

2016/17



RAYMOND MHLABA LOCAL MUNICIPALITY
DRAFT ANNUAL
REPORT

Chapter 1

CONTENTS

Chapter 1: Mayor's Foreword and Executive Summary

Component A: Mayor's foreword

Component B: Executive summary

- 1.1 Municipal Function, Population and Environmental Overview
- 1.2 Service Delivery Overview
- 1.3 Financial Health Overview
- 1.4 Organizational Development Overview
- 1.5 Auditor General Report

Chapter 2: Governance

Component A: Political and Administrative Governance

- 2.1 Political Governance
- 2.2 Administrative Governance

Component B: Intergovernmental relations

- 2.3 Introduction to Co-operative Governance and Intergovernmental Relations

Component C: Public Accountability and Participation

- 2.4 Public Meetings
- 2.5 IDP Participation and Alignment

Component D: Corporate Governance.

- 2.6 Risk Management
- 2.7 Anti- Corruption and Fraud
- 2.8 Supply Chain Management
- 2.9 By-Laws
- 2.10 Websites

Chapter 3: Service Delivery Performance (Performance Report Part1)

- 3.1 Introduction
- 3.2 Introduction to Water & Sanitation Provision
- 3.3 Electricity
- 3.4 Waste Management
- 3.5 Housing
- 3.6 Fire Basic Service and Indigent Support
- 3.7 Roads
- 3.8 Introduction to Planning and Development
- 3.9 Local Economic Development (including tourism)

Component D: Community & Social Services

- 3.10 Introduction to Community and Social Services
- 3.11 Libraries, Community Facilities, Other
- 3.12 Cemeteries
- 3.13 Introduction to Child Care, Aged Care, Social Programme

Component E: Environmental Protection.

Chapter 1

3.14 Introduction to Environmental Protection

Component F: Corporate Policy Offices and Other Services

3.15 Introduction to Corporate Policy Offices

3.16 Financial Services

3.17 Human Resources Services

3.18 Information and Communication Technology (ICT) Services

3.19 Property, Legal, Risk Management and Procurement Services

Component G: Organizational Performance Scorecard.

Chapter 4- Organizational Development Performance (Performance Report Part II)

Introduction: Component A: Introduction of the Municipal Personnel

4.1 Employee Totals, Turnover & Vacancies

Component B: Managing the Municipal Workforce

4.2 Policies

4.3 Injuries, Sickness and Suspensions

Component C: Capacitating the Municipal Workforce

4.4 Skills Development and Training

Chapter 5- Financial Performance

Component A: Statements of Financial Performance

5.1 Statements of Financial Performance

5.2 Grants

5.3 Asset Management

Component B: Spending Against Capital Budget

5.4 Sources of Finance

5.5 Capital Spending on 5 Largest Projects

5.6 Capital Spending on 5 Largest Projects

Component C: Cash Flow Management and Investments

5.7 Borrowing and Investments

Component D: Other Financial Matters

5.8 Supply Chain Management

Chapter 6- Auditor General Audit Findings

Component A- Auditor General Opinion of Financial Statements

6.1 Auditor General Reports

Glossary

Appendix A-Councillor, Committees allocated & Council attendance

Appendix B- Committees and Committee purpose

Appendix C- Third Tier Administrative structure

Appendix E- Ward Reporting

Appendix F- Long Term Contracts

Appendix G- Recommendations of the Municipal Audit Committee

Appendix G- Service Provider Schedule

Chapter 1

Appendix H- Disclosure of Financial Interests
Appendix I (i)- Revenue Collection Performance by vote and sources
Appendix J – Revenue Collection Performance by vote
Appendix J (ii)- Revenue Collection Performance by source
Appendix K- Conditional Grants Receive: Excluding MIG
Appendix H- Capital Expenditure- New Assets Programme
Appendix K- Declaration of Loan and Grants made by the Municipality

VOLUME II: Annual Financial Statements III

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

The format and content of this Annual Report is largely prescribed by section 46 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) and sections 121 and 127 (2) of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003). Both pieces of legislation compel the municipality to prepare an Annual Report for each financial year and the Mayor to table such a report in Council within seven months after the end of each financial year.

In presenting this draft Annual Report, the municipality sets out the performance highlights and financial management for the 2016/17 financial year. Furthermore, this report is the culmination of the implementation of the Councils adopted Integrated Development Plan, Budget, and Service Delivery and Budget Implementation Plan. In essence, this report is an account of Raymond Mhlaba Municipality’s achievements in the year under review.

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Delete Directive note once comment is completed - Municipal Manager to provide brief comments on improvements made to service delivery and 'mechanisms' or initiatives' initiated during the year to improve overall efficiency and effectiveness of municipal activities. Provide specific references with regard to: (i) the alignment of services to IDP indicators and Council priorities; (ii) service delivery performance; (iii) financial sustainability as represented by the financial health ratios; (iv) the efforts the municipality is making to conserve power and water in its offices and other facilities to compliment the conservation measures its residents are being requested to adopt in their own housekeeping; and (v) provide details of administrative policies made during the year reflecting the pressures from the world recession that impact on everyone (e.g. restrictions on conferences and other events outside your municipality and the use of meeting accommodation other than your municipality's own venues).

Please describe any shared service arrangements (e.g. sharing ICT; payroll, billing, revenue collection; or internal audit) your municipality has entered into with other municipalities (or other organisations). Give the reasons and the effects. The Municipal Manager to briefly describe changes resulting from demarcation process and assignment of functions to the municipality, if any.

T 1.1.1

Chapter 1

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

An environmental analysis includes a demographic, socio economic, spatial and biophysical environmental analysis:

Raymond Mhlaba Local Municipality was established in 2016 and is made of now disestablished Local Councils of Nkonkobe and Nxuba. Alice remains is a legislative seat and Fort Beaufort is the administrative seat, the latter is situated about 140km North West of East London on the R63 and is approximately 200km North East of Port Elizabeth. The Raymond Mhlaba Municipality is situated along the southern slopes of the Winterberg Mountain range and escarpment, and is within the greater Amathole District Municipality in the Province of the Eastern Cape. The municipal area covers approximately 6 474 km², with major towns being Alice, Adelaide, Bedford, Fort Beaufort and Middledrift. Smaller settlements include Hogsback, Seymour, Red, Jumper, Balfour, Blinkwater and Debenek.

Main access corridors are the R63 from King Williams Town through Alice and Fort Beaufort towards Adelaide and Bedford and the R67 from Grahamstown through Fort Beaufort, Blinkwater, Seymour towards Queenstown. Raymond Local Municipality is comprised of 23 wards with a total population of approximately 151 379 of which the majority [about 72%] resides in rural villages and farms.

Urbanization is concentrated in Alice, Adelaide, Bedford and Fort Beaufort. The municipal area includes parts of the former Ciskei homeland and Cape Provincial Administration (CPA) areas, which means that it has a history of land expropriation and disposition in many parts due to the consolidation of land to create Ciskei in the 1960s. A distinct land tenure and land use system prevails with two distinctly different systems in the former Ciskei homeland and Cape Province areas.

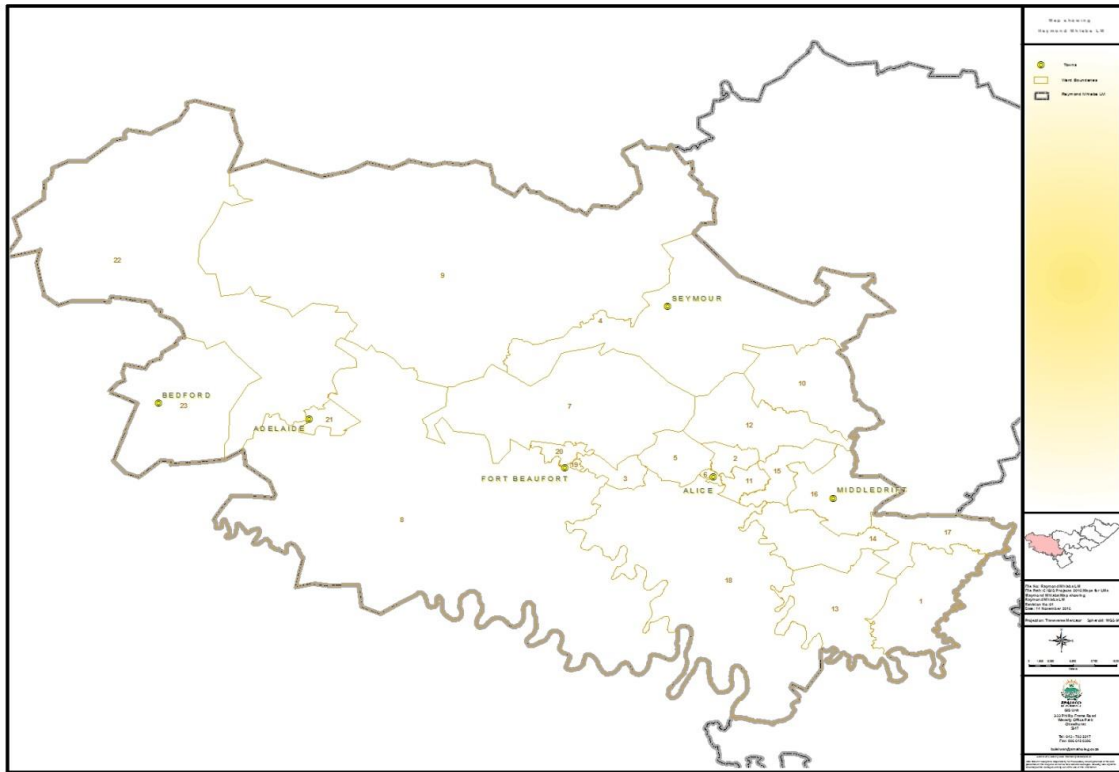
Raymond Mhlaba is a rural municipality and the economy is largely driven by the agricultural sector, which includes citrus, forestry and crop production. The citrus industry is one of the municipality's largest employers. Forest plantations and timber processing are also undertaken in the area. Raymond Mhlaba Local Municipality is well-known for its rich heritage and culture. The historic education institutions of Healdtown, Lovedale College and the University of Fort Hare – are important heritage sites in Raymond Mhlaba but as yet are underutilized as tourism or cultural sites. The tourism sector remains largely unsupported and underexploited in a municipality with iconic natural resources in the form of the Amathole Mountains and national significant heritage sites. Some of the major challenges facing Raymond Mhlaba LM include infrastructure challenges and high levels of unemployment and poverty.

The municipality is the second largest local municipality covering 6 474 km², of the surface area of the Amatole District Municipality. The municipality has the following satellite offices – Middledrift, Hogsback, Alice, Seymour, Adelaide and Bedford. The Raymond Mhlaba area is neighboured by the boundaries of Makana Local Municipality, Blue Crane Local Municipality, Amahlathi Local Municipality,

Chapter 1

Ngqushwa Local Municipality, Enoch Mgijima Local Municipality and the Buffalo City Metropolitan Municipality.

The following map represents the geographic location of Raymond Mhlaba Local Municipality



DEMOGRAPHIC INDICATORS

TOTAL POPULATION

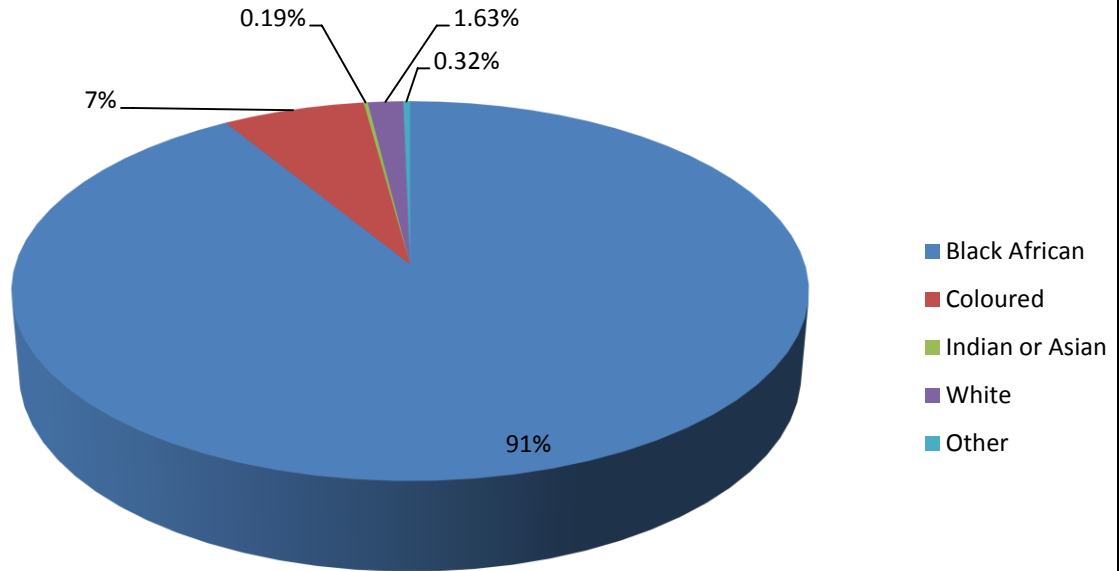
The Census 2011 results from Statistics South Africa indicates that the total population in Raymond Mhlaba Municipality is 151 379. The municipality has 23 wards; and it is dominated by large populace which is indigent. The majority of the population of Raymond Mhlaba of just over 70% resides in both villages and farms, and minorities are located in urban dwellings. Urbanisation is mainly concentrated in Alice, Fort Beaufort, Adelaide and Bedford.

RACIAL DISTRIBUTION

The results from the pie chart foreshadowed (below) indicate that Black Africans form majority of the total population in Raymond Mhlaba Local Municipality, whereas there is small Coloured population sporadically populated around the municipal area and Indians/ Asians being the least represented population group.

Chapter 1

Racial Distribution



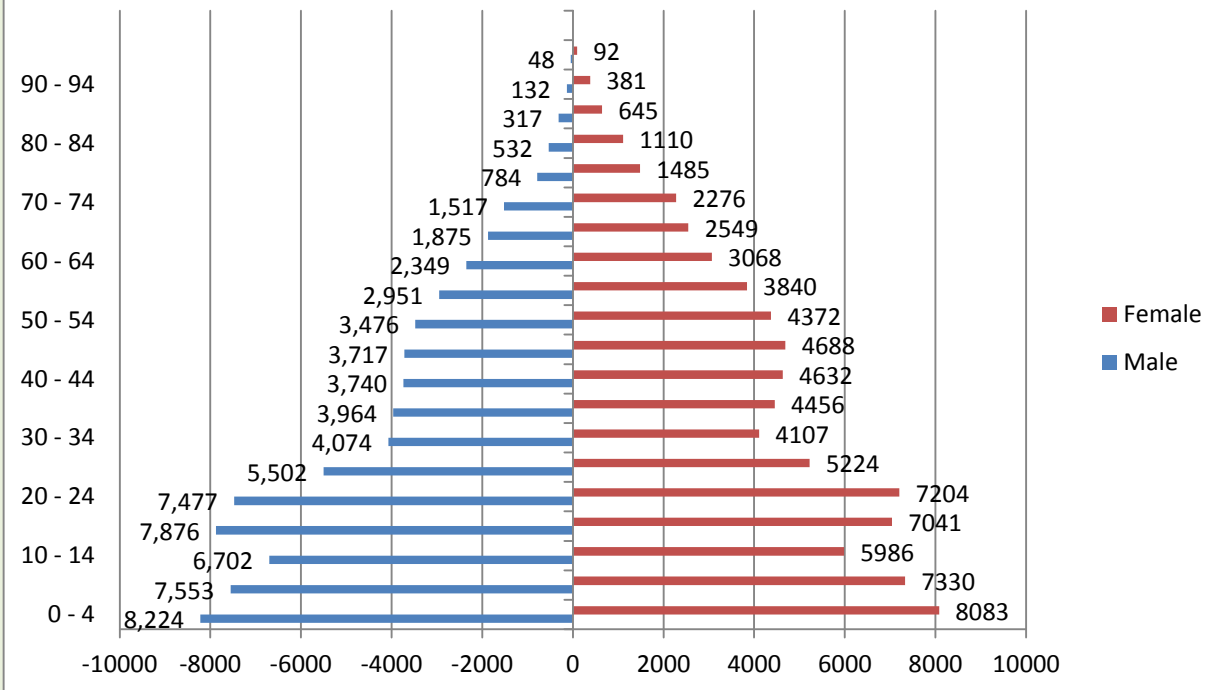
Source: Census, 2011

POPULATION GROWTH RATE

The population of Raymond Mhlaba has moved from -2.5% in 1997 to 0.5% in 2011. This is according to Global Insight estimates for 2011 and is reflected in the graph below. However, in view of the above, population growth slowed in 2001, 2002, in view of the above, though, the growth rate shows signs of population growth this occurs at a decreasing rate.

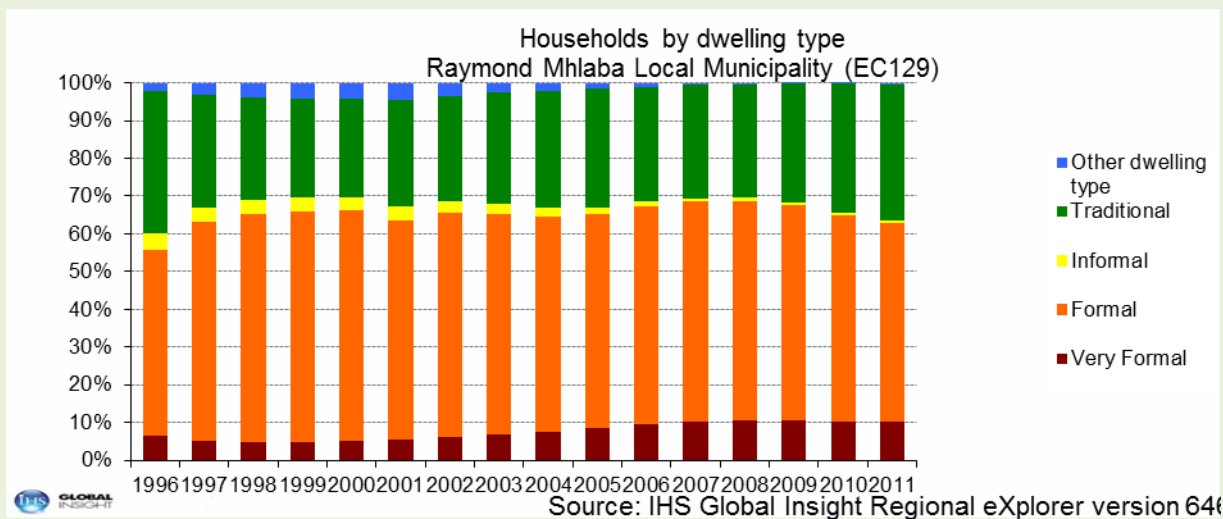
Chapter 1

Raymond Mhlaba Age Analysis



The population pyramid above, indicates that the population of Raymond Mhlaba Local Municipality is dominated by youth and women, ages from 10-34 are in the majority.

Chapter 1



Overview of Neighbourhoods within Raymond Mhlaba Local Municipality		
Settlement Type	Households	Population
Administrative Areas		
Adelaide	2693	9637
Alice	13435	47788
Bedford	3386	11242
Fort Beaufort	9192	32797
Seymour/ Balfour	4243	15798
Middledrift	7071	25756
Hogsback	1414	4976

Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Fresh Water Systems	Marriculture and Aquaculture
Biodiversity and Natural Forest	Land based projects and environmental projects
National Heritage Sites	recreation and tourism, research, education and cultural values

SERVICE DELIVERY OVERVIEW SERVICE DELIVERY INTRODUCTION

Raymond Mhlaba Local Municipality performs the following functions as embedded in the Constitution:

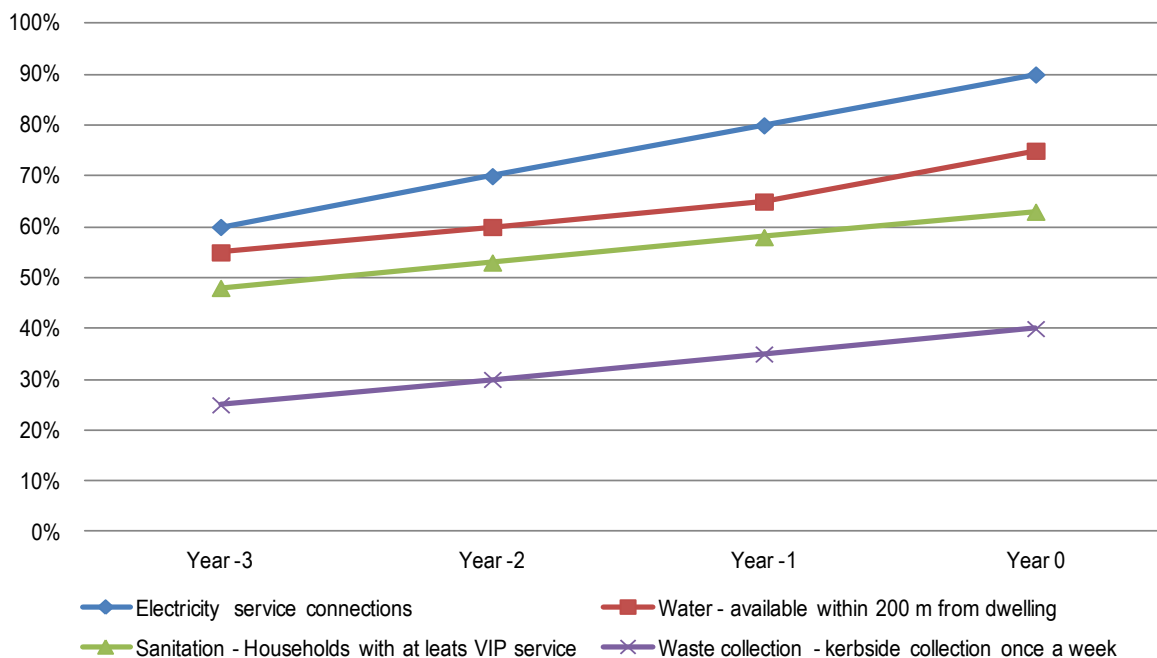
- Road Traffic Regulations;
- Vehicle Licensing;
- Municipal planning;
- Local tourism;
- Stormwater management systems;
- Cemeteries;
- Cleansing;
- Municipal Roads;
- Electricity;
- Municipal Parks and Recreations;
- Street Lighting;
- Public Spaces; and
- Refuse removal, refuse dumps and solid waste etc.

Basic service delivery and infrastructure development is one of the cornerstones for development and service delivery, as such, the municipality has invested in infrastructural development and to ensure that basic services are accessible by everyone within the municipal area.

The Amathole District Municipality is the Water Services Authority (WSA) and the Water Services Provider for the entire Raymond Mhlaba area. Water reticulation is provided by the WSP in the urban areas.

Chapter 1

Proportion of households with access to basic services



T 1.3.2

FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Delete Directive note once comment is completed - Provide a brief introduction on the financial sustainability of the municipality commenting on key successes and outcomes in Year 0 (Current Year) and those things that were challenging and required rectification – state how such challenges are being addressed. Comment also on the financial health of the municipality as derived from the financial ratios in Chapter 5.

T 1.4.1

Chapter 1

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	200	205	203
Taxes, Levies and tariffs	345	355	365
Other	100	80	78
Sub Total	645	640	646
Less: Expenditure	644	640	645
Net Total*	1	0	1
* Note: surplus/(deficit)			T 1.4.2

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

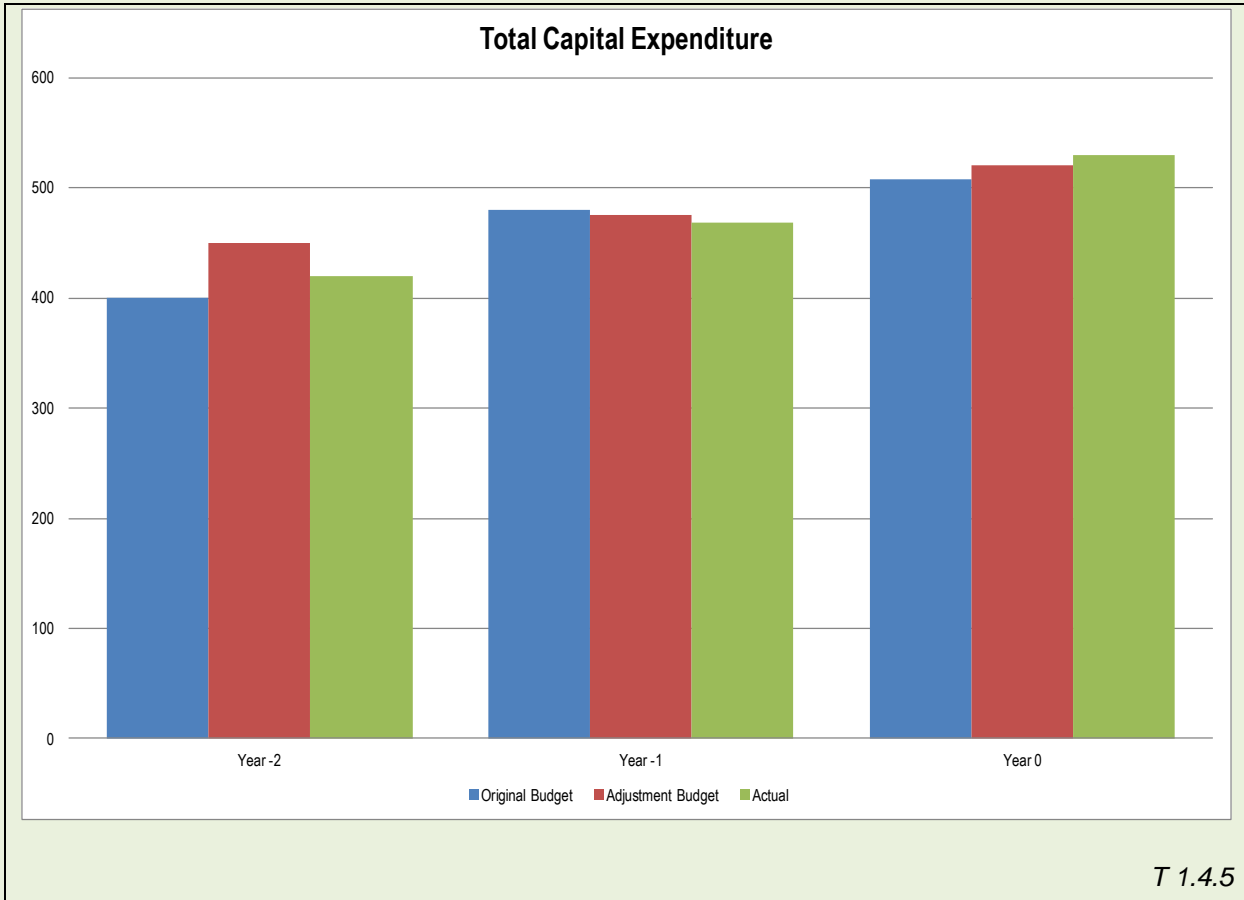
COMMENT ON OPERATING RATIOS:

Delete Directive note once comment is completed - Explain variances from expected norms: 'Employee Costs' expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Impairment 10%.

T 1.4.3

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
			T 1.4.4

Chapter 1



COMMENT ON CAPITAL EXPENDITURE:

Delete Directive note once comment is completed – Explain variations between Actual and the Original and Adjustment Budgets.

T 1.4.5.1

ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The overall annual performance for Raymond Mhlaba Local Municipality for the period July 2016 to June 2017 is summarised below. For the year under review, Raymond Mhlaba Local Municipality set itself 162 predetermined objectives, of the 162 the municipality managed to achieve 68, whilst 94 were not met due to compelling reasons stated on the Annual Performance Report. The overall performance for the institution is sitting at **42%**.

Chapter 1

Delete Directive note once comment is completed – Provide an overview of key Organisational Development issues based on information contained in Chapter 4.

T 1.5.1

1.2. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

Delete Directive note once comment is completed – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with 'other matters'; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality'. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement. Note that the full audit report should be contained in chapter 6 of the Annual Report.

T 1.6.1

Chapter 1

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	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2016/17 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

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

The Municipal Finance Management Act (MFMA) requires municipalities to prepare an annual report for each financial year. Further, Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year.

This Annual Report provides a full reporting version as required by National Treasury's MFMA Annual Report Circular 63 and is structured as follows:

Chapter 1: Mayor's Foreword and Executive Summary

Chapter 2: Governance

Chapter 3: Service delivery performance

Chapter 4: Organizational development performance

Chapter 5: Financial performance

Chapter 6: Auditor-General Audit Findings

APPENDICES

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The municipality's 2016/17 annual reporting process falls within the initial term of the 5-year term of the Raymond Mhlaba Municipality. As such there were no major changes pertaining to the governance structure and service delivery model during the reporting year.

Raymond Mhlaba Local Municipality is a third sphere of government established in terms of the following;

Section 151 of the Constitution of the Republic of South Africa, 1996.

Chapter 2, Section 12 of the Municipal Structures Act 1998, (Act 117 of 1998).

Eastern Cape Province Government Gazette Extraordinary General Notice 3481, August 2015.

Section 151 of the Constitution of the Republic of South Africa, 1996.

Chapter 2, Section 12 of the Municipal Structures Act 1998, (Act 117 of 1998).

Eastern Cape Province Government Gazette Extraordinary General Notice 3481, August 25, 2015

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Raymond Mhlaba Local Municipality has comprehensive governance structures, systems, policies and procedures underpinned by a sound set of values and ethics to support the municipality's growth and development. These structures enable a clear separation of policy making, regulation and implementation. Core administration is responsible for service delivery, policy-making and regulation.

Note: The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

Delete Directive note once comment is completed - Provide brief introduction to Political and Administrative governance at your municipality.

T 2.1.0

Chapter 2

POLITICAL GOVERNANCE INTRODUCTION TO POLITICAL GOVERNANCE

The legislative function of Council is implemented by Council and its committees, led by the Council Speaker, Mayor, and supported by the Chief Whip of Council.

(photo)MAYOR: Councillor Bandile Ketelo

Councillor Bandile Ketelo is the Mayor of Raymond Mhlaba Municipality and is discharged for presiding at meetings of the executive committee and performs the duties including any ceremonial functions, and exercise the powers delegated to the Mayor by the municipal council or the executive committee.

(photo)SPEAKER OF COUNCIL: Councillor Thozama Precious Njobe

Councillor Njobe is the Speaker of Council. The Speaker of Council is the Chairperson of Council, presiding over council meetings in accordance with council's standing rules. In Raymond Mhlaba Municipality, the Speaker also has a responsibility for Section 79 oversight committees and councillor affairs to develop political governance capacity among Councillors.

(Photo)CHIEF WHIP OF COUNCIL: Councillor Anele Winifred Ntsangani

Councillor Ntsangani is Chief Whip of Council. The Chief Whip is an official office bearer, who is also Chief Whip of the Majority Party. The Chief Whip ensures proportional distribution of Councillors to various Committees of Council. The Chief Whip maintains sound relations among the various political parties by attending to disputes among political parties.

In 2016/17 the mandate of the legislative arm of council focused on the following themes, amongst others:

1. Accountability, oversight and scrutiny;
2. Strengthening the capacity of the Legislative Arm of Council;
3. Public participation to safeguard local democratic processes; and
4. Sound financial management.

Legislative functions of Council also include the approval of by-laws, policies, budgets, the Integrated Development Plan, tariffs, rates and service charges.

Political oversight functions of Council are exercised primarily through the work of Section 79 Committees. Clear guidelines on how these committees address oversight responsibilities are outlined in the terms of reference of each committee. Councillors also physically visit sites where projects are implemented especially service delivery projects so as to fulfil their oversight roles. Other oversight tools include the use of questions by individual Councillors to hold the Executive to account, as well as motions to ensure debate on Council issues. To promote oversight and accountability, committees

Chapter 2

determine priority areas for oversight in respect of each portfolio. Oversight reports are submitted to Council on a quarterly basis and are based on departmental quarterly reports. In addition, committee visits to projects and service delivery sites assist and complement the Committees' oversight function.

In 2016 the Council established committees of Council, in terms of Section 79 of the Municipal Structures Act, chaired by executive councillors from the majority party. These committees assist Council in executing its responsibilities. Section 79 Portfolio Committees perform an oversight role by monitoring the delivery and outputs of the Executive. These committees do not have any delegated decision-making powers. Their functions include:

- Reviewing, monitoring and evaluating departmental policies;
- Reviewing and monitoring municipal plans and budgets;
- Considering quarterly and annual departmental reports; and
- Examining the link between the strategy, plans and budgets of the municipality; and

Appendix B contains a comprehensive list of all Committees of Council and their functions

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

Delete Directive note once comment is completed - Provide brief introduction to Political governance at your municipality, particularly the key committees, how the political system works at the top. State whether there is an Audit Committee attached to your municipality that provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee (or some other stated committee) on the Annual Report. State whether your municipality has established an Oversight Committee, comprised of non-executive councillors, with the specific purpose of providing your Council with comments and recommendations on the Annual Report. Confirm that the Oversight Committee report will be published separately in accordance with MFMA guidance.

T 2.1.1

Chapter 2

POLITICAL STRUCTURE

MAYOR

(Photo)

Cllr Bandile Ketelo

SPEAKER

(photo)

Cllr Thozama Njobe

CHIEF WHIP

(photo)

Cllr Anele Winifred Ntsangani

Photos (optional)

EXECUTIVE COMMITTEE:

Cllr Bukelwa Sharon Tyhali
Cllr Vuyiswa Ndevu
Cllr Nombuyiselo Agreenette Metuse
Cllr Sinovuyo Kley
Cllr Portia Sabane
Cllr Mandla Johnson Makeleni
Cllr Leonora Louisa Bruintjies
Cllr Pasika Jack
Cllr Ernst Lombard

Chapter 2

COUNCILLORS

Raymond Mhlaba Local Municipality had 46 Councillors during the period under review with 23 of them being Proportional Representatives and the remainder are ward Councillors. Council adopted a schedule of meetings which provided for the meetings of Council to be held at least 4 times a year, except where circumstances require the convening of a special meeting of Council. Council consists of 46 Councillors of which the composition is as follows:

- 38 AFRICAN NATIONAL CONGRESS
- 05 DEMOCRATIC ALLIANCE
- 03 ECONOMIC FREEDOM FIGHTERS

Also Council received a Government Gazette appointing 10 traditional leaders to participate in the municipality in line with the provisions of section 83 of the Local Government Municipal Structures Act, 1998 as amended, read with Traditional Leadership and Governance Framework Act 2003, but nine that are participating. The traditional leaders participate in all council committees except the Executive Committee.

POLITICAL DECISION-TAKING

Standing Committees sit monthly to discuss issues pertaining to their respective departments and make recommendations to Executive Committee. Executive Committee meeting is then convened to discuss reports and recommendations submitted by Portfolio Heads and agree on the matters to be referred to Council.

Troika, which consists of Speaker, Chief Whip and 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 also attends the Troika meetings to provide guidance and advice. Council sits quarterly and makes decisions on all matters pertaining to community development and service delivery. Council resolutions are taken on the basis of reports and recommendations made by the Committees.

ADMINISTRATIVE GOVERNANCE INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of administration and is designated as the Accounting Officer and the Administrative Head of the Raymond Mhlaba Local Municipality. As the head of administration, the Municipal Manager is charged with specific responsibilities which include the management of financial affairs and service delivery in the municipality.

Section 55 (1) of the Municipal Systems Act indicates that, as head of the administration, the Municipal Manager of a municipality is subject to the policy directions of the Municipal Council, and is responsible and accountable for;

The formation and development of an economical, effective, efficient and accountable administration that is equipped to implement the IDP and a municipal performance system, and

Chapter 2

that responds to the needs of the local communities;

The management of the Municipality's administration in accordance with the Municipal Systems Act and other applicable legislation;

The management of service delivery and its performance management system;

The management of staff, subject to relevant government legislation and practices, and advising the political structures and political office bearers of the Municipality on such issues;

The management of communications between the Municipality's administration and its political structures and political office bearers;

The carrying out of political decisions;

Note: MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

Delete Directive note once comment is completed – Comment as appropriate e.g. more general explanations than can be give in the table set out below concerning the roles of Municipal Manager, Deputy Municipal Managers and Executive Directors. Explain how they work together corporately in their thematic and service group roles to make the greatest impact on service delivery. Explain any major structural changes made or structural reviews commenced during the year.

T 2.2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE

(photo)

ACTING MUNICIPAL MANAGER

Mr Lusanda Menze

SENIOR MANAGERS :

SENIOR MANAGER: Strategic Planning & LED

Mr Lusanda. Menze

SENIOR MANAGER: Corporate Services

Mrs Ncumisa. K Fololo

SENIOR MANAGER: Engineering Services

Mr Zwelethemba. H Nkosinkulu

SENIOR MANAGER: Community Services

Ms Ntombi Makwabe

SENIOR MANAGER: Chief Financial Officer

Mrs Busisiwe. Lubelwane

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Raymond Mhlaba Local Municipality has fostered Intergovernmental Relations (IGR) to ensure the coordinated delivery of services to citizens. This aligns with the Intergovernmental Relations Framework Act, Act No 13 of 2005, which requires all spheres of Government to coordinate, communicate, align and integrate service delivery to ensure effective access to services. The IGR is a forum that is chaired by the mayor, and includes senior managers of departments in Raymond Mhlaba Municipality as well as senior managers within the municipality. Government departments in this forum present their programmes within the municipal space for the year as well as programmes they want the municipality to be involved in. Non-attendance by sector departments was reported to the office of the Premier as resolved by Council. The office of the Premier advised that all non-cooperative departments should be reported to MEC's responsible for such departments for intervention.

PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipal Manager seats in the provincial structure called the Ministers and Members of Executive Council meeting (MuNIMEC). This is where all Ministers, MECs, Municipal Managers, Mayors and Heads of Departments sit. In terms of the value obtained from the meetings; it is challenging to quantify it. There are thorny issues that the municipality has over the years raised in the local structures, and these have been escalated to both the DIMAFO (Mayor's forum) and the provincial IGR structure (MuNIMEC).

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Raymond Mhlaba Local Municipality arranges quarterly public participation meetings with the public. The municipality also has suggestion boxes in place at all the service delivery points, which assist the municipality to communicate with the public. Ward Councillors, Community Development Workers and Ward Committee members liaise between the Public and the Municipality which also assists the Municipality to get feedback from the public about matters of the community. There is also presidential hotline where members of the public are allowed to raise issues pertaining to delivery of services, fraud and corruption. This will obviously assist in unblocking service delivery matters. The Municipality receives complaints through the ITMS7 System which is web-based. The turnaround time for responses is 3 days. The system has been upgraded on numerous occasions, which then presented challenges for the Public Liaison Officers to access it.

By having all these structures and systems in place, the municipality is therefore able to be more transparent and the public has more access to information. The benefits of these initiatives would be that, the Public is now able to express their views, interests, suggestions and even complaints.

PUBLIC MEETINGS COMMUNICATION, PARTICIPATION AND FORUMS

Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 encourages municipalities to create conditions for the local community to participate in the affairs of the municipality. In terms of strengthening public participation, a wide range of communication tools are used to communicate with the community and also to disseminate information. These includes:-

- Newspapers; Winterberg, Times Media, Dike lethu, Umhlali newsletter
- Imbizo's / Road shows,
- Loud hailing,
- Library;
- Notice boards, and
- Municipal Website.
- IGR
- Meetings of CDW's and ward committees
- Suggestion and Complaints boxes
- Forte FM

The municipal newsletter, "Umhlali", is printed quarterly. However, there is no specific date of production. The current circulation is currently standing at 1500 copies – subject to the availability of funds. The whole production of the newsletter is done in-house

The office of the Speaker also engages with Traditional Leaders in matters of Public Participation where there are Traditional Councils and with ward councillors to mobilize the ward committee members and community members to attend the meetings.

WARD COMMITTEES

Municipal Structures Act provides for ward committees to be established with primary function to be a formal communication channel between the community and the municipal council. The Raymond Mhlaba Municipality has ward committees in each ward with 10 members in each totaling to 230 within its jurisdiction. They are always invited to participate in municipal activities during the development and review of the IDP, Budget and the annual report review as required in terms of the Municipal Systems Act, No 32 Or 2000 as amended.

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)	
Annual Report Roadshows	18-21 April 2016				Yes	
IDP/Budget Roadshows	3-20 February 2016				yes	

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Delete Directive note once comment is completed – Set out the key benefits for the municipality and the public from the above mentioned meetings.

T 2.4.3.1

IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
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?	NO
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
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	YES
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

In line with having a well-defined politically governed system, the Municipality upholds the principles of a well governed administrative system. At the heart of a well governed administration, lie the principles of King III on Corporate Governance.

RISK MANAGEMENT

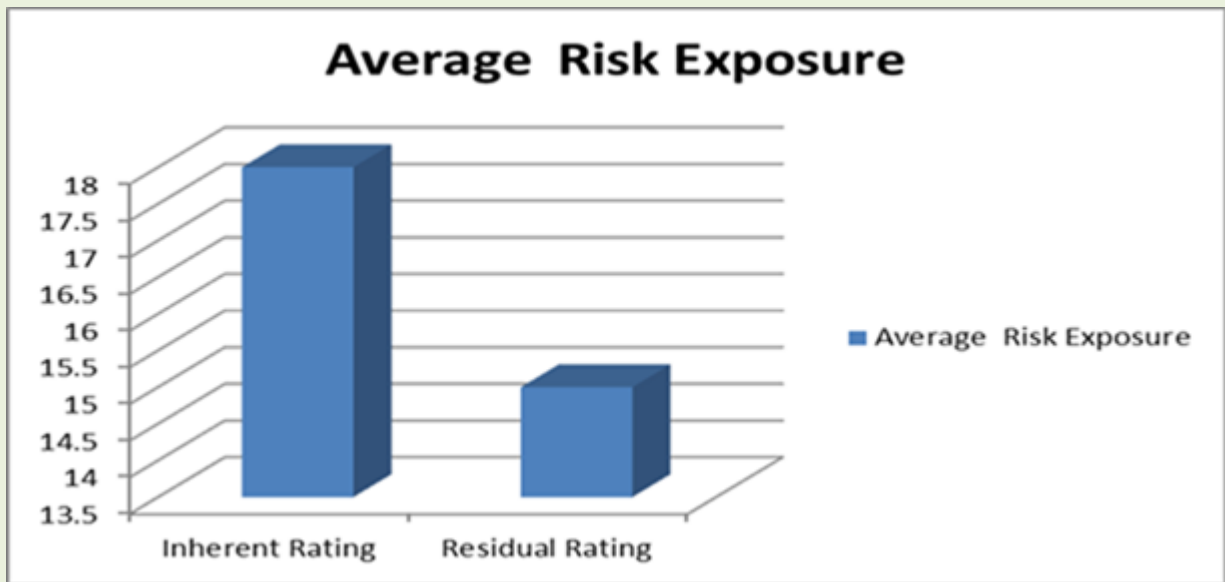
Risk management is set up as a continuous, disciplined process of problem identification and resolution, this mechanism supplement strategic planning mechanism and operations. This includes; organization, planning and budgeting, and cost control. Unanticipated events that will negatively impact on the achievement of set goals will be diminished because emphasis will now be on proactive rather than reactive management tool. Sections 62(1)(c)(i) and 95(c)(i) of the MFMA 56 of 2003 requires the Accounting Officer of the municipality to ensure that the municipality and its municipal entity has and maintains an effective, efficient and transparent system of risk management. Risk Management Policy adopted by council provides principles rather than prescriptive approaches that elucidate standards, models and practices proven to support and sustain effective risk management.

Risk Assessment Approach generally includes:

1. Consultative approach with key personnel
2. Assessment of corrective controls perceived adequate and efficient
3. Avoidance by eliminating a specific threat, usually by eliminating the root cause.
4. Mitigation by reducing the expected monetary value of a risk event by reducing the probability of occurrence.

CHALLENGES:

Lack of Fraud Risk adverse municipal culture;
 Lack of whistleblowing mechanism;
 Lack of proactive Fraud Risk mechanisms
 Lack of contingency plans to execute should the risk event occur, a reactionary approach rather than proactive approach being used to mitigate such risks identified.



The graph above depicts the following:

The overall risk before controls were rated at an average of 21.33 which is an inherently high priority, whereas overall risks after controls were rated at an average of 14.6 which is at a High level. This means that the controls in place are moderate, they partially minimize the level of risk exposure. These controls are not tested only management assurance is provided.

Recommendations:

5.1 The committee recommends that on quarterly basis during the review of the risk registers, a thorough review of controls should be done and action plans should be regularly monitored to ensure that the Municipality is able to further mitigate its risks.

5.2. Management must develop and implement risk mitigation plans
 Identification and assessment of risks is one thing but doing something about significant risks means another thing. As mentioned herein under that it is highly recommended that line management ensures that action plans are in place and a robust exercise is done to ensure monitoring thereof. Timeframes stipulated on the register are

not specific and it is important that for monitoring specific timeframe are committed and mitigating strategies are monitored on a quarterly basis.

5.3. High priority risks

It is important to note that Engineering Department has influenced significantly the risk level of the municipality, close monitoring and continuous reporting on the mitigating strategies in paramount. Adequate resourcing and financial support of such function must be congruent with the expected deliverables.

5.4 Risk management plans embedded in the performance management monitoring and evaluation this sets a climate for commitment by management in promoting a culture that is risk sensitive. This approach will ensure continuous reporting on risk action plans.

Risks has been identified and assessed, action plans have been developed to further mitigate risks, the real risk management is to implement these action plans and embed management of risks into day-to-day activities of the Municipality.

Internal Audit Activities and recommendations

Raymond Mhlaba Municipality' Internal Audit was set up under section 165(1) of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA'). The purpose of this plan is to provide the Internal Audit Manager and the management of NM with a broad framework of understanding which, once approved by the Audit Committee and Municipal Manager, will serve as a mandate for the Internal Audit function. The internal audit unit is a shared service with the municipality's entity, Therefore procedures, policies and methodologies used by the parent municipality that wholly controls the entity will apply in the operations of the entity.

The Internal Audit unit followed a risk-based planning methodology in developing the three year rolling plan. A consultative approach was adopted where Executive Management was engaged through risk assessment and audit prioritisation process in order to ensure that the IAU's focus will add value to the department's risk management and control processes

The audit coverage was ranked or prioritized as follows:

- The high inherent risks identified as per risk assessment where then used to select projects to be performed in the 1st year (i.e. 2016/17).
- The number of audit projects to be performed during 2016/17 was then determined based on the available human resources as per the approved structure (e.g. staff, available hours, computers and printers, internal capability, etc.).
- The follow up on audits performed in the current year where then scheduled in the following year based on the importance of the auditable area and the available budgeted hours.

COMPOSITION OF THE AUDIT COMMITTEE AND ATTENDANCE OF MEETINGS

List of Members and meetings

Name of members	Meeting dates	Description of meeting	Attendance
A.Yeboah	11 October 2016	Ordinary	All members
L.Smith			
A.Leroux	17 January 2017	Ordinary	All members
H.Marsberg	16 March 2017	Ordinary	All members
T.Labase			
L.Ntshinga	21 June 2017	Ordinary	All members

ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

Delete Directive note once comment is completed - Describe in broad terms what strategies are in place to prevent corruption, fraud and theft. Also indicate key risk areas and processes put in place as a deterrent – e.g. division of duties, internal audit review of processes and adherence thereto, Audit Committees that exclude politicians and officials as voting members, condemnation by mayor and municipal manager of corrupt practices and involvement of the police as soon as grounds for suspicion become evident. Note that this information is sensitive; therefore municipalities should not provide names of people involved in investigations. Please state that your municipality's Audit Committee recommendations for year 0 are set out at **Appendix G**. If your municipality does not have a functioning Audit Committee then give reasons and describe how this is being addressed.

T 2.7.1

SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Raymond Mhlaba Municipality's Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its locality. The SCM policy seeks to empower the municipality to empower the Municipality to continue to redress the skewed distribution of wealth. The policy maintains a fair, transparent, equitable, competitive and cost effective procurement practices this is to ensure all procurement processes are expedited to a reason period of one to two months, however service delivery linked procurement are done instantaneously and in line with the MFMA regulations. The SCM unit reports to National Treasury, Provincial treasury all contracts above R100 000 on a monthly basis.

Functions of the SCM Unit:

- To manage the tender processes of the Municipality.
- To manage the day to day procurement process of the municipality.
- Manages, acquires and compiles databases of Professional Service Providers (PSP), General Service Providers (GSP) and Contractors for the Municipality.
- Manages possible procurement risks by verifying and scrutinising submission of information from tenderers and service providers.
- Manages the disposal of municipal goods no longer needed and/or are redundant.
- Manages the Municipality's Stores.
- Develop and continuously review the SCM Policy of Raymond Mhlaba Municipality.
- Ensuring that all additions of assets a correctly accounted for and updated on the asset register

Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

Delete Directive note once comment is completed - Provide a brief narrative on the SCM policies and processes, and indicate improvements contributing to effective service delivery. Also indicate challenges experienced to attain the standards set out in Section 112 of the MFMA (see SCM Implementation checklist MFMA Circular 40). Refer to information on long term contracts which is set out in **Appendix H**. Explain remedial action being taken to address these shortfalls. Refer to further comments set out under the Financial Performance – Chapter 5, Component D.

T 2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 0					
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

**Note: See MSA section 13.* T 2.9.1

COMMENT ON BY-LAWS:

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

Delete Directive note once comment is completed - Indicate the nature of the public participation that was conducted and on how the new by-laws will be enforced.

T 2.9.1.1

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		
All current budget-related policies		
The previous annual report (Year -1)		
The annual report (Year 0) published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards		
All service delivery agreements (Year 0)		
All long-term borrowing contracts (Year 0)		
All supply chain management contracts above a prescribed value (give value) for Year 0		
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		
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 0		
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0		
<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:

The municipality has an online presence through its website at www.raymondmhlaba.gov.za. The website aims to provide easy online access to information about the Raymond Mhlaba Local Municipality to all stakeholders. The municipality makes every effort to ensure that information is accurate however, more is still required on the content and planning with regards to display of the content.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Delete Directive note once comment is completed - Provide a brief overview of public satisfaction with municipal service delivery.

T 2.11.1

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality				
(b) Municipal Service Delivery				
(c) Mayor				
Satisfaction with:				
(a) Refuse Collection				
(b) Road Maintenance				
(c) Electricity Supply				
(d) Water Supply				
(e) Information supplied by municipality to the public				
(f) Opportunities for consultation on municipal affairs				
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

Concerning T 2.11.2:

Delete Note once table T 2.11.2 is complete - It is not intended that municipalities should necessarily commission new surveys to complete the above table (T 2.11.2). This material should be obtained from existing surveys undertaken during year -1 and year 0 and by analysing complaints and other service feedback. The services specified in the table (a. Refuse; b. Road Maintenance; c. Electricity; d. Water) are provided for illustration only. Although they are key services and should be included if data is available, other services should be included too where data exists. Where future questionnaires are planned then municipalities should have regard to national priorities; demographic variations; and poverty.

T 2.11.2.1

COMMENT ON SATISFACTION LEVELS:

Raymond Mhlaba Local is committed to effective and efficient delivery of services. Accordingly, the municipality acknowledges that this can only be achieved by engaging residents so as to understand their concerns and priorities. Through the ongoing outreach processes, the municipality aims to build a collective and shared vision of the future of the entire Raymond Mhlaba jurisdiction. The processes enable stakeholders to express their interests, concerns, fears and aspirations for the future of Raymond Mhlaba.

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

INTRODUCTION

Service delivery falls within the functional area of a number of different institutions, but all impact on the lives of the community and are hence mentioned here. Service delivery is divided into various divisions, namely roads and storm-water, land use management, housing, electricity, building inspectorate and municipal infrastructure (MIG) projects.

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

The focus of basic services is to institute programs that are transformative (changing course), while addressing the core business of municipal infrastructure provision and maintenance (continuity), with a view to developing programmes that can optimise the municipality's revenue.

Delete Directive note once comment is completed - Provide brief introductory comments on the pressing need to meeting basic service provisioning standards. Make reference to the use of entities within the municipality to provide for the specific services as discussed in greater detail throughout this chapter.

T 3.1.0

ELECTRICITY

INTRODUCTION TO ELECTRICITY

The supply of electricity in Raymond Mhlaba Municipality is provided for by two suppliers, i.e. Eskom and the Local Municipality. The municipality has a NERSA license to provide electricity in Adelaide, Bedford and Fort Beaufort and the surrounding townships. Electricity in the other administrative areas of Alice, Middelrift, Hogsback, Seymour, farm areas and all rural villages is supplied by Eskom. In areas supplied by Eskom it is estimated that electricity provision stands at 80% with a backlog of 20%, whereas, in areas supplied by Eskom it is estimated that electricity provision stands at 87% with a backlog of 17%.

Key Challenges:

- Ailing infrastructure
- Panels are very old and need to be replaced.
- No signage on exterior of substations and mini subs.
- Links and conductors damaged.

Eskom Notified Maximum Demand exceeded and penalties are charged on a monthly basis.
Lack of funds to commence with the rehabilitation and paying for Notified Maximum Demand upgrade.

Current Electricity Projects:

Energy Efficiency and Demand Side Management

The Energy and Efficiency Demand Side Management is currently funded by the National Department of Energy. Through the Energy Efficiency Demand Side Management Programme, it is expected that Raymond Mhlaba Local Municipality will reduce its electricity bill, by optimizing its energy use. This would be achieved by retrofitting existing street lights, buildings, pumps and waste treatment plants with energy efficient technology. The work is currently undertaken, in the following towns: Fort Beaufort, Adelaide, Alice, Hogsback, Seymour and Middelrift.

Integrated National Energy Plan

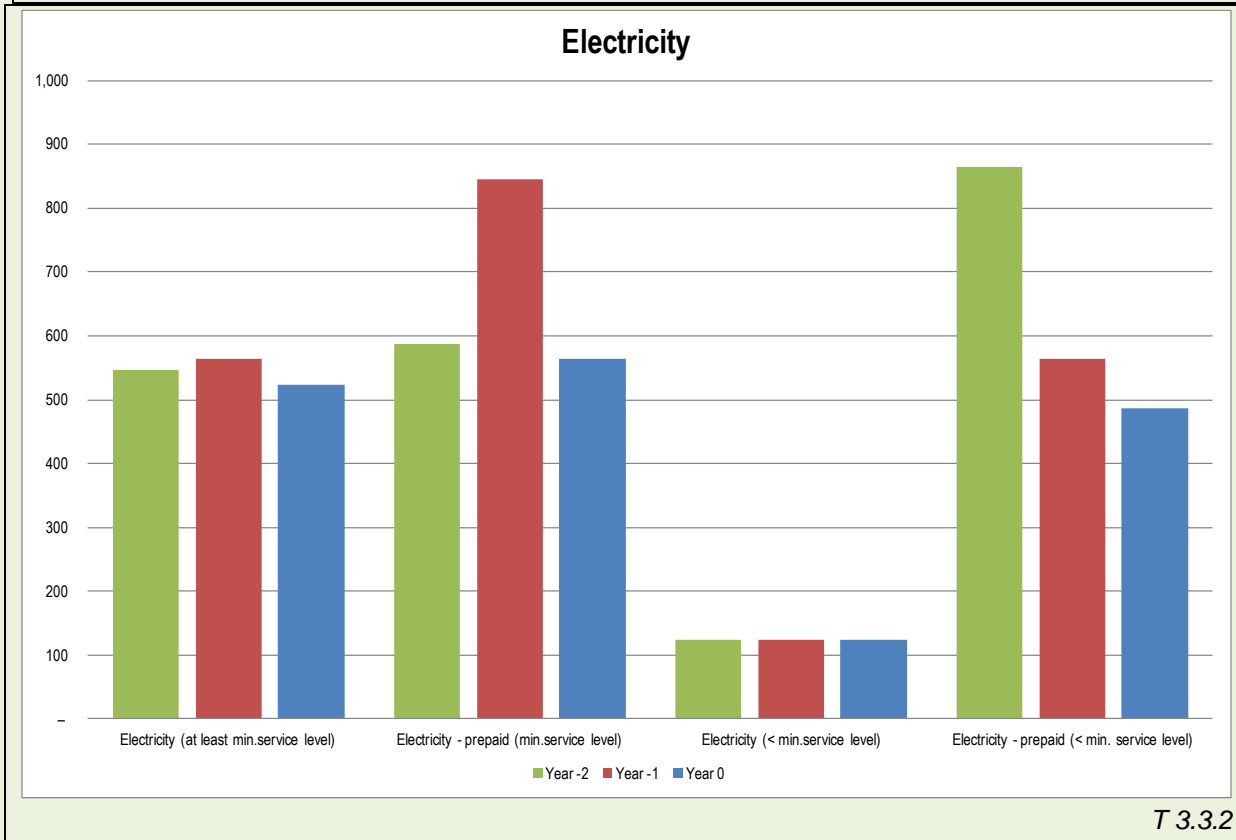
The implementation of the Integrated National Electrification Programme is implemented through provision of capital subsidies to electricity distributors (Eskom and Municipalities) as well as, non-grid service providers licensed by National Electricity Regulator of South Africa (NERSA). Under this programme there are about 300 connections to be completed in the Dorishoek and Philip ton – and this will in a way address the backlog currently facing the areas supplied by ESKOM.

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Delete Directive note once comment is completed – Provide brief introductory comments on your strategy for the provision of electricity at household level and the progress being made to redress service backlogs and achieve the National basic standard for Electricity provision by 2014 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Discuss the major successes achieved and challenges faced in year 0. Indicate how your municipality identifies and responds to those communities that are living in poverty and are deficient in

this basic service. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Electricity Services within the municipality.

T 3.3.1



Electricity Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	655	547	565	523
Electricity - prepaid (min.service level)	565	587	846	565
<i>Minimum Service Level and Above sub-total</i>	1,220	1,134	1,411	1,088
<i>Minimum Service Level and Above Percentage</i>	52.8%	52.8%	66.3%	62.1%
Energy: (below minimum level)				
Electricity (< min.service level)	112	123	124	124
Electricity - prepaid (< min. service level)	955	865	565	487
Other energy sources	24	26	28	54
<i>Below Minimum Service Level sub-total</i>	1,091	1,014	717	664
<i>Below Minimum Service Level Percentage</i>	47.2%	47.2%	33.7%	37.9%
Total number of households	2,310	2,147	2,127	1,753
				T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households ts below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%
						T 3.3.4

Chapter 3

Electricity Service Policy Objectives Taken From IDP										
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3			
		Target	Actual	Target		Actual	Target			
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
Service Objective xxx										
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>										

T 3.3.5

Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.3.6

Financial Performance Year 0: Electricity Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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.

T 3.3.7

Capital Expenditure Year 0: Electricity Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the performance on agreements reached with ESKOM if not already covered. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.3.9

INTRODUCTION TO WASTE MANAGEMENT

Raymond Mhlaba Local Municipality is responsible for waste management which includes the street sweeping, collection, transportation and disposal of solid waste.

Chapter 3

Employees: Solid Waste Magement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.4.5

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Refuse is collected once a week in urban areas as well as in business areas using the municipal refuse trucks or service providers. The majority of the municipal area is largely made up of rural communities and this services is not provided remains without municipal refuse services. Waste is being disposed at legalised landfill sites which are situated at the following areas: - Alice, Bedford and Middledrift landfill sites. At the Fort Beaufort transfer station waste is also being arranged by cooperatives Masicoce programme was launched with the intention to promote the Environmental image of the Municipality and promote clean towns and communities as well as boosting the economic fortunes of the area. The programme comprises of 4 pillars that is Waste Management and Refuse collection, Environmental Management, Awareness Campaigns, Enforcement of By- Laws. The main focus is the development of the Integrated Waste Management Plan (IWMP) for the Raymond Mhlaba Municipality. A system for recycling must be developed for the smooth running of projects. Waste is being transported to the Fort Beaufort transfer station for characterization. This unit is under-staffed and the waste infrastructure is inadequate.

**HOUSING
INTRODUCTION TO HOUSING**

Delete Directive note once comment is completed – Provide brief introductory comments on your strategy for the provision of housing and explain the actions being taken to redress service backlogs and deliver basic housing provision to the national standard. Make particular reference to the successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Indicate how your municipality identifies and responds to those communities that are living in poverty and are deficient in this basic service. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Housing Services within the municipality.

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 -3	560000	350000	62.5%
Year -2	654000	450000	68.8%
Year -1	654000	500000	76.5%
Year 0	684000	540000	78.9%
			<i>T 3.5.2</i>

Chapter 3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.5.4

Financial Performance Year 0: Housing Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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.

T 3.5.5

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

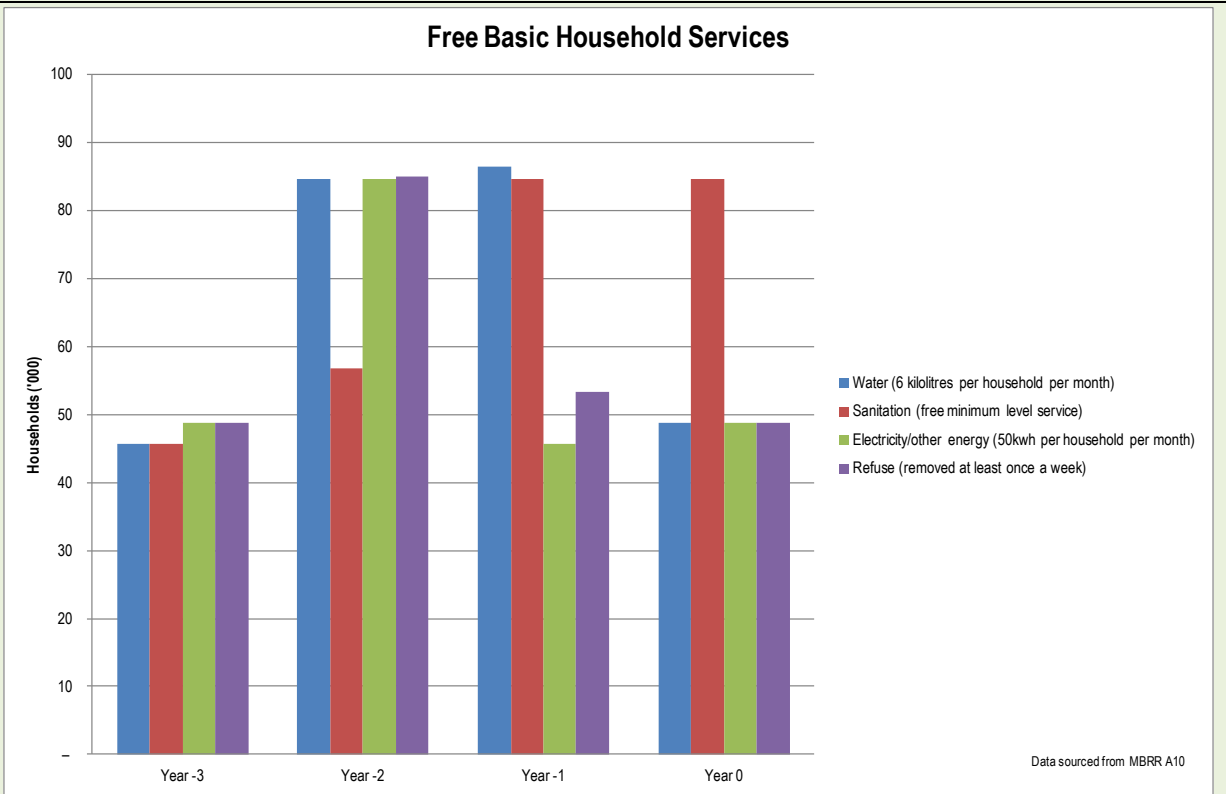
T 3.5.7

FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Raymond Mhlaba LM has a free basic services unit which is discharged at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme. A register of qualifying beneficiaries is maintained on a monthly basis and only person(s) in this register get the subsidy. As of 30 June 2016 all qualifying indigent households who registered in the database of the municipality have received the indigent support. The services rendered under this programme are as follows;

1. Subsidised electricity
2. Subsidised refuse removal
3. Alternative energy i.e. paraffin
4. Subsidised property rates



T 3.6.2

Free Basic Services To Low Income Households											
	Number of households										
	Total	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 -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%	
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%	
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%	

T 3.6.3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%

T 3.6.4

Chapter 3

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target	Actual	Target			
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of alternative support to low income households that do not receive all Free Basic Services	Low income households (LIHs) who do not receive all the free basic services but do receive alternative support (Total number of LIHs not in receipt of free basic services)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)	xxxx LIHs receiving support (out of xxx LIHs in total)
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * Previous Year refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year refers to the targets set in the Year 0 Budget/IDP round. *Following Year refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									

T 3.6.5

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Raymond Mhlaba LM has a free basic services unit which is dedicated at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme. A register of qualifying beneficiaries is maintained on a monthly basis and only person(s) in this register get the subsidy. As of 30 June 2016 all qualifying indigent households who registered in the database of the municipality have received the indigent support.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

Delete Directive note once comment is completed - Provide brief introductory comments on the strategy, priorities and provision regarding road development and maintenance and transport including public bus services.

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

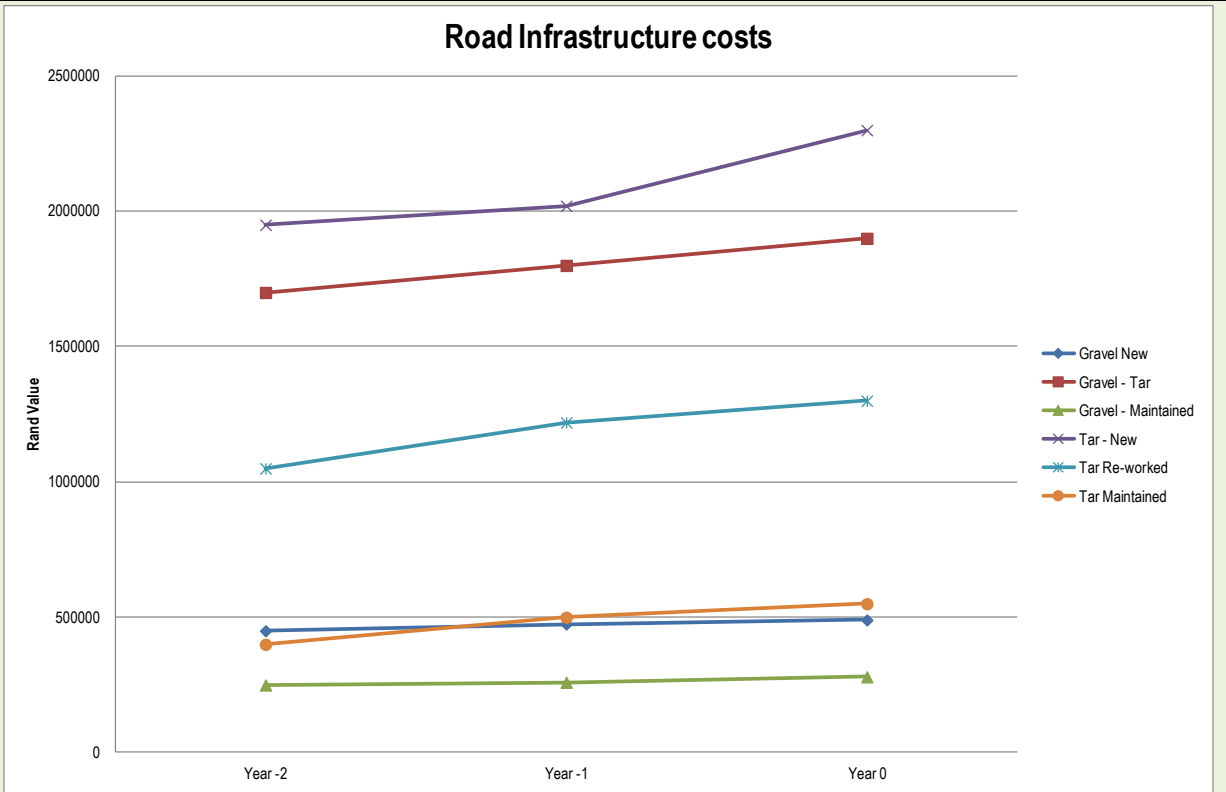
Delete Directive note once comment is completed – Explain in brief your Roads strategy, the steps taken towards the implementation of the strategy and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Roads Services within the municipality.

T 3.7.1

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	145	15	10	100	
Year -1	160	20	12	120	
Year 0	166	25	14	140	
					<i>T 3.7.2</i>

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year -2	85	10	23	18	100	
Year -1	98	14	25	15	120	
Year 0	114	20	30	25	140	
						<i>T 3.7.3</i>

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	450000	1700000	250000	1950000	1050000	400000	
Year -1	475000	1800000	260000	2020000	1220000	500000	
Year 0	490000	1900000	280000	2300000	1300000	550000	
							<i>T 3.7.4</i>



T 3.7.5

Chapter 3

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.7.7

Financial Performance Year 0: Road Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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. T 3.7.8

Capital Expenditure Year 0: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Delete Directive note once comment is completed - Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations). Where provincial roads have been delegated to your municipality ensure that this is presented as an additional major issue in this section.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Delete Directive note once comment is completed – Explain in brief the transport strategy and the steps taken towards the implementation of the strategy and discuss the major successes achieved and challenge faced in year 0. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the major efficiencies achieved by your service during the year. Outline approach to Public Bus Operation. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Transport Services within the municipality.

T 3.8.1

Municipal Bus Service Data				
Details	Year -1	Year 0		Year 1
	Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger journeys			
2	Seats available for all journeys			
3	Average Unused Bus Capacity for all journeys	%		
4	Size of bus fleet at year end			
5	Average number of Buses off the road at any one time	%		
6	Proportion of the fleet off road road at any one time	%		
7	No. of Bus journeys scheduled			
8	No. of journeys cancelled			
9	Proportion of journeys cancelled	%		

T 3.8.2

Concerning T 3.8.2

Delete Directive note once table is completed – State name of entity followed by ‘Entity’ where this is applicable. Line 3 is calculated by sampling throughout the year using different routes, days of the week and times of day. Line 6 is calculated by taking the numbers from lines, as follows: $5/4 \times 100\%$. The average number of busses off the road is obtained by sampling the number off the road on different days at different times. Line 9 is calculated by taking numbers from lines as follows: $8/7 \times 100\%$.

T 3.8.2.1

Chapter 3

Employees: Transport Services						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.8.4

Financial Performance Year 0: Transport Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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. T 3.8.5

Capital Expenditure Year 0: Transport Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.8.6

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

Delete Directive note once comment is completed - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.8.7

WASTE WATER (STORMWATER DRAINAGE)

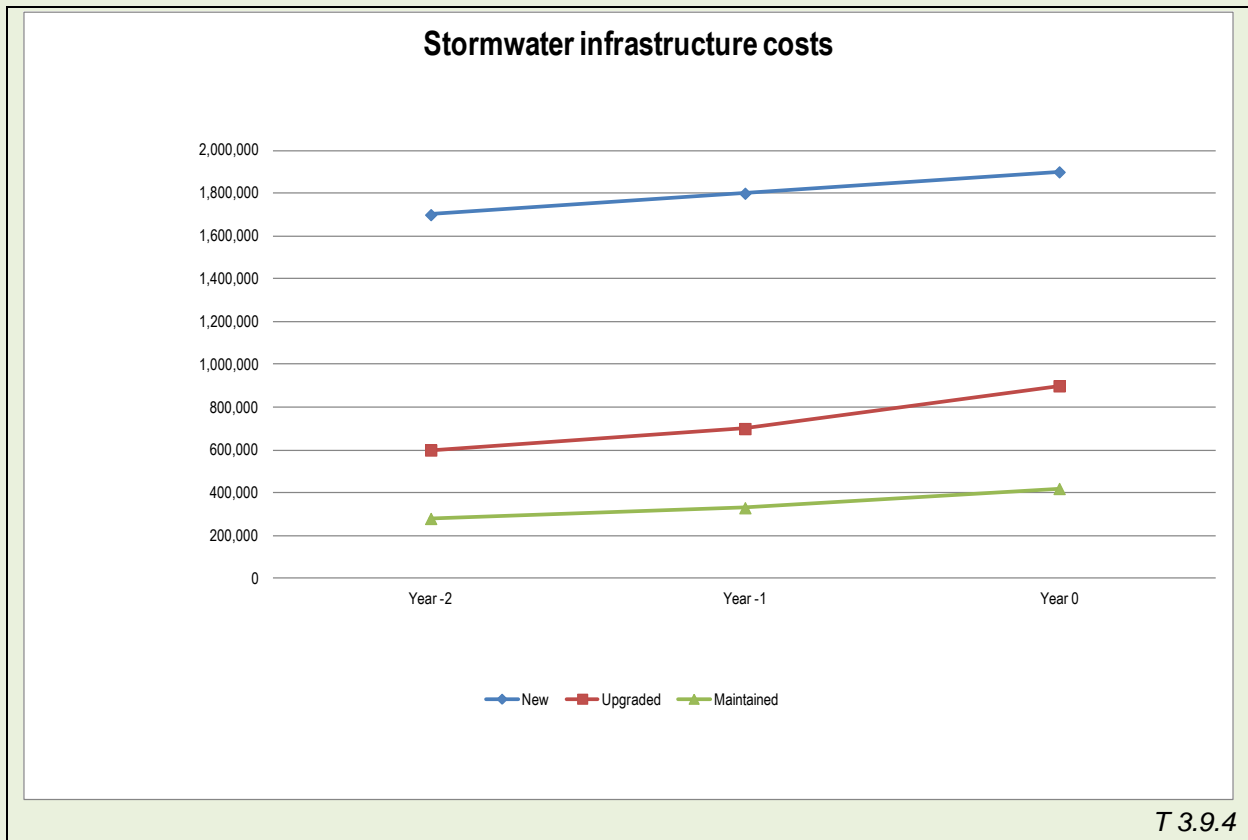
INTRODUCTION TO STORMWATER DRAINAGE

Delete Directive note once comment is completed – Provide brief introductory comments on the progress being made to improve stormwater drainage and discuss the major successes achieved and challenges faced in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to informal settlement and rural development. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Stormwater Drainage Services within the municipality.

T 3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	145	15	10	100
Year -1	160	20	12	120
Year 0	166	25	14	140
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	1,700,000	600,000	280,000	
Year -1	1,800,000	700,000	330,000	
Year 0	1,900,000	900,000	420,000	
				T 3.9.3



Chapter 3

Employees: Stormwater Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.9.6

Financial Performance Year 0: Stormwater Services					
					R'000
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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. T 3.9.7

Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Delete Directive note once comment is completed - Provide brief overview of the opportunities and challenges in the fields of economic development and physical planning field for your municipality.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

Delete Directive note once comment is completed - Set out in brief the main elements of your planning strategies (and make particular reference to achievements and challenges in year 0); Town Planning; and building regulation and enforcement). Set out your top 3 service delivery priorities and the impact you have had on them during the year. Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T 3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received						
Determination made in year of receipt						
Determination made in following year						
Applications withdrawn						
Applications outstanding at year end						

T 3.10.2

Chapter 3

Employees: Planning Services						
Job Level	Year -1	Year 0				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.10.4

Financial Performance Year 0: Planning Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	

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. T 3.10.5

Capital Expenditure Year 0: Planning Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.10.6</i>

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

Delete Directive note once comment is completed - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.10.7

LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Due to limited economic resources and opportunities, insufficient access to basic services, unemployment, and feelings of powerlessness and indignity Raymond Mhlaba Local Economic Development Strategy has identified four key pillars, among the four pillars; Tourism is listed as the second pillar on the strategy. Tourism focuses on the following targets, to develop and promote tourism, social history and heritage. The rate of loss of employment is threatening to exacerbate the poverty levels. LED is a sub-national action within the context of a local Labour market. The assumption is that the intervention by local authority, and its community and private sector partners, can assist in creating an environment and infrastructure conducive to investment, and can provide seed funding and give advice that contributes towards Agric - Tourism development. In order to strengthen tourism development and marketing, Raymond Mhlaba Municipality is working in

partnership with the Community Tourism Organization and Raymond Mhlaba Municipality Local Tourism Organization, the two structures play a crucial role on driving tourism development. To explore hunting, game farming, eco-tourism and promote adventure tourism in Raymond Mhlaba Municipality. To leverage off existing and potential tourism products in Raymond, Raymond Mhlaba Local Tourism Organization in partnership with tourism unit has developed and designed a tourism marketing brochure, in order to market Raymond Mhlaba Municipality as leading tourist destination in Amathole District Municipality.

The tourism unit has developed and also promoted tourism products to stimulate the local economy with a view of creating employment opportunities. The Tourism Unit in partnership with Raymond Mhlaba Crafters Association has converted and refurbished the Arts and Craft Shop in Alice Tourism Offices Complex wherein all the handmade arts and craft items produced in Raymond Mhlaba are displayed and sold. The tourism unit has been supported the Bedford Garden Festival technically and financially during the month of October 2016 in Bedford, in order to profile and promote the adventure tourism in Raymond Mhlaba Municipality. The event temporarily employed 34 local people to work during the event as car guards, tourist guides, cleaners and general workers.

In addition destination planning and management should achieve a tourism development based on a balance between the conservation of existing natural and cultural resources, the economic viability of tourism and social equity in tourism development. The Tourism Section has been coordinating the Cultural Heritage Festival every year on the month of September in order to celebrate, promote and create awareness about the Heritage and Tourism in Raymond Mhlaba Municipality. The event plays a major role in terms of using the local SMME's to participate on the event and to stimulate the local economic development in Raymond Mhlaba.

Tourism development is about sustaining the existing products and destination given the availability of resources and investment provided towards the planned development programme. The tourism unit role is to develop tourism products in Raymond Mhlaba Municipality in order to package and promote tourism in the area in way to profile Raymond Mhlaba Municipality as a leading tourism destination in Amathole District Municipality.

Delete Directive note once comment is completed – Provide brief introductory comments on your economic development strategy and the contribution being made to the local economy in facilitating job creation through by Local Economic Development Services in year 0 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Housing Services within the municipality.

T 3.11.1

COMMENT ON LOCAL JOB OPPORTUNITIES:

The Strategic Planning and Local Economic Development Department is endeavouring on the comprehensive assessment of Local Economic Development (LED) initiatives in order to develop a

model that will enhance the LED progress. The current focus of the sector ensures that different business sectors obtain suitable skills and legal status, form linkages between businesses and funding agencies and finally ensure that the branding and marketing development of businesses is achieved through partnering with development agencies and other relevant stakeholders. The recently conducted informal traders baseline clearly indicated that there is a huge opportunity of growth in terms of both business development and job creation, currently 89% (178 local people) and 11% (21 people) of people are involved in this sector with the annual growth turnover of R1 686 000 from various business intervention. These businesses are mostly operated by senior citizens with the view to complement their government grants.

The informal trade sector has been largely neglected in the enterprise development space, especially in formerly rural municipalities. It is a sector that is critical and has potential to dilute absolute poverty and curbing excessive unemployment within the Raymond Mhlaba Local Municipality. Poverty, unemployment and inequalities are the primary threats identified by the national government in the New Growth Path, and the National Development Plan. There has been a great effort in previous national policy frameworks such as GEAR in the preceding years to try to curb these social ills; however they continue to be a burden in the governmental efforts to bring about a better life for all. In the recent past efforts have been made to support Cooperatives and SMMEs in the country. Informal sector in Raymond Mhlaba municipality, the informal economy makes an important contribution to the economy and social life of the municipality. Due to the decline in formal employment and consequent increase in unemployment, many people seek alternative means of earning an income. It is generally accepted that the informal sector plays a significant role in the local economy. The municipality with the District Municipality facilitate the establishment of Raymond Mhlaba Informal Trader forum in 2015.

Raymond Mhlaba Local Municipality had in its Integrated Development Plan (IDP) Co-operative development and promotion as one of the key objectives for Local Economic Development (LED) of the Municipality. The intention for hosting quarterly Raymond Mhlaba market day is market access of farmers, crafters and informal traders, to share market information and networking. The main objectives of this event were as follows:-

- To create a formal and organized platform for the smallholder farmers to sell their produce.
- To provide an opportunity for smallholder farmers to get maximum exposure.
- To kick start and promote the campaign of "BUY LOCAL" products.
- To boost the RMLM local economy.
- To create a learning and a networking environment.
- To create the Market space for the customers and farmers and to attract interest of potential investors in agricultural development from outside and inside the local area.

During 2016/ 2017 the LED and CBP funding has created 134 job opportunities for local people. These were created through community member's participation in construction of required structures and fencing of dams and grazing land.

The Municipality intends to improve the level economic development by ensuring that the local businesses receive full support and participate in decision making that will yield empowerment due to small businesses, entrepreneurs and micro farmers. The Municipality also will focus on empowering the local businesses on the advanced BBB-EE new approaches for effective local development and support relevant to businesses.

CO-OPERATIVE AND SMMEs DEVELOPMENT

According to chapter 7 of the Constitution of South Africa, the objectives of Local Government (LG) are; to promote Social and Economic Development (SED) and it further the development duties of Municipalities as to participate in National and Provincial Development programmes. The Co-operatives amendment Act No 6 of 2013 preamble recognizes the Co-operatives values of promoting self-help, self-reliant, self-responsibility, democracy, equality and social responsibility. The government has a commitment to provide supportive legal environment to enable co-operatives to develop and flourish. Furthermore the act states that achieving the recognized factors of cooperatives development will result to a greater platform to support emerging co-operatives. Ensure that co-operatives principles are implemented in in the municipality and the Republic of South Africa at large. Raymond Mhlaba Municipality had in its Integrated Development Plan (IDP) Co-operative development and promotion as one of the key objectives for Local Economic Development (LED) of the Municipality. In view of the above the municipality has identified and approved the Raymond Mhlaba Co-operative indaba as annual event that will act as a catalyst to enhance the co-operative sector. The Municipality will be hosting an Annual Co-operatives Indaba on the 07-08 June 2017 The intention for hosting this event is to strengthen Co-operatives Development, building stronger Co-operative movement and to share market information and access.

Main objectives of developing co-operatives and SMMEs

- To provide an environment for all those involved in co-operative development to exhibit their products
- Stimulate opportunities for Raymond Mhlaba Co-operatives
- To exchange best practices with District and Provincial co-operatives champions as they will be participating in the event.
- To raise awareness of the co-operatives models, principles and methodologies on how their ability can assist to empower co-operative members so as to ensure better sustainable socio-economic livelihoods.
- To be informed on the impact of co-operatives on our Local, Provincial and National Gross Domestic Product (GDP).
- Promoting economic development through co-operatives in the local municipal communities.
- Marketing of products (buying and selling)

Delete Directive note once comment is completed - Comment briefly on the short and longer term prospects for economic growth and development referring to the above. Include in this section references to Tourism and Market Places (including street traders)

T 3.11.4

JOBS CREATED DURING 2016/2017 FINANCIAL YEAR BY LED INITIATIVES (EXCLUDING EPWP PROJECTS)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
Total (all initiatives)				
2016/ 2017	134	0	134	Contracts signed
Mthontsi Lodge Construction at Mount Pleasant	106			Contracts signed
Nomzamo Cleaning Services	15 Co-operatives members and 25 temporal workers. the total of 41 jobs were created during 2015/16 through Nomzamo Cleaning Services			Contracts signed
Nomzamo Grounds and Garden	60 temporal jobs were created by Nomzamo Grounds and Garden.			Contracts signed

JOB CREATION THROUGH EPWP* PROJECTS		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2011/ 2012	4	176
2012/ 2013	8	172
2013/ 2014	8	166
2014/ 2015	8	170
2015/2016	1	60
2016/ 2017	1	134

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES				
Job Level	2016/ 2017			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3				
4 - 6	0	0	0	0%
7 - 9	3	3	1	33.33%
10 - 12	7	7	4	57.14%
13 - 15	1	1	1	100%
16 - 18	0	0	0	0%
19 - 20				0%
Total	11	11	5	45.45%

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Delete Directive note once comment is completed – Provide brief introductory comments. Refer to support given to those communities that are living in poverty.

T 3.52

Chapter 3

CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS

Raymond Mhlaba Municipality currently has a total of fourteen (14) cemeteries that are located in urban areas which are being maintained by the municipality. The location of the cemeteries is illustrated on the graph below, all of the cemeteries full to capacity as such the municipality is in the process of identifying new places for the establishment of new cemeteries.

SERVICE STATISTICS FOR CEMETORIES & CREMATORIIUMS

LOCALITY	NUMBER
Adelaide town	1
Bezuidenhoutville	1
Lingelethu (Old and New)	2
Bedford town	1
Bongweni	1
Colored area	1
Fort Beaufort	4
Alice	1
Middledrift	1

Chapter 3

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Department of Social Development is well positioned to empower the poor, as a crucial component of ensuring a sustainable solution to poverty and hunger in the long term. The Department's targeted interventions focus on poverty reduction, food security and developmental initiatives that enable self-sustainability and social inclusivity. These interventions further respond to the conditions of both individual and household poverty by providing a broad variety of programmes and support services. A critical enabling milestone in addressing the inter-generational poverty confronting many poor households is food and nutrition security. To this end the municipality supports small scale farmers so that they can contribute to the municipality food trade surplus.

Chapter 3

COMPONENT E: HEALTH

This component includes: clinics and hospitals.

INTRODUCTION TO HEALTH

Department of Health is mandated to develop a high quality, efficient, equitable health system that is accessible to all Raymond Mhlaba Municipality's residents. The Department is responsible for the provision of primary health care services in the Raymond Mhlaba through its 38 clinics network.

The municipality's clinics operate in conjunction with the six hospitals managed by the Eastern Cape Provincial Department of Health.

Chapter 3

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Chapter 11 subsection (3) of the Constitution, 1996 makes provisions for the establishment of security services other than the security established in terms of section 199 of the constitution. The purpose of existence of the security unit is as follows:

- To address physical security concerns, incidents and compliance to standards
- Information sharing unit to enhance crime combating and crime prevention
- Consultation unit to discuss and finalize physical regulatory matters
- To provide a comprehensive, integrated security risk strategy to contribute to the viability and success of the institution
- To gather and assess information related to the development of a wide range of security related events, specific to the institution and its various operations that can adversely affect the security and safety of personnel and the profitability or reputation of the institution

Functions of the Unit:

To ensure public safety participation through establishment of Community Safety Forum;
To render security services towards guarding Municipal movable and immoveable assets and protection of municipal information and the council integrity;
Establish security committee in terms of the MISS document to ensure proper document and ICT and critical infrastructure protection;
Conduct security assessments on both physical and information security and properly advice management;
Conduct annual security audits to ascertain compliance;
To conduct security awareness and training to all personnel of the municipality; and
To ensure preparedness or readiness of the municipality in an event of possible attack, catastrophic events or security related threats, through Business Continuity Plan (BCP) development.

Number of security officers in the field on an average day- 21

Number of security officers on duty on an average day- 21

Alice- 7

Fort Beaufort- 6

Adelaide- 4

Bedford- 4

INTRODUCTION TO POLICE

In the past, crime prevention and by implication community safety was the exclusive domain of the SAPS. The 1996 Constitution introduced a fundamental change to the role played by municipalities in the management of crime and safety in South Africa, by requiring them to provide a safe and healthy environment for the communities within their areas of jurisdiction. The South African Police Service Act as amended made provision for the establishment of municipal police services and community police forums and boards. Six Police stations operate within the jurisdiction of Raymond Local Municipality.

Chapter 3

FIRE SERVICES

FIRE SERVICES

INTRODUCTION TO FIRE SERVICES

Raymond Mhlaba Municipality does not have fire stations but is using the municipal buildings as fire stations, these buildings do not have necessary equipment / resources as to enable fire fighters to operate effectively and efficiently. The municipality has realised a need for fire station, however, that is inhibited by the low revenue base to undertake that activity. External funding for construction of the firebase is being currently explored. Raymond Mhlaba local Municipality has employed 2 permanent fire fighters however Amathole District Municipality has sent 9 additional fire fighters to fire and rescue training for a period of 3 months to reinforce the current situation at the Municipality. The 9 volunteers 6 are from unemployed members of Raymond Mhlaba Municipality community and 3 are the existing employees of Raymond Mhlaba Municipality. To remedy the situation, a chief fire officer has been appointed. There is an agreement that was signed by the municipality and Amahlathi Local Municipality for areas around Hogsback. The tariffs are also reviewed annually, and these tariffs are published in the newspapers and noticeboards. Based on the current situation the following were identified as current challenges for the unit.

KEY CHALLENGES:

Skilled Staff in Fire and Rescue Services

Lack of Fire Station Building

Emergency vehicles

Chapter 3

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums and camp sites.

INTRODUCTION TO SPORT AND RECREATION

Raymond Mhlaba Local Municipality provides access to facilities and encourages recreational activities and other healthy lifestyle activities. It strives for sporting excellence, encouraging the transformation of sporting codes and facilitates various initiatives that reinforce the national sport plan initiatives.

SERVICE STATISTICS FOR SPORT AND RECREATION

The directorate manages the following sports facilities:

TOWN	Number of sport fields
Adelaide	1
Alice	5
Bedford	3
Fort Beaufort	6
Middledrift	3
Seymour	2

Chapter 4

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

INTRODUCTION

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

The Municipality has embarked in the placement process of staff in line with the adopted placement policy. A placement committee was appointed constituted by members from the Employer and Employees. The first presentation was done by the Interim Municipal Manager and followed by other senior managers. The purpose of this exercise was to populate the organogram of Raymond Mhlaba municipality and to bring the staff from the two disestablished municipalities under one organogram. The placement was twofold; the first phase focused on permanent employees, and the second phase was to focus on employees employed on contract within the municipality. Once the permanent employees are placed, their placement would come into effect.

All senior manager positions except for the position of the Municipal Manager have been filled.

Vacancy Rate: Year 0			
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	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	10	1	10.00
Other S57 Managers (Finance posts)	3	1	33.33
Police officers	12	3	25.00
Fire fighters	20	3	15.00
Senior management Levels 13-15 (excluding Finance Posts)	25	5	20.00
Senior management Levels 13-15 (Finance posts)	6	2	33.33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	8	22.86
Highly skilled supervision: levels 9-12 (Finance posts)	8	1	12.50
Total	121	25	20.66

*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 4.1.2

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2	50	18	36%
Year -1	50	12	24%
Year 0	50	10	20%
* 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:

Delete Directive note once comment is completed - Detail the attempts made to fill the posts of senior management and highly skilled supervision and explain why there are no appropriate internal staff to fill the vacancies. Explain how long, at a minimum, the section 57 vacancies (including MM and CFO) have remained unfilled and the reasons for this. Give reasons for the turnover rate experienced by your municipality. Explain measures taken to successfully attract and retain staff.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

Delete Directive note once comment is completed – Discuss the range and emphasis of workforce management at your municipality and briefly mention progress made with the development of workforce policies and management practices during the year.

T 4.2.0

Chapter 4

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			The Municipality is making use of the Employment Equity Act
2	Attraction and Retention			No policy in place for the new entity
3	Code of Conduct for employees			Adopted as an extract from the Municipal Systems Act of 2000
4	Delegations, Authorisation & Responsibility			
5	Disciplinary Code and Procedures			Compliance with the Collective Agreement on Conditions of Services
6	Essential Services			In compliance with the Collective Agreement on Conditions Of Services
7	Employee Assistance / Wellness			No Policy in Place for Raymond Mhlaba Municipality
8	Employment Equity			In compliance with the Employment Equity Act
9	Exit Management			No policy developed on Exit strategy

Chapter 4

10	Grievance Procedures			In line with the Collective Agreement on Conditions of Services
11	HIV/Aids			In line with the Collective Agreement on Conditions of Services
12	Human Resource and Development			Training and Development Policy Adopted in October 2016.
13	Information Technology			No Policy document in Place
14	Job Evaluation			Job evaluation not yet done for the new entity.
15	Leave			Leave Management Policy adopted in October 2016
16	Occupational Health and Safety			Policy not yet developed for the new entity.
17	Official Housing			Lease agreements are signed on availability/occupation of houses.
18	Official Journeys			Subsistence and travelling allowance policy adopted by Council in December 2016.
29	Official transport to attend Funerals			Transport provided, municipality making use of the erstwhile Nkonkobe Municipality Funeral Assistance

Chapter 4

				Policy.
20	Official Working Hours and Overtime			In line with the Collective Agreement on Conditions of Services
21	Organisational Rights			In line with the Collective Agreement on Conditions of Services
22	Payroll Deductions			Payroll file input compiled on a monthly basis.
23	Performance Management and Development			Not yet cascaded to all levels
24	Recruitment, Selection and Appointments			Policy adopted in October 2016.
26	Remuneration Scales and Allowances			In line with the Collective Agreement on Conditions of Services
27	Resettlement			No policy in place for Raymond Mhlaba Municipality
28	Sexual Harassment			In line with the Collective Agreement on Conditions of Services
29	Skills Development			Training and Development Policy Adopted in October 2016.

Chapter 4

30	Smoking			No Policy in Place for Raymond Mhlaba Municipality
31	Special Skills			No Policy in Place for Raymond Mhlaba Municipality
31	Work Organisation			No Policy in Place for Raymond Mhlaba Municipality
32	Uniforms and Protective Clothing			Provided for Essential Services employees as well as in Line with the Conditions of Services
	Other:			

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Delete Directive note once comment is completed – Comment on progress made during the year and plans for completing this work.

T 4.2.1.1

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	60	5	8%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8%	12	60

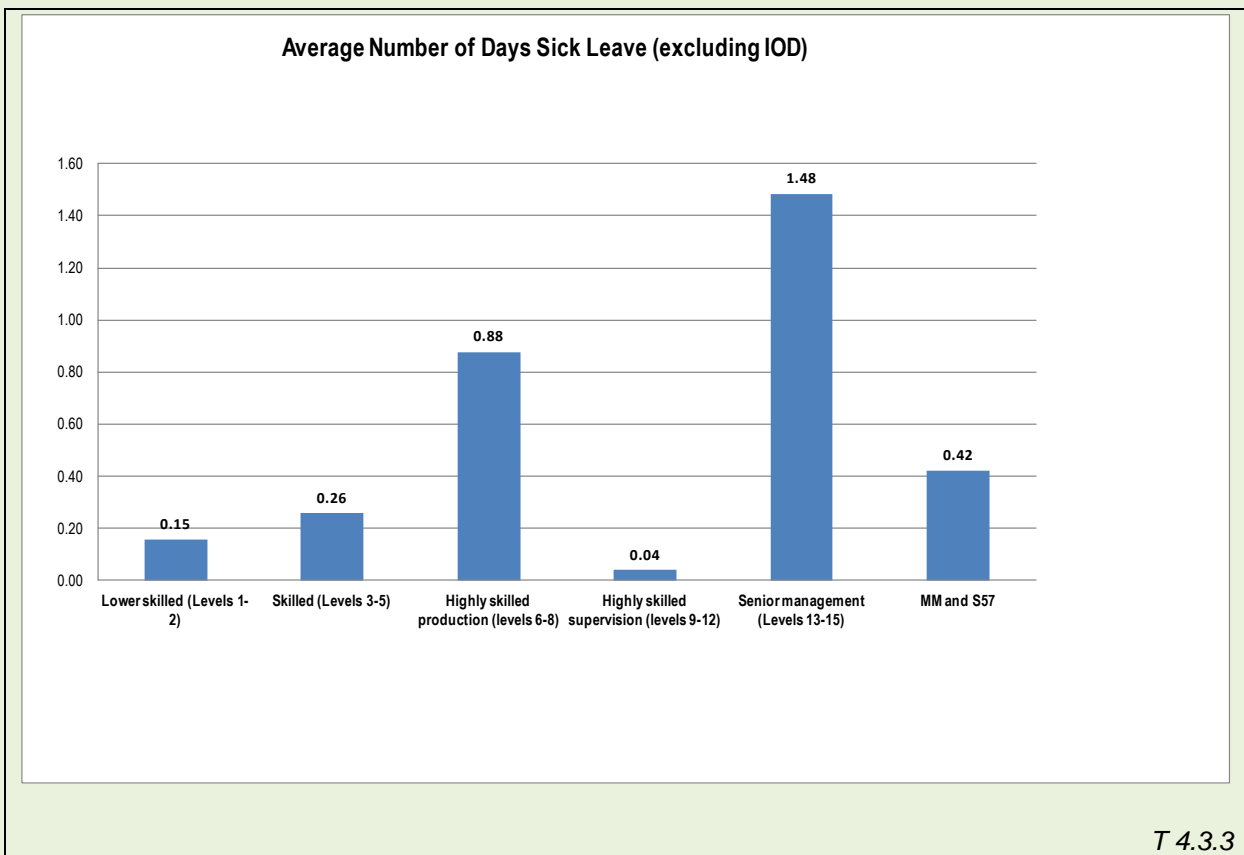
T 4.3.1

Chapter 4

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
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	31
Senior management (Levels 13-15)	230			11	1.48	
MM and S57	65			8	0.42	
Total	501	93%	12	155	3.23	61

* - Number of employees in post at the beginning of the year
 *Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2



COMMENT ON INJURY AND SICK LEAVE:

Chapter 4

Delete Directive note once comment is completed – Comment on injury and sick leave indicated in the above tables. Explain steps taken during the year to reduce injuries and follow-up action in relation to injury and sick leave (e.g. are injuries examined by the municipality's own doctor; are those taking long or regular periods of sick leave monitored by municipality's doctor; and are personal records maintained of the number of instances of sick leave and amount of time taken each year?)

T 4.3.4

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no suspensions and cases of financial misconduct as at 30 June 2017.

PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

Delete Directive note once comment is completed – Comment as appropriate.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Delete Directive note once comment is completed – Discuss the way ahead and the improvements made and the challenges faced for capacity development in your municipality.

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employee s in post as at 30 June Year	Number of skilled employees required and actual as at 30 June Year 2016/17											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Targe	Actual : End of	Actua l: End	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and s57	Female										1		2	
	Male										2			
Councillors, senior officials and	Female					2					3		3	
	Male					1					4		7	
Technicians and associate	Female										2		9	
	Male										9		5	
Professionals	Female										6		3	
	Male										2		19	
Sub total	Female					2					12		19	
	Male					1					17		31	
Total				0	0	3	0	0	0	0	58	0		

Chapter 4

Skills Development Expenditure										R'000	
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female							10	20	10	20
	Male							20	25	20	25
Legislators, senior officials and managers	Female										
	Male										
Professionals	Female										
	Male										
Technicians and associate professionals	Female										
	Male										
Clerks	Female										
	Male										
Service and sales workers	Female										
	Male										
Plant and machine operators and assemblers	Female										
	Male										
Elementary occupations	Female										
	Male										
Sub total	Female							10	20	10	20
	Male							20	25	20	25
Total			0	0	0	0	0	30	45	30	45
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.										%* *R	

T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Delete Directive note once comment is completed – Comment on the adequacy of training plans and the effectiveness of implementation at your municipality. Explain variances between actual and budgeted expenditure. Also comment on the adequacy of funding (e.g. is it intended to increase or decrease this level of spending in future years and how is the value of the training activity assessed?) Refer to MFMA Competency Regulations, the range of officials to which it relates and the deadline of 2013 by which it will become fully effective. Discuss the progress made on implementation at your municipality as reflected in T4.5.4 above.

T 4.5.4

Chapter 4

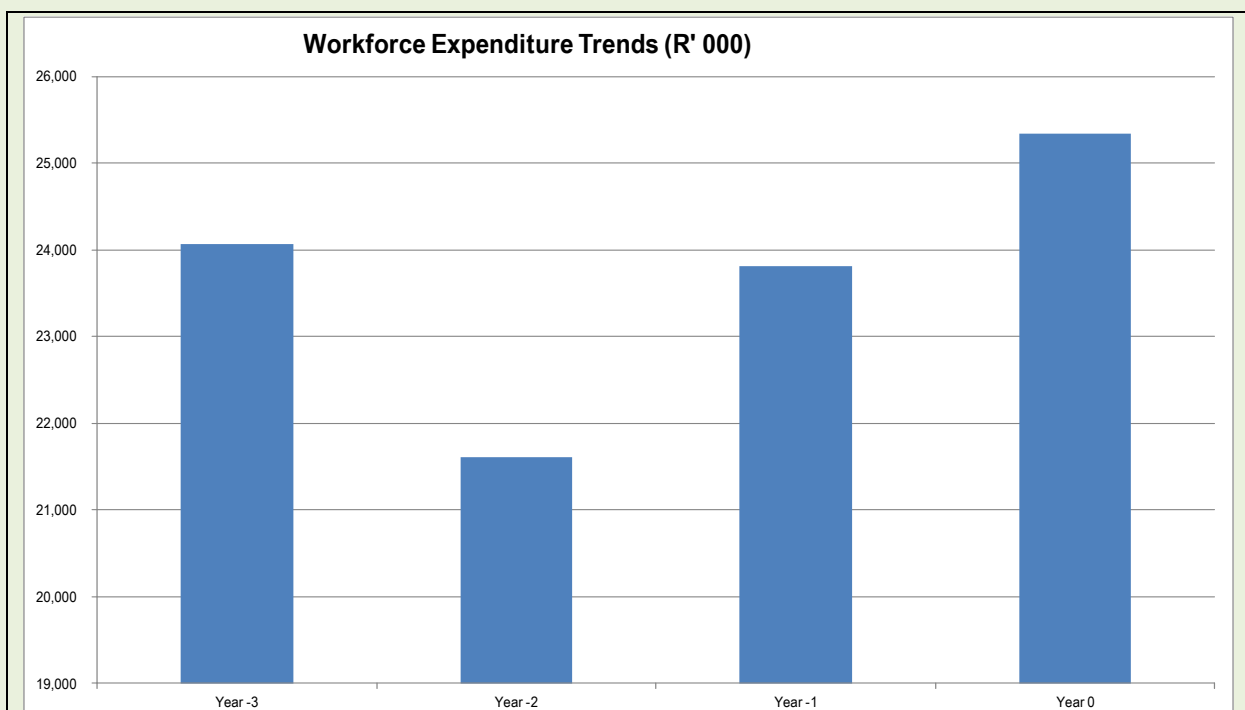
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is completed – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE



Source: MBRR SA22

T 4.6.1

COMMENT ON WORKFORCE EXPENDITURE:

Delete Directive note once comment is completed – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year.

T 4.6.1.1

Chapter 4

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	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels 9-12)	Female	
	Male	
Senior management (Levels 13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		0
<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</i>		<i>T 4.6.2</i>

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				<i>T 4.6.3</i>

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

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

Delete Directive note once comment is completed – Comment on T4.6.2 as appropriate and give further explanations as necessary with respect to T4.6.3 and T4.6.4.

T 4.6.5

Chapter 4

DISCLOSURES OF FINANCIAL INTERESTS

Delete Directive note once comment is completed – Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

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

Delete Directive note once comment is completed - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in year 0 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.

Delete Directive note once comment is completed - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 0											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates			-			-									
Service charges			-			-									
Investment revenue			-			-									
Transfers recognised - operational			-			-									
Other own revenue			-			-									
Total Revenue (excluding capital transfers and contributions)															
Employee costs			-			-									
Remuneration of councillors			-			-									
Debt impairment			-			-									
Depreciation & asset impairment			-			-									
Finance charges			-			-									
Materials and bulk purchases			-			-									
Transfers and grants			-			-									
Other expenditure			-			-									
Total Expenditure															
Surplus/(Deficit)															
Transfers recognised - capital			-			-									
Contributions recognised - capital & contributed assets			-			-									
Surplus/(Deficit) after capital transfers & contributions															
Share of surplus/ (deficit) of associate			-			-									
Surplus/(Deficit) for the year															
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital			-			-									
Public contributions & donations			-			-									
Borrowing			-			-									
Internally generated funds			-			-									
Total sources of capital funds															
Cash flows															
Net cash from (used) operating			-			-									
Net cash from (used) investing			-			-									
Net cash from (used) financing			-			-									
Cash/cash equivalents at the year end															

T 5.1.1

Chapter 5

Financial Performance of Operational Services							R '000
Description	Year -1	Year 0		Year 0 Variance			
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	68,155	60,842	69,222	63,161	3.67%	-9.60%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	16,607	8,455	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	3,769	3,066	3,455	3,693	17.00%	6.46%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	14,900	12,603	14,218	13,944	9.62%	-1.97%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
Total Expenditure	136,240	113,518	130,642	119,497	5.00%	-9.33%	
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:

Delete Directive note once comment is completed – Comment on variances above 10%.

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	33,977	-	-	24,756			
Equitable share	21,565			17,303			
Municipal Systems Improvement	4,524			2,182			
Department of Water Affairs	6,665			4,283			
Levy replacement	1,222			988			
Other transfers/grants [insert description]							
Provincial Government:	18,925	-	-	5,994			
Health subsidy	8,645			3,786			
Housing	4,865			1,502			
Ambulance subsidy	846			219			
Sports and Recreation	4,568			489			
Other transfers/grants [insert description]							
District Municipality:	-	-	-	-			
[insert description]							
Other grant providers:	-	-	-	-			
[insert description]							
Total Operating Transfers and Grants	52,902	-	-	30,751			
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i> <i>Full list of provincial and national grants available from published gazettes.</i>							T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

*Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.*

Delete Directive note once comment is completed – Comment on the variances in the above table and other and indicate high value projects & total the remaining project.

T 5.2.2

Chapter 5

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						T 5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Delete Directive note once comment is completed – Use this box to provide additional information on grant benefits or conditions and reason for acceptance. Please also provide comments on grant surrendered to the National Revenue Fund with reasons that led to this.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Delete Directive note once comment is completed - Provide a brief overview on Asset Management as practiced within your organisation and outline the key elements of your Asset Management Policy. Explain how asset management is organised, the staff involved and the key delegations. Describe key issues under development. Indicate the approach to capacity development for this activity. Refer to the illustrations of asset management approach in relation to the new assets set out below.

T 5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
				T 5.3.2

Chapter 5

COMMENT ON ASSET MANAGEMENT:

Delete Directive note once comment is completed – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19 (2) (a) & (b) and MSA section 74 (2) (d), (e) & (i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T 5.3.3

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	125	129	128	-2%
T 5.3.4				

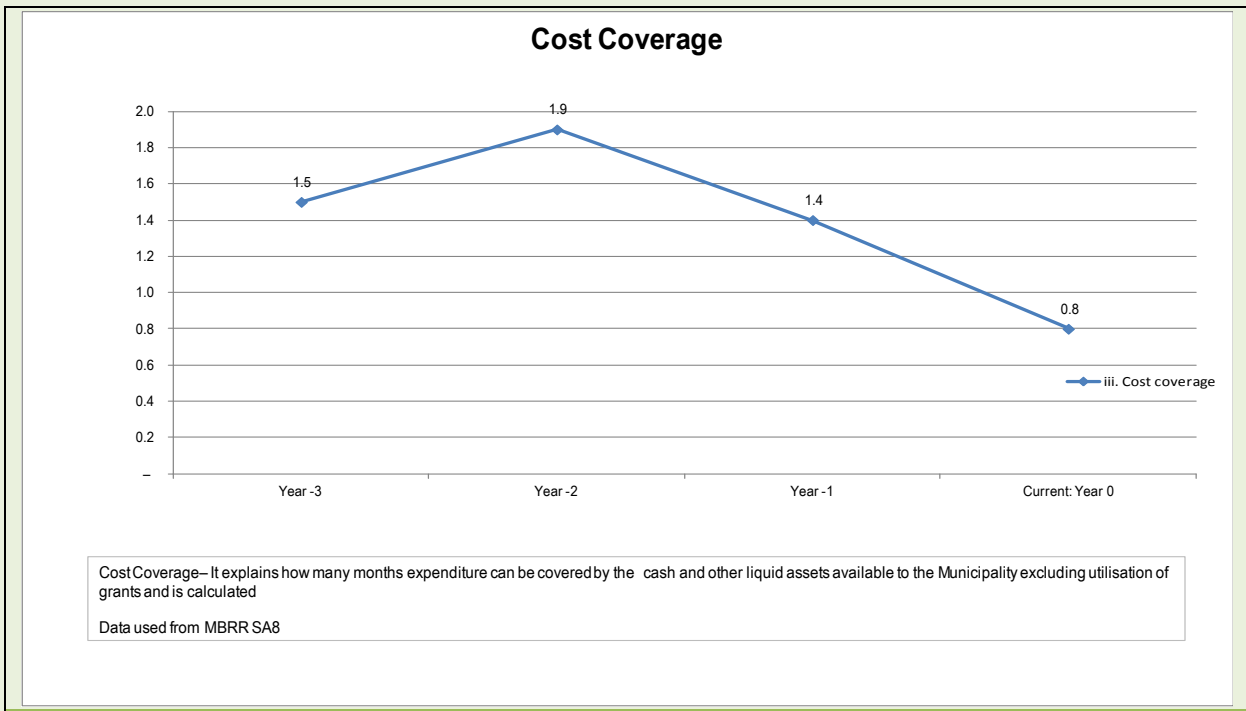
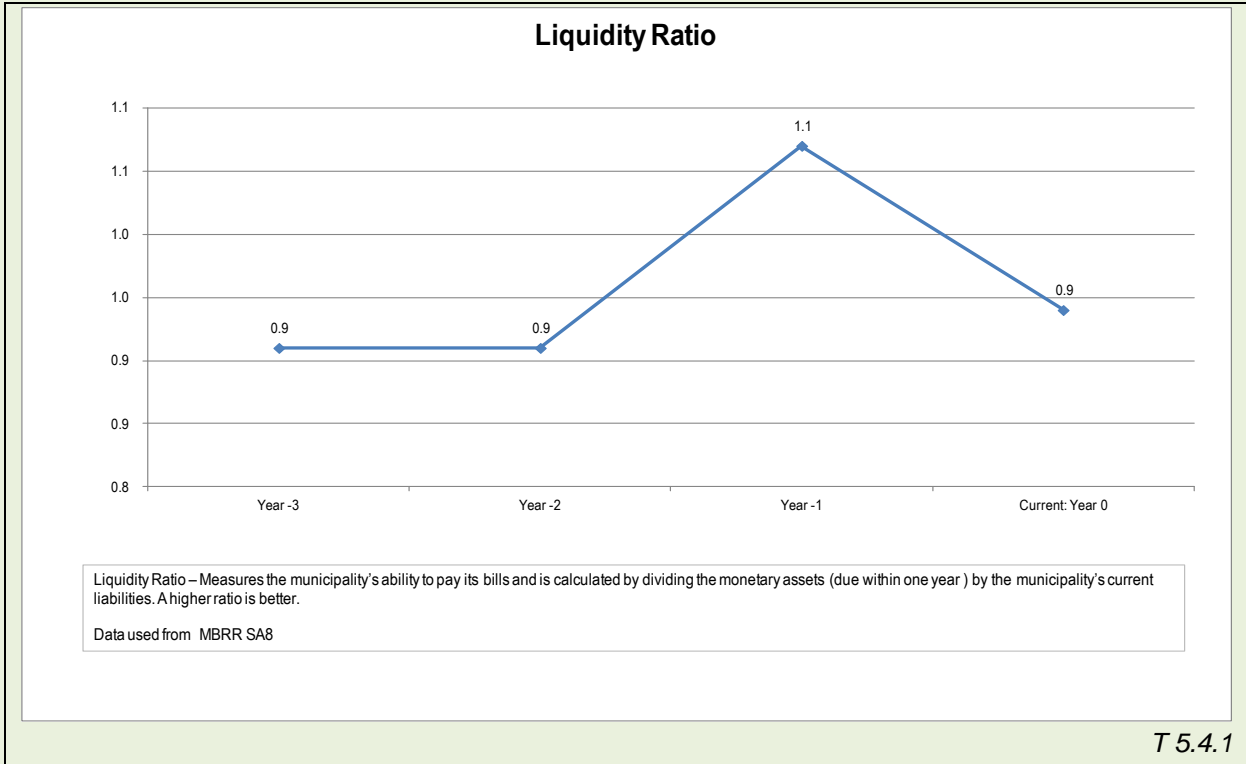
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Delete Directive note once comment is completed – Comment on adequacy of Repair & Maintenance Expenditure and variances show in T5.3.4 above and on the implications of the proportion of operating budget spend on repairs and maintenance over the past four years set out below. Note that the repairs and maintenance expenditure in T5.3.4 must reconcile with the operational repairs and maintenance expenditure for all services set out in Chapter 3.

T 5.3.4.1

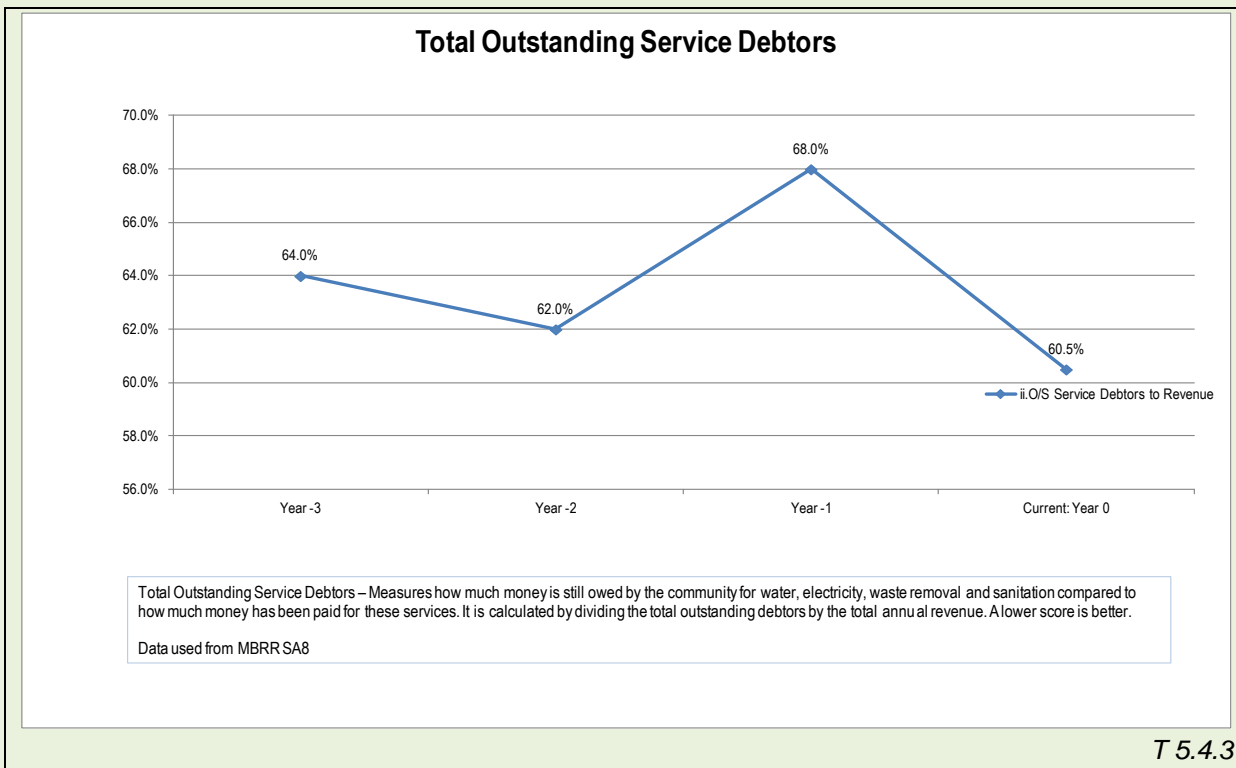
Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



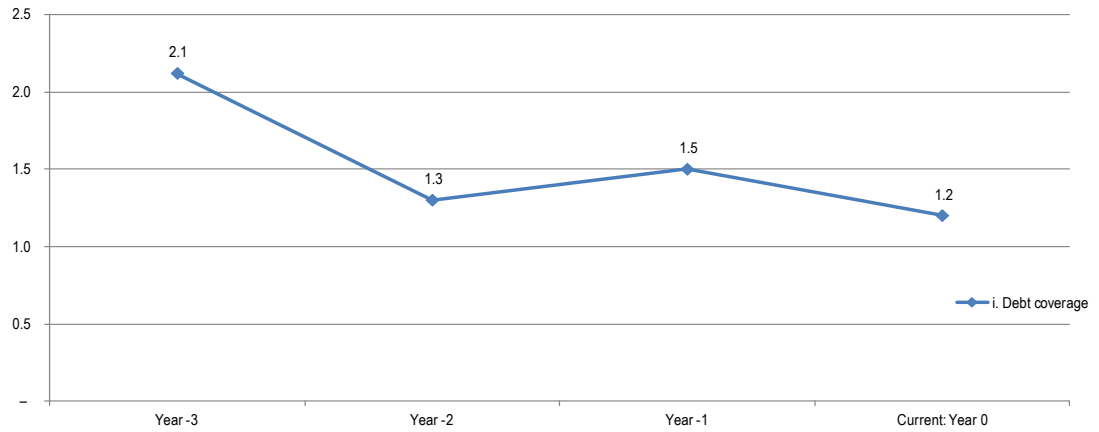
Chapter 5

T 5.4.2



Chapter 5

Debt Coverage

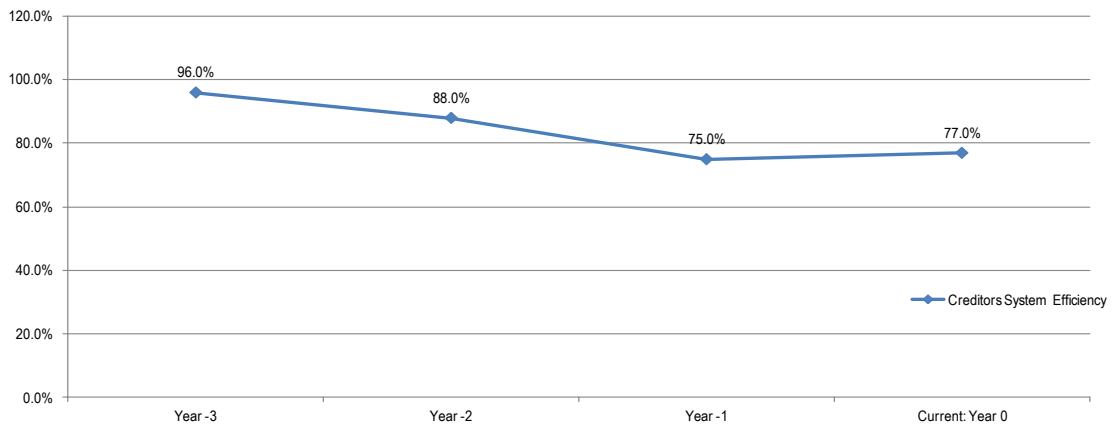


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency



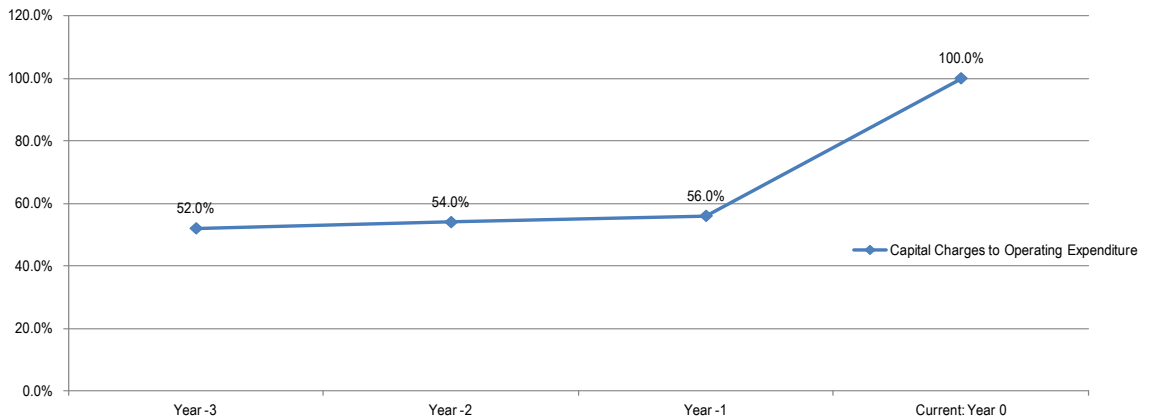
Creditor System Efficiency– The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Chapter 5

Capital Charges to Operating Expenditure

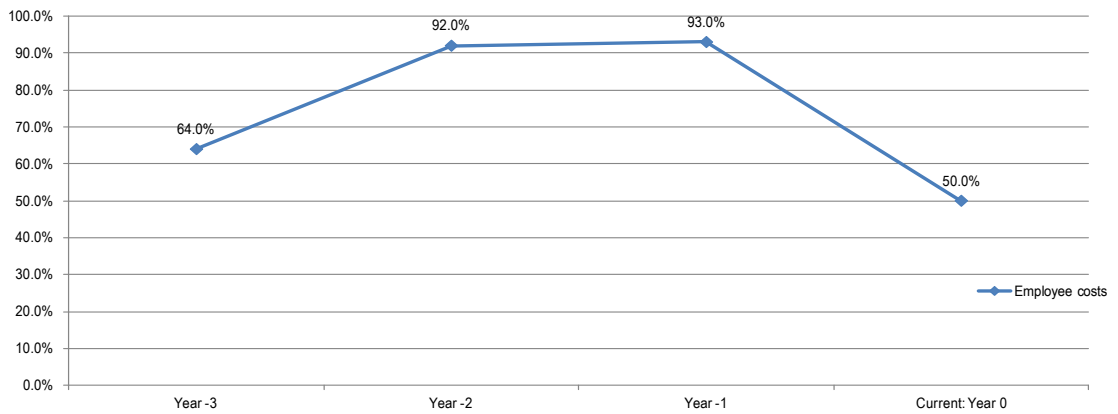


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs



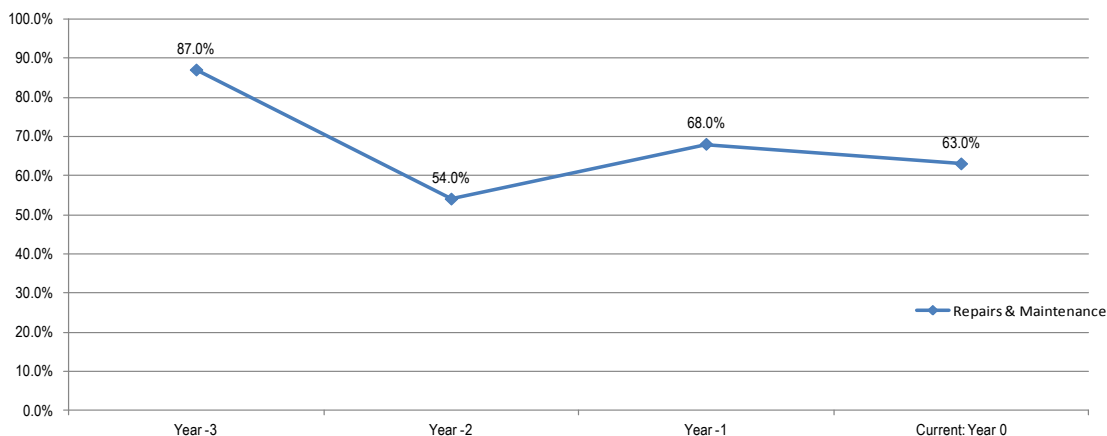
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Chapter 5

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:

Delete Directive note once comment is completed - Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table SA8 of the MBRR.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

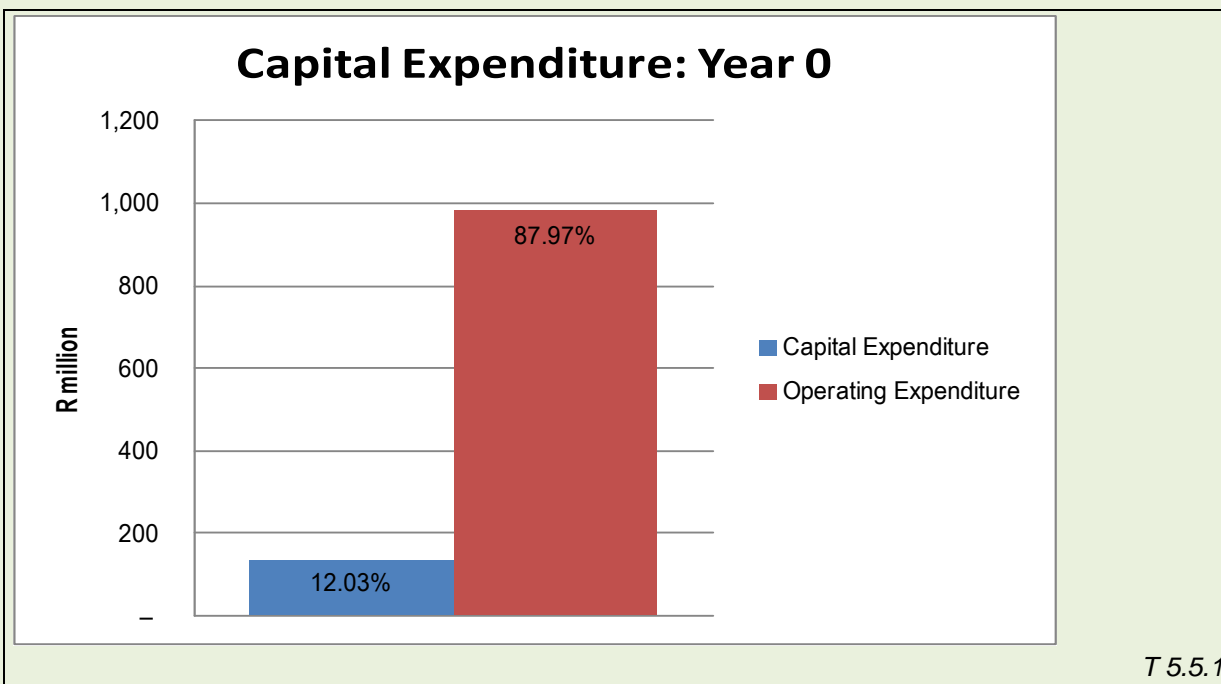
Delete Directive note once comment is completed – Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices**

Chapter 5

M (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T 5.5.0

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Chapter 5

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	3542	5500	5520	5511	0.36%	0.20%	
Public contributions and donations	248	300	390	421	30.00%	40.33%	
Grants and subsidies	3451	3700	3700	3856	0.00%	4.22%	
Other	2451	4500	4600	4565	2.22%	1.44%	
Total	9692	14000	14210	14353	32.59%	46.19%	
<i>Percentage of finance</i>							
External loans	36.5%	39.3%	38.8%	38.4%	1.1%	0.4%	
Public contributions and donations	2.6%	2.1%	2.7%	2.9%	92.1%	87.3%	
Grants and subsidies	35.6%	26.4%	26.0%	26.9%	0.0%	9.1%	
Other	25.3%	32.1%	32.4%	31.8%	6.8%	3.1%	
Capital expenditure							
Water and sanitation	1845	4300	4250	4256	-1.16%	-1.02%	
Electricity	1562	2400	2480	2453	3.33%	2.21%	
Housing	1243	2700	2800	2685	3.70%	-0.56%	
Roads and storm water	1352	1500	1400	1486	-6.67%	-0.93%	
Other	3690	3500	3450	3473	-1.43%	-0.77%	
Total	9692	14400	14380	14353	-2.22%	-1.08%	
<i>Percentage of expenditure</i>							
Water and sanitation	19.0%	29.9%	29.6%	29.7%	52.4%	95.2%	
Electricity	16.1%	16.7%	17.2%	17.1%	-150.1%	-205.4%	
Housing	12.8%	18.8%	19.5%	18.7%	-166.8%	51.7%	
Roads and storm water	13.9%	10.4%	9.7%	10.4%	300.2%	86.8%	
Other	38.1%	24.3%	24.0%	24.2%	64.3%	71.7%	
<i>T 5.6.1</i>							

COMMENT ON SOURCES OF FUNDING:

Delete Directive note once comment is completed – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Chapter 5

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Name of Project	26,000	26,500	25,700	1%	-2%
B - Name of Project	19,500	19,750	19,900	-2%	-1%
C - Name of Project	15,700	15,700	15,500	1%	0%
D - Name of Project	12,000	11,800	11,700	3%	2%
E - Name of Project	11,500	11,000	11,250	2%	4%
* Projects with the highest capital expenditure in Year 0					
Name of Project - A					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - B					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - C					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - E					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

COMMENT ON CAPITAL PROJECTS:

Delete Directive note once comment is completed - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 0. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T 5.7.1.1

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is completed – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T 5.8.1

Service Backlogs as at 30 June Year 0				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
	Water		%	
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure Year 0 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				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
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

Chapter 5

COMMENT ON BACKLOGS:

Delete Directive note once comment is completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Delete Directive note once comment is completed – Give a brief comment on the importance of cash flow management. Refer to the scope of this activity as indicated in this component and what you regard as the key management features of your municipality's approach. Refer to any other cash flow issues of current relevance to your municipality that are not adequately provided for in the format of this component.

T 5.9

Chapter 5

5.9 CASH FLOW

Cash Flow Outcomes				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other				
Government - operating				
Government - capital				
Interest				
Dividends				
Payments				
Suppliers and employees				
Finance charges				
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-	-	-	-
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year end:		-	-	-
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

Delete Directive note once comment is completed - Supply a brief summary about the cash flow status of the municipality. Explain variances from Original and Adjustment Budget to Actual. Include information on operating activities and what effect they had on cash flow and on cash backing of surpluses. Information regarding cash flow may be sourced from **Table A7 of the MBRR.**

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

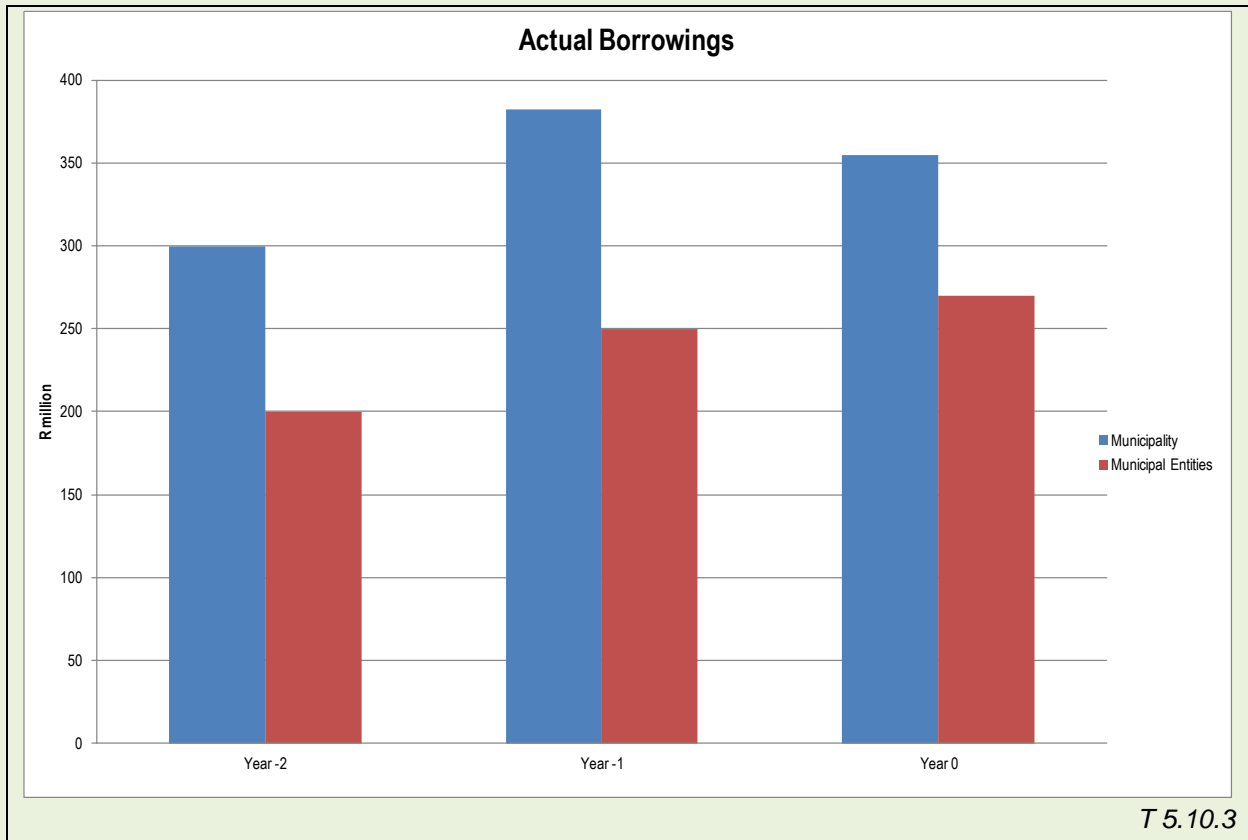
Delete Directive note once comment is completed – Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality's requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR.**

T 5.10.1

Chapter 5

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
Municipality	300	382	355
Long-Term Loans (annuity/reducing balance)	200	250	270
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	500	632	625
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			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			T 5.10.2

Chapter 5



Chapter 5

Municipal and Entity Investments			
			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
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			
Municipal Bonds			
Other			
Municipality sub-total	0	0	0
<u>Municipal Entities</u>			
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:	0	0	0
			<i>T 5.10.4</i>

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

Delete Directive note once comment is completed – Make clarifying comments on the above tables as necessary. All investments whether in the form of loans (in cash or kind) made by the municipality but not to one or more of the organisations set out above and all grants (in cash or kind) made to any form of organisation **must** be set out in full at **Appendix R**.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Delete Directive note once comment is completed - Provide overview of agreements, contracts and projects undertaken during the year through PPP's – Refer to further details of PPP details **Appendix H. Table SA3 (MBRR)** may also be used to gain information on PPP's.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Delete Directive note once comment is completed - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set out in SCM Regulations 2005. State the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or the report for year 0 concerning the quality of Supply Chain Management and detail the remedial action taken. Note comments made in Chapter 2, under section 2.8.

T 5.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

Delete Directive note once comment is completed – Follow the above with information on progress with GRAP compliance at your municipality. Detail any instances where the municipality has deviated from the GRAP standards currently applicable.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) 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 section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Delete Directive note once comment is completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: Year -1	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
<i>Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
	T 6.1.1

Auditor-General Report on Service Delivery Performance: Year -1	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
	T 6.1.2

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
<p>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</p>	
	T 6.2.1

Auditor-General Report on Service Delivery Performance: Year 0*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
<p>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0</p> <p>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</p>	
	T 6.2.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

Delete Directive note once comment is completed - Attach report. T 6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

Delete Directive note once comment is completed - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context. T 6.2.4

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)..... Dated

Chapter 6

T 6.2.5

GLOSSARY

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 performance indicators Key	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

GLOSSARY

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 EPMDS performance standards are divided into indicators and the time factor.

GLOSSARY

Performance Targets:	<p>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.</p>
Service Delivery Budget Implementation Plan	<p>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.</p>
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

APPENDICES

APPENDICES

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			%	%
ClIr Bandile Ketelo	FT	Mayor	PR	100%	100%
ClIr Thozama P Njobe	FT	Speaker	PR	100%	100%
ClIr Anele Ntsangani	FT	Chief Whip	PR	100%	100%
ClIr Mandla J Makeleni	FT	BTO	PR	100%	100%
ClIr Nomonde Geza	FT	Engineering Services	PR	100%	100%
ClIr Sinovuyo Kley	PT	Sport, Arts & Culture	PR	100%	100%
ClIr Portia Sabane	PT	Strategic & LED	PR	100%	100%
ClIr Leonora Bruintjies	FT	Corporate Services	PR	50%	50%
ClIr Pasika Jack	PT	Community Services	PR	100%	100%
ClIr Siphwi Mazwi	PT	Executive Committee member	PR	98%	98%
ClIr Ernst Lombard	PT	Executive Committee member	PR	100%	100%
ClIr Bukelwa Tyhali	FT	Chairperson MPAC	PR	100%	100%
ClIr Colleen Guzi	PT	Chairperson Women Caucus	Ward	100%	100%
ClIr Zukisa Qaqawe	PT	Engineering Services	Ward	100%	100%
ClIr Wisizwi Nika	PT		Ward	100%	100%
ClIr Nomhle Sango	PT	BTO	Ward	100%	100%
ClIr Xolani Dyantyi	PT	MPAC	Ward	100%	100%
ClIr Singilizwe Nivi	PT	Community Services	Ward	100%	100%
ClIr Luyolo Kiswa	PT	Corporate Services	Ward	100%	100%
ClIr Elten Bantam	PT	MPAC	Ward	100%	100%
ClIr Xola Jezile	PT	Engineering Services	Ward	100%	100%
ClIr Mlungiseleli Ndongeni	PT	MPAC	Ward	100%	100%
ClIr Luyanda Tyobeka	PT	Sport, Arts & Culture	Ward	100%	100%
ClIr Selinah Mkwayimba	PT	Community Services	Ward	100%	100%
ClIr Zukiswa Mpendu	PT	BTO/Women Caucus	Ward	100%	100%
ClIr Songezo Mashengqana	PT	Sport, Arts & Culture	Ward	100%	100%
ClIr Thozama Ngaye	PT	LED & Strategic Planning	Ward	100%	100%
ClIr Xolile Badi	PT	Community Services	Ward	100%	100%

APPENDICES

Cllr Nonkoliseko Qawu	PT	Women Caucus	Ward	100%	100%
Cllr Thobeka Mjo	PT	MPAC/Women Caucus	Ward	100%	100%
Cllr Zamikhaya Papu	PT	Corporate Services	Ward	100%	100%
Cllr Lindelwa Penisi	PT	Corporate Services	Ward	100%	100%
Cllr Sinethemba Mjakica	PT	LED & Strategic Planning	Ward	100%	100%
Cllr Frans Christian	PT		Ward	100%	100%
Cllr Mhlobo Dywili	PT	BTO	Ward	100%	100%
Cllr Zingisa Rasmeni	PT	Corporate Services	PR	100%	100%
Cllr Thembisa Dwanya	PT	Engineering Services/Women Caucus	PR	100%	100%
Cllr Vuyiswa Ndevu	PT	Women Caucus	PR	100%	100%
Cllr Nombuyiselo Metuse	PT	Women Caucus	PR	100%	100%
Cllr Nobesuthu Makhenyane	PT	Sport, Arts & Culture	PR	100%	100%
Cllr Nomvano Zibonda	PT	BTO	PR	100%	100%
Cllr Kayaletu Baliso	PT	Corporate Services	PR	100%	100%
Cllr Cecilia Auld	PT	Engineering Services	PR	100%	100%
Cllr Sivuyile Mahlengele	PT	MPAC	PR	100%	100%
Cllr Kwanele Macakela	PT	Sport, Arts & Culture	PR	100%	100%
Cllr Buyiswa Mfondini	PT	MPAC	PR	100%	100%

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

T A

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Senior Manager (State title and name)
Acting Municipal Manager	Mr L Menze
Budget and Treasury	Mrs B Lebelwana
Community Services	Ms N Platjie
Corporate Services	Mrs N Fololo
Engineering	Mr Z Nkosinkulu
LED and Strategic Planning	Mr L Menze

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

The municipality is mandated to perform the following powers and functions as stipulated in the Constitution of the Republic of South Africa 1996:

SCHEDULE 4 B	SCHEDULE 5 B
Air Pollution	Billboards and display of advertisement in public places
Building Regulations	Cemeteries
Child Care Facility	Cleansing
Electricity	Control of Public nuisance
Fire Fighting Services	Control of undertaking that sells liquor to the public
Local Tourism	Fencing and Fences
Municipal Planning	Local Amenities
Stormwater management system	Local Sport Facilities
Trading Regulations	Markets
	Municipal Abattoirs
	Municipal Parks and Recreation
	Municipal Roads
	Noise Pollution
	Pounds
	Public Places
	Refuse Removal, Refuse Dumps, Solid waste disposal
	Street Trading
	Street lighting
	Traffic and Parking

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr Qaqawe	Yes		None	1
	TSIKO ANELE				
	ANDISWA VENA				
	NTOMBOXOLO NTSAMBA				
	THOBEKA GAUZANA				
	NONTOMBANA NTABENI				
	TANCO NOMPUMEZO				
	MAMKELI MZIKABAWO				
	SIYANDA QOSO				
	NOMAKHAZI MXAKO				
	VUSUMZI NDYOVA				
2	Cllr Nika	Yes		None	1
	VUYISEKA FULMENI				
	NOSIPHO WLLIAMS				
	IVIWE HANI				
	NTOMBIZANDILE GUSHA				
	THANDILE CROMWELL BESMOND				
	DUMISANI NXIKWE				
	LINDIWE BOKWE				TE
	MPHUMEZI SIGONYELA				
	XOLILE THEO STEMELE				
	MANDISI HANI				
3	Cllr Sango	Yes		None	2
	SIVE VOKWANA				
	NOMPHELO KABANE				
	PHUMEZA TOKO				
	NONDUMISO MATHONDOLO				
	NOKULUNGA C . KAYI				
	NTOMBIZANELE HLAZO				

APPENDICES

	NTOMBEBHONGO VUTHUZA			
	KHAYAKAZI BONKOLO			
	ZUMA LUYOLO			
	THOZAMA QUMA			
4	Cllr Dyantyi	Yes	None	1
	PUMEZA K BEN			
	NKULULEKO SIZWE MAFRIKA			
	NGOQO BULELANI			
	MZOLI SOKROWA			
	SIMON ABA			
	MAKHOSONKE PONI			
	NTOMBEKHAYA SIYANGA			
	ZOLEKA MBOMBO			
	WIZA V. MAKATI			
	MATYA MANDILAKHE			
5	Cllr Guzi	Yes	None	0
	THANDOLWETHU NGCOKOVANE			
	PHUMEZA SIGNORIA STEMELE			
	SIVIWE MATHIAS NONDZABA			
	NOLUBABALO GULWA			
	THEMBISA GAQA			
	NTOMBOMZI LINDELWA ZANTSI			
	NOKWANDA MXOTWA			
	MELIKHAYA MASIZA			
	BULELWA MANQUNYANNA			
	AVIWE MAGCOBELA			
6	Cllr Nivi	Yes	None	2
	NOMONDE TSHAKWENI			
	SIYANDA NOMNQA			
	IAN SUMMERTOY			
	DESMOND BOTHA			
	MARTIN SEPTENBER			
	BONGIWE HOYANA			
	THANDOKAZI SONTABA			
	THANDISWA THANDEKA MBONTSI			
	POROSI ELLIOT NTSUHELO			
	MONICA TOM			
7	Cllr Kiswa	Yes	None	2
	NOMBUZO MANI			
	ELIZABETH N TOSE			

APPENDICES

	LULAMA MAVIS FUNDAM			
	NOBESUTHU TOSE			
	ANDREW JANTJIES			
	SISEKO NDARANE			
	NONTUTHUZELO AGNES MAMA			
	LUNGELO MXENGE			
8	Cllr Bantam	Yes	None	0
	NONTUTHUZELO MNAPU			
	CHUMANI LANGA			
	MANDLA MANGALI			
	VALTRICIA MAY			
	THOZAMA TSOTSA			
	NTOMBEKHAYA MGWANGQA			
	NOMLINDO KWAYINTO			
	AZOLA TABALAZA			
	NGCOWA THEMBEKA			
	NANDIPHA DOYI			
9	Cllr Jezile	Yes	None	0
	NELISWA GAJU			
	GCOBISA HIGA			
	LUTHANDO MNTUWAPHANTSI			
	ZOLANI MAFRIKA			
	LUKHANYO MBETE			
	NANDIPHA GUSHU			
	BONGIWE MADYONGOLO			
	NTABELANGA GRABILE			
10	Cllr Ndongeni	Yes	None	2
	NONQABA JACOB			
	NTOMBEKHAYA SGONYELA			
	MGCINI MKAZA			
	NOMFUSI NGATA			
	MANKAZANA SITHEMBISO			
	ABEGAIL NOKWAYIYO MBOZI			
	NOMFUSI SIGUQU			
	NULOTHU MTUNZINI			
	PAMELLA MTSHAKAZI			
	NOKUTHEMBELA MKENCELE			
11	Cllr Tyobeka	Yes	None	0
	PHAKAMILE NOHAMBA			
	YOLANDA KEBENI			

APPENDICES

	NOMAKHAYA LEKEZWA			
	ANDILE MAKHAPHELA			
	JOYCE NOZICELO NGUDLE			
	XOLISWA MYOLI			
	INBIA NDZOYI			
	SABELO JIKA-JIKA			
	NOMBUSO MAKHAPHELA			
	BULELANI MNYAMANDA			
12	Cllr Mkwayimba	Yes	None	1
	NGQOLA PHUNYEZWA			
	NOLUBABALO THEODORAH FOSI			
	BULELWA GQIRANA			
	NOZICELO GUGWINI			
	MXOLISI WELLINGTON LANGA			
	NANDIPHA NTANTISO			
	MPHAKAMISI ALFRED DYAN			
	NOMXOLISI NONTSHINGA			
	NOLUDWE NGWALA-NGWALA			
	LIZANI MALIZOLE			
13	Cllr Mpendu	Yes	None	0
	SINDEKA VERINOCA NELANI			
	MONICA GEBENGANA			
	YAZIWE PORTIA LEMNA			
	QOMFO NOZIPHIWO			
	ZOLISWA REGINA KAMA			
	VUSUMZI CHRISTOPHER MANI			
	LULAMA REGINALD MERIKANA			
	MAKWAYANDILE KENNETH			
	MTSHILITA			
	SIYABULELA NYALA			
	SIKELELWA CECILIA NDZABELA			
14	Cllr Mashengqana	Yes	None	1
	SONWABO MGUQULWA			
	ENKOSI SINGABAKHE NDLEBE			
	THEMBINKOSI NTSANGANI			
	BONGILE JOKO			
	MIRANDA MANGIWE GOSANI			
	KOLISWA DYANTYI			
	NOMSEBENZI WINIFRED YONO			
	ZWELITHINI MORIAS BOOI			
	MKHUSELI BEBEZA			

APPENDICES

	TAMSANQA MEFANI				
15	ClIr Ngaye	Yes		None	0
	LUSANDA TSHIBIKA				
	MEISIE PHAKAMA				
	NTOMBIZANELE				
	SIZWE MASHIBINI				
	NOMBULELO MAKOSA				
	SINDISWA NGWEBA				
	THANDUXOLO NOVOYI				
	NOMVUYO MAKIBENI				
	DANILE SOMNI				
16	ClIr Badi	Yes		None	2
	MTHETHELELI MBETSHU				
	BABLWA MTIMA				
	NTOMBIFIKILE NGEYI				
	THEMBEKILE MATTHEWS MAJOLA				
	BEATRICE NOMAZIZI TOTOYI				
	NOMAKWEZI NEKU				
	MONWABISI MOSES ZAMO				
	SITHEMBELE TSWARU				
	MZOXOLO DYANTYI				
	MONWABISI L TYALI				
17	ClIr Qawu	Yes		None	2
	NZUKISO NKAM				
	MZANDILE NGALO				
	NOSISEKO NOSTHEMBILE TOSE				
	SIYABULELA ZWELIDUMILE				
	MASINGATA				
	ZAMILE KONANA				
	VUYOKAZI MNKANI				
	XABISA NGXOWENI				
	LINDIWE XUJWA				
	NCEBAKAZI DAKI				
	LINDA NGWABANE				
18	ClIr Mjo	Yes		None	2
	NONKOSI PRINCESS HINA				
	XOLISA MAMASE				
	NOMATHEMBA BIANCA MANUE				
	NOZUKO CONNIE MSUTU				
	NOSIPHO LIWANI				
	YONELA DEVANI				

APPENDICES

	SIYANDA KILIMANI			
	KHANGELWA GANTO			
	THEMBINKOSI MBETHE			
	SITHILANGA MGIJIMA			
19	Cllr Papu	Yes	None	2
	NOMONDE P QINA			
	THOTYELWA GOMI			
	PHUMLANI MAKU			
	SIYABULELA MADAKANA			
	VUYOLWETHU TIYIWE			
	NOMBULELO SKOTI			
	FUMEKA O KULA			
	MLULAMI MWELI			
	THABISO MANI			
	SIHLE NICHOLAS TUSE			
20	Cllr Penisi	Yes	None	0
	NOMFUNDISO GXEKWA			
	SIYABULELA KHAYI			
	MANDISA FULLMEW			
	MARIA ROYATI			
	ZUKISWA DYAKALA			
	NELISWA NQUMA			
	NOMANDLA GQIRANA			
	ABONGILE DAYILE			
	MAKWEDINANA CHRISTIAN NGUYE			
	NOMATHEMBA MASHOLOGU			
21	Cllr Mjakuca	Yes	None	2
	XOLANI DIKANA			
	MASIXOLE VUTUZA			
	XOLA MLONJENI			
	JACOBUS M. PINSLOO			
	OLWETHU KIVA			
	NOLUBABALO SIDIBA			
	BONGISWA JEYI			
	NTOMBIZODWA RONGULA			
	CHRIS deWIT			
	VIVIAN MUIR			
22	Cllr Christian	Yes	None	2
	ANDILE GQALISISA			
	KHOLEKA E. TSHANGA			

APPENDICES

	XOLISWA M. BAWANA				
	MAVIS MENTOOR				
	VUYO BOSCH				
	FEZEKILE FIZZ SKOTI				
	VUYISILE ELVIS NOGANTA				
	BONGIWE PIET				
	MELUMZI MHLAWULI				
	PATRICIA SWARTBOOI				
23	Clr Dywili	Yes		None	0
	PAMELA SAPTO				
	MPHO MAHLEZA				
	JULIE SHAW-GENTLE				
	BULELWA PAYI				
	PAMELA MPAMBANI				
	NOLUTHANDO A. KWETA				
	PAMELA NAWULE				
	MASIXOLE VELE				
	KHAYALETHU WILLIAMS				
	VUYISWA MAYIYI NGETU				

APPENDICES

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
				T.F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					X
Households without minimum service delivery					
Total Households*					
Houses completed in year	X				
Shortfall in Housing units					
*Including informal settlements					T.F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0
		T.F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)
 Names: xxx (8); xxx (7)...

T.F.3

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2016/17

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 2016/17	Recommendations adopted (enter Yes) If not adopted (provide explanation)
17 January 2017	<ol style="list-style-type: none"> 1. Performance evaluation panel needs to be established for section 57 managers 2. Infrastructure report: Classify capital projects as per their period or year and expenditure aligned to the period 3. Comprehensive report on finance and performance of the entity be submitted in the next meeting. Municipality to perform proper analysis about the need for agency 	Done
11 October 2017	<ol style="list-style-type: none"> 1. Mr A Yeboah has been nominated the audit Committee chairperson. 2. Miss L Smith has been nominated to be the performance audit committee chairperson. 3. Tracking tools for resolution implementation developed for management and audit committee 	In progress
16 March 2017	<ol style="list-style-type: none"> 1. Interim MM to ensure that there is a working task team that will investigate reported Irregular, Fruitless & Wasteful expenditure and report to MPAC. 2. Mayor and the Municipal Manager should write letters to the departments owing the municipality, she further mentioned that finance should keep accurate records and do follow ups. 3. The municipality is in serious need of a financial bailout and that should be highlighted on the financial recovery plan. 4. RMEDA income statement and balance sheet be submitted to audit 	In progress

APPENDICES

	<p>committee Corporate Service Manager to provide a plan of controls over fleet management</p>	
21 June 2017	<ol style="list-style-type: none"> 1. Section 72 reports be part of the AC pack quarterly 2. Municipality with the service providers to report to AC on the municipal readiness for audit of opening balances and of AFS for RMLM 2016/17 3. Full detailed reports be submitted at all times for the attention of the audit committee Section 52d report, updated AAP to be submitted before end of business, 21 June 2017 	In progress
11 October 2017	<ol style="list-style-type: none"> 1. Mr A Yeboah has been nominated the audit Committee chairperson. 2. Miss L Smith has been nominated to be the performance audit committee chairperson. 3. Tracking tools for resolution implementation developed for management and audit committee 	In progress

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Providers Performance Evaluation 2016/ 2017						
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	Actual Performance of Service Provider
KUDEC Engineering Development Services	Provision of professional consulting services for the construction of council chamber with municipal offices	23/01/2012	30/11/2017	Mr Nkosinkulu	1,213,324.00	Good
Base Major Construction	Construction of Council Chamber in Alice	6-Jan-12	30/11/2017	Mr Nkosinkulu	26,753,314.55	Good
H/Heshula	Supply and delivery of microsoft licenses under open value subscription for 3yrs	30/06/2015	30/06/2018	Mr Herbert	899,548.00	Good
Siyanda Business Solutions	Accounting support,preparation of Annual Financial Statements	18/03/2016	10/1/2018	Mr Koikoi	1,399,350.00	Good
Tixispan Trading t/a Zezethu Engineers	Professional services for the construction of Fort Beaufort sport complex	22/04/2014	30/11/2017	Mr Nkosinkulu	450,000.00	Good
Tixispan Trading t/a Zezethu Engineers	Professional services for paving of streets,golf course,Bofolo and Gugulethu township	10-Sep-13	30/11/2017	Mr Nkosinkulu	3,600,000.00	Good
Mothapo Projects	Electrification of Phillip and Dorshoek	10-Mar-13	31/10/2017	Mr Nkosinkulu	7,000,000.00	Good
Sizanane Consulting	Procurement of a private property valuers	17/10/2013	30/06/2018	Mr Mbilase		Good
Dintwa	Construction of Fort Beaufort sports complex	14/11/2016	30/11/2017	Mr Nkosinkulu	1,759,368.24	Good
Gemini	Installation of high mast lights	1/7/2016	30/11/2017	Mr Nkosinkulu	2,000,000.00	Good

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2016/17		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor/ Speaker		
Member of MayCo / Exco		
Councillor		
Municipal Manager	Mr Lusanda Menze	Nil
Chief Financial Officer	Mrs Busisiwe Lubelwana	ELCB Information System and Zangoma Trading CC
Deputy MM and (Executive) Directors		
Other S56 Officials	Mrs Ncumisa Fololo	Mvemve Lodge
	Ms N Makwabe	Nil

APPENDICES

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

APPENDICES

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

APPENDICES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

APPENDICES

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

APPENDICES

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		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
<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

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.