representatively of women in decision making</b>	To ensure that every department comply with set targets for women empowerment. To have a statement of intent that seeks to empower women	Gender mainstreaming workshop	Gender mainstreaming workshop	Ensure that every level of management reflects targets as set by the National Gender Policy framework	Gender mainstreaming workshop.
<b>Poor/lack of women participation in Local Economic Development</b>	To ensure full participation in local economic development and reduce dependency and poverty amongst women	Quarterly reports indicating % of jobs benefiting women	Quarterly reports indicating % of jobs benefiting women	Ensure that internal policies promote economic development are designed and implemented in such a way that facilitate procurement requirements and policies.	Enforcing affirmative procurement targeted at companies owned by women.
<b>Absence/Poor implementation of Employment equity Plan</b>	To make sure that the municipality has and implements employment equity plan	Quarterly reports indicating % of jobs benefiting women	Quarterly reports indicating % of jobs benefiting women	Ensure that all relevant stakeholders participate and commit to the implementation of the Employment Equity Plan by producing quarterly reports to SPU	Submit quarterly reports to the SPU Standing Committee

<b>Poor levels of education amongst women</b>	To create opportunities for women to improve their levels of education in order to reduce levels of poverty.	ABET centres	ABET centres	strategic partnerships. Ensure availability of further education opportunities for women who need them by mobilising resources and harnessing	Facilitate accessibility of ABET to all wards and possibly villages of the municipality.
<b>Poverty Alleviation</b>	To ensure that deserving women headed households receive assistance.	,		Ensure that women headed households have access to services in general and free basic services in particular	Fast trek the registration of such to indigent support data base
<b>Lack of access to housing</b>	To offer women a sense of security, safety, comfort and space to bring up families.	50% houses allocated to women headed households	Report after each allocation	To ensure that 50% of houses by the municipality are allocated to women headed households	Produce report detailing the allocation of houses to designated groups.
<b>Gender-based violence</b>	To eliminate all form of gender based violence, particularly violence directed at women	6 campaigns	6 campaigns	Ensure cooperation between NGO's, SAPS, in fighting gender-based violence by embarking on GBV awareness campaigns.	Gender Based violence campaigns conducted in all the wards.
<b>HIV &amp; Other terminal Diseases</b>	To raise awareness of HIV/AIDS and other terminal but manageable illnesses.	6 campaigns	6 campaigns	To embark on aggressive campaigns that seek to bring to the fore the challenges of other illness in addition to HIV/AIDS that seems to overshadow other equally devastating diseases.	Awareness campaigns in all wards.
<b>Elderly neglect and abuse</b>	To honour, protect and respect rights of senior citizens			Liaise with relevant stakeholders in promotion of elder person rights.	Protection of the right and dignity of older persons
	To facilitate their participation in municipal activities			Establishment of Older Person's Forum in all wards	Provide for the functioning of the elder person's forum

<b>Lack of economic participation</b>	To ensure that older people get an opportunity to participate in economy and become self sufficient..			Liaise with stakeholders and department tasked with economic development.	Source funding for income generating projects initiated by old people.
	To encourage elderly to participate in sport			Liaise with DSRAC	
<b>Absence of People Living with Disability in the Employ of the Municipality at all levels.</b>	To promote representation of people with disabilities in the municipality.	2% employment	Reports indicating % of PwD in the employ	Implement Employment Equity Act, develop a database for recruitment for ease of distribution of the advertisement to the disability sector.	
<b>Lack of mainstreaming of disability issues</b>	To mainstream disability issues so that they become every department's responsibility	Mainstreaming workshop	Mainstreaming workshop	Develop Disability Policy that will facilitate the integration of disability issues into IDP.	
<b>Lack of skills in People living with Disability.</b>	To develop capacity building programmes for people living with disability so that they can be self sufficient.	10 people trained	10 people trained	Conduct awareness-raising work around disability policies and legislation, particularly in relation to implementation and enforcement strategies.	
<b>Unfriendly access</b>	To ensure and provide for physical and intellectual accessibility with the municipality for people living with disabilities.			Facilitate adjustments to the municipal building for ease of access in line with the Building regulations standards. Avail material in accessible formats e.g Braille, audio transcript and sign language interpretation.	
<b>Poor of Access to basic services</b>	To ensure that people living with disability have access to basic services, such as water, sanitation and electricity.			Production of disability friendly information on Indigent Policy and develop data base	

<b>Lack of access to recreational and sport</b>	To provide sustainable, accessible and affordable community services to promote people living with disability.			Promote access to recreation and sports for people living with disability
<b>Lack of participation in Local Economic Development</b>	To promote the implementation of economic initiatives, practices and policies that benefit people living with disability.			Facilitate allocation of 2% of LED programmes/tenders to people living with disability.  See the inclusion of people living with disability in contractor development programmes and are awarded tenders in line with the Preferential Procurement Act.  Provide for the implementation of training and capacity development where there is none. Identify suitable business opportunities and negotiate plans and implement business linkages.
	Government grants and own municipal generated funds benefit people living with disability as well.			Plan and implement projects that are owned and managed by people living with disability
<b>Education, Prevention and awareness.</b>	To ensure the reduction of the spread of the HIV in our communities			education and awareness programmes and campaigns
<b>Impact Mitigation</b>	To ensure that the infected and affected are assisted to counter the consequences of epidemic			Develop programs to assist OVC's
<b>Treatment, Care and Support in</b>	To improve quality of life for people with HIV/AIDS requiring palliative care To provide workplace programs offering a full package of prevention, treatment, care and support	2 campaigns	2 campaigns	Support HBC that provide palliative care  Workplace campaigns, establishment of internal support group and offering counselling

#### 4.2.1.4 COUNCIL SUPPORT

Key Issues	Objectives	Key Performance Indicator	Key Performance Targets	Strategies	Current /Proposed Projects	BUDGET
<b>Lack of Public Participation in Wards.</b>	To make Communities participate fully in decision making processes within the Municipality by 2012/13.	<ul style="list-style-type: none"> <li>• Number of meetings held per Month.</li> <li>• Number of stakeholders participating in decision making increased.</li> <li>• Improved reporting on ward activities.</li> <li>• Ward Based Plans reflected in IDP.</li> </ul>	Streamlined reporting systems on public participation by December 2012. The database of stakeholders at ward level to be in place by October 2012.	To develop a comprehensive and inclusive Public Participation Policy. An established database for all participating stakeholders in the Municipal Affairs. Viable Petitions Management System in place (Understood by all Municipal Stakeholders).	Bilateral engagements with stakeholders within the wards. Indigent campaign undertaken within the Budget and Treasury Department with the assistance by Ward Clerks. Joint survey with the Communications Unit on needs analysis.	R300 000.00
<b>Accumulation of petitions and complaints. Backlog on complaints reflect negatively on the Municipality.</b>	To provide a quick response to petitions and complaints by October 2012, therefore reducing negative attitude towards the Municipality (no of complaints and petitions reduced by November 2012). Ensure that the Petitions Committee is established and functional by the beginning of 2012/13.	Number of petitions signed by the Speaker and processed through the Committee. Number of persons demonstrating satisfaction with Municipal responses increased. Comments from the Department of Local Government and Traditional Affairs (DLG&TA) demonstrating an appreciation. A decrease in Presidential Hotline Complaints based	Petitions Policy before Council by August 2012. The Section 79 Public Participation and Petitions Committees established by September 2012. Drafts of both pieces of legislation should be before the Council by May 2012.	To develop a policy and strategic approach to handling petitions and complaints e.g. ensuring that all petitions are properly categorised and presented before the Standing Committee. Approval of the Policy by Council.	Meetings with the Community Development Workers, Ward Clerks and Traditional Leaders to outline the whole process to them as valuable Public Participation Drivers. Discussions with the current Community Liaison Officer (CLO) to have a common understanding on newly envisaged approach taking into account the current process. Presentation of the whole conceptualisation to the Extended MANCO.	R400 000.00
<b>180   Page</b>	To ensure that Municipal Communities	on communities understanding and				

	are educated on processes for presenting petitions 2012/13.	satisfied with the Municipality's responsiveness.				
<b>The delayed training of Ward Committees.</b>	To fast-track the training of Ward Committee Members in promotion of Section 152 of the Constitution and Chapter 4 of the Municipal Systems Act , No. 32 of 2000 by October 2012.	Number of Ward Committees to be trained audited. Trainers identified, dates and venues prepared. All relevant stakeholders consulted and made aware of the entire programme.	80 Ward Committee Members trained by June 2012. The remainder of 180 Members to be trained by June 2013.	To develop a database for all Ward Committees with dates for training in line with the audit.	Meeting with the Ward Committees. Continuous review of the workings of the Ward Committees through reports. The collected ward profiles are being analysed with the aim to improve them.	R300 000.00
<b>A need to improve Capacity on handling of Council and Standing Committee Meetings. The current recording system has got shortcomings.</b>	To ensure that the Rules and Orders are fully utilised during the proceedings of all Municipal Structures. Also to conduct the business in a professional manner. To capacitate the Council in its deliberations and capturing. Also to provide for the effective participation of Councillors in debates by October 2012.	Number of Council Meetings ran smoothly. Few Orders passed considered unprocedural. Hansard Machinery will make it possible to report accurately on deliberations during sittings. Electronic recording machine and Hansard system in place. Number of meeting with agreed upon deliberations increased.	Newly drafted Rules and Orders adopted by March 2012.Workshops on Rules and Orders to be held during 2012/13. Hansard Machinery to have been purchased and operational by November 2012. Training of staff for the usage of the new material by March 2013.	To ensure that the Council processes are run based on statute and relevant policies. Curtailment of the usage of unparliamentarily language in Council. All resolutions easy to track and follow their implementation. Accurate and undisputable information. Resolutions of Council which are accurate. A referral system that is accurate in case of a dispute.	Continuous workshops with staff and Councillors on procedural matters. In consultation with various legislatures and Kokstad Municipality.	R600 000.00

<p><b>Lack of synchronisation in workings of Ward Clerks and Community Development Workers (CDWs)</b></p>	<p>To ensure that Ward Clerks and CDWs work in collaboration and synchronise one another in the Execution of functions in line with the spirit of the Memorandum of Understanding (MOU) to be signed between the Department of Local Government &amp; Traditional Affairs (DLG&amp;TA) and Matatiele Local Municipality (MLM) by 2017.</p>	<p>Number of joint meetings held with ward stakeholders. Joint programmes undertaken. The current Performance Management System cascaded to the lowest levels within the Municipality will be linked to Performance Management System (PMDS) utilised by DLG&amp;TA on CDWs. MOU signed.</p>	<p>CDWs and Ward Clerks working as one and depicting the character of being development workers by January 2013. Beginning to engage in joint programmes by July 2012.</p>	<p>To ensure that the quality of reporting is improved. To improve relations between the CDWs and Ward Clerks. Enhance an understanding of political and administrative interface between CDWs and Ward Clerks on the one hand and Ward Councillors (Cllrs) on the other.</p>	<p>Joint meetings between the Ward Clerks and CDWs are continuous. MOU to be signed by 2012/2013. CDWs and Ward Clerks currently engaged in capturing indigent forms from 26 Wards working with the Budget and Treasury Department.</p>	<p>R200 000.00</p>
<p><b>Ineffective workings of Section 79 Committees such as the Public Participation and Petitions, Women's Caucus, MPAC and Rules and Orders.</b></p>	<p>To ensure through the appointment of skilful staff and capacitating of the current staff on the functionality of such committees by July 2012.</p>	<p>Filled vacant posts. Established and functional Women's Caucus Committee. Quality reporting to the Council. Effective and efficient oversight roles and responsibilities.</p>	<p>Personnel trained by September 2012. All structures functional by December 2012. Regular reporting on staff performance at Extended Management Committee (MANCO).</p>	<p>To establish a comprehensive monitoring and evaluation system aligned to the Municipal PMS to ensure that the staff members perform as expected. The system will include all other staff members as well.</p>	<p>Indigent Capturing which is a joint venture with the Budget and Treasury Department. Joint data collection by CDWs' and Ward Clerks on foreigners working with the Department of Home Affairs. Their involvement in verification process on illegal occupation of houses in Area C/ Harry Gwala.</p>	<p>R100 000-00</p>
<p><b>Late issuing of Agendas for meetings</b></p>	<p>Timeous issuing of agendas by 2017</p>	<p>Agendas</p>	<p>To issue agendas 7 days before each meeting</p>	<p>To collect agenda items 2 weeks before the date of meeting</p>	<p>Section 79 and Section 80 Committees</p>	<p></p>

#### 4.2.1.5 MATATTIELE RISK AND AUDIT SERVICES

Key Issues	Objectives	Key Performance Indicator	Key Performance Targets	Strategies	Current /Proposed Projects	BUDGET
Poor batch of Exceptions raised by AG	To strive for a clean Audit Opinion.	Responses to Management report	Response to Management report within 48 hours	Develop and continuously review an annual action plan in order to address previous financial years exceptions.  Internal Audit Steering Committee meeting including all heads of Department on a monthly basis	Action Plan Annually	
Poor Internal Controls	To strengthen Internal Controls.	Quarterly Reports, Four Monthly Spot Check.(Strategy)	Four Monthly Quarterly Reports	Produce internal audit reports quarterly. Continuously perform four monthly Spot Checks in different departments to monitor and evaluate internal controls	Produce internal audit reports quarterly. (4) annually Perform four monthly Spot checks. (48) annually	
A Need to Develop an Annual Audit Plan	Working towards a national deadline to obtain a clean audit	Clean Audit with no exceptions	By 2012/2013 and every financial year thereafter	To intensify the internal controls and to have more routine audits	To have 6 Routine internal audits	
Lack of departmental Risk Champions	to have a functional Risk Committee	4 Risk Reports Yearly Monthly Risk Committee Meetings	4 Risk Reports Monthly Meetings	To have a Risk Assessment Workshop at least once a year after the adoption of IDP and Budget for Municipal staff, Councilors and Traditional Leaders.	Once yearly Risk Assessment Workshop.	R 50 000.00
No risk reporting	To have a Municipal Risk Register	Adopted Risk Register	By end July of each financial year to have an adopted Risk Register	Appoint departmental risk champions. Appoint departmental risk committees. Compilation of the Risk Register yearly	Municipal Risk Register annually	
Poor risk monitoring	To identify Risks and put control measures.	Annual Risk Report.	Annual Risk Report.	Risk Report to be compiled in July yearly.  Assess quarterly reports from all the departments.	Annual Risk Report	
Lack of Office Space, Equipment and Staffing	To make MRAS a functional unit.	MRAS functional Unit	Vacant posts: MRAS Manager(1), Risk Officer(1)	All vacant posts to be fully occupied by June 2017.	All vacant posts to be filled	28 000
Lack of Capacity among staff	Staff Member to acquire Skills from the current service provider	Obtaining Accredited Certificates	Trainings/Registration	Workshops and training	Attend Quarterly workshops ,trainings & Benchmarking	R1 200 000.00

#### 4.2.2. BUDGET AND TREASURY

KEY ISSUES	OBJECTIVES	PERFORMANCE INDICATOR	KEY PERFORMANCE TARGETS/TIME FRAMES	STRATEGIES	CURRENT /PROPOSED PROJECTS	BUDGET TARGETS AND
<b>Revenue Management</b>						
<b>High debt – collection of rates and services</b>	Implementing the Credit Control Policy and Revenue Enhancement Strategies and reduce our debt from R32m to current by 2017	Report on a monthly basis to MANCO, Treasury. Report on a quarterly basis to standing committee	R15m in 2013/2014 R5m p.a. until 2017	Training of current staff on implementation of the policy Recruitment of skilled personnel Seek assistance from Eskom for areas not supplied by municipality - electricity	Policy implementation (Debt Reduction)  Implement the proposed organogram	R15m 2012/2013  R5m until 2017
<b>Advertising of tariffs</b>	Communicate with public with regards to tariff structure	Date advertised Copy of newspaper advertised on	Tariffs advertised by 31 May each year until 2017	Linking/aligning the tariffs with budget in terms of Chapter 4 of MFMA	Implement the guidelines as indicated on chapter 4 of MFMA	R 5 000.00 per annum.
<b>Reduce outstanding debt</b>	Implementing the Credit Control Policy and Revenue Enhancement Strategies and reduce our debt from R32m to current by 2017	Report on a monthly basis to MANCO, Treasury.  Report on a quarterly basis to standing committee	R15m in 2013/2014 R5m p.a. until 2017	Training of current staff on implementation of the policy  Recruitment of skilled personnel Seek assistance from Eskom for areas not supplied by municipality - electricity	Policy implementation (Debt Reduction)  Implement the proposed organogram	R15m 2012/2013  R5m until 2017
<b>Reconciliation of debtors</b>	Align the Age Analysis with the General Ledger – ensure that there are no variances	No. Of reconciliations	Done on a monthly basis until 2017	Retaining skilled personnel. Training of personnel to adopt to changes. Adherence to section 64 of MFMA	Implement the guidelines as indicated on the MFMA	R0

<b>Data cleansing</b>	Identification of our customers per town and identify who is indigent	Report to MANCO on a monthly basis.  Report to Standing Committee on a quarterly basis	Launch on-going data cleansing programme (in-house). Implement full blown credit control in accordance with council policy	Target each town on an annual basis	Implement the council policy -	R100 000.00
<b>Indigent Support</b>	Identify and support households that are indigent in a municipal wide	Report to MANCO on a monthly basis  Report to Provincial Treasury on a monthly basis Report to Standing Committee on quarterly basis.	Policy be reviewed on an annual basis.  Registration be done every two years.	Adherence to municipal council's policy  Formulation of a team that includes Ward Councillors, Ward Committees and ward Clerks	Implement the council policy	Depends on DORA allocation
<b>Free basic services provision</b>	Ensure that all households that are indigent receive the services	Report to MANCO on a monthly basis.  Report to Provincial Treasury on a monthly basis  Report to STANCO on a quarterly basis	Establish a team that consist of Ward Councilors, Ward Committees, Ward Clerks and Municipal Officials  Policy be reviewed on an annual basis. Should be providing at least 20 000 by 2017 from the current outstanding of 30 000.	Adherence to municipal council's policy	Implement the council policy	R 1.4m p.a.
<b>Poor collection of rental income i.e. Transido, Itsokolele hostel, Stores, Commonages,</b>	Ensure all municipal properties that are leased are paid for.	Report to MANCO on a monthly basis Report to Standing Committee on a quarterly basis	Leases need to be reviewed and adhered to.	Adherence to municipal council's policy	Implement the council policy	R0
<b>Maximization of interest on investments – long and short term</b>	Target banks that have highest interest rate – earnings on amounts Earn more on our investments	Report on MANCO on a monthly basis. Report to standing committee quarterly	Reviewal of municipal policy on an annual basis	Adherence to municipal policy.	Implement the council policy and MFMA	R0

<b>Charge interest on outstanding debt</b>	Encourage customers that owe for municipal services to make payment before it incurs interest	Report to MANCO on a monthly basis. Report to Treasury on a monthly basis. Report to Standing committee on a quarterly basis.	Interest on outstanding debtors	Adherence to municipal policy and MFMA	Implement the council policy and MFMA	R0
<b>Inadequate staff - Vacancies – cashiers, indigent office,</b>	Fully implement the approved organogram	Report to MANCO on a monthly basis	Review of organogram on annual basis	Adherence to municipal policy and MFMA.	Implement the council policy and MFMA	R0
<b>Buying electricity for 24 hours.</b>	Community to access to the services 24/7	Report to MANCO on a monthly basis. Report to Standing committee on a quarterly basis.	Review municipal policy. To utilize the services of Contour	Adherence to municipal policy and MFMA.	Implement the council policy.	R0
<b>Submission of monthly, quarterly and mid-year reports</b>	Ensure all we fully comply with MFMA – with regards to reports that need to be submitted.	Reports submitted to National Treasury as required to National & Treasury i.e. section 71, 72,73,74, 75.	Fully comply with MFMA	Adherence to Municipal Policy and MFMA	Adherence to Municipal Policy and MFMA	R0
		No of quarterly reporting to council.	No of quarterly reports	Submission of reports to council timously	Adherence to Municipal Policy and MFMA	R0
		Annual details of bank accounts	Before 30 June each year	Submission of bank accounts to National Treasury Annually	Adherence to Municipal Policy and MFMA	R0
		Quarterly reporting on withdrawals	No of quarterly reports	Submission of reports to council timously	Adherence to Municipal Policy and MFMA	R0
		Mid-year budget	Before 25 January each year	Submission of mid-year report to council timously	Adherence to Municipal Policy and MFMA	R0
		Bank reconciliations	No of reconciliations	Completion of recons on a monthly basis and adherence to MFMA.	Adherence to Municipal Policy and MFMA	R0
		Investments	No of bank certificates	Completion of certificates on a monthly basis and	Adherence to Municipal Policy and MFMA	R0

				adherence to MFMA.		
		Investment policy – annual review	Date of approved	Reviewal of policies on an annual basis and adherence to MFMA	Adherence to Municipal Policy and MFMA	R0
		Review of policies	Date policies reviewed by council	Reviewal of policies on an annual basis and adherence to MFMA	Adherence to Municipal Policy and MFMA	R50 000.00
<b>Loan Register</b>	Ensure that loans that were taken are being serviced	Report to MANCO on a monthly basis Proof Payment of interest & redemption	Cheque vouchers	Adherence to municipal policy and MFMA	Implement the guidelines as indicated on the MFMA	R0
		Report to MANCO on a monthly basis. Reconciliation with general ledger	Reconciliation	Completion of recons on a monthly basis and adherence to MFMA.	Implement the guidelines as indicated on the MFMA	R0
		Report to MANCO on annual basis. Inclusion in financial statements	Annual Financial Statements	Submission	Implement the guidelines as indicated on the MFMA	R0
<b>Multi-year budget</b>	Ensure that the municipality reports on its spending petins as at 31 December and adjust the budget if the is a need for such.	Time schedule	Tabled to council 10 months before start of new financial year	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Tabling of annual budget	Be tabled 90 days before start of the new financial year	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Public meeting	No of public meetings held during each financial year	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Undertake tariff setting during budget preparation	30 days before the start of the new financial year.	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Allign budget with IDP	90 days before the start of the new financial year	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0

<b>Standard Budget return form</b>	Provide the managers with template or guidance on budgeting for each year.	Submit to managers 10 months before start of new financial year.	Need to be submitted to Budget and Finance office by 31 October of each financial year	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
<b>Budget Control</b>	Ensure that departments don't spend more than what they have budgeted for.	Monthly reports to Managers i.r.o. I & E	Monthly	Provide managers with Income and Expenditure Report	Implement council policy and MFMA	R0
<b>Annual Financial Statements</b>	Ensure that the municipality is able to fairly produce its annual financial statements.	Trial balance preparation	15 July each year and reported to MANCO	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Reconciliation with general ledger	15 July each year and reported to MANCO	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Working papers for year-end transactions	15 July each year and reported to MANCO	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		Accounting policies i.r.o statements	15 July each year and reported to MANCO	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		CFO report on statements	31 July each year and reported to MANCO	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
		GRAP Statements	20 August each year and reported to MANCO and Audit Committee	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R350 000 p.a.
		Submission to A-G & Province	31 August each year.	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R2.5 p.a.
<b>Audit Report</b>	Achieve Clean Audit Report	Exceptions	Quick and efficient responses to Auditor General on an annual basis	Adherence to municipal council policy and chapter 4 of MFMA	Implement council policy and MFMA	R0
<b>Expenditure Management</b>						

<b>Creditors</b>	Ensure that all creditors are paid timously and on accurate tax invoices	Report on a monthly basis to MANCO	Payment of creditors be made 30 days on invoice date and original invoice	Adherence to municipal council policy and MFMA	Implement council policy and MFMA	R0
<b>Salaries and allowances paid on time</b>	Ensure that all Salaries and allowances are paid timously	Report on a monthly basis to MANCO	Payment of salaries and allowances be made timously	Adherence to municipal council policy and MFMA	Implement council policy and MFMA	R0
<b>Insurance of assets &amp; liabilities</b>	Ensure all municipal assets are insured	Report on a monthly basis to MANCO	Payments made to insurer	Adherence to municipal council policy and MFMA	Implement council policy and MFMA	R732 000 p.a.
<b>Financial regulations and Delegations review</b>	Ensure that regulations and delegations have been reviewed	Financial regulations review		Adherence to municipal council policy and MFMA	Implement council policy and MFMA	R0
<b>Supply Chain Management</b>						
<b>Compliance with SCM Regulations</b>	Ensure that the institution complies with the regulations as set out on SCM	Report to MANCO on a monthly basis. Report to standing committee on a quarterly basis	Ensure monthly compliance with SCM regulations and procedures	Adherence to municipal council policy and MFMA	Implement council policy and MFMA	R0
<b>Supply Chain Management Policy Review</b>	Ensure that the policy is reviewed and is in line with the required regulations	Report to MANCO. Report to standing committee Council resolution	Policy to be reviewed on an annual basis	Adherence to municipal timetable	Implement the council timetable	R0
<b>Establish new bid committees</b>	Rotate bid committee members	Report to MANCO Report to Standing Committee Council resolution	Reviewed and changed on annual basis	Adherence to municipal council	Implement council policy	R0
<b>Compile internal procedures and processes</b>	Ensure that goods procured are done so in accordance to regulations	Report to MANCO on a monthly basis	Need to be reviewed on an annual basis	Adherence to municipal policy	Implement council policy	R0

<b>Database</b>	Ensure that all goods and services are procured from supplies registered on municipal data base	Invitation of suppliers Report to MANCO	Need to be done on annual basis until 2017	Adherence to municipal policy	Implement council policy	R0
<b>Training of practitioners</b>	Ensure that people at SCM are up-to-date with the changes (if any) of regulations	Report to MANCO if any training has been attended	Need to be done every two years until 2017	Adherence to municipal policy	Implement council policy	R0
<b>Inventory control</b>	Ensure that all inventory items are catered for.	Report to MANCO on a quarterly basis. Report to Standing Committee on a quarterly basis	Stock-take need to be done on a quarterly basis – stock-take sheets	Adherence to municipal policy	Implement council policy	R0
<b>Updating of assets register</b>	Ensure that all assets procured during the year have been added on the assets register	Report to MANCO on additions on monthly basis Annual Financial Statements	Need to be done on a monthly basis	Adherence to municipal policy	Implement policy	R0
<b>Disposal of assets</b>	Ensure that all assets that are no longer needed by the municipality are disposed in accordance to MFMA	Provision of list of those assets to MANCO, STANCO and Council. This need to be done on annual basis or if the is a need. Invitation of interested people – advert	Identification of those assets on a quarterly basis during stock-take.	Adherence to municipal policy	Implement council policy	R0
<b>Finance Governance</b>						
<b>Staff Training</b>	Ensure that the staff in the department are trained for relevant courses	Report to MANCO number of staff that need to be trained.	This to be done when the is a need.	Adherence to municipal policy		R0
<b>Accreditation of technical officials/councillors with IMFO</b>	Ensure that all technical officials/councillors are accredited with IMFO	Launch a program aimed at accrediting Financial/ non-technical	To be done in 2013/2014 financial year	Adherence to municipal policy		R200 0000

		officials/councillors with IMFO and report to council				
<b>Antivirus software</b>	Ensure all computers in the department are installed with antivirus software	No of installations during the financial year.	To be done on a monthly basis or whenever necessary	Adherence to municipal policy		R0
<b>Updating of Abakus Financial System</b>	Ensure that our financial system is in line with the required standards	Report changes to MANCO.	To be done on a monthly basis or whenever deemed necessary	Adherence to municipal policy		R13 000
<b>Valuation Roll Maintenance</b>	Ensure that valuation roll is maintained on an annual basis	Report MANCO, STANCO and Council about any changes for approval	This needs to be done on a annual basis.	Adherence to municipal policy		R10 000
<b>Multi-year budget (4 of MFMA)</b>	Ensure that all assets that are to be procured have been identified in the IDP and are budgeted for.	Office building	31 December 2012	Adherence to municipal policy		R 3 100 000
		Renovations of office buildings in Cedarville and Maluti	30 June 2013	Adherence to municipal policy		R 200 000
		Printer for orders and cheques	31 December 2012	Adherence to municipal policy		R 5 500
		Office desk	30 June 2013	Adherence to municipal policy		R 3 500
		Fax Machine	31 December 2012	Adherence to municipal policy		R 10 000
		Office Chairs	30 June 2013	Adherence to municipal policy		R 5 000
		Cabinet	30 June 2013	Adherence to municipal policy		R 12 000
		Printer for cashiers	30 June 2013	Adherence to municipal policy		R 8 000
		Abakus printer	31 December 2012	Adherence to municipal policy		R 80 000

#### 4.2.3 COMMUNITY SERVICES

Key issues	Objectives	Performance Indicator	Key Performance Targets	Strategies	Available Resources	Current /Proposed Projects	Wards	BUDGET
<b>DISASTER,FIRE&amp;RESCUE</b>								
<b>Lack of awareness on Natural Disasters</b>	Local municipality be in a position to adequately perform any rescue that is required	Adequate response to routine natural disasters	Minimisation of disasters through community education programmes, procurement of fire and rescue equipment and training of volunteer fire fighter from 26 wards	- Conduct awareness campaigns on causes and effects of natural disasters.	Personnel (fire fighter volunteers)	Awareness campaigns  Upgrade Fire station to house Emergency	All wards	R430,000-00  <b>2012/13</b>  R20 000.00
<b>No adequate Equipment</b>			Procure fire and rescue equipment ie. 2 X Amkus Rams, 1 Set of Vetter bags, 1 set of chocks, 1 set air-chisels, 1x basket stretcher, Assortment of tools (e.g. bolt cutter, haligan tool, standard tool box etc.)	Purchase of equipment .	Personnel	Purchase of fire and rescue equipment	All wards	<b>2012/13</b>  R16 000.00
<b>Lack of Trained Personnel</b>		Train volunteers in all wards	To train 10 volunteers in all wards	1x Training per annum	Personnel	Training of volunteers	All wards	<b>2012/13</b>  R50 000.00
<b>-Inadequate Personnel</b>	To have fully functional Unit	Functional unit	Functional unit	to adequately respond and perform any rescue services that is required	none	Implement an incremental Organogram	All wards	

<b>Implementation of the Disaster Management Plan</b>	Develop Disaster Management Plan	To establish Disaster Management Plan	Disaster Management Plan	Develop Terms of Reference for the Disaster Plan	Personnel	Disaster Management Plan	All wards	
	To extend disaster response capacity trough out municipality	Erection of 4 fire and disaster substations in each of the 4 clusters	.4 x fire and disaster substations	Purchase large, Water tanker (Second hand)	Personnel	Erections of 4 substations	All wards	<b>2013/14</b> R100 000.00
<b>TRAFFIC LAW ENFORCEMENT</b>								
<b>Traffic Congestion</b>	To ensure maximum public safety	Reduction in traffic transgressions and road fatalities	In collaboration with DoT will have weekly operations targeting un-roadworthy vehicles, illegal public transport vehicles. Control of traffic congestion more especially in town		Personnel	Road blocks	All wards	<b>2013/2014</b> R290 000.00
				Installation of traffic lights and park meters	Personnel	Park meters and Traffic lights installation		<b>2012/13</b> R600 00.00
<b>Corruption</b>	To fight and prevent corruption –testing ground	Proper daily reconciliation of all transaction	To ensure corrupt free service	Daily reconciliation, Reports	Personnel		All	
<b>- Income generation</b>	To increase revenue collection capacity		To increase revenue collection by 30%	Increase traffic control visibility	Personnel		All	
<b>LICENCING</b>								
<b>-Lack of Space (Grade A- Testing)</b>	Upgraded Grade A Testing Centre by 2017	Completed Testing Station	Erection of Grade A Testing Centre	Extension to testing A Grade Testing ground	Personnel Service Provider	Extension to testing A Grade Testing ground	<b>Ward 19</b>	2012/13 R200 000.00
<b>Failure of IT System</b>	To have a non failing IT System vu 2017	Upgraded IT Infrastructure	Installation of IT System that meets new developments	To pursued province to upgrade IT system	Personnel Provincial Dept of Transport	Upgrading of IT System	Ward 19	
<b>SOLID WASTE</b>								
<b>Develop/Review MLM IWMP and not aligned</b>	to develop IWMP and ensure that is aligned	Development and review of IWMP	Develop and review MLM IWMP		Consultants	IWMP Consultant Public	All	R400 000.00

<b>with ANMD's IWMP</b>	with ANDM IWMP	yearly				participation		R200 000.00
<b>Inadequate staffing</b>	To have fully functional Unit	Functional unit	Functional unit	To render sustainable solid waste services to Matatiele Community	none	Implement an incremental Organogram		
<b>Capacity Building</b>	To build capacity on the Unit	Capacitate waste unit officials	Capac	To have training and workshops for personnel	None	2 Trainings per year		R100 000.00
<b>Develop/Review MLM IWMP and not aligned with ANMD's IWMP</b>	to develop IWMP and ensure that is aligned with ANDM IWMP	Development and review of IWMP yearly	Develop and review MLM IWMP		Consultants	IWMP Consultant Public participation	All	R400 000.00  R200 000.00
<b>REFUSE COLLECTION</b>	<b>Illegal dumping-</b> To eliminate/eradicate all illegal dumping sites in Matatiele	Eliminate illegal dumping	Eliminate illegal dumping and by-law enforcement	Enforcement of by-laws	Personnel	Consultant & Public participation	All wards	
<b>Operation and Maintance of MLM Landfill site</b>	to ensure full compliance with landfill license	Full compliance with license	Full compliance	Monitor and evaluate the daily operation of the site	personnel	Operation & maintance of Landfill site	19	R1 300 000.00
<b>Non compliance</b>								
<b>External Landfill Audit</b>	Ensure that the one external audit is carried out annually by an approved Environmental Consultant	L.andfill Audit report	One landfill audit per annum	Conduct landfill audit	personnel	Landfill report	19	R50 000.00

<b>No Leachate management at the landfill site</b>	Repair and maintenance of landfill leachate drainage system	Leachate sample report	Repair the leachate drainage system	Rehabilitation of old cells and repair of leachate drainage system	personnel	Matatiele Landfill leachate management	19	R500 000.00
<b>Operation and Maintenance of MLM Landfill site</b>	to ensure full compliance with landfill license	Full compliance with license	Full compliance	Monitor and evaluate the daily operation of the site	personnel	Operation & maintenance of Landfill site	19	R1 300 000.00
<b>Non compliance Scavenging</b>	To formalise/eliminate scavenging at the landfill site				Personnel	Scavenging	19	
<b>ENVIRONMENT</b>								
<b>Alien plant infestation</b>	To ensure reduction of alien invasive plants by 2017	Infested area cleared	Targeted infested area cleared by 2017 2012/2013 in ward 7,8,9,11	Use of local labor force to clear the species	Funding application Business Plan	EPWP	7,8,9,11,12,13,14 & 21	R190 000
<b>Alien Plant Infestation</b>	To ensure reduction of alien invasive plants by 2017	Infested area cleared	Training of the respective Cooperative on various relevant and required skills. (Chainsaw, 1 <sup>st</sup> Aid & Herbicide application) 2012/ 2013	Application of Community Based Natural Resource Management Programme (CBNRM); local cooperatives to remove plant species and produce wood/ charcoal for sale	Available Cooperative	CBNRM	Ward 20	R150 000
<b>Global warming/climate change</b>	To plant trees in schools, community halls and households by 2017	Supply of Indigenous Trees	Supply of indigenous trees to schools and houses. Ward 1,2,3 <u>2012/ 2013</u>	Sourcing and supplying of indigenous trees to	Minimum Budget	Greening Programme	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 & 13	R200 000

			Ward 4,5,6 <b>2013/ 2014</b> Ward 5,6,7 <b>2014/2015</b> Ward 8,9,10 <b>2015/2016</b> Ward 11,12,13 <b>2016/2017</b> Ward 14,15,16 & 17	respective areas				
<b>Alien plant infestation</b>	To ensure reduction of alien invasive plants by 2017	Infested area cleared	Targeted infested area cleared by 2017 2012/2013 in ward 7,8,9,11	Use of local labor force to clear the species	Funding application Business Plan	EPWP	7,8,9,11,12,13,14 & 21	R190 000
<b>Alien Plant Infestation</b>	To ensure reduction of alien invasive plants by 2017	Infested area cleared	Training of the respective Cooperative on various relevant and required skills. (Chainsaw, 1 <sup>st</sup> Aid & Herbicide application) 2012/ 2013	Application of Community Based Natural Resource Management Programme (CBNRM); local cooperatives to remove plant species and produce wood/ charco	Available Cooperative	CBNRM	Ward 20	R150 000
<b>Security of Impounded Stock</b>	To provide livestock shelter and security at the pound	Completed lockable 40m x 18m x 4m shelter constructed	Provision of sufficient and secured shelter	Source service provider to supply and install.  Build brick walls through in-house labour  <b>2012/ 2013</b>	Land  Personnel	Purchase and Construction	Ward 19	R 340 000
<b>Public amenities</b>								

<b>Expansion of Cemeteries</b>	To provide additional land for graves	Additional space east of the existing cemetery, demarcated and fenced.	Provision of burial sites to communities	Source Environmental Assessment Practitioner (EAP)	Personnel	Graveyard Expansion	19	R 150 000
<b>Maintenance of existing Cemeteries</b>	To ensure effective maintenance of cemeteries	Effectively managed cemetery and burial	Effectively managed cemetery and burial	Sourcing machinery (TLB) to dig graves at low costs  Use of EPWP Personnel to do ground maintenance	Personnel	Maintenance	01, 19 & 26	R 80 000
<b>Record Keeping</b>	To ensure effective keeping of burial records	Installation of Computerised Cemetery Register System	Installation of Computerised Cemetery Register System	Sourcing the previously used service provider	Total Geo-Spatial Information Solution	System Installation	01, 19 & 26	R200 000
<b>Income generation (Cemetery)</b>	To reduce amount spent on grave digging	Reduced expenditure on grave digging	Profit making	Termination of grave digging contract	Local machinery	Grave digging and cemetery maintenance	01, 19 & 26	R80 000

#### 4.2.4 CORPORATE SERVICES

KEY ISSUES	OBJECTIVES	INDICATORS	PERFORMANCE TARGET	STRATEGIES	PROJECTS	BUDGET
<b><i>(Registry and Archives)</i></b>						
<b>Insufficient Mail Control Measures</b>	To ensure that specific control procedures are applied regarding mail/correspondence received and or for circulation	Register of incoming, outgoing mail/correspondence sent and received	Monthly report	Proposed changes to be discussed monthly by relevant stakeholders	-Encouraging Departments to use an approved filing systems -Relevant internal structures to discuss proposed changes on a monthly basis	
<b>Improper Records Management</b>	To performs specific tasks/ activities associated with monitoring the circulation and retrieval of document and correspondence files	Correspondence files and records are maintained, circulated and retrieved in accordance with laid down procedures	Monthly report	Proposed changes to be discussed monthly by relevant stakeholders	Relevant internal structures to discuss proposed changes on a monthly basis	
	To ensure recording and transmission of facsimile copies to intended specific destinations within 15 minutes after receipt thereof	Recording transmission details confirming receipt, time and date of execution	Monthly report	Proposed changes to be discussed monthly by relevant stakeholders	Relevant internal structures to discuss proposed changes on a monthly basis	
<b>Lack of Registry and Archives Procedure Manual</b>	To develop a Registry & Archives Manual and have it approved by 2013/2014	Adopted Registry & Archives Manual with a Council Resolution Number	Adopted Registry & Archives Manual by 2013/2014	Data Base for Service Providers	Relevant internal structures to discuss proposed Adopted Registry & Archives Manual	R100,000.00
<b>Insufficient updates in Electronic Archiving</b>	To acquire an annual Electronic Archiving update in line with the latest Municipal requirements and latest developments by 2013/2014	Available Electronic Archiving System fully functional and used by all employees	Updated Infrastructure and keeping with latest developments	To make financial provision for Electronic Archiving Infrastructure	Electronic Archiving installed and all employees encouraged to process correspondence on relevant approved filing system	R100,000.00 per annum plus annual percentage increase
<b>Lack of Proper control of Photocopy service</b>	-To control the number of photocopies produced so as to minimise costs - To centralise Photocopying	-Minimised costs of photocopying and -Centralised photocopying in each Building	To control the number of photocopies produced so as to minimise costs by 2012/2013	-Not to renew expired photocopy leases -Renew only Registry & Archives photocopy machine	photocopy lease	

<b>Outdated Delegation Framework</b>	To amend the Delegation Framework in line with latest developments	Amended Delegation Framework in line with latest developments	2013/2014	Use internal structures		R50000.00
<b>Monthly Departmental employees' meetings</b>						
<b>Irregular meetings of Departmental employees</b>	To ensure that Departmental employees' meeting takes place every month	Attendance register and minutes	Every month	To compile a year's schedule of the monthly meetings and distribute it to Departmental employees at the beginning of the year		
<b>Municipal Building Maintenance</b>						
<b>Disrepair status of Buildings</b>	-To keep the municipal buildings in a serviceable condition -To ensure that the building meet the required safety/health standards	-Maintenance Building Report -Completing inspection schedules	All municipal buildings are in a good condition/serviceable condition by 2013/2014	-Maintenance Budget -Internal employees or Service Provider -Visiting various sites/locations and assessing the condition of buildings	Constantly monitoring of repair requirements	
<b>Lack of Fire Hydrants and Fire detectors in Municipal Buildings</b>	To ensure that 10 Municipal buildings the required Hydrants and Fire Detectors between 2012/2013 and 2016/ 2017 in terms of the building code	Health and Safety Report	All municipal buildings have the legal required Fire Hydrants fitted	Budget plus external Service Provider	Sourcing of requirements in terms of the SCM Processes	
<b>Insufficient Municipal owned Office Space</b>	-To erect a building with sufficient sq meters to accommodate Councillors, Council Chamber, Municipal Manager's Office, Break-away Rooms by 2017. -To renovate and improve the Civic Building for occupation by Corporate Services and Community Services Department by 2017	Completed office complex	Completed and occupied Municipal Complex by 2017	-Source funding from DBSA	-EDP &, BTO will relocate to Micro-Centre area by 2012/2013  - Processing of the application for a loan	

<b>Inadequate security at the Municipal Buildings</b>	-To improve the safety and security of occupants and equipment within the Civic Buildings by installing metal detectors	Installed security and functioning devices	Acquisition of relevant equipment and requirements by <b>2014/2015</b>	-Budget and External Service Providers	Sourcing of requirements in terms of the SCM Processes	
<b>Lack of Fire suppression equipment for Server Rooms</b>	-Fire Suppression equipment in place in Server Rooms -Service Backup power and temperature control equipment (periodically) in server room	Adequate measure put in place to protect the server room from environmental damage in order to protect data	Adequate equipment purchased by <b>2013/2014</b>	To make financial provision	Provision being made on the budget	R200,000.00 per annum plus annual percentage increase
<b>Lack of efficiency in Cleaning and Messenger Services</b>	-To ensure that the office space occupied by the municipal staff are cleaned thoroughly on a daily basis -That messages, mail and correspondence are fetched and delivered within 30 minutes on a daily basis	-Cleaning standard achieved -Daily and Weekly Reports -Completing inspection schedules	-All municipal buildings are cleaned on a daily basis -Messages, mail and correspondence is fetched and delivered on a daily basis	Work Schedule	-Purchase cleaning supplies -Repairs and maintenance of cleaning equipment	-
<b>Reception Function</b>						
<b>Inability to communicate by sign language</b>	To ensure that the receptionist is 50% proficient in sign language by 2013	Level of proficiency as per the Report from the Trainer.	The Receptionist is 50% proficient in sign language by end of <b>2012/2013</b>	<ul style="list-style-type: none"> <li>• Training of the Receptionist in sign language</li> </ul>	Training of the Receptionist in sign language	R20,000.00
<b>Telephone Management</b>						
<b>Non-payment for private telephone calls by users</b>	To ensure full settlement for all private calls by users monthly	Record of payment for private calls by users	Full settlement for all private calls by users monthly	Budget plus external Service Provider	-Telephone Policy to be developed by <b>2013/2014</b>  -Payment for private calls to be enforced	R50,000.00
<b>Departmental Asset Management</b>						

<b>Lack of proper Departmental Asset Management</b>	To implement the Departmental Asset Management register as stipulated by BTO	Departmental Asset Management Register and Inventory is in existence by 2013	Available Departmental Asset Management Register and Inventory by 2013	Constant verification of assets done	Development of Departmental Asset Management Register and Inventory	
<b>Information Technology Services</b>						
<b>Insufficient personnel to deal with Information Technology (IT) related matters</b>	To have employed the Manager: IT and the IT Officer by <b>2013/2014</b>	Fully functional IT Unit and the Manager: IT and IT Officer have been employed	-Approval of the Organogram by Council -Employment of IT Manager and IT Officer by <b>2013/2014</b>	To make financial provision on the Budget	Relevant internal structures to discuss proposed changes on the organogram	Salary budget (R1M)
<b>None Compliance with legislation relating to Information Technology</b>	To ensure that the Municipality complies with the relevant legislation regarding Information Technology (IT) matters by 2012/2013	Compliance Report	compliance with the relevant legislation regarding Information Technology (IT) matters by 2012/2013	Consultation with the relevant stakeholders and referral to relevant pieces of legislation and service providers	Perusal of relevant IT legislation and drafting/amending applicable policies	
<b>-Lack of Steering Committee for IT matters</b> <b>-Lack of implementation of IT plan</b>	-To establish an IT Steering Committee on IT matters by 2012/2013 -To craft an IT Plan by 2012/2013	-Steering Committee established and Council Resolution -IT Plan crafted	Information Technology (IT) Steering Committee established to provide oversight and direction to IT Functions	To establish an IT Steering Committee composed of Senior Management	Relevant Internal Structures	
<b>Insufficient Information Technology (IT) Infrastructure</b>	To Acquire an annual updating of IT Infrastructure in line with the latest municipal requirements and latest developments by 2013/2014	Available IT Infrastructure	Updated Infrastructure and keeping with latest development by <b>2013/2014</b>	To make financial provision for IT Infrastructure	Annual upgrading of IT Infrastructure	R300,000.00 per annum plus annual percentage increase
<b>Reviewal of Policies</b>						

<b>Outdated Admin and HR Policies</b>	To review at least 2 Admin and 2 HR Policies in line with constant changes per year till 2017	Reviewed 2 Admin and 2 HR policies per year till 2017	<b>2013 to 2017</b>	Constant monitoring the changes in the relevant fields and pick up latest developments	Go through all policies and identify the ones requiring updating and do research before effecting amendments	
<b>Legal Services</b>						
<b>Lack of budgetary provision to populate the Legal Services Unit</b>	To use savings from the Salaries Vote so as to fill in the vacant posts of Manager and Senior Legal Officer by June 2012.	Legal Service Unit fully functional	Filing of the vacant positions by <b>June 2012</b>	Using savings from the Salaries Budget	Facilitate the process of filing the posts through the Recruitment and Selection Procedure	
<b>Lack of Annual Reviewal of Admin and HR Polices</b>	<ul style="list-style-type: none"> <li>To ensure that all policies are reviewed annually in order to be in line with the latest development so as to meet the IDP priorities</li> </ul>	Number of Reviewed and Approved HR and Admin Policies in line with applicable legislation with a Council Resolution on an <b>annual basis (2013/2014)</b>	Number of Reviewed and Approved HR and Admin Policies in line with applicable legislation with a Council Resolution on an <b>annual basis (2013/2014)</b>	Consultation with the relevant stakeholders and referral to relevant pieces of legislation and service providers	Continuous annual reviewal of policies	R50 000.00 plus escalation percentage
<b>Human Resource Management (HRM)</b>						
<b>Lack of co-ordination in drafting Municipal Organograms</b>	To ensure proper co-ordination and reviewal of Municipal Organogram annually and as per need for smooth operation of the Municipality	Council resolution indicating adoption of the revised Organogram	Annual reviewal of Municipal Organogram	Discussion of proposed amendments to the Organogram by various relevant stakeholders (departments, MANCO, LLF, Strat Plan, STANCO, EXCO and Council)	Facilitate the process of the revision of the Municipal Organograms	
<b>Employer/Employee Relationship is not up to the expected level</b>	To devise means of enhancing the working relationship between management and employees by <b>2013/2014</b>	Existence of functional working relationship between management and employee by <b>2013/ 2014</b>	Daily	-Promote consultation between management and employees on matters of mutual interest  -Encourage joint goal setting and decision-making	-Staff meetings  -Team Building Sessions	R200 000.00

<b>Irregular Local Labour Forum (LLF) Meetings</b>	To ensure that the LLF meetings take place monthly as per the schedule of meetings or on alternative agreed dates	Minutes of the LLF	Monthly	Notices to be issued timeously	-Constant consultation between the employee representatives and management  -Identify and Implement Joint programmes between management and employee representatives by <b>2013/2014</b>	R50 000.00
<b>-Lack of Occupational Health and Safety Plan</b>  <b>-Lack of OHS Committee</b>  <b>-Lack of Personnel Protective Clothing</b>	To ensure compliance with the OHS Act by <b>2012/2013</b>	Safe and Healthy environment as per the Inspection Report	<b>2012/2013</b>	-Acquire services of the service provider  -Consult with relevant stakeholders	-Employ the OHS/Labour Relations Officer by 2012/2013  -Set up relevant Committees  -Acquire required equipment	R2 000000.00
<b>Inadequate internal pool of employees with the requisite qualifications to fill senior posts</b>	To provide annual Financial Assistance to at least 6 employees registered for Tertiary qualifications so as to create internal capacity and pool to fill senior posts	-Training report -Implementation Plan and report -Graduation Certificates/Academic records	At least Six employees to be granted financial assistance <b>per annum (2012/2013 onwards)</b>	-Budgeting  -Consult with LGSETA and other relevant stakeholders  -Implementation of the WSP	-Budgeting  -Consult with LGSETA  -Implementation of the WSP  -Encourage employees to apply for financial assistance for tertiary qualifications	R2,300 000.00
<b>Lack of proper implementation of the Conditions of Service as per the Collective Agreement</b>	To ensure proper implementation of the conditions of service like Night, Stand-by, Long Service and Acting Allowances as per SALGBC Collective Agreement	Implementation report as per the agreed condition of services	Allowance report from finance monthly	Frequent communication with SALGBC	-Study the SALGBC Collective Agreement  -Do necessary calculations  -Make submission to Budget & Treasury Department	Salaries and Allowances Budget

<p><b>Lack of proper monitoring of the provision of employee Benefits (Housing, Medical, Provident Fund, Pension and others)</b></p>	<p>To ensure effective control of employees Benefits(Housing, Medical, Provident Fund, Pension and others) on a monthly basis</p>	<p>All qualifying employees have Pension and other benefits properly monitored and provided monthly</p>	<p>Monthly</p>	<p>-Use applicable legislation -Consultation with the relevant stateholders</p>	<p>-Go through legislation -Consult with relevant employees and institutions -Do calculations and pay 3<sup>rd</sup> parties -Pay-out to employees</p>	<p>R50000.00 (for 5 yrs)</p>
<p><b>Incomplete Job Evaluation Project -Inadequate Personnel requirements</b></p>	<p>To ensure that all Municipal posts are evaluated annually and as per need in terms of the TASK method</p>	<p>Released Final Outcomes Results</p>	<p>To implement TASK Grades Job Evaluation as per SALGA Guidelines by <b>2013/2014</b></p>	<p>-Consultation with the relevant stakeholders and documents -Performance of the Job Evaluation as per Guidelines</p>	<p>-Employment of the Job Evaluation Officer by <b>2013/2014</b> -Consultation with the relevant stakeholders and documents -Performance of the Job Evaluation as per Guidelines -Implementation of the Final Outcomes Results</p>	<p>R 100 000.00</p>
<p><b>Lack of proper record keeping regarding Recruitment and Selection of employees</b></p>	<p>-To always ensure proper management and record keeping regarding the Recruitment and Selection Process  -To obtain the verification system/software as from <b>2013/2014</b></p>	<p>Recruitment and Selection Report indicating required information</p>	<p>Always as from <b>2012/2013</b></p>	<p>-Use approved filing system -All information to be kept in relevant personal and master files -Electronic record keeping to be done</p>	<p>-Process Plan -Do Recruitment and Selection -Proper filing of documents  -Purchase of software for electronic record keeping</p>	<p><b>R 50 000.00</b></p>

<b>Lack of Human Resource Information Systems</b>	To ensure installation of proper HR Systems for smooth functioning of the Municipality by <b>2013/2014</b>	Smooth functioning of the Municipality by <b>2013/2014</b>	<b>2013/2014</b>	Liaise with Payday Consultants, SARS and other Stakeholders frequently	-Obtain quotes -Submission for approval Implementation of the systems	R100 000.00
<b>Lack of a Human Resource Plan</b>	To have the HR Plan developed and aligned with the core functions of the Municipality by 2013/2014	Approved HR Plan with a Council Resolution Number by <b>2013/2014</b>	To have the HR Plan developed and approved by Council by <b>2013/2014</b>	-Request assistance from DLGTA -Budget for external service provider	- <i>Consultation with Stakeholders</i> - <i>Development of an HR Plan</i> - <i>Annual Reviewal of the HR Plan</i>	R100,000.00
<b>Lack of Retention Strategy</b>	To develop a Retention Strategy and have it approved by Council by <b>2012/2013</b>	Approved Retention State with a and Council Resolution	To have a Retention Strategy approved by Council by <b>2012/2013</b>	-Consultation with the DLGTA -To budget for external service provider	<i>Development of a Retention Strategy</i> <i>Annual Reviewal of Retention Strategy</i>	R50,000.00
<b>Lack of Training for 260 Ward Committees</b>	To train 260 Ward Committee members through DLGTA by June <b>2012/2013</b>	260 Ward Committee members have been trained through DLGTA by <b>June 2013</b>	-260 Members to have been trained by <b>June 3013</b> -	-Source external Financial Assistance -Consult with the DLGTA and SETA	-Source Funding -Come up with Identification criteria for Ward Committee Members to be trained -80 members to be trained by <b>June 2012</b> -180 to be trained by <b>June 2013</b>	-Part of Municipal Training - DLGTA Budget -EU donation to COGTA for WC training
<b>-Lack of Employee Assistance and Wellness Programme (EAWP)</b> <b>-Lack of Personnel required</b>	To develop and implement the Employee Assistance and Wellness Programme by <b>2012/2013</b> so as to address employee issues that affect their well-being and performance of their duties	-EAWP developed			-Crafting of the EAWP by 2012/2013 -Employment of EAWP Officer (Level 5) by <b>2013/2014</b> -Purchase of required Equipment-Setting up of Relevant Committees -Implementation off the Plan	R850000-00  -R160000-00 plus annual escalation

<p><b>Non-adherence to Policies and Procedures by Municipal Employees</b></p>	<p>-To conduct 4 workshops on 6 Policies (Leave, S&amp;T, Dress Code, IT, Working Hours and Overtime and Code of Conduct) to 200 employees below Level 5 by <b>2012/2013</b></p> <p>-To encourage and monitor adherence to these Policies and Regulations (To specify rules)</p>	<p>-Four workshops conducted to all 200 employees below Level 5 on 6 Policies -Signed attendance register</p> <p>-Adherence to Policies</p>	<p>2012/2013</p>	<p>-Workshops</p> <p>-Highlighting the impact of non-compliance</p>	<p>Workshop on Polices</p>	
<p><b>Inadequate Capacity Building for Employees and Councillors</b></p>	<p>To provide various training interventions to 200 Municipal Employees and 62 Councillors as per the Skills Audit and Workplace Skills Plan (WSP) on <b>an Annual basis</b></p>	<p>-Number of employees and Councillors trained as per the Training report</p> <p>-Improved</p>	<p><b>Annually</b></p>	<p>-Conduct Skills Audit</p> <p>-Compile WSP</p> <p>-Compile Implementation Plan</p> <p>-Consult relevant stakeholders</p> <p>-Offering of Study Assistance</p> <p>-Sourcing Learnerships</p>	<p>-Skills Audit</p> <p>-WSP compilation</p> <p>-Implementation Plan</p> <p>-Consult relevant stakeholders</p> <p>-Study assistance</p> <p>-Learnerships</p>	
<p><b>-Lack of Implementation of the Employment Equity Plan (EEP)</b></p> <p><b>-Lack of regular meetings of the EE Forum (EEF)</b></p>	<p>-To review and implement the EEP as per the Employment Equity Act 55 of 1998 so as to address unfair discrimination in the work place by 2017</p> <p>-To schedule regular EEF meetings</p>	<p>-Changes in various occupational categories as a result of implementing set targets</p> <p>-EE Report</p> <p>-Proof of Submission and Receipt by Labour Department</p> <p>-Regular meetings as per the Schedule of meetings</p>	<p>As from <b>2013 to2017</b></p>	<p>-Holding Regular quarterly EEF meetings</p> <p><b>-Regular refresher workshops through the service provider</b></p>	<p>-To schedule Regular meetings of the EEF</p> <p>-Regular reviews on the EEP</p> <p>-Consultation with the Labour Department</p>	

#### 4.2.5 INFRASTRUCTURE

Key Issues	Current Analysis/ Backlog Mostly Affected Areas	Key Performance targets	Performance indicators	Available Resources	Objectives	Strategies	Current Projects /Proposed	Ward
<b>ELECTRICITY</b>								
<b>INFRASTRUCTURE; Insufficient capacity in the existing Substation</b>	1 substation in ward 19.	Install 1 substation by 2015/2016	substations constructed in Ward 19	Land	Construct 1 Substation by 2017.	Source funding Loan Eskom to install.	Matatiele substation	19
<b>INFRASTRUCTURE: Backlog in rural electrification of Matatiele.</b>	30,000 house-holds in all wards	Reduce the backlog by 6,000 by 2012/2013	Number of households connected	DME, Schedule 06 funds	Eradicate electricity backlog of 30,000 house-holds in Matatiele by 2017.	Source funds from DME to address the backlog.	Area c and Ward 22 Electrification of Ludidi, Nyaniso and Mathandela A/A.	All wards
<b>INFRASTRUCTURE: Construct New streetlights and High-mast lights</b>	Ward 20	Installation of 5 High-mast lights by 2012/2013	Number of Highmasts installed	Land	Install 26 High-mast lights by 2017	Provide adequate resources, inclusion of High-mast to the rural communities and Installation of new substation in town	1.Highmast light. 2.tools and equipment.	20
<b>INFRASTRUCTURE ; Electricity in-fills</b>	Ward 01,3,4,6,8,10,17,23,25	900 house-holds to be connected by 2012/2013	No of house-holds connected	Schedule 06 funds	Electrify all in fills by 2017	Prioritize in fills in identification of projects from schedule 06 funds	Matatiele rural electrification	01,3,4,6,8,10,17,23&25
<b>Lack of Personnel</b>	Populate the organogram	Employ 1 Qualified Technician by 2012/2013	1 Qualified Technician employed by	Budget	Employ at least 2 Qualified Technician by 2017	Advertisement on Provincial and Local Paper		
<b>Ringfeed</b>								

OPERATIONS AND MAINTENANCE								
<b>MAINTENANCE Poor state of roads</b>	All wards except CBD areas.	78 km for 2012/2013	Number of km maintained	Equitable share funds	Maintain 385 km of roads by 2017	Implement EPWP principles through labour based Programme/principles	Nkhoesa Mofokeng programme	All wards
<b>MAINTANANCE; Poor state of roads</b>	All wards except CBD areas	50Km by 2012/2013	Number of Km maintained	Loan	Ensure that 250 Km of access roads is maintained by 2017.	Purchasing of own plant.	All wards as per prioritization	
<b>INFRASTRUCTURE; Tarring of Maluti internal roads</b>	Ward 01	3km by 2012/2013	Number of km tarred	Loan to address the backlog	Ensure that 15km of internal roads in Maluti are tarred. By 2017	Apply for a loan of R10Million for this project	Maluti Internal Roads	
<b>NFRASTRUCTURE; Tarring of Cedarville Internal roads</b>	Ward 26	3Km by 2012/2013	Number of Km tarred	Loan to address the backlog	Ensure that 15 of internal roads at Cedarville are tarred by 2017.	Apply for a loan of R10Million for this project	Cedarville Internal Roads.	
<b>INFRASTRUCTURE; Tarring of Matatiele Internal roads</b>	Ward 19&20	3Km by 2012/2013	Number of Km tarred	Loan to address the backlog	Ensure that 15Km of internal roads at Matatiele are tarred by 2017.	Apply for a loan of R10Million for this project	Matatiele Internal Roads	
<b>INFRASTRUCTURE: Kerbing and Channeling</b>	Ward 01,19,20&26	Construct 4000 meters of kerbs by 2012/2013	Number of meters installed	Equitable share funds	Install 20,000meters of Kerbs by 2017	Usage of Equitable share funds	Maluti, Cedarville & Matatiele kerbing	
<b>MAINTENANCE:Road marking &amp; Signage</b>	Ward 01,19,20&26	16,000 meters by 2012/2013	Number of meters maintained	Equitable share funds	80,000 meters of road-marking by 2017	Utilize trained General Assistants	Maluti ,Cedarville and Matatiele road marking	
<b>MAINTANANCE: Filling of Potholes</b>	Ward 01,19,20&26	Minimize by 10,000square meters by 2012/2013	Number of square meters patched	Equitable share funds	Patching 50,000 square meters 2017.	Utilize trained General Assistants	Maluti, Cedarville & Matatiele internal roads.	
<b>MAINTENANCE Storm-water Drainage</b>	Ward01,19,20&26	Replace storm water drains by 20% per annum.	Meters of storm water drains replaced	Equitable share funds and MIG grant.	Replace all old existing Infrastructure by 2017	Replace to suit current development in Matatiele	Upgrading of storm water drain	

<b>Lack of Consolidated Municipal Infrastructure plan</b>	Ward 01, 19, 20 and 26	Development of Consolidated Municipal Infrastructure Plan	Adopted plan	Service Provider MIG Funds	Proper Plan to address future developments in Matatiele	Appoint Service Provider to develop the plan	Matatiele Storm-water management plan	
<b>Itsokolele Footbridge</b>	Ward 20	Footbridge by 2012/2013	Bridge completed	Equitable Share	Provide Access to Njongweville residents	In-house personnel	Itsokolele Footbridge	
<b>PROJECT MANAGEMENT UNIT</b>								
<b>INFRASTRUCTURE: Inadequate Access Road</b>	All wards	Construct 44Km of road by 2012/2013	Number of Km constructed	Personnel, Service providers	Construct 208 km by 2017	Appoint service providers	MIG capital projects	
<b>INFRASTRUCTURE: Poor quality of access roads in the rural areas</b>	All wards	Maintain 80Km by 2012/2013 F/Y.	Number of Km maintained	-Personnel -service providers	Maintain 400km of Access roads by 2017	Hire plant, Purchase plant	Road maintenance	
<b>INFRASTRUCTURE: inadequate Community Halls</b>	All wards	Construct 2 Community halls by 2012/2013	Number of Halls constructed	MIG Grant funding	Construct at least 1 community hall per ward by 2017.	Apply labor based methods of Construction	MLM Community facilities	
<b>INFRASTRUCTURE; Poor quality of sporting facilities</b>	All wards	1 facility per financial year	Number of facilities constructed	15% out of MIG allocation.	Ensure that 5 sporting facilities are constructed by 2017	Appoint service providers	Matatiele sports facilities	
<b>MONITORING AND EVALUATION QUALITY OF ROADS</b>	All wards	Testing of all our roads in order to comply with Design guidelines	Roads that are not maintained more often	Personnel	All access roads to be in good quality by 2017	Quality Test results to determine payment.	All MLM projects	
<b>PMU; PMU ESTABLISHMENT</b>	PMU	Filling of critical positions by 2012/2013	Fully Populated Organogram	MIG Grant	Ensure that there is a fully fledged PMU Structure by 2017	Utilization of 5% top slice from MIG grant for PMU Establishment.		
<b>Lack of working Tools/equipment</b>							Purchasing of 1 Laptop	
<b>SECTOR DEPARTMENTS/STRATEGIC PARTNERS</b>								

<b>DEPT OF PUBLIC WORKS;MAINTANANCE: T/DR roads</b>	All wards	60 km per financial year	Number of km maintained	Public works	Maintain 300 km of District roads by 2017	Usage of their own plant	Tarring of DR roads	
<b>DEPT OF PUBLIC WORKS;MAINTANANCE: bridges</b>	All wards	5 bridges per financial year	Number of bridges constructed	Public works	Construct 15 bridges by 2017	Usage of their machinery	DPW bridges	

#### 4.2.6 Local Economic Development

KEY PERFORMANCE AREA : LOCAL ECONOMIC DEVELOPMENT							
GOAL 1 : JOB CREATION							
KEY FOCUS AREA : EXPANDED PUBLIC WORKS PROGRAMME & COMMUNITY WORKS PROGRAMME							
High rate of unemployment	1.1. Create at least (5000 short term jobs) (tourism, EPW, & Infrastructure)by 2017	No of Jobs Created	EPWP jobs	Institutional support	Establish youth co – operatives for maintaining the Ports of Entry by June 2013.	Qacha’ s Neck Border gate, Ramatsiliso, Ongeluk’nek Mngeni	200 000
					<i>Preparation and Submission of EPWP Reports</i>	All wards	1m
			Community Works Programme	Institutional support (DOE,MLM,DM)	Registration of new CWP sites – community gardens in 2013	All wards )	20m
			Enhance the sustainability of the community gardens – by creating access to markets, community gardens – schools, stalls in town for sale of				
			Partnership with Dept. of Education to purchase from the Community gardens				
			Tourism Related Jobs	Institutional support (MLM, DM, Sector Departments, NGO’s & Private)	Increase accommodation sector jobs annually.  Annual event jobs annually	All Wards	800 000

			Mobilise funding for Co-operatives	ECDC, NEF, and DTI	Establish a training centre for Co operatives	Ward 19 and 26	3m	
			Mobilise other stakeholders ECPTB, DEDEAT, Maluti Drakensberg Trans frontier Parks					
<b>KEY FOCUS AREA : FORESTRY DEVELOPMENT</b>								
Lack of beneficiation of Forestry products	Create at least 1000 Sustainable job opportunities by 2017	No of sustainable jobs created	Forestry related jobs – pine tree plantations	Land and Labour Technical expertise from sector Department e. g Department of Rural Development and Agrarian Reform and Department of Forestry and Fisheries	Development of Community Commercial plantations	2,4,6,7,8,9,12,14,15,16,17,18,20,21,23,24	100m	
		No of skilled - people per project	In house Training and skilling of youth to ensure sustainable employment		Wood logs , forestry plantations			Forestry value chain project (Wood )
								Sawmill Wattle removal - Charcoal
					Down Stream Processing Plants ( e.g. wood processing)	26	40 m	
					Charcoal Processing Plant	Ward 8 Mafube, 21	5m	
Slow processing of forestry licence	To facilitate the issuing of at least 10 forestry licences by 2017	No of forestry licences issues	Facilitate the application Foresting Licenses	Land	Support to existing forestry projects	Current projects in wards:- Makoba, Tsita, 13 Mparane, Ha - Sibi, Ward 21		

						- Mabenyeng, ward 25	
					New forestry Projects	2,4,6,7,9,11,12,15, 16, 17, 18,20,21,24,25, 8	100m
Existing resources are not fully utilised	1.3 Develop at least 2 agricultural anchor projects by 2017	No of anchor projects	Maximum utilisation of existing resources Monitoring of existing projects	Land, Rivers, Agricultural Co-operatives	Construction of 1Dam (for irrigation schemes)	Gladstone – 13 Mariazel – 14 Seeta - 13 Ward - 26 Kinirha – Ward 8	1.3 bn

**GOAL 2 : INVESTMENT ATTRACTION AND RETENTION**

**KEY PERFORMANCE AREA : LOCAL ECONOMIC DEVELOPMENT**

Poorly developed industrial Sector	2.1 Attract at least 2New industries by 2017	No of industries developed.	Package land Invite investors	Land, Intuitional Support	Light industrial Park Development	19	11m
					Light industrial Incubators (SMMEs)	19	11m
					Light industries in Leather Making and Glass blowing	26	7 m
					Clay tiles industry	Magadla –ward 10, 21	15 m
Existing Retail	Develop at least two malls by 2017	No of new retail	Retail Sector Diversification Partnerships with strategic	Land	New shopping mall development	19 , Convenience	15m

shopping facilities are far from Communities		malls	partners			retail centres - at Nodal Points - Mzongwana, 26, Queen's Mercy, Mvenyane, Cedarville, Ward 1 - Maluti, ward 23 – Green acre Ward 16 - Mechachaneng	
<b>KEY FOCUS AREA : KEY FOCUS AREA AGRICULTURE</b>							
Lack of access to markets for fresh produce markets	Increase the access to markets for least 15% of the fresh produce in Matatiele	% of agricultural produce with access to markets	Work with strategic partners Source funding	Land , Co-operatives, rural homestead gardens	Fresh Produce Market	19	20m
No value addition for agricultural produce	Develop at least two agricultural industries by 2017	No. of industries developed	Package land, Invite investors, Strategic Partnerships	Land, Institutional Support	Milling Plant	19	10m
					Dairy processing &Packaging	26	30 m
					Red Meat Production & Processing	26	15m
				Massive food production		All wards	
					Research on Mining Opportunities in Matatiele	All Wards	600 000
Illegal sand mining					Assist in legalising sand mining-SMME's support		
<b>NATIONAL KPA : LED</b>							
<b>KEY FOCUS AREA : INVESTMENT RETENTION &amp; ATTRACTION</b>							

Policy framework needs to be conducive for investment attraction & Retention	2.4. Review Policies in line with legislation Annually	No of policies Reviewed.	Conducive Policy environment	Technical Expertise	2.4.1 Reviewal of Investment and Retention Policy	All wards	50 000
					2.4.2 Review Matatiele SDF	All wards	300 000
					2.4.3 Preparation of Nodal SDFs	Maluti – ward 1 6 Clusters	1 500 000
					2.4.4 Informal Trading Policy Review	19, 26 and 1	50 000
					2.4.5 Town Planning Scheme Review	19,26 and 1	400 000
					2.4.6 By Laws Review	All ward	NIL
Capacity of existing infrastructure not sufficient to attract and retain future investment	2.5 Upgrade and replace all ageing infrastructure by 2017	Upgraded infrastructure Constructed power station. Upgraded storm water reticulation. Upgraded railway infrastructure Upgraded Sewerage Works Developed Aerodrome facility – waiting room, beacons ,marker	Small Town Revitalisation (Bulk infrastructure Improvement & CBD precinct planning). Invite investors Source Funding	Institutional Support  Technical Expertise  Available Landing strip.	2.5.1. CBD precinct planning (civil & Town Planning)	Ward 1;19; 26	200 m
					2.5.2 CBD Storm water Reticulation Upgrading		
					2.5.3 Railway upgrading		
					Sewerage works upgrading		
					2.5.4 Aerodrome facility development.		

		lights, 360 degree Tower			2.5.6 Charter flight		
Limited rates base	2.5 Increase the rates base by at least 5% by 2017	% increase in the rates base	2.5.1 Increase rates base	Existing rate payers	2.5.1.2 Upgrading of tenure rights	Maluti	3 m
					2.5.1.3 Installation of infrastructural services for Area M Township and sale of vacant plots	Ward 19	30m
					2.5.1.4. Development of Area J Town ship	Ward 19	
Limited no of banking facilities (outlets)	2.6 Attract the provision of at least 2 additional banking outlets by <b>2013</b>	No of additional banking outlets	Private sector (Banking industry) Mobilisation	Current banking outlets	2.6.1 2 banking outlets	Cedarville -26 Ward 19 ; Ward 1	
Poorly developed tourism infrastructure	2.7 Develop at least 4 Tourism facilities by 2017	No of facilities new tourism infrastructure developed	Tourism infrastructure Development Mobilise funding	Land Tourism Partners	2.7.1 Chalets Camping Site Development	Belford Dam Ward 8 Ramatsiliso ward 9, Ongeluk'nek ward 14	5 m
					2.7.2 Cultural Village	19	2 m
					2.7.3 Tourism information Centre	19	200 000

					2.7.4 Conference Centre + Accommodation Facility	26	5 m
					Pleasure Dam Development	20	
<b>FOCUS AREA : SMME DEVELOPMENT &amp; SUPPORT</b>							
Insufficient support to emerging agricultural producers	Support agricultural initiatives	No of initiatives supported	2.5.2 Support agricultural initiatives <b>Foster partnerships</b>	Land Existing agricultural producers Institutional support (DRDAAR)	2.5.2.1 Fencing of pastures Land	2, 3, 4, 5, 6,7,8,9, 11,12,14,15,17,18 , 20,21,23,24, 25	15m
					2.5.2.2 Assistance for Peach Producers (to improve existing production)	12,13 All wards	200 000
					2.5.2.3 Sourcing of 1 Tractor per ward	All Wards	26m
Low levels of skills in the Municipality	2.6. Construct 1 Centre for training of Co-operatives by 2015	Construction of 1 centre	2.6.1 Skills development	Abundance of labour SEDA	2.6.1.1 Construction of a Co-operatives training centre	19	4m
	2.7 Train 150 Co-operatives by 2017	No of Co-operatives trained	2.7.1 Skills Development		2.7.1.1 Book keeping – co-operatives & Contractors, Informal Traders	2, 3, 9, 12 & 14& 19,26, 21	500 000
					2.7.1.2 NHBRC training for Home Builders	All Wards	50 000
Lack of access to funding by the local SMMEs	2.8 Source funding for 30 enterprises by 2017	No of enterprises assisted	2.8.1 Access to finance For SMMEs	Institutional Support – DEDEA, IDC, DM, LM, DLGTA, DBSA	2.8.1.1 Source Funding for SMMEs	All Wards	20 m
Insufficient	To provide a one stop	A functional LED	Appoint a professional Service	Land	Construct an LED Support	19	1,6m

convenient Technical support to SMME	LED support centre for SMME support by June 2013.	Support centre	Provider Fostering of partnership	Budget	Centre with Municipal offices for LED office		
<b>KEY FOCUS AREA : TOURISM</b>							
Lack of knowledge & understanding of Tourism Opportunities	2.9 Conduct at least 10 awareness campaigns by 2017	No of awareness campaigns	2.9.1 Building partnerships with the private sector & Government role Players (DEDEAT, DET, DWA, DM, LM)	Human resources in the different spheres of Government District Sector Departmental offices District Municipality, Local Municipality	2.9.1.1 Awareness campaigns	19, 22	20 000
Poor Promotion and Marketing of Matatiele as a Tourism Destination	2.11 Promote and market Matatiele as a tourist destination	Increase in the number of visitors (at the accommodation establishments)	2.11.1 Hold an annual Tourism Event Develop a Tourism Plan	Tourism Partner ECPTB,	2.11.1.1 1 Tourism Event 2.11.1.2 Tourism Plan	2 19	4m 400 000
Lack of transformation in the existing Local Tourism organisation.	2.12 To facilitate the establishment of 1 local Tourism organisation by June 2012	No of Local Tourism Organisations established	2.12.1 Develop partnership with establish private sector Tourism role players and Government Departments	Political will Natural resources	2.12.1.1 Establish an LTO	All wards	20 000

GOAL 3 : EFFICIENT DEVELOPMENT							
SPATIAL DEVELOPMENT FRAMEWORK							
KEY FOCUS AREA : DEVELOPMENT PLANNING							
KEY ISSUE	OBJECTIVE	INDICATOR	STRATEGIES	AVAILABLE RESOURCES	PROJECTS /TARGET	WARD	BUDGET
Outdated SDF	3.1 To develop broad and implementable spatial proposals for vacant commonage land	SDF Reviewed and adopted Council	Review the SDF	Technical Expertise	3.1.1. Review Matatiele SDF	19 , 26	300 000
SDF does not cover the whole Municipality	3.2 To develop 6 nodal SDFs by 2014	SDF Reviewed and adopted Council	Source Funding from DBSA, DLGTA, DRDAAR	Institutional Support	3.2.1. Preparation of Nodal SDFs for 6 Clusters	All wards	1 500 000
Unequal land distribution	3.3 To provide equal access to land for previously disadvantaged	Increase of land ownership by previously disadvantaged	Review land reform and redistribution process, products and approaches. Implementation of relevant policies	Institutional Support	3.3.1 Facilitation of land reform beneficiary list  33 PIPELINE PROJECTS: The List of the farms below are in the Cedarville, Eastern Cape (former KZN)  Confluence farm no 168, Green field, Portion 3 high water no 231 vergender  Braeside , Cholchester farm no.172 Tuleni , Ribbelsdale	All wards	

					Fraaiuitsig Remainder portion 3 welland strathroy Cremora Portion 6 higwater no 231 henwood  Draken's vue Portion 1 Welland Portion 2  Welland De Brain's hoek portion 4  Heron mere no 144 Erf 468 portion of erf 1  Makodene De brain's hoek no 195 portion 3 Hillside The crown portion 1, farm no 175 Solders rest The crown no 175 (uitkyk) Uitkyk Golden fleece no 161  Farm settlement portion 8 warkhmbrook(morgan)  Alartfontein no 225 Portion 2 Wakham brook	
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					(chilfome) Hazecter Rem portion 1 farm confluence farm no 168 Den Hook Farm Spring Vaivale no 226,		
Poor management of informal trading sector	3.4 To develop an informal trading policy 2013	Adopted informal trading policy	Manage informal Traders a sector	Draft informal trading policy Technical expertise	3.4.1 Informal Trading Policy Review	19, 26 and 1	50 000
	3.5 To develop 1 informal trading facility (hawker stalls, storage and shelter for commuters at the ranks) by 2014	Developed informal trading facility	Source funding	Technical Expertise	Hawker stalls development	19	1,5 m
Poor Management of Land use changes	3.6 Improve Land Use Management systems by 2017	Reviewed Town Planning Scheme	Review the Town Planning Review of the Town Planning Scheme	Technical Expertise	Town Planning Scheme Review	19,26 and 1	400 000
					Electronic system for land use changes and subdivisions		600 000
Town Planning Scheme Contraventions	Ensure full compliance with the Town Planning Scheme by 2017	% compliance with the Town Planning Scheme	Community awareness campaigns	Existing Personnel	Conduct awareness campaigns every semester.	1,19,20,26	

			Process all applications		Processing and finalising of all received applications every two weeks.	1,19,20,26	
			Develop a register of all non – complying uses		Identify & issue notices to all Town planning scheme contraventions monthly.	1,19,20,26	
					Hand –over all non – complying land uses to Legal services for Litigation	1,19,20,26	
<b>KEY FOCUS AREA : HUMAN SETTLEMENTS</b>							
High housing backlog	3.7 Construction of at least 2000 units by 2017	No of units constructed	Human Settlements Development	Land Institutional support	2.1.1.1 Middle income Housing Development (65 units)	Ward 19 Area J	6 370 000.00
					2.1.1.2 High Income Development (214 units)	Ward 19 Area -M	<b>9 890 000.00</b>
					2.1.1.3 Social Housing/ rental houses-90 units	Ward 19 - Area M	6 300 000.00
					2.1.1.4 Community Residential Units (Hostel Upgrading)	Ward 19 <b>Mini Town</b>	
					2.1.1.Maritseng	Ward 1,2,3, - 1 500 units	152 065 500.00
Municipal properties not used to the benefit of the Municipality	Get all Municipal properties classified			Verification of Tenants	Audit of all properties owned by the Municipality	Transido; Mini Town; Itsokolele Hostel; Hostel Road; Containers; Municipal Stores	
					<b>Completion of the Current Rural Housing Projects</b>		

					Masakala	Ward 20 – 500 units	50 688 500.00
					Mvenyane	Ward 21 - 500 Units	50 688 500.00
					Taba Chicha	Ward 14 - 500 units	50 688 500.00
					Mehloloaneng	Ward 16 – 989 Units	96 922 000.00
					Pote Re-location	Ward 7 – 40 units	
					<b>PROPOSED RURAL HOUSING PROJECTS</b>		
					Mngeni	Ward 7 - 1540	3 920 000.00
					New rest	Ward 9 – 1000 units	98 000 000.00
					Development of 26 Middle income housing Units (private Developer)		
					Nkau	Ward 12	
					Hillside	Ward 18 – 1 710 units	167 580 000.00
					Fobane	Ward 23 - 1 500 Units	147 700 000.00
					Ramafole	Ward 24 - 1 500 units	147 700 000.00
					<b>Urban Housing Projects</b>		
					Cedarville Rectification	Ward 26 – 201 units	
					Harry Gwala park Rectification	Ward 20 – 1110 units	
					Cedarville 1000 units	Ward 26 – 100	98 000 000.00
Poorly Maintained	Renovate existing	Renovated Rental	Source Funding from DOH	Rental Accommodation	Mini Town Community	19Illegal sale of	

Municipal owned Housing	Municipal Rental Housing by 2017	Houses			Residential Units		
High rate of illegal sale of Subsidised Houses	Reduce the illegal sale of subsidised housing	% reduction in the sale of Subsidised houses	Awareness campaigns Co-ordinate with DOH	Subsidised housing	Awareness campaigns	All wards	5 000
Missing (untraceable ) beneficiaries delay housing projects	Ensure all missing beneficiaries are timeously de-registered in line with the policy	Number of de-registered missing beneficiaries	Adherence to Policies	Existing Subsidised Housing Projects	Advertising for Missing beneficiaries Processing of de-registration applications	All Wards	10 000
Inadequate personnel (within the Municipality)	Employ at least 1 additional staff by 2014	No of personnel employed	Recruitment of Personnel	Human Settlements Unit	Employ 1 additional staff by 2014	N / A	150 000
Insufficient working equipment	Purchase working tools & Equipment (SMART???)	No of tools and equipment acquired	Source tools	Budget	Work stations Desk top Lap top	N / A	
Poor record keeping of housing data	Ensure efficient record keeping for housing data by 2014	Well-kept housing records	Housing backlogs recording & management  Waiting list management	Personnel	Develop & maintain a housing waiting list  Research housing backlogs per ward for all categories human settlement development	N / A	
<b>BUILDING CONTROLL</b>							
Non Compliance with NHBRC requirements	Ensure 80 % compliance (within ward 1, 19, 26, 20) with the NHBRC by 2017	% increase in compliance with NHBRC	Improve Community awareness		Conduct awareness campaigns on non-compliance	1,19,20,26	
					Identify non complying uses per	1,19,20,26	
					Process all submitted	1,19, 20,26	

					building plans		
Inability to keep and retain building control officers	A Retention Plan for building control officers to be in place by 2013	Existing retention plan	Benchmark retention Plans of other Municipalities	Personnel Budget	Develop a retention plan	N/A	
			Bench mark market related salaries for building control officers		Appoint interns	All wards	120 000

## CHAPTER 5 : PROJECTS IDENTIFICATION

### 5.1 BUDGET AND TREASURY

BUDGET AND TREASURY							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
<b>Implementing the Credit Control, Revenue Enhancement and Debt Reduction Policies::</b> Report on a monthly basis to MANCO, Treasury. Report on a quarterly basis to standing committee		R35m	R5m	R15m	R5m	R5m	R5m
<b>Advertising of tariffs</b>		R20 000	R5 000	R5 000	R5 000	R5 000	R5 000
<b>Data cleansing</b>		R0,3	R0,1	R0,1	R0,1	R0,1	R0,1
<b>Provision of Free basic services</b>		R7m	R 1.4m				
<b>Preparation of GRAP Statements</b>		R1.75m	R0.35m	R0.35m	R0.35m	R0.35m	R0.35m
<b>Insure Municipal Asserts</b>		R3.66m	R732,000	R732,000	R732,000	R732,000	R732,000
<b>Review of Policies</b>		R100 000	R20 000	R20 000	R20 000	R20 000	R20 000
<b>Training of practitioners</b>		R100 000		R50 000	R25 000	R25 000	
<b>Accreditation of technical officials/ Councilors with IMFO</b>		R200 000	R50 000				
<b>Multi-year budget (4 of MFMA) – Implementation of Council IDP and Budget</b>		R3.1m	R3.1m				
<b>Renovation of office buildings and purchase office equipment:</b>							
Appointment of a Service provider		R200 000					

Purchasing of Office Equipment ( Printer for orders and cheques, Fax Machine, Office Chairs, Cabinet, Printer for cashiers, Abakus printer		R124 000					
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## 5.2 COMMUNITY SERVICES

COMMUNITY SERVICES							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2013	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Upgrade Fire station to house Emergency Awareness campaigns							
Renovations of the existing fire station to accommodate an emergency house. AND awareness campaigns	MLM	R430 000	R86 000	R86 000	R86 000	R86 000	R86 000
Purchase of fire and rescue equipment							
Purchasing of equipment.	MLM	R80 000	R16 000.	R16 000	R16 000	R16 000	R16 000
Training of volunteers	MLM	R50 000	R50 000				
Disaster Management Plan and Erection of 4 substations							
Development of disaster management plan	MLM	R100 000			R100 000		
Building of 4 Fire and disasters substations							
Park meters and Traffic lights installation							
Road blocks	MLM	R290 000		145 000	145 000		
Installation of traffic lights and Park Metres	MLM	R600 000	R600 000				
Extension to Testing Grounds (for A Grading)							
Construction of the extension	MLM	R200 000	R200 000				
Review existing IWMP							
Inergrated Waste Management plan	MLM	R400 000	R200 000	R200 000			
Public participation	MLM	R100 000	R20 000	R20 000	R200 000	R20 000	R20 000

Conduct Training and workshops waste management	MLM	R100 000	R20 000	R20 000	R200 000	R20 000	R20 000
10 x skips for Matatiele town Households bins							
10xskips for matatiele town	MLM	400 000	400 000				
Installing and collection of bins around town	MLM	R300 000		R300 000			
Operation & maintenance of Landfill site							
Operation & maintance of Landfill site	MLM	R1 300 000	R260 000	R260 000	R260 000	R260 000	R260 000
Landfill report	MLM	R50 000	R50 000				
Matatiele Landfill leachate (water escaping from the landfill sites) management	MLM	R500 000	R250 000	R250 000			
Recycling Policy							
Develop Recycling Policy	MLM	R50 000	R50 000				
Buxton Park Recycling Project		R50 000	R50 000				
2 x Awareness campaigns		R50 000	R25 000	R25 000			
EPWP Policy		R0	R0	R0	R0	R0	R0
Food for Waste project		R0	R0	R0	R0	R0	R0
GRASS Cutting							
Grass cutting		R1 200 000.00	R240 000	R240 000	R240 000	R240 000	240 000
Removal of Alien Invasive Plants ( EPWP) and Community Based Natural Resource Management (CBNRM)							
Employing people from the affected wards, to remove alien plants(EPWP)		R190 000	R38 000	R38 000	R38 000	R38 000	R38 000
CBNRM		R150 000	R150 000				
Climate Change/ Global warming							
Greening Programme		R200 000	R50 000	R50 000	R50 000	R50 000	
Conducting workshops on climate change		R190 000	R38 000	R38 000	R38 000	R38 000	R38 000
Populating nature reserve – indigenous trees		R150 000	R50 000	R50 000	R50 000		
Security of Impounded Stock							
Purchase and Construction		R 340 000	R340 000				
Parks and Cemeteries							
Developing a burial register	MLM	R500 000	R500 000				
Grass cutting							

<b>Graveyard Expansion</b>		R150 000	R150 000				
<b>Maintanance of cemeteries -01, 19 &amp; 26</b>		R80 000	R80 000				
<b>Grave digging and cemetery maintenance</b>		R80 000	R16 000	R16 000	R16 000	R16 000	R16 000
<b>Record Keeping</b>							
<b>System Installation</b>		R200 000	R100 000	R100 000			

## 5.3 INFRASTRUCTURE

INFRASTRUCTURE							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2013	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Construction of a substation in town by 2017	MLM	R30 m	R30m				
Electrification of villages (see Eskom projects)	DoE/Eskom/M	R 510m					
Installation of New street lights and High-Mast lights at ward 20	DoE/Eskom/ML	R5.4m	R5.4m				
Electrification of in-fills: Wards 1,3,4,6,8,10,17,23,25	DoE/Eskom/MLM	R15m	15m				
Maintenance of existing roads –all wards	Equitable share DPW	R90m	R30m	R15m	R15m	R15m	R15m
Tarring of roads in wards 1, 26, 19, 20 Maluti, Cerdarville, Matatiele internal roads (3km each for 2012/2013)P	MIG	R30m	R10	R5m	R5m	R5m	R5m
Undertake Kerbing and Channeling of Maluti, Cedarville, and Matatiele Roads	MIG	R5m	R1m	R1m	R1m	R1m	R1m
Undertake road marking and signage of Maluti, Cedarville, and Matatiele Roads	MIG	R 2.5m	R500 000				
Filling of potholes in Maluti, Cedarville, and Matatiele Roads:	MIG	R 5m	R1m	R1m	R1m	R1m	R1m

<b>Upgrade storm water drains in Maluti, Cedarville, and Matatiele Roads</b>	MIG	R15M	R3m	R3m	R3m	R3m	R3m
<b>Develop a consolidated Municipal Infrastructure Plan</b>	MIG	R2.5m	R2.5m				
<b>Construction of new roads: all wards</b>	MIG	R210m	R53m	R37m	10m	10m	10m
<b>Construction of foot bridge in ward 20</b>	MIG	R1m	R1m				
<b>Construction of 5 Community halls</b>	MIG/Equitable Share	R 15 mil	R5M	R2.5m	R2.5m	R2.5m	R2.5m
<b>Construction of VIP toilets and provision of health and hygiene training</b>	MIG	R159,3m	R30m	R30m	R30m	R33m	R36,3m
<b>Maluti and Ramohlakoana Sewer Upgrade</b>	MIG	R3.6m	R1.8m	R1.8m			
<b>Maintenance and fencing of Nature Reserve</b>	MIG	R2.84m	R1.420.800m	R1.420.800m			
<b>ANDM Home Based Care Givers</b>	EPWP Grant	R135 150	R135 150				
<b>Upgrade Electricification</b>	DoE/Eskom	R4m	R4m				
<b>Ring Feed Mountain View</b>	DoE/Eskom	R750 000	R750 000				
<b>Ring Feed Mountain View</b>	DoE/Eskom	R850 000	R850 000				
<b>Replace Transformer</b>	DoE/Eskom/	R115 000	R115 000				
<b>Replace Mini-Sub North End</b>	DoE/Eskom	R350 000	R350 000				
<b>Tsita-Mabua Access Road</b>	MIG	R3 750 000	R3 750 000				
<b>Cross To St Jozhns Access Road</b>	MIG	R3 903 360	R3 903 360				
<b>Mzongwana to Vimba Access Road</b>	MIG	R3 700 155	R3 700 155				
<b>Sekutlong Access</b>	MIG	R2 932 500	R2 932 500				
<b>Fiva Access Road</b>	MIG	R5 751 580	R5 751 580				
<b>Zingcuka Madlangeni access Road</b>	MIG	R5 405 880	R5 405 880				
<b>Nyanzela Access road</b>	MIG	R4 461 960	R4 461 960				
<b>Lunda Access Road</b>	MIG	R4 619 280	R4 619 280				
<b>Mokhosi Milling Access road</b>	MIG	R1 050 000	R1 050 000				
<b>Khuthalani Sinosizo Poultry Access Road</b>	MIG	R70 000	R70 000				
<b>Kuyasa Poultry – to Acces Road</b>	MIG	R399 885	R399 885				

<b>Sabasaba access Road</b>	MIG	R1 575 000	R1 575 000				
<b>Lukholweni Access Road</b>	MIG	R4 500 000	R4 500 000				
<b>Ntlola Access Road</b>	MIG	R2 250 000	R2 250 000				
<b>Pamlaville Community Facility</b>	MIG	R750 000	R750 000				
<b>Dalibhunga Community Facility</b>	MIG	R700 000	R700 000				
<b>Moaneng Community Facility</b>	MIG	R700 000	R700 000				
<b>Moriting Community Facility</b>	MIG	R680 000	R680 000				
<b>Luvuyo Siyabonga Novuka Community Facility</b>	MIG	R700 000	R700 000				
<b>Moiketsi Access Road</b>	MIG	R1 250 000	R1 250 000				
<b>Ngcwengane-Esifolweni AR</b>	MIG	R1 400 000	R1 400 000				
<b>Diaho AR</b>	MIG	R600 000	R600 000				
<b>Matatiele Internal Roads</b>	MIG	R1 500 000	R1 500 000				
<b>Berdivalle-Mahlehleng Access Road</b>	MIG	R3 000 000	R3 000 000				
<b>Sehlabeng Access Road</b>	MIG	R900 000	R900 000				
<b>Tshita Mabua Access Raod</b>	MIG	R1 500 000	R1 500 000				
<b>T69- khoapa Access Road</b>	MIG	R1 800 000	R1 800 000				
<b>Mafube –Nkosana Bridge</b>	MIG	R2 000 000	R2 000 000				
<b>Cedarville ,Matatiele &amp; Maluti Internal Roads</b>	MIG	R30 000 000	R30 000 000				
<b>For Disasters to fix bridges,storm water in rural area</b>	MIG	R1 500 000	R1 500 000				

## 5.4 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2013	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Job creation (EPWP)							
Establish youth co –operatives for maintaining the Ports of Entry		R200 000					
Preparation and Submission of EPWP Reports ( All wards)	DPW	R1 m	R200 000				
Registration of new CWP sites – community gardens (All wards)	DOE,MLMDM	R20 m					
Increase accommodation sector jobs annually (All wards)		R800 000	R160 000	R160 000	R160 000	R160 000	R160 000
Establish a training centre for Co operatives	ECDC, NEF, DTI	R3 m					
Ziwelile Food Security: ward 6							
Job creation (Forestry Development)							
Development of Community Commercial plantations Forestry value chain project (Wood ) Sawmill Wattle removal - Charcoal	DAFF/DTI and Fund NEF	R100 m					

Down Stream Processing Plants ( e.g. wood processing)	ECDC, DEDEAT and Job's Fund-DBSA	R 40 m					
Charcoal Processing Plant	ECDC and DEDEAT	R5 m					
Forestry Development							
Support Existing Forestry projects	NEF, DTI, and DAFF						
New forestry Projects	DBSA- Job's fund	R100 m					
Construction of 1 Dam (for irrigation schemes)		R1.3 bn					
Investment attraction and retention strategies – Industrial Development							
Light industrial Park Development	NEF, DBSA-Job's fund, DTI	R11 m					
Light industrial Incubators (SMMEs)		R11 m					
Light industries in Leather Making and Glass blowing		R7 m					
Clay tiles industry		R15 m					
Retail Centre Development	NEF, DBSA-Job's fund, DTI	R15 m					
Develop Agricultural and mining Sector							
Fresh Produce Market	DRDAR ECDC	R20 m					
Milling Plant	DEDEAT,NEF,DLGTA,IDC	R10 m					
Dairy processing &Packaging	NEF, Job's fund	R30 m					
Red Meat Production & Processing	IDC and Job's fund	R15 m					
Massive Food Production	NEF, DRDAR						
Research on Mining Opportunities in Matatiele	DME	R600 000					
Assist in legalising sand mining-SMME's support	DRDAR ECDC						
Review of Policies							
Review of Investment and Retention Policy		R50 000					
Review Matatiele SDF		R300 000					

Preparation of Nodal SDFs		R1.5 m					
Informal Trading Policy Review		R50 000					
Town Planning Scheme Review		R400 000					
By Laws Review		R 0					
Upgrade existing infrastructure to attract and retain investment							
Appoint service providers CBD precinct planning (civil & Town Planning) CBD Storm Water Reticulation Upgrading Railway Upgrading Sewerage works Upgrading Aerodrome facility Charter Flight	LRAD's fund DEDEAT,MLM	R 200 m					
Increase rates base							
Upgrading of tenure rights		R3 m					
Installation of infrastructural services for Area M Township and sale of vacant plots		R30 m					
Development of Area J Town ship							
Development of tourism infrastructure							
Chalets and Camping Site Development	LRAD/LGATA/ECDC/DTI/MLM	R5 m					
Cultural Village	MLM	R2 m					
Tourism information Centre	MLM	R200 000					
Conference Centre + Accommodation Facility	MLM	R5 m					
Pleasure Dam Development	LRAD/LGATA/ECDC/DTI/MLM						
Agricultural Initiative Support							
Fencing of pastures/grazing Land	MLM/MIG/DRDAR/EECDC	R15 m					
Assistance for Peach Producers (to improve existing production)-	LRAD/ECDC	R200 000					
Sourcing of 1 Tractor per ward	MLM/DRDAR	R26 m					

Construction of a Skills development Centre							
Construction	ECDC/LRAD fund/MLM	R4 m					
Book Keeping cooperatives and contractors, informal traders	LRAD/SEDA/MLM	R0,5m					
NHBRC Training for home builders	ECDC/LRAD fund/MLM	R50 000					
SMME Support							
Construct an LED Support Centre with Municipal offices for LED office	DLGTA/MLM	R1,6m					
Source Funding for SMME's	ECDC/LRAD/DEDEAT	R20 m					
Develop Tourism Awareness							
Creating awareness campaigns		R20 000					
1 Tourism Event		R4 m					
Tourism Plan		R400 000					
Establish Local Tourism Organization		R20 000					
Review of Spatial Development Framework							
Appoint service provider & Public Participation		R1.5m					
Facilitation of Land Restitution							
Facilitation of Land Reform Beneficiary List		R300 000					
Develop Informal Sector							
Hawker stalls development		R1.5m					
Awareness Campaigns for Town Planning Scheme							
Develop an Electronic System for land use changes and sub divisions		R600 000					
Human Settlements Development							
Middle income Housing Development (65 units)	DoH	R6 370 000					
High Income Development (214 units)	DoH	R9 890 000					
Social Housing/ rental houses-90 units	DoH	R6 300 000.					
Community Residential Units (Hostel Upgrading)	DoH	R0					

Maritseng	DoH	R152 065 500					
Audit of municipal owned properties							
Appointment of service provider	DHS						
Funding applications	DHS						
Audit reports to Council	DHS						
Audit and monitoring of Subsidised Housing							
Trace missing beneficiaries (Advertising) and process de-registration applications	DHS	R10 000					
Improve Community awareness							
Assessment and Reduction of Illegal housing sales		R5 000					
Purchase Equipment (Desks, laptops)							
Keep Records of all Housing information							

## 5.5. SPECIAL PROGRAMMES UNIT

5.5. SPECIAL PROGRAMMES UNIT							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2013	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Development of Youth Development strategy and annual review – Develop and adopt Youth Developmental strategy	LM	R100 000					
Poor participation of youth- to provide functioning of the structures in all wards		R 100 000					

<b>Establishment of Youth Advisory Resource Centre - Lack of access to information</b>	LM						
<b>Assistance in-school youth with vocational Classes, for Grade 12 and award ceremony Annually –awarding fully bursary to top achievers</b>	LM	2 ML	R400 000				
<b>Registration Assistance to 30 young people yearly</b>	SPU Budget	R 300 000	R 60 000	R 60 000	R 60 000	R 60 000	R 60 000
<b>Youth at risk - Awareness campaigns, vegetable gardens and registration to indigent support</b>		R 250 000	R 50 000	R 50 000	R 50 000	R 50 000	R 50 000
<b>Lack of sports development – Mayoral Cup yearly</b>	DSRAC	350 000					
<b>HIV &amp; other terminal diseases – Awareness in all wards</b>	LM	R 250 000	R 50 000	R 50 000	R 50 000	R 50 000	R 50 000
<b>Provision of basic needs to orphans - Supply learning material to 4 ECDC - NGO's, HBC and schools to identify such children</b>		R 500 000	R100 000	R100 000	R100 000	R100 000	R100 000
<b>Provision of basic needs to orphans - visit for assessment</b>		R 100 000	R 20 000	R 20 000	R 20 000	R 20 000	R 20 000
<b>Awareness campaigns - Gender Based violence campaigns</b>	LM	R 500 000	R50 000	R50 000	R50 000	R50 000	R50 000
<b>Art &amp; Culture Talent search (To host music, dance, acting, poetry talent search.) Auditions conducted in all wards</b>	DSRAC and private sector	R 250 000	R100 000	R100 000	R100 000	R100 000	R100 000
<b>Miss Matatiele yearly – Condom Week, Women's Day, Youth Month</b>		R 1 750 000.00	350 000.00	350 000.00	350 000.00	350 000.00	350 000.00
<b>Establishment of women's forums - Development of women's forum at ward level and municipal level</b>	LM	R 500 000	R100 000	R100 000	R100 000	R100 000	R100 000
<b>Gender mainstreaming workshop – poor representatively of women in decision making</b>	LM	R50 000. 00	R50 000. 00				
<b>Enforcing affirmative procurement targeted at companies owned by women - Influence procurement policy</b>	LM	R50 000					
<b>Accessibility of ABET to all wards – Poor of education amongst women</b>	LM	R 250 000	R 50 000	R 50 000	R 50 000	R 50 000	R 50 000
<b>Protection of the right and dignity of older persons</b>	LM	R 250 000	R 50 000	R 50 000	R 50 000	R 50 000	R 50 000
<b>Encourage elderly to participate in sport</b>	LM	R 250 000	R 50 000.00				
<b>Lack of mainstreaming of disability issues</b>		R 60 000	R 60 000				
<b>Lack of skills people living with disability</b>		R 300 000	R 60 000	R 60 000	R 60 000	R 60 000	R 60 000
<b>Education prevention and awareness - Education and awareness</b>		R 500 000	R 100 000	R 100 000	R 100 000	R 100 000	R 100 000

<b>programmes and campaigns</b>							
<b>Impact Mitigation - Develop programmes to assist OVC's</b>		R 500 000	R 100 000				
<b>Treatment, care and Support – Support HBC that provide palliative care</b>		R 500 000	R 100 000				

## 5.6 AUDIT ACTION PLAN

### AUDIT ACTION TO ISSUES RAISED BY THE AUDITOR GENERAL TO THE ANNUAL PERFORMANCE REPORT 2010/2011

EXCEPTION RAISED	MANAGEMENT RESPONSE	ACTION REQUIRED	RESPONSIBLE PERSON	COMPLETION DATE	STATUS
<p><b>1. EX.45 - Ownership of Investment Property could not be confirmed</b></p> <p>During the audit it was noted that the registered owner of investment property as per deeds search performed is in the RSA Government and not the Matatiele municipality and therefore ownership of the property could not be confirmed.</p> <p>Lack of proper record keeping of the municipality's assets</p> <p>The investment property might not belong to the municipality.</p>	<p>A conveyance namely B Dwyer Attorney was appointed by Council in 2009 to rectify this matter. He has compiled an erf file for every erf registered in the name of the municipality as well as for erven which the municipality claims as own but the deeds reflects RSA as the owner. Mr Dwyer has contacted Public Works and the two parties are liaison with one another to have the rectified.</p>	<p>The accounting officer to ensure that all assets that belong to the municipality are in the name of the municipality</p>	<p>Office of the Municipal Manger.</p>	<p>30 April 2012</p>	<p>Memo to be issued to B Dwyer to check the progress of Project</p>
<p><b>2. EX.46 - Non-compliance with GRAP 17- Infrastructure assets</b></p> <p>Infrastructure assets were not unbundled on the asset register to comply with GRAP 17 requirements.</p> <p>Misstatement of infrastructure assets.</p>	<p>The service provider has engineers in their employ who are familiar with the componentisation process and the municipal staff made the necessary documentation available in order to have a GRAP compliant register. All infrastructure assets have been recorded in its components in the assets register, not only the listed ones above, but also those not highlighted in the</p>	<p>The municipality will maintain the existing asset register that complies with GRAP 17 in respect to infrastructure assets.</p>	<p>Infrastructure &amp; planning PMU Manager Election</p>	<p>30/04/2012</p>	<p>(Appointment of Assets Officer) Infrastructure Assets are currently 80% Complete</p>
<p>240   Page</p>					

	exception. The whole asset register was re-visited and adjusted where necessary.				
<p><b>3. EX.48 - Land per valuation roll not on the asset register</b></p> <p>Lack of proper record keeping.</p> <p>Misstatement of land value on the financial statements.</p>	<p>This is being investigated and corrections have since been made. Valuations appeal board took longer than expected to finalise appeals. Further RDP houses that are in the process of being transferred to beneficiaries are included in the valuation roll as being owned by the municipality. This however not correct as the transfer can be effected at any time and the municipality has no control over that asset and therefore did not include in the assets register.</p>	<p>The municipality to perform reconciliation between the asset register and the valuation roll and investigate differences noted.</p>	<p>Budget and Treasurer Officer</p>	<p>30/04/2012</p>	<p>Assets Officer started 01/02/2012 to start the work 27/02/2012</p>
<p><b>4. EX.57 - Procurement and Contract Management - Payment Voucher not approved</b></p> <p>During the audit of Dora Compliance, it has been noted that some payment vouchers have not been approved.</p> <p>Weakness in the internal control. Ineffectiveness in internal controls</p>	<p>Expenditure vouchers are approved before payment is effected and no EFT is released before the necessary approval. These vouchers can be found in the file and EFT approval in the bank reconciliation documents.</p>	<p>Management will ensure that all payment vouchers are approved before the payment is made.</p>	<p>Budget and Treasury</p>	<p>Mr Spampoel 31/07/2011</p>	<p>Corrected. Current year updating of files/ Vouchers.</p>
<p><b>5. EX.58 - Procurement and Contract Management: Sub-delegation not done</b></p> <p>During the audit of Dora Compliance, it was noted that some Payment vouchers have been approved by senior officials but no evidence of delegation of authority has been attached. Non-compliance with laws and regulations. Non-adherence to the laws and regulations.</p>	<p>Delegation memo's for accountants and Mr. Spampoel were done in accordance to delegate according to delegations as per SCM policy EX. 41.</p>	<p>List given to the Auditors .Delegation list Preparation list given to the Auditors</p>	<p>Budget and finance</p>	<p>CFO 30/11/2011</p>	<p>Resolved Maureen</p>

<p><b>6. EX.59 - Procurement and Contract Management - Vouchers could not be found</b></p> <p>During the audit of expenditure, the some vouchers could not be found for audit purposes. Improper record keeping. Limitation of scope.</p>	<p>The vouchers were on file, please find copies of vouchers attached.</p>	<p>None</p>	<p>Budget and Finance</p>	<p>Mr Spampoel</p>	<p>Resolved/Updating of files</p>
<p><b>7. EX.14 - Annual Performance Report: Budget Process (including SDBIP): SDBIP not approved by Mayor within 28 days.</b></p> <p>The Municipality's Service Delivery and Budget Implementation Plan was not approved by the Mayor within 28 days after the approval of the budget. The following are dates of approval for the budget and the SDBIP. Date budget was approved : 31 May 2010 Date SDBIP was approved by Mayor: 14 July 2010 Total number of days within which SDBIP was approved by Mayor: 31 days. Non-compliance with the applicable section of the Municipal Finance Management Act.</p>	<p>This will be done in future.</p>	<p>The Mayor to ensure that the Municipality's SDBIP is approved within the prescribed number of days after the budget approval.</p>	<p>Office of the Municipal Manager</p>	<p>SDBIP will be signed by the 15<sup>th</sup> of June 2012</p>	<p>To be monitored by MRAS Unit</p>
<p><b>8. EX.15 - Annual Performance Report: IDP does not reflect all the core components</b></p> <p>The Integrated Development of the municipality (2010/11) does not contain targets and key performance indicators. The Municipality's Integrated Development Plan is therefore not reflecting all the core components as required in terms of section 26(i) of the Municipal Systems Act, 32 of 2000. Non-Compliance with the relevant section of the Municipal Systems Act, 32 of 2000.</p>	<p>The Municipal Performance framework has key performance indicators and performance targets. This was an omission the performance framework is supposed to have been into the IDP will be looked at in future.</p>	<p>The Municipality's IDP should reflect all the core components as required in the Municipal Systems Act, 32.</p>	<p>Office of the Municipal Manager</p>	<p>31<sup>st</sup> of May 2012 the IDP will clearly reflect all the core components</p>	<p>To be monitored by MRAS Unit</p>
<p><b>9. EX.16 - Annual Performance Report: Some</b></p>	<p>The exception is noted and will</p>	<p>The annual performance report</p>	<p>Office of the Municipal</p>	<p>They will be reflected</p>	<p>To be monitored by</p>

<p><b>items not reflected in the performance report.</b></p> <p>Although the Municipality prepared the Annual performance report for 2010/11 financial , the report does not reflect the following;</p> <ul style="list-style-type: none"> <li>• Performance of each external service provider during the year;</li> <li>• Comparison of the performances referred to above with targets set for and performances in the previous financial year;</li> <li>• Measures taken to improve performances.</li> </ul> <p>Non-compliance with Municipal Systems Act, 32 of 2000.</p>	<p>be taken care off in future.</p>	<p>prepared by the Municipality should reflect all items as required in terms of section</p>	<p>Manager</p>	<p>by the end of the financial year</p>	<p>MRAS Unit</p>
<p><b>10. EX.17 - Annual Performance Report: Targets not made known to the general public.</b></p> <p>No evidence could be obtained that the Municipality in a manner determined by the Council notified the Community about performance targets it has set for the purposes of its performance management system.</p> <p>Non-compliance with Municipal Systems Act,32 of 2000.</p>	<p>The performance framework as set out in the SDBIP was advertised in the newspaper and website as it make part of the budget. This was also taken to the communities as part of the budget outreach program.</p>		<p>Office of the Municipal Manager</p>	<p>The community will be consultants in the 2012-2017 SDBIP targets.</p>	<p>POE is available, IDP/M&amp;E Manager</p>
<p><b>11. EX.18 - Annual Performance Report: No evidence of calling for community comments on Integrated Development Plan.</b></p> <p>In the absence of an advert or any other method that was used to call for community comments, it could not be confirmed whether the Municipality invited community comments on the Integrated Development Plan.</p> <p>Non-compliance with Municipal planning and Performance Management Regulations.</p>		<p>Evidence that confirms that Community comments were called should kept safely so that it can be made available whenever it is required for whatever purposes</p>	<p>Office of the Municipal Manager</p>	<p>Community comments will be requested for the next financial year</p>	<p>POE is available, IDP/M&amp;E Manager</p>
<p><b>12. EX.22 - Annual Performance Report: Annual Performance Report not included in the Annual Report(2009/10)</b></p>		<p>The annual performance report should be included in the annual report.</p>	<p>Office of the Municipal Manager</p>	<p>Noted annual performance to be part of the annual report</p>	<p>To be monitored by MRAS Unit to review the relevant documentation by 15</p>

<p>The annual performance report was not included in the annual report (2009/10). Consequently, the annual report does not provide a report on the performance against the pre-determined objectives.</p> <p>Non-compliance with relevant laws and regulations</p>					<p>March 2012</p>
<p><b>13. EX.28 - Annual Performance Report: Community did not participate in setting of targets.</b></p> <p>No evidence could be obtained that the Community participated in the setting of targets by means of an appropriate municipal wide structure or an appropriate forum.</p> <p>Non-compliance with applicable laws and regulations</p>	<p>Forums INTRA MOUS</p> <p>LED</p>	<p>The Municipality should establish a forum that will enhance community participation in the setting of targets.</p>	<p>Office of the Municipal Manager</p>	<p>Community will be involved in settings of targets for the next financial year</p>	<p>To be monitored by MRAS Unit Has the forum been formulate??? IDP/M&amp;E Manager To review the progress in April 2012</p>
<p><b>14. EX.33 - Annual Performance Reports: Performance Information in the SDBIP inadequate.</b></p> <p>The best practices require that indicators/measures should be well defined and verifiable whilst at the same time targets should be specific, measurable and time-bound.</p> <p>During the audit of performance information the following discrepancies were noted when assessing the performance information in the annual Service Delivery Budget Implementation Plan.</p> <ul style="list-style-type: none"> <li>• <i>Performance Indicators were not always well-defined and verifiable.</i></li> <li>• <i>Targets were found not specific, measurable and time-bound.</i></li> <li>• Objectives/priorities and Key Performance Indicators were found to have no targets.</li> <li>• <i>Objectives/Priorities without Key Performance Indicators.</i></li> </ul>	<p>A memo is attached instructing all General Managers to ensure that the SDBIP is synchronized to the Annual Performance Report, however no additional information has been received. The Municipal Manager is aware of the shortcoming and will ensure that this gets rectified in future.</p>	<p>Indicators /measures should be well defined and verifiable and targets should be specific, measurable and time -bound.</p>	<p>Office of the Municipal Manager</p>	<p>SDBIP will be revised and ensure that performance information is adequate by the 31<sup>st</sup> january</p>	<p>To be monitored by MRAS Unit</p>

The performance information may not be clearly understandable.					
<p><b>15. EX.51 - Annual Performance Report: Reported Information in the Annual Performance Report Vs SDBIP</b></p> <p>During the audit of pre-determined objectives , the reported performance information in the Annual Performance Report was assessed, reviewed and analysed and following development priorities/objectives, indicators and targets in the SDBIP were found not consistent with those in the annual performance report. The changes to the planned development priorities /objectives , indicators/measures and targets were not approved and explained in the annual performance report.</p> <p>Performance information not appropriately and accurately reported in the Annual performance report.</p> <p>Reported information may not be accurate and reliable</p>	A memo is attached instructing all General Manager to ensure the SDBIP is synchronized the Annual Performance Report.	Development objectives, indicators and targets in the SDBIP and or IDP should be consistent with those reported in the annual performance report.	Office of the Municipal Manager		
<p><b>16. EX.11 - Overdraft. : Section 45 (1) to (4) of MFMA</b></p> <p>On inspection of the Annual Financial Statements, it was identified that the municipality had an overdraft of R5,923,899.00, there is no indication that the municipality has complied with section 45 (3) (b) (i)(ii) (iii) of the Municipal Finance Management Act.</p> <p>(i) which requires that the credit limit must be specified in the resolution of the council.</p> <p>(ii) the terms of the agreement, including the credit limit ,may be changed only by a resolution of the council .</p> <p>(iii) if the council approves a credit facility that is</p>	This is not a bank balance but a cash book balance at year end.		Budget and Finance		This is not a bank balance but a cash balance at year end this was resolved with AG this was not an overdraft. To be monitored by MRAS Unit the same not to occur in this financial year.

<p>limited to emergency use , the accounting officer must notify the council in writing as soon as practical of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as options for repaying such debt.</p> <p>Control activities identified as necessary are not implemented. Non -compliance with statutory requirements.</p>					
<p><b>17. EX.27 - Other Compliance: Contributions not made to the unemployment insurance fund.</b></p> <p>An inspection of Municipal Councillors payslips revealed that some Councillors did not contribute to the unemployment insurance fund.</p>	<p>The councillors that did not contribute to the UIF were part time councillors and full time teachers and hence no UIF was deducted as they contribute and claim from the Department of Education.</p>	<p>All Councillors should contribute to the unemployment insurance fund as required in terms of section 5 of the unemployment insurance contributions Act,2002 ( Act No.4 of 2002).</p>	<p>Corporate Services GMC Mr Mkhize</p>		<p>Resolved Government Gazette Number 34927 10 January 2012. MR Mkhize sorted</p>
<p><b>18. EX.66 - Employee costs - Reasons for the variances in salary run not provided</b></p> <p>According to section 62(1) of the MFMA the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure—</p> <p>(a) that the resources of the municipality are used effectively, efficiently and economically.</p> <p>Reasons for the variations in salaries for January and February were not provided for audit purposes.</p> <p>Improper record keeping.</p> <p>Municipality funds can be misappropriated.</p>	<p>They are items like notch increases, medical aid claims, or new membership in medical aids, S \$ T claims, housing deductions.</p>		<p>Budget and Treasury</p>		<p>To be monitored by MRAS Unit</p>
<p><b>19. EX.67 - Employee costs - Supporting documentation not provided</b></p> <p>During the audit of salaries paid for the months of January and February it was noted that some of the differences identified were as a result of new appointments. Contracts of employment for some</p>	<p>All HR matters are handled by the HR unit and they inform the salary office with a memorandum on all new appointments and salaries earned. The contract of employment is kept in the HR file. In future copies will be</p>	<p>Management should ensure adequate record keeping of important documentation.</p>	<p>Corporate Serviced Department</p>	<p>As from February 2012 all appointment letters/contracts of employment will be filed on salary files as well</p>	<p>Information is being kept on personal files. To be monitored by MRAS Unit</p>

<p>employees appointed during Jan/ Feb were not provided for audit purposes. Improper record keeping. Salaries can be paid to fictitious employees.</p>	<p>placed in the salary file.</p>				
<p><b>20. Leadership</b></p> <ul style="list-style-type: none"> <li>• <i>Management has not established IT Governance Framework that supports and enables the business, delivers value, and improves performance:</i> <ul style="list-style-type: none"> <li>- <i>There are insufficient IT Governance Processes in place to ensure that IT Departments develop and implement a Strategic Plan that supports business and requirements and ensures IT spending remains in line with the approved plan</i></li> <li>- <i>An IT Governance has not been employed.</i></li> <li>- <i>Key IT roles have not been set out.</i></li> <li>- <i>IT Policies and procedures have not been developed.</i></li> <li>- <i>Appropriate disaster recovery plans are not in place.</i></li> <li>- <i>Back up are not performed and stored off site.</i></li> </ul> </li> </ul>			<p>Corporate Services</p>		<p>IDP Reused Organogram with IT Manager</p>
<p><b>21. EX.19 - Non-compliance with GRAP 16- Depreciation on Investment property</b> During the audit it was noted that the municipality did not depreciate it's investment property, it was not tested for potential impairment and there was no review of useful lives and depreciation methods applied. Non compliance with the measurement requirements of GRAP 16. Overstatement of investment property.</p>	<p>All our investment properties are land and in terms of GRAP 16 land is not depreciated.</p>		<p>Budget and Finance</p>		
<p><b>22. EX.20 - Non-compliance with GRAP 16</b></p>	<p>as Investment Properties have been included in the assets</p>		<p>Budget and Finance</p>		

<p><b>disclosures - Investment Properties</b></p> <p>During the audit it was noted that the municipality did not comply with the disclosure requirements of GRAP 16 paragraph 88 (e) Non compliance with GRAP 16 disclosures.</p>	<p>register using the cost model which has been obtained from the latest valuation roll. Where necessary the asset register was adjusted and the afs re-stated.</p>				
<p><b>23. EX.13 - Investment Property not on the Asset Register</b></p> <p>During the audit investment property amounting to <b>R18, 740</b> could not be traced to the asset register. Lack of proper record keeping by the municipality. Investment property could be overstated.</p>	<p>Investment properties have been restated in the AFs and are recorded in the assets register. Investment properties can be verified for existence.</p>		Budget and Treasury		To be monitored
<p><b>24. EX.44 - No Reconciliation between the GL and Asset Register</b></p> <p>During the audit it was noted that the GL account is updated with additions and there are no reconciliations performed between the GL and the asset register and there is no review by a senior official Lack of internal controls over financial information. The GL or the asset register might not be complete.</p>	<p>This was only done at year end as no Asset Manager was appointed in the financial year.</p>	<p>The municipality should at least on a monthly basis perform a reconciliation between the asset register and the GL and be reviewed by the management.</p>	Budget and Treasury		To be monitored
<p><b>25. EX.49 - No depreciation and Accumulated depreciation on the GL</b></p> <p>On review of the GL noted that there is no separate depreciation and accumulated depreciation account for each asset on the GL Note There is no separate depreciation and accumulated depreciation account for each asset</p>	<p>Depreciation and accumulated depreciation has been calculated on assets and is reflected as such in the assets register. The assets register reconciles to the GL and AFs</p>		Budget and Treasury		To be monitored

on the GL PPE could be misstated.					
<b>26. EX.50 - Depreciation rates not in line with the MFMA Guidelines</b> useful lives were found to be above the parameters as recommend by the MFMA Local Government Capital Asset Management Guideline Non-compliance with the MFMA Local Government Capital Asset Management Guidelines  Overstatement of assets and understatement of accumulated depreciation.	during the componentisation of the infrastructure assets each asset was assessed individually for its value and estimated useful life. The estimated useful life period was therefore used in calculating depreciation . Assets classified as work in progress were not depreciated and once commissioned for service the MFMA guidelines will be used in calculating depreciation.		Budget and Treasury		
<b>27. EX.55 - Deed Search listing could not be obtained</b> A deed search listing for all municipal properties was requested from the asset clerk and was not obtained. Lack of proper record Keeping by the municipality. Completeness of the municipal properties on the asset register could not be confirmed.	In future a regular deeds search will be performed for all properties of the municipality and compared to the asset register. However all property listed in the assets register reconciles with the valuation roll . The valuars when compiling the valuation roll obtained a deeds listing and ensured that all properties in the deed listing were reflected in the valuation roll. Management therefore did not see a need to obtain another deeds listing.	Management should ensure that a regular deeds search is performed for all properties of the municipality and compared to the asset register to ensure that municipality has accounted for all properties of the municipality.	Budget and Treasury		To be monitored (Assets Officer and Rates Officer to compile the deeds listing/register) May 2012
<b>28. EX.56 - Non-compliance with GRAP 102 - Intangible assets</b> During the audit it was noted that assets were incorrectly classified as PPE and they relate to the purchase of software. Incorrect classification of assets	A portion of the amount stated above relates to software and was incorrectly classified as PPE . The amount of R70 701 is however not material and will be corrected in the next financial year.		Budget and Treasury		To be amended in Assets Register in April 2012

Non-compliance with the GRAP standards					
<b>29. EX.70 - Payment Voucher could not be found</b> During the audit payment vouchers could not be found Lack of proper record keeping. Limitation of scope.	After inspection all vouchers were found in the expenditure files. Copies of these vouchers are attached to my response for inspection purposes.		Budget and Treasury		Updating of files
<b>30. EX.71 - Non-compliance with GRAP 17 - Repairs and Maintenance</b> During the audit certain amounts were erroneously expensed instead of being capitalized Improper application of the GRAP standards  Understatement of PPE and overstatement of repairs and maintenance expenditure.	Allocation made by official must be reviewed and steps will be implemented to ensure that this is done in future. However correcting journal entries were passed and AFs restated.	Management should ensure that expenditure that meets the recognition criteria in GRAP 17 should be capitalized and not expensed	Budget and Finance		
<b>31. EX.73 - Asset count file could not be obtained</b>  During the audit the asset count records were requested from the asset clerk and were not obtained.  Lack of proper record keeping.	EXODUS can supply evidence of the physical verification exercise conducted. Asset verification were carried out every quarter.		Budget and Treasury		
<b>32. EX.74 - Asset Register- Incorrect description of asset</b>  During the physical verification of asset assets were incorrectly described on the asset register.	Better care will be taken when assets are captured on the system. However these properties are vacant land on which road were constructed and the description was followed	The municipality should ensure that asset register has a correct description of the asset.	Budget and Treasury		Dean supplementary roll

	from the valuation roll.				
<p><b>33. EX.23 - Expenditure - No invoice Attached</b></p> <p>During the Audit of expenditure, it has been noted that the original invoice for the amounts has not been attached to the supporting documentation; therefore occurrence could not be verified. Lack of internal control. Limitation of scope.</p>	<p>I am in agreement with the finding as the original was mislaid, however the pro-forma invoice was certified by the HOD's as not been previously paid as the original was mislaid.</p>	<p>The management must ensure that all the supporting documentations are attached.</p>	Budget and Treasury		Updating files
<p><b>34. EX.24 - Expenditure - Contract incomplete and not signed</b></p> <p>During the audit of Expenditure it has been noted that the Contract between Municipality and MAMS (Pty) Ltd has not been signed by both parties involved and that the schedule of fees and specifications has not been attached. Annual payment of R7000.00 to MAMS (Pty) Ltd has been made through expenditure voucher no. MA014578 which results to irregular and unauthorised expenditure. Weakness in the Internal Controls. Limitation of scope and non-compliance.</p>	<p>Matatiele Local Municipality used MAMS for the supply of its assets register and entered into a agreement for the supply and maintenance of it. It is possible that the original signed copy was misfiled. A signed copy will be sourced and supplied for audit purposes.</p>		Budget and Treasury		Updating files
<p><b>35. EX.25 - Expenditure - VAT Claimed whereas paid to Non-vendor</b></p> <p>During the audit of expenditure, it was not that the Municipality has paid VAT amounting to R2 885.96 (Payment voucher MA015232) to a Non-vendor known as Uzanoxolo Projects and claimed such amount as a VAT input in the GL. Non-adherence to policies and legislations. Non-compliance to the VAT Act and Fruitless and wasteful expenditure.</p>	<p>Vat was claimed incorrectly and a journal has been passed to correct the matter</p>	<p>The management must ensure that a proper screening of suppliers is done before payment is made.</p>	Budget and Treasury		To do a spot check on the expenditure vouchers

<p><b>36. EX.26 - Procurement and Contract Management - One Quotation obtained</b></p> <p>During the Audit of Expenditure, it was noted that in the supporting documents attached to Payment voucher MA015682 amounting to R52 155.00 only one quotation has been attached and that as per submission letter attached, there is no evidence that the other quotations obtained were exceeding budget as they are not attached and the budget amount not stated.</p> <p>Non-adherence to the policies and legislation. Non-compliance with policies and legislation.</p>	<p>In terms of section 35 of the SCM policy the accounting officer can authorise deviations from normal SCM procedure under certain circumstances. Deviations are included in the submission made to the accounting officer when authority for the payment is sought. Deviations as such is not non-comply matter as the legislation makes provision therefore.</p>	<p>n/a</p>	<p>Budget and Treasury</p>		
<p><b>37. EX.34 - Expenditure - Cut-off could not be confirmed</b></p> <p>During the auditing of cut-off under expenditure, it has been noted that the municipality has made payments to the Suppliers after year-end and that the amounts have not been raised as accrual at year-end.</p> <p>Further noted that there are 13 payments made for the recurring expenses and that the 13<sup>th</sup> payment has been made after year-end and recorded in the current period.</p> <p>Weakness in the internal controls. Understatement of Accruals/Payables at year-end in the Annual Financial Statements.</p>	<p>The only payments being part of accruals was no 9 &amp; 10 on list above. No 1 to 8 was included in the payments of June 2011 month end and can therefore not be accrued. Recurring expenses that was made in July 2011 was made as one cannot raise a creditor for yourself</p>	<p>The Management must ensure that the Suppliers are paid and recorded in the correct period.</p>	<p>Budget and Treasury</p>		<p>To be followed up a year end, to make sure all accruals are included in the AFS</p>
<p><b>38. EX.39 - Expenditure - Vouchers could not be found</b></p> <p>During the audit of procurement, Payment vouchers could not be found for audit purposes.</p> <p>Inadequate record keeping. Limitation of scope</p>	<p>All the above mentioned documents were available for Audit, but due to the confusion over the reference numbers supplied they were not easy to trace, once we obtained the correct information, the documents were located and</p>	<p>None</p>	<p>Budget and Finance</p>		<p>Resolved/updating files</p>

	submitted to the Auditor General Staff . According to the CFO even the remaining vouchers amounting to R531 320 are now available.				
<b>39. EX.40 - Expenditure - No Original Invoices</b> During the audit of expenditure, it has been noted that there were no original invoices for Payment voucher Weaknesses in the internal control. Limitation of scope.	Sky Blue Media is an original invoice not a copy. The other two invoices are signed by the Head of Department as a true copy of the original and not been paid before.	The management must ensure that original invoices are attached to the supporting documentation	Budget and Treasury		Spot check on invoices
<b>40. EX.54 - Tax Invoices</b> During the audit of tax invoices, in some instances the invoices did not reflect the VAT registration number of the municipality. This situation is contrary to section 20 of the Value Added Tax, Act No. 89 of 1991 and could result in non-acceptance of the tax invoice for payment purposes. Financial and performance management Lack of monitoring and checking of tax invoices for payment purposes. Payments made on tax invoices not meeting the requirements of the Act could result in irregular expenditure,	The Municipality will ensure that our VAT number will appear on future invoices.	Management should ensure that tax invoices meet the requirement of the Act before payment is processed.	Budget and Treasury		Spot check
<b>41. EX.60 - Procurement and Contract Management - VAT Amount claimed for Payment made to Non-vendor</b> During the audit of expenditure it was noted that the VAT amount of R57 002.64 has been claimed as VAT input while the payment has been made to a Non-vendor (S. Zoko Consulting, Payment voucher no. MA015191). Non-adherence to the laws and regulations. Non-compliance with VAT Act.	S Zoko Consulting VAT Invoice was included on the documentation.		Budget and Treasury		Resolved, spot check

<p><b>42. EX.61 - Procurement and Contract Management- No Supplier Statement Reconciliations at year-end</b></p> <p>During the audit of expenditure, it was noted that there were no Supplier Statement reconciliations at year-end.</p> <p>Lack of continuous monitoring and control.</p> <p>Limitation of scope.</p>	<p>A creditors recon file have been given to the audit team when the audit started, I instructed the creditors clerk to fetch the file and presented it to the audit team via a memo again today, please find memo attached.</p>	<p>Management must ensure that monitoring and supervision is done continuously</p>	<p>Budget and Treasury</p>	<p>30/06/2012</p>	<p>Done. To be monitored</p>
<p><b>43. EX.62 - Expenditure - Inadequate Supporting Documentation.</b></p> <p>During the audit of Expenditure it has been noted that the supporting documents attached to the payment made to Eastern Cape Provincial Administration for the renewal of Municipal vehicle licenses through payment voucher no. 58806 are inadequate as there is no invoice attached and the quotation attached only specifies the licence number for one vehicle namely FBK064EC for an amount of R549.00 as against R6 590.00 that has been paid. Furthermore since the invoice is not attached it could not be determined whether the Supplier is a VAT Vendor as there was no VAT number, but the search in SARS website through the Supplier's name has shown no records and yet a VAT input has been claimed in the GL.</p> <p>Documents are not reviewed for completeness prior to submission for audit purposes.</p> <p>Limitation of scope.</p>	<p>List of vehicle registration fee and receipts that was paid over for registration fees. Receipts are also attached to vouchers.</p>	<p>Management must ensure that adequate supporting documentations are attached to the payment vouchers.</p>	<p>Budget and Treasury</p>	<p>30/06/2012</p>	<p>To monitor the current years Invoices and make sure that they are entered correctly in the system.</p>
<p><b>44. EX.63 - Procurement and Contract Management - Contract not Signed</b></p> <p>During the Audit of expenditure, it was noted that</p>	<p>Signed copy attached as it was at registry on file.</p>		<p>Budget and Treasury</p>	<p>30/06/2012</p>	

the Service Level Agreement between the Municipality and Umnotho Business Consulting has not been signed on behalf of the Municipality. Weakness in the internal controls. Non-compliance with laws and regulations					
<b>45. EX.64 - Procurement and Contract Management - Cut-off</b>  During the audit of expenditure, it was noted that payment amounting R89 520.00 made to Shell Ultra City through payment voucher MA015990 has been recorded in the incorrect period.  Non-review of financial information submitted for audit.  Overstatement of expenditure.	Journal has been done to correct this error.	N/A	Budget and Treasury	N/A	JE page 104 confirmed.
<b>46. EX.72 - VAT and expenditure incorrectly charged to the Repairs and Maintenance accounts</b> During the audit it was noted that : 1. Vat was erroneously charged to the repairs and maintenance account. 2. The expenses were included in the repairs and maintenance account where they do not belong.  Incorrect allocation of the VAT output. Overstatement of repairs and maintenance and understatement of the VAT output account.	No. 1 and journals have been entered to correct finding. A journal have also been entered for correction of correct expenditure account, I am not in agreement of VAT to be claimed on last two vouchers as they were non vat vendors.	1.Management should ensure that VAT is allocated the correct VAT account  2. Management should ensure that expenditure is allocated to the correct expenditure account.	Budget and Treasury		To be monitored spot check
<b>47. EX.10 - Long outstanding Debtors: Department of Health</b> At year-end 2010/2011, there has been an outstanding amount of <b>R1, 043,162.00</b> owed by the Department of Health, included in this figure an amount <b>R357,729.23</b> is for January 2008, this is as a result of dispute between the municipality and the Department of Health. In terms of section 44 (1) of Municipal Finance Management Act. No.56 of 2003, whenever a dispute of financial nature arises between organs of state, the parties	We have sent letters to the Department of Health via registered post each month together with the claims requesting them to advise us on what is happening to the claim January 2008. Attached please find copies of letters for the financial year concerned.	N/A	Budget and Treasury		Meeting sitting on the 2 <sup>nd</sup> April 2012 with Municipality with Head of health department. T o check finance Banele 5 <sup>th</sup> April 2012.

<p>concerned must as promptly as possible take all reasonable steps that may be necessary to resolve the matter out of court. The fact that there is this long outstanding indicates that the municipality has not complied with section 44 (1) of the Municipal Finance Management Act.</p> <p>Control activities identified as necessary are not implemented.</p> <p>Non -compliance with MFMA and loss of revenue by the municipality.</p>					
<p><b>48. EX.69 - Receivables-Application forms for indigent not approved</b></p> <p>During the audit of Matatiele Local Municipality 2010/11 financial year application forms for indigent debtors were found not approved by the Municipality (relevant official at approved registration points provided by the Municipality)</p>	<p>In future these forms will be signed approved by either CFO or MM.</p>	<p>All indigent application forms should be approved by CFO or municipal manager and all indigent support policy requirements should be met</p>	<p>Budget and treasury</p>		<p>To check with finance/Salathiso Spot Check. Come back</p>
<p><b>49. EX.69 - Receivables-Application forms for indigent not approved</b></p> <p>Paragraph 8; subparagraph .3 of the indigent support policy states that A person applying for indigent support application form approved by the municipality. Such forms will be available at approved registration points provided by the municipality and shall be dealt with in terms of Procedures Manual. Debtors which do not qualify as indigent debtors will receive free basic services and vice versa.</p>	<p>In future these forms will be signed approved by either CFO or MM.</p>	<p>All indigent application forms should be approved by CFO or municipal manager and all indigent support policy requirements should be met.</p>	<p>Budget and Treasury</p>		<p>To check with finance/Salathiso</p>
<p><b>50. EX.12 - Revenue- monies received not banked promptly</b></p> <p>Treasury Regulation no. 15.10.1.2(a) states that :</p> <ul style="list-style-type: none"> <li>the accounting officer is responsible for establishing systems, procedures, processes and training and awareness programmes to ensure efficient and effective banking and cash management which includes collecting</li> </ul>	<p>Security companies do not offer cash collection services in Maluti and Cedarville . The amounts collected in these two towns also does not make it viable to collect money on daily basis. Hence officials form Budget and Treasury collects money once a week , but not on fixed days in</p>	<p>N/A</p>	<p>Budget and Treasury</p>		<p>To check with finance/Banele &amp; Dean MM to arrange daily transport to collect monies</p>

<p>revenue and banking it promptly.</p> <p>Monies are not banked timely.</p> <p>Delayed banking can result in fraud.</p> <p>Interest that could have been earned could be forfeited.</p>	<p>order not to set pattern.</p>				
<p><b>51. EX.29 - Rental: general- VAT not declared on VAT control account</b></p> <p>In terms of Section 7 of Value Added Tax Act no. 89 of 1991 , requires that tax must be impose on all rental income .The municipality did not impose tax on site rental income</p> <p>VAT output on rental income amounting to R348490.89 has not been declared on VAT Control Account.</p> <p>VAT could be understated on the financial statements.</p>	<p>The Municipal system was not set up to calculate vat for rental, hence the system has been changed and the correction in form of a journal has been passed.</p>	<p>Management should ensure that VAT output on rental income is declared on VAT Control Account</p>	<p>Budget and Treasury</p>		<p>Currently there is a rental recon to be monitored.</p>
<p><b>52. EX.32 - Revenue-deposit slips for monies received not obtained</b></p> <p>"The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose all reasonable steps to ensure:- that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards.</p> <p>Deposit slip for monies due to the Department of transport, monies could not be obtained for audit purposes:</p>	<p>Miss X Marubelela stole an amount of money from the municipality, whilst working as a clerk at the testing station. The amount of R6732 that was due to the Department of Transport was part of moneys that was stolen. Miss Marubelela was charged internally, and subsequently dismissed from the councils employment, she has appealed the arbitration outcome and <b>therefore this is still in the recovery process we also consider writing this debt off, but will depend on the outcome of the whole process. The total amount involved is R87 000.</b></p>	<p>The accounting records should be properly managed and provided for audit purposes.</p>	<p>Community Services – Protection Services Section Public safety.</p> <p>Corporate services/community services &amp;finance</p>		<p>MR MBEDLA Chief licensing officer with the appointed on 1<sup>st</sup> April 2012 Will be appointed to do this To check with/Unathi</p> <p>Finance keeps reconciliation for Public Safety's for all revenue collected.</p> <p>Pension payout MR Zwane/progress check with Unathi on April 2012 Finance opened an account to raise her debt account number 12071</p>

<p><b>53. EX.37 - Revenue-Electricity losses</b></p> <p>The Municipality was not able to prevent tempering of meters on electricity and that resulted to high electricity loss.</p> <p>Revenue could be misstated in the Financial statements .</p>	<p>A list is provided on a monthly basis to the electricity department with all meters with zero sales. The technical department investigate this list. Furthermore provision was made in the 2011/2012 for a meter audit</p>	<p>Management should design the system that would prevent the tempering of electricity</p>	<p>Budget and Treasury Electricity units</p>		<p>Action Plan Unathi To check action plan with Jacky &amp; Banele Finance blocks the pre paid meters</p>
<p><b>54. EX.53 - Accounts receivables-Discontinuation of services</b></p> <p>During the audit of Matatiele Local Municipality 2010-2011 financial year there is also no indication that a notice for discontinuance of services had been issued or their services subsequently had been discontinued.</p> <p>No notice by the municipality for disconnection of services.</p>	<p>The matter of outstanding Debit and Credit Control is reported to all Council Structure on a quarterly basis. Government debt is reported to the IGR Forum whenever the forum meets and schedules are sent to the relevant department on a monthly basis. Commercial and domestic consumers not paying their accounts are disconnected on a monthly basis, however all Councils policies are being reviewed by new Council, a tender have been advertised. To disconnect government buildings and schools will pose a social problem, therefore it is dealt with in a different matter.</p>	<p>N/A</p>	<p>Budget and Treasury</p>		<p>To check the evidence with finance in March. Khaluwe,Bnele &amp; Dean To collect evidence on 23/03/2012</p>
<p><b>55. EX.4 - Engagement risk- No supporting documentation for the suspended employees</b></p> <p>During the audit of Matatiele Municipality documents relating to employees on suspension or under investigation during the year under review could not be obtained for audit purposes. The following employees are under investigation: Ms Nombungu and Mr Gous. Requested information was not available and</p>	<p>Documents to be placed on personnel files and to be viewed by Auditor-General.</p>	<p>Management should ensure that all documents that are requested for audit purposes are supplied without any delay.</p>	<p>Corporate Services Department</p>		<p>Information is on personal files and these were sent to Auditors when required by Ms Nokuthula Ncikazi. Unathi to check April 2012</p>

supplied without any significant delay. Limitation of scope					
<p><b>56. EX.5 - System description : Human Resources</b>  <b>- No memos from HOD nor approval by MM in files</b></p> <p>During inspection of the personnel files, it was noticed that there is no memo/labour requisition form from the Head of Departments to Corporate services and approval from the Municipal Manager for the advertisement of the posts. This could result in posts being filled without the knowledge of the Head of Department and Municipal Manager.</p> <p>The following files were inspected:  L.B.T. Spampoel (Manager Supply Chain Management.)  Ms A Ganya (PA Speaker)  Ms G.R Tobia (Manager IDP and PMS)</p> <p>The recruitment process has not been conducted in accordance with the human resource policy. There is no evidence that the internal controls of the municipality were assessed for proper functioning.</p>	See comments under Status Column	Management should ensure that recruitment processes are followed as documented in human resource policies when filling vacant posts.	Corporate Services Department		<ul style="list-style-type: none"> <li>a) Currently, posts to be advertised are approved by the Municipal Manager.</li> <li>b) At times, a decision is taken at MANCO to advertise certain post. In this regard, it is unnecessary for a Head of Department to request the filling of a particular post.</li> <li>c) In cases where individual Departments want specific posts to be filled, they write letters to that effect. Unathi to check with MR Zwane on April</li> </ul>

<p><b>57. EX.30 - Requirements of the post as per the advertisement were not met</b></p> <p>There is no proof in the employee file that <b>Mr J.T. Hulley, Supervisor Commonage, Fire and Pound</b>, has got <b>Matric</b> as required by the advertisement for the post he is currently occupying. Employment requirements stipulated on the advertisement are not met. Incompetent personnel can be employed by the municipality and that might impact poorly on their performance of duties assigned to them.</p>	<p>It is true that Mr Hulley does not have Matric. However he had been utilised in similar functions before and because of his vast experience, it was deemed necessary to employ him.</p>	<p>Only personnel with necessary qualifications and skills, as required by the post to be filled, should be employed</p>	<p>Corporate Services Department</p>		<p>Applicants who do not have relevant qualifications or experience will not be employed. Section 20(3) Employment Act 1. Qualification experience, recognition of prior learning.</p>
<p><b>58. EX.31 - No evidence of termination of employment in the employee file</b></p> <p>Evidence of termination of employment for the following employees was not presented for audit purposes.</p> <ul style="list-style-type: none"> <li>-G. Mtshizana : Retirement letter</li> <li>-B. Zenzele : Retirement letter</li> <li>-N. Mtoto : Resignation letter</li> <li>-M. Kondile : Resignation letter</li> <li>-E. Nairn : Expiry of contract</li> <li>-S. Booth : Expiry of contract</li> <li>-E. Nombungu : Dismissal Letter</li> <li>-X. Marubela : Employee File</li> </ul> <p>Proper record keeping of documentation was not exercised.</p> <p>Employees whose services were terminated may not be removed from the payroll system resulting in them receiving payment while they are no longer in the employment of the municipality.</p>	<p>Management response</p> <p>Pending</p>	<p>The accounting officer should keep proper record of important documentation</p>	<p>Corporate Services Department, Human resource section</p>		<p>Unathi to check evidence in April. MR Zwane</p>

<p><b>59. EX.35 - Vacant posts not filled</b></p> <p>The period that the posts remained vacant was not provided for audit purposes. Posts were not budgeted for. Posts that are not necessarily needed could be created and that could lead to fruitless and wasteful expenditure.</p>	<p>The Management is in agreement with the finding for the following reasons: however budget constraints prevented us to fill the approved posts on the organogram as the country was in a recession. This was a strategic measure not to run into cash flow problems. Most of the vacant posts were advertised and filled July-September 2011.</p>	<p>The municipality should regularly review its organisational structure and should remove those posts that are no longer needed.</p>	<p>Corporate Services Department</p>		<p>It depends on departments to fill the budgeted posts</p>
<p><b>60. EX.36 - No pre-authorization for overtime worked</b></p> <p>Non compliance with the municipality's internal controls. Loss of funds to the municipality resulting from unauthorised overtime worked or fraudulent overtime claims.</p>	<p>The overtime schedule that is approved by the HOD before the start of a month.</p>	<p>N/A</p>	<p>Corporate Services Department</p>		<p>To check all pre-authorization forms for overtime with salaries in finance</p>
<p><b>61. EX.52 - No allowance policy in place</b></p>	<p>The Municipality has couple of allowance policies for your perusal; please advice if there are any specific allowance policy you are looking for. The municipality also has a S&amp;T policy</p>	<p>N/A</p>	<p>Budget and Treasury</p>		<p>To check with Auditor general in March</p>
<p><b>62. EX.68 - Employee costs - No evidence for allowances paid</b></p> <p>Substantive evidence that the employees were eligible to receive the allowances paid to them was not found in the employee files. Inadequate record keeping. Municipal funds could be misappropriated.</p>	<p>management response pending</p>	<p>Management should ensure that employees receiving allowances are authorised and eligible to receive such allowances in terms of the requirements of the relevant legislation or policy and should also ensure that substantive evidence exist for allowances paid.</p>	<p>Budget and Treasury /Human resource</p>		<p>Unathi check employees files with personal clerk &amp; salaries officer</p>
<p><b>63. EX.6 - Governance: Audit committee</b></p> <p>. The Audit Committee has not reviewed the fraud prevention plan implemented to prevent and</p>	<p>1 This plan was not reviewed by the Audit Committee as a</p>	<p>N/A</p>	<p>Corporate Services Department/ municipal manager department</p>		<p>Fraud prevention plan (draft) is awaiting council resolution and</p>

<p>detect fraud in the current year. There is also no indication that the following discussions were held ;</p> <ul style="list-style-type: none"> <li>• Communication from management regarding their processes for identifying and responding to the risks of fraud in the entity.</li> <li>• Concerns about the nature, extent and frequency of management's assessment of the accounting and control systems in place to prevent and detect fraud, with the external auditor.</li> <li>• Concerns that a risk that the financial statement may be materially misstated may exist.</li> </ul> <p>2. There is no evidence that the action plan to respond to the auditors' findings was presented to and reviewed by the audit committee. Furthermore there is no evidence that the subsequent implementation of agreed improvements have been reviewed.</p> <p>Lack of monitoring the fraud prevention plan.</p> <p>There is a risk that fraud and error may not be prevented and detected timeously.</p>	<p>separate and independent plan.</p> <p>2 A risk assessment workshop was however facilitated by the Internal Auditors on the 20<sup>th</sup> of September 2010 and a Risk Assessment Report was presented to the Audit Committee on the 29<sup>th</sup> of November 2010. The Risk Assessment included controls and risks relating to fraud and specifically raised issues relating to the nature, extent and frequency of the accounting and control systems of the Municipality.</p>				<p>it will be presented to the next audit committee</p>
<p><b>64. Finding: Action plan to respond to the auditor's findings not presented to and reviewed by the Audit Committee:</b></p>	<p>The action plan <u>was</u> presented to and considered by the Audit Committee at its meeting of the 19<sup>th</sup> of January 2011. This report is specifically mentioned in paragraph 1(m) of the written report of the Audit Committee to the Municipal Council presented on 28 January 2011 and the Audit Committee expressed its satisfaction with the steps which</p>	<p>N/A</p>	<p>Corporate services /admin section</p>		<p>Unathi to check evidence with Karen</p>

	had been taken and were to be taken at that stage.				
<p><b>65. No evidence that implementation of improvements have been reviewed:</b></p> <p>The Audit Committee has monitored, assessed and reviewed the implementation of improvements and responses to findings in the Auditor's report. A few examples are listed:</p> <p><b>a) <u>Note 10: Irregular Expenditure: Overpayments to Councillors</u></b></p> <p>Although this was noted by the Auditors the Council resolved to write this off as irrecoverable. At its meeting of the 14<sup>th</sup> of March 2011 the Audit Committee noted the Council's aforesaid resolution and further noted that this was against the advice of the Audit Committee. This was taken up with management with reference to Section 167 (2) of the MFMA and the Municipal Manager was requested to seek a directive or ruling from National Treasury. (See paragraph 7.2 of the Minutes of 14/03/2011). National Treasury subsequently advised that this amount cannot be written off and should be recovered from Councillors.</p> <p>At its meeting of the 10<sup>th</sup> of June 2011 the Audit Committee requested the Municipal Manager to request the new Municipal Council to rescind the decision not to recover the irregular expenditure (See par 7.2 of the Draft Minutes of 10/06/2011 – still to be adopted.)</p>	<p><b>The Audit Committee has accordingly reviewed and monitored the response to the finding of the Auditors on item 10.</b></p>		Budget and Treasury/Municipal manager & corporate services		Unathi to request the respond in writing from MR Mkhize and the MM to sign it

<p><b>b) <u>Note 19: Internal Audit Unit not established or functioning properly:</u></b></p> <p>The Committee monitored the improvement in this unit. The committee requested a written report from the Internal Audit Clerk on her functions and problems faced by the Unit. This report was presented to the Committee at its meeting of the 10<sup>th</sup> of June 2011 and the issues raised were discussed. (See para 8.3 of the Draft Minutes of 10/06/2011 – still to be adopted).</p> <p><b>c) <u>Notes 20 – 28: Supply Chain Management</u></b></p> <p>The Committee amended the Internal Audit plan 2010 / 2011 at its meeting of the 29<sup>th</sup> of November 2010 to address this issue since it appeared in the Auditor General’s draft management report and the Committee anticipated that this item would require attention in the year ahead. The items to be reported on by the Internal Auditors in the 2010 / 2011 included:</p> <ol style="list-style-type: none"> <li>1. Human Resource Review;</li> <li>2. Income and Revenue Management;</li> <li>3. Capital Projects;</li> <li>4. Performance Management System (PMS);</li> <li>5) Supply Chain Management (SCM);</li> </ol>	<p><b>The improvement in this regard has been monitored and reviewed.</b></p> <p><b>The Committee has accordingly monitored and reviewed the progress on these items.</b></p>				
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<p>The additional SCM report was received and considered at the meeting of the 20<sup>th</sup> of June 2011. The appointment of a SCM Manager was also reported to the Committee (notes 21, 22 and 24) and the progress was noted. The Risk Assessment referred to above also included the Supply Chain Management system (notes 23, 28).</p> <p><b>d) <u>Note 14 - Performance Reporting</u></b></p> <p>The Committee sat as a Performance Audit Committee and received and reviewed Performance reports from Management on the 10<sup>th</sup> of June 2011. A written report was presented to Council.</p> <p>The Audit Committee has specifically:</p> <p>a) requested the internal auditors to review performance information;</p> <p>b) received the review from the internal auditors of such performance information (14 March 2011);</p> <p>c) conducted a performance assessment of the Municipality based on such information and after interviewing the various responsible managers of the Municipality (10 June 2011);</p> <p>d) reviewed the performance management system of the Municipality (14 Mach 2011).</p> <p><b>e) <u>Note 9: Restatement of Corresponding</u></b></p>	<p><b>Progress on this item has been monitored and reviewed by the Audit Committee and the Committee has presented its 1<sup>st</sup> and 2<sup>nd</sup> Quarters Performance Report to the Council.</b></p>				
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<b>Figures:</b>	<b>This has been noted and compliance with GRAP 17 monitored in the review of financial statements which took place on the 31<sup>st</sup> of August 2011.</b>				
<p><b>66. EX.7 - Internal Audit reports- No management responses</b></p> <p>The Internal Audit Reports on Performance Management System has no management responses, and there is no action plan as to how is the municipality going to address the internal audit findings.</p> <p>Control activities identified as necessary are not implemented.</p> <p>Risks identified through internal controls could be addressed.</p>	Internal Audit reports are studied and discussed at management meetings. Meetings are also held with the Internal Auditors. Each department is given all issues raised by the Internal Auditors and respond accordingly.	N/A	Office of the Municipal Manager		MRAS to create action plan for all the internal reports
<p><b>67. EX.1 - Assets - Assets could not be found for physical verification.</b></p> <p>Ongoing monitoring and supervision is not undertaken to ensure proper safeguarding of thereof assets and effectiveness of internal controls.</p> <p>Value of assets could be overstated on the financial statements.</p>	The municipality to safe guide all the assets.	Management should ensure that the receiving clerk, or anyone responsible for the receipt of assets, records all assets on the asset register upon receipt, assign a unique asset number to each asset, and affix barcodes with asset numbers on each asset as it is stipulated on the asset management policy.	Budget and Treasury		To check with finance
<p><b>68. EX.21 - Fixed Assets - Not adequately insured</b></p> <p>The municipality is not adequately insured for its fixed assets as the insured value is less than the</p>	During the tender procedure it was decided that a meeting will be arranged with the successful bidder to adjust the amounts in order to comply with the	The municipality should ensure that it is adequately insured for its fixed assets against disasters.	Budget and Treasury		To be monitored

<p>book value of the assets.</p> <p>The accounting officer does not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control.</p> <p>Fixed assets will not be fully recovered in the event of a disaster.</p>	<p>insurance norms and standards. Replacement value is not the only criteria used when a insurance claim is settled.</p>				
<p><b>69. EX.41 - Expenditure - Sub-delegation not done</b></p> <p>During the Audit of expenditure, it has been noted that no sub-delegation has been attached for the authorisation of payments.</p> <p>Non-adherence to the laws and regulations.</p> <p>Non-compliance to the MFMA.</p>	<p>The vouchers were approved for payment by the Head of Department. The CFO and Municipal Manager sign approval on the EFT payment batch and then the payment is released in bank. The Managers are approving the invoices for payment as each manager is responsible for their department's expenditure and budget.</p>	N/A	Budget and Treasury		Spot Check
<p><b>70. EX.3 - Revenue- pound not correctly calculated</b></p> <p>During the systems description of revenue, it was noted that incorrect tariffs were used for the pound fees.</p> <p>Ongoing monitoring and supervision is not undertaken to ensure that correct tariffs are used to calculate pound fees.</p> <p>It can result in the understatement of pound revenue</p>	<p>Receipt 2667 and Receipt 2650 – These were stray animals picked up by Mr J Hulley and not trespassing as per description on above receipts. Reason - trespassing fees were not charged. We have explained to Mr Mtimkulu who issues pound certificate the difference between trespassing and stray animals, at the time he did not understand.</p>	<p>Management should ensure that correct tariffs are charged for pound fees.</p>	Budget and Treasury		Finance: the receipt must specify whether it was a stray animal or trespass.
<p><b>71. EX.8 - Budget Process :Figures as per adjustment budget do not agree AFS( Statement of financial performance)</b></p> <p>Variances in budget amounts were noted between the adjusted budget and the budget amounts disclosed in the Annual Financial Statements (Statement of financial performance) .</p>	<p>The difference Pool Fees which is included into other income In the AFS we add traffic fines R29000 and Traffic licence R922937 = R954 937 On adjustment budget Pool Fees amount is included into Rental of</p>	<p>Control activities identified as necessary are not implemented.</p> <p>Misstatement of financial statements</p>	Budget and Treasury		To include a note in the AFS 2011-2012 regarding the budget

	facilities In AFS we only use Drivers Licence R950 000.				
<b>72. EX.38 - Property transfers not updated in the system</b>  During the audit of property transfers the following properties are still recorded under the old names (sellers) instead of the new names (buyers). Consequently the rates income has not been accounted to the correct debtors. Lack of monitoring and implementation of necessary changes.Rates income could be charged to incorrect debtors	During the audit of property transfers the following properties are still recorded under the old names (sellers) instead of the new names (buyers). Consequently the rates income has not been accounted to the correct debtors. Lack of monitoring and implementation of necessary changes. Rates income could be charged to incorrect debtors.	The mentioned properties had no relevant addresses, which was only obtained now and have been corrected as per attached copies. However erf 2514 and 575 has been sold again and the transfer is still in process.	Budget and Treasury		To check with finance On a monthly basis there is a transfer list that is printed from the deeds systems and the officer updates it monthly. File name property transfer file.

## CHAPTER 6: SECTOR PROJECTS

### 6.1 PROJECTS FROM ALFRED NZO DISTRICT MUNICIPALITY

ALFRED NZO DISTRICT MUNICIPALITY							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
<b>THUSONG CENTRE MANAGEMENT</b>							
Construction of 2 Thusong Centre established and functioning by 2014 (Matatiele local Municipality)		R 9 800 000.00	R 4 800 000.00	R500 000.00			
<b>INFRASTRUCTURE DEVELOPMENT AND MUNICIPAL ECONOMIC PLANNING DEPARTMENT</b>							
Cedarville Sewer Upgrade	MIG	R 1 400 000.00	R 1 400 000.00				
Maluti/Ramohlakoana Sewer Upgrade	MIG	R 1 800 000.00	R 1 800 000.00				
Tholang Water Supply	MIG	R 518 000.00	R 518 000.00				
Caba – Mdeni Water Supply	MIG	R 600 000.00	R 600 000.00				
Tholamela Water Supply	MIG	R70 650 968.20	R 11 500 000.00	R12 6508.20	R15 000 00 0.00	R15 000 00 0.00	R16 500 000.0 0
Fobane sub-regional Phase 1 (water)	MIG	R15 750 000.00	R 12 500 000.00	R3 250 000.00			
Fobane sub-regional Phase 2 (water)	MIG	R 55 000 000.00	R 10 000 000.00	R20 000 00 0.00	R10 000 00 0.00	R10 000 00 0.00	R5 000 000.00
Mvenyane Water Supply	MIG	R2 500 000.00	R 2 500 000.00				
Maluti/Matatiele/Ramohlakoana	MIG	R32 180 000.00	R 800 000.00	R8 800 000. 00	R9 680 000. 00	R5 700 000. 00	

ALFRED NZO DISTRICT MUNICIPALITY							
Matatiele Ward 16 (Water)	MIG	R24 923 000.00	R3 000 000.00	R3 300 000.00	R3 630 000.00	R3 993 000.00	R11 000 000.00
Matatiele Ward 15 (Water)	MIG	R19 450 000.00	R1 500 000.00	R1 650 000.00	R3 000 000.00	R3 300 000.00	R10 000 000.00
Matatiele Ward 22 (Water)	MIG	R19 450 000.00	R1 500 000.00	R1 650 000.00	R3 000 000.00	R3 300 000.00	R10 000 000.00
Matatiele Ward 5 (Water)	MIG	R19 650 000.00	R1 500 000.00	R1 650 000.00	R5 000 000.00	R5 500 000.00	R6 000 000.00
Matatiele Ward 7 (Water)	MIG	R19 450 000.00	R1 500 000.00	R1 650 000.00	R3 000 000.00	R3 300 000.00	R10 000 000.00
WATER SERVICES AUTHORITY							
Feasibilities for 05 Wards in Matatiele	Equitable Share	R 22 500 000.00	R 22 500 000.00				
RBIG dam feasibility studies for Kinira, Sirhoqobeni, Mkhemane & Ntabankulu bulk.	Equitable Share	R16 000 000.00	R8 000 000.00	R8 000 000.00			
RBIG implementation : Matatiele	Equitable Share	R25 000 000.00	R25 000 000.00				
WATER SERVICES PROVISION							
Refurbishment and Replacement of Water Infrastructure – Matatiele WTW & Town	Equitable Share	R67 805 000.00	R10 000 000.00	R11 000 000.00	R12 650 000.00	R15 180 000.00	R18 975 000.00
Refurbishment and Replacement of Water Infrastructure – Cedarville Tank	Equitable Share	R3 390 250.00	R 500 000.00	R550 000.00	R632 500.00	R759 000.00	R948 750.00
Refurbishment and Replacement of Water Infrastructure – Maluti Regional Water Scheme	Equitable Share	R81 366 000.00	R12 000 000.00	R13 200 000.00	R15 180 000.00	R18 216 000.00	R22 770 000.00
Refurbishment and Replacement of Water Infrastructure – Matatiele	Equitable Share	R16 951 250.00	R 2 500 000.00	R2 750 000.00	R3 162 500.00	R 3 795 000.00	R 4 743 750.00
EXPANDED PUBLIC WORKSPROGRAMME							
Matatiele Maintanance	EPWP GRANT	R1 420 800.00	R1 420 800.00				

ALFRED NZO DISTRICT MUNICIPALITY							
Matatiele Water Treatment Works	EPWP GRANT	R364 800.00	R364 800.00				

## 6.2 SECTOR DEPARTMENT PROJECTS

SASSA							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Old Age Gran	SASSA	R61,275,677	R61,275,683				
Disability Grant	SASSA	R18,409,271	R18,409,273				
Care Dependency Grant	SASSA	R2,289,958	R2,290,286				
Foster Care Grant	SASSA	R13,975,641	R13,975,642				
Child Support Grant	SASSA	R6,152,817	R6,152,820				
Grant In Aid	SASSA	R369,666	R369,702				
Social Relief of Distress	SASSA	R3,138,736	R3,138,745				
TOTAL	SASSA	R105,611,766	R105,612,151				

DEPARTMENT OF SPORT, RECREATION ARTS AND CULTURE							
			Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Sport, Recreation, Museums, Libraries, Arts & Culture Councils, Elderly, Children, People with disabilities, service providers	DSRAC	R7804	R7804				
Commemoration of national days Attend district, provincial, national competitions/ festivals.	dsrac	R3 792	R3 792				

DEPARTMENT OF SPORT, RECREATION ARTS AND CULTURE							
Outreach programmes Attend inter-provincial, national & international programs.							
Facilitation in the Alfred Nzo Interdepartmental games	DSRAC	R5,000	R5,000				
Commemoration of institutionalized days (Freedom day, Youth day, Womens day, Day of elderly, World aids day, Childrens day, Day of disabled, International women's day, Human rights day ,Workers day,Afrika day, ,16 days of activism ,Reconciliation day, Heritage day		R 70 460	R 70 460				
<ul style="list-style-type: none"> <li>Take a girl child to work</li> <li>, Mosadi wa kono kono,</li> </ul> Casual day	DSRAC	R 30 090	R 30 090				
Revival of structures,Language and Literature ,Visual Art and Craft,Theatre and Performing Arts,Music,Arts and Culture Council (20)	dsrac	R 7 000	R 70 460				
Women empowerment on weaving (20)	DSRAC	R20 000	R 30 090				
Visual art workshop(Level 2 on Drawing and Painting) (10)	DSRAC	R14 000	R 7 000				
Film production (15 4 per LM	DSRAC	R33 750	R20 000				
Jazz and Gospel workshop (32) (8 per LM)	DSRAC	R7 500	R33 750				
Facilitate the following festivals:Mini word fest (50),(20 Mbizana and 10 per 3 LM)	DSRAC	R17 200	R33 666				
Pre-selection for GNAF-Craft (5 per 3 LM and 10 Umzimvubu )	DSRAC	R9 000	R7 500				
GNAF (7 officials)	DSRAC	R31 577	R17 200				
Drama festival (145),30 (per 3 LM),50 host LM	DSRAC	R28 250	R9 000				
Choral music (330),From 4LM's)	DSRAC	R88 500	R31 577				
Writers explosion (40),( 10 per LM)	DSRAC	R47 500	R28 250				
Multi mixed festival (165) 75 Mzimvubu and 30 per LM)	DSRAC	R30 916	R88 500				
Traditional dance festival (165),55 Matatiele and 30 per LM)	DSRAC	R38 500	R47 500				
Ulwandl'olubomvu cultural festival (7)	DSRAC	R23 000	R30 916				
Emaxesibeni art centre festivals and exhibitions (Indigenous music) (125)	DSRAC	R14 250	R38 500				
Mt Frere art centre festivals and exhibitions (75)	DSRAC	R18 000	R23 000				

DEPARTMENT OF SPORT, RECREATION ARTS AND CULTURE							
Gospel and jazz festival (145),30 per LM and 55 Matatiele)	DSRAC	R41 000	R14 250				
Isicathamiya (150) ,30 per 3 LM and 60 Mbizana)	DSRAC	R21 666	R18 000				
SDI( 79)	DSRAC	R21 000	R41 000				
Coordinate the Moral Regeneration Movement Activities ( ulwaluko ne ntonjane )	DSRAC	R140 000	R21 666				
Organise and host International Museums Day, District build up programme for 2 days(76), Provincial programme.	DSRAC	R 26,390	R21 000				
Conduct National Orders awareness campaigns (4J.S Schools)	DSRAC	R0	R140 000				
Conduct National symbols awareness campaigns (4J.S Schools)	DSRAC	R0	R 26,390				
Unveil tombstones at Khananda for the 1960 Pondo Revolt victims of conflict (500 people targeted)	DSRAC	R 94 525	R0				
Commemoration of Matatiele Heroes and Heroines (500 people targeted)	DSRAC	R96 405	R0				
Pondo Heritage and cultural festival	DSRAC	R4 580	R 94 525				
Conduct research only, Ebathweni, Imfazwe yezikhali	DSRAC	R0	R96 405				
Official opening Mount Ayliff Museum, Necessary logistics	DSRAC	R 5000	R4 580				
Conduct quarterly reviews and planning sessions with Museum stakeholders	DSRAC	R15 100	R0				
Renovation of Matatiele Labrary	DSRAC	R120 000.00	R0				

DEPARTMENT OF HUMAN SETTLEMENTS							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Caba-Mdeni 300/ Rural housing	DHS	R 29,987,700.00	R 9,070,600.00				
Mafube 300/ Rural Housing	DHS	R 32,428,632.00	R 1,879,500.00	R5,355,700.00	R6,885,900.00	R3,00,750.00	
Queensmercy 300	DHS	R 32,311,854.00	R 1,879,500.00	R5,355,700.00	R6,885,900.00	R3,00,750.00	
Maritseng 1500/ Rural Housing	DHS	R 5,065,500.00	R 5,191,000.00	R5,191,000.00	R8,197,500.00	R8,197,500.00	
Mvenyane 500/ Rural Housing	DHS	R 1,688,500.00	R 4,206,500.00	R4,973,150.00	R6,175,450.00	R7,432,400.00	

DEPARTMENT OF HUMAN SETTLEMENTS							
Masakala 500/ Rural Housing	DHS	R 1,688,500.00	R 4,296,000.00	R4,973,150.00	R6,175,450.00	R7,432,400.00	
Taba-Chicha 500/ Rural Housing	DHS	R 1,688,500.00	R 3,759,000.00	R4,973,150.00	R6,120,800.00	R7,377,750.00	
Mehloloaneng 898/ Rural Housing	DHS	R 3,319,906.00	R 2,065,400.00	R1,093,000.00	R2,349,950.00	R7,377,750.00	
Matatiele 306/ Rural Housing	DHS	R 6,275,728.00	R 3,819,200.00	R2,732,500.00	R4,317,350.00	R4,863,850.00	
Harry Gwala 1110/ Rural Housing	DHS	R 2,688,575.00	R 4,487,560.00	R4,426,650.00	R6,448,700.00	R9,126,550.00	
Cederville 201/ Rectification	DHS	R 486,850.00	R 3,341,800.00	R3,141,700.00	R4,098,750.00	R1,803,450.00	
<b>TOTAL</b>		<b>R 117,630,245.00</b>	<b>R 43,996,060.00</b>	<b>R41,151,450.00</b>	<b>R57,655,750.00</b>	<b>R59,623,150.00</b>	

DEPARTMENT OF LAND AND AGRICULTURE REFORM							
Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Mahlake		600,000	600,000				
isigoga		350,235	350,235				
Nuhah		358,304	358,304				
Qili		344,637	344,637				
Afsondering		364,120	364,120				
Masupa		196,020	196,020				
Makhwakhwathini		413,820	413,820				
Moiketsi		274,065	274,065				
Smonkong		750,000	750,000				
Matatiele IFS&MI		100,000	100,000				
Moriting		27,000	27,000				
Thabachicha 1		27,000	27,000				
Pabalong		56,700	56,700				
Smonkong		27,000	27,000				
Qobosheaneng		270,000	270,000				
Willeary		132,300	132,300				
Nkululeko Farmers Assoc		30,000	30,000				

DEPARTMENT OF LAND AND AGREGSRIAN REFORM							
Sikhonathi		30,000	30,000				
Mechachaneng		30,000	30,000				
Mahlabathini Maize Prod		30,000	30,000				
Lhaseng Maize Prod		30,000	30,000				
Thabachicha		30,000	30,000				
Pontseng		21,000	21,000				
Mgubho		21,000	21,000				
Black Diamond		94,500	94,500				
Cedarville		21,000	21,000				
Noqobo		51,000	51,000				
Greystone		765,000	765,000				
Mejametalane		27,000	27,000				
Bhubesi		27,000	27,000				
Sidakeni		81,000	81,000				
Makhawula		30,000	30,000				
Mooiplaats		30,000	30,000				
Rossleigh		30,000	30,000				
Esiseleni		44,500	44,500				
All wards		400,000	400,000				
Various schools		25,000	25,000				
Various locations		100,000	100,000				
All wards		400,000	400,000				
8 schools		25,000	25,000				
18 Livestock & poultry projects		100,000	100,000				
17 household garden projects		300,000	300,000				
8 schools		25,000	25,000				
7 Livestock & poultry projects		100,000	100,000				
4 Household garden projects		300,000	300,000				
2 Livestock & poutry projects		300,000	300,000				
2 schools		25,000	25,000				

**DEPARTMENT OF EDUCATION**

Project description/programme	Funding Source	Budget	Years				
			Year1 2012/2012	Year2 2013/2014	Year3 2014/2015	Year4 2015/2016	Year5 2016/2017
Paballong		R5080491.35	✓				
Lunda S.P.S		R1592100.48	✓				
Mrwabo		R2046756.05	✓				
Manguzela J.s.s (Prefabs)		R1339194.71	✓				
Paballong J.S.S (Prefabs)		R2040095.64	✓				
Malubalube J.S.S(ECD Centre)		R2032639.38	✓				
Mpofini J.S.S		R5148257.10	✓				
Lenkoe J.P.S		R4074061.30	✓				

**DEPARTMENT: DEPARTMENT OF ROADS AND PUBLIC WORKS**

**PROJECTS TO BE IMPLEMENTED IN MATATIELE LM 2012/2013**

**Buildings**

Project Name	Type of Infrastructure	Project Duration		Total Project Cost ('000)	Expenditure to date from previous years	Total Available	MTEF Forward Estimate	
		Date Start	Date Finish				2012/13	MTEF 2013/14
Maluti Training facility	Training centre new works	2010/02/06	2014/03/02	5 964	2 260	600	636	668
Matatiele Offices	New Offices	2011/05/01	2012/12/01	20 524	4 609	4 000	4 240	5 784
Matatiele office	upgrades and additions	2014/07/01	2015/03/01	5000	0	0	0	5000
Matatiele office	upgrades and additions	2014/07/01	2015/03/01	4000	0	0	0	4000
Ex-Maluti College face lifting	upgrades and additions	2011/04/01	2013/03/01	7400	2422	4000	0	0
Maluti Dept. Of Agric Alterations	upgrades and additions	2013/07/01	2014/03/01	3858	0	3858	0	0
Depart. Of Agric Vet clinic	upgrades and additions	2015/04/01	2016/03/01	5000	0	0	5000	0
Maluti DRPW offices	upgrades and additions	2014/06/01	2015/11/01	2000	0	0	0	2000

Roads								
Project Name	Type of Infrastructure	Project Duration		Total Project Cost ('000)	Expenditure to date from previous years	Total Available	MTEF Forward Estimate	
		Date Start	Date Finish				2012/13	MTEF 2013/14
Qacha's Neck Ph. 1	Road Surfacing	2012/04/01	2014/04/14	350 000	0	0	0	0
Roads Maintenance	Plant Purchase	2012/04/01	2013/03/31	2200	0	2200	0	0

EPWP								
Project Name	Type of Infrastructure	Project Duration		Total Project Cost ('000)	Expenditure to date from previous years	Total Available	MTEF Forward Estimate	
		Date Start	Date Finish				2012/13	MTEF 2013/14
Household contractor programme	Roads Maintenance	2012/04/01	2013/03/01	134 000	80 000	16 000	18 000	20 000
National Youth Service	Skills Development	2012/04/01	2013/03/01	Not yet Known	Not yet Known	Not yet Known	Not yet Known	Not yet Known
APTCoD Programme	Artisan Development	2012/04/01	2013/03/01	Not yet Known	Not yet Known	Not yet Known	Not yet Known	Not yet Known

DEPARTMENT OF SOCIAL DEVELOPMENT						
Social Development: IDP Report 2012-02-23: Funded Projects 2011-2012: Matatiele						
PROGRAMME	NAME OF PROJECT	LOCATION	WARD	NO. OF BENEFICIARIES	FUNDS ALLOCATED	ACTIVITIES
2.3 Older Persons	Makabonge luncheon club	Area C	20	20	Nil	Recreational activities
	Ntataise old Age Project	Maluti	01	15	Nil	Recreational activities
	Zakhele Old age Project	Khubetsoana location	12	50	Nil	Recreational activities
	Phaphamani Old Age Project	Sibi	02	Nil	35.000.00	Recreational activities
	Sinenjongo Luncheon Club	Cerdaville	21	30	50.000.00	Recreational activities
2.4 Crime Prevention	Skills Development	AREA C	20	12	R164'880.00	Car Wash
	Ex Offender Re integration Programme	Chibini Mzongwana	05	12	R170'000.	Block Making
	Crime Prevention	Maluti	01	50	R125 000	Awareness programs
	Diversions & mentoring programs	Maluti	01	10	R70 000	Diversion & life skills programs
	Developmental foster care prgram	Maluti	01	20	R250 000	Alternative placement for children in conflict with the law/at risk
2.7.Victim Empowerment	Maluti Victim Support Centre	Maluti SAPS	1	120	R23,750.00	Counselling Services
2.8 HIV & AIDS	Philisani Community and Family support	Mehloloaneng	16	20	R541 800	Preventative programmes, Care and support & material support.
	Manguzela Thandanani Home Based Care	Dengwane	10	20	R541 800	Preventative programmes, Care and support & material support.
	Sinethemba Home Based Care	Pholile Location	15	20	R541 800	Preventative programmes, Care and support & material support.
	Petals Day Care for the Orphaned children	Masakala	20	20	R541 800	Preventative programmes, Care and support & material support.
	Thusanag Development	Cederville	21	20	R469 300	Preventative programmes,

	organisation					Care and support & material support.
	Sinosizo Mvenyane project	Mvenyane	21	20	R469 300	Preventative programmes, Care and support & material support.
2.9.	Maluti Family Resource Centre.	Maluti	1	14	R50.000	Income generation and after school programme
	Maluti family preservation	Maluti	1	05	R30.000	Focuses on empowering families to be primary care givers and encourage communities to support children, youth and their families.
3.2Youth Development	Sindezama Youth	Matsetseng	6	06	R250'000	Egg Production
	MT.Elephant	Makhoba	05	15	R500.000.	Egg Production
	Masakhane Youth	Sibi, Tiping	2	15	R250'000	Egg Production
	Khuthalani Sinosizo	Malubalube	2	07	R250'000.	Vegetable Production
	Mzongwana Entreprise Association	Mzongwana, Mnceba	5	26	R250'000	Vegetable Production
Women Development	Bokamoso	Tsekong	11	21	R500'000.	Egg production
	Kuyasa	Masakala	20	15	R500'000.	Egg production
	Siyakhula	Mahangu Village /Makhoba	09	07	R125.000	Broiler &Vegetable production
Imbumba Yamakhosikazi Akomkhulu	Masisebenzisane	Tyiweni	21	15	R500'000.	Poultry Production
2.2 substance Abuse and Prevention and Rehabilitation:	Makhoba Tada	Makhoba A/A	09	5	R83600.00	Awareness Campaigns on Substance Abuse
CHILD CARE AND PROTECTION SERVICES	Family based Reunification Services	Magadla A/A	10	20 families	R678000.00	Family based reunification services
	Non Centre Based ECD services	Jabavu location	06	15 families	R100 000.00	Non Centre Based ECD

						services
	Zitapile Safe Home	Zitapile location	22	6 families	R60 000.00	Safe Home
	Matatiele Child Welfare Society	Matatiele town	19		R182 875.00	Welfare Organization
	Cross Roads Children's Home	Matatiele town	19	60 children	R640 000.00	Children's Home
	Siyakhula Boys Shelter	Matatiele town	20	20 children	R26 350.00	Boys Shelter

ESKOM

**MATATIELE PLANNED PROJECTS**

PROJECT NAME	WARD	CONNS	YEAR	VILLAGES / SCHOOLS COVERED
Maluti 02 NU	6	292	2011-2012	Nkosana 2
Queen's Mercy	12, 13	626	2011-2012	Queens Mercy
Hadiado	11	691	2011-2012	Pontseng, Lehata, Sekhutlong
Malosong	11	911	2011-2012	Malosong
<b>Total</b>		<b>2 520</b>		
Bakoena 08 SP	16, 15	1099	2012-2013	Likhetlane, Moyaneng, Mehloloaneng
Nkosana, Kwambombo Tsenula...	8	1000		Nkosana, Kwambombo, Tsenula, Tsita
Belford, Matewu & Thembalihle	8	450		Belford, Matewu & Thembalihle
<b>Total</b>		<b>2549</b>		

DEPARTMENT OF HEALTH		
PROJECT DESCRIPTION/PROGRAMME	BUDGET	YEAR 1 (2012/2013)
RSDP - Khutsong Hospital		R 8,000
Chibini Clinic		R 28,000
Mkhemane Clinic	R 3, 100	
Nyaniso Clinic	R 5.200,000	
Mafube Clinic	R 5.200,000	
Mmango Clinic	R 5.200,000	
Cedarville Clinic	R 5.200,000	
Mangolong Clinic	R 5.200,000	
Prospect	R 5.200,000	
Maluti Clinic	R 7 000, 000	

### 6.3 STATUS OF OTHER SECTOR PLANS

Ref.	Activity/ Item description	Levels of Execution		Comments		
		*LM	*DM	2010/11	2011/12	
1.	Disaster Management Plan		✓			DMP prepared at District level.
2.	HIV/AIDS Action Plan	✓			✓	Not in-place
3.	Institutional Plan	✓				Not in-place
4.	Performance Management System (PMS)	✓		✓	✓	Complete.
5.	Skills Development Plan	✓		✓	✓	Draft in-place
6.	Financial Management Plan	✓		✓	✓	Available and integrated into the IDP.
7.	Capital Investment Programme/ Framework (CIP)	✓				Not in-place
8.	Integrated Environmental Programme	✓		✓	✓	Completed.
9.	Local Economic Development (LED)	✓		✓	✓	Completed.
10.	Poverty Relief / Alleviation Programme	✓				Not in-place
11.	Social Master Plan	✓				Not in-place
12.	Housing Strategy			✓	✓	Draft in-place
13.	Water Services Development Plan (WSDP)		✓	✓	✓	WSDP prepared at District level.
15.	Waste Management Plan	✓				Not in-place
16.	Roads and Storm water Master Plan	✓				Draft policy on Road Maintenance
17.	Transportation Plan		✓		✓	TP is prepared at District level.
18.	Electrification Plan	✓				Draft in-place
19.	Tourism and Marketing Plan	✓				Not in-place
20.	Land Use Management Plan	✓		✓	✓	Draft in-place
21.	Spatial Development Framework	✓		✓	✓	Draft in-place

22.	Climate Change	✓				
23.	Migration Plan (for informal settlements)	✓				
24.	Road Masterplan	✓				Not in-place
25.	Transport Plan	✓				Not in-place
26.	Stormwater Management Plan	✓				Not in-place
27.	Waste Management Plan	✓				Not in-place
28.	Licheate Management Plan	✓				Not in-place
29.	Trade Effluent Policy	✓				Not in-place