

CONTENTS

ACRONYMS	3
PART ONE INTRODUCTION AND OVERVIEW	4
PREFACE	4
CHAPTER 1: INTRODUCTION AND OVERVIEW	5
1.1 MAYORS FOREWORD	5
1.2 THE YEARLY PROGRAM PRIORITIES' STATEMENT	6
1.3 OVERVIEW OF THE MUNICIPALITY	8
1.4 EXECUTIVE SUMMARY	12
CHAPTER 2: GOVERNANCE	14
2.1 INTRODUCTION TO GOVERNANCE	14
2.2 POLITICAL GOVERNANCE	15
2.3 ADMINISTRATIVE GOVERNANCE	17
2.4 INTEGRATED DEVELOPMENT PLAN (IDP)	17
2.5 INTERNAL AUDIT	17
2.6 LEGAL SERVICES	18
2.7 COMMUNICATIONS	21
2.8 COMMUNITY DEVELOPMENT WORKERS	21
2.9 COMMUNITY PARTICIPATION	22
2.10 INTER-GOVERNMENTAL RELATIONS	22
CHAPTER 3: SERVICE DELIVERY	30
3.1 INTRODUCTION	30
3.2 ROADS	31
3.3 WATER	32
3.4 SANITATION	33
3.5 HOUSING	34
3.6 LAND	37

3.7 ENERGY/ELECTRIFICATION	39
3.8 REFUSE REMOVAL.....	40
3.9 COMMUNITY FACILITIES	43
Challenges associated with this service:-	44
Remedial actions:-	45
3.10.2 TARGETS AND ACHIEVEMENTS.....	46
3.10.3 CHALLENGES AND REMEDIAL ACTIONS.....	46
Remedial actions:-	46
3.12 Basic Service Delivery & Infrastructure Development.....	55
CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE	78
CHAPTER 5: FINANCIAL PERFORMANCE	102
5.9 MUNICIPAL PERFORMANCE FOR FINANCIAL VIABILITY AND MANAGEMENT	107
CHAPTER 6: AUDITOR GENERALS REPORT.....	111
APPENDIX A: LIST OF COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	118
APPENDIX B: COMMITTEES AND COMMITTEE PURPOSE.....	124
FINANCE COMMITTEE	124
Terms of Reference	124
HUMAN RESOURCE AND ADMINISTRATION COMMITTEE	125
PLANNING AND DEVELOPMENT COMMITTEE.....	127
LOCAL ECONOMIC DEVELOPMENT COMMITTEE	128
COMMUNITY SERVICE STANDING COMMITTEE	128
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC).....	130
APPENDIX C: ADMINISTRATIVE STRUCTURE/ORGANOGRAM	133
APPENDIX D: FUNCTIONS OF THE MUNICIPALITY	134
APPENDIX E: WARD REPORTING.....	138
APPENDIX F: WARD INFORMATION.....	138
APPENDIX G: AUDIT COMMITTEE REPORT.....	141
APPENDIX H: DISCLOSURE OF FINANCIAL INTEREST	143
APPENDIX I: REVENUE COLLECTION PERFORMANCE	144

APPENDIX J: CONDITIONAL GRANTS RECEIVED.....	145
APPENDIX K: CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME.....	146
APPENDIX L: ANNUAL FINANCIAL STATEMENTS.....	147
APPENDIX M: AUDIT ACTION PLAN.....	148

ACRONYMS

AC	Audit Committee
ADM	Amathole District Municipality
AG	Auditor General
ANC	African National Congress
APC	African Peoples Convention
CDW	Community Development Workers
COPE	Congress of the People
DA	Democratic Alliance
DEDEA	Department of Economic Development and Environmental Affairs
DoA	Department of Agriculture
DOE	Department of Energy
ECDC	Eastern Cape Development Corporation
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
EXCO	Executive Council
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
GVA	Gross Value Added
IGR	Integrated Governmental Framework
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IWMP	Integrated Waste Management Plan
LED	Local Economic Development
LRED	Local and Regional Economic Development
MEC	Member of the Executive Council
MPAC	Municipal Public Accounts Committee
MPH	Multi-Purpose Halls
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
NGP	New Growth Path
NEMA	National Environment Management Act
PAC	Performance Audit Committee
PMS	Performance Management Systems
SCM	Supply Chain Management
SA	South Africa
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SMME	Small, Medium and Micro Enterprises
TLC	Transitional Local Councils
TRC	Transitional Rural Councils
UDM	United Democratic Movement

PART ONE INTRODUCTION AND OVERVIEW

PREFACE

Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that: "Every municipality and municipal entity must for each financial year prepare an annual report in accordance with its guidelines."

Every municipality and municipal entity must prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) section 46, and the Municipal Finance Management Act 2003 (MFMA) section 121.

The purpose of this Annual Report is:

- Provide a record of the activities of the Mphashe municipality or entity during the financial year to which the report relates;
- Provide a report on performance in service delivery and budget implementation for the financial year;
- Promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity; and
- Reduce the additional reporting requirements that will otherwise arise from Government Departments, monitoring agencies and financial institutions.
- Promote accountability to the local community for the decisions made throughout the year by the Municipality.

According to the MFMA, this Report should include:

(a) The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA

(b) The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with s45 (b) of the MSA; on the financial statements in (a) above;

(c) The annual performance report of the Municipality as prepared by the Mphashe Municipality in terms of section 45(b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA);

(d) An assessment of the arrears on municipal taxes and service charges;

(e) An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year 2011/2012;

(f) Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and

(g) Recommendations of the Municipality's Audit Committee

1.1 MAYORS FOREWORD

I hereby present, to the Municipal Council and people of Mbhashe Local Municipality, and to our stakeholders in general, this Annual Report for the Financial Year 2012/2013.

This report captures the activities and achievements of the administration and political leadership, under the Mbhashe Municipality. It portrays the second financial year of the five-year term (2011 – 2016) of the Mbhashe Municipal Council and the extent to which resources and internal capacity have been able to respond to the challenges of development and service delivery during the period under review.

The Annual Report contains the demographic and other profiles of the Mbhashe sub-region and its people, and highlights the factors, both endogenous and exogenous, that influenced development and growth in the municipality.

In essence, the report reflects the extent to which the municipality has responded to the aspirations, concerns and expectations of the communities, based on the Municipal Council approved Integrated Development Plan (IDP) for the period under review. The report represents how the municipal resources were utilized and as such contains the audited consolidated Annual Financial Statements of the municipality. The report also contains the performance information, a narrative and graphical representation of how the municipality implemented its Service Delivery and Budget Implementation Plan (SDBIP).

In presenting this Annual Report, I want to acknowledge the role played by the administration in providing information for both public reporting and auditing purposes. However, it is important to note that while greater effort has been put in addressing the financial management and governance of the municipality, the internal control environment still requires significant improvements in order for the municipality to achieve a clean audit outcome. It is therefore our collective endeavour to work tirelessly to ensure the effective oversight of the administration system and the entrenchment of a good governance ethos in order to achieve public accountability and confidence.

It must also be acknowledge that despite the political problems that the municipality has faced in the year, controls have been put in place that ensures smooth administration that led to us achieving the qualified audit outcome same as last year i.e. 2011/12.

Thank you

By Honourable Mayor of Mbhashe Municipality

NO Mfecane

1.2 THE YEARLY PROGRAM PRIORITIES' STATEMENT

Prior to joining the Mbhashe Local Municipality as the Municipal Manager on March 2012, I was involved in the turnaround strategies for municipalities in the Eastern Cape. My secondment as the acting municipal manager came after the appointment by the MEC. The MEC felt that an intervention by his department is needed before the municipality could be placed under administration. This is after a number of municipalities in the country had been placed under administration.

The greatest challenge in the Mbhashe Municipality was absence on senior management and having acting individuals in the management positions. Equally challenging was to assume leadership at a time where there were several problems politically which clearly affect the administrative function of the municipality. Clearly this has hampered the service delivery to higher levels. Spending pattern was very slow and the municipality was run politically by suspended councilors and politicians whose sole purpose was to destroy and misuse the municipal assets.

Mbhashe Municipality is meant to deliver on 32 constitutional mandates but is currently able to deliver on only 11 and has inadequate capacity to effectively perform on another five functions whilst performs below par on other areas. This is a matter of great concern that must be urgently addressed by the municipality in the next financial year.

On areas where the municipality is unable to deliver and which falls outside her mandate; there are engagements done with specific departments and other government agencies for possible sharing of powers. A good example can be made of Eskom and ADM where electricity and disaster management are respectively shared.

Whilst there were visible problems in the political leadership, the administration managed to keep the qualified audit opinion it achieved in the previous two years. There are also mechanisms set that will help restore the credibility of the organization and to root out any corruption from whichever quarter it emanates. The Exco and Council through the MPAC were in certain circumstances called in to do investigations on all suspicious transactions.

In addressing risks in the organization the immediate focus was to deal with the incapacity in the supply chain management section of which many have been dealt with, with satisfaction. I'm now pleased to announce non-compliance in the supply chain was reduced to lower levels and the municipality gets the value on the expenditure incurred. The supply chain management processes have now been improved and carefully monitored.

Servant leadership creates the foundation on which to build strong corporate governance principles and motivate the organisation. The role of the Municipal Manager is therefore not only to lead but to truly inspire others. Servant leaders also subscribe to the values of integrity, humility, trust and delivering results. In assembling my team I look to those that have attributes who can complement my strengths and weaknesses and help keep Mbhashe Municipality a leading South African and global Local Authority. It is a privilege to be surrounded by some of the leading thought leaders and local government practitioners who have contributed so much to Mbhashe.

Our priorities in taking forward the municipality are the focus in the following:-

- Harmonise relationship between the unions and the employer component in the municipality
- Recruit suitable and qualified candidates for the vacant positions in the administrative leadership of the municipality
- Improve on billing and the general financial health of the organisation

Finally, I am convinced that Mbhashe Municipality is adequately resourced and managed and will continue to excel as a great leader in local governance.

Adv. O.S Ngqele

ACTING MUNICIPAL MANAGER

1.3 OVERVIEW OF THE MUNICIPALITY

Mbhashe Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 31 wards and 61 Councillors. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean.

Mbhashe occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (after the last national elections). It is estimated that the new additions of few villages from Intsika Yethu and Mnquma could be estimated to about 200 square kilometres of land.

There are three main urban centres, namely Idutywa, Willowvale (Gatyana) and Elliotdale (Xhora). Dutywa is the administrative head centre of the municipality.

Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa, Gatyana (Willowvale) and Xhora (Elliotdale). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

Mbhashe Local Municipality (EC 121) has total population of 254 909 with a household of 60 124 resulting a household size of 4.24 according to the 2011 Stats SA Census. This indicates that Mbhashe has an increase of population and household by 1 537 (1%) and 6 925 (13%) compared to 2001 Stats SA Census resulting a reduction in household size from 4.76 to 4.24.

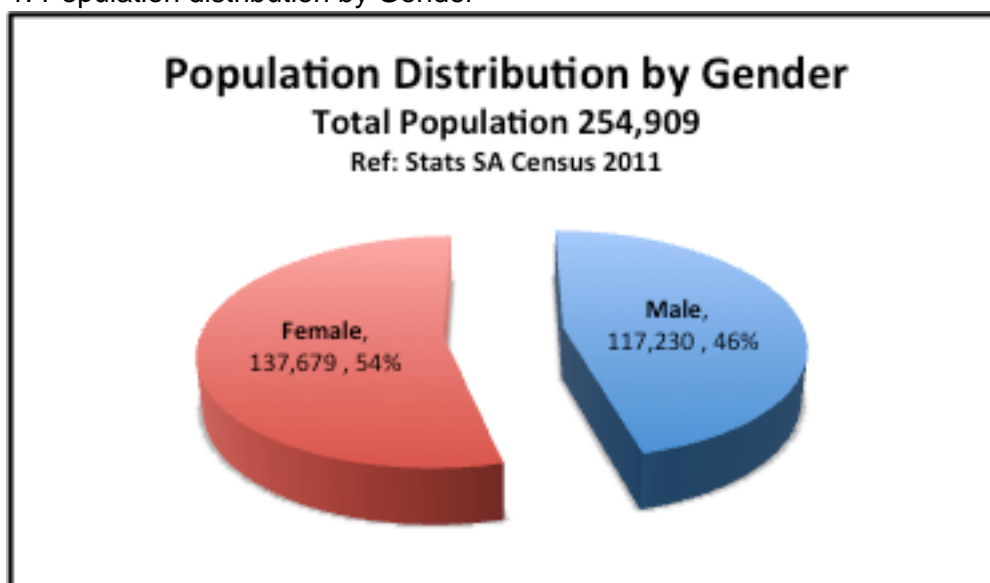
Table 1: Population size

Census year	2001	2011
Total Population	253 372	254 909
Total Households	53 199	60 124
Household Size	4.76	4.24

Source: Census 2011

The statistics also reveals that the population is female dominating with a Male to Female ratio of 54:46, which is graphically presented in below figure.

Figure 1: Population distribution by Gender



Source: Census 2011

Population Projection

For sake of planning purposes, a projection of population till 2026 at a five-year interval is calculated and presented hereunder. An average annual growth rate is considered based on increase of population in 2011 from 2001. This is worth noting that the change of population is very much insignificant over the year.

Table 2: Population projection till 2026

Census 2001	Census 2011	Average Growth Rate	Projection average growth rate		
			2016	2021	2026
253 372	254 909	0.0605%	255 700	256 500	257 200

Source: Census 2011

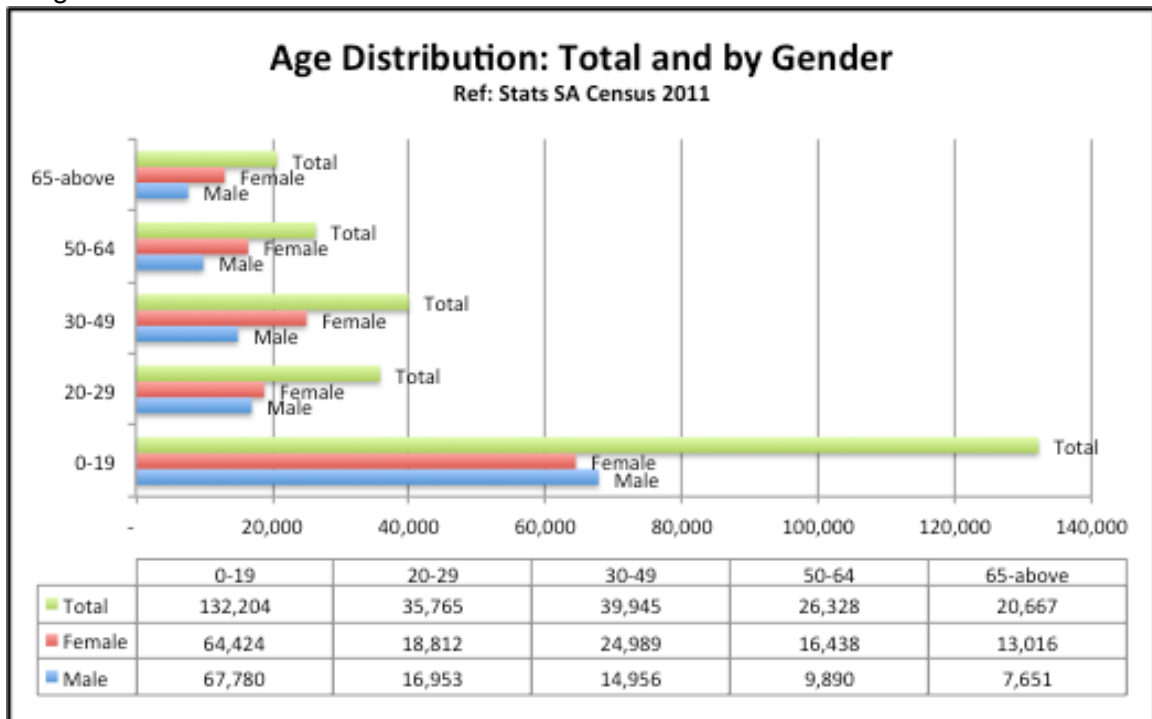
Age Distribution

An analysis on 2011 Stats SA Census shows that a bulk of 52% of population is children (age 0-19). About 8% falls in pension group (age 65 +), whilst 40% is at economically active ((age 20-64). This clearly indicates that 60% population is dependent on 40% of youth, which highly demands further consideration of capacity and skill development of the youth population.

It is important for researcher and planner to note that age distribution further indicates that the male population decreases compared to female population with increase of age. The following figure, drawn from Stats SA Census 2011, shows that at child level (0-19) male population is higher than female (51:49) compared to male to female ratio of 54: 46 for total population, which decreases at youth (20-29) to 47:53 that further decreases to 37:63 at age 65 and above. This clearly indicates that male population is more prone to death with increase of age in comparison to female. This indicates that the planner has

to find a way out of improvement of health and safety of males and capacity improvement of females.

Figure 2: Age distribution



Source: Census 2011

Language of the Population

94% of Mbashe population is IsiXhosa speaking following by other (3.21%), other than English (1.54%) and Africans (0.52%). Another 0.66% is using sign language (dumb). The table and figure below give an overall view of the situation.

Table3: Language by population

Language	Population	Percentage
IsiXhosa	239 795	94.07%
Africans	1 334	0.52%
English	3 931	1.54%
Sign language	1 674	0.66%
Other	8 175	3.21%
Total	254 909	100%

Education Level

Mbashe has one of the highest numbers of illiterate populations in the province of the Easter Cape. 60% of its population is illiterate followed by ordinary schooling (Grade R who attended a formal school; Grade 1-12 learners and learners in special classes) of 37%. Only 0.62% has University degrees. The details are given in the table below, which is further elaborated in the following figure.

This causes a high-pressure to government as well as the population to engage this population in any formal economic activities.

Table 4: Literacy Rate

School type	Population	Percentage
Pre-school	305	0.12%
Ordinary school	94 122	36.92%
Special School	346	0.14%
FET College	1 019	0.40%
Other college	129	0.05%
University	1 591	0.62%
Abet Centre	2545	1.00%
Literacy classes	1 403	0.55%
Home Based School	332	0.13%
Not applicable	153 117	60.07%
Total	254 909	100%

Source: Census 2011

1.4 EXECUTIVE SUMMARY

1.4.1 INTRODUCTION

The legislative requirements of MSA and MFMA have been used to draft the Mbashe Annual Report 2012/13. The Annual report has been aligned with the planning documents and municipal budget for the year. The IDP, budget, SDBIP, in-year reports, annual performance report and Annual Report, all have similar and consistent information that facilitate understanding and enable the linkage between plans and actual performance.

Highlighted in the Annual Report are the following:-

1.4.2 GOVERNANCE

Though the municipality has been plagued by squabbles and conflicts in its political administration; officials have been at the forefront of ensuring that there's stability in terms of service delivery. With the exception of the period when there was coup de tat in the political administration, the general functioning of the executive has been normal with all executive functions being performed accordingly.

The administrative element of the municipality has been to a larger degree been affected by the suspension, non-appointments, litigations at the senior managerial levels. In some cases, a number of officials have been affected by the removal of employees from their respective positions of employment; all culminating from the political squabbles that the council has engaged itself to.

Also stemming from expulsions of councillors is the reduction in the number of councillors from the original 61 to 49 until the end of the financial year. There were no changes felt in the EXCO; whilst only two offices were affected in the political leadership i.e. the Speaker and the Chief Whip, who both of them were Declared vacant following disciplinary procedures in their political organization, the ANC.

The council has been able to draft and adopt the IDP and Budget 2012/13 on time. The Internal Audit function has been better strengthened with the two additional interns on the section; however there's a need for a permanent employment because contracts and internships are more risky. The legal unit has been very active as there are large numbers of litigations resulting from the unstable political administration. This has led to the municipality paying more than it initially budgeted for. Communications section has been the sure failure as there's absolutely no one responsible for the tasks of the section.

CDW's had been busy engaging with the communities however the challenge that remain unresolved is the deployment of CDW's as per the new ward demarcation of wards.

Comparatively speaking with the previous year the municipality has done badly on public participation as political squabbles peaked. It was only through the legislated IDP/Budget representative forums and roadshows that the municipality was able to engage with the public.

The IGR forum has been inactive; largely due to non-attendance of some sector departments in its meetings.

1.4.4 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The main challenge is the inability of the municipality to recruit new staff members. In most of the municipal offices there are contracted personnel; something which cause tension between the employees and the union as most of those contracted have been on the positions for more than 12 months.

Whilst, we are not doing right on the above, 38 staff members were trained on different fields and 44 councillors were also trained. It was also identified that no reports were received from ward councilors and those that were received were in different formats hence, the training of ward councilors was organized.

1.4.5 SERVICE DELIVERY

The municipality has not been able to deliver on roads infrastructure compared to previous years. The municipality has only been able to perform to 70% and roll-over up to R12m on MIG funds. The municipality has noted some level of incapacity within the section as it struggled also to spend funds on road maintenance resulting in a rollover of R7 480 320.

Another area of specific reference is the electrification where the municipality is doing well with the massive increase on the number of households being electrified.

On LED, the municipality's emphasis is agricultural development, tourism development and empowering SMME's. Huge sums of money were used for agricultural development programs such as maize production and wool improvement. On tourism, the training of homestays and the coastal development programs took priority.

On SMMEs, emphasis was put on the co-operatives ability to apply for funding leading to two co-operatives getting funding through Local and Regional Economic Development (LRED) funding. Another important aspect on SMMEs is the training and ensuring that they have access to open tenders offered by the state.

1.4.6 FINANCIAL MANAGEMENT

There has been a lot of improvement on the finance section in the areas of billing, payment of creditors, reconciliation and reporting. This can be attributed to the involvement of the service provider KPMG and the vigilance of the Audit Committee and the internal audit unit. The municipality has been able to get a qualified audit opinion despite the political and administrative problems that had faced the municipality. There's a serious challenge of the segregation of duties due to a lot of vacancies within the department.

CHAPTER 2: GOVERNANCE

2.1 INTRODUCTION TO GOVERNANCE

Mbhashe Local Municipality remains totally committed to good governance. The organization is structured in such a way to ensure that the eight major characteristics required for good governance is enshrined in its operations. This ensures that it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of the law. Corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. Above all, the commitment from the leadership both political and administrative is essential to maintain good governance.

However, since the last elections in May 2011 there have been some difficulties with maintaining strong political leadership. Some in the council deliberately failed to unite the council in pursuit of their own agendas and not those of the state and maintaining stability. On the opposite, the executive committee tried to exercise its influence to the crippled administration leading to a qualified audit opinion for the third successive year.

The political situation was worsened by the suspension leading to expulsion of 16 councillors belonging to the leading party – the African National Congress. This is the result of the failure to balance between their municipal work and the party's mandate.

In the administrative realm the Municipality also experienced several changes and problems leading to expulsion of the Municipal Manager cum Accounting Officer. This phenomenon hassled to a situation where the municipality had three Municipal Managers in the same financial year. Mr M. Somana was the first in the financial year; handing over to the Acting Municipal Manager – Mr S. Dumezweni who had his contract expired; the council then took a decision to release him. In an effort to assist the municipality, the MEC for local government sent Mr Nggele as Acting Municipal Manager.

2.2 POLITICAL GOVERNANCE

The Council operates on an Executive Committee System. The following Support Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Executive Committee:-

- a) Development Planning Committee
- b) Infrastructure Committee
- c) Administration and Finance
- d) Community Services Committee

Each of the Support Committees deliberate on matters that fall within the specific terms and reference of that particular Committee, who in-turn make recommendations to the Executive Committee for approval, or where necessary for endorsement by the Executive Committee for final approval by the full Council. Any matter that has financial implications has to be discussed by the management and agreed upon by the CFO and the Municipal Manager before it is approved by the Executive Committee or Council.

As required by law and The Executive Committee has wide ranging delegations with the exception of the powers provided to Council in terms of Section 160 (2) of the Constitution of the Republic of South Africa, 1996. The Executive Committee makes recommendations for approval by Council on such matters.

In the spirit of participatory governance Councillors accompany the Mayor on outreach programmes and Izimbizo where communities are consulted and information on programmes and projects of the Municipality are disseminated.

In addition the Council has established the following Committees in terms of Section 79 of the Municipal Structures Act:-

- a) The Municipal Public Accounts Committee
The Municipal Public Accounts Committee which is made up of non-executive Councillors ensures that the Administration and the council are held accountable for their management of municipal funds and assets, and to ensure the efficient and effective utilization of council resources. The council has made sure that the committee is chaired by an opposition party in accordance with the legislation. The Committee also considers the Annual Report and makes recommendations to the Council on the Annual Report through the submission of an oversight report. The Committee's oversight report is published separately in accordance with the MFMA.

The Council has also established an Audit Committee in terms of Section 166 of the Municipal Finance Management Act. The Audit Committee, which is an independent external committee, provides an oversight function over the financial and performance management of the Municipality.

THE POLITICAL STRUCTURE OF THE MUNICIPALITY

MAYOR: Councillor Olga Nonceba Mfecane

SPEAKER: Councillor Pakamisa Madingana (Declared vacant)

SPEAKER: Councillor Mcotho (Newly elected Speaker)
 CHIEF WHIP: Councillor Mthetheleli Bhele (Declared vacant)
 CHIEF WHIP: Councillor Hoyo (Newly appointed Chief Whip)

EXECUTIVE COMMITTEE

1. Councillor Olga Mfecane (Mayor and Chairperson) (ANC)
2. Councillor N. Stefano (LED)
3. Khekhetshe F. (SPU)
4. Mbomvu M. (Community Services)
5. Willie XO (Infrastructure)
6. Noyila M. (Finance)
7. Peter M. (Corporate Services)
8. Xungu N.
9. Mbewu VSK
10. Tsengwa DT

COUNCIL

Mbhashe Municipality comprises a total of 61 Councillors of which 31 are Ward Councillors and the other 30 are Proportional Representative (PR) Councillors. Council continues to operate on an Executive Committee System. Before expulsions there were 11 female Ward Councillors and 20 male ward councillors. In respect of PR Councillors there were 17 male Councillors and 13 female Councillors. There were a total of 37 male Councillors and 24 female Councillors. Of the 31 wards, 28 wards are ANC controlled whilst the 2 wards are controlled by independent candidates and the other one to UDM.

Table 5: Political Parties are represented on Council as follow:-

PARTY NAME	NUMBER OF SEATS (Wards + PR)		
	WARD	PR	TOTAL
African National Congress	28	13	41
Congress of the People	0	9	9
United Democratic Movement	1	6	7
Democratic Alliance	0	1	1
APC	0	1	1
Independent candidates	2	0	2
TOTAL	31	30	61

Appendix A shows the full list of councillors

2.3 ADMINISTRATIVE GOVERNANCE

The Municipal Manager, as the accounting officer of the Municipality, provides guidance to political structures, political office bearers, and officials of the Municipality. Annexure 4 reflects the organisational structure of the Municipality.

Six Directors report directly to the municipal manager and are responsible for their various departments. In addition, each directorate has one or two senior officials reporting to the directors.

There are also other units that report directly to the Municipal Manager and to the Audit Committee, it is:-

- Internal Audit

2.4 INTEGRATED DEVELOPMENT PLAN (IDP)

The 2012/2013 IDP was adopted by Council on May 2012. The Municipality embarked on an extensive process to engage with internal and external stakeholders to elicit comments which fed into the compilation of the 2011/2012 IDP. The IDP is the strategic driver for development and implementation in the Municipality. The municipal IDP aligns to the Metro's development objectives, budget and performance management framework. Strategic development policies at a National and Provincial level have also informed the development of the 2012/13 IDP.

The Municipal Vision that was developed through the Long Term Development Framework provides the strategic direction for the IDP development goals and strategy. The identified priorities and focal areas were presented to the public through an extensive public participation process which involved staff from Budget and Strategic Management units. Comments raised during the public interaction process were used to update and amend the 2012/13 IDP.

2.5 INTERNAL AUDIT

The Internal Audit Unit was established in terms of section 165 of the MFMA in which it is stated that, the accounting officer of a municipality is responsible for managing financial administration of the municipality and must take all reasonable steps to ensure that the municipality has and maintains, effective and transparent system of internal audit. The unit is composed of one full time person, one intern and one student trainee.

The internal audit department is responsible for the internal controls and continuously reviews systems and controls of the various departments. Because of this serious challenge of operating with vacant posts the Unit could not achieve all the projects planned for the financial year.

A risk implementation plan was developed through a workshop held near the end of the financial year 2010/11. A risk register was compiled and approved by the Audit and Risk Committee and subsequently by Council early in 2011/2012.

The unit also conducts risk assessment annually as part of annual plan. The risk assessment is a legal requirement and a requirement of the standards for professional practice of Internal Auditing to have risk assessments performed at least once.

The internal audit functionally reports to the Audit Committee and directly to the Municipal Manager.

2.6 LEGAL SERVICES

The municipality has no Legal Services Unit. All the legal work has been outsourced. This is so whilst there has been a plethora of cases that the municipality had to attend to.

Table 6: The following is the list of cases attended to in the year under review.

Name of attorneys	Address	Responsible Person/reference	Name of matter	Type of matter	Status of matter	Project costs
S. Nginda Attorneys	No. 10 Avalon Court, Fuller & Teller street. BUTTERWORTH	Mr Nginda	Notyesi INC/ Mbashe	Legal opinion on Taxation of fees charged by attorneys by master of the high court	Finalized	R35 230.0 0
S. Nginda Attorneys	No. 10 Avalon Court, fuller & teller street. BUTTERWORTH	Mr Nginda	Mbashe Local Municipality Vs MITHI & others	Interdict – Land Evasion by Willowvale community	Final Order granted	R119 303. 11
S. Nginda Attorneys	No. 10 Avalon Court, fuller & teller street. BUTTERWORTH	Mr Nginda	Mbashe vs B. S. Titus Holdings & BP Garage	Interdict - Dispute with the Municipality, B.S Titus & BP Garage but no court order at the moment	Instructed to keep matter in abeyance	R90 000.0 0
S. Nginda Attorneys	No. 10 Avalon Court, fuller & teller street. BUTTERWORTH	Mr Nginda	Mbashe Local Municipality Mfecane; Mbomvu & Janda.	Rescission – An application was made by the Municipality on the court order which was granted against the Municipality with regard non-payments of three councillors	Finalized	R105 136. 14

S. Nginda Attorneys	No. 10 Avalon Court, fuller & teller street. BUTTERWORTH	Mr Nginda	Madingana & others Vs Mbashe Local Municipality	Interdict- An urgent application was lodged against the Municipality	Filed notice to abide	R150 000.00
Dyushu Majebe Attorneys	Office Suite 2,4 Kew Road, Vincent East London	Mr Majebe	Traditional Leaders vs Mbashe Municipality	Traditional leaders demanding increase in their out expenses	Waiting for judgment	R300 000.
Dyushu Majebe Attorneys	Office Suite 2,4 Kew Road-Vincent East London	Mr Majebe	Ndim & Others v Mbashe Municipality	Traditional leaders demanding payment	Set Down for hearing on 3/09/2013	R3000.00
PJ Cloete Attorneys & Nginda Attorneys	80 Berry Street Queenstown	PJ Cloete	Madingana & 15 Others	High Court Application Mthatha	Application opposed solely due to costs order sought. Pending Appeal Municipality to abide decision of the Court. Costs application against the Municipality withdrawn.	R 375 000.00
PJ Cloeter Attorneys & Kirthmanns Attorneys	80 Berry Street Queenstown	PJ Cloete	Dumezweni P316/2013	Labour Matter P316/2013	Labour Court Urgent Application Postponed for 26	R500 000.00

					October 2013	
Sangoni & Associates/ LL Mjali	69 Leeds Road Mthatha	MU 050 001	Mbhashe Municipality vs Baba Hlikihla	Eviction was applied for by municipality against those illegal occupants in municipality land	Matter set down for Hearing on 13 August 2013	R35 000.00
Sangoni & Associates/ LL Mjali Attorneys	69 Leeds Road Mthatha	MU 051 001	Mbhashe Municipality vs Ruth Onukwe	Eviction was applied for by municipality against those illegal occupants in municipality land	Matter set down for Hearing an Appeal on the 13 September 2013	R35 000.00
Sangoni & Associates/ LL Mjali Attorneys	69 Leeds Road Mthatha	MU 055 001	Mbhashe Municipality vs Magwaxaza & Others	Eviction was applied for by municipality against those illegal occupants in municipality land	Matter set down for hearing on 05 August 2014	R35 000.00
Sangoni & Associates/ LL Mjali Attorneys	69 Leeds Road Mthatha	MU 049 001	Mbhashe Municipality vs Neliswa Gadla	Eviction was applied for by municipality against those illegal occupants in municipality land	Matter Finalised	R3 317.50
Sangoni & Associates/ LL Mjali Attorneys	69 Leeds Road Mthatha	MU 052 001	Mbhashe Municipality vs George Sandou	Eviction - was applied for by municipality against those illegal occupants in municipality land	Matter Finalised	R32 365.00
Gwebindlala & Associates	34 Eagle Street Mthatha	V. Gwebindlala	Mbhashe Mun vs C.L.L Lebenya Mthatha Magistrate Court Case No.256/06	Application for Rescission		

Gwebindlala & Associates	34 Eagle Street Mthatha	V. Gwebindlala	Mbhashe Mun vs. Iliso Consulting PTY (Limited)Case.306/06	Collection		
Gwebindlala & Associates	34 Eagle Street Mthatha	V. Gwebindlala	Mbhashe Municipality vs.Various Debtors	Collection was done as per agreement. Whatever collected that was successful in that we get 10% and we are still waiting.		
Jikwana and Associates INC	P.O.Box 551 Butterworth	Mr Jikwana	Mbhashe Mun vs N.E Rulashe	Civil	Matter set down for hearing on 13 February 2014	R100 000.00

2.7 COMMUNICATIONS

The Communications Department has been inactive in the print and electronic media. The Municipality has not been able to have an active website. This is because there has been no replacement of the communications officer for almost two years.

Mbhashe municipality has a comprehensive communication strategy. The strategy needs to be reviewed to ensure its effectiveness. There are challenges with identifications of municipal building and events to the public. The media plan has to be developed.

It has been proven in the participation of the public in municipal events that communication of these events is lacking. Municipality needs to support ward councillor in the communication of their ward meeting. This is due to poor attendance in these meetings. There is no communication officer and this resulted in the municipality discontinuing producing the quarterly newsletter of the municipality.

Customer relationship management is another challenge that happened due to misplacement of customer care official to finance section. Customers are not aware of the presence of this service. There is a need for better customer relationship management through campaigns that will let the public know where to go for help.

2.8 COMMUNITY DEVELOPMENT WORKERS

In keeping with the Batho Pele principle of improving the service quality, Mbhashe Municipality has provided greater accessibility by introducing the CDW's in most of its wards.

Community Development Workers are doing a lot of work in assisting communities in Mbhashe. This work may be unnoticed because their work is not properly coordinated. Although CDWs are allowed access to our facilities and take part in all our programmes, the municipality needs to do more to work jointly with them. It is concerning to notice that posts of CDWs are left unfilled by the department and this resulted in some wards to leave without CDWs for a long time. This challenge includes those wards that were affected by demarcation which resulted in new wards without CDWs.

2.9 COMMUNITY PARTICIPATION

Public participation is non-functioning. The only interaction with the public is done through IDP representative forum and the road shows. The Public Participation & Petition Strategy was never reviewed since its last adoption by the council in the previous years. The communities participate in the IDP process through the Representative Forum that is generally attended by all the Councillors, Traditional Leaders participating in the Council, IDP Steering Committee members, organised groupings and interest groups, sector departments operating with Mbhashe Municipal area, Secretaries of the Ward Committees and Community Development Workers. After the tabling of the draft IDP/Budget to the Council, road shows to all the wards are undertaken, where members of the community are assisted in the form of transport and catering, to attend these meetings. The views expressed through the road shows are consolidated and processed for their inclusion in the final IDP/Budget. Where it is not feasible to include and respond to some suggestions made through the road shows, the Mayor, when delivering the budget speech on the adoption of the final IDP/Budget, has to comment and provide way forward on those issues.

2.10 INTER-GOVERNMENTAL RELATIONS

The municipality through the office of the MM is responsible for developing, promoting and implementing all the international, national and local citizenship relationships to maintain a positive profile of Mbhashe Local Municipality locally and internationally.

The Intergovernmental Relations section co-ordinated and managed all municipal relationships with other spheres of government, to ensure that there is a strong link between departments internally and the other two spheres of government (National and Provincial).

Mbhashe municipality participates and co-ordinates the local intergovernmental relations forums which provides for the seating of various government heads of department to plan and address issues of mutual concern in service delivery.

The challenge observed is that sector departments participate in the IGR Forums selectively. This is viewed as serious breach of co-operative governance and tends to undermine integrated development plan objectives.

An initiative has been taken to draft, with the assistance of the ADM and the DLGTA Mbhashe specific terms of reference for the Mbhashe IGR.

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
Public participation	To ensure that all stakeholders participate in the affairs of the Municipality	GG5.1	Verify the functionality of the newly developed strategy through implementing the same	Implementation of the newly developed strategy	List of identified shortcomings (if any)	Nil	List of identified shortcomings in the current strategy	Not Completed	0%	There is lack of capacity (communications officer) to champion the activity
			Strengthening working relations among traditional leaders, CDWs and Ward Committees	Workshopping with stakeholders	Level of satisfaction of stakeholders (Poor/fair/good/excellent)	0	Good	Not Completed	0%	There is lack of capacity public participation officer) to champion the activity

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
			Ensure increased participation in IDP rep forums	Awareness building campaign	Number of participating organizations/stakeholders in IDP rep forums	5	15 Stakeholders	Partly completed	20%	awareness building campaigns have not been conducted; however more stakeholders participated than was the case in the previous year (people with disabilities, Youth, NGO & the Sports Council)
			Ensure community participation in development projects	Establish Project Steering Committees (PSC) for Development Projects	% of development Projects have PSC	10%	100% of development projects	Completed	100%	Check with Land and housing as well as infrastructure

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
Good governance	To ensure municipal accountability and management of risks	GG5.2	Reporting on Service delivery	Produce annual reports and table to council for adoption	Annual Report	Nil	Annual Report	Completed	100%	None
			Ensure integrated planning	Review of the current IDP	Adopted IDP	1	Adopted IDP	Completed	100%	None
			Ensure risks are minimized	Establish risks management system	Risk management report	1	Risk management system is established and in operation	Completed	100%	Check with internal audit

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
	To ensure developmental capacity of vulnerable groups (Youth, Women, Disabled, Elderly, Children and HIV/Aids affected and infected people)	GG5.3	Initiate and coordinate developmental programmes for vulnerable groups	Develop SPU Policy to support Vulnerable groups	No. of Policy	0	1 Policy	Completed	100%	None
				Implement SPU programmes for Youth, Women, Disabled, Elderly, Children and HIV/Aids	No. of programmes/ No. of participants	Nil	4 Programmes	Completed	100%	None

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
				campaigns						
Communication	To enhance public access to information related to municipal services	GG5.4	Develop efficiency of municipal officials in Public Relations	Establishing and operating the Customer Care unit in line with the Rules of Order	Fully functional Customer Care Unit	Nil	Customer Care Unit is established	Partly completed	15%	1 person is employed, other posts at higher level are still vacant and not yet filled.

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
			Verify the functionality of the existing strategy through implementing the same	In-house Review of communication strategy	Reviewed strategy report	1	Reviewed strategy report	Not Completed	0%	Posts at higher level are still vacant and not yet filled.
			Easy identification of Municipal Offices by Public	Municipal Branding	number of municipal offices branded	1 Office	8 Offices	Partly completed	38%	Out of 8 offices targeted 3 were attended to. No person to champion the branding activity (communications officer)

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Objct. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 5: Good Governance and Public Participation										
Inter-Governmental Relations	To ensure integration of government programmes	GG5.5	Facilitate IGR meetings	Conducting IGR meetings	No. of meetings conducted/ No. of Government Department participating	Nil	4 meetings/ all locally based government departments	Partly completed	25%	Non-attendance by stakeholders
Performance Management system (PMS)	To ensure proper monitoring and follow-up of Service delivery and personal accountability	GG5.6	Measure individual's efficiency and accountability in service delivery	Implement PMS (SDBIP & Scorecards) at all level	No. of PMC signed and reviewed	Nil	All managers, officers and technicians	Partly completed	10%	1. There is no personnel to drive PMS 2. There is instability at the top level (people are acting in most positions), with only 2 positions that are filled

3.1 INTRODUCTION

The Mbashe Municipality is amongst the poverty stricken municipalities around the country. This is because of the acknowledgement of the fact that none of the basic services has been implemented during the colonial and apartheid times. Having earned that accolade is not something to cheer of and celebrate but it means a huge task is ahead of the municipality assisted by various government departments and parastatals to deliver the basic services to the needy and the poor.

Some notable innovations aimed to tackle the problem of service delivery backlogs have been taken with the adoption of the IDP 2012/13. The IDP 2012/13 gave much emphasis to the infrastructure pockets that will help in addressing the service delivery backlogs in informal settlements, roads and electricity.

Housing delivery is an inherently slow process and historical analysis from throughout the country indicates that it takes an average of at least 9 years for an upgrade project to be completed. The Mbashe Municipality has the average number of informal settlement communities in comparison to our category B – LEVEL 3 counterparts.

The principle of the interim services initiative acknowledges the fact that there will be a large number of informal settlement communities that would simply have to wait years to be addressed by the housing programme but, given their location to social and economic opportunities, there is no reason why such communities cannot be immediately serviced.

Interim services are deemed to comprise a combination of water standpipes, household sanitation services, solid waste removal, basic road access and footpaths with related storm water controls and electricity.

The provision of interim services should by no means be interpreted as a substitution of the housing delivery programme. It will merely supplement the housing programme and will aim to improve the lives of a much wider group of people who would have otherwise had no access to services.

Funding for most of the infrastructure projects comes from the Municipal Infrastructure Grant (MIG); with limited funding sourced internally and from the EPWP. The departments within the municipality identified as the beneficiaries of the MIG projects are the roads, community services (community halls and LED). Water and sanitation projects are also funded through MIG but it is managed by the ADM.

With reference to service delivery; programmes (which are the mandate of the local municipality) related to the following will be reported are roads, waste, housing, land, energy and refuse removal.

3.2 ROADS

3.2.1 INTRODUCTION

Municipality has limited resources to fund construction and rehabilitation of access roads. The construction and rehabilitation of access roads within Mbhashe Municipal area is mainly funded by Municipal Infrastructure Grant (MIG). In addition to that a few of the roads within Municipal area are proclaimed and are taken care by the provincial government.

The MIG annual allocation allows doing construction/rehabilitation of only about 15 to 20 km of access roads and few of LED and Community Services projects per year. The situation of understaffing of Technical Services Department has improved which in turn contributes to the improvement of project implementation and maintenance work since year 2009/10. The department had spent 100% of R32m in 2011/12 allocation by 30 June 2010 and that performance has increased from year to year ever since. The MIG expenditure has reversed slightly making 70% in 2012/13 fiscal year from a remarkable 100%.

The national road covers only 40km and there are lots of kilometres of roads which are provincially proclaimed. Another element that needs municipal emphasis in the next financial year will be the maintenance plan which the municipality failed to develop in the year 2012/13.

3.2.2 BACKLOG INFORMATION

Though the villages are covered by access roads to an acceptable level but due to maintenance challenges the condition of built roads are worrisome. 64% of villages have roads with very bad conditioned. It is found that 33% villages have never got any roads. Only 8 villages reported with good conditioned roads. Except N2 passing through the municipality, all other provincial and regional roads are also of poor to bad condition due to lack of maintenance.

3.2.3 2012/2013 TARGETS AND ACHIEVEMENTS

Routine maintenance

Routine maintenance is defined as the day-to-day operational activities to keep the asset operating.

It may consist of planned maintenance activities but is generally reactive work of a corrective nature that is carried out in response to reported problems or defects (e.g. potholes). Such work is undertaken for the purpose of restoring service as well as for mitigating the adverse effect of failure over time.

Most of the work undertaken by the department is undertaken in response to reported problems but a number of fixed interval initiatives have been implemented for the purpose of ensuring the reliability of certain infrastructure.

Table 7: Road construction

TARGETED		ACHIEVED		% Achievement
Name of the road	Number of	Name of the road	Number of	

	Km's		Km's	
Riverview to Xobo	5.50km	Riverview to Xobo	5.50km	90%
Mndwaka to Hlamathi	4.20km	Mndwaka to Hlamathi	4.20km	95%
Ncedana to Komkhulu	4.60km	Ncedana to Komkhulu	4.60km	80%
Fubesi to Nqbara High School	4.00km	Fubesi to Nqbara High School	4.00km	70%
Manzibomvu to Zithulele	5.00km	Manzibomvu to Zithulele	5.00km	60%
Nolungile to Phokoloshe	2.60km	Nolungile to Phokoloshe	2.60km	60%
Ngxabane to Makamisa	5.50km	Ngxabane to Makamisa	5.50km	99%
Zembe to Magoxo	5.20km	Zembe to Magoxo	5.20km	99%
Vinindwa to Mazizini	5.10km	Vinindwa to Mazizini	5.10km	40%
Njemane to Bethane	2.10km	Njemane to Bethane	2.10km	99%
Khanya	4.10km	Khanya	4.10km	40%
Tafeni to Macirheni	3.00km	Tafeni to Macirheni	3.00km	55%
Jongulwandleto Gqubhuzeni	3.60km	Jongulwandleto Gqubhuzeni	3.60km	90%

3.3 WATER

Household covered by basic services - WATER

Only 21% household has access to piped water supply in the form of water schemes (18%) and boreholes (3%) resulting a backlog of 47 882 (79%) households. The main water sources as used by households are river/ or stream (51%) followed by rainwater (16%).

Table 8: Household coverage by water source

SOURCE	HOUSEHOLD	PERCENTAGE
Water schemes	10 610	18%
Boreholes	1 932	3%
Spring	1 228	2%
Rain water tank	9 720	16%
Dam/pool/stagnant water	1 760	3%
River/stream	30 518	51%
Water vendor	593	1%
Water tanker	2 797	5%
Other	966	2%
Total	60 124	100%

Source: Census 2011

3.4 SANITATION

Household covered by basic services – SANITATION

Households covered by waterborne sanitation are only 4% and only in core area of Dutywa town one of municipal 3 towns. Considering waterborne, Flush Tank (septic tank), Chemical Toilet, VIP and Pit Latrine as hygienic sanitation systems, due to vast rural areas of the municipality, the total sanitation coverage is 42% resulting 58% (35 086 households) backlog. It is worth noting that 45% (27,288) households do not have any means of sanitation facility causing pollution to environment. The details of sanitation coverage are given in the table 9 and presented graphically in the next page. It has to be noted that though the Stats SA finds 336 Bucket Toilet but according to municipality there is no Bucket Toilet.

Table 9: Sanitation coverage

SANITATION CATEGORY	HOUSEHOLD	PERCENTAGE
Flush toilet	2 261	4%
Flush Tank	460	1%
Chemical Toilet	1 867	3%
VIP	8 533	14%
Pit latrine	11 887	20%
Bucket Toilet	336	1%
Other	7 462	12%
None	27 288	45%
Total	60 124	100%

Source: Census 2011

3.5 HOUSING

Table 10: Type of Dwelling per Household

Type of Dwelling	Population Group				Total
	Black	Coloured	Indian or Asian	White	
House or brick structure on a separate stand or yard	8 318	0	10	75	8 403
Traditional dwelling/ hut/ structure	46 920	92	0	0	47 012
Flat in block of flats	2 916	0	0	0	2916
Town / cluster/ semi-detached house	21	0	0	0	21
House/ flat/ room in back yard	652	0	0	0	652
Informal dwelling/ shack in back yard	15	0	0	0	15
Informal dwelling/ shack not in back yard (eg in informal/ squatter settlement)	367	0	0	0	367
Room/ flatlet not in back yard but on a shared property	148	0	0	0	148
Other	172	0	0	0	172

Stats SA: Community Survey 2007

Table 11: CONTINUOUS PROJECTS

PROJECT	DESCRIPTION	2013 TARGETS	ACHIEVEMENTS
Dutywa extension 8 for low cost housing	This project is meant to alleviate shortage of accommodation to low income category and to clean up the shacks in Dutywa).	Complete registration	Construction of 753 units has started by MMS contractor.
Dutywa extension 7 for middle income housing (amendment)	This project is meant to alleviate shortage of accommodation to middle income category	Awaiting approval of the general Plan by Townships board	Contractor has been appointed for the construction of the top structure.
Dutywa extension 3 for middle	To reduce high demand for middle income housing	The township establishment be	Awaiting approval of the general Plan by

income housing (revalidation)	by selling serviced sites. The general plan 245/1992 for Ext 3 has expired.	started afresh and be amended into a high income residential area	Townships board
Willowvale extension 5 for middle income housing	to reduce high demand for middle income housing by selling serviced sites The project comprises of 251 residential for middle income category.	Register the township	Township establishment is complete and the township was registered on 12 October 2004 A tender has been issued with the aim of attracting development proposals.
Elliotdale extension 6 for middle income housing and low cost housing	To reduce high demand for middle income housing by selling serviced sites The project comprises of 600 sites i.e. 200 sites for middle income and 400 sites for low cost.	General planning and survey	Planning is complete and total amount of R120 000-00 has been paid
Elliotdale extension 5 middle income housing (revalidation)	to reduce high demand for middle income housing by selling serviced sites	Register the township	Elliotdale Ext 5, the layout plan has been registered with the Registrar of Deed
Elliotdale extension 2 (PHP) and Willowvale Ext 1 (PHP)	Elliotdale Extension 2 was very unfortunate to have not been listed amongst the blocked projects by DHLG in 2002 and as such, retained old subsidy belts of R16000/subsidy including variance.		Willowvale Extension 1 subsidies were reviewed to R22 808/subsidy including variance. R500.000 has been set aside to rectify the houses in Elliotdale RDP. 180 houses were completed at Elliotdale Extension 2, 86 are under construction and 26 units have not been started or claimed from

			the department of Housing.
Elliotdale 7000 B.N.G (rural settlement housing plan) houses.	Rural housing development done in conjunction with ADM and DHLG in ward 18 (Elliotdale)		Construction on progress

Table 12: The provision of sanitation (VIP Toilets) is as follows:-

VILLAGE	NO. TO BE BUILT	NO. OF BUILT UNITS
Ntlantsana	400	227
Mtshekeweni	330	102
Ntlonyana	800	346
Nqayiya	225	72
Lower Bufumba	344	295
Qhinqana North	775	77
Shinira	330	109
Zikholokotha	256	46
Mngazana	200	22
Qinqana South	340	226
Ntsingizi	148	130
Upper Mncwasa	372	372
Ngqatyana	480	296

CHALLENGES AND REMEDIAL ACTION

CHALLENGES

- Funding for infrastructure
- Topographical challenges in Elliotdale scare developers away and with Willowvale extension 5 is the funding and also the topography is a challenge.
- Challenges in Elliotdale extension 2 include the location of Elliotdale project and as such that the material is expensive to import due to high transportation cost and services are incomplete and in poor state.
- In Willowvale, bush-clearing and big trees removal is required

REMEDIAL ACTIONS REQUIRED

- The municipality invites interested developers to contact the department with proposals so that we find alternative means to speed up process of housing development in all the areas of the municipality.

3.6 LAND

3.6.1 INTRODUCTION

The municipality's land section has been shifted to the broader planning and development section which features LED and Housing sections. The land unit is responsible for land administration, administration of municipality owned houses, buildings and general property valuations in Mphashe Municipality. The unit is also responsible for processing of all subdivisions of land.

Usually the unit's programs usually spread over a number of years. There are continuous programs and projects that this unit is engaged to, and they are:-

- Township establishment
- General valuations
- Administration, maintenance and repairs of municipality owned houses and buildings
- Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives.
- Administration of contracts of sales and leases in respect of municipality's immovable properties.
- Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks
- Land use management

Table 13: 2013 TARGETS AND ACHIEVEMENTS

PROJECT	2013 TARGETS	ACHIEVEMENTS
Maintenance and repairs of municipality owned houses and buildings	Renovate three municipal buildings	All the targeted renovations have been made even though it is still work in progress in some buildings.
Acquisition of unused buildings from other departments or parastatals for use in the municipality development initiatives.	Engage with the department of Public Works on the unused buildings	The department of Public Works have promised to dispose some of these buildings to the Municipality
Cleansing of the municipality's urban and surrounding areas of illegal structures and shacks.	Remove Dutywa shacks to the new area.	The illegal structures have not been removed yet.
Construction of two shopping malls (Old Tennis Court and N2 shopping Malls) to ease congestion in the Dutywa CBD and to expand consumer	Finalization of all outstanding matters	Tennis court shopping mall is at an advanced stage

options.		
Dutywa extension 9: Doti upgrade	Regularize the settlement	The municipality commonage was invaded. The municipality is regularizing the settlement by means of proper planning and survey
General property valuation (General valuation of properties in the municipality in terms of Property Rates Act no. 6 of 2004)	Continue with valuation of new properties	Redemption estates undertake the task of valuation starting July 2008.

Table 14: Number of erven and their total value

Unit	Total Erven	Total Value of Erven
Dutywa	1717	R282,589,500
Elliotdale	631	R57, 842,500
Willowvale	1053	R126,380,000

CHALLENGES AND REMEDIAL ACTION

- With regard to Doti settlement; the project is faced with “land claim” by the old Doti community (rural area) which needs to be resolved before the application can be submitted to the board.
- Some supposed community leaders of the Doti community who in 2000 were interdicted from demarcating land beyond certain boundaries once again unlawfully demarcated land to people. MESSRS Jikwana Nginda and Associates are handling the matter.
- The municipality is faced with high demand for housing, more so in Dutywa unit because of centralization of district activities in the unit by government departments.

REMEDIAL ACTIONS

- Record of Decision for Dutywa extension is in a process of being renewed.
- In the process of finalizing the deceased beneficiary approval on HSS

3.7 ENERGY/ELECTRIFICATION

Source of Energy

According to the Stats SA Census 2011, electricity is used by about 50% households for lighting, which says in other way that the electricity backlog is about 50% (30 262) households. Wood is used predominantly for cooking and heating purposes at 40% and 50% households respectively, causing a high pressure to environmental balance. For cooking next favourite is electricity 37% followed by paraffin at 15%. Paraffin and Candle are competing at 14% each for lighting next to electricity. Paraffin and electricity are the second and third sources of heating at 23% and 15% respectively. The overall situation of use of energy by households is presented in table and figure at the right and hereunder.

Table 15: Energy sources and usage

SOURCE	COOKING	LIGHTING	HEATING
None	131	288	4331
Electricity	22 096	29 862	8 990
Gas	1 936	14 988	14 100
Paraffin	9 119	14 988	14 100
Candle	-	14 621	-
Wood	24 348	-	30 148
Coal	125	-	646
Animal dung	2 170	-	1 112
Solar	84	128	58
Other	115	-	9
Total	60 124	74 875	73 494

Source: Census 2011

2012/13 TARGETS AND ACHIEVEMENTS

STREET LIGHTS MAINTENANCE

The municipality has appointed service providers for installation and refurbishment of street lights in Dutywa, Willowvale and Elliotdale.

The following has been targeted and achieved:-

- 32 New Lights in Willowvale installed and repairs of 16 lights completed.
- Installation of 3 High mast lights at Govan Mbeki.
- Installation of 4 new lines in Elliotdale and Dutywa is waiting Eskom approval.

RURAL ELECTRIFICATION

- Eskom has covered about 1070 connections by in the villages of Elliotdale, Munyu and an amount of R 140 788 964.80 has allocated for 12/13 financial year to build a substation in Willowvale and Elliotdale rural electrification.

SHIXINI AND NTSIMBAKAZI VILLAGES PROJECT

- Infrastructure for 1199 House connection done; energizing delaying due to outage dates (to switch off the line for contractor to work) by Eskom.
- 57 km Bulk supply line is completed.
- Further 748 house connection has been targeted and achieved in 12/13 financial year and R15 000 000.00 has been allocated by Department of Energy (DOE).

3.8 REFUSE REMOVAL

3.8.1 INTRODUCTION

Mbhashe municipality is responsible for providing refuse removal services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution.

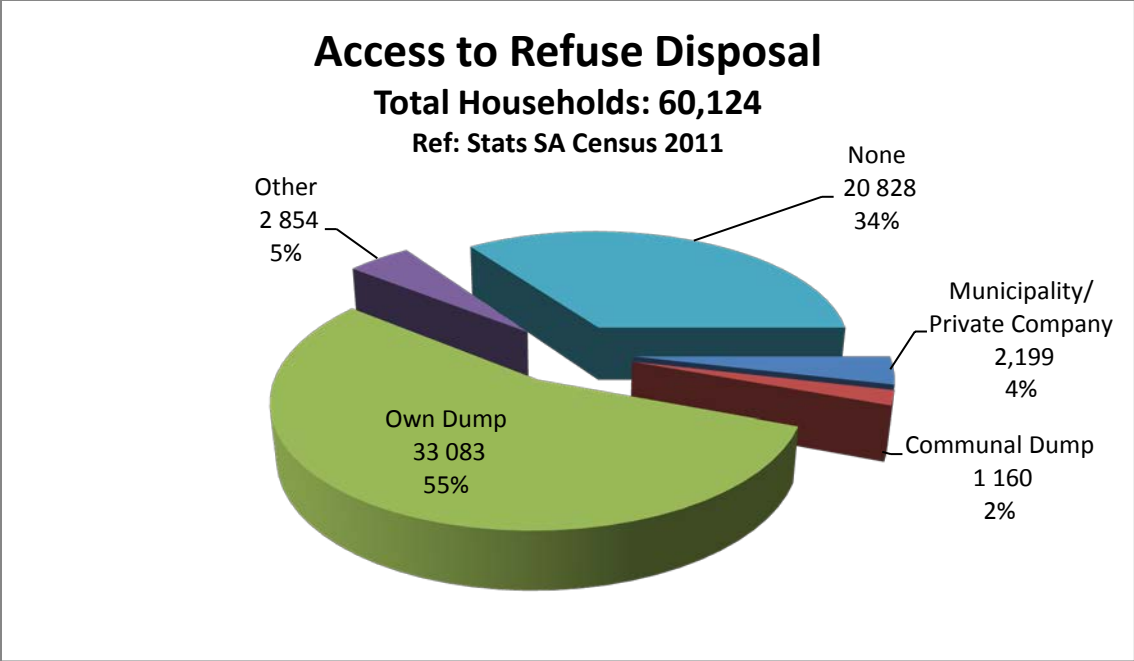
Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas of Dutywa, Willowvale and Elliotdale only. Rural areas are generally using a range of temporary mechanisms such as own dump within the yard, food for waste programme and illegal dump sites. It should be noted that the nearby townships do not enjoy the full service.

Currently the levels of service are not satisfactory in all the units of Mbhashe, but a programme has been put in place to arrest the situation.

A number of initiatives to make Mbhashe towns clean and beautiful have been put in place by the Department of Environment, Amathole District Municipality, EPWP, Public Works Department and other stakeholders , including but not limited to the following initiatives:-

- Coastal care programme
- Beautification and cleaning programme in Elliotdale and Dutywa
- ADM initiated EPWP for cleaning of Dutywa and Willowvale

The figure below gives a distribution of households by level of service for refuse removal.
removal.



Source: Census 2011

Municipal or private companies, according to the Stats SA Census 2011, cover only 4% of households, resulting in a backlog of 96% (57 925 households). This is worth noting that 34% (20 828) households do not have any means of refuse disposal. 55% (33 083) households have own dumping arrangement, which are, according to the municipality, burning and/ or burying in the ground. This situation of refuse disposal is also contributing to the environmental pollution to a great extent and need immediate attention.

There is inherent health and environmental risk in not attending to the needs of these latter categories of households. Public education coupled with improved coverage of the waste management and refuse collection services is essential to address this potential risk.

There are three landfill/ dumpsites located in each unit of Mphashe. These sites were created during the times of the TRC/ TLC, where each unit was administered by separate authorities. Willowvale and Dutywa landfill sites are not registered and as such operating illegally. Only Elliotdale landfill site is authorised. We are in the process of building the transfer stations for the Dutywa and Willowvale, although the process is grinding slowly. ADM is helping us on this front. Although both sites have been identified and EIAs done, there are still outstanding land invasion issues in Willowvale that may further stall the process.

3.8.2 BACKLOG – REFUSE DISPOSAL

According to Census 2011 municipal or private companies cover only 4% households, resulting a backlog of 96% (57 925 households). This is worth noting that 35% (20 828) households do not have any means of refuse disposal. 55% (33 083) households have own dumping arrangement, which are, according to municipality, burning and/ or burring in the ground. This situation of refuse disposal is also contributing to the environmental

pollution to a great extent and need immediate attention. The details of refuse disposal situation is given in the following table and presented graphically at the below.

Table 16

Service/Type	Household	Percentage
Municipality/Private	2 199	4%
Communal dump site	1 160	2%
Own dump site	33 083	55%
Other	2 854	5%
None	20 828	35%
Total	60 124	100%

Source: Census 2011

3.8.3 TARGETS AND ACHIEVEMENTS 2012/13

Waste management plan

The municipality had developed the Integrated Waste Management Plan (IWMP) but couldn't go through to the council for approval. However, a workshop on IWMP was done to the council and was later approved on 27th of October 2013.

The plan is effective and implementable hence the municipality is able to collect refuse for all its targeted consumers by the year 2012/13.

Refuse collection

The refuse collection is only for the three units (Dutywa, Willowvale and Elliotdale). The municipality managed to collect refuse in the three towns namely Dutywa, Willowvale and Elliotdale despite having had bad times (see challenges below)

3.8.4 CHALLENGES AND REMEDIAL ACTIONS

Challenges:-

The service provided thus far is far from being satisfactorily for the following reasons:-

- Poorly resourced section (old, unsuitable and un-serviced trucks, insufficient vehicles, fewer staff)
- Poor coverage of the area (mainly focused on the towns, and sometimes leaving out the townships and rural areas)
- Illegal dump sites in Dutywa and Willowvale
- Poorly managed permitted landfill site in Elliotdale
- Overflowing dump sites in Willowvale and Dutywa
- The service is not fully understood within the institution
- No accurate data available on Municipal waste management
- Uncoordinated cleaning initiatives by other stakeholders
- No systematic provision of the service

Suggested remedial actions:-

Based on the above challenges, the following are some of the proposals on the remedial actions:-

- Resource the section.
- Appoint required personnel to the performance of the service
- Speed up the process of rehabilitation and building of transfer stations for Dutywa and Willowvale
- Develop systems for the provision of the service
- Coordinate the various initiatives by different stakeholders in Mbhashe area
- Ensure coverage of the whole municipal area in terms of the provision of the service.
- Secure basic equipment in the form of TLB, 2nd Compactor truck, weigh bridge
- Consider closing down both Willowvale and Elliotdale sites so that Elliotdale waste may be disposed of in Mqanduli (KSD) and Willowvale in the Dutywa transfer station.

3.9 COMMUNITY FACILITIES

3.9.1 INTRODUCTION

Mbhashe has a competence for amenities and community facilities like halls, pounds, cemeteries, sports fields, ablution facilities, swimming pools and workers' facilities

Halls

The municipality has been constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. These facilities are constructed through the use of MIG and once finished, they are owned, operated and maintained by the municipality. The key challenge so far has been the lack of adequate funds to constantly maintain and offer security services to our facilities. Another challenge is the role of the Mbhashe as against the community in the management of these facilities. In all our units, there are halls (town, TRC halls and MPCs). These halls are not properly maintained and taken care of in terms of their upkeep.

Sports fields

As is the case with the halls, these facilities are scattered throughout the Municipality, with some located in urban centres, whilst others are placed at ward centres. These facilities are poorly managed with no personnel attached to them.

Ablution facilities

These communal facilities are generally placed in the urban centres of Dutywa, Willowvale and Elliotdale. These facilities are characterised by poor management and a state of disrepair. There are also noticeable discrepancies and inconsistencies in the fees paid for the use of these facilities throughout the municipality.

Pounds

We also own, operate and manage municipal pounds in all the three units. These Pounds are currently not functioning properly, as there are no records kept and the proper security and animal care.

Cemeteries

Cemeteries are a core competence of Mbhashe municipality and our role is largely to plan and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Lack of funds is often cited as a reason why there is poor maintenance of cemeteries across all wards. Cemeteries are currently categorized into urban and rural (communal and private). Historically, the Municipality is largely responsible for the management and operation of the urban cemeteries, whilst the rural communal cemeteries are the responsibility of the community concerned. Obviously, the private cemeteries in the homesteads become the responsibility of the family concerned.

Workers' facilities

These are facilities that are meant for our staff like change-rooms, sitting places as well as recreational spaces. The construction of these facilities is at an advanced stage and is managed by Land & Housing section of the Development Planning Department.

Swimming Pools

These facilities are not provided yet and the thinking within the institution is that they are necessary. Care would have to be taken on the availability of water in the area of Dutywa, in particular.

3.9.2 TARGETS AND ACHIEVEMENTS 2012/13

- Many community halls got renovated in the financial year 2012/13. Much support for communities was given in terms of how to run the community halls and use them to earn income. The income generated by the halls is used for cleaning and other related services for those halls.

CHALLENGES ASSOCIATED WITH THIS SERVICE:-

- No database for the community facilities
- Poor maintenance and lack of upkeep services
- Poorly resourced section
- Shortage of chairs and tables in the halls
- Public toilets in all the units (non-existent or in a sorry situation)
- No tanks for emergency and when there is no water for toilets
- Poor management of the community facilities

- Ponds are currently not managed well
- Poor security and perimeter fencing in the Ponds

REMEDIAL ACTIONS:-

- Consider partnership with Municipalities with well managed community amenities in general
- Appoint personnel
- Develop data base of all the community amenities and their state
- Develop maintenance plan for the community amenities
- Provide the basic requirements for the community amenities
- Strengthen security in the ponds

3.10 ENVIRONMENTAL MANAGEMENT

3.10.1 INTRODUCTION

Mbhashe Municipality does not have competencies to undertake detailed environmental management activities such as Air pollution control, state of environment reporting and carrying out of EIAs. It makes use of outsourced arrangements coupled with partnerships with ADM and sector departments. However, our major role and involvement is in the conservation space in which we play a direct role in coastal zone management activities and have a dedicated plan to guide us.

Environmental management involves the use and conservation of natural resources, protection of habitats and control of hazardous actions. However in detail this section is supposed to go as far as rendering services such as beautification and greening with an inclusive of (grass cutting, creation and maintenance of parks & public spaces), take into consideration the global environmental issues such as global climate change, invasive alien species, land care, that being the rehabilitation of previously damaged areas within our area of jurisdiction, Ensure that the whole municipality adopts greener means of doing business i.e. energy saving bulbs, not burning refuse etc. Abide by the rules and regulations of the environment such as National Environmental Management Act (NEMA), section 24(b) of the constitution, including the evaluation of EIA reports.

3.10.2 TARGETS AND ACHIEVEMENTS

- There was no activity with regard to the Environmental Management except the cleaning services offered by the municipality in the three urban centres. However, there's a plan that in the next financial year the municipality will review the SEA which was done five years ago.

3.10.3 CHALLENGES AND REMEDIAL ACTIONS

- Poorly resourcing of the unit (budget, personnel and tools of trade)
- Soil erosion (rural areas), mainly due to overgrazing and environmental-unfriendly practices
- Invasive plants (Willowvale & Elliotdale)
- No comprehensive plan to deal with these challenges
- Non-existent and not maintained public spaces and parks

REMEDIAL ACTIONS:-

- Properly resource the section
- Engage in awareness programmes

3.11 LOCAL ECONOMIC DEVELOPMENT

3.11.1 INTRODUCTION

Globally, the past four years has been dominated by issues relating to high unemployment, the euro zone sovereign debt crisis and fiscal austerity measures, all of which have had negative impacts on South Africa's job targets as set out in the New Growth Path 2010 and the recent National Development Plan 2011. The New Growth Path (NGP) intends to reduce unemployment from 25% to 15% through the creation of 5 million jobs by 2020 while the National Development Plan 2011, is aiming to do the same from 2021 to 2030, by providing an additional 6 million jobs.

The President in his 2012 State of the Nation Address has unveiled several new plans that will play a major role in enhancing the region's economy through several infrastructure programs including the Umzimvubu catchment dam. The President outlined the government's intention of increasing the emphasis on building infrastructure in the country.

These lofty targets set by national government to 2030 require bold leadership and a new approach at a local government level in order to contribute towards this vision. The Mbashe Municipality's Integrated Development Plan (IDP) 2013/14 sets out a new economic framework with a fresh set of programmes and projects which the Mbashe municipal area may set the foundation for over the next 5 years towards sharing in the national vision while realizing specific gains in the short term.

There's a great need to review the present LED strategy and draw an Economic Development Plan within the financial year to ensure that the vision is unpacked within a series of strategic focus areas and is geared towards re-positioning the municipal economy.

In achieving this vision, the plan will describe an economic framework that builds on past successes such as stimulating key sectors of the economy and providing business support. The plan will also outline the need to include a strategic focus on economic leadership, marketing and active monitoring of projects by national government and the parastatals.

3.11.2 OVERVIEW OF MAIN SOCIO-ECONOMIC INDICATORS

The Mbashe Municipality is overwhelmingly rural, where the majority of residents (95.41%) live on tribal land and more than half (54.12%) of households own their properties, of which 90.32% are fully paid-up owners. Mbashe has only two **unsettled land claims** seeking land for housing (1) and for livestock farming (1). The Local Municipality performs poorly in respect of **Crime** owing to limited police coverage by geographical area and particularly by population size. However, the local crime rate (14.58 crimes per 1000 people) is low and has declined substantially (-3.70%pa) over the past three years.

The local economy is highly **concentrated**, dominated by the Community Services sector in terms of both GVA and employment. The cost of doing business in the area is lower than the Provincial average, considering the favourable distance, and travel time to the major economic centre of East London as well as favourable expenditure on transport, communication and finance relative to the Provincial average. Further considerations are severely limited access to business **service providers** and fairly limited access to development and financial support institutions, contrasted with comparatively high municipal regulatory capacity. Mbashe claims the most youthful population (54.09% aged less than 20 years) as well as the highest rates of poverty (90.38%) and dependency (5.10) in Amathole, coupled with high unemployment (78.51%) and higher than average proportion of people (7.12%) aged over 64 years. An indication of the depth of poverty in the area is revealed by the Municipality's share of the Provincial poverty gap (6.01%), which is substantially higher than its share of the Provincial population (4.31%).

The Municipality's low **Productivity** score points to the low GDP per worker (formal and informal), a shortage of skills available to the economy, and particularly low growth in value creation relative to labour remuneration and especially employment. Mbashe emerges with the lowest **Formal Economy Performance** in the Eastern Cape, principally on the basis of being the most grant-dependent local economy in the Province. Other factors are the highly concentrated economy and poor GDP performance. However, Mbashe emerges as a leading economy, both nationally and Provincially, in respect of formal employment growth performance and has experienced a positive shift in share of employment, but a negative shift in share for GDP contribution from 1996 to 2004. By contrast, the Municipality falls into the top half of all municipalities in the Province on **Economic Absorption Capacity** on the basis of relatively high total disposable income and buying power. Negative contributory factors are the negative income-expenditure balance and below average economic multipliers and informal sector capacity to generate economic opportunities relative to formal employment.

The local economy claims a comparative advantage, for both GDP and employment in Community Services, which is overwhelmingly dominated by Education (38.59% GVA and 46.24% employment).

Further **comparative advantages**, in terms of GDP contribution, are reflected for Agriculture centre on Forestry and Logging (8.11%); and Trade – centred on the Retail sub-sector (11.15%) emerge as a further employment advantage.

The Municipality claims a range of leading products, including subtropical and deciduous fruit, maize, and tourism, where the latter is identified as having very high potential given the Municipality’s favourable location on the Wild Coast. Dryland potential exists for maize and beans, and the area is identified as suitable for forestry. Good market (broilers, eggs) and field cropping (maize, and dry beans) as well as for hydroponics production, notably of tomatoes.

Factors contributing to low **Resident Participation Capacity** in Mbashe are the very low HDI (0.41), below average access to education and particularly health professionals, and a comparatively high proportion of child-headed households in the Eastern Cape context.

Functional literacy (44.24%) is low, as is the qualification rate (5.24%) and the proportion of residents that have gained at least a matric (9.40%). **Women’s Economic Participation** is marginal, where women account for 55.09% of the population yet constitute only 48.37% EAP and face substantially higher unemployment (81.71%) and rate of growth in unemployment (5.51% pa) than men.

Mbashe reflects poor **Municipal Capacity** considering the very low ratio of municipal employees to population and limited number of functions performed with capacity. Managerial capacity is moderate, although municipal manager experience is high and some capacity is evidenced by the presence of local tourism, regulatory, trading and planning staff.

Table 17: LABOUR AND UNEMPLOYMENT TRENDS

Employment sector	Male	Female	Total
Formal sector	5 411	6 693	12 374
Informal Sector	2 007	1 726	3 733
Private Household	943	1 054	1 997
Do not know	123	107	230
Not applicable	108 746	127 829	236 575
TOTAL	117 230	137 679	254 909

Source: Census 2011

Mbashe is earmarked as populated with the highest number of poor population in the province of Eastern Cape, which is again revealed by the 2011 Stats SA Census that identifies that the unemployment rate as 93%. This is the result of high illiteracy rate (ref: article 2.6). Only 5% of population engaged in the formal sector and at 1% in each of informal and private households.

The table at the above shows the number of population engaged in various available sector of employment opportunity in the Mphashe Municipality.

Gender analysis of employment (the below figure) shows that unemployment rate for male and female goes hand in hand with the composition of population as 46:54. This is also very close to all sector of employment as well. It means that equity of male-female employment is well maintained.

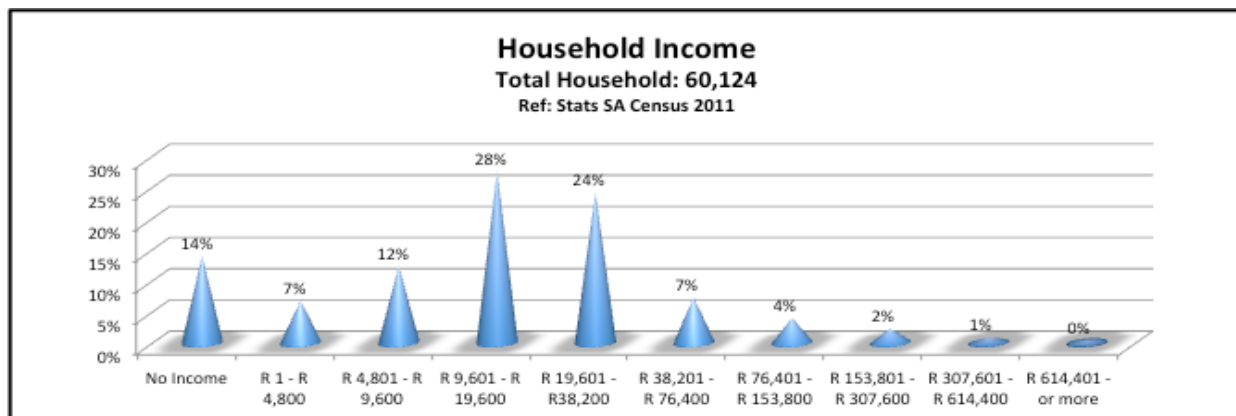
INCOME TRENDS

Level of Household Income

The level of household income further explains poverty level of Mphashe. Only 39% of household has monthly income equal to or higher than R 3 000.00, whereas 47% living with equal to or less than R 8 000.00 per month and 14% has no income. It means about 61% households is living within poverty level. The situation is graphically presented in the following figure.

Figure 4: Level of household income

Source: Census 2011



Poverty Indicators

Table 18: Poverty levels for Amathole District (1996 – 2005)

Municipality	1996 (%)	2005 (%)
Mphashe	68.6	77.9
Mnquma	62.3	75.0
Great Kei	56.1	79.5

Amahlathi	59.0	75.3
Buffalo City	41.5	50.1
Ngqushwa	64.1	80.2
Nkonkobe	55.9	69.2
Nxuba	56.6	80.3

Source: Amathole District Growth and Development Summit 2007

In terms of Mbhashe Municipality, the poverty levels have increased since 1996. This is an area that needs to be looked into as almost 80% of the population are living in poverty. This is aligned to the high level of unemployment prevalent in the municipality and places a great burden on social services.

TOURISM OVERVIEW

Tourism can provide a major boost to the district's economy, linking the many diverse attractions of Mbhashe. Strong branding is needed to link the different features.

Activities include the following:-

- Heritage and Cultural Tourism Development
- Coastal Development
- Craft Development
- Recreational facilities

3.11.3 LED PLANNING

Mbhashe Municipality does have the LED strategy which was adopted by the council in 2010 and the last review was made in 2011. The LED strategy is summarily put as follows.

The Vision of the municipality on LED is to systematically reduce poverty within the municipal area and create a cohesive community; defined by inclusion and support for the vulnerable through state led interventions, private sector investment and solidarity of the civil society and the people of Mbhashe municipality. The Mbhashe local municipality developed and reviewed its own LED strategy which was adopted by council in the month of March 2011.

Local Economic Development processes must achieve the following:-

- Ensuring that the local investment climate is functional for local businesses;
- Supporting existing small and medium sized enterprises and encouraging the formation of new enterprises;
- Attracting external investment (nationally and internationally);
- Investing in physical (hard) infrastructure;

- Investing in soft infrastructure (educational and workforce development, institutional support systems and regulatory issues);
- Supporting the growth of particular clusters of businesses;
- Targeting particular parts of the local area for regeneration or growth (areas based initiatives);
- Supporting informal and newly emerging businesses;
- Targeting certain disadvantaged groups including black people, youth, women and youth and other groups who are victims of economic deprivation and underdevelopment;
- Wealth creation initiatives to improve disposable income base of the residents and thereby increase tax base of the locality;
- Creating jobs through a combination of strategies and initiatives;
- Sustainable use of resources more especially when LED strategies rely on exploitation of exhaustible resources;
- Diversified industrial strategy so as to avoid the vulnerability of the local economy to external shocks as a result of becoming a 'one sector' or 'one company' area;
- Dealing with inequality as an economic expression that has potential social and political challenges that can lead to instability and undermine the very foundations of economic development.

Three critical areas of intervention identified by the municipality are:-

- Agricultural Development
- Tourism
- SMME Development
- Real Estate Development

It must be noted that it has been difficult to have full sittings of the LED forum in the year 2012/13. This is due particularly to instability in the political administration of the municipality; however the meetings between various government departments and NGO's have taken place. Some programmes and projects are jointly implemented and are monitored through by all the parties concerned including the municipality. Such parties are, Community Development Trusts, Business Forum, Co-operative Forum, Department of Agriculture, Amathole District Municipality, Department of Social Development, Eastern Cape Development Corporation and the Department of Economic Development and Environmental Affairs.

Table 19: **3.11.4 LED FUNDING**

Donor/grant/funder	Programme/project	Amount
Mbhashe Municipality	All LED programmes as outlined in the IDP	R6.2m
Department of Housing and Local Government	LED assistants	R87 990.00

3.11.5 BOOSTING MARKET CONFIDENCE

3.11.5.1 Spatial Development Framework (SDF)

The municipality uses the approved Spatial Development Framework Plan (SDF). The reviewed SDF 2012/13 has been approved and adopted by the council in March 2012. The service provider assisted the municipality in reviewing the plan and has consulted with different stakeholders and taken current challenges and developments into cognizance. It has been the culture of the municipality to develop and review the SDF on an annual basis in order to ensure that current changes with regard to land and spatial patterns are taken care of.

3.11.5.2 By-Laws

A number of by-laws have been made and the service provider helped with the drafting and the public participation was done and the by-laws were gazetted. These include the following:-

- Street trading by-law
- Taxi by-laws
- Liquor licensing by-laws
- Payment of rates

The need for a common set of by-laws for the municipality is still a pressing concern, although much work has been commenced by Legal department, it is anticipated that a new set of bylaws will be available for council adoption and implementation in 2014.

3.11.6 SDBIP Projects Linked with the IDP

The following programmes were undertaken during the past financial year and achieved the targets indicated.

3.11.6.1 AGRICULTURAL ACTIVITIES

- The municipality was engaged in information days in the 24 wards of the 31 wards of the municipality. The stakeholders involved in the information days included Department of Agriculture (DoA), the ADM and the private sector. Amount used in the programme is R100 000. Beside this, farmers also were assisted in attending various information sharing sessions outside the boundaries of the municipality including the Agri Expo as organised by the ADM.
- In the maize production programme (Masilime), the municipality budgeted R1.3m. This programme is aimed at encouraging farmers to grow maize for subsistence and for commercial purposes. In 2012/13 fiscal year, emphasis was put on the fencing material with the ADM focusing of the actual support on ploughing and fertiliser distribution.
- Another programme is the wool improvement programme which the municipality does together with the DoA. The municipality in the financial year 2012/13 spent R600 000 on construction of shearing sheds; R300 000 on renovation of shearing sheds and R500 000 on the wool equipment. Four shearing sheds have been built in four wards i.e. ward

5, 7, 12 and 31; ten shearing sheds have been renovated and almost four shearing sheds got full shearing shed equipment.

- On the enhancement of the irrigation schemes, the municipality delivered seeds and seedlings to Siyazondla groups and other interested parties and co-operatives. This programme amounted to R650 000.

3.11.6.2 TOURISM ACTIVITIES

- With a budget of R130 000, the municipality was able to train 11 groups of crafters in the Mbhashe Municipal area. The training is made to assist the crafters to perform work that is marketable throughout the country and abroad. This programme has had positive results in the past.
- Six exhibitions shows were held where the crafters, traditional dancers, traditional fashion designers participated. The three were held in Mbhashe whilst the other three was when the referred groups were assisted with participation fees in exhibiting their products in festivals and shows outside Mbhashe for example the Grahamstown Arts Festival.
- Marketing Mbhashe also meant participating in events like Tourism Indaba in Durban and market the area and ensure it is the destination of choice.
- To promote heritage, the municipality has an obligation to maintain the sites declared as regional and local heritage sites at the local level. These sites are King Hintsa Grave, King Sarhili Grave, Esinqumeni caves and Fort Bowker.
- The Visitor Information Centre at Dutywa has to be maintained every year. R60 000 was used to do the maintenance at the centre and to buy some material and equipment used at the centre.

3.11.6.3 SMME

- Co-operatives are the foundation of rural development and are fundamental to the development of the regional economy. One problem that was found was that it is difficult to offer assistance to co-operatives as some are not even registered with the municipality. Many of them had no proper legal documents to earn the word “co-operative” hence there was a need to do a baseline study on co-operatives. That was done at a cost to the municipality.
- Brickmaking equipment was delivered to four different co-operatives.
- SMME’s were also trained in various business aspects such as tendering and business skills. The SMME’s showed enthusiasm on the training and demanded more training to be held in the following year on the aspects as well such as Occupational Health and Safety.

3.11.7 EMPLOYMENT

- Various sections and programmes offered employment opportunities to the people of Mbhashe. These ranges from EPWP, CWP, Tourism, Waste Management and Roads construction.

- The municipality has no data register where jobs created are all kept but jobs created through these programmes and are estimated to be around 3 500 in a year.

3.11.8 CO-OPERATIVES

An amount of R400 000 was budgeted for co-operatives in the financial year. About four co-operatives were trained in the Elliotdale area. The training provided was on the following:-

- Business Skills
- Co-operative education

There has been a significant increase in the number of co-operatives from 80 to 110 registered co-operatives. Many of them are in the agricultural and tourism sectors.

Through LRED funding, three co-operatives have benefitted. They are:-

- Cholakonke Recycling Co-operative funded by R1.8m
- Blaze Piggery funded by R500 000
- Nkanya Lodge funded by R2m

3.11.9 TRAFFIC INCOME

There were initiatives introduced with the main one being the establishment of a roadblock system that covers all aspects e.g. payment facility, service of summons, speeding checks, and on line enquiries.

The total revenue generated by the learners licence testing and fines amounted to over a million in the 2012/2013 financial year. The main challenge facing the licensing department is locational factor where you'll find the officials cramped into one single and smaller place.

3.12 BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013										
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object . No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed / Not Completed	% completion	Reasons for non-completion or comment
KPA 3: Basic Service Delivery and Infrastructure Investment										
Roads	To provide quality and trafficable road network throughout Mhashe in ensuring peoples access to socio-economic centres thereby facilitating overall social improvement	SD3.1	Ensure construction of new Roads in enhancing peoples easy mobility to socio-economic centres	Riverview-Xobo	No. of Road	Nil	1 Road	Partly completed	90%	Erection of culverts is still not completed. There was a struggle in transporting the culverts due to the lack of capacity in relation to the machinery to transport. Late appointment of the contractor was also a challenge

				Mdwaka-Hlamathi	No. of Road	Nil	1 Road	Partly completed	95%	Road signs are outstanding. The delays were caused by the late appointment of the contractor
				Ncedana-Komkhulu	No. of Road	Nil	1 Road	Partly completed	80%	Non-compliance by the contractor, which should be addressed
				Fubesi-Nqabara High School	No. of Road	Nil	1 Road	Partly completed	70%	Non-compliance by the contractor, who is deliberately delaying the project. Instructions were imposed upon them, of which they are not complying
				Manzibomvu to Zithulele	No. of Road	Nil	1 Road	Partly completed	60%	There were delays in the appointment of a contractor
				Nolungile to Phokoloshe	No. of Road	Nil	1 Road	Partly completed	60%	There were delays in the appointment of a contractor

				Ngxabane to Makamisa	No. of Road	Nil	1 Road	Completed	99%	practical completion - ready for handover
				Zembe-Magoxo	No. of Road	Nil	1 Road	Completed	99%	practical completion - ready for handover
				Vinindwa-Mazizini	No. of Road	Nil	1 Road	Partly completed	40%	Late appointment of contractors as a result it is still under construction
				Njemane to Bethane	No. of Road	Nil	1 Road	Completed	99%	Ready for handover
				Khanya	No. of Road	Nil	1 Road	Not completed	40%	The project is still within its contract duration, contract was only awarded in May 2013 with contract duration of 6 Months
				Tafeni-Macirheni	No. of Road	Nil	1 Road	Not completed	55%	The project is still within its contract duration, contract was only awarded in May 2013 with contract duration of 4 Months

				Jongulwandle -Gqubhuzeni	No. of Road	Nil	1 Road	Partly completed	90%	Environmental authorisation was received in December 2012 which delayed the project implementation considering that was shutdown period and the contractor was actively on site by January 2013 with contract duration of 6 Months
Infrastructu re	To ensure completion of backlog and preparation of new year Infrastructures	SD3.2	Ensure backlog infrastructure s are completed	Payment for Backlog/ Completed Infrastructure Projects(till 2011-2012)	No. of Projects	Nil	16 projects	Partly completed	95%	2 community halls are not completed. 1 contractor was appointed for both and his contract was terminated due to non- compliance
			Ensure new year projects construction starts in time	Payments for 2013-2014 Infrastructure Projects preparing for construction	No. of Projects	Nil	10 projects	Not completed	0%	Some Projects have gone out to tender for design.

Electricity	To provide adequate electrical services to communities to easy peoples livelihood	SD3.3	Ensure peoples access to basic electricity supply	Implement DME electrification programme	No. of House Connection	715	677 House Connections	Completed	100%	Some houses are not energised due to delays by Eskom on outage dates.
				Installation of Street Lights and High Masts	No. of street lights/ High Masts	684 Street lights/ 7 High Masts	8 Street Lights / 4 High Masts	Partly completed	95%	4 High mast are installed, awaiting connections from Eskom.

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013									PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object . No.	Strategy	Project	Indicato r (Input, Output, Outcom e)	Baseli ne	Annual Target	Complete d / Partly Complete d/ Not Complete d	% completi on	Reasons for non-completion or comment	
KPA 3: Basic Service Delivery and Infrastructure Investment											
Housing & Informal Settlement	To ensure proper development expansion and formalization of informal settlement	SD3.4	Facilitate developme nt expansion and formalizatio n of informal settlement	Surveying of municipal lands	No. of Erven surveye d	Nil	17 Ervens	Complete d	100%+	None	

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object . No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 3: Basic Service Delivery and Infrastructure Investment										
				Relocation of informal settlements	No. of informal settlement relocated	Nil	8 Informal settlements	Completed	100%	None
Land	To ensure maximum and sustainable usage of available lands	SD3.5	Ensure adequate infrastructure for leases	Servicing of Leased Lands	No. of Serviced Land	Nil	42 Lands	Partly completed	40%	Could not obtain council approvals on some of the intended leases
				Update GIS information and general plans	No. of Erven	Nil	2 000 Erven	Completed	100%	None
				Conduct land audit	No. of Erven Audited	Nil	800 Erven	Completed	100%	None

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object . No.	Strategy	Project	Indicato r (Input, Output, Outcom e)	Baseli ne	Annual Target	Complete d / Partly Complete d/ Not Complete d	% completi on	Reasons for non-completion or comment
KPA 3: Basic Service Delivery and Infrastructure Investment										
			Ensure the functionality of municipal properties	Maintenanc e of municipal properties	No. of propertie s	Nil	24 Properties	Complete d	100%	None
				Revalidatio n of expired general plans	No. of General Plans	Nil	1 General Plan	Complete d	100%	None

MUNICIPAL PERFORMANCE FOR LOCAL ECONOMIC DEVELOPMENT

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
SMME	To ensure job creation through development and capacitating SMME's and Co-ops	LED 2.1	Ensure capacity building of SMMEs and Co-ops in contributing to job creation	Baseline study on co-operatives	No. of co-ops authenticated	50 co-ops	15 co-ops	15co-ops	100%	-

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
				Support SMMEs through providing machines and equipment	No. of SMMEs supported	Nil	3 SMMEs	3 SMMEs	100%	-

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
				Support co-ops through providing machinery and equipment	No. of co-ops supported	Nil	4 co-ops	Machinery delivered to 4 co-ops	100%	-

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

				Provide rain coats to identified hawkers	No. of rain coats provided	1000	25 hawkers	Rain coats delivered to hawkers	100%	
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

				Train and capacitate SMME's in development of businesses	No. of SMMEs	20 SMMEs	30 SMMEs	Training done to 45 SMMEs	+100%	
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Agriculture and farming	To ensure improvement in agricultural production through appropriate and timely support to farmers	LED 2.2	Ensure updating of farmers knowledge about appropriate farming methods	Provide shearing shed equipment	No. of shearing sheds provided with equipment	Nil	20 shearing sheds	Equipment delivered to 20 shearing sheds	100%	
					67					

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

				Construct shearing sheds	No. of shearing sheds constructed	31	4 shearing sheds	4 shearing sheds built	100%	-
					68					

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

				Renovate shearing sheds	No. of shearing sheds renovated	14 shearing sheds	20 shearing sheds	20 shearing sheds renovated	100%	-
					69					

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
			Ensure logistics and infrastructure support to wool growers	Inform farmers about latest methods for improvement of their production	No. of farmers informed	Nil	3100 farmers	4000 farmers	+100%	-

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

			Ensure safety of maize fields from intruding animals	Provide fencing materials to farmers to fence their maize fields	No. of sites	Nil	13 sites	13 sites	100%	
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

			Ensure support for revitalization of irrigation schemes	Provide logistics and seeds to irrigation schemes and groups	No. of schemes/ siyazondla groups	Nil	All wards	Seeds and seedlings delivered to 24 wards	77%	Funding
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Tourism	To market Mphashe as a tourist destination thereby developing economic base		Ensure community access to market throughout their skill and capacity	Supporting crafters in capacity development	No. of crafters	27	11 crafters	Eleven groups of crafters were trained	100%	-
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

			Ensure promotion and marketing of Mhashe tourism thereby allowing easy access to local community to market their product	Tourism events and exhibition shows	No. of exhibition shows	Nil	6 exhibition shows	Six exhibition shows were held	100%	-
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013							PERFORMANCE REPORTING 2012/2013			
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

				Development of tourism promotional material and distribution	No. of DVDs/ brochures	Nil	180 DVDs 200 brochures	200 brochures done	50%	DVD's not done due to limited financing
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment

KPA 3: LOCAL ECONOMIC DEVELOPMENT

				Maintenance and management of VIC	VIC at Dutywa	VIC at Dutywa	VIC at Dutywa	The Dutywa VIC was renovated	100%	-
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ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 3: LOCAL ECONOMIC DEVELOPMENT										
				Maintenance of heritage sites	No. of sites	4 sites	4 sites	Renovations done at 4 sites	100%	-

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

The Corporate and Human Resources Cluster of the Mbashe Municipality consists of the following Units: Human Resources, Council Administration, Management Services and Organisational Development, Occupational Health and Skills Development.

The Human Resources Unit is responsible for recruitment, selection, labour relations management, pay and leave administration, staff administration, grading and remuneration, sick leave management, employee wellness, rewards and recognition systems, performance management systems, talent management and succession planning, scarce skills retention initiatives, staff morale, organisational diagnostics and perception studies. The Corporate & Human Resources Cluster's functions and responsibilities address many of the IDP requirements to ensure effective service delivery and community development. These include raising the skills levels and development of employees; improving the productivity, efficiency and effectiveness of the Municipality; and creating a positive organisational climate throughout the Municipality.

The Human Resources projects within the IDP for the 2012/2013 financial year include the following:

- Capacity Development to staff members
- Capacity building to councillors
- Review and development of policies
- By-laws developed and gazetted

4.2 Presentation of the organizational structure (approved organogram)

The Municipal organogram for the financial year 2012/13 shows a total of 310 posts as approved by the council; this shows a gradual shift from 119 which was the total for the previous years. Whilst there's an increase in the total number of workforce required by the municipality, 2012/13 showed a decrease in the actual number of employees. This is a result of zero employees being recruited to the municipality. Out of seven directors; there were four present in 2011/12 and there were three acting directors in the other departments. In 2012/13, due to the end of contracts and suspensions, no director was left in the municipality only to recruit two managers towards the end of the financial year.

1. (a) Section 57/56 managers (Directors) Table 20

No.	Position	Filled/not filled	Acting/On contract
1.	Municipal Manager	Not filled (Filled for the first five months)	Acting (for the last seven months)
2.	Chief Finance Officer	Filled (filled for the last five months)	On contract
3.	Director: Corporate Services	Not filled	Acting

4.	Director: Development Planning	Not filled	Acting
5.	Director: Technical	Not filled	Acting
6.	Director: Community Services	Filled	On contract
Managers on contract			
7.	PMU Manager	Filled	Acting as Director: Technical
8.	Strategic Manager	Not filled	Acting
Total			

Table 21 (b) Mayor's office

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Executive Secretary	1	1	0
2.	Mayoral Driver	1	1	0
3.	Senior Clerk	1	0	1
	Total	3	2	1

22: (c) Speakers office

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Executive Secretary	1	0	1

Table 23: (d) Municipal Managers office

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Legal	1	0	1
2.	Admin. Managers: Satellite offices	2	0	2
3.	Executive Secretary	1	1	0
4.	Senior Officer: Internal Audit	1	0	1
5.	Internal Auditors	2	0	2
6.	Strategic Manager	1	0	1
7.	IDP/PMS Co-ordinator	1	0	1
8.	IDP/PMS Officer	1	0	1
9.	IDP/PMS Clerk	1	0	1
10	SPU Officer	1	1	0
11	SPU Co-ordinators	2	0	2
12	Public Participation Officer	1	0	1
13	Communications Officer	1	0	1
14	Customer Care Clerk	1	0	1
	Total	17	2	15

Table 24: (e) Budget and Treasury

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Secretary	1	1	0
2.	Chief Finance Officer	1	0	1
3.	Revenue Accountant	1	1	0
4.	Debtors Controller	1	0	1

5.	Billing Clerk	1	0	1
6.	Cashiers	3	3	0
7.	Indigent Co-ordinator	1	0	1
8.	Indigent Clerks	3	0	3
9.	Financial Systems Admin	1	0	1
10.	Expenditure Accountant	1	1	0
11.	Expenditure officer	1	0	1
12.	Expenditure clerk	1	1	0
13.	Salaries officer	1	0	1
14.	Salaries Clerk	1	0	1
15.	Senior Officer: Budget Planning	1	0	1
16.	Budget Accountant	1	0	1
17.	Budget Clerk	1	0	1
18.	Assets Officer	1	0	1
19.	Storekeeper	6	0	6
20.	Assets Clerk	1	0	1
21.	Contract Management Officer	1	0	1
22.	Procurement Officer	1	1	0
23.	Buyer	1	0	1
24.	Admin Clerk	1	0	1
	Total	33	8	25

Table 25: (f) Corporate Services

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Secretary	1	1	0
2.	Committee Officer	1	0	1
3.	Senior Clerks (Committees)	2	0	2
4.	Principal Support Clerks (Support Services)	3	2	1
5.	Council Driver/Messenger	1	1	0
6.	Senior Admin Officer	1	0	1
7.	Records Officer	1	1	0
8.	Records Clerk	1	0	1
9.	Tea-makers	9	8	1
10.	Receptionists	2	1	1
11.	Messengers	4	2	2
12.	Fleet Officer	1	0	1
13.	Fleet Clerk	1	0	1
14.	Senior HR Officer	1	1	0
15.	HR Officer	1	0	1
16.	Provisioning Clerk	1	0	1
17.	HR Admin Clerk	1	0	1
18.	Labour Relations Officer	1	0	1
19.	Health and Safety Officer	1	0	1
20.	SDF Officer	1	0	1
21.	Senior ICT	1	0	1
22.	ICT Technician	1	1	0

23.	Database Admin Webmaster	1	0	1
	Total	38	18	20

Table 26: (g) Planning and development

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Senior Officer: Land and Housing	1	1	0
2.	Estates and Human Settlement Officer	1	1	0
3.	Town Planning Technician	1	0	1
4.	Town Planning Assistant	1	0	1
5.	Building Control Officer	1	0	1
6.	Building Inspector	3	0	3
7.	Property Registry Clerk	1	0	1
8.	Senior Clerk: Estates	1	0	1
9.	LED Co-ordinator	1	1	0
10.	SMME and Co-ops Officer	1	1	0
11.	Tourism Officer	1	1	0
13.	Agriculture Officer	1	1	0
14.	LED Assistant	1	0	1
15.	Senior Clerk: LED	1	0	1
	Total	16	6	10

Table 27: (h) Technical Services

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Secretary	1	1	0
2.	PMU Manager	1	1	0
3.	Engineering Technician	2	0	1
4.	Quantity Surveying	1	0	1
5.	Financial Admin: PMU	1	1	0
6.	Manager: Civil Engineering	1	0	1
7.	Senior Officer: Civil	1	0	1
8.	Superintendent: Roads	1	1	0
9.	Supervisor: Roads	2	1	1
10.	Driver Operator	5	3	2
11.	Roads assistants	16	6	10
12.	Senior Officer: Technical Maintenance	1	0	1
13.	Electrical Technician	1	0	1
14.	Electrical Artisan	3	0	3
15.	Building Technician	1	0	1
16.	Multi-Purpose Artisan	1	0	1
17.	General workers	3	3	0
18.	Institutional Social Development Services (ISDS) officer	2	0	2
19.	Senior Clerk: ISDS	1	0	1
	Total	45	17	28

Table 28: (i) Community Services

No.	Position	No. per approved organogram	Number filled	Number vacant
1.	Secretary	1	1	0
2.	Manager: Emergency Services and Law enforcement)	1	0	1
3.	Superintendent: Law enforcement	1	0	1
4.	Senior Traffic Officer	3	1	2
5.	Traffic Officer: Grade2 & 3	7	7	0
6.	Law enforcement officer	3	0	3
7.	Traffic Warden	13	13	0
8.	Superintendent: Licensing	1	0	1
9.	Examiner: Vehicles	1	0	1
10.	Handyman	2	0	2
11.	Vehicle inspector	1	0	1
12.	Pit attendant	1	0	1
13.	Drivers' license inspector	2	0	2
14.	Chief Clerk: Licensing	1	0	1
15.	Clerk: Licensing	3	0	1
16.	Principal Clerk: Licensing	1	0	1
17.	Senior Clerk: Licensing	2	0	2
	Total	43	21	22

Table 29: (j) Persons present but their positions not appearing on the organogram and replaced personnel

Office	Number of persons not appearing on organogram	Number of replaced staff
Mayor's office	0	2
Speakers office	0	0
Municipal Managers office	1	1
Budget and Treasury	0	0
Corporate Services	0	3
Planning and Development	0	0
Technical services	0	1
Community services	0	2
Total	1	9

Table 30: (k) Number of casuals, contracts, interns and learnerships)

Department	Number of casuals hired during the year	Number of contracted persons except S57	Number of interns	Number of learnerships
Mayor's office	0	0	0	0
Speakers office	0	1	0	0
Municipal Managers office	3	0	1	0
Budget and Treasury	0	6	4	0
Human Resources	0	2	0	0
Planning and Development	0	0	1	0
Technical services	0	3	0	0

Community services	15	5	0	0
Total	18	17	6	0

Appendix B shows the full organizational structure.

4.3 PERFORMANCE MANAGEMENT SYSTEMS

The municipality does have an adopted Performance Management Systems. In terms of section 46 of the Municipal Systems Act of 2000, municipalities are required to prepare an Annual Performance Report, which forms part of the Annual Report to be prepared in terms of the Municipal Finance Management Act of 2003. The Municipal Public Accounts Committee (MPAC), Performance Audit Committee and EXCO of Mbashe Municipality are designed to determine whether the plan as outlined in the Municipality's Integrated Development Plan is implemented effectively.

These committees are therefore the key mechanism to monitor, evaluate, review and report on the municipality's implementation of its objectives as detailed in its IDP. Considerable emphasis has been placed on the promotion of efficient, economic and effective use of resources; accountable public administration; transparency of information; responsiveness to the needs of the community; and the facilitation of a culture of public service and accountability amongst staff.

The institutional scorecard measures the strategic outcomes as set out in the Integrated Development Plan. The Scorecard is audited quarterly by Internal Audit and is then presented to the Audit Committee where senior management are required to address the concerns raised by the committee. Evaluations of predetermined key performance indicators (KPIs) linked to the Strategic Focus Areas (SFAs) in the IDP are also done periodically by the Internal Audit Unit. The Service Delivery and Budget and Implementation Plan (SDBIP) is the operational tool used to determine whether project targets for the various programmes which are linked to the institutional scorecard, are achieved. Despite all of the above the municipality has had difficulties implementing the full PMS for all employees.

Table 31: With regard to Performance Agreements, see the table below:-

SECTION	MANAGER/DIRECTOR NAME	PERFORMANCE AGREEMENT SIGNED OR NOT SIGNED		REASONS
		SIGNED/NOT SIGNED	SUBMITTED/NOT SUBMITTED	
Accounting Official	M. Somana (June to November)	Signed by the Mayor but not by the Municipal Manager	Submitted	Oversight
Accounting Official	S. Dumezweni (November to March)	Signed by the employee	Signed by the employee	Submitted but not signed by

				the Municipal Manager
Accounting Official	Ngqele (March to June)	Signed	Submitted	n/a
Developmental Planning and LED	MK Mcopele	Not signed	Not submitted	Oversight
Engineering	S. Gwentshe	Signed	Submitted	n/a
CFO	S. Ndakisa	Signed	Submitted	n/a
Corporate Services	M. Nako	Signed	Submitted	n/a
Community Services	M. Mtongana	Not signed	Not submitted	Oversight

4.4 Staff development initiatives during the Financial Year

The municipality has several well developed capacity building development programmes and systems in place including:-

- Annual Workplace Skills Plan
- Learnerships
- Graduate Development Programmes
- Internships
- In-service training
- Bursary schemes
- Short courses

Table 32 **ANNUAL REPORT FOR THE PERIOD 2012/2013 FINANCIAL YEAR FOR CAPACITY BUILDING PROGRAMMES IMPLEMENTED**

NO.	EMPLOYEE/CLERK'S NAME	COURSE/CERTIFICATE/DIPLOMA	ACCREDITED /NON-CREDIT BEARING	INSTITUTION	COMPLETED/PROGRESS/DROPPED
1.	P. Nketshe	ND: HR. Management	Accredited	UNISA	In progress
2.	N. Hanise	B.Comm (HR)	Accredited	UNISA	In progress

3.	M.Y. Mbatu	B. Human and Soc. Studies	Accredited	UNISA	In progress
4.	P. Hillie	B. Human and Soc. Studies	Accredited	UNISA	In progress
5.	A. Nqanda	B. Human and Soc. Studies	Accredited	UNISA	In progress
6.	NN. Mkoko	Higher Cert.: Archives & Records Mgt.	Accredited	UNISA	Completed
7.	T. Tshwati	N6: Certificate-Business Management	Accredited	Oxbridge Academy	In progress
8.	Z. Ngcayechibi	N4: Certificate-HRM	Accredited	Oxbridge Academy	In progress
9.	N. Sihlahla	Diploma – Labour Relations	Accredited	Intec College	In progress
10.	S. Manzi	ND: Local Govt. Finance	Accredited	UNISA	In progress
11.	V. Ndayi	Dip. Local Govt. Finance	Accredited	Mancosa Mgt. College	In progress
12.	C.L. Makonza	Project Management (Excel MS Project)	Accredited	NMMU Business Sch.	Completed
13.	Z. Qaba	Project Management (Excel MS Project)	Accredited	NMMU Business Sch.	Completed
14.	T. Masangwana	Project Management (Excel MS Project)	Accredited	NMMU Business Sch.	Completed
15.	S. Dyasi	Project Management (Excel MS Project)	Accredited	NMMU Business Sch.	Completed
16.	L. Nondonga	Account Payables	Non-accredited	Intelligence Skills Training	Completed
17.	K.N. Nkomonye	Account Payables		Intelligence Skills Training	Completed
18.	L. Dekeda	Examiner of Driver's License Grade F,L & D	Non-accredited	P.E. Traffic College	Completed
19.	N. Menziwa	Examiner of Driver's License Grade F,L & D	Non-accredited	P.E. Traffic College	Completed

20.	E. Ndamase	Examiner of Driver's License Grade F,L & D	Non-accredited	P.E. Traffic College	Completed
21.	K. Matshetu	Examiner of Driver's License Grade F,L & D	Non-accredited	P.E. Traffic College	Completed
22.	O.T.L. Samuel	Examiner of Driver's License Grade B	Non-accredited	P.E. Traffic College	Completed
23.	N. Mgweba	Diploma in Public Admin.	Accredited	Oxbridge Academy	Completed
24.	M. Mlondleni	ND: Traffic and Municipal Police Mgt.	Accredited	Tswane University of Technology	On progress
25.	L.J. Bongo	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
26.	A. Mashece	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
27.	K. Matshetu	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
28.	L. Mbelani	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
29.	M. Mlondleni	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
30.	X. Molosi	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
31.	E. Ndamase	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
32.	M. Siguba	Motor Cycle Training	Non-accredited	Lunika Events Mgt. Training	Completed
33.	S. Myendeki	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed
34.	L. Mfocwa	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed
35.	L. Clock	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed

36.	S. Nciki	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed
37.	N.P.N Nodangala	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed
38.	P. Tungata	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed
39.	Z. Nkqwiliso	Grader Operator Training	Non-accredited	Sall Heavy Duty Achievement Training School	Completed
40.	37 Councillors	Computer Literacy Training	Non-accredited	Thula.Com	Completed
41.	Cllr. N Magatya	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
42.	Cllr. T. Nodliwa	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
43.	G. Sityata	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
44.	N. Sihlahla	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
45.	N. Mkoko	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
46.	S. Klaas	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
47.	S. Ndinisa	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
48.	M. Nako	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
49.	S. Ndakisa	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
50.	N. Hanise	Training of Training Committee	Non-accredited	Umsenge Dev. Consulting	Completed
51.	P. Nketshe	Training of Training	Non-accredited	Umsenge Dev.	Completed

		Committee		Consulting	
52.	N. Booï	PayDay Training – Principles of Payroll Leave Management HR. Module	Non-accredited	PayDay	Completed
53.	N. Hanise	PayDay Training – Principles of Payroll Leave Management HR. Module	Non-accredited	PayDay	Completed
53.	G. Sityata	PayDay Training – Principles of Payroll Leave Management HR. Module	Non-accredited	PayDay	Completed
54.	S. Baliso	PayDay Training – Principles of Payroll Leave Management HR. Module	Non-accredited	PayDay	Completed
55.	Ward Committee Secretaries	Computer Literacy Training	Non-accredited	Three-In Harmony	Completed
56.	35 employees from Elementary Occupations	assessed for Adult Education and Training	Accredited	Life Long	In progress
57.	L. Nondonga	CPMD/MF – Phase 2	Accredited	Wits Business School	Completed
58.	S.K. Singeni	CPMD/MF – Phase 2	Accredited	Wits Business School	Completed
59.	S. Ndinisa	Municipal Finance Management Programme	Accredited	University of Fort Hare	In progress
60.	B. Tshefu	Municipal Finance Management Programme	Accredited	University of Fort Hare	In progress

61.	S. Ngxabi	CPMD/MF – Phase 2	Accredited	Wits Business School	In progress
62.	P.P. Mhlonyane	Municipal Finance Management Programme	Accredited	NMMU	Completed
63.	S. Gwentshe	Municipal Finance Management Programme	Accredited	NMMU	In progress
64.	N. Sihlahla	Customer Care Training	Accredited	MSC College	Completed
65.	N. Singonyela	Customer Care Training	Accredited	MSC College	Completed
66.	M. Njomane	Customer Care Training	Accredited	MSC College	Completed
67.	L.H. Spondo	Customer Care Training	Accredited	MSC College	Completed
68.	M. Ziwani	Customer Care Training	Accredited	MSC College	Completed
69.	N. Mbulawa	Customer Care Training	Accredited	MSC College	Completed
70.	N. Kala	Customer Care Training	Accredited	MSC College	Completed
71.	S.B. Siswana	Customer Care Training	Accredited	MSC College	Completed
72.	N.P. Dinga	Customer Care Training	Accredited	MSC College	Completed
73.	N. Nkomonye	Customer Care Training	Accredited	MSC College	Completed
74.	A. Masiko	Customer Care Training	Accredited	MSC College	Completed
75.	M. Sodo	Customer Care Training	Accredited	MSC College	Completed
76.	P. Nketshe	Customer Care Training	Accredited	MSC College	Completed
77.	A. Mantanga	Customer Care	Accredited	MSC College	Completed

		Training			
78.	G. Mntumni	Customer Care Training	Accredited	MSC College	Completed
79.	Z. Menziwa	Customer Care Training	Accredited	MSC College	Completed
80.	S. Poswa	Customer Care Training	Accredited	MSC College	Completed
81.	P. Hillie	Customer Care Training	Accredited	MSC College	Completed
82.	M. Sogula	Customer Care Training	Accredited	MSC College	Completed
83.	N.P. Dinga	Customer Care Training	Accredited	MSC College	Completed
84.	B. Tshefu	Customer Care Training	Accredited	MSC College	Completed
85.	K. Sikiti	Customer Care Training	Accredited	MSC College	Completed
86.	N. Mgweba	Customer Care Training	Accredited	MSC College	Completed
87.	V. Bonani	Customer Care Training	Accredited	MSC College	Completed
88.	S. Manzi	Customer Care Training	Accredited	MSC College	Completed
89.	A. Mbebe	Customer Care Training	Accredited	MSC College	Completed
90.	S. Manzi	Accounts Payable	Non-accredited	Intelligence Skills Training	Completed

4.5 Registration with professional bodies

There were no employees registered in the professional body under financial year review.

4.6 Levels of education

Table 33

Total number of staff including section 57	137
Number of staff with no matric (Unskilled)	62
Number of staff with matric only	44
Number of staff with tertiary/accredited training	31

4.7 List of pension and medical aids to whom employees belong

Table 34

Names of pension fund	Number of members	Names of medical Aids	Number of members
1. Eastern Cape Group Municipal Pension Fund	69	LA Health Medical Aid Scheme	14
2. South African Municipal Workers Union (SAMWU) National Provident Fund	59	Bonita's Medical Aid Scheme	19
		SAMWUMED	08
		Hosmed Medical Aid Scheme	27
		Key-health Medical Aid Scheme	01

4.7 CHALLENGES AND REMEDIAL ACTIONS

CHALLENGES

- Non-implementation of the PMS to lower levels
- Instability in the top management
- Non-recruitment of new employees/high vacancy rate
- Leave management

REMEDIAL ACTIONS

- A service provider has been appointed for the period of 18 months for the implementation of the PMS.
- The council has taken a strong resolution that will help assist with the recruitment of the top management.
- Talks are being held with the labour union that will help ease the way towards recruitment to budgeted positions.

4.9 ANNUAL PERFORMANCE REPORT FOR CORPORATE SERVICES

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013										
SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 1: Municipal Transformation and Institutional Development										
Human Resource Management	To ensure Mphashe LM is efficiently delivering its services	TD1.1	Ensure recruitment of appropriate staff members for positions of organogram	Staffing municipality according to the approved Organogram	No. of positions filled in	161 positions	32 positions	Not Completed	Nil	The section 56 positions were re-advertised again, the posts below the managers were delayed by the union, the union want benchmarking to be done before advertising posts, only adverts available for 6 posts
			Ensure discipline in staff attendance	Establish automated centralised clocking system	No. of offices established with centralised clocking system	Nil	5 Offices	Partly completed	75%	The clocking was delivered and only installed at Elliotdale at the moment, the outstanding are three offices in Dutywa and one in Willowvale

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 1: Municipal Transformation and Institutional Development										
Capacity Building	To ensure service delivery capacity development of staffs, ward committee members and councillors through training	TD1.2	Ensure development and implementation of WSP	Review and implementation of WSP	No. of Staffs trained	38 Staffs	50 staffs	Partly Completed	100%	Waiting for the certificates for those who attended the training
					No. of Councillors trained	Nil	61 councillors	Completed	100%	other councillors were not interested in the computer training
			Ensure development and implementation of EEP and HR strategy	Develop EEP and HR strategy	Approved EEP and HR strategy	Nil	Approved EEP and HR strategy	Completed	100%	None
			Ensure capacity development of ward committee members	Training of ward committee members	No of ward committee members trained	310	31members (secretaries)	completed	100%	None

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 1: Municipal Transformation and Institutional Development										
Council support	To ensure conducive environment for council's functioning	TD1.3	Ensure council meetings are held as scheduled	Administrative support to council in conducting council meetings	No of council meetings	Nil	6 meetings	Completed	100%	None
			Ensure adequate accommodation for council members	Procurement of additional furniture for council	No. of furniture sets	62 sets	18 sets	Completed	100%	None
Policies	To ensure municipal businesses are compliant with Acts/ Legislation	TD1.4	Ensure municipal businesses are run compliant with Acts/ Legislations	Develop municipal policies	No of policies developed	22	4 policies	Completed	100%	None
11				Review municipal existing policies	No of policies reviewed	Nil	10 policies	Completed	100%	None

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 1: Municipal Transformation and Institutional Development										
By Laws	To facilitate enforcement of Acts/Legislation/ Policies in running municipal businesses	TD1.5	Ensure development of by-laws compliant to Acts/ Legislations/ Policies	Development of the By-Laws	No of By-Laws developed	Nil	20 by-laws	Completed	100%	27 By laws developed and 9 already gazetted, the implementation will be done in 2013/14 financial year
Wellness	To ensure that municipality cares its staff members and councilors	TD1.6	Ensure that municipal staff members and councilors are advised properly about their health and financial management	Organise wellness awareness campaign	No of awareness campaign conducted	2	2 campaigns	Partly completed	100%	Only one campaign conducted in a form of team building, the second campaign was submitted to supply chain management but there was no responsive service provider until the end of the financial year

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013									PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment	
KPA 1: Municipal Transformation and Institutional Development											
14	ICT	TD1.7	To ensure safety of ICT data	Procurement and installation of ICT data recovery system	No of system procured and installed	Nil	1 systems				
			To ensure sustainable development of ICT management	Development of 5-year master plan for municipal ICT systems	Approved master plan	Nil	1 Master Plan				
Record management	To ensure proper management of municipal records	TD1.8	Ensure establishment of digital record management system	The procurement of record management software	Digital record management system established	Nil	Digital record management system established	Completed	100%	None	

5.1 INTRODUCTION

The Financial Services Department manages the financial affairs of the municipality to ensure optimum use of all municipal assets. In essence this department is the protector and custodian of the public funds as it levies taxes and charges on the public, collects the taxes and charges from the public and administers the expenditure of those taxes and charges on goods, services and assets on their behalf. The following are the sole responsibilities of the municipality with regards to finance administration:-

- 1) Revenue and investment management
- 2) Indigent
- 3) Risk Management
- 4) Budget preparation and reporting
- 5) Asset Management
- 6) Supply Chain Management
- 7) Expenditure management

The Municipality has over the years developed several policies with regard to financial management. Some of those polices are:-

- Tariff policy
- Asset Management Policy
- Banking policy
- Budget policy
- Credit Control policy
- Customer Care policy
- Indigent policy
- Investment policy
- Virement policy

Table 35: 5.2 STATEMENTS OF FINANCIAL PERFORMANCE

DESCRIPTION	PREVIOUS YEAR			CURRENT YEAR 2012/13		
	Original Budget	Actual	% Variance	Original Budget	Actual	% Variance
Property rates	4 007 680.00	6 972 692.32	2 965 012.32	5533920	5 497 318.86	3 6 601.14
Service Charges	432 632.00	916 187.87	- 483 555.89	456860	916 484.95	459 624.95
Other own revenue	13 276 044.00	6 055 228.00	7,220,816.00	3,920,639.00	5,757,118.00	- 1,836,479.00
Employee Costs	364 356 764.00	37 427 360.00	326 929 404.00	53 484 009	36 983 740.33	16 500 268.67
Remuneration of councillors	16 328 524.00	15 744 953.00	583 571.40	17 874 255	17 907 021.70	-32 766.70
LED	183 750.00	302 928.10	-119 178.00	410 440	314 694.69	95 745.31
Community and Social Services	4 053 043.00	8 384 367.00	-2 806 974.86	21 396 044	15 765 784	5 630 259.60
Technical services	13 928 900.00	33 717 496.00	-19 788 595.59	21 042 390	12 879 501.47	8 162 888.53
Sport and	1 677	1 193	484	3 206	1 184	2 021

recreation	985.00	847.00	137.62	221.00	386.55	834.45
Corporate Services	4 053 043.00	3 678 384.00	2 806 974.86	10 863 340	11 989 258.00	-1 125 918.00

5.3 INDIGENTS

The Municipality has developed and the council approved the indigent policy. The policy review was adopted by the council in March 2012. The policy calls for the development and update of the indigent register for the municipality. On 2012/13 fiscal year, the municipality appointed a service provider for the development of the indigent register.

According to the indigent register the municipality has an estimated 40 000 indigents which it has to service. About 25% of them do not have access to electricity hence the provision of alternate energy.

Table 36: **TARGETS (indigents) – 2012/13**

NUMBER OF INDIGENTS	2013 TARGETED FOR		ACHIEVED	
	Basic Energy	Alternative energy	Basic energy	Alternative energy
40 000	9150	-	9150	-

5.4 LONG TERM CONTRACTS 2012/13

No new contracts were entered into, with the municipality in the year 2012/13.

5.5 AUDIT FUNCTION

5.5.1 Audit Committee

Beside the internal audit unit which has been mentioned previously the Municipality Audit Committee has been constituted in terms of section 166 of the MFMA of 2003. The municipality has appointed members to serve in the audit committee. There is Audit committee which was appointed in 2012. There are four members of Audit committee which sits once a quarter and when need arises except the ordinary meetings. The Audit Committee is an independent oversight advisory body of council.

Table 37: The following are the members of the Audit Committee:-

Members Name	Skill
Mr Plaatjes	Finance
Mr Mbalekwa	Law
Mr Sethene	Performance Management
Ms G.E. Diutlwileng	Auditing

The audit committee planned eight (8) meetings for the 2013 financial year and was able to achieve 100%.

5.5.2 Performance Audit Committee

The municipality failed to appoint the PAC and also failed to appoint members of the AC to perform the tasks of the PAC in terms of the Municipal Planning and Performance Management regulations. The performance audit committee is an independent body of the council advising the council on the performance management matter

5.6 FRAUD PREVENTION

The municipality has the fraud prevention policy which was adopted by the council.

5.7 GERNERALLY RECOGNISED ACCOUNTING PRACTICE

GRAP COMPLIANCE

GRAP is the acronym for Generally Recognised Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications. Financial statements have been prepared in line with GRAP requirements.

The Municipality is fully GRAP compliant. The current year accounting framework is consistent with the previous year.

The 2012 year requirements as per the Accounting Standards Board will be the improved Standards of GRAP.

5.8 CHALLENGES AND REMEDIAL ACTIONS

CHALLENGES

- The revenue base for the municipality and recovery of debts is limited as a result over 90% of revenue is from grants.
- The municipality is facing delays on monthly billings due to technical and system related problems.
- The current customer database (including rates and refuse) is not reliable and/or accurate.
- The municipality could not verify all its land and properties that is leased to individuals and/or institutions. There are no lease agreements to ascertain lease periods (validity) and monthly lease amounts payable to the municipality.
- Valuation roll not updated

Remedial Actions

- The municipality has adopted credit control and debt collection by-laws, still awaiting their promulgation in order to give effect to the credit control and debt collection policy, i.e. implementation and enforcement.
- The ICT infrastructure needs to be upgraded to meet the system requirements for all the municipal revenue offices including the remote sites.
- Data cleansing project is underway.
- Municipality needs to have an updated lease register for all properties leased.

5.9 MUNICIPAL PERFORMANCE FOR FINANCIAL VIABILITY AND MANAGEMENT

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 4: Municipal Finance Viability and Management										
Free Basic Services	To ensure provision of basic services to indigent people of Mbhashe LM	FV4.1	Ensuring registration of correct beneficiaries	Review indigent register	Updated indigent register	1 (existing)	Updated indigent register	Completed	100%	None
				Cleanse billing data with updated indigent information	% of information cleaned	Incorrect billing information	100%	Partly completed	50%	The report has been approved by council. Consultation with the rate payers is progress after which it will be implemented on the financial system

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 4: Municipal Finance Viability and Management										
			Ensure that policy is aligned with the current requirement of supporting indigent people	Review indigent policy	Approved Policy document	1 (existing)	Approved Final Reviewed Policy Document	Completed	100%	None
			Provide free basic services to indigent people	Supply free basic energy to registered indigents	No. of indigent households received energy	Nil	9,150 households	Completed	100%	None
Revenue management	To ensure a healthy financial base for municipality	FV4.2	Implement credit control and debt collection	Review of revenue enhancement strategy	Reviewed strategy	1 existing	Approved reviewed strategy	Partly completed	95%	The strategy has not been approved by council

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 4: Municipal Finance Viability and Management										
Expenditure management	To ensure timely payment to creditor for smooth service delivery	FV4.3	Ensure creditors payment within 30 days of receipt of invoices	Establish improved creditors payment system (Internet banking)	No. and % of received invoices paid	Nil	all and 100% received invoices paid	Completed	100%	The only payments that are still made by cheque are those involving Nedbank
Supply Chain management (SCM)	To ensure service delivery in time	FV4.4	Ensure that policy is aligned with the current requirement of SCM	Review current SCM policy	Revised SCM Policy	1 Existing	Approved Final Reviewed Policy Document	Completed	100%	None
Clean Audit	To achieve unqualified audit report	FV4.5	Ensure the development of action plans and monitoring system/ tools	Lead and monitor implementation of operation clean audit action plans	% of queries reduced from previous year's report	Nil	50% queries reduced	Completed	100%+	More than 70% of queries have been cleaned
Financial management and reporting	To ensure municipal compliance with MFMA requirement	FV4.6	Ensure financial reporting is of GRAP standard	Produce annual financial statements and all MFMA	No. and % of submitted report GRAP	Nil	100% submitted reports GRAP compliant	Completed	100%	None

ANNUAL PERFORMANCE REPORT FOR THE PERIOD ENDING 30 JUNE 2013

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2012-2013								PERFORMANCE REPORTING 2012/2013		
Priority Area	Strategic Objective	Object. No.	Strategy	Project	Indicator (Input, Output, Outcome)	Baseline	Annual Target	Completed / Partly Completed/ Not Completed	% completion	Reasons for non-completion or comment
KPA 4: Municipal Finance Viability and Management										
				compliance reports	compliant					
			Ensure credible budget in line with IDP	Produce municipal budget and monitor compliance of all sections with agreed allocations	Adopted budget	Nil	Adopted Final budget	Completed	100%	
Asset management	To ensure that municipal assets are correctly accounted for	FV4.7	Ensure accounting of municipal assets correctly	Update asset register	Updated asset register	1 existing	Updated asset register	Completed	100%	Asset register is work-in-progress

Mbhashe Municipality
Audit Report

For the year ended 30 June 2013

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

Introduction

1. I have audited the financial statements of the Mbashe Local Municipality (the municipality) set out on pages xx to xxx, which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

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

Basis for qualified opinion

Property, plant and equipment

6. I was unable to obtain sufficient appropriate audit evidence for the completeness of infrastructure assets as a number of rural roads and community halls are not on the asset register. I was unable to confirm the completeness by alternative means. Consequently I was unable to determine whether any adjustments relating to the movable tangible assets

stated at R118 million (2012: R134.4 million) in note 7 to the financial statements was necessary.

Irregular expenditure

7. Section 125(2) of the MFMA requires the financial statements of the municipality to disclose material irregular expenditure that occurred during the financial year end. Audited payments amounting to R1.2million (2012:R0) were irregular, as they were made in contravention of the supply chain management (SCM) requirements. These amounts were not included in the irregular expenditure disclosed in note 28 to the financial statements. Consequently, the irregular expenditure disclosed is understated by at least this amount. However, it was not practicable to determine the full extent of the understatement, as there was no system of control operating throughout the financial year to identify the completeness thereof.

Prior year cash flow statement

8. I was unable to obtain sufficient appropriate audit evidence for the presentation of the prior year cash flow statement, as the line item other non cash items amounting to R 4,4 million is unsubstantiated. I was unable to confirm the accuracy of this amount by alternative means. Consequently i was unable to determine whether any adjustments relating to the prior year cash flow line item other non cash items amounting to R 4,4 million was necessary.

Qualified opinion

9. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Mbhashe Local Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

11. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of an error discovered during the current financial year in the financial statements of the municipality at, and for the year ended, 30 June 2013.

Material under spending of Conditional grants

12. The municipality has materially under spent on the Municipal Infrastructure Grant (MIG). Unspent conditional grant for the MIG amounts to R 12million(30%) as at 30 June 2013

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the

information in the annual performance report as set out on pages ... to ... of the annual report.

15. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
16. The reliability of the information in respect of the selected development priorities is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
17. The material findings are as follows:

Usefulness of information

Presentation

18. Improvement measures in the annual performance report for a total 17 (100%) of the planned targets not achieved were not disclosed as required by section 46 of the Municipal Systems Act. This was due to an inadequate review of the presentation of the annual performance report by management

Reliability of selected development priorities in the annual performance report

Basis for adverse conclusion

19. The FMPPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The information presented with respect to Development Priority: Basic Service Delivery and Infrastructure Investment, was not reliable when compared to the source information and/or evidence provided. This was due to the lack of standard operating procedures for the accurate recording of actual achievements and lack of adequate review of the validity of reported achievements against source documentation.

Additional matter

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

Achievement of planned targets

21. The municipality did not achieve 47% of its planned targets during the year. This is due to inadequate performance management systems in place and as well as the lack of capacity in the municipality.

Compliance with laws and regulations

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

Strategic planning and performance management

23. The municipality did not establish mechanisms to monitor and review its performance management system, as required by section 40 of the Municipal Systems Act. This is due to the fact that no performance assessments were performed during the year.
24. The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls as required by section 62(1)(c)(i) of the Municipal Finance Management Act.

Annual financial statements, performance and annual reports

25. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of current liabilities identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.
26. Oversight report, containing comments on the annual report, was not adopted by council within two months from the date on which the 2011/12 annual report was tabled, as required by section 129(1) of the Municipal Finance Management Act.
27. The council's oversight report on the 2011/12 annual report was not made public within seven days of its adoption, as required by section 129(3) of the Municipal Finance Management Act.

Audit Committee

28. A performance audit committee was not in place and the audit committee was not used to fulfil the performance audit committee function, as required by Municipal planning and performance management regulation 14(2)(a).

Internal audit

29. The internal audit did not audit the results of performance measurements, as required by section 45(1)(a) of the Municipal Systems Act and Municipal planning and performance management regulation 14(1)(a).
30. The internal audit unit did not audit the performance measurements on a continuous basis and submitted quarterly reports on their audits to the municipal manager and the performance audit committee], as required by Municipal planning and performance management regulation 14(1)(c). This was due to the fact that the quarterly performance reports were not prepared for all the quarters during the financial year under audit

Procurement and contract management

31. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

Human resource management and compensation

32. The competencies of financial and supply chain management officials were not assessed in a timely manner in order to identify and address gaps in competency levels as required by the Municipal Regulations on Minimum Competency Levels regulation 13.

33. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury as required by the Regulations on Minimum Competency Levels reg14(2)(a).
34. Senior officials were appointed in acting positions for a period of more than six months, in contravention of section 56(1)(c) of the Municipal Systems Act.
35. The municipality did not develop and adopt appropriate systems (policies) and procedures to monitor measure and evaluate performance of staff in contravention of MSA sec 67(d).
36. The senior managers directly accountable to the municipal manager did not sign performance agreements, as required by section 57(2)(a) Municipal Systems Act.

Expenditure management

37. Reasonable steps were not taken to prevent irregular expenditure, fruitless and wasteful expenditure, as required by section 62(1)(d) of the Municipal Finance Management Act.

Revenue Management

38. Interest was not charged on all accounts in arrears, as required by section 64(2)(g) of the Municipal Finance and Management Act.

Asset management and liability management

39. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the Municipal Finance Management Act.

Internal control

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

Leadership

41. The municipality was not able to achieve stability of leadership during the current year and audit, as the executive was replaced, key management suspended and personnel were acting in senior positions. This resulted in a lack of oversight as sufficient monitoring controls to ensure proper implementation of policies at an operational level and that the audit action plan was fully addressed.
42. The municipality has not developed adequate policies and procedures to address the collection, recording, processing, monitoring and reporting on predetermined objectives. Consequently the annual performance report was not useful or reliable

Financial and performance management

43. The reliance by management on both the consultants and the audit process to achieve fair presentation did not create a sustainable platform for achieving clean administration. The systems for assets, unspent grants and irregular expenditure was not kept up to date and verified during the year had to be corrected during the audit process
44. The municipality did not have a proper system of record management that provides for the

maintenance of information that supports the reported information contained in the annual performance report. This includes information which relates to the collection, collation, verification, storing and reporting of actual performance information. As a result the annual performance report was not useful or reliable.

45. The entity did not have adequate processes and assignment of responsibilities to ensure compliance with all applicable laws and regulations. As a result, there were instances of non-compliance with the MFMA and DoRA
46. The systems underlying the procurement processes at the municipality were inadequate to prevent and detect irregular expenditure on contracts entered into, resulting in irregular expenditure that was disclosed in the accounting records of the municipality. Effective and appropriate disciplinary steps were not taken against officials who made and permitted unauthorised, irregular and fruitless and wasteful expenditure.

Governance

47. Although internal audit and audit committee meet regularly throughout the year, they were not effective in strengthening the control environment within the municipality as material misstatements in the AFS, performance report and material non-compliance findings were identified during the audit.
48. The audit committee and the internal audit function did not adequately report on the performance management system or performance reports throughout the financial year under review. The municipality thus lost the benefit that may have been obtained had these reports been completed.

Auditor-General
East London

29 November 2013



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

APPENDICES

APPENDIX A: LIST OF COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

WARD/PR	COUNCILLOR	MALE/FEMALE	PARTY
1.	Quvile	Female	ANC (Declared vacant)
2.	Nkqwiliso N.	Female	ANC
3.	Tswila N.	Female	ANC
4.	Futshane	Male	ANC (Declared vacant)
5.	Mfihlo	Male	ANC (Declared vacant)
6.	Nodliwa T.	Male	ANC
7.	Zimba X.A.	Male	ANC
8.	Khwakhwi M.	Male	ANC
9.	Jamnda B.	Male	ANC
10.	Mgushelo	Male	ANC (Declared vacant)
11.	Sigcau N.	Female	ANC
12.	Peter M.	Male	ANC
13.	Willie X.O.	Female	ANC
14.	Tshika T.	Male	Independent
15.	Mbalela	Female	ANC (Declared vacant)
16.	Buyeye N.	Female	ANC
17.	Tutsheni	Male	ANC (Declared vacant)
18.	Faniso P.	Male	UDM
19.	Mcotsho M	Male	ANC
20.	Savu M.J.	Male	Independent
21.	Mqoqi B.	Male	ANC (Declared vacant)

22.	Ndinisa M	Male	ANC (Resigned)
23.	Mapungu M.	Male	ANC
24.	Ndaule N.	Female	ANC (Declared vacant)
25.	Magatya N.	Female	ANC
26.	Pencil	Female	ANC (Declared vacant)
27.	Mbomvu M.	Male	ANC
28.	Zidlele	Male	ANC (Declared vacant)
29.	Jiya	Male	ANC (Declared vacant)
30.	Lubaxa	Female	ANC (Declared vacant)
31.	Noyila M.	Male	ANC
32. PR	Mfecane N.	Female	ANC
33. PR	Hoyo S.	Male	ANC
34. PR	Stefano N.	Female	ANC
35. PR	Sigqawu B.B.	Male	ANC
36. PR	Magwa S.S.	Male	ANC
37. PR	Bhele M.	Male	ANC (Declared vacant)
38. PR	Khekhetshe F.	Male	ANC
39. PR	Madingana P.	Male	ANC (Declared vacant)
40. PR	Baleni X.P.	Female	ANC
41. PR	Janda N.	Female	ANC
42. PR	Benya N.O.	Female	ANC
43. PR	Magoda A.T.	Male	ANC
44. PR	Tyodana X.M.	Female	ANC
45. PR	Jafta M.S.	Male	COPE
46. PR	Lumkwana N.V.	Female	COPE

47. PR	Mbewu V.S.K.	Male	COPE
48. PR	Nonjaca N.	Female	COPE
49. PR	Bambiso A.	Male	COPE
50. PR	Methu P.	Male	COPE
51. PR	Mbiko F.	Female	COPE
52. PR	Ndlodaka N.N.	Male	COPE
53. PR	Xhungu N.	Female	COPE
54. PR	Tsengwa D.T.	Male	UDM
55. PR	Xana A.L.	Male	UDM
56. PR	Mhlathi Y.G.	Female	UDM
57. PR	Tetyana M.	Male	UDM
58. PR	Takani M.	Male	UDM
59. PR	Wulana S.	Male	UDM
60. PR	Mafanya T.	Female	DA
61. PR	Mangaliso N.	Female	APC

NEW COUNCILLOR LIST

WARD/PR	COUNCILLOR	MALE/FEMALE	PARTY
1.	Vacant		
2.	Nkqwiliso N.	Female	ANC
3.	Tswila N.	Female	ANC
4.	Vacant		
5.	Vacant		
6.	Nodliwa T.	Male	ANC
7.	Zimba X.A.	Male	ANC
8.	Khwakhwi M.	Male	ANC
9.	Jamnda B.	Male	ANC
10.	Vacant		
11.	Sigcau N.	Female	ANC

12.	Peter M.	Male	ANC
13.	Willie X.O.	Female	ANC
14.	Tshika T.	Male	Independent
15.	Vacant		
16.	Buyeye N.	Female	ANC
17.	Vacant		
18.	Faniso P.	Male	UDM
19.	Mcotsho M	Male	ANC
20.	Savu M.J.	Male	Independent
21.	Vacant		
22.	Ndinisa S.	Male	ANC
23.	Mapungu M.	Male	ANC
24.	Vacant		
25.	Magatya N.	Female	ANC
26.	Vacant		
27.	Mbomvu M.	Male	ANC
28.	Vacant		
29.	Vacant		
30.	Vacant		
31.	Noyila M.	Male	ANC
32. PR	Mfecane N.	Female	ANC
33. PR	Hoyo S.	Male	ANC
34. PR	Stefano N.	Female	ANC
35. PR	Sigcawu B.B.	Male	ANC
36. PR	Somana V. (New)	Male	ANC
37. PR	Ncetani N. (New)	Female	ANC
38. PR	Khekhetshe F.	Male	ANC
39. PR	Mlungu N. (New)	Female	ANC
40. PR	Baleni X.P.	Female	ANC

41. PR	Janda N.	Female	ANC
42. PR	Benya N.O.	Female	ANC
43. PR	Mlandu M.N. (New)	Female	ANC
44. PR	Tyodana X.M.	Female	ANC
45. PR	Jafta M.S.	Male	COPE
46. PR	Lumkwana N.V.	Female	COPE
47. PR	Mbewu V.S.K.	Male	COPE
48. PR	Nonjaca N.	Female	COPE
49. PR	Bambiso A.	Male	COPE
50. PR	Methu P.	Male	COPE
51. PR	Mbiko F.	Female	COPE
52. PR	Ndlodaka N.N.	Male	COPE
53. PR	Xhungu N.	Female	COPE
54. PR	Tsengwa D.T.	Male	UDM
55. PR	Xana A.L.	Male	UDM
56. PR	Mhlathi Y.G.	Female	UDM
57. PR	Tetyana M.	Male	UDM
58. PR	Takani M.	Male	UDM
59. PR	Wulana S.	Male	UDM
60. PR	Mafanya T.	Female	DA
61. PR	Mangaliso N.	Female	APC

TRADITIONAL LEADERS

1. Chief S.V. Qotogo
2. Chief S.X. Ndevu
3. Chief S. Nyendani
4. Chief M.P.G. Manxiwa
5. Chief M.A.B. Dumalisile
6. Chief M. Titshala
7. Chief N. Ngubechanti
8. Chief B.S. Sigidi
9. Chief A.N. Sigcawu
10. Chief F.F. Ndim

11. Chief N.W. Zenani

12. Chief M. Sigcawu

LIST OF COUNCILLORS SERVING IN COMMITTEES

PLANNING AND DEVELOPMENT	INFRASTRUCTURE	MPAC	ADMIN & FINANCE	COMMUNITY SERVICES
Cllr Stefano N Chairperson	Cllr Willie X Chairperson	Cllr Bambiso A Chairperson	Cllr Peter M Chairperson	Cllr Mbomvu M Chairperson
Cllr Tsengwa	Cllr Mbewu	Cllr Tshika	Cllr Noyila	Cllr Xhungu
Cllr Savu	Cllr Buyeye	Cllr Mangaliso	Cllr Tshwila	Cllr Mhlathi
Cllr Tetyana	Cllr Khwakhwi	Cllr Mafanya	Cllr Nonjica	Cllr Faniso
Cllr Jafta	Cllr Khekhetshe	Cllr Wulana	Cllr Lumkwana	Cllr Mapungu
Cllr Ndinisa	Cllr Nkqwiliso	Cllr Baleni	Cllr Zimba	Cllr Sigcawu
Cllr Tyodana	Cllr Nodliwa	Cllr Dumalisile	Cllr Jamnda	Cllr Ndlodaka
Cllr Methu	Cllr Mbiko	Cllr Magatya	Cllr Sigcau	Cllr Xana
Cllr Nyendane	Cllr Takani	Cllr Somana	Cllr Hoyo	Cllr Ncetani
Cllr Ndim	Cllr Sigcawu	Cllr Mlungu	Cllr Ndevu	Cllr Zenani
Cllr Qotongo	Cllr Sigidi	Cllr Mlandu		Cllr Titshala
	Cllr Ngubechanti	Cllr Benya		

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSE

The following Standing Committees with the stated terms of reference are hereby established by the Council:

FINANCE COMMITTEE

TERMS OF REFERENCE

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- The asset management;
- Annual Estimates;
- Insurances;
- Investments;
- Credit Control and Indigent Policies; and
- Municipal Revenue and Expenditure;
- Financial Reporting
- Financial Statements
- Financial Audit
- Financial Misconduct
- Risk Management
- Procurement and Supply Chain Management
- Councillor Allowances and Fringe Benefits
- Declarations of Financial Interests
- Information Communication Technology
- Statistical Reporting

Functions

- To prepare and submit annually to the Executive Committee an operating and capital budget;
- To consider the municipality's financial policies, long-term financial planning and budgeting of the Council;
- To initiate, guide and monitor the evolution of the notion of peoples budget/participation budget;
- To ensure that expenditure patterns respond to the developmental agenda and priorities of the municipality according to defined short, medium and long-term council programmes;
- To advise the Executive Committee on additional financial matters such as the fixing of charges and fees or tariffs, investment of funds, loan redemption and renewal funds, financial regulations and assessment of rates;
- To consider reports involving expenditure not provided for on its Budget;
- To consider the Financial Statements and Audit reports;
- To monitor regularly the efficiency of Financial Management Systems;
- To control all accounting and costing work of all departments;
- To control the keeping of accounts of the municipality;
- To monitor all trust and reserve accounts created for specific purposes;
- To consider and make recommendations on insurance matters;

- To advise the Executive Committee on matters relating to raising of loans, the consolidated capital development and loans fund, financial regulations and the fixing of tariffs and charges;
- To draft control measures for funds allocated to the municipality;
- To advise the Executive Committee on overall management and the allocation and control of financial and other assets of the municipality;
- To liaise constantly with both National Treasury and Provincial Treasury on matters relating to this Committee;
- To make recommendations on proposed policy concerning matters falling within the ambit of the Committee's functions.

In terms of Section 59(1) of the Systems Act, the following powers of the Council are hereby delegated to this Committee:

The Committee may:

- upon the recommendation of the Chief Finance Officer, grant approval for the consolidation of the separate accounts of persons liable for payments to the Municipality, the crediting of a payment by such person against any account of that person and the implementation of any of the debt collection and credit control measures of the Municipality to any arrears on any of the accounts of the person concerned;
- upon the recommendation of the Chief Financial Officer, approve in schedule form, applications for indigent support provided such applications are in accordance with the Indigent Relief Policy of the Council;
- oversee, monitor and report to the Mayor on-
 - (i) the implementation and enforcement of the municipality's credit control and debt collection policy and any by-laws enacted in terms of Section 98 of the Systems Act; and
 - (ii) the performance of the Municipal Manager in implementing the aforesaid policy and any associated by-laws; and
- when necessary, evaluate or review the aforesaid policy and any associated by-laws or the implementation mechanisms thereof in order to improve the efficiency of the Municipality's credit control and debt collection processes and procedures and make recommendations with regard thereto to the Mayor.

HUMAN RESOURCE AND ADMINISTRATION COMMITTEE

Terms of Reference

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- Industrial Relations;
- Personnel Administration;

- Public Administration;
- Occupational Health and Safety; and
- Conditions of Service and Staff Benefits
- Employee assistance Programme
- Training and capacity building
- Special programmes
- Communications
- Public participation.

Functions

- To advise the Executive Committee on standing orders for the regulation of proceedings and of all other matters relating to the management, powers and duties of the Council and its Committees;
- To oversee the structuring of the administrative organ of the municipality in order to respond and advance the developmental agenda of the municipality;
- To oversee the development, implementation and regular evaluation of a Human Resource Development programme for the administration of the municipality;
- To oversee the integration/rationalization process;
- To manage and monitor the employment equity principles during the employment process;
- To determine a policy framework for the recruitment and selection of all employees, except the Municipal Manager and Managers accountable to the Municipal Manager;
- To consider industrial relations matters including disciplinary and grievance procedures;
- To consider the process of the negotiations in respect of salary/wage increase and benefits;
- To consider measures relating to the Commission for Conciliation, Mediation and Arbitration and the Bargaining Council;
- To recommend to the Executive Committee on those matters that fall within the jurisdiction of the Bargaining Council, excluding the areas reserved for Council;
- To oversee and monitor Human Resource Planning and approval of a staff establishment for the municipality in accordance with the provisions of section 66 of the Municipal Systems Act, 2000, (Act No 32 of 2000);
- To consider the fixing of conditions of service for staff members of the municipality;
- To consider the establishment of a process or mechanism to evaluate regularly the staff establishment and if necessary, to review the staff establishment and the remuneration and conditions of service;
- To advise on the adoption of appropriate systems and procedures aimed at ensuring fair, efficient, effective and transparent personnel administration;
- To advise on strategies and mechanisms aimed at developing the human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way in compliance with the Skills Development Act, 1998 (Act No 81 of 1998) as amended;
- To monitor compliance with the Code of Conduct for Municipal staff members;
- To act as a Disciplinary Committee upon such instructions as may be received from the Council and/or Executive Committee from time to time;
- To consider all matters relating to occupational safety and health;
- To receive reports on and consider all computer operations of the Council and report any irregularities to the Executive Committee;
- To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

PLANNING AND DEVELOPMENT COMMITTEE

Terms of Reference

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- Land Administration;
- Building maintenance and administration;
- Housing;
- Land Reform and Settlement Plans;
- Roads;
- Water and Sanitation;
- Electricity;
- Engineering Services;
- Municipal Infrastructure; and
- Town Planning;

Functions

- To consider capital development programmes;
- To outline principles for prioritization of projects and effective distribution of services;
- To ensure that developmental projects undertaken on behalf of the community adhere to basic principles of the RDP, such as public participation, Human Resource Development and economic development;
- To ensure that the existence of a systematic development of a database on the state of infrastructure development in the municipality with intention to determine the impact and extent of backlogs;
- To ensure that development of infrastructure is in line with the broader strategic development plan of the municipality;
- To monitor and consider matters relating to immovable and movable property of Council except as otherwise provided;
- To consider settlement terms in respect of compensation for expropriated property or property acquired by purchase and make recommendations to the Executive Committee;
- To consider matters relating to property valuations and the maintenance of property records in respect of settlement areas;
- To consider all matters relating to the provision, maintenance and operation of Infrastructural Services and Housing;
- To consider and finalise offers and leases, in respect of property where such transactions are made in terms of Council policy;
- To consider the acquisition of properties in the name of the Council;
- To consider the renewal of lease contracts with existing tenants;
- To consider the substitution of tenants for the remaining period of a lease agreement where the original tenant applies to be released from the lease agreement in respect of a fixed property;
- To consider building plans;
- To consider applications for change in land use and the subdivision/consolidation of land;
- To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

LOCAL ECONOMIC DEVELOPMENT COMMITTEE

Terms of Reference

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- Local Economic Development;
- Tourism;
- Agriculture;
- SMMEs
- Fisheries
- Film industry
- Facilitate the capacity building and accessing of resources, technology and other productive forces by SMME's in all spheres in particular agriculture.
- Initiative and monitor an investment code consistent with the national and provincial frameworks.
- Ensure the implementation of the urban renewal and rural development strategies informed by local needs and dynamics.

Functions

- To give direction in the formulation of policy for commercial, tourism and agricultural development;
- To develop a comprehensive economic development programme with clearly defined parameters;
- To facilitate the assertion of local government as the centre of coordination of economic development;
- To coordinate an inter-departmental economic development cluster for synergizing of governmental programme in economic development;
- To develop guidelines for public-private sector economic partnerships;
- To coordinate the evolution and activity of local "Investment Council";
- To consider applications for the amendment of certificates of registration to provide for changes in trading names and types of commodities sold;
- To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

COMMUNITY SERVICE STANDING COMMITTEE

Terms of Reference

To investigate and consider issues falling within the ambit of the following functional areas and to report and make recommendations thereon to the Executive Committee:

- Environmental Health;
- Traffic Control;
- Disaster Management;
- Transport;

- Community and Recreational Facilities; e.g., sports fields, cemeteries, libraries, etc.;
- Safety and Security;
- Environmental Issues;
- Monitoring Aids Programmes.
- Offensive Trades
- Keeping of Animals
- Control over Nuisances
- Refuse Collection and Solid Waste
- Trade Licensing
- Fire Services
- Parks and Open Spaces
- Cemeteries
- Primary Health Programmes
- Special Programmes
- Environmental Management
- Commonage Management
- LED (including Tourism, Agriculture, Poverty Relief) and Development Agency
- Trade Licences
- Leasing of halls : and
- Special events at libraries

Functions

- To identify the social needs of the community;
- To review and evaluate those needs in order of priority;
- To ensure that effect is given to the RDP principles;
- To establish health standards for all public and private institutions engaged in various activities in line with national guidelines;
- To monitor the efficiency of health, education, and welfare institutions in the area of jurisdiction of the municipality;
- To recommend the outlawing of activities of institutions, individuals, enterprises etc, whose functioning violates determined health standards;
- To ensure implementation of the indigent policy in line with national guidelines;
- To monitor efficiency of provision of free basic services offered by the municipality;
- To liaise with the education department for location of education institutions and other resources;
- To facilitate the establishment of an inter departmental cluster in order to synergize health, education and welfare programmes;
- To oversee and monitor the provision of facilities for development talents of youth, women and disabled in sporting, cultural and artistic activities in the areas of the municipality;

- To facilitate the procedures for arts, craft and cultural material by communities including seasonal arts and culture exhibitions;
- To facilitate the upgrading of material at existing libraries to ensure relevance to the processing challenges of the day;
- To establish guidelines for public/private partnerships for realization of the programmes related to this Committee;
- To consider matters relating to problem animal control;
- To recommend the leasing of flea markets, kiosks, and any other low volume outlets that provide an amenity for the public at places such as sports grounds, swimming pools, beach pavilions and other recreation or leisure amenities under the municipality's control;
- To consider all matters relating to Passenger Transport Services and Transportation Planning;
- To consider matters relating to the manufacturing, processing, selling and distribution of foods, environmental health conditions and removal of nuisances from the area under the jurisdiction of the municipality;
- To consider the licensing of dogs, the impounding of animals and the sale or destruction thereof in terms of relevant legislation;
- To consider the controlling and abating of nuisances;
- To consider applications for the keeping of animals and to exceed the prescribed numbers in urban areas;
- To make recommendations on proposed policy to be followed concerning matters falling within the ambit of the Standing Committee's functions.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The Municipal Public Accounts Committee (MPAC) will assist council to hold the executive and municipal resources, by so doing, the MPAC would help to increase council and public awareness of the financial and performance issues of the municipality and its entities

Terms of Reference

MPAC is established in terms of section 79 of the Municipal Structures Act and performs an oversight function on behalf of council. In the case of irregular expenditure or any fruitless and wasteful expenditure incurred by the municipality the MPAC will have the right to call upon the accounting officer of the municipality to appear before it to provide information or clarity.

MPAC can request the support of both the internal and external auditors (advisory) when necessary. The committee shall have permanent referral of documents as they become available relating to:

- in-year reports of the municipality;
- financial statements of the municipality;
- audit opinion, other reports recommended from the audit committee;
- information relating to compliance in terms of section 128 and 133 of MFMA;
- information in respect of any disciplinary action taken in terms of the MFMA where it relates to an item that is currently serving or has served before the committee;
- any other report from the municipality; and
- performance information of the municipality

Line of Authority

The MPAC reports directly to council through the speaker of the municipality and interfaces with the other committees of the council through the speaker, where relevant

Functions of MPAC's

The primary functions of the Municipal Public Accounts Committee are as follows:

- to consider and to evaluate the content of the annual report and to make recommendations to council when adopting an oversight report on the annual report;
- In order to assist with the conclusion of matters that may not be finalized, information relating to past recommendations made on the Annual Report, must also be reviewed. This relates to current in-year reports, including quarterly, mid-year and annual reports;
- To examine the financial statements and audit reports of the municipality and in doing so , the committee must consider improvements from previous statements and reports and must evaluate the extent to which Audit Committee's and the Auditor General's recommendations have been implemented;
- To promote good governance, transparency and accountability on the use of municipal resources;
- To recommend or undertake any investigation on its area of responsibility , after reviewing any investigation report already undertaken by the municipality or the Audit Committee; and
- To perform any other functions assigned to it through a resolution of council within its area of responsibility

Composition and memberships

The MPAC, similar to other committees of council should comprise solely of councillors appointed by resolution of a full council meeting. However, the committee may invite representatives of the community and co-opt members of the public who have expertise in relevant specific fields to assist and advise in the deliberations when the need arises. These representatives will have no voting as they are not elected councillors

The MPAC shall comprise of councillors excluding any councillors who is serving as Executive Mayor, or Deputy Executive Mayor, Mayor or Deputy Mayor, Mayor or a member of the Executive Committee. Where the municipality has a sufficient number of councillors, councillors serving on MPAC should preferably not serve in other committees of council to minimize possible conflict of interest

The actual size of the MPAC will be determined by the number of councillors in the municipality.

- Mphashe municipality has between 31-60 councillors, therefore they may nominate up to 11 councillors

Councillors serving on MPAC should be appointed for a term which corresponds to the term of sitting Council. When a councillor resigns or is transferred from the committee, the resignation must be in writing and council must appoint a replacement by resolution at the next scheduled full council meeting,

The names of the councillors serving on MPAC will be published in the annual report.

Reporting

The MPAC will report to council on the activities of the committee, include a report detailing its activities for the proceeding and current financial years, the number of meetings held, the membership of the committee and key resolution taken in the annual report.

The MPAC shall report to full council at least quarterly and may bring items before council as and when necessary

APPENDIX C: ADMINISTRATIVE STRUCTURE/ORGANOGRAM

APPENDIX D: FUNCTIONS OF THE MUNICIPALITY

The table below gives a list of our assigned powers and functions and also provides an analysis of our levels of capacity or gaps for undertaking our constitutional and legal mandate.

Functions of Mbashe Municipality	Authorisation / (Power)	Definition	Capacity to perform
Beaches and Amusement facilities	Yes	The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.	Not adequately
Cemeteries, funeral parlours and crematoria	Yes, including DM function	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.	Yes
Child care facilities	Yes	Facilities for early childhood care and development which fall outside the competence of national and provincial government	No
Cleansing	Yes	The cleaning of public streets, roads and other public spaces either manually or mechanically	Yes
Control of public nuisance	Yes	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community	No
Control of undertakings that sell liquor to the public	Yes	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses , and includes an inspection service to monitor liquor outlets for compliance to license requirements in as far as such control and regulation are not covered by provincial legislation	No

Functions of Mbashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Facilities for the accommodation, care and burial of animals	Yes	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations	No
Fencing and fences	Yes	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads	Yes
Licensing of dogs	Yes	The control over the number and health status of dogs through a licensing mechanism.	No
Local sport facilities	Yes	The provision, management and/or control of any sport facility within the municipal area.	Yes
Markets	Yes	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.	Not adequately
Municipal abattoirs	Yes	The establishment conduct and/or control of facilities for the slaughtering of livestock.	Not adequately
Municipal parks and recreation	Yes	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.	No
Municipal Planning	Yes	The compilation and implementation of and integrated development plan in terms of the Systems Act.	Yes
Municipal roads	Yes	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in build-up areas.	Yes

Functions of Mbashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Noise pollution	Yes	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in future.	No
Pontoons and ferries	Yes	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments	Yes
Public places	Yes	The management, maintenance and control of any land or facility owned by the municipality for public use	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes, including DM function	the removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment for the inhabitants of a municipality	Yes
Storm water	Yes	The management of systems to deal with storm water in built-up areas	Yes
Street lighting	Yes	The provision and maintenance of lighting for the illuminating of streets	Yes
Street trading	Yes	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve	Yes
Trading regulations	Yes	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation	Not adequately
Traffic and parking	Yes	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.	Yes

Functions of Mbashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Housing	No	The Provincial Department of Housing and Local Government & Traditional Affairs is authorized with this function. The mandate is given to the Province while the Municipality is appointed by service (and performance) contract as Implementing agent, facilitator and promoter. The client is DHLGTA and the beneficiaries are the citizens of Mbashe.	Yes

According to the above table Mbashe is meant to deliver on 32 areas or constitutional functions but it is currently able to do deliver on only 11 and has inadequate capacity to effectively perform on another 5 functions. This is a great concern that must be urgently addressed in the next cycle of organizational review of organogram.

APPENDIX E: WARD REPORTING

There were no reports submitted to the office during the year under review. It must be noted that this was a period of political unrest in the municipality hence no evidence of meetings held.

APPENDIX F: WARD INFORMATION

Ward	Project name
1	Supporting crafters in capacity development
2	Renovations of shearing shed
3	Supplied fencing material for ploughing fields. Renovations of shearing shed
4	Shearing shed construction
5	Renovations of shearing shed Vinindwa to Mazizini access road
6	Supplied fencing material for ploughing fields Njemane to Bethane access road
7	Shearing shed construction. Shearing shed equipment Community hall
8	Renovations of shearing shed, Shearing shed equipment Msikithi access road, Kanya access road
9	Supplied fencing material for ploughing fields. Renovations of shearing shed
10	Supplied fencing material for ploughing fields
11	Ncedana to komkhulu access road
12	Shearing shed construction Shearing shed equipment
13	Renovations of shearing shed

	Supporting crafters in capacity development Riverview to Xobo access road
14	Supplied fencing material for ploughing fields
15	Supplied fencing material for ploughing fields Jongulwandle to Gqubuzeni access road
16	Supplied fencing material for ploughing fields Nolungile to Phokoloshe access road
17	Supplied fencing material for ploughing fields Zembe to Magoxo access road
18	Mdakwa access road
19	Supplied fencing material for ploughing fields Manzibomvu to Zithulele access road
20	Supplied fencing material for ploughing fields Supporting crafters in capacity development Ngxabane to Makhamisa access road
21	Supplied fencing material for ploughing fields Supporting crafters in capacity development
22	Supporting crafters in capacity development Fubesi to Nqabarha high school
23	Supporting crafters in capacity development Thafeni to Macirheni access road
24	None
25	None
26	None
27	None
28	Supplied fencing material for ploughing fields. Renovations of shearing shed Supporting crafters in capacity development
29	None

30	Supplied fencing material for ploughing fields
31	Shearing shed construction Shearing shed equipment

APPENDIX G: AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE

We present our report for the financial year ended 30 June 2013.

1. MEMBERSHIP AND ATTENDANCE

The Audit and Performance Audit Committee (hereinafter referred to as the Committee) was appointed by Council on 29 May 2012. The committee consists of the members listed hereunder and according to the MFMA the committee should meet at least four (4) times per annum and twice as a Performance Audit Committee. The Committee met nine times during the year under review, which includes three special meetings and two performance related meetings.

NAME OF MEMBER	ATTENDANCE
Dr. W. Plaatjes (Chairperson)	9
Mr. S. Mbalekwa	7
Ms. G.E. Diutlwileng	7
Mr. S. Sethene	5

2. AUDIT AND PERFORMANCE AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 166(2) of the MFMA.

The Audit Committee adopted appropriate terms of reference as its Audit Committee charter that would regulate its affairs in compliance with this charter and discharged its responsibilities as contained therein. However, the Audit Committee Charter has not been approved by Council.

3. AUDITOR-GENERAL SOUTH AFRICA

The AG evaluates three aspects 1. The financials 2. Compliance with laws and regulations and 3. Performance.

The Auditor-General South Africa is an invited member of the Audit Committee and has met on numerous occasions to ensure there are no unresolved issues.

4. THE INTERNAL AUDIT

The Audit Committee is not satisfied that the internal audit function has operated effectively and that it has addressed the risks pertinent to the municipality in its audit.

The challenge is that the internal audit unit essentially consists of one person that is also being utilised for other duties. The Audit Committee on numerous occasions called for the internal audit unit to be strengthened.

5. THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal control was not entirely effective for the period under review. During the period under review, several deficiencies in the system of internal control and deviations were reported by internal audit and the Office of Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

6. THE QUALITY OF MANAGEMENT AND MONTHLY/QUARTERLY REPORTS

The Audit Committee is not satisfied with the content and quality of the quarterly reports prepared by management and issued during the year under review. Quarterly reports were not timeously compiled and/or submitted for review.

7. FINANCIAL STATEMENTS 2012/2013

The Audit Committee has:

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

The Audit Committee concurs with the qualified audit opinion as expressed by the AG.

8. PERFORMANCE MATTERS

The performance remains a challenge for the period under review. At this stage, the committee is unable to evaluate any performance related matters.

Dr. W. Platjies
(On behalf of the Audit Committee)

13 January 2014
Date

APPENDIX H: DISCLOSURE OF FINANCIAL INTEREST

Name	Disclosure Yes/No	Comment
Mr. M. Somana	No	None to disclose
Mr. S Dumezweni	No	None to disclose
Mr. S Gwentshe	No	None to disclose
Mr. L Qunta	Yes	<ul style="list-style-type: none"> • Something Fishy • Transportation Business
Mr. N Nako	No	None to disclose
Ms N Mlungu	No	None to disclose
Mr. S Ndakisa	No	None to disclose
Mr. M Mtongana	No	None to disclose

APPENDIX I: REVENUE COLLECTION PERFORMANCE

1. REVENUE MANAGEMENT

1.1 Overview

MFMA Section 64 (2) (a) states that, “the municipality must have an effective revenue collection systems consistent with the municipality’s credit control and debt collection policy”. The Mbashe Municipality’s Credit Control and Debt Collection policy was adopted by Council. The municipality is using Venus financial system for:

- recognizing revenue when it is earned;
- accounting for receipts on revenue received; and
- Billing of its customers (debtors).

Mbashe Municipality has undergone an extensive data cleansing exercise and a number of errors and inconsistencies have been uncovered. The municipality is now in the process of rectifying these inaccuracies and discrepancies. The writing-off of bad debts has begun starting with old debts that are prior year 2008.

When this process is complete the system will produce accurate and reliable billing information with regards to consumers and debtors. Efficiency in this regards would thus be achieved.

1.2 Sources of Revenue

The following table shows sources of revenue for the municipality as presented in the adopted municipal budget for the 2012/2013 financial year.

REVENUE SOURCES	BUDGET YEAR 2012/2013	REVENUE COLLECTION	% COLLECTED
Property rates	5 533 920	1,606,890	29
Refuse	456,860	263,409	58
Rental of facilities	818,685	537,719	66
Interest on Investments	1,000,000	811,231	81
Fines	601,954	619,629	103
License & Permits	1,500,000	973,431	64
Transfers Grants and Subsidies	122,728,000	122,728,000	100
Other Revenue	9,355,405	298,109	3
Capital Grants & Subsidies	55,800,000	55,800,000	100
TOTAL	197,794,824	183,638,418	89

APPENDIX J: CONDITIONAL GRANTS RECEIVED

Grant name	Initial Amount	Adjustments	Conditions attached
FMG	1,500,000	0	Capacity building Appointment of Interns
MSIG	800,000	0	Development and implementation of municipal turn around strategies Strengthening administrative systems for effective implementation of ward participation systems. Support interventions for municipal viability, management and improvement of municipal audit outcomes. Implementation of effective information systems enabling regular reporting on drinking and waste water quality
MIG	39,800,000	0	Building new Infrastructure and rehabilitating existing infrastructure
EPWP	1,000,000	0	Alleviating poverty through the use of Employment Intensive projects/programmes in the creation of employment coupled with skills development among the historically disadvantaged particularly women, youth and People with Disabilities.
ELECTRIFICATION	15,000,000	0	Not utilize funds for any projects other than electrification

APPENDIX K: CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure: New assets programme

Capital Expenditure

EXPENDITURE	BUDGET	EXPENDITURE	% SPENT
Vehicles	2,255,000	1,700,226	75
Computers & Printers	460,000	190,989	42
Furniture & Equipment	404,087	164,035	41
Infrastructure	38,208,000	19,316,240	51
Electrification	15,000,000	13,157,894	88
Prefabs	650,000	-	
Tools & Equipment	91,774	38,874	42
Motor Bikes	70,000	58,000	83
Fire arms	120,000	11,007	10
Installation of Street Lights	1,819,118	250,309	14
Plant & Equipment	2,429,700	413,586	17
Software	178,000	-	
Servers	172,000	-	
Upgrading of IT System	200,000	295,329	147
Refuse Truck	1,520,000	1,328,674	87
Grass Cutting Machinery	50,000	38,100	76
Sakwe Park Extension 2	2,417,592	-	
Attendance register system	150,000	96,900	65
Filling system	200,000	168,153	84
Recording system	105,600	91,530	87
Air conditioner	100,000	-	
TOTAL	66,550,871	37,319,846	56

APPENDIX L: ANNUAL FINANCIAL STATEMENTS

APPENDIX M: AUDIT ACTION PLAN
