



2013/2014

DRAFT ANNUAL REPORT

CONTENTS

CONTENTS	1
VOLUME I	5
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	5
COMPONENT A: MAYOR’S FOREWORD	5
COMPONENT B: EXECUTIVE SUMMARY	7
1.1 MUNICIPAL MANAGER'S OVERVIEW	7
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	9
1.3. SERVICE DELIVERY OVERVIEW.....	13
1.4. FINANCIAL HEALTH OVERVIEW	15
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	18
1.6. AUDITOR GENERAL REPORT	18
1.7. STATUTORY ANNUAL REPORT PROCESS	19
CHAPTER 2 – GOVERNANCE	21
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	21
2.1 POLITICAL GOVERNANCE.....	21
2.2 ADMINISTRATIVE GOVERNANCE.....	26
COMPONENT B: INTERGOVERNMENTAL RELATIONS	30
2.3 INTERGOVERNMENTAL RELATIONS	30
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	33
2.4 PUBLIC MEETINGS	33
2.5 IDP PARTICIPATION AND ALIGNMENT	37
COMPONENT D: CORPORATE GOVERNANCE	38
2.6 RISK MANAGEMENT.....	38
2.7 ANTI-CORRUPTION AND FRAUD	38
2.8 SUPPLY CHAIN MANAGEMENT	39
2.9 BY-LAWS.....	40
2.10 WEBSITES	41
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....	42
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)	46
COMPONENT A: BASIC SERVICES	48
3.1. WATER PROVISION.....	48

3.2 WASTE WATER (SANITATION) PROVISION.....	52
3.3 ELECTRICITY	55
3.4 WASTE MANAGEMENT	56
3.5 HOUSING	58
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT.....	60
COMPONENT B: ROAD TRANSPORT	62
3.7 ROADS	62
3.8 TRANSPORT.....	62
3.9 WASTE WATER (STORMWATER DRAINAGE)	64
COMPONENT C: PLANNING AND DEVELOPMENT	64
3.10 PLANNING	64
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).....	66
COMPONENT D: COMMUNITY & SOCIAL SERVICES	69
3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)	70
3.13 CEMETORIES AND CREMATORIIUMS	70
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES 86	70
COMPONENT E: ENVIRONMENTAL PROTECTION	70
3.15 POLLUTION CONTROL.....	70
3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	71
COMPONENT F: HEALTH.....	72
3.17 CLINICS	72
3.18 AMBULANCE SERVICES	72
3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC ..	72
COMPONENT G: SECURITY AND SAFETY	76
3.20 COMMUNITY SAFETY.....	76
3.21 FIRE.....	76
3.22 DISASTER MANAGEMENT	80
COMPONENT H: SPORT AND RECREATION	82
3.23 SPORT AND RECREATION	82
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES.....	83

3.24 EXECUTIVE AND COUNCIL	83
3.25 FINANCIAL SERVICES.....	85
3.26 HUMAN RESOURCE SERVICES.....	87
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES.....	89
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES.....	91
COMPONENT J: MISCELLANEOUS.....	95
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD.....	95
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II).....	137
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	137
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	137
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE.....	140
4.2 POLICIES	140
4.3 INJURIES, SICKNESS AND SUSPENSIONS	141
4.4 PERFORMANCE REWARDS	145
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	146
4.5 SKILLS DEVELOPMENT AND TRAINING	147
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	148
4.6 EMPLOYEE EXPENDITURE.....	148
CHAPTER 5 – FINANCIAL PERFORMANCE.....	154
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE.....	140
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	155
5.2 GRANTS.....	159
5.3 ASSET MANAGEMENT	161
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	165
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	171
5.5 CAPITAL EXPENDITURE	171
5.6 SOURCES OF FINANCE	172
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	174
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS - OVERVIEW.....	174
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	176
5.9 CASH FLOW	177
5.10 BORROWING AND INVESTMENTS	178

5.11 PUBLIC PRIVATE PARTNERSHIPS	180
COMPONENT D: OTHER FINANCIAL MATTERS	180
5.12 SUPPLY CHAIN MANAGEMENT	180
5.13 GRAP COMPLIANCE.....	181
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	183
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -1	183
6.1 AUDITOR GENERAL REPORTS Year -1 (Previous year)	183
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR).....	185
6.2 AUDITOR GENERAL REPORT Year 0 (Current year)	185
6.3 AUDIT COMMITTEE REPORT	185
GLOSSARY	187
APPENDICES	191
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE..	191
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	195
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0.....	198
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	199
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE.....	203
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	209
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	210
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	210
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE.....	211
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG.....	212
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	213
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME	215
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME.....	222
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	223
SECTION 46 REPORT INDICATORS	224
ACRONYMS	249

VOLUME II: ANNUAL FINANCIAL STATEMENTS

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

“The future is bright. The end is glorious. It is peaceful. But the intervening period is dark, bitter and finds its glory in the act of struggle”. These are the words that were said in 1981 by our former struggle icon Oliver Tambo whilst addressing the funeral of the late stalwart Joe Gqabi in Zimbabwe.

Tambo’s assessment then, still undoubtedly resonate relevance even today. His prophecy of the road passing through apartheid towards freedom can be likened currently to the period of our new democracy. A period where we have inherited a government that was corrupt and a system that was riddled with an autocratic rule as well as socio-economic segregation. In our interventions during the first 20 years, we’ve had to grab the bull by its horns which translated into a dark and sometimes bitter period.

It has been periods filled with immerse opposition, tender opportunists, protesters and anti-government perpetrators. It is a period in time that calls on us to reflect and ponder how far we have gone in pushing back the frontiers of poverty and deliver on our mandates.

Lixesha ke eli lokuba khe sizipeculule, sizi goca-goce sizifune. Sizibuze ukuba ingaba izithembiso nezibhambathiso esazenzayo ngokuyana sasifunga sisazibambile kusini na? Xa sikweliyeli, ibalulekile into yokuba khe sime kancinci, sithathe amehlo siwaphose ngemva sijonge umgama esiwuhambileyo ukususela ngo-1994 apho waqalwa khona ukusekwa uRhulumente wentando yesininzi. Lonto iyakusineda ukwenzela ukuba siwazi umnyinyiva esesiwuhambileyo, kwanendima esaseleyo.

A statistical comparison of service delivery between 1996 and 2011 reveals that though there is a great improvement, service delivery is still relatively low in ADM, especially when contrast it to the national average.

Amathole started at a much slower level and also the fact that it is made up of two former homelands and is rural in nature, has made the task even more enormous. But people are not statistics. They understand our challenges and the mammoth task that we have inherited. They know that, as a water services authority, we are up against the fact that we are:

- Grant dependent due to an insufficient revenue base and low collection;
- The ADM is dominated by indigents;
- Our equitable share only grown by 5% - below inflation and below the salary increase of 7.5%;
- We have low project spending (excluding MIG);
- We also have an aging infrastructure which impedes efforts to tackle water; plus sanitation backlogs also impact in the improvement of the revenue base.

And despite all these challenges, this country has continued to defy odds. Collectively as a nation, we have indeed made South Africa a better place. As the entire South African government reflects, a lot has been achieved and indeed we have a good story to tell. This is a journey that OR Tambo was reflecting to. Working together since the dawn of democracy, we have made South Africa a better place. We have built millions of homes, millions more people have access to services like electricity, quality education and better health care. We have created jobs, provided social grants to the poor and created new opportunities.

In Amathole District in particular, we have built thousands of toilets and have enabled hundreds of thousands more people to have access to clean quality good water. We have created jobs, provided free basic water to the poor and created new opportunities. Since 1994, five million more people are in

work with total employment at 14 million. We have contributed significantly to the Public Works and Community Work programmes that have created 6 million work opportunities for unemployed people, 40% of them young people.

The total number of employed people in ADM region is 110 000. We have contributed to the good government story of the last 20 years which reveals that from 1994 to the onset of the 2008 global financial crisis, we had the longest recorded period of uninterrupted economic growth, growing at twice the rate of the last 19 years of apartheid.

That is why despite all these challenges I have listed above, I am convinced and without conviction, that we will overcome them. This is why we have dedicated our intervention programs to the memory of Tata Nelson Mandela. Our connection with Madiba in our District, is through an umbilical cord called the national liberation heritage route, which is a road that has landmarks and sights of the South African long journey to freedom.

This is why we have dedicated legacy projects of our core competencies of water and sanitation. We embraced Madiba's values and honour his legacy through humanitarian acts and initiatives that acknowledge his never-ending quest to change the world for the better. On his birthday in 2013, we honoured him by having all ADM employees physically being part of service delivery initiatives all over the District culminating by the building of nearly 600 toilets in the villages of Mente in Mbashe and Goshen in Amahlathi. Apho siphucula siguqula ubomi babantu kuquka kubo umama umaGaba kuMente, atsho azingce.

This is why egameni lika Tata Madiba in December 2013 when he passed away, we pledged to escalate the provision of water to our communities; as evident where we committed R13, 5 million of the Mayors Intervention R15 million budget towards water and sanitation. We will continue to do so in not only in honour of Madiba but also other stalwarts of our struggle who gave so much and sacrificed all.

As we attempt to move this country forward, we will enhance our public participation processes so that our people can do the necessary oversight in order to ensure that we advocate for good, clean governance. Sizakusebenzisa igama lika-Tata ukuba sikhuthaze uRhulumentu olucocekileyo nolungenaRhwaphezulu. Maintaining stability and sound principles of good governance is a huge task of note; we will utilise the spirit of Madiba to keep peace, trust and unity between us and our people, and the opposition, whilst we denounce and expose elements sowing seeds that seek the opposite.

With our determination, and the undying spirit of our people, the future is bright. And just as OR Tambo predicted, the end is indeed glorious.

(Signed by :)



Executive Mayor

T 1.0.1

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

In terms of Section 121 of the Local Government: Municipal Finance Management Act, 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000, every municipality and municipal entity must prepare an annual report for each financial year. Amathole District Municipality's 2013/2014 annual report is submitted in fulfillment of this legal obligation and it has been prepared in line with the customized template and guidelines for municipal annual reports, provided by National Treasury.

In the 2013/2014 financial year, Amathole District Municipality (ADM) had seven departments, namely; Engineering Services, Community Services, Budget & Treasury Office, Corporate Services, Land, Human Settlements & Economic Development, Strategic Planning and Management as well as Legislative & Executive Support Services. Every attempt was made to ensure that the district municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives captured in the Integrated Development Plan (IDP).

The institution has continued to maintain the effective operation of the following mechanisms:

- The 2012-2017 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The 2013/14 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the Service Delivery and Budget Implementation Plan (SDBIP) was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies;
- Performance agreements with performance plans were developed, signed and approved by the Executive Mayor as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM). These reports were used in the quarterly performance assessments;
- The Performance Audit Committee (PAC) functioned optimally in the year; in line with the committee's approved terms of reference; and
- Annual assessments of performance of managers directly reporting to the MM as well as the MM's performance are conducted by a duly constituted performance evaluation panel as required by the performance regulations.

In order to improve on performance planning, implementation and reporting, the institution implemented the following actions;

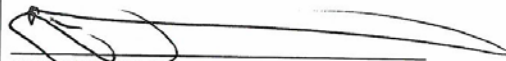
- The Planning, Monitoring and Evaluation Unit coordinates the IDP and performance management processes. The unit works closely with Senior Managers to the Office of Directors in each department as they serve as departmental performance coordinators;
- An electronic performance management system was implemented. The system was used during the performance reviews of managers who report directly to the MM. This meant assessments could not be edited as the system locks information immediately after the assessments;

- Coordinators were appointed to assist the Manager: Individual Performance, to coordinate the cascading of performance to lower levels i.e. below Section 56 Managers, in order to ensure that there is an interface between the SDBIP and individual performance;
- The institution ensured that during the development of the SDBIP, the SMART principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound.
- There was improvement in the submission of remedial actions for targets not achieved in order to ascertain that departments intended to meet the targets in the following quarters;
- Holding of informal departmental reviews with the Municipal Manager assisted a lot in detecting early warnings and unblocking obstacles in areas where there were challenges that would hinder the achievement of targets.

Again this year, ADM's greatest achievement was receiving the Vuna Award for:

- Maintenance of an Unqualified Audit Outcome for three consecutive years. I think we should also highlight the fact that for Performance Information ADM received a Clean Audit.

I am confident that this Annual Report is a true and just reflection of what really happened at ADM during the 2013/2014 financial year.



C MAGWANGJANA
MUNICIPAL MANAGER

T 1.1.1

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Amathole District Municipality as Water Services Authority and Water Services provider, plans, constructs and operates water and sanitation services in Amathole District. The predominantly rural nature of the district is a constraint to ensure all consumers have access to services. However, the municipality is continuously rolling out services to areas previously not served. With the assistance of additional grant funding from the Department of Water Affairs, interim water supply is being provided in areas where formal systems will still take some time to roll out.

The 2011 Census reflects that Amathole District Municipality has a population of 892 637 people as compared to 968 920 from Census 2001. From analysis of these trends since 1996, it is clear that the population has been decreasing steadily from more than 1 million people to around 900 000 in 2011. This suggests that the Amathole Region has been affected by outward migration since the official statistics indicate that almost 100 000 people have left the region during this period. This trend is not unique to the Amathole Region only, as people across the Eastern Cape have migrated over the last 10 years to the Metropolitan Areas of Buffalo City and Nelson Mandela as well as other more economically prominent provinces of South Africa like Gauteng and the Western Cape.

However, recent statistic reflected below show that during the period under review the Amathole population sits at 898 322.

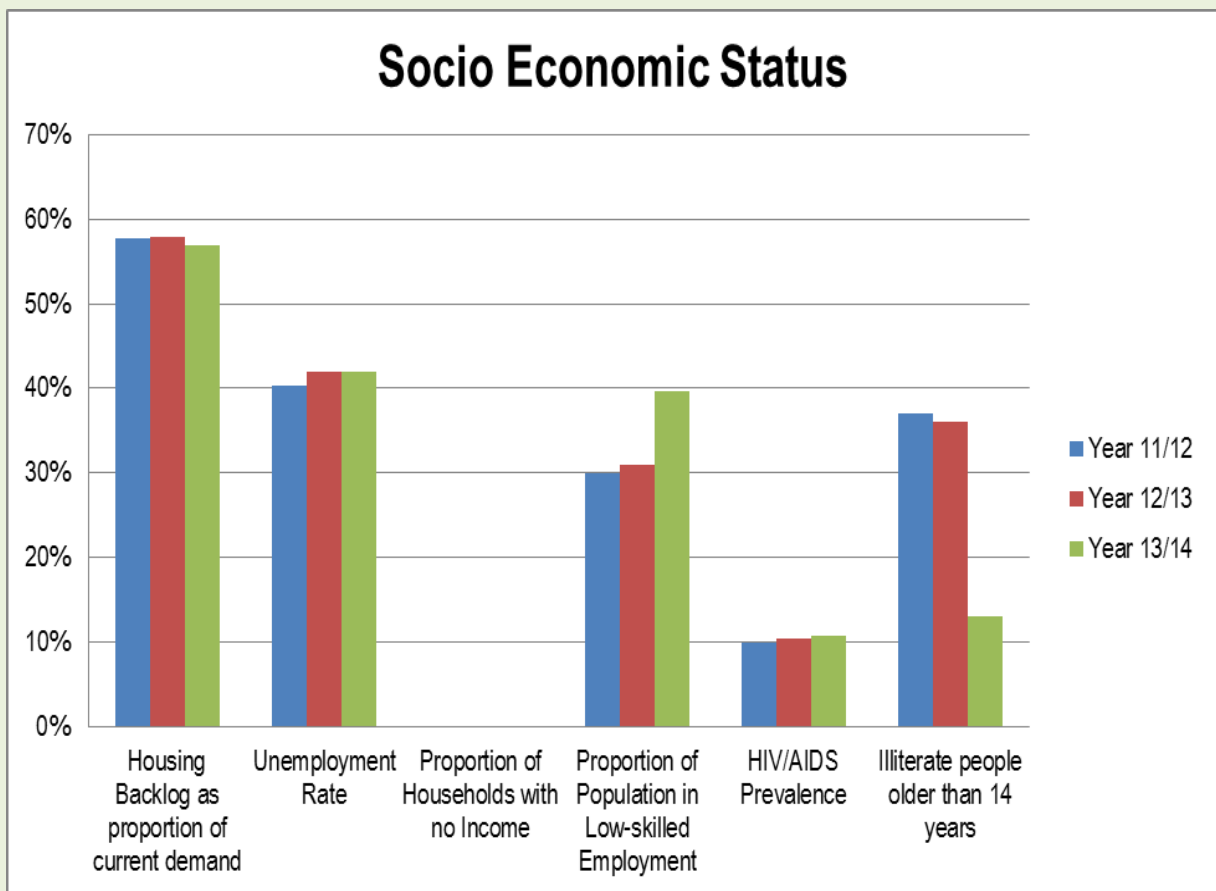
T 1.2.1

Population Details									
Age	Population '000								
	Year 11/12			Year 12/13			Year 13/14		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	57	53	110	50	50	100	52	50	102
Age: 5 - 9	56	51	107	47	47	94	50	48	98
Age: 10 - 19	115	106	221	101	90	191	100	93	193
Age: 20 - 29	94	83	177	71	69	140	68	67	135
Age: 30 - 39	46	48	94	42	38	80	42	48	90
Age: 40 - 49	36	50	86	36	44	80	34	50	84
Age: 50 - 59	32	47	79	37	55	92	32	49	81
Age: 60 - 69	23	36	59	26	46	72	24	33	57
Age: 70+	16	37	53	13	38	51	19	38	57

Source: Statistics SA

T 1.2.2

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year 11/12	57.80%	40.30%	None	30.00%	9.88%	37.00%
Year 12/13	57.90%	42.00%	None	31.00%	10.34%	36.00%
Year 13/14	57.0%	41.9%	None	39.6%	10.7%	13%
						T 1.2.4



OVERVIEW OF NEIGHBOURHOODS WITHIN "Amathole District Municipality"		
Settlement Type	Households	Population
Towns		
N/A		
Sub - Total		
Townships		
N/A		
Sub - Total		
Rural Settlements		
Willowvale Settlement Phase I & II	700	1642
Victoria Post Settlement	150	450
Mavathulana Settlement	400	800
Ndlovini Settlement Phase I & II	150	400
Lewis Settlement	235	431
Elliotdale	309	2500
Kei Road Settlement	421	2105
Wartburg Settlement	230	400
Diphini Settlement	292	1460
Cefane Settlement	277	508
Msobomvu Settlement	322	1008
Hertzog Settlement	150	1454
Hala Settlement	300	1500
DwesaCwebe	867	1382
Cenyu	550	700
Sub - Total		
Informal Settlements		
Nkonkobe	312	128240
Mbhashe	367	256001
Amahlathi	3017	127709
Great Kei	1209	39497
Mnquma	5724	254691
Nxuba	533	24545
Ngqushwa	860	73273
Total	12022	903956

Natural Resources	
Major Natural Resource	Relevance to Community
<ul style="list-style-type: none"> • Misty Amathole Mountain Range • The Great Fish River complex • Well-watered Wild Coast • Mild and temperate climate • The diverse range of vegetation types, including the semi-arid Karoo, thornveld, succulent and thicket areas. • ADM possesses 81.52 % of areas remaining natural and 18.48 % of areas where no natural habitat remains • The coastline extends for approximately 269 km • The biodiversity of the Amathole DM is represented in 5 major biomes that describe the different biotic communities. These biomes are Savanna (34.5%), Grasslands (31.5%), Albany Thicket (29.6% of the area), Indian Ocean Coastal Belt (3.7%) and Forests (0.6%) • There are 56 recorded rivers in the Amathole district municipality • There are four major drainage regions in the ADM, i.e., Great Fish River catchment, Amathole catchment, Great kei River basin, and Mbashe River basin • There are 9565 wetlands at Amathole district municipality • Within the Amathole DM there are approximately 49 functional estuarine systems <p>Coastline which includes estuaries, conservancies, national heritage sites, rocky shores and sandy beaches.</p>	<p>This diversity of natural resources provides the district with numerous opportunities for growth, development, agriculture, industry, biodiversity management, conservation and tourism, water resource management and provision.</p> <p>Opportunities in:</p> <ul style="list-style-type: none"> - Wind Energy (Great Kei, Ngqushwa and some parts of Nxuba and Nkonkobe) - Sola Eney (Nxuba, Nkonkobe and Amahlathi) - Biomass and Waste - Hydro Energy <ul style="list-style-type: none"> ▪ Community based initiatives in rural coastal communities ▪ Recreational activities ▪ Job creation through sustainable livelihood projects, Alien removal ▪ Fishing farming ▪ Eco-tourism ▪ Conservation agriculture ▪ Working for the water and Coast programs <p>Recreation and Tourism, research and education, cultural values, commercial and subsistence agriculture</p>
Freshwater systems	Mariculture and acquaculture
Biodiversity and natural forests	Land-based projects, carbo credits, environmental projects
T 1.2.7	

COMMENT ON BACKGROUND DATA:

The demographic data indicates that the Amathole Region has a fairly young population with more than 60% of the population being under the age of 35. This indicates that the stakeholders in the area including the municipalities need to have programmes that focus on this particular segment of the population. Unemployment and poverty are also high in this region. Major economic sectors in the region are agriculture and tourism. It is for this reason that the economic development programmes of the Amathole District Municipality are focussed on these sectors.

The Amathole Regional Economic Development Strategy (AREDS) advocates the implementation of high impact programmes that are to be implemented along the four strategic corridors of the ADM, which are focussed mainly on the aforementioned sectors. AREDS also recommends increased stakeholder mobilization and consultation for economic development and programmes and projects to have a positive impact in the lives of the people of the Amathole Region. There is also a need to investigate and explore possible other sectors like renewable energy and fishery that have a potential to produce even more employment opportunities for the people of the Amathole Region.

T 1.2

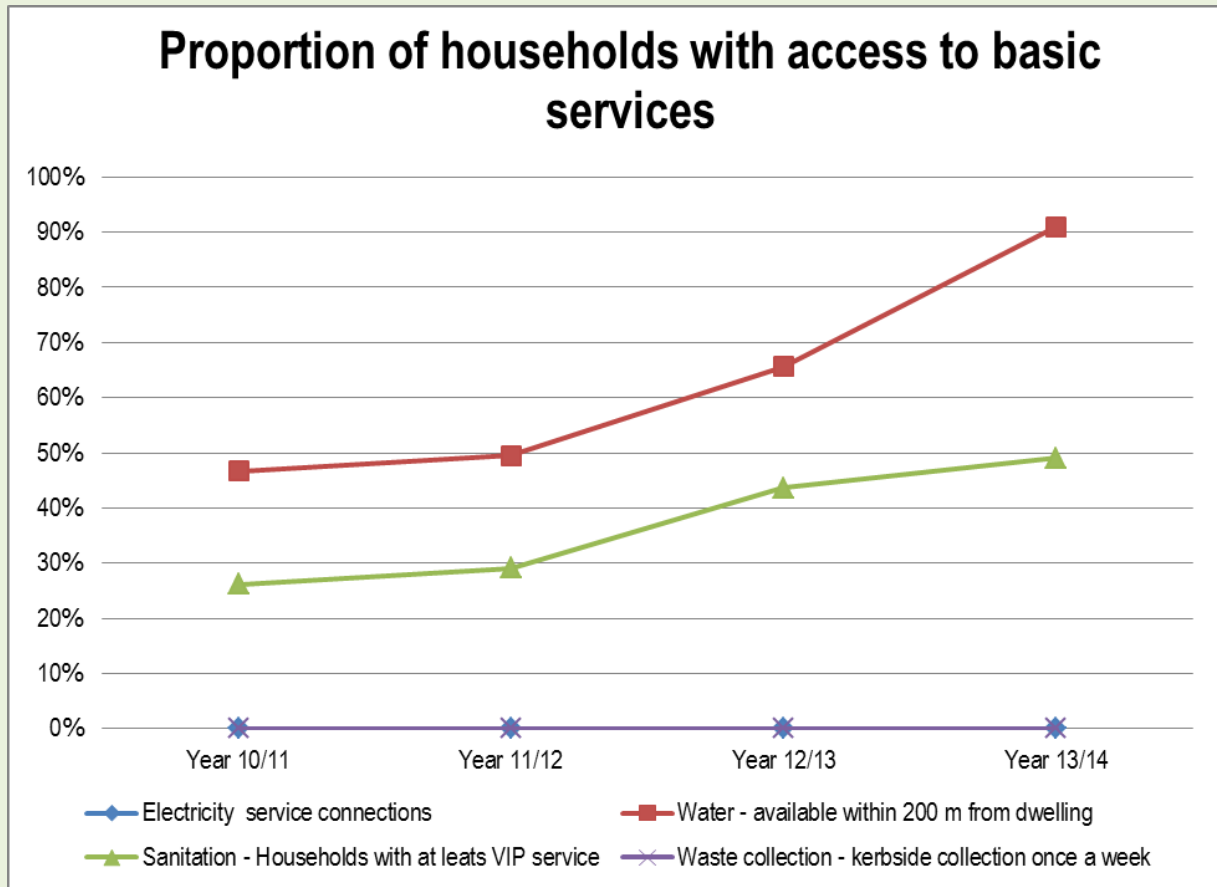
1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Amathole District is the Water Services Authority and Water Services Provider for seven local municipalities. In this regard, it is the responsibility of ADM to provide water and sanitation services to all residents within its jurisdiction. A key focus area remains the eradication of both water and sanitation backlogs as well as ensuring that the existing schemes remain operational.

T 1.3.1

Proportion of Households with minimum level of Basic services				
	Year 10/11	Year 11/12	Year 12/13	Year 13/14
Electricity service connections	n/a	n/a	n/a	n/a
Water - available within 200 m from dwelling	46.66%	49.46%	65.57%	91%
Sanitation - Households with at least VIP service	26.14%	29.07%	43.63%	49%
Waste collection - kerbside collection once a week	n/a	n/a	n/a	n/a



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The key constraint to backlog eradication remains the shortfall in available funding to implement the necessary water and sanitation schemes. The ADM is a grant dependent municipality and relies on funding from the Municipal Infrastructure Grant to finance its infrastructure projects. Another key challenge is keeping existing schemes operational. While the ADM is still faced with substantial backlogs, most of the available funding for capital projects is used for the installation of new infrastructure. With each passing year the refurbishment backlog grows, making it increasingly difficult to maintain a reliable service.

ADM also prioritise the rainwater harvesting initiative to our communities as one of the strategies. This programme is funded by ADM, Department of Water affairs and National Treasury through the Municipal Water Infrastructure Grant (MWIG) which is aimed at prioritising and accelerating projects identified through the interim Intermediate Water Service Provision (IIWSP).

T 1.3.3

FINANCIAL OVERVIEW

The total ADM budget of R1.9bn is made up of external and internal sources of income. The external source of income is 57% of the total budget. The municipality generates its own internal income from Water, Sanitation and Fire charges. The budget is spent on the operational and capital expenditure. The largest expenditure from the operating budget emanates from Salary Costs at R469 million which is 33 % of the total operating budget while the lowest is from Finance Charges at R404 000.

As at the end of the financial year, debtors amounting to R372m have been disclosed for which a provision for bad debt of R272m has been calculated. Bad debts of R5m were written off during the 2013/14 financial year. The majority of the outstanding debt is within the domestic category of consumers.

Fruitless and Wasteful Expenditure has reduced considerably as additional procedures have been put in place for the prevention of interest by paying all creditors within the legislated time of 30 days after receiving invoices. ADM obtained a credit rating of A3.za with a stable outlook from Moody's Investment Services. This rating reflects the municipality's adequate financial fundamentals and its virtually debt-free status. The rating also considers the municipality's consistently sound liquidity position.

Strengths

ADM continues to maintain a virtually debt-free status, hence no additional interest costs. The municipality consistently demonstrates a sound liquidity position through monitoring of its cash flows and financial affairs.

Weaknesses

Poor revenue collection rates on water and sanitation services remain a challenge. ADM is actively trying to improve the collection rates by implementing restrictions and has also appointed an independent debt collector.

Financial ratios

Liquidity - ADM has maintained a current ratio above the norm of 3:1 for 2013/14 thus implying that the municipality is able to pay debts in the short term.

Collection rates

The collection rate target was 45% for the 2013/14 financial, however as at 30th June 2014, the year today collection rate is 46%.

T 1.4.1

Financial Overview: Year 2013/14			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	R1 110 694	R1 091 260	R1 091 260
Taxes, Levies and tariffs	R240 524	R241 287	R197 968
Other	R576 239	R576 238	R50 653
Sub Total	R1 927 457	R1 908 785	R1 339 881
Less: Expenditure	(R1 244 866)	(R1 422 571)	(R1 192 272)
Net Total*			
<i>* Note: surplus/(defecit)</i>			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	38%
Repairs & Maintenance	1.6%
Finance Charges & Impairment	0.03%
T 1.4.3	

COMMENT ON OPERATING RATIOS:

Employee Costs

This ratio indicates the % employee costs to operating expenditure. Employee costs remain the largest operating expense to the municipality. The ratio should be indicative of the ADM's staff requirements to ensure that service delivery is maximised. The 2013/14 financial year yielded a ratio of 38% which is above the budgeted ratio of 34%. This ratio is deemed appropriate and reasonable for the Amathole District Municipality.

Repairs and Maintenance

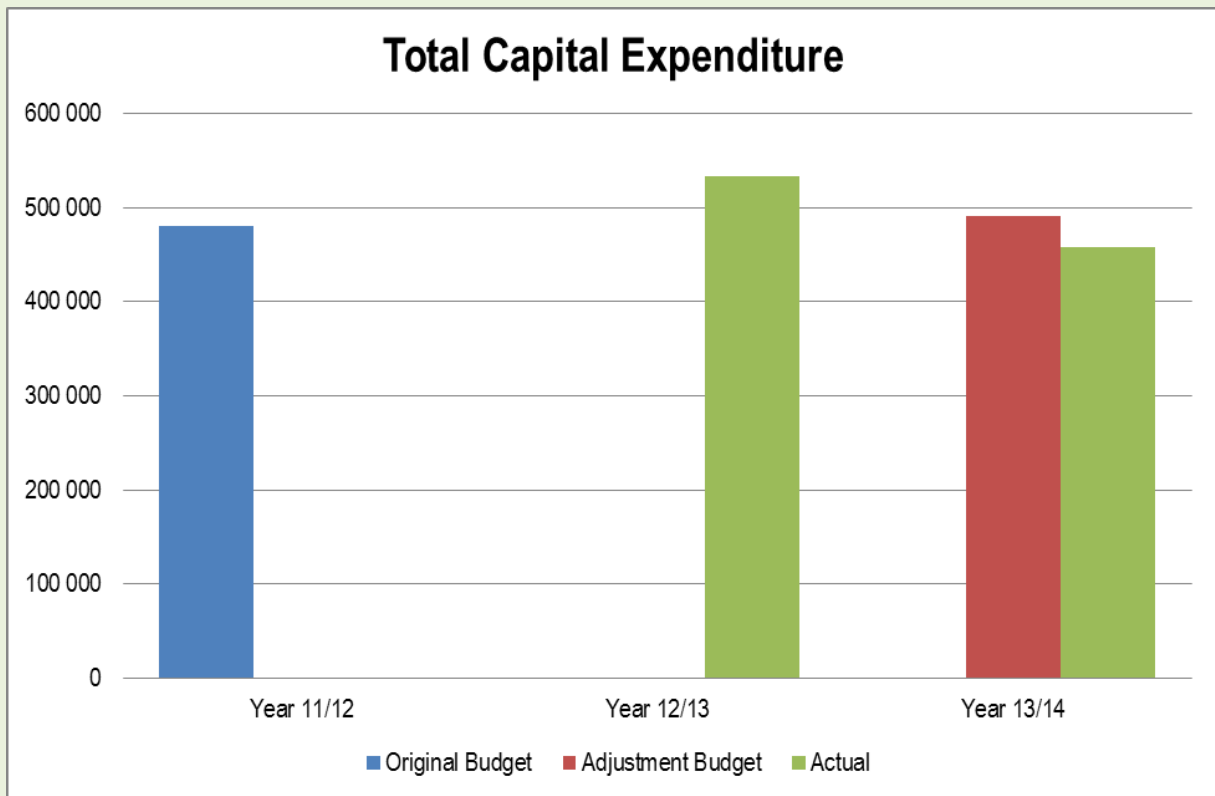
This ratio can be used to assess whether asset management is effective or not. The Amathole District Municipality's ratio is very low at 1.6% for the 2013/14 financial year (3.2%: 2012/13), but has decreased from the prior year. To ensure that assets are adequately maintained, a programme for the planned maintenance and replacement is essential.

Finance Charges

This ratio is only 0.03% for the 2013/14 financial year. The reason for the ratio being so low is that the municipality does not have any external borrowings other than finance leases for the rental of office machines that have been classified and recognised in accordance with the GRAP standard on Leases.

T 1.4.3

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year 2011/12	Year 2012/13	Year 2013/14
Original Budget	480 369	511 841	523 978
Adjustment Budget	0	0	490 796
Actual	378 049	533 778	457 682
			<i>T 1.4.4</i>



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE:

There was under spending by 46% on capital expenditure i.e equipment, office furniture and computers, purchasing of the aforementioned was put on hold due to the move to new offices. ADM had an under spending of 12% in total between actual and the budget which is above 10%.

T 1.4.5.1

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Amathole District Municipality adopted several new policies during the year 2012/2013 and in some instances, existing policies were reviewed. Amongst the new policies developed and adopted by Council during the year are the Essential User Scheme, Rental Allowance policy, Relocation policy, Leave policy, Overtime Policy and Governance framework and the newly reconfigured Standing Committees of Council which are now aligned to the 5 key strategic areas of Local Government. Amongst the reviewed policies which were already in existence are telephone Management Policy, Substance Abuse Policy, Fleet Management Policy, Subsistence and Travel policy and the Recruitment & Selection policy.

With regards to the new policies, there was a sincere need for the development of such policies to help create a more conducive environment for employees to perform optimally and in return, targets be met on service delivery objectives. Central to the development of the policies was the conception of a Transformation Agenda which sought to transform the municipality and ensure that it is responsive to the needs of today and remains the employer of choice and as well, able to compete for human resources with other institutions similar and pedigree.

ADM has a Bursary on Rare Skills Programme that is aimed at assisting unemployed candidates from disadvantaged backgrounds. Eight (8) students are currently enrolled under the Bursary for Rare Skills Programme for Civil Engineering qualifications at various Tertiary Institutions. Each financial year, ADM accommodates a number of students who have been approved by their respective learning institutions to commence with Experiential Training with the aim to expose them to the practical side of work. ADM had a total of nine (9) Internship candidates. Seven (7) candidates were recruited under the National Treasury programme and of the seven, two candidates have since been appointed at Amathole District Municipality and Amahlathi Local Municipality respectively. Two (2) more candidates were recruited under the Dept. of Science & Technology Internship programme. Both programmes are conducted in line with the stipulations of the two institutions. Twenty (20) students were engaged in the Experiential Training Programme during 2012/13.

ADM is also committed to improving literacy levels of its employed candidates who were not fortunate enough to complete formal mainstream schooling. The aim is to pave way to enable them to access the National Qualification Framework (NQF) levels and progress up the NQF ladder. The 2012/13 enrolment is ninety (90) candidates for the ABET Programme. It is ADMs social responsibility to ensure that all its employees possess a minimum level of numeracy and literacy.

T 1.5.1

***The 2013/14 audit opinion is expected in November 2014 after completion of the audit.**

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 13/14 (CURRENT YEAR)

The Municipality received an unqualified audit opinion from the Auditor General in 2012/13 financial year. This opinion is being maintained from the previous financial year. This has been achieved through the dedication, commitment and hard work of relevant municipal officials with the guidance, support and monitoring by the political leadership. An audit action plan was put in place and there was regular monitoring of this plan by the Executive Management Committee, Audit Committee, Mayoral Committee, Municipal Public Accounts Committee and Council.

T 1.6.1

1.7 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 2013/14 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
		<i>T 1.7.1</i>

COMMENT ON THE ANNUAL REPORT PROCESS:

The MFMA Circular No. 63 published in September 2012 provides guidance to municipalities on the new Annual Report Format and its contents that is due for implementation in 2013. ADM followed the new format in developing its 2011/12, 2012/13 and 2013/14 Annual Report contents. This has ensured full preparedness by the year of implementation (2014). This current year ADM followed the new timeframes in preparing for 2013/14 Annual Report, and this has enhanced oversight functions of Council. The Annual Report process plan was adopted on 23 May 2014.

By nature, Annual Reports are aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance. Another benefit in following the above timeframes is that the Annual Report information becomes the feeder to the IDP Situational Analysis report.

T 1.7.1.1

INTRODUCTION TO GOVERNANCE

One of the key principles of good governance is the establishment of ethical leadership within an institution. In a municipal setting this translates into:

- the need to clearly define the roles and responsibilities of the leadership and individual leaders in a municipality;
- the embedding within the leadership of an ethical culture based on the vision and values of the institution and Constitutional principles, both to guide and to measure against, the actions of leaders; and
- the entrenchment of the principle of holding leaders accountable for their actions.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Amathole District Municipality is an Executive Mayoral type with all the Executive powers of the Council vested in the Executive Mayor, who is assisted by members of the Mayoral Committee. The Council has established a Committee system in line with the provisions of Section 80 (1) of the Municipal Structures Act 117 of 1998, as amended. In accordance with this provision the Municipality established the following Standing Committees with the terms of reference as reflected below:

INFRASTRUCTURE COMMITTEE Terms of Reference

1. The Committee shall have the power to consider and make recommendations to the Mayoral Committee on all the issues falling within the scope of the following functional areas:
 - Engineering Services
 - Water and Sanitation
 - Solid Waste
 - Transport and Planning
 - Community Facilities
2. The Committee shall in addition perform all functions assigned to it by Council, by the Executive Mayor or Mayoral Committee from time to time.
3. The Committee may and must, if instructed by Council, the Executive Mayor or the Mayoral committee, refer any matter which serves before it, to the delegating authority for its decision.

HUMAN RESOURCES & ADMINISTRATION COMMITTEE Terms of reference

1. The Committee shall have the power to consider and make recommendations to the Mayoral Committee on all issues falling within the ambit of the following functional areas:
 - Industrial Relations

- Personnel Administration
 - Occupational Health and Safety
 - Conditions of Services and Staff Benefits
 - Resource Management
 - Council Assets
 - Land Transaction
 - Building Maintenance and Administration
 - Insurance
2. The Committee shall in addition perform all function assigned to it by Council, the Executive Mayor or Mayoral Committee from time to time.
 3. The Committee may and must if instructed by Council, the Executive Mayor or the Mayoral Committee, refer any matter which serves before it to the Delegating Authority for its decision.

DEVELOPMENT AND PLANNING COMMITTEE Terms of reference

1. The Committee shall have the power to consider and make recommendation to the Mayoral Committee on all issues falling within the ambit of the following functions:
 - Land and Housing
 - Land Development Objectives
 - Integrated Development Plans
 - Tourism
 - Local Economic Development
 - Land Reform and Settlement Plan
 - Town and Regional Planning
 - Land Usage
2. The Committee shall in addition perform all function assigned to it by Council, the Executive Mayor or Mayoral Committee from time to time.
3. The Committee may and must if instructed by Council, the Executive Mayor or the Mayoral Committee, refer any matter which serves before it to the Delegating Authority for its decision.

COMMUNITY SERVICES COMMITTEE Terms of reference

1. The Committee shall have the power to consider and make recommendation to the Mayoral Committee on all issues falling within the scope of the following:
 - Fire Services
 - Municipal Health Services including Environmental Health
 - Protection Services
 - Disaster Management
 - Community Safety
2. The Committee shall in addition perform all function assigned to it by Council, the Executive Mayor or Mayoral Committee from time to time
3. The Committee may and must, if instructed by Council, the Executive Mayor or the mayoral Committee refers any matter which serves before it to the relevant delegating authority for its decision.

These committees are constituted by both Portfolio [Full Time] and Part-Time Councillors, chaired by Portfolio Councillors and attended by the Municipal Manager and Heads of Department. They have the power to consider and make recommendations to the Executive Mayor on all issues falling within the ambit of their functional areas. Standing Committees meet monthly in line with the Institutional Calendar developed by the Speaker and adopted by the Council.

During the period under review the Standing Committees have met monthly in accordance with the schedule of meetings adopted by the Council and have thus performed their function in terms of processing reports and policies and assisting the Executive Mayor in fulfilling her functions. Reports of the Standing Committees are submitted to the Mayoral Committee which further advises the Executive Mayor on implementation of programs.

SECTION 79 COMMITTEES.

Section 79(2) of the Municipal Structures Act 1998 states that: the Municipal Council must determine the functions of the Committee. During the period under review the ADM Council had the following Section 79 Committees with the terms of reference as shown in the report.

THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

The Municipal Public Accounts Committee is established as a mechanism to assist Council to fulfil its mandate of overseeing the Executive and the Administration. It is a multi-party Committee representative of all the parties in Council and also includes members of the public drawn from the strategic stakeholders in society, ie the Youth, Moral Regeneration and the Farmers Association. The establishment of the Committee was informed by guidelines jointly issued by the National Treasury and the Department of Cooperative Governance and Traditional Affairs. The guidelines also provide for the position of the Chairperson of the Committee to be on a full-time basis. The terms of reference of the Committee were developed and adopted by Council at its inception and were subsequently reviewed during the period under review.

Since its inception the Committee has worked tirelessly to fulfil its mandate and developed an oversight report on the annual report and the annual financial statements for each financial year. From the work of the committee during the years it can be observed that:

- (a) The Committee has been able to create a better understanding of its work among the political and administrative office bearers in council.
- (b) It developed a program of action intended to ensure continuous and complementary oversight over the Executive and the Administration
- (c) Workshop members of the Committee in understanding their role.
- (d) Ensure regular meetings and submission of reports of the committee to the Council.
- (e) Participation in the National Association of Public Accounts Committee Conference in Port Elizabeth, thus net-working with similar committees at National and Provincial spheres
- (f) Develop an oversight report on the annual report for the financial year 2011/12.
- (g) Take the annual report to communities and ensure citizen participation in evaluation of the performance of the Municipality.
- (h) Facilitate engagement of the Municipal Public Accounts Committees of the Local Municipalities in ADM's area of jurisdiction to ensure synergy in annual reporting to communities.
- (i) Conduct oversight on the section 71 and 72 reports thus providing in year monitoring of the financial performance of the Municipality.
- (j) Conduct oversight on the employment practices of the Institution.
- (k) Visit projects implemented by the Municipality to assess outcomes and gauge community satisfaction with service delivery.
- (l) Undertake learning and sharing visits to bench mark and learn best practice on the functioning of the MPAC in the Metro.

THE RULES COMMITTEE

Since its inception the Council has established Rules Committee for the development and regular updating of the Rules of Council. The Rules Committee is a multi-party Committee of Council with proportional representation of all parties in Council. During the period under review, the Rules Committee has reviewed Standing Rules on two occasions to:

1. Ensure that the Rules are in line with legislation.
2. Ensure that the Rules reflect the current status in Council.
3. Provide for the participation of traditional leaders in Council

THE WOMEN CAUCUS

The Council established the Women Caucus under section 79 of the Municipal Structures Act as a mechanism to ensure Council employs gender lenses in its policy development and implementation. The Women Caucus is established in terms of section 11 of the Standing Rules and it is made up of all the Women Councillors in Council. The terms of reference of the Committee as adopted by Council are as follows:

1. To lobby Amathole District Municipality and Local Municipal Councils to develop, promote and implement gender policies.
2. To promote Women participation in the IDP and Budget processes of the Municipality.
3. To create public awareness about government policies and programmes aimed at the advancement of women and children rights and the rights of the aged.
4. To undertake and /or commission research on the impact of gender policies on women and children at the grassroots level.
5. To develop programmes to support married women, single mothers and the girl child.

The Women Caucus meets quarterly in accordance with the schedule meetings adopted by Council. In addition to its regular meetings the Women Caucus has participated in activities and programs in partnership with the Eastern Cape Gender Machinery to support the cause for the emancipation of women in the province and beyond.

THE WHIPS COMMITTEE

The Whips Committee is established in terms of section 10 of the Standing Rules of Council. The Committee consist of the whips of all political parties in council and is chaired by the Chief Whip of Council. The Committee performs any function assigned to it by the Council or as defined in terms of the Standing Rules. The Whips Committee meets four days before the date of Council to enable the Whips of Political to determine the manner in which matters brought to Council will be taken and to develop consensus amongst political parties on matters in the agenda of Council. The Whips Committee facilitates the smooth of the meeting of Council.

T 2.1.1

POLITICAL STRUCTURE

MAYOR

NOMASIKIZI KONZA

SPEAKER

SAMKELO JANDA

CHIEF WHIP

SANDLA MTINTSILANA

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

1. TEMBISA XUNDU-KUBUKELI: PORTFOLIO HEAD – PUBLIC PARTICIPATION & COMMUNICATION
2. SIYABULELA GENU: PORTFOLIO HEAD – WATER
3. MZWAKHE MEMANI: PORTFOLIO HEAD – LAND & HUMAN SETTLEMENTS
4. PENDULWA FINCA: PORTFOLIO HEAD – LOCAL ECONOMIC DEVELOPMENT
5. LAVERNE JACOBS: PORTFOLIO HEAD – BUDGET & TREASURY
6. BOYCE MELITAFU: PORTFOLIO HEAD – INFRASTRUCTURE
7. CHRIS BIKITSHA: PORTFOLIO HEAD – STRATEGIC PLANNING
8. JOYCE PAPU: PORTFOLIO HEAD – HEALTH AND ENVIRONMENTAL
9. PUMZILE BILLIE: PORTFOLIO HEAD – COMMUNITY SAFETY
10. EGNEW MADIKANE: PORTFOLIO HEAD – CORPORATE SERVICES

T 2.1.1

COUNCILLORS

The ADM Council had 50 Councillors during the period under review with 20 of them being Proportional representative Councillors and 30 being Local Municipality representatives. The Council adopted a schedule of meetings which provides for meetings of the council to be held six times a year, except where circumstance require the convening of a special meeting of council.

During the period Council has held its meetings in accordance with the schedule of meetings, except that Special Council meetings were convened in order to consider matters of an urgent nature amongst which was the appointment of a new Municipal Manager.

The Council also has 10 traditional leaders that are participating in the District in line with the provisions of section 83 of the Local Government Municipal Structures, 1998 as amended read with the Traditional Leadership and Governance Framework Act, 13 of 2003. The traditional leaders were sworn in to

participate in Council and were subsequently inducted to familiarize them with legislation and the policies of the Institution. The traditional leaders participate in all the Committees of Council except the Mayoral Committee.

The Standing Rules and other policies were also reviewed to give effect to the participation of traditional leaders.

T 2.1.2

POLITICAL DECISION-TAKING

Troika, which consists of Speaker, Chief Whip and Executive Mayor, convenes a meeting prior to the sitting of each Council meeting to discuss all issues to be tabled in the Council. The Municipal Manager and other support staff also attend the Troika meetings to provide guidance and advice. All political parties convene Caucus meetings before Council Meeting. The Council makes decisions on all matters pertaining to community development and service delivery in the ADM area of jurisdiction. Council resolutions are taken on the basis of reports and recommendations made by the Committees.

Reports submitted in Council are classified into

- (a) Reports for noting- these are reports on matters in which the Executive Mayors has taken a decision in line with her legislated and or delegated functions.
- (b) Reports for approval- These are reports on matters that may not be delegated as stipulated in section 160(2) of the Constitution, 1996 as amended.

All resolutions of the council are implemented and the Council has a system to track the implementation of resolutions. There is a standing item under the reports of the Speaker on the tracking of the implementation of Council resolutions. The tracking of the implementation of resolutions is done through a template which is sent to Directors to indicate if the resolutions have been implemented or not and a report to this effect is submitted to Council by the Speaker. In that way, all Council resolutions are resolved and followed-up. All resolutions taken are implemented, however, there could be exceptional cases where resolutions were not implemented due to factors such as financial constraints, legal issues, land claim challenges, etc.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of administration and is the Chief Accounting Officer as described under section 55 of the Municipal Systems Act 32 of 2000. As the head of administration, the Municipal Manager is charged with specific responsibilities. At Amathole District Municipality, the MM is subject to the policy directions of the Municipal Council and is responsible for the following amongst the many responsibilities attached to his office:-

- development of the Municipality's Integrated Development Plan in accordance with chapter 5 of the act and its implementation;
- development of a performance management framework, and ensuring compliance to the Performance Management System;
- The Municipal Manager is as well responsible for the appointment of staff other than those referred to in section 56(A) of the Systems act and he does that under the guidance of the

Council approved recruitment and Selection Policy. The policy is reviewed yearly to ensure its relevance and sometimes reviewed due to an urgent matter that might necessitate that.

- The ADM Municipal Manager also has a responsibility of advising the political structures and political office bearers of the municipality and that he does by attending all scheduled meetings of section 79 and 80 committees to ensure that when ADM structures deal with reports, he is available to offer advice. All this he performs with the assistance of the ADM Directors and always draws on their expertise to ensure that the ADM Council receives the best possible advice. The MM also established a legal Service unit which also assist with credible advice and in instances where expertise is not enough internally, the external experts are roped-in to offer advice to Council.

ROLE OF THE DIRECTOR: CORPORATE SERVICES

The Director: Corporate Services is a Manager employed in terms of Section 56(A) and is directly accountable to the ADM Municipal Manager. The Director's role is to provide strategic guidance and leadership within the Corporate Services department by ensuring that sound human resources policies are developed and implemented within the entire institution. The Director: Corporate Services is charged with the following responsibilities:

- developing and managing strategies and programmes that work towards the achievement of goals relating to personnel provision, organizational development, human resource development, auxiliary services, council support, employee wellness, occupational safety, risk management and personnel administration.
- plays an advisory role in relation to senior Management and council leadership regarding relevant policy and legislative issues of compliance. The office of the Director Corporate Services is also responsible for the department's annual capita budget and operational budget.
- carries further responsibilities with regards to submission of reports to the Committees of Council on issues relating to Annual report and the development of the Integrated development plan. Lastly, the office is responsible for ensuring optimum utilization of Council resources.

ROLE OF THE CHIEF FINANCIAL OFFICER

In terms of section 80 of the Municipal Finance Management Act 56 of 2003, a municipality must have a Budget & Treasury office which should consist of a Chief Financial officer designated by the accounting officer of a municipality. ADM CFO is responsible administratively, for the budget and treasury office and amongst his duties are

- to advice the MM and assist him in the administration of the municipality's bank accounts and in preparation and implementation of the municipal budget.
- performing budget issues, accounting, analysis, financial reporting, cash management, debt management, supply chain management, financial management and many other responsibilities.

ROLE OF DIRECTOR: LAND, HUMAN SETTLEMENTS & ECONOMIC DEVELOPMENT.

The Director is heading the department and accountable to the Municipal Manager. Amongst his roles are the following

- lead the department and provide strategic guidance and leadership on all issues relating to economic development within the district. In performing that, his department works closely with the development agency established by ADM known as ASPIRE. The agency has a mandate from the district municipality to champion economic development through the area of jurisdiction of ADM. There is also expectation that the district will work closely with local municipalities under its area of jurisdiction to promote economic development
- managing the EPWP (Expanded Public Works program) which seeks to accelerate employment within the district.

- also responsible for functions relating to land reform and spatial planning and also human settlements. This housing function also assists with the formalization of informal settlements in order to be able to provide services.

ROLE OF DIRECTOR: ENGINEERING SERVICES

The Director is responsible for the following functions:-

- Water Service Authority
- Water Service Provision
- Building and Services Planning
- Integrated Transport Management
- Integrated Waste Management

The department is the core of the municipality due to the fact that ADM was granted the status of a water service authority and as a result, the bulk of the municipal budget is allocated to the provision of water and sanitation services. The municipality is progressing well towards achieving its targets.

The Director is also responsible for managing staff who are performing the water functions and provides strategic leadership on all water and sanitation functions including building and planning services.

ROLE OF DIRECTOR: STRATEGIC PLANNING & MANAGEMENT

The Director is charged with the following functions:-

- Planning, Monitoring and evaluation of municipal and individual performance within ADM.
- Local Municipal Support which mainly deals with the support provided to local Municipalities as per the mandate given to District municipalities.
- Information Communication Technology and support to the departments.
- Risk management as prescribed in the MFMA as a compliance issue.
- Communication, Intergovernmental and International Relations

ROLE OF DIRECTOR: HEALTH & PROTECTION SERVICES

The Director is responsible for the following duties in her department:-

- Municipal health Services which deals with environmental health services and inspections and also the testing of water samples for compliance.
- Protection services which involves fire services and disaster management. There also run awareness campaigns regarding issues of community safety.

ROLE OF DIRECTOR: LEGISLATIVE & EXECUTIVE SUPPORT SERVICES

This department was mainly established to assist the offices of the Speaker, Executive Mayor, the Chief Whip of Council and the Chairperson of the Municipal Public Accounts Committee (MPAC). The department is fairly new with a low staff complement however; it has managed to make a significant difference in its short space of existence. There is now more coordinated support for the political offices.

All seven (7) Section 57 Managers are full time members of the Executive management Committee which is chaired by the Municipal Manager. Such a structure is responsible for processing reports before they are submitted to the all structures of Council. The reports that form part of the EMC agenda are submitted by the various ADM departments and in that structure, all Managers contribute to fine-tune the content of the reports and ensure that the structure and content are relevant for the next structure which is the Mayoral Committee chaired by the Executive mayor of ADM. When reports proceed to the next structure, they are wholly owned by the collective of management and the content is no longer aligned to a particular department and in that way, the cooperation and support amongst the managers is most beneficial to the institution.

The Managers also serve as a collective in the IDP Representative Forum which is where IDP issues are discussed and the IDP process is most central to the issues of service delivery. Departments collaborate during planning to ensure that there is inclusive planning and integration is realized. The manager's continuously advise one another in line with their specialized skills and expertise and the IDP becomes more inclined towards the poor and as such, service delivery is prioritized and as well realized. Through a structure established by the Municipal Manager known as the Projects Committee, the managers are able to assist each other in ensuring that funding is spent accordingly and timeously to avoid roll-overs and as a result thereof, in the year under review, there has been no roll-over of funds and in instances where project funding could not be exhausted, departments were requested to declare such funding in order for the funds to be re-directed where they are needed most.

The managers have also been allocated to serve in the Bid Committees in order for them to offer their expertise in those structures and the manner in which they execute such responsibility benefits the institution. There are instances where projects seem to be encountering challenges and delays are experienced and in those instances, the collective of management would jointly come up with lasting solutions to such challenges. On several occasions, service providers have been terminated due to poor performance and such decisions have been taken jointly by management which is a sign of good governance and cooperation, by the implementing departments.

T 2.2.1

TOP ADMINISTRATIVE STRUCTURE

MUNICIPAL MANAGER

MR CHRIS MAGWANGQANA

*Executive
Directors*

DIRECTOR: STRATEGIC PLANNING & MANAGEMENT

MR RALPH ROLAND LINKS

DIRECTOR: CORPORATE SERVICES

MR LULAMILE TALENI

DIRECTOR: ENGINEERING

MR MPUMELELO SHEZI

DIRECTOR: HEALTH & PROTECTION

MS SIZEKA TALENI

DIRECTOR: BUDGET & TREASURY

MR NKOSINATHI SOGA

DIRECTOR: LAND, HUMAN SETTLEMENTS & ECONOMIC DEVELOPMENT

MR MPUMELELO GABA

DIRECTOR: LEGISLATIVE & EXECUTIVE SUPPORT SERVICES

MRS LINDA SIMANGA

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Section 41 of the Constitution of the Republic of South Africa states that, structures have to be established to coordinate Intergovernmental Relations within and across the spheres of government. In terms of compliance to the act, ADM is doing very well in establishing a coherent government in the district as well as coordinating effective provision of services within the area of its jurisdiction.

The IDP and Budget Processes are a typical Intergovernmental Relations exercise in which all the municipalities and some sector departments, parastatals and communities participate to contribute to the Strategy of the municipality. Through the quarterly sector forums ADM is able to monitor participation and progress in the implementation and alignment of legislation and policy by the sector departments and municipalities throughout the district. Both the technical and political forum are very effective in tracking service delivery programmes in the district and have been very much instrumental in shaping a district opinion in preparation for provincial and national intergovernmental relations platforms.

Government departments are made to account in the district forums for the work they do in the ADM local municipalities. The agenda setting of ADM IGR forums is a responsibility of key stakeholders of IGR in the district. They all decide what goes into the agenda of the District Mayoral Forum. ADM IGR forum agenda has items that are designated to be standing items of the meeting. These are items that are seen to be direct to the competencies and the survival of local government e.g. Municipal Support, the IDP, monies owed to municipalities etc. ADM IGR structures also serve as a platform for learning and sharing of the best practices in the district.

Conducting IGR in the district has its own challenges. Some of the challenges are a direct result of the Act. Government officials usually take advantage of the gaps that Act provides e.g. that the act does not offer provision or a deterrent for non-compliance. This has resulted to failure to achieve joint collaboration in identification, planning and implementation of projects. There still exists a silo approach to governance by most sector departments. The highlight of ADM IGR is the levels of understanding that all the spheres of government have in terms of their accountability to the district for the work that they do in the district.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

It is difficult to measure the participation of ADM in the National IGR structures because of the way they are structured. Both in the President's Co-ordinating Council and the Minmeccs, representation of local government is by design of SALGA, the organization that represents local government. So one can say that there is no direct participation by ADM in the National Forums.

The municipality depends mostly on the reports and recommendations that it receives from the municipality representing them in PCC or the Minmeccs. On the positive side the National structures give the municipalities a platform to be heard on matters of national interest. There is also the FOSAD, a Forum for heads of administrations of government, ADM is represented by the Municipal Manager in this Forum. The district benefits a lot from the information shared between the heads of government institutions especially from the administration side.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

ADM Executive Mayor and the Municipal Manager attend the Premiers' Coordinating Forum and the Technical Support Group respectively. The structures consist of representation from all the district municipalities, the Metros in the province and the provincial and national sector departments in the province. Issues of compliance in terms of governance and service delivery are lifted and discussed at this level. Issues discussed at these forums are matters of direct concern to local government.

The district municipalities get the platform to table the concerns of local government about issues of mutual interest. On the other hand, the platforms are useful in the sense that they give direct interaction between the heads of municipalities and those of sector departments. The office of the Director General in the province is then able to have a good assessment of the state of governance in the province including that of local government and ADM in particular.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

Amathole Economic Development Agency SOC Ltd t/a Aspire, is the wholly owned state owned company of ADM. It was formally registered and established on the 1 September 2005, with the mandate to promote economic development within the District in the areas of economic production and commercial activities.

The entity has Board of Directors which sits quarterly and the municipality is also sitting as observer during their board meetings. The board of directors is ultimately responsible for oversight of the company in all material aspects. It ensures that issues relating to governance and accountability form the basis of the relationship with ADM. The relationship is managed by a service level agreement, as well as the MFMA, and the Company's Act, which outlines the roles, obligations and responsibilities of each party. Reporting is required on a monthly basis to ADM.

The agreement with the municipal entity is in line with the regulatory framework governing local government and local government entities, in their common effort to attain the objectives set out below. In particular, the agreement that was signed with ASPIRE seeks to ensure compliance by the parties in with relevant provisions of the MFMA, without impeding ASPIRE in performing its operational responsibilities. The aim of this agreement is to facilitate the promotion and stimulation of local economic growth and development within the District, through a range of programmes, projects and initiatives, consistent with the Municipality's integrated development plan. The agreement is also highlighting the programmes that need to be performed by ASIPRE in terms of promotion of Economic Development of the Region. ASPIRE gets an allocation from the municipality for its operations and also submits the quarterly reports on the programmes that they have implemented.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

In terms of section 83 (3) of the Municipal Structures Act 118 of 1998 District municipalities have to provide support to their local municipalities and build their capacity. ADM has institutionalized its relations with municipalities within its jurisdiction. It has established a number of sector specific forums which also appear in the calendar of the institution. These are, amongst others, District Planning

Coordinating Forum, Water Forum, Finance Forum, LED Forum, Tourism Forum, etc. In these sector forums, ADM is able to monitor progress on governance issues, alignment of policies, and the effectiveness of service delivery.

There is also the Municipal Support Unit within the Strategic Management and Planning Directorate that consists of specialists in the various competencies that ADM has to deal with in the local municipalities. The unit consists of Managers that support municipalities on issues of Engineering, Finance, Human Resources, ICT, etc. From time to time ADM visits or convenes meetings with these municipalities to ensure their compliance. All the support that ADM renders to the municipalities is reported through this unit. The other way that ADM relates with its municipalities is through the District Technical and District Mayor's Forum. There are also some bilateral meetings that take place between ADM and the LMs whenever there is an activity that ADM seeks to implement in that municipality.

The highlight of the District Intergovernmental Relations structures is evident in the increase of the number of sector departments requesting to make presentations in every ADM IGR meeting and in the increase of municipalities in the district that have active IGR structures. At the beginning of the financial year, only Ngqushwa, Nkonkobe Amahlathi and Mquma municipalities had active IGR structures sitting quarterly. In the third and fourth quarter of 13/14 Nxuba joined the league of LMs with functioning IGR structures. As the year end, the IGR unit has had successful meetings with both Mbashe and Great Kei municipality representatives to revive IGR in those municipalities.

The increase in the number of departments participating has resulted in the duration of the IGR meetings being longer than expected. If this spirit of interaction and active participation is sustained ADM will have to consider a one and half day meeting for its IGR meetings as the request and appeal to the departments to make their presentations shorter has not assisted to save time. The IGR office is also inundated by calls from the departments making enquiries as to which office or who is the individual responsible for consolidating departmental submissions into the IDP. The latter is proof of maturity of IGR activities in IGR. If ADM can be able to ride the tide the institution will certainly get closer to its goal of adoption of a complete IDP ie ADM IDP being a reflection of a 'Master Plan' of all plans of stakeholders in the district. The 2014/15 financial year promises to be a good year for IGR in Amathole District Municipality.

The 13/14 SDBIP put the issue of the revival and signing of MoUs as one of the district priorities. In this area ADM did fairly well. A number of meetings to activate the MoUs were held with the University of Fort Hare, the Eastern Cape Community Radio Forum, the Department of Rural Development and Agrarian Reform. ADM also sent out a team for 'a fact finding mission' led by the Municipal Manager to the Mountain Kingdom in an attempt to consolidate the Africa Agenda through relations with municipalities in other countries of the African continent. The 13/14 financial year also marked the signing of yet another MoU with the East London Industrial Development Zone. Both ADM and its partner have started implementing the MoU. All these activities are meant to enhance the district's effort to strengthen service delivery in the area under its jurisdiction.

T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

ADM has developed a Public Participation Policy Framework which was adopted by council. There are constant meetings with communities, or with structures and forums within the communities. Meetings are held quarterly. Apart from Public Participation, there is a fully fledged Communications Unit. ADM is also governed by a Public Participation and Petitions policy which provides a framework on how we interact with communities and why.

Over and above the organizational values, ADM is committed to the following values:

- Accountability to the community aspirations and meeting the community needs;
- Dedication and honesty in producing work that meets the developmental and service delivery requirements of the district;
- Commitment to the transformation of society and the workplace and to ensure fair and equitable distribution of resources to citizens of the ADM;
- Showing concern for the people of the district;
- Believing in transparent decision making and promoting fair participation.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Citizen participation continues to capture centre-stage position in many policies of nation-state and international development agencies. Community or citizen participation means the involvement of citizens in a wide range of administrative policy-making activities; including the determination of levels of service; budget priorities and the acceptability of physical construction projects in order to orient government programmes toward community needs; build public support and encourage a sense of cohesiveness within society. It is in this spirit that ADM embarks on Public participation to fulfil the following:

1. To provide information to citizens;
2. To get information from the citizens;
3. To improve public decisions, programmes, projects and services;
4. To enhance acceptance of public decisions, programmes, projects and services;
5. To assess the situation in localities and react accordingly;
6. To identify red zones that need immediate attention;
7. To continue profiling the municipality by launching and handing over all major projects.
8. To coordinate all public participation activities in the institution and district government departments

ADM has a set programme for community participation that consists of activities held in different municipalities throughout the financial year. These include:

- Water forum meetings which are attended by ward councillors, ward committees, CDWs; religious sector; Ratepayers, business sector, traditional leaders.
- District Communicators Forum
- IDP Road-shows which are attended by ward councillors, ward committees, CDWs; religious sector; Ratepayers, business sector, traditional leaders.
- Annual report road shows/representation by local municipalities within the district
- Launch of big events, these are attended by the general community, ward councillors and ward committees, CDWs and traditional leaders are also invited.

- Imbizos are also held quarterly.

To improve effectiveness of these forums meetings are announced in good time, transport is provided for ward committees, meetings are held quarterly and opinion surveys are also held. Central in the awareness campaigns led by ADM is water demand and management. Water losses have been identified as a major problem in this municipality and consequently communities are encouraged to assist the municipality to identify such spots. It is in these meetings where the communities through their representatives get an opportunity to interact with the Municipality in all water related matters.

The Water Forum meetings are held to fulfil the following:

- To address water challenges as per questions and answers as collected during IDP road-shows and those that are channelled through councillors or community representatives.
- To create a platform for political leadership to interface with communities or stakeholders representatives.
- To collect issues to be referred to other departments within the institution and/or to sector departments and ultimately to our IDP.
- To create a positive spirit with the view to foster cooperation amongst members of the community and the municipality.
- To monitor projects implemented by the municipality.

The Mayoral Imbizo (public gatherings):

Specific hotspot areas are identified where a series of issues that are service delivery related are in magnitude. The Executive Mayor and the entire Mayoral committee visit those areas to hold a hearing and address or find remedies to these matters. These are held whenever the need arises.

Annual Report Public Hearings:

Annual Report Public Hearings provide an opportunity for communities to comment on the service delivery performance of the Municipality. The Public Hearings are done in collaboration between the Executive and the Office of the Speaker under the guidance of MPAC. In the Public Hearings the District Municipality and its local municipalities present jointly to communities on the annual performance of their respective municipalities. The road-shows/public hearings took place in line with the prescripts of Chapter 4 of the Municipal Systems Act that encourages the municipality to account to the public on all matters relating to finances and performance.

IDP/Budget Road-shows:

In compliance with legislation wherein local government is mandated to encourage community participation in the decision-making process of Council, ADM undertakes an annual IDP/Budget/PMS Road-show to various communities at local municipalities. The IDP/Budget road shows were conducted in the seven local municipalities known as Nkonkobe, Nxuba, Amahlathi, Mphashe, Mquma, Ngqushwa, Great Kei. The ADM IDP/Budget road-shows are meant to report back on current performance and also to communicate the plans and programmes with the budget of the district municipality for the forthcoming year. During this process, community members are free to express their concerns and needs, and a question and answer (Q&A) document is drafted for discussions and consideration in the final draft IDP document which is ultimately presented to Council for approval. The ADM's road-shows schedule for the year under review had a different approach to that of the previous years in that the focus was on towns instead of municipalities. Furthermore, ADM decided to employ a clustered approach for the road-shows, thus, over and above the local communities, the rate payers associations, local business organisations, ward committees and Community Development Workers were targeted for attendance.

T 2.4.1

WARD COMMITTEES

The District Municipality has no direct interface with Ward Committees as they are a competence of local Municipalities. However in interaction with Speakers, through the Speakers Forum, the District is able to access information on the functioning of ward committees in the local municipalities. The Municipality invites ward committees to participate in its public participation activities especially during the development and review of the Integrated Development Plan, Budget and the Performance Management System and the Annual Report review as required in terms of the Municipal Systems Act.

Ward committees and ward councillors are gate keepers to our wards, so they are essential in all our activities. Ward committees are foot soldiers in that they carry messages from ADM to communities. They are part of our meetings and are essential stakeholder. Although they are attached to local municipalities, they are positively utilized by ADM.

T 2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Home visits during MRM month	09/07-03/09/2013	5	6	25	Yes	Members of the community appreciates the strides taken by ADM to the destitute homes
Mandela day	18/07/2013	15	3	100	Yes	This is annual event.
Christmas in July	July 2013	10	6	300	Yes	This is an annual event.
Closure of MRM month	30/07/2013	40	10	500	Yes	This was an intergeneration dialogue where adults shared their experiences with young ones
Women's month	August 2013	10	20	300	Yes	Project steering committee formed to monitor progress. More than 100 people are employed.
Water forum	Quartely	3	5	100	Yes	Ongoing event to address water and sanitation issues.
Mayor's challenge	September 2013	15	10	50	Yes	Annual event which is a tool to show case tourism in the district and attract tourists.
Heritage day	September 2013	15	10	300	Yes	A marketing event wherby ADM promotes it heritage and tourism destinations.

Arbour Day		5	15	350	Yes	Awareness campaign which was successful.
Launch of water harvesting programme	Ongoing	3	6	200	Yes	Promotes water conservation through water harvesting. It is a successful programme implemented to dry rural areas where water pipes are still to be installed.
Water forum	Quarterly	4	7	150	Yes	This is a platform where communities interface with political leadership to discuss water related challenges in their areas.
Capacity building to youth	June 2013	3	5	100	Yes	Encouraging youth to participate in the affairs of the municipality and to partake in activities aimed at building capacity in relation to agriculture.
Toilet Day		8	5	300	Yes	Sanitation processes are key to changing lives of the people.
Craftmania		10	8	150	Yes	Providing support to SMMEs as a way to promote LED.
Commemoration of 16 days of activism	Nov 2013	8	4	200	Yes	Advising target groups on adversaries of brutality to the vulnerable.
Christmas for elderly	Dec 2013	10	12	100	Yes	
Annual report public hearing	Feb 2014	15	12	700	Yes	
Water week	March 2014	5	7	200	Yes	
Tourism imbizo		15	10	200	Yes	A marketing event where ADM promotes its heritage and tourism destinations.
Mayor's cup 2014	31/05/2014 & 07/06/2014	15	25	630	Yes	An anti-crime awareness event aimed at developing sport within the district.
Commemoration of Human Right's Day	April 2014	10	10	300	Yes	Annual event that seeks to impact knowledge to people.
IDP/Budget Public Hearing	April 2014	15	15	300	Yes	Bringing services and budget to the people.
Council Open Day	April 2014	50	15	300	Yes	Platform for the Mayor to address successes of the district and points out projects to be implemented.

SODA	April 2014	50	15	300	Yes	Platform for the Mayor to address successes of the district and points out projects to be implemented
Mayoral Imbizo	June 2014	10	10	350	Yes	Mayor's interface.

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

2013-2014 activities and public participation events were very successful. A feedback from the communities indicates satisfaction.

Communities categorize our public participation events as successful on the following grounds.

1. They allow for the communities to get an opportunity to input on ADM's IDP.
2. They get an opportunity to interface with leadership.
3. They receive first-hand information.
4. They get feedback promptly
5. Above all they are able to assess the performance of the municipality on the basis of items promised and achieved.
6. Annual report serves to give indication to the municipality's performance on expenditure patterns.
7. They recognize the institution as one that promotes transparency, accountability and value for money.

T 2.4.3.

2.5 IDP PARTICIPATION AND ALIGNMENT

Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The implementation of the principles of good governance as promoted in the third King Report on Governance for South Africa, 2009, and enshrined in the Code of Governance Principles for South Africa (hereinafter referred to collectively as 'King III') have been accepted as a crucial element towards the success of Government, including local government in meeting the needs of the people of South Africa.

The first step to achieving ethical leadership is for the leadership within a municipality, whether office bearers, managers, political committees or any other structure promoting leadership within the municipality, to clearly understand their roles and responsibilities, including the separation of duties as provisioned in legislation. A clear understanding of such roles and responsibilities will then allow for an ethical culture and the principle of accountability can take root within the institution.

Therefore, the Amathole District Municipality, through its Good Governance Framework, seeks to outline in summary the different roles of different structures within the municipality. The Framework outlines the working areas and boundaries for all structures and office bearers and its basis will be the provisions made by legislation. The purpose of the Framework is ensuring that political and administrative structures are aware of their roles and responsibilities to ensure synergy in the way Council structures operate; in the delivery of ADM's core objectives against a code of ethics.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Purpose of Risk Management is to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of municipality's objectives.

Section 62 of the Municipal Finance Management Act 56 of 2003 states that:

- The accounting officer of municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps-
- That the resources of the municipality are used effectively, efficiently and economically;
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards ;
- That the municipality has effective, efficient and transparent systems-
- Of financial and risk management and internal control; and
- Of internal audit operating in accordance with any prescribed norms and standards

ADM' s top five risks are as follows:

- Inability to create jobs, alleviate poverty and create a thriving business environment within the district.
- Fraud and corruption
- Poor asset management
- Business Continuity failure
- Lack of understanding of LED responsibility within ADM

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The ADM has in place an Anti-Fraud/Corruption Management Strategy, which consists of the following key components:

- The ADM Anti-Fraud Management Policy'
- The ADM Whistleblowers Policy;
- The ADM Ethics Code for Staff; and
- The ADM, Fraud Prevention Plan.

During the year, the Strategy was further enhanced with the development of the Housing Finance Risk and Fraud Plan which deals specifically with fraud and corruption risks associated with the development and implementation of housing projects. This document was developed in readiness of the possible accreditation of the ADM to administer national housing programmes as provided for in terms of section 10 of the Housing Act 107 of 1997.

IT security continued to be an area of focus during the year, with an extensive digital forensic investigation conducted into two breaches of IT security.

As a fraud prevention intervention the Supply Chain Management Unit continues to move towards the centralizing of all procurement under the SCM unit, commencing with procurement by way of formal quotations between R30 000 and R200 000. This will also more strictly promote a division of duties in respect of the various areas of procurement, including identification by departments of goods and services required the calling for quotations, the evaluation process, the adjudication process, confirmation of delivery, and payment.

Besides conducting fraud and corruption awareness session with ADM staff, efforts were also made in holding similar sessions at local municipalities, commencing with fraud risk awareness workshops being conducted for various levels of staff at the Great Kei Local Municipality.

During the year, 14 reports were received via the ADM hotline. Twelve of these reports alleged abuse of ADM's vehicles. One report alleged fraud and corruption in respect of certain procurements and is currently under investigation; and one report alleged illegal water connections within the Buffalo City Metropolitan Municipal area (this report was referred to the appropriate authorities at BCMM.)

During the year one case of alleged fraud was handed over to the South African Police Services for further criminal investigation.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW OF SUPPLY CHAIN MANAGEMENT

The SCM Policy was initially developed and implemented to give effect to the SCM Regulations on 1 October 2005. The Policy was reviewed during 2007, 2010, 2011, 2012 and again during 2013. The Council adopted the last reviewed policy on 30 August 2013.

ADM has established a Supply Chain Management Unit in line with the internal Supply Chain Management (SCM) Policy. Currently there are 23 SCM officials appointed in the Unit. The ADM SCM Policy has been designed to be fair, equitable, transparent, competitive and cost effective. The Policy

does comply with the prescribed regulatory framework for municipal supply chain. There is a range of supply chain management processes which includes tenders, quotations, disposals and deviations. The Policy does specify which process must be followed for each range of commodities. There are procedures and mechanisms in place for each type of procurement process that is required to be followed. There is flexibility in the process in cases of emergencies and if the contract is below the prescribed thresholds. The Municipality also undertakes a pre-qualification of all bids received during a competitive bidding process. Bid Administration is strictly adhered to when advertising, opening, registering, recording, evaluating and adjudicating tenders. The final terms of the contracts are negotiated in certain circumstances.

Annually officials and councilors are required to disclose any conflicts of interests and any business interests they may have. The SCM System ensures that no persons who are not officials of the Municipality are involved in the procurement and tender processes. Councillors are prohibited from participating in the tender process. The Municipality has also prohibited persons who were previously convicted of fraud and corruption during the past five (5) years, who have failed on a contract in the past five (5) years, and whose tax matters have not been cleared by the South African Revenue Services from participating in the Municipal procurement process. Measures have been put in place to combat fraud and corruption. The Municipality has high ethical values. Where awards of tenders have been improperly made, these contracts are invalidated.

The Municipality has in certain circumstances participated in contract procured by other organs of state. A contract management unit exists within the SCM Unit that deals with contract management matters and dispute settling procedures. A delegation framework is in place for supply chain management powers, duties and functions. In line with the Municipal Finance Management Act (MFMA), the Accounting Officer has established the various Bid Committees. The Municipality ensures that the tender process is fair, equitable, transparent, competitive and cost effective to all parties. Currently the Municipality has not contracted for any goods and/or services beyond three (3) years.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 2013/2014					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
No new by-law introduced during the year	No by-law reviewed during the year in question				
<i>*Note: See MSA section 13.</i>					T 2.9.1

COMMENT ON BY-LAWS:

ADM's Municipal Code of By-laws was developed in 2010, with extensive public participation programme being followed in April 2010, with the following by-laws being gazetted in June and July 2010:

- Disaster Management By-law;
- Fire Safety By-law;

- Municipal Health By-law;
- Passenger Transport By-law;
- Revenue Management By-law;
- Waste Management By-law; and
- Water Supply and Sanitation Services By-law

Currently the Water Supply and Sanitation Services By-Law is under review.

T 2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	03 July 2012 – Budget. 4 January 2013 - Budget Adjustment 24 January – S72 on on the mid-year budget and performance assessment 07 March 2014 – Budget Adjustment
All current budget-related policies	Yes	30 May 2012
The previous annual report (Year 2011/12)	yes	28 march 2013
The annual report (Year 2012/13) published/to be published		January 2014
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	yes	31 October 2013
All service delivery agreements (Year 0)	Yes	5-Jul-12
All long-term borrowing contracts (Year 0)	N/a	
All supply chain management contracts above a prescribed value (give value) for Year 0	yes	All BAC contract awards published on a monthly basis
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	02 May 2014
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	no	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	yes	
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i></p>		

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

A special editorial team that will span across all department has been established as per the Communications action plan currently under review to ensure content compliance to the MFMA 75 so as to address any shortfalls in content. The municipality has recently developed a mobile responsive version of the website so as to ensure that council information can be reached even on mobile devices i.e. cellphones. In an effort to monitor usage statistics, all web-pages on the website have been loaded with a hit counter that measures unique visitors, what documents they access/download and the most accessed content.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

ADM undertook a Community Satisfaction Survey in 2011/12 financial year. Summary of the results of the survey were as follows:

Summary / conclusion: Services:-

1. People are satisfied with water but not with sanitation;
2. Strong perception that poor roads have an impact on tourism;
3. People are happy to pay for services

Summary/conclusion: LED:-

1. People not satisfied with the promotion of LED Opportunities especially with regard to tourism and local investment;
2. Possible weakness in communication strategy rather than actual issues;
3. More detailed research to determine the source of LED performance;

Summary / conclusion: Governance and Public Participation:-

1. People trust ADM but would like to see an improvement in transparency;
2. People would like to be heard but do not submit their opinions to ADM;
3. Communication of Council Decisions, policies, etc needs to improve; 4. Customer Care offices are under-utilised, further research required;

Summary / conclusion: Governance and Public Participation:-

1. People trust ADM but would like to see an improvement in transparency;
2. People would like to be heard but do not submit their opinions to ADM;
3. Communication of Council Decisions, policies, etc needs to improve; 4. Customer Care offices are under-utilised, further research required;

Summary / conclusion: Municipal Support:

1. Currently the ADM is conducting the support impact provided to Local Municipalities and this will provide the actual support outcomes.

From this pilot survey, the following key recommendations were made:

- A further survey study should be undertaken with a more representative sample of the community. The questionnaire should also be refined and expanded to include more in-depth questions to illicit a greater understanding of the dimensions surveyed.

- The communication strategy needs to be revisited and developed to accommodate the issues raised by this study relating to LED, indigent subsidies, receiving community input, communication council decisions, performance etc.
- Further research and understanding of the customer-care department and functions needs to be undertaken. This could possibly be undertaken in the format of an organizational diagnosis (OD) with concrete recommendations for improvement.
- In terms of the MSU, it would appear that a further understanding of its effectiveness should be undertaken. An OD should be undertaken which could inter-alia analyze the following:
- Review the current organisational structure and the structuring of the MSU at ADM and to make recommendations of the current configuration and possible future design to ensure maximum and efficient support to the respective LM's.
- Review the current financial structure and financing strategies to ensure that the MSU and its programmes are sufficiently funded and that the budget is optimally allocated.
- Review and describe the current control mechanisms and to recommend how they can be structured and improved to improve efficiencies.
- Review the current communication channels and forums to identify how the communication flow can be improved and make recommendations thereto.
- Review the current and future personnel requirements and make recommendations as to what the most effective organisation and personnel requirements will need to be to meet future requirements.

T 2.11.1

Satisfaction Surveys Undertaken during: Year 2011/12				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
Municipal Service Delivery	The research focused on all the Service Delivery Perspectives.	2011/2012 Year	Conducted samples in all the 7 LMs	
Satisfaction with:				
(a) Refuse Collection	Local Municipal Function	N/A	N/A	N/A
(b) Road Maintenance	Local Municipal Function	N/A	N/A	N/A
(c) Electricity Supply	Local Municipal and ESKOM Function	N/A	N/A	N/A
(d) Socio Economic Indicators & Perception	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	42% live in a formal house (CS2007 = 40%); 51 % earn less than R 2,200 a month; 39% reliant on Social Grants (SC 2007 = 40%)

(e)Water and Sanitation on Agriculture & Tourism	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Water & Sanitation <u>not</u> a challenge for Agriculture & Tourism; Poor Roads main Challenge for Tourism (40%) Poor Marketing and Tourism Attractions
(f)Satisfaction with Life	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	60% are not satisfied; Poor Support by Community; 60% are healthy; Good support from Family and friends;
(g)Municipal Services	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Paying for services is the right thing to do (72%) Seen improvement in the past 5 years (49%) Crime situation has gotten worse (50%) Stayed the same (34%)
(h)Water Services	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	52% are satisfied with water supply; 35% are not satisfied with water supply; Tampering of services is a problem (Great Kei)
(i)Public Participation	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	28% do not trust ADM; 60% not satisfied with transparency of Council Decision; 63% not satisfied with involvement in Council Decisions; 38% feel their ideas will be heard by Policy Makers;
(j)Communication	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	22% Generally satisfied with communication; 38% satisfied with communication strategic plans; 50% not satisfied with Council decisions; 11% satisfied with communication by laws;
(k)Customer Care	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Did not know there was a Customer Care Office (41%) 38% have never contacted a Customer Care Office; 35% are saying the offices are not accessible; 47% not satisfied with the system for processing queries
(l)Promoting LED	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	44% are generally dissatisfied, 16% satisfied; 9% are satisfied with ADMs Assistance in small business opportunities; 15% satisfied with ADMs attractions of local investment; 23% Satisfied with ADMs attractions of Tourism;

(m)Municipal Support	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Never heard of the MSU (49%); Selected targets respondents not directly involved in the functions of MSU. Currently the ADM is conducting the support impact provided to LMS and this will provide the actual support outcomes.
(n)Monthly Accounts and Indigent Subsidy	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	Accounts are generally received timeously, are user friendly and accurate 56% are aware of ADMs indigent subsidy scheme; The indigent Subsidy amount is not enough to cover Services (49%)
(o) Opportunities for consultation on municipal affairs	Distribution of Questionnaires	2011/2012 Year	Conducted samples in all the 7 LMs	The Municipality continue to have community and stake holder engagements as part of its operations for the implementation of the IDP
<i>T 2.11.2.1</i>				

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

During the 2013/2014 year the overall ADM performance results reflect a 81.6% success rate caused by mixed performance results of departments in implementing the SDBIP and Core Competency requirements of Directors. The 2013/14 performance is higher as compared to 2012/13 and 2011/12 financial years. The comparative analysis depicted in the tables below indicates that the performance results have improved in most KPAs. It is noted that there was significant improvement in the SDI, LED, and GGP clusters whilst there was a drop in MTI and MFV.

The e-perform system is now fully utilized and the scores depicted below for the Institution and departments reflect how the Institution has performed.

COMPARISON OF ADM'S CURRENT PERFORMANCE WITH PREVIOUS 2 FINANCIAL YEAR'S PERFORMANCE

ANNUAL PERFORMANCE OF ADM OVER 3 YEARS			
	2011/2012	2012/2013	2013/2014
Annual Overall Performance	71%	78%	81.6%
Key Performance Areas			
Municipal Transformation and Institutional Development	93%	94%	90%
Basic Service Delivery and Infrastructure Development	44%	60%	96%
Local Economic development	63%	88%	100%
Municipal Finance Viability and Management	87%	100%	71%
Good Governance and Public Participation	73%	79%	86%

Institutional Annual Performance % = 81.6%

CCR's (20%) + KPA's (80%) = 100%

18.6 + 62.9 = 81.6

Organisational Performance Results on SDBIP Targets						
KPI Performance Overview [2013/2014]						
Performance Results	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual	Annual %
Outstanding performance	15	24	23	33	28	19%
Performance significantly above expectations	7	7	11	13	12	8%
Fully effective	90	79	83	73	84	57%
Performance not fully effective	19	20	17	8	16	11%
Unacceptable performance	9	11	3	0	0	0%
N/A	9	8	10	20	7	4%
Total	149	149	147	147	147	100%

DEPARTMENTAL PERFORMANCE RESULTS OVER 3 YEARS BASED ON SDBIP TARGETS

Departments	Q1	Q2	Q3	Q4	Annual 13/14	Annual 12/13	Annual 11/12
Strategic Planning	65%	69%	71%	78%	75%	77%	92%
Corporate Services	72%	73%	78%	79%	82%	77%	83%
Community Services	78%	82%	76%	77%	77%	79%	88%
Budget & Treasury	77%	64%	71%	76%	75%	75%	79%
Land Human Settlement & Economic Development	72%	74%	71%	73%	73%	72%	50%
Engineering Department	78%	68%	67%	75%	70%	67%	37%
Legislative and Executive Support Services	66%	68%	74%	81%	80%	Included in Strategic Planning	-

The implementation of the electronic performance system, ePerform, has assisted the municipality in ensuring that program inputs, activities and results are evaluated on a system which assures the institution and its stakeholders of the integrity of the performance information. This led to obtaining a clean audit on performance information during 12/13 financial year.

There has been an outstanding improvement in the organizational performance during 2013/14, especially in the crafting of key performance indicators as well as timeous collation of portfolio of evidence. The institution will continue improving on its performance management system, particularly, in the application of the SMART principle.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The legacy of poor access to services in the former homelands, has resulted in massive water and sanitation backlogs for the Amathole District Municipality. Addressing these backlogs is a key priority for the ADM, but the speed of roll out is limited by funding constraints as well as access to bulk water resources.

Reasonable progress with regard to implementation of housing delivery has been achieved to date. It is also worth noting that ADM is in the process of accessing Level 2 Housing Accreditation Status which is envisaged to fast-track the Housing delivery upon approval. Coupled with that, is the development of Housing Risk and Fraud Plan, envisaged to identify all risk factors involved in housing development cycle, as well as to mitigate all bottlenecks resulting in slow pace of delivery.

In respect of Settlement Planning and Land Development, ADM had developed 11 Zone Plans in various local municipalities. These are aimed at providing a framework of settlement models to guide development options as well as providing local level planning for settlements and livelihood development in communal villages.

T 3.1.0

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Amathole District Municipality (ADM) became a Water Services Authority in 2003 and through a subsequent Section 78 process, became the Water Service Provider for the Amathole District in July 2006. Approximately 27% of water consumed in the District is purchased from the Amatola Water Board, while the balance is supplied from twenty eight (28) ADM owned Water Treatment Works and over eighty (80) borehole schemes. Water is supplied through metered yard connections in the towns and through communal standpipes in rural areas and informal settlements. The ADM failed to achieve Blue Drop status for any of its water treatment works, but obtained an overall average score 74.62. It should be noted that the ADM operates more treatment works than any other municipality in the country and the remoteness of many of these treatment facilities makes management difficult and expensive.

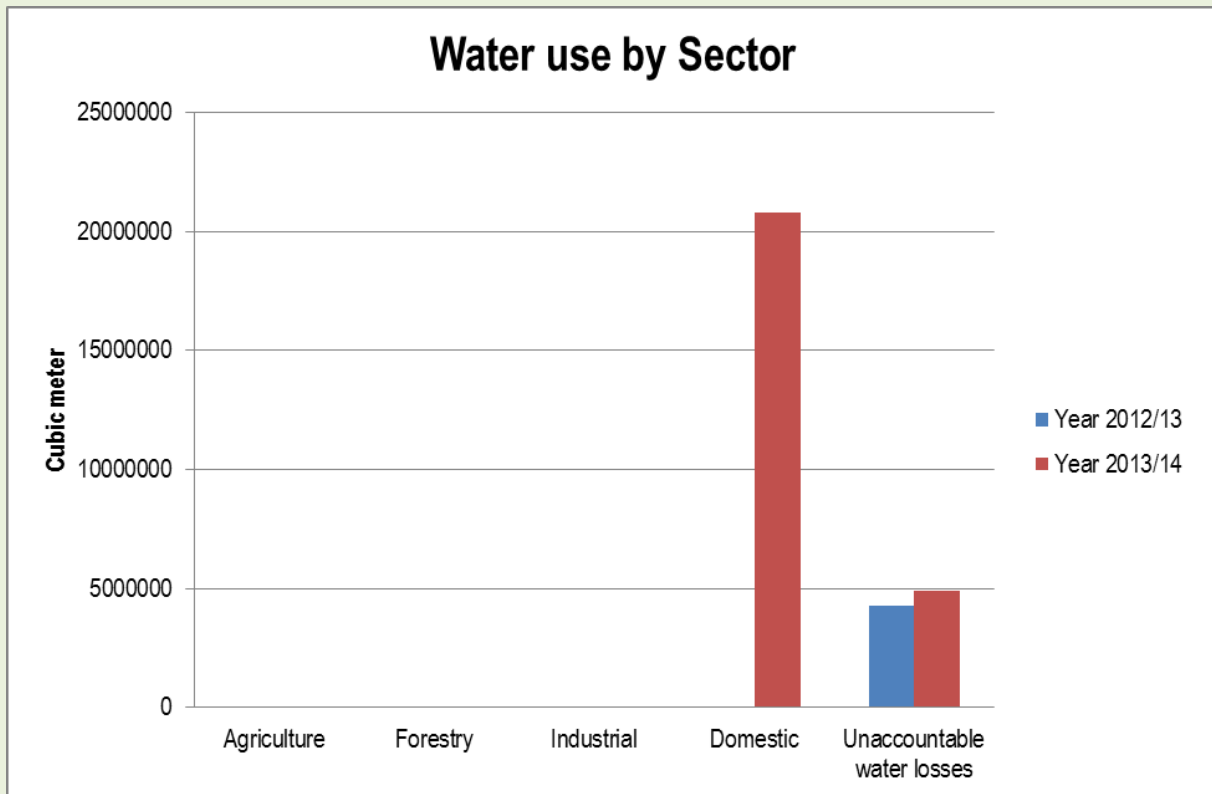
Major initiatives during the 2013/14 financial year included pipe replacement studies for three towns, as well as refurbishment plans for a number of dams and a water supply canal, where the pipe infrastructure has reached its useful life. The retro-fit programme (repairing water leaks in poor households) for a number of towns was also finalised and implementation began towards the end of the financial year.

One of the ADM's objectives when rendering water service, is to provide a reliable and affordable supply of potable water and sanitation to the communities, ensuring that the supply is within a 200m distance and each household is provided with a Ventilated Pit Latrine. These projects improve the living standards of the people in the area and contribute towards reduction of the prevalence of water borne diseases and create employment opportunities.

T 3.1.1

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year - 2012/13	n/a	n/a	n/a	15 838 299	4 293 655
Year 2013/14	n/a	n/a	n/a	20 824 934	4 893 928

T 3.1.2



T 3.1.2.1

COMMENT ON WATER USE BY SECTOR:

Unaccountable water losses are determined by measuring the outflow from water treatment facilities, subtracting what has been billed and subtracting an estimate of “free basic supply” (assumed to be 25l/p/d). In reality, many consumers in areas where only a free basic supply is being provided have connected illegally to the water supply system and use far greater quantities of water than the allocated “free basic supply”. As these illegal connections are not metered, the water is thus represented as a loss, even though it may have been consumed. The ADM is currently investigating ways of addressing the high number of illegal connections.

T 3.1.2.2

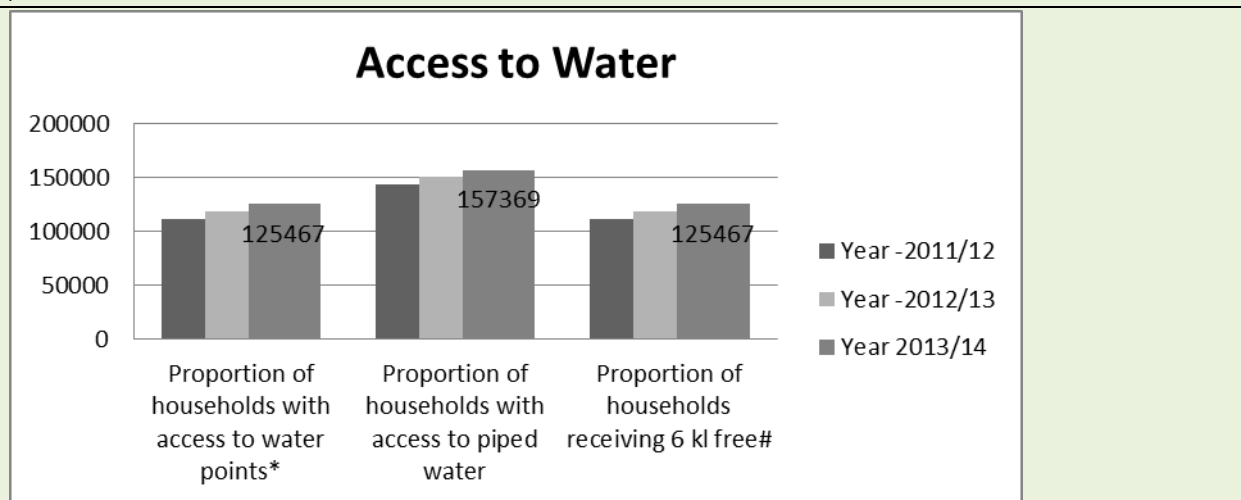
Water Service Delivery Levels				
Description	Households			
	Year 10/11	Year 11/12	Year 12/13	Year 13/14
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	31902	31902	31902	31902
Piped water inside yard (but not in dwelling)				
Using public tap (within 200m from dwelling)	111990	118718	125467	186624
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	143892	150620	157369	218526
<i>Minimum Service Level and Above Percentage</i>	60.00%	62.76%	65.57%	91%
Water: (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	96108	89380	82631	21474
No water supply				
<i>Below Minimum Service Level sub-total</i>	96108	89380	82631	21474
<i>Below Minimum Service Level Percentage</i>	40.00%	37.24%	34.43%	9%
Total number of households*	240000	240000	240000	240000

* - To include informal settlements T 3.1.3

Households - Water Service Delivery Levels below the minimum						
Description	Households					
	Year - 2010/11	Year - 2011/12	Year - 2012/13	Year 2013/14		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	233 816	234 254	234 254	234 254		234 254
Households below minimum service level	104 162	96 108	89 380	82 631		82 631
Proportion of households below minimum service level	243.48%	40.00%	37.24%	34.43%	%	34.43%
Informal Settlements						
Total households	5 746	5 746	5 746	5 746		5 746
Households ts below minimum service level	5 746	5 746	5 756	5 756		5 756
Proportion of households ts below minimum service level	100%	100%	100%	100%	%	100%

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year -2011/12	111990	143892	111990
Year -2012/13	118718	150620	118718
Year 2013/14	125467	157369	125467
			T 3.1.5

* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month

T 3.1.6

Employees: Water Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	8	12	9	3	25
4 – 6 (TG13-14)	34	14	14	0	
7 - 9 (TG9-12)	67	139	139	0	
10 - 12 (TG8)	6	36	36	0	
13 - 15 (TG4-7)	404	910	910	0	
16 - 18	0				
19 - 20	0				
Total	519	1111	1108	3	0.3
T3.1.7					

Financial Performance Year 0: Water Services						R'000
Details	Year - 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	186 068	327 398	437 298	175 894	-46.28%	
Expenditure:						
Employees	122 361	157 334	164 446	155 990	-0.85%	
Repairs and Maintenance	11 325	19 450	19 450	15 336	-21.15%	
Other	337 664	319 941	440 669	350 021	9.40%	
Total Operational Expenditure	471 350	496 725	624 565	521 347	4.96%	
Net Operational Expenditure	-285 282	-169 327	-187 267	-345 453	104.02%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.1.8

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The water backlog as at 2011/12 stood at 89,380 households for the whole of Amathole District Municipality, and the Municipality manages to connect 6 749 households with water this financial year. Out of Municipal Infrastructure Grant funding of R399 million, the amount spent on water projects is about R257million.

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The Amathole District Municipality (ADM) became a Water Services Authority in 2003 and through a subsequent Section 78 process, became the Water Services Provider (including sanitation) for the Amathole District in July 2006. The ADM provides sanitation services via water borne sanitation connected to fifteen waste water treatment works, emptying of conservancy tanks with honey suckers and Ventilated Improved Pit Latrines. The ADM has so far failed to achieve Green Drop status for any of its waste water treatment works.

Amathole District Municipality intends to eradicate sanitation backlogs in its area of jurisdiction as a Water Services Authority, with funding from Municipal Infrastructure Grant (MIG) and other available source of funding. This will be achieved through the supply and installation of VIP movable or re-locatable toilets. One of the challenges that the ADM is faced with is the bucket system that is used on the ervens located outside the official erf boundaries (Informal houses), and this has been elevated to the affected Local Municipalities to ensure that Services are not rendered at areas that might be evacuate at any given time.

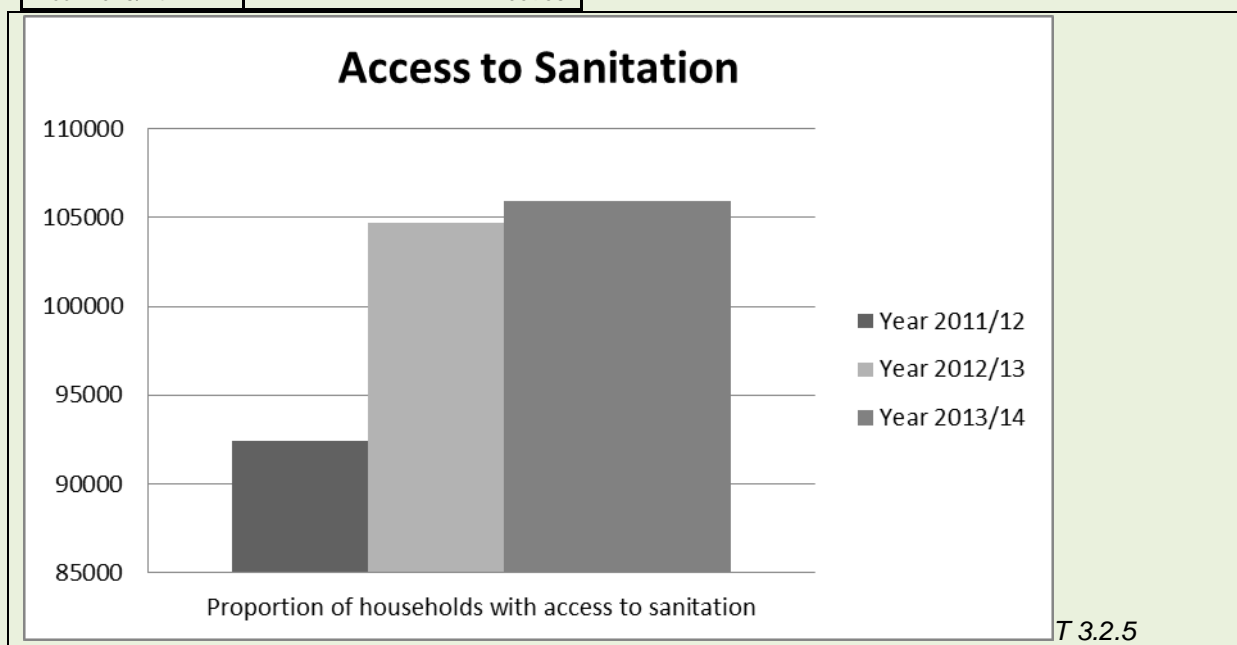
T 3.2.1

Sanitation Service Delivery Levels				
Description	Year 2010/11	Year 2011/12	Year 2012/13	Year 2013/14
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	600	22637	23882	23882
Flush toilet (with septic tank)	Included above	Included above	Included above	Included above
Chemical toilet	N/A	N/A	N/A	N/A
Pit toilet (ventilated)	64956	69763	80826	93573
Other toilet provisions (above min.service level)	0	0		
<i>Minimum Service Level and Above sub-total</i>	87593	92400	104708	117455
<i>Minimum Service Level and Above Percentage</i>	36.50%	38.50%	43.63%	49%
<u>Sanitation/sewerage: (below minimum level)</u>				
Bucket toilet	1088	1088	**624	*624
Other toilet provisions (below min.service level)	0	0	0	121921
No toilet provisions	151319	146512	134668	122545
<i>Below Minimum Service Level sub-total</i>	152407	147600	135292	122545
<i>Below Minimum Service Level Percentage</i>	63.50%	61.50%	56.37%	51%
Total households	240000	240000	240000	240000
<i>*Total number of households including informal settlements</i>				<i>T 3.2.3</i>

Households - Sanitation Service Delivery Levels below the minimum				Households		
Description	Year 2010/11	Year 2011/12	Year 2012/13	Year 2013/4		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	234254	234254	234254	201,405,000	150,000,000	234 254
Households below minimum service level	152407	147600	135292			122 545
Proportion of households below minimum service level	63.50%	61.50%	56.37%			51%
Informal Settlements						
Total households	5746	5746	5746	0	0	5746
Households ts below minimum service level	5746	5746	5746			5746
Proportion of households ts below minimum service level	100%	100%	100%			100%
						<i>T 3.2.4</i>

Access To Sanitation

Access to Sanitation	
	Proportion of households with access to sanitation
Year 2011/12	92400
Year 2012/13	104708
Year 2013/14	105963



Employees: Sanitation Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3 (TG15 & above)	1	1	1	0	
4 - 6 (TG13-14)	3	3	3	0	
7 - 9 (TG9-12)	6	6	6	0	
10 - 12 (TG8)	7	7	7	0	
13 - 15 (TG4-7)	9	38	38	0	
16 - 18	11	0	0	0	
19 - 20	18	0	0	0	
Total	55	55	55	0	

T 3.2.7

Financial Performance Year 0: Sanitation Services					
R'000					
Details	Year 2012/13	Year 2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	26 475	96 848	96 848	57 790	-40.32%
Expenditure:					
Employees	26 475	30 101	30 101	31 060	3.19%
Repairs and Maintenance	4 515	8 415	8 415	4 398	-47.74%
Other	72 386	38 507	38 507	82 941	115.39%
Total Operational Expenditure	103 376	77 023	77 023	118 399	53.72%
Net Operational Expenditure	-76 901	19 825	19 825	-60 609	
<i>T 3.2.8</i>					

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

In order to meet the target of providing adequate sanitation to all households in its area of jurisdiction, ADM is embarking on the Accelerated Sanitation Programme (ASAP) for the roll-out of rural sanitation for each Local Municipality. The problem with regard to sanitation services in the municipality has to do with the large volume of sanitation backlog and the funding gap in overcoming the backlog. Also the Municipality has appointed four Suppliers to assist in providing the material for the pit latrines for the entire area of jurisdiction for the duration of three years.

The sanitation backlog as at 2011/12 stood at 147,600 households for the whole of Amathole District Municipality. One of the challenges on sanitation that is faced by the municipality is the buckets that are utilised on the informal areas, this will take time for the municipality to eradicate this backlog as firstly the areas need to be formalised. Currently the Municipality together with the Department of Human Settlement are assisting the Local Municipalities in addressing the situation. Out of Municipal Infrastructure Grant funding of R399M, the amount spent on sanitation projects is about R150million.

T 3.2.10

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Amathole District Municipality does not perform this function. Electricity is performed at a local level in partnership with ESKOM.

T 3.3.1

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

The Municipal Structures Act (117 of 1998), Section 84 of the Municipal Structures Act, deals with the division of powers and functions between district and local municipalities in relation to solid waste management. The district is responsible for Solid Waste disposal sites, in so far as it relates to-

- The determination of waste disposal strategy for the district as whole,
- Regulation of waste disposal strategy for the district as a whole, and
- Establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.

In relation to the local municipality:

- The determination of a waste disposal strategy for the local municipality only;
- The regulation of local waste disposal site for the municipality only;
- The collection and removal of waste, disposal site, bulk transfer facility and district disposal site
- The establishment, operation and control of waste disposal facilities for the local municipality only

Operations on Eastern Regional Solid Waste Site in Ibika, Butterworth commenced on the 23 April 2012 and are currently continuing in an efficient manner. The site is also provided with a recycling wing that is fully resourced and operating. ADM is also in the process of constructing two transfer stations in both Mbhashe and Mquma Local Municipalities. One transfer station in Mbhashe in Idutywa is currently under construction. Once this transfer station is completed, benefits will be immense as transport costs for the local municipality will be reduced consequently less expensive to provide the waste service. For the second site in Willowvalle, land invasion related delays continue to frustrate the progress.

ADM had the following impact in these three service delivery priorities:

- ADM continues to create a platform where sharing and learning is promoted through the Solid Waste Stakeholder Forum.
- The site for the Transfer Station in Idutywa has been handed over to the Contractor for construction with construction continuing in an efficient manner.
- ADM continues to prioritize initiatives for waste avoidance, reduction and recycling, I.e. Operationalisation of the Eastern Regional Waste Site as well as Review of the Feasibility Study of the Western Regional Solid Waste Site.

Major challenges in waste management services and remedial actions:

Solid Waste services have, for a long time, not been prioritized at the same level as other services like water and sanitation. This has been a major concern as projects emerging from the Integrated Waste Management Plan (IWMP) (even though valid projects) were not budgeted for. This problem is linked to the failure by most local municipalities in developing and implementing indigent registers for solid waste. This challenge has consequently prevented the municipality from fully identifying and responding to communities living in poverty and deficient in this basic service.

T 3.4.1

Employees: Solid Waste Management Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3 (TG15 & above)	1	1	1	0	
4 - 6 (TG13-14)	1	1	1	0	
7 - 9 (TG9-12)	1	1	1	0	
10 - 12 (TG8)					
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	3	3	3	0	
					T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3 (TG15 & above)	1	1	1	0	
4 - 6 (TG13-14)	2	2	2	0	
7 - 9 (TG9-12)					
10 - 12 (TG8)					
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	3	3	3	0	
					T3.4.6

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

It is a requirement of National Government under the NEMA Waste Act that a district municipality complies with an Integrated Waste Management Plan (IWMP) to form part of the municipal Integrated Development Plan (IDP).

The ADM IWMP has identified the following five targets as set out in its IDP:

<Construction of a Transfer Station in Mbashe. The transfer station will assist in ensuring that waste gets transferred from municipal collection vehicles to bulk haul vehicles for transportation to the Eastern Regional Solid Waste site. Construction is continuing.

>Review Feasibility Study for the Western Regional Solid Waste Site. The main purpose of this project is to conduct a review of the feasibility study, to identify the need for the regionalization of solid waste service in the Western Region. The Feasibility Study has been completed and confirmed the feasibility of the regionalisation of the solid waste service in the Western Region.

< Complete a study in identifying markets for recyclables in the ADM area of jurisdiction. This study will culminate in identifying an area as well as a market that will ensure that recyclers get more out of their recyclables due to savings in transport costs. A call for proposals will be initiated in the next financial year.

<Harvesting of landfill gas. This projects is in line with one of the developmental policies of National Government, i.e. Environmental and Energy Sustainability. A call for proposals will be initiated in the next financial year.

>Design and development of solid waste collection points in certain settlements with access challenges. This exercise is being aligned with in the local municipality's IWMP's.

ADM is also completing the Feasibility into the provision of Transfer Stations in Keiskamahoe nine villages of Gxulu, Gwiligwili, Lower and Upper Mnyameni, Mthwaku, Ndlovini, Ngobozana and Upper Ngumeya who successfully lodged a claim for the restitution of land rights. This project will ensure that the solid waste service is extended to the rural parts of the district as required by legislation. The Feasibility Study has been completed and confirmed the feasibility of provision of two Transfer Stations, one in Gwili Gwili and another in Upper Mnyameni.

T 3.4.10

3.4 HOUSING

INTRODUCTION TO HOUSING

The strategic role of ADM with regard to Housing Development is to Support, Guide, Co-ordinate, Advocate and Implement (where necessary) on behalf of the local municipalities within its jurisdiction. Furthermore, ADM undertake direct implementation in communities where the need exist and with specific view of capacity building of Local Municipal personnel to perform the function in the near future. It is also worth to note that ADM is in the process of accessing Level 2 Housing Accreditation Status which is envisaged to fast-track the Housing delivery upon approval.

T 3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year 2010/11	471526	258013	54.7%
Year 2011/12	471526	258013	54.7%
Year 2012/13	246061	107601	43.7%
Year 2013/14	243348	106140	43.7%
			T 3.5.2

Employees: Housing Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	1	1	1	0	
4 – 6 (TG13-14)	1	1	1	0	
7 - 9 (TG9-12)	2	2	2	0	
10 - 12 (TG8)					
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	4	4	4	0	
T 3.5.4					

Financial Performance Year 0: Housing Services						R'000
Details	Year 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	12 667	1 893	1 893	1	99.95%	
Expenditure:						
Employees	7 381	7 232	7 232	7 660	5.92%	
Repairs and Maintenance	17	60	60	0	-100%	
Other	41 727	3 105	8 509	2 820	-9.18%	
Total Operational Expenditure	49 125	10 397	15 801	10 480	0.79%	
Net Operational Expenditure	-36 458	-8 504	-13 908	-10 479		
T 3.5.5						

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

No projects have been approved by the Provincial Government in the last year of Reporting. As such no new allocations were made. Also worth noting is decrease that is reflected with regard to quantity of Household. This is attributed to the fact that Buffalo City is no longer within ADM jurisdiction.

T 3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Free Basic Services

Free basic services are currently supplied in the form of a communal tap stand within 200 meters walking distance from each household and VIP latrines for sanitation purposes. The ADM, however, recognises that most communities aspire to a higher level of service and in this regard, the ADM is currently investigating methods of improving service level standards in a financial and technically sustainable manner. Limited water resources mean that the level of service cannot be improved infinitely, but it is believed that through careful management, higher levels of service can be attained.

Free basic sanitation consists of the construction of VIP latrines. These are being installed as quickly as funding will allow

Indigent

ADM is doing indigent registration to all the seven (7) local municipalities that it is servicing. 2, 479 indigents have been registered during the period under review. The number is increasing due to the improved communication which is undertaken by the Field Verification Officers. The registration is taking place in two folds i.e. visiting the consumers in their residential areas and others are walk – in consumers to the satellite offices. When conducting the awareness campaigns and registrations, relevant stakeholders (SASSA to confirm the pension grant and SAPS for affidavits) are also invited. The subsidy is only granted to those households whose gross income does not exceed two times the Government social grant (pension) as prescribed. Free first 6kl is granted and any excess is billed according to the normal tariff fee applicable. All applications received are analysed for correctness before submission for approval. The grant is valid for a maximum period of twelve (12) months. When the indigent consumer level of income improves, the grant is cancelled. The Indigent policy is reviewed on an annual basis and the indigent register is maintained and monitored on a monthly basis.

T 3.6.1

Free Basic Services To Low Income Households										
	Total	Number of households								
		Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
Total	Access	%	Access	%	Access	%	Access	%		
Year 2011/12	240 000	240 000	118 718	49.46	69 763	29.07	N/A	N/A	N/A	N/A
Year 2012/13	240 000	240 000	125 467	52%	80 826	33.7%	N/A	N/A	N/A	N/A
Year 2013/14	240 000	240 000	137 907	57%	96 588	40%	N/A	N/A	N/A	N/A

T 3.6.3

Financial Performance Year 2013/14: Cost to Municipality of Free Basic Services Delivered						
Services Delivered	Year 2012/13		Year 2013/14			
	Actual	R	Budget R	Adjustment Budget R	Actual R	Variance to Budget
Water and Sanitation (Indigent Support)	3 135 891		5 179 638.00		5 422 441.02	242 803.02
Waste Water (Sanitation)						
Waste Management (Solid Waste)						
Total	3 135 891		5 179 638.00		5 422 441.02	242 803.02
						<i>T 3.6.4</i>

COMMENT ON INDIGENT SUPPORT:

Over 80% of ADM is considered indigent and therefore eligible for free basic services. Free basic water services are provided through means of a communal stand pipe within 200 meters walking distance from households. This service is found mainly, but not limited to rural areas, while indigent consumers living in towns receive a free allocation of 6kl of water per month via a normal house connection.

Since not all consumers receiving the municipal services are able to pay for such services rendered, the municipality has adopted a policy which caters for an Indigent subsidy. The Indigent subsidy assists those households that are unable to pay due to their level of income. Application must be made for the indigent subsidy by the consumers. In order to qualify, a household must earn less than an amount equal to two state pensions per month. Indigent status is valid for 24 months. Once granted, the consumer then receives the first 10kl of water consumed per month free of charge.

The municipality continuously hosts campaigns throughout the district to create awareness on the process of indigent registration and to encourage registration in all the seven (7) local municipalities that it is servicing. 4195 indigents have been registered during the period under review. The number is increasing due to the the improved communication which is undertaken by the Field Verification Officers. The registration is taking place in two folds i.e. visiting the consumers in their residential areas and others are walk – in consumers to the satellite offices

When conducting the awareness campaigns and registrations, relevant stakeholders (SASSA to confirm the pension grant and SAPS for affidavits) are also invited. The subsidy is only granted to those households whose gross income does not exceed two times the Government social grant (pension) as prescribed. Free first 6kl is granted and any excess is billed according to the normal tariff fee applicable. All applications received are analysed for correctness before submission for approval. The grant is valid for a maximum period of twelve (12) months. When the indigent consumer level of income improves, the grant is cancelled. The Indigent policy is reviewed on an annual basis and the indigent register is maintained and monitored on a monthly basis.

T 3.6.

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

ADM does not have Roads Function. The function of roads in ADM is split between Local Municipalities and the Provincial Department of Roads and Public Works, in that Local Municipalities are responsible for Municipal Roads and the Provincial Department of Roads and Public Works responsible for provincial roads. It must be noted though that only on completion of the Road Asset Management System (RAMS) will the role of ADM as a district be amplified or revised if need be.

ADM, through its Municipal Support Unit (MSU), is providing support to its local municipalities in areas where they need assistance. The municipalities construct new access roads each financial year through their MIG funding for their communities, but this service can be construed as a waste of resources because these roads deteriorate after sometime due to lack of maintenance. In order for the access roads to remain sustainable they ought to be maintained periodically, failure to do so will result in roads gradually deteriorating until they have completely vanished.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

The National Department of Transport has initiated a priority program that will see the Amathole District Municipality rolling out the Road Asset Management System (RAMS) throughout the district utilising the Rural Transport Services and Infrastructure Grant. Even though the ADM is not a roads authority, it was chosen by the National Department of Transport because of its status as a Water Services Authority as well as its good track record.

A consultant has been appointed to carry out the road asset inventory throughout the District. The magnitude of this program has necessitated that it be extended up until the 2016/17 financial year. On completion of the RAMS systems, the national Department of Transport will through National Treasury fund rehabilitation, upgrading and construction of rural roads. The role of districts during the implementation phase is still being assessed.

T 3.7.1

3.8 TRANSPORT

INTRODUCTION TO TRANSPORT

The National Land Transport Act 5 of 2009 assigns planning responsibilities for land transport to municipalities. This is to be executed in conjunction with other spheres of government.

In terms of the powers and functions devolved by the Local Government Municipal Structures Act, 117 of 1998, Amathole District Municipality (ADM) is responsible for municipal public transport, which is a shared function with local municipalities in terms of services and infrastructure provision. In addition, ADM is responsible for regulation of the passenger transport services in all areas within the district. Section 84 of the Municipal Structures Act (Act 117 of 1998) deals with the division of powers and functions between District and Local municipalities:

With regard to Municipal Public Transport the district has to perform the following functions.

- Must exercise any power concerning the regulation of passenger transport services for the district as a whole.
- Develop a transport strategy and plan for the district
- Determine a service delivery mechanism for the performance of the function
- Develop or maintain the capacity to perform the function
- Make and administer bylaws in terms of section 156(2) of the Constitution
- Build capacity of the local municipalities where capacity is lacking in order to perform all the functions excluding regulatory function

T 3.8.1

Employees: Transport Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	1	1	1	0	
4 – 6 (TG13-14)	1	0	0	0	
7 - 9 (TG9-12)	0	2	2	0	
10 - 12 (TG8)	0	0	0	0	
13 - 15 (TG4-7)	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	2	3	3	0	

T3.8.4

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

ADM has in the past financial year completed the following projects:

- Elliotdale Public Transport Facility Phase 1.
- Butterworth Interchange.

ADM has also undertaken construction of the Willowvalle Public Transport Facility which is expected to be completed before end of the next financial year. The Idutywa Public Transport Facilities has also been revitalised and will also be completed before end of the next financial year.

The ADM ITP has identified the following five targets as set out in its IDP

- Provision of transport Infrastructure to improve pedestrian safety and public transport operations. This project is currently not funded but will always be motivated for funding.
- The institution has successfully reviewed its Integrated Transport Plan (Minor review 2013/14 Financial Year).

- ADM continues to engage on integrated planning through liaising with the Provincial Department of Transport.
- Development of Road Assessment Management System (RAMS). The objective of the grant is to ensure effective and efficient investment on rural roads through development of Road Asset Management System (RAMS) throughout the districts through the following methodology:
 - . Collection of Road Inventory data including condition assessment and traffic data.
 - . Setting up pavement and bridge management system compatible with national standards.
 The RAMS database has been developed and circulated to all stake holders.
- Feasibility Study into the Management of Public Transport Facilities. This study will assist in shedding light on what needs to be put in place so as to ensure efficient management and operation of public transport facilities. The study has been completed and came up with a number of recommendations, both hard and soft in nature.

Transport has for a long time not been recognized at the same level as other services. This has been a major concern as projects emerging from the Integrated Transport Plan (ITP), even though valid projects were not funded.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The District Municipality does not perform this function. Stormwater drainage is performed at local level.

T 3.9.1

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The Land Use function is a Local Municipal function in terms of the devolution of powers and functions. However, a data collected from the Local Municipalities falling within the district is as detailed hereunder, in a different format.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

Amathole District Municipality as part of fulfilling its role with regard to the management of the “space” it occupied has developed a Spatial Development Framework in line with the provisions of the Municipal Systems Act and other Land and Planning laws applicable. The SDF is a strategic tool of the Municipality, aimed at identifying Key Spatial Development issues, main Nodes and Zones of potential development, and it takes into account the current pattern of land use and nature of development in the Municipal area.

Therefore it serves as a guide to Municipalities regarding their Spatial Areas of great need and priorities for investment in development and associated interventions.

It forms the basis for land use management and serves as a guideline to inform the Municipality in its decisions on land development (new developments and changes to existing land uses) in its area of jurisdiction.

It should be noted that, depending on the legislation used for an application, a Local Municipality may, under the current Spatial Planning Legislation, either have full responsibility to process and adjudicate an application or would only be required to render comment and provide a recommendation to a Provincial-level decision-making body.

A total of 41 land development applications were made in the seven LMs in the period 2011 to 2013. Of these, 16 were brought in terms of the now-defunct DFA, 11 were brought in terms of the Townships Ordinance 33 of 1934, in terms of Land Use Regulation Act 15 of 1987 and Less Formal Townships Establishment Act 113 of 1991, and 7 in terms of the Land Use Planning Ordinance, Ordinance 15 of 1985. This means that of the total of 41 applications known to have been dealt with, only 7 had to be completely processed and approved by the LM (3 by the Amahlathi LM and 4 by the Nxuba LM).

The remaining applications required the relevant Local Municipality to provide comment and a recommendation to an external approving authority, which provided supportive administrative and application-processing services.

The ADM is committed in its responsibility to support the Local Municipality in their endeavour to fulfill the role assigned to them in terms of devolution of powers and functions.

T 3.10.1

LAND USE APPLICATION	AMAHLA THI	GREAT KEI	MBASHE	MNQUMA	NGQUSHWA	NKONKOBE	NXUBA
Appeal		1					
Departure		1					
Removal of Restrictions							
Rezoning	1	1	5	1	3		2
Special Consent							1
Sub-division	1	1	1			1	
Sub-division & rezoning	4	3	2	2		1	1
Township	1		6			1	

Employees: Planning Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	3	1	1	0	
4 – 6 (TG13-14)	6	2	2	0	
7 - 9 (TG9-12)	12	8	8	0	
10 - 12 (TG8)					
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	21	11	11	0	
T 3.10.4					

Financial Performance Year 0: Planning Services						R'000
Details	Year 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	1	353	353	3	-99.15%	
Expenditure:						
Employees	8 337	8 748	8 748	8 361	-4.42%	
Repairs and Maintenance	41	100	100	7	-93%	
Other	5 055	2 435	1 935	1 790	26.49%	
Total Operational Expenditure	13 433	11 283	10 783	10 158	-9.97%	
Net Operational Expenditure	-13 432	-10 930	-10 429	-10 155	-7.09%	
T 3.10.5						

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

As a follow up to the investor conference which ADM held in the previous year, an ADM team visited Belgium as part of the Nelson Mandela exhibition. The result of this visit was a training of ADM Cooperatives and SMMEs for Export readiness by the Belgians which benefitted 10 co-ops that are assisted by Aspire.

A corporative Development Centre an initiative of the National and Provincial government was approved by ADM council. A fashion show that was held on the 28 and 29 November in Mngquma last year whose purpose was to improve quality of goods produces by designers resulted in Four Fashion Designers to be nominated by the Department of trade and industry to attend a training course in China that will take sixty (60) days.

Amathole District Municipality and ELIDZ have formed partnership on targeted SMME Development Programme SMME. Thirty five (35) Contractors from Amathole District Municipality were selected to be the beneficiaries of this Contractor Incubator Development Programme and it will be kick started by a training programme as to develop skills of the selected contractors. Each contactor will also get mentoring throughout the programme.

ADM has embarked on a Tourism Economic Impact Survey that sought to determine the extent to which the Tourism Sector contributes to the ADM economy. Coupled with the objectives was a thorough emphasis on the job creation and level of community involvement in the main-stream tourism economy. This will not only serve as a basis against which the ADM can better plan for its tourism development, but it is also indicative of which tourism sub-sectors should take prioritization in the district

The impact indicators for AREDS are aligned to the Millenium Development Goals of halving poverty and unemployment by 2014. These goals are similar to those of the provincial and national government. To achieve this AREDS proposes four key interventions which are the following, high impact investments, human capital development, improved governance and improved stakeholder co-ordination. In line with these proposed interventions the ADM and its development agency Aspire have developed and implemented strategies to implement economic development programmes. One of these programmes that is implemented by the development agency Aspire is the revitalization of the small towns in the region. Through this programme , critical infrastructure has been developed in small towns Butterworth, Stutterheim and Hamburg, with further work to be done in areas like Alice and Idutywa. This infrastructure has made these small towns to be more function and attactive for investment which has an end result of creating jobs.

T 3.11.1

Economic Activity by Sector			
	R '000		
Sector	Year 2011/12	Year 2012/13	Year 2013/14
Agric, forestry and fishing	343	350	350
Mining and quarrying	18	19	19
Manufacturing	1690	1705	1705
Wholesale and retail trade	72	70	70
Finance, property, etc.	257	260	260
Govt, community and social services	1 656	1 718	1 718
Infrastructure services	445	457	457
Total	3551	3389	3389

T 3.11.2

Economic Employment by Sector			
Sector	Jobs		
	Year 2011/12 No.	Year 2012/13 No.	Year 2013/14 No.
Agric, forestry and fishing	6 340	6 830	6 830
Mining and quarrying	116	113	113
Manufacturing	8 979	8 360	8 360
Wholesale and retail trade	179	186	186
Finance, property, etc.	3 840	3 676	3 676
Govt, community and social services	16 531	16 276	16 276
Infrastructure services	3 731	3 845	3 845
Total	3 527	3 333	3 333
			<i>T 3.11.3</i>

COMMENT ON LOCAL JOB OPPORTUNITIES:

Local Economic Development/Tourism is labour intensive and is characterised by its mass employment ranging from temporary to permanent. Although seasonal in nature, Tourism remains one of the major mass employer in the district.

The EPWP program was accelerated and created more than 2350 job opportunities over a period of 6 months. In addition to this about 140 graduate interns were employed by the municipalities over a period of 2years contributing tremendously to the reduction of unemployed graduates within our district.

T 3.11.4

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year 2011/12	30	1200
Year 2012/13	180	2250
Year 2013/14	50	3400
* - <i>Extended Public Works Programme</i>	<i>T 3.11.6</i>	

Employees: Local Economic Development Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	7	7	6	1	14%
4 – 6 (TG13-14)	5	7	7	0	
7 - 9 (TG9-12)	11	14	13	1	7%
10 - 12 (TG8)	9	0	0		
13 - 15 (TG4-7)	1	2	2	0	
16 - 18					
19 - 20					
Total	33	30	28	2	7%

T 3.11.8

Financial Performance Year 0: Local Economic Development Services					
					R'000
Details	Year 2012/13	Year 2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	42 924	75 551	138 917	33 994	-55.01%
Expenditure:					
Employees	12 829	13 374	14 506	15 125	-13.09%
Repairs and Maintenance	15	65	65	8	87.69%
Other	62 201	121 955	122 129	53 374	56.23%
Total Operational Expenditure	75 045	135 394	136 700	68 507	-49.40%
Net Operational Expenditure	-32 121	-59 843	2 217	-34 513	-42.33%

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services in the Amathole District Municipality comprises the following:

- Municipal Health Services
- Water Quality Monitoring
- Environmental Pollution Control
- Food Control
- Fire Services in 4 Local Municipalities [as assigned by the MEC]
- Disaster Management
- Community Safety

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

ADM does not perform this function.

T3.12.1

3.13 CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS

ADM does not perform this function.

T 3.13.1

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

ADM does not perform this function.

T 3.14.1

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

In terms of the Air Quality Act 39 of 2004, District and Metropolitan municipalities are responsible for the following:

- Designating an air quality officer for the district - The Environmental Manager is the designated Air quality officer for the ADM
- Developing Air Quality Management Plans (AQMP) to be integrated into the IDP - AQMP developed and integrated into the IDP
- Performing atmospheric emission licensing function as set out in s22 of the Air Quality Act. - MOU signed with DEDEAT

SERVICE DELIVERY PRIORITIES

Air Quality Monitoring

According to the Air Quality Act, municipalities are responsible for the implementation of the Air quality Management plan which also involves air quality monitoring. ADM has developed the Air quality management plan as required by the Air Quality Act, 2004. In order to monitor and manage air quality, ADM also conducted the ambient air quality assessment in order to determine and monitor certain air quality substances such as SO₂, CO₂, and PM10 (dust)

Compliance and Enforcement

ADM has the Air quality and pollution control by-law to respond to compliance issues. Two air quality complaints were received and attended to. The first one was in relation to Noise pollution at Amahlathi and the second complaint was about the pollution caused by the generator at Great Kei.

Permitting and Licensing

ADM has the MOU with the province where the atmospheric emission licensing function is performed through a joint working committee.

In terms of improving services, two local municipalities which were identified as hot spot by the air quality management plan, i.e., Mnquma (factories and Quarry) and Amahlathi (timber industry) were closely monitored through the installation of passive samplers and analysed by the accredited air quality and pollution control laboratory. In order to improve performance more air quality sampling need to be done and rural communities need training and capacity building.

T 3.15.1

3.16 BIO-DIVERSITY AND LANDSCAPE

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

ADM implemented three major service delivery projects namely:

*BLUE Flag Programme through which ADM is refurbishing the Hamburg Ablution Facilities as one of the programmes to attain a Blue Flag Status for the beach. The beach have attained a Pilot Blue Flag status and this greatly impact on economic development of the district through tourism.

* Amathole Mountain Biosphere Programme which will mark the district as a destination for sustainable development.

In line with the nomination processes, the following activities was undertaken:

- Integration of the project into the SDF, and provincial plans
- Biophysical study of the Biosphere area
- Conducting of the detailed public participation processes across the ADM

* ADM has also developed the Air Quality Management Plan which have assisted the district to identify the level of air quality so as to ascertain whether the air is not harmful to the citizens of the district. Furthermore, the plan provides a baseline to which will determine the kind of industries that the district can house for development.. The Air Quality Management Plan recommended that an Ambient Air Quality Assessment be done for the district. The ambient air quality assessment has been conducted and the state of the ambient air quality for the ADM hot spot has been established

Activity	Budget	Progress to date
(a) Procurement of the life-saving equipment	R35 000.00	The following support materials were procured: Patrol flags, signal flags, shark alarm flag, box, line and belt, torpedo buoy & harness, fins, rescue craft, rescue board, rescue throwline, moon bag, spinal board, whistles and lanyard, first aid kit, trauma kit, loud hailer, binoculars, and radio
(b) Training of the life guards	R80 000.00	Eight community members were trained by the Amathole district municipality as life guards. They were trained in classroom theory, swimming lessons and rescue mission. They have already attained a QC certificate though they fell short of the life guard award.
(c) Refurbishment of Hamburg beach facility	R550000.00	The whole structure was refurbished and additional storey was added to accommodate additional space for life guards and equipment. Facilities for the disabled and showers were also added

(d)	Water testing	R20 000.00	As a pre-requisite for a blue flag beach, four samples of bathing water are tested by an accredited laboratory and the status so far is positive
(e)	Pilot status	R8 800.00	Hamburg has already been granted a pilot status of a blue flag by WESSA
(f)	Awareness campaign		Hosting of marine week and workshop for fishermen at Ngqushwa local municipality
<i>T 3.16.1</i>			

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Through the EPWP Programme, ADM has created job opportunities for community members in the Mbhashe Local Municipality. About 180 people are employed in the Pelargonium, Idutywa Town Cleaning and Cholakonke Projects.

T 3.16.2

COMPONENT F: HEALTH

3.17 CLINICS

INTRODUCTION TO CLINICS

ADM does not perform this function.

T 3.17.1

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

ADM does not perform this function.

T 3.18.1

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS

In terms of the National Health Act, 2003 (Act No. 61 of 2003), ADM is entrusted with the following functions:

- Water Quality Monitoring;
- Food Control;
- Waste Management
- Health Surveillance Of Premises;
- Surveillance And Prevention Of Communicable Diseases, Excluding Immunization;
- Vector Control;
- Environmental Pollution Control;
- Disposal of the Dead.

- **Chemical Safety**

This is one of the core functions of the Amathole District Municipality (ADM) in terms of Section 32 of the Act. At present the function is awaiting the finalization of the process of transferring the resources that are utilised by the Provincial Department of Health for the delivery of this service within the area of jurisdiction of Amathole District Municipality.

In the last financial year ADM has been focusing on Water Quality Monitoring, Food Control, Disposal of the Dead and Environmental Pollution Control as its major priority areas. A Municipal Health Information Management System has been developed to assist management in monitoring the level of the services rendered by the officials to the communities. A policy on the disposal of the dead has been developed and adopted by Council which entails the inspection of funeral undertaker's premises and the assistance of the destitute families with pauper burials.

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

Food Control

The Food Quality Monitoring Programme is ongoing and it encompasses inspection of food handling premises, sampling and analysis, and capacitation of food handlers, in order to ensure that food sold to the public is fit for human consumption and complies with relevant legislation.

- 1480 Food handlers were capacitated.
- Food products that were found to be unfit for human consumption were condemned and disposed of in a safe manner in terms of Regulation 1128. Food handling premises were inspected in terms of Regulation 962. A total of 1972 inspections were conducted.
- 09 Food samples of locally manufactured products were taken for analysis.
- 221 Milk samples were taken and the results show a gradual improvement in terms of compliance with legislation.

Disposal of the Dead

97 funeral undertakers are on the database, with 56 operating as funeral parlours and 41 as displaying only. Inspections are carried monthly and more frequently where applicable, to ensure that premises comply with the requirements.

- 16 Applications for the burial of paupers were received and buried
- 31 Exhumations were monitored.
- 7 Workshops in relation to the Disposal of the Dead Policy were conducted in various municipalities in order to ensure that the Councillors, Ward Committee Members, Community Development Workers, Community Members and Funeral Parlours gain knowledge about the policy.

Water Quality Monitoring

A total of 2268 drinking water samples were taken from fixed drinking water sources for testing, of which 2179 complied and 89 did not comply. The main cause for the non-compliance was due to low levels of chlorination as a result of inadequate disinfection. A total of 30 turbidity failures were reported. The main cause to the turbidity failures is the lack of maintenance e.g. reservoirs and pipes not cleaned/flushed regularly.

A total of 191 waste water samples were taken for analysis, of which 33 samples complied with the General Authorisation Standards. The main challenge with waste water in the district is waste-water treatment works that are operating above their design capacity, the turn-around time for repairs and ineffective operational monitoring. A total of 10 samples were taken from rivers upstream and downstream to measure the level of pollution on the water sources as a result of effluent discharge.

The results of the analysis from both programmes are captured on a national internet based water quality management system [e-WQMS] and also directly loaded onto the Blue Drop System via the Laboratory Information Management System (LIMS).

Waste Management

- 12 Waste Disposal Sites inspected.
- 16 Anti - Litter campaigns conducted.
- Health Care Risk Waste Management Plan was reviewed internally and adopted by council.

Waste Management Promotion Project implemented at Nkonkobe Local Municipality

Benefits from the project:

- 30 Volunteers chosen among Nkonkobe community members were trained on waste management and occupational health and safety issues.
- Stipend was paid to 30 Volunteers for a period of 8 months.
- Tools to be utilized on the recycling site and equipment to keep the tools safe.
- Baler Machine to minimise the volume of waste collected for recycling.
- Schools competition was held for identified schools around Nkonkobe Local Municipality
- Prizes from the competition were the equipment to be utilized in schools to maintain clean and safe environment around schools and the trees to provide greening and beautification of the school surroundings.

Vector Control

Vector control information was distributed jointly in both 16 Pollution and 16 Anti –Litter awareness campaigns. Assessed utility of pesticides to 3 food gardening projects in Amahlathi Local Municipality and training of workers on safe usage of pesticides was conducted. Assessed safely display of pesticides on pesticides trade premises. Survey of vector infestation to all disaster offices and fire stations.

Environmental Pollution Control

- Environmental Pollution Control Plan was reviewed internally and was adopted by Council.
- 16 Pollution Control Awareness Campaigns were conducted.
- 7 pollution related complaints were received and investigated.

T 3.19.2

Employees: Health Inspection and Etc					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	1	2	2	0	
4 – 6 (TG13-14)	9	9	7	2	22
7 - 9 (TG9-12)	18	17	13	4	24
10 - 12 (TG8)	4	0	0		
13 - 15 (TG4-7)	11	9	6	3	33

16 - 18					
19 - 20					
Total	43	37	28	9	24
T 3.19.4					

Financial Performance Year 0: Health Inspection and Etc						R'000
Details	Year 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	66 295	65 946	65 946	69 434	5.15%	
Expenditure:						
Employees	17 862	18 249	18 249	18 557	1.69%	
Repairs and Maintenance	262	357	357	38	-89.36%	
Other	13 856	8 077	13 556	8 247	2.10%	
Total Operational Expenditure	31 980	26 683	32 162	26 842	0.59%	
Net Operational Expenditure	34 315	39 263	33 784	42 592	8.48%	
T 3.19.5						

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

The inspection of food premises has only managed to service the areas that are urban. An exercise of identification of rural food premises was undertaken and has finished the identification in Mbashe and Mquma Local Municipality areas. The current staff needs to be increased as the section is currently operating far below the national standards. The staff increase towards the national standards would assist in the coverage of the rural food premises. Another challenge here is the delay in the conclusion of the devolution of the Environmental Health Officials employed by the Provincial Department of Health.

The water quality monitoring, Disposal of the Dead and the Environmental Pollution Control functions are operating are also being undertaken with the current below the norm human resources.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY

Security and Safety comprises the following three sub units:

- Fire Services as per responsibilities of District Municipalities and Fire Fighting Services assigned by the MEC in 4 of the seven 7 Local Municipalities in the ADM.
- Disaster Management as per the responsibilities of a District Municipality - Disaster Management Act 57 of 2002
- Community Safety Services [Excluding City Police and or VIP Protection Services] operates in terms of the National and Provincial Crime Prevention Strategies

T 3.20

3.20 COMMUNITY SAFETY

INTRODUCTION TO COMMUNITY SAFETY

Community Safety operates in terms of the Constitution, the National Crime Prevention Strategy and the Provincial Crime Prevention Strategy. The Constitution of the Republic of South Africa as amended relates to the promotion of a safe and healthy environment. The Provincial Crime Prevention Strategy relates to multi-agency collaboration on crime prevention matters (particularly between government departments).

In light of the above, Amathole District Municipality facilitates the following:

- The establishment and facilitation of Community Safety Forums in each local municipality within the District, as per the provincial crime prevention strategy, aimed at coordinating and increasing efficiency of various stakeholders in dealing with various aspects of community safety. Capacitating Community Safety stakeholders,
- The unit supports initiatives that are identified by the Community Safety Forums stakeholders, in an effort to address crime hotspots and areas of special need.

PROGRAMS	PURPOSE AND OUTCOMES
Erection of 3 High Mast at the Toleni village in Mquma municipality. This led to other risks being identified, hence the initiation of the Toleni Bush Clearing project in 2012 - 2013 , which led to the creating a safer environment by removing alien vegetation and creating job opportunities through the Expanded Public Works Program for the current financial year 2013/2014. The Project has since been suspended. There have been engagements with the Mquma Local Municipality to continue with the project.	To prevent criminal activities that have been reported occurring in the bushy areas, the project created 100 jobs for the local residents and is removing alien vegetation.
Assisted Local municipalities to facilitate a process for the development of Liquor trading by laws by capacitating their officials and portfolio councillors and facilitating access to draft by-laws. Mbashe Local Municipality has gazetted the by laws in 2012-13 financial year, Great Kei, Mquma, Ngqushwa Amahlathi and Nkonkobe Liquor trading by laws need to be reviewed. There are no liquor trading by laws in Nxuba. Some of the local municipalities have confirmed that they do have the liquor trading by laws for compliance purposes, and they are not enforced.	To manage and reduce the socio-economic and other social degenerative activities reported in the areas of un-controlled liquor outlets. Regulate nuisance caused by opportunistic illegal outlets. T 3.20.

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Services responsibilities as per section 84(1) j of the Municipal Structures Act is performed by the ADM in so far as:

- Planning, co-ordination and regulation of fire fighting services
- Specialized fire fighting services such as mountain, veld and chemical fire fighting services.
- Co-ordination of the standardization of by-laws, infrastructure, vehicles, equipment and procedures.
- Training of fire officers

However, the MEC has assigned the provision of Fire Fighting Services for 4 of the 7 Local Municipalities to the Amathole District Municipality as per section 85(6). [Mnquma, Mbhashe, Ngqushwa and Great Kei Municipalities] Thus it provides the following in these 4 local municipalities as per the Fire Brigade Services Act 99 of 1987 Section 1(v):

- Preventing the outbreak or spread of fire
- Fighting or extinguishing of fire
- Protection of life and property against a fire or other threatening danger
- Rescue of life or property from a fire or danger
- Any function connected with the above

PROGRAMS PURPOSE AND OUTCOMES

- * Training of fire fighters in FFI, HAZMAT Awareness, FFII and HAZMAT Operations
- * Ensure well trained permanent and volunteer fire fighters
- * Patient simulations and technical training drill conducted at Fire Stations
- * Maintain skill levels of fire services staff
- * Identification and procurement of required specialized fire equipment, personal protective clothing and uniform.
- * Ensure the resources needed to provide an effective service are in place.

T 3.21.1

FIRE STATISTICS

2013	MBHASHE			MNQUMA			GREAT KEI			NGQUSHWA			TOTAL
	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	Fires	MVA	SS	
July 13	39	3	2	25	1	1	24	3	0	7	1	0	170
August 13	48	5	1	70	3	0	40	2	1	18	3	0	191
Sept 13	50	5	0	64	2	1	55	2	1	11	3	2	196
October 13	21	5	0	18	4	1	20	2	1	10	3	2	87
November 13	4	6	2	4	1	4	10	2	2	1	2	0	38
December 13	2	7	0	6	3	2	9	7	0	4	3	2	45
January 14	4	1	0	10	3	0	9	3	3	0	2	1	36
February 14	7	3	1	6	3	1	1	4	0	6	1	0	33
March 14	3	1	1	2	2	0	7	3	0	3	1	0	23
April 14	5	7	1	10	4	2	1	3	0	2	2	3	40
May 14	8	3	1	9	3	1	7	5	0	0	2	0	39
June 14	8	5	0	40	4	0	31	5	0	3	2	0	98

TOTAL 2013/14	199	51	9	264	34	13	238	41	8	65	25	10	996
--------------------------	------------	-----------	----------	------------	-----------	-----------	------------	-----------	----------	-----------	-----------	-----------	------------

Fires – all fire incidents attended

MVA – Motor Vehicle Accidents attended

SS – Special Services (HAZMAT clean ups and other humanitarian services)

INFRASTRUCTURE AND TURN-OUT TIMES

Turn out times within the urban and peri-urban settings of the towns of Dutywa, Butterworth, Komga and Peddie are 15 to 20 minutes, however the rural turn-out times are not ideal due to:

- Long distances to rural areas from the town based fire stations
- Poor road infrastructure
- Lack of water sources for fire- fighting thus large water carrying vehicles are utilized

In an effort to address this, the Amathole District Municipality has embarked on the establishment of satellite fire stations in the 4 local Municipalities for which it has been assigned the fire-fighting function.

- A total of eighty seven (87) Permanent Fire Fighters were designated in various positions as at the end of 2013-2014, assisted by 33 Volunteers Fire Fighters in all Fire Stations.
Three (3) major pumper, four (4) medium pumper, five (5) skid unit vehicles are in operation.

T 3.21.2.1

Employees: Fire Services					
Job Level	Year 2012/13	Year 2013/14			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 – 3 (TG15 & above)		1	1	0	
4 – 6 (TG13-14)	1	0	0		
7 - 9 (TG9-12)	64	34	34	0	
10 - 12 (TG8)	4	51	48	3	6
13 - 15 (TG4-7)		0	0		
16 - 18					
19 - 20					
Total	69	86	83	3	3

T 3.21.4

Financial Performance Year 0: Fire Services						R'000
Details	Year 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	3 982	4 664	4 664	3 687	-20.95%	
Expenditure:						
Fire fighters						
Other employees	18 515	22 635	28 735	27 748	22.59%	
Repairs and Maintenance	392	621	621	362	-41.71%	
Other	5 902	6 445	6 445	6 281	-2.54%	
Total Operational Expenditure	24 809	29 701	35 801	34 391	15.79%	
Net Operational Expenditure	-20 827	-25 037	31 137	-30 704	22.63%	
					<i>T 3.21.5</i>	

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The capital projects for fire services are related to infrastructure and operational resources to ensure operational sustainability and reduced response times. A total number of four main fire stations and three satellite fire stations are in operation in the four local municipalities (Mbhashe, Mquma, Thus satellite stations are being established to serve communities that are located far away from the original four main fire stations and additional vehicles and equipment are being procured to ensure all stations are adequately resourced. Two satellite Fire Stations in Willowvale [Mbhashe Local Municipality] and Hamburg [Ngqushwa Local Municipality] reached practical completion where a handover took place on the 23 June 2014 and 25 June 2014 respectively, and will be in operational soon after electrical connectivity. A building was renovated for making a Satellite Fire Station in Elliotdale. Both Satellite Fire Stations were Multi-year projects.

PROJECT NAME	BUDGET FOR 2013-2014	BUDGET SPENT IN 2013-2014	STATUS QUO AS AT 30 JUNE 2014
Establish Hamburg Satellite Fire Station	R2335106.72	R1 485 45.69	Building completed, awaiting electrical connectivity.
Establish Willowvale Satellite Fire Station	R3864497.47	R2 575 258. 11	Building completed, awaiting electrical connectivity.

Previously established stations include:

LOCAL MUNICIPALITY	LOCATION
Great Kei	Kei Mouth

CHALLENGES

Challenges of not having enough permanent fire fighters are experienced throughout the district. There is also a challenge of not having enough response vehicles in cases of breakdowns.

T 3.21.7

3.22 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Act 57 of 2002 and the National Disaster Management Framework promote inter Alia:

- A coordinated approach to disaster management, with special emphasis on the prevention and mitigation of disasters.
- The Facilitation of the development and implementation of public awareness to inculcate a culture of risk avoidance.
- The promotion of disaster management capacity through training and education.

PROGRAMS	PURPOSE AND OUTCOMES
<p>Responded to significant incidents of storm, heavy rain, strong wind and fire damages to multiple homes and provided relief building materials as per response and relief guidelines as follows:</p> <ul style="list-style-type: none"> • 593 families received relief building material to address disaster backlogs. • 259 families received relief building material to address new disaster incidents. <p>Submitted lists of homeless victims to various Housing Units in Mnquma, Mbashe, Ngqushwa, Nkonkobe and Amahlathi local municipalities for submission to the EC Department of Human Settlements.</p>	<p>Provide means to repair homes to families affected by disastrous incidents. Provide sustainable shelter to vulnerable / needy families.</p>
<p>Capacitation of Traditional Leaders and Ward Committee members on disaster management overview through workshops as follows:</p> <ul style="list-style-type: none"> • 5 Disaster management overview workshops were conducted. <p>Capacitation of portfolio councillors, ward councillors and stakeholders in disaster risk management through sessions held for sector plan reviews and disaster management consultative forums as follows:</p> <ul style="list-style-type: none"> • 32 sessions held for sector plan reviews and disaster management consultative forums were conducted. <p>Capacitation of learners, educators and community members in disaster risk management in order to promote disaster risk avoidance.</p> <ul style="list-style-type: none"> • 65 awareness campaigns were conducted to promote disaster risk avoidance. 	<p>To ensure familiarity with processes and stakeholders which facilitates quicker response to incidents and a culture of mitigation.</p> <p>To raise awareness in actions that may lead to disasters.</p>
<p>The resourcing of the Disaster Management Satellite Centres is on-going.</p>	<p>Effective disaster risk management in the ADM.</p>

3.22.1

Employees: Disaster Management					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)		1	1	0	
4 – 6 (TG13-14)	3	3	2	1	33
7 - 9 (TG9-12)	8	8	8	0	
10 - 12 (TG8)	1	0	0		
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	12	12	11	1	8
					T 3.22.4

Financial Performance Year 0: Disaster Management					
R'000					
Details	Year 2012/13	Year 2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	466	355	355	0	-100%
Expenditure:					
Employees	3 321	4 047	4 047	4 055	0.20%
Repairs and Maintenance	59	135	135	5	-96.30%
Other	4 627	3 574	3 574	3 635	1.71%
Total Operational Expenditure	8 007	7 756	7 756	7 695	-0.79%
Net Operational Expenditure	-7 541	-7 401	-7 401	-7 695	3.97%
					T 3.22.5

3.23 SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sport is not a competency of Amathole District Municipality, however, as prescribed in the Municipal Structures Act ADM provides support to and capacitates Local Municipalities within its jurisdiction. During the year under review ADM identified a need to mobilise partnership with businesses for

community sports development programmes and sports infrastructure development at LMs.

The Amathole District Municipality has identified a need within its area of jurisdiction to facilitate and coordinate the development of sport. This need has been made evident by hikes in cases of small crimes and substance abuse by youths of various areas in the district. One of the ways in which the district has intended to curb crime and other destructive tendencies amongst the youth was the coordination and facilitation of sport by a dedicated official. The Amathole District Municipality Sport plays a coordinating and facilitating role in the development of sport throughout the district. This component is currently reviewing a sport development strategy which is the guiding document for all sport development programmes to be implemented by the component.

Amathole District Municipality established a portfolio for Sport and Recreation to ensure the co-ordination, development and wellness of its citizens within the district. The ADM sport desk is responsible for implementing sport development programmes within the district for all sport structure and or federations. This office is also responsible for co-ordinating and implementation of sport and recreational programmes for employees and councillors of the Amathole District Municipality. In an effort to ensure a structured and well coordinated implementation of development programmes, in collaboration with its stakeholders, the office has developed a sport development strategy to be used as a guiding document. The sport desk continuously creates a platform for all stake holders to participate in the process of sport development through platforms such as the District Sport Forum and District Sport Council meetings.

The Sport component envisages implementing sport programmes that will make a positive change in the lifestyles of the citizens/communities of the Amathole District Municipality. The Sport component implements, amongst the many community outreach programs, the annual Mayors Cup and ADM Golf Day which feature children, youths and persons with disabilities from all over the District.

T 3.23

Employees: Sport and Recreation					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3 (TG15 & above)					
4 - 6 (TG13-14)					
7 - 9 (TG9-12)	2	2	2	0	
10 - 12 (TG8)					
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	2	2	2	0	
T 3.23.3					

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Amathole District Municipality is an Executive Mayoral Type of Municipality with Executive Mayor, Mayoral Committee Standing Committees and other committees of council. The Municipality has established Standing Committee which are aligned to the local government key performance areas. The ADM Council has 50 councillors and 10 traditional leaders participating in council in accordance with section 81 of the Local Government Municipal Structures Act(Act 117 of 1998 as amended).

The Mayoral Committee is composed of 10 councilors allocated according to the following portfolios

1. Infrastructure
2. Land and Housing
3. Water and Sanitaion
4. Local Economic Development
5. Corporate Services
6. Health and Protection
7. Community safety
8. Budget and Treasury
9. Strategic Planning
10. Community Liaison and Participation

The Portfolio councillors are delegated specific functions by the Executive Mayor to perform and report diligence.

The Council has established section 79 Committees to assist Council to fulfil its oversight functions. The Committees are established in terms of section 160(8) of the Constitution of the Republic of South Africa, 1996 as amended with proportional representation of all the parties in council. The Committees are as follows:

- (i) The Rules Committee
- (ii) The Municipal Public Accounts Committee
- (iii) The Women Caucus

The Committees perform the functions assigned to them in terms of their terms of reference and report to Council.

T 3.24.1

Employees: The Executive and Council					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	43	43	43		
4 – 6 (TG13-14)	30	34	30	4	12
7 – 9 (TG9-12)	44	48	44	4	8
10 – 12 (TG8)	23	23	23	0	
13 – 15 (TG4-7)	37	37	37	0	
16 – 18					
19 – 20					
Total	177	185	177	8	4

T 3.24.4

Financial Performance Year 0: The Executive and Council						R'000
Details	Year 2011/12	Year 2012/13				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	30 896 308	989 784	982 635	830 227	-16.12%	
Expenditure:						
Employees	49 701 352	104 586	74 602	65 995	-36.90%	
Repairs and Maintenance	85 078	395	395	37	-90.63%	
Other	19 394 814	97 294	137 259	53 937	-44.56%	
Total Operational Expenditure	69 181 244	202 275	212 256	119 969	-40.69%	
Net Operational Expenditure	38 284 936	787 509	770 379	710 258	-9.81%	

T 3.24.5

INTRODUCTION FINANCIAL SERVICES

What we achieved:

- Prepared annual financial statements in-house
- Provided management responses and time bound action plans in response to internal and external audit queries
- Improved monitoring of supplier payments within legislative timeframes.
- **Preparation of Annual Financial Statements**
- Section 126(1) of the Municipal Finance Management Act No. 56 of 2003 requires that the Accounting Officer of a municipality
- Must prepare the annual financial statements of the municipality and, within two months after the financial year end, submit the statements to the Auditor-General for auditing and
- Must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements and within three months after the financial year end, submit to the Auditor General for auditing.

The Amathole District Municipality prepares its own annual financial statements for submission to the Auditor General South Africa. These statements have been submitted in compliance with the legislative timeframes.

Management responses to audit queries

After the Audit report and management letter were issued by the Auditor General, action plans to address the matters in both these documents were compiled. The actions included timeframes and responsible parties. The progress on the resolution of the audit queries was monitored closely by the Executive management

Monitoring of supplier payments within legislative timeframes

The municipality has improved monitoring of payments to suppliers in order to ensure that payments are made within 30 days of receipt of the invoice. This percentage has not been below 90% during the 2012/13 financial year.

Credit rating

The Amathole District Municipality once again received an A3.za national scale issuer rating from Moody's Investment Services. This rating reflects the municipality's adequate financial fundamentals, notwithstanding a marked historical volatility, and its virtually debt-free status. The rating also considers the municipality's consistently sound liquidity position, meaning that the municipality is able to pay its debts when they fall due. The rating further reflects the municipality's negligible financial leverage and sound liquidity profile.

Amathole's relative position reflects its negligible financial leverage and sound liquidity profile. The municipality's credit strengths include its virtually debt free status, sound liquidity and adequate financial results, while its credit challenges include low maintenance on infrastructure and weak revenue collection on water and sanitation services.

T 3.25.1

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	Year 2011/12		Year 2012/13			Year 2013/14	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	N/A		N/A				
Electricity - B	N/A		N/A				
Electricity - C	N/A		N/a				
Water - B	34 837 532.53	34 837 532.53	20%	34 837 532.53	34 837 532.53	20%	34 837 532.53
Water - C	149 197 536.80	149 197 536.80	46%	149 197 536.80	149 197 536.80	46%	149 197 536.80
Sanitation	85 607 210.48	85 607 210.48	20%	85 607 210.48	85 607 210.48	20%	85 607 210.48
Refuse							
Other							
<i>B- Basic; C= Consumption.</i>							
							<i>T 3.25.2</i>

When comparing the 12/13 and 13/14 financial years, there is improvement regarding the collection of the billed amount. The municipality has however not yet reached the desired target but is continuously working towards improving its collection rates.

Further to this, the municipality has an approved Debt collection and Credit policy which it implements in order to manage its collection rates.

T 3.25.2.1

Employees: Financial Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	7	15	14	1	7
4 – 6 (TG13-14)	20	5	3	2	40
7 - 9 (TG9-12)	28	57	57	0	
10 - 12 (TG8)	43	13	7	6	46
13 - 15 (TG4-7)	61	171	171	0	
16 - 18					
19 - 20					
Total	145	261	252	9	3

T 3.25.4

Financial Performance Year 0: Financial Services						R'000
Details	Year 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	99 138	107 680	108 245	115 900	7.63%	
Expenditure:						
Employees	54 185	65 281	67 101	58 353	-10.61%	
Repairs and Maintenance	159	545	545	60	-88.99%	
Other	25 800	24 598	29 547	22 682	-7.79%	
Total Operational Expenditure	80 145	90 424	97 193	81 095	-10.32%	
Net Operational Expenditure	18 994	17 256	11 052	34 805	101.70%	

T 3.25.5

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

ADM embarked on a Business Processes Re-engineering (BPR) program. The purpose was to consider the structures of all the Directorates, and paying particular attention to how the satellite offices are organized. The reviewed five year Integrated Development Plan (IDP) of the Amathole District Municipality (ADM) contained a number of strategies that need to be in place within a period of five years.

Labour Relations Strategy was listed among the strategies. The Strategy was formulated and adopted by Council in its ordinary meeting of March 2014. For the 2014/15 financial year, no funds were made available for its implementation, and the focus would now be on communicating the Strategy to employees and Organised Labour. These will take the form of interactive presentations to staff at Head

Office and those in satellite areas will be clustered in small groups at venue close to their workplaces. The Municipality remains one of the most dynamic workplaces when it comes to relationship between management and Organised Labour, with the latter clearly appreciative of an environment where concerns are addressed timeously, at the highest level of administration. The formal disciplinary hearings took place and there were no major challenges, except the reluctance of Managers to preside in disciplinary enquiries cases, and the current staffing levels within the Unit. Related challenges are HOD delays in dealing with grievances lodged, and in this regard, an administrative checklist will be developed for use by HOD based officials.

The employee Wellness and the Occupational Health and Safety Strategies were adopted by the Council during the 2012/13 Financial year and the implementation took place during the 2013/2014 Financial Year. A number of programmes were conducted in each strategy. These programmes are promoting the health and Safety of employees at work, preventing the occurrence of diseases and injuries on duty. They also assist the employees to solve the problems that they encounter at work and those that affect their personal lives which in turn have a negative impact on their work performance. The budget that was allocated for the implementation of these strategies was an amount of R1 000 000.00. The whole amount has been used.

The rate of staff turnover in the previous years was alarming and that caused a concern to ADM management. It was decided that an urgent intervention needs to be put in place and a Talent Retention Strategy was adopted in 2010. The strategy gave birth to various retention programmes that were rolled out in 2013/2014 financial year, one of which is training of managers for the enhancement of their employee management skills. It was also discovered that female employees are not appearing in the higher hierarchical levels of the organisation as they should, and a Women Empowerment Programme aimed at the resuscitation of that appetite to females was adopted and also rolled out in 2013/2014. Both programmes proved to have worked since the status quo has changed for the better.

T 3.26.

Employees: Human Resource Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3 (TG15 & above)	4	7	7	0	
4 – 6 (TG13-14)	3	3	3	0	
7 - 9 (TG9-12)	8	15	15	0	
10 - 12 (TG8)	6	0	0		
13 - 15 (TG4-7)	3	13	13	0	
16 - 18					
19 - 20					
Total	24	38	38	0	

T3.26.4

Financial Performance Year 0: Human Resource Services						R'000
Details	Year 2012/13	Year 2013/14				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	3 416	570	570	1 914	235.79%	
Expenditure:						
Employees	14 508 811	13 005	37 834	10 313	25.44%	
Repairs and Maintenance	32 891	102	102	3	-97.06%	
Other	12 297 168	7 885	21 065	13 057	65.59%	
Total Operational Expenditure	26 838 870	20 992	59 001	23 373	11.34%	
Net Operational Expenditure	26 835 454	-20 422	-58 431	-21 459	5.08%	
						T 3.26.5

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

ADM identified the need to ensure that internal organizational structures were optimally designed to ensure it is best able to provide service delivery to the communities that it services. Consequently, a service provider was appointed with a purpose to consider the structures of all the Directorates, and paying particular attention to how the satellite offices are organized.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The main responsibility of ADMs ICT services is providing and maintaining Information Systems (IS) that responds to the information needs and requirements of the municipality as well as to ensure connectivity of ADM users at all times by focusing on the following areas;

- security of all Information Technology (IT) systems and assets;
- availability of systems;
- high performance of systems;
- increase service delivery of ADM to its greater customers through highly effective systems;
- support and maintain systems used by ADM departments;
- ensure IT systems work according to business requirements;
- ensure seamless integration of systems and platforms; and
- to lead delivery of IT systems and services according to industry best practices and government based procedures.

From a governance perspective, the municipality has adopted a Corporate Governance of ICT Framework together with its policy and charter for establishing the ICT Governance structures required. The implementation of the IT Master Strategic Plan initiatives seeks to achieve alignment to the strategic objectives of the organisation. Thus ensuring the IT investment is done in assisting with service delivery imperatives. The development of the Enterprise Wide Business Continuity Plan for all the departments results in the organisation being able to function in cases of emergency and/or disasters. This allows for continuity of the organisation to function whilst the restoration of services is underway with alternative site identified and the establishment thereof being a priority. This culminated

to an implementation of the IT Disaster Recovery Plan in order to respond to the requirements as set by business (organisation/ municipality) with recovery times and ensuring that backups of data are available and accessible from a secured remote/offsite storage site. This resulted in establishing a disaster recovery site and equip it with systems and infrastructure.

The other priority is the assessment of the IT systems used by the municipality and determining their future use thereof, with an issue of being able to measure fit for purpose and investment in assisting the organisation to perform its function. The benefit is efficiency and agility of the administrative system. The analysis defines that and the report actually depicts the state of the systems and their usage which helps in decision making and information to support that. This resulted in the development of an IT Master Systems Plan. The infrastructure upgrade ensures security of the network and access to the systems. Furthermore, the email continuity strategy ensures that communication electronically via emails is stable and provided with high availability. This then required an ISO standard data centre which had to be upgraded and refurbished to meet those requirements for security reasons. The procedures were then developed for the administration of the new and changed environment which resulted in state of the art modern data centres with server consolidation and virtualisation to reduce cost of ownership and maintenance and also ensure that the environment is monitored and managed.

The GIS Strategy recommended an establishment of shared services for the local municipalities that do not have the GIS skills. The programmes and projects for GIS had the outputs of a land audit for the district, update of the cadastral data and land ownership. This culminated to a pilot project of analysing the revenue collected in terms of the water services as a core function thus collaboration and information flow between various departments and/units within the organisation. This then leaves the municipality with the latest and updated land ownership information for the entire district that is accessible via the internet. Additionally, the updating of all local amenities facilities for the entire district bears fruits of the status quo and audit of all community facilities available within the district. These are all geo-referenced and captured with GIS coordinates on the GIS website for the municipality, of course being shared with the local municipalities.

T 3.27.1

Employees: ICT Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3 (TG15 & above)	1	5	2	3	60
4 - 6 (TG13-14)	3	3	3	0	
7 - 9 (TG9-12)	2	11	10	1	9
10 - 12 (TG8)	9	0	0		
13 - 15 (TG4-7)					
16 - 18					
19 - 20					
Total	15	19	15	4	21

T3.27.4

Financial Performance Year 0: ICT Services					
Details	Year 2012/13	Year 2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	Total Operational Revenue	14 989 632	1 772	1 772	6
Expenditure:					
Employees	5 114 513	8 605	8 605	6 172	-28.27%
Repairs and Maintenance	290 006	400	400	121	-69.75%
Other	30 171 143	15 833	15 233	12 118	-23.46%
Total Operational Expenditure	35 575 662	24 838	24 238	18 411	-25.88%
Net Operational Expenditure	20 586 030	-23 066	-22 466	-18 405	-20.21%

T 3.27.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The major or largest projects are :

* IT Master Strategic Plan - the budget allocation as per implementation plan annually does not cover the initiatives as captured thus impacting on a successful implementation and fulfilling of the plan. Amount is R350 000

* GIS Strategy Implementation: Establishment of Shared Services - this has been successfully funded and the initiatives implemented. Amount is R1 252 470

* Implementation of IT DRP: Establishment of DR site - the site was identified at Whelan offices and the physical structure had to be done up to meet the ISO standards for a data centre with equipment. Amount is R1 250 000

* Server room upgrade – the project was sufficiently funded for the upgrading of server rooms to ISO standard with an allocation amount of R400 000

* Development of IT Governance Framework – the project was sufficiently funded for the development with an allocation amount of R350 400

* Development of IT Master Systems Plan – the project was sufficiently funded for the development with an allocation amount of R296 038

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Legal Services Unit deals with all legal matters affecting the Municipality. In addition as and when required, the Municipality has made use of the following professional service providers:

- Wesley Pretorius and Associates;
- Squires Smith and Laurie Inc; and
- Smith Tabata Inc.

1) Litigation matters that have been dealt with during the year under review:

Olivewood Trade and Invest 41 (Pty) Ltd - Wesley Pretorius

An application for an interdict brought in the Grahamstown Court in March 2013, was opposed by the ADM. In May 2014, judgement was delivered in favour of the ADM

Fernfin - Sibongile Tito

ADM instituted action against Vuma JV Lungalabantu Construction and its surety, Fernfin, of Mthatha. This relates to the award of a contract in March 2007. The project has now been finalised, the figures for amounts incurred as damages amounting to close to 4 million have been given to us by the PMU of the municipality. The claim has been amended to reflect the cost to the municipality. A trial date is awaited from the Registrar.

Mandila Construction – Sibongile Tito

Applicant claims payment of amount of R763 800 from ADM in respect of contract 8/2/63/2007-2008 entered into by both parties. Application dismissed with costs on 31 May 2011. The ADM's bill of costs have been drafted and served on the applicant. Last date for applicant to oppose - 22 July 2011 - after which we will obtain taxation date. The Registrar has not allocated a taxation date as yet.

Michelle Fourie – Sibongile Tito

Plaintiff instituted action against ADM (in the alternative) for damages in the sum of R588 308.44, she alleges to have sustained when the vehicle in which she was a passenger collided with a cow/ox. Matter set down for trial on 30 November 2009, but subsequently removed from the roll. All defendants (except 1st, who is not defending matter) have entered their pleas. Plaintiff to apply for trial date. Matter dormant.

Give Ziyaya - Sibongile Tito

ADM (Plaintiff) instituted action against a joint venture, Give Ziyaya and a certain Esther Jojo (who operated a sole proprietorship, called Sunshine Construction) for damages for breach of contract arising out of their abandonment of the Project. The amount of the claim is R 1 198 370.20 which comprises the cost of defective service rendered, re-tendering costs, site re-establishment costs, etc. The pleadings have now closed, and the matter is at Discovery stage with the trial expected to be either in the First or Second term in 2013. Discovery Notices and Discovery Affidavit for Plaintiff have already been filed. Trial date has been allocated already, and it is the 24th of June 2014.

Amanz' Abantu – Sibongile Tito

Amanz 'Abantu has sued the ADM for payment of outstanding amounts claimed in relation to the construction of RDP houses at Teko Springs. The ADM has pleaded that it is not obliged to pay the amounts until receipt of funds from the ECDOHS. An application for summary judgement was successfully opposed. The ADM's Plea has been delivered. Discovery of trial documents to take place shortly. ECDOHS has now been joined and have now pleaded. Hence pleadings closed.

Inclledon (Pty) Ltd – Sibongile Tito

Inclledon has sued the ADM in the amount of R27 225.48 which it claims ADM is indebted to it in respect of a cession agreement concluded between Inclledon & Colmate Construction CC. A pre-trial conference has been held between the parties. The Municipality's plea have been amended to include Special Pleas as a response to the allegations contained in the Second Defendant's Plea that there was an admission that the amount was indeed due. Matter is set down for trial in September 2014.

Blom's Motors – Sibongile Tito

The claim is in respect of a vehicle that was taken to the complainant to be repaired by Nkonkobe Local Municipality years ago and was never collected. There is uncertainty as to who actually owns the

vehicle in question. The Municipality is being sued for storage fees. Default Judgment was granted against the ADM and a Warrant of Execution was issued. An Application for Rescission was brought in October 2013 which was granted. An exception has been raised to plaintiff's claim and a plea and special plea served and filed.

Headline Trading 513 cc – Sibongile Tito

The claim is in respect of services rendered by Headline Trading in the amount of R1,323,585.61. ADM cancelled contract due to poor performance. Appearance to Defend has been filed together with irregular step proceedings. Plaintiff amended its particulars of claim, and thereafter further exceptions have been raised in respect of Plaintiff's Pleadings. Matter now being set down to argue the exceptions to the Plaintiff's pleadings.

Xhobani Security Catering and Distribution Agency – Wesley Pretorius

The Applicant, an unsuccessful tenderer, applied for the review and setting aside of the award of a contract for security services. The Municipality has made settlement proposals and is awaiting a response to these.

2) Prevention mechanisms of current litigations:

By its strict adherence to the provisions of Supply Chain Management Regulations, the Municipality minimises the risk of being sued in respect of irregular procurement practices. However the Municipality cannot prevent people from exercising their Constitutional rights, if they so choose to institute legal proceedings against the Municipality.

3) Criminal matters emanating from corruption and fraud

During the year under review, there were no criminal matters emanating from corruption and fraud, although alleged instances of fraud have been reported to the police for criminal investigation.

4) Management of Legal Risks

There is no specific legal policy in place aimed at the management of legal risks. However, compliance with the legislative framework governing local government as well as adherence to internal policy provisions ensures that legal risks to the Municipality are minimised. In this regards, the Legal Services Unit has embarked upon a project to develop Legal Compliance Registers, detailing relevant regulatory provisions, per department within the Municipality.

Furthermore, contracts binding the Municipality are vetted by the Legal Services Unit prior to signing, to ensure that potential legal risks are identified before such contracts are concluded.

Risk Management unit focuses on assessing and identifying key risk areas at strategic and operational level in terms of established and new projects.

Risk Management unit also ensures the formulation of a uniform risk management approach for its clients (departments). Furthermore, risk assessments form the basis for planning internal audits within the organisation.

Legislative Requirements

- Section 62 of the Municipal Finance Management Act 56 of 2003 states that:
- The accounting officer of municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps-
- That the resources of the municipality are used effectively, efficiently and economically;
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards ;
- That the municipality has effective, efficient and transparent systems-
- Of financial and risk management and internal control; and

– Of internal audit operating in accordance with any prescribed norms and standards

Current situation

Risk Management unit is located under Strategic Management and Planning under the leadership of Risk Manager. The unit is responsible for the following:

- Establish a Risk Management Committees and formulate a risk management framework and policy.
- Procure a Risk Management System and assist with the rollout process of this to all departments.
- Conduct risk management training and allocate Risk co-ordinators to each department.
- Conduct strategic business risk assessments at departments and utilities.
- Review and enhance risk management strategies through continuous assessment and best practice frameworks.
- Form alliances with other municipalities to ensure the District is at the forefront of risk management.

In terms of risk identification and monitoring, ADM regards the following risks as top five (5) strategic risks:

- Fraud and corruption
- Infrastructure backlogs
- Negative impact of climate change, drought and floods
- System failure (Business Continuity)
- Inability to attract and retain competent staff

T3.28.1

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year 2012/13	Year 2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3 (TG15 & above)	5	6	6	0	
4 - 6 (TG13-14)	2	0	0		
7 - 9 (TG9-12)	15	19	19	0	
10 - 12 (TG8)	3	3	3	0	
13 - 15 (TG4-7)		7	7	0	
16 - 18					
19 - 20					
Total	25	35	35	0	

T 3.28.4

Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services					
R'000					
Details	Year 2012/13	Year 2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 035	208	208	20	-90.38%
Expenditure:					
Employees	9 264	12 673	12 673	11 393	-10.10%
Repairs and Maintenance	7	118	118	3	-97.46%
Other	3 013	6 740	6 740	3 403	-49.51%
Total Operational Expenditure	12 286	19 531	19 531	14 799	-24.23%
Net Operational Expenditure	10 251	-19 323	-19 323	-14 779	-23.52%
					<i>T 3.28.5</i>

COMPONENT J: MISCELLANEOUS

ADM does not have functions that includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

KPI NO.	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	KEY PERFORMANCE INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2013/2014	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2012/2013	REMEDIAL ACTIONS
---------	----------------	------------	---------------------	----------	---------------------------	---------------	--	--	------------------

KPA:1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

1.	MTI 1:1	Corporate Services	Ensure ADM performs optimally in all its assigned powers and functions by 2017	Implementation of the outcomes of the Business Engineering Study	Finalised Organisational Structure and Re-Engineering Study submitted to Council	Finalised Organisational structure and Re-engineering study submitted to Council	A copy of the Close out report/ Re-engineering study dated 30 June 2014 and an approved Organogram which was approved by the Council on the 30 June 2014 is submitted	In 12/13 a Reviewed Establishment Plan was approved	N/A as the target has been achieved
2.	MTI 1:2	Strategic Planning		Increase and improve management of employee attendance	Implemented Biometrics system	Installed and Implemented Biometrics system	The system has been installed in the previous quarters and copies of system printouts reflecting names and dates of officials clocking in and out	Was not part of 12/13 SDBIP	N/A as the target has been achieved
3.	MTI 1:3	Corporate Services		Management of staff leaves	No. of staff leave reconciliation reports submitted to EMC	4 Staff leave reconciliation reports submitted to EMC	Insufficient evidence submitted as proof of submission of leave report for the month of August to the EMC is not availed	Was not part of 12/13 SDBIP	
4.	MTI 2:1	Corporate Services	To attract, retain, build capacity and maximise utilization of ADM human capital by 2017	Implementation of the Retention Strategy	No. of Implemented programs per retention strategy implementation plan	2 Retention Strategy program implemented	A signed consolidated report that talks to the programmes held in 2013/14 on the Retention Strategy is submitted, and as per the evidence that was submitted throughout the year only 2 programmes were implemented	A Retention Strategy with attached implementation plan is submitted, evidence of programs implemented as per the strategy is availed in all quarters	N/A as the target has been achieved
5.	MTI 2:2	Corporate		Development and Implementation of	Human Resource Plan submitted to	HR Strategy submitted to	The target was achieved in Q3 , where the following documents	In 2012/13 a Reviewed HRD Strategy was	N/A as the target

		Services		the Human Resources Plan	Council for approval	Council for approval	were submitted: A copy of the HR Strategy together with the Implementation plan, minutes of the Mayoral Committee meeting held on the 5/03/14, attendance register, Agenda for the Council meeting held on the 28/03/14 with attendance register, where the Strategy was submitted and system printouts on payments made are submitted	submitted to Council and was approved in the Council meeting that was held on the 22 March 2013	has been achieved
6.	MT1 2:3	Corporate Services	To attract, retain, build capacity and maximise utilization of ADM human capital by 2017	Implementation of the Workplace Skills Plan	% budget spent on implementing Workplace Skills Plan	100% spent on the WSP Budget allocated	Through recalculations, the percentage spent on the WSP Budget from the report submitted in the POE file the actual percentage spent is 100%	In 2012/13 we only monitored the implementation of the WSP through trainings held	N/A as the target has been achieved
7.	MT1 2:4	Corporate Services			No of training interventions conducted in line with the Workplace Skills Plan	25 Training interventions	7 trainings were done in Q1 (6 for officials and 1 for Councillors) in Q2, 9 trainings were done (8 for Officials and 1 for Councillors), in Q3 11 trainings were done, and in Q4 13 trainings (10 for officials and 3 for Councillors) which then sum up to 40 trainings done in 2013/14 instead of 25 that was targeted, and evidence to support the trainings is available in the POE files	14 Officials have been trained in 12/13	N/A as the target has been achieved

8.	MTI 2:5	Corporate Services		Implementation of the Human Resources Development Strategy	No of programmes to be implemented as per Human Resources Development Strategy	2 Career exhibition programmes conducted	2 Career exhibitions /expo's were held in 4 areas Q1 (at Stutterheim 25/07/13 and in Peddie 23/07/13) in Q2 (at Mnyama 28/11/13 and in Mbashe on the 27/11/13) and supporting evidence is attached in the POE files	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
9.	MTI 2:6	Corporate Services		Implementation of the Employment Equity Plan	No. of programs implemented per Employment Equity Plan	1 EEP program (Women empowerment) implemented	A women empowerment workshops were held in Q2 (12,20/11/13), Q3 (13,14,28/02/14 and 13,14/03/14) and in Q4 (27/5/14)	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
10.	MTI 2:7	Corporate Services		Implementation of the Employment Equity Plan	% compliance with the Employment Equity Plan	36 % female representation in the whole institution	Evidence submitted throughout the quarters reflect that an increase of 2.4% has been attained which then puts the Institution at 36.4% above the target of 34%	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
11.	MTI 2:8	Corporate Services	To attract, retain, build capacity and maximise utilization of ADM human capital by 2017	Implementation of the Occupational Health, Safety Strategy	No. of programs implemented per Health and Safety Strategy	8 Health, and Safety Strategy programs implemented	Evidence submitted throughout the quarters reflect that the programmes conducted as per the Health & Safety Strategy are 12 as against 8 targeted for the year	In 2012/13 Occupational Health, Safety Strategy was being approved	N/A as the target has been achieved
12.	MTI 2:9	Corporate Services		Implementation of the Wellness Strategy	No. of programs implemented per Wellness Strategy	8 Wellness Strategy programs implemented	8 Wellness strategy programs have been implemented throughout the year (Q1 =1 +Q2 = 2 + Q3 = 3 ad Q4 = 2) = 8 in total and the evidence is submitted in the files to support	In 2012/13 Wellness Strategy was being approved	N/A as the target has been achieved

							the achievement		
13.	MTI 2:10	Corporate Services		Development of the Labour Relations Strategy	Labour Relations Strategy submitted to Council for approval	Labour Relations Strategy submitted to Council for approval	Labour Relations Strategy was submitted to Council for approval in the meeting held on the 28 March 2014	In 2012/13 a Labour Relations Diagnosis report was developed	N/A as the target has been achieved
14.	MTI 2:11	Corporate Services		Improve the turnaround time in filling of vacant posts	% of funded vacant post filled within 3 months	80% Funded vacant posts filled within 3 months	85% of funded vacant post were filled as at 30 June 2014, as against 80% targeted which then means the target has been achieved	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
15.	MTI 3:1	Strategic Planning	Ensure integrated and responsive ICT function by 2017	Alignment of the ICT Strategy to ADM Business Strategies	No. of programs implemented as per ICT Master Plan	3 programs implemented as per ICT Master Plan	The 3 programmes were completed in Q2 & Q3 (Biometrics and CA service desk, installation of the network kit and wireless bridge pole to support Whelan disaster room)	of year 1 targets, as per the implementation plan on the IT Master Plan	N/A as the target has been achieved
16.	MTI 3:2	Strategic Planning		Implementation of enterprise wide business continuity plan	No. of departmental business continuity plans implemented	7 departmental business continuity plans implemented	7 departmental Business Continuity Plans have been implemented and implementation plan for STRAT department has been forwarded	Development of Business Continuity Plan was done i 2012/13	N/A as the target has been achieved
17.	MTI 3:3	Strategic Planning	Ensure integrated and responsive ICT function by 2017	Mainstreaming and integration of GIS with other information management systems	No. of programs implemented as per GIS Strategy	3 programmes implemented as per GIS Strategy	3 projects have been implemented as follows: Q2 Street address data capture, Q3 town planning schemes and Q4 land audit datasets	An Intergration of EDAMS data with the Corporate GIS was the project that was implemented in 7 LM's under GIS Strategy	N/A as the target has been achieved
18.	MTI 3:3	Strategic		Development of an IT Governance	IT Governance Framework submitted	IT Governance Framework	Signed quarterly report, proof of submission to Council dated 23	Was not part of 2012/13	N/A as the target

		Planning		Framework	to Council for approval	developed and submitted to Council	May 2014, Governance and Management of ICT Framework dated 17 March compiled by Business Connexion and ADM Corporate Governance of ICT Policy together with the expenditure report	SDBIP	has been achieved
19.	MTI 4:1	Strategic Planning	To enhance institutional capacity to plan and implement services effectively and efficiently by 2017	Establishment of a fully-fledged Policy and Research Unit	Developed Policy & Research model submitted	Established Policy & Research Unit	A signed report on the establishment of the unit where it states the appointment of 3 officials within the unit, ADM policy development framework, the policy & research management model: ADM outlook, unit organogram reflecting the 3 filled posts together with the appointment letters have been provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
20.	MTI 5:1	Corporate services	To ensure ADM has a fully operational and effective Fleet Management function by 2017	Develop a cost effective approach to effective utilization of ADM fleet	% reduction on cost of fleet management	8% reduction on cost of fleet management	The target of 8% has been achieved as the actual percentage thus far is at 44.69% when looking at percentages achieved	In 2012/13 what was done was to monitor all instances of non-compliance and usage of fleet vehicles and then reported to user departments, where a report was prepared to that regard	N/A as the target has been achieved
21.	MTI 6:1	Budget & Treasury Office	To ensure sound and sustainable management of Municipal finances	Payment of all Invoices within 30 days of receipt in line with S65 of the MFMA	% of Invoices paid within 30 days of receipt	100% payment on received Invoices within 30 days	On the total payments for the fourth quarter 99 % were paid within 30 days of receipt of invoices. Only 1% of invoices were not paid within 30 days as regulated.	Was not part of 2012/13 SDBIP	The report is already prepared on a monthly basis to the Executive Management Meeting. This report details transactions comprising non-

										<p>compliance per Department. Budget and Treasury Office already maintains a register for recording all received and date stamps the invoices that are received centrally. This register is used to follow up and track invoices once sent to relevant departments for authorization. A circular was distributed to all staff that indicated invoices are to be received centrally at the Budget and Treasury office. The circular further highlighted the process and what is required for payments to be made so that documents are not returned thereby possibly delaying the payment.</p>
--	--	--	--	--	--	--	--	--	--	---

KPA: 2 BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT

KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2013/2014	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2012/2013	REMEDIAL ACTIONS
22.	SDI 1:1	Engineering	Provision of adequate, potable and sustainable water services infrastructure by 2018	Implement water resource plans as part of the Water Services Development Plan	Refurbished Adelaide Canal as per Design Report	Progress Report for Refurbishment of Adelaide Canal as per Design Report at the end of 2013/2014 financial year	A signed quarterly report on the refurbishment of the Adelaide Canal, together with a signed service providers(UWP consulting) progress report dated June 2014 on the progress on Phase 1 and Phase 2 of the Koonap Canal and photos of the upgraded canal Phases with the expenditure reports provided	The Adelaide Canal was not refurbished, refurbishment only started in 2013/14 and the canal has been partly refurbished	N/A as the target has been achieved
23.	SDI 1:2	Engineering		Eradicate water backlogs	No of household with new water connection	6026 Household with connection	Upon recalculations 12466 households have been connected to water supply system as Q1 =1200, Q2 = 1147, Q3 =1704 and Q4 = 8415 connections were conducted and a signed quarterly report is submitted	6 749 water connections were done in 2012/13 made up of Q1 = 3836 + Q2 = 0 + Q3 = 1684 + Q4 = 1299	N/A as the target has been achieved
24.	SDI 1:3	Engineering		Refurbishment of water infrastructure	Developed and Implemented Refurbishment Plan submitted to EMC for approval	EMC minutes dated 04/06/14, water and sanitation portfolio refurbishment plan dated June 2014 and the Q4 progress report on the implementation of the 13/14 refurbishment plan on Dutywa Dam and Butterworth	Was not part of 2012/13 SDBIP	N/A as the target has been achieved	

							pipe replacement.		
25.	SDI 1:4	Engineering	Provision of adequate, potable and sustainable water and sanitation services to all by 2018	Conduct Audit to comply with Blue Drop Standard	No of Water Treatment Works Audited (Process Audit)	Comprehensive Process Audit for 3 Water Treatment Works	A signed quarterly report on the implementation of water safety plans by conducting process audits in Stutterheim, Alice and Butterworth dated 30 June 2014, together with a process audit report for Stutterheim WTW dated March 2014, Alice WTW dated March 2014 and Butterworth WTW dated June 2014 together and the service providers final report on process audit dated 29/05/14 with expenditure report provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
			Engineering						
26.	SDI 1:5	Engineering		Rainwater harvesting	No of households with rain water tanks	535 House Holds with rain water tanks	Upon recalculations 2990 households have been supplied with rain water tanks as Q2 = 225, Q3 = 904 and Q4 = 1861	377 rainwater tanks were provided in 2012/13, Q1 = 42 + Q2 = 130 + Q3 = 105 + Q4 = 100	N/A as the target has been achieved
27.	SDI 1:6	Engineering	Provision of adequate, potable	Establishment of a Laboratory	Feasibility study for a laboratory submitted to EMC for approval	Feasibility Study for ADM Laboratory submitted to EMC	Signed annual report, feasibility study dated June 2014 and the EMC minutes dated 04/07/14 are provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
			and sustainable water and sanitation services to all by 2018						
28.	SDI 1:7	Budget & Treasury Office		Registration of Indigent Consumers	No of registered indigent consumers receiving 6 kl free basic water service	2500 Registered Indigent Consumers receiving 6 kl	(Q1= 1308 + Q2 = 1558 + Q3=737+ Q4=963)=4 566 names of registered indigents that appears in the system, together with signed request of approval for indigents, and a list which has been approved by the MM dated 107/07/14 for the month of June together with the	2 548 indigents have been registers in 12/13, Q1 = 513 +Q2 = 975 + Q3 = 530 + Q4 = 530	N/A as the target has been achieved

							Venus printout are submitted		
29.	SDI 2:1	Engineering	Provision of sustainable and environmentally friendly sanitation and services to all communities by 2018	Implement sanitation infrastructure as an alternative to the bucket systems where it still exists	No. of households with eradicated Bucket system and replaced with Flushing toilets	An Implementation plan to address the backlog of households still utilising buckets which are informal households	Target achieved in Q4: Project status quo report for Bhofolo and Newtown bucket eradication project phase 6 dated June 2014 compiled by service provider Aurecon, service provider(Worley Parsons) progress status report on Adelaide and Bedford bucket eradication dated June 2014 containing the implementation plan of existing and new projects	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
30.	SDI 2:2	Engineering		Eradicate sanitation backlogs utilizing service delivery fast tracking mechanisms	No. of household supplied with new VIP Toilets	14 400 HH supplied with new VIP Toilets	Upon recalculations 15574 households have been supplied with VIP toilets as Q1 = 2657 Q2 = 1883, Q3 = 4856 and Q4 = 6178 together with a signed quarterly report	11 063 VIP toilets were provided in 2012/13	N/A as the target has been achieved
31.	SDI 2:3	Engineering	Provision of adequate, potable and sustainable water services infrastructure by 2018	To develop Wastewater Sludge Management Plan to comply with Green Drop	ADM Wastewater Sludge Management Plan submitted to EMC	ADM Wastewater Sludge Management Plan submitted to EMC	Final report on Sludge(Waste) Management Plans for the ADM's Wastewater Treatment Plants dated 06/06/14, signed annual report on the development of the waste water sludge management plans, minutes of the EMC dated 01/07/14 together with the expenditure report are provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
32.	SDI	Engineering		Upgrading of sanitation	Feasibility study to upgrade infrastructure	Feasibility study to upgrade the infrastructure	Feasibility study: Sanitation infrastructure upgrade in ADM tourist areas dated June 2014	Was not part of 2012/13 SDBIP	N/A as the target has been achieved

	2:4			infrastructure	within tourist areas submitted to EMC for approval	within the tourist areas submitted to EMC for approval	prepared by service provider(Royal Haskonong DHV)and the EMC minutes dated 04/07/14 are provided		
33.	SDI 3:1	Community services	To ensure reduction of the prevalence of communicable diseases by 2017	Monitor drinking water and waste water quality compliance on monthly bases.	No. of drinking water and analysed samples taken to determine compliance with SANS 241	1488 drinking water samples tested and analysed	For the financial year 13/14, 2725 drinking water samples were tested and analysed. The evidence from: quarter 1 of 946 samples; quarter 2 of 602 samples; quarter 3 of 577 samples; quarter 4 of 600 samples is has been verified from quarterly reports.	1940 drinking water samples were tested in 2012/13, where only 1752 complied with SANS 241	N/A as the target has been achieved
34.	SDI 3:2	Community services		No. of waste water samples taken to determine compliance with General Authorisation Standards	184 waste water samples tested	221 waste water samples were tested. The evidence from : Quarter 1 of 58 sample; quarter 2 of 51 samples; quarter 3 of 52 samples; quarter 4 of 50 samples is has been verified from quarterly reports.	227 waste water samples were taken during 2012/13, where only 119 complied	N/A as the target has been achieved	
35.	SDI 4:1	Community services	Enhance the provision and standardisation of fire services by 2017	Construct and operationalize legally compliant fire stations in identified areas	No of Fire Satellite Stations constructed	Construction of Hamburg Fire Satellite Station	A Consultant's report on completion of Construction of Hamburg Fire Satellite Station is submitted , Venus report , Certificate of Completion dated 23 June 2014 and a Signed project Manager's report is submitted with the details of Hamburg Fire Station that is now completed	An Appointment of a Contractor was done in 2012/13 where the construction only started in 2013/14	N/A as the target has been achieved

36.	SDI 5:1	Community services	Facilitate Sustainable coordination of disaster relief and response by 2017	Rehabilitation of disaster damages as per Disaster Management Framework	No of LMs provided with disaster relief material to address Backlog	Disaster relief material distributed to 3 LM's (Ngqushwa, Mnquma and Nkonkobe)	Disaster relief material is distributed to 3 LM's (Ngqushwa, Mnquma and Nkonkobe) to address the backlog, Supporting evidence is submitted during quarter 2 and quarter 4. Also acceptance letters for beneficiaries of relief material are submitted.	Relief Materials were distributed throughout the quarters at Nkonkobe, Mnquma and Ngqushwa LM's in Q3 and Q4	N/A as the target has been achieved
37.	SDI 5:2	Community services			No of awareness campaigns conducted in 7 LMs	56 awareness campaigns conducted in 7 LMs	Annual reports on 64 awareness campaigns were conducted in 7 LMs during the year. The evidence for : quarter 1 of 20 awareness's; quarter 2 of 19 awareness's; quarter 3 of 13 awareness's and quarter 4 of 12 awareness's has been verified	63 awareness campaigns were held throughout the quarters i.e. Q1 = 16 + Q2 = 12 + Q3 = 20 + Q4 = 15	N/A as the target has been achieved
38.	SDI 6:1	Engineering	Ensure that solid waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM	Implementation of the Integrated Waste Management Plan	No. of solid waste transfer station built	Phase 1 of the Solid Waste Transfer Station built in Mbashe (Dutywa)	A Quarterly report on the projects implemented by the solid waste unit stating the completion of phase 1 earth works in Mbashe, service provider progress report(Iqhawe consulting) on provision of structural engineering services for Idutywa Transfer station together with the sample	It was only the appointment of a contractor that was done in 2012/13, construction did not occur	N/A as the target has been achieved

			by 2017				picture, certificate of practical completion dated 30 June 2014 and the expenditure report are provided		
39.	SDI 6:2	Engineering	Ensure that solid waste is managed in an integrated, environmentally friendly and sustainable manner throughout ADM by 2017	Review of the Feasibility Study for the Western Regional Solid Waste Site	Reviewed Feasibility Study for the Western Regional Solid Waste Site submitted to EMC for approval	Reviewed Feasibility Study for the Western Regional Solid Waste Site submitted to EMC for approval	Signed report on the review of the feasibility study which reflects the previous findings and the current findings, Feasibility study dated June 2014 prepared by (GIBB engineering & science), EMC minutes dated 20/05/14 are provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
40.	SDI 7:1	Engineering	All households to have access to public transport facilities, within 2km walking distance by 2022	Implementation of the Integrated Transport Plan	No of Integrated Transport Plan programs implemented	1 ITP programme (Butterworth) implemented	Target achieved in Q4: Signed quarterly report on the progress on projects implemented by Transport section together with a progress report on Willowvale PTF prepared by Maisha Development Engineers dated 30 June 2014, and certificate of completion of Butterworth PTF from service provider PDNA dated 30 June 2014 and the expenditure reports are provided.	Progress on the Construction of Elliotdale public Transport in 2012/13	N/A as the target has been achieved
41.	SDI 7:2	Engineering			Developed database Road Assessment Management System (RAMS)	Developed database Road Assessment Management System (RAMS)	Signed Q4 quarterly report where it states the progress of the project and a CD with the developed database road assessment management system are provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved

42.	SDI 7:3	Engineering	All households to have access to public transport facilities, within 2km walking distance by 2022	Implementation of the Integrated Transport Plan	Feasibility Study into the management of Public Transport Facilities submitted to EMC for approval	Feasibility Study into the management of Public Transport Facilities submitted to EMC for approval	Feasibility study dated 30 June 2014, EMC minutes dated 20/05/14 are provided	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
43.	SDI 8:1	Engineering	Facilitate development of sustainable and viable settlements by 2014	Provision of engineering services to land reform settlements	No. of detail design reports developed	5 Detailed Design Report	A signed quarterly report on provision of engineering services to land reform settlements, expenditure reports together with 6 detailed design/technical service provider reports dated June 2014(Ndlovini Settlement phase 2 design report, Mboya Settlement Willovale design report, Lewis Settlement design report, Maxelegwini Settlement design report, Victoria Post project design report and Hertzog Settlement design report)	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
44.	SDI 8:2	Land Human Settlement & Economic Development	Facilitate development of sustainable and viable settlements by 2014	Implementation of the Land Reform and settlement plan	No of LRSP projects implemented	7 LRSP Projects implemented	Summation report for 6 LRSP projects is submitted (see annexures per KPI) the 7th KPI Wesley was removed see amended SDBIP, and evidence to support the achievement of the 6 projects is available in the POE files	An annual report on the progress made in the implementation of 4 LRSP projects was submitted indicating that 3 projects have not been implemented fully which is project i. The bidders did not meet the requirements so the zone plans were not	N/A as the target has been achieved

								completed	
								ii. Individual Title deeds - Awaiting for Title deeds from the Deeds Office and iii. Transfer of Title deeds- Awaiting for new EIA certificate as the existing one is expired	
45.	SDI 8:3	Land Human Settlement & Economic Development		Implementation of the housing strategy	No of Housing Strategy projects implemented	4 Housing Strategy Projects implemented	Signed quarterly reports on the implementation of the 4 Housing projects with supporting evidence is submitted except for 45.4 which requires Approval of Accreditation by Province as Annual target, where the department declared non approval by the MEC in the assessment report submitted, also Venus expenditure report/DIMS submitted	2 Housing projects implemented during the year, which summarises the workshops held in Q3 and Q4 and the Housing Risk Plan and Fraud Plan	
46.	SDI 9:1	Land Human Settlement & Economic Development	Develop, conserve and maintain heritage sites by 2017	Implementation of the Heritage Resource Management Strategy	No. of Heritage resource management strategy projects implemented - Infrastructure projects	4 Heritage resource management strategy projects implemented	A summation report on 4 Heritage resource management strategy projects implemented is submitted with supporting evidence on: - Feasibility study on Ntaba kaNdoda Local Economic Development - Conservation of 10 heritage sites (caves) - Development of 1 heritage site	7 Heritage Resources projects were implemented in 2012/13	N/A as the target has been achieved

							(Heritage Route Development) - Development of 1 heritage site (Wars of land dispossession)		
47.	SDI 10:1	Budget & Treasury Office	Ensure efficient and effective procurement of goods and services by 2017	Monitoring and reporting on contractual commitments and performance of service providers	No of Reports submitted to Council on contractual commitments and performance of service providers	4 Reports to Council on contractual commitments and performance of service providers	4 Contracts registers on awarded contracts, 4 Council agendas dated 30/08/14, 13/12/13, 28/03/14 and 23/05/14, and 4 signed quarterly reports on the performance of the Service provider on tenders awarded at SCM dated 30/06/13, 30/09/13, 31/12/13 and 31/03/14 respectively.	Q1-Q4 reports on the performance by Service providers, EMC minutes and Agendas are submitted as proof that the performance of SP has been discussed in each quarter and a Consolidated Annual report	N/A as the target has been achieved
48.	SDI 10:2	Budget & Treasury Office		Enhance the capacity of emerging contractors to deliver on contracts	No of Interventions to improve emerging contractors performance	1 Training Intervention with emerging contractors	1 training intervention (Supplier Development workshop) was conducted in 4 LM's on the 25/06/14; 25/04/14; 16/05/14 and on the 23/05/14, a report on training intervention undertaken, together with supporting evidence such as programmes and attendance registers are submitted and are available in the POE files	A supplier/contract workshop was held on the 19 April 2013 and supporting documents are attached	N/A as the target has been achieved

KPA: 3. LOCAL ECONOMIC DEVELOPMENT

KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2013/2014	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2012/2013	REMEDIAL ACTIONS
50.	LED 1:1	Land Human Settlement & Economic Development	To promote holistic sustainable regional economic development by 2030	Implementation of the Tourism Master Plan	No. of Tourism master plan projects implemented	4 Tourism master plan projects implemented	Summation report on the implementation of the 5 Tourism projects - Impact Assessment Report on all Tourism supported projects. - Tourism Marketing and Promotion Report with supporting evidence is submitted - Tourist Guide Report - Craft Development Support Report - Final STP and Venus expenditure report/DIMS	8 Tourism Master Plan projects were implemented in 2012/13	N/A as the target has been achieved
51.	LED 1:2	Land Human Settlement & Economic Development		No. Of Film Industry development Strategy projects implemented	Implementation of 1 Film and creative Industry projects	1 Film Industry development Strategy projects implemented	An annual report on Film Industry development Strategy is submitted where 3 projects have been implemented with evidence of 3 extra workshops and 1 extra training as per the submitted evidence	Film Industry Development initiatives were implemented in 2012/13	N/A as the target has been achieved
52.	LED 1:3	Land Human Settlement	To promote holistic sustainable	Implementation of the Heritage Management Plan	No of Heritage management plan projects	5 Heritage management Strategy projects	A summation report on 5 Heritage management Strategy projects implemented is	4 Heritage projects with quarterly reports on the activities done during	N/A as the target has been achieved

		& Economic Development	regional economic development by 2030		implemented - Programmes	implemented	submitted with supporting evidence available in the POE files	the 2012/13 was submitted	
53.	LED 1:4	Land Human Settlement & Economic Development		No. of Agricultural development plan projects implemented	Implementation of 3 Agricultural development Plan projects (Livestock improvement, Mechanisation and Input supply, Food security)	3 Agricultural development plan projects implemented	An annual report on 3 Agricultural development plan projects implemented is submitted supporting evidence : - Livestock Improvement project implemented - Mechanisation and Input Supply project implemented - Food Security project implemented and Venus expenditure report/DIMS	Evidence on the 2 Agricultural projects implemented is submitted where delivery of Food parcel was done in Q4 and the hosting of Agricultural Expo was held on 7-9 Nov 2012	N/A as the target has been achieved
54.	LED 1:5	Land Human Settlement & Economic Development		Implementation of the Integrated Environmental Management Plan	No. of Environmental management plan projects implemented	5 Environmental management plan projects implemented	A consolidated report on 5 Environmental management plan projects implemented is submitted with supporting evidence on: - Climate Change and Renewable Energy Symposium Held - Hamburg Ablution Facility Renovation, Water Quality Sampling and Life Guards Training - Amathole Mountain Biosphere Public Participation Report - Hosting of 4 Environmental Awareness Days - Ambient Air Quality	Was not part of 2012/13 SDBIP	N/A as the target has been achieved

							Assessment		
55.	LED 1:6	Land Human Settlement & Economic Development	To promote holistic sustainable regional economic development by 2030	Implementation of Enterprise development strategy	No. of Enterprise development strategy projects implemented	6 Enterprise development strategy projects implemented	<p>An annual consolidated report on 6 Enterprise development strategy projects implemented is submitted with supporting evidence on:</p> <ul style="list-style-type: none"> - Capacity building programmes conducted - Report on Networking Platforms - Number of cooperatives supported - Informal trade supported - SMME's Supported Report - Report on Functioning of the CDC 	4 Enterprise development Projects were implemented in 2012/13	N/A as the target has been achieved
56.	LED 1:7	Land Human Settlement & Economic Development		Implementation of EPWP Policy	No. of jobs created through EPWP	1200 EPWP Jobs created	A annual consolidated report on EPWP Jobs created in the 2013/14 is submitted with a breakdown of 1896 beneficiaries in jobs that were created as per the report	A system printout generated in April 2013 reflecting the number of projects under ADM was submitted	N/A as the target has been achieved
57.	LED 1:8	Engineering		No. of jobs created through EPWP	No of jobs created through Capital projects	EPWP Compliance Report on complying projects	Annual report that talks to EPWP projects with the number of projects, job opportunities created, person days and EFT's created have been provided		N/A as the target has been achieved

58.	LED 1:9	Corporate Services	To promote holistic sustainable regional economic development by 2030.	Implementation of EPWP Policy	No. of candidates participating in the learnerships program created through HRD strategy	10 Candidates participating in the HRD Learnership program	20 candidates have been participating in the Learnership program since Q2 and the evidence is attached in the POE files	Implemented 1 approved and budgeted program per HRD Strategy implementation Plan	N/A as the target has been achieved
59.	LED 1:10	Land Human Settlement & Economic Development		Implementation of Amathole Regional Economic Development Strategy	No. of AREDS projects implemented	3 AREDS projects implemented	A Signed quarterly progress report on the implementation of 3 AREDS projects is submitted with supporting evidence on: - Economic Intelligence. - Support for LM Strategy development - Implementation of the Investor Conference Action Plan and Venus expenditure report/DIMS submitted	3 AREDS projects were implemented, where the Economic development plans for Great Kei and Nxuba which were developed were submitted in the 4th quarter and the supporting evidence for the training that was done for LED practitioners was also submitted	N/A as the target has been achieved
60.	LED 5:1	Community services	To ensure compliance with the Municipal Health Legislation within ADM by 2017	Implementation of Municipal Health Regulations and By-Laws	No of quarterly reports reflecting inspected food handling premises	4 Quarterly reports reflecting complying /non complying premises	An annual signed quality report that reflects complying and non-complying premises this quarter with Certificates of Acceptability issued to complying premises and Inspection sheets for quarter 4 are submitted	4 Quarterly reports on the number of Food Handling premises inspected throughout the year are submitted.	N/A as the target has been achieved
61.	LED 5:2	Community services			No of waste management promotion project conducted in local	1 waste management promotion project in Nkonkobe	A waste management promotion project in Nkonkobe, Attendance register for project steering committee on waste management, Expenditure	Was not part of 2012/13 SDBIP	N/A as the target has been achieved

					municipalities		report and Evaluation reports dated 11 June 2014 are submitted		
--	--	--	--	--	----------------	--	--	--	--

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2013/2014	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2012/2013	REMEDIAL ACTIONS
62.	MFV 1:1	Budget & Treasury Office	To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017	Implement a costing model for ADM services.	Reviewed tariffs submitted to Council for approval	Reviewed tariffs for 4 services (Water, Sanitation, Fire & Disaster, Municipal Health) submitted to Council for approval	Council agenda dated the 23/05/14 and approved tariff schedule for 14/15 have been provided	A signed report on approved tariffs is submitted together with a CD showing council resolutions on approved Tariffs, approved tariff policy and tariffs applicable for 13/14 are submitted the tariffs were approved on the 22 March 2013	N/A as the target has been achieved
63.	MFV: 1.2	Budget & Treasury Office	To ensure 43% recovery of costs incurred to provide water and sanitation services by 2017	Implement a costing model for ADM services.	Report on the Total cost of providing free basic services per annum excluding losses	Report on the total cost of providing free basic services excluding losses per annual	Signed quarterly report on the cost of providing water and sanitation services reflecting total cost, CD and an email when the item was submitted to council support for EMC and the spreadsheet on the cost providing free basic water and sanitation services to the households and rural areas	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
64.	MFV:	Budget & Treasury		Expansion of billable water	% billing of metered	98% billed of read of metered	Confirmed through recalculation that 99% has been read on	97.5% was read on total	N/A as the target

	1.3	Office		consumers to all households in the district	households	households	metered households and a CD attached for detailed information	active meters in 2012/13	has been achieved
65.	MFV: 1.4	Budget & Treasury Office		Implementation of the credit control and indigent policies	% Increase in billing	16% increase in billing	Billing has only increased by 5.8 % for the year 2013/14 as against 16% targeted, made up of (Q1 = 0.8% + Q2 = - 4.5% + Q3 = 1% + Q4 = 4%)	An annual increase in Billing was at 93.5% in 2012/13	The implementation of the service coverage data on the system will result on the expansion of our revenue base. The lead consultants and 2x sub contractors are already appointed and submitting the reports
66.	MFV 1:5	Corporate Services		Management of telephone costs	% Reduction in telephone expenditure	15 % reduction in telephone expenditure	N/A as the target has been approved not to report on it (An approved Memo is attached)	Was not part of 2012/13 SDBIP	N/A
67.	MFV 1:6	Engineering		Pilot household yard connections in rural water schemes that have sufficient water capacity	No of villages in 2 Municipalities piloted with yard connections	Pilot 2 villages in Ngqushwa and Amahlathi yard connections to illegal connected HH	A signed quarterly report from UWP Service provider reflecting that 215 meters were installed in the villages this quarter is submitted	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
68.	MFV: 2:1	Budget & Treasury Office	To ensure 100% utilization of budget by 2017	Implementation of an Accelerated plan for service delivery projects	Reduced turnaround time in awarding contracts after closing date of tender	Improved turnaround time to 70 days on the awarding of tenders after closing date of tender	Report on the implementation of the best practice model to improve the turnaround time for the evaluation and adjudication of tenders stating average turnaround as 41.31 days	Was not part of 2012/13 SDBIP	N/A as the target has been achieved

69.	MFV 2:2	Legislative & Executive Support Services	To ensure 100% utilization of budget by 2017	Monitoring of variance on actual against projected budget project expenditure	Spending not less than 90% of departmental Internally projected budget	90% expenditure of departmental internally projected budget	Expenditure on departmental internally projected budget is more than 90%. It is 100%.	N/A	N/A as the target has been achieved
		Strategic Planning and Management					Upon recalculations this department has managed to spend 96% on Internally funded projects	The department has spend 197% against its projections on Internally funded projects	N/A as the target has been achieved
		Land Human Settlement and Economic Development					Expenditure on departmental internally projected budget is at 98% as per the system printout submitted	Departmental Projection against actual expenditure for the 4th quarter is above 80% on both Internally and Externally funding, they have spent 201%	N/A as the target has been achieved
		Engineering					A system printout from BTO reflects that the department obtained 79% on Internally funded projects	Submitted expenditure report on Internally funded projects reflects that the department has spent 88% against its projections on Internally	The projects affected are mostly multi-year projects which will continue in the 14/15 financial year.
		Corporate Services					A system printout submitted reflects that the department spent 98% of its Internally budget in the 2013/14 financial year which is above the target of 90%	100% has been spent against projections	N/A as the target has been achieved
		Budget & Treasury					Upon recalculations this department has managed to spend 98% on Internally funded	92% has been spent against projections	N/A as the target has been achieved

		Office					projects		
		Community Services					Expenditure on departmental internally projected budget is less than 90%. It is 67%.	The department has spent more than 90% on both Internally and externally funding this year	
70.	MFV 2:3	Corporate Services	To ensure 100% utilization of budget by 2017	Monitoring of variance on actual against projected budget project expenditure	Spending not less than 90% of projected operational budget	90% expenditure of departmental projected budget	The department is at 98% in terms of spending on its operational budget as per the system printout submitted	Was not part of the 2012/13 SDBIP	N/A as the target has been achieved
		Land Human Settlement and Economic Development					Expenditure on departmental operational projected is at 101% as per the system printout submitted		N/A as the target has been achieved
		Legislative & Executive Support Services					97% Expenditure on departmental operational projected budget is obtained		N/A as the target has been achieved
		Community Services					Expenditure on departmental operational projected budget is less than 90%. It is 92 %.		N/A as the target has been achieved
		Engineering					Upon recalculations this department has managed to spend 84% on operational funded projects		Spending on operational budget will be monitored closely in the next financial year.
		Budget &					Upon recalculations this		Closer monitoring of

		Treasury Office					department has managed to spend 87% on operationally funded projects		operating expenditure during the year is required to ensure all costs are reflected and that any possible savings be then declared as savings
		Strategic Planning and Management					Upon recalculations this department has managed to spend 82% on Internally funded projects		During 14/15 all budget items like depreciation will be followed up by the office of the Director to ensure spending. The Director will do a reconciliation of what is spent and projected.
71.	MFV 2:4	Corporate Services	To ensure 100% utilization of budget by 2017	Monitoring of variance on actual against projected budget project expenditure	Spending not less than 70% of departmental projected externally funded budget	70% expenditure of departmental projected externally funded budget	85% on Externally funding has been spent by the department as per the system printout submitted	100% has been spent against projections	N/A as the target has been achieved
		Strategic Planning and Management					Upon recalculations this department has managed to spend 81% on Internally funded projects	On externally 91% was spent	N/A as the target has been achieved
		Budget & Treasury Office					Upon recalculations this department has managed to spend 100% on externally funded projects	92% has been spent against projections	N/A as the target has been achieved

		Engineering					Upon recalculations this department has managed to spend 99% on externally funded projects	For externally funding they have spent 95%	N/A as the target has been achieved
		Community Services					Expenditure on departmental externally projected budget is more than 90%. It is 100 %.	The department has spent more than 90% on externally funding this year	N/A as the target has been achieved
		Land Human Settlement and Economic Development					Expenditure on departmental externally projected budget is less than 70 %. It is 58%	Externally funding, they have spent 201%	Accurate cash flow projections depicting the exact figure in the multi-year projects will be resubmitted so as to avoid recurrence of this matter.
		Legislative & Executive Support Services					N/A as the department does not have externally funded projects	N/A	N/A as the department does not have externally funded projects
72.	MFV 2:5	Strategic Planning	To ensure 100% utilization of budget by 2017	Improve project monitoring and evaluation of projects	No of project management reports submitted to EMC	4 quarterly project management reports submitted to EMC	A signed memo by MM condoning to accept that the 4 quarterly reports were to be submitted to the project steering committee rather than the EMC has been submitted and the reports are in the POE files from Quarter 1 to 4	Was not part of 2012/13 SDBIP	N/A as the target has been achieved

73.	MFV 3:1	Budget & Treasury Office	To ensure 80% collection rate on all billable services by 2017	Implementation of Credit Control and Indigent Policies	% total collected on outstanding debts	45% of the total outstanding debt less the total provision for doubtful debts	120% total collection rate on the outstanding debt for the 13/4 financial year	Four council items submitted to write offs of irrecoverable debts	N/A as the target has been achieved
74.	MFV 3:2	Corporate Services	To ensure 80% collection rate on all billable services by 2017	Management of Calgary Conference Centre tariffs	% increase on amount generated from Hiring of Calgary Conference Centre	10% Increase on the amount generated from hiring of Calgary Conference centre	A system report attached dated 25 June 2014 reflect that the department has generated and amount of R160 089.38, looking at a baseline of R110 924 which then gives a 144.32% increase	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
75.	MFV 4:1	Budget & Treasury Office	To ensure ADM Assets are adequately managed and monitored by 2017	Implementation of an Integrated Asset Management Information System	Automated Asset Register	Automated Asset Register	ADM asset management system printout with the list of uploaded assets, illustrating its functionality and reflecting the official who logged in, financial year, category, group, asset and component type etc	Was not part of 2012/13 SDBIP	N/A as the target has been achieved
76.	MFV 4:2	Budget & Treasury Office		Tracking of infrastructure assets component	% Tagged infrastructure components with allocated asset register codes	100% of the tagged infrastructure assets recorded in the infrastructure asset register	Evidence submitted in Q1-Q4 reflects that 100% of all tagged assets were recorded in the infrastructure asset register	A signed list of assets barcoded from the SP, a CD with the assets that have been tagged and a signed Annual report	N/A as the target has been achieved

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI No	INDICATOR CODE	DEPARTMENT	STRATEGIC OBJECTIVE	STRATEGY	INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2013/2014	ACTUAL PERFORMANCE ON ANNUAL TARGETS 2012/2013	REMEDIAL ACTIONS
77.	GGP 1:1	Strategic Planning	To ensure clean and accountable governance in the district by 2017	Provide assurance and consulting services on matters relating to Governance processes, Risk Management and Internal Controls	No of Audit reports produced as per approved Audit Plan submitted to the Audit Committee	20 Internal Audit reports and 4 Internal Audit Activity reports as per the Audit Plan submitted to the Audit Committee	33 audit reports, 3 audit and risk committee agendas dated 19/11/13, 25/11/13, 24/04/14 and 23/07/14, 3 performance audit committee agendas dated 22/08/13, 19/11/13, 17/02/14 and 15/05/14 and 4 audit activity reports dated 25/11/13, 16/01/14, 24/04/14 and 22/07/14 are submitted	An approved Internal Audit Plan was approved and submitted, and has been implemented throughout the quarters	N/A as the target has been achieved
78.	GGP 1:2	Corporate Services	To ensure clean and accountable governance in the district by 2017	Provide assurance and consulting services on matters relating to Governance processes, Risk Management and Internal Controls	No of Updated Management responses submitted to EMC	4 quarterly updated management responses submitted to EMC Reports	4 quarterly EMC minutes reflecting the updated Management Action plan item as an item that was discussed	An annual report on the EMC minutes where it sat and the Management letter Action Plan was discussed	N/A as the target has been achieved
		Budget & Treasury Office					Copy of the EMC minutes dated 9/09/13, 25/03/14 and 04/06/14 with the copy of the Management responses and time bound action plans are submitted.	12 Audit Action plans are submitted	N/A as the target has been achieved
		Legislative & Executive					N/A as there were no issues raised by AG for this	N/A as there were no issues that were raised	N/A as there were no issues that were

		Support Services					department	by AG in this department	raised by AG in this department
		Community Services					N/A as there were no issues raised by AG for this department	There were no findings raised by AG for this department	N/A as there were no issues raised by AG for this department
		Strategic Planning					N/A as there were no issues raised by A.G for the department in 13/14	Copies of Management letters Action plans are submitted	N/A as there were no issues raised by A.G for the department in 13/14
		Land Human Settlement and Economic Development					N/A as the issues raised were addressed by this department	Proof of submission of the management letter, a copy of the Management letter and minutes of the EMC dated 21 May 13 are submitted	N/A as the issues raised were addressed by this department
		Engineering					Only 2 quarterly updated management responses have been submitted to the EMC for the 12/13 financial year as Q2 and Q3 were not applicable since there were no issue to be addressed	Management responses and time bound Action Plans that were due in the 4th quarter were submitted to EMC, together with proof of submission of all 3 quarters are in the evidence files	N/A as the target has been achieved
79.	GGP 1:3	Budget & Treasury Office	To ensure clean and accountable	Provide assurance and consulting services on matters relating	Financial statements compliant with MFMA and GRAP submitted to Auditor-General by 31st	12/13 Annual Financial Statements	Proof of submission to PT, AG dated 30/09/13, 30/08/13, 30/08/13 and 30/09/13 respectively and the softcopy of the 12/13 financial statements	A signed copy of the distribution list for the submission of Annual Financial Statements, Copy of the AFS are	N/A as the target has been achieved

			governance in the district by 2017	to Governance processes, Risk Management and Internal Controls	August annually		financial year	submitted	
80.	GGP 1:4	Budget & Treasury Office			Monthly budget statement and Mid year Budget assessment reports submitted to Mayor, Provincial & National Treasuries	Monthly budget statement and Mid year Budget assessment reports submitted to Mayor, Provincial & National Treasuries	MM's quality certificate dated the 15/08/13, 16/09/13, 16/10/13, 15/11/13, 15/01/14, 13/02/14, 13/03/14, 23/04/14, 19/05/14, 13/06/14 monthly budget statement for July, Aug, Sept, Oct, March, April, May, age analysis of creditors dated 14/08/13 10/09/13, 14/10/13, 11/12/13, 15/01/14, 12.02.14, 11/03/14, 10/04/14, 11/05/14, 14/05/14 and 11/06/14 and proof of electronic submission to National and Provincial Treasury and the Mayor	Was not part of the 2012/13	N/A as the target has been achieved
81.	GGP 1:5	Budget & Treasury Office	To ensure clean and accountable governance in the district by 2017	Provide assurance and consulting services on matters relating to Governance processes, Risk Management and Internal Controls	No of SCM reports submitted to Council for noting.	5 SCM reports submitted to Council for noting (4 quarterly and 1 annual reports)	Council agendas dated 30/08/13, 13/12/13, 28/03/14 and 23/05/14, 4 departmental bids adjudicated spreadsheet together with the 1st, 2nd, 3rd and 4th quarter SCM reports and the 12/13 financial year annual report are submitted	Was not part of the 2012/13	N/A as the target has been achieved
82.	GGP 1:6	Legislative & Executive Support Services		Coordinate functioning of Council oversight structures	No. of MPAC programmes conducted per financial year	5 MPAC programmes	An annual report on 5 MPAC programmes is submitted with supporting evidence of minutes and registers of the following dates: 1. Meeting held on 16/05/2014 in Caxton House (Municipal	MPAC visits to projects was done in Q1 and a list of dates is attached, a Council open day and SODA took place in Q4	N/A as the target has been achieved

							<p>Manager's boardroom)</p> <p>2. Meeting held on 08/08/2014 in Caxton House (Municipal Manager's boardroom)</p> <p>3. Meeting held on 22/11/2014 in Regent hotel .</p> <p>4. Meeting held on 05/02/2014 in Caxton House (Executive Mayor's Board Room)</p> <p>5. Meeting held on 06/03/2014 in Caxton House (Municipal Manager's boardroom)</p>		
83.	GGP 1:7	Legislative & Executive Support Services			No of capacity building programmes conducted for (Committees of Council (79 Committees)	4 Capacity building programmes for Speakers'; Whips, Chairpersons of Section 79	<p>Evidence on the 4 Capacity building programmes for Speakers'; Whips, Chairpersons of Section 79 is submitted and were held on the following dates:</p> <ul style="list-style-type: none"> - MPAC meeting on the 8/08/13 - MPAC training On the 19-22 /11/ 2013 - Training of district speakers on 26-27/02/14 - Whippery training held on the 13-14/03/14 - Women caucus on the 10-11/03/14. And Venus expenditure report is also submitted 	Was not part of the 2012/13	N/A as the target has been achieved

84.	GGP 1:8	Legislative & Executive Support Services	To ensure clean and accountable governance in the district by 2017	Provide assurance and consulting services on matters relating to Governance processes, Risk Management and Internal Controls	Annual evaluation report on the impact of council structures submitted to Council	Annual evaluation report on the impact of council structures submitted to Council	Annual evaluation report on the impact of council structures submitted to Council is submitted as evidence and is dated 01/07/2014	An annual report on the functionality of S80 Committees and the number or sittings that took place during the year under Review	N/A as the target has been achieved
85.	GGP 1:9	Legislative & Executive Support Services		No. Of Council resolutions submitted to 7 LMs	4 quarterly Council resolutions submitted to 7 LMs.	4 quarterly Council resolutions were submitted to 7 LMs. Evidence of quarterly reports and signed proof of submission during 2013/14 financial year is submitted.	Was not part of the 2012/13	N/A as the target has been achieved	
86.	GGP 1:6	Strategic Planning		Implementation of the Risk Master Plan	No. of programs implemented as per Risk Master Plan	Year 1 programs implemented as per Risk Master Plan	Signed annual report on the implementation of risk activities as per master plan, signed quarterly reports, year 1 programmes master plans reflecting activities to be implemented together with the supporting evidence are provided.	A Risk Management Plan was developed and submitted in the 4th quarter and has been implemented throughout the quarters	N/A as the target has been achieved
87.	GGP 1:7	Strategic Planning		Develop and Conduct legal compliance audits	Developed legal compliance registers for Task Grade 14 -19 submitted to EMC for approval	Developed legal compliance registers for Task Grade 17 -20 managers submitted to EMC for approval	A signed quarterly report, correspondence for submission to EMC, legal registers for BTO, Engineering, Corporate Services, LHSED, MM's office, Strat office, Community Services, proof of submission of TG 14-19 submitted	Copies of draft legal registers for 7 HOD's and 3 for Senior Managers reporting to MM were submitted in Q4	N/A as the target has been achieved
88.	GGP 1:14	Corporate Services	To ensure clean and accountable	Implementation of the Labour Relations	Turnaround time for scheduling disciplinary	3 months Turnaround time for conducting	An annual report on the disciplinary hearings conducted in year 2013/14 with the	Was not part of the 2012/13	N/A as the target has been achieved

			governance in the district by 2017	Strategy	hearings	disciplinary hearings	outcomes for each case and the time taken for conducting the hearings which is within 3 months		
89.	GGP 2:1	Strategic Planning	To facilitate coordination, co-operation and joint planning between the spheres of government by 2017	Strengthen IGR structures within Amathole area of jurisdiction	No. of Municipalities with functional IGR structures	2 LM's (Amahlathi & Ngqushwa) with Functional IGR structures	Annual report stipulating LM's with functioning IGR(Amahlathi, Mquma and Ngqushwa	In 2012/13 only 3 IGR and DIMAFO Meeting sat in the year	N/A as the target has been achieved
90.	GGP 3:1	Strategic Planning	To promote learning and sharing both domestically and internationally by 2017	Establishment and resuscitation of Memorandum of Understandings	No of quarterly reports on the status of developed and resuscitated MOU's	4 quarterly reports on developed and resuscitated MOU's	4 quarterly reports on the resuscitation and development of the MOU's: Q1, Q2,Q3, Q4 reports and Annual reports is submitted summarising all the work done and MOU's resuscitated throughout the year	4 consultative meetings with sister organisations, were planned in 2012/13 where 3 Consultative meeting with sister organisations were held in Q2 with (Fort Cox college and Nkangala) and in Q4 with Sedibeng and one meeting was organised with UFH but did not take place after all the preparations were done	N/A as the target has been achieved
91.	GGP 4:1	Legislative & Executive Support Services	Mainstreaming of Special programmes into ADM programmes by 2017	Implementation of programmes as per approved SPU Strategy	No of implemented programs as per Special Programs Strategy	8 programs implemented as a per the Special Programmes Strategy	11 programs were implemented during the year 2013/14 as per the Special Programmes Strategy. Evidence of quarterly reports and signed proof of submission during 2013/14 financial year is	Evidence on the 6 SPU programmes implemented throughout the year is submitted, and also evidence for the quarterly implementation is	N/A as the target has been achieved

							submitted.	available in each quarter	
92.	GGP 4:2	Legislative & Executive Support Services	Mainstreaming of Special programmes into ADM programmes by 2017	Implementation of programmes as per approved SPU Strategy	No of implemented programs as per the District Sport development Strategy	4 programs implemented as per the District Sport Strategy	<p>4 programs were implemented as per the District Sport Strategy.</p> <p>Supportive evidence was submitted as attendance registers and minutes of the meetings held for all quarters of the year 2013/14:</p> <ul style="list-style-type: none"> - Meeting held on the 4/08/13 -SAIMSA Games held on the 21-28/09/13 - SALGA EC Games dated, 27-30/11/ 2013 - Sport Development Program (Golf day) , dated 31/01/2014 - Mayor's cup, dated 21 /05/ 2014 	4 Sport programmes were implemented during the year over quarters in 2012/13	N/A as the target has been achieved
93.	GGP 4:3	Legislative & Executive Support Services		Institutionalization of Special Programs in all departments	No of Departmental road-shows conducted on mainstreaming of special programs	6 Departmental road-shows conducted on mainstreaming of special programs	<p>8 Departmental road-shows were conducted on mainstreaming of special programs as follows: 4 in Q2 , 2 in Q 3 and 2 in Q 4 .</p> <p>Attendance registers for programmes attended were submitted in for each quarter of 2013/14 financial year.</p>	Was not part of the 2012/13	N/A as the target has been achieved
94.	GGP 5:1	Strategic	To ensure a district-wide	Coordinate development	Integrated Development Plan submitted to	14/15 IDP submitted to	Minutes of the Council meeting held on the 23 May 2014,	A reviewed Integrated development plan dated	N/A as the target

		Planning	coordination of integrated planning, implementation, monitoring and evaluation by 2017	and alignment of the IDP, SDBIP and budget integration	Council for approval	Council for approval	acknowledgement of receipt by Local Government dated the 27 May 2014, 2014/2015 IDP and acknowledgement of submission of the draft SDBIP to the Mayor dated the 06 June 2014	2013 -2014 is submitted and was approved by the Council in May 2013	has been achieved
95.	GGP 5:2	Budget & Treasury Office	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate development and alignment of the IDP, SDBIP and budget integration	Budget & Adjustment budget submitted to Council for approval	14/15 Budget submitted to Council for approval	Council agenda dated 23/05/14, MM's quality certificate signed by the Strat with the acting letter attached, process followed in developing the budget and link to view the budget	A Final Budget was submitted to Council and was approved	N/A as the target has been achieved
96.	GGP 5:3	Strategic Planning	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate performance reporting, monitoring and evaluation	No of Quarterly organisational performance assessment reports	4 Organisational performance assessment reports	4th, Q1, 2nd and 3rd quarter Performance Information reports are provided refer to the quarterly files	4 Quarterly reports for the Performance reviews conducted in all quarters of 11/12 -12/13 are submitted	N/A as the target has been achieved
97.	GGP 5:4	Corporate Services	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate performance reporting, monitoring and evaluation	% performance achievement in each key performance area in all 4 quarters	70% achievement in each KPA	All KPA's are above 70% and have been achieved as follows: MTI = 93%, LED = 100%, MFV = 75% and GGP = 100%	The department did not achieve 70% in all KPA's in all 4 quarters (in Q1 and Q2 the target was not achieved)	N/A as the target has been achieved
		Legislative & Executive Support Services					All KPA's are above 70% as MFV is 100%, and GGP = 100%	N/A as targets for this department were under Strategic Planning	N/A as the target has been achieved
		Strategic					All KPI's are above 70%, MFV =	The department did not	N/A as the target

		Planning					75%, MTI = 100% and GGP = 100%.	achieve 70% in all KPA's in all 4 quarters (Q2 and Q4 the KPA indicator was not achieved)	has been achieved
		Land Human Settlement and Economic Development					70% achievement in each KPA has not been attained as SDI = 67%, MFV= 67% and GGP = 50% and other KPA's have been achieved as follows LED =89%	The department did not achieve 70% in all KPA's in all 4 quarters	This target has been affected by KPI 45 and 71. Once the remedial actions are implemented this target will be sorted
		Budget & Treasury Office					Not all KPI's are above 70%, MTI= 0% GGP = 57% and other KPA's are achieved as follows: MFV = 73%, SDI = 100%	The department did not achieve 70% in all KPA's in all 4 quarters (Q3 did not achieve this indicator)	Sessions will be held with various managers who are custodians of the targets on the SDBIP, at the beginning of each quarter, to discuss ways of ensuring that targets are met, and early interventions theref.
		Engineering					Not all KPI's are above 70%, GGP = 67% MFV = 50% but the following have achieved more than 70% i.e. SDI = 100%, and LED = 100%	The department did not achieve 70% in all KPA's in all 4 quarters	The department will identify targets not met and put further effort in order to achieve them.
		Community Services					Not all KPA's are above 70% as MFV = 67% and other KPA's are achieved as follows SDI = 100%, LED = 100%, GGP= 67%	The department obtained 100% in all its KPA in Q4	Performance will be improved in order for all KPAs not to be less than 70%

98.	GGP 5:5	Strategic Planning			No of Quarterly Individual performance assessment reports	4 Individual performance assessment reports	4 individual performance assessment reports signed by the Director Strategic Management have been provided	Was not part of the 2012/13	N/A as the target has been achieved
99.	GGP 5:6	Community Services	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate performance reporting, monitoring and evaluation	No of departmental Individual performance evaluation reports submitted to Strategic Planning	4 departmental Individual performance evaluation reports submitted to Strategic Planning	Consolidated 4 departmental Individual performance evaluation reports were submitted to Strategic Planning at the end of each quarter during financial year 2013/14	Was not part of the 2012/13	N/A as the target has been achieved
		Engineering					4 departmental individual performance evaluation reports submitted to the Strategic Planning dated 30/08/13, 30/08/13 , 28/03/14 and 02/05/14	Was not part of the 2012/13	N/A as the target has been achieved
		Corporate Services					4 quarterly signed departmental Individual performance reports have been submitted and the reports confirm that they were submitted Strategic department by the signature reflected on them	Was not part of the 2012/13	N/A as the target has been achieved
		Land Human Settlement and Economic Development					4 departmental Individual performance evaluation reports submitted to Strategic Planning during 4 quarters of 13/14 financial year	Was not part of the 2012/13	N/A as the target has been achieved

		Strategic Planning					4 departmental individual performance evaluation reports signed by Strategic planning officials	Was not part of the 2012/13	N/A as the target has been achieved
		Legislative & Executive Support Services					4 departmental Individual performance evaluation reports were submitted to Strategic Planning from quarter 1 to quarter 4.	Was not part of the 2012/13	N/A as the target has been achieved
		Budget & Treasury Office					only 3 departmental individual performance evaluation reports(Q2, Q3, & Q4) have been submitted to the Strategic department in the year 2013/14	Was not part of the 2012/13	Evaluation reports will be submitted for all officials going forward.
100.	GGP 5:7	Strategic Planning	To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017	Coordinate performance reporting, monitoring and evaluation	Annual report submitted to Council	12/13 Annual report	Annual report, oversight report on the annual report for ADM, Council minutes dated 28 March 2014 and attendance register	A copy of the Annual report dated 2011/2012 is submitted	N/A as the target has been achieved
101.	GGP 5:8	Strategic Planning	To ensure that Local Municipalities are	Review of the Performance Management Framework	Reviewed PM Framework submitted to Council for approval	Reviewed PM Framework submitted to Council for approval	A copy of the PM Framework, Council agenda, minutes and attendance register dated 28 March 2014 have been submitted	Was not part of the 2012/13 SDBIP	N/A as the target has been achieved
102.	GGP 6:1	Strategic Planning	To ensure that Local Municipalities are	Implement Municipal Support Empowerment	No of Finance support initiatives implemented	2 Finance support initiatives implemented	4 initiatives have been conducted i.e. bid rigging workshop, bid committee workshop, contract	A copy of the Final GRAP Fixed Asset register was submitted in Q3	N/A as the target has been achieved

			empowered to render services that are within their powers and functions by 2017	and Capacity Building Programs to Local Municipalities			management training and suppliers day initiatives were conducted	A signed Close out report for the support rendered to Mbashe was submitted in Q4	
								12 Trainings were attended in Q2 = 5 + Q3 = 3 + Q4 = 4 and supporting evidence has been submitted throughout the year	
103.	GGP 6:2	Strategic Planning			No of Land and Human Settlements support initiatives implemented	7 LHS support initiatives implemented	All projects in the financial year have been achieved: 1. Review of the Fort Beaufort Zoning Scheme 2. Development of the Alice, Middledrift and Seymour Zoning schemes 3. Planning of the Adelaide and Bedford settlements 4. Feasibility study and conduct environmental impact assessment for new German settlements 5. Rectification of the Ndlovini general plan 6. Survey of the Adelaide and Bedford settlements 7. Feasibility study and conduct environmental impact assessment for the Kologha settlement	3 Final Strategies were submitted in the 4th quarter together with the Service providers reports, and A copy of the Reviewed Nkonkobe SDF was submitted in Q4	N/A as the target has been achieved
104.	GGP 6:3	Strategic Planning	To ensure that Local Municipalities are empowered to render	Implement Municipal Support Empowerment and Capacity Building	No of LM's with improved ICT infrastructure and applications	7 LM's with Improved and secured ICT Infrastructure	Annual report reflecting the projects (Cibecs data backup and revamp of server rooms) conducted in 7 LM's: Mngquma, Nkonkobe, Nxuba, Ngqushwa, Amahlathi, Mngquma and Great	A signed annual report on the IT support Shared services to LM's contributing toward the Shared Model that is	N/A as the target has been achieved

			services that are within their powers and functions by 2017	Programs to Local Municipalities			kei indicating the implemented projects	being established	
105.	GGP 6:4	Strategic Planning			No of engineering support initiatives implemented in local municipalities	10 Engineering support initiatives in 7 LMs	All 10 support initiatives in the 7LM's (Nxuba, Mquma, Nkonkobe, Mbhashe, Amahlathi, Great Kei and Ngqushwa) have been implemented: 1. Advanced project management training 2. Advanced training of plant operators 3. Supply and delivery of cold asphalt for GKM 4. Development of road management plan for GKM 5. The study tour consisting of the identified municipality 6. Supervisory training for LM's 7. Electrical trade training for LM's 8. Labour intensive construction NQF level 5&7 9. Mentoring programmes for engineering officials and 10. Training and purchase of civil designer 11. Closure of Fort Beaufort Waste Disposal landfill, acknowledgement of receipt by DEDEAT has been received 10/02/2014	Not all 9 Engineering projects were implemented in 2012/2013 only 8 were implemented i.e. 1 project has not been Finalised (Closure of Fort Beaufort Waste Disposal landfill	N/A as the target has been achieved
106.	GGP 6:5	Strategic Planning	To ensure that Local Municipalities are empowered to render services that are within their	Implement Municipal Support Empowerment and Capacity Building Programs to Local	No of Corporate Services support initiatives implemented	6 Corporate Services support initiatives	All 6 support initiatives for the year under review have been achieved: 1. Promulgation of By-Lwas 2. Development of HR plans in Mbhashe, Mquma and Ngqushwa and 3. 4 HR training initiatives for the LM's(Conflict management, records	A signed Annual report on Corporate Services support provided through trainings for LM's during 2012/13 throughout the quarters which are 6 is submitted	N/A as the target has been achieved

			powers and functions by 2017	Municipalities			management, training of training committees and training of safety representatives)	and Copies of 4 Reviewed HR Strategies for 4 LM and Reviewed Policies for 2 LMS have been submitted in Q4	
107.	GGP 6:6	Community Services			No of Community Safety Capacity building programs	6 Capacity building programs conducted	Annual report on 7 Capacity building programs were conducted as follows: 2 in quarter 1, 1 in quarter 2, 2 in quarter 3 and 2 in quarter 4. Supporting evidence was submitted during quarterly targets of 2013/14	7 community safety capacity buildings held this year, Q1 =2, Q2 = 2, Q3 =1, Q4 = 2 = 7	N/A as the target has been achieved
108.	GGP 7:1	Strategic Planning	To promote effective communication of ADM's business to its stakeholders by 2017	Implementation and management of customer queries	% of Customer complaints resolved within 20 working days	80% of all complaints resolved within 20 working days	A signed quarterly report dated (11/07/14)reflecting that 94% of complaints were resolved within 20 working days, and copies of queries for April, May and June together with emails acknowledging the received complaints	Was not part of the 2012/13	N/A as the target has been achieved
109.	GGP 7:2	Strategic Planning		Implementation of Communication Strategy	No. Of programs implemented as per the Communication Strategy	3 programs implemented as per the Communication Strategy	A signed quarterly report on activities undertaken by ADM communication unit which is dated beyond quarter under review(11/07/14), CD's for the launch of the war of Ngcayechibi exhibition and SODA 2014, expenditure reports, frontier market network newsletter, eastern cape youth on the move magazine for June-July 2014, Idikelethu news for	12 Advertorials have been submitted and Magazines are attached in the evidence file	N/A as the target has been achieved

							15 May to June 2014, voice of hope newsletter dated 28 May - 13 June 2014, Gqaba-Gqaba internal newsletter dated April, May and June 2014 and the Amathole community newsletter		
110.	GGP 8:1	Legislative & Executive Support Services	To deepen local democracy through community participation by 2017	Develop a petitions management system	Developed Petition management system submitted to Council	Developed Petition Management System submitted to Council	N/A - A memo signed by the Municipal Manager confirming that Petition Management System was deferred in the Council workshop, which makes the target not applicable for quarter 4 and annual.	Was not part of the 2012/13	N/A - A memo signed by the Municipal Manager confirming that Petition Management System was deferred in the Council workshop, which makes the target not applicable for quarter 4 and annual.
111.	GGP 8:2	Legislative & Executive Support Services		To deepen local democracy through community participation by 2017	No of programmes implemented as per Public Participation Strategy	15 programmes implemented as per Public Participation Strategy	23 programmes were implemented as per Public Participation Strategy as follows: 4 in Q 1 ; 7 in Q2 ; 7 in Q 3 ; 5 in Q 4	Was not part of the 2012/13	N/A as the target has been achieved

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

In order to achieve its service delivery mandate, ADM ensures that it has the most appropriate organizational structure.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year 2012/13	Year 2013/14			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	844	1111	1108	3	0.3
Waste Water (Sanitation)	55	55	55		
Electricity					
Waste Management	3	3	3		
Housing	5	4	4		
Waste Water (Stormwater Drainage)	3	3	3		
Roads					
Transport	2	3	3		
Planning	21	11	11		
Local Economic Development	33	30	28	2	7
Planning (Strategic &Regulatory)					
Local Economic Development					
Community & Social Services	81	98	94	4	4

Environmental Protection	3	5	5		
Health	43	37	28	9	24
Security and Safety	2	2	2		
Sport and Recreation	1	2	2		
Corporate Policy Offices and Other	177	185	177	8	4
Totals	1273	1549	1523	26	2

T 4.1.1

Vacancy Rate: Year 2013/14			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	
CFO	1	0	
Other S57 Managers (excluding Finance Posts)	6	1	-
Other S57 Managers (Finance posts)	1	-	-
Police officers	-	-	6%
Fire fighters	51	3	
Senior management: Levels 13-15 (excluding Finance Posts)	34	7	20.59%
Senior management: Levels 13-15 (Finance posts)	6	1	16.67%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	270	17	6.3%
Highly skilled supervision: levels 9-12 (Finance posts)	49	2	4.09%
Total	419	31	7.4%

T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year 2011/12	158	78	5.70%
Year 2012/13	157	101	5.94%
Year 2013/14	337	71	0.21
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

The Amathole District Municipality makes a number of attempts to ensure that the vacancy rate is kept at a minimum level. It has set itself a target of ensuring that the vacated and newly created positions are filled within a period of three (3) months after they became vacant or created.

All positions below the management levels are advertised internally for the benefit of the internal candidates and only if there is no suitable candidate found are the positions advertised externally. The positions of section 56 managers are advertised nationally. In January 2014 the position of the Director: Community Services became vacant as a result of the death of Sister Taleni. The recruitment and selection for this position started in 2014 and the position will be filled early in 2014/15 financial year.

The municipality developed a Talent Retention Strategy in 2010. It is beginning to pay dividends as the municipality experienced no high staff turnover during the period under review. The municipality has also developed some staff benefits to recruit and retain staff. The benefits are developed and implemented within the framework of the South African Local Government Bargaining Council.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Amathole District Municipality is very progressing district municipality which has a wide range of policies which are reviewed annually and also, as and when need arises. In the year 2013/14, there were a number of policies developed and reviewed amongst those policies were the Remuneration framework, Leave policy, cell phone policy and the Dress Code policy. The workforce is managed appropriately within the institution with clear reporting lines and proper delegation and authority given to the appropriate and relevant offices.

The Municipal Manager has delegated some authority to the Section 56 Managers through a delegation framework that provides guidance on delegations matters. The Heads of Departments have in-turn, delegated some authority to the Senior Managers in order to enable them to be able to manage their divisions on a day to day basis. With regards to management practices, the municipality has a system of reporting and processing issues which commences with the Working Group meetings which are composed of Senior Managers from the various departments. This approach was introduced to begin to develop a layer of management that would be able to rise through the ranks at some point, and to ensure that there is institutional memory throughout.

The second structure of Council that processes issues is the Executive Management Committee which is composed of all Section 56 managers and is chaired by the Municipal Manager. ADM also established Standing Committee linked to the 5 key performance areas of local government which are: Good Governance & Public Participation, Municipal Transformation & Institutional Development, Local Economic Development, Municipal Financial Viability, and Basic Service delivery & Infrastructure Development.

T 4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Attraction and Retention	100%	100%	2012
3	Code of Conduct for employees	100%	100%	2009
4	Delegations, Authorisation & Responsibility	100%	100%	Reviewed annually with last review in 2012
5	Disciplinary Code and Procedures	100%	100%	2009
6	Essential Services	100%	N/A	Review takes place when industrial action is contemplated
7	Employee Assistance / Wellness	100%	100%	2010

8	Employment Equity			
9	Exit Management			
10	Grievance Procedures	100%	100%	2005
11	HIV/Aids	100%	100%	2005 with last review in 2011
12	Human Resource and Development	100%	100%	
13	Information Technology	100%	100%	
14	Job Evaluation			
15	Leave	100%	100%	2011 Last review in 2012
16	Occupational Health and Safety	100%	50%	2005 with last review in 2010
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100%	100%	2013
21	Organisational Rights	100%	100%	Signed in 2010
22	Payroll Deductions			
23	Performance Management Framework	100%	100%	PM Framework is reviewed yearly as part of the IDP review process
24	Recruitment, Selection and Appointments	100%	100%	
25	Remuneration Scales and Allowances			
26	Resettlement	100%	N/A	2013
27	Sexual Harassment	100%	100%	2007
28	Skills Development	100%	100%	
29	Smoking	100%	100%	2005
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing	100%	100%	2010
33	Other: Substance abuse	100%	100%	2012
34	Rental Housing Allowances	100%	N/A	2013
35	Subsistence and Travel Policy	100%	100%	2012 Last review in 2013
36	Cellphone Policy	100%	N/A	2013
37	Termination Policy	100%	N/A	2013
38	Travel Allowance Scheme	100%	N/A	2011

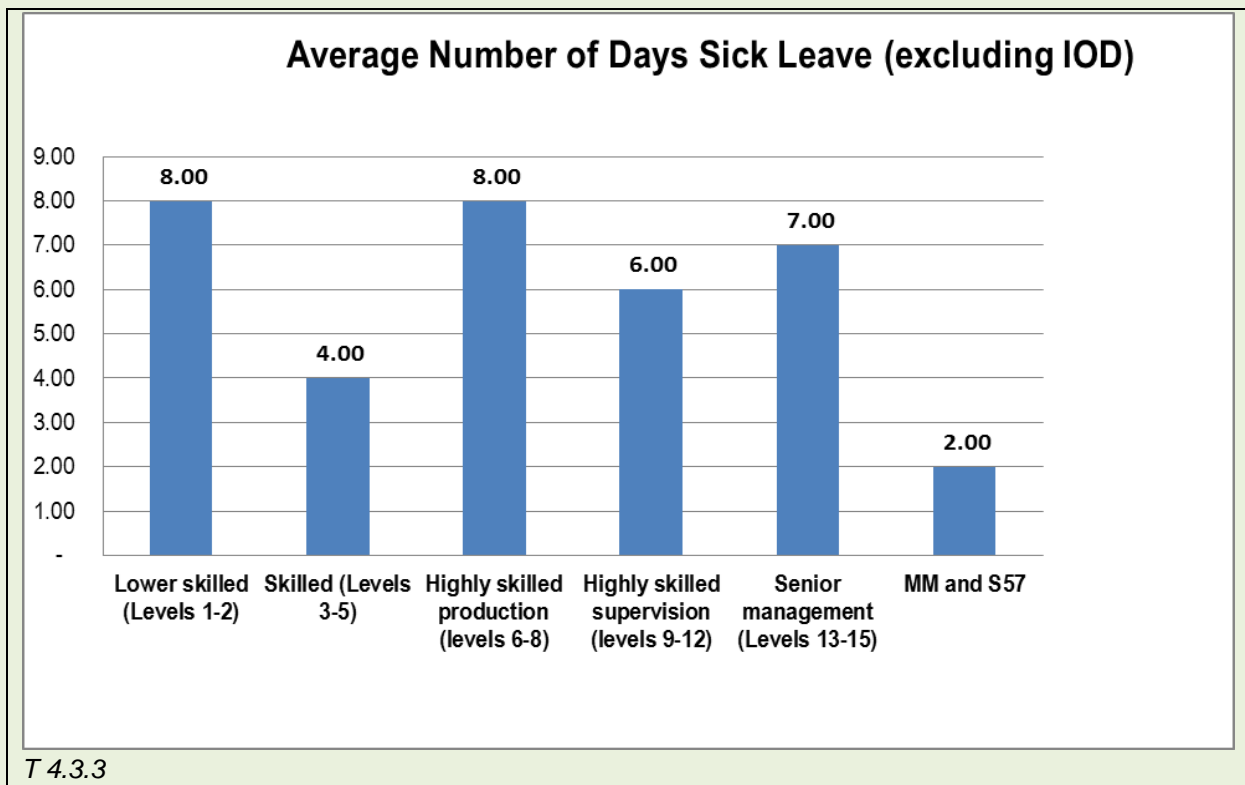
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	Nil	Nil	Nil	Nil	Nil
Temporary total disablement	Nil	Nil	Nil	Nil	Nil
Permanent disablement	Nil	Nil	Nil	Nil	Nil
Fatal	Nil	Nil	Nil	Nil	Nil
Total					

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Semi- Skilled (Levels 3-5)	2442		296	571	8	854 643.00
Highly skilled production (levels 6-8)	1276		257	521	4	514 761.00
Highly skilled supervision (levels 9-12)	2326		277	454	8	1 472 417.00
Middle management (Levels 13-15)	686		108	164	6	1 021 268.00
Senior management (levels 16-20)	325		44	86	7	627 047.00
MM and S57	16		8	8	2	88 683.00
Total						

T 4.3.2



COMMENT ON INJURY AND SICK LEAVE:

Training of employees on workplace hazards and Safety workshops were conducted to ensure that all ADM employees understand the importance of reporting the unsafe practise to prevent workplace injuries. When the accident happen in the particular workplace, the investigation is conducted and the findings are discussed with all employees to prevent re-occurrences. Each area has a trained First Aider and Health and Safety Representatives who assist when emergency occurs.

T 4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Area Manager	Theft: Involving the stripping of ADM vehicle	19 February 2013	Suspension lifted following failed condonation application at SALGBC on the award dated	22 August 2013
Millwright	Dishonesty and Insolence	14 November 2012	Dismissal: The employee referred the matter to the Bargaining Council, and his case was dismissed on the 18 Sept 2013.	18 April 2013
Cashier	Gross negligence: Failure to deposit money and follow security control measures when performing duties, causing ADM to lose an amount of +_R42 163.40 on what she reported as robbery	10-Jul-13	Final Written Warning valid for a period of six (6) months and seven (7) day's salary deducted.	17 December 2013
Senior Plant Operator	Insubordination and gross dereliction of duties	22-Mar-13	Penalized ten days salary	31-Jul-13

HR Clerk: Mbashe and Mnquma	Misrepresentation : In that when she applied for the position in ADM she gave false information in her application, that she worked three (3) years at Mbashe as an HR Clerk	10 September 2013	The employee was dismissed, she appealed and was reinstated.	06 December 2013.
Assistant HR Officer	Alleged Irregularities in the recruitment process	16 May 2014	Pending	The employee is still on suspension
Senior HR Officer	Insubordination	25 April 2014	Pending	The employee is still on suspension
Payroll Administrator	Bringing ADM name into disrepute	24 April 2014	Pending	The employee is still on suspension
GM: IHRM	Unauthorized requisition and possession of confidential information and suspected leaking of that information to the media	06 June 2014	Pending	The employee is still on suspension
Platoon Commander	Allowing the civilian to drive ADM vehicle. Threatening her colleagues	03 September 2013	Final Written Warning valid for a period of six (6)	04 December 2013

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Cashier	Gross negligence: Failure to deposit money and follow security control measures when performing duties, causing ADM to lose an amount of +_R42 163.40 on what she reported as robbery	Final Written Warning valid for a period of six (6) months and seven (7) day's salary deducted.	17 December 2013
Senior Manager	Financial misconduct in that he incurred irregular expenditure when he attended a Public Sector Communications Conference in November 2012 at Johannesburg, he extended his stay by three days without authority, thus causing the municipality to incur fruitless or wasteful costs to the amount of R2 879.78	Final Written Warning valid for a period of six (6) months.	05 Aug 2013
			<i>T 4.3.6</i>

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
MM and S57	Female	2	2		100%
	Male	6	6		100%
Total		8	8		
<i>Has the statutory municipal calculator been used as part of the evaluation process?</i>					Yes

COMMENT ON PERFORMANCE REWARDS:

During the year under review ADM adopted an Employee Performance Policy that introduced performance rewards for employees below Section 57. This Policy is currently being implemented and is aligned to the adopted Performance Management Framework. The statutory municipal calculator will be used as part of the evaluation process in December 2014.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

In trying to change the skills development landscape within the District, Amathole District Municipality conducted 8 different programmes in financial year 2012/13 as well as two Strategies which were as follows;

- 1) Implementation of WSP through Training and Development of Councillors of which an amount of R1m was budgeted for, in 2013/14;
- 2) Implementation of WSP through Training and Development of Officials of which an amount of R1.8m was budgeted for, in 2013/14;
- 3) LGSETA Grant Funds Programme (for Capacity Building) for Amathole District Municipality personnel through which an amount of R1 952 625.96 was utilized;
- 4) Internship Programme offered practical training to ten (10) unemployed full graduate candidates to enable them to be eligible for employment opportunities. This is in line with the Skills development Act and was done through partnerships with Local Government SETA, Dept. of Science & Technology and National Treasury;
- 5) Experiential Training Programme was accessible to sixteen (16) unemployed undergraduates during 2013/14 to enable them to graduate;
- 5) Bursary on Rare Skills Programme offered financial assistance to 5 students from “Historically Disadvantaged” backgrounds to study Civil Engineering;
- 6) Adult Education and Training Programme (ABET), ninety (90) employees
- 7) Employee Study Assistance Programme offered financial assistance to two hundred and seventy nine (279) employed candidates enrolled with various institutions of Higher Learning.
- 8) Minimum Competency Level Training Programme – ADM budgeted an amount of R1.2m in 2013-14 to implement the training in line with Govt. Gazette 299 67 and Thirty -Three candidates were enrolled.
- 9) A District HRD Strategy was developed and adopted by Council in 2010-11, and it was in line with the National HRD Strategy for South Africa 2010 -2030, as well as the Provincial HRD Strategy. The Strategy was reviewed in 2012/13 in line with the IDP review process. As part of its implementation, the District HRD Strategy conducted “LED” Learnership for 20 candidates from 2012/13 which continued into 2013/14, Candidates were from Local Municipalities within ADMs jurisdiction. As part of the District HRD Strategy implementation, Career Exhibitions were also held in both Eastern and Central Regions in 2013/14.
- 10) An HR Strategy was also developed in 2013/14 and approved by Council in March 2014. Its implementation will commence in 2014/15.

T 4.5.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2013/14	Number of skilled employees required and actual as at 30 June Year 2013/14											
			Learnerships			Skills programmes & other short courses			Other forms of training (Municipal Financial Management Programme)			Total		
			No.	Actual: End of Year 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target	Actual: End of Year 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target	Actual: End of Year 2012/13	Actual: End of Year 2013/14	Year 2013/14 Target	Actual: End of Year 2012/13	Actual: End of Year 2013/14
MM and s57	Female	1							6	1	1	6	1	1
	Male	6				1			4	6	6	4	6	6
Councillors, senior officials and managers	Female	52				18	23	83		18	18	18	41	101
	Male	77				27	61	100		21	21	27	82	121
Technicians and associate professionals*	Female	150				41	148	160		3	3	41	151	163
	Male	144				47	141	50		1	1	47	142	51
Professionals	Female	57		3	3	116	83	97		5	5	116	88	102
	Male	64		1	1	72	107	204				72	107	204
Sub total	Female	260		3	3	175	254	340	6	27	27	181	281	367
	Male	291		1	1	147	309	354	4	28	28	151	337	382
Unemployed Beneficiaries	Female		7	11	5									
	Male		3	9	5									
Total		551	10	24	14	322	563	694	10	55	55	342	642	766

*Registered with professional Associate Body e.g CA (SA)

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The point of departure in managing workforce expenditure is ensuring that all positions created in the establishment plan are budget for and if not, a clear message be sent out that such will not be filled in the current financial year. The municipality has always operated along those principles and the position are approved before the beginning of a financial year and filled-in at the beginning of each financial year and throughout the year. During the year under review, the exercise of filling vacancies went well and in some areas where positions would become vacant, the Corporate Services department would move swiftly to advertise such whilst a person is allocated such responsibilities on an acting basis.

The departments are also expected to budget for their own overtime and such funds are kept within the departmental vote numbers. This kind of an approach assist with the management of overtime as departments become aware that should the funds be exhausted before the end of the financial year, there will be no overtime authorised for the remainder of the financial year.

To avoid the long turnaround time in the filling of vacancies, a system whereby departments fill-in a form to indicate if a position should be filled or not when an employee leaves a post was introduced and that system has gone a long way in addressing the time lapse between the post being vacant and when the position is filled.

To ensure that the municipality receives value for money, the municipality takes special care when advertisements for positions are crafted it ensure that the requirements and qualifications are properly designed to source the most appropriate skill for the position. Employees are also trained on a continuous basis when they join the institution to ensure that the keep up with the latest information and trends within their work disciplines. The municipality also adopted a policy to pay subscription fees for all employees belonging to professional bodies which is a gesture that also serves as a retention strategy for the municipality.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

COMMENT ON WORKFORCE EXPENDITURE:

ADM budgets for all employee related costs and the budget takes into cognisance the overtime to be worked, possible leave encashment and bonuses to be paid. In the previous years, a sizeable quantity of the budget has been utilised towards the payment of overtime with the Engineering department being the most prominent in that area. The work done at the Engineering department justify the high number of claims in respect of overtime due to the nature of their work. The department provides water to the communities and the water provisioning has to operate 24 hours non-stop as it is classified as a basic human right in the Constitution of the republic of South Africa.

Some of the factors that influence workforce expenditure are the yearly increments which the municipality has to budget and issues relating to drought and disasters which the municipality is unable to anticipate. Fortunately, provision is made in the budget for such occurrences.

T 4.6.1.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	159
	Male	351
Highly skilled production (Levels 6-8)	Female	40
	Male	41
Highly skilled supervision (Levels 9-12)	Female	23
	Male	28
Senior management (Levels 13-16)	Female	46
	Male	78
MM and S 57	Female	
	Male	
Total		
<p><i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>		

T 4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Accountant	1	10	R288 972	Change from Post Level to TASK Grade during implementation of TASK
Admin Assistant	7	6	R131 712	""
Admin Clerk	45	6	R163 152	""
Admin Officer (Contracts)	1	11	R288 972	""
Admin Officer: Fleet	1	10	R137 196	
Admin Support Clerk	1	6	R209 460	""
Administrator	1	9	R261 768	""
Artisan Plumber	29	9	R225 612	""
Assistant HR Officer Recruitment	1	7	R231 204	""
Assistant Billing Clerk	1	7	R152 712	""
Assistant Internal Auditor	1	10	R243 036	""
Assistant Organizational Development Practitioner	1	9	R220 032	""
Cashier	2	5	R163 620	""
Chief Clerk	3	7	R167 616 – R237 060	""
Chief Payroll Administrator	1	11	R352 236	""
Chief Personnel Administrator	1	11	R343 740	""
Chief Technical Officer	1	12	R352 236	""
Control Room Operator	4	6	R134 448	""
Control Technician	1	13	R343 740	""
Credit Control Officer	1	12	R319 128	""
Creditors Clerk	1	5	R204 324	""
Desktop Technician	2	10	R237 060	""
Disaster Management	3	10	R231 204	""

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Officer				
Drivers Assistant	1	4	R 92 700	""
Filing Clerk	1	5	R131 712	""
Fitter & Turner	1	10	R243 036	""
Foreman	7	8	R167 616	""
General Assistant	15	4	R90 372	""
GIS Technician	1	11	R288 972	""
Health Assistant	4	7	R156 168	""
Helpdesk Operator	1	9	R237 060	""
HRD Officer	1	9	R268 380	""
Human Resources Officer	1	9	R268 380	""
Land Admin Officer	1	10	R275 004	""
Mayoral Committee Secretary	1	6	R159 756	""
Meter Reader	3	5	R125 855	""
Occupational Health & Safety Officer	1	10	R268 380	""
Office Administrator	2	10	R225 612 - R231 204	""
Payment/Records Administrator	1	6	R199 260	""
Payroll Administrator	3	9	R237 060 - R261 768	""
Plant Operator	1	6	R142 704	""
Principal Clerk	5	8	R194 388 - R214 632	""
Project Inventory Officer	1	10	R225 612	""
Project Funds Coordinator	1	12	R447 350	""
Provisioning Admin Officer	1	10	R231 204	""

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Pump Attendant	1	4	R180 552	""
Receptionist	2	5	R111 648 – R113 508	""
Resource Controller	1	9	R204 324	""
Secretary	2	6	R156 168 - R204 619	""
Senior Admin Officer	2	12	R319 128	""
Senior Agricultural Officer	2	12	R319 128	""
Senior Clerk	5	6	R199 260	""
Senior Safety Officer	1	11	R319 128	""
Senior Water Operator	1	7	R186 804	""
Senior Developmental Officer	1	11	R311 268	""
Senior HR Officer	1	12	R319 128	""
Stores Supervisor	1	8	R209 460	""
Summoning Officer	1	9	R209 460	""
Supervisor	4	10	R231 204	""
Switchboard Operator	1	4	R129 048	""
Systems Analyst	1	11	R288 972	""
Web Developer	1	10	R275 004	""
WIMS Support Technician	1	13	R352 236	
Water Care Troubleshooter	1	11	R281 940	

T 4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
N/A	N/A	N/A	N/A	N/A
				<i>T 4.6.4</i>

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

In 2012/13 financial year, ADM commenced a re-grading process to ensure that all employees have a TASK Grade that was appropriate for the present levels of responsibilities. During this process, a total of 201 jobs were re-graded, which resulted in 121 jobs, (238 incumbents of these positions) being up-graded. A total of 170 employee's basic salary still remain above the maximum notch for their relevant TASK Grade. This category of employees was a result of the migration of the previous van der Merwe grading Post Level system to the TASK system in July 2010.

T 4.6.5

CHAPTER 5 PERFORMANCE – FINANCIAL

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality closely monitors its performance of budget versus actual on a monthly basis through the use of management accounts which reflect material variances. These variances are investigated and remedial action is taken where required.

The municipality vigilantly tries to reduce its reliance on consultants, with its annual financial statements being prepared in-house. The municipality has however, appointed consultants to assist with the componentization of its infrastructure assets so as to ensure compliance with the relevant accounting standards and to ensure the completeness and accuracy of its fixed asset registers.

This appointment supported the municipality in maintaining the unqualified audit opinion.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 Of 2003).

The principle accounting policies adopted in the preparation of the annual financial statements are set out in the annual financial statements contained in this document.

Financial performance

The municipality reflects adequate financial performance for the 2013 financial year.

With total revenue of R1 362 billion in 2014 financial year, the Amathole District municipality is one of the largest district municipalities in South Africa. Typical of district municipalities in the country, the Amathole's revenue sources predominantly comprise operating fiscal transfers from the national government that accounted for 76% of operating revenues in 2014 and 2013. Equitable share makes up the bulk (60%) of these operating fiscal transfers and are utilised at the municipality's discretion to provide basic services to poor communities within its jurisdiction.

The Amathole District municipality is one of few district municipalities in the country that provides water and sanitation services to all local municipalities within its jurisdiction. However, given the widespread

poverty in the area, the revenue collection is very low, at 30 - 40%, which places a large burden on the municipality to sustain this service. As a result of its responsibility regarding service delivery for seven local municipalities within its jurisdiction, administration and general expenses comprise a large (69%) portion of total expenditure.

Financial Position

The Amathole District Municipality has maintained a sound liquidity position over the past few years, supported by sustained transfers from the national government and disciplined cash flow management. In the 2013 financial year the municipality reported cash and cash equivalents of R663 million. The municipality maintained a strong liquidity at 3.3. The favourable liquidity ratio thus illustrates the municipality's strong capacity to defray operating costs as and when they fall due.

The largest asset remains the property plant and equipment at R3.4 billion. These mainly consist of water and sanitation infrastructure assets.

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

	Approved Budget R	Adjustments R	Final budget R	Actual amounts on comparable basis R	Difference between final budget and actual R	Difference between final budget and actual %	Reference
Figures in Rand							
Statement of Financial Performance							
Revenue							
Revenue from exchange transactions							
Service charges	240 523 622	-	240 523 622	187 123 523	-53 400 099	-22%	1
Rental of facilities and equipment	276 503	-	276 503	381 250	104 747	38%	2
Interest earned - external investments	25 154 772	-	25 154 772	43 085 177	17 930 405	71%	3
Interest earned - outstanding receivables	29 318 216	-	29 318 216	31 908 989	2 590 773	9%	4
Other income	355 649 620	26 779 239	382 428 859	61 231 609	(321 197 250)	-84%	5
Total revenue from exchange transactions	650 922 733	26 779 239	677 701 972	323 730 548	(353 971 424)		
Revenue from non-exchange transactions							
Government grants and subsidies	1 110 694 000	-	1 110 694 000	1 038 838 024	(71 855 976)	-6%	6
Fines	10 000	-	10 000	-	(10 000)	-100%	7
Other income	-	-	-	-	-	#DIV/0!	8
Total revenue from non-exchange transactions	1 110 704 000	-	1 110 704 000	1 038 838 024	(71 865 976)		
Total Revenue	1 761 626 733	26 779 239	1 788 405 972	1 362 568 572	(425 837 400)		
Expenditure							
Employee related costs	488 525 270	-	488 525 270	460 472 520	(28 052 750)	-6%	9
Remuneration of councillors	14 014 860	-	14 014 860	12 252 661	(1 762 199)	-13%	
Bad debts	46 309 045	-	46 309 045	116 309 046	70 000 001	151%	10
Depreciation and amortisation expense	104 174 070	-	104 174 070	144 292 661	40 118 591	39%	11
Repairs and maintenance	34 034 640	-	34 034 640	50 907 460	16 872 820	50%	12
Bulk purchases	57 606 145	-	57 606 145	50 125 976	(7 480 169)	-13%	
Contracted services	62 517 677	-	62 517 677	18 063 142	(44 454 535)	-71%	13
General expenses	430 361 375	13 949 239	444 310 614	408 173 007	(36 137 607)	-8%	14
Finance charges	105 611	-	105 611	439 526	333 915	316%	15
Total expenditure	1 237 648 693	13 949 239	1 251 597 932	1 261 035 999	9 438 067		
Operating surplus	523 978 040	12 830 000	536 808 040	101 532 572	(435 275 468)		
(Loss)/loss on sale of assets	-	-	-	1 840 808	1 840 808	100%	16
Surplus for the period	523 978 040	12 830 000	536 808 040	103 373 380	(433 434 660)		

Financial Performance of Operational Services						
R '000						
Description	Year -2012/13	Year 2013/14			Year 2013/14 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	455 382	478 425	478 425	476 104	-0.49%	-0.49%
Waste Water (Sanitation)	103 954	65 583	85 872	103 954	36.91%	17.39%
Waste Management	3 451	4 300	(14 691)	3 451	-24.59%	525.68%
Trading Services	562 786	548 308	549 606	583 509	6.03%	5.81%
Executive and council	152 690	133 600	222 917	152 690	12.50%	-45.99%
Budget and Treasury office	80 145	90 305	91 648	80 145	-12.68%	-14.35%
Corporate services	110 774	100 308	100 737	110 843	9.50%	9.12%
Governance and administration	343 609	324 213	415 302	343 678	5.66%	-20.84%
Aspire	70 520				#DIV/0!	#DIV/0!
Aspire	70 520	-	-	-	#DIV/0!	#DIV/0!
Planning and Development	89 776	62 853	85 853	89 776	29.99%	4.37%
Economic and environmental services	89 776	62 853	85 853	89 776	29.99%	4.37%
Health	30 765	26 697	25 970	30 765	13.22%	15.59%
Housing	46 299	14 975	15 357	49 125	69.52%	68.74%
Public Safety	34 030	35 853	36 553	34 030	-5.36%	-7.41%
Community and Public Safety	111 094	77 526	77 880	113 920	31.95%	31.64%
Total Expenditure	1 177 786	1 012 900	1 128 641	1 130 884	10.43%	0.20%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

The actual service charges billed for the year exceeds the budgeted amount as additional meters were installed. These were not included when determining the budget figure. Further to this the Service Coverage information implemented on the system was not yet received when the budget for 2012/13 financial year was being finalised.

Rental of facilities and equipment

The variance is the result of improved processes relating to rental of property and facilities.

Interest earned - external investments

Interest earned on the continuous favourable cash/investment balance during the year. Interest rates are linked to market conditions.

Interest earned - outstanding receivables

The municipality has written off bad debts during the year thereby reducing the outstanding amounts.

Other income

Other income includes an amount from the accumulated surplus to balance the budget.

Government grants and subsidies

Actual government grants received exceeds the budgeted amount due to the conditions of the MIG grant being met and transferred to revenue including the roll-over from then 2011/12 financial year.

Fines

The fines that were budgeted for include air pollution and waste management fines. There were none charged during the year.

Other income

This item includes the VAT portion of grants that is recognised as own revenue.

Expenditure

The under spending on employee costs is as a result of approved and budgeted posts not being filled during the current year. In addition there have been resignations.

Bad debts

The actual bad debt expense exceeds the budgeted amount, due to a large number of account holders who have not paid their long outstanding debts. The municipality has made many follow – ups and attempts to collect the outstanding debts from consumers by:

Restrictions and disconnections as per the credit control and debt collection policy

Handing over of accounts to Debt Collector; and
Indigent registration is conducted throughout the 7 local municipalities.
Due to the very low recovery rate, the provision for bad debts has been increased.

Depreciation and amortization expense

New schemes commissioned during the year, hence depreciation has increased.

Repairs and maintenance

Under spending on repairs and maintenance is as a result of the anticipated repair not occurring. The budget amount includes an element of contingency and attempts to cater for unexpected repairs that may occur.

Contracted services

The leasing expenditure for office equipment such as fax machines and printers is less than the budgeted amount as the capital portions of the lease payments that have been classified as finance leases are offset against the lease liability in the statement of financial position.

General expenses

Staff recruitment is under-spent as the budget was not utilised due to staff being recruited internally, hence no recruitment costs that were initially catered for, were not incurred.

Job evaluation spending is dependent on the outcomes of the job grading.

Subsistence and travel is underspent as officials did not travel as envisaged and the municipality attempts to save costs where it can by travelling locally.

The indigent support expenditure was set off against service charges as required by GRAP 9.

Finance charges

New lease agreements were entered into for the lease of photo-copiers and fax machines. Certain of these lease agreements were classified as finance lease agreements in accordance with the requirements of the GRAP standards.

Interest cost on the defined benefit obligation has been included in the finance costs not employee costs as required by GRAP 25.

Gain / Loss on sale of assets

Gain/loss on the disposal of assets is not budgeted for due its ad hoc nature and level of uncertainty

T5.1.3

5.2 GRANTS

Grants Performance						
R' 000						
Description	Year 2012/13	Year 2013/14			Year 2013/14 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	366 573	626 896	626 896	626 896		
Equitable share	355 843	621 631	621 631	621 631	0.00%	0.00%
Municipal Systems Improvement	1 045	890	890	890	0.00%	0.00%
Finance Management Grant	1 214	1 250	1 250	1 250	0.00%	0.00%
Expanded Public Works Programme	8 472	3 125	3 125	3 125	0.00%	0.00%
Other transfers/grants [insert description]						
Provincial Government:	-	6 000	6 000	6 000		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
DWAE- reburishment	-	6 000	6 000	6 000	0.00%	0.00%
District Municipality:	-	-	-	-		
[insert description]						
Other grant providers:	-	-	-	-		
[insert description]						
Total Operating Transfers and Grants	366 573	632 896	632 896	632 896		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

All operating transfers and grants were fully received and utilized for the purpose for which they were intended, except for the in kind allocation for Water Services Operating Subsidy.
All of the Neighborhood Development Partnership Grant income was in kind was directly transferred to ASPIRE, the municipality's municipal entity.

T5.2.2

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

:MIG

The purpose of the grant is to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities. The 2013/14 allocation has been spent in full including the roll-over amount totaling to R12 166 285 for 2012/13 financial year.

EPWP Incentive Grant: This is an incentive grant received by the Municipality to expand work creation efforts through the use of labour intensive delivery methods in identified focus areas, in compliance with the Expanded Public Works Programme guidelines. This grant has been fully committed to the programme of employing graduates as interns to give them exposure and experience in their respective areas of study.

Regional Bulk Infrastructure Grant: This is an allocation in kind and its purpose is to develop infrastructure required to connect or augment a water resource, to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality, and in the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works. The total gazetted amount was fully claimed and fully spent.

Financial Management Grant

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial management reforms, capacity building and finance management interns required by the Municipal Finance Management Act (MFMA), 2003. The 2013/14 allocation amounted to R1 250 000, which was spent in full.

Roads Asset Management Grant

The RAMS funds amount of R 2 741 792.50. The strategic goal of the RRAMG is to ensure efficient and effective investment in rural roads through the development of Road Asset Management Systems (RAMS) and the collection of associated road and bridge inventory data condition assessments and traffic information. Improved data on rural roads will guide infrastructure investment, improve accessibility to and mobility of rural communities.

Neighbourhood Development Partnership Grant

Fully transferred to ASPIRE, the municipal entity.

Municipal Systems Improvement Grant

The purpose of the grant is to assist municipality to build in-house capacity to perform its functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and the local government turnaround strategy. A total rollover application of R 119 225 has been submitted to National Treasury.

WSOG

To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government. The total grant received was fully spent.

INTRODUCTION TO ASSET MANAGEMENT

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers.

These resources are consumed on the basis that there is future economic benefit derived from their consumption or their utilisation results in economic benefit for the municipality. These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to households, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by field and office staff during the delivery of services, furniture used by staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in service infrastructure projects.

Section 63 of the Local Government Municipal Finance Management Act requires the accounting officer to have consistent regulatory framework in which the Municipality operates. An Asset Management Policy was designed to promote efficient and effective management, monitoring, control and safeguarding of all assets controlled and owned by Municipality. To ensure accurate recording of asset information in the asset register is in accordance with the applicable accounting standards approved by National Treasury.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	ERF/FARM NO728			
Description	Farm			
Asset Type	Fields			
Key Staff Involved	Mr Sibefu			
Staff Responsibilities	Property Management			
Asset Value	Year -3	Year -2	Year -1	Year 0
				8 071 667.00
Capital Implications	None			
Future Purpose of Asset	Farming			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	ERF/FARM NO 87			
Description	Farm			
Asset Type	Fields			
Key Staff Involved	Mr Sibefu			
Staff Responsibilities	Property Management			
Asset Value	Year -3	Year -2	Year -1	Year 0
				4 329 313.00
Capital Implications	None			
Future Purpose of Asset	Farming			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Nahoon House			
Description	Residential			
Asset Type	Building			
Key Staff Involved	Mr Sibefu			
Staff Responsibilities	Property Management			
Asset Value	Year -3	Year -2	Year -1	Year 0
				6 500 000.00
Capital Implications	None			
Future Purpose of Asset	Mayor's Accommodation			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset Management Policy			
				<i>T 5.3.2</i>

COMMENT ON ASSET MANAGEMENT:

Asset Management refers to all activities and processes carried out during the cycle of acquisition or construction, maintenance, renewal or refurbishment and disposal of all resources consumed during the provision of services by the municipality to the communities or customers. These resources are consumed on the basis that there is future economic benefit derived from their consumption of their utilisation results in economic benefit for the municipality. The audit of the Municipality's assets was undertaken by Auditor General and all assets were accounted for.

These resources range from the water and sanitation infrastructure network used to deliver water and sanitation services to householders, vehicles used by personnel to maintain the network, tools utilised in the maintenance of the network, equipment used by the field and office staff during the delivery of services, furniture used by the staff in support of the services to the communities, materials consumed during the construction of service facilities and work in progress in the service infrastructure projects. Capital Assets are classified into the following categories for the financial reporting purposes:

1. Property, Plant and Equipment
 - Land and Buildings (Land and Buildings not held as Investment)
 - Infrastructure Assets (Immovable Assets that are used to provide basic services)
 - Community Assets (Resources contributing to the general well-being of the community)
 - Housing Assets (Rental stock or housing stock not held for Capital gain)
 - Heritage Assets (Cultural significant resources)
 - Other Assets (Ordinary operational resources)
2. Intangible Assets (GRAP 102) – Intangible Assets (Assets without physical substance held for ordinary operational resources.
3. Investment Property (GRAP 16) – Investment Assets (Resources held for Capital or Operational Gain)
4. Biological Assets (GRAP 101) – Biological Assets (Livestock and plants held)
5. Assets classified as held-for-Sale (GRAP 100) – Assets held-for-sale (Assets identified to be sold in the next 12 months and reclassified as Inventory)

Challenges

Ownership of the water assets pose a threat to ADM as the owners of the land through which ADM infrastructure passes have a tendency to restrict our access to that infrastructure causing obstructions and delays in the service deliver. The major challenge is that no registered servitudes exist over those land..

T 5.3.3

Repair and Maintenance Expenditure: Year 2013/14				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	60 399 811.00	-	24 781 662.00	59%
<i>T 5.3.4</i>				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

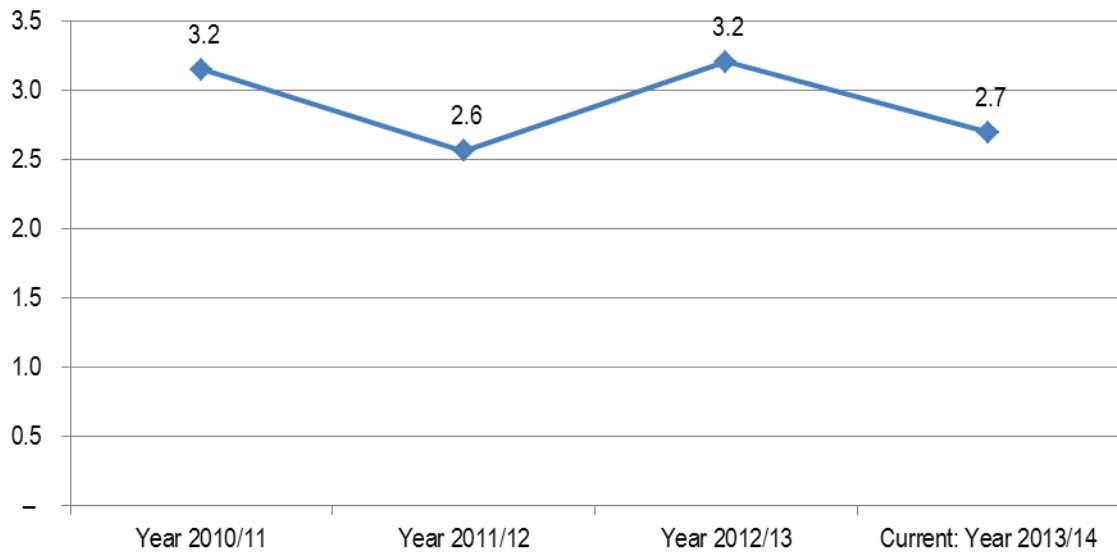
Budgeting for repairs and maintenance is for both reactive and planned maintenance. It is very difficult to budget accurately for reactive maintenance as it is not possible to predict when infrastructure is going to fail. Nevertheless, adequate budget provision needs to be available in order to attend to problems if and when they occur. As a relatively young Water Services Provider, the ADM is still developing adequate preventative maintenance plans and is also still developing the capacity to accurately budget for these requirements. In this regard the ADM has recently completed the compilation of a comprehensive, componentized asset register and is now in the process of developing asset management plans based on the condition assessment and remaining useful life of this infrastructure.

Lengthy procurement processes often delay maintenance activities and in order to address this the ADM is currently in the process of developing 3 year term tenders with critical suppliers and specialist service providers in order to ensure that procurement issues do not delay much needed maintenance.

T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity Ratio

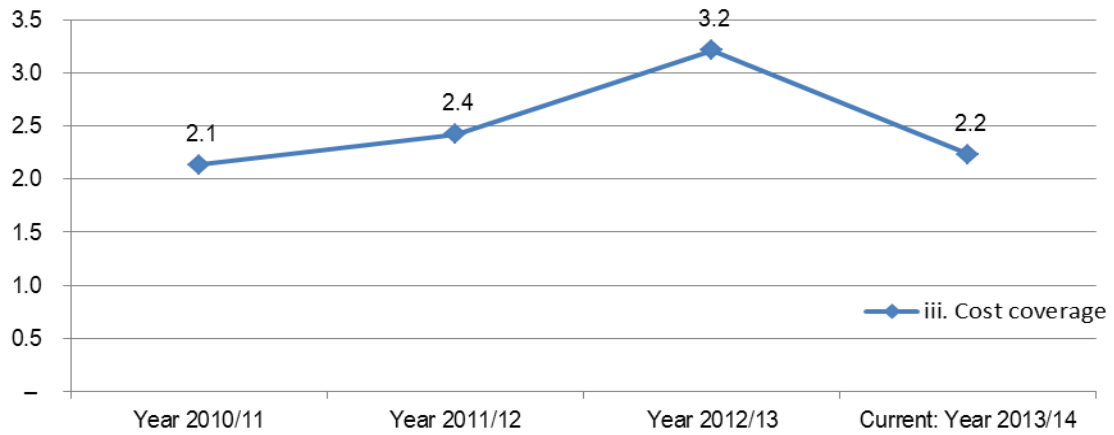


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

Cost Coverage

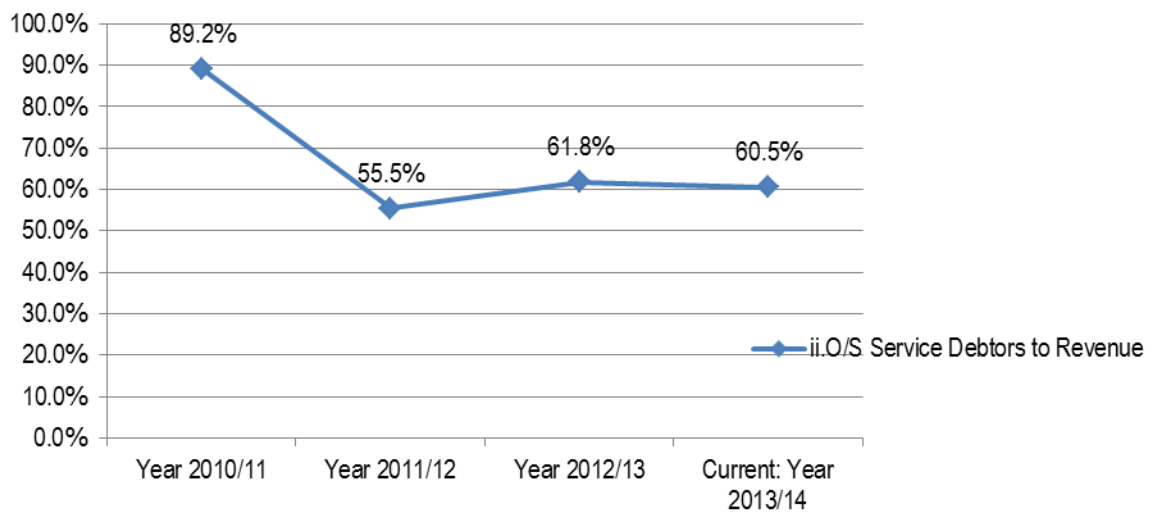


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

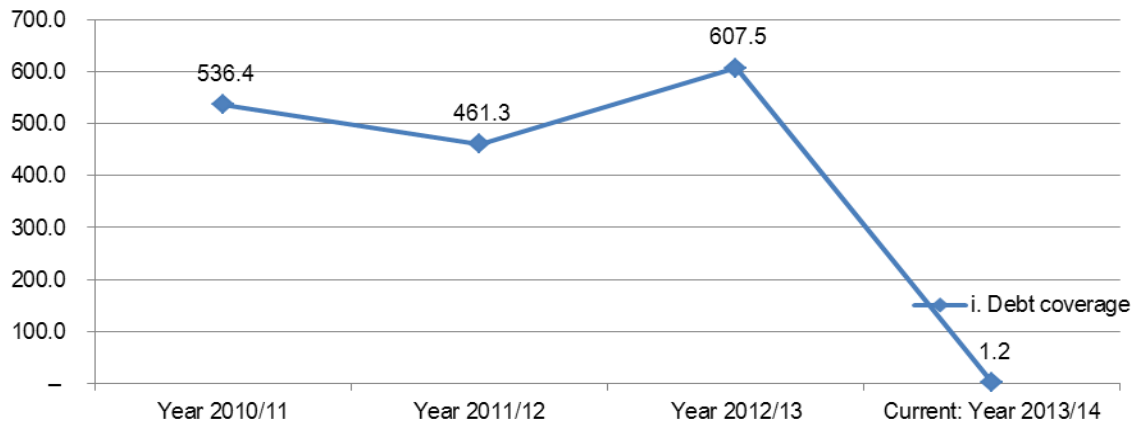
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T 5.4.3

Debt Coverage

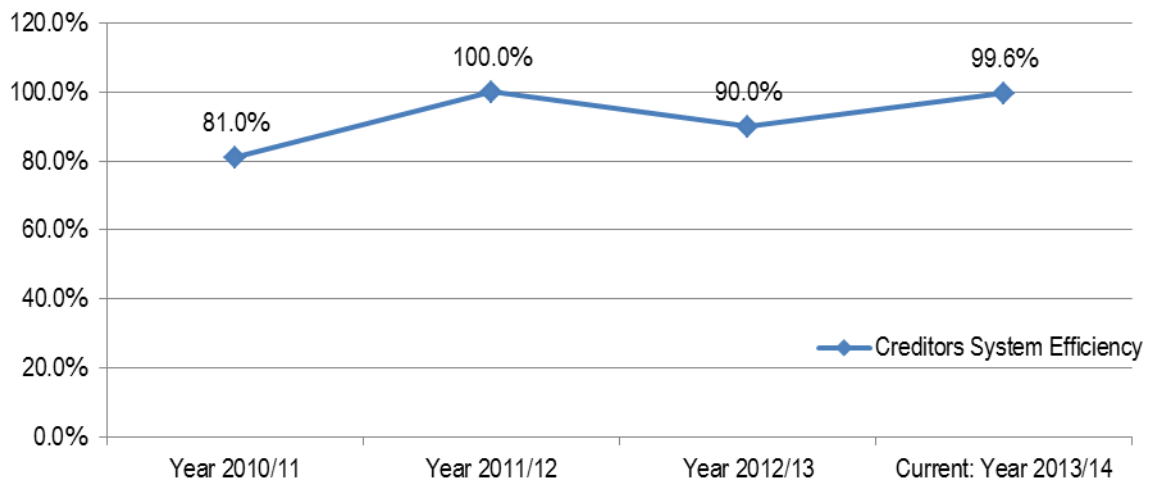


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency

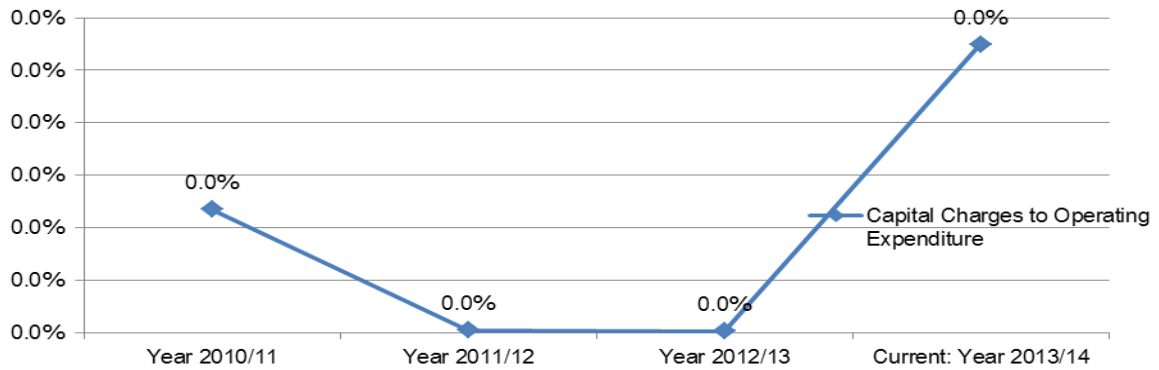


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Capital Charges to Operating Expenditure

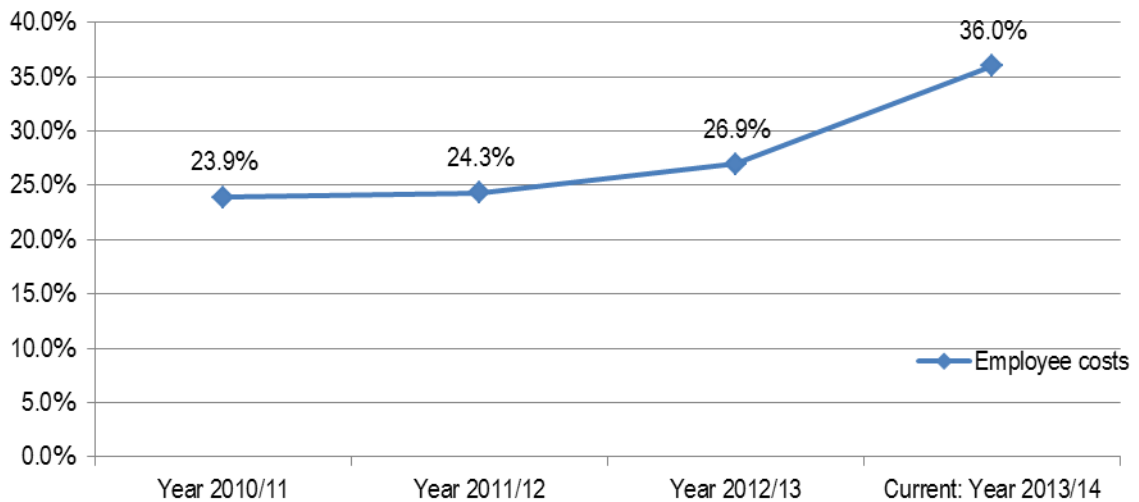


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs

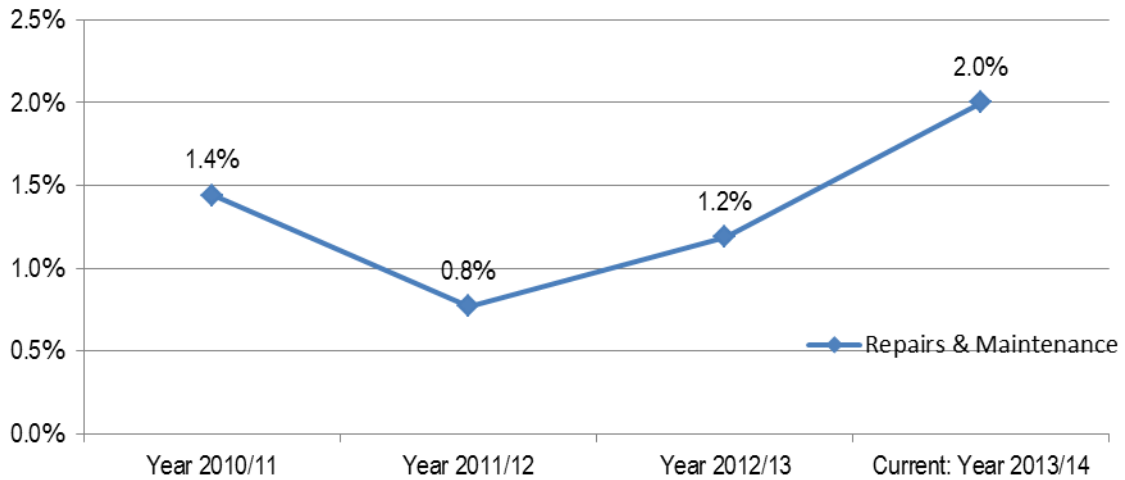


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity

This ratio measures the municipality's ability to pay its debts when due and is calculated by dividing the total current assets by current liabilities. The higher the ratio the better.

The ADM has maintained a current ratio above the norm of 2.7:1 for 2013/14 thus implying that the municipality is able to pay debts in the short term.

The Amathole District municipality reflects a strong liquidity ratio meaning that is able to pay its debts when they fall due. This ratio has been fairly consistent in the prior years, but has decreased in the current year .due to an increase in the current liabilities.

Cost coverage

The municipality's available cash is sufficient to cover its operating costs. The cash situation of the municipality is healthy due to good financial management

Collection rates

The collection rate measures how much is money is owed by the municipality by its consumers for water, sanitation and fire services within the District. It is calculated by divided the total revenue collected versus the total billing of services. A higher ratio is better.

The collection rate target was 50% for the 2013/14 financial, however as at 30th June 2014, the actual collection rate was only 46%. One of the major causes of the variance is a high level of unregistered indigent consumers.

Debt coverage

The municipality has a very low debt gearing. The ADM does not have any external debt except in the form of finance lease obligations for office equipment in accordance with GRAP 13 on leases. The ADM is thus able to repay its debt obligations when due.

Creditors efficiency

The municipality reflects a ratio of 99.6% and has improved monitoring of this ratio. The ratio must be compared to the municipality's credit terms which it receives from suppliers and that determined by the MFMA to determine whether the management of accounts payable is effective or not. The longer the credit terms the better for the municipality as the credit is usually interest free. Trade creditors carry no explicit cost. However, when cash discounts are being offered, the cost of not taking the discount is an implicit cost. Additional strain is placed on working capital requirements if creditor's payment days are significantly less than the debtor's collection period.

Payment can only be made upon receiving the original invoice. The Budget and Treasury office has implemented procedures and controls to ensure that invoices are received and paid within the legislative time frames i.e. payment within 30 days of receipt of invoice. This intervention has greatly improved the payment turn-around times to ensure compliance with the MFMA.

Capital charges to operating expenditure

This ratio is an indication of capital charges in relation to operating expenditure. This ratio could be used to assess the cost/extent of financing. The cost of capital includes finance costs and depreciation.

This ratio is very low as the only finance and capital payments are as a result of finance lease payments. The municipality rents copiers and fax machines. These lease agreements are classified as finance leases in accordance with GRAP 13: Leases (applicable accounting standard). The municipality only has finance lease obligations and no external borrowings; hence the ratio is below 1%. The ratio is consistent from year to year. The finance charges recognized are in accordance with the GRAP standard on leases

Employee costs

This ratio measures what percentage of the total operating budget was spent on paying employee costs. It is calculated by dividing the total employee cost by the total operating costs.

The municipality is to determine what ratio is most suitable to suit its operational requirements to ensure optimal service delivery.

The budgeted ratio is 36% with the actual being 36%. This is reasonable for the municipality.

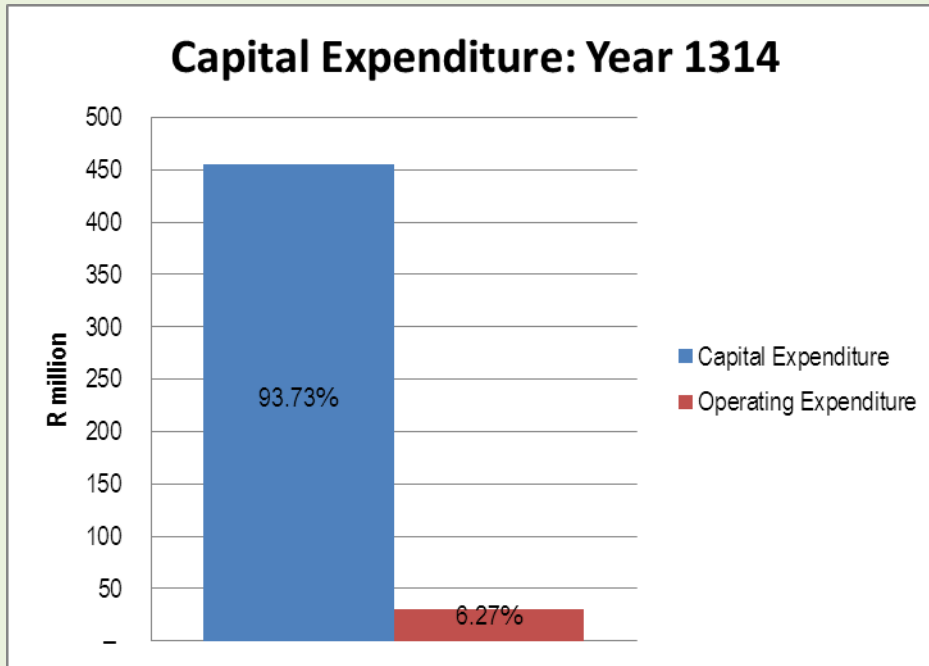
Repairs and maintenance

Currently the ratio is very low. The amount of repair expenditure will depend on the age of the assets. It is anticipated that this rate will increase due to age of the infrastructure assets. The ratio can be used to assess whether asset management is effective or not.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

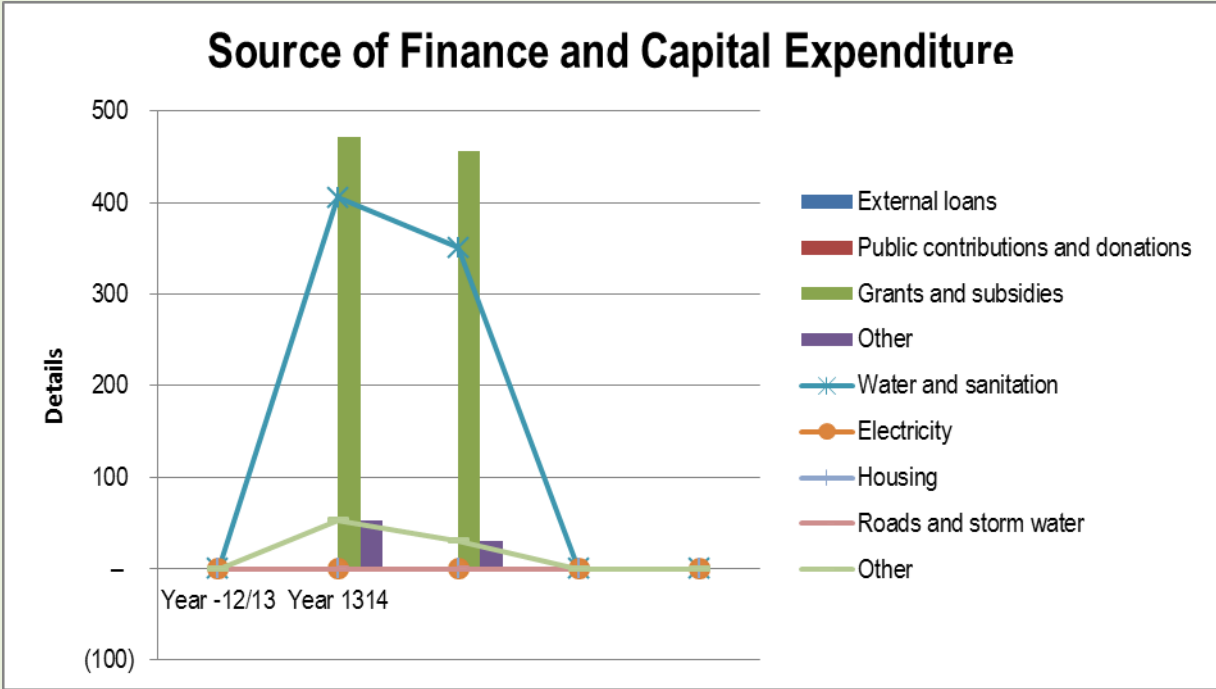
5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -12/13 to Year 13/14							R' 000
Details	Year -12/13	Year 1314					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	-	-	-	-			
Public contributions and donations	-	-	-	-			
Grants and subsidies	-	471	456	0	-3.24%	-100.00%	
Other	-	53	31	0	-42.42%	-99.99%	
Total	0	524	486	8421	-45.66%	-199.99%	
<i>Percentage of finance</i>							
External loans							
Public contributions and donations							
Grants and subsidies		89.9%	93.7%	45.8%	7.1%	50.0%	
Other		10.1%	6.3%	54.2%	92.9%	50.0%	
Capital expenditure							
Water and sanitation		406	351	0	-13.57%	-100.00%	
Electricity		0	0	0	-100.00%	-100.00%	
Housing		0	0	0			
Roads and storm water		0	0	0			
Other		53	31	0	-42.42%	-100.00%	
Total	0	459	381	0	-155.98%	-300.00%	
<i>Percentage of expenditure</i>							
Water and sanitation		88.4%	92.0%		8.7%	33.3%	
Electricity		0.0%	0.0%		64.1%	33.3%	
Housing		0.0%	0.0%		0.0%	0.0%	
Roads and storm water		0.0%	0.0%		0.0%	0.0%	
Other		11.6%	8.0%		27.2%	33.3%	

T 5.6.1



COMMENT ON SOURCES OF FUNDING:

Capital Budget is predominantly funded by Grants and Subsidies, with the two biggest grants being MIG and RBIG. Other sources of funds include Rural Roads Asset Management Grant, NDPG, and a minor amount from own cash reserves. No loan capital.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	Current: Year 1314			Variance: Current Year 1314		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
A - Centane Sanitation Project	55 000	55 000	55 000	0%	0%	
B - Area Wide Sanitation Projects (Mnquma Phase 1A) (Region 1)	25 000	25 000	25 000	0%	0%	
C - Xora Water Supply Project	23 869	23 869	23 869	0%	0%	
D - Idutywa East Water Supply Project	20 000	20 000	20 000	0%	0%	
E - Area Wide Sanitation Projects(ASAP)(Mbhashe Phase 1A) (Region 1)	20 000	20 000	20 000	0%	0%	
0						
Name of Project - A	Centane Sanitation Project					
Objective of Project	To supply the Centane communities with VIP toilets					
Delays	None					
Future Challenges	None					
Anticipated citizen benefits	20 300 HH					
Name of Project - B	Area Wide Sanitation Projects (Mnquma Phase 1A) (Region 1)					
Objective of Project	To supply the Mnquma communities with VIP toilets					
Delays	None					
Future Challenges	Bad Weather					
Anticipated citizen benefits	16745 HH					
Name of Project - C	Xora Water Supply Project					
Objective of Project	To supply Xora Community with basic Water Services					
Delays	Period to be taken in constructing the Dam					
Future Challenges	Bad Weather					
Anticipated citizen benefits	66 900 people					
Name of Project - D	Idutywa East Water Supply Project					
Objective of Project	To supply Mbhashe Communities with Basic Water Service					
Delays	None					
Future Challenges	Bad Weather					
Anticipated citizen benefits	45 416 People					
Name of Project - E	Area Wide Sanitation Projects(ASAP)(Mbhashe Phase 1A) (Region 1)					
Objective of Project	To supply the Mbhashe communities with VIP toilets					
Delays	None					
Future Challenges	Bad Weather					
Anticipated citizen benefits	5479 HH					

T 5.7.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Owing to the rural nature and Grant dependency of the ADM, there are still significant water and sanitation backlogs in the former homeland areas. The pace of the eradication of these backlogs is entirely dependent on funding allocations from National Treasury through the respective Grant allocations. The newly established Municipal Water Infrastructure Grant (MWIG) will assist in ensuring that all communities have access to at least a safe water supply by 2016, even if these water systems do not meet RDP standards. The Municipal Infrastructure Grant (MIG) will be used to eradicate the sanitation backlog. The ADM is currently on track to ensure that all households are equipped with at least a basic level of sanitation by 2017.

The MIG grant is also being used to eradicate the water backlog and ensure that all households have access to a RDP level of service While the ADM still needs to provide water and sanitation services to all those currently not served, other challenges being faced are expanding villages, the demand for higher levels of service as well as old and dilapidated infrastructure.

Since the MIG is primarily being used to eradicate backlogs, the ADM has to rely on limited internal funding for extensions, upgrades and asset renewal. This is a major cause for concern as the ADM has insufficient internal funding to adequately keep pace with these additional infrastructure requirements which therefore results in a growing backlog in these areas. Effective asset management, such as preventive maintenance will be key to prolong the life of ageing infrastructure.

T5.8.1

Service Backlogs as at 30 June Year 1314				
	Households (Hh)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. Hh	%Hh	No. Hh	%Hh
Water	218 526	91%	21 474	9%
Sanitation	105 963	51%	122 545	49%
Electricity		%		%
Waste management		%		%
Housing		%		%
%Hh are the service above/below minimum standard as a proportion of total Hh. 'Housing' refers to * formal and ** informal settlements				
T582				

Municipal Infrastructure Grant (MIG)* Expenditure Year 1314 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water	187 405	257 000	257 000	72.92	100	MIG conditions are flexible as they allow you to spend in any project that has been approved in case where others are experiencing challenges
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation	201 000	150 000	150 000	134.00	100	MIG conditions are flexible as they allow you to spend in any project that has been approved in case where others are experiencing challenges
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

COMMENT ON BACKLOGS:

Municipal Infrastructure Grant is a conditional grant that is issued to municipalities based on powers and functions to address all related backlog. Amathole District Municipality being a water service authority is responsible for all water and sanitation mandates of the district. The grant therefore aims to address all water and sanitation backlog within the district. The grant is regulated through the Division of Revenue Act (DORA) which is gazetted yearly to indicate the allocations to be given to each municipality on a 3 year Medium-Term Expenditure (MTEF) framework. The municipality therefore has a three year window to plan accordingly for the implementation of projects that aim to address the identified backlog.

The ADM for the 2013/14 financial year received a MIG allocation of R399 847 000.00. The allocation was 100% spent including the rolled over amount of R 12 166 233.00. The expenditure incurred for the 2013/14 FY was to address the water and sanitation backlog as identified in the IDP.

MIG only implements projects to address household backlog and the mandate for addressing backlog in schools and clinics lies with the departments of education and health respectively. Therefore the above indicated allocation only addressed backlog in relation to households

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's consistently strong liquidity profile over the past few years reflects a viable administrative system geared towards fiscal discipline despite challenges associated with the collection of revenues. This has contributed to the municipality receiving a favourable credit rating.

The municipality prepares highly informative and comprehensive annual financial statements, including a balance sheet that is independently audited by the Auditor General. The district municipality received an unqualified audit opinion for the financial year ended 30 June 2011 and 30 June 2012.

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year 2012/13	Current: Year 2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	59 239	(393 170)	511 224	84 747
Government - operating	-	(613 317)	613 317	
Government - capital	1 090 218	(459 560)	459 560	1 170 508
Other Receipts	847 879			41 878
Interest	60 202	(54 394)	54 394	75 375
Payments				
Suppliers and employees	(368 597)	853 776	(736 054)	(535 008)
Finance charges	(10 945)	(32)	(32)	(440)
Other and Taxation paid	(519 812)			(535 008)
NET CASH FROM/(USED) OPERATING ACTIVITIES	1 158 184	(666 698)	902 409	302 054
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	680			680
Decrease (Increase) in non-current debtors	(300)			(300)
Decrease (increase) in non-current investments	(958)			(976)
Payments				
Capital assets	(549 734)			(13 257)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(550 312)	-	-	(13 852)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	(164)	-	-	(108)
Increase (decrease) in consumer deposits	171	-	-	101
Payments				
Repayment of borrowing	-	-	-	(164)
NET CASH FROM/(USED) FINANCING ACTIVITIES	7	-	-	(171)
NET INCREASE/ (DECREASE) IN CASH HELD	607 879	(666 698)	902 409	288 031
Cash/cash equivalents at the year begin:	346 293	(760 505)	(760 505)	191 063
Cash/cash equivalents at the year end:	191 063	(1 427 203)	1 047 509	396 674
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

COMMENT ON CASH FLOW OUTCOMES:

Cash flow outcome

The municipality reflects an increase of R288 million in its cash and cash equivalents for the 2014 financial year. The investing activities resulted in a net outflow of cash as a result of the purchase of property, plant and equipment of R13 million.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Debt Profile

The Amathole district municipality has settled its long-term loans of roughly R10 million that it inherited when it took over the water and sanitation function from various local municipalities in its jurisdiction in 2007. Amathole's only long-term debt is in respect of financial lease obligations for copiers and fax machines totalling only R0.6 million. The district does not plan to raise any loans in the medium-term.

T 5.10.1

Actual Borrowings: Year -2012 to Year 2014			
	R' 000		
Instrument	Year - 2011/12	Year - 2012/13	Year 2013/14
Municipality			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	770	606	579
PPP liabilities			
Finance Granted By Cap Equipment Supplier (Operating Lease Liability)	472	348	445
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	1 242	954	1 024
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier (Operating Lease Liability)	54	29	27
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	54	29	27

T 5.10.2

Municipal and Entity Investments			
			R' 000
Investment* type	Year -2011/12	Year -2012/13	Year 2013/14
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	471 109	472 085	880 376
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	471 109	472 085	880 376
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	471 109	472 085	880 376
			<i>T 5.10.4</i>

COMMENT ON BORROWING AND INVESTMENTS:

Debt profile

The finance lease obligations are recognized in accordance with the GRAP standards and pertain to the rental of office machines.

Investment profile

The municipality has R460 million capital invested in five reputable financial institutions, earning interest of R26 million at an average of 5.42%.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The Municipality is in the initial stages concluding a PPP agreement to build Municipal offices. A transactional advisor has been appointed and the initial Treasury Approvals to enter into a PPP has been obtained. It is envisaged that a PPP will be concluded in the new financial year.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council. During the reviewal process undertaken during the 2013/2014 financial year, it became apparent that certain issues needed to be included in the SCM Policy, inter alia, a chapter on the procurement for infrastructure related projects. The reviewed policy was adopted by Council on 28 March 2014.

Section 117 of the MFMA states that: "No councilor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer." The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of:

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

Rules and procedures governing the functioning of the abovementioned bid committees were developed and implemented. Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: "The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management." The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management. The Managers of Supply Chain Management have successfully completed the Minimum Competency Training.

ANALYSIS OF THE SUPPLY CHAIN MANAGEMENT BID PROCESS

<i>Number of Bids on Contract Register</i>	<i>Number of Awards made</i>	<i>Number of Bids in Tendering Process</i>	<i>Cancelled Projects</i>
361	289	63	9

The purpose of this analysis is to determine the percentage of bids awarded as at the end of the fourth quarter. This is a good indicator of the effectiveness of the ADM Supply Chain processes. The percentage of bids awarded through the SCM processes of the ADM by the end of the fourth quarter is 80,06% this is an acceptable percentage as some bid numbers were issued in the previous quarter and the tenders must still follow the normal tender process.

PERFORMANCE OF SERVICE PROVIDERS FOR THE 2013/2014 FINANCIAL YEAR FOR THE PERIOD ENDING 30 JUNE 2014

BELOW STANDARD – 0,70 %
ACCEPTABLE – 87,54 %
EXCELLENT – 11,76 %

The following table reflects performance of the service providers during previous financial years:

Financial Year	% Acceptable	% Excellent	% Below Standard
2013/2014	87.54%	11.76	0.70%
2012/2013	62.01%	37.99%	0%
2011/2012	83.93%	16.07%	0%
2010/2011	94.70%	4.51%	0.79%
2009/2010	98.01%	1.34%	0.65%
2008/2009	89.92%	10.08%	0%
2007/2008	92%	7.20%	0.8%

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice 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.

The municipality has prepared fully GRAP compliant annual financial statements.

T 5.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The accounting officer of the municipality is responsible for the preparation and fair presentation of the annual financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act No. 56 of 2003 (MFMA) and for internal controls that management determines necessary to enable the annual financial statements to be prepared free from material misstatements whether due to fraud or error.

The Constitution S188 (1) (b) and section 4 of the Public Audit Act of South Africa No. 25 of 2004 states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 201213 (PREVIOUS YEAR)

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE AMATHOLE DISTRICT MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Amathole District Municipality set out on pages ... to ... , which comprise the consolidated and separate statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets, the budget statement 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 South African Standards of Generally Recognised Accounting Practice (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, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate 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 consolidated and separate financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified audit opinion.

Opinion

6. In my opinion the financial statements present fairly, in all material respects, the financial position of the Amathole District Municipality as at 30 June 2013, and their financial performance and cash flows for the year then ended in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA.

Additional matter

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

Unaudited supplementary schedules

8. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. 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

10. 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.
11. 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*.

The reliability of the information in respect of the selected [programmes/ objectives/ development priorities or objectives¹] is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

12. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

13. 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:

Annual financial statements, performance and annual reports

14. 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 non-current assets, current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Conditional grants

15. The municipality did not submitted, within 10 days after the end of each month, its monthly expenditure reports to the national department (CoGTA), as required by the Division of Revenue Grant Framework, Gazette No.35399.

Human resource management and compensation

16. Managers directly accountable to municipal managers were appointed without submitting disclosure of financial interests prior to appointment as per the requirements of regulation 4 of GNR 805.

Expenditure Management

17. Reasonable steps were not taken to prevent irregular, fruitless and wasteful expenditure, as required by section 62(1)(d)/ 95(d) of the Municipal Finance Management Act

Internal control

27. I considered internal control relevant to my audit of the financial statements, [name of performance report] and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

28. Senior management members did not adequately exercise their oversight responsibility over financial reporting, compliance and related internal controls. This was the result of not adequately

1

monitoring the functioning of internal controls, in year reporting and progress with the audit action plan. As a result non-compliance with the MFMA and DoRA, substantial updating of records and corrections occurred only during the preparation of the financial statements and the audit process.

Financial and performance management

29. The excessive 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, capital commitments, retentions and accounts receivable impairment was not kept up to date and verified during the year had to be corrected during the audit process.
30. 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.

Governance

18. 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 and material non-compliance findings were identified during the audit.

	6.1.1
--	-------

COMPONENT B: AUDITOR-GENERAL OPINION YEAR0 (2012/13)

6.2 AUDITOR GENERAL REPORTS YEAR 0 (2012/13)

**This part will be incorporated once the audit by Auditor-General is complete*

6.3 AUDIT COMMITTEE REPORT

ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

**This part will be incorporated once the Audit Committee's report is available*

Chapter 6

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer).....  28/8/2014 Dated

T 6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided

	into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr. S. Janda	FT	RULES COMMITTEE	ANC	100	0
Cllr. N. Konza	FT		ANC	100	0
Cllr. S. Mtintsilana	FT	LOCAL ECONOMIC DEVELOPMENT RULES COMMITTEE	ANC	100	0
Cllr. L. Jacobs	FT	MUNICIPAL FINANCE VIABILITY WOMEN CAUCUS	ANC	95	5
Cllr. P. Finca	FT	LOCAL ECONOMIC DEVELOPMENT	ANC	95	5
Cllr. B. Melitafa	FT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	80	20
Cllr. T. Xundu-Kubukeli	FT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION WOMEN CAUCUS	ANC	95	5
Cllr. S. Genu	FT	BASIC SERVICE AND INFRASTRUCTURE INVESTMENT	ANC	95	5

Cllr. E. Madikane	FT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	95	5
Cllr. M. Memani	FT	-	ANC	100	0
Cllr. M. Bikitsha	FT	MUNICIPAL FINANCE VIABILITY	ANC	100	0
Cllr. P. Billie	FT	BASIC SERVICE AND INFRASTRUCTURE	ANC	95	5
Cllr. M. Papu	FT	LOCAL ECONOMIC DEVELOPMENT WOMEN CAUCUS RULES COMMITTEE	ANC	50	50
Cllr. N. Nyalambisa	PT	MUNICIPAL FINANCE VIABILITY	ANC	95	05
Cllr. N. Mgidlana	PT	MUNICIPAL PUBLIC ACCOUNTS WOMEN CAUCUS RULES COMMITTEE	ANC	95	05
Cllr. Z. Kabane	FT	MUNICIPAL PUBLIC ACCOUNTS	ANC	90	10
Cllr. C. Tyali	PT	MUNICIPAL PUBLIC ACCOUNTS	COPE	100	0
Cllr. E. Malghas	PT	MUNICIPAL FINANCE VIABILITY RULES COMMITTEE	COPE	100	0
Cllr. W. Ward	PT	MUNICIPAL PUBLIC ACCOUNTS	DA	90	10
Cllr. V.V. Mkosana	PT	LOCAL ECONOMIC DEVELOPMENT RULES COMMITTEE	UDM	95	05
Cllr. N. Dyani	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	ANC	95	05

		WOMEN CAUCUS			
Cllr. L. Bangani	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	100	0
Cllr. N. Mentoor	PT	LOCAL ECONOMIC DEVELOPMENT	ANC	85	15
Cllr. T. Ngaye	PT	MUNICIPAL TRANSFORMATION ORGANISATIONAL DEVELOPMENT	ANC	80	20
Cllr. M. Rawana	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	100	0
Cllr. L. Sinyongo	PT	BASIC SERVICES AND INFRASTRUCTURE	ANC	100	0
Cllr. S. Macakela	PT	MUNICIPAL TRANSFORMATIO AND ORGANISATIONAL DEVELOPMENT	ANC	95	5
Cllr. T. Dwanya	PT	LOCAL ECONOMIC DEVELOPMENT	ANC	90	10
Cllr. T. Manxila	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	ANC	100	0
Cllr. G. Ngqongolo	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	100	0
Cllr.N. Plaatjie	PT	MUNICIPAL FINANCE VIABILITY WOMEN CAUCUS RULES COMMITTEE	ANC	90	10

Cllr. N. Tyala	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	95	05
Cllr. Z. Solontsi	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	COPE	95	05
Cllr. T. Dyani	PT	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	UDM	90	10
Cllr. T. Ntanga	PT	MUNICIPAL FINANCE VIABILITY	ANC	100	0
Cllr. N. Ndabazonke	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	ANC	85	15
Cllr. S. Jali	PT	MUNICIPAL FINANCE VIABILITY	ANC	85	15
Cllr. M. Siwisa	PT	MUNICIPAL PUBLIC ACCOUNTS RULES COMMITTEE	ANC	80	20
Cllr. X. Baleni	PT	MUNICIPAL PUBLIC ACCOUNTS	ANC	85	15
Cllr. N. Benya	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	85	15
Cllr. N. Magatya	PT	MUNICIPAL PUBLIC ACCOUNTS	ANC	80	20
Cllr. N. Nonjaca	PT	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT WOMEN CAUCUS	COPE	50	50
Cllr. M. Tetyana	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	UDM	95	05
Cllr. N. Nkunkuma	PT	BASIC SERVICES AND INFRASTRUCTURE INVESTMENTS	ANC	75	25
Cllr. X. Roji	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	ANC	80	20

Cllr. P. Qaba	PT	MUNICIPAL PUBLIC ACCOUNTS	ANC	95	5
Cllr. N. Mkosana	PT	GOOD GOVERNANCE AND PUBLIC PARTICIPATION WOMEN CAUCUS RULES COMMITTEE	COPE	70	30
Cllr N. H. Skelenge	PT	ECONOMIC DEVELOPMENT COMMITTEE	ANC	100	0

*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*

T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
1. Municipal Transformation and Organizational Development Committee	To assist the Executive Mayor in her responsibility to monitor the management of the municipality's administration in accordance with the directions of Council.
2. Economic Development Committee	To assist the Executive Mayor in her responsibilities to identify the social and economic needs of the municipality
3. Basic Services and Infrastructure Investment Committee	To assist the Executive Mayor in her responsibility to oversee the provision of services to communities in a sustainable manner.
4. Municipal Finance Viability	To assist the Executive Mayor in her responsibilities to provide political guidance of the fiscal and financial affairs of the municipalities that must guide the preparations of the budget.
5. Good Governance and Public Participation Committee	To assist the Executive Mayor in her responsibility to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget.
6. Municipal Public Accounts Committee	To ensure Council fulfills its oversight function.
7. Women Caucus	The committee is responsible for dealing with issues affecting Women within the jurisdiction of ADM and also responsible for raising their plight.
8. Rules Committee	It reviews and considers amendments to the Standing Rules of Council
<i>T B</i>	

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	YES	
Building regulations	YES	
Child care facilities		
Electricity and gas reticulation		
Firefighting services	YES	
Local tourism		YES
Municipal airports		
Municipal planning	YES	
Municipal health services	YES	
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto		
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	YES	
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public		
Local amenities		
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution		
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal		

Street trading		
Street lighting		
Traffic and parking		
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>TD</i>

**APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE
YEAR 2013/14**

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2013/14	Recommendations adopted (enter Yes) If not adopted (provide explanation)

T G

APPENDIX H – LONG TERM CONTRACTS ENTERED INTO DURING YEAR 2013/14

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
8/2/65/2013-2014C	Xhora Water Supply Scheme Construction of Xhora Off Channel Storage Dam, Spillway, Appurtenant Works and Pipeline to Elliotdale. Price inclusive of 14% VAT, 15% contingencies for the construction duration of 24 months.	16/04/2014	30/04/2016	Z. Maduma	R 195 247 860.75
8/2/94/2005	Revision of appointment for professional services: Xhora Water Supply Project. Price revised from the currently appointed amount of R51 009 808.47 by an amount of R62 273 748.85 to the total amount of R113 283 57.32 to complete the project.	27-Jun-05	ongoing	A. Nquma	R 62 273 748.85
8/2/357/2011-2012	Resolved to Recommend to the Municipal Manager: Idutywa East Water Supply Scheme Contract 10. Price inclusive of 10% contingencies, 10% escalation and VAT for the contract duration of 12 months.	01/02/2013	31/01/2015	Z. Maduma	R 48 772 399.72
8/2/83/2012-2013	Resolved to Recommend to the Municipal Manager: Xhora Water Supply Scheme Phase: Bulk Pipeline 1 from Tshinirha to Tsholorha B and from Fameni D to Xhwili. Price inclusive of 20% contingencies, 7.5% escalation and VAT for the duration of 24 months.	15/05/2013	15/05/2015	A, Nquma	R 39 835 343.07

8/2/165/2009-2010	Limited bidding (multiple source): Civil Engineering works: Xhora Water Supply Scheme: Phase 1A & B Bulk pipelines-1. Price inclusive of 10% contingencies, 7% escalation and VAT for the duration of 12 months.	15/07/2013	15/07/2014	A. Nquma	R 39 200 342.46
8/2/119/2010-2011	Revision of appointment letter – Nxaxo & Cebe Water Supply project. Price revised from the estimated amount of R3 522 600.00 to R37 465 818.98. Price including VAT, feasibility study and business plan, engineering fees and additional fees for the implementation of the project.	2010	ongoing	S. Mgaju	R 37 465 818.98
8/2/180/2013-2014C	Ngqamakwe Regional Water Supply Scheme: Phase 1 (Contract 1) Price including 10% contingencies, 5% allowance for contract price adjustment and 14% VAT for the construction duration of 12 months.	01/06/2014	30/05/2014	S. Mgaju	R 33 957 256.06
8/2/317/2012-2013	Civil Engineering Works: Gcuwa West Water Supply Scheme – Contract 2. Price inclusive of 10% contingencies, 10% escalation and VAT for the construction duration of 18 months.	01/11/2013	30/05/2014	S. Mgaju	R 31 199 250.58
8/2/47/2013-2014C	Tsomo Villages RWSS Phase 1B Contract 1 Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 18 months.	15/10/2013	30/05/2015	S. Mgaju	R 29 722 712.54
8/2/170/2013-2014C	Provision of Security Services for ADM Staff and Assets [Eastern Region] for a period of 36 months. Price inclusive of VAT.	01/04/2014	31/03/2017	A. Nkomana	R 28 470 960.00
8/2/46/2013-2014C	Tsomo Villages RWSS Phase 1B Contract 2 Price inclusive of 10% contingencies, 10% escalation and VAT for the duration of 12 months.	01/10/2014	30/09/2015	S. Mgaju	R 28 102 472.75

8/2/3/2013-2014C	Mgwali South Water Supply Project: Phase 1, Stage 2 and Phase 2 : Reservoir R1, Bulk Reticulation and R1 & R2 Village Reticulation. Price including 10% contingencies, 10% CPA and VAT for the duration of 18 months.	01/10/2014	30/06/2015	A. Nquma	R 26 546 950.13
8/2/40/2012-2013	Civil Engineering Works: Gcuwa West Water Supply Scheme – Contract 1. Price inclusive of 10% contingencies, 10% escalation and VAT for the construction duration of 12 months.	15/11/2013	15/11/2014	S. Mgaju	R 25 106 530.23
8/2/52/2010-2011	Conversion of “Provisional and Reduced appointment” to a “Formal appointment” – Tsomo Villages Regional Water Supply. Price including VAT.	2010	ongoing	M. Shezi	R 19 194 623.46
8/2/171/2013-2014C	Provision of Security Services for ADM Staff and Assets (Central Region) for a period of 36 months. Price inclusive of VAT.	01/03/2014	28/02/2017	A. Nkomana	R18 607 168.80
8/2/204/2012-2013	Limited bidding: Dutywa Dams Refurbishment and installation of gauge plates across ADM. Price inclusive of 10% contingencies, 10% escalation and VAT for the period of 12 months.	01/01/2014	31/012/2015	T. Mdiya	R 17 241 623.46
8/2/353/2011-2012	Idutywa East Water Supply Scheme – Contract 6. Price inclusive of 10% contingencies, VAT and 10% escalation for a period of 7 months.	01/05/2013	30/11/2013	Z. Maduma	R 16 133 319.36
8/2/169/2013-2014C	Provision of Security Services for ADM Staff and Assets (Western Region) for a period of 36 months. Price inclusive of VAT.	01/03/2014	28/02/2014	A. Nkomana	R 14 094 000.00

8/2/230/2012-2013	Mncwasa Water Supply Scheme Phase 2H: Bongweni to Talimofu – Construction of reinforced concrete reservoirs, break preassure tanks, bulk pipelines and control chambers. Price inclusive of 10% contingencies, 7.5% escalation and VAT for the construction duration of 12 months.	15/09/2013	15/09/2014	A. Nquma	R 12 865 768.04
8/2/243/2013-2014D	Gcuwa West Water Supply Scheme: Phase 2 (Contract 2) Price inclusive of 10% contingencies, 5% escalation and 14% VAT for the construction duration of 10 months.	30/04/2014	30/04/2015	S. Mgaju	R 12 662 831.76
					<i>T H.1</i>

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule : AMATHOLE ECONOMIC DEVELOPMENT AGENCY (PTY) LTD									
Name of Entity & Purpose	(a) Service Indicators	Year 0 2013 -2014		Year 1 2014 - 2015		Year 2 2015-2016		Year 3 2016-2017	
ASPIRE	(b) Service Targets	Target	Actual	Target	Actual	Target			
(i)	(ii)	*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<i>Good and effective service orientated organisation</i>	Operational Efficiency and Effectiveness	1. Organisational design plan in place 2. Skills audit and retraining of staff undertaken/ appropriately skilled staff recruited 3. Strengthened Project	1. The organisational design was reviewed and the new organogram adopted by the Board of Directors in April 2014. 2. The skills audit was undertaken		1. To reduce the number of high risks 2. To lower the overall risk score 3. To increase income from other sources 4. To raise funding for projects	15% 9 5% R50 M 5%	10% 8 10% R55 M 5%		5% 7 15% R60 M 5%

		<p>Management capacity</p> <p>4. Fund raising strategy in place and implemented</p> <p>5. 100% of policies reviewed</p> <p>6. Effective risk management system in place</p> <p>7. A clean audit</p> <p>8. Compliance management system in place</p>	<p>3. Various training initiatives were undertaken during the year</p> <p>4. A funding model with a fund raising strategy was approved and R51.2 million was raised.</p> <p>5. 100% of policies were reviewed</p> <p>6. Risk register collated, and quarterly risk reports were approved by the Board of Directors</p> <p>7. ?</p> <p>8. Compliance audit scorecard was designed and implemented.</p>		<p>5. To ensure the organisation is staffed to achieve its mandate</p> <p>6. To ensure training interventions are implemented in line with the training needs</p> <p>7. To implement green initiatives to reduce the Aspire carbon footprint</p> <p>8. To achieve the company targets set</p> <p>9. To manage the agency in line with prescripts in order to achieve a clean audit</p> <p>10. To develop and implement a growth strategy for Aspire</p> <p>11. 100% of policies reviews</p>	<p>100%</p> <p>2%</p> <p>80%</p> <p>Clean audit</p> <p>Baseli ne determ ined</p> <p>100%</p>	<p>100%</p> <p>5%</p> <p>82%</p> <p>Clean audit</p> <p>5% above</p> <p>100%</p>	<p>100%</p> <p>10%</p> <p>85%</p> <p>Clean audit</p> <p>10% above</p> <p>100%</p>
--	--	---	---	--	---	--	---	---

					12.100% compliance with relevant prescripts and legislation	100%	100%		100%
<i>Economically thriving small towns and rural communities</i>	Promote improved and co-ordinated planning in the district	9. 4 LSDF completed	9. 4 plans have been approved by CEO. These are for Willowvale, Elliotdale, Nxuba and Butterworth						
	Successful project delivery in projects that promote the upgrade of socio-economic infrastructure, social cohesion, grow of local SMME sector and strengthening of economic linkages between small towns	10.Three infrastructural legacy projects 11.Establish 3 local market centres 12.4 food security	10.Three infrastructure development projects have been initiated - Alice CBD upgrade, Qumrha CBD Upgrade (Hawker Stalls), Animal handling facility for the Ngangengqili Agricultural Development Beef project 11.Only two local market centres have been identified, namely the Ngqushwa		13.To implement projects to ensure food security 14.To implement commercial agricultural projects 15.To implement commercial agricultural projects 16.To implement marine projects 17.To develop a tourism	5 2 2 1	6 3 3 2		7 3 4 2

	and rural communities	<p>projects</p> <p>13. Two commercial production projects</p> <p>14. Review 4 existing projects to ensure that they are sustainable</p> <p>15. Introduce fish farming- one fish farming project implemented</p> <p>16. Concept for development of Hamburg as a cultural precinct</p>	<p>Beef initiative and the flea market in Great Kei.</p> <p>12. Four food security projects are being implemented - Kulo Jingqi , Mahlezana and Xabajiyane (dry bean and fencing). The Ndakana food security project</p> <p>13. Kulo-Jingqi crop production and Ngangengqili Beef Production have been implemented.</p> <p>14. Five existing projects implemented by ASPIRE were reviewed to determine their sustainability</p> <p>15. ASPIRE worked with DAFF on the Hamburg Fish Project</p> <p>16. Concept development plan</p>		<p>strategy and to partner with stakeholders to increase tourism in the district</p> <p>18. To implement infrastructure projects to unlock economic development opportunities</p> <p>19. To facilitate infrastructure upgrades of small towns</p>	<p>Development starts</p> <p>1</p> <p>2</p>	<p>Implement strategy</p> <p>2</p> <p>3</p>		<p>Implement strategy</p> <p>3</p> <p>5</p>
--	-----------------------	--	--	--	---	---	---	--	---

			finalised and approved by CEO					
<u>Rural Community Clusters</u>	To create sustainable rural communities in order to reduce migration to urban areas	17. Pilot rural community cluster approach 18. Pilot information access by rural communities in two rural communities	17. Rural community cluster was piloted at Kulo-Jingqi and Ndakana and a Rural Cluster Model was approved by the CEO 18. The Kulo-Jingqi internet access is fully operational, Ndakana initiative was initiated with the Runaway Cooperative as supported by the NMMU and the ECDC		20. Partner with investors to establish 3 agro-processing enterprises by 2017	1	2	3
<u>The preferred investment and development partner</u>	Strengthen the mechanism for collaboration across all stakeholders thereby building a reputable brand	21. SLA's signed between ASPIRE and the local municipalities 22. Two agreement signed with partners	26. MOU's have been signed with Ngqushwa, Nkonkobe, Nxuba, Great Kei. 27. Agreements signed with Enterprise Ilembe, ECDC and the National		21. To increase visibility of the Aspire brand in the market by 2017 22. To facilitate Investment into Amathole by 2017	2	4	5

		<p>23. Develop product Brand Strategy</p> <p>24. Development and implement of an investor promotion strategy</p> <p>25. Undertake social economic impact assessment of 4 projects</p>	<p>Agricultural Marketing Council</p> <p>28. Brand strategy document developed and approved by CEO</p> <p>29. Investor promotion strategy document was developed and approved by CEO</p> <p>30. Social economic impact assessment was undertaken on the Abenzi Woodhouse, Ndakana Food Gardens, Emthonjeni Artist Retreat, Blue Berries and Mlungisi Community Commercial Park.</p>		<p>23. To market the Amathole brand to promote Amathole products and services by 2017</p>	R50 m	R100 m		R120 m
						5	10		50

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 13/14 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
Municipal Manager	N.C.MAGWANGQANA	NIL
Chief Financial Officer	N.SOGA	NIL
Other S57 Officials		
Director: Corporate Services	L.TALENI	NIL
Director: Health and Protection Services	S.TALENI	NIL
Strategic Manager	R.LINKS	NIL
Director: Land Human Settlements and Economic Development	M.GABA	NIL
Director: Legislative and Executive Support Services	L.SIMANGA	NIL
Director: Engineering	M.SHEZI	NIL
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
T J		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote

Vote Description	R'000					
	Year 2012/13	Current: Year 2013/14			Year 2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<u>WATER</u>						
Basic Water	-33 431	-20 558	0.00	-9 720	-111.51%	100%
Water Availability charges	-6 096	-6 686	0.00	-5 738	-16.52%	100%
Flat Rate	-660	-681	0.00	-1 791	61.95%	100%
Water Sales	-110 702	-134 353	0.00	-120 356	-11.63%	100%
<u>SANITATION</u>						
Basic Sanitation	-364	-393	0.00	-392	-0.17%	100%
Sewerage Charges	-71 164	-69 459	0.00	-60 433	-14.93%	100%
Availability Charges	-10 624	-5 130	0.00	-4 421	-16.04%	100%
<u>FIRE</u>						
Fire Availability	-690	-692	0.00	-701	1.22%	100%
Fire Service Levy	-2 557	-2 550	0.00	-2 965	13.99%	100%
Fire Safety Inspection fee	-18	-15	0.00	-20	23.44%	100%
Fire Safety Inspection & Certificates	-1	0.00	0.00	0.00	0.00%	0.00%
Total Revenue by Vote	-236 307	-240 517	0.00	-206 541	-16%	100%
<p>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3.</p> <p style="text-align: right;">T K.1</p>						

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source

Vote Description	R'000					
	Year 2012/13	Current: Year 2013/14			Year 2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
Property rates						
Service Charges - water revenue	150 889	162 278		137 605	-17%	100%
Service Charges - sanitation revenue	82 152	74 982		65 246	-14%	100%
Service Charges - refuse revenue						
Service Charges - other (Fire)	3 266	3 257		3 686	22%	100%
Interest earned – outstanding debtors						
Dividends received						
Fines						
Licences and permits						
Agency services						
Transfers recognised - operational						
Other revenue						
Gains on disposal of PPE						
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)	-236 307	240 517	0.00	206 537	-16%	100%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4. TK. 2

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	0	0	0	0	0	
Public Transport Infrastructure and Systems Grant	0	0	0	0	0	
<i>Other Specify:</i>						
Rural Roads Asset Management System	2 347	2 347	2 347	0	0	Intended for Local Municipalities
Water Services Operating Subsidy Grant	6 000	6 591	6 482	0	0	
Municipal Systems Improvement Grant	890	1 009	856	- 3.82%	-15.16%	Expenditure done according to business plans approved
Local Government Financial Management Grant	1250	1 639	1 636	30.88%	-0.18%	
Expanded Public Works Programme Incentive Grant for Municipalities	3 125	11 592	22 832	612.97%	96.96%	
Water Services Operating Subsidy	300	300	0	0	0	
Regional Bulk Infrastructure Grant	56 504	35 070	26 951	-52.30%	23.15%	Spent in accordance with approved business plans.
Total	70 416	58 548	61 104			
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i></p>						

TL

APPENDIX M – CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M(i) – CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	R '000						
	Year 2012/13	Year 2013/14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1 2014/15	FY + 2 2015/16	FY + 3 2016/17
Capital expenditure by Asset Class							
Infrastructure – Total	307 986	1 38 258	-	-	309 986	343 221	-
Infrastructure: Road transport – Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity – Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water – Total	315 902	562 485	-	307 133	337 845	371 631	-
<i>Dams & Reservoirs</i>	306 114	562 485	-	306 114	336 725	370 398	-
<i>Water purification</i>							
<i>Reticulation</i>	9 788			1 019	1 120	1 233	
Infrastructure: Sanitation – Total	13 806	116 213	-	91 200	109 847	141 209	-

<i>Reticulation</i>							
<i>Sewerage purification</i>	138 036	116 213	-	91 200	109 847	141 209	
Infrastructure: Other – Total	51 663	459 560		560 510	616 261	678 217	-
<i>Waste Management</i>			-				
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>	51 663	459 560		560 510	616 261	678 217	-
Community – Total	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year 2011/12	Year 2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjust ment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Heritage assets – Total</u>	-	-		-	-	-	-
Buildings							
Other							
<u>Investment properties – Total</u>	-	-		-	-	-	-
Housing development							
Other							
-							
<u>Other assets</u>	24 500	175 047	-	111 828	119 35	133 791	-
General vehicles	2 749	28 447		5 062	5 568	6 125	
Specialised vehicles	16 779	4 500	-	5 793	6 372	7 009	
Plant & equipment	478	2 648	-	6 469	7 116	7 827	
Computers - hardware/equipment	2 527	1 558	-	3 994	4 393	4 833	
Furniture and other office equipment	1 593	17 670		4 410	4 851	5 336	

			-			
Abattoirs			-			
Markets			-			
Civic Land and Buildings			-			
Other Buildings	83	2 581	-		1 928	1 986
Other Land			-			
Surplus Assets - (Investment or Inventory)			-			
Other		117 643	-	86 110	89 507	100 672
<u>Agricultural assets</u>	-	-		-	-	-
<i>List sub-class</i>						
<u>Biological assets</u>	-	-		-	-	-
<i>List sub-class</i>						
<u>Intangibles</u>	-	-		-	-	-

Computers - software & programming Other (list sub-class)							
Total Capital Expenditure on new assets	405 871	466 197	-		419 396	464 707	-
Specialised vehicles	2 239	4 500	-	-	4 739	4 971	-
Refuse							
Fire Conservancy Ambulances	2 239	4 500	-	5 793	4 739	4 971	
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

APPENDIX M(ii) – CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAM

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 2012/13	Year 2013/14			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1 2014/15	FY + 2 2015/16	FY + 3 2016/17
Capital expenditure by Asset Class							
Infrastructure - Total	-	27 633		-	50 697	52 814	-
Infrastructure: Road transport -Total		-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	14,833	-		-	-	-	-
<i>Generation</i>	3,082						
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water – Total	1,094	15 669		-	28 372	32 638	-
<i>Dams & Reservoirs</i>	830						
<i>Water purification</i>		15 669			28 372	32 638	
<i>Reticulation</i>							
Infrastructure: Sanitation – Total		11 964		-	22 325	20 175	-
<i>Reticulation</i>							
<i>Sewerage purification</i>		11 964			22 325	20 175	
Infrastructure: Other – Total		-		-	-	-	-
<i>Waste Management</i>	9,827						

<i>Transportation</i>							
Gas	-						
Other							
Community		-		-	-	-	-
Parks & gardens	-						
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries	-						
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses	-						
Clinics							
Museums & Art Galleries	-						
Cemeteries							
Social rental housing							
Other							
Heritage assets		-		-	-	-	-
Buildings	-						
Other							
<i>Table continued next page</i>							

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 2011/12	Year 2012/13			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	14,833	18 012.3		-	9 001	9 406	-
General vehicles	3,082	7 486			3 755	3 904	
Specialised vehicles							
Plant & equipment		5000					
Computers - hardware/equipment	1,094	963			976	1 023	
Furniture and other office equipment	830	4 028			4 233	4 440	
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings		500					
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	9,827	35.3			37	39	
Agricultural assets	-	-		-	-	-	-
<i>List sub-class</i>							
Biological assets							

	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	14,833	45 645		-	30 271	62 219	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)							T M.2

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 2013/14				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
NONE				
<i>* Loans/Grants - whether in cash or in kind</i>				<i>TR</i>

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Service Delivery and Infrastructure Investment KPA Projects	96%
Output: Implementation of the Community Work Programme	Local Economic Development KPA Projects	100%
Output: Deepen democracy through a refined Ward Committee model	Good Governance and Public Participation Projects	86%
Output: Administrative and financial capability	Municipal Transformation and Institutional Development	90%
	Municipal Financial Viability and Management	71%
<p><i>* Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.</i></p>		
T S		

SECTION 46 REPORT INDICATORS

1.3 Key HR statistics per functional area

1. Full time staff complement per functional area

a. MM/Section 57 and Line Managers

	Approved positions (e.g MM-S57 etc...)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	0
2	Manager's in the MMs Office	8	8	0
3	Director: Corporate Services	1	1	0
4	Corporate Services Managers	21	19	2
5	Strategic Manager	1	1	0
6.	Managers in the Strategic Planning & Management	31	25	6
7	Director: Land, Human Settlements & Economic Development	1	1	0
8.	Managers in Land, Human Settlements & Economic Development	19	17	2
9.	Chief Financial Officer	1	1	0
10.	Managers in the Budget & Treasury Office	22	18	4
11.	Director: Health & Protection Services	1	0	1
12.	Managers in Health &	11	11	0

	Protection Services			
13.	Director: Legislative & Executive Support Services	1	1	0
14.	Managers in Legislative & Executive Support Services	11	11	0
15.	Director: Engineering Services	1	1	0
16.	Managers in the Engineering Services	35	30	5
	Total	166	146	20

2. Technical staff registered with professional bodies

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
955	23	9	0	14

3. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
1 827 (as of June 2014)	570	732	525

4. Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)	Percentage of expenditure

2011-2012	1477	888 707 127.00	324 873 005.00	43.30%
2012-2013	1678	1 019 264 076.00	394 191 469.00	38.67%
2013-2014	1809	1 761 626 737.00	502 540 114.00	28.53%

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

Names of pension fund	Number of members	Names of medical Aids	Number of members
CAPE RETIREMENT FUND	1375	LA HEALTH	582
SAMWU NATIONAL PROVIDENT FUND	161	BONITAS	459
NATIONAL FUND FOR MUNICIPAL WORKERS	12	KEYHEALTH	32
CAPE PENSION FUND	12	HOSMED	36
EASTERN CAPE GRATUITY FUND	2	GEMS	1
EASTERN CAPE MUNICIPAL PENSION FUND	2	SAMWU MED	194
GEPF	73		
SALA PF	12		

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

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	1848	1809	98%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	8	8	100%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	8	8	100%	
4	Percentage of Managers in Technical Services with a professional qualification	24	14	58.33%	
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	8	8	100%	
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	1827	1827	100%	
9	Percentage of councillors who attended a skill development training within the current 5 year term	56	56	100%	
10	Percentage of staff complement with disability	2%	0.11%	0.11%	
11	Percentage of female employees	700 (targeted 2% increase annually)	2% increase	100% as per the ADM EE plan targets	
12	Percentage of employees that are aged 35 or younger	804	100%	100%	

Chapter 2: Basic Service delivery performance highlights (KPA 2)

2.1 Water services (max 2 pages)

c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	240 000	21 474	6 026	12 466	206 %
2	Percentage of indigent households with access to free basic potable water	240 000	21 474	10 537	16 977	161%
4	Percentage of clinics with access to potable water	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to potable water	N/A	N/A	N/A	N/A	N/A
6	Percentage of households using buckets	All formal HH are not using buckets, it is only 300 informal HH located in informal settlement are still using buckets.	N/A	N/A	N/A	N/A

2.2 Electricity services (max 2 pages)

c. Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	N/A	N/A	N/A	N/A	N/A
2	Percentage of indigent households with access	N/A	N/A	N/A	N/A	N/A

	to basic electricity services					
4	Percentage of indigent households with access to free alternative energy sources	N/A	N/A	N/A	N/A	N/A

2.3 Sanitation (max 2 pages)

c. Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	240 000	122 545	14 400	15 762	109%
2	Percentage of indigent households with access to free basic sanitation services	240 000	122 545	14 400	15 762	109%
4	Percentage of clinics with access to sanitation services	N/A	N/A	N/A	N/A	N/A
5	Percentage of schools with access to sanitation services	N/A	N/A	N/A	N/A	N/A

2. 4Road maintenance (max 2 pages)

c. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	N/A	N/A	N/A	N/A	N/A
2	Percentage of road infrastructure requiring	N/A	N/A	N/A	N/A	N/A

	upgrade					
4	Percentage of planned new road infrastructure actually constructed	N/A	N/A	N/A	N/A	N/A
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	N/A	N/A	N/A	N/A	N/A

2.5 Waste management (max 2 pages)

c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services	N/A	N/A	N/A	N/A	N/A

2.6 Housing and town planning (max 2 pages)

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

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	9 838	1380460	N/A	N/A	N/A
2	Percentage of informal settlements that have been provided with basic services	N/A	N/A	N/A	N/A	N/A
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	43.7%	1380460	N/A	N/A	N/A

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 2012/13			30 June 2013/14		
	Required	Budgeted	Actual	required	budgeted	Actual
Water backlogs (6KL/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	40 000	3 610	6 749	33 940	6 026	12 466
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)	40 000	3 610	6 749	33 940	6 026	12 466
Spending on new infrastructure to eliminate backlogs (R000)	250 603	250 603	341 064	187 247	187 247	257 000
Spending on renewal of existing infrastructure to eliminate backlog (R000)	10 500	10 500	1 183	Included in MIG allocation above		
Total spending to eliminate backlogs (R000)	261 103	261 103	342 248	187 247	187 247	257 000
Spending on maintenance to ensure no new backlogs (R000)	25 835	25 835	8 938	52 393	52 393	18 263
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs	N/A	N/A	N/A	N/A	N/A	N/A

(R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	140 000	3 881	1 245	138 307	14 400	15 762
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	140 000	3 881	1 245	138 307	14 400	15 762
Spending on new infrastructure to eliminate backlogs (R000)	amount has been combined with the water backlog	98 843	98 843	201 405	201 405	150 000
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	98 843	98 843	amount has been combined with the water backlog			
Spending on maintenance to ensure no new backlogs (R000)	5 704	5 704	3 542	4 581	4 581	3 967
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum	N/A	N/A	N/A	N/A	N/A	N/A

standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Refuse removal						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A

Housing and town planning						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	N/A	N/A	N/A	N/A	N/A	N/A
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on new infrastructure to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on renewal of existing infrastructure to eliminate backlog (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Total spending to eliminate backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A
Spending on maintenance to ensure no new backlogs (R000)	N/A	N/A	N/A	N/A	N/A	N/A

CHAPTER 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.	100%	R34 689 526.00	88.7% of the budget was pent
2	Number of LED stakeholder forum held	4	4	100%
3	Percentage of SMME that have benefited from a SMME support program	25	50	100%
4	Number of job opportunities created through EPWP	1200 jobs were created under this programme	3 400 jobs	100%
5	Number of job opportunities created through PPP	N/A	N/A	N/A

Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

4.3 Grants and transfers' spending

Project Name	QUARTERLY RECEIPT				QUARTERLY EXPENDITURE			
	Sept 13	Dec 13	March 14	June 14	Sept 13	Dec 13	March 14	June 14
COMPUTERISED SYSTEMS FOR LM'S	-	-	-	-	-	-	-	3 993
WORKPLACE SKILLS PLANS FOR LM'S	-	-	-	-	-	-	-	-
MSIG: REVIEW MSIG LM SUPPORT NKONKOBÉ	-	-	-	-	11 680	24 651	-24 651	-
MSIG:HR STRATEGY DEVELOPMENT	-	-	-	-	-	-	-	24 937
MSIG: REVIEW OF HR POLICIES	-	-	-	-	-	-	-	5 452
MSIG: FEASIBILITY STUDY DEV NEW GERMAN	-	100 000	-	-	-	-	59 227	40 773
MSIG: PROMULGATION OF BY-LAWS	-	300 000	-	-	-	216 526	30 314	-
MSIG: HR PLANS 2 LM'S	-	300 000	-	-	-	-	-	282 720
MSIG: INSTALLATION OF A CIVIL DESIGN	-	90 000	-	-	-	-	90 000	-
MSIG: FEASIBILITY STUDY KOLOGHA SETTLEMENT	-	100 000	-	-	-	50 780	7 109	36 181
IDP-LOCAL MUNICIPALITIES	-	-	-	-	-	-	-	-
VUNA AWARDS	85 000	-	-	65 000	-	-	-	83 081
PUBLIC AWARENESS	-	-	-	-	-	-	-	-
SETA: IMPLEMENTATION	288 093	-	128 365	-	65 487	887 510	82 043	318 162
LG SETA INTERNS	-	-	329 649	125 044	194 450	144 017	146 120	130 441
BUDGET REFORM	-	1 250 000	-	-	306 699	421 281	331 119	609 635
MINIMUM COMPETENCY : RPL	-	-	-	-	-	-	-	76 985

FREE BASIC SERVICES STRATEGY DEVELOPMENT	-	-	-	-	-	-	-	-
ACIP ALLOCTN MITIGATION MEASURES WATER	-	500 000	-	-	-	-	500 000	-
EASTERN REGIONAL SOLID WASTE (GK)	-	-	-	-	21 457	-	-	-
DWA ONCE OF ACCOMMODATION	-	-	-	-	-	-	-	150 000
DWA REFURBISHMENT	2 000 000	2 000 000	2 000 000	-	-	2 108 521	2 627 204	1 746 348
WMIS GRANT	-	-	-	-	-	-	-	-
WATER SERVICES CAPACITY BUSINESS PLAN 1011	-	-	-	-	-	-	-	-
ROOF TOP RAIN WATER HARVESTING	-	-	-	-	-	40 982	186 622	5 100
DESIGN GUIDELINES & STD DRAWINGS	-	-	-	-	-	-	-	-
BUSINESS PLANS FOR WSP'S	-	-	-	-	-	-	-	-
HOUSEHOLD LEAK REPAIR	-	-	-	-	-	-	-	328 494
NGQUSI RAIN WATER HARVESTING	-	-	-	-	-	-	-	-
ROAD ASSET MANAGEMENT SYSTEM	2 347 000	-	-	-	268 410	458 607	717 467	902 272
ADELAIDE WATER RE-USE PHASE 1	-	-	-	-	-	203 814	39 425	306 598
WSA ROUTINE MONITORING PROGRAM	-	-	-	-	-	-	-	42 844
ADELAIDE OLD OXIDATION PONDS	-	-	-	-	-	-	69 587	-
SHIXINI WATER SUPPLY	-	-	-	-	-	334 413	-	143 200
COMMUNAL WATER STATIONS(DST/ CSIR)	-	-	-	-	-	-	-	-
IDUTYWA EXTENTION 8 (VIP TOILETS,RDS&W)	473 842	306 407	-	-	356 467	367 075	-	-
ECDOT PROJECTS	-	-	-	-	-	-	-	-
ECDOT INTEREST & CONTRIBUTIONS	-	-	-	-	-	-	-	-
KEISAMMAHOEK-PROV HAWKER STALLS	-	-	-	-	-	-	-	-

BUTTERWORTH INTERCHANGE	-	-	-	-	-	113 919	420 228	1 719 421
ECDOT FUND VAT REFUND	-	-	-	-	-	-	-	-
BUCKET ERADICATION	-	-	-	-	-	-	-	4 380
REGIONAL BULK INFRASTRUCTURE SCHEMES	-	-	-	-	-	-	-	-
XORA EAST WATER SUPPLY - IMPLEMENTATION	2 672 930	1 357 822	1 546 009	2 604 891	-	3 434 778	265 005	4 312 773
MNCWASA WATER SUPPLY - IMPLEMENTATION	4 038 401	2 302 349	3 098 192	10 059 631	2 218 434	3 337 700	1 965 597	9 728 624
IBEKA WATER SUPPLY - FEASIBILITY	1 446 113	260 171	-	-	-	2 487 034	3 075 919	-3 875 232
DWA BULK WATER SUPPLY SCHEMES	-	-	-	-	-	-	-	-
IDUTYWA WATER SUPPLY - FEASIBILITY	-	-	-	-	-	-	-	-
GREAT KEI RIVER BASIN WS SCHEME	-	-	-	-	-	-	-	-
DWA SUPPORT (DROUGHT ISSUES):	-	-	-	-	-	-	-	-
GROUND WATER INVESTIGATION(BEDFORD ADELAIDE	-	-	-	-	-	-	-	-
40 RAIN TANKS FOR ADELAIDE	-	-	-	-	-	-	-	-
MIG	133 282 000	133 282 000	133 283 000	-	54 522 349	84 492 895	106 559 015	168 576 882
FLOOR RELIEF PROJECTS:	-	-	-	-	-	-	-	-
FLOOD RELIEF CONSOLIDATED BALANCES	-	-	-	-	-	-	-	319 487
DR08401 NQAMAKWE ROADS	-	-	-	-	-	-	-	-
DR08380 MNQUMA ROADS	-	-	-	-	-	-	-	-
DR08384 MNQUMA ROADS	-	-	-	-	-	-	-	-
DR08346 MBHASHE ROADS	-	-	-	-	-	-	-	-
DR08044 MBHASHE ROADS	-	-	-	-	-	-	-	-

DR01639 BALFOUR ROAD	-	-	-	-	-	-	-	-
DR02480 NXUBA ROADS	-	-	-	-	-	-	-	-
FLOOD RELIEF VAT REFUND	-	-	-	-	-	-	-	-
RHIG PROJECT FUNDS CAPITAL	-	-	-	8 500 000	-	-	-	8 594 862
MWIG PROJECT FUNDS CAPITAL:	-	8 800 000	3 500 000	-	-	-	-	-
GIBALTAR ROCK & SURROUNDS RAIN WATER TANKS HARVERSTING	-	-	-	-	-	-	-	-
UPPER RABHULA RAIN WATER TANKS HARVESTING	-	-	-	-	-	-	115 492	44 912
SIKOBENI & SURROUNDINGS RAIN WATER TANKS HARVERSTING	-	-	-	-	-	264 780	1 349 414	472 776
NQABARHA NORTH & SOUTH RAIN WATER TANKS HARVERSTING	-	-	-	-	-	-	1 246 500	723 403
ELLIOTDALE & SURROUNDINGS RAIN WATER TANKS HARVERSTING	-	-	-	-	-	-	198 316	210 706
IBIKA - CENTANE RAIN WATER TANKS HARVERSTING	-	-	-	-	-	-	-	1 624 952
NGQAMAKWE RAIN WATER TANKS HARVERSTING	-	-	-	-	-	-	1 453 984	1 463 781
CWEBE WATER SOURCE AUGMENTATION	-	-	-	-	-	-	760 012	1 590 375
CAPACITATE AND RESOURCE CENTRE	-	-	-	-	1 183	13 937	3 078	360
TECHNICAL ASST TO DEVELOP DISTRICT PROFILE	-	-	-	-	-	-	-	87 625
MK VETERANS	-	-	-	-	356 727	-	-	-
DEVELOPMENT CRAFT CENTRE	-	-	-	-	100 965	692 739	-	-
CAPACITY BUILDING FOR LM's	-	-	-	-	-	7 497	-	-
BAWA FALLS LED	-	-	-	-	14 500	28 796	-	399 752
SILWINDLALA WOMEN'S PROJECT	-	-	-	-	-	-	-	-
BALFOUR SAWMILLS	-	-	-	-	194 111	31 000	48 866	7 000
HIGHLANDS RESORTS	-	-	-	-	-	-	-	-

PEDDIE BRICK MAKING	-	-	-	-	22 200	-	-	-
ELLIOTDALE BRICK MAKING	-	-	-	-	-	-	-	-
INKUTHALO HYDROPONICS	-	-	-	-	-	-	-	77 507
CO-OPERATIVES SPECIALIST	-	-	-	-	48 000	-	-	-
TOURISM SURVEY	-	-	-	-	85 965	-	-	-
PLOUGHING CONTACTORS-WARD 10	-	-	-	-	-	6 845	-	-
EC INFORMATION INITIATIVE SUPPORT	-	-	-	-	-	26 000	-	7 380
PLOUGHING CONTRACTOR-NGXAKAXA	-	-	-	-	-	8 508	-	-
NXUBA DAM CHALETs DEVELOPMENT	-	-	-	-	-	1 941	9 690	-
TOURISM MARKETING STRATEGY	-	-	-	-	766	2 709	-	-
PLOUGHING CONTRACTOR - WARD 15	-	-	-	-	-	10 140	7 950	5 637
LED CAPACITY BUILDING - NGQUSHWA	-	-	-	-	-	-	-	-
VICTORIA POST	-	-	-	-	31 500	-	-	-
TEKO SPRINGS-NDLOVINI	-	-	-	-	-	-	-	-
NEEDS CAMP	-	-	-	-	-	-	-	-
HOGSBACK	-	-	-	-	-	-	-	-
HAGA HAGA	-	-	-	-	8 578	51 465	-	-
WILLOWVALE	-	-	-	-	-	-	-	-
ELLIOTDALE	-	-	-	-	-	-	-	-
NDEVANA	-	-	-	-	-	-	-	-
MSOBOMVU	-	-	-	-	-	-	-	-
HERTZOG	-	-	-	-	-	-	-	-

GREAT KEI PLANNING FUNDS	-	-	-	-	-	-	-	-
MNQUMA PLANNING FUNDS	-	-	-	-	-	-	-	-
NGQUSHWA PLANNING FUNDS	-	-	-	-	-	-	-	-
NKONKOBE PLANNING FUNDS	-	-	-	-	-	-	-	-
MNQUMA SURVEY	-	-	-	-	-	-	-	-
NGQUSHWA SURVEY	-	-	-	-	-	-	-	-
NKONKOBE SURVEY	-	-	-	-	-	-	-	-
LEWIS SURVEY	-	-	-	-	-	-	-	-
PRUDOE ENGINEERING DESIGN	-	-	-	-	-	-	-	-
DONGWE ENGINEERING DESIGN	-	-	-	-	-	-	-	-
KUBUSIE ESTABLISHMENT GRANT	-	-	-	-	522	3 915	-	4 698
NDLOVINI ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
DUCATS ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
MACLEANTOWN ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
PRUDOE ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
DONGWE ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
TEKOSPRINGS ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
NEEDSCAMP ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
TEKOSPRINGS TOP STRUCTURE	-	-	-	-	-	-	-	-
PRUDOE TOP STRUCTURE	-	-	-	-	11 895	8 647	-	-
DONGWE TOP STRUCTURE	-	-	-	-	-	-	-	-
NEEDSCAMP TOP STRUCTURE	-	-	-	-	-	-	-	-

DUCATS TOP STRUCTURE SUBSIDY	-	-	-	-	-	-	-	-
KUBUSI TOP STRUCTURE	-	-	-	-	-	-	-	-
LILLYVALE KAYSERSBEACH ESTABLISHMENT GRANT	-	-	-	-	-	-	-	-
REFUND-LHSED-KAYSERSBEACH HOUSING PROJECT	-	-	-	-	510 499	-	-	-
LILLYVALE ENGINEERING DESIGNS	-	-	-	-	-	-	-	-
FINGOLAND REGIONAL AUTHORITY	-	-	-	-	-	-	-	-
CHANTA DEVELOPMENT	-	-	-	-	-	-	-	-
DWESA - CWEBE RESTITUTIONAL	-	-	-	-	-	-	-	-
PLANNING GRANT DLA	-	-	-	-	23 639	6 350	6 350	12 350
RESTITUTION AWARD (DLA)	-	-	-	-	1 789	3 590	2 594	1 590
					412	101	465	616
BENEFICIARY ADMINISTRATION (BREAKING NEW GROUND)	-	-	-	-	3 850	9 000	-	-
ENVIRONMENTAL IMPACT ASSESMENT	-	-	-	-	-	5 940	31 020	30 420
GEO HYDROLOGY	-	-	-	-	-	-	-	-
SURVEY INTEREST & CONTRIBUTION	-	-	-	-	-	-	-	-
EXPANDED PUBLIC WORKS PROGRAMME:	-	-	-	-	-	-	-	-
EPWP	1 250 000	-	1 875 000	-	9 912 967	7 922 188	99 982	-52 470
EPWP SALARIES	-	-	-	-	1 727 351	1 702 109	1 513 814	-
EPWP ADMIN COSTS	-	-	-	-	-	-	-	-
EPWP PRINTING & STATIONERY	-	-	-	-	5 150	-	1 500	-
REHABILITATION OF CHATA ACCESS ROAD	-	-	-	-	-	-	-	-26 985
TOTAL: EXTERNALLY FUNDED PROJECTS	147 883 379	150 948 748	145 760 215	21 354 566	72 815 212	13 519 111	126 587 786	202 893 207

4.6 Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	523 978 058	461 952 069	88%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	41%	38%	35%
		Target set for the year 36%	Achievement level during the year 35%	Achievement percentage during the year vs the actual revenue 25%
3	Total actual trade creditors percentage paid	100%	99.6%	99.6%
		Target set for the year 90%	Achievement level during the year 93%	Achievement percentage during the year 93%
4	Total municipal own revenue as a percentage of the total actual budget	592 407 456	268 269 597	45%
		Target set for the year R399 million	Achievement level during the year R301 million	Achievement percentage during the year 45%
5	Rate of municipal consumer debt reduction	45%	119%	119%
6	Percentage of MIG budget appropriately spent	R399 847 000	R399 847 000	100%
7	Percentage of MSIG budget appropriately spent	R890 000	R813 630	91%

Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 Overview of the Executive and Council functions and achievements;

5.8.2 Management of litigation

1. Case Load Management with specific reference to:

a. Favourable cases

Case name	Recovery (yes/No)	Reasons for non recovery
Olivewood Trading (application brought by Olivewood against the ADM to prevent implementation of contract, dismissed with cost order in favour of the ADM)	Yes. Court has awarded ADM costs.	

b. Unfavourable cases

Case name	Compliance with judgement (yes/No)	Reasons for non compliance with judgement
None during the financial year in question	n/a	

2. Case age analysis,

Case name	Nature of the case	Date of commencement	Cases of 2 years or less	Cases beyond 2 years	Reasons for extensive duration
HA Wylie and Sons	Claim by ADM for outstanding RSC levies	July 07		yes	Trial completed in March 2010, but Magistrate yet to give judgment

Fernfin	Action instituted by ADM for damages arising from early termination of contract on the grounds of poor performance	Feb 09		Yes	Further claim for consequential losses added. Currently awaiting trial date from the Registrar
Rulumeni A	Claim by ADM resulting from non-payment for water and sanitation services	Aug 09		Yes	Numerous postponements by the defendant, despite objections by plaintiff. Magistrate has also not been available on occasions to hear the matter. Matter part-heard. Next hearing date in 5 September 2014.
Mandla Construction	Applicant's claim against ADM, dismissed in May 2011	Dec 10		Yes	Registrar has not allocated a taxation date as yet. (matter dismissed with costs in favour of ADM). ADM to now consider application to compel Registrar to set taxation date.
Michelle Fourie	Action against the ADM for damages sustained with Plaintiff collided with a cow	Sept 09		Yes	Pleading closed, but Plaintiff yet to obtain a court date. Matter therefore dormant.
Give Ziyaya/Sunrise Construction JV	Action instituted by the ADM for breach of contract	Dec 09		Yes	Lengthy pleadings. High Court date for trial only available on 24 June 2014. Subsequently, application brought by the ADM to compel discovery of certain documents. Hence new trial date will be set, once the application to compel is finalised.
Inclledon (Pty) Ltd	Action against the ADM regarding payment in terms of a cession agreement	July 11	Yes	Yes	A pre-trial conference was held between the parties, and thereafter pleadings were amended to include a special plea. Pleading then closed. Trial date set and matter set down for hearing in September 2014.
Amanz'Abantu	Action against the ADM for outstanding	Feb 12	Yes	Yes	The ADM has pleaded that it is not obliged to pay the amounts until receipt of funds

	payment				from the ECDOHS. An application for summary judgement was successfully opposed. Trial initially set down for Nov 2013, but matter postponed to allow the ADM to join Dept of Human Settlements. DOHS has now been joined. DOHS has pleaded and hence pleadings now closed. Awaiting notice of set down for trial from the plaintiff.
Olivewood Trading	Application brought to interdict the ADM from implementing an award of a contract	Feb 13	Yes. Judgment given in favour of the ADM.		
Blom'a Motors	Claim against the ADM in respect of a vehicle repaired by the plaintiff. ADM's defence is that the vehicle is not owned by the ADM and therefore ADM not liable for the repairs	Aug 13	Yes		
Headline Trading 513 CC	Claim against the ADM in respect of services rendered by plaintiff. ADM's defence is early termination of the service level agreement due to poor performance and that no monies are due and owing to the plaintiff	Oct 13	Yes		
Xhobani Security	Application brought against the ADM to prevent the implementation of a security contract and to have the award reviewed by	March 14	Yes		

	court and set aside				
--	---------------------	--	--	--	--

3. Default judgements

Case name	Reasons for default judgement
Blom's Motors	Incorrect service by the Plaintiff – hence ADM not aware of the summons. Subsequently rescission of the judgment granted by the court and ADM has now pleaded.

ACRONYMS

ADM	Amathole District Municipality
AFS	Annual financial statements
AREDS	Amathole Regional Economic Development Strategy
ARC	Agricultural Research Council
AC	Audit Committee
BCMM	Buffalo City Metropolitan Municipality
CAPEX	Capital expenditure
CBD	Central business district
CCMA	Commission for Conciliation, Mediation and Arbitration
CCR	Core Competency Requirement
CEO	Chief executive officer
CFO	Chief Finance Officer
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Forestry and Fisheries
DEA	(National) Department of Environmental Affairs
DLGTA	Department of Local Government and Traditional Affairs
DRDLR	Department of Rural Development and Land Reform
DRPW	Department of Roads and Public Works
DWA	Department of Water Affairs
EC	Eastern Cape

ECDC	Eastern Cape Development Corporation
ECF	Employment Creation Fund
ECMAC	Eastern Cape Manufacturing Advisory Centre
EIA	Environmental impact assessment
EPIP	Environmental protection and infrastructure programmes
EXCO	Executive committee
FET	Further education and training
GGP	Good Governance and Public Participation
GIZ	German development service
GRAP	Generally recognised accounting practice
HIV	Human immunodeficiency virus
HR	Human resources
ICT	Information and communications technology
IDP	Integrated Development Plan
IIWSP	Interim Intermediate Water Service Provision
ICT	Information Communication Technology
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LHSED	Land, Human Settlement and Economic Affairs
LESS	Legislative and Executive Support Services
LM	Local municipality

LSDF	Local spatial development framework
M&E	Monitoring and evaluation
MFMA	Municipal Finance Management Act
MFV	Municipal Financial Viability
MM	Municipal manager
MoA	Memorandum of agreement
MoU	Memorandum of understanding
MTI	Municipal Transformation & Institutional Development
MWIG	Municipal Water Infrastructure Grant
NAMC	National Agricultural Marketing Council
NDPG	Neighbourhood Development Partnership Grant
NEDA	Nkonkobe Economic Development Agency
NRM	Natural resource management
NMMU	Nelson Mandela Metropolitan University
OD	Organisational development
PAC	Performance Audit Committee
PMS	Performance management system
PPECB	Perishable Products Export Control Board
SARS	South African Revenue Service
SCM	Supply chain management
SDBIP	Service Delivery & Budget Implementation Plan
SDI	Service Delivery & Infrastructure Investment

SDL	Skills development levy
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SMME	Small Micro Medium Enterprise
WSP	Workplace skills plan

VOLUME II: ANNUAL FINANCIAL STATEMENTS

The completed Annual Financial Statements constitutes Volume II of the Annual Report.