

ANNUAL REPORT

2011-12

OFFICE OF THE MUNICIPAL MANAGER

2011

CHAPTER ONE: Introduction and Overview

A. MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

Our VISION

Council during its term of office has articulated its development trajectory in the following vision.

"A well governed place of opportunities characterised by integrated-employment -creating economy and sustainable functional urban and rural centres for better livelihoods"

Mission Statement

- a) *Nyandeni Local Municipality shall strive for an accountable and transparent governance system that fosters a culture of service and partnership with all our stakeholders and citizenry*
- b) *The Municipal shall provide sustainable quality service delivery and infrastructure.*
- c) *The municipality commits to implement socio – economic development interventions that prioritised rural development whilst ensuring functional urban spaces and infrastructure that supports viable businesses and sustainable human settlements*
- d) *Amongst its priorities, the municipality will strive to foster a strong IGR system to implement rural development and seamless service delivery.*
- e) *Through partnership with traditional council, the council shall ensure proper land use planning and management.*



f) The Nyandeni Local Municipality shall strive for financial viability through increased revenue generation, resource mobilisation strategies as well as sound financial management practices.

Key policy development

The new vision is informed by the manifesto of the ruling party which has identified five priority areas in the next five years and has been aligned with the National Development Plan adopted by Government as its long term plan for the next 30 years as well as the new growth path.

Key Service Delivery Improvements

In the year under review the municipality has made a significant progress in the following strategic areas

- Audit opinion improvement from disclaimer to qualification with few matters of emphasis
- Preparation and approval of budget and IDP for 2011/12 and 2012/13 on time
- The IDP was assessed in found to be credible in all Key Performance Areas
- Improvement on the assessment of Annual report
- 100% expenditure in Municipal Infrastructure Grant (MIG)
- Construction and maintenance of 161 kilometres of access roads
- Compilation and submission of financial statements to the Auditor General and National on time
- 100% filling of vacant posts in senior management and key strategic position
- Adoption of Spatial Development Plan
- Development of five Human Resources Policies
- Training and development of staff, councillors and unemployed

Public Participation

Council has used the following methods of public participation to enhance public participation

- Establishment and structural arrangement of Ward Committees
- Functional Community Development Workers
- Mayoral Imbizo's and IDP and Budget Public Hearings in all wards
- IGR Forum and use of Clusters

Agreements and Partnership

In the year under review the following partnership were concluded

- Partnership with ECATU of building of Early Childhood Development Centres in Nyandeni LM
- Partnership with University of Fort Hare on research and development of agricultural sector plan

It is noteworthy to mention that as a Municipality we had regressed in terms Audit matters in the previous financial year (2010/11), but in 2011/12 have improved to qualified. It remains a commitment of the leadership of the Municipality to see that in 2012/13 we improve to unqualified so that we are able to move towards the target of clean audit by 2014. Through my leadership as the Mayor, I will ensure enhanced oversight over the administration to ensure that performance against measurable objectives is achieved.

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Councillor T. Sokanyile

Mayor



B MUNICIPAL MANAGER'S OVERVIEW

Section 121 of the Municipal Finance Management Act prescribes that every municipality must for each financial year prepare an annual report. Section.121 (3) states that the annual report of a Municipality must include:

- a. the annual financial statements of the municipality;
- b. the Auditor-General's audit report in terms of section. 126 (3);
- c. the annual performance report of the municipality prepared in terms of section. 46 of the Municipal Systems' Act;
- d. the Auditor-General's audit report in terms of section 45 (b) of the Municipal Systems Act.
- e. an assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;

- f. an assessment by the municipality's accounting officer of the municipalities performance against the measurable performance objectives;
- g. particulars of any corrective action taken or to be taken in response to the issues raised in the Auditors' report;
- h. any explanation that may be necessary to clarify issues in connection with the financial statements;
- i. any information as determined by the municipality;
- j. any recommendation of the municipality's Audit Committee;
- k. any other information as may be prescribed.

I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 63 that outlines Annual Report Guidelines. It must be noted, however, that as the municipality we will be complying partly with the requirements of the Circular No. 63 until the necessary capacity within is enhanced in order to comply with the deadline of 2013/14 financial year.

In fulfilling the *animus contrahendi* entered into with Council; inter alia, in pursuing our goal of achieving clean audit by 2014, the management team that I am privileged to lead is satisfied with the progress we have made so far. The audit outcome which is a movement from disclaimer to qualification is testimony that indeed steadily the dark clouds of despair are lifting, giving way to the season of hope. It is hope that has been professed by a composer and song writer Tiyo Soga "Lizalise Idinga Lakho. However, greater work towards achieving clean audit for 2014 needs investment in major systems as well as change management in how we conduct daily business.

The IDP which is a contract between Council and the Community expressed the following key programmes for the year under review

- a) Enhancing Public Participation
- b) Community Works Programme
- c) Implementation of basic services to communities
- d) Development of spatial development framework
- e) Performance Management and Reporting
- f) Development and approval of Human Resource and Financial Policies.
- g) Enhance public participation programme
- h) Intergovernmental Relations

In 2012/2013 financial year, the following areas will receive priority

- a) Development of five year IDP
- b) Accelerating access to basic services
- c) Reviewal of financial and organisational policies
- d) Address issues emanating from the Auditor-General's report for 2011/2012 financial year.
- e) Election and training of ward committees
- f) Improving access to basic service delivery
- g) Financial Management and Internal Controls
- h) Public safety and law enforcement
- i) Improving reporting, monitoring and evaluation

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MUNICIPAL MANAGER
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CHAPTER 2: GOOD GOVERNANCE

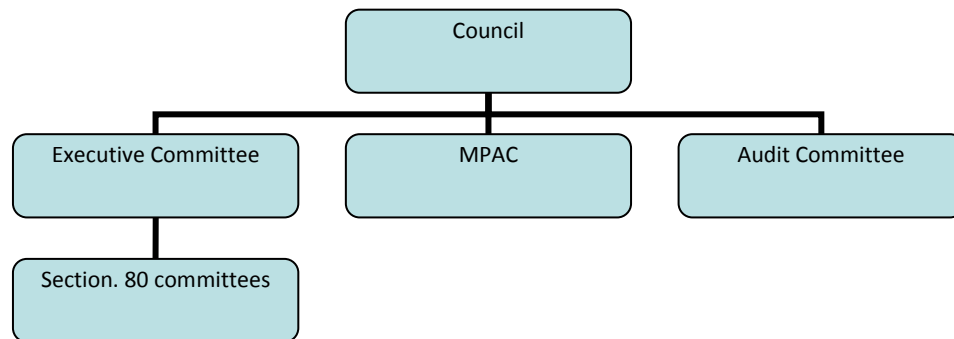
Good governance is responsible for the following functional areas:

- Municipal Planning and policy development
- Internal auditing
- Legal Services
- Fraud prevention and risk management
- Institutional performance management
- Public participation
- Governance and council support
- Special Programmes
- Developmental communication
- Intergovernmental Relations

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

POLITICAL GOVERNANCE

Introduction



Nyandeni Local Council is constituted in terms of section 12 read with section 18 of the Local Government: Municipal Structures Act No. 117 of 1998 and consists of 61 Councillors. 31 are ward Councillors and 30 are Proportional Representation Councillors. Of 61 Councillors, 21 are females. Government gazette no. 26463 has confirmed 12 traditional leaders participating in the municipality.

Governance Structures

Structure	Function
Council	Pass policies, budget and tariffs
Executive Committee	<ul style="list-style-type: none"> To identify the needs of the community Review and evaluate those needs in order of priority Recommend to the municipal council strategies, programmes and services to address priority needs Recommend or determine best methods, including

	partnership and other approaches to deliver those strategies, programmes and services
Standing Committees	<ul style="list-style-type: none"> • Defined in terms of section. 80 of the Structures Act as Committees to assist Executive Committee or Executive Mayor
Municipal Public Accounts Committee	<ul style="list-style-type: none"> • Appointed in terms of section. 79 of the Municipal Structures Act: section.79 (1) A Council may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers. • To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on annual report • To examine the financial statements and audit report of the municipality • To promote good governance, transparency and accountability on the use of municipal resources • To perform any other functions assigned to it through a resolution of council within its area of responsibility

Political Parties and traditional leaders represented in Council

Party	Total Seats	Ward Seats	PR Seats
African National Congress	53	31	30
UDM	4	-	4
COPE	2	-	2
DA	2		2
Traditional leaders	12	-	-
Total	73	31	30

In the year under review the following structures were established in terms of section 80 and 79 of the Local Government: Municipal Structures Act

Structure	Delegated Function
Corporate Services Standing Committee	<ul style="list-style-type: none"> • Human Resource Development • Administration • Health and Wellness • Maintenance of municipal buildings
Budget and Treasury Standing Committee	<ul style="list-style-type: none"> • Income and Expenditure • Supply Chain Management • Assets and Fleet Management • Financial viability and Management
Human Settlement , Spatial development and Disaster management	<ul style="list-style-type: none"> • Spatial Planning • Land Use Management • Human Settlement • Fire Fighting • Natural Disasters • Provision of Responsive Material
Infrastructure development Services	<ul style="list-style-type: none"> • Construction of access roads

	<ul style="list-style-type: none"> • Maintenance of access roads • Electricity
Local economy and Rural development	<ul style="list-style-type: none"> • LED and Tourism • SMME and Cooperative • Agriculture and forestry
Special programmes , Sports, Arts and Culture	<ul style="list-style-type: none"> • Special Programmes • Sports and Recreation • Adult programmes • Youth programmes • Children's programmes • Women programmes • Sports • Arts and Culture
Community Services	<ul style="list-style-type: none"> • Waste management • Social programmes (SASSA, DOSD, DOH, any government Department charged with basic services delivery) • HIV/AIDS • Free Basic Services • Public Amenities (libraries, cemeteries, pounds) • Early childhood Development

Other Committees

In accordance with the systems and procedures to ensure

- i. MPAC(Municipal Public Account Committee)
- ii. Ethics and Members Interest -
- iii. Labour Forum
- iv. Audit Committee
- v. Public participation and petitions Committee

ADMINISTRATIVE STRUCTURE

The administration is headed by the Municipal Manager who is assisted by the heads of department constituted as follows:

- Directorate: Office of the Municipal Manager: **Mrs N. Nomandela (Acting)**
- Directorate: Community Services: **Mr J. Sikhuni (Acting)**
- Directorate: Budget and Treasury Office **(Mr. B. K. Benxa)**
- Directorate: Infrastructure Department **(Mr Q. Madikida)**
- Directorate: Corporate Services Department **(Mr S. V. Poswa)**
- Directorate: Planning and Development Department **(Mr N. G. Cekwana)**

Four posts were filled and Senior Manager : Community Services has been vacant since April 2012. The Municipal Managers' post was on acting position from April 2012 to 31st August 2012; appointment was effected on 03rd September 2012.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL RELATIONS

The Municipality has a functional Intergovernmental Relations Forum with three clusters, namely, Economic and Infrastructure Cluster, Social Cluster and Governance Cluster.

In the year under review the municipality in collaboration with the Department of Local Government and Traditional Affairs hosted a successful IGR Forum attended by provincial departments and State Owned Enterprises.

The municipality is also participating in the Eastern Cape Provincial Political and Technical MUNIMEC. This platform in our view is a relevant space to engage and unlock challenges facing municipalities in the province. As part of cooperative governance Nyandeni LM is participating in the District IGR Forum. To this far, we have participated in all District IGR Forum

Support by the Provincial Government

The department of Local Government and Traditional Affairs (DLGTA) and PT has supported the municipality in the following areas

- The department has seconded officials to support the municipality to implement operation clean audit
- Provincial Treasury has placed one official in the Budget and Treasury Office for a period of one year to enhance capacity in financial management and internal controls

Support by the district municipality

The district municipality has supported the municipality in the following areas

- Support in Legal Services
- Support in internal auditing

Summary of achievements

Performance Indicator	Annual target	Actual Performance
Improved understanding of the IGR systems among role players and how to use IGR as strategic tool of facilitating service delivery	Improved understanding of the IGR systems among role players and how to use IGR as strategic tool of facilitating service delivery	<p>Three Clusters are functional</p> <p>A joint cluster meeting for infrastructure & Economic Growth and Good Governance was held on the 16 February 2012, a follow up meeting was convened on 16 March to consider Draft ToR</p> <p>Social Cluster has convened 10 meetings wherein issues relating to health, education, social grants and waste management were discussed. It is hoped that other clusters will emulate the spirit and commitment of this cluster in shaping the agenda of the IGR</p>
	Support by district municipality	<p>The district has supported the municipality in the following areas.</p> <ul style="list-style-type: none"> • Support in Legal Services • Support in internal auditing

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIAPTION

Public participation and consultation

All wards have functional ward committees chaired by ward councillors. Ward Committees seat once in a month to discuss ward based service delivery issues. In the year under review this committees have played a pivotal role in IDP process including identification of projects.

The template for ward committee reporting has been developed. Similarly, the monitoring tool for seating and issues raised by ward committees is developed. Ward Committees have participated in the IDP and Budget Processes. In this regard, priorities has been incorporated

Mayoral Outreach Programme

Mayoral outreaches were convened during the month of November 2011 where a service delivery feedback was presented. Similarly, communities were given the opportunity to reflect on priority areas which has informed the reviewed IDP. It is worth noting that the outreach covered 31 wards.

IDP AND Budget Public hearings

IDP and Budget Public hearings started on the 16 April 2012 to 20 April 2012 covering all wards. During the approval of the budget the mayor

Ward Committee's establishment and functionality

The municipality has 31 wards with 310 Ward Committee Members functional and participates actively in the Integrated Development Planning Processes. Ward Committees were inducted and trained on ward governance. Ward Councillors Forum has been established as a network to share information, resolve common challenges, serves as performance monitoring and report back platform. OR Tambo and provincial department of Local Government working together with ward committees; CDW's and community members conducted the ward base planning.

Since 2007 the council is making the following contribution towards supporting and improving performance of ward committees.

- a) Allocated cell phones to all ward committees members
- b) R850.00 stipend paid monthly to 31 Ward Administrators
- c) R780.00 stipend paid monthly to 310 ward committee members
- d) The municipality is further responsible for ward committees transport cost
- e) Provision of R220,00 airtime and hundred SMA's for each ward committee member monthly

Community Development workers performance monitoring

The municipality has 26 CDW's co-ordinated by CDW Co-ordinator we still have 5 vacancies for CDW's. Monthly reports are submitted to the CDW Co-ordinator, who then compile a consolidated monthly report for submission to the municipality and the Department of Local Government and Traditional Affairs (DLGTA).

Reported cases are registered in the case register are then referred to the relevant department. When a case has been resolved and concluded, a complainant is being informed about the resolution of that specific case. The memorandum of understanding between the Municipality and Department of Local Government has been signed by the office of Speaker.

Summary of achievements

Key performance Indicator	Annual Target	Actual targets achieved
Number of door to door visits conducted.	Visit 26 wards	12 wards done door to door visits and campaign for household profiling 700 households visited during the campaign,(ward 05 & 06)intervention on War on poverty programme and in other wards it was for the identification of poor and those who have no documents to access services.
Number of referrals made.	Refer complaints to various government departments	Approximately 48 complaints were received and 11% positively resolved.
67 th minutes campaign	To be practised in all wards by different activities which form part of poverty alleviation?	The Municipality observed the 67 minutes by supporting Dwakasa family at Marhewini ward 30. The Business people supported the family by building four roomed house and furniture and the Municipality assisted by fencing of the home.
Number of poverty alleviation projects facilitated.	5 poverty alleviation projects per ward as the wards are too vast.	60 casually workers were employed for a period of four Months (Taken from all wards)
Number of community meetings attended.	Arrange at 4 quarterly report session	All wards held quarterly community meetings.
Number of public participation session facilitated.	All 31 wards	.
Number of local supporting	Establishment of ward	Local youth council established at municipal level, and all ward forums

structure established or facilitated.	forums, youth and forums and sport councils in every ward.	facilitated. Sport Council
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Focus area	Annual Target	Actual Performance
Improve public participation in the municipal affairs	Prepare and adopt public participation plan	Public Participation Plan developed and approved by Council
Customer Care	Institutionalize management of customer care including presidential hotline	Public liaison Officer designated to handle complaints from the Presidential Hotline complaints in pursuit of Batho Pele Principles.
	Capacity building for officials responsible for customer care	Two officials trained on customer care management
Training of Ward Committees	Training of ward committees	160 Ward Committees have been trained on Ward Governance.
	Conduct feedback session	Open Council Meeting held at Nqgeleni, Ward 21 on the 4 th August 2010, ward committees and general public attended the Open Council Meeting
		Meeting on delimitation of wards was held on the 10 th September 2010 wherein a final report was presented to all stakeholders
Mayoral outreach programme		IDP and Budget Public hearing started on the 16 April 2012 to 20 April 2012 covering all wards. The Mayor also met with all ward Councillors to consult on proposed infrastructure projects.

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT (INTERNAL AUDIT RISK BASED AUDITS)

Risk management is performed by the internal audit unit. The following is progress achieved:

Performance Area	Annual Targets	Actual Performance
Strategic objective: To provide a n innovative, responsive and effective value – added internal audit service by assisting management in controlling risks, monitoring compliance, improving the efficiency and effectiveness of internal control systems and governance processes		
.	Municipal Wide risk assessment profile	Facilitate risk management workshop. Municipal wide risk assessment was conducted on 26-27 June 2012 on the following departments: <ul style="list-style-type: none"> • Corporate Services • Budget and Treasury • Planning and Development • Community Services • Office of the Mayor • Office of the Speaker • Office of the Municipal Manager Technical Services
	Approved Risk Management Policy	Risk management policy has not been developed.
	Approved Internal Audit Charter and Audit committee charter	Internal Audit Charter and Audit Committee Charter were approved on 25 th June 2012

	Approved Risk based internal Audit plan 2011/2012	The plan was presented to the Audit committee on the fourth quarter and was approved by the Audit committee.
	Internal Audit report : Governance Process	Governance Internal audit has not been conducted.
	Internal Audit Report: Leave Management	Leave management audit has not been performed.
	Appointment of audit committee	Audit committee has been appointed on the last quarter
Supply chain management	Conduct SCM Audit	SMC audit completed
Internal Audit report: Asset management	Conduct Asset Management Internal Audit	Asset management audit completed.
Internal Audit report: Employee Training and Continuous Development	Conduct Employee Training and Continuous Development Internal Audit	Completed
Internal Audit report: Overtime payments	Conduct overtime payments processes Internal Audit.	The draft audit report has been completed
Internal Audit report: Employee Wellness Programme	Audit of Employee Wellness Programme	The assignment was not started
Governance Process Internal Audit	Conduct Governance Internal	Draft audit report has been completed and it will be channelled

Report	Audit	to relevant departments
Follow up reviews: <ul style="list-style-type: none"> • Internal Audit Reports • AG's report issues 	Conduct follow up reviews <ul style="list-style-type: none"> • Internal Audit reports • AG's report issues 	Management has been requested to indicate the implementation status of the management action plan with regard AG's issues rose during the 2009/10.
Audit of Performance Information Report	Conduct Audit of Performance Information	Completed

ANTI-CORRUPTION AND FRAUD

In the year, the Anti-Fraud and Corruption Strategy was in place but not adopted by Council.

SUPPLY CHAIN MANAGEMENT

In the year, the Supply Chain Management Policy was in place but was last reviewed in 2009. The Supply Chain Management Unit in the year under review had capacity challenges which were compounded more by the dismissal of the SCM Manager. In mitigating the capacity issues, two SCM Practitioners have been employed and post of the Manager has been filled.

Long term contracts entered into by the municipality

The municipality does not have long –term contracts.

To enhance service delivery the following were projects awarded in the year 2011/12:

Contracted services

JULY 2011 TO JUNE 2012				
Short term insurance	R 269 076.00		21 02 11	Indwe Risk Management
mdumazulu access rd	R 593 415.64		14 07 11	igags building and civil contractors
Developing network infrastructure	R 334 193.37		09 06 11	State information technology agency
Wool pressers	R283 00.00		14 07 11	Charnwood &Steel
Nqgeleni street surface	R 3 646 672.40		14 09 11	BHS construction jv Thabile trading 125
Develop a tomato hydroponics	R 962 959.14		08 08 11	Happyveg trading
Performance audit services	R 235 500.00		08 08 11	Nomlala accountants
LSDF	R 712 606.00		08 11 11	Capstain
Phalo-Sizani (Consultants)	R 485 586.83		08 11 11	Usiba LweAfrika
Nqgeleni St Surface	R 3 646 672.46		14 09 11	BHS jv Thabile
Qhokama Access Road	R 4 245 230.02		21 11 11	Bronks Construction
Mafusini Access Road	R 3 202 505.00		21 11 11	Maqhawe Construction
Jojozi Access Road	R 3 427 288.48		21 11 11	LG Construction jv Tembalethu
Lwandile Access Road	R 3 202 505.00		21 11 11	ADD XjvTembalethu
Grap Compliant Fixed Asset Register	R 668 100.00		21 11 11	Nomlala accountants
Mdeni Access Road	R 2 739 777.95		21 11 11	Present Value Trading
Ziphunzana Access Road	R 2 682 979.84		08 02 12	Faku Civils jv Stoff Trading
Mgojweni Access Road	R 623 607.93		08 02 12	Abantsundu jv Pum and Sobs
Supply and Delivery of Paving Blocks	R 910 860.00		08 02 12	Tembalethu Construction
Zandukwana Access Road	R 523 243.41		08 02 12	Balintulo jv RBV Trading
Mseleni to Ludeke Access Road	R 390 000.00		08 02 12	Gibb Enginneers
Stormwater Master Plan	R 472 169.76		14 03 12	Imbawula Civils
Mdlankomo Dairy Farm	R 525 027.00		14 03 12	Farm Vision

Ntsonyini to Jonguxolo Access road	R 500 941.65		14 03 12	Bantuno Trading
Supply and Delivery of Aircons	R 463 535.00		04 05 12	Vivela Trading
Supply and Delivery of 100 computes	R 763 076.84		04 05 12	Intercomputers
Supply and delivery of Carports	R 272 916.00		04 05 12	Masakhane project managers
Palo to Sizani Access Road	R 3 360 887.00		14 06 12	AML Trading
Dininkosi Access Road	R487 091 .04		25 06 12	Ulutho Ideas jv Ulwazi Qiqa
Jange Access Road	R 426 787.49		25 06 12	Ngazibini Trading jv Intellec
Buntingville Access Road	R 927 507.37		25 06 12	Ntuthuko Civils
Ngqeleni Pilot Houses	R 558 071.61		25 06 12	Abaphumeleli Trading
Tyarha Access Road	R 595 441.85		27 06 12	Mtembu Construction jvMRQ Contractors
Goli Access Road	R 593 826.68		27 06 12	KKW Trading jv Mawanca Construction
Supply and Delivery of Parrafin				
Cluster 1	R 1 026 000.00		29 06 12	Yilk Trading Enterprise
Cluster 2	R 1 522 800.00		29 06 12	Zithathele TradingEnteprize
Cluster 3	R 1 294 944.00		29 06 12	Ntanzi Trading Enterprise

Fleet Management Register: 2011/2012 Financial Year

The List include The Yellow Fleet (plant & equipment)

Year	Registration	Type	Model	Colour	Allocation	Status
1999	CSD 483 EC	Tractor	Massey Ferguson M290	Red	Waste Management	Excellent condition
1999	CXK 195 EC	Tractor	Massey Ferguson M290	Red	Waste Management	Excellent condition
2000	CXK 193 EC	Trailer	Kei Bodies	Red	Waste Management	not in good condition
2001	CSD 484 EC	Trailer	Kei Bodies	Red	Waste Management	not in good condition
2002	DBL 345 EC	Tractor	Landini	Blue	LED	Excellent condition
2003	CZW 831 EC	Bakkie	Mitsubishi Colt 2000	White	Corporate Services	Excellent condition
2003	DBN 769 EC	Truck	Isuzu NPR400	White	Waste Management	Excellent condition
2005	DJC 725 EC	trailer	Steel craft	Yellow	Roads & Stormwater	Excellent condition
2005	DHK 678 EC	Truck	Mitsubishi Canter	White	Waste Management	Excellent condition
2005	DMD 411 EC	Truck Tractor	Toyota Hino 700	White	Roads & Stormwater	Excellent condition
2005	DMD 463 EC	Semi-trailer	Low Bed 40 ton	White	Roads & Stormwater	Excellent condition
2006	DNG 494 EC	Truck	Mitsubishi Fuso	White	Roads & Stormwater	Excellent condition
2007	DTL 305 EC	Bakkie	Toyota Hilux 2.5	White	Law Enforcement	Excellent condition
2007	DPM 364 EC	Tractor	Landini 8860	Blue	LED	Excellent condition
2007	DPM 292 EC	Tractor	Landini 8860	Blue	LED	Excellent condition
2007	DWC 285 EC	Tractor	Landini Powerfarm	Blue	LED	Excellent condition
2007	DPM 368 EC	Tractor	Kei Bodies	Red	LED	Excellent condition
2007	DVP 583 EC	Bakkie	Toyota Hilux 3.0 D/C	White	Planning & Dev.	Excellent condition

2007	DPM 305 EC	Tractor	Landini Powerfarm	Blue	LED	Excellent condition
2007	DWC 277 EC	Trailer	Agritec 3 ton	Red	LED	Excellent condition
2009	FGB O40 EC	Hatchback	Nissan Tida 1.6	White	Traffic section	Excellent condition
2009	FGC 676 EC	Bakkie	Nissan Hardbody 2.5	White	LED	write off
2009	FFZ 207 EC	Hatchback	Nissan Livina 1.6	White	Council	Excellent condition
2009	FFZ 221 EC	Bakkie	Nissan Hardbody 2.5	White	Roads & Stormwater	Excellent condition
2009	FFX 963 EC	Hatchback	Nissan Livina 1.6	White	Council	Excellent condition
2009	FGS 345 EC	Trailer/Tanker	Sedibeng 1000ℓ (diesel)	Grey	Roads & Stormwater	Excellent condition
2010	FHK 790 EC	Land Cruiser	Toyota Prado 4.0 VX	Dark Steel	Mayor's Office	Excellent condition
2010	FMV 884 EC	Bakkie	Isuzu KB 72	White	Roads & Stormwater	Excellent condition
2010	FMV 877 EC	Bakkie	Isuzu KB 72	White	Community Services	Excellent condition
2011	FNG 994 EC	Hatchback	Nissan Livina 1.8	White	Corporate Services	Excellent condition
2011	FPH 748 EC	Truck	Isuzu 1400 FVZ	white	Roads & Stormwater	Excellent condition
2011	FNX 353 EC	Tanker	Isuzu 1400 FVZ	White	Roads & Stormwater	Excellent condition
2011	FNP 163 EC	Sedan	Chev Aveo LS 1.6	White	Traffic section	Excellent condition
2011	FNP 163 EC	Sedan	Chev Aveo LS 1.6	White	Traffic section	Excellent condition

Municipal Plant, equipment and machinery: (all documents, controls and management or supervision is at Technical Department)

Year	Registration	Type	Model	Colour	Allocation	Status
2005	non-registered	Roller (smooth)	Bell, Boxer single Drum	Yellow	Roads & Stormwater	Good running order
2005	DHB 934 EC	Tow Tractor	Bell, Artic Hauler 2306D 4x4	Yellow	Roads & Stormwater	Good running order
2005	DHB 926 EC	Dump Truck	Bell, ADT B20D 6x4	Yellow	Roads & Stormwater	Good running order
2005	DHB 929 EC	Motor-grader	Bell, 670CH	Yellow	Roads & Stormwater	Good running order
2005	DHB 930 EC	TLB	Bell, 315SG 4x4	Yellow	Roads & Stormwater	Good running order
2005	non-registered	Roller (Grid)	Bell, Tecon T15	Yellow	Roads & Stormwater	Excellent condition

2005	non-registered	Excavator	Kato HD820 EIII-20 Ton	Yellow	Roads & Stormwater	Excellent condition
2006	DKY 745 EC	Dump Truck	Dezzi 6x6 ADT	Yellow	Roads & Stormwater	Good running order
2010	FLS 820 EC	Motor-grader	Bell, 670G	Yellow	Roads & Stormwater	Good running order

Motor vehicle Accidents and Claims Paid

Reg No	Driver	Insurance Portion	Excess/Full Payment	Sub Total
FFZ 207 EC	J. Mva	R6 644.54	500.00 R2	R9 144.54
FKH 790 EC	Z. Ngomthi	R111 483.95	574.00 R5	R117 057.95
FGB 040 EC	M. Budaza	R30 747.25	500.00 R2	R33 247.25
FGZ 451 EC	J. Mva	not paid	paid in full (R20 757.93)	R20 757.93
FGC 676 EC	L. Damane	write off	write off	0
DVP 583 EC	M. Lucwaba	R64 340.51	500.00 R2	R66 840.51
				R247 438.18

Third Party

Please kindly note that there is a decline on the municipal motor vehicles accidents in 2011/2012 financial Year

BY-LAWS

In the year under review, there were 6 gazetted By-Laws:

- a. Bylaw relating to nuisances
- b. Credit Management Bylaw
- c. Bylaw relating to the removal of refuse
- d. Cemetery by law
- e. Pound by law
- f. Public Road and miscellaneous bylaw

WEBSITE

In the year 2011/12, the website was upgraded though at a slow pace; and some of the following documents were uploaded:

- a. IDP 2012/2016,
- b. Service Budget and Implementation Plan 2012/13,
- c. Midyear Year Performance Assessment Reports 2011/12,
- d. Nyandeni Spatial Development Framework
- e. Audit Report 2011/12
- f. Original Budget 2012/13

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

There was no survey conducted on Public satisfaction, however, the number of complaints registered through the Presidential Hotline and a complaints register are in place. Public liaison Officer designated to handle complaints from the Presidential Hotline complaints in pursuit of Batho Pele Principles.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE REPORT PART1

COMPONENT A: BASIC SERVICES

WATER AND SANITATION

The District Municipality is both Water Services Authority and Water Services Provider. The following information has been received from OR Tambo District Municipality.

SANITATION PROJECTS

PROJECT LOCATION	PROJECT NAME	PROJECT SCOPE	BUDGET	NAME OF CONTRACTOR	WARD COVERED	VILLAGES TO BE CONSTRUCTED	% COMPLETE
Nyandeni	Ward 3 Sanitation	Construction of 1 640 VIP Units	R9 398 587.50	Colgate Construction	Part 13	Buntingville, Ntsaka, Mandlovini and Dumasi	75%
Nyandeni	Ward 6 A Sanitation	Construction of 2 920 VIP Units	R17 782 882.80	Xesibe Construction	6, Partly 2 & 27	Mngazi, Ngojini, Cibeni, Mevana, Nkanga & Lukhuni.	68%
Nyandeni	Ward 6 B Sanitation	Construction of 2 920 VIP Units	R18 616 314.00	Axton Matrix JV Mfengu	6 & 27	Mgwenyane, Ntsonyini, Kulambeni, Maqanyeni, Nkonkoni, Ntshela & Dikela.	66%
Nyandeni	Ward 10 Sanitation	Construction of 1 000 VIP Units	R6 216 990.00	Gcinasonke	10 & 11	Zikhoveni, Ntilini and Sofaya Villages	90%
Nyandeni	Ward 9 A Sanitation	Construction of 2 350 VIP Units	R15 159 430.44	Zamisanani Projects	9	MCHUBAKAZI, MABHELENI, ZITHATHELE, VEZAMANDLA	36%

Nyandeni	Ward 9 B Sanitation	Construction of 2 350 VIP Units	R15 243 339.00	Lungalabantu Construction	9 & 18	NORWOOD, NGXANGA, DIPHINI,	41%
Nyandeni	Ward 24 A Sanitation	Construction of 2 200 VIP Units	R14 196 648.00	Anix Trading 129 cc	24	Malungeni, Mbange, Godini A/A, Ncedani and Buthongweni	44%
Nyandeni	Ward 24 B Sanitation	Construction of 2 200 VIP Units	R14 947 680.00	Inyani Civils	24	Buthongweni, Zaka and Mahlakotshane	54%
Nyandeni	Ward 26 A Sanitation	Construction of 1 635 VIP Units	R10 537 305.00	Inyameko Trading	26	Ntsimbini A/A and Gazini	64%
Nyandeni	Ward 26 B Sanitation	Construction of 1 635 VIP Units	R10 303 890.00	Sakhekhaya Contracting	26	Gazini and Mankosi A/A	56%
Nyandeni	Ward 20 A Sanitation	Construction of 800 VIP Units	R4 922 520.00		20		
Nyandeni	Ward 20 B Sanitation	Construction of 800 VIP Units	R5 123 478.06		20		

WATER

Nyandeni	Thekwini Regional Phase 2 Water Supply	Water Reticulation	R 17 941 794.01	UWP Engineers & Zanamanzi Services	26	Zixambuzi, Ntsimbini, Entsimbini, Kwa Madiba A, Njiveni, Goso, Enyandeni,	59%
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						Mpundweni and Ezincukuthwini.	
Nyandeni	Ntsonyini - Ngqongweni Water Supply	Water Reticulation	R 6 331 183.71	Thuso Development Consultants & Montseng JV	6	Ntsonyini 1 & 2, Ngqongweni, & Nohokoza.	99%
Nyandeni	Libode Bulk Pipeline: Rosedale to Libode /1	Bulk Distribution Main	R 49 682 159.58	Arcus Gibb & Umso Construction			5%
Nyandeni	Libode Bulk Pipeline: Rosedale to Libode /2	Bulk Distribution Main	R 27 378 524.94	Arcus Gibb & Xesibe Construction			0%
Nyandeni	Libode Bulk Pipeline: Rosedale to Libode /3	Bulk Distribution Main	R 18 000 000.00	Arcus Gibb & Dokose Construction			0%

ELECTRICITY

Eskom is the Provider of electricity, however, the Municipality accesses the funding directly from the Department of Energy through National Electrification Programme. The following has been achieved:

Functional Area	Objective	Ward		Indicator	Target	Actual
Co-ordinate electrification projects with Eskom	Connect household with Electricity	7&21		Electrical Maintenance	Municipal Buildings (Ngqeleni and Libode) Libode Traffic Centre	100% Maintenance

		20		Number of Households connected Ngqeleni Phase 3 Electrification	Project to be completed end July 2012	Ntsundwana 97% complete 356 HH connected Gangeni 47% complete 26 HH connected Xhangane 60% complete 36 HH connected
		11		Sun City electrification project	Projects to be completed end march 2013	Ziphunzana: Target 680 hh completed 680hh 100% is powered and working 314 hh Extensions are still on progress Sibangweni: Target 920 hh completed 920hh,Extensions 150 hh added still on progress Ntilini: 435 hh connected (Target 600 hh) 73% is powered and working correctly, 27% is still on

		5				<p>installation</p> <p>Nkanini: Target 500 hh completed 500 hh, Extensions 200 hh added 89% is powered and working correctly, 11% are newly built site</p> <p>Mangcwanguleni 100 HH Installed</p> <p>300 HH Connected. 200hh remaining</p> <p>Ngolo 126hh</p> <p>Sompa 98hh</p> <p>Mtombetsitsa 216hh all installed not powered</p> <p>Bomvana installation is still been connected on process target 1943</p>
		23				

WASTE MANAGEMENT

The District Municipality is a Waste Management Authority. Nyandeni Local Municipality is responsible for providing refuse removal service to its area of jurisdiction. Waste removal services refer to removal of general waste which can be grouped into domestic waste, commercial waste, building rubble and garden refuse.

Refuse removal service is provided to the two urban areas Libode and Ngqeleni. This service is mainly provided in the municipal area that covers commercial and residential areas but excludes rural areas. This service has been expanded to Ntlaza, St. Barnabas Hospital, Kopshop Taxi Ranks and Mt. Nicholas JSS. Rural areas generally use a range of temporary mechanisms.

Waste is collected in refuse bags, transported by the waste collection vehicle to the waste disposal site.

Waste is collected daily from the CBD area, twice a week from Ntlaza, and once a week from domestic households and Mt Nicholas.

The households are provided with black refuse bags while refuse bins are used in the commercial area. St. Barnabas Hospital is provided with transparent plastic bags.

Currently there is a constructed landfill site completed during the 2007/2008 financial year. The site has never been in operation due to a permit decline dated 31st October 2008.

Objective	Annual target	Actual performance
To maintain safe and healthy environment	Progress report on transfer	Investigations for suitability of identified site are being investigated Benchmarking on transfer station was done at Ntsika Yethu Local Municipality

	Allocated land on buy – back centre station	
	Number of bags purchased & OR Tambo with assisted bins.	150 refused bags purchased & 72 bins received from OR Tambo, Bronze Cup as third prize winner in the Greenest Town Competition
	Approved IWMP	Draft IWMP has been developed and await Council Approval
	Permitted land-fill site at Libode	Application submitted to DEDEAT The following were conducted in support of the application: Geo-hydrological studies, Scoping Report, landfill designs; liner designs Status: Await ROD from DWA and DEDEAT ROD
	Purchased truck	Response from service providers was poor
	Number of awareness campaigns	Awareness campaigns were conducted at following wards: 7, 11,12,17,21,24
	Collection at Thabo Mbeki & Extension 4, Ntlaza, Kop shop & new development around towns	Waste Management Awareness Campaign conducted at Ntlaza and collection of refuse is done twice a week
	Upgraded Libode Landfill site	Upgrading did not take place

HUMAN SETTLEMENTS/HOUSING

a. Human Settlements and town planning services delivery strategy and main role-players

The Provincial Department of Human Settlements is responsible for the approval of applications for housing development and for the allocation of funds for the construction of houses. The Municipality plays a co-ordinating role in housing development. Among the roles of the Municipality in this regard is to identify land for housing development, mobilize housing beneficiaries and identify those beneficiaries who qualify for housing subsidy. The Municipality also through its town planning develop the layout plan for the area where the houses are going to be built and have it approved. The town planning section also facilitates the survey of such area.

During the construction of houses the Municipality also serves as a developer and appoints contractors who will construct houses. When the construction of houses is complete, the Municipality and Department of Human settlements hand over the houses to the beneficiaries through signing of Happy Letters.

The municipality also plays vital role in terms identification of beneficiaries, application processes, housing consumer education and transfers.

Further than that, the Town Planning Division is responsible for the general town planning services and land use management of the two towns, Libode and Nggeleni. This section is responsible for advising the Municipality on all possible developments that are going to happen within the Municipality. This section also ensures that a credible Spatial Development Framework is in place and its implementation thereof in order to give effect to Section 26 (e) of the Municipal Systems Act 32 of 2000. The Town Planning Division also ensures that the Standard Transkei Town Planning Scheme is enforced.

The Main players involved in Housing are:-

- The National Department of Human Settlements whose role is the provide legislative framework on housing development and allocate funds to the Provinces. The National Department of Housing also approves the Housing Subsidy quantum.

- The Provincial Department of Human Settlements approves housing applications and allocate funds to the Municipality. This Department also monitors the development of houses.
- The District Municipality also plays a vital role in terms of provision of bulk-services, construction of decent houses for destitute families, monitoring and evaluation.
- The Municipality plays the facilitating role, mobilize and identify housing beneficiaries.
- The beneficiaries ensure that the houses are delivered according to their expectations and monitor the development of their houses.
- The contractors are responsible for the provision of a good quality of houses through construction.
- The town planning section ensures that the land in which houses are to be built is best suitable for such development and such development is done according to the Municipality's Spatial Development Framework. This section provides the layout plan for the area in which houses are to be built.
- National Home Builders Registration Council (NHBRC) provides ethical and technical standards by inspecting enrolled homes under construction to comply with building standards and guidelines.
- Financial institutions such as Banks which provide financial opportunities or ensure access to finance for the working poor to acquire or improve home of their own.
- Local business people have also assisted the municipality by providing permanent structures for homeless and child headed families.

b. Level and standards in Housing and town planning services

The Municipality, when planning housing development takes into account houses for the low income and high income earners. This helps the Municipality to set up its yearly targets for delivery of houses according to these categories of levels. The Municipality first starts with housing needs assessment to determine the number of beneficiaries who qualify for low and high income. All housing/ human settlement developments for all income brackets require Town Planning expertise to prepare the town planning layout, facilitate public participation as well as administer the approval of the Township with the Department of Local Government and Traditional Affairs. The Municipality will seek the assistance from prospective Town Planning professionals to assist in the development of the town planning layout where the Spatial Planning Division play a project management role in the entire development process.

With regards to the quality of houses the National Department of Human Settlements prescribes the norms and standards for the level of houses to be delivered by the Municipalities. Each Municipality is expected to deliver houses according the prescribed norms and standards. Nyandeni Local Municipality is implementing 40 square meters in all of its low cost houses.

c. Annual performance as per key performance indicators in housing and town planning services

Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	150	150	nil	nil	nil
2	Percentage of informal settlements that have been provided with basic services	nil	150	nil	nil	nil
3	Percentage of households in	161	1900	161	80	

formal housing that conforms to the minimum building standards for residential houses					
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d. Major challenges in housing development and remedial actions

Some of the challenges in housing development include:-

- Delays within DHS in procurement processes in terms appointing and paying contractors.
 - Insufficient funding
 - Backlog in basic services(lack of bulk infrastructure)
 - Poorly constructed houses.
 - Unlawful occupation of land or land invasion.
 - Shortage of water during construction that delays the completion period for housing development.
 - High increases in material prices.
 - The quantum that is applicable to all whether in rural or urban areas.
 - Delays in the approval of town planning services and in the survey of the land for housing delivery

SUMMARY OF ACHIEVEMENTS ON HUMAN SETTLEMENTS

FOCUS AREA	OBJECTIVES	KPI'S	ACTUAL PERFORMANCE
Housing Rectification Programme	To ensure maintenance in all RDP houses	Improvements/new look in 60 Pilot Houses in Libode and Ngqeleni Extensions	Not all 60 pilot houses could be renovated due to insufficient of funds. Advertisements have been made for the renovation of 30 pilot houses in Libode and 30 in Ngqeleni. and a service provider had been appointed.
Provision of Sustainable Human Settlements	To facilitate provision of decent houses to our communities.	All completed houses allocated to their beneficiaries.	Happy letters have been signed and 125 houses at Ngqeleni Extension 5 have been handed over to their rightful owners. The Municipality is experiencing slow progress with regards to the provision of rural houses at Mhlanganisweni and Mampondomiseni. The contractors are far behind the anticipated completion time.

			<p>The following progress had been recorded on all housing projects as at June 2012:-</p> <p>Ngqeleni 161 units</p> <p>125 Completed, 31 plastered and 1 foundation level.</p> <p>Mampondomiseni Phase 1 (150 units)</p> <p>45 completed, 16 finishing stage, 4 slabs, 5 footings and 15 excavations.</p> <p>Mampondomiseni Phase 2 (150 units)</p> <p>62 completed, 12 finishing stage, 34 slabs and 11 foundation walls.</p> <p>Mhlanganisweni (350 units)</p> <p>100 completed, 8 wall plates and 15 foundation walls</p>
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			<p>Presentation of the Alternative Technology was made to Councillors by the Department of Human Settlements and the contractor (Everite) for 190 Units. The benefiting wards are:- 16, 18, 24, 06, 15, 19, 07, 20, 25, 14, 26, 13, 11, 05 , 04, 02, 01, 03, 09, 17, 12, 22, 08 and 07.</p> <p>Another presentation on the same alternative technology was presented to the affected Councillors on 370 units project by the Department and the appointed contractor – White Hall Trading and Projects. The benefiting wards are:- 24, 25, 26, 16, 15, 22, 08, 06, 23, 17, 13, 12, 07, 10, 05, 09, 03, 20, 18, 11, 14, and 13.</p> <p>Verification on temporal shelters that were erected for December 2011 disasters was conducted.</p> <p>Training on Housing needs register was attended by 186 field workers from both Libode and Ngqeleni</p>
Local Human Settlements Implementation Strategy	To facilitate the development and implementation of integrated human settlements strategy	Integrated provision of human settlement	The strategy could not be produced during the year under review.

Housing Sector Plan	To improve planning processes for effective and efficient implementation/identification and promotion of other housing programs e.g. PHP, rental, institutional	A Council Resolution approving the reviewed Housing Sector Plan.	The Final Draft Housing Sector Plan had been presented to stakeholders on the 21 st June 2012 and is now due to be taken to the Council for approval.
Housing Educational Programme	To improve understanding and awareness of housing needs/ To normalize/regulate on vandalism. Theft and corruption/	5 consumer educational awareness successfully conducted.	2 Housing Consumer Educations were conducted for Nyandeni 77 and 98 Temporal Structures. 2 additional Housing Consumer Educations were conducted for Libode and Ngqeleni pilot houses beneficiaries. 1 additional education was conducted for Ntsonyini housing project.

Housing Policies and Legislation	To improve better understanding and knowledge of housing laws	Workshops done and successfully participated community	Workshops and trainings for 186 field workers to undertake Housing Needs Register were conducted.
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FREE BASIC SERVICES AND INDIGENT SUPPORT

The following has been achieved in provision of Free Basic Services:

Objective	Annual target	Actual performance
To reduce levels of poverty by half in 2014	Number of indigent households serviced	<p>Three service provider were appointed to distribute alternative energy into three wards 20,25 and 26</p> <p>Free Basic Alternative Energy: Total number of households: Ward 20: 1329; Ward 25: 1567; Ward 26: 2296Total: 5192</p> <p>FBE: supported 2172 households in receiving 50klw per month</p>
	Approved Indigent Register	<p>Currently conducting database profiling, database reviewal for 31 wards</p> <p>93 fieldworkers and 5 super-users were work-shopped and trained on the data collection form</p>
	Approved Indigent Policy	<p>Implementing Indigent policy last reviewed in 2009/10.</p> <p>Policy has been reviewed assisted by DLG&TA and awaits adoption by Council</p>
	Four (4) Cluster Awareness Campaigns	five Awareness campaigns were held at ward 7, 11, 12, 21,24

COMPONENT B: ROAD TRANSPORT

The following are the highlights of capital projects (road infrastructure) for 2011/12:

CAPITAL PROJECTS						
Functional Area	IDP objective	Ward No	Project Title	Indicator	Annual target	Progress
Integration in service delivery	To Provide viable access roads. Create Job Opportunities	01	Siqikini Access road	13km complete Completion certificate and Site Handover	Construction to be complete	Project Complete 13km complete Start : 17/05/2011 End: 23/11/2011
		17	Noxova to Mandileni access Road	10.2km complete Completion certificate and Site Handover	Construction to be complete	Project 100% Complete 10.2km complete Start 30/05/2011

						End : 24/04/2012
		31	Mbhananga Access Road	7km complete Completion certificate and Site Handover	Construction to be at 100% complete	Project 100% Complete. 7km complete Start: 17/05/2011 End:17/05/2012
		05	Gqweza Access Road	13km complete Completion certificate and Site Handover	Construction to be 100% complete	Project Complete. 13km complete Start: 01/06/2011 End:14/08/2012
		09	Mdlankomo internal roads	6km complete Completion certificate and Site Handover	Construction to be at 100% completion	Project Complete 6km complete Start: 06/06/2011 End:31/10/2011

		17	Mdumazulu Access Road	14km and Low-level crossing	Construction of low-level crossing to be at 100% completion	Level Crossing Complete Start:03/08/2011 End: 09/04/2012
		20	Mdzwina Access Road	8km complete Completion certificate and Site Handover	EIA application processed	EIA application resubmitted and is processed three additional site visits conducted
		04	Mpindweni W04 Access road	8km complete Completion certificate and Site Handover	Contractor on site. Project to be at 90%complete	80% Complete 100% roadbed (8km complete) 100% tipping (8km complete) 60% processing (4.8km complete)
		28	Qhokama Access Road	10km complete Completion certificate and Site Handover	Construction to be at 100% completion	90% Complete Start End

						90% roadbed (9.2km complete) 90% tipping (9.2km complete) 90% processing(9.2km complete)
		20	Nothintsila to Mvilo Access road	16km complete Completion certificate and Site Handover	Construction to be at 100% completion	Road bed at 65%complete
		25	Lwandile access road	7.9km complete Completion certificate and Site Handover	Construction to be at 100% completion	Project Practically Complete. Start: 06/12/2011 End: 06/07/2012 100% roadbed (7.9km complete) 100% tipping (7.9km complete) 100% processing (7.9km complete) Attending to snags
		11	Ziphonzana access road	6.2km complete Completion certificate and Site Handover	Construction to be at 100% completion	Project 80% complete. 100% roadbed (6.2km complete) 90% tipping (5.58km complete) 70% processing (4.96km complete)

		26	Mafusini to Zincukuthwini access road	7.2km complete Completion certificate and Site Handover	Construction to be at 100% completion	Project 80% Complete. 80% roadbed (5.76km complete) 80% Tipping (5.76km complete) 80% processing (5.76km complete)
		29	Bolotwa to Mdeni to access road	6.5km complete Completion certificate and Site Handover	Construction to be at 100% completion	Project 90% Complete. 100% roadbed (6.5km complete) 100% tipping (6.5km complete) 100% processing (6.5km complete) low-level crossing (Excavation complete, casting of slab started)
		27	Mseleni to Ludeke access road	6km complete Completion certificate and Site Handover	Design drawings , technical and draft tender document submitted	Design drawings, technical and draft tender document submitted and ready for tender

		2	Jojozi to Zibungu access road	9km complete Completion certificate and Site Handover	Construction to be at 100% completion Construction to be at 100% completion	Project Practically Complete. Attending to snags <i>100% roadbed (9km complete)</i> <i>100% tipping (9.km complete)</i> <i>100% processing (9km complete)</i>
		7	Libode Driver's licence testing ground	2710m ² of paved area complete Completion certificate and Site Handover	Construction to be at 100% completion Construction	Project Complete <i>Incline 100%</i> <i>Layer works 100%</i> <i>Paving 100%</i> <i>Kerbing 100%</i> <i>Retaining Walls 100%</i>
		21	Nggeleni Street surface	2km complete Completion certificate and Site Handover	Construction to be at 100% completion Construction	Projects 20% completion. Formation Level 40% Drainage 24%

						Contract Terminated
Integration in service delivery	To Provide viable access roads. Create Job Opportunities		Registration of 2012/2013 MIG projects:	Registration letter Site inspection	Projects advertised for construction	Five Projects advertised for construction: <i>-Malungeni A/R</i> <i>-Zikhoveni to Ntilini A/R</i> <i>-Sidanda A/R</i> <i>-Mlengana A/R</i> <i>-Mvilo to Mnyameni A/R</i>
PLANNED MANTAINANCE						
Ensure municipal roads are maintained		01	Zandukwana Access Road	2.2km complete Completion certificate and Site Handover	Project 100% complete	Project 100% complete Start: 20/02/2012 End : 24 April 2012 Attending to snags 100% roadbed (2.2km complete) 100% tipping (2.2km complete)

						100% processing (2.2km complete)
		06	Ntsonyini to Jonguxolo Access road	2.5km complete Completion certificate and Site Handover	Project 100% complete	Project 100% complete Start: 05/04/2012 End : 13/05/2012 Attending to snags 100% roadbed (2.5km complete) 100% tipping (2.5km complete) 100% processing (2.5km complete)
		22	Mgojweni Access road	2km complete Completion certificate and Site Handover	Project to be 100% complete	Project 100% complete Start: 15 th February 2012 End 27 TH March 2012 Attending to snags 100% roadbed (2km complete) 100% tipping (2km complete) 100% processing (2km complete)
		13	Buntingville Access road	5.85km complete, completion certificate and site handover	Site inspection to be conducted and contractor appointed	Contractor appointed. Site handover conducted. Contractor on site

		09	Dininkosi Access road	3.65km complete, completion certificate and site handover	Site inspection to be conducted and contractor appointed	Contractor appointed. Project handover done. Contractor on site
		20	Jange storm water control	3600m ³ complete, completion certificate and site handover	Site inspection to be conducted and contractor appointed	Contractor appointed. Project handover done
	Rehabilitation of Low-level crossings	24	Malungeni Bridge	10m ³ Construction of box culverts low-level crossing	Construction complete	Construction 100% complete
		06	Ngojini Bridge 1	23m ³ Construction box culverts low-level crossing	Construction 50 %complete	10% Construction started.
		06	Ngojini Bridge 2	23m ³ Construction box culverts low-level crossing	Construction 50 %complete	10% Construction started.

		7 & 21	Construction of Libode and Ngqeleni side walks	2.81km complete, completion certificate and site handover	Project to be 100% complete	20% complete, Clearing and grubbing of existing sidewalks was completed and excavation on the virgin soil complete
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INTERNAL PLANT

Ensure municipal roads are maintained	To Provide viable access roads. Create Job Opportunities	<i>Ward 03</i>		Tyarha 4.5 km Maintenance	Roadbed done and 100% complete Project outsourced for processing.	Community requests
		<i>Ward 21</i>		Kop Shop Taxi Rank 200m ²	200m ² area complete	70% Leveled
				Blanding of access roads	N/A	20.6km bladed to assist in accessible communities

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INTERDEPARTMENTAL ASSISTANCE AND ERMEGENCIES

Ensure municipal roads are maintained	To Provide viable access roads. Create Job Opportunities	12			Gxulu Horse Racing	1,8 km cleared
		06			Jonguxolo J.S.S	Levelling of 5000 sq metres playing grounds Complete
		07			Road to Libode Pound	2km Road bed Complete
		07			Mdlankomo Tomato Hydro	Levelling of 5000 (100m x 50m) sq metres for construction of Tomato Hydroponics Complete

		09			Sithembene Sewing Project	300 meters access road Complete
		7			Libode Temporal Buss packing area	1000 (25m x 40m) sq metres Levelling 100% complete Tipping 100% complete Compaction 100% complete

SCHOOLS PROGRAM

Ensure municipal roads are maintained	To Provide viable access roads. Create Job Opportunities	<i>Ward 16</i>		Deep level J.S.S	km	Blading is 100% complete and Tipping have not started yet.
		<i>Ward 02</i>		Zeke J.S.S	800m	Roadbed preparation on a virgin soil
		<i>Ward 02</i>		Ludeke S.P.S	2km	Blading done
		<i>Ward 27</i>		Notsolo J.S.S	1.2km	Blading done

		Ward 02		Madwaleni S.P.S	3km	Blading done.
		Ward 27		Mseleni S.P.S	4 km	Blading done
		Ward 02		Mahahane J.S.S	5km	Blading done
		Ward 04		Ndlovu Ayipathwa J.S.S	6.2km	Blading done
		Ward 05		Sompa J.S.S	2.3km	Blading done
		Ward 15		Gcinizwe JSS	500m	Roadbed 100% complete, Tipping 100% Complete and processing is 90% completed.
		Ward 17		Maqolo JSS	3.5km	Blading done
		Ward 17		Ngidini JSS	1 km	Blading done
				Dininkosi JSS	2.5km	Blading done
				Nomandla JSS	1km	Blading done
Provide Monthly Reporting	Monthly Reporting on MIG expenditure and quality monitoring		Expenditure reports	Monthly signed expenditure reports	Reports submitted	100% expenditure achieved

Provide Monthly Reporting	EPWP Monthly Reporting. Create Job Opportunities		EPWP reporting	Captured projects and monthly reports. EPWP funding provided for Jobs Created	Reports submitted	Municipality eligible for R 469,000.00 payment of incentive for 2011-2012 financial year
Co-ordinate and Implementation of Socio-economic projects				Business plans and projects Implemented in construction	Business Plan Provided	Business Plan Approved
		7&21	Construction of Libode and Ngqeleni side walks	2.81km complete, completion certificate and site handover	Project to be 100% complete	20% complete, Clearing and grubbing of existing sidewalks was completed and excavation on the virgin soil complete

TRANSPORT

The Transport section in the Municipality does not have Public Bus operations. The main operations include Drivers' License Testing Centre and road safety programmes. The following are the achievements under Public Safety on transport matters:

FUNCTIONAL AREA	IDP OBJECTIVES	PROJECT TITLE	INDICATOR	ACHIEVED
Public Safety & Security	To reduce crime levels and promote public safety	Nyandeni Transport Forum	Four (4) NTF sittings	2 Transport forum were held: 02/04/2012; 15/06/2012
		Vehicle Registering Authority (RA)	Functional RA	The application has been made to the Provincial Department to be permitted to be a Vehicle Registration Authority as per the Act.
		Learners and Drivers License Center and eNaTIS	Upgrade of the DLTC & Revenue Collection.	The DLTC is almost complete, just minor adjustments need to be done as per the inspectorate such as construction of drive way from the incline start to the gate. The amount collected by the DLTC is R1 6416.77 Number of failures in Learners Licenses is 982, number of Passers is 1982, absentees 129.
		Support Arrive Alive	2 Arrive Alive Campaigns	14/12/2011: Festive Season Arrive Alive Campaign

FUNCTIONAL AREA	IDP OBJECTIVES	PROJECT TITLE	INDICATOR	ACHIEVED
				During the Easter weekend and Festive Season: 05/04/2012
			52 road blocks	36 road blocks conducted
			Four (4) awareness sessions to the public on road safety (use of various communication tools)	Four awareness sessions were conducted one at Ntapane JSS, Ngqeleni Taxi Rank, Libode Taxi Rank and Ntlaza. Traffic Officers during their operations have collected R607 275.00 Three traffic officers were sent to Traffic College for training in Examiners of Drivers Licenses that was Sup Godlo, Makunga [senior] and Xhala and they pass the course and registered as an Examiners. Other three traffic officers were sent this year and still at the training at PE Budaza M, Makunga and Madyibi S. but Madyibi was expelled from the College due to the alleged fraudulent matric certificate.

STORMWATER DRAINAGE

In 2011/12, a storm water master plan was developed.

COMPONENT C: PLANNING AND DEVELOPMENT

PLANNING

a. Preparation and approval process of SDF:

Our Municipality reviewed the Spatial Development Framework Plan and had it approved by the Council in March 2011. Furthermore, in implementing the SDF, the Local Spatial Development Framework Plan for R61 Corridor and Ntlaza is currently being developed and is due to be approved by March 2013.

The Department of Economic Development, Environmental Affairs and Tourism funded through ECSECC the development of a Precinct Plan for Ngqeleni. This was conducted by Tshani Consulting and approved by ECSECC.

b. Land use management:

During the year under review the Municipality had been dealing with applications in respect of the following:-

The Council approved rezoning of Erf 59, Libode from Special Residential Use to General Business Use.

The Council approved an application for the Special Consent for the development of a Filling Station at Erf 55, Libode.

The Land Disposal policy has been developed and customized for Nyandeni Local Municipality.

Received letter disposing Erven 82, 88 and 89, Libode to Nyandeni LM, signed by the MEC for Public Works and these have since been transferred to our Municipality.

S Vena and Associates have been appointed by the Department of Public Works for the subdivision of Erf 88, 89 and 82 Libode.

Our Municipality had also commenced with the subdivision of Erf 986 and 987, Libode into church sites.

Also the subdivision, rezoning and consolidation of Erf 90 and Erf 97, Libode into taxi rank and retail facility had started.

Three building plans had been approved.

Co-ordinated the development of Spar shops both in Libode and Ngqeleni.

- Removal of restrictive conditions

There were no applications received for Removal of restrictive conditions.

- Township establishment

Applications were considered by the Council for the re-establishment of Libode Extension 2 and Ngqeleni Extensions 3 and 5. These were then submitted to the Department of Local Government for approval by the MEC.

C. Major challenges in spatial planning services and remedial actions

Challenges in spatial planning include that:-

- The Provincial Department of Local Government and Traditional Affairs takes a very long time in approving applications for Land Use and that there supposed to be a review of the legislation that regulates that.
- Development that is happening haphazard and not guided by proper planning. A review of SDF and implementation of Town Planning Scheme will be of great advantage.
- Insufficient budget allocation.
- Capacity in the form of systems such as GIS and Auto Cad that assure a Town Planning Division that functions efficiently.

SUMMARY OF KEY ACHIEVEMENTS

FOCUS AREAS	OBJECTIVES	KPI'S	ACTUAL PERFORMANCE
Settlement planning	To ensure township registration and development of new formal settlements	Attendance Registers for community participation. Stakeholder buy-in to the development of new formal settlements.	The emergence of land claims which also resulted in unlawful demarcation of land by the affected community delayed the completion of this activity within the financial year under review.
Survey and Planning- Nggeleni Extension 5	To ensure that Extension 5 Nggeleni is registered under purchasers of the individual erven.	A Memo from the MEC approving the Township.	The application is still with the Department of Local Government and Traditional Affairs. The Municipality still awaits the approval from the MEC of the Department of Local Government
Township Establishments	To increase the number of middle income housing stock and business sites for the growth of the towns of Libode and Nggeleni.	2 Memos from MEC approving the two township Establishments	Also here, the target could not be reached. These applications have been submitted to the Department of Local Government and Traditional Affairs and still awaiting the approval of the MEC. The Department wrote during the of 25 th June 2012 requesting further information in support of these applications. The information had since been furnished.

Land administration	To ensure that all land development processes are administered in a proper manner	A number of applications for subdivision, rezoning and land disposal submitted for consideration. Guided development contributing to revenue generation.	The Municipality had considered and finalized 5 subdivision applications, being 4 church sites in Libode and 1 private residential site (Erf. 24, Libode). Almost 20 applications were received during the year under review, requesting for the purchase of land for both residential and business purposes.
Land Development	To facilitate all Municipal land development initiatives	Letters of appointment appointing developers	The Municipality commenced with processes for massive commercial development in both town. Advertisements have been issued for the relocation of Ngqeleni Stadium and development of a shopping complex and also the development of a fuel service station in Libode. Also the Municipality is at an advanced stage with the development of an office park in Libode. Appointment letters will be issued soon.
Land administration	To ensure that all erven in the urban built environment are registered under correct ownership	Reviewed Land Audit	A Land Audit could not be produced during the year under review

Local Spatial Development Framework	To ensure that our development is guided through the development of Local Spatial Development Framework (LSDF)	A Local Spatial Development Framework document completed and ready for adoption by the Council.	An LSDF document was not complete during the year under review. A Draft Situational Analysis has been presented to the Council.
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LOCAL ECONOMIC DEVELOPMENT

Brief presentation of LED strategy

1. Status on developing the LED strategy

The LED Strategy was reviewed and adopted by the Council. The Strategy was tested during 2010-2011 IDP Assessment which was conducted by the Department of Local Government and Traditional Affairs, where it scored High, meaning that it met the requirements of the Department. A workshop was organised to ensure thoroughly stakeholder engagement.

2. Setting up a LED unit

Our Municipality has an LED Unit which is located within the Planning & Development Directorate. There is a dedicated Manager who is the head of the LED Unit and who in turn reports to the Senior Manager: Planning and Development. Our organizational structure had been reviewed and came up with 6 of which five post are filled.

3. 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 targetted 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.

4. LED stakeholder forum functionality

During the LED strategy workshop an LED Forum was also revived with the following stakeholders:

- LED Standing Committee
- NAFCOOC
- Farmers Association (Libode & Ngqeleni)
- Hawkers Association (Libode & Ngqeleni)
- Local Tourism Organization
- Dept of Agriculture
- Department of Social Development
- Department of Economic Development, Environmental Affairs and Tourism
- O. R. Tambo District Municipality
- Traditional Leaders (Libode, Ngqeleni)
- Taxi Industry (Libode, Ngqeleni & Ntlaza)

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

During the year under review, our Municipality had had partnership with Ntinga O. R. Tambo Development Agency towards maize production in three areas of Nyandeni. These were Mtyu in ward 17, Mhlanga in ward 4, Sibangweni in ward 10. The Municipality contributed an amount of R500 000.00 and 6 tractors and Ntinga contributed an amount estimated to R650 000.00. The yield in all three sites was very much positive with about 955 bags harvested and we assisted the community with harvesting.

Department of Environmental Affairs continued to fund social responsibility projects in our areas such as Amakhonjwayo Land Rehabilitation for an amount of R10 million and Coast Care project for an amount of R7 million.

6. Progress towards achieving the LED key objectives

6.1 Improve public and market confidence

The public and market confidence of our Municipality had been improved as a result of the successful implementation of funded projects. All the projects that were funded from external funding sources were implemented without problems and the Municipality had been able to properly account for those funds.

Furthermore, the stability that the Municipality enjoyed both politically and administratively placed it in a comfort position in getting public confidence.

In all the LED Programmes and LED initiatives that the Municipality was engaged on, the public also took part and played a very prominent role in all decisions made and in identification of projects.

6.2 Spatial Development Framework Plan (SDF)/Land use management system (LUMS) and Settlement Planning;

Our Municipality reviewed the Spatial Development Framework Plan and had it approved by the Council in March 2011. Furthermore, in implementing the SDF, the Local Spatial Development Framework Plan for R61 Corridor and Ntlaza is currently being developed and is due to be approved by March 2013.

The Department of Economic Development, Environmental Affairs and Tourism funded through ECSECC the development of a Precinct Plan for Ngqeleni. This was conducted by Tshani Consulting and approved by ECSECC.

6.3 Red tape reduction: Turn-around time for licensing and other business related applications;

During the year under review, our department developed the hawker permit and business license and the programme was rolled out to both towns. Hawker permits are being issued and paid for. 80% of traders have paid their licences in both towns. However a challenge is still with formal businesses that have not yet paid for business licenses.

80 hawker stalls that were bought for both towns had to be dispatched to all 31 wards because of their quality and standard.

6.4 Investments and trading by-laws

Our Municipality had established an Investment Committee comprising of the Mayor, Portfolio Head Budget and Treasury, Portfolio Head Local Economic Development, the Municipal Manager and Senior Managers: Infrastructure and Planning and Development. Developers were invited to make a proposal for the development of an Office Park on municipal land, being Erf 89, Libode. Developers have submitted Expression of Interests and Request for Proposals, however by the end of the financial year no appointment had been made.

Our Department is currently implementing Street Trading By-laws and is in the process of developing Liquor trading By-law and Street naming By-laws.

6.5 Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places.

Currently the municipality is developing a new concept for Libode Taxi Rank to ensure proper infrastructure is provided. With the plant and machinery at our disposal we also provide road maintenance to the LED and Tourism projects.

6.6 Disaster management within the context of conducive environment for economic development (policy /framework adoption and implementation);

OR Tambo District Municipality has the competence to deal with issues of Disaster Management and they also have a disaster office at our Municipality. The District Municipality is ensuring that the environment is conducive for economic development through Disaster Management

a. Exploit comparative and competitive advantage for industrial activities

Our Municipality has got potential for industrial development due to large tracks of land at its disposal.

Our Comparative advantage includes vast tracks of arable and grazing land, unspoilt beaches and estuaries and new afforestation programme.

We have currently partnered with the University of Fort Hare for the development of Agricultural Sector Plan to ensure that we take advantage of the agricultural potential that the area has.

With regards to Coastal Area we have identified a need for the Local Spatial Development Framework so that a detailed planning for the area can be done.

7. Intensify Enterprise support and business development

7.1 The type of business development services (BDS) provided to SMME;

Our Municipality has been involved in a number of SMME's and Co-operative supports and development during the year under review. The following are some of the supports provided:-

Almost 85% of SMME's received capacity building through training. A workshop was conducted by Old Mutual Masisizane on financial support to projects, SMME, Co-operatives and individual business. This was well attended by SMME's and Co-operatives.

7.2 Public and private partnerships established

The Municipality had no formal partnerships established as prescribed by the National Treasury. Nonetheless, the Municipality had partnerships with the following institutions:-

1. The University of Fort Hare for the development of an Agricultural Sector Plan.
2. The Department of Public Works for the development of an office park where the Department will be the tenant.
3. Ntinga O.R. Tambo Development Agency for maize production.
4. The support by ECDC for Mdlankomo Dairy Project and Mlengane Eco-Tourism Project.

7.3 Number of new formal SMME established within the municipality

Establishment of new business is the function that is conducted by DEDEAT, ECDC and SEDA. Except for the SMME's that registered into the Data Base of the Municipality, there had been no new formal SMME's that were established within the Municipality during the year under review. However, our Municipal Data Base recorded about 75 registered SMME's, which is an increase from 50 of the previous year.

7.4 Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships

Coast Care Project focusing on cleaning the coastal area and had employed 54 people.

68 people have been employed for Tshani-Mankosi fishing projects.

47 people have been employed for Nyandeni Chalets project

53 people have been employed for Amakhonjwayo land Rehabilitation Project

8. Support Social investment program

Beach Festive Programme

34 Life Guards were appointed for both seasons December and Easter holidays.

The municipality purchased the equipment for the Life Guards.

Cleaning of beaches after the festive season was done through the Coast Care programme.

3.3 Annual performance as per key performance indicators in LED

Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
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1	Percentage of LED Budget spent on LED related activities.	100%	90%	90%
2	Number of LED stakeholder forum held	4	3	75%
3	Percentage of SMME that have benefited from a SMME support program	100	80	80%
4	Number of job opportunities created through EPWP	275	222	80.7%
5	Number of job opportunities created through PPP	20	12	60%

SUMMARY OF LOCAL ECONOMIC ACHIEVEMENTS

FOCUS AREA	OBJECTIVES	KPI'S	ACTUAL PERFORMANCE
Agricultural Development	To unleash the potential of Agriculture	Situational Analysis of all wards (31) completed	<p>Our Municipality engaged the University of Fort Hare, collaborating on the design, planning and implementation of an Agricultural Sector Plan and other agricultural initiatives that the Municipality will identify.</p> <p>The program commenced and is being rolled out and a team of lecturers and students is visiting all 31 wards conducting research and gathering information that will assist the plan.</p> <p>Not all 31 wards were done during the year under review, with only 7 done.</p> <p>A Situational Analysis will be compiled after all 31 wards have been visited by the teams from the University.</p>
Office Park Development	To facilitate the development of a Multi – Purpose Complex (Nyandeni Office Precinct)	A prospective developer appointed by 30 th June 2012.	Developers have submitted Requests for Proposals. Adjudication is still to happen and it is anticipated that an award will be made by 30 th September 2012.

Beaches and Amenities	To ensure safety of beach-goers	All mentioned Beaches have life guards. Full Life Saving Kit for each of our beaches.	34 Life guards were appointed for the Easter Holiday. The program has been implemented successfully and the funding available used.
Forestry Development	To facilitate the development of new afforestations	Situational analysis document produced	All proposals received were above available budget and we were advised to re-advertise for the next financial year when additional funding is received.
SMME Development - Hawkers Licensing	To regulate hawker trading in our towns	Regulated hawker trading. 50% of hawkers paid trading permits	Hawker permits are being issued and paid for. 80% of traders have paid their licences in both towns. However a challenge is still with businesses who have not yet paid for business licenses. 80 hawker stalls that were bought for both towns had to be dispatched to all 31 wards because of their quality and standard.

SMME Development -	To provide mentorship/capacity building and incubation program for small business	80% of our Co-operatives capacitated. 5 co-operatives successfully supported	<p>Almost 85% of SMME's received capacity building through training. A workshop was conducted by Old Mutual Masisizane on financial support to projects, SMME, Co-operatives and individual business. This was well attended by SMME's and Co-operatives.</p> <p>Two training sessions were held with caterers, caravan owners and Co-operatives. A workshop was also held conducted by DTI on Cooperatives Grant Funding. More than 35 Co-operatives attended this training.</p>
Agricultural Development - Farming Operational	To increase the sustainability of community development initiatives and rural livelihoods projects.	Farming inputs delivered to the 3 agricultural projects	<p>Assisted the office of the Mayor in supporting wards 06, 26 and 27 by delivering potato seed.</p> <p>The Municipality allocated R30 000 to each of the 5 small projects identified from our wards. These were Khanya Project – ward 30, Vukuzenzele Project – ward 5, Sizanobuhle – ward 29, Siyazama Food Security – ward 07 and Nceduluntu Project at ward 31. Agricultural inputs were purchased in support of these projects.</p>

Agricultural Development Farming -	To increase agricultural production levels/output	500 bags of maize harvested in all three wards.	<p>Sibangweni (ward 10) - 100% planted and ploughed.</p> <p>Mhlanga (ward 04) -35% planted and ploughed.</p> <p>Mtyu (ward 17) - 75% planted and ploughed.</p> <p>Beans were also planted at Mhlanga.</p> <p>The yield in all three sites was very much positive with about 955 bags harvested and we assisted the community with harvesting.</p>
LED Research and Studies Development of LED Strategy -	To have a guided LED support and development through LED strategy review	<p>Reviewed LED Strategy approved.</p> <p>Attendance Registers for community participation during the review.</p>	<p>The LED Strategy was reviewed, tested during IDP Assessment conducted by the Department of Local Government and Traditional Affairs, where it got High. The Final document had been workshop to stakeholders on the 31st May and 1st June 2012. The document will be submitted to the Council for final approval on the 8th August 2012.</p>

<p>Eco - Tourism Development - Mlengane Development</p>	<p>To promote eco – tourism development through Mlengane Development project</p>	<p>Record of Decision (ROD) issued by the Department of Environmental Affairs</p> <p>50% of funding for implementation secured.</p>	<p>The Local Chief had finally written the required letter and was submitted to DEDEA but the ROD has not yet been released. All outstanding information that was required for the finalization of the EIA has been submitted.</p> <p>A meeting was held between Nyandeni Municipal Officials and ECDC staff to discuss the review of Mlengane business plan. ECDC has shown interest to assist our Municipality with the review.</p>
<p>Agricultural Development - Mdlankomo Dairy Farming</p>	<p>To increase the levels of commercialization of the agricultural sector</p>	<p>A Project Management Team in place.</p> <p>Farm layout developed.</p> <p>80% of planned activities completed.</p> <p>Signed MoU with Fort Hare.</p>	<p>Farm vision has been appointed as the Project Managers specifically focusing on water license and farm layout. However, the project experienced some challenges with some community members claiming that they were not consulted.</p> <p>Mdlankomo project was presented to the District Screening Committee facilitated by Department of Land Affairs. They showed interest in funding the project pending the finalization of EIA.</p> <p>A Memorandum of Understanding between the Municipality and the University of Fort Hare has been signed by both institutions.</p>

<p>Tourism Promotion and Development</p>	<p>To facilitate processes for tourism promotion and development</p>	<p>A Council Resolution approving the Tourism Development Plan.</p> <p>Fully functional LTO</p> <p>Approved DVD and Brochure</p>	<p>Nyandeni Local Municipality appointed Ochre Soul to assist in the development of Responsible Tourism Plan. The document was finalized and had been presented to stakeholders as a consultative process on the 31st May and 1st June 2012 and will now be adopted by the Council on the 8th August 2012.</p> <p>DVD & Brochure:</p> <p>Both DVD and Brochure are completed and delivered to the municipality.</p> <p>LTO:</p> <p>The Local Tourism Organization had organized a Tourism Awareness Workshop and another LTO workshop is planned for the 2nd August 2012.</p> <p>Tourism Indaba:</p> <p>Two members of our institution have attended the Tourism Indaba</p> <p>Promotional Material:</p> <p>3 x Banners, 5 x tear drop banner, 150 x Meeting folders were purchased and delivered to the Municipality.</p> <p>80</p>
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Challenges regarding LED strategy implementation

That are a number of challenges that affect the implementation of an LED Strategy. Some of them are:-

- Land Tenure System – The issue here is that the majority of the land is communal and there are very long processes that need to be followed in accessing it.
- Under development of the key Economic Sector that were identified; these are Agriculture, Tourism, Forestry and Retail.
- Lack of Bulk infrastructure e.g. roads leading to Economic potential areas.
- Degradation of land due to soil erosion. A land care program is required as a solution to this issue.
- Agriculture is mainly dominated by subsistence farming and serves as food security and there are no massive commercial farming practices.
- Access to funding is another challenge. There are limited financial resources to pursue Local Economic opportunities.
- Restructuring of mines lead to retrenchment of workers.
- Fencing of arable and grazing lands pose another challenge.
- Difficulty in attracting potential investors to develop the land.
- Lack of necessary skills to pursue economic development.

Proposed solutions

In trying to address these challenges the following are proposed solutions:-

- The process to release land for development should be sped up. Chiefs and headmen should be given enough capacity to deal with issues of land development.
- MIG funding should be used to such an extent that priority is given to roads leading to Local Economic Development projects and Tourist attraction areas.
- Environmental awareness programs should be conducted on a continuous basis.
- Facilitate skills development to ensure meaningful participation and involvement in the socio-economic development of the area.
- Mobilize resources for the implementation of priority projects and programmes.

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

LIBRARY INFORMATION SERVICES

In order to increase access to community library services the municipality has libraries in both towns.

Objective	Annual target	Actual performance
Increase access to community library services	To facilitate the establishment of school libraries in partnership with DSRAC	Two School Libraries were supported, the one at Njiveni JSS and Gqirha JSS: Material: Book-shelves; front desks (2); desktop (2)
Facilitation of MoU between Nyandeni & DSRAC	Signed M.oU.	The MOU is signed with DSRAC to such the amount of R300 000 has been approved for Library Business Plan for 2012-13
Library activities (Literacy Day, World Book Day, Library Week & Poetry Day)	Four library activities observed ((Literacy Day, World Book Day, Library Week & Poetry Day)	Literacy day was held at Ngqeleni Community Centre Build-up Library week (Libode Town Hall) with 196 attendees: 16 winners Library week was observed in Port St Johns: 14 March 2012 with 08 winners World Book Day : Build-up held at Ngqeleni with 16 winners 24/04/2012 at Mqanduli: 04 winners Ngqeleni Library Visitors = 2506; revenue collected: R8 350.00

		Libode Library visitors = 4457; revenue collected: R8 552.00
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PUBLIC AMENITIES

The Municipality provides and maintains public toilets for both towns.

Objective	Annual target	Actual performance
To provide and maintain local amenities and community facilities	Upgraded public facilities	Septic tank was erected at Libode Toilets and the upgrading of the Ngqeleni toilets was done

CEMETORIES AND CREMATORIUMS

Nyandeni Local Municipality has reserved land for burial of people that reside in its area of jurisdiction.

Objective	Annual target	Actual performance
Upgrading of cemeteries and development of grave register	Updated grave register and numbering of graves	The register has been updated and grave tags have been delivered for installation in both cemeteries at Ward 7 and 21
To develop a guideline on pauper	Approved pauper burial guidelines	Draft Pauper Burial guidelines have been developed

burial		
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CHILD CARE; AGED CARE;SOCIAL PROGRAMMES

Nyandeni Local Municipality allocated a budget of R600 000 for the building of two pre-schools.

A. Child Care

Objective	Annual target	Actual performance
Nyandeni Early Childhood Development Forum	Established Early Childhood Forum	For the financial year the strengthening of separate Libode and Nggeleni ECD-Forum has been done
Ensure provision of infrastructure for Pre – Schools	Two (2) pre – schools built	Two erection of ECD-centre’s has been completed at Libode Ward 2 and 5

B. Aged Care & Social Programmes

The highlights for special programmes is as follows:

Objective	Annual target	Actual performance
SPECIAL PROGRAMMES UNIT	Support to Children & Elderly	Golden games to ensure wellness were conducted. Christmas gifts were given children and elders to St Barnabas & Canzibe hospitals.
	Support Women empowerment projects	Nine wards have been visited to collect Data for projects.

		<p>Equipment has been bought for two projects</p> <p>Provincial & National day for women were observed.</p> <p>Supported training of woman project in sewing which started on 25th to 29 June 2012.</p> <p>Course content</p> <ul style="list-style-type: none"> • Introduction to industrial machines • Types of machines • Introduction linen • Construction of a classic pinafore <p>Sewing machines have been bought</p>
	Youth development programme	<p>Nyandeni Youth Summit was held from the 6 – 7 July 2012 at Mthatha wherein Youth Council was re-elected with the following members elected to serve for a period of two years</p>

	Disabled development programmes	<p>At least ten projects are in the database.</p> <p>Printer, Computer, Desk & Chairs have been bought for the office</p> <p>Office equipment for disabled has been bought.</p>
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COMPONENT E: ENVIRONMENTAL PROTECTION

There were no environment protection services performed in the year under review

COMPONENT H: CLINICS, AMBULANCE SERVICES AND HEALTH INSPECTIONS

The Municipality has no SLA in place to perform health services.

HEALTH INSECTION; FOOD AND ABBATTOIR LICENSING AND INSPECTION

Environmental Health Services are provided by the District Municipality. The Municipality has a constructed Abattoir with no adequate infrastructure and is currently not operational.

COMPONENT G: SECURITY AND SAFETY

FUNCTIONAL AREA	IDP OBJECTIVES	ACHIEVED
Public Safety & Security	To reduce crime levels and promote public safety	4 community safety forums were held: 23/02/11; 21/09/2011; 08/12/2012 ; Awareness Campaign on crime at Nothintila, Ward 20: 23/02/2012
		Most of illegal displayed materials in the streets and in front of the shops in both towns were removed by the Law Enforcement Officers, stray animals in both towns were taken to pound and section 341 notices were issued for parking violations.
		One incident reported of theft that implicated the employee.
		The application has been submitted to the SIRA- office to be registered
		The security operational guidelines were developed and in the consultation program

OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCE AND OTHER)

ANIMAL LICENSING AND CONTROL

Nyandeni Local Municipality has two pounds in both towns in order to increase public safety by controlling stray animals.

Pound Management

Objective	Annual target	Actual performance
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To increase public safety through control of stray & impounded animals	Safe streets (absence of stray animals in town)	Pound guidelines were approved by Council
	Reduced rate of stray & impounded animals	Pound Management By-law has been reviewed and submitted for gazetting
	Four awareness campaigns within Nyandeni L. M.	Eight awareness campaigns were conducted at the following Wards: 7,11,12,13,16,21,24,31

COMPONENT H: SPORT AND RECREATION

Sport and recreation is a function located under Special Programmes Unit and the following achievement is highlighted:

Objective	Annual target	Actual performance
SPECIAL PROGRAMMES UNIT	Sports & Recreation	<p>Nyandeni Sport Summit was convened on the 23 May 2012 at Libode College, wherein Nyandeni Sport Council was established.</p> <p>Election of Nyandeni Sport Council</p> <p>Ten members were elected to serve in the Nyandeni Sport Council for a period of two years. The Council will be responsible for the following sport codes; soccer, netball, cricket, rugby and boxing and horse racing</p> <p>Sport activities</p> <p>The under 14 soccer team from Nkunzimbini JSS, Ward 22, participated and won the Milo National Soccer Tournament. The municipality contributed with track suits and a farewell function on their trip to Ghana which they represented South Africa</p>
	4 Sports grounds levelled	<p>2 Sports ground levelled</p> <p>Madwaleni Sports Ground Levelled 5000 sq metres</p>

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

Introduction

This component covers support functions in the institution in relation to service delivery and includes the following areas: Corporate Policy office, Financial Services, Human Resource Services, ICT services and property Services

INTRODUCTION TO EXECUTIVE AND COUNCIL

The following priorities have been considered in the year 2011/12:

- a) Managing all revenue streams, especially debtors;
- b) Protecting the poor from the worst impacts of the economic downturn through poverty alleviation/EPWP programme;
- c) Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- d) generating assets by increasing spending on repairs and maintenance; and
- e) Expediting spending on capital projects that are funded by conditional grants.

The municipality developed an LED Strategy. In realizing improvement in infrastructure development, the Municipality managed to spend 100% of its MIG allocation and 100% of its budget on repairs and maintenance, particularly road maintenance. The performance of the Municipality in revenue collection is still low and the monies owed by debtors is high.

EXECUTIVE AND COUNCIL

Highlight of performance information 2011/12

Focus area	Annual target	Actual Performance
Implementation of Council Resolutions	Update Council resolution register and circulation to management	During the year under review Council had taken 161 resolutions and circulated to all departments
	Provide support to Standing Committees, EXCO and Council meeting	3 Ordinary and 8 Special Council Meetings held as per the council calendar
		2 x Ordinary Executive Committee Meetings were convened and 8 Special Executive Committee
Standing Committee Meetings	Convene standing committee meeting as per the schedule	<p>Below is a summary of standing Committee meetings:</p> <p>Budget & Treasury = 7</p> <p>Public Safety = 4</p> <p>Human Settlement = 3</p> <p>Corporate Services = 4</p> <p>SPU = 7</p> <p>Infrastructure Department = 9</p> <p>Community Services = 5</p>

Focus area	Annual target	Actual Performance
Council calendar adopted	Prepare and adopt council calendar for all statutory meetings	Council calendar was compiled and adopted by council
	Orientation programme for councillors on municipal planning	<p>Two sessions of Council orientation programme were conducted by both the Municipality and SALGA</p> <p>First orientation was organized by the Municipality and second orientation was organized by SALGA</p>
Implementation of Council resolutions	Circulation of Council Resolutions to All Senior Management for implementation	During the year under review Council had taken 161 resolutions and circulated to all departments
	Establishment of Municipal Public Account Committee	<p>The MPAC has been established on 31 October 2011 with (Council Resolution No. 728) and composed of 13 members. Councillor Jamangile Mabuya was appointed as the Chairperson of the MPAC.</p> <p>Other members</p> <ul style="list-style-type: none"> • Cllr Khumalo • Cllr Ngangaza • Cllr Ncanywa • Cllr Lumko • Cllr Bhetele • Cllr Devete

Focus area	Annual target	Actual Performance
		<ul style="list-style-type: none"> • Cllr Mahlangu • Cllr Malindi • Cllr Thiyeka <p>As part of capacity building OMPAC attended the following training programmes</p> <ul style="list-style-type: none"> • Internal orientation workshop hosted on the 23rd of November 2011 • Workshop organized by SALGA on enhancing Oversight in municipalities on 24 November 2012 • Workshop on municipal budgeting and financial management held in East London on the 2nd -2rd April 2012 <p>MPAC workshop held on 5th -6th May 2012</p>
Annual report compiled and adopted by council	Develop annual report	<p>Annual report was compiled and adopted by Council in terms of section 129 (1) (a).</p> <p>It was subsequently referred to MPAC for further scrutiny. Following management interaction with MPAC, an action plan was developed to address gaps and issues raised by MPAC, ultimately were conclusively reflected in the Oversight report submitted to Council</p>
	Approved oversight report	<p>Oversight report was compiled and approved by council</p> <p>Oversight report was advertised for inspection by communities</p>

Focus area	Annual target	Actual Performance
Develop and approve communication strategy	A final draft Communication Strategy is in place, and will tabled to Council once the Executive Committee has been work-shopped on its contents	Draft communication strategy is in place
	Publication of major municipal events as per the legislative requirements	<p>The following events and advertising in terms of legislative requirements have been made;</p> <ul style="list-style-type: none"> a. Special Council meeting of 30 May 2012 b. Ordinary Council meeting of 03 March 2012 c. Special Council Meeting of the 20 June 2012 d. IGR Forum Report Back Session held on 16 May 2012 e. Publication of the approved 2012/17 IDP and Annual Budget of 2012/13 f. Notice of the IDP Representative Forum of 13th March 2012 g. Notice inviting stakeholders to register in the municipal stakeholder management register Notice of final approved budget for 2012/13 published on 05 July 2012 h. Publication of tariffs for 2012/13 i. Notice inviting suppliers to register on the municipal data base for supplier chain management, published on 16 July 2012 j. Notice of a midyear report k. Notice of annual report l. Notice of Oversight published on 15 May 2012 m. Public of IDP and Budget Public Hearings for 2012/13
To improve management of performance management	Increased compliance with legislation	<p>quarterly Performance reports were compiled and approved by council</p> <p>On 18-19 January 2012 Executive Committee workshop was convened</p>

Focus area	Annual target	Actual Performance
		<p>to brief EXCO on the contents of the midyear report</p> <p>2011/12 Midyear performance report was compiled and adopted by Council with on 24 January 2012 with Council Resolution No.741</p> <p>SDBIP Revised Action Plan was developed and similarly approved by Council as amended to the SDBIP on 24 January 2012 with Council Resolution No. 742</p>
	Develop Performance Information	2010/11 Performance Information report was compiled and submitted to both DLGTA, the office of the Auditor General. It is worth noting the District Municipality related information was not adequately reflected due to lack of information.

Traditional Leadership

Focus	Annual Target	Actual Performance
Support to Traditional Leaders	Support to Traditional Leaders	<p>Induction workshop for 12 Traditional Leaders who are participating in Nyandeni Council was convened on 16-18 January 2012.</p> <p>The following topics were covered.</p> <ul style="list-style-type: none"> • Brief overview of the organization • Council Standing Rules and Orders • Code of Conduct for Councillors • Public Representative and disclosure • A ward committee system and people's power

Focus	Annual Target	Actual Performance
		<ul style="list-style-type: none"> • Municipal planning cycle • Systems of delegations • HR and Financial Policies <p>Traditional Leaders were also introduced to a basic computer course which started on the 13 February 2012 to 16 February 2012</p>

FINANCIAL SERVICES

The objective of the Financial Services is to secure sound and sustainable management of the financial affairs of the municipality and to comply with the accounting norms and standards.

National Treasury Municipal revenue budget and expenditure review of 2011 expressly states that “municipal councils, mayors and municipal managers are responsible for ensuring that available revenues are collected, that resources are allocated appropriately, and that procurement and service delivery processes are economical, efficient, effective and equitable”.

Financial Services: Debt Recovery

Comparative analysis:

year	Billing	collected
2010/11	R4 004 265.67	R1 467 511.57
2011/12	R4 121 670.24	R1 960 983.24

Number of properties as per valuation roll =2329

Number of properties billed = 2053

The credit and debt collection policy has been reviewed and adopted by Council. Other financial related policies that have been reviewed include the following:

- Tariff Policy
- Banking & investment policy
- Rates policy
- Credit Control and Debt collection policy
- Budget & IDP Policy

➤ New Policy: Bad Debt Write-off policy

In the year under review, the Municipality could not implement successfully the credit control and debt collection policy due to by-laws that were not gazetted at the time. Another challenge which was a hindrance to collection was due to inaccurate debtors master file. In year 2012/13, the municipality will perform data cleansing exercise for our debtors data.

Arrears in property rates and service charges

The table below provides summary of arrears per category:

Debt by Type	Residents	Councillors	Municipal Officials	Industries	Nat. Departments	Prov. Depts.	Total
Water	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-
Sewerage	-	-	-	-	-	-	-
Refuse	195,238.00	2,523.67	3,640.45	66,847.42	-	3,245.55	271,495.09
Rates	3,277,413.86	19,777.42	5,520.62	1,021,114.15	33,553.39	-	4,357,379.44
Other	-	-	-	-	-	1,414,280.82	1,414,280.82
Grand Total	3,472,651.86	22,301.09	9,161.07	1,087,961.57	33,553.39	1,417,526.37	6,043,155.35
% on Total Debt	57.46	0.37	0.15	18.00	0.56	23.46	100.00

Debtor Age Analysis Summary as at 30 June 2011

The amounts are shown in R '000 on the following age analysis. There was provision of bad debts of all debts more than 120 days that was made.

Age analysis for Debtors as at 30 June 2012

Description	Current	30 days	60 days	90 days	120 days +	Total
Refuse	(3 580)	0	8 924	35 470	252 825	293 639
Old Balances (Rates & Refuse)	(21 201)	0	0	0	2 501 434	2 480 232
Rates	(300 339)	0	79 781	307 294	7 590 256	7 676 991
	TOTAL	729,453	735,776	342,764	10,344,515	10,450,862

Financial Services : Policy Objectives

Budget to actual comparison

The following chart demonstrates the proportional allocation of the operating expenditure in terms of the 5 National Key Performance areas.

DEPARTMENTS	2011/12	2011/12	2010/11	2010/11
	Actual Expenditure	Budget	Actual Expenditure	Budget
Executive and Council	37 425 663	34 668 645	19,072,090	19,915,357
Finance and Administration	37 451 626	35 726 031	28,980,342	32,266,535
Planning and Development	6 758 583	8 819 461	9,099,980	8,881,212
Housing	7 799 632	2 119 887	1,908,221	2,110,686
Community and Social services	23 920 642	27 656 453	29,229,098	28,264,193

Technical Services	44 358 769	46 453 523	41,098,098	45,840,184
GRAND TOTAL	157 714 915	155 444 000	129 387 829	137 278 167

Grants and transfers' spending

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, ACT 56 OF 2003

The following grant funds had been spent in accordance with the Division of Revenue Act, no funds have been diverted other than the original purpose. All funds have been transferred accordingly and on equitable share.

Grant Details		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
		000							
Project name	Donor name	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
FMG	National Treasury	1 450 000	789 839		366 756		198 027		95 378
ELECTRIFICATION	Department of Energy	2 000 000	0	6 500 0000	436 593	1 500 000	4 201 049		2 847 014
MSIG	DPLG		264 201	790 000	525 799				
MIG	DPLG	5 826 000	12 604 421	22 418 000	9 751 535	4 527 000	11 774 227		990 817
Equitable Share	National Treasury	46 636 000	27 731 250	34 499 000	27 73 1250	29 790 000	27 731 250		27 731 250

Long term contracts entered into by the municipality

The municipality does not have long –term contracts.

Annual Financial Performance is detailed below:

	INDICATOR NAME	Target set for the year (R000)	Achievement level during the year (R000)	Achievement percentage during the year (%)
1.	Percentage Expenditure on Capital Budget	39 342 450 (25% of total budget)	39 342 450	100%
2.	Salary budget as a percentage of the total operational budget	71 497 950 (45% of operational budget)	67 520 142	94%
3.	Total actual trade creditors as a percentage of total actual revenue	10 901 903 (trade creditors)	171 175 350 (total actual revenue)	6%
4.	Total Municipal own revenue as a percentage of total actual budget	10 597 000	9 958 000	94%

5.	Rate of Municipal consumer debt reduction	10 450 000 (Total Debtors)	2 234 161 (collection)	21%
6.	Percentage of MIG budget appropriately spent	32 771 000	32 777 1000	100%
7.	Percentage of MSIG appropriately spent	790 000	790 000	100%

Financial Services: Employees

1. Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2006-2007	135	R69 555 149	R11 886424	15%
2007-2008	152	R86 163 057	R27 975 053	32%
2008-2009	174	R75 929 867	R34 208 031	44%
2009-2010	220	R74 825 701	R47 894 083	64%
2010-2011	228	R99 156 252	R61 709 534	62.24%
2011-2012	216	R 116 421 550	R67,520,142	58%

HUMAN RESOURCES SERVICES

Introduction

Internally, the functions within the Corporate Services department are aligned in terms of their own corporate roles and the overall role of Corporate Services. Corporate Affairs is primarily a support function, which plays a key role in ensuring that core operations receive the required support that is non-core.

Human resources development, transformation, mobilization and the need to create a motivated, competent and effective workforce is the responsibility of all levels of organizational leadership and management. Nyandeni Local Municipality will continue develop the necessary institutional capacity and organizational culture required to mobilize the workforce towards the necessary performance levels. The Human Resources function is geared up in executing the necessary Human Resources processes, systems and policies that will ensure effective institutional development of Nyandeni Local Municipality.

The Internal Communication and Media Liaison Unit have played an important role in the branding of the work performed by Nyandeni Local Municipality. The branding is an important vehicle to create awareness about Nyandeni Local Municipality amongst the communities. In addition, the core function of the Unit is to ensure effective communication to all stakeholders.

It is however critical for all relevant stakeholders within Nyandeni to engage in a constructive dialogue to ensure that this Unit is well positioned to support the vision, mission and strategic objectives of Nyandeni as it is an important medium to ensure the involvement of the people through communication.

The Corporate Services Department is also responsible for Support Services Function which range from Switchboard Services, Office Accommodation, office automation and Registry/Archives Management. The Support Services Function is in a position to support with the necessary levels of capacity, competence, technology and resources.

Key priorities in the year under review include:

- Policy development and review
- Organisational design

- Human Resource Development and Skills Development
- Labour Relations

Human Resources Development , Induction, Recruitment and Selection, Placement, HIV/AIDS, Cellphone, Transport, Employee Health and Wellness, Records Management, Employment Equity, Bursary and other forms of Financial Assistance, Personnel Regulations, Sexual Harassment, Staff Retention, Leave, and Disciplinary policies were adopted.

Human Resources Services: Policy Objectives

Functional Area	IDP Objective	Project Title	Indicator	Target	Actual Performance
Policy development and review	To ensure effective compliance and sound management practices within the institution	Policy Review	Number of policies reviewed and approved by Council	16 Policies to be reviewed and adopted by Council	<p>The following policies were reviewed:</p> <p>Human Resources Development, Induction, Recruitment and Selection, Placement, HIV/AIDS, Cellphone, Transport, Employee Health and Wellness, Records Management, Employment Equity, Bursary and other forms of Financial Assistance, Personnel Regulations, Sexual Harassment, Staff Retention, Leave, and Disciplinary Policies. Councillors (March 2012), Management and Staff (15-17 May 2012) were work shopped on these policies</p>
		Policy development	Number of policies developed and approved by Council	5 Policies to be developed and adopted by Council	<p>The following policies were developed:</p> <p>Work Attendance, Termination, Remuneration, Bereavement and Succession Planning and Career Pathing</p>

					Councillors, Management and Staff were work shopped on these policies
Organisational design	To ensure alignment of the Organogram with IDP	Review of organogram	Revised organogram approved by Council	Organogram to be revised and adopted by Council	Organogram captured on OrgPlus and was adopted by CR No. 816/20/06/2012
			Vacancy rate %	Advertise and appoint budgeted posts	<p>Appointments are listed at the end of this report .</p> <p>The following posts have been advertised and appointments have been done but employees had not yet assumed duty at year end.</p> <ol style="list-style-type: none"> 1. Internal Audit Manager 2. Manager: Budget Management 3. Manager SCM (selection delayed due to pending arbitration and/or legal action) 4. SCM Practitioner X 2 <p>Appointment of 34 Life Guards on the 02 April 2012 to 16 April 2012</p>

Performance Management System	To expedite implementation of the PMS Framework		Performance agreements Signed within 30 days	Signing of performance agreements by Managers	Performance Agreements have been signed by Senior Managers only The Managers have not signed the Performance Agreements
			Number of rewards awarded	Performance Assessments of Senior Managers, Managers and Officers	Informal Mid-term Assessment has been done to Senior Managers only by the Municipal Manager. Council is in the process of appointing an Annual Performance Assessment Panel for Senior Managers
Human Resource Development and Skills development	To improve management and spread of skills development	To design and implement a leadership development programme for Councillors	Competency Certificate	Implementation of WSP	Accredited Skills Development Programmes were conducted with an expenditure of R809 425.33.
	To design and implement a skills development plan for all including	Skills Development	Monthly Implementation report	Submission of MMR to LGSETA	Monthly Monitoring Reports have been submitted to LGSETA.

	management and non-management personnel				
		Strengthening of skills development committee	All trainings processed through that training Committee	Sitting of training committee meeting	The Training Committee did not sit as scheduled but held four ad-hoc meetings Bursary Committee awarded 19 new applicants and one continuing employee. As separate report is attached about the other employees who had been finance in the previous year.
	Training of the unemployed	Train 50 unemployed people	Competency Certificates	Conduct Learnerships on life saving, new venture creation, craftwork, road construction, business skills	Declaration of intent was submitted to LGSETA but the learnerships did not take place
		Create opportunities for practical work exposure for interns (1% of the total administrative personnel)	Number of interns employed	Employment of 15 interns	Twenty six interns were appointed, contracts of five interns were to expire on 31/01/2012 and are follows: <ol style="list-style-type: none"> 1. Z.A. Boyce 2. S. Velembo 3. N. Mbiyozo 4. S. Nxalase Their contracts have been renewed from 01/02/2012 to 31/07/2012

					<p>Out of six experiential trainees, contracts of two trainees were supposed to expire on 31/01/2012 and were renewed from 01/02/2012 to 31/07/2012. These are:</p> <ol style="list-style-type: none">1. M. Mgudlwa2. A. Nombewu <p>One trainee his contract expired on 31/01/2012 and is follows:</p> <ol style="list-style-type: none">1. S. Mbodlongo <p>The other two trainees were Building Trainees from Ikhala FET College and their contracts expired on 03/02/2012</p> <p>And are as follows:</p> <ol style="list-style-type: none">1. M. Ndamase2. A. Koyana
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Working Environment	Implementation of disciplinary and grievance procedures in line with the bargaining council agreement		Number of cases finalised	Two employees have been dismissed and one has taken referred an unfair dismissal matter to SALGBC Workshop Supervisors on disciplinary and grievance procedures in line with the bargaining council agreement	The workshop was only conducted for management and labour but the latter could not attend all the sessions
Representativity	To improve participation of target groups in the activities of the Municipality	Implementation of Employment Equity Plan	Employment Equity Report Monthly/ quarterly report	Submit EE Report to DoL	The report has been submitted electronically to Department of Labour in January 2012 and they have confirmed receipt.
Cllr/Employee benefits	Ensure proper administration of benefits			Allocation of travelling and cell phone allowances	11 employees have been identified for Travelling Allowance and 9 have applied and were given the allowance. The tenth employee receiving the allowance is newly appointed 36 employees have been given cell phone allowance

				UIF cancellation and refund for Councillors	UIF for Councillors has been cancelled and they have been refunded the two months' contribution as per the Circular from SALGA
		Proper implementation of SALGBC Collective Agreements	No of complaints from employees	Implementation of SALGBC Agreements	<ul style="list-style-type: none"> • Stand – by allowance has been implemented in the correct manner for the affected employees with effect from February 2012. • Shift Allowance has been implemented to Security Guards/ Supervisors with effect from February 2012 • Long Service Bonus has been implemented for 51 employees for 5 year service and 7 employees for 10 year service, Notch increment for employees within a bracket has been implemented with effect from January 2012 (Security Guards, Cleaner and Pound Supervisors and General Assistants earning from R62 107- R63 669).

					<p><u>SAMWU National Provident Fund</u></p> <p>Funeral Claim for Mr Gwangqa was paid.</p> <p><u>MCPF</u></p> <p>Cllr Ngqangashe – Death claim has not been paid yet</p> <p>Three non-returning Councillors had not yet been paid at year end. Requisition for payment for two is in the process of payment whilst the other one has still to resolve issues with SARS.</p> <p><u>Group Scheme</u></p> <p>Cllr Ngqangashe’s death claim has been paid to the beneficiaries,</p> <p>Mr Gwangqa’s funeral claim was paid by Discovery. Death claim is in process</p>
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					Mr V. Xolilizwe's funeral claim was paid
Staff Provisioning	To provide and retain competent personnel	Development of HR Plan	Council Approval	Develop HR Plan	Staff and Councillors have been workshopped and it was presented to Council for adoption as part of HR Policies
		Development of Succession Plan	Council Approval	Develop Succession Plan	Staff and Councillors have been workshopped and it was presented to Council for adoption as part of HR Policies
Labour Relations	To ensure sound Labour relations	Local Labour Forum	Attendance Register	LLF AGM LLF Sitting monthly	AGM was held in February 2012 5 LLF meetings sat

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Functional Area	IDP Objective	Project Title	Indicator	Actual Performance
Information Technology	To strengthen and professionalize the IT system	Integrated IT system	Effective and efficient IT Systems	A new server room has been constructed and there has been an addition of the new server
		Training of staff with the changes of technology	Users are effective and efficient	Staff have been trained on how to use intranet i.e. All secretaries
		Website maintenance	Updated Website	The website has been designed and a new structure has been uploaded. Continuous update of the information on website
		Human resource Software	Effective human resource system	The Software has been purchased i.e. Orgplus which utilized to design the municipal organogram
		Computer Software	Licensed computers	All of our softwares are licensed i.e. Microsoft Office, AntiVirus software
		Review and implementation of IT policies.	Ensure efficient and effective systems	Currently there is a draft IT Policy that has not been approved as yet

		Surveillance cameras phase 2	Safe guarding of assets	None of the cameras that have been installed with respect to Phase 2 .
		Vehicle Tracking System	Low level of misuse	Vehicle tracking system has been piloted in 20 cars and it is functional
	To enhance Financial Management system	Upgrade of FMS	Effective and efficient FMS	Intention was to increase number of licensed users on Promune but was not done as quotation was expensive to add only one user
		Computer Equipment	Ensure available computers to the relevant staff	100 desktop computers have been acquired and they are being distributed to the users.
		Computer repairs	To ensure computers are repaired	Ongoing

LEGAL SERVICES

The Legal Services function is located in the Office of the Municipal Manager; its main responsibility is to facilitate provision of legal advice to the entire institution. Given limited capacity the municipality has versus the kind of work that must be done, a portion of work has been outsourced.

The following highlights on legal services are highlighted:

Functional Area	IDP Objective		Indicator	Annual target	Achieved
Litigations		Provide legal services to litigation against and for the municipality	No. Of cases attended to		<p>In the year under review 9 litigation cases have been recorded. Of these, 4 cases resolved and 5 outstanding</p> <p><u>Resolved cases</u></p> <ul style="list-style-type: none"> a. Siggibo Sivuyile Nkonyeni V Nyandeni LM b. Eungene Oosthuizen v Nyandeni c. HHO Africa v Nyandeni LM d. Siyaphambili Trading vs Nyandeni LM <p><u>Outstanding Cases</u></p> <ul style="list-style-type: none"> a. Zamuxolo & others v Nyandeni LM b. Tamsanqa Dotyeni v Nyandeni LM c. Selina Matanda vs Nyandeni Im d. Zwelidina Jadiso Avs Nyandeni LM e. Tamsanqa Mzimvubu t/a Zama-Zama vs Nyandeni LM
Bylaws	Review existing bylaws and	Reviewal development and of	No of promulgated and reviewed bylaws	bylaws in place	<p>6 Bylaws reviewed and ready to be published through government gazette. 119</p> <ul style="list-style-type: none"> g. Bylaw relating to nuisances

	develop outstanding ones	municipal bylaws			<ul style="list-style-type: none"> h. Credit Management Bylaw i. Bylaw relating to the removal of refuse j. Cemetery bylaw k. Pound bylaw l. Public Road and miscellaneous bylaw
Delegation Framework	Review of the delegation register		Signed register of delegation between the Senior Manager and the Accounting Officer	Conduct awareness workshops on delegation framework to management team and employees	Council have been work-shopped on the delegation framework and register

COMPONENT J: MISCELLANEOUS

The component includes: the provision of airports, Abattoirs, Municipal Courts and Forestry as municipal enterprise. This section is not applicable to the municipality.

COMPONENT K: ORGANIZATIONAL PERFORMANCE SCORECARD

This component is covered by the attached performance information attached in the annual report for the year under review. The information on the scorecard for year 2011/12 was translated directly into the Service Delivery and Budget Implementation Plan for 2011/12 (SDBIP) and the performance information report is the report that summarizes the performance as the SDBIP.

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE (PERFROMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Presentation of the organizational structure

The municipality has the following departments:

- Municipal Managers Office
- Technical Services
- Community Services
- Planning & Development
- Budget and Treasury Office
- Corporate Services

The organogram has 290 posts of which 74 are vacant posts. All Senior Managers have signed employment contracts and performance agreements.

EMPLOYEES AND VACANCIES

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

a. *MM*/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	33	29	25	08
2	Technical Services	28	18	20	08
3	Planning and Development	13	12	11	02
4	Community Services	145	114	104	41
5	Budget and Treasury Office	30	25	24	06
6	Corporate Services	41	34	32	09
	Total:	290	232	216	74

b. Staff complement in the technical services = 20

Technical staff registered with professional bodies

Technical Service (e.g. water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Civil and Roads	2	0	0	2

Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
216	109	57	50

Annual performance as per key performance indicators in municipal transformation and organizational development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	16	12	75%	Remaining 4 appointments finalised by September 2012
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	3	3	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	7	7	100%	
4	Percentage of Managers in Technical Services with a professional qualification	2	0	0%	Skills shortage

5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	N/A	N/A	N/A	N/A
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	216	198	91.6%	Training on Skills Gap information system has been done
9	Percentage of councillors who attended a skill development training within the current 5 year term	100%	85%	85%	
10	Percentage of staff complement with disability	3	0	0%	
11	Percentage of female employees	92	4	42,5%	
12	Percentage of employees that are aged 35 or younger	153	8	70%	

TURNOVER RATE (INCLUDES SICKNESS AND SUSPENSIONS)

POST	NAME	Date	Type of Termination	Reason
Security Guard	Mr Mboza	30 Aug 11	Resignation	Better opportunity
Internal Audit Manager	Mr S. Nelani	25 Aug 11	Resignation	Better opportunity
Chief Finance Officer	Mr M. Mandla	30 Nov 11	Resignation	Better opportunity
Asset Management Officer	Ms Z. Mbewu	2 Dec 11	Resignation	Better opportunity
Municipal Manager	Mr P.B. Mase	25 March 12	Resignation	Better opportunity
Manager: Budget Management	Mr T. Mketsu	30 March 12	Resignation	Better opportunity
Human Resources Manager	Ms V. Mviko	12 July 12	Resignation	Better opportunity
Security Guard	Mr Gwangqa	08 Feb 12	Death	
SPU Officer	Mr M. Mlandeli	20 March 12	Dismissal	Abscondment
Manager: SCM	Ms Y. Baninzi	02 April 12	Dismissal	Financial Misconduct
Senior Manager Internal	Mr D Sogoni	30 April 12	Contract Expiry	

Audit				
General Worker Parks and Gardens	Ms Magobhiyane	25 April 12	Retired	
General Worker Parks and Gardens	Ms Sihlelo	25 April 12	Retired	
Ward Councillor: Ward 13	Cllr Ngqangashe	22 Aug 11	Death	
PR Councillor	Cllr Ngqondwana		Resignation	

COMMENTS ON VACANCY AND TURNOVER

Most of vacancies as per above table were due to the following reasons, members of staff obtaining better positions elsewhere which were not immediately available within the municipality. Senior Manager : Internal Audit's contract had expired. There were two dismissals one due to abscondment and the other due to financial misconduct. Other staff members had reached the pensionable age and there some bereavements. Overall, the municipality responded in filling most of the vacant posts. Further the municipality has a Retention Policy and Placement Policy adopted.

APPOINTMENTS

The table lists all appointments made in 2011/12:

Post	Name	Start Date
1. Roads Technician	Ms. A. Hlangu	05/09/2011
2. Credit Control Clerk	Mr. V. Hlongwe	01/07/2011
3. V.I.P. Officer	Mr. Ngomthi	04/07/2011
4. Tipper Truck driver	D.Z. Ntshoyi	04/01/2012
5. Lowbed/ Watercart Driver	M.T.Nonkwelo	04/01/2012
6. IT Intern	Mr. S. Mpini	13/07/2011
7. Traffic Intern	Ms. N. Mangesi	08/08/2011
8. Community Services Intern	Ms. Z. Poswa	08/08/2011
9. IDP Intern	Mr. N. Mtintweni	08/08/2011
10. HIV/AIDS Intern	Ms. N. Bangani	08/08/2011
11. Town Planning Intern	Ms. N. Tukwayo	08/08/2011
12. Employee Wellness Intern	Ms. W. Cakata	08/08/2011
13. HRD Intern	Ms. K. Mdutyulwa	08/08/2011

14. Communications Intern	Ms. N. Mzini	08/08/2011
15. Roads Technician Trainee	Mr. M. Mgudlwa	08/08/2011
16. Road Technician Trainee	Ms. N. Xantsa	08/08/2011
17. HRM/Receptionist Trainee	Ms. A. Nombengu	08/08/2011
18. HRD/Registry Trainee	Ms. N. Nyingwa	08/08/2011
19. Internal Audit Intern(National Treasury)	Ms. S. Tshotsho	01/09/2011
20. Financial Management Intern(National Treasury)	Mr. T. Jozana	01/09/2011
21. Electrician Trainee	Mr. N. Pompokwana (RESIGNED)	02/09/2011
22. Community Services Officer	Mr Madyibhi	01 June 2012
23. Senior Manager Planning and Development	Mr G. Cekwana	01 May 2012
24. Chief Financial Officer	Mr B. Benxa	04 June 2012
25. Cllr replacing Cllr Ngqondwana	Cllr Fodo	01 April 2012
26. Cllr replacing Cllr Ngqangashe	Cllr Nkunzi	01 Dec 2012

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

In responding to MSA 200 section 67, the municipality has developed and adopted the following policies in order to ensure fair, efficient, effective and transparent personnel administration in accordance with the Employment Equity Act of 1998.

POLICIES

The following policies were reviewed in the year under review:

1. Human Resources Development,
2. Induction,
3. Recruitment and Selection
4. Placement,
5. HIV/AIDS
6. Cellphone,
7. Transport,
8. Employee Health and Wellness
9. Records Management
10. Employment Equity
11. Bursary and other forms of Financial Assistance
12. Personnel Regulations
13. Sexual Harassment

- 14. Staff Retention
- 15. Leave
- 16. Disciplinary Policies

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	158	Bonitas	38
Cape Retirement Fund	39	LA Health	22
		Key Health	01
		SAMWUMED	70
		HOSMED	66
TOTAL	197	TOTAL	197

PERFROMANCE AWARDS

Implementation of the Performance Management System (PMS):

Council has adopted a PMS framework and is still not yet fully implemented. All Senior Managers have signed performance agreements.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The highlights of performance by the municipality in responding to MSA 200 section 68 (1) is as follows:

SKILLS DEVELOPMENT AND TRAINING AND EXPENDITURE

- **Skills Programmes implemented internally**
 - Marine Resource Management Training
 - Municipal Finance Management Programme
 - SAMTRAC
 - ODETDP
 - Programme in HRM
 - E-natis Training
 - Municipal Finance Management Programme
 - Payroll & Admin
 - Credit Control and Debt Collection
 - State Protocol Training
 - Basic Sign Language
 - Project Management
 - Advanced Local Government Law and Administration
 - Examiner of Drivers Licenses
 - Housing Sector Training
 - Project Khaedu Training

- Handyman Training
- Promun Workshop
- Personal Finance

- HIV/Aids
- Plant Operator Training
- Personal Hygiene and Safety
- Basic Waste Management
- First Aid
- Ashepp
- CPMD
- Labour Intensive Construction
- Local Government Law and Administration
- Computer Literacy Training
- Diploma in Local Government Law and Admin

Bursary for staff members

In allocation of bursaries eighteen staff members were new applicants and three were continuing bursary holders.

- Post Graduate Diploma in Management Accounting
- Post graduate Diploma in Internal Audit
- B Com Accounting
- Certificate in Local Government Management
- Diploma in Local Government and Finance
- Masters in Development Studies
- ND HRM
- Masters: Public Admin
- Microsoft Certified IT Professional

- National Diploma: Administrative Management
- Btech:CMA
- Btech:Information Sciences
- B.Admin.
- Btech:Public Management
- Mtech:Public Management
- Diploma in Municipal Traffic Management
- National Diploma in Policing

Internship Programme

Skills Programmes implemented externally

- 14 Marine Resource Management
- 24 unemployed were trained on Soil Sieving
- 4 were trained on Municipal Finance Management Programme
- 26 were given training on Report Writing, minute taking and public participation
- 1 was trained on Basic Waste Management
- 15 were trained on First Aid
- 1 was trained on Labour Intensive Construction
- 25 Interns given work experience

- 04 Experiential Trainees given practical experience
- 20 unemployed given training in Computer literacy

The following *Skills Matrix* shows the number of skilled employees as of June 2012:

HUMAN RESOURCES DEVELOPMENT
ANNUAL REPORT JULY 2010- JUNE
2011

G REPORT

Jul-11 Jun-12



TOTAL EXPENDITURE

R 774 425.25

Training Intervention	BENEFITIARIES				
	Departments	Gender		Levels	Amount
		Female	Male		
Marine Resource Management Training	MM,Comm,Plann.Dev,Corp	3	5	1,2,5,6	LGSETA
Municipal Finance Management Programme	MM,BTO & Comm	2	1	1,2	LGSETA
SAMTRAC	Cps	1		4	R 10 000.00
OEDTDP	CPS	1		5	LGSETA
Programme in HRM	CPS	2		2,3	R 12 400.00
E-natis Training	Comm. Serv.	1		4	Dept of

					Transport
Municipal Finance Management Programme	CPS, Plann. And Dev, Tech. Serv.,MM	2	5	1,2	R 159 206.25
Payroll &Admin	BTO	1		5	R 3 990.00
E-natis Training	Comm. Serv.	1	1	2 & 5	Dept of Transport
Credit Control and Debt Collection	BTO		1	5	R 2 310.00
State Protocol Training	CPS, MM	2	2	1,2 & 3	Office of the Premier
Basic Sign Language		17	2	3,4 &5	R 41 040.00
Project Management	Plann & Dev	1		2	R 16 900.00
Advanced Local Government Law and Administration	MM & Cps	1	1	2&3	R 42 000.00
Examiner of Drivers Licences	Comm Serv	1	1	5	R 15 220.00
Housing Sector Training	Plann. & Dev.	1	1	3 & 5	Dept. Of Housing
Project Khaedu Training	MM		2	1	DLGTA
Handyman Training	Cps		5	11	R 22 760.00
Municipal Finance and Management Programme	MM	1		03-Jan	SAICA and Deloitte
Promun Workshop	BTO & Cps	4	2	3,5	R 3 000.00
Personal Finance	Cps,Comm & Technical Serv.	7	23	11-Jan	R 29 750.00
HIV/Aids	Cps,Comm Services				R 29 500.00
Plant Operator Training	Technical Services		10	5	R 11 656.08
Personal Hygiene and Safety	Cps, Comm Services	4	6	11	R 11 565.00
Basic Waste Management	Comm Services	1	2	5	OR Tambo
First Aid	Comm Services	3	9	2,3,4 &5	R9120.00
Ashepp	Plann & Dev.	1		3	R 2 160.00
CPMD	Cps		1	1	

Labour Intensive Construction	Technical Services	1		3	R 6 384.00
Total					R 428 961.25

TRAINING FOR COUNCILLORS

Training Intervention	BENEFICIARIES				
	Departments	Gender		Levels	Amount
		Female	Male		
Marine Resource Management	Council	3	6		LGSETA
Local Government Law and Administration	Council	3	2		R 95 000.00
Advanced Local Government Law and Administration	Council	1	2		R 42 000.00
Diploma in Local Government Law and Admin	Council	1	1		R 54 000.00
State Protocol Training	Council	1	1		Office of the Premier
Computer Literacy Training	Council	12	22		R 40 800.00
TOTAL					R 231 800.00

TRAINING OF UNEMPLOYED

Training Intervention	Beneficiaries				
	Department	Gender		Levels	Amount
		Female	Male		
Marine Resource Management	Community members	3	2		LGSETA
Soil Sieving	Community members	6	18		ECATU
Municipal Finance Management Programme	Interns	2	1		R 105 000.00
Report Writing, minute taking and public participation	Ward Committees	17	9		OR Tambo
Basic Waste Management	Comm Services- Intern	1			OR Tambo
First Aid	Comm Services- Interns	3			R 2 280.00
Municipal Finance Management Programme	BTO- Intern		1		SAICA and Deloitte
Labour Intensive Construction	Technical Services- intern		1		R 6 384.00
Total					R113664.00

- 12 unemployed given training in Costing and Pricing

FINANCIAL COMPETENCY DEVELOPMENT PROGRESS REPORT

In compliance with National Treasury Local Government MFMA Competency Regulations (June 2007) the municipality has achieved the following:

Senior Managers

	MUNICIPAL FINANCE			IN PROGRESS		
MUNICIPALITY	NAME	DESIGNATION	DATE COMPLETED	DATE ENROLLED	MODULES COMPLETED	STATUS
Nyandeni LM	G.N.CEKWANA	PLANNING &DEV.	23-Sep-2011			COMPLETED
Nyandeni LM	G.M.ZIDE	STRATEGIC	23-Sep-2011			COMPLETED
Nyandeni LM	N.NOMANDELA	ACTING MM				IN PROGRESS
Nyandeni LM	S.V.POSWA	CORPORATE SERVICES	20 JULY-2008			COMPLETED

MANAGERS

MUNICIPAL FINANCE				In Progress		
Municipality	Name	Designation	Date Completed	Date Enrolled	Modules Completed	STATUS
Nyandeni LM	T. Mabusela	PMU				INCOMPLETE
Nyandeni LM	Z. Masumpa	LED	23-Sep-2011			
Nyandeni LM	N. Mcingane	IDP				IN PROGRESS
Nyandeni LM	G.Nomqonde	LEGAL SERVICES	23-Sep-2011			COMPLETED

OFFICIALS

CPMD& MUNICIPAL FINANCE MNGT PROGRAMME				In Progress		
Municipality	Name	Designation	Date Completed	Date Enrolled	Modules Completed	STATUS
Nyandeni LM	N. Matshikiza	Asset Officer		July 2010		IN PROGRESS
Nyandeni LM	N.Langa	Revenue Officer		July 2010		IN PROGRESS
Nyandeni LM	B. Mabuya	Internal Audit		March 2012		IN PROGRESS
Nyandeni LM	S. Tshotsho	Intern		July 2011		IN PROGRESS
Nyandeni LM	T. Jozana	Intern		March 2012		IN PROGRESS
Nyandeni LM	S. Moyake	Intern		July 2011		IN PROGRESS
Nyandeni LM	N. Bungane	Intern		July 2011		IN PROGRESS

NB: The following employees have applied for the 2012 intake for Municipal Finance Management Programme

CPMD& MUNICIPAL FINANCE MNGT PROGRAMME				In Progress		
Municipality	Name	Designation	Date Completed	Date Enrolled	Modules Completed	STATUS
Nyandeni LM	B. Benxa	CFO		June 2012		In Progress
Nyandeni LM	Q.F.Q Madikida	SENIOR MANAGER TECHNICAL SERVICES		June 2012		In Progress
Nyandeni LM	A. Maplanga	PAYROL OFFICER		June 2012		In Progress
Nyandeni LM	M. Momoti	REVENUE		June 2012		In Progress
Nyandeni LM	J. Sikhuni	ACTING SENIOR MANAGER COMM.SERVICES		June 2012		In Progress

	MUNICIPAL FINANCE			In Progress		
Municipality	Name	Designation	Date Completed	Date Enrolled	Modules Completed	STATUS
Nyandeni LM	L. Madzizela	HOUSING MANAGER		June 2012		In Progress
Nyandeni LM	S.Maqhekeza	CHIEF LAW ENFORCEME NT		June 2012		In Progress
Nyandeni LM	Mr. X.Sikobi	MANAGER BUDGET &TREASURY		September 2012		In Progress
Nyandeni LM	Mrs. S.Mandla	INTERNAL AUDIT MANAGER		September 2012		In Progress
Nyandeni LM	S.Ntshanga	TOWN ®IONAL PLANNING MANAGER		June 2012		In Progress

PLACEMENTS

1. Supervisor Cleaners	Mr Mthitshana Mr Makeleni	05/09/2011
2. Asset Management Officer	Ms N. Matshikiza	02/02/2012
3. General Assistant: Technical Services	Mr Nojila	9/02/2012

PROMOTIONS

Post	Name	Start Date
1. Truck Drivers	J. Mva N. Cengani	01/12/2011
2. Traffic Superintended	M.G. Mvanyashe	01/12/2011
3. Community Services Officer	Ms N. Bonga	01/05/2012

ACTING APPOINTMENTS

1. Mr M. Bambeni has been appointed as Acting IDP Officer with effect from 01 February 2012
2. Ms A. Norolela has been appointed as Acting Expenditure Officer with effect from 02 February 2012
3. Supervisor Pound and Cemetery: Libode
4. Mr T Bhungane's (Mechanic) contract has been extended from 30 March 2012 to 29 June 2012.
5. Ms N Bonga acted as Community Services Officer form 6 May 2010 to 01 May 2012

In the year under review, there were no appointments made outside of the organogram

DISCLOSURES OF FINANCIAL INTEREST:

All Senior Managers in the year under review signed declaration forms on financial interests, however, there was no register in place to constantly keep track of gifts and rewards received.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

Personnel expenditure has been on increase since 2006/7, however, in 2011/12 the expenditure was lesser than 2010/11.

Trends on total personnel expenditure are as follows:

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure
2006-2007	135	R69 555 149	R11 886424	15%
2007-2008	152	R86 163 057	R27 975 053	32%
2008-2009	174	R75 929 867	R34 208 031	44%
2009-2010	220	R74 825 701	R47 894 083	64%
2010-2011	228	R99 156 252	R61 709 534	62.24%
2011-2012	216	R 116 421 550	R67,520,142	58%

1.4 Senior officials' wages and benefits (even if included in the financial statements);

- Municipal Manager – R 731,336 (Mr. Mase resigned end March 2012 and Mrs. Nomandela acted for the rest of the financial year)
- Senior Manager Corporate Services – R 779 043

- Senior Manager Planning and Development – R779 043
- Senior Manager Technical Services – R779 043
- Senior Manager Community Services – R779 043
- Senior Manager Operations – R779 043
- Senior Manager Internal Audit – R649 202 (Contract expired end April 2012)
- Chief Financial Officer – R342 580 (Mr. Mandla resigned end November 2011)

CHAPTER 5: FINANCIAL PERFORMANCE

The municipality is responsible for 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, compliance with relevant laws and regulations and the related financial information contained elsewhere in this annual report. Accurate accounting records have been maintained by the municipality.

The annual financial statements for 2011-2012 presented in this report have been prepared using GRAP standards to the extent that these standards have been prescribed by the minister of finance, and were submitted by the 31 of August 2012 to the office of Auditor General. The financial statements have been prepared based on the accounting policies that the municipality deems to be appropriate for the activities of the municipality and have been applied consistently in all respects from the previous financial years. The municipality is satisfied that the information contained in the annual financial statements fairly presents its financial position and performance for the year 2011-2012 under review.

The municipality is solely depended on transfer from the National Treasury, COGTA.

The external auditors AG have audited the annual financial statements for 2011-2012 and their report is presented in this report, the financial statements were submitted to Auditor General as required by MFMA Sec 126 (a).

STATEMENT OF FINANCIAL PERFORMANCE:

The audited financial statements

NYANDENI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2012

	Notes	2012 R '1	2011 R '1
REVENUE			
Receivable from exchange transactions			
Property rates	20	3,833,751	3,357,862
Service charges – refuse	21	158,526	71,085
Rental of facilities and equipment		101,644	101,674
Interest earned		2,551,653	2,279,586
Fair value gain on short term investments		191,396	189,196
Other income	25	2,551,435	3,621,409
Receivable from non-exchange transactions			
Fines		602,350	330,550
Recoveries		-	973,581
Transfers and subsidies	24	161,184,594	118,434,783
Total Revenue		171,175,350	129,359,726
EXPENDITURE			

Employee related costs	26	55,186,994	50,337,753
Remuneration of Councillors	27	12,333,148	11,261,111
Depreciation and amortization		23,125,220	30,190,149
Impairment loss		-	-
Finance costs	28	756,409	669,498
Loss on disposal of assets		-	56,749
Rates rebate		20,022	-
Repairs and maintenance		3,708,162	3,092,911
Bulk purchases	29	7,158,407	-
Fair value loss on short term investment		124,484	252,694
General expenses	30	42,524,598	35,576,995
Total expenditure		144,937,443	131,437,860
Fair value adjustments		1,086,850.00	-
SURPLUS FOR THE YEAR		27,324,756	-2,078,134

GRANTS

Grants and transfers' spending

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, ACT 56 OF 2003

The following grant funds had been spent in accordance with the Division of Revenue Act, no funds have been diverted other than the original purpose. All funds have been transferred accordingly and on equitable share.

Grant Details		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Project name	Donor name	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
FMG	National Treasury	1 450 000	789 839		366 756		198 027		95 378
ELECTRIFICATION	Department of Energy	2 000 000	0	6 500 000	436 593	1 500 000	4 201 049		2 847 014
MSIG	DPLG		264 201	790 000	525 799				
MIG	DPLG	5 826 000	12 604 421	22 418 000	9 751 535	4 527 000	11 774 227		990 817
Equitable Share	National Treasury	46 636 000	27 731 250	34 499 000	27 73 1250	29 790 000	27 731 250		27 731 250

ASSET MANAGEMENT

The Asset management policy in the year under review was last updated in 2009. A GRAP compliant fixed asset register was compiled, however, the register has shortfalls and needs to be redone. There is limited capacity in the unit which needs to be considered as a matter of urgency, either by capacitating the current incumbent.

Below is the asset register detailing summary of the asset profile in the municipality:

NYANDENI LOCAL MUNICIPALITY						
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)						
For the year ended 30 June 2012						
9	PROPERTY PLANT AND EQUIPMENT					
	2012			2011		
	Cost / Valuation	Accumulated depreciation	Carrying Value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	39 439 953	7 213 616	32 226 337	39 439 953	6 450 636	32 989 317
Infrastructure	320 143 060	193 263 461	126 879 599	320 143 060	165 245 519	154 897 541
Community assets	11 932 135	5 314 207	6 617 928	11 932 135	4 785 244	7 146 891
Motor vehicles	10 918 015	4 846 520	6 071 496	10 918 015	3 596 823	7 321 192
Computer equipment	1 224 421	296 455	927 966	416 352	243 222	173 130
Furniture and office equipment	3 291 853	1 381 997	1 909 856	2 415 274	1 059 045	1 356 229
Plant & Equipment	4 687 836	1 639 321	3 048 516	4 621 256	1 315 008	3 306 248
Finance lease assets	1 208 624	404 949	803 676	1 003 343	184 783	818 560
Total	392 845 898	214 360 525	178 485 373	1 003 343	184 783	208 009 108

REPAIRS AND MANTAINANCE EXPENDITURE

	Original Budget	Adjustment Budget	Actual	Budget Variance
Repairs and maintenance	R7, 230 000	R9, 150 000	R5, 529 402	60%

FINANCIAL RATIOS

The table below is a summary of all the ratios:

Step 2 and Step 3

RATIO	Current year actual	Prior year actual	Current year budget	Current - Prior	Management's explanation for significant fluctuations	Current - Budget	Management's explanation for significant fluctuations
Current ratio:							
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{776 + 70}{497.00 + 16} = 437\%$	$\frac{506 + 55}{338.00 + 16} = 343\%$	$\frac{\text{---}}{\text{---}} = 100\%$	94%	The increase is due to vat receivable, as the vat audit was not finalised by year end. There was also significant increase of 7 million to the cash on hand at year end.	337%	
Acid test Ratio: (Current Assets - Inventory)	$\frac{776 + 70}{497.00 + 16} = 437\%$	$\frac{506 + 55}{338.00 + 16} = 343\%$	$\frac{\text{---}}{\text{---}} = 100\%$	0.93944145	The increase is due to vat receivable, as the vat audit was not	3.36604903	
$\frac{\text{---}}{\text{Current Liabilities}}$	$\frac{210}{\text{---}}$	$\frac{198}{\text{---}}$	$\frac{\text{---}}{\text{---}}$				

	651.00		627.00					finalised by year end. There was also significant increase of 7 million to the cash on hand at year end.		
Working capital Ratio: (Current Assets - Current liabilities) <u>Total assets</u>	<p style="text-align: right;">54</p> <p>565 <u>846.00</u></p> <p style="text-align: right;">340</p> <p>876 357.00</p> <p style="text-align: right;">= 16%</p>		<p style="text-align: right;">39</p> <p>307 <u>711.00</u></p> <p style="text-align: right;">309</p> <p>075 146.00</p> <p style="text-align: right;">= 13%</p>					<p style="text-align: right;">100%</p> <p>0.03289669</p>	<p style="text-align: right;">-0.8399248</p>	
Cash coverage Ratio: Cash & cash equivalents of 90 days or less <u>Fixed operating cash</u>	<p style="text-align: right;">2</p> <p>349 <u>622.75</u></p> <p style="text-align: right;">25</p> <p>436 438.25</p> <p style="text-align: right;">= 9%</p>		<p style="text-align: right;">2</p> <p>946 <u>051.00</u></p> <p style="text-align: right;">24</p> <p>313 543.75</p> <p style="text-align: right;">= 12%</p>					<p style="text-align: right;">100%</p> <p>-0.0287968</p>	<p style="text-align: right;">-0.9076277</p>	

payments							
Financing to capital expenditure Ratio: Increase or decrease in long term loans <u>85 291.00</u> Cash used in capital expenditure for the year 777 523.00	= 0%	- <u>31</u> 378 663.00	= 0%	<u> </u> = 100%	0.00260212		-0.9973979
Gross debtors to annual revenue Ratio: Current consumer debtors <u>294</u> 233.00 Total revenue billed for services during the year 992 277.00	= 7%	253 <u>533.00</u> 3 428 947.00	= 7%	<u> </u> = 100%	-0.0002385	The collection rate is low, however the municipality is in the process of implementing credit control initiatives.	-0.9262995
Gross debtor days Ratio: Current consumer debtors <u>294</u> 233.00 Total revenue billed for services during the year x 365 992 277.00	= 26.9006998	253 <u>533.00</u> 3 428 947.00	= 26.9877443	Gross debtors to annual revenue x 365 = 365	-0.0870446	The collection rate is low, however the municipality is in the process of implementing credit control initiatives.	-338.0993

Net debtors to annual revenue Ratio: (Current consumer debtors - Provision for bad debt) <u>294</u> 233.00 Total revenue billed for services rendered on credit 992 277.00	 3 = %	253 <u>533.00</u> 3 = 7%	 = 100%	-0.0002385	The collection rate is low, however the municipality is in the process of implementing credit control initiatives.	-0.9262995	
Net debtor days Ratio: (Current consumer debtors - Provision for bad debt) <u>294</u> 233.00 Total revenue billed for services rendered on credit x 365 992 277.00	294233 3 = 26.9006998	253 <u>533.00</u> 3 = 26.9877443 428 947.00	Net debtors to annual revenue x 365 = 365	-0.0870446		-338.0993	
Annual collection rate Ratio: Receivables turnover Ratio: Billed revenue levied on consumers 992 277.00 Average debtor 1 996	 3 = 200%	 208 169.00 = 164% 126	 = 100%	0.3578548		1	

balance	138.50		766.50						
Debts written off as a percentage of total expenditure Ratio: Debts written off <u> </u> Total expenditure	<u>-</u> 137 = 0% 114 893.00		<u>-</u> 130 = 0% 859 525.00		<u> </u> = 100%	0		-1	
Debtors impairment Ratio: Bad debt provision <u> </u> Billed revenue	10 476 492.00 <u> </u> 3 992 277.00 = 262%		8 718 652.00 <u> </u> 3 428 947.00 = 254%		<u> </u> = 100%	0.08152801	The majority of debtors are indigent and are long outstanding, as a result the significant portion of debtors are provided for impairment.	1.62418965	
Debt ratio: Total liabilities <u> </u> Total assets	<u>16662652</u> 340 = 5% 876 357.00		<u>16735919</u> 309 = 5% 075 146.00		<u> </u> = 100%	-0.0052666	The ratio is favourable.	-0.9511182	
Debt / net asset position ratio: <u> </u> Total assets	340 <u>876</u> = 2046%		309 <u>075</u> = 1847%		<u> </u> = 100%	1.98973665	The ratio is favourable.	19.4575092	

	<u>357.00</u>			<u>146.00</u>								
Total liabilities	16662652			16735919								
Non-current liabilities to revenue Ratio:												
Total long term debt	<u>452</u> 001.00	=	0%	<u>537</u> 292.00	=	0%	<u> </u>	=	100%	-0.001497		-0.9973458
Total operating revenue	170 296 310.00			129 430 863.00								
Total debt to annual operating revenue Ratio:												
Total debt	<u>16</u> 662 652.00	=	10%	<u>16</u> 735 919.00	=	13%	<u> </u>	=	100%	-0.0314589	The revenue sources are sufficient to cover total debts.	-0.9021549
Total operating revenue	170 296 310.00			129 430 863.00								
Debt to cash Ratio:												
Long term debt	<u>452</u> 001.00	=	0%	<u>537</u> 292.00	=	0%	<u> </u>	=	100%	-0.0017548	The revenue sources are sufficient to cover total debts.	-0.9973001
Cash generated from operations	167 411 469.00			120 612 121.00								
Total investments to total assets Ratio:												
Total investments	<u>51</u> 055 503.00	=	15%	<u>51</u> 382 175.00	=	17%	<u> </u>	=	100%	-0.0164677	The municipality is in a	-0.8502228

Total assets	340 876 357.00	309 075 146.00			favourable financial position.		
Turnover of management Ratio: No. of terminations of management <u>No. of management at start of 12 month period</u>	<u>5</u> = 24% 21.00	<u>0</u> = 0% 20.00	<u> </u> = 100%	0.23809524	The turnover of management is adequate.	-0.7619048	
Replacement of management Ratio: Total No. of management appointments for the year <u>No. of management terminations for the previous year</u>	<u>1</u> = 100% -	<u>1</u> = 100% -	<u> </u> = 100%	0		0	
Vacancies Ratio: Total No. of management vacancies <u>No. of management posts</u>	<u>4</u> = 19% 21.00	<u>0</u> = 0% 20.00	<u> </u> = 100%	0.19047619	The vacant positions were advertised prior to year end and were subsequently filled after year end.	-0.8095238	

Cost of consultants	336			30 166.00								
<u>Total expenditure</u>	<u>321.00</u>	=	0%	<u>130</u>	=	0%	_____	=	100%	0.00222232		-0.9975472
	114			859								
	893.00			525.00								
Fruitless and wasteful expenditure (current year)	-	=	0.00%	-	=	0.00%	_____	=	100.00%	0		-1
<u>Total expenditure</u>	<u>137</u>			<u>130</u>								
	114			859								
	893.00			525.00								
Irregular expenditure (current year)	4			663			_____					
<u>Total expenditure</u>	<u>351.00</u>	=	3.51%	<u>568.00</u>	=	0.51%		=	100.00%	0.03005555	The ratio increase is due to increase in spending, the municipality is in the process of reviewing the SCM policy.	-0.9648736
	114			859								
	893.00			525.00								
Unauthorised expenditure (current year)	-	=	0.00%	-	=	0.00%	_____	=	100.00%	0		-1
<u>Total expenditure</u>	<u>137</u>			<u>137</u>								
	114			114								
	893.00			893.00								
Unspent grants	2			5			_____					
<u>Total grants</u>	<u>783</u>	=	2%	<u>918.00</u>	=	5%		=	100%	-0.0323551	There was only one unspent grant of electrification that was outstanding at year end.	-0.9826322
	160			118								
	240 978.00			434 783.00								

ANALYSIS OF FINANCIAL RATIOS

Current Ratio

The municipality had a current ratio of 4.37, which demonstrated that the municipality is in a healthy financial state, where its current assets were 4 times the value of the current liabilities.

The municipality had a favourable working capital.

Acid Test Ratio

The municipality had an acid test ratio of 4.37, which demonstrated that the municipality had assets that could be quickly turned into cash to settle short term obligations.

The municipality did not have Inventory at year; therefore the Acid Test Ratio is equal to the Current Ratio.

Working Capital Ratio

The municipality had a favourable working capital of R 54 565 846, however the rate of current assets to total assets was 16%, which means 84% of assets were long term in nature. This affected the overall working capital ratio.

Cash coverage Ratio

The municipality had a cash covering ratio of 9% which was favourable and demonstrated that the municipality had a healthy bank balance at year end after settling all fixed operating cash payments. This means the municipality had sufficient reserves to meet its obligations.

Financing to Capital expenditure Ratio

The municipality had a ratio of 0%, as there were no long term loans at year end.

Gross Debtors to Annual Revenue Ratio

The municipality had a ratio of 264%. The municipality had a balance of R 10 535 364 of long outstanding debtors. The collection rate is low; the situation is expected to improve after the implementation of credit control policy and collection initiatives.

Gross debtor days Ratio

The average number of day the debtors are due was 963 days. This demonstrates that the majorities of municipal debtors are older than 365 days, thus are potentially bad.

Net debtors to annual revenue Ratio

The municipality had a ratio of 7%. The collection rate is low, so 93% of debtors were provided for impairment at year end. The situation is expected to improve after the implementation of credit control policy and collection initiatives.

Net debtor days Ratio

The average number of days the debtors after provision for impairment was 27 days, the significant decrease was due to the fact that 93% of consumer debtors were impaired.

Receivables turnover Ratio

The municipality had a ratio of 200%. This amounts to the billing equaling twice the value of average debtors.

Debts written off as a percentage of total expenditure Ratio:

The ratio was 0%. There were debts written off during the year under review.

Debtors' impairment Ratio:

The ratio was 262%. This demonstrates that a majority of debtors are not recoverable and as such have to be provided for impairments. The main contributing factor is the old balances that were inherited from the transitional local government and from debtors that are indigent. The municipality is in the process of updating the indigent register which will reduce the instance of billing indigent debtors.

Debt Ratio

The debt ratio is 5%, which means the municipality's assets far exceed the liabilities. Therefore there are no going concern issues for the municipality.

Debt / net asset position ratio

The debt ratio is 2064%, which means the municipality's assets far exceed the liabilities. Therefore there are no going concern issues for the municipality.

Non-current liabilities to revenue Ratio

The ratio is 0%. The long term liabilities of R 462K are insignificant as compared to the revenue of R 170 million, which means the municipality has sufficient funds to meet its long term liabilities.

Total debt to annual operating revenue Ratio

The ratio is 10%; this means the revenue sources are sufficient to cover the total debts.

Debt to cash Ratio

The ratio is 0%; this means the revenue sources are sufficient to cover the total debts.

Total investments to total assets Ratio

Total investments are valued at 51 million, whereas the total assets are valued at 340 million, which means 15% of total assets are investments, which symbolizes the favourable financial position of the municipality. This also demonstrates a high level of liquidity.

Turnover of management Ratio

There were 5 terminations of members of the management team, out of the 21 available management posts. This amounted to 24% turnover ratio.

Replacement of management Ratio

There was 1 appointment for the vacated posts, which amounted to 20% replacement ratio.

Vacancies Ratio

Out of the 5 terminations, 4 vacancies were still vacant at year end. 3 posts have been filled in the 2012-2013 financial year.

Consultancy Ratio

The total amount spent on consultants was R 336 321 which is 0.002% of the total expenditure cost of R 137 114 893. This is the indicator that the municipality is not overly reliant on consultants.

Fruitless & Wasteful Expenditure Ratio

The municipality incurred penalty interest on late payment of overdue accounts amounting to R 95 691. This equated to 0.07% of total expenditure balance of R 137 114 893.

Irregular Expenditure Ratio

The municipality incurred irregular expenditure amounting to R 2 774 147 during the current year. This equated to 2.02% of the total expenditure balance of R 137 114 893. Irregular expenditure was mainly due to non adherence to supply chain regulations.

Unauthorized expenditure Ratio

The municipality incurred unauthorized expenditure amounting to R 17 551 871 during the current year. This equated to 12.80% of the total expenditure balance of R 137 114 893. Unauthorized expenditure was mainly due to full implementation of GRAP reporting standards, e.g. Depreciation was not budgeted for.

Unspent grants Ratio

The municipality had an unspent grant of R 1 839 416 at the end of the year under review. This equated to 1% of the total grants received of R 160 240 978. The unspent grant related to INEP Electrification Fund, this grant has subsequently been fully spent.

SOURCES OF FINANCE (CAPITAL EXPENDITURE) AND CAPITAL SPENDING ON FIVE LARGEST PROJECTS

The significant portion of the municipalities largest projects were electrification and construction of access roads.

Details	Original Budget	Actual Budget	
Grants and subsidies			
MIG	R37 000 000	R37 000 000	100%
Electrification	R10 000 000	R8 160 584	82%

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

Introduction

The municipality manages its banking arrangements and investments and conduct its cash management services in line with MFMA. Further, the municipality has adopted banking and cash management policy. By the year end (2011/12), the municipality showed a favourable cash balance.

Below is the cash-flow statement of the municipality extrapolated from the Annual Financial Statements:

CASH FLOW STATEMENT
For the year ended 30 June 2012

	Notes	2012 R '1	2011 R '1
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Taxation		-	-
Cash received from ratepayers, government and other		121,029,359	120,612,121
Cash paid to suppliers and employees		(119,487,423)	(80,366,580)
Cash generated/ (utilized) by operations		<u>1,541,936</u>	<u>40,245,541</u>
NET CASH FROM OPERATING ACTIVITIES	33	<u><u>1,541,936</u></u>	<u><u>40,245,541</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment		3,199,520	-	(31,378,663)
Proceeds from sale of property, plant and equipment		-		(170,991)
Purchase of other intangible assets	10	(135,205)		-
Increase in investment properties		(1,086,850)		
(Increase)/Decrease in call investment deposits		326,672		
Proceeds from sale of financial assets		-		(11,778,825)
NET CASH FROM INVESTING ACTIVITIES		2,304,138		(43,328,479)
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance lease payments		85,291		331,673
NET CASH FROM FINANCING ACTIVITIES		85,291		331,673
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,931,365		(2,751,265)
Cash and cash equivalents at the beginning of the year		5,494,675		8,245,940
Cash and cash equivalents at the end of the year	7	9,426,040		5,494,675

BORROWING AND INVESTMENTS

The municipality has no loans, both short-term and long-term. However, the municipality has short-term investments with a total amount of R51 055 503.

COMPONENT D: SUPPLY CHAIN MANAGEMENT

In the year, the Supply Chain Management Policy was in place but was last reviewed in 2009. The status of SCM officials that complied with MFMA competency levels as of 2011/12:

Name	Date of assumption	Progress
T. Jozana	March 2012	IN PROGRESS
S. Moyake	July 2011	IN PROGRESS
N. Manqane	October 2012	IN PROGRESS

GRAP COMPLIANCE

The municipality has fully complied with GRAP in as far as the budget is concerned, however, there are shortfalls in the following: asset register.

CHAPTER 6 : AUDITOR- GENERAL AUDIT FINDINGS

In the year under review (2011/12), the annual financial statements were submitted timely on the 31st August 2012.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

AUDIT REPORT AS AT 30 JUNE 2012 & ITS ANALYSIS

	2008/09	2009/10	2010/11	2011/12
AUDIT OPINION	Qualified	Unqualified	Disclaimer	Qualified
No. of qualification points	4	None	15	3
	<ul style="list-style-type: none"> ✓ Fixed Assets ✓ Vat ✓ Provisions ✓ Creditors 		<ul style="list-style-type: none"> ✓ Corresponding figures ✓ Cash & cash equivalents ✓ Vat ✓ Cash flows 	<ul style="list-style-type: none"> ✓ Corresponding figures ✓ Property, plant and Equipment ✓ Irregular Expenditure

			<ul style="list-style-type: none"> ✓ Capital commitments ✓ Employee Costs ✓ Accruals ✓ Expenditure ✓ Irregular Expenditures ✓ Property, plant and Equipment ✓ Trade Receivables ✓ Revenues ✓ Payables & Retentions ✓ Other receivables ✓ Government Grants 	

LINKAGE OF THE AUDIT REPORT TO IMPLEMENTATION OF THE AUDIT ACTION PLAN (FOR 30 JUNE 2011)

STEPS TAKEN TO REDUCE RE-OCCURRENCES (2010/11)

1. An audit action plan was compiled to address the issues that were raised by Auditor General for 2010/11 financial year, and the results have been evidenced in the audit report for the financial year ending 30 June 2012.

Issues Raised:	
1. Corresponding Figures	✓ Completed, but still there are issues as AG has qualified us due to the previous year disclaimer audit opinion.
2. Cash & Cash equivalents	✓ Completed and addressed 30 June 2012
3. Vat Receivables	✓ Completed and addressed 30 June 2012.
4. Cash-flow statement	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
5. Capital Commitments	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
6. Employee related costs	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
7. Accruals	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
8. Irregular Expenditure	✓ Completed, but still there are issues as AG has qualified us.
9. Property, plant and Equipment	✓ For 2011/2012 financial year, the municipality has complied with the GRAP 17 statement

	<p>where our infrastructure assets register has been compiled, valuation of such assets has been performed, depreciation has been provided.</p> <p>✓ Completed, but still there are issues as AG has qualified us</p>
10. Trade receivables	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
11. Other Receivables	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
12. Government Grants	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
13. Capital Commitments	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
14. Trade payables	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements
15. Expenditure	✓ Addressed on the preparation of 30 June 2012 Annual Financial Statements

KEY ISSUES TO NOTE THAT AUDITOR GENERAL RAISED IN 2011/12 AUDIT

- (i) Property, Plant and Equipment is still a challenge. The plan is to re-advertise and source the services of a qualified service provider to assist in compiling the Fixed Asset Register for the financial year ending 30 June 2013.
- (ii) Irregular Expenditure: The plan is to compile the revised procedure manual based on the reviewed SCM policy, and ensure that the adherence to the SCM procedures is strengthened.
- (iii) Corresponding figures

An audit action for 2011/12 audit has been prepared and is attached in the annual report.