

DRAFT ANNUAL REPORT

2011-2012

OFFICE OF THE MUNICIPAL MANAGER



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CHAPTER 1: Introduction and Overview

A: MAYOR'S FOREWORD



It is an honour and privilege to present the annual report which covers the work done against target set in the year under review.

Local government is seen as the cutting edge of service delivery it is therefore important for us as the Municipality to account for what we have done and also account for what we have not done. The fulfilment of the developmental agenda must be looked in line with the vision and mission that this municipality has.

Even though much still remains to be done, the municipality has managed to utilise the available resources for the needs of the communities. The needs analysis becomes key when looking at the report. Understanding the impact and relationship between budget and IDP is also important. Understanding the role of councillors in the SDBIP, as part of the monitoring process of IDP and budget is key. We have managed to construct roads and we need to have a comprehensive maintenance plan for their sustainability. The revenue collection is still at low level, the development of revenue collection strategy becomes important. The proposed socio-economic programmes still need to be pursued as they have the potential to address poverty and unemployment which is rife in all the wards of Amahlathi.

As the municipality we have been given a mandate by the people during the local government elections to come up with plans that will assist in improving their lives therefore concerted effort is needed for realisation of all service delivery needs.

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Councillor. M. Peter

Mayor

B: STATEMENT OF THE MUNICIPAL MANAGER

As we present annual report for 2011/12 financial year. I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 11 that outlines Annual Report Guidelines.

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

- a) Performance management
- b) Community Works Programme
- c) Implementation of basic services to communities
- d) Reviewal of spatial development framework
- e) Meeting of statutory timelines and reporting frameworks.
- f) Development, reviewal and approval of Human Resource and Financial Policies.
- g) Enhance public participation programme
- h) Deal with administrative matters that will ensure the smooth induction of the new Council

In 2011/2012 financial year, the following areas will receive priority

- a) Institutionalisation of outcomes approach
- b) Accelerating access to basic services
- c) Continuing to review and improving financial systems and procedures.
- d) Address issues emanating from the Auditor-General's report for 2011/2012 financial year.
- e) Election of ward committees on areas where there are vacancies and training of them.
- f) Improving access to basic service delivery
- g) Introduction of Traditional Leaders in Council
- h) Public safety and law enforcement
- i) Improving reporting, monitoring and evaluation
- j) Establishment of MPAC and training of the committee members
- k) Capacitation of councillors to various areas

.....
MUNICIPAL MANAGER

K. B. SOCIKWA

1. Location

Situated in the Northern part of the Amathole District Municipality, Amahlathi is 4266.21km² in extent, the municipality's jurisdiction comprises of Stutterheim, Cathcart, Keiskammahoek, Kei Road and portion of Tsomo (Former Transkei). Strategically placed both Stutterheim and Cathcart are located along the N6 road with access to the rail and road network.

Keiskammahoek and Tsomo is the agricultural hub with a majority of the population active within the agricultural sector.

The Amahlathi Municipal area is comprised of 20 Wards and is characterised by a range of settlement patterns and associated land uses, including formal urban areas, formal and informal rural settlement areas, and extensive, privately owned farmland. The Intsika Yethu Municipality lies to the north-west, the Lukhanji Municipality lies to the north, the Mngquma and Great Kei Municipalities lie to the east, the Buffalo City Municipality lies to the south, and the Nkonkobe Municipality lies to the west.

2. Population & Household dynamics

The population figures are derived from information provided by the 2011 Census (SSA) and the community Surveys (2011). According to the Census 2011 the total population of Amahlathi municipality is 122 777 08. The census was done in terms of the previous Ward Demarcation and the following table represents adjusted figures to correspond with the new Ward numbers (2011) as accurately as possible:

- It is of great concern to the Municipality that the population estimates generated by official publications provide lower population figures for the Amahlathi area than the Municipality itself estimates.
- Specifically, based on voter registration figures and residential site numbers, the Municipality is of the opinion that an under-estimation of the population of Amahlathi is currently reflected in official statistics. This is of concern as it has a material bearing on funding made available to the Municipality via the Division of National Revenue Act.
- More specifically, over 42% of the population is younger than 20 years. This indicates a youthful age profile, and consequent continuing population growth in the Study Area. As a result, there is a need for the development of appropriate facilities (schools etc.) and a focus on education and skills training (career preparedness).
- The youthful population indicates a need to focus on developing the local economy in order to increase the number of jobs created and sustained locally.

3. Age and Gender Distribution

- i. The gender distribution analysis of Amahlathi population reflects a similar pattern to that of the country with females accounting for 52% and males only 48%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.
- ii. Analysis of the age-gender structure of Amahlathi population shows that there are more males than females in the early age groups of 0 to 4 and 5 to 14 years old. However, the figure below shows that this ratio starts to decline in the youth ages. Observations by local people suggest that this phenomenon can be attributable to the fact that most males tend to leave the municipal area (which has lesser tertiary schooling and employment opportunities) to search for better schooling or employment opportunities in developed urban centres. The figure below gives a comparative age-gender distribution using statistics from the 2011 census
- iii. Women account for 17% of the age group 35 to 64 years while males only account for 13% of the population in the same age group. This sudden shift in the gender balance of the local population points to higher levels of emigration by males once they reach early adulthood. This is the age group that is normally leaving matric and seeking work or tertiary education opportunities elsewhere. This phenomenon tends to rob local labour market of potential workforce. In the elderly population age group 65 and older years women also dominate with 6% compared to 3% males.

4. Household Income distribution

- i. Analysis of income distributions among the Amahlathi households shows that the majority (14%) of population do not access to regular monthly incomes. Another 6% have incomes of less than R4 800 annually. Household. The situation depicted in the figure below indicates that there are high levels of poverty in the municipal areas.

5. Monthly Household Income Distribution

- i. In the above figure the remaining 10% can be regarded as lower middle to upper income households with incomes of above R4800 annually. The latter group of households provides a threshold of households who can be expected to make a contribution towards their services while the former two groups would need special subsidy arrangements to be put in place to facilitate their access to services.
- ii. Given that only 10% of the entire household population can be expected to pay for services, it is unlikely that Amahlathi municipality may implement service delivery strategies that rely on residential cross subsidization. In order for the majority of local

households to access basic services, the municipality will have to subsidize their consumption and this may prolong efforts to reduce existing backlogs or extend service to those who are currently underserved.

6. Housing

- i. In keeping with initial expectations, the provision of housing to meet current backlogs and expressed needs of communities residing in the Amahlathi Municipal area is a key focus of the Municipality.
- ii. Analysis of the available data taken from the 2011 Census indicates that approximately 1% of households residing in the area in 2011 lived in backyard accommodation or in informal settlements. This equates to almost 34159.03 households. However, it is important to note that a one-to-one correlation between that statistic and actual housing needs cannot be assumed.
- iii. In fact, demand for housing remains high throughout the Municipal area, including rural settlement areas, where the Census records that most households there (58% of the total Amahlathi population) live in so-called traditional dwellings. In spite of current projects¹, therefore, constituencies throughout the Amahlathi area continue to emphasise the need for housing development in both urban and rural settlements

D. Executive summary

Section 152 of the Constitution of 1996 provides Local Government a mandate to;

- a. to provide democratic and accountable government for local communities
- b. to ensure the provision of services to communities in a sustainable manner
- c. to promote social and economic development
- d. to promote a safe and healthy environment and
- e. to encourage the involvement of communities and community organisations in the matters of local government

1. VISION

Amahlathi Municipality as an integrated unit shall become thee model for community empowerment, decentralised, participative management, and a transformed and proactive municipality.

2. MISSION

Amahlathi Municipality in partnership with its community shall:

- ♦ Create sustainable and better services for all
- ♦ Improve communications with stakeholders and community.
- ♦ Emphasise better usage of resources
- ♦ Provide infrastructure and
- ♦ Build investor confidence through local economic strategy

3. VALUES

In implementing the above, the Amahlathi Municipality subscribes to the following values

- ♦ Team work / Trust / Honesty/Responsibility / Dedication
- ♦ Value and acknowledgement of the individual.
- ♦ Integrity / Work Ethics.
- ♦ Transparent and Clean Government.
- ♦ Tolerance / Understanding/ Good Leadership.
- ♦ Accountability / Value for Money / Efficiency and Affordability; and
- ♦ Developmental Local Government striving for effectiveness and Performance.

CHAPTER 2: Performance Highlights

1. SUMMARY OF THE DEPARTMENTAL PERFORMANCE

OFFICE OF THE MUNICIPAL MANAGER

PERFORMANCE HIGHLIGHTS

- The municipality has developed a Risk Committee which sits on a quarter basis;
- Risk reports and risk registers were developed;
- Audit and risk action plans were developed;
- Women, elderly, children, people from the farms and youth programs were held;
- Mayoral cup was hosted by the municipality.

CHALLENGES

- Inconsistent reporting by departments.
- Easy manipulation of data in the excel spreadsheets.
- Lack of integrated reporting, i.e. actual performance without actual system generated financial information.
- Loss of institutional memory as data is not backed up vigilantly.
- Lack of summarized performance information for easy use of performance reporting.

A. BUDGET AND TREASURY OFFICE

PERFORMANCE HIGHLIGHTS

- GRAP compliant asset register has been developed;
- Audit and risk action plans have been implemented;
- Revenue enhancement strategy has been developed and a service provider has been appointed to assist the municipality with the implementation of the revenue enhancement strategy;
- The municipality has spent 94% of the capital budget and 100% on the MIG during 2011/2012 financial year;
- The municipality has collected 84% of the outstanding debtors during the financial year; and
- The municipality has awarded R42 359 095 of tenders to the previous Historic Disadvantaged Individuals.

CHALLENGES

- Supply Chain Management Unit is not adequately staffed;

- Amahlathi Municipality is surrounded by poor households which impacts supply chain negatively;
- The municipality did not have a Municipal Manager during the financial year which impacted negatively to the performance of the department as the CFO was required to act in the Municipal Manager's position.

B. DEVELOPMENT AND PLANNING

PERFORMANCE HIGHLIGHTS

- The municipality has appointed 769 employees through the Extended Public Works Program (EPWP);
- Stutterheim CBD has been upgraded;
- Umlungisi Commercial Park has been developed;
- Cumakala bridge has been build;
- The municipality has hosted the projects Craft Mania, Cathcart Heritage and Tsomo Heritage Festival successfully.

CHALLENGES

- Limited budget;
- Shortage of staff; and
- Shortage of office space.

OTHER INFORMATION

a) Status on developing the LED strategy

The Department of Local Government and Traditional Affairs appointed 3Sixty, a company of LED experts to conduct an LED Socio-economic profile of Amahlathi Local Municipality. The Socio-economic Analysis, which served as a basis for the review of the LED Strategy was therefore developed within a period of two months and presented to the Council.

b) Setting up a LED unit

An LED Unit exists in our Municipality within our Planning and Development Department. Our LED Section is composed of 3 sub-sections responsible for Agriculture, SMME and Retail and Tourism. All of these subsections except Tourism have officers dedicated for their day to day activities and these are headed by the LED Manager who is the overall head for all of them. There are also LED clerks that are working in these subsections.

c) The availability of a LED expertise

LED expertise was brought to our Municipality through the LED Capacity support that we received from Thina Sinako. This is targeting LED official and Councillors responsible for LED. Furthermore, our recruitment strategy provides for the recruitment of personnel who have skills on LED and who have qualifications on the area of Economic Development.

d) The Amahlathi Local Tourism Organisation (LTO) will comprise of the following members:-

- Public Institutions like SEDA, ECTB,,ECDC, DEDEAT etc
- Representatives of organized business
- Amahlathi LED Unit
- Traditional Leaders
- Ward Councillors
- LED Standing Committee
- Community Tourism Organisation

e) Funding opportunities of LED activities (indicative figures on Donors/funders and types of program)

The following projects have benefited –

1. Cumakala Bridge
2. Mlungisi Commercial Park
3. CBD Upgrade
4. Wetland Rehabilitation
5. Wattle Eradication at Toise & Ndakana
6. Cleaning Campaign
7. Tractor Programme
8. Amabele Development Blueberries
9. Abenzi Woodehouse Project
10. Keiskamahoek Irrigation Scheme
11. Zanyokwe Irrigation Scheme
12. Development of LED Strategy
13. Information Day
14. Co-ops and SMME's
15. LTO's & CTO's
16. Cathcart Heritage Festival
17. Amahlathi Craftmania Festival
18. Tsomo Heritage Festival
19. King Kei Cluster - Promotion of Writers, Painters and Film Makers

1. Cumakala Bridge

An achievement when Stutterheim celebrates 150 years, a linkage was established between the township and the town of closing the gap between the white and the blacks where a lot of jobs were created.

2. Mlungisi Commercial Park

It was the part of the small town's regeneration strategy which spread even to the Mlungisi. The Aim behind was to promote business to the surrounding township and bringing services nearer to the people.

3. CBD Upgrade

Through the small town regeneration strategy Amahlathi Municipality and Amathole Agency saw a need of upgrading the CBD area It is the upliftment of the town to attract the businesses and tourists where many jobs were created. See the summary below

4. Cleaning Campaign

Through the upgrading of CBD and promotion of Tourism Amahlathi LED Standing Committee had come up with a strategy of creation of jobs through the employment of communities towards the LED EPWP Programme. (See the summary below)

5. Tsomo Heritage Festival (Mam' Sisulu Memorial)

Its aim is to promote indigenous heritage to the area of Tsomo. It also promotes Mam' Sisulu legacy as a professional nurse. To monitor and evaluate her route from Tsomo village and to work as a national icon that promotes Tsomo as a Tourism destiny. Heritage festival which involves the community has been done. Incentives were given to groups that were performing at the festival. The aim of the event was the promotion of Umkhwelo wamahashe (Horse riding) & Umbetho wenduku (Stick fighting). It's always held on the 27 April each year (Freedom day)

6. King Kei Cluster – Promotion of Writers, Painters and Film Makers

Its aim is to promote writers, painters and film makers. It creates a platform for SMME's to demonstrate with what they have and showcase the hidden talent amongst them. It also helps them on marketing purposes of their products. The event has been budgeted for the following: participation fee, transport, catering etc. It is aligned with the Mandela legacy 18 July. (See the summary below)

7. Cathcart Heritage Festival

Its aim is to promote tourism in Cathcart cluster and to showcase the hidden talent in Cathcart. It is held on the 24 September (Heritage Day). It involves two wards 4 and ward 5.

8. Craft mania Festival

It's an annual Amahlathi festival which is always held on the last week of Nov to the beginning of December. It assists on discovering the talent amongst women in craft work for job creation. Outside communities are also part of the event. The government departments are also playing a role in this event.

9. Information Day

It is a platform that is created by the municipality for SMME's and Co-operatives networking with various business stakeholders for funding and marketing purposes. It was budgeted by the municipality.

10. LTO's and CTO's

Their primary function is to drive tourism activities where it will benefit the community. Product owners are the custodians of these structures.

11. Co-ops and SMME's

Amahlathi Co-ops and SMME's were trained in various skills by SEDA to make sure that they are effective on their businesses. We are busy identifying a space within the 5 clusters within the clusters for their offices. The Amahlathi LED Standing Committee recommended that 75% of the municipality work to be done by co-operatives. The databases have been collected by the LED Section. SMME's were given a chance to provide with their services when necessary e.g. Caterers and Bed and Breakfast.

12. Development of LED Strategy

The municipality is in a process of developing an LED Strategy that will give guidance to all the development that is taking place within Amahlathi. The strategy is about to be adopted by the council and is at 95%. Amahlathi employed Fort Hare solutions to do the strategy and they have already collected the economic survey database of the area.

13. Zanyokwe Irrigation Scheme

Community members within Zanyokwe area through their communal land develop Zanyokwe Irrigation Scheme. It is a self employed programme where the community members are still the beneficiaries. A market has been created with the bigger businesses e.g. Pick n Pay, OK and Shoprite to be supplied by the vegetables.

14. Keiskamahoe Irrigation Scheme (Dairy Irrigation Scheme)

Community members within Keiskamahoe area through their communal land develop Keiskamahoe Irrigation Scheme. They are in partnership with Amadllo and Seven Stars was established.

15. Abenzi Woodehouse Project

Amahlathi Municipality identified wood processing as one of the skills that can assist our youth to get employment or create jobs. Woodehouse project was seen as a caterlist to realise the dream that the municipality had in terms of up skilling youth of Amahlathi. The first intake had 20 learners that started the programme and those young people were coming all over Amahlathi.

16. Amabele Development Blueberries

It is a true reflection of a partnership between private sector and public sector where both parties provide skills learned for the survival of the blueberries project.

17. Tractor Programme

Tractor programme is one of the programmes where the municipality is using it to agriculture within Amahlathi.

C. ENGINEERING SERVICES

PERFORMANCE HIGHLIGHTS

- The department has spent 100% of the MIG grant;
- 2454 of potholes have been repaired;
- 472.05 kilometres of gravel roads have been bladed; and
- The link road between Stutterheim town and Mlungisi has been constructed.

CHALLENGES

- Shortage of equipment;
- Shortage of staff; and
- The municipality is struggling to attract appropriate skills.

D. COMMUNITY SERVICES DEPARTMENT

PERFORMANCE HIGHLIGHTS

- Waste recycling centre is fully functional and has been registered under Amahlathi Municipality;
- Mini library for the blind has been introduced with audios and braille for the blind;
- Waste transfer station has been built in Cathcart; and
- Refuse truck and containers were purchased allowing for services to be expanded to other areas.
-

CHALLENGES

- The department does not have a Head of Department and also the department is not adequately staffed;
- The provincial library is not always fulfilling their mandate to the local library;
- The municipality does not have capacity to implement the Commonage Management Plan;
- Management of plantation.

OTHER INFORMATION

Council has an Integrated Environmental Management plan and system in place. This Department strives to implement and execute the plans formulated in the plan.

- **Pound:** There are two pounds in the Amahlathi area. The one is in Keiskammahoek and is managed by the Municipality. The one in Stutterheim is managed by the SPCA by means of a Service Level Agreement between the Municipality and the SPCA. This SLA must be revisited to ensure that it still covers the affected areas. Impounded animals are regularly stolen from the pound.

- **Commonage:** In Stutterheim there are 17 camps leased with a total of 1,088 Ha. Communal grazing in and around Mlungisi, Cenyu and Ohlsen is 811 Ha. In Cathcart there were five (5) camps leased. Currently there is only one leased due to the Cathcart cattle owners invading the other camps. The camp leased is 528Ha and those invaded are 742 Ha. In and around Kati-Kati and Daliwe there is 802 Ha of communal grazing. Every ten years the fences around the camps are inspected and repaired if required.

- **Plantation:** Every year April to May, weather permitting, fire breaks are burnt around the Gum and Pine plantations. Fire breaks between the Municipal property and AFC's property is scoffeled. The Gum and Pine plantations are to be maintained and when marketable sold by tender. The roads are repaired after heavy rains to ensure it does not erode and make accessibility to the plantations impossible. Wattle droppers and wood is sold as needed.

- **Brickfields:** In the Brickfields area there are a few brick makers. Their contracts must also be revised and their payment must be monitored as they do not pay regularly.

- **Challenges in Commonage area:**

The securing of the fence around the Keiskammahoek pound to ensure animals are not stolen. The resolving of the problem of people stealing fences. The community invaded grazing camps in Cathcart which lead to the municipality to lose revenue and this need to be resolved as quick as possible. The drafting of management plan for the commonage is necessary to ensure the compliance with legislation with regard to the use of land. Formalising of the Brickfields brick maker to avoid illegal mining which affects SMME's and Co-operatives at Amahlathi

E. CORPORATE SERVICES DEPARTMENT

PERFORMANCE HIGHLIGHTS

- Filling of critical positions - appointment process of the Municipal Manager and Senior Procurement Officer;
- New staff appointments - 23 staff members were appointed;
- Capacity building - 35 staff members, 17 councillors and 1 unemployed received formal training;
- Provided informal training to 822 extended public works programme employees.

CHALLENGES

- Retirement of Director Corporate Services Mr. LDN Durant.
- Lack of supporting evidence of procedures for recruitment.
- Suspension of the General Manager Human Resources
- Shortage of staff

2. Financial Performance Information - Capital Expenditure

| # | Vote Number | Description | Budget | Actual Spent | Closing Balance | Performance % |
|----|------------------|------------------------|--------------|--------------|-----------------|---------------|
| 1 | 101-138-401-2000 | Containers for Kologha | 50 000.00 | 49 000.00 | 1 000.00 | 98 |
| 2 | 101-138-401-2010 | Street Bins | 6 000.00 | 231.60 | 5 768.40 | 4 |
| 3 | 101-138-401-2020 | Refuse Tractor | 660 000.00 | 624 259.86 | 35 740.14 | 95 |
| 4 | 101-138-401-0150 | Tools | 8 000.00 | 284.12 | 7 715.88 | 4 |
| 5 | 050-128-401-0150 | Tools | 3 500.00 | - | 3 500.00 | 0 |
| 6 | 140-150-401-0145 | Tools & Equipment | 60 000.00 | 2 638.24 | 57 361.76 | 4 |
| 7 | 140-150-401-2030 | Vehicle 4x4 | 480 000.00 | 216 337.91 | 263 662.09 | 45 |
| 8 | 060-132-401-0040 | Furniture & Equipment | 12 000.00 | 8 156.14 | 3 843.86 | 68 |
| 9 | 110-142-401-0020 | Grader | 2 100 000.00 | 2 021 463.00 | 78 537.00 | 96 |
| 10 | 110-142-401-0040 | Low Bed | 1 500 000.00 | 1 433 919.76 | 66 080.24 | 96 |
| 11 | 110-142-401-0175 | Bakkie | 200 000.00 | 173 485.96 | 26 514.04 | 87 |
| 12 | 110-142-401-0150 | Tools & Equipment | 30 000.00 | 27 055.85 | 2 944.15 | 90 |
| 13 | 050-126-401-0040 | Furniture & Equipment | 5 000.00 | 1 081.57 | 3 918.43 | 22 |
| 14 | 020-108-401-0040 | Furniture & Equipment | 70 000.00 | 56 715.94 | 13 284.06 | 81 |

| # | Vote Number | Description | Budget | Actual Spent | Closing Balance | Performance % |
|----|------------------|------------------------|------------|--------------|-----------------|---------------|
| 15 | 030-116-401-0040 | Furniture & Equipment | 5 000.00 | - | 5 000.00 | 0 |
| 16 | 010-104-401-0040 | Furniture & Equipment | 15 000.00 | 9 152.82 | 5 847.18 | 61 |
| 17 | 010-104-401-0035 | Air conditioners | 60 000.00 | 56 216.49 | 3 783.51 | 94 |
| 18 | 110-140-401-2050 | Camera | 5 500.00 | 4 385.92 | 1 114.08 | 80 |
| 19 | 110-140-401-0065 | Car Port | 60 000.00 | 34 798.37 | 25 201.63 | 58 |
| 20 | 110-140-401-2060 | Resurface Traffic Yard | 200 000.00 | 198 551.05 | 1 448.95 | 99 |
| 21 | 110-140-401-2070 | Vehicles x2 | 500 000.00 | 478 047.94 | 21 952.06 | 96 |
| 22 | 110-140-401-0040 | Furniture & Equipment | 5 000.00 | 15 794.84 | -10 794.84 | 316 |
| 23 | 080-136-401-0041 | Equipment | 40 000.00 | 34 634.40 | 5 365.60 | 87 |
| 24 | 080-136-401-0150 | Tools | 10 000.00 | 2 733.07 | 7 266.93 | 27 |
| 25 | 070-134-401-0041 | Equipment | 5 000.00 | - | 5 000.00 | 0 |
| 26 | 050-130-401-0040 | Furniture & Equipment | 15 000.00 | 12 177.44 | 2 822.56 | 81 |
| 27 | 010-102-401-0040 | Furniture & Equipment | 10 000.00 | 8 643.03 | 1 356.97 | 86 |
| 28 | 110-146-401-0040 | Furniture & Equipment | 25 000.00 | 21 414.02 | 3 585.98 | 86 |
| 29 | 025-060-401-0040 | Furniture & Equipment | 5 000.00 | 2 132.28 | 2 867.72 | 43 |
| 30 | 030-118-401-0040 | Furniture & Equipment | 11 000.00 | 9 639.46 | 1 360.54 | 88 |

| # | Vote Number | Description | Budget | Actual Spent | Closing Balance | Performance % |
|----|------------------|--|--------------|--------------|-----------------|---------------|
| 31 | 030-107-401-0040 | Furniture & Equipment | 5 000.00 | - | 5 000.00 | 0 |
| 32 | 130-148-401-0095 | Hvoltage Switch Gear | 181 300.00 | - | 181 300.00 | 0 |
| 33 | 130-148-401-0110 | H/V line replacement | 242 000.00 | 135 976.03 | 106 023.97 | 56 |
| 34 | 130-148-401-0115 | LT Infra Lines | 242 000.00 | 116 102.63 | 125 897.37 | 48 |
| 35 | 130-148-401-2080 | KV CT/VT Metering System | 220 000.00 | - | 220 000.00 | 0 |
| 36 | 130-148-401-2030 | Vehicle | 300 000.00 | 244 762.31 | 55 237.69 | 82 |
| 37 | 130-148-401-2090 | Refurbish Stutt Mains Income Sub & Feec Cables | 1 800 000.00 | 1 407 676.12 | 392 323.88 | 78 |
| 38 | 130-148-401-2110 | Fall Arest Equipment | 20 000.00 | - | 20 000.00 | 0 |
| 39 | 130-148-401-2120 | kv Auto Recloser | 100 000.00 | - | 100 000.00 | 0 |
| 40 | 130-148-401-0041 | Equipment | 16 000.00 | 12 854.44 | 3 145.56 | 80 |
| 41 | 130-149-401-0041 | Equipment, winches, tools | 16 000.00 | 28 047.21 | -12 047.21 | 175 |
| 42 | 130-149-401-2130 | Equipment | 77 600.00 | 1 700.00 | 75 900.00 | 2 |

3. Conclusion

The municipality has not met 37% of the targets that were preset for the financial year 2011/2012. This was mainly caused by indicators that were included on the SDBIP without being budgeted for. The municipality also has been operating without a Municipal Manager and 2 Section 57 Managers for the majority of the financial year 2012/2013. Going forward the municipal manager was appointed for the 2012/2013 financial year and the vacancies of the Section 57 managers will be advertised and appointment will be done by October 2012.

The municipality has also spent 100% of the Municipal Infrastructure Grant and 94% of the capital expenditure which is an achievement at the municipality. Collection of outstanding debtors has also increased to 84% compared to that of the prior year.

4. DETAILED DEPARTMENTAL PERFORMANCE

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|---|-------------------|--------------|---|------------|----------------------|-----------------|
| KPA 1: Good Governance and Public Participation | | | | | | | | |
| To strategically ensure integrated planning, implementation, monitoring and evaluation of service delivery for Amahlathi municipality's area of jurisdiction in line with legislation by 2012 | Developed IDP process plan submitted to council for approval by 31 August 2011 5 year IDP, Process Plan and budget approved by council on 31 May 2012 | Developed IDP process plan submitted to council for approval by 31 August 2011 5 year IDP, PMS and budget approved by council by 31 May 2012 | Municipal Manager | 1 | IDP Process Plan was submitted to the Council for approval on the 25th August 2012. IDP, PMS and budget were adopted in May 2012 by the Council. | Target Met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|-------------------|--------------|---|--------------------|---|--|
| | 2012/2013 SDBIPs developed and approved by the Mayor on 28 June 2012 | 2012/2013 SDBIPs developed and approved by the Mayor on 28 June 2012 | Municipal Manager | 2 | 2012/2013 SDBIP were developed by managers and have been submitted to the Council for adoption in June 2012. | Target met | n/a | n/a |
| | Departmental Service Delivery Budget Implementation Plans developed and performance agreements signed by HODs by 31 July 2011 for 11/12 and by 30 June 2012 for the 12/13 financial year | Departmental Service Delivery Budget Implementation Plans developed and performance agreements signed by HODs by 31 July 2011 for 11/12 and by 30 June 2012 for the 12/13 financial year | All HODs | 3 | The pre set dates were not met. Performance agreements were signed in August 2011 and the amendment of the SDBIP was developed in August 2011. Performance agreements for 2012/2013 have not been signed | Partially Achieved | The municipality did not have a Municipal Manager by the 30th June 2012. The Municipal Manager was since appointed on the 01 st July 2012. | The Municipal Manager was since appointed on the 01 st July 2012. Performance Agreements have been signed by section 57 managers after 30 June 2012 (i.e after the appointment of |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|-------------------|--------------|--------|----------------|--|---|
| | | | | | yet. | | | the Municipal Manager. |
| | Departmental Operational Plans for all departments developed and approved by MANCO by 31 August 2011 | Departmental Operational Plans for all departments developed and approved by MANCO by 31 August 2011 | Municipal Manager | 4 | Nil | Target not met | The municipality did not have officials directly responsible for implementation of the operation plan within the municipality. | The then Acting Municipal Manager is no longer at the municipality. The indicator have been included in the 2012/2013 SDBIP and the will be achieved before the 31st August 2012. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|-------------------|--------------|--|----------------|---|--|
| | <p>4 Quarterly performance reports prepared and issued IA within 5 working days</p> <p>4 quarterly performance evaluations conducted within 2 working days after issuing of the internal audit report</p> <p>Performance report submitted to Mayor within 10 working days after HOD and MM assessments</p> | <p>4 Quarterly performance reports prepared and issued IA within 5 working days</p> <p>4 quarterly performance evaluations conducted within 2 working days after issuing of the internal audit report</p> <p>Performance report submitted to Mayor within 10 working days after HOD and MM assessments</p> | Municipal Manager | 5 | 50% (2 quarterly performance reports.) | Target not met | <p>There are two performance reports for the first two quarters as the municipality did not have a municipal manager from February 2012 to July 2012.</p> <p>The other two quarterly reports and the evaluations were not prepared due to the fact that there were individuals working in an acting capacity.</p> | The municipal manager will ensure that these outstanding reports and evaluations will be done by the 30 September 2012 |
| To ensure mainstreaming | 6 Special programmes | 6 Special programmes | Municipal | 6 | 100%: The six programs | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------|--------------|--|------------|----------------------|-----------------|
| of special programmes into Amahlathi municipality's programmes by 2013 | events targeting vulnerable groups Coordinated | events targeting vulnerable groups Coordinated | Manager | | targeted had been held. | | | |
| Quarterly report supported by evidence | All lodged faults attended to and resolved within 2 working days from date of lodgement | All lodged faults attended to and resolved within 2 working days from date of lodgement | Municipal Manager | 7 | All lodged faults were attended to within 2 working days. | Target met | n/a | n/a |
| To ensure that Amahlathi municipality has and maintains an adequate and effective process of risk management and internal audit by 2012 | Reviewed Risk Register with strategic and operational risks identified for the 12/13 financial year Top priority strategic risks submitted to council for adoption | Reviewed Risk Register with strategic and operational risks identified for the 12/13 financial year Top priority strategic risks submitted to council for adoption | Municipal Manager | 8 | Risk Register has been reviewed in June 2012. The risk has been submitted to the Audit Committee for approval. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|--------------------------------|--------------|--|----------------|--|---|
| | All HODs participated in the 12/13 strategic and operational risk assessment | All HODs participated in the 12/13 strategic and operational risk assessment | All HODs | 9 | All HODs were invited on the risk workshop. Some managers could not attend the workshop and representatives from those departments were present at the workshop. | Target met | n/a | n/a |
| | 100% implementation of risk action plan. | 100% implementation of risk action plan. | Municipal Manager and all HODs | 10 | 65% of the top 20 risks had been implemented. | Target not met | Top 20 risks were selected and managers were required to update the risk register on a quarterly basis. The risk action plans were not fully implemented as there were departments that did not have a departmental head majority of the financial year. | The municipality has appointed risk champions in all the departments where they are required to update the risk action plans. On a quarterly basis management will be required to give updates |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|---|---|-------------------|--------------|--|----------------|--|--|
| | | | | | | | | on the implementation of the action plans. |
| | 2011/2012 Risk-based internal audit plan approved by the Audit Committee 1 August 2011 2012/2013 Risk-based internal audit plan approved by AC on 30 June 2012 | 2011/2012 Risk-based internal audit plan approved by the Audit Committee 1 August 2011 2012/2013 Risk-based internal audit plan approved by AC on 30 June 2012 | Municipal Manager | 11 | 2011/2012 Risk based internal audit plan was approved by the Audit Committee by the 01/08/2011. 2012/2013 Internal Audit plan has been approved by the Audit Committee before 30June. | Target met | n/a | n/a |
| | 100% implementation of the 2011/2012 risk-based internal audit plan | 100% implementation of the 2011/2012 risk-based internal audit plan | Municipal Manager | 12 | 75% of the implementation of the RBIA plan. The following are the Audit reports | Target not met | Two projects have not been completed as a result of projects that overlapped from the previous financial year. | The municipality has since appointed a service provider for co-sourcing in |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|-----------|---------------|-----------|--------------|--|------------|----------------------|--|
| | | | | | <p>that were issued during 2011/2012:</p> <ul style="list-style-type: none"> i) Leave Management ii) Payroll iii) Trade Receivables iv) 1st & 2nd quarter PMS v) Audit of the AGs action plan vi) Human Resources Management vii) Audit of the planning documents | | | <p>the Internal Audit Unit for a period of 3 years.</p> <p>The two projects that were not done have been included in the 2012/13 audit plan.</p> |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|-------------------|--------------|--|------------|----------------------|-----------------|
| To continuously ensure community participation in the Amahlathi municipality's programmes and activities | 8 public participation forum meetings (4 Local Communicator s' Forum and 4 Representative Forum meetings) coordinated | 8 public participation forum meetings (4 Local Communicators' Forum and 4 Representative Forum meetings) coordinated | Municipal Manager | 13 | The municipality did have 8 public participation meetings that were held during the year. Minutes and attendance registers are available to that effect. | Target met | n/a | n/a |
| Exploration of ward-based planning within Amahlathi municipality by 2013 | 20 ward-based representative forums (using ward committee members as cluster champs) established below ward committee levels | 20 ward-based representative forums (using ward committee members as cluster champs) established below ward committee levels | Municipal Manager | 14 | 20 Ward committees have been established and they do sit on a quarterly basis. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|--------------------------------|--------------|--|----------------|--|--|
| To ensure continuous collaboration and co-operation between the municipality and other service delivery organs of state | Attended 16 IGR forum meetings (4 DIMAFO, 4 IDP Forum, 4 Tech MuniMEC, 4 Water Working Group) | Attended 16 IGR forum meetings (4 DIMAFO, 4 IDP Forum, 4 Tech MuniMEC, 4 Water Working Group) | Municipal Manager and All HODs | 15 | IGR meetings have been attended. | Target met | n/a | n/a |
| Continuously strive for effective municipal governance through coordinated and functional council structures | 52 council structures' meetings (4 council, 8 EXCO, 8 Standing committees, 24 MANCO, 4 AC and 4 PAC) coordinated | 52 council structures' meetings (4 council, 8 EXCO, 8 Standing committees, 24 MANCO, 4 AC and 4 PAC) coordinated | Municipal Manager | 16 | Council structures meeting have been sitting and all the minutes are available at the Corporate Service department with the exception of PAC meetings. | Target not met | The only Council Structure that did not sit during the Financial Year is the PAC as the committee was not yet appointed. | The municipality has since appointed the audit committee to also serve as the Performance Audit Committee. |
| To promote the unearthing of and nurturing of talent in various sporting codes within Amahlathi municipality's area of | 1 Amahlathi municipality's Mayoral cup coordinated as a build up to the ADM Mayoral cup (soccer, rugby, | 1 Amahlathi municipality's Mayoral cup coordinated as a build up to the ADM Mayoral cup (soccer, rugby, netball and boxing | Municipal Manager | 17 | Build up for the Mayoral Cup were held in February 2012. There was a Mayoral Cup in Butterworth. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------|--------------|---|----------------|---|---|
| jurisdiction by 2016 | netball and boxing | | | | March 2012, Amahlathi Municipality also did host Amathole District Municipality for rugby and boxing. | | | |
| Continuously ensure credible and compliant performance and financial reporting of the Amahlathi municipality's business to its stakeholders | 10/11 Amahlathi municipality's annual report submitted to council for adoption by 25 January 2012 | 10/11 Amahlathi municipality's annual report submitted to council for adoption by 25 January 2012 | Municipal Manager | 18 | Annual Report was submitted to the Council by January 2012. | Target met | n/a | n/a |
| | Required annual report information submitted within 5 days from date of request of information | Required annual report information submitted within 5 days from date of request of information | All HODs | 19 | Annual report information was submitted to the Office of the Municipal Manager, although the timeline was not adhered to. The municipality did not have a | Target not met | Late appointment of the service provider that assisted the municipality with the compilation of the service provider. | Annual Report process plan will be developed and the process of developing an annual report will start by 31 st August 2012. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-----------------------------------|--------------|--|------------|----------------------|-----------------|
| | | | | | register where managers would sign for the date of submission. | | | |
| To ensure continuous collaboration and co-operation between the municipality and other service delivery organs of state | 4 scheduled district forum meetings attended | Attended 4 scheduled district forum meeting | Manager: Budget and Treasury | 20 | 4 district forum meetings were attended | Target met | n/a | n/a |
| | 4 scheduled Engineering forum meetings attended | 4 scheduled Engineering forum meetings attended | Manager: Engineering | 21 | 4 forum meetings were held and the following meeting were attended; Transport Forum Meeting | Target met | n/a | n/a |
| | 4 scheduled Tourism forum meetings attended | 4 scheduled Tourism forum meetings attended | Manager: Development and Planning | 22 | 4 scheduled Tourism forum meetings were attended. | Target met | n/a | n/a |
| | 4 scheduled LED forum meetings attended | 4 scheduled LED forum meetings attended | Manager: Development and Planning | 23 | 4 scheduled LED forum meetings were attended | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|---|-----------------------------------|--------------|---|------------|----------------------|-----------------|
| | 4 scheduled Agricultural forum meetings attended | 4 scheduled Agricultural forum meetings attended | Manager: Development and Planning | 24 | 4 scheduled Agricultural forum meetings were attended | Target met | n/a | n/a |
| | 4 scheduled SMME and Co-Operative forum meetings attended | 4 scheduled SMME and Co-Operative forum meetings attended | Manager: Development and Planning | 25 | 4 scheduled SMME and Co-Operative forum meetings were attended | Target met | n/a | n/a |
| | 4 scheduled district disaster and fire management fora meetings attended | 4 scheduled disaster and fire for a attended | Manager: Community Services | 26 | 3 scheduled disaster and fire meetings were held during the year. 1 workshop was held at Amathole District Municipality. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|-----------------------------|--------------|---|---------------|---|--|
| | 4 scheduled community safety for a | 4 scheduled community safety for meetings attended | Manager: Community Services | 27 | 4 scheduled community safety for meetings were attended. | Target met | n/a | n/a |
| | 4 scheduled provincial Traffic meetings attended | 4 scheduled provincial Traffic meetings attended | Manager: Community Services | 28 | 3 scheduled provincial Traffic meetings attended | Partially met | 1 meeting was postponed. | n/a |
| | All scheduled provincial library meetings attended quarterly (written invitations) | All scheduled provincial library meetings attended quarterly (written invitations) | Manager: Community Services | 29 | Scheduled provincial library meetings were attended. 3 meetings were attended during the year under review. | Target met | n/a | n/a |
| | 4 Amathole waste management meetings attended | 4 Amathole waste management meetings attended | Manager: Community Services | 30 | 3 Amathole waste management meetings were attended during the year. | Partially met | There was another scheduled meeting that clashed with the waste management meeting. | Community Service Manager will be appointed which will relieve the current Assist Manager in terms of representation |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------------------------|--------------|--|---------------|--|--|
| | | | | | | | | at the forum meetings. |
| | 4 scheduled district HR forum meetings attended | 4 scheduled HRforum meetings attended | Manager: Corporate Services Manager | 31 | Nil | Not Met | The department did not adequate staffing to also ensure that district meetings. | The manager that was suspended has been reinstated. All the district meetings will be attended. |
| KPA 2: Infrastructure Development and Service Delivery | | | | | | | | |
| To continuously ensure strict monitoring and reporting of the municipal operations in line with the strategies of the municipality engraved in the 2011/12 SDBIPs | 12 monthly extended MANCO meetings held for monitoring the implementation of SDBIP projects of the municipality | 12 monthly extended MANCO meetings held for monitoring the implementation of SDBIP projects of the municipality | Municipal Manager | 32 | The municipality had 3 meetings where the implementation of the SDBIP was discussed. | Partially Met | The municipality did not have municipal manager to plan the meetings for the whole financial year. There were acting municipal managers. | The municipal manager was appointed and management sits bi-weekly in ensuring that the SDBIP is fully implemented. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|----------------------|--------------|---|------------|----------------------|-----------------|
| Ensure 95% reading of electricity meters through collaboration with the engineering department | 4 Quarterly reports indicating 95% accurate reading of electricity meters | 4 Quarterly reports indicating 95% accurate reading of electricity meters | Manager: Engineering | 33 | Meter reading for all the houses that are charged electricity were read on a monthly basis. | Target met | n/a | n/a |
| Ensure continuous 100% functionality of electricity meters through collaboration with the engineering department. | 4 Quarterly reports indicating 100% repairing of faulty electricity meters within 48hrs of lodgement of variance report to Engineering department | 4 Quarterly reports indicating 100% repairing of faulty electricity meters within 48hrs of lodgement of variance report to Engineering department | Manager: Engineering | 34 | Repairs are done within 48hrs as reported to the office. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|----------------------|--------------|--|------------|----------------------|-----------------|
| To ensure an adequate transport system for efficient movement of goods and people through proper planning by 2015 | 4 transport stakeholder meetings held e.g. farmers, taxi associations, communities (in all clusters), district and provincial road departments | 4 transport stakeholder meetings facilitated and attended. | Manager: Engineering | 35 | All 4 transport forum meeting were attended. | Target met | n/a | n/a |
| Provide continuous access road maintenance of municipal roads (gravel and tarred) by 2012 | 240km gravel access and internal roads bladed (combined) | 240km gravel access and internal roads bladed (combined) | Manager: Engineering | 36 | The target has been exceeded. 472.05 km of gravel roads has been bladed. | Target met | | n/a |
| | 800 reported potholes repaired as per departmental inspections and complaints book | 800 reported potholes repaired as per departmental inspections and complaints book | Manager: Engineering | 37 | The target has been exceeded. 2454 reported potholes have been repaired. | Target met | | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|----------------------|--------------|---|----------------|--|---|
| | All potholes on identified on provincial roads reported to provincial Public Works and Transport | All potholes on identified on provincial roads reported to provincial Public Works and Transport | Manager: Engineering | 38 | Nil | Target not met | The indicator was included on the SDBIP for the Municipal Manager but was never transferred to the SDBIP of the Engineering manager. | On the 2012/2013 SDBIP the target has been removed as the municipality is responsible for the provincial roads. |
| | All reported storm water drains unblocked within 10 days. | All reported storm water drains unblocked within 10 days. | Manager: Engineering | 39 | All storm water drains were unblocked within 10 days from the date they were reported. | Target met | n/a | n/a |
| To ensure that municipal buildings are continuously and adequately maintained and kept in a usable condition | All reported faults in municipal buildings repaired within 10 days (minor repairs) | All reported faults in municipal buildings repaired within 10 days (minor repairs) | Manager: Engineering | 40 | Faults that were reported in the complaints book, were repaired within 10 days from the date of they were reported. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|----------------------|--------------|--|----------------|---|--|
| | 2 new offices constructed at the Engineering department | 2 new offices constructed at the Engineering department | Manager: Engineering | 41 | 2 new offices were constructed | Target met | n/a | n/a |
| To provide basic electricity to all households within the Amahlathi municipal area by 2016 | Phase 3 of Tsomo and Quzini electrification completed (161 households) (facilitation role) 4 Quarterly reports supported by Eskom progress report | Phase 3 of Tsomo electrification and Quzini (161 houses) completed (facilitation role) 4 Quarterly reports supported by Eskom progress report | Manager: Engineering | 42 | The report received from Eskom indicates that 1066 houses have been electrified. | Target met | n/a | n/a |
| Ensure provision of alternative energy to unelectrified areas by 2011 | Alternative energy supplied | None | Manager: Engineering | 43 | Nil | Target not met | Annual target was not indicated on the SDBIP. No information was indicated what we were supposed to reported on a | The target has been removed in the 2012/2013 SDBIP has been removed. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|----------------------|--------------|--|---------------|--|--|
| | | | | | | | quarterly basis. | |
| Ensure ongoing functioning of street lights and mast lights in the Amahlathi municipality area | All faulty and reported street lights repaired within 7 days (per the complaints book) | All faulty and reported street lights repaired within 7 days (per the complaints book) | Manager: Engineering | 44 | Faulty and reported street lights have been repaired within 7 days. | Target met | n/a | n/a |
| | All faulty and reported mast lights repaired within 10 days (according to National Regulation Standards) | All faulty and reported mast lights should repaired within 10 days | Manager: Engineering | 45 | All faulty and reported mast lights were repaired within 10 days | Target met | n/a | n/a |
| | 1 winch and a ladder platform and tools purchased | 1 winch and a ladder platform and tools purchased | Manager: Engineering | 46 | Tender specification has been compiled and the tender was advertised. Received bids were non-responsive. | Partially met | The tender was issued and the bids received were non responsive. | The winch ladder will be purchased in the 1 st quarter of 2012/2013 Financial Year. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|----------------------|--------------|---|------------|----------------------|-----------------|
| Ensure ongoing functioning and 95% accurate reading of electricity consumption in the Amahlathi municipal supply area | 95% reading of electricity meters once a month (according to NRS criteria) and readings submitted to BTO before the 18th of each month | 95% reading of electricity meters once a month (according to NRS criteria) and readings submitted to BTO before the 18th of each month | Manager: Engineering | 47 | All meters on the meters book are being read on monthly basis and the readings are submitted. | Target met | n/a | n/a |
| | All faulty and reported meters repaired within 48 hours | All faulty and reported meters repaired within 48 hours | Manager: Engineering | 48 | Faulty meter are being repaired on a daily basis as they being reported. | Target met | n/a | n/a |
| To improve continuity of efficient electricity supply within Amahlathi municipal supply area in line with NRS by 2015. | 10 approved and budgeted electricity projects implemented | 10 approved and budgeted electricity projects implemented | Manager: Engineering | 49 | 10 approved and budgeted electricity projects were implemented. Tenders have been awarded to the following companies: Brokor, Gidana Cables , Voltex, Aberdare, ARB | Target met | .n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|----------------------|--------------|---|------------|----------------------|-----------------|
| | | | | | Electrical | | | |
| | 1 approved and budgeted electricity project implemented | 1 approved and budgeted electricity project implemented | Manager: Engineering | 50 | The project has been awarded. The service provider has started with the project and is under construction | Target met | n/a | n/a |
| To ensure provision of adequate road and storm water infrastructure by 2012. | 5 roads and storm water projects implemented within the approved budget (Mgwali, Mbaxa, eThembeni, Xholorha, Goshen) | 5 roads and storm water projects implemented within the approved budget (Mgwali, Mbaxa, eThembeni, Xholorha, Goshen) | Manager: Engineering | 51 | 5 roads and storm water projects implemented. These were projects that were funded from the Municipal Infrastructure Grant. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|---|------------------------------------|--------------|--|---------------|---|---|
| To continuously contribute towards job creation for the unemployed through Engineering projects in 2012 | 4 Quarterly reports on implementation of the EPWP throughout the municipality | 4 Quarterly reports on implementation of the EPWP throughout the municipality | Director: Development and Planning | 52 | 191 EPWP jobs have been created and the Engineering manager sends reports to the standing committee on a quarterly basis | Target met | .n/a | n/a |
| Ensure effective use of available land in line with the existing Spatial Development Framework of Amahlathi municipality by 2013 | Reviewed Spatial Development Framework and LUMS submitted to council for approval | Reviewed Spatial Development Framework submitted to council for approval | Manager: Development and Planning | 53 | Draft Spatially Development Framework has been developed although it has not been approved by the Council. | Partially met | <p>The indicator was developed in partnership with the department of Local government.</p> <p>As the department of Local government was funding the project, they appointed the service provider, Umhlaba Consulting.</p> <p>Minutes of the meetings with the appointed service</p> | The draft copy of the document will be presented in the Council meeting for adoption. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|-----------------------------------|--------------|--|----------------|--|---|
| | | | | | | | provider may be made available on request; however the actual appointment letter would be available at the department of Local government. Copies of the draft Review of the Spatial Development Framework are also available. | |
| Ensure reduction of the housing backlog by 10% by 2012 | 1308 housing projects completed (Masincedane, Mlungisi, Xholorha and Kati-Kati housing projects) | 1308 housing projects completed (Masincedane, Mlungisi, Xholorha and Kati-Kati housing projects) | Manager: Development and Planning | 54 | The municipality has made the land available for the building of houses at Mlungisi, Katikati and Xholorha. At Masincedane the municipality | Target not met | The function of building houses for the communities is the responsibility of the Department of Human Settlements. The role of the municipality is to | Going forward the indicator will be rephrased to clearly indicate the role of the municipality. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|--|-----------------------------|--------------|--|------------|----------------------|-----------------|
| | | | | | February 2012. | | | |
| To contribute towards the reduction of road carnages by 20% by 2012 | 4 quarterly reports indicating compliance/non-compliance during driving and learners testing and issuing of drivers and learners licences | 4 quarterly reports indicating compliance/non-compliance during driving and learners testing and issuing of drivers and licences | Manager: Community Services | 57 | 4 quarterly reports indicating compliance/non-compliance during driving and learners testing and issuing of drivers and licences were compiled and submitted to the Office of the Municipal Manager. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|---|--|-----------------------------|--------------|--|----------------|--|---|
| | 4 quarterly reports indicating compliance/non-compliance during testing of vehicle | 4 quarterly reports indicating compliance/non-compliance during testing of vehicle | Manager: Community Services | 58 | 4 quarterly reports indicating compliance/non-compliance during testing of vehicle were compiled and submitted to the Office of the Municipal Manager. | Target met | n/a | n/a |
| | 4 quarterly reports indicating inspections conducted for road markings and signage requirements | 4 quarterly reports indicating inspections conducted with road markings and signage requirements | Manager: Community Services | 59 | Nil | Target not met | Protection services previously, did not ensure that documentation in the form of dates and areas that were marked. | A register has been developed where indicating the areas that were marked and the dates of the markings. This will assist in the compilation of the quarterly reports required. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|-----------------------------|--------------|--|----------------|---|---|
| | 4 Quarterly report indicating all identified road markings and signage requirements addressed within 1 month from date of identification | 4 Quarterly report indicating all identified road markings and signage requirements addressed within 1 month from date of identification | Manager: Community Services | 60 | 4 Quarterly reports indicating all identified road markings and signage requirements addressed within 1 month from date of identification has been prepared. | Target met | n/a | n/a |
| | 100% implementation of the Law Enforcement Plan | 100% implementation of the Law Enforcement Plan | Manager: Community Services | 61 | Law Enforcement Plan has been implemented. | Target met | n/a | n/a |
| | Functional Vehicle Registration Satellite office in Keiskammahoeek | Functional Vehicle Registration Satellite office in Keiskammahoeek | Manager: Community Services | 62 | Nil | Target not met | The project was not budgeted for during the financial year. | The indicator will be included on the 13/14 Financial Year. |
| | 4 road safety campaigns in areas of potential risk (i.e. schools, | 4 road safety campaigns in areas of potential risk (i.e. schools, taxis in industrial | Manager: Community Services | 63 | 4 road safety campaigns in areas of potential risk were held during the year | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-----------------------------|--------------|--|------------|----------------------|-----------------|
| | taxis in industrial areas etc) conducted | areas etc) conducted | | | for the following areas: Stutterheim Mgwali | | | |
| Ensure continuous strict adherence to municipal by-laws by the community of Amahlathi | 4 quarterly reports reflecting identified transgressions | 4 quarterly reports reflecting identified transgressions | Manager: Community Services | 64 | 4 quarterly reports reflecting identified transgressions were prepared during the year under review. | Target met | n/a | n/a |
| | All reported transgressions as per the spreadsheet acted upon within 5 working days | All reported transgressions as per the spreadsheet acted upon within 5 working days | Manager: Community Services | 65 | All reported transgressions as have been acted upon within 5 working days. | Target met | n/a | n/a |
| To continue protecting human life, property, land assets from | 1 permanent Fire Officer appointed | 1 permanent Fire Officer appointed | Manager: Community Services | 66 | Fire Officer was appointed in December 2011. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|---|-----------------------------|--------------|---|----------------|---|---|
| deleterious consequences of fire by 2012 | 20 minutes response time in a 3km radius | 20 minutes response time in a 3km radius | Manager: Community Services | 67 | 20 minutes response time in a 3km radius | Target met | n/a | n/a |
| | 45 minutes response time in a radius beyond a 3km | 45 minutes response time in a radius beyond a 3km radius | | | 45 minutes response time in a radius beyond a 3km radius | | | |
| | 6 Service Level Agreements in relation to fire fighting services signed and implemented (with ADM, Nkonkobe, Intsika Yethu, Lukhanji, Buffalo Metro and NGOs in fire fighting business) | 6 Service Level Agreements in relation to fire fighting services signed and implemented (with ADM, Nkonkobe, Intsika Yethu, Lukhanji, Buffalo Metro and NGOs in fire fighting business) | Manager: Community Services | 68 | Meetings have been held in for 5 municipalities' successfully in trying to have SLAs. | Target not met | Nkonkobe municipality failed to attend scheduled meeting with the municipality. | 5 Service Level Agreements for 5 municipalities will be signed in September 2012. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|-----------------------------|--------------|---|----------------|---|--|
| To effectively minimise the consequences of disasters that occur in the Amahlathi municipal area | 4 disaster awareness campaigns conducted | 4 disaster awareness campaigns conducted | Manager: Community Services | 69 | 4 disaster awareness campaigns were conducted | Target met | n/a | n/a |
| To effectively minimise the consequences of disasters that occur in the Amahlathi municipal area | 8 community safety awareness campaigns conducted (4 community and 4 schools) | 8 community safety campaigns conducted (4 community and 4 schools) | Manager: Community Services | 70 | 4 community safety campaigns were conducted during the year under review. | Partially met | n/a | n/a |
| To ensure everyone in the Amahlathi municipal area lives in a clean and healthy environment by 2014 | Developed, approved and implemented waste removal operational plan 4 Quarterly reports indicating removal of waste as per the approved waste removal plan | Developed, approved and implemented waste removal operational plan 4 Quarterly reports indicating removal of waste as per the approved waste removal plan | Manager: Community Services | 71 | Nil | Target not met | In June 2011 departments were restructured and there was a new department that was developed but there was no manager that allocated to the department. The target was | The municipality will be advertising the post of Community Services Manager by 31 August 2012 to ensure that the department is effective and fully functional. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|--|--|--------------------------------|--------------|---|------------|---|-----------------|
| | (supported by evidence) | | | | | | not met due to capacity constraints and the department is run by 2 officials. | |
| | Functional waste recycling centre 4 quarterly reports | Functional waste recycling centre 4 quarterly reports | Manager: Community Services | 72 | ECDC bought an old Abattoir for the waste recycling centre on behalf of the municipality. The Abattoir was registered under Amahlathi Municipality. The municipality appointed a service provider - IWARS to manage the centre and train co-operatives, register co-operatives and purchase the materials that will be required at the | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|-----------------------------|--------------|---------|----------------|---|--|
| | | | | | centre. | | | |
| | 4 waste recycling advocacy campaigns conducted | 4 waste recycling advocacy campaigns conducted | Manager: Community Services | 73 | Nil | Target not met | The service provider that has been appointed at the centre is still at the second phase of the project. | The indicator has been carried over to 2012/2013 Financial Year and will be reported on a quarterly basis. |
| To ensure effective management of commonage within Amahlathi municipal area by 2012 | Operational commonage management plan approved MANCO 4 Quarterly reports on implementation of the operational | Operational commonage management plan approved MANCO 4 Quarterly reports on implementation of the operational commonage management plan | Manager: Community Services | 74 | Nil | Target not met | In June 2011 departments were restructured and there was a new department that was developed but there was no manager that allocated to the | The municipality will be advertising the post of Community Services Manager by 31 August 2012 to ensure that the |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|---|-----------------------------|--------------|---|----------------|---|--|
| | commonage management plan | | | | | | department. The target was not met due to capacity constraints and the department is run by 2 officials. | department is effective and fully functional. |
| To contribute towards improving the literacy and education levels of the Amahlathi municipal area by 2018 | Library policy developed and submitted to council for adoption Library procedure manual developed and approved by MANCO | Library policy and procedure manual developed and submitted to council for adoption Library procedure manual developed and approved by MANCO | Manager: Community Services | 75 | Nil | Target not met | The library is being run in conjunction with the department of Sports. The policy has been requested from the Department Sports and the policy has not been received. | The indicators on the SDBIP will be rephrased to indicate the facilitation position of the municipality. |
| | 160 new books 12 dvds for children 4 boxes of educational toys 20 cds for the | 160 new books 12 dvds for children 4 boxes of educational toys 20 cds for the youth | Manager: Community Services | 76 | The municipality received 170 books during the year. Also a jungle gym | Partially met | Books and other material to be received for the library depend on the Department of Sports. | |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------------------------|--------------|---|----------------|--|--|
| | youth | | | | was put up at Keiskammahoek for the children. | | | |
| | Membership of the library increased by 2 % by 2012 | Membership of the library increased by 2 % by 2012 | Manager: Community Services | 77 | 127 new members that have registered at the Library for 2011/2012 Financial year. | Target met | n/a | n/a |
| | Usage of the library books and internet increased by 2 % by 2012 | Usage of the library books and internet increased by 2 % by 2012 | Manager: Community Services | 78 | All subscribed members at the Library they do make use of the books and the internet. | Target met | n/a | n/a |
| Ensure proper safeguarding and management of municipal documents and archives by 2012 | Centralised and functional Registry with strict and limited access controls | Centralised and functional Registry with strict and limited access controls | Manager: Corporate Services Manager | 79 | Nil | Target not met | Centralisation of Registry was not Budgeted for in the current financial year. | Strict Registry Access control will be implemented by 30th October 2012 as during the year everybody had access to the |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-----------------------------|--------------|---|------------|----------------------|-----------------|
| KPA 3: Municipal Financial Viability and Management | | | | | | | | |
| Ensure 90% expenditure of capital budget by the end of the financial year (June 2012) | 4 Quarterly reports indicating spending on projects not less than 90% of quarterly departmental capital projections | 4 Quarterly reports indicating spending on projects not less than 90% of quarterly departmental capital projections | Manager Budget and Treasury | 80 | The municipality has spent 94% of the capital budget. | Target met | None | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|---|------------------------------|--------------|---|------------|----------------------|-----------------|
| | Expenditure on capital budget not less than 90% of departmental allocated budget | Expenditure on capital budget not less than 90% of departmental allocated budget | All HODs | 81 | The municipality has spent 94% of the capital budget. | Target met | | n/a |
| To ensure unqualified audit in respect of accounting and financial reporting by 2014 | Credible and GRAP compliant annual financial statements prepared and submitted to the Auditor-General by 31 August 11 | Credible and GRAP compliant annual financial statements prepared and submitted to the Auditor-General by 31 August 11 | Manager: Budget and Treasury | 82 | Credible and GRAP compliant annual financial statements prepared and submitted to the Auditor-General by 31 August 11 | Target met | n/a | n/a |
| | Required information for preparation of 2011/12 annual financial statements submitted within 5 days | Unqualified audit report upon audit of the 2011/12 financial statements | All HODs | 83 | Required information has been submitted | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|------------------------------|--------------|--|---------------|---|--|
| | Management responses and time-bound action plans submitted to IA, BTO and AG | Management responses and time-bound action plans due in this quarter submitted to IA, BTO and AG | Manager: Budget and Treasury | 84 | Management responses and time-bound action plans were submitted to IA, BTO and AG | Target met | n/a | n/a |
| | All agreed internal and external audit recommendations implemented within specified timeframes | All agreed IA and AG audit action plans implemented | Manager: Budget and Treasury | 85 | Action plans were developed but the recommendations made by the auditors were not fully implemented. | Partially met | Some of the municipal departments did not have a Head of Department and the responsibility of implementing action plans was not made a priority within those departments. | Going forward action plans that are developed will be discussed in the management meetings that are held on a monthly basis. |
| To prepare a realistic budget in line with the objectives and strategies enshrined in the IDP based on a | 2012/2013 budget prepared and submitted to council for approval by 31 May 2012 | 2012/2013 budget prepared and submitted to council for approval by 31 May 2012 | Manager: Budget and Treasury | 86 | The budget was submitted to the Council for approval on 31 st May 2012. | Target met | None | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|---|--------------|--|------------|----------------------|-----------------|
| three-year Medium-Term Revenue and Expenditure Framework (MTREF) | Departmental 2012/2013 budget inputs informed by operational and capital/project needs of the department prepared and submitted to BTO within 5 days from date of request | Departmental 2012/2013 budget inputs informed by operational and capital/project needs of the department prepared and submitted to BTO within 5 days from date of request | All HODs | 87 | Departmental 2012/2013 budget inputs informed by operational and capital/project needs of the department prepared and submitted to BTO | Target met | | n/a |
| To continuously ensure equitable, economical, transparent, fair and value-add supply chain management system/function | 4 Quarterly SCM reports indicating compliance/non-compliance with the SCM policy and procedures | 4 Quarterly SCM reports indicating compliance/non-compliance with the SCM policy and procedures | Manager: Budget and Treasury | 88 | 4 Quarterly SCM reports indicating compliance/non-compliance with the SCM policy and procedures | Target met | None | n/a |
| | 4 Quarterly Service Provider performance reports in regard to set deliverables | 4 Quarterly Service Provider performance reports in regard to set deliverables per signed contracts or | Manager: Budget and Treasury and All HODs | 89 | 4 Quarterly Service Provider performance reports in regard to set deliverables per signed contracts | Target met | None | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|------------------------------|--------------|--|------------|----------------------|-----------------|
| | per signed contracts or Service Level Agreements prepared | Service Level Agreements prepared | | | or Service Level Agreements prepared | | | |
| To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2012 | All fixed assets valued as per GRAP and directive 4 by June 2012 | All fixed assets valued as per GRAP and directive 4 by June 2012 | Manager: Budget and Treasury | 90 | All movable asset have been bar-coded and location lists signed off by each responsible official. All infrastructure assets have been recorded. Assets have been valued where necessary and aconditional assessment has been performed. Impairment and depreciation has been calculated. | Target met | None | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|------------------------------|--------------|---|----------------|---|--|
| To maintain an accurate and complete fixed asset register that is compliant with GRAP by 2012 | All transfers/movements of assets (from one location to another) communicated to BTO within 4 days after authorisation of the transfer by HOD | All transfers/movements of assets (from one location to the another) communicated to BTO within 4 days after authorisation of the transfer by HOD | All HODs | 91 | Nil | Target not met | Transfer /movement of assets from one location to other, has not been monitored by departments. Transfer forms have been developed and the asset register has been completed. Officials are signing for their asset registers. | Officials will be required to sign transfer forms when ever assets are moved as they will be held responsible for any assets that are not in their office. |
| | Updated fixed asset register (with new, disposed and transferred assets) | Updated fixed asset register (with new, disposed and transferred assets) | Manager: Budget and Treasury | 92 | Updated fixed asset register | Target met | None | n/a |
| | Asset Management Officer appointed | Asset Management Officer appointed | Manager: Budget and Treasury | 93 | The municipality has appointed an Asset Clerk in February 2012. | Target met | None | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|--|--------------|--|----------------|---|---|
| To continuously ensure that municipal expenditure is valid, timeous and MFMA and GRAP compliant | All creditors paid within 30 days from date of receipt of the invoice | All creditors paid within 30 days from date of receipt of the invoice | Manager Budget and Treasury and all HODs | 94 | All invoices are paid within 30days from the date they are received by the creditors department. | Target met | None | n/a |
| Ensure 90% collection of income due from consumer debtors by 2015 | 75% of income between 1 July 2011 and 30 June 2012 collected | 75% of billed income between 1 July 2011 and 30 June 2012 collected | Manager: Budget and Treasury | 95 | The municipality has managed to collect 83% of the billed income. | Target met | None | n/a |
| | 4 Quarterly reports indicating reduction of the outstanding debtors (R40ml) by 20% | 4 Quarterly reports indicating reduction of the outstanding debtors (R40ml) by 20% | Manager: Budget and Treasury | 96 | Nil | Target not met | <p>The target has not been met as the outstanding debtors have not been reduced by 20%.</p> <p>A service provider has been appointed to implement a revenue enhancement programme for 3</p> | Quarterly reports will be compiled and will be submitted at the management meeting and standing committee meetings. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|------------------------------|--------------|--|------------|--|-----------------|
| | | | | | | | years. An analysis of the debtors has been undertaken and a revenue enhancement strategy has been developed. | |
| To provide regular and credible financial reports in line with the MFMA by 2012 | Sec 71 Monthly financial reports for reporting to MANCO, Mayor, Provincial and National Treasury prepared and submitted within 10 working days from month end Section 72 mid-year performance reports prepared and | Sec 71 Monthly financial reports for reporting to MANCO, Mayor, Provincial and National Treasury prepared and submitted within 10 working days from month end Section 72 mid-year performance reports prepared and submitted to stakeholders similar to sec 71 by 25 January 2012. | Manager: Budget and Treasury | 97 | Section 71 reports were produced within 10 working days from month end on a monthly basis. Mid-year report was submitted in January 2012. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|------------------------------|--------------|--|------------|----------------------|-----------------|
| | submitted to stakeholders similar to sec 71 by 25 January 2012. | | | | | | | |
| To ensure that the municipality continues to receive an unqualified audit opinion from AG by 2012 | Management responses and time-bound action plans submitted to IA, BTO and AG | Management responses and time-bound action plans due in this quarter submitted to IA, BTO and AG | Manager: Budget and Treasury | 98 | Management comments relating to audit reports are sent to Internal Audit and the AG. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|------------------------------|--------------|---|------------|----------------------|-----------------|
| | All agreed internal and external audit recommendations implemented within specified timeframes | All agreed IA and AG audit action plans implemented | Manager: Budget and Treasury | 99 | Progress on the Internal Audit action plans and risk action has been sent to IA on a quarterly basis. | Target met | n/a | n/a |
| To increase traffic revenue contribution to total municipal revenue by 14% (10% annual increase by Transport dept + 4% by municipality) by 2012 | Revenue from learners, drivers and vehicle testing, law enforcement increased by 14% (10% annual increase by Transport dept+5%) by 2012 | Revenue from learners, drivers and vehicle testing, law enforcement increased by 14% (10% annual increase by Transport dept+5%) by 2012 | Manager: Community Services | 100 | Traffic revenue increased by 12% during the year. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|---|-----------------------------|--------------|---|----------------|--|--|
| Continuously ensure accurate and complete recording and banking of cash received | Zero queries raised by internal and external auditors in relation to recording and banking of cash received | Zero queries raised by internal and external auditors in relation to recording and banking of cash received | Manager: Community Services | 101 | The municipality had one finding when it was queried the issue cash being banked by municipal officials. The municipality has since appointed a company for the transportation of cash to the bank. | Target met | n/a | n/a |
| KPA 4: Municipal Transformation and Institutional Development | | | | | | | | |
| To ensure mainstreaming of special programmes into Amahlathi municipality's programmes by 2013 | Developed Special Programmes Unit's strategy submitted to council for adoption | Developed Special Programmes Unit's strategy submitted to council for adoption | Municipal Manager | 102 | Nil | Target not met | The project was included on the SDBIP but was not budgeted for, therefore implementation of project was not able to be done. | The target will be removed from the SDBIP as it also not budgeted for in 2012/2013 Financial Year. |
| To ensure that the ICT environment is adequate and effective in | Developed integrated ICT Master Plan submitted to council for | Developed integrated ICT Master Plan submitted to council for | Municipal Manager | 103 | Assistance was requested from ADM to perform a situation analysis before | Partially met | The function of IT resides in the Office of the Municipal Manager. That | Support will be requested from ADM for the development |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|---|-------------------|--------------|--|----------------------|--|---|
| supporting the strategy and operations of Amahlathi municipality by 2014 | approval | approval | | | development of the plan. IT Risk analysis was performed by ADM and an IT Risk Report were developed. | | office did not have a permanent Municipal Manager therefore priority was not emphasised. | of the ICT Master Plan. |
| | Developed Business Resilience Strategies (Business Continuity Plan and Disaster Recovery Plan) submitted to council for approval and thereafter implemented | Developed Business Resilience Strategies (Business Continuity Plan and Disaster Recovery Plan) submitted to council for approval and thereafter implemented | Municipal Manager | 104 | Office space have been identified at Community services site office | Target partially met | Disaster Recovery Plan has not been developed as the project was included on the SDBIP but was not budgeted for as IT Personnel was only appointed in July 2011 after the approval of budget | Project has been budgeted for in the 2012/13 FY To start with tender processes for development of DRP |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------|--------------|--------|----------------|--|---|
| To continuously ensure community participation in the Amahlathi municipality's programmes and activities | Reviewed Amahlathi municipality's Communication Strategy and Policy submitted to council for approval | Reviewed Amahlathi municipality's Communication Strategy and Policy submitted to council for approval | Municipal Manager | 105 | Nil | Target not met | The project was included on the SDBIP but was not budgeted for, therefore implementation of project was not able to be done. | The project has been included in the 2012/2013 SDBIP and has been budgeted for. The Municipal Manager will be reporting on a quarterly basis regarding target. |
| To promote the unearthing of and nurturing of talent in various sporting codes within Amahlathi municipality's area of jurisdiction by 2014 | Sports Development Strategy developed and submitted to council for approval | Sports Development Strategy developed and submitted to council for approval | Municipal Manager | 106 | Nil | Target not met | The project was included on the SDBIP but was not budgeted for, therefore implementation of project was not able to be done. Also the municipality does not have capacity | The indicator has been removed from the SDBIP. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|-------------------|--------------|--------|----------------|---|---|
| | | | | | | | to implement the indicator. | |
| Ensure continuous alignment of policies and by-laws to legislation | 1 Quarterly reports indicating progress on the review of all policies and by-laws in line with IDP processes (coordination role) | 1 Quarterly reports indicating progress on the review of all policies and by-laws in line with IDP processes (coordination role) | Municipal Manager | 107 | Nil | Target not met | The municipality did not have Corporate Services manager and municipality had 3 different acting municipal managers during the period. This affected the implementation of the pre-set targets. | Council meeting that sat on the 30 August has resolved that a workshop will be held to assess all policies if there is a need for review of the policies by October 2012. |
| | Inputs regarding the review of municipal by-laws submitted by HODs to the office of the MM within specified | Inputs regarding the review of municipal by-laws submitted by HODs to the office of the MM within specified timeframes | All HODs | 108 | Nil | Target not met | | |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|--|-------------------------------------|--------------|--------|----------------|---|--|
| | timeframes | | | | | | | |
| Ensure effective co-ordination of integrated planning, implementation, monitoring and evaluation across Amahlathi municipality by 2013 | Procedure manual for Accountability Agreements and Performance Promises developed and approved by MANCO | Procedure manual for Accountability Agreements and Performance Promises Procedure Manual developed and approved by MANCO | Manager: Corporate Services Manager | 109 | Nil | Target not met | The municipality has not achieved the target. Human Resources department did not have a manager for the majority of the financial year and the Manager Corporate Services retired in August 2011. | Assistance from other Stakeholders like DPLGTA and ADM will be solicited by 30th October 2012. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|-------------------------------------|--------------|--------|----------------|---|--|
| | Staff Accountability Agreements and Performance Promises signed (monthly) by all staff below section 57 up to level 5 and actual performance assessed (monthly). | All staff Accountability Agreements and Performance Promises signed (monthly) by staff below section 57 up to level 5 and actual performance assessed (monthly). | All HODs | 110 | Nil | Target not met | The municipality has not achieved the target. Human Resources department did not have a manager for the majority of the financial year and the Manager Corporate Services retired in August 2011. | Assistance from ADM, DPLGTA and SALGA will be solicited by 30 October 2012 in trying to cascade performance for officials below Section 57 Managers. |
| Ensure effective and proper management of municipal fleet through effective monitoring and implementation of internal control systems | Reviewed Fleet Management Policy submitted to council for approval Reviewed fleet management procedures submitted to MANCO for approval | Reviewed Fleet Management Policy submitted to council for approval Reviewed fleet management procedures submitted to MANCO for approval | Manager: Corporate Services Manager | 111 | Nil | Target not met | The municipality did not have capacity to implement the target. The indicator was previously allocated to the Engineering department before the appointment of the action municipal | The indicator has been removed in the 2012/2013 SDBIP for Corporate Services. It will be reported on by Engineering Services. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|--|-----------------------------------|--------------|--|----------------|---|---|
| | | | | | | | manager. | |
| Ensure effective and proper management of municipal fleet through effective monitoring and implementation of internal control systems | 4 Quarterly Compliance/non-compliance reports submitted to Corporate Services | 4 Quarterly Compliance/non-compliance reports | Corporate Services and All HODs | 112 | Nil | Target not met | When the acting municipal manager was appointed, the departments were restructured and the indicator was allocated under Corporate Services department and there was staff capacitated enough to implement the indicator. | The indicator has been removed in the 2012/2013 SDBIP for Corporate Services. It will be reported on by Engineering Services. |
| Capacitate SMMEs and Co-operatives for sustainable | 40 SMMEs and CO-Operatives capacitated on | 40 SMMEs and CO-Operatives capacitated on business | Manager: Development and Planning | 113 | The municipality has sectorised the SMMES according to their | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|-----------------------------------|--------------|--|----------------|---|--|
| businesses and continued participation in the mainstream economy by 2012 | business management skills (20 SMMEs and 20 Co-operatives) | management skills (20 SMMEs and 20 Co-operatives) | | | sectors e.g. Agric. Sector and tourism sector or construction sector and still lobbying from ALM to assist co-operatives with 75 % of funding as per recommendation of the Standing Committee. | | | |
| To promote Tourism within Amahlathi in order to position the municipality as a tourist destination by 2016 | Reviewed Tourism Master Plan submitted to council for approval | Final Tourism Plan submitted to council for approval | Manager: Development and Planning | 114 | Nil | Target not met | Tourism around Amahlathi Municipality has been abandoned. | The municipality is currently checking other tourism bodies from other municipalities on how tourism is implemented. |
| | Developed Tourism Marketing Plan submitted to council for | Developed Tourism Marketing Plan submitted to council for approval | Manager: Development and Planning | 115 | Tourism Marketing Plan has been submitted to the Council for | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|--|-----------------------------------|--------------|--|---------------|--|---|
| | approval | | | | adoption. | | | |
| Ensure coordination of local economic development within Amahlathi municipal area by 2014 | Developed LED Strategy submitted to council for approval | Developed LED Strategy submitted to council for approval | Manager: Development and Planning | 116 | Nil | Target met | - | - |
| To continue protecting human life, property, land assets from deleterious consequences of fire by 2012 | 18 Fire Services Volunteers Capacitated in all aspects of fire fighting | Capacitate all (18) Fire Services Volunteers with all aspects of fire fighting | Manager: Development and Planning | 117 | Fire fighters are currently getting informal training from the Fire Officers. | Target met | n/a | n/a |
| To contribute towards the reduction of road carnages by 20% by 2012 | Developed Law Enforcement Plan approved by MANCO | Developed Law Enforcement Plan approved by MANCO | Manager: Community Services | 118 | The municipality does have a law enforcement plan but it has not been taken to the MANCO for | Partially met | The municipality does have a law enforcement plan but it has not been taken to the MANCO for | The developed Law Enforcement Plan will be submitted to |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|--|-------------------------------------|--------------|---|---------------|--|--|
| | | | | | approval yet. | | approval yet. | the MANCO by September 2012. |
| To ensure that the municipality continuously strives to maintain a competent and credible workforce commensurate to its IDP objectives | Reviewed Recruitment Policy submitted to council for approval | Reviewed Recruitment Policy submitted to council for approval | Manager: Corporate Services Manager | 119 | Draft policy has been developed but has not been taken to Council for approval yet. | Partially met | Human Resources department did not have a manager for the majority of the financial year as the Corporate Services manager retired in August 2011 and Human Resources manager was on suspension. | The Human Resources department has reviewed the Recruitment policy and the draft policy will be submitted to the Council on the November 2012. |
| | 4 Compliance/N on-compliance reports submitted to Municipal Manager | 4 Compliance/Non-compliance reports submitted to Municipal Manager | Manager: Corporate Services Manager | 120 | A report was submitted to the Municipal Manager for the last quarter of the Financial year. | Partially met | The target has not been met during the financial year but the Draft Policy and Implementation guidelines for | Quarterly reports will be prepared for the Municipal Manager regarding compliance with the Recruitment |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--------------------------|---|---|-------------------------------------|--------------|---|----------------|---|---|
| | | | | | | | EPWP Workers have since been approved by the EXCO on the 1st August 2012. | Policy. |
| | Developed Procedure Manual and database for recruitment of EPWP employees submitted to council for approval | Developed Procedure Manual and database for recruitment of EPWP employees submitted to council for approval | Manager: Corporate Services Manager | 121 | Draft Policy and Implementation guidelines for EPWP Workers were developed and have since been approved by the EXCO on the 1st August 2012. | Target not met | n/a | Database for Recruitment of EPWP will be developed by 30th November 2012. |
| | 4 Compliance/Non-compliance reports on EPWP recruitment submitted to Municipal Manager | 4 Compliance/Non-compliance reports submitted to Municipal Manager | Manager: Corporate Services Manager | 122 | 4 Compliance/Non-compliance reports submitted to Municipal Manager and the Council regarding the recruitment of the EPWP. | Target met | | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------------------------|--------------|--|----------------|--|--|
| To ensure that the municipality strives to maintain a competent and credible workforce commensurate to its IDP objectives | All vacant posts (sec 57 and below) filled within 2 months from the time the post became vacant | All vacant posts (sec 57 and below) filled within 2 months from the time the post became vacant | Manager: Corporate Services Manager | 123 | Although the processing of the appointment of the municipal manager took longer than 2months. The municipal manager was appointed with effect from 1 st of July 2012. | Target not met | Section 57 vacant positions have not been filled as a result of the municipality not having a municipal manager. | The municipality has since appointed a municipal manager and the adverts for the Section 57 positions that are vacant will be issued by the 31 August 2012. Implementatio n of the recruitment and selection policy will reported on, in all the Management Meetings. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------------------------|--------------|--|----------------|--|---|
| To strive for a work-place environment conducive to accelerated performance and improved working conditions by 2013 | Service Level Agreement signed with a professional psychologist | Service Level Agreement signed with a professional psychologist. | Manager: Corporate Services Manager | 124 | Nil | Target not met | The function was included on the SDBIP but was never budgeted for, therefore implementation of the indicator became impractical. | The indicator has been included in the 2012/2013 SDBIP and will be reported on a quarterly basis. |
| | 4 quarterly reports indicating effective functionality of the EAP within Amahlathi municipality | 4 quarterly reports indicating effective functionality of the EAP within Amahlathi municipality | Manager: Corporate Services Manager | 125 | Nil | Target not met | EAP was not budgeted for and there are no trained staffs to implement the indicator, therefore the target could not be met. | EAP has been budgeted for in 2012/2013 financial year and will be implemented accordingly. |
| | 4 quarterly Labour Relations Forum meetings held | 4 quarterly Labour Relations Forum meetings held | Manager: Corporate Services Manager | 126 | The 1 st meeting sat on the 26 June 2012. | Partially met | Labour Forum has not been effective. It has since been revived. The 1 st meeting sat in June 2012. | As from September 2012, labour forum meetings will be sitting on a monthly basis. |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|--|-------------------------------------|--------------|--|----------------|---|---|
| | 4 quarterly reports indicating accurate leave balances per the employee payslip and monthly leave reconciliation | 4 quarterly reports indicating accurate leave balances per the employee payslip and monthly leave reconciliation | Manager: Corporate Services Manager | 127 | Leave balances as at 30 June 2012 were correctly captured on the system. | Target met | None | n/a |
| | 4 quarterly OHS committee meetings conducted | 4 quarterly OHS committee meetings conducted | Manager: Corporate Services Manager | 128 | Nil | Target not met | Target has not been met during the financial year under review. The municipality has since appointed a service provider to assist with revival of Occupational Health and Safety. | The indicator has been included in the 2012/2013 SDBIP and the 1 st OHS Committee Meeting will be held by 30th September 2012. |
| To ensure that the municipality strives to maintain a competent workforce and capacitated | 100% implementation of the approved WSP per approved budget | 100% implementation of the approved WSP per approved budget | Manager: Corporate Services Manager | 129 | 100% implementation of the approved WSP per the approved budget | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|---|-------------------------------------|--------------|---|----------------|---|---|
| councillors commensurate to its IDP objectives by 2013 | | | | | | | | |
| Ensure adequate human resource planning and implementation in line with human resource requirements of Amahlathi municipality by 2013 | Developed Human Resource Strategy submitted to council for approval | Developed Human Resource Strategy submitted to council for approval | Manager: Corporate Services Manager | 130 | A workshop was held for the development of the Human Resources Strategy. Draft HR Strategy has been sent DPLGTA for refinement. | Partially met | A workshop was held for the development of the Human Resources Strategy. Draft HR Strategy has been sent DPLGTA for refinement. | The Human Resources Plan will be submitted to Council for adoption on the 30 November 2012. |
| Ensure effective safeguarding of staff and assets of Amahlathi municipality by 2012 | 4 quarterly reports with supporting evidence indicating effectiveness/ineffectiveness of security services Full accreditation | 4 quarterly reports with supporting evidence indicating effectiveness/ineffectiveness of security services Full accreditation of security guards | Manager: Corporate Services Manager | 131 | Nil | Target not met | The indicator has not been met. The Human Resources department did not have capacity to implement the indicator. There were no reports that were | The municipality resolved that the indicator be removed from the Human Resources Department and were taken under Protection |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|-------------------------------------|--------------|--------|----------------|---|--|
| | of security guards | | | | | | issued during 2011/2012 Financial Year. | Services. |
| Ensure Efficient and economical usage of telephone within the municipality | Reviewed Telephone management Policy submitted to council for approval Reviewed telephone management procedures submitted to MANCO for approval | Reviewed Telephone management Policy submitted to council for approval Reviewed telephone management procedures submitted to MANCO for approval | Manager: Corporate Services Manager | 132 | Nil | Target not met | The function has been allocated under Corporate Services department but because there is financial impact involved, BTO has been monitoring the telephone usage and was not monitored in the Corporate Services | The function will be monitored by Corporate Services department and reports on the monitoring will be requested on monthly basis. The 1 st draft telephone |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|--|-------------------------------------|--------------|--|----------------|--|---|
| Ensure Efficient and economical usage of telephone within the municipality | 4 quarterly report indicating compliance/non-compliance with telephone management policies and procedures | 4 quarterly report indicating compliance/non-compliance with telephone management policies and procedures | Manager: Corporate Services Manager | 133 | Nil | Target not met | department. | management policy will be taken to the Management Meeting by November 2012. |
| Ensure continuous and efficient support services to municipal council structures | 2 additional staff members appointed in the council support function | 2 additional staff members appointed in the council support function | Manager: Corporate Services Manager | 134 | Advertisements for the posts were issued and short listing was done. | Partially met | The target has not been met but the two positions have been shortlisted and interviews will be held on the 28 August 2012. | The incumbents for the positions will start working by the 01 September 2012. |
| | 4 Quarterly reports on 52 council structures coordinated (1. Agenda for council and standing committee meetings delivered 7 days before | 4 Quarterly reports on 52 council structures coordinated (1. Agenda for council and standing committee meetings delivered 7 days before the date of the meeting 2. Minutes of | Manager: Corporate Services Manager | 135 | The municipality from December 2011 to 30th June 2012 has managed to have 11 Council, 4 Executive Committee meetings and 20 Standing Committee | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|--|-------------------------------------|--------------|--|----------------|---|----------------------|
| | the date of the meeting 2. Minutes of council and standing committees recorded accurately 3. Minutes and resolutions of council and standing committees properly safeguarded) | council and standing committees recorded accurately 3. Minutes and resolutions of council and standing committees properly safeguarded) | | | meetings. | | | |
| Ensure Institutionalisation of and adherence to the Employment Equity Act in Amahlathi municipality by 2013 | Reviewed EEP submitted to council for adoption in line with IDP processes | Reviewed EEP submitted to council for adoption in line with IDP processes | Manager: Corporate Services Manager | 136 | Employment Equity report has been submitted to the department of labour. Development of the EEP for the current Council is in progress and is being in-house. | Target not met | Employment Equity plan for the new Council will be developed. The adoption of the new council EEP will be done by 30th October 2012. | n/a 30 November 2012 |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------------------------|--------------|--------|----------------|---|---|
| Ensure effective implementation of the internship programme in line with government job creation initiatives and career development by 2012 | 4 Quarterly reports indicating effective exposure of interns to the various mainstream core functions of the municipality | 4 Quarterly reports indicating effective exposure of interns to the various mainstream core functions of the municipality | Manager: Corporate Services Manager | 137 | Nil | Target not met | The municipality did not monitor the implementation of the internship program during 2011/2012. | Human Resources department will be required to produce reports on the implementation of the Internship program. |
| KPA 5: Local Economic Development | | | | | | | | |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|---|---|-------------------------|--------------|--|------------|----------------------|-----------------|
| To continuously contribute towards job creation for the unemployed through SCM HDI support by 2014 | 11ml procurement budget allocated to HDIs | 11ml procurement budget allocated to HDIs | Chief Financial Officer | 138 | Bids to the value of R42 359 095 have been awarded to HDI's | Target met | n/a | n/a |
| To continuously contribute towards job creation for the unemployed through Engineering projects in 2012 | Implemented EPWP by departments: Eng= 350 Dev & Plann= 400 Corp Serv= 822 HDI training Comm Serv= 18 Fire fighter volunteer BTO= 0 | Implemented EPWP by departments: Eng= 350 Dev & Plann= 400 Corp Serv= 822 HDI training Comm Serv= 18 Fire fighter volunteer BTO= 0 | All HODs | 139 | The municipality has appointed more than 1590 employees under the extended public works programme. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|---|--|-----------------------------------|--------------|--|----------------|---|--|
| To promote Tourism within Amahlathi municipal area in order to position the municipality as a tourist destination by 2016 | 5 Signed Partnership agreements with various tourism marketing bodies | 5 Signed Partnership agreements with various tourism marketing bodies | Manager: Development and Planning | 140 | Nil | Target not met | Tourism around Amahlathi Municipality has been abandoned. | The municipality is currently checking other tourism bodies from other municipalities on how tourism is implemented. |
| | Functional CTOs and LTOs (8 meetings held) | Functional CTOs and LTOs (8 meetings held) | Manager: Development and Planning | 141 | Community Tourism Organisation and the Local Tourism Organisation meeting were attended by the LED unit. | Target met | n/a | n/a |
| Preservation of culture/history and promotion of cultural diversity for nation building whilst uncovering hidden talents through crafts by | 7 Heritage projects implemented within allocated budget -Cathcart heritage day, -Tsomo Albertina -Sisulu | 7 Heritage projects implemented within allocated budget -Cathcart heritage day, -Tsomo Albertina -Sisulu Memorial, -King Kei filming and painting, | Manager: Development and Planning | 142 | The 7 heritage projects that were planned for implementation during 2011/2012 Financial were held and minutes and reports are available at the Development and | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|---|--|---|-----------------------------------|--------------|--|------------|----------------------|-----------------|
| 2013 | Memorial, -King Kei filming and painting, - Keiskammaho ek - Ntaba ka Ndoda heritage festival) -Trade fairs participation in Grahamstown -Tourism Indaba attended -Christmas in July | Keiskammahoek - Ntaba ka Ndoda heritage festival) -Trade fairs participation in Grahamstown -Tourism Indaba attended -Christmas in July | | | Planning department. | | | |
| Preservation of culture/history and promotion of cultural diversity for nation building whilst uncovering hidden talents through crafts by 2013 | 1 Craft Mania Project/Event implemented | 1 Craft Mania Project/Event implemented | Manager: Development and Planning | 143 | Craft Mania was held in November 2011 and a report has been compiled relating to that. | Target met | n/a | n/a |

| Strategic Plan Objective | Indicator | Annual Target | Custodian | Indicator No | Actual | Conclusion | Reasons for variance | Remedial Action |
|--|--|--|-----------------------------------|--------------|--------|------------|---|--|
| To continuously endeavour to eradicate poverty through streamlined agricultural programmes | Maize seeds distributed to 60 subsistence farmers (beneficiaries) | Maize seeds distributed to 60 subsistence farmers (beneficiaries) | Manager: Development and Planning | 144 | Nil | Target met | The department has done the maize handover in Tsomo. | |
| Promote formation of SMMEs and Corporative to push/eradicate the frontiers of poverty | 3 SMMEs and Co-operatives advocacy workshops (including 1 indaba) conducted Database of registered SMMEs and Co-ops developed | 3 SMMEs and Co-operatives advocacy workshops (including 1 indaba) conducted Database of registered SMMEs and Co-ops developed | Manager: Development and Planning | 145 | Nil | Target met | The municipality is still busy with SEDA registering SMMEs and Co-operatives. | Workshop and trainings will be done after the registration has been completed. |

CHAPTER 3: Human Resources & other Organisational Management

A. Presentation of the organizational structure

The municipality has the following departments:

- Executive Services
- Engineering Services
- Community Services
- Planning & Development
- Budget and Treasury Office
- Corporate Services

The organogram has 307 posts of which 79 are vacant posts.

B. Staff development initiatives during the Financial Year

i. **Skills Programmes implemented internally**

- Local Government Law and Administration
- Project Management
- Supply Chain Management
- First Aid Training
- Payroll Administration
- Enatis Training
- OHS Training
- Local Government Accounting Certificate
- Training Committee Training
- Municipal Finance Management Programme
- CPMD

C. Internship Programme

- 6 Interns given work experience around the finance sections,
- 04 experiential trainees given practical experience

D. Full time staff complement per functional area (examples are given below)

a. Section 57 and Line Managers

| | Approved positions (e.g. MM-S57 etc...) | Number of approved posts | Budgeted posts | Filled posts | Vacant posts |
|---|---|--------------------------|----------------|--------------|--------------|
| 1 | Municipal manager's office | 1 | | 1 | 1 |
| 2 | Engineering Services | | | | |
| 3 | Planning and Development | 13 | | 8 | 5 |
| 4 | Community Services | | | | |
| 5 | Budget and Treasury Office | 25 | | 20 | 5- |
| 6 | Corporate Services | 19 | | 16 | 3 |
| | Total: | | | | |

b. Staff complement in the technical services =

i. List of pension and medical aids to whom employees belong (please add if necessary)

| Names of pension fund | Number of members | Names of medical Aids | Number of members |
|-----------------------|-------------------|-----------------------|-------------------|
| SAMWU Provident Fund | | Bonitas | |
| Cape Retirement Fund | | SAMWUMED | |
| SALA | | LA HEALTH | |

1.4 Senior officials' wages and benefits

- Municipal Manager –
- Senior Manager Corporate Services -
- Senior Manager Planning and Development –
- Senior Manager Technical Services –
- Senior Manager Community Services –
- Senior Manager Operations –
- Internal Audit –
- Chief Finance Officer –

The following table presents the Waste Management Staff compliment structured according to the serviced towns.

| Category | Stutterheim | Cathcart | Keiskammahoek |
|-------------------------|-------------|----------|---------------|
| Supervisor | 1 | | |
| Truck Drivers | 2 | 0 | 0 |
| Tractor Drivers | 0 | 1 | 1 |
| Loading assistants | 10 | 5 | 5 |
| Waste site operator | 1 | | |
| Waste site controller | 1 | | |
| Street Sweepers | 3 | 1 | 0 |
| Casual workers (EPW) | 5 | 3 | 3 |
| Independent Contractors | 3 (Xholora) | | |

CHAPTER 4: Audited Statements & Related Financial Information

A. Audit Committee Report

i. Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2012.

ii. Role and Responsibility of the Audit Committee

The function of the Audit Committee (hereinafter referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements.

The Committee operates in terms of section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003 and has endeavoured to comply with its responsibilities arising from those requirements.

The Committee has performed its duties according to its terms of reference in the form of an approved Audit Committee Charter which stipulates amongst other issues the primary purpose of the Committee, which is:

- To monitor the integrity of the Council's financial statements and announcements relating to its financial performance, reviewing significant reporting financial reporting judgements.
- To review the effectiveness of the Council's internal controls and risk management systems.

- To monitor the effectiveness of the internal audit function and review its material findings.
- To oversee the relationship with the internal and external auditors, including agreeing the latter's audit fees and terms of engagement, monitoring their independence, objectivity and effectiveness.

The Committee has no executive function and its primary objective is to review and challenge rather than assume responsibility for any matters within its remit.

iii. Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. In terms of the Audit Committee Charter, the committee should consist of a minimum of 3 members. During the current financial year the Municipality appointed three additional audit committee members. The current audit committee held 5 ordinary meetings during the year under review.

| Name of Member | No of special meeting attended | No of ordinary meetings attended |
|-----------------------|---------------------------------------|---|
| T Cumming | 1 | 5 |
| RJ Hill | 1 | 5 |
| T Maqwathi | 0 | 4 |
| T Mnqetha | 0 | 4 |
| N Gwayi | 0 | 4 |

The committee meetings are also attended by the Municipal Manager, Chief Financial Officer, internal and external auditors.

In addition to the prescribed audit committee meetings, a special audit committee meeting was held on 25 August 2011.

iv. The effectiveness of internal control

The system of internal control was not entirely effective for the period under review. During the period under review, several deficiencies in the system of internal control and/or deviations were identified by the audit committee and the internal auditors. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

v. The quality of in year management and monthly/quarterly reports

The Audit Committee is satisfied with the content and quality of monthly financial reports prepared and issued by the Municipal Manager during the period under review.

The Audit Committee is not satisfied with the content and quality of the quarterly performance reports prepared and issued by the Municipal Manager during the period under review.

Quarterly performance reports were not timely compiled and/ or submitted for review.

vi. Evaluation of the Financial Statements

The Audit Committee has:

- Reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Municipal Manager;
- Reviewed changes in accounting policies and practices;
- Reviewed the municipality's compliance with legal and regulatory provisions;
- Reviewed the information on pre-determined objectives to be included in the annual report, and
- Reviewed significant adjustments used in the compilation of the annual financial statements.

The Audit Committee recommend that the annual financial statements and performance information be submitted to the Auditor-General for auditing.

vii. Internal Audit

The Audit Committee is not satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality in its audit. During the period and in previous periods it was identified that internal audit has significant capacity constraints, this has been alleviated in the last quarter by the Municipality appointing an external service provided to provide support to internal audit for the next three years.

viii. Auditor General South Africa

The Audit Committee have met with the Auditor General to ensure that there are no outstanding issues relating to the Municipality.

B. AUDITED ANNUAL FINANCIAL STATEMENTS

Amahlathi Municipality
 (Registration number EC124)
 Annual Financial statements for the year ended 30 June 2012
 Notes to the Annual financial statements

| | 2012 | 2012 | 2012 | 2012 |
|---|----------------------|--------------------|--------------------|---------------------|
| | R | R | R | R |
| REVENUE | | | | |
| Property rates | 7 744 944 - | 7 744 944 | 7 783 225 | 38 281 |
| Service charges | 30 039 882 - | 30 039 882 | 29 507 196 | (532 686) |
| Rental of facilities and equipment | 283 720 - | 283 720 | 210 487 | (73 233) |
| Interest earned- external | 2 000 000 - | 2 000 000 | 6 779 285 | 4 779 285 |
| Interest earned- debtors | 1 300 000 - | 1 300 000 | 1 498 353 | 198 353 |
| Fines | 512 450 - | 512 450 | 180 268 | (332 182) |
| Licences and permits | 2 200 - | 2 200 | - | (2 200) |
| Government grants and subsidies | 82 260 200 - | 82 260 200 | 108 363 071 | 26 102 871 |
| Other income | 237 731 - | 237 731 | 2 239 969 | 2 002 238 |
| Motor vehicle registrations | 790 000 - | 790 000 | 1 161 920 | 371 920 |
| Total Revenue | 125 171 127 - | 125 171 127 | 157 723 774 | 32 552 647 |
| EXPENDITURE | | | | |
| Personnel | 47 953 291 - | 47 953 291 | 44 647 285 | (3 306 006) |
| Finance costs | 88 734 - | 88 734 | 979 603 | 890 869 |
| Debt impairment | 6 426 968 - | 6 426 968 | 5 844 782 | (582 186) |
| Depreciation | 11 682 223 - | 11 682 223 | 18 070 664 | 6 388 441 |
| Leave pay provision | 126 725 - | 126 725 | 504 465 | 377 740 |
| Repairs and maintenance | 6 763 910 - | 6 763 910 | 5 849 727 | (914 183) |
| Bulk purchases | 18 380 394 - | 18 380 394 | 16 023 683 | (2 356 711) |
| Vending management fee | - - | - | 443 909 | 443 909 |
| Provision for audit fees | 1 800 000 - | 1 800 000 | - | (1 800 000) |
| General expenses | 36 232 154 - | 36 232 154 | 28 720 571 | (7 511 583) |
| Less: Brought to account | (4 283 272) - | (4 283 272) | - | 4 283 272 |
| Fair value adjustments | - - | - | (1 248 081) | (1 248 081) |
| Total Expenditure | 125 171 127 - | 125 171 127 | 119 836 608 | (5 334 519) |
| NET (DEFICIT) / SURPLUS FOR THE YEAR | - | - | 37 887 166 | 37 887 166 |

C. AUDIT REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON AMAHLATHI LOCAL MUNICIPALITY REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of Amahlathi Local Municipality as set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets, the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Property, plant and equipment

6. In terms of section 63.2 (c) of the MFMA, the municipality should have and maintain a system of internal control of assets including an asset register. The municipality has maintained a register for assets, which was used as the basis for the amounts disclosed in note 4 to the financial statements. However assets selected from the floor were not included in the asset register and assets selected from the asset register could not be located for verification due to a lack of information or incorrect information included the

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON AMAHLATHI LOCAL MUNICIPALITY REPORT ON THE FINANCIAL STATEMENTS

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Basis for qualified opinion

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Qualified Opinion

13. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Amahlathi Municipality as at 30 June 2012 and its financial performance and cash flows for the year then ended, in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the MFMA.

Emphasis of matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

15. As disclosed in note 41 to the financial statements, the corresponding amount relating to VAT, revenue, expenditure and conditional grants have been restated for the purpose of correcting prior year errors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in Amahlathi Local Municipality's annual performance report as set out on pages ... to ... of the annual report.
18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information (FMPP)*.
19. The reliability of the information in respect of the selected programme is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete). The material findings are as follows:

Usefulness of information

Presentation

20. Section 46 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) requires the disclosure of measures taken to improve performance in the annual performance report where planned targets were not achieved. Adequate and reliable corroborating evidence could not be provided for 37% measures taken to improve performance as disclosed in the annual performance report. The municipality's records did not permit the application of

alternative audit procedures. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the validity of the measures taken to improve performance.

Measurability

21. The National Treasury *FMPPI* requires that the time period or deadline for delivery be specified. A total of 76% of the targets relevant to infrastructure and service delivery were not time bound in specifying a time period or deadline for delivery. This is due to the municipality not having a formal policy in place to govern the performance of and reporting on predetermined objectives that ensures that all laws and regulations are met and that targets set are in accordance with legislation.

Reliability of information

22. There were no material findings on Amahlahti Local Municipality's annual performance report concerning the reliability of the information.

Additional matter

23. I draw attention to the following matter below.

Achievement of planned targets

24. Only 62 (57%) of the 145 planned targets were achieved during the year under review. This was mainly due to the fact that the post of the municipal manager remained vacant for the period under review and that the indicators and targets were not suitably developed during the strategic planning process.

Compliance with laws and regulations

25. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *general notice* issued in terms of the PAA are as follows:

Strategic planning and performance management

26. The municipality did not clarify the roles and responsibilities of each role-player in the functioning of the system and did not provide for procedures by which the system is linked to the municipality's integrated development planning processes as required by section 38 (a) of the MSA and Municipal Planning and Performance Management Regulation 7(2) (e).

Annual financial statements, performance and annual report

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors were not adequately corrected, which resulted in the financial statements receiving a qualified opinion.

28. The annual performance report for the year under review does not include a comparison with the previous financial year and measures taken to improve performance for some indicators, as required by section 46 (1)(b) of the MSA.

29. The accounting officer did not make public the council's oversight report on the 2010-11 annual report within seven days of its adoption, as required by section 129(3) of the MFMA.

Procurement and contract management

30. The register of bids received on time and the bid results were not published on the website of the municipality as per supply chain management regulation 23 (c).
31. The prospective providers list for procuring goods and services through quotations was not updated at least quarterly to include new suppliers that qualify for listing, and prospective providers were not invited to apply for such listing at least once a year as per the requirements of SCM regulation 14(1)(a)(ii) and 14(2).

Human resource management and compensation

32. Job descriptions were not established for all posts in which appointments were made in the current year, in contravention of section 66(1)(b) of the MSA.
33. The competencies of the supply chain management official was not assessed promptly in order to identify and address gaps in competency levels as required by the municipal regulations on minimum competency levels (MRMCL) regulation 13.
34. The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies as required by the regulation 14(2)(b) MRMCL.

Expenditure management

35. The accounting officer did not take reasonable steps to prevent irregular expenditure and fruitless and wasteful expenditure, as required by sections 62(1)(d) and 95(d) of the MFMA.
36. Irregular, fruitless and wasteful expenditure was not recovered from the liable person, as required by section 32(2) of the MFMA.

Revenue management

37. A credit control and debt collection policy was not implemented, as required by section 96(b) of the MSA and section 62(1)(f)(iii) of MFMA.

Conditional grants received

38. No evidence was provided that the municipality timeously submitted the project registration forms, for projects it intended implementing in the financial year under review, to the Department of Local Government and Traditional Affairs, as required by the Division of Revenue Grant Framework, *Government Gazette No.34280*.
39. No evidence was provided that the municipality submitted project implementation plans to the national department (CoGTA), as required by the Division of Revenue Grant Framework, *Government Gazette No.34280*.

Asset management

40. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system which accounts for the assets of the municipality as required by section 63(2)(a) of the MFMA.

Internal control

41. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

42. The municipal manager's post remained vacant during the year under review. This resulted in the chief financial officer acting as municipal manager and thus performing dual responsibilities. In addition to this there is an identified shortage of human resources within the municipality, not only in managerial positions, but at all levels and within all departments.
43. As a result key officials perform primarily an operational role, as opposed to a monitoring and oversight role, which is not conducive to achieving future clean administration. This contributed to the material findings in the current year as disclosed under the basis for qualification, predetermined objectives and non-compliance paragraphs.
44. Management did not approve policies and procedures for internal controls relative to strategic planning, quarterly and annual performance reporting. This resulted in the municipality not meeting certain of its planned targets and also not being in a position to provide the information requested to support the corrective measures reported in the annual performance report.

Financial and performance management

45. The municipality did not have an effective record management system in place, resulting in documents supporting amounts disclosed in the financial statements and corrective measures taken to improve performance where targets were not met, to not be readily available.
46. The municipality did not enforce a culture of maintaining key controls as monthly reconciliations were not conducted for major account balances and disclosure items within the accounting records as they were only compiled after year-end. This increases the municipality's reliance on consultants to perform reconciliations at year-end for financial statement purposes, rather than performing these reconciliations on a regular basis.

Governance

47. The governance structures within the municipality were not adequate to reduce the risk of non-compliance with laws and regulations, deviations from internal controls, an inadequate performance management and reporting system and non-adherence to the financial reporting framework.

Internal audit did not adequately discharge its mandate in providing an oversight function at the municipality for the year under review as it was not adequately staffed with the head of internal audit position being vacant since the previous financial year.

As a result, the governance structures have not been empowered to perform their oversight duties properly and the above findings indicate a 'minimum adherence approach' to good governance by leadership and management.

OTHER REPORTS

Investigations

48. An investigation was undertaken into the alleged fraudulent activities of financial misconduct by an employee. The individual was suspended with immediate effect pending further investigations. The investigation was still ongoing at the reporting date.

Auditor General

East London
30 November 2012



AUDITOR GENERAL
SOUTH AFRICA

Auditing to build public confidence

D. OTHER FINANCIAL INFORMATION

1. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

- The Municipality is responsible for the preparation and presentation of annual financial statements that are relevant and reliable, the integrity of the information contained therein, the maintenance of effective control measures, the compliance with relevant laws and regulations and the related financial information contained in this annual report. Accurate accounting records have been maintained by the municipality.
- The annual financial statements for the 2011/12 financial year presented in this report have been prepared in accordance with standards of Generally Recognised Accounting Practice (GRAP). The annual financial Statements have been prepared based on the accounting policies that the municipality deems to be appropriate for the activities of the municipality. The municipality is satisfied that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year.
- The external auditors have been engaged to express an independent opinion on the annual financial statements. Their audit report and the annual financial statements are presented in this report.

2. OPERATING RESULTS

- The statement of financial performance reflects income of R157 310 692 and expenditure of R122 311 448. This has resulted in an operating surplus of R36 254 509 for the year ended 30 June 2012 after taking into consideration fair value adjustments of R1 255 265.

3. GRANTS AND SUBSIDIES

- Expenditure on intergovernmental allocations received amounted to R107 979 287 as detailed in note 24 of the annual financial statements. All allocations received have been spent in accordance with the division of revenue act and the conditions attached to the allocation.

4. LONG – TERM LOANS

- The municipality had loans amounting to R679 447 at 30 June 2012.

5. PROPERTY RATES AND SERVICE CHARGES ARREARS

- The total of rates and consumer debtors amounted to R46 986 344. The municipality has created a provision for bad debts of R45 581 242.

CHAPTER 5: Functional Area Service Delivery Reporting

The financial year for 2011/2012 had its normal challenges. The limited funds machinery and staff have made it difficult at times to deliver the services expected of us from the public, but even with all the constraints that we had, the annual targets set out in the SDBIP and performance scorecard, have been met.

1. TRANSPORT SYSTEM

Transport stakeholder meetings took place every 3 months; we were able to meet our target of 4 meetings for the year.

2. ROADS AND STORM-WATER

A blading program took place and blading of roads in the wards were done. In total a proposed target of 240km was set, but due to less breakages and an additional grader we managed to exceed the target and bladed 471.75km.

Potholes (tar roads) were repaired. This is an on-going program. We had a proposed target of 600. This target was exceeded and 3942 potholes were filled. This was mainly due to motivation of staff. Better supervision through a permanent supervisor, checking and supervising the work.

All storm-water gutters and manholes were cleaned. This is on-going and two teams are used to clean out storm-water.

3. MUNICIPAL BUILDINGS

There is continuous maintenance being done on the Municipal Building, some repair work is minor and other more major. This maintenance is done by making use of small contractors, living in the Amahlathi area. The areas covered all wards in Amahlathi.

4. ELECTRICITY

The department is very small. It has been working under-staffed for a long time. There is a shortage of skilled workers in this field. The electricity section is battling to get through all the maintenance work that has to be done. The one electrician in the department has a serious medical problem and had to be removed from all electrical work (OHS Act). This matter is still not resolved after a year and is with the HR department.

Meter replacements have been done, where faulty meters are replaced so that losses can be cut to the minimum. Losses have come down to 13%. Defaulters are being disconnected on a monthly basis. There are only a few, ±100 conventional meters left in

Amahlathi, which results in only a few disconnections for the year. Consumers having disconnections are being changed to prepaid meters.

Tampering (vandalisation) of electrical meters is being dealt with and taken very seriously. The Electrical Department have replaced all seals on meters with a new tamper proof seal, which will make a huge improvement.

Streetlights are checked on a regular basis. Where streetlights are reported not working, they are being repaired within 7 days.

The new electricity connections in the rural areas are done by Eskom. Connections are done in various wards in Keiskammahoek and in Tsomo area.

Free basic electricity is carried out with the help of Eskom. The implementation of free basic electricity is a high priority of the municipality and each financial year more money (funding) is made available by the municipality.

The Electrical Department of the municipality has a signed agreement with Eskom (SLA) in place. This is done every 3 years.

The D.M.E. has appointed a service provider that is responsible for the REDS implementation program. Amahlathi has given the go a-head for the section 78 Assessment to be done by the service provider.

The development of a master plan for electricity is being done currently by electrical engineering consultants, in conjunction with Eskom.

5. PROJECT MANAGEMENT UNIT (PMU)

The Amahlathi Municipality has a PMU Unit in place, falling under the Engineering Department. This unit is also subsidised by the Municipality as the 5% allocation from MIG is not enough to fund the unit.

The MIG funds for 2011/2012 from National Government was R22 826 790.00 for the Municipal Financial Year, of this 5% funded the PMU Unit.

| | | | |
|---------------------|---|-----------------------|-----------------------------|
| PMU 5% | - | R 1 086 990.00 | |
| Project amount | - | R 21 739 800.00 | -100% expenditure, less VAT |
| <u>TOTAL</u> | - | R22 826 790.00 | |

100% of the MIG funds were spent at 30 June 2012.

6. **CAPITAL PROJECTS**

All Capital Funded Projects in the Engineering Department were undertaken as follows:

a) **PARKS & GARDENS**

Purchased tools to the value of R10 000.00

b) **PUBLIC WORKS**

- Resurfacing Tar Roads (Stutterheim CBD area, ward 17), to the value of R1 000 000.00 excluding VAT.
- Grader to be used on roads to the value of R2 100 000.00
- Bakkie for the Building Control Officer to the value of R200 000.00
- Low-bed truck to the value of R1 500 000.00

c) **ELECTRICITY**

| | |
|--|--------------|
| ▪ High Voltage Switch Gear | R 181 300.00 |
| ▪ H/V Line Replacement | R 242 000.00 |
| ▪ LT Infra Lines | R 242 000.00 |
| ▪ 11 KV CT/VT metering system C/Cart | R 220 000.00 |
| ▪ 4x4 Vehicle | R 300 000.00 |
| ▪ Refurbish Stutt mains income sub & Feec cables R | R1800 000.00 |
| ▪ Fall arrest equipment | R 20 000.00 |
| ▪ 11 KV Auto Recloser | R 100 000.00 |
| ▪ Equipment | R 16 000.00 |

d) **ELECTRICITY: STREET LIGHTS**

| | |
|----------------------------------|-------------|
| ▪ Equipment and tools | R 16 000.00 |
| ▪ Replacement of Ladder platform | R 77 600.00 |

e) **EPWP PROGRAM**

The Engineering Department has a program in place which is registered with the EPWP process. The target was to employ 480 people. We exceeded this target and employed 617 people. This is new in Amahlathi and it is working very well at the moment.