



O.R. TAMBO DISTRICT MUNICIPALITY

ANNUAL REPORT

2016/2017

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

The 2016/2017 financial year has ended and this has been the year where the people of the district were given an opportunity to elect their leaders who will be driving their service delivery agenda in the municipal environment. Overwhelmingly the OR Tambo communities mandated the African National Congress to lead the said mandate for the next five-years. In pursuant of the people’s mandate, it is my honour to present to the Municipal Council and to the people of the District, the Annual Report for the 2016/2017 financial year, which is an account of what has been delivered against the set targets in the Service Delivery and Budget Implementation Plan (SDBIP).

The report is an attestation of the collective efforts of both the political and administrative leadership in ensuring that we serve the people of the region with humility. I am proud to report to the council that OR Tambo district has been consistent in successfully spending its grants that include the Municipal Infrastructure Grant (MIG) and the Regional Bulk Infrastructure Grant (RBIG). The achievement demonstrates commitment in delivering basic services as the grants are targeting that. Once more the municipality is demonstrating commitment in instilling good governance and strengthening financial management. In 2014/15 the district moved from the disclaimer to the qualification, and this has been maintained for both the 2015/2016 and the year under review.

The overall institutional performance for the financial year has improved from the 69 % of the 2015/2016 financial year to 75 % and the performance is qualified by the portfolio of evidences based on the SDBIP set targets. The improvement can be attributed from political and administrative commitment in the institution. The sound interface between political leadership and administration is yielding better results. As the Executive Mayor of the O. R. Tambo District Municipality, together with the Municipal Council and the Municipal administration, we commit to ensure that the vision of a “**Prosperous, Vibrant, Innovative and People-Centred District**” is realized and that people of O. R. Tambo continue to receive services in a sustainable manner.



Cllr N. Meth
Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

This Annual Report serves as a record of and accounting mechanism to communities on the institution's achievements and challenges on service delivery, as well as the mitigation and remedial measures implemented to address the latter. OR Tambo District Municipality compiled its 2016/17 Annual Report in line with Municipal Systems Act No. 32 of 2000, Municipal Finance Management Act 56 No. of 2003, the National Treasury Circular No. 63 as well as the templates and guidelines for municipal annual reports provided by the Department of Corporative Governance and Traditional Affairs.

During the past financial year it was evident that the country's economy will not grow as fast as initially predicted and this forced all state institutions to ensure proper financial management. The OR Tambo District Municipality implemented several policy decisions to restrict the expenditure in order to avoid fruitless and wasteful expenditures whilst it had a focus on accelerating service delivery. As such this annual report demonstrates that municipality is financial sound over the year under review.

The OR Tambo district municipality has, for the 3rd time consecutively, received a qualified audit opinion from the Auditor General with the major matter be the irregular expenditure. This is attributed to our management team, councillors and staff who worked so hard towards effective administration and governance of the municipality. We have also recorded the following progress in the financial year under review:

- The 2017/2022 mSCOA compliant IDP was adopted by the council as per the Local government Municipal Systems Act, 32 of 2000.
- The mSCOA compliant budget for 2017/18 was adopted timeously as per the MFMA.
- Continued with the recruitment to populate critical positions of the organisation.
- Introduction of Performance Management to the Management, Councillors and staff as per the MSA, 32 of 2000 and MPR, 2006.

The following interventions/actions will be prioritized in the year ahead:

- Cascading Performance Management to lower levels as per the MSA, 32 of 2000 and MPR, 2006.
- Ensure the filling of all critical positions
- Budget monitoring to instil compliance and avoid over/under spending by departments.

A word of appreciation to the Mayor, Speaker, Chief Whip, the entire Council, Management and all staff members for their contribution and commitment in driving the municipality to the right direction.



Mr. O.N. Hlazo
Municipal Manager

1.2. EXECUTIVE SUMMARY

This report presents the OR Tambo District Municipality's performance for the financial year 2016/2017. The report is submitted in line with the objectives, indicators and targets as set out in the 2016/2017 approved Integrated Development Plan aligned with the approved budget, both of which informed the quarterly performance targets set out in the Service Delivery and Budget Implementation Plan (SDBIP). The annual report is tabled as per the five (5) Local Governments Key Performance Indicators as follows (not in the order of priority):-

- a) Basic Service Delivery and Infrastructure Development
- b) Local Economic Development
- c) Financial Viability and Management
- d) Good Governance and Public Participation
- e) Municipal Transformation and Institutional Development

It depicts the level of achievement of the set targets from the period 1 July 2016 to 30 June 2017. It also reflects explanations on deviations where the institution has not met the set targets as well as corrective measures to be implemented, going forward.

1.2.1 SOME OF THE HIGHLIGHTS IN 2016/ 2017 FINANCIAL YEAR

For the year under review, the municipality had set some targets at strategic level that include the focus on implementation of the institutional organogram in order to stabilize operations and sustain sound financial management. The institution has been demonstrating some improvements in spending of the allocated grants to accelerate service delivery. Moreover, the institution has implemented strategies to improve its performance for the financial year.

In an effort to attain these set objectives, the leadership of the institution at both political and administrative level joined forces in fulfilling these commitments. As such some positive results are yielded which are reflected in this report. The municipality had made strides in implementing the organizational structure and this includes the placement of staff, internal and external recruitment processes as well as job evaluation across the entire District. The implementation of the organizational structure is one of the important break-through milestones in the district as this had been at standstill for five years due to labour disputes. Through the implementation of the organizational structure, the institution continues to mobilize and acquire the necessary skills that will assist in shaping its agenda as well as improving the performance. Over the year, efforts were made to fill the Senior Management positions that were vacant due to resignations and expiration of contracts. Towards the end of the financial year, one Senior Manager (Director Water and Sanitation) assumed duties whilst four Senior Management positions were at the stage of selection process (i.e. Director Human Settlements, Technical Services, Internal Audit and Executive Mayoral Services).

With regards to the expenditure of grants, the municipality continued to fully spend the MIG and RBIG grant allocations for the financial year. Previously, the municipality experienced strained relations with National and Provincial Departments of Treasury and Cooperative Governance and Traditional Affairs concerning grant spending, however, the municipality has managed to foster cordial relations with these departments. Furthermore, the municipality has implemented an improved Performance Management System, which has resulted into credible Portfolio of Evidence which supports grant spending.

1.2.2 SERVICE DELIVERY PERFORMANCE

The report depicts the level of achievement of the set targets for the period 1 July 2016 to 30 June 2017. Where targets have not been achieved, reasons for deviation are given with corrective measures to be implemented by each department.

The overall institutional performance reflects 132 targets set for the institution across all the Key Performance Areas, of which 100 are reported to be achieved with 32 not achieved. This brings the overall institutional performance to 76 % for the 2016/2017 financial year. The performance illustrates an improvement from the 2015 /2016 financial year of 7.6% which was 68.4%. The charts below give details of performance in the municipality per key performance area as well as per department.

Figure 1: 2016/2017 Overall Institutional Performance

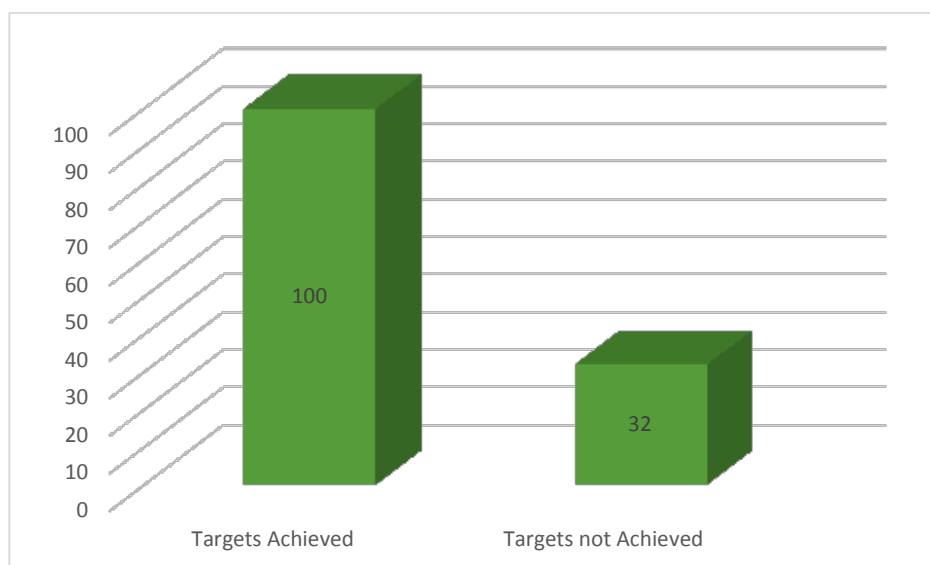


Figure 2: 2016/2017 Overall Institutional Performance per KPA

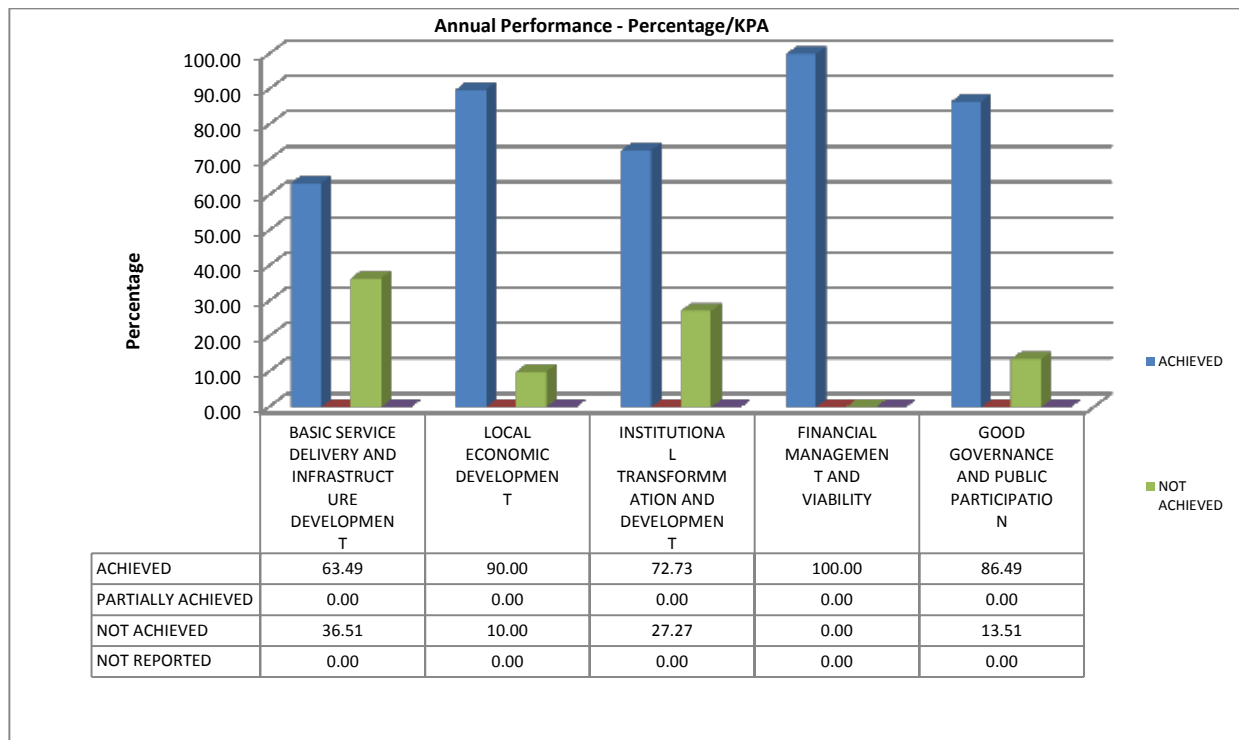
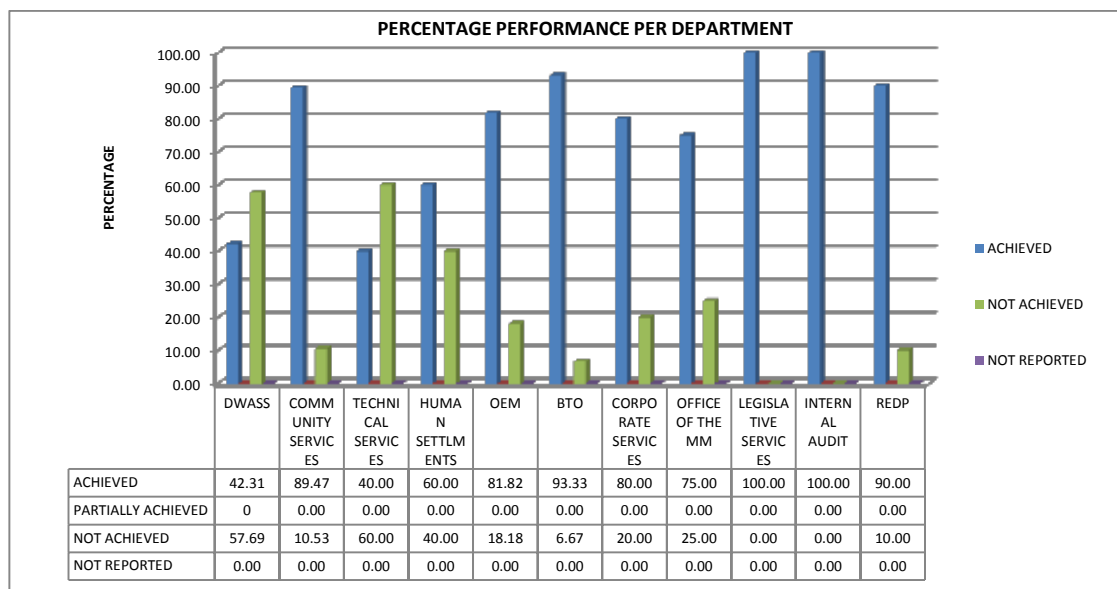


Figure 3: 2016/2017 Overall Institutional Performance per Department



The year's overall performance shows an increase from achievement of 2014/2015 and 2015/2016 financial years.

1.3. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

MUNICIPAL FUNCTIONS

1.3.1. POPULATION OVERVIEW

According to the Statistics of South Africa, Community Survey 2016, the population of the Eastern Cape is reflected to be approximately 6,996,976, which is the third highest in the country following KwaZulu Natal and Gauteng respectively. The O.R. Tambo District Municipality population accounts for 1,457,382 people and this is the highest in the Eastern Cape Province. O.R. Tambo District Municipality is relatively densely populated compared to most rural municipalities. The population density of all the local municipalities under the district is higher than the set standard of 42.39 persons per square kilometre. King Sabata Dalindyebo Municipality, which is the primary node of the district has a population estimated at 161 persons per square kilometre. The high density influences household infrastructure provision, quality of services such as education, medical care, and access to resources. Table 1 reflects the summary of Headline Demographic Data.

Table 1: Summary of Headline Demographic Data

	Ingquza Hill	PSJ	Nyandeni	Mhlontlo	KSD	O.R. Tambo District	EC
HOUSEHOLDS							
Census 2011	56,213	31,715	61,647	43,414	105,240	298,229	1,687,385
Community Survey 2016	60,974	33,951	61,867	40,855	116,243	313,890	1,773,395
PERSONS							
Census 2011	278,185	156,063	290,191	188,070	451,009	1,363,518	6,562,053
Community Survey 2016	303,379	166,779	309,702	186,860	490,207	1,456,927	6,996,927
HOUSEHOLD SIZE							
Census 2011	5.0	4.9	4.7	4.3	4.3	4.6	3.9
Community Survey 2016	5.0	4.9	5.0	4.6	4.2	4.6	3.9

1.3.2. POVERTY LEVELS

In 2011 it was estimated that 646,892 people in the OR. Tambo District were living in poverty, which is 21.1% of the total population. The number of people living in poverty has increased to 758,816 which is 19.2% of the population in 2016 and only the KSD that has poverty levels closer to those of the province as a whole. All the other municipalities have poverty rate of up to 28.2% and with numbers living in poverty increasing. Ingquza Hill and Port St Johns have higher poverty levels than the other municipalities. Table 2 presents the number of people living below the poverty line per local municipality.

Table 2: Number of People Living Below the Poverty Line per Local Municipality

Region	2011	2012	2013	2014	2015
Ingquza Hill	122,738	124,252	121,895	124,338	120,331
Port St Johns	72,937	77,076	77,050	78,927	76,176
Nyandeni	125,024	127,014	122,386	121,566	116,317
Mhlontlo	72,073	71,167	67,148	66,387	62,463
KSD	147,653	151,710	150,195	154,368	150,000
OR Tambo	540,425	551,219	538,673	545,687	525,586
Eastern Cape	1,938,323	1,973,581	1,943,692	2,014,849	1,951,837
South Africa	11,106,734	11,657,182	11,669,295	12,172,032	11,979,708

1.3.3. HDI AND GINI COEFFICIENT

Table 3 summarises the GINI Coefficient per local municipality, Human Development Index, functional literacy, poverty levels, and poverty gaps rand per meal and poverty gap per household. It further reflects the unemployment rate, proportion of households with no income, proportion of population with low skills, HIV/AIDS prevalence and illiterate people older than 14 years.

Table 3: GINI Coefficient, HDI per Local Municipality

Local Municipality Name	GINI Coefficient	HDI	Functional Literacy	Poverty Levels	Poverty Gap Rm	Poverty Gap per household
King Sabata Dalindyebo	0.67	0.49	59%	66.0%	572	R5, 281
Ingquza Hill	0.61	0.38	42%	73.3%	404	R7, 032
Mhlontlo	0.62	0.43	49%	71.8%	294	R5, 894
Nyandeni	0.61	0.4	46%	76.3%	450	R6, 817
Port St John's	0.63	0.38	36%	76.1%	235	R7, 009
ORTD - Total	0.64	0.42	47%	72.2%	2560	R6, 343
EC PROVINCE	0.67	0.53	64%			

ENVIRONMENTAL OVERVIEW

1.4. SERVICE DELIVERY OVERVIEW

O.R. Tambo District Municipality is both a Water Services Authority and a Water Services Provider. Authority is therefore vested in it, in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorizations made in terms of this Act, to ensure that water resources and infrastructure are well managed and maintained in order that the service may be provided in an equitable, sustainable and efficient manner.

The primary responsibility for Water Services Authority includes:

- **Ensuring access:** To ensure the realisation of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made;
- **Planning:** To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development;
- **Provision:** To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

A household is categorized according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs. The District Municipality provides mixed forms of water services:

- Formal, high level of services (adequate)
- Informal, temporary level of service including water tankers (inadequate)
- Informal, below basic RDP level of service (inadequate)
- No service (inadequate)

Although the district municipality has a sole mandate of being a water services authority and provider, however because of the socio-economic and political-administrative climate of the environment, the municipality cannot turn a blind eye to the various social ills that necessitate redress. This means that there are myriad issues that have been amplified over the years that need the municipality to provide relief on because of the constitutional mandate by the state to provide for basic amenities.

The municipality has found itself bestowed with a trust that far supersedes its mandate, meaning that its duty to the community and the people that it serves far extends beyond the provision of

water.

In terms of basic service delivery, the municipality services various functions such as human settlements, community services, rural economic development and planning, executive mayoral services, technical services and water and sanitation.

The aforementioned are departments that provide for basic service delivery within the municipality, although some of their functions may overlap but their ultimate pursuit is that of service delivery. The human settlements department provides for housing for destitute individuals within the district. The department works hand in glove with the provincial department of human settlements, which still holds the competency to provide for housing within the province. The department identifies individuals through the social relief programme, and works unreservedly within its available resources.

The community services department is a multi-faceted department that provides numerous services to communities. The department houses that Health and Safety unit, library services, sports, arts and culture, disaster and fire support. The Health and Safety unit is responsible for validating the health status of various outlets within the district and keeping an eye out on anything that poses a health risk and threat which may be detrimental to the livelihood of the regions citizens. Library services have started a campaign to elevate reading within the region by providing access to books to young individuals who seek guidance. Various libraries have been built in communities to make learning easier and accessible to individuals that seek such services.

Sports, arts and culture is a provincial competency, however the district has fostered cordial relations in order to preserve our cultural landscape and tell the story of our rich history. The district has been declared as the 'Home of Legends' merely because it has birthed and remains the home of so many influential leaders. Numerous historical events that have made a landmark in history such as the Ingquza-Hill Massacre, SS Mendi et cetera need to be amplified and celebrated. The sports section within the department recognises how sport can be used to deter young individuals from criminal activity by consuming their time and igniting passion through sports. Sports has been used as an instrument to keep young individuals healthy and mentally stimulated, thus being able to be active and thought leaders in society. Disaster and fire services are at the heart of the community services department as the municipality has been rigged with disaster incidents which have attracted national attention as well as some incidents that have left families worse off. The socio-economic landscape of the district necessitates the municipality to provide relief to affected families and individuals within the availability of resources within the municipality.

The rural economic development and planning department is focused on catapulting the districts economic standing. This can be done directly and indirectly through partnerships and the active involvement of citizens. The department solicits individuals and groups and empowers them in order for them to add positively to the economy of the district through business in the form of

SMMEs, Cooperatives, individual ventures et cetera.

The Executive Mayoral Services is headed by the Executive Mayor who is the custodian of service delivery within the district. The department focuses on various services such as academic support to deserving pupils where pupil's school fees are paid for in full by the municipality. The department is instrumental in raising awareness on social ills that remain detrimental in communities. Awareness campaigns are held on all vulnerable groups in order to protect, educate and elevate their social standing. Awareness campaigns on Alzheimer's, HIV/Aids, disability, women, children et cetera are only but a fraction of the alleviation campaigns the department holds.

The technical services department has been instrumental in alleviating pressure off the local municipality on the rehabilitation and construction of roads within the KSD region. The projects were born as a response to the problem faced by the region of dilapidated roads and infrastructure. The department continues to host awareness campaigns on the national arrive alive campaign thereby cautioning pedestrians and drivers on road safety measures.

Water and Sanitation remains the core business of the municipality where it remains the vision of the municipality to service each and every household within the district with basic water and sanitation. The municipality continues to provide for water and sanitation to all communities working tirelessly to make sure that numbers grow each and every financial year, with the 2016/17 being no different.

Table 4: 5 Year Service Delivery Statistics of the O.R. Tambo District Municipality

5YR SERVICE DELIVERY STATS – ORTDM					
Water Distribution	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Piped water inside dwelling	27 986	29 378	30 770	32 162	33 554
Piped water inside yard (but not in dwelling)	27 720	28 242	28 764	29 286	29 809
Using public tap (at least in-service level)	42 442	43 763	45 085	46 406	47 727
Minimum Service Level and Above sub-total (200m)	98 148	101 383	104 619	107 854	111 090
Using public tap (< in-service level)	21 700	21 014	20 327	19 641	18 954
No water supply (backlog)	195 782	195 133	194 484	193 835	193 186
Below Minimum Service Level sub-total	217 482	216 147	214 811	213 476	212 140
Total number of households	315 630	317 530	319 430	321 330	323 230
Sanitation/Sewerage:					

Flush toilet (connected to sewerage)	27 986	29 378	30 770	32 162	33 554
Flush toilet (with septic tank)	18 302	19 337	20 373	21 408	22 444
Pit toilet (ventilated)	207 819	215 402	222 985	230 569	238 152
Minimum Service Level and Above sub-total	254 107	264 117	274 128	284 139	294 150
No toilet provisions	61 523	53 413	45 302	37 191	29 080
Below Minimum Service Level sub-total	61 523	53 413	45 302	37 191	29 080
Total number of households	315 630	317 530	319 430	321 330	323 230
Free Basic Service - Water					
<i>Number of HH receiving this type of FBS</i>	100 754	102 740	104 248	105 757	–

1.5. FINANCIAL HEALTH OVERVIEW

The Financial Position as at 30 June 2017 indicates an increase in Net Assets, an increase in Non-current Liabilities and an increase in Current Liabilities.

The increase in Net Assets is ascribed primarily to the increase in Accumulated Surplus as a result of the surplus generated on the operating account and investment in Property, Plant and Equipment in order to strengthen infrastructure within the district.

The increase in Non-current Liabilities is primarily as a result of the increase in Employee Benefit Liabilities and amounts owing to the Department of Water Affairs.

In terms of Capital Expenditure to Total Expenditure, the institutions has seen an increase of 4% year on year reflecting the prioritization of building robust infrastructure in the jurisdiction of the municipality.

The debtor's collection rate has increased year on year however, there are still challenges the institution is facing in light of the economic downturn the country has found itself in. The municipality has actively implemented the Credit Control and Debt Control measures in order to minimise the percentage of non-payment of municipal services.

From a liquidity perspective, the municipality's Cash/ Cost Coverage Ratio reflects that the institution still in a position to meet its monthly fixed operating commitments from cash and short-

term investment without collecting any additional revenue for a 2 month period which is in line with the National Treasury norms.

The Financial Performance of the municipality is good with a Net Operating Surplus Margin of 24%. The institution is facing challenges in terms of water distribution losses due to the aging infrastructure. However, the investment in infrastructure as previously mentioned should assist in alleviating this issue.

Revenue has grown year on year by 5% in line with the consumer price index.

The municipality is in sound financial health and should continue to do so with the systems and processes put in place.

1.6. ORGANISATIONAL DEVELOPMENT OVERVIEW

Institutional transformation and development is one of the key critical areas in a municipality to ensure that it has the necessary capacity to deliver as per its mandate. During the reporting period, the Municipality has had the following achievements:

- Placement of employees into the new Organisational structure has been concluded
- All vacancies for senior management have been filled except for the Director of Human Settlements which is currently being recruited.
- The process of centralizing all municipal records is currently being done
- Job Evaluation of the newly adopted Organisational structure is being done
- The Workplace Skills Plan was completed and submitted to LGSETA, the training interventions are currently being implemented.
- There is evidence of labour peace in the institution with the presence of a functioning Local Labour Forum.
- All of the municipality senior managers and 70% managers have completed the CPMD programme as required by National Treasury
- Institutional policies have been developed and have been adopted by council. These include
 - a. Overtime policy
 - b. Training and Development policies
 - c. Records management policy
 - d. Labour relations policy
- The institution has successfully established the Human Resource Development (HRD) Council.
- The municipality delivers training interventions using the MOUs signed with institutions of higher learning in the Eastern Cape. These are the Universities of Fort Hare and Walter Sisulu, together with Fort Cox College

1.8. STATUTORY ANNUAL REPORT PROCESS

In the 2016/17 financial year, the municipality adheres to requirements as enacted in the Municipal Finance Management Act (MFMA) elaborating on prescribed deadlines relating to the preparation of the IDP, Budget and subsequently the Annual Report.

This IDP, Budget and Performance Process Plan is tabled at Council Committee meetings and administration ensures that the goals and targets on its budget process plan are duly met.

Management prepares monthly financial statements and corresponding progress reports for projects that are undertaken within the various communities; therefore the quantitative and qualitative information is available to be included in an official Annual Report document. Also, all the HODs are able to finalize their performance evaluation documents with Performance Management Section timeously. The institution acknowledges the importance of monitoring compliance. The Municipal Manager, through the Legal Services unit, tables weekly progress reports on legal compliance to the top management meetings. This is aimed at assisting the institution in honouring all deadlines including those relating to the preparation of the Annual Report.

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit annual reports to MM	
6	Audit/Performance committee considers Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits 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 assesses Annual Report including consolidated Annual Financial Statements and Performance data	

No.	Activity	Timeframe
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	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January

CHAPTER 2 - GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1. POLITICAL GOVERNANCE

2.1.1. INTRODUCTION TO POLITICAL GOVERNANCE

The O.R. Tambo District Municipality Council's primary role is that of political oversight of the municipality's functions, programmes and the management of the administration. All of the powers of local government are vested in the municipal council. The council has the power to make by-laws (legislative authority) and the powers to put those laws into effect (executive authority). The Council of O.R. Tambo adopted a Separation of Powers governance model, with the executive arm of council led by the Executive Mayor and the legislative arm of council led by the Speaker.

The legislative arm of council is constituted of committees established in line with the provisions of Section 79 of the Municipal Structures Act, No. 117 of 1998, as Section 79 Standing Committees and Section 79 Portfolio Committees. The Section 79 Standing Committees play an important role in ensuring good governance, accountability and public participation. The Section 79 Portfolio Committees are established in line with the municipal departments to play an oversight role over the performance of the departments as to improve service delivery related matters. The O.R. Tambo District Municipality council has executive and legislative authority over the matters set out in Part B of schedule 4 and Schedule 5 of the Constitution. In administering the matters assigned to local government, the municipal council strives within its capacity to achieve the Constitutional objects of local government.

The new council for the term 2016\2021 was inaugurated during its First Council Meeting held on the 24th August 2016, wherein the Speaker, Cllr X. Nkompela, the Executive Mayor, Cllr N. Meth and the Chief Whip, Cllr T. Sokanyile were elected. In the same meeting, the Deputy Executive Mayor Cllr R.Z.Nogumla was appointed by the Executive Mayor. The Speaker was delegated by the council to appoint Section 79 Committee Chairpersons and members as per the Municipal Oversight Model adopted by council on the 30th September 2015. The new council was inducted on the 29th August to 01st September 2016 followed by the Section 79 Committee Workshop conducted on the 5th September 2016 to 6th September 2016. During the 2016\17 financial year, the Council successfully held seven (7) Council meetings, one open council meeting outside the chamber, the Inauguration of the Executive Mayor, four Special Council Meetings and two Ordinary Council meetings in terms of Section 29 of Local Government: Municipal Structures Act, No. 117 of 1998, and all of these meetings were publicized to enhance accessibility to the public.

The core mandate of the Legislative Arm of Council is focused on five themes:

- Accountability, Oversight and Scrutiny
- Strengthen capacity of the Legislative Arm of Council
- Public Participation to safeguard local democratic processes
- Monitoring and evaluation, and
- Sound Financial Management

HIGH LEVEL OVERVIEW: DEPARTMENT OF LEGISLATIVE SERVICES

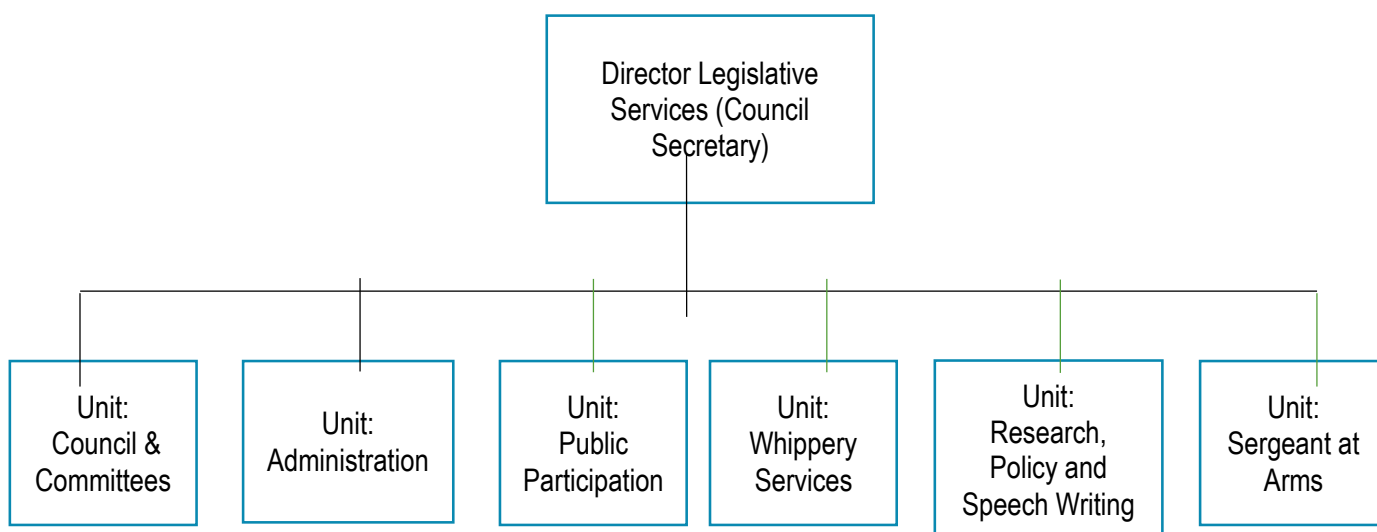


Figure 4: Organisational Structure- Legislative Services

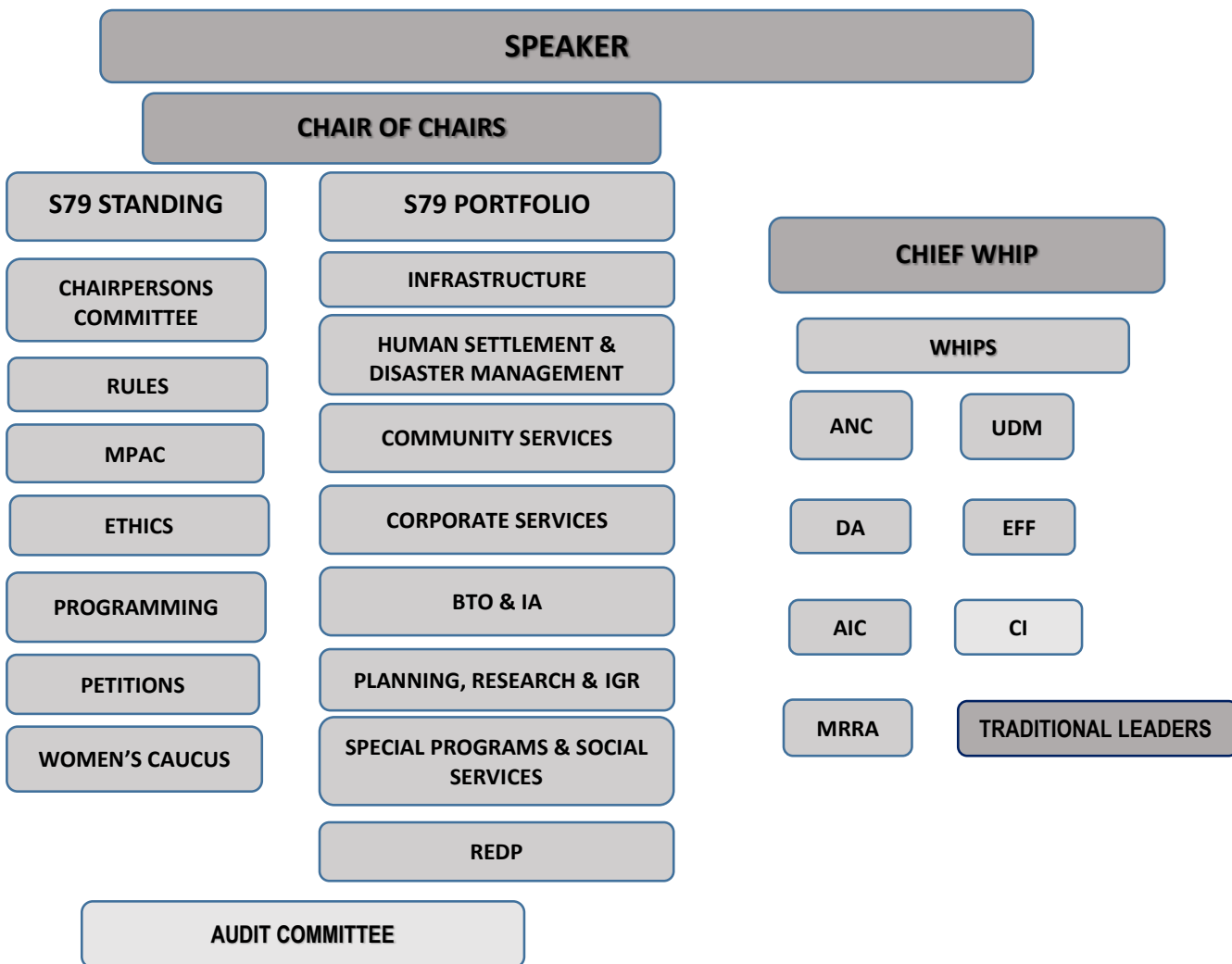
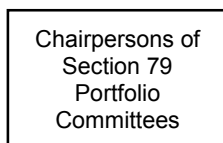


Figure 5: O.R. Tambo District Municipality Political Structure



2.1.2. COMPOSITION OF COUNCIL

In terms of Section 12 Notice of Local Government: Municipal Structures Act No. 117 of 1998, O.R. Tambo is a category C municipality which consists of 59 Councillors representing various political parties as shown in the table below:

Table 5: O.R. Tambo District Municipality Composition of Council

PARTY	TOTAL NO. OF CLLRS	PART-TIME CLLRS	FULL-TIME CLLRS	NUMBER OF FEMALE CLLRS
	59	35	24	31
ANC	44	26	18	28
UDM	05	3	2	1
DA	4	2	2	-
EFF	2	1	1	1
AIC	1	-	1	1
CI	1	-	1	-
MRRA	1	1	-	-

Table 6: O.R. Tambo District Municipality Local Municipal Councillors

Local Municipality	No. of Councillors	No. of Males	No. of Females
King Sabata Dalindyebo (KSD)	12	6	6
Nyandeni	7	1	6
Port St John's	4	1	3
Ingquza Hill	7	3	4
Mhlontlo	5	3	2

COUNCILLOR REPLACEMENTS AND RESIGNATIONS IN 2016\17

1. Cllr. Maqoko from KSD Local Municipality was replaced by Cllr Mkontwana
2. Cllr. Sobahle from KSD Local Municipality was replaced by Cllr Mcimbi
3. Cllr. N.P. Mkontwana from Mhlontlo Local Municipality was replaced by Cllr Dambuza
4. Cllr. Kupelo who was appointed as the Chairperson for Planning, Research and IGR Portfolio passed on.

2.1.3. POLITICAL DECISION MAKING

The Council is the decision making body of the municipality. Political Decision making refers to Council structures that sit to consider all reports going to Council. The reports from the management are tabled to the Mayoral Committee for adoption. The Mayoral Committee through the Leader of the Executive Business tables the reports to the Programming Committee to decide whether the reports be taken to Council or to oversight committees. The reports are then taken to Council for adoption.

2.1.4. GOVERNANCE FRAMEWORK: SEPARATION OF POWERS MODEL (SOP) & MUNICIPAL OVERSIGHT MODEL (MOM)

In the with the Separation of Powers Governance Model, adopted by council in September 2013, the council on the 30th September 2015, adopted a Municipal Oversight Model (MoM) for strengthening the functionality of the Section 79 Portfolio Committees of council established to play an oversight role. The council adopted the council standing orders in line with the afore stated governance frameworks on the 24th August 2016.

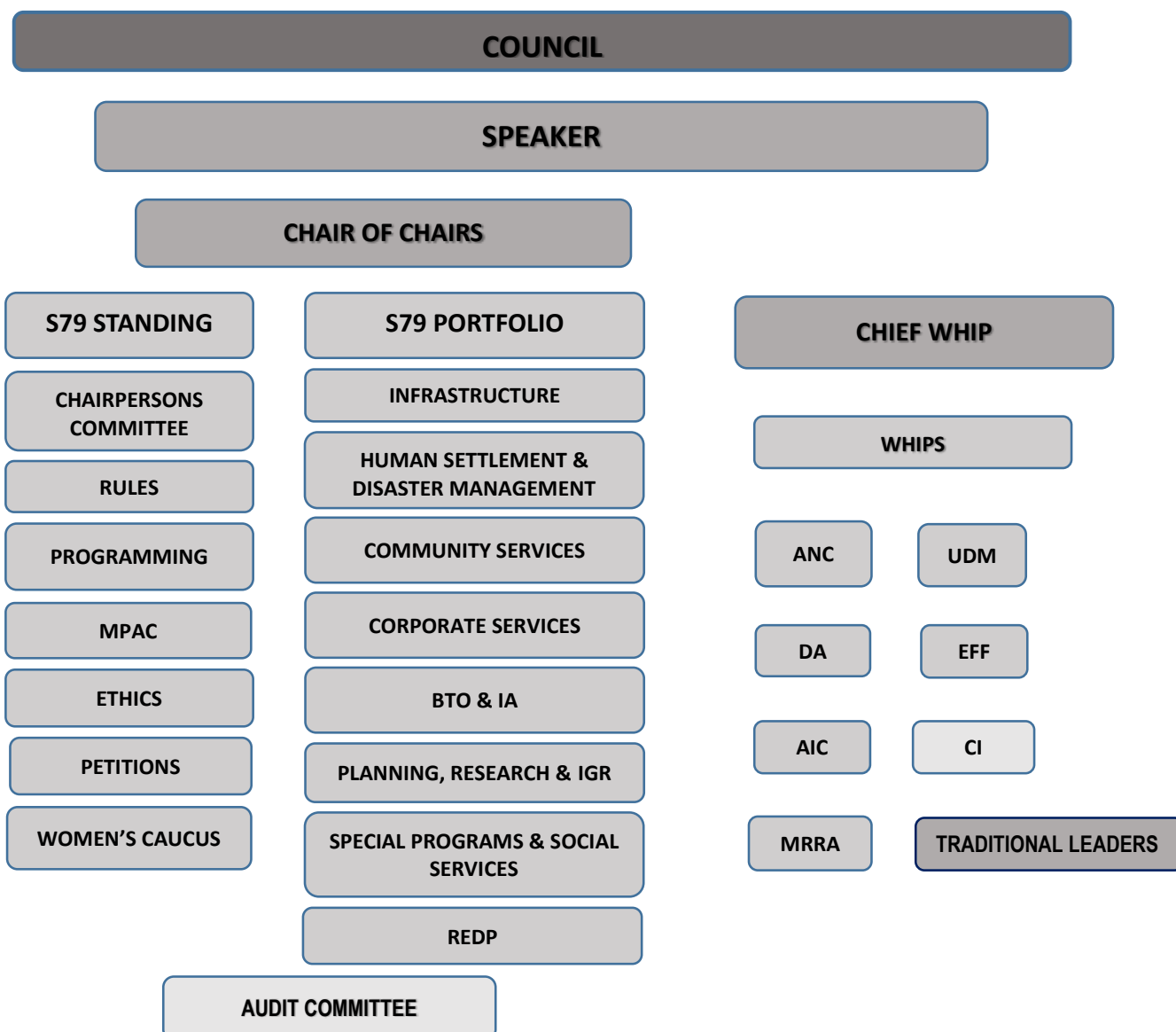
2.1.4.1. PETITIONS & PUBLIC PARTICIPATION COMMITTEE

The Petitions & Public Participation committee is constituted in terms of Section 79 of the Municipal Structures Act 117 of 1998 as a Section 79 Standing Committee of the Council of O.R. Tambo District Municipality. The main objectives of the Petitions & Public Participation Committee entails the following:

- (a) To encourage the involvement of Communities and Community Organisations in the matters of local government.
- (b) The development of systems to monitor and track petitions received in an accurate and effective manner.
- (c) The development of a feedback system for petitions received
- (d) To increase the effectiveness of public participation in the Council.
- (e) To develop and/or update a policy for public participation.
- (f) To diligently perform its power and functions in terms of these terms of reference.

O.R. Tambo District Municipality is involved in public participation through ward committees. Capacity building programmes were taken to ward committees in order to strengthen ward committee leadership in about 100 Ward Committee Members from KSD; Nyandeni; Port St Johns and Ingquza Hill Local Municipalities were trained on Report Writing; Minute Taking and Conflict Management Skills. The Municipality monitors the functionality of ward committees within the district by using the Ward Committee Monitoring Tool. On a quarterly basis, the Local Municipalities submits reports on all service delivery based issues.

2.1.1. POLITICAL GOVERNANCE



2.1.4.1. OVERSIGHT ROLE OF COUNCIL AND SECTION 79 COMMITTEES

The council committees are established in terms of Section 79 of the Municipal Structures Act 117 of 1998 as Standing and Portfolio Committees. Section 79 Standing Committees are chaired by non-executive fulltime councillors and the Section 79 portfolio committees are chaired by non-executive part time chairpersons.

The district municipality has seven Section 79 Standing Committees and eight Section 79 Portfolio Committees which are managed and coordinated by the Office of the Speaker as per the Separation of Powers Model that was adopted by Council on the 06th September 2013.

Table 7: S 79 Standing Committee Achievements

SECTION 79 STANDING COMMITTEE	CHAIRPERSON'S NAME	ACHIEVEMENTS
1. Rules Committee	Cllr. X. Nkompela	1. Adoption of Reviewed Council Standing Orders 2. Three Progress reports tabled to council 3. Study tour for all political party whips and delegates for the Executive Arm of council
2. Programming Committee		Effective sittings of all council meetings due to prior consideration of all items for council by the Programming Committee. Tabling of 4 Progress Reports to Council
3. Chairperson's Committee	Cllr A. Gantsho	Tabling of S79 Standing and Portfolio Committee Quarterly reports to Council 2. Four Quarterly Progress Reports tabled to council 3. Study tour for Oversight Committee Chairpersons
4. Municipal Public Accounts Committee (MPAC)	Cllr N. Pepping	1. Workshop on the: Consideration of Annual Reports and Annual Financial Statements, Implementation of Circular 63 of the MFMA 2. Tabling of Three reports to council: Second Quarter 2016\17 Progress Report; Oversight Report on the Unaudited and Audited Annual Report 2015\16 and the 4 th Quarter 2016\17 Progress Report
5. Ethics and Members Interest Committee	Cllr Gcinindawo	Workshop on all councillor benefit/welfare policies Provision of working tools for councillors Tabling of 4 Quarterly Progress Reports to Council
6. Multiparty Women's Caucus	Cllr Cwecwe	Conduction of Awareness Campaign for Prevention of Violence against Women Tabling of 4 Quarterly Progress Reports to Council
7. Petitions and Public Participation Committee	Cllr N. P. Mkontwana	Tabling of 5 Quarterly reports to council

SECTION 79 PORTFOLIO COMMITTEES NAME	NAMES OF DEPARTMENTS OVERSIGHTED	CHAIRPERSON	OVERSIGHT REPORTS ADOPTED BY COUNCIL
1. Infrastructure Services Portfolio Committee	Water and Sanitation Services and Technical Services	Cllr Z. Gusana	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17) and 1 Focused Intervention Study Report
2. Human Settlement and Disaster Management Portfolio Committee	Human Settlement and Disaster Management Section under Community Services	Cllr N. Fono	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)
3. Corporate Services	Corporate Services	Cllr L. Mziba	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)
4. Community Services	Community Services	Cllr M.I. Nkungu	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)
5. Budget & Treasury Office (BTO)	BTO & Internal Audit	Cllr K. Mandita	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)
6. Planning, Research and Intergovernmental Relations	Office of the Municipal Manager	Cllr Kupelo	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)
7. Special Programs and Social Services Portfolio Committee	Office of the Executive Mayor	Cllr T. Mgaweni	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)
8. REDP	LED, Ntinga Development Agency & Kei Fresh Produce Market	Cllr N. Kuluta	Five Oversight Reports: (4 th Quarter 2015\16, 1 st Quarter 16\17, 2 nd Quarter 2016\17, Midterm 2016\17 & 3 rd Quarter 2016\17)

Table 8: S79 Committee Allocations

COMMITTEE'S NAME	NO. OF MEMBERS	ANC	TOTAL OPPOSITION	UDM	DA	EFF	AIC	CI	MARRA	TL	VACANCY
Rules Committee	16	8	5	-	1	1	1	1	1	3	-
Programming Committee	15	8	6	1	1	1	1	1	1	1	-
Chairperson's Committee	13	13	-	-	-	-	-	-	-	-	2
MPAC	14	8	4	1	1	1	-	-	1	2	-
Petitions & Public Participation	16	9	3	1	1	-	1	-	-	4	1(Chairperson)
Ethics & Members Interest Committee	14	6	5	1	1	1	-	1	1	3	-
Women's Caucus	33	28	7	1	-	1	-	-	-	5	-
Infrastructure Services	17	9	6	1	1	1	1	1	1	2	-
Human Settlement & Disaster Management	14	9	4	1	1	1	-	1	-	1	-
BTO	16	9	5	1	1	1	-	1	1	2	-
Planning, Research & IGR	16	9	5	1	1	1	-	1	1	2	1(Chairperson)
Corporate Services	14	9	5	1	1	1	-	1	-	1	-
Community Services	14	9	3	1	1	1	-	-	-	2	1 (ANC-member)
Special Programs & Social Services	13	9	2	1	1	-	-	-	-	2	1 (ANC-member)

2.1.4.3. PARTICIPATION OF TRADITIONAL LEADERS IN COUNCIL

Additional to 59 councillors, O.R. Tambo District Municipality has been joined by 12 Traditional Leaders who were also sworn in on the 24th August 2016. Section 212 (1) of the Constitution of the Republic of South Africa refers to the recognition of the institution of Traditional leadership by stipulating that national legislation may provide for a role for the institution of traditional leadership at all local communities. Section 81 of Local Government: Municipal Structures Act, No.117 of 1998 as well as section 4 of the Traditional Leadership and Governance Framework, Act No.43 of 2003 give effect to section 212 (1) of the Constitution by allocating a role to the institution of traditional leadership on governance and development issues at the sphere of local government. Section 81 (2) of the same Act further stipulates that:

- (a) The MEC for local government in a province, in accordance with Schedule 6 and by notice in the Provincial Gazette, must identify the traditional leaders who in terms of section (1) may participate in the proceedings of a municipal council.

The Traditional Leaders participating in council have played an essential role in guiding all the decisions taken regarding any matter. All Traditional Leaders participate effectively in Council debates. They are represented in all Section 79 Council Committees (Standing and Oversight Portfolio Committees).

2.2 ADMINISTRATIVE GOVERNANCE

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.

According to the MFMA 60(b): The Municipal Manager of O.R. Tambo District Municipality is the accounting officer of the municipality for the purposes of this Act and provides guidance on compliance with this Act to political structures; political office bearers, officials of the municipality and any entity under the sole or shared control of the district municipality. The O.R. District Municipality has well-established organisational structures and systems in place. The organisation has, through the planning and performance units, introduced mechanisms that will catapult the municipality's service delivery. The municipality has filled the critical posts of the Director: Water and Sanitation and Director: Human Settlements and is still in the process of soliciting a suitable candidate for the Director: Technical Services. The municipality's administrative structure continues to earnestly serve its mandate for developmental local government assigned thereto through the Municipal Structure Act, 1998. The municipality serves through eleven (11) directorates namely: Water and Sanitation; Technical Services; Community Services; Human Settlements; Executive Mayoral Services; Legislative Services; Rural Economic Development and Planning; Budget and Treasury; Internal Audit; Corporate Services and Office of the Municipal Manager.

TOP ADMINISTRATIVE STRUCTURE

Municipal Manager – Mr. O.N. Hlazo
 Director Water and Sanitation – Mr. A. Velem
 Acting Director Technical Services – Mr. M. Mkatini
 Director Community Services – Ms. T. Somana
 Director Human Settlements – Ms. N. Mnyanda
 Director Executive Mayoral Services – Ms. N. Mbatani
 Director Legislative Services – Ms. T. Tseane
 Director Rural Economic Development and Planning – Ms. P.A.X. Dunywa
 Chief Financial Officer – Mr. M. Moleko
 Director Internal Audit – Mr. K. Sotshede
 Director Corporate Services – Mr. F. Mphako
 Director Office of the Municipal Manager – Mr. B.B. Matomela

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1. INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL STRUCTURES

The O.R. Tambo District Municipality is one of the national pilot sites for the Presidential Intervention Programme that is specifically implemented in the King Sabata Dalindyebo. The Municipality forms part of the Presidential Intervention Programme which involves various national departments with a particular focus on infrastructure development in the district's major economic hub i.e. KSD local municipality. The programme facilitated the upgrade of the National Road (N2) road and various streets in Mthatha and surrounding areas, the Bulk Water and Waste Water Infrastructure around Mthatha, the Mthatha Airport as well as the construction of a new bridge in Mthatha. There are various work streams and working groups that are coordinated and convened for the acceleration of the programme and the district is one of the key stakeholders. The following are the structures that coordinate the programme:

- National Working Group
- Provincial Working Group
- Project Management
- The Work Streams- Water; Economic Development, Health and Social services; Human Settlement, Transport

2.3.2. NATIONAL INTERGOVERNMENTAL STRUCTURES

The district participates in the National Intergovernmental Relations structures through the provincial structures. The Premier Coordinating Forum is the structure that escalates all the district matter to the National Forums. However, since OR Tambo DM is the pilot site for the KSD Presidential Intervention Programme, there is direct link between the national and the district. National Departments sit in the, Provincial Working Group, Project Management and Work Streams. Furthermore National Minister in the Presidency convenes National Working Group that involve other ministries and MEC. Through this approach the District have the direct interface in the National IGR system.

2.3.3. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The O. R. Tambo District Municipality attends and participates in the provincial intergovernmental structures. These include:-

- Premier's Co-ordinating Forum (PCF)
- Technical Support Group to the PCF
- Political Munimec comprising of Province and all local municipalities in the Province
- Technical Munimec
- Provincial Speakers Forum
- Provincial Steering Committee on EPWP

The meetings of the above structures are convened by the provincial government. In addition to these provincial forums the district Council is represented in the SALGA working groups. Moreover, as the district is the Water Services Authority it also participates in the Provincial Water Forum which is the provincial IGR structure for water services in the province under the leadership of the MEC for Local Government and sector department (Department of Water and Sanitation).

2.3.4. DISTRICT INTERGOVERNMENTAL STRUCTURE

In order to comply with the legislative requirements and fulfil its obligations in terms of co-operative governance and intergovernmental relations, O. R. Tambo District Municipality developed and adopted the District Intergovernmental Relation Framework Policy. Over the 2016/2017 financial year the policy framework was reviewed. The policy Framework established a number of internal structures that include:

- The District Mayors Forum (DIMAFO).
- The Technical Support Group which is composed of the Municipal Managers of the District and District Directors of sector department, is serving as a technical support to the DIMAFO;
- Sector forums such as:
 - Local Economic Development, Spatial Development and Environmental Management,
 - Infrastructure Development Forum,
 - Social Sector Forum,
 - Corporate Affairs Forum,
 - Financial Viability Forum,
 - Good Governance Forum,
 - Speakers Forum,
 - District Communications Forum,
 - IDP Representative Forum and Safety and Security Forum.

Over the year all these forums have been functional and able to coordinate and accelerate service delivery in the district. These forums are the basic structures that coordinate planning, implementation and monitoring of programmes across the sectors within the region. Though the district IGR structures have been in operations there are some that did not sit as per requirements. This therefore necessitates the review of the policy and structures in line with the terms of reference. The review tabled the minimization of the forums to three clusters in order to be aligned to the provincial model.

Subsequent to the district Intergovernmental Relation structures and its implementation the OR Tambo committed to implement the Integrated Service Delivery Model (ISDM) referred to as Masiphathisane as was adopted by National and Provincial government. As part of the implementation of the model War-rooms were to be established per each municipal ward and these serve as structures of coordinating service delivery from the ward-base level. In deed the municipality prioritized to facilitate the establishment of war rooms in all its wards that is 146. Over the financial year the district managed to establish the war rooms as per the following:-

- Ingquza Hill LM, 33 War Rooms established out of 33 wards.
- Mhlontlo LM, 26 War Rooms established out of 26 wards.
- KSD LM, 36 War Rooms established out of 36 wards.
- Port St Johns LM, 20 War Rooms established out of 20 wards.
- Nyandeni LM, 32 War Rooms established out of 32 wards.

In addition to the coordination of the establishment of the War Rooms the district provided support in the form of operational material. These include the procurement of the 146 Pull-up banners and provision of the register of service delivery issues to be considered by various government departments/ sectors. The procurement of the material serves to popularize the War Rooms as government service delivery structures and to ensure that they are functional.

2.3.5. RELATIONSHIPS WITH MUNICIPAL ENTITIES

The DM established Ntinga O.R. Tambo Development agency, a utility company and a special purpose vehicle responsible for spearheading Local Economic Development in the district. The entity has the Chief Executive Officer as the accounting officer and a board of directors, in which the political and administrative structures of the DM are represented. The entity was established to be the implementing agent of the O.R. Tambo District Municipality's (ORTDM) LED programmes focusing on:

- Strategic Infrastructure such as rail dams, electrification, roads (priority surfaced and rural access roads)
- Agriculture and Food Production
- Mari culture and Tourism
- Social Infrastructure and Services
- Institutional Building
- Any other functions delegated to Ntinga by ORTDM in terms of its powers and functions.

The council, following engagements with the National Treasury has taken a decision to review the mandate and refocus of Ntinga towards the core function of the District Municipality. It is in this regard that the O.R Tambo District Municipality took a resolution that Ntinga be converted from currently a Service Utility type of a municipal entity which was established through a municipal by-law in terms of section 86H of the Municipal Systems Act to a State owned company as enshrined by the Companies' Act. Over the financial Ntinga was successfully converted and this serve to ensure that it addresses some deficiencies.

Apart from the relations with the municipal entity the district provide support to its local municipalities as per Section 88 of the Local Government: Municipal Structures Act. Over the financial year various support areas have been identified and initiated and these include performance management, risk management, communication and internal audit. There has been a particular support to planning especially the coastal areas where the district supports for the development of the spatial development Frameworks in order to spearhead the development.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4. PUBLIC MEETINGS

2.4.1. COMMUNICATION, PARTICIPATION AND FORUMS

The District Municipality is coordinating communication across district and sectors. This is part of the adopted IGR policy framework and the communication strategy. The policy prescribes for the establishment of the District Communicators Forum that serves to coordinate communication and promote participation in the municipal affairs. The OR Tambo had established the district communicator's forum constituted by the local municipality communication practitioners, provincial communicators from Office of the Premier, Cooperative governance and Traditional Affairs and the Government Communication Information Services with all other sector departments. Over the year the District Communicators forum has been functional and it executed its work that includes the development and implementation of the annual communication plan. The plan necessitated the implementation of various initiatives that include media briefings, production of newsletters, initiating slots in the radio shows and etcetera.

Through the district communicators forum the municipality further interface with other municipalities and sector departments through Provincial Local Government Forum that sit on quarterly bases. The forum serve to share lessons across municipalities as well as provide the necessary support with regard to the provincial matters that need to be taken into account into the municipal affairs. The forum also serves as mechanism to align the district, provincial and national priorities and agenda.

Over 2016/2017 financial year the OR Tambo District made some strides in improving communication with its customers towards the delivery of the core function (Water Services). It forged partnership with Vodacom South for the development of the Thethanathi system that responds to service delivery challenges. The model provides gargets and APP for reporting of water leakages, breakages as well as outages. It further generates reports on how the municipality is addressing these matters. The system/ model is mechanism that provide a two way communication system between municipality and its consumers.

2.4.2. EFFECTIVENESS OF PUBLIC MEETINGS HELD

In terms of Section 20 of Local Government: Municipal Systems Act No. 32 of 2000 meetings of a municipal council and those of its committees are open to the public, including the media, and the councillor such committee may not exclude the public, including the media, from a meeting. The Council of O.R. Tambo District Municipality complies with the above legislation.

PUBLIC MEETINGS

2.1.4.2. Ordinary Council Meetings

1. 30 September 2016
2. 08 December 2016
3. 30 March 2017
4. 29 June 2017

2.1.4.3. Open Ordinary Council Meeting- out of the council chamber

1. 13 October 2016- Inauguration of the Executive Mayor
2. 2nd June 2017- State of the District Address (SODA)

2.1.4.4. Special Council Meetings

Eleven Special Council meetings were held as follows:-

Quarter 1 2016\17:

1. 29 July 2016
2. 24th August 2016
3. 07th September 2016

Quarter 2 2016\17:

4. 28th October 2016

Quarter 3 2016\17:

5. 13th January 2017
6. 29th January 2017
7. 28th February 2017

Quarter 4 2016\17

8. 11th April 2017
9. 18th May 2017
10. 31st May 2017
11. 15th June 2017

2.5. IDP PARTICIPATION AND ALIGNMENT

Table 9 presents the IDP participation and alignment criteria.

Table 9: IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No	Comment
Does the municipality have impact, outcome, input, output indicators?	Yes (except for impact indicators)	The municipality is not yet at level of impact assessment
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes	These are product of the strategic planning
Does the IDP have multi-year targets?	Yes	Five year targets are capture in the IDP
Are the above aligned and can they calculate into a score?	Yes	Performance is measure based on the targets
Does the budget align directly to the KPIs in the strategic plan?	Yes	The budget is KPI based
Do the IDP KPIs align to the Section 56 Managers	Yes	Contracts of S56 are aligned to KPIs
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes	SDBIP has been developed
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes	12 outcomes are bases for IDP priorities
Were the indicators communicated to the public?	Yes	Through the IDP roadshows that took place across the locals municipality.
Were the four quarter aligned reports submitted within stipulated time frames?	Yes	All quarter reports were tabled to council at the stipulated time.

COMPONENT D: CORPORATE GOVERNANCE

2.6. RISK MANAGEMENT

The Municipal Finance Management Act section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. The municipality implements risk management so that it is in a position to take corrective action on possible obstacles towards the attainment of set objectives. In compliance with the legislative framework OR Tambo district municipality developed a risk management policy. It recognizes that risk management is a function of senior management of the municipality. Also the Chief Risk officer was appointed during the financial year to execute work pertaining risk management.

During the 2016/2017 financial year a strategic risk assessment exercise was conducted to identify and prioritize risks. Also effectiveness of current Controls were assessed and measures to improve them were identified and the implementations of such controls were assigned to various people in the municipality. As part of the oversight processes over risk management, management is required to prepare reports at-least once a quarter on progresses made on the implementation management actions and as such the risk unit follows up with the respective departments on a monthly basis and collects portfolio of evidence for all those actions that have been achieved for internal audit purposes and the audit committee has an oversight responsibility over risk management.

Risk management strategy has been developed and the policy together with the terms of reference of the risk and compliance committee have been reviewed and shared with councillors in the strategic workshop. However, the implementation of these is currently under way. The culture of risk management has not yet matured, it is in its infant stage and as such though there has been a positive shift in terms of understanding its importance from the institution; Risk management continues to be viewed as a compliance matter rather than being embedded on the day to day business and organizational culture. The focus is still at institutional and departmental assessment and has not yet reached or addressed project risk management.

The top ten (10) risks that have been identified in the municipality are the following:

Table 10: The top ten (10) risk identified in the municipality

KPA	RISK	RESIDUAL RISK EXPOSURE	RISK OWNER	COMMENTS
Basic Service delivery	Failure to Meet Blue & Green status	15	Director WSA	All actions committed not yet implemented
	Inability to provide access to sanitation services	16		
Local Economic development	Lack of contribution to economic development through Aqua-culture industry	16	Director: REDP	Actions committed are due on 31 Dec 2017
	Insufficient economic research and develop capacity in the district.	16		
	Failure to achieve a spatial equitable economic growth	16		
Financial Viability	Inability to meet set revenue targets	15	CFO	Some of the actions committed have been implemented: <ol style="list-style-type: none"> 1. Staff has been appointed to capacitate BTO 2. Ongoing MSCOA meetings 3. Policies have been reviewed and workshops on them were held. 4. . MSCOA compliant system has been procured
	Ineffective and inefficient implementation of sound financial management system	16		
	Non-compliance to Mscoa requirements	20		
Good Governance	Ineffective oversight	20	Municipal Manager	Some of the actions committed are still in progress: <ol style="list-style-type: none"> 2.8.1 Appointment of researchers
	Non implementation of recommendations of internal and external auditors	16		Management Action plan is followed up on a monthly basis, however there is a slow response to actions committed (consult report by IA on MAAP)
Institutional transformation	Failure to provide adequate ICT systems	20	Director: Corporate services	We could not get evidence that actions committed have been implemented.

These top ten risks have mitigating controls in place to reduce impact of these risks if they may occur and the mitigating controls are allocated to individuals to implement them.

2.7. ANTI-CORRUPTION AND FRAUD

Anti-fraud and anti-corruption policies are in place. These policies will yield positive results when fully implemented. A policy on declaration of conflict of interest by staff is in place. Incidents of suspected corruption are reported via the Presidential Hotline. Currently the municipality is developing its fraud hotline and the work on the conceptualisation of this has been initiated during the year under review. The following activities have been undertaken:

- Fraud awareness sessions have been held with various departments who are by nature prone to fraud such as SCM, HR; Human settlements and Community services. A plan for fraud prevention has been developed for the 17/18 financial year and shall be fully implemented.
- Staff have signed declaration of interests
- Workshop on the policies have been conducted
- There is a process which is still in progress to ensure that risk management unit works with labour relations to ensure that staff have signed the code of conduct.
- The institution has an internal audit unit who on an annual basis conduct audits in areas with high risks, this is also a means of testing the existing controls to ensure that they are strengthened to detect, prevent and mitigate any fraud risks identified. Through internal audit reports the institution is able to set action plans to improve the status quo.

Challenges that need to be addressed are as following:

- Non-reviewal and non-implementation of policy;
- Reported incidents not followed up, no internal disciplinary measures;
- Policies of the municipality not entrenched to the operations of the institution;
- Insufficient will by both political and administrative to resolve fraudulent activities, resulting in potential whistle blowers getting discouraged to report incidents that may not be pursued;
- No protective measures for whistle blowers;
- Backlogs on prosecution of reported incidents;
- No preventative and detective internal measures against fraud and corruption; and
- False alarms on fraud and corruption with a purpose to hide own corruption (camouflage).

2.8. SUPPLY CHAIN MANAGEMENT

The O. R. Tambo District Municipality established the Supply Chain Management (SCM) unit in accordance with chapter 11 of the Municipal Finance Management Act, Act No 56 of 2003. The SCM unit falls under the Budget and Treasury Unit (BTO) which is headed by a Chief Financial Officer.

For a quite a number of years the SCM unit had a serious shortage of staff vacancies due to delays in the finalization of the job evaluation process in order to appoint relevant qualified personnel. Currently the SCM is headed by the Manager Supply Chain. In the year under review the municipality managed to appoint a Senior Procurement Officer and two Senior Demand Officers. Other critical positions were advertised to ensure that the unit is fully flagged so that all the necessary compliance issues as well as the segregation of duties are adhered to.

The SCM unit also revised the Supply Chain Management Policy to be in line with the new PPPFA policy regulations and the policy was adopted by Council when the budget was adopted. Internal controls have been strengthened through the development and implementation of the revised internal control procedures and process flows.

Due to the shortage of staff the SCM took longer to implement the requirements of the Central Supplier Database (CSD) in ensuring that all suppliers that are doing business with the municipality are registered with CSD. However, that non-compliance has been addressed and all suppliers that are doing business with the municipality are verified for compliance with the CSD requirements. This will ensure that all procurement complies with the regulations and irregular expenditure is drastically reduced.

For the year under review more than 90% of the procurement has been from the suppliers from within the district municipality and that percentage is spread between businesses that are owned by youth and women. As part of the drive to ensure local beneficiation the SCM unit held a workshop conducted in partnership with the National Treasury for all suppliers to ensure that they are fully aware of their obligations to register with CSD in order to participate in the procurement processes of the municipality. Through the efforts of the accounting officer the bid committees have been structured in a way that is compliant to the SCM Regulations.

The personnel that is appointed in the SCM do possess the minimum qualifications as required by the SCM regulations for the SCM practitioners as they have completed the CPMD through an accredited institution which is Wits University.

As indicated above internal controls are continuously improved and with the support of the Chief Financial Officer Support Unit comprising of consultants from Price Water-House Coopers positive results are bearing fruits towards a clean audit opinion in the 2017/2018 financial year.

2.9. BY-LAWS

The district municipality has myriad functions, with a main mandate of being a water services authority and provider. The functions of the municipality are vast and include being solely responsible for municipal health and disaster management, meaning that the municipality serves all five local municipalities on municipal health and disaster management with no external assistance.

The municipality also has shared services which are: fire-fighting, local tourism, municipal airports, municipal planning and public transport. Shared services are functions that are both the competency of the district municipality and locals, or functions that the district has provided relief on.

Water Services has existing council adopted tariffs which are applicable to the citizens of the district. The municipality is still under a process of reviewing by-laws that enforce the existing tariffs. The municipality is currently under a robust approach of reviewing all of its strategies that are applicable to the aforementioned functions. This process precedes that of the development of by-laws, which will be subsequently adopted and enforced at the conclusion thereof.

2.10. WEBSITES

Section 75 of the Municipal Finance Management Act prescribed for the minimum content that must be displayed on the municipality's websites. The municipality has updated its website to serve as a mode of communication to the district citizens at large on municipal services, functions and duties. The following is a tabulation of the documents published on the website during the financial year:

Table 11: The documents published on the Municipality's/ Entity's Website

MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL		
Documents published on the Municipality's/ Entity's Website	Yes/No	Publishing Date
All current budget-related policies	No	
The previous annual report (2015/16)		18/09/16
The Annual Report (2016/17) published/to be published		31/01/18
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2016/17) and resulting scorecards		04/09/16
All service delivery agreements (2016/17)	No	
All long-term borrowing contracts (2016/17)	No	
All supply chain management contracts above a prescribed value R200 000.00 for 2016/17	No	
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 2016/17	No	
Contracts agreed in 2016/17 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2016/17	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2016/17	No	

2.11. PUBLIC SATISFACTION ON MUNICIPAL SERVICES

In order to fully fathom the magnitude of public satisfaction on municipal services, the municipality must put in place mechanisms that allow for direct feedback on services provided. It is paramount that a municipality evaluates its public satisfaction against its service delivery initiatives and deliverables. Every project or program implemented must be measured not only on its outcome but on the impact it has in the community in which it is intended to serve. The District municipality consists of five local municipalities namely: Mhlontlo, Nyandeni, Port St Johns, King Sabata Dalindyebo and Ingquza-Hill. In order to fathom the impact and magnitude of public satisfaction, the district municipality would have to conduct qualitative and quantitative research on the entire area by sampling a portion of the whole population thereof.

The municipality conducts recorded public meetings in order to consult with communities on burning issues, planned projects et cetera. These meetings are in place as a consultative process with citizens of the district. This is all the while the municipality is in the process of developing an information system database that will store informative features and citizens' satisfaction information. The system will identify critical performance scopes of citizens' satisfaction together with a satisfaction tree. This will be developed in the form of an algorithm which will identify different steps.

The first step of these will determine the organizations scopes and identify features of services given to citizens. These performance features will be identified according to the mission and major duties of the municipality. The second of these steps will be to form a process execution matrix based on the records of process execution. This is to determine the status of citizens' satisfaction with the public services as the performance measures will be collected in the form of a questionnaire. The third of these steps will be determining and identifying critical features of satisfaction by analysing the relationship between the service and the impact it has had on communities. The last of these steps is finding contingency mechanisms in areas where the service delivery initiatives did not produce the intended impact.

The aforementioned will assist in identifying a citizens' satisfaction model about services given by the municipality and how they can play a key role in the improvement of its citizens' satisfaction. This will assist the municipality in predicting citizens' satisfaction and to manage its performance to improve public satisfaction with its mandated services.

2.12. LEGAL SERVICES

The Municipal Finance Management Act 56 of 2003 prescribes the responsibilities of the Municipal Officials in financial management functions. Section 60 -76 gives financial management responsibilities to the Accounting Officer. In outlining the general financial management matters Section 63 of the Act prescribe that the Accounting Officer of a municipality is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets and liabilities of the municipality. The Act further note that Accounting Officer must take reasonable steps to ensure that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality. The municipality has and maintains a system of internal control of assets and liabilities, including an assets and liability register.

As per the legislation the municipality has been in compliance to the requirements as it established within the legal services a register of litigations (contingencies and liabilities). The municipality therefore declare and reflect these matters in its annual financial statement and these have to be audited.

Over the financial year the municipality targeted to ensure that it eliminates its litigation by 25%, and as such this was achieved by attaining 71% improvement. Furthermore the institution targeted to improve the compliance by ensuring that all the agreements and contractual obligations are in vetted for compliance to the legislation.

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

COMPONENT A: BASIC SERVICES

3.1. WATER PROVISION

O.R Tambo District Municipality was not immune to drought, persistent heat and lack of rain which adversely affected water supply to the community of ORTDM. This was a major setback as its impact was felt by the community. The District has over the years moved with speed to expedite the provision of water to fight off backlogs. For the year in review, we planned to increased access to water through the connection of bulk infrastructure lines through the Mqanduli Corridor, Libode and Ngqeleni Corridor. We managed to connect up to 21339 households through communal tap system. In addition to the connections that were made, we managed to fix about 54 non-working schemes and we refurbished 4 schemes, purified schemes and spring protections.

The District is experiencing challenges of land claims, which impact on the completion of most of our projects. In a move set to unblock bottlenecks that delay completion of water projects, we managed to put spanner in the works and surmount all challenges to complete rollover projects in the new financial year.

Amongst other things that were a priority and have been achieved for the financial in review was to absorb temporal workers through the process of placement, the appointment of Managers in the operations of the offices in our 5 Local Municipalities and the capacitation of the Project Management Unit.

3.2. WASTE WATER (SANITATION) PROVISION

The sanitation provision within the district is compounded by the fact that our district is rural in nature and over 80% of our district population depends on pit latrine, chemical toilets and bucket system. For the year in review we have provided ventilated improvement pit to 9216 households out of a target of 16000 toilets. In addition we have upgraded the KSD sanitation from 12 mega litres to 24 mega litres and constructed pump stations with the capacity of 50 mega litres.

As the district in implementing all the water and sanitation projects, we managed to employ 1800 people through labour intensive programmes.

3.3. ENVIRONMENTAL MANAGEMENT AND WASTE MANAGEMENT

The White Paper on Environmental Management Policy emphasizes the need for implementing an effective information management system that makes environmental information accessible to all interested and affected parties responsible for and/or interested in effective environmental management. In this regard the O.R. Tambo DM developed an Environmental Management Plan (EMP), which provides a baseline assessment of the main environmental issues and challenges facing the District.

Based on the information obtained from the reviewed EMP, the District Environmental Management and Spatial Planning Technical Forum, working in partnership with DEDEA, has managed to prioritize programs and develop appropriate action plans and sector plans to respond to the most pressing and threatening issues of environmental management. These are plans such as IWMP, AQMP and CMP, and it is in the process of developing two sector plans, which are climate change strategy, as well as biodiversity sector plan. The ORTDM planned a number of training workshops focusing on environmental education so as to disseminate this environmental information together with practical programs on how to face these environmental challenges and ensure effective environmental management. One of these programs is the greenest municipality competition that start from the district, provincial and ends nationally. This competition takes place on annual bases and the district has conducted at least 8 competitions till this year.

Overall Environmental Governance

Through this pillar, the district has managed to establish more than six five **environmental clubs** throughout the district and these involve Tabata P.J.S In Ingquza Hill, Ndamase S.S.S in Nyandeni, Ngwaybanjwa S.S.S in King Sabata Dalindyebo, Qumbu Village in Mhlontlo and Nomvalo J.S.S In Port St Johns. The above mentioned schools have been supported with branded T-shirts, trees, composting powders to make their compost and also training for students on tree planting and composting. In partnership with DEDEAT, DEA and other stakeholders, O.R Tambo has managed to host and form part in Marine Day Celebration, Coastal Cleaning campaigns and Poaching Awareness throughout the district.

Air Quality Management

Over the last five years the O.R Tambo DM as mandated by the National Environmental Management: **Air Quality Management Act** of 2004 has amongst other things managed to develop the first generation Air Quality Management Plan and a designated Air Quality Officer for the district. Several Air Quality related complaints such as Ngolo **Dust Storms** have been attended to in the 2016/2017 financial year.

The section also presented the Air Quality Management Plan (**AQMP**) to the policy workshop for adoption and several awareness campaigns have been held together with DEDEAT. The O.R Tambo DM continue to participate fully in the Provincial Environmental Management and **Air Quality officers' forum** that sits quarterly to cascade issues to the province.

Waste management

The aspect of refuses collection from households, waste disposal and street cleaning is done by the Local Municipalities. The O.R Tambo District Municipality mainly focuses on co-ordination of waste planning and recycling activities in the district. A regional recycling facility through the IWMP has been identified as the major priority program within the district, which is having its own build-up processes. The involvement of communities in recycling through recycling cooperatives is one of the priority programs building up to the establishment of to the regional recycling facility as well as creating jobs in the communities.

The O.R Tambo DM in its 2016/17 financial year has managed to implement the first of its kind project called **Regional Recycling Project**. The uniqueness and nature of the project has attracted attention from all districts to replicate the approach. This project has been successfully implemented and now its operating smoothly. The district over the five year cycle has managed to review its district Integrated Waste Management Plan (**IWMP**); managed to designate a waste officer; participate in national and provincial waste forums to cascade local waste management issues and 2016/17 it also presented the its IWMP to the Policy Work. The district has in all times successfully implemented the **Greenest Municipality Competition awards**. The District in 2016/17 has given KSD position one to compete in the province and the KSD Municipality managed through the support of the District Managed to get position two in the provincial awards.

The largest capital project that has been planned is the regional recycling program, which is at implementation stage. The program is aiming at employing more than 500 people with direct and indirect jobs. For now that program has already employed more than 40 permanent jobs and more than 60 indirect jobs. This is the first project that has produced a convenient, reliable and people centred market for the customers to sell their recyclables. It provided the highest prices for the waste pickers and ensured the upliftment of all the O.R Tambo District Waste pickers and the only project that also has supported and captured all the **waste pickers** into the database.

The District has nine licenced landfill sites, with seven (**Qweqwe, Mqanduli, Libode, Qumbu, Tsolo, Flagstaff and Port St Johns**) landfill sites licenced for operation and two (**Lusikisiki and Mthatha**) landfill sites licenced for closure. All landfill sites except for Libode and Flagstaff have signage, record waste volumes in the entrances, reporting to the Waste Information system and landfilling. However the biggest challenge for all the O.R Tambo landfill sites is the compliance with the minimum standard conditions for landfill operation as well as compliance with the licence conditions. Port St Johns and Qumbu both have Material recovery facilities in their landfill sites.

Continued landfill audits and reporting to the waste information system still a challenge to all our landfill sites. The District as form of ensuring extended landfill space has introduced the concept of transfer station facilities and in 201/17 financial year the district has managed to licence for operation at least three transfer station (**Tsolo, Ngqeleni & coffee bay**).

Environmental Impact Management

O.R Tambo DM has managed to undergo technical training in order to ensure extensive capacity to do environmental screening of all MIG projects is achieved. The district has managed to comment on EIA application for some of the projects as the district can on. The district has also managed to comment on EIA application for some of the development projects since the district can only be a commenting authority on EIA's.

Conservation and biodiversity

The district through the Biodiversity Act of 2003 managed to implement the Alien invasive projects and also has participated in fight against Cycad poaching in Mhlontlo and Port St Johns. The district is in a process of developing Biodiversity Sector to govern all biodiversity related issues in the district. Through also the Environmental Club establishment, the district is also encouraging tree planting in all schools and have supplied all its environmental clubs with trees.

Marine and coastal management

The O.R Tambo District in 2016/17 as mandated by the **Integrated Coastal Management Act 24 of 2010** has among other things the third district nationally and the first district in the Eastern Cape to establish as per the act the **Municipal Coastal Committee**. The district also is among the first districts to develop **Coastal Management Plan** and has since 2016/17 presented the plan to the Policy Workshop for its adoption. The district has managed to participate in Coastal and Marine forums, coastal Cleaning Campaign held in Port St Johns, Marine day celebration in Coffee Bay.

Climate Change

As mandated by the White paper on Climate change, the O.R Tambo DM has in 2016/17 Managed to develop a climate change Response strategy for the district and also held several workshops in mainstreaming climate change onto the municipal IDP. In partnership with SALGA and through SALGA working Group on Climate Change the Port St Johns and King Sabata Dalindyebo were selected as the pilot municipalities to participate in South Africa-Canada partnership in an effort to respond to climate change impacts. Several projects together with Canada were selected to be priority in adapting to climate change impacts

3.4. HUMAN SETTLEMENTS

The mandate to build houses is a legislated Provincial competency and thus falls beyond the parameters of the OR Tambo District Municipality authority of services. However, the District Municipality is deeply rural and is a disaster prone area, which has prompted the District Municipality to adhere to the Disaster Management Act 52 of 2002 by providing relief at the face of Disaster and emergency.

3.4.1. SUSTAINABLE HUMAN SETTLEMENTS

In response to the plague of homelessness of the vulnerable and destitute, the District Municipality has developed a business plan or an implementing strategy, yet to be tabled to Council, for the distribution of temporary structures which will be submitted to the Provincial Department of Human Settlements for consideration. The business plan aims to bestow on the municipality a prerogative to provide houses without waiting on the Provincial Government, as it aims to catapult the distribution of temporal shelters in response to the Disaster Management Act no 57 of 2002, whereby a District Municipality is mandated to provide emergency relief to disaster affected families. Furthermore the adopted Social Relief program of the District is assisting the government Constitutional mandate to provide 'access to adequate housing'.

During the 2016/17 financial year, the District Municipality targeted to build 7 houses for the destitute. One house for was built for a beneficiary at Ingquza-Hill Local Municipality, Zinkumbini Location in Ward 14 and the other 6 houses were pledged to an area that has been riddled with service delivery protests at KSD local municipality, Mqanduli Ward (21). The District Municipality has handed over five structures with the remaining two to be handed over to beneficiaries in the 2017/18 financial year.

The ORTDM Human Settlements conducts consumer education on housing policies in villages of destitute individuals that have been identified as beneficiaries for houses and/or temporal structures. Enlisted below are the villages that received consumer education in the 2016/17 financial year:

Table 101: Consumer Education beneficiary communities

Local Municipality	Village	Ward
Ingquza Hill LM	Zinkumbini	14
King Sabata Dalindyebo LM	Mqanduli	21
Ingquza Hill LM	Jimbinxiwa	30
Ingquza Hill LM	Esiphaqeni	9
Ingquza Hill LM	Buhlanyana	12
Ingquza Hill LM	Umanzi	10
Enyandeni LM	Emahlatyana	18
Enyandeni LM	Ngqanda	23
Enyandeni LM	Ntsimbini	26
Port St Johns LM	Esihlanjini	2
Port St Johns LM	Mthumbane	6
Port St Johns LM	Mabalane	1
Port St Johns LM	Magebevu	1
Mhlontlo LM	Lower Rhoza	14
Mhlontlo LM	Magutywa	24
Mhlontlo LM	Gabazi	13
Mhlontlo LM	Entsheleni	12

The National Housing Code of 2009, requires that all houses built must be registered with the National Home Builders Registration Council (NHBRC). This means that the contractor itself must be registered with the NHBRC. This fact has posed the biggest constraint in soliciting service providers within the O.R. Tambo Region that comply with the National Housing Code, as none have produced verifiable NHBRC registrations. In hindsight, the NHBRC in conjunction with the District Municipality has a programme that serves to develop the youth in construction. The District Municipality has additionally developed a strategy that will developmentally train Previously Disadvantaged Individual (PDI) Contractors, and enrol them in an incubation programme within the KSD area as a pilot. The initiative has produced 641 PDI Contractors within the 2016/17 financial year.

The District Municipality is also currently involved in a project to develop, refurbish and/or erect 23 houses for the Adam Kok farm employees. During the 2016/17 financial year, the project met all its stages of planning to finality and is ready for execution in the 2017/18 financial year. An NHBRC registered service provider will be appointed for the project in the first Quarter of the 2017/18 financial year and will commence work, as per specification.

3.5. FREE BASIC SERVICES AND INDIGENT SUPPORT

The O.R. Tambo District Municipality is a predominantly rural municipality and the largest district municipality in South Africa. The district services copious amounts of people, who predominantly live below the bread line. This means that a large number of O.R. Tambo region residents are indigents. Indigents as per Indigent Policy are persons that earn a living wage of R 3000 and below. Indigents for the purposes of the policy are exhaustively defined to include members of child-headed households.

As a Water Services Authority and Provider, the sole mandate of the municipality is to make sure that water is provided to O.R. Tambo home owners. The municipality has developed an Indigent Policy as a guiding document for the provision of free basic services to people.

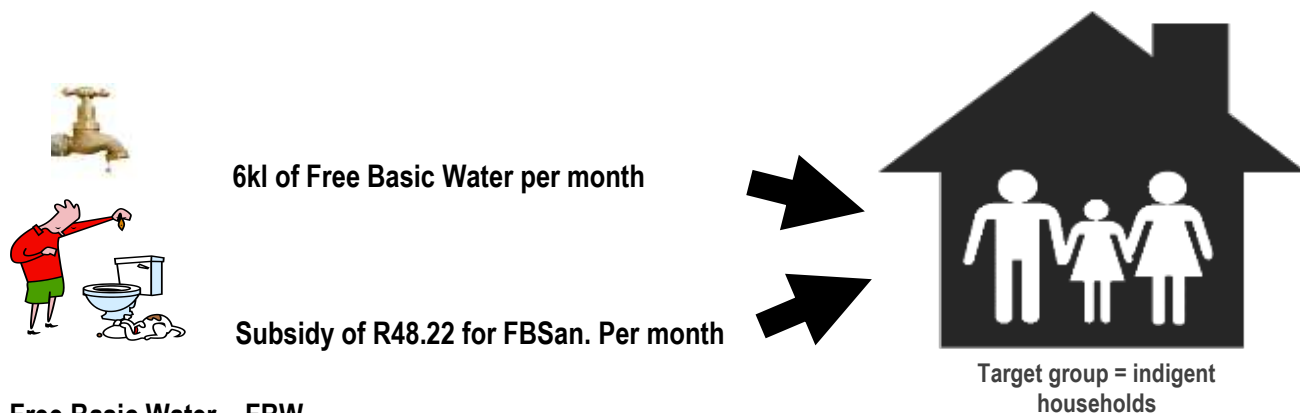
The Constitution of the Republic of South Africa Act, 1996, in the Bill of Rights protects social and economic rights, which include Free Basic Services (FBS). The role of developmental local government in partnership with the other spheres of government, that is, provincial and national, is to ensure the improvement of access of free basic services by the vulnerable groups. FBS are, therefore, a poverty alleviation measure that exists to cushion poor households against vulnerability. Access to these services improve the general well-being of indigent households and improve their health standards and economic circumstances. The implementation of an Indigent Policy becomes a progressive government programme that is critical for social transformation.

The fundamental aim of Indigent Policy is to guide the process of improving access to Free Basic Services by deserving indigent beneficiaries so that their lives can be improved. Establish a manner in which, these residents can be identified and registered in the municipality's indigent register.

The policy also recognizes the need for inter-governmental cooperation to ensure that there is proper coordination in targeting the poor when rolling out these services. The policy should primarily focus on achieving the fundamentals of an efficient and effective Free Basic Services Programme through both the basic alignment of this legislation and the identification of gaps in the current implementation of the Free Basic Services Programme by offering practical solutions to solve these challenges.

The general accepted definition of an indigent, are people who due to a number of factors, are unable to make any monetary contributions towards basic services, no matter how small those amounts. People who earn less than the minimum household joint gross income (two state pension grants), as prescribed by the National Policy from time to time. Indigent refers to those who lack "the necessities of life".

Households who cannot afford the above are considered to be indigent. At this sphere of government, O.R. Tambo DM is obliged to offer the following services to the indigents:



Free Basic Water – FBW

Each qualified indigent beneficiary/household shall receive subsidy to a maximum of 6 kl (6000 liters of water) per month, including the basic charges for such supply; provided that:

- a) Where the consumption exceeds 6 kl per month the municipality shall be entitled to restrict water supply to the property; and
- Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption.

Free Basic Sanitation – FBSan.

Each qualified indigent beneficiary/household shall be fully subsidised for sanitation as provided for in the annual budget as determined by the municipality. The district municipality provided for a recorded 153 000 people with free basic services in the 2016/17 financial year.

COMPONENT B: ROAD TRANSPORT

3.6. QUALITY ROAD INFRASTRUCTURE

The Technical Services Department constructed a 2-kilometre-long road in Southernwood, Mthatha which comprises of the formerly dilapidated Errol Spring, Zanemali and Progress Streets. The tarred 2 kilometre road has a four kilometre sidewalk (2 kilometres on either side of the road) and 2 kilometres of storm water drainage. The Errol Spring stretch of the road had the department construct 8 taxi/bus stops (4 on either side) as the street serves as a public transportation route.

The department has embarked on a mission to develop rural communities by prioritizing their need for quality road infrastructure. The initiative has had the department start with KSD, Ward 27, where there was a construction of a virgin road in Ekuwezeni. The initiative is one of many, with the construction of more virgin roads in areas without no road access.

3.6.1. ARRIVE ALIVE PROGRAMS

Due to an increase in road deaths, the department joined arms with the national government in raising awareness by launching the Arrive Alive Campaign. The campaign is premised on cautioning and training road users on road carnage high risk factors. The campaigns also involved the training of individuals in after-crash care, so as to reduce disabilities and deaths attributed to road accidents.

The nature of the campaigns is twofold: with the Pedestrian training and awareness in the summer (December) and Animal Safety in the winter (June/July). This is because pedestrian accidents are usually in the rise during summer where pedestrians are generally out more in the road longer because it gets dark much later in the day. The training campaign has introduced the distribution of bright coloured t-shirts with reflectors in order to raise awareness in the importance of being visible when walking on the side of the road. The winter campaign is for Animal Safety which focused on training animal owners on the importance of having cattle grazing in a fenced space so that the animals do not stray. The other importance of the campaign was the erecting banners on the N2 and R61, cautioning drivers of the existence of stray animals on the roads that may endanger lives. The campaigns have been robustly introduced in the District with the use of media, community prayers, the branding of community roads and many other activities.

3.6.2. DISTRICT INTEGRATED TRANSPORT PLAN

The development of the District Integrated Transport Plan has allowed a comprehensive planning of the district transport system. The document is a sector plan which focuses on the transport system, mobility and the increasing needs of communities. The plan utilizes inferences drawn from data collected within and around the district for the development of an integrated transport plan. The plan allows for an integrated approach in picking out priority projects; this is done by looking at, amongst other things, the status quo as well as stakeholder feedback.

The development of the plan has allowed the municipality to respond to the highly publicized taxi violence that reared its ugly head in the region. The department made a concerted effort in developing a Taxi Assistance Program that works in controlling taxi channels, licensing, operating times et cetera. This has allowed the district to work together with the Department of Transport in issuing taxi licensing moratoriums when the need arises.

3.7. WASTE WATER (STORMWATER DRAINAGE)

Not applicable to the District Municipality as storm water is a competency of the local municipality.

COMPONENT C: PLANNING AND DEVELOPMENT

3.8. PLANNING

O.R. Tambo District Municipality's Planning Unit is charged to provide support to local municipalities with insufficient planning capacities and seeks to provide, co-ordinate and assist local municipalities with Town And Regional Planning Services in respect of policy formulation, proper land use development taking into account social, economic, and physical factors, the aim being to establish the basis on which one can create a positive environment for development initiatives; and to ensure sustainable and orderly land utilization and development through the development of SDF.

Progress made

The O.R. Tambo District Municipality's Spatial Development Framework was then reviewed in line with the new municipal demarcation and was adopted in the 2011/2012 financial year and is currently being reviewed for the 2017/18 council adoption. All five Local Municipalities of the District are planning to update their SDFs in line with the Spatial Planning and Land Use Management Act No.16 Of 2013 (SPLUMA).

Local municipalities are also undertaking processes to develop Comprehensive Land Use Management Systems (LUMS) for their areas of jurisdiction in line with the SPLUMA. Some of the achievements that have been identified through the DM's SDF implementation include:

- Enhanced Interventions and co-operation by the national and provincial spheres of government
- KSD O.R Tambo DM declared a presidential node
- Lubala -Mhlontlo rural development initiatives
- Mthatha Town facelift
- R5bn capital injection for KSD & the Mthatha town
- Mthatha airport Development
- The Lusikisiki Town Planning,
- Ngqeleni Town Precinct Plan
- Libode/Ntlaza LSDF
- Langeni LSDF
- Viedgesville/Mqanduli LSDF
- Western Mthatha LSDF
- Coffee Bay LSDF
- Port St Johns Tidal Pool planning in progress

Key Challenges

There is still a challenge for the municipalities to implement their SDFs, LSDFs and Precinct Plans. Lack of funding is one of the reasons that projects identified through these strategic frameworks are rarely implemented. Lack of commitment and consistency by Government on its identified programs, and especially catalytic projects usually render strategic frameworks developed to guide such projects being useless. The other challenge projects from National Government tend to have no coordinators placed at a District and Provincial level, resulting into poor coordination, and alignment.

The SPLUMA requires that Local Municipalities should develop Land Use management Systems (LUMS) covering the area of their jurisdictions, within five years from the 1st July 2015. One of the challenges for the municipalities is the lack of funding to undertake such activity. Another challenge, which hampers municipalities, is a phenomenon of relating to complex land administration. Land administration in the district vests in different structures (Municipal commonages, State land/communal land, and private land) and some of the challenges that have been noted are as follows:-

- Unclear Land Management Roles & Responsibilities
- LMs have limited planning and LUM capacity

- LMs have limited authority in rural areas (No policies means no enforcement)
- Un-managed settlement formation as a result of in land “Informal” trading.
- No link between planned development and sustainable provision of services
- Environmental Management not taken seriously thereby threatening natural resources that are a critical comparative advantage in ORTDM

Another challenge is that areas that fall out of commonages are still not well managed as a result of the past planning systems, which were only urban biased. It is envisaged that the full SPLUMA implementation in the form of comprehensive wall-to-wall LUMS will rectify this situation.

Despite the above listed challenges there are strategies that are planned for the next financial year. Those include the SDF updates by all LMs, LSDFs for catalytic projects (Mzimvubu Dam), and strategic Nodes. Planned LSDFs include, Ntabelanga Dam, Laleni Dam, Mnganzana LSDF, Mpande LSDF, and Ntlangano LSDF. A Precinct plan is also planned for Ntlaza Node. Other strategies that have been encouraged include the infill development, locating settlements near the existing road networks, nodal and corridor development.

3.8.1. SPATIAL PLANNING AND LAND USE MANAGEMENT

The O.R. Tambo District Municipality is located in the eastern part of the Eastern Cape Province, bound by the Indian Ocean to the East and the Mhlahlane and Baziya mountains behind Tsolo, and Qumbu to the west. The District encompasses diversity in physical landscape, land use and access to economic opportunities. Agricultural development forms part of the DM’s competitive advantage due to its temperature and soil. The coast is an excellent tourist attraction, with a number of resorts and hotels already in existence. Some of the challenges faced by the district with regard to economic development and physical planning include: Lack of skills resulting to unemployment in the key sectors of the economy, high illiteracy rate, diseases such as HIV/AIDS, poor infrastructure, lack of incentives to industries, land claims, crime and an inefficient public transport system & network

PROGRESS MADE ON SPLUMA IMPLEMENTATION

The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) was assented by the President of the Republic of South Africa of the 05 August 2013, and it came into effect on the 1st July 2015. SPLUMA provides for:-

- a) A framework for a Planning System for the country (Sec2 [2])
- b) Development Principles (Sec 7)
- c) Policies and legislation (Sec 6)
- d) Spatial Development Frameworks (Chapter 4)
- e) Land Use Management through Schemes (Chapter 5)

- f) Land Development Management (Chapter 6)
- g) Other provisions (Chapter 7)

SPLUMA Applies to the entire area of the Republic as a supreme law on spatial planning and land use management. SPLUMA is meant to address racially based pre 1994 planning legislations, as well as to repeal most of them. SPLUMA came into effect on the 01 July 2015, and Local Municipal Councils in the District took resolutions on the establishment of the Municipal Planning Tribunals as required by the Act. Their resolutions were as follows:- Ingquza Hill LM and Port St. Johns LM formed a Joint Municipal Planning Tribunal, Nyandeni and Mhlontlo resolved to work with the District Municipality to form a District Planning Tribunal, and KSD resolved to have a Single Municipal Planning Tribunal.

In order for SPLUMA to be effectively implemented key milestones have to be achieved, and these include the appointing Authorized Official, Adoption and Gazetting of By-Laws, deciding on the Municipal Planning Tribunal option, Call for nominations, Gazette MPT, Establish Appeal Authority, Set Tariffs and Capacity Building.

The progress to date on SPLUMA implementation is as follows:

- KSD LM, PSJ LM and Ingquza LM and Mhlontlo have adopted their SPLUMA By-Laws, and Nyandeni LM is expected to adopt theirs in the first quarter of 2017/18 financial year.
- All other Municipalities except Nyandeni and Mhlontlo have gazetted their SPLUMA By-Laws. Mhlontlo and Nyandeni are expected to Gazette their By-Laws by the second quarter of 2017/18.
- During 2016/17 financial year, all Local Municipalities have called for nomination of members to serve on the Tribunals. The District called for nominations on behalf of the Mhlontlo and Nyandeni LM, which form part of the District Municipal Planning Tribunal. The response was very poor, as we managed to get only one response, but we intend to re-advertise, as well as approach relevant institutions as per the guidance of the SPLUMA Regulations.
- Nyandeni and Mhlontlo LM are only Municipalities that have not yet appointed their Appeal Authorities, and they are expected to confirm it by the first quarter of 2017/18 financial year
- All Municipalities are yet to set tariffs relating to SPLUMA
- Ingquza Hill LM and PSJ LM have appointed the members of the Tribunal, and conducted a training
- The District is facilitating for the signing of the SLA by O.R. Tambo District Municipality, Mhlontlo and Nyandeni LM. Its finalisation is expected by the second quarter of 2017/18 financial year.
- The District Municipality intends to work towards having a functioning District Municipal Planning Tribunal by the end of the last quarter of 2017/18 financial year. Some of the key milestones linked to that include the signing, advertising and gazetting of the District

Municipal Planning Tribunal SLA, re-advertising and call for nomination and appointment of Tribunal members, appointment of SPLUMA administrator, and training of Tribunal members.

Some of the challenges experienced in the SPLUMA implementation include the issue of Traditional Leaders who serve in the LM Council who would stage walk-outs when SPLUMA issues were being tabled in the Councils. This has resulted into considerable delays more especially for Nyandeni LM. An intervention was sought from the Office of the MEC as well as the DRDLR National and Provincial Offices, and they have promised to engage all Traditional Leaders of the Province. Until such time that Traditional Leaders are fully consulted and they support SPLUMA implementation in their Traditional areas, municipalities will face a serious challenge to develop comprehensive land use management systems for the areas of their jurisdictions.

3.9. LOCAL ECONOMIC DEVELOPMENT

LED in the O.R. Tambo Region seeks to promote sustainable socio-economic community driven programs. The O.R Tambo District further operates on principles that are focused on pursuing and building on the district's latent strengths and competitive advantages. Latent strengths relate to those forms of economic activities that the district has a significantly untapped developmental potential such as its landscapes and tourism potential.

According to Section 152 (1) (c), of South African Constitution under Local Economic Development Objective, it mandates that Local Economic Development should promote social and economic development.

LED in the district therefore seeks to grow the economy based on presently unrealized, under-realised and unexploited development potential, which represent a low hanging fruit. It is through such a perspective that factors such as local knowledge and skills, as well as communal aptitudes and capabilities are prioritised to drive economic growth and development.

LED for O.R Tambo also seeks to provide support for the needs of local communities in pursuance of improving the quality of life within the district through facilitation of local economic development. Whilst micro-enterprises have absorbed large numbers of unemployed people, they are in themselves not always able to generate appropriately remunerated long-term jobs.

Ntinga O.R Tambo Development Agency is the O.R Tambo DM municipal Entity, which is mainly focusing on implementing the district's key LED initiatives for poverty alleviation and business development and support.

The District Municipality utilized its budget to undertake the following critical activities as per the IDP targets:

- I. To boost agricultural contribution and to improve food security in the district through number of Agro-Industrial Programs developed and implemented.
- II. Through Enterprise Development, number of programs were implemented including District Informal Traders Summit which later resulted into O.R Tambo District hosting successfully a Provincial Informal Traders Summit.
- III. A continuous partnership with Furntech which commenced 2015/2016 financial year end has bear some fruits by training 10 more incubates from five local municipalities into furniture manufacturing.

Access to agricultural facilities for emerging farmers is one of the key initiatives in tapping on the Comparative advantage of the District. **Ongoing consultations and assistance with the informal trade sector including street trading is gaining momentum which emanated from the District's partnership with the Region of Tuscany, Italy which commenced in 2012 /2013 financial year end and soon after the program phased out, ORTDM carried on supporting informal traders by purchasing Tables, Stands, Chairs Gazibos and even Umbrellas for street traders at Nyandeni and PSJ Local Municipality. More training and awareness workshops are planned in partnership with the Department of Small Business Development (DSBD) and International Labour Organisation (ILO) for promotion of coordination within local association and further advised for the formation a movement that would represent informal traders at a district level. Another ongoing initiative is the graduating of informal traders to register their small business and to benefit by being part of the mainstream economy.**

3.9.1. LED INFRASTRUCTURE AND INVESTMENT PROMOTION

As part of the District coordinating work, the **Regional Industrial Development Forum (RIDF)** was established to identify sectors with low hanging fruit and attract investors to those arrears whilst dealing with medium and long-term LED matters. The RIP forum is adding to the LED forum, which sits quarterly to co-ordinate all the economic sectors and development agencies. Besides seedlings, fertilizer and other imputes, **Co-operatives were supported in renovating their structures; provide water tanks, installation of boreholes, ram pump, fencing, chicken cages and etc. as a program, which intends to uplift our Co-ops within the District.**

3.9.2. AGRO-PROCESSING & FACILITIES

As part of revitalizing and promoting agricultural development within the District, the District Agri-Parks Operational Task Team (Dapott) has been established with the collaboration of Department of Rural Development and Land Reform to spearhead implementation of Agri-Parks programs which are a National Government initiative to revive Agriculture in all District municipalities across the country. As a result, farmers across the District have been brought together to form a structure called 'District Agri-Parks Management Committee' (DAMC) whose purpose is to advise on the implementation of Agri-Parks programs. The program has three elements i.e. Farmer Production Support Units (FPSUs) which will be implemented in all LMs, Hub centre in Lambasi and Rural Urban Market Centre (RUMC) which the Dapott agreed to locate it in KSD LM. **This is an infrastructure program designed to promote Agri-Processing program within the District. In collaboration with farmers, LMs, DRDAR and DRDLR and DM, FPSUs sites have been identified in Tsolo junction under Mhlontlo LM, Mqanduli Red Hub under KSD LM, Edumasi Under PSJ LM, Zalu-Hill under Ingquza LM, Ntlaza under Nyandeni LM, and further farmer mobilization program held across all LM's except KSD LM.**

3.9.3. FORESTRY & TIMBER PRODUCTION

As the IDP and other Strategic documents of the DM have identified Forestry and Timber, **a Forest Development Strategy is being developed and adopted by Municipal structures.** The document provides implementation plan and clear projects proposal, which would take the District forward in terms of developing this sector and create job opportunities for our communities. As a result, the RID forum has identified this sector for an incubation program with low hanging fruits and ten people have been trained **with FURNTECH** with a collaboration of KSD LM, ECDC and DM. The program will be intensified in the year 2017/18 financial year.

3.9.4. MARI-CULTURE & AQUACULTURE INDUSTRY

The District strategic documents identified this sector as one among others, which has not yet been used to its full potential yet it has a major opportunity of boosting the economy of the District. As such 26 enterprises on this sector have been trained in the year 2017. In taking the advantage of N2 Wild Coast Road and in collaboration with partners on this sector, a process of producing/developing a strategy is underway and will be completed in 2017/18 financial year.

3.9.5. MAXIMIZE LOCAL EMPLOYMENT

The municipality is in a processes of implementing Expanded Public Works Program (EPWP) which is aiming job creation and poverty alleviation for the needy people of O.R Tambo by establishing projects and programs that are labour intensive. The district has adopted a policy that says all its infrastructure projects should be 100% EPWP compliant and all directors have signed performance contract that are binding them to create job opportunities in their daily activities and programs. In the 2016-17 financial year the district targeted to create 300 EPWP job opportunities and yet achieved 460. In the implementation of the infrastructure projects the municipality have achieved 1701 which is a bit lesser than what was targeted. However the municipality is planning to improve in this achievement through assistance from the various stakeholders and the departments within the municipality.

3.9.6. TOURISM DEVELOPMENT AND MARKETING

Tourism marking is critical to the competitiveness of the tourism sector. The **National Tourism Sector Strategy (NTSS)** states that; *the role of Local Government in the tourism sector is to manage assets such as public land, and to provide important infrastructure.*

- *Create awareness through campaigns, using appointed advertising agencies, the public broadcaster, radio stations, social media, etc.*
- *Engage the Department of Basic Education to develop a school tour programme, possibly integrated with, for example, the curriculum for Life Orientation in the early high-school grades. Take into account any existing programmes; investigate funding from sponsorships/AID, and develop the programme.*
- *Develop an exchange programme where employees in enterprises within the industry visit another industry operator to experience holiday-making and/or visiting attractions. Use off-season and low season periods, when both labour and capacity are available. Look for transport/funding sponsors.*

The key focus for the 2016/17 financial year was the development of the Tourism Master Plan which has been successfully developed. Marketing of O.R Tambo as a tourism destination. Research information and management systems, visit arrivals, trends, destination marketing (print media, website, social media, exhibitions, shows, and identify platforms) Encourage participating of local stakeholders in tourism planning, by creating platforms like regional and local tourism forums, wherein experiences, challenges and solutions are shared. Facilitate establishment of associations, forge linkages to marketing, assist tourism SMMEs to attend exhibitions and shows e.g. Tourism Indaba Trade Shows through the programs listed below on tourism education and awareness; visual Arts and Craft Development; Marketing, Promotion and Research.

The District Municipality also conducts Marketing Research information on visitor arrivals and trends, including destination marketing (print media, website, social media, exhibitions, shows, and identify platforms) Encourage participating of local stakeholders in tourism planning, by creating platforms like regional and local tourism forums, wherein experiences, challenges and solutions are shared.

In term of marketing the 2016 Tourism Indaba was attended by 10 Local Tourism Organisation members from 5 different LMs to market their product offerings and establishments in the national and international annual event. 1000 copies for the newly developed tourism marketing brochure was developed and it was distributed during this major event and in the strategic Visitors Information Centres (VICs) in the province. The tourism unit website was developed and it is up and running though it needs some update on information population. There were also events that were assisted by the unit which include “Buiswa Home Coming” and “Native Summer Party” which increase the occupancy rates in our establishments and boost the economy of the region as the business sector also benefit from the spin offs of the events.

On Tourism Research and Development:

The programme seeks to audit and facilitate the provision infrastructure to and at tourist sites, e.g. roads, signage, water and sanitation, electricity, ablution facilities, viewing sites and amenities, and the overall destination management. Facilitate and coordinates activities and key deliverables associated with tourism support factors. The programme is meant to improve or expand our tourism product or operation to fit identified trends in global tourism and to position our local business to meet future market demands. Works hand in hand with arts, culture and heritage section in terms of research, information and management systems. Visit arrivals, trends, destination marketing (print media, website, social media, exhibitions, shows, and identify platforms). As a result of this program for the 2016/17 financial year 30 signage boards to the identified tourists attractions were developed and erected accordingly and the move was the results of the infrastructure audit exercises that are being conducted by the unit to address the lack of signage in our attractions.

3.9.7. TOURISM EDUCATION AND AWARENESS

Campaigns to create awareness focusing on host communities (where there are tourist activities), use of media (print and electronic) to engage learners and public to debate and support the cause for tourism. Holding tourism and cultural events, safety and security related activities with SAPS.

An annual tourism beach sport competition was held for the 3rd time since its inception in 2013/14 in PSJ. This tournament was held to educate the communities about the importance of taking part in tourism development as the domestic tourists in their own areas and how to treat tourists from outside. It also create the awareness on the importance of keeping our own natural resources like the untapped vegetation for filming industry and unspoiled beaches for tourism sport activities. The tournament involve the different codes of tourism sports like; beach soccer, volley ball and beach netball and these codes are being played by the youth from different LMs of O.R Tambo District. This tournament also uplift local economy as the locals come and sell during the event, SMMEs of the identified local municipality to render services during the day of the event and lastly accommodation establishments of the area increase their occupancy rate during this time.

3.9.8. VISUAL ARTS AND CRAFT DEVELOPMENT

The program enables members of the visual arts and craft community to promote their work and showcase their product to national and international markets and it also stimulate and strengthen the local economy. The program also aims at promoting and providing opportunities for visual artists and crafters in all disciplines to develop their art and talent in order to improve economic and other development opportunities. Access to markets is facilitated through the exhibitions, craft hubs, flea market events, cultural events as well as a business linkages program.

Identifying potential projects, new marketing opportunities. Assessment of skills, improving quality of craft products and capacity building.

In 2016/17, the District Municipality supported 12 crafters from the region who attended the annual National Arts Festival and exhibition show in Grahamstown on behalf of our 5 local municipalities, the selected crafters by the LMs were selling handmade products which were selected from different projects and co-operatives in each LM. The DM assisted the crafters by securing exhibition stalls, display equipment, promotional and marketing material and transportation of handmade products. They sold a lot of products during the event and they also came back with a number of orders to work on. There was also Mangaung African Cultural Festival (MACUFE) which is also another platform for Arts and Crafts market. 2 crafters supported who attended the event though they represented different project and Co-Ops and also 8 visual artist were equipped in picture and box framing training and the Co-Op is PSJ Shell Art in Port St Johns.

On Tourism Intergovernmental Relations and Collaborations;

The District Municipality also works hand in glove with its Local Municipalities and Sector departments on a number of programs that are implemented throughout the district. The ECPTA, National Department of Tourism and DEDEAT provides support and partnership on events support (Signature events and Regional Events) such as the Isingqisethu Wild coast Cultural Festival. Organizers are usually requested to submit proposals. The agency also supports SMME in the following ways:-

- Facilitating capacity building for tourism products
- Create marketing platforms for SMME's during exhibition shows i.e. Tourism Indaba; gateway travel show
- Facilitate quality assurance through grading for accommodation and camping sites thereby ore providing 50% subsidy
- Increase tourism, environment and conservation awareness in schools and communities
- Facilitating and hosting the Provincial Tourism Career Expo which assist learners doing tourism as a subject with transport and accommodation
- Community tourism support – institutional guidance and operations using viable models like Community Public Partnership (Chwebeni Cultural village)
- Create partnerships with SMME's around nature reserve so that they can provide services
- Provide necessary support to municipalities on tourism related activities
- Development of a business plan for Amatyengqina Horse racing centre in Qunu
- Upgrade of the Wild Coast hiking trail from Port St John's to Coffee Bay (construction of a check in office in Port St John's, construction of hikers huts at Mngazana and Mpande, renovation of hikers huts at Hluleka and alien clearing, signage on the trail)
- Nelson Mandela trail development i.e. Qunu, Mqhekezweni and Mvezo sites

Some of the major challenges with regards to tourism in the district is the poor access roads to tourism destinations and nature reserves; inadequate bulk services; inadequate intergovernmental relations and the lack of co-operative marketing efforts for the region. Although there are some challenges, the district also poses a number of investment potential with the district unique selling position being the convergence of the biodiversity and coast puts the Wild Coast in a clan of its own. The pristine environment favoured by the suitable climate contributes to the uniqueness of the offering. These investment opportunities include;

- **Mkhambathi** – 7700 ha (agreement signed to expand by 3500ha) and potential of 5 development nodes:-
 - Phase 1 concluded R65mil private sector investment
 - Phase 2 is currently underway to investment opportunity.
 - Game offerings and those to be introduced
- **Silaka Nature Reserve** - 400 ha located in Port St John's has 18 chalets and is a 3 star graded accommodation and has conference facilities. Opportunity to provide (food & meals).
- **Hluleka Nature Reserve** - 7 Chalets, 10 campsites, Hiking trail and 5 hikers huts and game: Redhartebeest, Zebra, Blesbuck, Reedbuck. The design of the new chalets for expansion is complete.
- **Nduli/Luchaba Nature Reserve** - 84 seat conference facility and restaurant the next phase being the development of chalets is underway.



One of the responsibilities of the ECPTA is the management of Marine Protected Areas (MPA). MPAs are important areas for biodiversity conservation as they protect representative samples of genetic diversity. They protect ecosystems and ecosystem processes and often they are important fish spawning areas. Protecting these waters therefore lead to increased fish growth, increased fish reproduction and survival. Adjacent areas benefit due to a spill over effect. This leads to high biodiversity value (species diversity) and economic value (tourism, sustainable use of resources). MPAs serve as benchmark areas against which any environmental change can be measured. It is important to balance conservation priorities with sustainable livelihoods of surrounding communities for effective management of MPA's.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

Community Services as a Department is responsible for the advancement of basic service delivery objectives and outcomes within the District Municipality. The community services department focuses on areas that provide a sustainable improvement in the welfare of human beings and their basic livelihood. The department focuses on an array of services which are: Sports, Recreation, Arts, Culture & Heritage; Libraries, Education and Information services; Community Safety; Disaster & Fire Services; Municipal Health Services et cetera.

3.10. SPORTS, RECREATION, ARTS, CULTURE & HERITAGE

Sports, Recreation, Arts, Culture and Heritage are pillar mechanisms in nation building and creating a better life for people. Great talent and stories are hidden behind those that lack resources to recognise spaces that will allow them to grow. The municipality has passionately formed partnerships with communities and key stakeholders to recognise marginalised individuals and help qualify their talents. Communities have a shared passion to realise the development of sports, recreation, arts, culture and heritage by building sustainable environments that promote the realisation thereof. These areas of focus are instrumental in restoring and strengthening human dignity, self-esteem and the pride of our people. The District Region boasts of a rich history that needs to be jealously protected and celebrated. This is why the municipality has invested in the region to make sure all facets of its beauty and talents are showcased and nurtured. Investment in transformation should take a bottom-up approach which has demanded an investment from the municipality to develop talent in rural and township communities.

3.10.1. SPORTS

The OR Tambo District is deeply rural and is in dire need of social infrastructure in rural areas. The municipality had committed in building and maintaining sports fields for the youth in communities. Sports facilities are also extremely important as they serve as a deterrent in criminal activities amongst the youth. Crime has become prevalent in many communities and has become the order of the day for many young persons. There are numerous contributing factors to this fact, however one of them is a lack of activities that consume the youths time. Sporting facilities range from soccer, boxing, netball et cetera develop aspiring sports stars at grass roots level.

The department has been involved in the Steve Vukile Tshwete Championship games which are provincial games that are coordinated by the Local Government in partnership with DSRAC and sport federations. These are developmental games played by under 19's. The games start at ward level up to local municipality level through the Mayors cup programme. These culminate to O.R Tambo Cup games at District level. Where the winners represent the District at Provincial level.

The OR Tambo teams won the provincial champions in Table Tennis both in the Girls Doubles and Singles; as well as the Girls Volley Ball's teams.

The department has also looked at previously marginalised groups in sport. People in disability have been marginalised and not given enough opportunity to grow in sport. Xolani Bomvana has been consistently supported by the O.R Tambo District Municipality in his sporting career in Javelin. Mr Bomvana is the current South African holder in Javelin and Discuss. Ms Pumza Makiva, an OR Tambo resident, participated in the Steve Tshwete Games with the support of the municipality. She represented the Eastern Cape during the national table tennis championships, at which she victoriously qualified to represent South Africa at the Continental Championships in Tunisia.

O.R Tambo District Municipality supports the Mthatha Bucks F.C a local soccer team participating in the National First Division League. The team contributes on the growth of KSD Growth Development plat as it attracts visitors to Mthatha. The team also attracts Sport Tourism and this ploughs back into the economy of the country. Mthatha Sport supporters are rated No 1 in the National First Division as the Mthatha Stadium is always filled to its capacity every time Mthatha Bucks hosts a match. This has allowed Mthatha soccer supporters to patriotically gather on Sundays to collectively support their favourite team.

3.10.2. ARTS, CULTURE AND HERITAGE UNIT

In preserving the districts heritage, the municipality has supported the Mhlontlo traditional leadership by providing Grass cutting machines for the maintenance of Mhlontlo Grave Site as a Heritage site. The municipality has also proudly supported the fallen heroes of the 1960 Pondo Revolt massacre. A slab and sculpture monument representing the victims of the Pondo Revolt community members that were killed in the base of the hill was constructed. Currently the battle field slab is being fenced and landscaped to be a tourist destination. Tourism sites raise investor confidence within a space and allow for the growth of the towns economy.

The District established and launched the O.R Tambo Cultural and Creative Industry Federation of South Africa. The federation is responsible for controlling and managing all CCFSA related initiatives in partnership with relevant spheres of Government. The O.R Tambo Arts and Culture industry has been exposed to and participated in National Arts Festival. The District has taken numerous groups annually to perform during the festival, while also showcasing the diversity in the District's talents.

3.11. LIBRARIES, INFORMATION AND EDUCATION UNIT

The District Municipality in partnership with JB Marx Trust Foundation hosted 6th JB Max Career Expo at KSD Airport hangers. The event was attended by 8000 learners from two Department of Education Districts (O.R Tambo Inland and O.R Tambo Coastal).

The career expo was a great success and assisted majorly in informing learners of numerous career options they can explore and the diverse sources of funding they can solicit. Education is an area of focus in the district so the department has started with the construction of community public libraries in Nyandeni Local Municipality. Amongst the many initiatives the department has invested in education, it is also supporting under performing schools with educational material that will assist in schools getting better marks.

3.12. MUNICIPAL HEALTH SERVICES

Municipal Health Services is about creating and maintaining sustainable healthy environments. The unit promotes good public health systems by supporting already existing services or forming partnerships to establish good health care in spaces that it lacks. The District Environmental Health Services includes a package of Municipal Health Services as defined in the National Health Act No 61 of 2003. The municipality is however going through a devolution process for municipal health services and this process is 95% achieved.

Health care in the district is extremely important to the municipality, this is why the municipality solicited authority to enforce the Food Cosmetic and Disinfectant Act. The purpose of the act is to 'control the sale, manufacture and importation of foodstuffs, cosmetics and disinfectants, and to provide for incidental matters.' The municipality takes the duty by the Act seriously and conducts checks in all retail stores within the District. This is to make sure that the quality of the food sold to O.R. Tambo Region persons is uncompromised and meets all health standards. The municipality is in the process of establishing and launching the National Health Insurance (NHI) Forum to catapult health standards within the district.

The department has introduced a cleaning and greening initiative in all local municipalities. The program is aimed at cleaning communities and maintaining its grounds. The program is an ongoing initiative working together with the Extended Public Works Program (EPWP) to keep communities green. The program has been done in the following communities:

- Ward 29 Mqanduli - Phangindlela Junior Secondary School – KSD LM (Mqanduli)
- Ward 27 Zwelodumo High School - KSD LM (Viedgesville)
- Ward 9 Sihlabeni - Mangqukwana Junior Secondary School – NyandeniLM
- Ward 6- Port St Johns Junior Secondary School – PSJ LM)
- Ward 6 - Langa High School – Ingquza Hill LM (Flagstaff)
- Ward 5 - Tsolo High School – Mhlontlo LM

The municipality has passionately supported O.R. Tambo learners in institutions of higher learning with financial and academic aid. The initiative has paid for or assisted in practical learning at least 13 students at the Nelson Mandela Metropolitan University, Mangosuthu University of Technology and the Durban University of Technology in the 2015/16 financial year.

3.13. COMMUNITY SAFETY

The O.R. Tambo Region runs on a coastal plateau as thus has vastly utilised oceans. The oceans are used for recreational as well as other reasons which is why the municipality has made an effort in coastal safety. The initiative is the sole responsibility of the municipality and it employs 160 people for five months. The initiative is the Coastal Safety Programme which employs 80 patrollers and 80 Life Guards during the festive and Easter seasons. The program was previously funded by the Extended Public Works Program. The other 160 jobs were created for 5 months in the Coastal Safety programme: 80 patrollers and 80 Life Guards during the 2016/17 festive season including the Easter period. Council has approved funding for these programmes through the District municipality 2017/18 budget, as there are no current funds within EPWP grant.

In line with the Community Safety Initiative, the municipality has a Crime Prevention Strategy which was developed and is undergoing a process of review for Council approval. The Department has been involved in the safer schools programmes, which are done hand in hand with the Department of Education and the Department of Safety & Liaison in improving safety within the District schools. The District has formed partnerships with communities, law enforcement agencies and Safety & Liaison. The partnerships have mitigated the prevalence of crimes within schools and the youth. This has created a positive perception that the district is becoming safer and law enforcement agents have become strict in bringing alleged perpetrators to court.

The implementation of the safer schools programs has proven to be a great deterrent in the youth committing crime, as it has introduced sporting activities as well as after school initiatives to keep the youth occupied and catapulting their talents. The district municipality together with the District Department of Sport has positively implemented programs in the Mthontsasa area, Flagstaff (Sports against Crime – February 2017), and with equipment and kits for Sports against Crime in Lusikisiki.

An allocated budget of R98 000 for the Community Safety Forum was exhausted in the training of 28 CPF members through Safety & Liaison.

The unit has employed an additional body of staff comprising of 5 junior posts and 2 senior level employees within the department through the internal interview process.

3.14. SOCIAL DEVELOPMENT SECTION

This section ensures coordination of Early Childhood Development, Life Skills Programmes to Youth; Moral Regeneration, Social Relief of Distress and Child Protection engagements for the District. The unit seeks to protect and promote the rights of families and individuals under distress.

3.14.1. EARLY CHILDHOOD DEVELOPMENT

The unit coordinated an Early Childhood Development summit for the 2016/17 financial year. The following objectives were a focal point of the Summit:

- To strengthen the voice of all critical role – players in the advancement of Early Childhood development in O.R. Tambo, through equal engagement and dialogue process
- To explore and adopt accessible guidelines that are relevant and applicable to the situation within O.R. Tambo district municipality.
- Explore funding and resource mobilization opportunities towards an enhanced community based ECD.
- Ensure that all children in O.R. Tambo district municipality are accessing quality and risk free ECD through an improved ECD Practice.

This Early Childhood Development Summit was a planning session which was graced by the presence of the Honourable Minister of Basic Education, Minister Angie Motshekga. The summit was a platform for Public-Private sectors to commit on the crucial development of O.R. Tambo District Region children as the time is ripe to invest in them. The summit yielded positive results as each stakeholder committed to a role to play henceforth.

In all five (5) Local Municipalities two (2) Early Childhood Development Centers were visited for profiling purposes. The following spaces were visited:

1. KSD LM: Mthatha (Zwivelile preschool) & Coffee Bay (Ikhaya Labantwana preschool)
2. Nyandeni LM: Ngqeleni (ngqeleni preschool) and Libode (sinethembe preschool)
3. Mhlontlo LM: Qumbu (Mbutho preschool) & Tsolo (nkcalukeni preschool)
4. Ingquza Hill LM: Lusikisiki (Palmerton) & Flagstaff (candle-light preschool)
5. Port St Johns LM: Mdovu & Mhumbane

The Summit arrived at numerous factors that may have a negative bearing on children and the youth. The sub-standard level of foundation phase education may be negatively impacting on the mental development of a child. Cooperative Social Responsibility has to be strengthened in the District; this raised much interest with private partners like Standard Bank pledging to contribute towards the regeneration of social cohesion and Early Childhood Development (ECD). Professionalism in the ECD field needs to be strengthened & thereby standardised. Walter Sisulu University, one of our own Institutions of Higher learning, is embarking on developing an academic career path premised on ECD that is projected to take off by 2019.

3.14.2. MORAL REGENERATION SERVICES

Twenty (20) young individuals were trained in life skills in local municipalities. Topics discussed by the facilitator and young people were issues around behaviour, decision making and substance abuse. Life skills training was meant to equip young people on making the right life choices and eliminating moral decay.

Moral Regeneration life skills training was implemented in the following arrears:

- Ingquza Hill Local Municipality, in Lusikisiki Palmerton.
- Port ST Johns Local Municipality in Chaguba village.
- Nyandeni LM, Thabo Mbeki village.
- Mhlontlo Local Municipality at Lower Malepelepe village.
- Life skills training for KSD LM is still under way.

3.14.3. SOCIAL RELIEF OF DISTRESS

Eleven families in distress received material support during 2016/17 financial year. Port St Johns has been confronted with multiple brutal incidents that warranted the municipality to respond in the form of amenities based on the specific need. Port St Johns local municipality has been an area of focus as numerous incidents that emanated from the area prompted a huge public outcry both at a national and local level.

3.14.4. CHILD PROTECTION

Child Protection activities were coordinated in all local municipalities. There were National, Provincial and Local Activities that took place in the District within the 2016/17. These programs have been instrumental in uplifting the urgency of care, support and protection of children; and to make a concerted effort in fighting against abuse on children. The activities aimed to deliver an important message that, the best interests of the child are of paramount importance; and that the welfare of a child should be the order of the day and not an event based thing.

Various activities took place in all Local Municipalities but the District is currently focusing on KwaNtsila, PSJ where an act of Cannibalism took place. The community's morality is to be regenerated and a promise of an effort to strengthen the safety of individuals, by also alerting community members on their role in ensuring the welfare of individuals.

3.15. DISASTER RISK MANAGEMENT & FIRE SERVICES

The disaster management centre has engaged in a number of activities and the implementation of specific projects. The unit has been extremely eager in working on set targets, and where time and resources allowed, over achieved on some.

The disaster centre has trained 50 volunteers on hazard specific risk avoidance and response with emphasis on:

- (a) Dealing with emergency situations.
- (b) Understand psychology of disaster management.
- (c) Conflict resolution, and
- (d) Scene management

The centre also orientated 48 new Councillors on Disaster Management an exercise which was aimed at equipping political leaders, as elected custodians of communities, on ways in which to deal with and mitigate disaster. The workshop was a good success and was instrumental in laying a foundation for the integration of disaster risk reduction on municipal programmes. This workshop was held at the Garden Court Mthatha in March 2017.

The issue of skills and capacitation is extremely important in the municipality. The municipality is a strong believer in elevating the educational capacity of its employees so that they are better equipped in executing their duties. As a result, the department sent four officials within the department to the University of the Free State to attend a course on Climate Change. The capacitation has allowed the employees to be more knowledgeable in issues affecting and around the ecosystem, environment and infrastructure. This course was a certificated training focused on:

- a) Identification of hazards caused by climate change;
- b) Undertaking community based risk assessment with a practical exercise in one of the informal settlements of Bloemfontein.
- c) Use of GIS and spatial data to map where specific hazards and vulnerabilities are located in the area of study.
- d) Calculations and presentation of resilience reports for management purposes.

During January 2017, the district had an unexpected weather event which resulted in the damage of over 3800 households and left 1387 families homeless. The disaster was a *vis-major*, which prompted the municipality to provide relief within its available resources. The disaster was of great magnitude that it demanded the attention of the country. The municipality then solicited numerous resources through stakeholders such as SASSA, DSD, SANDF, AL IMDAAD, REDCROSS, CHECKERS, MTHATHA BUSINESS CHAMBER, KSD Local Municipality, etc. Relief costing in excess of R500 000 in the form of warm meals, food parcels, blankets and heating/cooking stoves were issued to the disaster victims.

- (a) The disaster in itself cost numerous millions, funding the municipality could not provide alone.

- (b) Eskom foundation through the Red Cross Society injected R700 000 to assist additional victims with relief.
- (c) The department of Rural Development and Land Reform assisted with R26 million specifically to intervene in the housing and education infrastructure that was damaged. This project was a joint initiative between DRDLR and DoHS which saw 297 households being provided with temporal shelters.
- (d) The Premier's office also contributed with R70 million to intervene in assisting households who were left homeless. This exercise of distribution and providing shelter to the homeless is still ongoing.

The centre has also been engaged in establishing itself in all local municipalities by seeking land to establish disaster management facilities. The local municipalities of Mhlontlo, Nyandeni, and Ingquza Hill have already donated suitable land, with KSD and PSJ local municipalities promising to also donate land. A service provider has been contracted at a cost of R4.8 million to supply park homes to Ingquza Hill, Nyandeni, Mhlontlo and KSD. A further R 950 000 has been requested as a variation to the existing order to include fencing and security systems for the sites.

The centre has also been engaged in public awareness campaigns either alone or with other stakeholders. These campaigns of community engagements have been hazard specific to targeted wards. Volunteers have been used initially in the campaigns but satellite centres took over after all enlisted volunteers were redeployed to the fire service.

COMPONENT E: SPECIAL PROGRAMMES

3.16. EXECUTIVE MAYORAL SERVICES

The Executive Mayoral Services as a department specific to the Executive Mayor is instrumental in identifying the needs of the community; identifying and developing criteria for the evaluation of strategies, programmes and services due to the community. The Executive Mayoral Services serves communities on basic amenities, provides mayoral support on societal issues and strengthens stakeholder engagement with the municipality.

The Mayoral Services department has several units within it which carry out duties that are specific to vulnerable groups, groups of interests, previously disadvantaged and the mandate of the Constitution of the Republic of South Africa, 1996. The Special Programmes Unit within the office of the Executive Mayor is the pillar unit of the department with numerous subsections within it. The unit spearheads the mainstreaming of programs that are aimed at vulnerable groups and groups that South Africa deems to have been previously disadvantaged.

The department is responsible for the sitting of the Mayoral Committee meetings, a section 80 committee that executively holds the administration accountable.

The Mayoral Committee is the first reporting committee when the Management Committee has signed them off. Mayoral Committee are legislated to sit monthly, which the department objectively complied. The Department has also held a Mayoral Lekgotla session, where the entire department together with the relevant stakeholders, were invited to a session that was spread over numerous days to discuss departmental plans, strategies, find amicable solutions to issues, engage on pertinent topics and basically outline a clear plan on the programs the Executive Mayor is to head.

The Executive Mayoral Office has held Mayoral Imbizo's which were aimed at strengthening public participation and the accountability to the public. The Mayoral Imbizo's are generally premised on urgent social issues that arise and demand urgent attention by the custodians of communities. The Imbizo's were held across the district, in three local municipalities, Nyandeni, Port St Johns and KSD, which were the main areas that were riddled with grave communal social issues and disaster concerns.

3.16.1. SECTORAL ENGAGEMENTS

The Executive Mayoral Office supports a number of sectors that are instrumental in the livelihood of communities and business interests. The office convenes sector meetings with the: Business Sector; Traditional Leadership and the ORTDM Chaplaincy. The Business Sector is focused on uplifting service providers, to create a platform and support system in which business owners share information on expertise, successes and issues. The sector also allows the municipality to engage in ways in which the business sector may be better supported by the municipality. The traditional leadership, as born custodians of communities are important stakeholders. They meet with the municipality on communal projects and ways to better understand the needs of communities and ways to bring projects that will not only develop communities but will empower individuals. The OR Tambo District Chaplaincy led the Arrive Alive Campaign prayer and has been instrumental in leading campaigns of Moral Regeneration in the communities.

3.16.2. HIV/AIDS PROGRAMME

The District has had an escalating HIV/AIDS containment prevalence in the 2016/17 financial year. This has raised much concern and the municipality has had to strengthen its quest to reduce the growing numbers. The Eastern Cape Province has recorded a weekly infections rate of 299 for young women between the ages 15-24 years old. A number of 71 in the 299 has been from the OR Tambo District Region alone. This places the district at the highest rate recorded per week in the Province and 7th in the country. HIV/AIDS has numerous contributing factors, which none the District takes for granted, this why the District has made a concerted effort in fostering cordial relations with key stakeholders in combating the disease and providing adequate information on the disease.

The District Aids Council and Local Aids Council have tirelessly worked to try and make sure the number decreases rapidly. Ward Aids Forums have been established to try get communities to take initiative and ownership in programs that alleviate the prevalence of the disease. Three Ward Aids Forums have been established in KSD local municipality, with four in the Port St Johns area and two in Ingquza-Hill local municipality.

Numerous HIV/Aids awareness campaigns were conducted in all five local municipalities. The campaigns incorporated ABC awareness, PMTCT awareness and youth educational programs that were held in numerous schools. The campaigns were conducted in conjunction with AmaKhomkhulu, Imbumba Yamakhosikazi Akomkhulu, and eNyandeni, Ndluzula, Emcwerheni and Ndimakude.

3.16.3. INKCIYO AND ULWALUKO PROGRAMMES

The Executive Mayoral Services launched the Inkciyo Programme which was held at Nyandeni Great Place. The Inkciyo programme has had awareness campaigns and fundraising initiatives for community benefit. The Inkciyo initiative is a cultural practice that celebrates virgin girls. The program is part of a campaign to instil pride in young girls for their decision to remain virgins. The program celebrates the existence of young girls and validates their power in a society does not consistently nurture young girls.

Ulwaluko is a male circumcision ceremony, a cultural practice that symbolizes the transition from being a boy to being a man. The process of circumcision has jealously claimed the lives of many young men, through ignorance or negligence. The Eastern Cape remains province has the highest number of lives claimed by circumcision and/or induced by the process. The number of deaths have attracted national intervention programs with stringent rules regulating the process. Numerous campaigns have been held on the training of qualified Incibi, safe and healthy amaboma to house the young men. The Emacwerheni Traditional Authority in Mhlontlo Ward 12; Nyandeni Great community; Port St Johns and Hombe Ward 20 in Ingquza-Hill communities have launched their awareness campaigns. The number of deaths have significantly been reduced through this initiative, with circumcision is summer and on boys younger than 18 years being prohibited.

3.16.4. FOCUS GROUPS

The District Municipality has been a leader in uplifting men and women through training and capacitation initiatives. The district has trained 100 individuals on free range egg production; 100 on project management, 50 young women were trained on various components of company registration, 50 women from KSD were trained on beading.

A women's dialogue was held to discuss issues and challenges facing women. The aim of the dialogue was to allow women to reclaim their space in society.

The dialogue was an upliftment program to give women a space to devise ways in which they will unapologetically exist and dominate without feeling inferior to me. To discuss issues that are specific to women and how to find space for those issues to be resolved.

The District holds awareness on illnesses that are prevalent in society. These illnesses are Alzheimer, Dementia, Parkinson's et cetera. These illnesses are common in our societies and are extremely misunderstood with accusations of witchcraft when a people had fallen prey to the disease. The district municipality educated communities so that they are able to seek the needed help and be able to handle the conditions. Elderly people were accused of witchcraft

Cancer campaigns were held so as to educate individuals on the importance of going for constant checks at local clinics so that the disease is contained or eliminated at an early stage. The advancement of cancer in people demands the lives of people and has risen at an alarming rate. Cancer, just like HIV/Aids, has had a negative stigma in society and hence people shun away from getting help. The awareness campaigns allow individuals to own these conditions and seek the treatment the government proudly provides for its people.

The Miss OR Tambo Initiative has recorded a resounding success in developing and contributing to building a bright future for young women in O.R Tambo district as most of the contestants have completed a tertiary qualification and are working as professionals in their various disciplines. All winners over the years were given a car on top of many other hampers, compliments of Vodacom. For the 2016/17 pageant, all 15 contestants were given the full wardrobe of all costumes they wore in the competition.

The Executive Mayor pronounced that all 2016 contestants be eligible for financial academic assistance and as such at least seven of them (7) out of 15 qualified and were awarded. Of the 7 that qualified, six (6) passed to next level in 2017 and one (1) received an academic exclusion for having failed a major subject.

SPU – CHILDREN

Elevating the literacy rate within the district is one of the municipality's greatest passions. The Eastern Cape has the lowest matric pass rate with an extremely compromised standard of education. The matric pass rate can be attributed to numerous factors which the district municipality is committed to solving piecemeal. The Executive Mayor's Office has formed partnerships with stakeholders such as Anglo-Gold Ashanti to invest in numerous schools and making sure matric results are improved.

The partnership started in 2013, with a focus on 21 schools from different local municipalities. The programme is for the benefit of all mathematics, physical science and English in grade 12 from the selected schools. The schools enrolled a number of 120 students, of which 116 acquired Bachelors passes, while 4 received Diplomas. The District received top achievers from 3 KSD schools, 1 in Mhlontlo and 1 in Ingquza-Hill local municipality. One of the learners from Holy Cross High School received a National Recognition Award.

The initiative supports the following schools:

- KSD local Municipality
 - Attwell Madala School; St Johns College; Luthubeni School; Ngwayibanjwa School; Dudumayo School; Holy Cross High School and Sinolwazi Senior Secondary School (SSS).
- Mhlontlo Local Municipality
 - Shawbury School; Little Flower School; Somagunya School; Thandanani School and St Barths School
- Nyandeni Local Municipality
 - Ndimakude High School, Phangalele High School; Sandi School and St. Patricks School
- Port St. Johns Local Municipality
 - Port St. Johns High School and Gcinumthethe High School
- Igquza-Hill Local Municipality
 - Toli SSS; Parlmerton SSS and Phambili SSS.

In addition to the Star Schools programme, the office of the Executive Mayor and Former Speaker identified 18 schools from around the District in pursuit of improving matric results and the high-school turnover rate. School learners were awarded with scientific calculators, professional tutorials, home cells and on-site counselling to assist learners to manage exam anxiety.

The following schools were supported:

- Qumbu Town: Welsh School; Jongilizwe School; Daluhlanga School; Mchasa School and Somagunya School.
- KSD LM: Sea View School; Gengqe School; Upper Mpeko School; Zwelibangile School; Dalibaso School; Kwanobuhle School and Khulanathi School.
- Libode Mega: Ngqeleni School; Smuts Ndamase School; Vakele School; Mabhulana School; Nogemane School; Mangala School and Nyangilizwe School.
- Lusikisiki Town: Zwelibongile School; Botha Sigcawu School and Bodweni School.

Partnerships with Anglo-Gold Ashanti include the Career Exhibition where 2500 learners from over 36 schools from around the District are invited to learn on the various career options and opportunities available to young people. The career Expo aims to motivate young individuals to explore as many career options as they opt to. The South African National Defence Force and Military Veterans Ncise Military Base sent over 3000 learners to attend the career expo, so as to broaden the knowledge of the learners.

The Tourism Sector together with the Department of Education also conducted a career expo at the airport hangers where over 2500 learners were in attendance. The department also drives the back to school campaign where more than 140 learners are provided with schooling garments and schooling equipment. The awarded schools were: Gilindoda JSS; Coza JSS; Mdingi JSS; Cetywayo JSS; Ngqwarha JSS and Lands Ands JSS.

An initiative to distribute reusable sanitary towels to young girl learners from indigent families that cannot afford monthly sanitary wear. The initiative demand is extremely high and the municipality has provided only but a fraction of young ladies because of a limit in resources. Sanitary Towels were also distributed to school learners during the 67 minutes for Mandela. The municipality continues to solicit partnerships in this regard, as reclaiming the dignity of our young ladies remains of paramount importance.

The protection and general welfare of children is extremely important. As legislation prescribes that the best interests of the child are more important, and generally outweigh any other subordinate right. The district together with the Department of Social Development led a Child Protection Week in Ingquza-Hill local municipality. The SAPS and Department of Health also joined arms in the initiative, by providing awareness on the importance of keeping a child safe and taken care. The initiative further highlighted to care-givers that neglecting the safety of the child is a chargeable offence.

SPU – DISABILITY

The district municipality partnered up with Ingquza-Hill Disability Forum in training and conducting awareness campaigns for people with disabilities. Disabled people within the district are negatively stigmatised by being made to feel inadequate. These initiatives aimed at creating a voice for the disabled and empowered them to be able to realise that their disability does not make them inferior. The initiatives handed out nine wheelchairs to people within KSD and Mhlontlo LMs. During the 67 minutes in honour of Nelson Mandela, family groups were also targeted, where a family in KSD with 3 disabled children were provided with aid. The EFATA school for the Deaf is also an area of focus where the municipality supports their initiatives and art works by exhibiting their craft during the Deaf International Conference in Johannesburg.

3.17. ACADEMIC FINANCIAL ASSISTANCE FOR TERTIARY STUDENTS

The Council approved to have a Bursary Committee within the OR Tambo District Municipality to award bursaries to deserving individuals from families that cannot afford tertiary education. The bursary committee awards bursaries only to students in South African accredited tertiary institutions.

The education bursary is in response to a national crisis that saw the rise of the 'Fees Must Fall' campaign around the country which not only destabilised education but also halted educational practises for a while. The bursary is further in response of the extreme need of educational funding by deserving students that face the wrath of financial exclusion although they maintain excellent grades. The bursary realises the Constitutional right to education by making South Africans realise that education is not a right to be exercised by those who are economically independent. The bursary fund has taken to tertiary ± 170 students within the district, with numerous success stories and no leniency on academically non-performing students who do so with no justifiable attributing factors.

COMPONENT F: ENVIRONMENTAL PROTECTION

Not a function of the District Municipality

COMPONENT G: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.18. EXECUTIVE AND COUNCIL

The Executive arm of the municipality is politically headed by the Executive Mayor and administratively by the municipal manager. The District municipality is a non-delegated municipality with the Municipal Manager serving as the accounting officer and advisor to the Executive Mayor. The Executive Mayor has the power to elect a Mayoral Committee, which serves as an executive committee of council, to advise the Executive Mayor on executive decisions. The Mayoral Committee is made up of political Members of the Mayoral Committee (MMCs) which are equivalent to the number of executive departments within the municipality. The Executive Mayor reports to Council on all executive functions subsequent to Mayoral Committee meetings.

The Council is the legislative arm of the municipality which is headed by the Council Speaker. The legislative arm houses councillors which serve on different oversight committees. The legislative arm has section 79 committees which are politically headed by chairpersons and these serve as oversight committees to legislative departments. The legislative committees report to and compile reports to council on their oversight function. The legislative arm also houses the Office of the Chief Whip, which impartially takes care of all interests of political parties serving in council.

3.19. FINANCIAL MANAGEMENT

The Budget and Treasury Office has a duty, amongst other things, to keep the municipality financially viable in order to carry out its mandate as a Water Services Authority and other emanating service delivery needs. The department works in compliance with the Generally Recognized Accounting Practices, Municipal Finance Management Act (MFMA) No. 56 of 2003, its related circulars and regulations.

The department has been instrumental in the improved spending on the allocated Municipal Infrastructure Grants (MIG), Water Services Infrastructure Grant (WSIG) and Regional Bulk Infrastructure Grant (RBIG), by instilling sound financial mechanisms that complement the demand in service delivery. The 2016/17 financial year, the municipality has depleted a total of 100% of the MIG, 100% of WSIG and 100% of RBIG.

National Treasury introduced the Municipal Standard Charts of Accounts (mSCOA), a model of financial reform that requires a multi-dimensional recording and reporting of every transaction across seven segments. Five work streams were established to fully integrate and assimilate mSCOA within the municipality, so as to ensure it will be in full motion come July, 1st, 2017, as per National Treasury, MFMA SCOA Circular(s).

The District Municipality pulled all stops to ensure the adherence to circulars, by being mSCOA compliant, and having an mSCOA compliant Council adopted Budget for 2017/18. The District Municipality scored second in the country in terms of being mSCOA compliant and ready.

The department has revamped its Revenue Collections Unit to a more customer-care-friendly look. The project is yet to be completed as it began in the 2016/17 financial year.

3.19.1. REVENUE COLLECTION

With regards to municipal revenue, water supply remains a viable cost recovery mechanism and a primary source of revenue. Insufficient collection of revenue affects the growth of the municipal budget adversely hence the introduction of cost recovery measures. The aforementioned cost recovery measures will be enhanced by the review and development of financial policies that are to be tabled to Council for adoption.

In the quest to catapult revenue collections, a Revenue Enhancement Strategy was introduced, launched and implemented in all five local municipalities. The purpose of the initiative was to invite all rate payers to join in arms with the municipality, in surmounting their debt owed to the DM, while also introducing and incentivizing a culture of rate paying. The initiative saw much success with revenue collections improving by 100% in the 2016/17 financial year.

The department has sought for alternative sustainable sources of revenue generation to boost the municipality's cost recovery mechanisms; to reduce reliance on grants; and improve budget growth. The department has utilized high-earning investments, with an amount of R35million reported in returns in the 2016/17 financial year.

3.19.2. EXPENDITURE AND LIABILITY MANAGEMENT

Expenditure and Liability management is the responsibility of the accounting officer of the municipality, the Municipal Manager. Upon the instance where a municipality incurs unauthorized, irregular or fruitless and wasteful expenditure; the municipality must investigate the cause and hold a person responsible. According to section 32 of the Municipal Finance Management Act, the municipal council must elect/nominate a council committee to investigate the unauthorized, fruitless and wasteful expenditure.

OR Tambo currently sits at an inflated amount of unauthorized, irregular or fruitless and wasteful expenditure, which has been historically accumulated since time immemorial. The accumulation of this amount is the reason the 2017-2022 council elected a council committee to investigate the deliberate or negligent authorization of a fruitless and wasteful expenditure.

The council will then make findings on the expenditure and hold a person responsible for the expenditure.

The council may either make recommendations on mechanisms to recover or rectify such expenditure or to write off the expenditure as irrecoverable. The accounting officer of the municipality must then make recommendations on ways in which the reoccurrence of the unauthorized, irregular or fruitless and wasteful expenditure can be subverted.

3.20. CORPORATE SERVICES

This report is intended to be a 2016/17 annual report of the Corporate Services department. The report is prepared in the context of corporate services being a transversal function that supports all departments in the municipality, that is, the department provides its services to support all other departments and provides them with the environment conducive to the maximization of service delivery efforts.

3.20.1. PLACEMENT OF EMPLOYEES IN THE NEW ORGANISATIONAL STRUCTURE

The departmented and presented the policy for placement in the Local Labour Forum. The policy was adopted and it is used to place the employees into the new organogram. The process of placement is continuing and is scheduled to be completed in the first quarter of 2016/17 financial year. Central to the placement process is the participation of all stakeholders in the process. These stakeholders include the HODs, IMATU, SAMWU and Corporate Services Department (providing technical support). Placement has been completed for these Departments:

- Office of the Municipal Manager
- Executive Mayoral Office
- Executive Mayoral Services
- Corporate Services
- Legislative Services
- Rural Economic Development and Planning
- Human Settlements
- Engineering
- Community Services
- Water Services

3.20.2. RECRUITMENT AND SELECTION

The recruitment of strategic and compliance posts is currently underway. The following posts form part of the posts that have to be filled in the short term. These posts are:

- Manager HRD
- Skills Development Facilitator
- Occupational Health and Safety Officer

- Director Water Services
- Manager: WSA
- PMU Manager
- Manager Communications
- Chief Risk Officer
- Manager IDP
- Manager Corporate Performance, Reporting and Monitoring and Evaluation
- Legal Advisor to Council and Proceedings
- Manager LED
- GM: GL Revenue, Budget Reporting and AFS
- GM: SCM, Asset Management and Municipal Support.

Advertisements were done for the above posts. Recruitment for them is scheduled to be concluded in the first quarter of 2016/17 financial year.

The municipality is further issuing an internal advert in order to address inconsistencies that were identified during the placement process. The internal advert is also issued as a means of eradicating salary disparities that has been plaguing the municipality resulting in prolonged work stoppages and strikes by employees. After internal advertisement, the municipality will then begin to issue external adverts in order to recruit best talent available nationally.

3.20.3. IMPLEMENTATION OF EMPLOYEE SELF SERVICE (ESS)(Automated Leave)

The Municipality is currently using the leave-book system for leave applications. This has resulted in poor management of leave as it is very difficult to control and reconcile leave book in an institution as big as OR Tambo District Municipality. The department is now converting from the leave-book management system to an automated version.

The automated system has been installed, training of leave champions per Department has been done. The system is fully implemented in the Corporate Services and Legislative Services Departments. The two departments were used as pilot departments in the implementation of the ESS program. The system software has also been rolled out to the Office of the Municipal Manager and the Office of the Executive Mayor. The Human Resources Unit is currently making preparations to roll out the system to the rest of the departments.

3.20.4. REGULATION OF ACTING APPOINTMENTS

The Municipality has been appointing employees on acting capacity for periods in excess of three (3) months, in contravention of the provisions of the Collective Agreements and Basic Conditions of Employment Act. All such acting appointments were terminated and new requests, where necessary, are being processed in line with these pieces of legislation.

The system has now been cleaned of these irregular acting appointments. All acting appointments are now currently done according to applicable legislation.

3.20.5. JOB EVALUATION

The process of Job Evaluation has long been a problematic issue in the institution. At one time the process came to a standstill because of challenges that included problems of capacity in the Job Evaluation Unit. In May 2016 the project was resurrected with the help of a service provider. The project is at a stage where the job descriptions have all been finalized. These have been quality checked in preparation for the grading exercise. The service provider has had to rewrite some of the job descriptions that were either missing or non-existent from the pool in the municipality's archives. The municipality is in the process of reviving the Job Evaluation Committee in order to begin the process of grading the jobs from both the district municipality and the 5 local municipalities.

3.20. 6. EMPLOYEE WELLNESS

The department is currently prioritizing the wellness of all municipal employees. The department recognises the fact that employees of OR Tambo District Municipality are currently working under very stressful conditions in the light of unfinished programmes of placement, job evaluations and salary disparities in general. To this end, the department has lined up a number of programmes and projects aimed at giving relief to employees. These include the revitalisation and putting adequate equipment in the gymnasium of the municipality at Government Printers, wellness events, debt counselling, medical screenings and promotion of sporting activities.

Woman's month is commemorated in the month of August in South Africa. In the August month we commemorate and celebrate women's contribution towards liberation struggle of South Africa. O.R Tambo district municipality partnered with Department of Health and dedicated this month in fighting against cervical cancer which is one of the diseases that contribute to death of our women in the country yet is it both preventable and treatable. Cervical cancer is caused by Human Papilloma Virus (HPV) which is said to be the most sexually transmitted infection. On the **16 August 2016** O.R. Tambo district municipality commemorated and celebrated woman's day by encouraging employees to take preventative steps towards their productive health. To encourage self-management of health in general by having regular check-ups and to encourage use of sanitary towels and hygiene during menstruation cycles.

Wellness objective is to enhance productivity of human resources, and maintain a high morale of staff complement by promoting both physical and mental health of both employer & employees in fulfilling service delivery objectives to the communities in the O.R. Tambo District jurisdiction this is achieved through sports activities that the O.R Tambo municipality participates on.

Just at the end of the first quarter from **23 – 30 September 2016** the employee wellness unit organized the O.R Tambo municipality employees to attend SAIMSA Games in **MAHIKENG LOCAL MUNICIPALITY (NORTH WEST PROVINCE)**.

O.R Tambo district municipality having partnered with SAPS and Social Development organized an event during the period of 16 days of non-violence against women and children and termed it “**EMPOWERMENT OF SURVIVORS OF DOMESTIC AND GENDER BASED VIOLENCE**” The event took place on the **29 November 2016**, the aim of the event was to: -

- To encourage silent women victims to talk about abuse and ensure that they get help
- To encourage the reporting of abuse
- To encourage men to talk about abuse and discourage abusive behaviour
- To help employees to understand how their own attitudes and actions might perpetuate sexism and violence.

Wellness unit invited the community of O.R. Tambo District Municipality to participate in an interdenominational prayer meeting. The event was held at O.R Tambo Hall on the **11 January 2017**. People are nurtured in communities where religion forms an important part of their cultural make –up. In some cases this important aspect of their culture gets suppressed or is ignored due to work pressures or due to adoption of different life styles. Adoption of different life styles without religion denies a person the spiritual fulfilment which every person needs for a complete sense of well -being, and this often results in an imbalance of energy within the human psyche.

3.20.7. SAFETY AND SECURITY

The Municipality is currently a victim of break-ins, theft of municipal assets, information leakages, misuse of vehicles and abuse of fuel cards that results in serious financial losses due to lack of proper control measures.

The following table highlights these incidents and measures that have been taken to minimise them:

Table 112: Incidents and control measure

INCIDENT	CONTROL	PROGRESS
01. None availability of Security Policy	Submission of Policy to Council for Adoption	Achieved
02. Misuse of Fuel Cards	Improvement and revitalization of investigative capacity in the safety and security section	Achieved. Drivers have been arrested and disciplinary proceedings have been implemented against them.
03. No Security Screening and vetting on employees and Service providers	Submission of Policy for Council adoption	Achieved

3.20.8. TRAINING AND DEVELOPMENT

The purpose of the training and development section is to improve the capacity of employees and communities in the OR Tambo district Municipality. The trainings are consolidated in the Workplace Skills Plan that is compiled and submitted to the Local Government SETA every year. The trainings are also implemented in compliance with the minimum competencies as identified by National Treasury in respect of Senior Managers, Finance and Supply Chain Officials. The following table is a highlight of targeted training interventions in pursuance of the above criteria:

Table: 13 Annual training Report 2016/17

WORKPLACE SKILLS PLAN
ANNUAL TRAINING REPORT 2016/17

A. EMPLOYED LEARNERS

NO	LEARNING PROGRAMME	OCCUPATIONAL CATEGORY OF BENEFICIARIES	ACTUAL NO. OF BENEFICIARIES TRAINED	DURATION OF TRAINING	NAME OF TRAINING PROVIDER	TYPE OF TRAINING
1.	CPMD	Middle Managers, Accountants, Assistant Accountants, Chief Officers	25	1 Year	Wits	Certificate
2.	Project Management	Middle Managers, Senior Officers & Junior Officers	13	5 Days	LeMark training & Development	Skills Programme
3.	Pipe Laying	Plumbers	20	5 Days	Ntinga training & Development	Skills Programme
4.	Organisation Development And Job Evaluation	Managers , Senior Officers	2	5 days	Delloitte	Skills Programme
5.	Occupational Health & Safety With 1 St Aid	General Workers	15	5 days	SYTM Consultants	Skills Programme

NO	LEARNING PROGRAMME	OCCUPATIONAL CATEGORY OF BENEFICIARIES	ACTUAL NO. OF BENEFICIARIES TRAINED	DURATION OF TRAINING	NAME OF TRAINING PROVIDER	TYPE OF TRAINING
6.	Payday System	Accountants , HR Officers, Admin Clerks	5	5 days	Payday	Skills Programme
7.	TLB Operator Training	Plant Operators	14	2 weeks	Uninikhaya Trading & Projects	Skills Programme
8.	Cleaning & Hygiene	General Workers	13	5 days	Ntinga Training & Development	Skills Programme
9.	GIS Course	Manager	1	5 days	LGSETA	Skills Programme
10.	Mentoring And Coaching	Middle managers, Senior Officers	15	5 Days	HDPISA	Skills Programme
11.	Basic Computer Skills	General Workers	20	5 Days	Dululwazi Computer training Centre	Skills Programme
13.	Wellness Practitioner Course	Junior Officer	1	3days		Skills Programme

NO	LEARNING PROGRAMME	OCCUPATIONAL CATEGORY OF BENEFICIARIES	ACTUAL NO. OF BENEFICIARIES TRAINED	DURATION OF TRAINING	NAME OF TRAINING PROVIDER	TYPE OF TRAINING
14.	Local Labour Forum training	LLF Committee members	23	3 days	Rantsane Mario training Solutions	Skills Programme
15.	SD & EE Committee	Managers , Senior Officers Labour and Junior Officers	18	2 Days	LGSETA	Skills programme
16.	Introduction to Local Government	Traditional Leaders	12	5 days	Ethembeni Training & Consulting	Skills Programme
17.	Waste Water Treatment Process (level 3)	Plant Superintendents Plumbers	10	1 year	Mahube Training & Development	Learnership
TOTAL			207			

NO.	NO. OF BENEFICIARY	NAME OF INSTITUTION	QUALIFICATION/ CERTIFICATE
1	2	WSU	B. Tech PRM, Btech PA
2	1	Stellenbosh	Honours: Public Admin,
3	1	Cranefield college	Post Grad. Diploma: Project Management
4	9	UJ	Diploma in Transport Management x 1 , Cert in Municipal governance x 8
5	1	Info Tech	Nat. Cert. Bookkeeping
6	1	Cape Peninsula	B. Tech: Water Engineering
7	3	UNISA	Certificate in Risk Management, Cert in OHS, Cert. in Forensic Investigation & Auditing
8	1	CUT – FS	B. Tech: Environmental Health
9	2	NMMU	Honours: Dev. Studies, Masters in PM
10	1	Lyceum College	BA: Disaster & Safety Management
11	2	University of Free State	Honours: Spatial Planning x 2
12	1	University of Cape Town	Business Risk Management
13	16	Regent Business School	Bcom in Accounting x10, Bcom in HRM X 6
14	6	Univ. of Fort Hare	Certificate in LG Law & Admin
15	27	Univ. of Fort Hare	CPMD
16	12	WITS –Joburg	CPMD
17	10	WITS-Durban	CPMD
18	19	WITS- East London	CPMD
19	26	WITS- Mthatha	CPMD
TOTAL	141		

B. UNEMPLOYED LEARNERS

N O.	LEARNIN G PROGRA MME	OCCUPATIO NAL CATEGORY OF BENEFICIA RIES	PLANNED NO. OF TRAINING BENEFICIA RIES	ACTUAL NO. OF BENEFICIA RIES TRAINED	DURATI ON OF TRAINI NG	NAME OF TRAININ G PROVID ER	TYPE OF TRAINI NG
1.	Life guarding	Unemployed	80	20	5 days	Ntinga training & Develop ment	Skills Program me
2.	Internship	Unemployed	20	43		n/a	Experien tial Training
3.	Student Trainees	Unemployed	48	48	6-18 months	n/a	Experien tial Training
4.	Water & Waste Water Treatment (Level 2)	Unemployed	10	10	1 year	Mahube Training & Develop ment	Learners hip
TOTAL			158	121			

The Training Committee already exists in the municipality, but it needs revitalization and re-launch as it has not held meetings for a long time.

3.20.9. GEOGRAPHICAL INFORMATION SYSTEMS (GIS)

The aim and purpose of the section is to document and provide access to all tangible and intangible resources of the District Municipality including those that belong to the Local Municipalities of the OR Tambo District Municipality. These resources include infrastructural projects and facilities, databases in hard and soft format. The following are the highlights of what the section has achieved to date.

Table 124: GIS Achievements

Project	Description	Progress
Capture District Municipality projects and facilities	Water and Sanitation projects have been captured on the GIS System.	A lot of information still has to be collected and captured and be posted in the website for consumption by interested stakeholders
Link deeds information with the municipal debtors	The aim was to link all municipal debtors to the municipal systems	KSD debtors have been linked to the system in the municipality.
Conduct User Requirements analysis	The project here will look at the status quo of the District Municipality and Local Municipalities and document the findings. The aim is to establish a steering committee to deal with all GIS related matters for the whole district.	Requirements analysis was done and a report was produced. Two meetings were held with Provincial and National COGTA Departments.
Upgrade ArcGIS Server	The project here is upgrade the current system into Corporate System or Enterprise system with much bigger capacity to handle all the data that is anticipated from the whole district wide.	Planned for first quarter16/17Financial Year

The GIS unit has since been placed under the Department of Water Services.

3.20.10. EMPLOYEE RELATIONS

Policies and Procedures

Grievance procedure and code of conduct currently exists and is available to all employees; the mission of the section is to create awareness around its availability and utilisation.

Cases for the financial year 2016/17

There are 11 misconduct cases for this financial year.

- The first case is between O.R. Tambo DM and employee in Finance. The case still continues. The case is at the stage of hearings.
- The second is a case involving 8 employees who are alleged to be abusing fuel cards. Three employees have already been suspended. The case has also been handed over to the SAPS. The cases for other 5 employees are still ongoing.

- Three cases were finalised and were ultimately dismissed. The two dismissals were confirmed at the South African Local Government Bargaining Council. The third one lodged an appeal to the finding and the sanction and was reinstated on appeal. However the employer decided to pursue the disciplinary proceedings against the said employee.
- Two employee from Community Services were charged for various counts, one was found guilty and dismissed, and the other one is still ongoing.

Capacity Building

- The Department conducted Road shows on the code of conduct and the grievance procedure to all departments including satellite offices .

3.21. OVERSIGHT FOR SERVICE DELIVERY

The Legislative Services Department acts as the legislative arm of the municipality by being the home of the District Municipality Council. The Council is the highest decision making body within the municipality and remains independent to the executive arm.

One of the instrumental role(s) the Legislative Department plays is that of municipal oversight in all service delivery initiatives implemented by the executive.

The department is segmented into numerous oversight committees that are answerable to Council. The role of the committees is to ensure:

- Policies are implemented and adhered to;
- Budget is adequately allocated and utilized;
- Executive departments carry out their mandate as prescribed; and
- Service delivery and accountability are uncompromised.

The Municipal Public Accounts Committee (MPAC) remains at the helm of oversight and accountability with a mandate to ensure good governance in the municipality. The committee has legislated sittings that summon executive departments to account on the implementation of programs in a manner that is consistent with the approved municipal plans, allocated budget and legislation (and circulars). All executive departments are answerable to the MPAC and each department is invited at least once a month to account on the departments activities of the preceding month.

Every single executive department has a portfolio committee which is headed by a political head. Each portfolio committee sits every single month with the departmental head to decipher on programs, projects and matters relating to the department. The committees play an oversight role by making sure that the department adheres to and plays its role in the quest of delivering on services par excellence.

Every department has a role of doing physical verification of programs and projects. These projects are picked at random and/or when the need warrants a visit for verification. This happens throughout the year when committees go on site visits to verify the authenticity of implemented projects and programs. Physical verification remains the most credible oversight mechanism as it allows for greater stakeholder involvement.

The following table illustrates the projects that were physically verified by the MPAC

Table 135: Physical Verification of projects by MPAC

PROJECT	FINDINGS/ COMPLAINTS BY COMMUNITIES	CORRECTIVE MEASURE
Flagstaff Treatment Woks	Communities wanted the project to be fast tracked	ORTDM installed generators as an interim measure whilst awaiting Electrification from ESKOM
Port St. Johns	Poor performance of the Contractor was raised	The contract was terminated , a new contractor has been appointed and is currently on site
Upper Mhlahlana Treatment Woks	Communities wanted the project to be fast tracked	The department has appointed the Consultant and has started with the designs
Mqanduli Waste Water	Damages were identified on the plant	Department is busy with the assessment of the extent of damage to quantify the amount of work to be done

The legislative department has an inescapable mandate to ensure stakeholder relations are always maintained and enhanced through public participation. The petitions unit has a role of going to communities and dealing with petitions handed in to the Council Speaker's office. Petitions generally raise administrative concerns that emanate through communities concerns in service delivery. The petitions unit relays the concerns to the relevant departments, which then get responded to and provide a way forward in solving concerns raised.

The department has also held two Open Council with the theme 'Taking Council to the People.' The role of the Council was to go to a community and hold Council in a transparent and accountable fashion. During the Council, petitions that were handed in were dealt with, and an open dialogue session opened with members of the public being able to raise questions and have them answered.

3.22. MONITORING, REPORTING AND EVALUATION

The Integrated Development Plan (IDP) and the Performance Management, Monitoring and Evaluation units fall within the office of the Municipal Manager. The main responsibility, amongst others, is to ensure credible processes for service delivery planning, monitoring and evaluation.

A municipality is mandated by section 38 of the Municipal Systems Act 32 of 2000 to 'establish a performance management system that is proportional with its resources; best suited to its circumstances; and in line with the priorities, objectives, indicators and targets as contained in its Integrated Development Plan (IDP). To promote a culture of performance management among its political structures, political office bearers, councillors and in its administration. The municipality must administer its affairs in an economical, effective, efficient and accountable manner.'

The management of performance in the municipality is instrumental in monitoring and ensuring that the municipality's mandate is fulfilled par excellence. This ensures the mitigation of risks and risk causing agents, thus being able to foster timeous and effective turn-around strategies where needed. Performance management also allows accolades to be granted where the results allow, thus serving as an incentive to supersede set targets.

3.22.1. MUNICIPAL REPORTING

The Performance Management Unit has made a concerted effort in strengthening the compliance culture within the institution. The unit introduced various forms of reporting mechanism for information sharing within and across departments in the municipality.

Reporting templates were given to departments to factor in information on programs as per SDBIP, so that service delivery targets are constantly worked on. Section heads are to sit with their subordinates on a weekly basis, so as to share information; while Directors sit with section heads on a monthly basis. The meetings with Directors are formal, and the filled in reporting templates are to be sent to the PMS unit for monitoring and evaluation monthly.

Performance Management Systems Platforms

According to section 83(2) of the Municipal Structures Act 117 of 1998 'functions and powers (1) must be divided in the case of a district municipality and the local municipalities within the area of the district municipality...'. The district municipality in subsection (3) is mandated 'to seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole by, building the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking.'

The OR Tambo District Municipality sought to foster cordial relations with its local municipalities, with the aim to amicably debunk compliance issues. The district together with its local municipalities established platforms in which challenges and success stories are shared, with the aim to support one another.

The platforms discuss notions related to municipality's functions and powers, compliance (including mSCOA), having credible IDPs and SDBIP such that functions are not duplicated between the district and local municipalities. The platforms forge ways of dealing with and mitigating risks, for which the risk register remains of paramount importance

COMPONENT G: ORGANISATIONAL PERFORMANCE SCORECARD

BASIC SERVICES AND INFRASTRUCTURAL DEVELOPMENT

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
Human Settlements	Coordination of planning and Development of Sustainable Human Settlements	Accreditation of O.R Tambo DMI as an implementing agent for housing development	BSDI - 1	Number of Council approved Human Settlements Business Plans submitted to the Department of Human Settlements	N/A	N/A	0	1	0	Performance not fully effective	Policy presented to Mayo and recommended that Councilors must be workshoped, workshop conducted on the 26th of June 2017 and recommended for Council adoption but it was not included to agenda items for Council of 29 June 2017.	Policy to be included in Agenda Items of the next Council sitting for adoption in the next financial year	Council Register Acknowledgement receipt

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION		Means of Verification		
									Annual Actual	Annual Performance Assessment		Reason for Deviation (For all under achieved and over achieved targets)	Corrective Action (To be specific with timelines)
		Construction of houses for destitute and vulnerable families	BSDI - 2	Number of housing units for destitute and vulnerable groups constructed	R 2,100,000	N/A	7	7	5	Performance not fully effective	Unavailability of building material in the region resulting to delays to the contractor, and the area where the contractor is building houses is a hotspot area whereby the community protests is a norm demanding service delivery (KSD Ward 21)	The Department to form partnership with the manufacturers of approved building material.	Happy letters Completion Certificates
		Construction of houses for Adam Kok farm workers	BSDI - 3	Number of housing units for Adam Kok farm workers constructed	R 4,050,000	N/A	0	100%	100%	Fully effective	N/A	N/A	Happy Letters and Completion Certificates
		Conducting Human Settlements awareness and education campaigns in the region	BSDI - 4	Number of reports for the upgrades of informal settlements projects submitted	N/A	N/A	New Indicator	1	1	Fully effective	N/A	N/A	Acknowledgement of Receipt Reports (signed)

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification												
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)											
Community Services	To increase community participation in Sports, recreation, arts, culture and heritage programmes	Expand and maximize the value and utility of community service centres and community facilities (including sports fields, libraries etc.)	BSDI - 5	Number of community sports fields maintained	R 550,000	N/A	1	1	1	Fully effective	N/A	N/A	Pictorial Evidence, Proof of Payment, Happy Letters											
														BSDI - 6	Number of initiation schools supported	R 550,000	N/A	2	4	9	Outstanding performance	Joint training for all traditional nurses from all Local Municipalities in one venue enabled the District Municipality to reach more than planned.	N/A	Evaluation Report
BSDI - 8	Number of Sports-related partnerships formed	N/A	N/A	New Indicator	1	1	Fully effective	N/A	N/A	Signed Partnership Agreements														

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification			
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)		
	To increase community participation in educational governance and training	Integration of school and community libraries	BSDI - 9	Number of initiatives undertaken for promotion of library services	N/A	R 300,000	5	4	4	Fully effective	N/A	N/A	Pictorial Evidence, Report, Delivery Notes		
										Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)	
			BSDI - 10	Number of partnerships established for community Library development	N/A	N/A	1	1	1	100%	0%	Performance not fully effective	No authentic list of assets and environmental health practitioners from KSD local municipality. The transfer agreement has not yet been concluded by the ORTDM & KSD LM.	FastTrack signing of the existing transfer agreement and, authentic list	Copies of letters of staff transfer
												Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)	
			BSDI - 12	Percentage of notifiable medical conditions investigated within 24hrs of reporting	R 50,000	N/A	100%	100%	100%	100%	100%	Fully effective	N/A	N/A	Investigation Reports
												Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)	
BSDI - 13	Percentage of reported illegal dumps cleared	R 100,000	N/A	100%	100%	100%	100%	100%	Fully effective	N/A	N/A	Pictorial Evidence, Inspection Reports			
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)		

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline Indicator	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
	To improve the well-being of all vulnerable groups and general welfare of indigent.	Provide Social Safety net	BSDI - 14	Percentage of households supported in disaster affected areas	R 230,000	N/A	New Indicator	100%	100%	Fully effective	N/A	Disaster Report, Pictorial Evidence, Happy Letters	
	To reduce the risk and mitigate the impact of disasters, fires and emergencies to communities	Ensure proactive, during and post disaster strategies and measures are in place.	BSDI - 15	Number of Disaster Integrated information management portal linked with O.R. Tambo Information Management Systems	R 1,500,000	N/A	New Indicator	1	1	Fully effective		Information System Integration Report	
BSDI - 16			Number of Road Incident Management System Task Groups facilitated	R 1,350,000	N/A	1	3	3	Fully effective	N/A	Road Incident Management System Report, Attendance Registers		
BSDI - 17			Number of District Disaster Risk profiles tabled to Technical task Team		1	1	1	1	Fully effective	N/A	District Disaster Risk profile, Attendance Registers, Minutes		
			BSDI - 18	Number of Municipal Disaster Risk Management Plans submitted to Council	R 500,000	R 500,000	1	1	0	Performance not fully effective	All departments failed to develop Municipal Departmental Disaster Risk Management Plans despite training and numerous reminders written to them	2017/18 Performance Agreements of all Directors includes this targets in their Annual Plans.	Municipal Disaster Risk Management Plan, Council Minutes, Attendance Registers

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		Reduce the occurrence of fires and emergencies	BSDI - 19	Number of Disaster Community Awareness campaigns conducted	R 558,620	N/A	10	60	60	Fully effective	N/A	N/A	Programmes, Attendance Registers, Pictorial Evidence, Fire Awareness Report
			BSDI - 20	Number of fire fighting vehicles purchased	R 13,000,000	N/A	3	3	3	Fully effective	N/A	N/A	Inspection Report, Pictorial Evidence, Delivery Notes, Proof of Payments
		Improve institutional capacity to respond and mitigate the impact of fires and emergencies	BSDI - 21	Percentage of fire and emergency incidents responded to within 30 minutes for areas within a 50 kilometres radius	N/A	N/A	0%	60%	100%	Performance significantly above expectations	The section managed to respond to all fire and emergency incidents that were within 30 minutes for areas within a 50 kilometres radius	N/A	Fire Incident Report
			BSDI - 22	Percentage of fire and emergency incidents responded to within 1 hour 45 minutes for areas more than 50 kilometres radius	N/A	N/A	0%	60%	100%	Performance significantly above expectations	The section managed to respond to all fire and emergency incidents that were within 1 hour 45 minutes for areas more than 50 kilometres	N/A	Fire Incident Report

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
	Contribute to improved community safety and security	Building stakeholder consensus for community safety	BSDI - 23	Number of functional District Safety Forums held	R 210,000	N/A	1	2	2	Fully effective	N/A	N/A	Attendance Registers, Minutes
Rural, Economic & Development Planning	Improve Waste and environmental Management within O.R. Tambo District to comply with statutory requirements	Establish environmental compliant and sustainable development (including ISO 14001)	BSDI - 24	Number of partnerships formed	R 700,000	N/A	New Indicator	3	3	Fully effective	N/A	N/A	Signed Partnership Agreements
			BSDI - 25	Number of recycling cooperatives established			6	10	10	Fully effective	N/A	N/A	Copies of Cooperative Documents, List of Cooperative members with ID copies, Minutes, Attendance Registers
			BSDI - 26	Number of Environmental Management Forums held			4	4	4	Fully effective	N/A	N/A	Attendance Registers, Minutes

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification			
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all achieved and over achieved targets)		Corrective Action (To be specific with timelines)		
Executive Mayoral Services	To contribute to the prevention, reduction and management of the spread of HIV/AIDS, STI and TB	Mainstreaming of HIV/AIDS management	BSDI - 27	Number of wards with Ward based HIV/Aids Forums established (Back to Basics)	R 1,000,000	N/A	17	12	12	Fully effective	N/A	N/A	Attendance Registers Ward Aids Forum Reports		
				Number of health care workers and care givers supported (monthly stipend)			21	17	17	Fully effective	N/A	N/A	Monthly Timesheets		
				Number of people that have undergone Voluntary Counselling and Testing			2727	8722	8722	Fully effective	N/A	N/A	Voluntary Counselling & Testing Centre Report		
			To improve the well-being of all vulnerable groups and general welfare of indigents	Coordinate the mainstreaming of special programmes targeting vulnerable groups	BSDI - 30	Number of people from vulnerable groups that completed an academic programme	R 2,800,000	N/A	181	106	112	Fully effective	N/A	N/A	Academic Records Certificates of Completion
						Number of people from vulnerable groups that completed other scarce skills, training and capacity building programmes			600	1970	5606	Outstanding performance	N/A	N/A	Attendance Register Pictorial Evidence Training Report
					BSDI - 31		R 6,750,000	N/A	600	1970	5606				

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
			BSDI - 32	Number of programmes implemented to empower and create jobs for the youth, women, disabled and elderly			11	11	14	Performance significantly above expectations	A rise in gender-based incidents prompted the DM to provide more assistance than was initially planned.	N/A	Attendance Register Pictorial Evidence Report on Implemented Programmes
			BSDI - 33	Number of households receiving social safety support (distress support, child protection etc.)	R 3,800,000	N/A	16950	19500	2027	Performance not fully effective			Pictorial Evidence Database of District households receiving social safety support/Report on Social Safety Support
Technical Services	To provide access to sustainable basic energy and electricity	Provision of electricity to all outstanding households and new settlements	BSDI - 34	Number of Electricity Forum meetings held	R 500,000	N/A	New Indicator	4	3	Performance not fully effective	Meeting for the last quarter could not happen due to national events that were held in the District	District Wide Infrastructure Forum will be resuscitated in the first Qtr. 2017/18. Agenda items that were to be discussed in the 4th Qtr. 2016/17 will be discussed in the 1st Qtr. 2017/18.	Attendance registers & minutes of meetings

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
	To improve road infrastructure network in the district through the establishment of a Project Management Office	Development of a PMO to support construction and maintenance of roads to service centres and economic nodes	BSDI - 35	Number of Project Management Offices (PMO) established in the District	N/A	N/A	New Indicator	1	0	Performance not fully effective	The function of the establishment of the PMO office has been moved to the Office of the MM due to lack of capacity in the Department.	N/A	Attendance Registers and Minutes of PMO meetings
	Ensure access to safe, secure, reliable and affordable public transport system	Improve public transport infrastructure, Coordination of planning and regulation of public transport system, Promote public transport transformation and diversification	BSDI - 37	Number of Transport master plans approved	R 20,000,000	N/A	1.5 kms	2 kms	2km	Fully effective	N/A	N/A	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate
			BSDI - 38	Number of Rural Road Asset Management Systems developed	R 5,523,000	N/A	1	1	0	Performance not fully effective	The target was supposed to measure the number of LMs with roads assessed as the system will be completed in 2019	Target has been revised in the 2017/18 financial year	Minutes of meetings, Agendas, Attendance registers and Rural Road Asset Management System

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
Water & Sanitation	1.1 Provide access to potable water	Long term water infrastructure planning	BSDI - 39	Percentage completion of Ngangelizwe Breaking New Ground (BNG) Bulk sewer and water system	R 12,000,000	N/A	80%	100%	80%	Performance not fully effective	Contractor did not work in line with projected time-frames and could not catch-up on lost time	Main contractor ceded the work after he was advised by the project team. The new contractor progressed very well although it could not achieve the set target.	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate
			BSDI - 40	Percentage completion of pipeline to Langeni Housing Development	R 1,000,000	N/A	0	100%	5%	Performance not fully effective	Budget exhausted at design stage and could not take the project to the next stage of construction	The project will be incorporated to Upper Mhahlane Water Supply in 2017-	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate
		Implementation of Regional water schemes to cover greater areas with no access to sustainable	BSDI - 41	Percentage completion of phase 4 & 5 for Coffee Bay Regional Water Supply Scheme(RWSS)	R 163,000,000	N/A	0	50%	83%	Outstanding performance	contractor performed more than expected	N/A	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		water sources (includes the integration of previously non-viable water schemes)											
			BSDI - 42	Percentage completion of Mqanduli Corridor Bulk Water Supply Scheme (WSS)	R 135,826,158	N/A	60%	100%	88%	Performance not fully effective	project delayed by termination of Mokenamokwe na Contract	New contractor appointed to replace terminated contractor, AW to put pressure on Department of Labour to unleash suspension of activities on ANIX site	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate
			BSDI - 43	Percentage completion of Lloode and Ngqeleni Corridor Bulk Water Supply Scheme(WSS)	R 198,731,738	N/A	0	30%	48%	Outstanding performance	contractor performed more than expected	N/A	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate
			BSDI - 44	Percentage completion of Flagstaff Phase 3 Regional Water Supply Scheme (RWSS)	R 13,359,883	N/A	75%	100%	90%	Performance not fully effective	The scope of work has been increased by additional new villages and slow progress of the reservoir construction by sub-contractor delayed the project	Main contractors instructed to issue sub-contractor notices of none performance	Site meeting minutes, Attendance Registers, Project Close-out Reports & Completion certificate

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
			BSDI - 45	Number of stand-alone schemes refurbished	R 118,239,000	N/A	New Indicator	6	4	Performance not fully effective	R10m was added to complement number of schemes	N/A	Technical report and Business Plan Report and Appointment Letter
			BSDI - 46	Number of water works refurbished	R 12,000,000	N/A	20	12	14	Fully effective	N/A	N/A	Technical report and Business Plan Report and Appointment Letter
			BSDI - 47	Number of indigent households supplied with tanks and gutter for rainwater harvesting	R 1,000,000	N/A	655	250	100	Performance not fully effective	We only managed to provide 100 tanks, wrong specification was advertised and couldn't be used to procure tanks in 2017/18	Term contract will be used to procure tanks in 2017/18	Signed Happy Letters by beneficiaries and Ward Councillor
			BSDI - 48	Numbers of water tanks provided to Local Municipalities with no water source			150	150	150	Fully effective	N/A	N/A	Proof of delivery signed by the Ward Councillor or Traditional Leader
			BSDI - 49	Number of purified mega litres of water carted and delivered to communities.	R 10,154,000	N/A	87	150	189	Performance significantly above expectations	Due to drought, demand of water carting was higher than planned. A viement was approved to enable this demand	N/A	Tally Sheets and Signed Delivery Note by the beneficiaries

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		Achieve a blue drop status for all water treatment plants and provide mobile water treatment plants quality in all water schemes	BSDI - 50	Number of indigent households receiving free basic water & Sanitation Services			92000	153000	153000	Fully effective	N/A	N/A	Indigent Register and report to Council detailing of beneficiaries
			BSDI - 51	Blue drop status compliance	R 1,200,000	N/A	46%	50%	46%	Performance not fully effective	Not assessed by DWS	Request assessment from DWS	Blue Drop Compliance Certificate
	To provide access to sanitation services	Eradication of rural sanitation backlogs	BSDI - 52	Number of Ventilated Improved Pit (VIP) toilets provided	R 176,319,807	N/A	158527	16000	9216	Performance not fully effective	Contractors appointed late in March 2017 instead of September 2016		Happy Letters and Completion Certificates
			BSDI - 53	Number of public toilet facilities upgraded	R 2,350,000	N/A	3	4	0	Performance not fully effective	Lack of land	Toilet facilities could not be upgraded as Port St Johns and Mqanduli areas have been identified and currently we are in process of writing to the	Completion certificate

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
			BSDI - 54	Percentage completion of bulk sewer projects – Mganduli	R 1,800,000	N/A	85%	100%	92%	Performance not fully effective	The sewer pipe crossed the private land and the owner stopped the project	The letter as demanded by the owner was sent for his consideration	Completion certificate
			BSDI - 55	Percentage completion of bulk sewer projects - Port St Johns (PSJ)	R 2,615,856.07	N/A	0%	10%	10%	Fully effective	N/A	N/A	Quarterly Progress Reports
			BSDI - 56	Percentage completion of bulk sewer projects – Lusikisiki	R 6,551,912.00	N/A	96%	100%	96%	Performance not fully effective	The project delays were due to Eskom supply and electricity supply to the plant	Eskom has provided supply and the project is under commissioning	Completion Certificate
			BSDI - 57	Percentage completion of bulk sewer projects – Flagstaff	R 13,728,289.07	N/A	60%	100%	40%	Performance not fully effective	Sole owner of the contractor pass on and legal processes delayed the project	Project will be advertised	Completion certificate

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
			BSDI - 58	Percentage completion of bulk sewer projects – Qunbu	R 200,000	N/A	0	5%	5%	Fully effective	N/A	N/A	Quarterly progress reports
			BSDI - 59	Percentage completion of bulk sewer projects – Libode	R 9,688,856.07	N/A	0	5%	10%	Outstanding performance	The project target was to complete designs which is measured 5% in terms of industry norm, however this project stage was exceeded by achieving tender stage which is equal to 10%	N/A	Quarterly progress reports
		Operation and maintenance of sewerage treatment plants and sewerage pump stations	BSDI - 60	Number of sewerage treatment plants maintained	R 3,000,000	N/A	1	3	0	Performance not fully effective	ORTDM has only one sewerage treatment plant and which is currently under upgrading and the two other WWTW are under construction.	To accelerate the completion of the WWTW under construction	Completion certificate, sewerage and treatment plants refurbishment and maintenance program
			BSDI - 61	Number of sewerage pump stations maintained	R 12,000,000	N/A	New Indicator	5	0	Performance not fully effective	Deviating from procuring through quotation to open tender	Putting pressure to BTO	Site meeting minutes, Attendance Registers, Project Close-out

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (for all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
												Reports Completion certificate &	
			BSDI - 62	Green drop status compliance	R 1,000,000	N/A	26%	50%	26%	Performance not fully effective	It was not been assessed by Department of Water and Sanitation	N/A	Green Drop Compliance Certificate
	Public Employment	Maximize job/ employment creation particularly for youth and women in all Infrastructure, social and economic development programmes.	BSDI - 63	Number of non-functional schemes refurbished	R 10,000,000	N/A	New indicator	51	54	Fully effective	N/A	N/A	Detailed report / Pictorial evidence

LOCAL ECONOMIC DEVELOPMENT

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
Human Settlements	Coordination of planning and Development of Sustainable Human Settlements	Training of PDI contractors in different fields of Human settlements development in 5 LMs	LED - 1	Number of emerging Previously Disadvantaged Individuals (contractors) trained	N/A	N/A	8	20	64	Outstanding performance	The letter to NHBRC requesting training for PDI's was responded to earlier than we anticipated (it is usually a lengthy process) and training could commence sooner than expected. NHBRC provided the ORTDM additional budget for training. (50 Youth and 14 PDI Contractors)	N/A	Attendance Registers and Certificates
Rural, Economic & Development Planning	To improve co-ordination & integration of LED programs for sustainable trade and investment within the District	Strengthen IGR structures for LED integrated programmes.	LED - 2	Number of Local Economic Development Forums held	R 200,000	N/A	12	12	12	Fully effective	N/A	N/A	Attendance Registers, Minutes

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		Promotion of district Trade and Investment	LED - 3	Number of Local Economic Development Sector Planning Strategies submitted to Executive Mayoral Committee	R 800,000	R 400,000	3	1	2	Performance significantly above expectations	One Local Economic Development Sector Planning Strategy that was supposed to be completed during the first quarter of 2017/18 was completed before the end of 2016/17.	N/A	LED Strategy, Agricultural Development Strategy, Forestry Development Strategy, Trade and Investment Strategy
		Build capacity of SMME and cooperatives	LED - 4	Number of Small Medium Micro Enterprises (SMME's) capacitated	R 1,700,000	R 2,400,000	20	88	88	Fully effective	N/A	N/A	Attendance Registers, Certificates of Attendance
	To enhance access to LED infrastructure, agro-processing and value add facilities	Improved service standards for the District Processing Plants and improved local farmers access to markets	LED - 5	Percentage transfer of assets to Nirnga OR Tambo Development Agency	R 200,000	N/A	New Indicator	100%	100%	Fully effective	N/A	N/A	Project Close Out Report, Signed copy of Asset Register
	Develop forestry & timber production for economic development	Enhance Economic viability of the forestry & timber sector for the district.	LED - 6	Number of Incubatees supported	R 250,000	N/A	10	10	10	Fully effective	N/A	N/A	Signed Service Level Agreement, Monthly Progress Reports

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
	Develop mariculture and aquaculture industry production for economic development	Aqua-culture skills development.	LED - 7	Number of Aquaculture enterprises trained	R 350,000	N/A	20	50	32	Performance not fully effective	The delegates from other Municipalities who were expected to attend the training did not attend	Monthly engagements meetings are being held with LMs in order to conduct status quo analysis of aquaculture enterprises prior to the training	Attendance Registers, Certificates of Attendance
	To maximize Public employment in all sectors of the economy	Maximize job/ employment creation particularly for youth and women in all Infrastructure, social and economic development programmes.	LED - 9	Number of jobs created through municipality's local, economic development initiatives including Expanded Public Works Programme	R 3,213,000	N/A	406	300	461	Outstanding performance	The municipality added additional budget as there were many projects that were being implemented	N/A	Signed Contracts, Reports, Attendance Registers
	To achieve spatially equitable economic growth across the district	Develop plans for District Catalytic Projects & Creation of Special Economic Zones	LED - 10	Number of District Spatial Planning Strategic Frameworks submitted to Mayoral Committee	R 1,600,000	N/A	0	1	1	Fully effective	N/A	N/A	District Spatial Development Framework

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
Water & Sanitation	Public Employment	Maximize job/employment creation particularly for youth and women in all infrastructure, social economic and development programmes.	LED - 11	Number of Jobs Created (long, medium & short Term) in labour intensive programmes	R 5,000,000	N/A	8833	1600	1777	Performance significantly above expectations	ORTDM received funding to implement other programmes from the KSD Presidential interventions	N/A	Signed Contracts

FINANCIAL MANAGEMENT AND VIABILITY

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
Budget & Treasury Office	To increase revenue generation	Effective billing and revenue collection	FVM - 1	Outstanding service debtors to revenue	R 16,100,000	N/A	15%	16.5%	16.5%	Fully effective	The municipality has conducted data cleansing which resulted in the improvement in billing.	N/A	Bank Statements / Debtors Analysis
			FVM - 2	Amount of future cash invested in high-earning investments			R20.4 Million	R22 Million	R35 Million	Outstanding performance	The municipality chose to invest in a high earning investment portfolio	N/A	Bank statements / Investments reconciliations
			FVM - 3	Cost coverage			New Indicator	10.6%	40%	Outstanding performance	The district has applied a sound, prudent financial management by ensuring that the district does not spend what it does not have	N/A	Bank Statements / Debtors Analysis
			FVM - 4	Debt Coverage			New Indicator	11%	0%	Outstanding performance	ORTDM has no debt	N/A	Debtors Analysis

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
	To ensure 100% compliance to legislated budget turnaround times and spend	Improvement in the accuracy of financial planning for more credible budgeting	FVM - 5	Number of budgets submitted to National Treasury	N/A	N/A	2	2	2	Fully effective	N/A	N/A	Budget / Council Agenda Item / Newspaper advert
FVM - 6			Number of Section 52d reports submitted to National Treasury	N/A	N/A	4	4	4	Fully effective	N/A	N/A	Section 52d Report / Acknowledgement of receipt from Treasury / Submission sheet to Mayor	
FVM - 7			Number of Section 71 reports submitted to National Treasury	N/A	N/A	12	12	12	Fully effective	N/A	N/A	Section 71 Report / Acknowledgement of receipt from Treasury / Submission sheet to Mayor	
FVM - 8			Percentage spend of quarterly Financial Management Grant (FMG) allocation	N/A	N/A	100%	100%	100%	Fully effective	N/A	N/A	Processed Payment Recons / Section 52d Report	
FVM - 9			Percentage spend of quarterly Municipal Infrastructure Grant (MIG) allocation	N/A	N/A	100%	100%	100%	Fully effective	N/A	N/A	Processed Payment Recons / Section 52d Report	
FVM - 10			The percentage of a municipality's capital budget spent on capital projects identified for a particular financial year in terms of the municipality's	N/A	N/A	100%	100%	100%	Fully effective	N/A	N/A	Processed Payment Recons / Section 52d Report	

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION				Means of Verification	
									Annual Actual	Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)
				integrated developmental plan										
			FVM - 11	Percentage spend on Operations and Maintenance (O&M)	N/A	N/A	N/A	100%	100%	100%	Fully effective	N/A	N/A	Processed Payment Recons / Section 52d Report

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION				Means of Verification
									Annual Actual	Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)	
Legislative Services	To improve/ensure council and community oversight for service delivery implementation	Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative	GGPP - 1	Number of Municipal Oversight Model (MOM) imperatives (Annual Reports, Budget, Quarterly Reports and FIS) assessed	R 1,300,000	N/A	28	28	39	Outstanding performance	The SDBJP was development in the previous financial year and the council after election in August 2016 came up with additional committee	N/A	Portfolio Oversight Reports

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		framework											
			GGPP - 2	Number of Portfolio Oversight Reports tabled to Council			28	28	40	Outstanding performance	The SDBIP was development in the previous financial year and the council after election in August 2016 came up with additional committee	N/A	Portfolio Oversight Reports
			GGPP - 3	Number of Standing Committee Reports tabled to Council			28	28	28	Fully effective	N/A	N/A	Portfolio Oversight Reports, Council Minutes
			GGPP - 4	Number of Ordinary Council meetings held	R 510,000	N/A	4	4	4	Fully effective	N/A	N/A	Standing Committee Reports, Council Minutes
			GGPP - 5	Number of Open Council meetings held			1	2	2	Fully effective	N/A	N/A	Council Notice, Attendance Register, Minutes of meeting
		Provide platform for LM representative councillors in DMV council to present	GGPP - 6	Number of Municipality reports tabled to Council	N/A	N/A	New Indicator	20	20	Fully effective	N/A	N/A	Council minutes and LM Reports

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline Indicator	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		service delivery issues and challenges raised and prioritized by their LM councils											
		Provide the necessary support to Whippery in facilitating accountability of councillors to constituencies	GGPP - 7	Number of Whippery policies tabled to Council	R 1,000,000	N/A	New Indicator	100%	100%	Fully effective	N/A	N/A	Whippery Policy, Council Minutes
		Make services delivery central to the functioning of technical and political GR structures both at LM and District levels	GGPP - 8	Percentage of ward committees assessed as fully functional using ward committee guidelines	R 500,000	N/A	New Indicator	100%	0	Performance not fully effective	Agreement on Argentina could not be signed as the municipality lacked funding in order to contract.	The department will continue to pursue the agreements for the development of the district and funds have been committed	Signed Partnership Agreements/MOUs/Contracts
Office Of The Municipal Manager	To coordinate effective intergovernmental relations across portfolio boundaries of governmental actors within the District		GGPP - 9	Number of Inter-Governmental Relations (IGR) partnerships formed	R 500,000	N/A	4	3	0	Performance not fully effective			

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline Indicator	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		To ensure effective and accountable local governance	GGPP - 10	Number of War Rooms established	R 1,200,000	N/A	New Indicator	146	136	Fully effective	N/A	N/A	Quarterly Reports to Standing Committee List of Appointed members of structures Coordination structures exist with agendas and minutes of meetings
	Ensure credible integrated service delivery planning (IDP), monitoring, reporting and evaluation	Improve quality of IDP in line with prescribed processes and guidelines – full participation and ownership by political champion, IGR partners and communities Implement a	GGPP - 12	Number of District Visions 2030 plans submitted to Council	R 2,000,000	N/A	New Indicator	1	1	Fully effective	N/A	N/A	Council Agenda and Minutes. Council register
			GGPP - 13	Integrated Development Plan (IDP) credibility rating provided by COGTA	R 7,500,000	N/A	High	High	High	Fully effective	N/A	N/A	Letter from the MEC and COGTA Report
				Auditor-General Opinion expressed on Pre-determined Objectives	R 1,200,000	N/A	Qualified	Unqualified	Qualified	Performance not fully effective	There was no performance management unit in the Municipality and that resulted in 2 material findings that were identified by AG	PMS policy has been developed and will be implemented in the new financial year along with all other procedures developed to assist the	Auditor-General Report

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
		comprehensive Institutional service delivery performance reporting, monitoring and evaluation in line with the prescribed legislative framework and guidelines	GGPP - 14	Number of Service Delivery and Budget Implementation Plans (SDBIPs) endorsed by the Mayor			1	1	1	Fully effective	N/A	N/A	Signed copy of the SDBIP from the Office of the Executive Mayor
		Maintain a two way communication with communities and staff	GGPP - 16	Number of communication initiatives undertaken	R 8,500,000	N/A	5	8	32	Fully effective	N/A	N/A	Quarterly Communication Reports
	To ensure a well-coordinated and integrated district wide communication	Addressing all issues raised by internal, AG	GGPP - 17	Auditor-General Opinion expressed on	N/A	N/A	Qualified	Unqualified	Qualified	Performance not fully effective	Lack of systems/processes and procedures and	Recruitment and development of staff and establishment of	Auditor-General Report

Department	Strategic Objective	Strategies	Indicator Code	Indicator (Laws & Regulations)	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
	compliance, clean administration and clean governance	and audit committee; by integrating action plans		Compliance (Laws & Regulations)									
		Addressing all issues raised by internal, AG and audit committee; by integrating action plans	GGPP - 18	Number of follow-up reports on Internal Audit, Audit Committee and Auditor-General issues submitted to the Audit Committee	N/A	N/A	1	4	4	4	Fully effective	N/A	Reports to the Audit Committee
		Functional and effective of Audit Committee	GGPP - 19	Number of Audit Committee meetings held	R 300,000	N/A	4	4	4	5	Fully effective	A special Audit Committee meeting had to be convened for approval of 2017/18 Internal Audit Plan, Audit Committee Charter and Internal Audit Charter	Minutes of meetings Attendance Registers Reports submitted to Council after each quarterly meeting

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under and over achieved targets)		Corrective Action (To be specific with timelines)
		Provide Internal Audit support to Port St Johns and Mhlonho Local Municipalities, Ntinga and Port St Johns Development Agency	GGPP - 20	Number of organisations provided with Internal Audit support	R 4,000,000	R 0	5	4	4	Fully effective	N/A	N/A	Audit Committee Reports
		Improve capacity of internal legal services to minimise municipalities' exposure to avoidable litigation	GGPP - 21	Reduction in litigation cases	N/A	N/A	New Indicator (52 cases in 15/16 FY)	25%	71%	Outstanding performance	There has been a particular focus to clear up all long outstanding litigations which resulted to resolving lot of matters	N/A	Litigation Register
		Develop litigation systems to monitor and provide support to departments on compliance with key	GGPP - 22	Percentage compliance issues resolved	N/A	N/A	New Indicator	60%	60%	Fully effective	N/A	N/A	Service Level Agreements Contracts Advice provided to Accounting Officer

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)	
		contractual obligations, key legislation and collective agreements		Number of risk register reports submitted to Audit Committee	R 350,000	N/A	1	4	4	Fully effective	N/A	Risk Register Reports Audit Committee Reports
	Functional and risk effective management in the institution	Develop a risk based internal audit plan for the current year and report thereon.	GGPP - 23	Number of risk based internal audit plans approved by 30 June	N/A	N/A	1	1	1	Fully effective	N/A	Risk based plan Minutes of Audit Committee meeting
	To improve/ensure council and community oversight for service delivery implementation	Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative framework	GGPP - 25	Number of agreements/ social compact agreements / Memorandum of Understanding signed on service delivery related	R 700,000	N/A	0	8	8	Fully effective	N/A	Copies of Signed Agreements/Memorandum of Understanding

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under and over achieved targets)		Corrective Action (To be specific with timelines)
Executive Mayoral Services	To improve/ensure council oversight for service delivery implementation	Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative framework	GGPP - 26	Number of Executive Committees (Section 80) deemed functional using the Council committee assessment tool	R 6,700,000	N/A	12	4	8	Performance significantly above expectations	1 Ordinary Mayoral Committee Meeting and 2 Special Mayoral Committee Meetings held	N/A	Attendance Register Minutes
				matters			8	8	10	Fully effective	Additional Imbizo's were held due to the fact that the Municipality was doing planning for the new 5 year term	N/A	Pictorial Evidence Mayoral Imbizo Report Advertisement Posters

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
									Qualified	Unqualified	Qualified		Performance not fully effective
Budget & Treasury Office	To strengthen the governance and control environment over all financial matters	Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative framework	28	Number of sector engagement with sectors of society held			8	8	11	Performance significantly above expectations	N/A	N/A	Attendance Pictorial Sector Report Register Evidence Engagement
		Strengthen internal governance structures, systems and protocols to monitor and ensure compliance with the legislative framework	29	Number of service delivery initiatives undertaken with the ambassador programme			2	8	3	Performance not fully effective			Attendance Pictorial Service Delivery Summative Report Register Evidence Initiatives
Budget & Treasury Office	To strengthen the governance and control environment over all financial matters	Comply with prescribed accounting standards, legislation as well as all	30	Auditor-General Opinion expressed on Financial Statements	R 8,000,000	N/A	Qualified	Unqualified	Qualified	Performance not fully effective	Basis for qualification is irregular expenditure	An institutional paradigm to be implemented in the new financial year	Audit Report / Management Letter

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline Indicator	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification			
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timelines)		
Corporate Services	eliminate wasteful, unauthorised and irregular expenditure	related guidelines and circulars for financial planning and reporting	GGPP - 31	Percentage adherence to municipal Standard Chart of Accounts (mSCOA) implementation	R 7,000,000	N/A	New Indicator	100%	100%	Fully effective	N/A	N/A	mSCOA Report		
									Percentage compliance of chart of accounts in line with municipal Standard Chart of Accounts (mSCOA)	80%	100%	Fully effective	N/A	N/A	Trial Balance
									To ensure 100% compliance with MFMA regarding the payment of creditors	GGPP - 33	Percentage of creditors paid within 30 days	N/A	N/A	80%	100%
	To ensure effective functional and improved compliance, clean administration	Promote good ethical environment and improve control systems to intensify fight	GGPP - 34	Number of Whistle Blowing Polices submitted to Council for approval	R 100,000	N/A	0	1	1	Fully effective	N/A	N/A	Council Council Agenda Minutes		

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all achieved and over achieved targets)		Corrective Action (To be specific with timelines)
and clean governance	against fraud and corruption (Zero tolerance)	GGPP - 35	Anti-corruption and Fraud Policies submitted to council for approval	Number of recruitment policies reviewed			0	1	1	Fully effective	N/A	N/A	Council Council Register Agenda
							0	1	1	Fully effective	N/A	N/A	Amended Recruitment Policy
							0	1	1	Fully effective	N/A	N/A	Customised Code of Conduct

MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT (UPDATE)

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification		
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timeliness)	
Corporate Services	To improve the organisational performance capacity of O.R. Tambo District Municipality	Review organizational capacity status quo	MTD - 1	Number of Municipalities who have completed a Job Evaluation process	R 2,000,000	R 2,000,000	0	3	2	Performance not fully effective	The Job Evaluation process started late because of labour unrest. There was also a dispute declared by unions about the JE procedures	An agreement has been reached in the Job Evaluation Committee and the process is continuing at an accelerated pace.	Job Evaluation Report	
		Attract and retain representative, skilled and competent human resources	MTD - 2	Percentage of the placement process on prioritised budgeted posts	R 600,000	N/A	0%	100%	100%	Fully effective	N/A	N/A	Placement Report	
		Ensure that the ORTDM has all the required and up-to-date Human Resource-related policies	MTD - 3	Number of Human Resource (HR)-related policies submitted to Council for approval	R 100,000	N/A	16	4	4	4	Fully effective	N/A	N/A	Council Minutes Council Agenda
		Attract and retain representative, skilled and competent human resources	MTD - 4	Number of new vacant positions filled	R 3,726,138	N/A	0	14	21	21	Outstanding performance	N/A	N/A	Copies of Appointment Letters

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION			Means of Verification	
									Annual Actual	Annual Performance Assessment	Reason for Deviation (For all under achieved and over achieved targets)		Corrective Action (To be specific with timelines)
	To improve institutional performance through skills development	Conduct capacity building for O R Tambo district Municipality	MTID - 5	The percentage of a municipality's budget actually spent on implementing its workplace skills plan	R 4,800,000	N/A	New Indicator	0.2%	0.2%	Fully effective	N/A	N/A	Municipal Budget Workplace Skills Plan Training Budget Report to Standing Committee
	To improve inclusion of HDI in the economy of the District	Compliance of Employment Equity Act	MTID - 6	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	R 3,726,138	N/A	New Indicator	12	13	Fully effective	N/A	N/A	Copies of appointment Letters
	To monitor and evaluate individual employee performance to ensure achievement of IDP and SDBIP objectives	Monitor all employee performance within the institutional PMS	MTID - 7	Number of performance reviews conducted for Senior Managers	N/A	N/A	0	4	0	Performance not fully effective	No assessments were done for Senior Managers as the unit for individual Performance has not been fully capacitated	Manager has been appointed towards the end of the financial year and assessments will be conducted for annual evaluations	Evaluation Reports

Department	Strategic Objective	Strategies	Indicator Code	Indicator	Programme Budget Allocation	Adjusted Programme Budget Allocation	Baseline	Annual Target	ANNUAL PERFORMANCE EVALUATION		Means of Verification		
									Annual Actual	Annual Performance Assessment		Reason for Deviation (For all under achieved and over achieved targets)	Corrective Action (To be specific with timelines)
	Ensuring provision of Basic Services in a well-structured, efficient and integrated manner	To provide safety measures for the Councillors and Employees of the ORTDM	MTID - 8	Number of Municipal Offices with upgraded Wi-Fi network connectivity	R 500,000	N/A	0	3	14	Outstanding performance	N/A	N/A	Feedback Report from Users
	To improve knowledge management within the District	Improve preservation and accessibility of municipal documents and records	MTID - 9	Number of Departments with updated records at the registry	R 270,000	N/A	0	1	0	Performance not fully effective	The target was not achieved as space had to be created in the registry to accommodate the new files. The process of creating space meant that some files had to be destroyed, a process which is done after obtaining permission from the Provincial Archives	To accelerate the centralisation process	Distraction Certificate Distraction Register Transfer Register
	To ensure safety and security in the municipality.	Provision of physical security measures to protect assets, personnel and information	MTID - 10	Number of Municipal facilities with protection services	R 15,000,000	N/A	0	45	45	Fully effective	N/A	N/A	Assessment Report
	To maintain sound and stable labour relations	Implement fair labour practices by promoting adherence to labour relation and existing policies	MTID - 12	Number of Local Labour Forum Meetings conducted	N/A	N/A	12	4	5	Fully effective	N/A	N/A	Attendance Register Minutes of Meetings

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Total number of employees	Vacant positions	New Employees	Resignations
969 staff in a payroll	929	36	08
78 casuals			

4.1.1 TOTAL NUMBER OF NUMBER OF MUNICIPAL EMPLOYEES PER DEPARTMENT

NAME OF DEPARTMENT	TOTAL NO OF EMPLOYEES
Legislative Services	39
Human Settlement	10
Community Services	119
REDP	16
Corporate Services	62
Budget & Treasury	116
Internal Audit	06
Office of the Municipal Manager	16
Water & Sanitation	520
Technical Services	02
Office of the Executive Mayor	63
TOTAL	969

4.1.2 STAFF TURNOVER PER THE CATEGORIES AND POST LEVELS

Resignations	
Senior Managers	01
Middle management	0
General staff	07
Total	08
Retirements	
Senior Managers	0
Middle management	0
General staff	10
Total Retirements	10

Deaths	
Senior Managers	0
Middle Managers	02
General staff	11
Total deaths	13

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

4.2.1 POLICIES

Policy	Status
Attendance & Punctuality	New
Essential user scheme	Reviewed
Overtime policy	Reviewed
Acting allowance policy	Reviewed
Code of conduct policy	Reviewed
Termination of services policy	Reviewed
Bursary policy	Reviewed
Subsistence & Travelling policy	Reviewed
Integrated Employee/Employer Wellness	Reviewed
Retention policy	Reviewed
Whistle Blowing policy	New
Sexual Harassment	New
Information & Communication Technology	Reviewed
Security Management & Access Control policy	Reviewed

4.2.2 INJURIES, SICKNESS AND SUSPENSIONS

The table below reflects on the resignations, injuries, death and pensions

Category	Number Of Employees
Injuries	03
Death	13
Pension	10

4.2.3 PERFORMANCE REWARDS

There were no performance rewards over the financial year as the municipality is still busy developing its performance management systems.

COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

4.3 SKILLS DEVELOPMENT AND TRAINING

The District Municipality has made a reasonable improvement in ensuring that opportunities for growth through Education and Training is realized by the employees and the community of OR Tambo holistically. Based on the programmes that were undertaken from the previous financial year, much has been achieved progressively in the area of capacity building and training through rendering an integrated Human Resources Development programmes. In setting up a conducive environment for education and training opportunities, the HRD Policies have been developed and workshopped to all key stakeholders and are just awaiting for the council resolution. Below are some of the achievements in various HRD Programmes being:

4.3.1 Establishment of the District HRD Council

OR Tambo District HRD Council has been launched over a two day summit that convened from the 17-18th of July 2017. The Council has been established as the supreme body that will advise the District Municipality on all matters relating to HRD, focusing amongst many on the following primary mandate:

- To advise the District Municipality on HRD related matters,
- To endorse and coordinate the District Human Development Strategy.
- To identify bottlenecks (institutional, organizational, financial, etc.)

Amongst the key considerations of the launch summit was to unanimously discuss and adopt the Council Charter and its Council Working Groups as well discussions on the Terms of Reference for such working groups.

In this platform another focus was to ensure that all stakeholders within the OR Tambo District who have a direct interest and much needed contribution to Education and Training interventions of the District are able to express their voice and further commit to the partnership pledge to achieve a common goal which will focus on the following themes.

- ii. Development of the District HRD Strategy/Plan
- iii. Development and Implementation of the District Catalytic skills supply
- iv. New edge action and applied research and innovation

In Line with the District Development Plan (DDP), the Council shall therefore facilitate the utilisation of Education and Training initiatives that will drive the successful transformation of the economy of the district into an innovative and knowledge based economy through implementation of the OR Tambo long term vision and plan. The success of the economic growth through education and training will be achieved through 3 pillars which are, Economic development, Infrastructure & Human Development where in mega development programmes and projects will be engineered to fast-track and speed up the economy of the District in order to create employment opportunities as well as increased productivity. The OR TAMBO HRD Council launch summit was a great success with an attendance of seventy two (72) delegates. The OR District Municipality is proud to become the first district to launch the HRD council especially through the support from the Office of the Premier and ECSECC.

4.3.2 Implementation of Experiential Training Programmes (Student Trainees & Internships)

Since 2016/17 financial year the District Municipality has offered forty eight (48) student training opportunities and twenty (20) internships to the youth of the District. These students were placed across all departments within the District Municipalities and some from Local Municipalities under Internal Audit Section. During 2017/18 financial year the number of student trainees given experiential training has increased from Forty three (43) to fifty three (53).the Municipality has also forty eight (48) internship opportunities that were advertised in July/August and the learners are shall assume duties from November/December 2017.

4.3.3 Artisan Development Training Programme (Mobile Artisan School)

The artisan training programme has been implemented from 2016/17 financial year in order to provide self-employment opportunities to the ordinary members of the community across the District. A minimum of 10 learners in both brick laying and plumbing to a total of 20 were recruited by all five Local Municipalities through the Skills Development Unit in each Municipality through a coordinated consultation process. The training was conducted by Africa International Training Facilities from the 10th of February 2017 focusing on theory with classroom practical demonstrations and was completed on the 17th of March 2017.

All learners are currently placed by Local Municipalities in areas where they are gaining practical work experience for a minimum period of 12 months on various housing projects and at district water treatment works. The artisan programme was fully funded by the District Municipality whilst the Local Municipalities were responsible to fund the learner stipend of R 1500 per month. Based on the above, further support has been provided to Municipalities who had applied for district intervention where necessary. A Certificate Award Ceremony graduation was organized to award the learners their certificates of Competence on the 20th June 2017.

During the 2017/28 financial year, for the same programme the District Municipality is currently soliciting a partnership with Coega Development Cooperation to train further 100 beneficiaries focusing on 80% youth participation in the programme in the field of Plumbing and brick laying in an endeavour to contribute to the Local Economic Development wherein training shall be conducted in local B&Bs, across all the towns constituting the District Municipality.

4.3.4 Study Assistance and Short Programme Funding for Employed Learners

On the Study Assistance/ Bursary administration programme, the Municipality has approved eighteen (18) study assistance applications for various fields of study which are in line with the scope of Local Government Sector. Amongst the formal qualifications that are studied within the Municipality is the Municipal Finance and Supply Chain Management (MFSCM) certificate. The enrolment of officials in the programme is to ensure that all officials working in the financial management and supply chain department including Managers who have a financial responsibilities are competent in terms of Municipal Regulations on Minimum Competency Levels as published under Government Notice R493 in Government Gazette 29967 dated 15 June 2007. Commencement date: 1 July 2007.

Forty (40) officials started doing five (5) additional modules starting from August to December 2017, and a further group of 29 officials have started CPMD training under group 45 who are expected to complete in June 2018. Skills programmes and short courses have been implemented for officials within various departments with a total of seventy three (73) beneficiaries. The District Municipality has also funded a Basic Traffic Officer course as a support intervention for Mhlontlo Local Municipality.

4.3.5 State Of District Skills Development & Employment Equity Committee And District SDF Forums

The District Skills development & Employment Equity Committee has been re-established in April 2017, and the quarterly meetings are convening smoothly as they convene once in each quarter. The first meeting convened on the 25th of April 2017, and the second meeting convened on the 8th of August 2017. The next meeting will convene in December 2017 as per the calendar of meetings.

The District Municipalities across the Province have a District Skills Development Forum that convenes once every quarter as duly established by the Local Government Sector Education and Training Authority (LGSETA) to discuss the District training and development programmes and consolidate a report in order to present such in the Provincial SDF Forum. The OR Tambo District SDF Forums are convening once every quarter on a rotational basis in order to promote integration and participation of member municipalities.

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Statement of Financial Performance

Figures in Rand	Note(s)	Municipality		Group	
		2017	2016 Restated ^a	2017	2016 Restated ^a
Revenue					
Revenue from exchange transactions					
Service charges	23	206,822,345	195,346,165	206,822,345	195,346,165
Rental of facilities and equipment	24	35,118	24,334	822,311	871,664
Interest earned - External Investments	25	36,424,629	32,992,639	39,527,839	35,170,049
Interest earned - Outstanding debtors	25	46,914,379	42,029,128	46,914,379	42,029,128
Other revenue	26	130,902,542	95,835,102	134,176,919	99,157,474
Other gains on continued operations	27	2,614,672	1,774,552	2,618,472	1,782,052
Total revenue from exchange transactions		423,713,685	368,001,920	430,882,265	374,356,532
Revenue from non-exchange transactions					
Transfer revenue					
Income from agency services	28	65,599	87,741	407,060	714,406
Government grants and subsidies received	29	1,523,251,348	1,303,780,772	1,525,626,145	1,349,111,016
Public contributions and donations	30	-	236,323	-	236,323
Total revenue from non-exchange transactions		1,523,316,947	1,304,104,836	1,526,033,205	1,350,061,745
Total revenue	40	1,947,030,632	1,672,106,756	1,956,915,470	1,724,418,277
Expenditure					
Employee related costs	31	(411,062,458)	(367,323,103)	(436,850,549)	(393,172,154)
Remuneration of councillors and Board	32	(16,746,729)	(16,881,814)	(17,749,620)	(17,601,212)
Depreciation and amortisation	33	(161,764,357)	(152,596,763)	(164,455,909)	(156,133,624)
Impairment Loss	34	(146,934,160)	(107,693,467)	(147,042,014)	(107,782,248)
Repairs and maintenance	8	(86,490,925)	(74,789,855)	(86,311,406)	(75,026,842)
Finance costs	35	(5,906,270)	(389,463)	(6,001,430)	(578,510)
Bulk purchases	36	(42,406,949)	(43,844,958)	(42,406,949)	(43,844,958)
Contracted services	37	(44,831,711)	(28,423,559)	(45,219,246)	(29,036,219)
Grants and Subsidies paid	38	(149,374,829)	(107,935,868)	(110,011,495)	(122,981,264)
General Expenses	39	(410,125,316)	(369,779,455)	(416,684,497)	(377,137,168)
Total expenditure		(1,475,643,704)	(1,269,658,305)	(1,472,733,115)	(1,323,294,199)
Operating surplus		471,386,928	402,448,451	484,182,355	401,124,078
Gain on disposal of assets and liabilities		-	-	237,146	163,336
Loss on Disposal of Assets		(903,737)	-	(903,737)	-
Fair value adjustments	41	(136,500)	-	(276,050)	(81,105)
Assets written off		(14,848,063)	-	(14,848,063)	-
		(15,888,300)	-	(15,790,704)	82,231
Surplus for the year		455,498,628	402,448,451	468,391,651	401,206,309

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	17,521,409	-	17,521,409	20,694,091	3,172,682	B1
Receivables: Non-exchange	-	-	-	12,158,687	12,158,687	B2
Receivables: Exchange	180,547,615	121,512,734	302,060,349	54,820,259	(247,240,090)	B2
VAT receivable	4,442,242	-	4,442,242	83,382,717	78,940,475	B3
Current Portion of Long-term Liabilities	2,199,648	-	2,199,648	-	(2,199,648)	B4
Cash and Cash Equivalents	652,291,268	(138,836,170)	513,455,098	253,822,500	(259,632,598)	B5
	857,002,182	(17,323,436)	839,678,746	424,878,254	(414,800,492)	
Non-Current Assets						
Biological Assets	14,934,893	-	14,934,893	20,194,646	5,259,753	B6
Investment Property	-	-	-	2,200,000	2,200,000	B7
Property, Plant and Equipment	8,220,832,984	(4,813,000)	8,216,019,984	5,360,762,090	(2,855,257,894)	B8
Intangible Assets	2,534,722	-	2,534,722	1,087,462	(1,447,260)	B9
Heritage Assets	-	-	-	90,000	90,000	
Long-term receivables	-	-	-	1,199,163	1,199,163	
	8,238,302,599	(4,813,000)	8,233,489,599	5,385,533,361	(2,847,956,238)	
Total Assets	9,095,304,781	(22,136,436)	9,073,168,345	5,810,411,615	(3,262,756,730)	
Liabilities						
Current Liabilities						
Long-term liabilities	260,000	-	260,000	-	(260,000)	
Payables from exchange transactions	333,016,640	(16,323,438)	316,693,202	371,620,585	54,927,383	B10
Payables from non-exchange	-	-	-	18,710,614	18,710,614	B11
Consumer deposits	2,500,000	-	2,500,000	1,604,949	(895,051)	
Provisions	-	-	-	2,211,000	2,211,000	B12
	335,776,640	(16,323,438)	319,453,202	394,147,148	74,693,946	
Non-Current Liabilities						
Long-term liabilities	-	-	-	38,795,339	38,795,339	B13
Employee benefit obligation	90,000	-	90,000	64,042,052	63,952,052	B14
	90,000	-	90,000	102,837,391	102,747,391	
Total Liabilities	335,866,640	(16,323,438)	319,543,202	496,984,539	177,441,337	
Net Assets	8,759,438,141	(5,812,998)	8,753,625,143	5,313,427,076	(3,440,198,067)	
Reserves						
Accumulated surplus / (Deficit)	8,759,438,141	(5,812,998)	8,753,625,143	5,313,427,076	(3,440,198,067)	

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Comparison of budget and actual – Capital Expenditure

DETAILS	Actual 2016/17 R	Actual 2015/16 R	Percentage Variance %	Budgeted 2016/17 R	Variance actual/ budgeted %
Executive and Council	1,990,177	-	100%	3,000,000	34%
Budget and Treasury Office	6,769,193	18,727,473	-64%	41,640,500	84%
Corporate Services	-	-	0%	1,850,000	100%
Planning and Development	-	261,057	-100%	12,040,000	100%
Health	-	-	0%	1,300,000	100%
Housing	-	-	0%	2,830,000	100%
Public Safety	6,909,897	-	100%	15,000,000	54%
Roads and Transport	-	-	0%	7,000,000	100%
Water	791,826,668	566,823,713	40%	1,131,874,200	30%
Other	-	-	0%	50,000	100%
	807,495,935	585,812,243		1,216,584,700	

The table above depicts a difference of R409 million between the 2016/17 budget and the actual expenditure as reflected in note 7 of the audited annual financial statements. The difference is mainly attributable to VAT amount of R113 million excluded in the actual expenditure of R807.4 million indicated above, MIG operating expenditure of R51 million included in the capital budget where as in the actual figure it was included under operating expenditure, MIG grant amounting to R90 million that was withheld by COGTA. The remaining difference relates to underspending in various votes especially on asset renewal. All conditional grant expenditure were fully spent in the year under review. For more details on conditional grants, refer to component D below.

Reconciliation of Budget Surplus (Deficit) with the Surplus / (Deficit) per Statement of Financial Performance.

DETAILS	2017	2016
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	65,318,385	864,132,194
Revenue variances	763,603,154	(827,220,355)
Expenditure variances:		
Employee Related Costs	(19,398,947)	9,351,327
Remuneration of Councillors	2,493,894	(16,623,351)
Depreciation and Amortisation	(2,423,207)	12,903,237
Impairment Losses	(109,834,160)	(61,193,467)
Repairs and Maintenance	(86,490,925)	(16,132,353)
Interest Paid	(5,906,270)	210,537
Bulk Purchases	8,593,051	6,315,250
Contracted Services	(29,831,711)	5,649,442
Grants and Subsidies Paid	(93,743,483)	556,886,476
General Expenses	(36,881,157)	(132,003,732)
Actual surplus before appropriations	455,498,624	402,275,204

The table above depicts variances between the budget and actual based on standard classification. The variance is mainly attributable to revenue recognition of conditional grant expenditure where conditions have been met, increase in debtors' impairment loss due to non-payment by customers, increase in grants and subsidies paid due to increase in water carting expenditure as a result of drought, increase in repairs and maintenance as well general expenses as a result of sealing of reservoirs.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash Flow Statement

Figures in Rand	Note(s)	Municipality		Group	
		2017	2016 Restated*	2017	2016 Restated*
Cash flows from operating activities					
Receipts					
Service Charges		131,019,302	138,484,484	129,548,814	138,063,463
Government Grants and Subsidies		1,523,251,348	1,299,670,758	1,511,317,746	1,296,584,964
Interest income		54,218,833	50,274,777	57,322,045	52,452,187
Public Contributions and Donations		-	236,323	-	414,974
Other receipts		125,201,149	75,271,383	124,632,570	79,865,910
		1,833,690,632	1,563,937,725	1,822,821,175	1,567,381,498
Payments					
Employee related costs		(401,822,458)	(361,712,760)	(428,613,440)	(387,729,335)
Suppliers Paid		(183,084,326)	(119,371,043)	(191,018,188)	(113,674,438)
Interest Paid		(5,906,270)	(389,463)	(6,001,430)	(578,510)
Other payments		(543,123,311)	(451,093,765)	(487,642,665)	(431,703,333)
Remuneration of Councillors		(16,746,729)	(16,881,814)	(16,746,729)	(17,643,213)
		(1,150,683,094)	(949,448,845)	(1,130,022,452)	(951,328,829)
Net cash flows from operating activities		683,007,538	614,488,880	691,070,878	616,171,885
Cash flows from investing activities					
Purchase of property, plant and equipment	8	(807,495,934)	(585,551,186)	(809,271,875)	(585,886,889)
Proceeds from sale of property, plant and equipment	8	-	-	539,088	304,011
Purchase of intangible assets	9	-	-	(805,184)	-
Purchase of biological assets	12	-	(261,057)	(318,000)	(421,538)
Proceeds from sale of biological assets	12	1,907,802	225,639	1,957,702	286,089
Decreases due to harvest / Sale of biological assets		-	400,913	-	400,913
Decrease / (increase) in Long-term receivables		(1,513)	(900,843)	(1,513)	(900,843)
Increase due to Births of Biological Assets		-	-	-	7,500
		(805,589,645)	(586,086,534)	(807,899,782)	(586,210,756)
Cash flows from financing activities					
Increase in long term liabilities		38,795,339	-	38,795,339	-
Repayment of borrowings		(20,436)	(84,422)	(20,436)	(124,396)
		38,774,903	(84,422)	38,774,903	(124,396)
Net increase/(decrease) in cash and cash equivalents		(83,807,204)	28,317,924	(78,054,001)	29,836,733
Cash and cash equivalents at the beginning of the year		337,629,704	309,311,780	369,392,735	339,556,008
Cash and cash equivalents at the end of the year	7	253,822,500	337,629,704	291,338,734	369,392,741

COMPONENT D: OTHER FINANCIAL MATTERS

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Report of the auditor-general to Eastern Cape Provincial Legislature and the council on the O.R. Tambo District Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the O.R. Tambo District Municipality set out on pages ... to ... , which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the O.R Tambo District Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

Basis for qualified opinion

Irregular expenditure

3. The municipality did not disclose all its irregular expenditure incurred during the year as required by section 125(2)(d)(i) of the MFMA. The irregular expenditure disclosed in note 57 to the consolidated and separate financial statements was materially understated in respect of amounts incurred during the year that were identified during the audit process. I was unable to determine the full extent of the misstatement for the disclosed amount of R679,9 million in note 57.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of this report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 48 to the consolidated and separate financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during the year ended 30 June 2017 in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2016.

Unauthorised expenditure

9. As disclosed in note 55 to the consolidated and separate financial statements, unauthorised expenditure amounting to R1 million (2015-16: R18,3 million) was incurred by the municipality during the year. In addition the municipality accumulated a balance of R2,3 billion which was written off during the 2016-17 financial year. This resulted in a closing balance of R1 million (2015-2016: R2,3 billion) at the end of the 2016-17 financial year which has not been investigated by the council.

Irregular expenditure

10. As disclosed in note 57 to the consolidated and separate financial statements the municipality accumulated an irregular expenditure balance of R4,3 billion, of which R2,1 billion was written off during the 2016-17 financial year. This resulted in a closing balance of R2,8 billion (2015-2016: R4,3 billion) at the end of the 2016-17 financial year which has not been investigated by the council.

Fruitless and wasteful expenditure

11. As disclosed in note 56 to the consolidated and separate financial statements, fruitless and wasteful expenditure of R5,9 million (2015-2016: R0,5 million) was incurred by the municipality during the year. In addition the municipality accumulated a R21,6 million (2015-2016: R24,2 million) balance at the end of the 2016-17 financial year which has not been investigated by council.

Impairment loss

12. As disclosed in the consolidated and separate financial statements material debt impairments of R141,4 million (2015-16: R88,7 million) on receivables from exchange and non-exchange transactions was disclosed in note 34 to the consolidated and separate financial statements. This arose from the poor expected recoverability of trade debtors.

Material losses

13. As disclosed in note 60 to the consolidated and separate financial statements, material losses of R22,8 million (2015-16: R12,8 million) was incurred as a result of water losses.

Other matters

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

Unaudited disclosure notes

15. In terms of section 125(2)(e) of the MFMA, the entity is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the consolidated and separate financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the SA standards of GRAP and the requirements of the MFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the intention is to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
19. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following development priorities presented in the annual performance report of the municipality for the year ended 30 June 2017:

Development priorities	Pages in the annual performance report
Development priority – key performance area (KPA 1): basic service delivery and infrastructure	x – x
Development priority – KPA 2: local economic development	x – x

23. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. The material findings in respect of the usefulness and reliability of the selected development priorities are as follows:

KPA 1: Basic service delivery and infrastructure

Usefulness

Indicator not consistent

BSDI-3.number of housing units for Adam Kok farm workers constructed

25. The indicator was reported as number of housing units for Adam Kok farm workers constructed, while the indicator was approved as percentage completion of the planning phases for the construction of Adam Kok housing units in the adjusted service delivery and budget implementation plan (SDBIP). This is not in line with the requirements of section 41(c) of the Municipal Systems Act, 2000 (Act No. 32 of 2000)(Municipal Systems Act).

Indicators not verifiable

26. I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the indicators detailed in the table below, as required by the Framework for managing programme performance information. This was due to a lack of adequate technical indicator descriptions and/or formal standard operating procedures or documented system descriptions. Furthermore there was a lack of adequate supporting documentation to substantiate systems and processes. I was unable to validate the existence of systems and processes by alternative means.

Performance indicator	Reported achievement
BSDI-6. number of initiation schools supported	9
	2027
BSDI-33.number of households receiving social safety support (distress support, child protection etc.)	
BSDI-41.percentage completion of phase 4 & 5 for Coffee Bay Regional Water Supply Scheme(RWSS)	83%
BSDI-42.percentage completion of Mqanduli Corridor Bulk Water Supply Scheme (WSS)	88%
BSDI-44.percentage completion of Flagstaff Phase 3 regional Water Supply Scheme (RWSS)	90%
BSDI-45. number of stand-alone schemes refurbished	4
	100
BSDI-47.number of indigent households supplied with tanks and gutter for rainwater harvesting	
BSDI-50.number of indigent households receiving free basic water & Sanitation Services	153 000
BSDI-51.blue drop status compliance	46%
BSDI-54.percentage completion of bulk sewer projects - Mqanduli	92%
BSDI-62.green drop status compliance	26%
BSDI-63.number of non-functional schemes refurbished	54

Reliability

BSDI-33.number of households receiving social safety support (distress support, child protection etc.)

27. The systems and processes implemented by the municipality to ensure accurate reporting of its actual performance against all of the planned indicators and targets of KPA 1: basic service delivery and infrastructure was not effective. The reported achievement for target of 19 500 was misstated as the evidence provided indicated 2790 and not 2027 as reported.

Limitation of scope – various indicators

28. I was unable to obtain sufficient appropriate audit evidence for 26 out of the 37 indicators relating to KPA 1: basic service delivery and infrastructure. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements of the following indicators:

Performance indicator	Reported achievement
BSDI-2. number of housing units for destitute and vulnerable groups constructed	5
BSDI-6. number of initiation schools supported	9
BSDI-14. percentage of households supported in disaster affected areas	100%
BSDI-21. percentage of fire and emergency incidents responded to within 30 minutes for areas within a 50 kilometres radius	100%
BSDI-22. percentage of fire and emergency incidents responded to within 1 hour 45 minutes for areas more than 50 kilometres radius	100%
BSDI-39. percentage completion of Ngangelizwe Breaking New Ground (BNG) Bulk sewer and water system	80%
BSDI-40. percentage completion of pipeline to Langeni Housing Development	5%
BSDI-41. percentage completion of phase 4 & 5 for Coffee Bay Regional Water Supply Scheme (RWSS)	83%
BSDI-42. percentage completion of Mqanduli Corridor Bulk Water Supply Scheme (WSS)	88%
BSDI-43. percentage completion of Libode and Ngqeleni Corridor Bulk Water Supply Scheme (WSS)	48%
BSDI-44. percentage completion of Flagstaff Phase 3 regional Water Supply Scheme (RWSS)	90%
BSDI-45. number of stand-alone schemes refurbished	4
BSDI-46. number of water works refurbished	14

Performance indicator	Reported achievement
BSDI-47. number of indigent households supplied with tanks and gutter for rainwater harvesting	100
BSDI-49. number of purified mega litres of water carted and delivered to communities.	189
BSDI-50. number of indigent households receiving free basic water & sanitation services	153 000
BSDI-61. blue drop status compliance	46%
BSDI-52. number of Ventilated Improved Pit (VIP) toilets provided	9 216
BSDI-54. percentage completion of bulk sewer projects - Mqanduli	92%
BSDI-55. percentage completion of bulk sewer projects - Port St Johns (PSJ)	10%
BSDI-56. percentage completion of bulk sewer projects - Lusikiski	96%
BSDI-57. percentage completion of bulk sewer projects - Flagstaff	40%
BSDI-58. percentage completion of bulk sewer projects - Qumbu	5%
BSDI-59. percentage completion of bulk sewer projects - Libode	10%
BSDI-62. green drop status compliance	26%
BSDI-63. number of non-functional schemes refurbished	54

KPA 2: Local economic development

Reliability

29. I was unable to obtain sufficient appropriate audit evidence for two out of the 11 indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means.

Consequently, I was unable to determine whether any adjustments were required to the reported achievements of the following indicators:

Performance indicator	Reported achievement
LED-4. number of small medium micro enterprises (SMME's) capacitated	88
LED-7. number of aquaculture enterprises trained	32

Other matters

30. I draw attention to the matters below.

Achievement of planned targets

31. Refer to the annual performance report on page(s) x to x; x to x for information on the achievement of planned targets for the year and explanations provided for the under / overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x; x; x of this report.

Report on audit of compliance with legislation

Introduction and scope

32. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

33. The material findings on compliance with specific matters in key legislations are as follows:

Strategic planning and performance management

34. The performance management system and related controls were not maintained or were inadequate as they did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Budgets

35. Reasonable steps were not taken to prevent unauthorised expenditure of R 1,0 million, as disclosed in note 51 to the annual consolidated and separate financial statements, in contravention of section 62(1)(d) of the MFMA.

Annual financial statements, performance and annual report

36. The consolidated and separate financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of

the MFMA. Material misstatements of current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted consolidated and separate financial statements were subsequently corrected, but the uncorrected material misstatements resulted in the consolidated and separate financial statements receiving a qualified audit opinion.

Expenditure management

37. Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred.
38. Effective steps were not taken to prevent fruitless and wasteful expenditure of R5,9 million, as disclosed in note 53 to the consolidated and separate annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by legal and interest costs.
39. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

Consequence management

40. Irregular and fruitless and wasteful expenditure was not investigated to determine if any person was liable for the expenditure, as required by section 32(2)(a) and b of the MFMA.

Procurement and contract management

41. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management(SCM) regulation 17(a) and (c). Similar non-compliance was also reported in the previous year.
42. Quotations were accepted from bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
43. Quotations were accepted from bidders whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
44. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a).
45. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2). Similar non-compliance was also reported in the previous year.
46. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).

47. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM regulation 43.
48. The preference point system was not applied on some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 200). Similar non-compliance was also reported in the previous year.
49. Commodities designated for local content and production, were procured from suppliers who did not submit a declaration on local production and content as required by Preferential Procurement Regulation 9(1).
50. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by Preferential Procurement Regulation 9(1).
51. Commodities designated for local content and production, were procured from suppliers who did not meet the prescribed minimum threshold for local production and content, as required by Preferential Procurement Regulation 9(5).
52. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the previous year.
53. Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).

Human resource management

54. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the MSA.

Conditional grants

55. The municipality did not evaluate its performance in respect of programmes funded by the Municipal Infrastructure Grant, as required by section 12(5) of the DoRA. The municipality did not evaluate its performance in respect of programmes or functions funded by the Regional Bulk Infrastructure Grant, as required by section 12(5) of the DoRA.

Other information

56. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and

those selected development priorities presented in the annual performance report that have been specifically reported in the auditor's report.

57. My opinion on the consolidated and separate financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
58. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
59. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

60. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
- The leadership did not establish a compliance and performance culture within the municipality. This is further substantiated by the fact that no officials have been held accountable for past unauthorised, irregular and fruitless and wasteful expenditure incurred as confirmed by the work performed by the section 32 committee established by the council. Officials continued to disregard legislation governing procurement and SCM and the leadership did not respond with appropriate consequence management steps against these officials through formal investigations. Consequently a significant portion of irregular expenditure was again detected during the audit process. The leadership adopted a reactive approach to irregular expenditure that focused on the identification and reporting of irregular expenditure after it was incurred instead of focusing on the prevention of it. Leadership's inability to address and prioritise this critical area had a direct bearing on the number of compliance findings raised.
 - The municipality did not have sufficient monitoring controls to ensure the proper implementation of the overall process of planning, budgeting, implementation and reporting within the annual financial statements and annual performance report as well as compliance with legislation.
 - The institution did not have adequate action plans in place to address shortcomings in irregular expenditure, compliance and performance management that were identified during internal and external review processes.

- Systems and processes were not in place to monitor compliance with applicable legislation. This is a repeat finding. Resources available at the municipality were focused on addressing deficiencies in the annual financial statements; however, this focus did not extend to the compliance deficiencies.
- Management did not respond to all the recommendations of the audit committee and internal audit unit which affected the effectiveness of these governance structures and resulted in repeat audit findings being raised.

AUDITOR - GENERAL

East London

20 December 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

COMPONENT A: AUDITOR – GENERAL OPINION ON FINANCIAL STATEMENTS YEAR 2016/2017

Financial statement item	Material misstatement		Impact	
	Finding	Occurred in prior year (Insert Yes/No)	R current year	R previous year
	Differences found between AFS and general ledger			
	Water			
	Sewerage		47 444 58	
	Other		39 060 188	
	Understatement of impairment disclosure		86 504 348	
			42 144 952	
Current liabilities				
Payables	DR: Expenditure		70 213 783	
	CR: Payables		(70 213 783)	
	(Additional payables identified that was not recorded in 16/17 financial year)			
Expenditure				
	DR General expenditure	116 285 293		
	CR Payables	(116 285 293)		
	(Additional expenditure identified that was not recorded in 16/17 financial year)			
Disclosure				

AUDIT OF THE FINANCIAL STATEMENTS

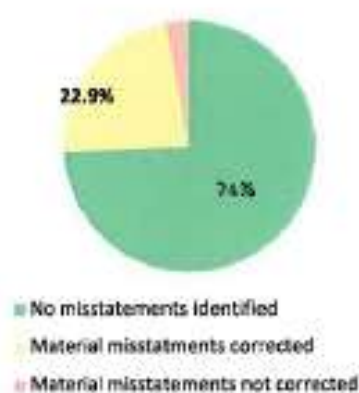
81. We identified material misstatements in the consolidated financial statements during the audit. These misstatements were not prevented or detected by the municipality's system of internal control. These material misstatements also constitute non-compliance with section 122 of the Municipal Finance Management Act (MFMA).

82. The misstatements that were not corrected form the basis for the qualified opinion on the consolidated financial statements.

Financial statement item	Material misstatement		Impact	
	Finding	Occurred in prior year (Insert Yes/No)	R current year	R previous year
Material misstatements not corrected				
Disclosure	Irregular expenditure is incompletely recorded	No	Unknown	
Material misstatements corrected				
Non-current assets				
Property, plant and equipment	Disclosure – casting error in note	No	96 831 648	
	Dr Accumulated Surplus		12 934 272	
	Cr Moveable assets		(12 934 272)	
	(Assets could not be verified)			
Current assets				
Receivables from exchange transactions	Dr Impairment	No	183 809 397	
	Cr Provision for impairment		(183 809 397)	
	(Impairment incomplete)			

Financial statement item	Finding	Occurred in prior year (Insert Yes/No)	Material misstatement	
			Impact R current year	Impact R previous year
Cash Flow statement	Material differences found on recalculation of cash flow statement	No		
Contingent liabilities	Attorney confirmation could not be obtained to confirm the completeness of contingent liabilities (material qualitative scope limitation)	No	41 121 531	
Irregular expenditure	Completeness of irregular expenditure	No		3 402 820 933
Commitments	Net understatement of commitments	No	295 037 858	

Status of financial statements submitted



Impact of correction of misstatements



COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2016/17

Qualified opinion

- I have audited the consolidated and separate financial statements of the O.R. Tambo District Municipality set out on pages ... to ... , which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
- In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the O.R Tambo District Municipality as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

APPENDICES

APPENDIX A – COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

1. LIST OF COUNCIL MEMBERS

NO	SURNAME & INITIAL	DESIGNATION	POLITICAL PARTY	DESIGNATION
1	Nkompela X.	ORTDM REP	ANC	Speaker
2	Meth N.	ORTDM REP	ANC	Executive Mayor
3	Sokanyile T.	ORTDM REP	ANC	Chief Whip
4	Nogumla R.Z.	ORTDM REP	ANC	Deputy Executive Mayor
5	Ngozi W.	ORTDM REP	ANC	MMC: Infrastructure Services
6	Nggongwa N.	KSD- REP	ANC	MMC: BTO & IA
7	Mdoda- Sigcau N.Z.	ORTDM REP	ANC	MMC: Corporate Services
8	Mdlele N.	ORTDM REP	ANC	MMC: Community Services
9	Sabona J.	ORTDM REP	ANC	MMC:REDP
10	Mjokovana D.	INGQUZA HILL REP	ANC	MMC: Human Settlement & Disaster Management
11	Godongwana S.	ORTDM REP	ANC	MMC: Special Programmes & Social Services
12	Giyose R.M.	ORTDM REP	ANC	MMC: Planning, Research & IGR
13	Gantsho A.A.	ORTDM REP	ANC	Chair of Chairs
14	Gcinindawo N.	KSD REP	ANC	Chairperson: Ethics & Members Interest Standing Committee
15	Pepping P.N.	ORTDM REP	ANC	Chairperson: MPAC Standing Committee
16	Cwecwe N.	INGQUZA HILL REP	ANC	Chairperson: Women's Caucus Standing Committee

NO	SURNAME & INITIAL	DESIGNATION	POLITICAL PARTY	DESIGNATION
17	*Mkotwana N.P. (Replaced by Cllr M.B. Dambuza)	ORTDM REP	ANC	Chairperson: Petitions & Public Participation Standing Committee
18	Mandita K.	ORTDM REP	ANC	Chairperson: BTO Portfolio Committee
19	Nkungu M.I	INGQUZA HILL REP	ANC	Chairperson: Community Services Portfolio Committee
20	Kuluta N.	ORTDM REP	ANC	Chairperson: REDP Portfolio Committee
21	Gusana Z.	KSD REP	ANC	Chairperson: ISS Portfolio Committee
22	Kupelo T.E (RIP-May 2017)	NYANDENI REP	ANC	Chairperson: Planning, Research & IGR Portfolio Committee
23	Mziba L	NYANDENI REP	ANC	Chairperson: Corporate Services Portfolio Committee
24	Fono N.	PSJ REP	ANC	Chairperson: Human Settlement & Disaster Portfolio Committee
25	Mgaweni T.	MHLONTLO REP	ANC	Chairperson : Special Programmes & Social Services Portfolio Committee
26	Bara B.	KSD REP	DA	Councillor
27	Begezi N.	ORTDM REP	ANC	Councillor
28	Bokwe F.	PSJ REP	ANC	Councillor
29	Bunzana M.	KSD REP	UDM	Councillor
30	Cube Z.	PSJ REP	ANC	Councillor
31	Dudumayo B.R.	ORTDM REP	UDM	Councillor
32	Dumisa T.	INGQUZA HILL	ANC	Councillor

NO	SURNAME & INITIAL	DESIGNATION	POLITICAL PARTY	DESIGNATION
33	Gaxeni F.	NYANDENI REP	ANC	Councillor
34	Gqwetha B.	KSD REP	UDM	Councillor
35	Ketwa U.	ORTDM REP	EFF	Councillor
36	Mabasa S.N.	INGQUZA HILL REP	DA	Councillor
37	Mabongo L	ORTDM REP	ANC	Councillor
38	Madwantsi P.	NYANDENI REP	ANC	Councillor
39	Malghas B.	KSD REP	MARRA	Councillor
40	Malghas U.	KSD REP	ANC	Councillor
41	Mathanzima S.	MHLONTLO REP	ANC	Councillor
42	Mbangatha N.	INGQUZA HILL REP	ANC	Councillor
43	Mbewu B. S.	MHLONTLO REP	DA	Councillor
44	Mcimbi T.E. (*Replaced Cllr Sobahle from KSD)	KSD REP	ANC	Councillor
45	Mfiki N.	PSJ REP	ANC	Councillor
46	Mkontwana N. *(Replaced Cllr Magoko from KSD)	KSD REP	ANC	Councillor
47	Msakeni M.	KSD REP	ANC	Councillor
48	Mvango O.H.	ORTDM REP	AIC	Councillor
49	Mzimane N.	KSD REP	UDM	Councillor
50	Ndude L.M.	ORTDM REP	UDM	Councillor
51	Nkani N.	INGQUZA HILL REP	ANC	Councillor
52	Nonkothamo N.	NYANDENI REP	ANC	Councillor
53	Ntshoyi N.	NYANDENI REP	ANC	Councillor

NO	SURNAME & INITIAL	DESIGNATION	POLITICAL PARTY	DESIGNATION
54	Ntukuntezi L.	MHLONTLO REP	ANC	Councillor
55	Pato T. Z.	ORTDM REP	CI	Councillor
56	Qangani S.	MHLONTLO REP	ANC	Councillor
57	Sabisa T.S.	ORTDM REP	ANC	Councillor
58	Tshotsho L.	NYANDENI REP	EFF	Councillor
59	Xangayi C. T.	ORTDM REP	DA	Councillor
60	Cebiso L.	TRADITIONAL LEADER	KSD	Traditional Leader
61	Dudumayo M.	TRADITIONAL LEADER	KSD	Traditional Leader
62	GROOM J.J.	TRADITIONAL LEADER	MHLONTLO	Traditional Leader
63	Mjaji P.A.	TRADITIONAL LEADER	INGQUZA HILL	Traditional Leader
64	Meji N.	TRADITIONAL LEADER	PSJ	Traditional Leader
65	Mitrara B.P.	TRADITIONAL LEADER	KSD	Traditional Leader
66	Mdutshane G.C.	TRADITIONAL LEADER	INGQUZA HILL	Traditional Leader
67	Mitrara M.	TRADITIONAL LEADER	KSD	Traditional Leader
68	Ndabeni V.	TRADITIONAL	PSJ	Traditional Leader

NO	SURNAME & INITIAL	DESIGNATION	POLITICAL PARTY	DESIGNATION
		LEADER		
69	Ndamase N.	TRADITIONAL LEADER	NYANDENI	Traditional Leader
70	Ndamase H	TRADITIONAL LEADER	NYANDENI	Traditional Leader
71	Tyali G.	TRADITIONAL LEADER	MHLONTLO	Traditional Leader

2. S79 STANDING COMMITTEES ALLOCATIONS

NO.	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION
1	Rules Committee	Cllr Nkompela X. Cllr Sokanyile T. Cllr Gantsho A.A. Cllr Pepping N.P. Cllr Cwecwe Cllr Dambuza Cllr Nonkotamo Cllr Cube Z. Cllr Mbewu B.S. Cnf Mirara B.P. Cnf Ndabeni V. Cnf Ndamase N.	Chairperson Chief Whip Chair of Chairs Member Member Member Member Member Member Member Member Member

NO.	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION
2	Programming Committee	Cllr X. Nkompele Cllr T. Sokanyile Cllr A. Gantsho Cllr N.P. Mkontwana Cllr Mfiki Cllr U. Malghas Cllr T. Dumisa Cllr Nkani Cllr M. Burzana Cllr B. Mbewu Cllr U. Ketwa Cllr B. Malghas Cllr T.Z. Pato Cllr O.H. Mvango Nkosi G. Tyali Cllr R.Z. Nogumla	Chairperson Chief Whip Chair of Chairs Whip-Chairperson's Committee Whip Rules Committee Whip- MPAC Whip: Ethics & Members Interest Committee Whip: Petitions & Public Participation Committee Committee Whip: UDM Whip: DA Whip: EFF MRRA CI AIC Whip: Traditional Leaders Ex-Officio Member (DEM-Leader of Executive Business)
3	Chairperson's Committee	Cllr A. Gantsho Cllr N. P. Pepping Cllr S. Gcinindawo Cllr Cwecwe Cllr N. P. Mkontwana	Chairperson MEMBER MEMBER MEMBER MEMBER

NO.	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION
4	Municipal Public Accounts Committee	Clr Z. Gusana	MEMBER
		Clr N. Fono	MEMBER
		Clr L. Mziba	MEMBER
		Clr M.I. Nkungu	MEMBER
		Clr K. Mandita	MEMBER
		Clr T.E. Mzimbi	MEMBER
		Clr T. Mgaweni	MEMBER
		Clr N. Kuluta	MEMBER
		Clr Pepping N.	Chairperson
		Clr Malghas U.	Whip
		Clr Dumisa T.	Member
Clr Qangani S.	Member		
Clr Mbewu B.S.	Member		
Clr Mfiki N.	Member		
Clr Madwantsi P.	Member		
Clr Ketwa U.	Member		
Clr Ntshoyi N.	Member		
Clr Ntunkunzezi I.	Member		
Clr Buzzana	Member		
Nk Dudumayo	Member		
Nk Mdufshane G.	Member		
5	Ethics & Members Interest Committee	Clr Gcinindawo N.	Chairperson
		Clr Dumisa T.	Whip
		Clr Malgas U.	Clr

NO.	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION
6	Petitions & Public Participation	Cllr Ntshoyi N.	Cllr
		Cllr Ntukunzezi I.	Cllr
		Cllr Bokwe N.F.	Cllr
		Cllr Matanzima N.	Cllr
		Cllr Magoko T.	Cllr
		Cllr Bara	Cllr
		Cllr Mzimane N.	Cllr
		Cllr Dambuzza M.	Chairperson
		Cllr Nkani M.	Whip
		Cllr Nonkotamo N.	Member
		Cllr Begezi N.	Member
Cllr Bokwe N.F.	Member		
Cllr Mabongo L.S.	Member		
Cllr Sobahle N.	Member		
Cllr Gaxeni F.	Member		
Cllr Mbewu S.B.	Member		
Cllr Ndude L.M.	Member		
Cllr Mandita K.D.	Member		
Cllr Cweewe N.	Chairperson		
Cllr Sokhanyile T.	Whip		
Cllr Meth N.	Executive Mayor		
Cllr Sigcau N.Z.	Member		
Cllr Ngqongwa N.	Member		
Cllr Mledle N.	Member		
7	Multi Party Women's Caucus		

NO.	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION
		Clr Giyose R.M.	Member
		Clr Pepping N.	Member
		Clr Mkontwana N.	Member
		Clr Mabongo L.	Member
		Clr Begezi N.	Member
		Clr Mvango O.H.	Member
		Clr Gcinindawo N.	Member
		Clr Malgas U.	Member
		Clr Maqoko T.	Member
		Clr Mzimane N.	Member
		Clr Ntshoyi N.	Member
		Clr Kupelo T.E. (RIP)	Member
		Clr Mcimbi T.E.	Member
		Clr Nonkothamo N.	Member
		Clr Mziba L.	Member
		Clr Madwantsi P.	Member
		Clr Tshotsho L.	Member
		Clr Mbangatha N.	Member
		Clr Nkani N.	Member
		Clr Fono N.	Member
		Clr Bokwe F.	Member
		Clr Mfiki N.	Member
		Clr Matanzima S.	Member
		Chief Mitrara B.P.	Member

NO.	NAME OF COMMITTEE	NAMES OF MEMBERS	DESIGNATION
		Chief Cebiso L.	Member
		Chief Ndamase H.	Member
		Chief Ndamase N.	Member
		Chief Meji N.	Member

3. SECTION 79 PORTFOLIO COMMITTEES ALLOCATION

NO.	NAME OF COMMITTEE	NAME OF COMMITTEE MEMBERS	DESIGNATION
1	Infrastructure Services Portfolio Committee	Clr Gusana Z.	Chairperson
		Clr Gaxeni F.	Whip
		Clr Dumisa T.	Member
		Clr Ntukuntezi I.	Member
		Clr Bokwe F.	Member
		Clr Msakeni J.M.	Member
		Clr Mabongo L.S.	Member
		Clr Sabisa T.	Member
		Clr Xangayi C.T.	Member
		Clr Malgas B.	Member
2	Budget and Treasury Office Portfolio Committee	Clr Mandita K.	Chairperson
		Clr Magoko T.	Whip
		Clr Mbangatha N.	Member
		Clr Sabisa T.	Member
		Clr Ntshoyi N.	Member

NO.	NAME OF COMMITTEE	NAME OF COMMITTEE MEMBERS	DESIGNATION
3	Community Services Portfolio Committee	Cllr Matanzima S.	Member
		Cllr Dumisa T.	Member
		Cllr Sobahle N.	Member
		Cllr Xangayi C.T.	Member
		Cllr Malgas B.	Member
		Cllr Nkungu M.I.	Chairperson
Cllr Sobahle N.	Whip		
Cllr Msakeni J.	Member		
Cllr Nonkothamo N.	Member		
Cllr Mbangatha N.	Member		
Cllr Mfiki N.	Member		
Cllr Begezi N.	Member		
Cllr Gangani S.	Member		
Cllr Bara B.	Member		
4	Corporate Services Portfolio Committee	Cllr Mziba L.	Chairperson
		Cllr Nkani N.	Whip
		Cllr Mfiki N.	Member
		Cllr Bokwe F.	Member
		Cllr Malgas U.	Member
		Cllr Madwantsi P.	Member
		Cllr Magoko N.	Member
		Cllr Sabisa T.	Member
		Cllr Xangayi C.T.	Member
		Cllr Fono N.	Chairperson
5	Human Settlement & Disaster Management		

NO.	NAME OF COMMITTEE	NAME OF COMMITTEE MEMBERS	DESIGNATION
		Cllr Sobahle N. Cllr Qangani S. Cllr Madwantsi P. Cllr Matanzima S. Cllr Begezi N. Cllr Mbangatha N. Cllr Nonkothamo N. Cllr Bara B.	Whip Member Member Member Member Member Member Member
6	Rural, Economic Development & Planning	Cllr Kuluta N. Cllr Ntshoyi N. Cllr Mfiki N. Cllr Sabisa T. Cllr Matanzima S. Cllr Nkani N. Cllr Madwantsi P. Cllr Malgas U. Cllr Xangayi C.T. Cllr Malgas B.	Chairperson Whip Member Member Member Member Member Member Member Member Member
7	Planning, Research and Intergovernmental Relations	Cllr Mcimbi T.E. Cllr Mabongo L.S. Cllr Mbangatha N. Cllr Magoko T. Cllr Bokwe N.F. Cllr Ntukuntezi I.	Chairperson Whip Member Member Member Member

NO.	NAME OF COMMITTEE	NAME OF COMMITTEE MEMBERS	DESIGNATION
8	Special Programmes and Social Services	Cllr Gaxeni F.	Member
		Cllr Qangani S.	Member
		Cllr Mbewu B.	Member
		Cllr Malgas B.	Member
		Cllr Mgaweni T.	Chairperson
		Cllr Mabongo L.S.	Whip
		Cllr Gaxeni F.	Member
		Cllr Begezi N.	Member
Cllr Nkani N.	Member		
Cllr Malgas U.	Member		
Cllr Dumisa T.	Member		
Cllr Nonkotamo N.	Member		

4. COUNCIL AND COMMITTEE MEETINGS ATTENDANCE

All the council and committee meetings were held in 2016\17 as per the 2016\17 Council Calendar and all the meetings quorated as per the provisions of the council adopted standing orders.

APPENDICE B – COMMITTEE AND COMMITTEE PURPOSES

SECTION 79 COMMITTEES OF COUNCIL

1. SECTION 79 STANDING COMMITTEES OF COUNCIL

SECTION 79 STANDING COMMITTEE	CHAIRPERSON'S NAME
8. Rules Committee	Cllr. X. Nkompela
9. Programming Committee	
10. Chairperson's Committee	Cllr A. Gantsho
11. Municipal Public Accounts Committee (MPAC)	Cllr N. P. Pepping
12. Ethics and Members Interest Committee	Cllr S. Gcinindawo
13. Multiparty Women's Caucus	Cllr Cwecwe
14. Petitions and Public Participation Committee	Cllr N. P. Mkontwana

2. SECTION 79 PORTFOLIO COMMITTEES OF COUNCIL

SECTION 79 PORTFOLIO COMMITTEES NAME	NAMES OF DEPARTMENTS OVERSIGHTED	CHAIRPERSON
9. Infrastructure Services Portfolio Committee	Water and Sanitation Services and Technical Services	Cllr Z. Gusana
10. Human Settlement and Disaster Management Portfolio Committee	Human Settlement and Disaster Management Section under Community Services	Cllr N. Fono
11. Corporate Services	Corporate Services	Cllr L. Mziba
12. Community Services	Community Services	Cllr M.I. Nkungu
13. Budget & Treasury Office (BTO)	BTO & Internal Audit	Cllr K. Mandita
14. Planning, Research and Intergovernmental Relations	Office of the Municipal Manager	Cllr T.E. Mcimbi
15. Special Programs and Social Services Portfolio Committee	Office of the Executive Mayor	Cllr T. Mgaweni
16. REDP	LED, Ntinga Development Agency & Kei Fresh Produce Market	Cllr N. Kuluta

SCOPE OF THE TERMS OF REFERENCE (PURPOSE) FOR S79 STANDING COMMITTEES

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
1. Rules Committee	<ol style="list-style-type: none"> 1.To promote the realisation of the vision, strategic objectives and priorities of O.R. Tambo District Municipality. 2.To assist the Council in developing and administering Standing Rules for Council meetings for its efficient functioning of the committees of Council. 3.To develop, advise and monitor the implementation of Council's policy with regard to Civic Functions and presentations. 3.To diligently perform its power and functions in terms of these terms of references. 4.To promote adherence to appropriate dress code for all council and committee meetings.
2. Programming Committee	<ol style="list-style-type: none"> 1.To oversee and regulate the programming of Council's agenda and proceedings. 2.To recommend a Programme of debates. 3.To diligently perform its power and functions in terms of these terms of references.
3. Chairperson's Committee	<ol style="list-style-type: none"> 1.To oversee and regulate the functioning of the Section 79 Standing Committees and Portfolio Committees activities\ programmes, and reporting. 2.To strengthen the oversight role and accountability played by council committees. 3.To diligently perform its power and functions in terms of these terms of references.
4. Municipal Public Accounts Committee (MPAC)	<p>3.1 ROLE OF THE MPAC</p> <p>The Committee is accountable to Council and is operating as an overseer and makes recommendations to the Council for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the Accounting Officer, Heads of Departments, officials and other members of senior management. The role of the Committee is to assist the Council to ensure that:</p> <ol style="list-style-type: none"> 3.1.1 The municipality fulfils its constitutional mandate of service delivery to the community and achieves the set objectives; 3.1.2 The municipality is managed in an efficient, effective and ethical, corruption and fraud free manner ; and

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<p>3.1.3 The municipal resources are utilised in an economic manner.</p> <p>3.2 AUTHORITY OF THE MPAC</p> <p>The MPAC Committee has the authority as per the SALGA recommendations:</p> <p>3.2.1 To call the Executive and/or any Councillor to report on any matter reported in terms of finances to ensure that every cent is accounted for.</p> <p>3.2.2 to oversee all programmes of the municipality and to investigate value for money on projects – overseeing the planning and implementation of projects against expenditure.</p> <p>3.2.3 to request, access information and monitor such based on suspicion of imprudent financial management.</p> <p>3.2.4 to instruct the Executive and any other committee members, management and other employees to be present at a given meeting to hear and answer for themselves and for possible interview and input regarding items of the agenda.</p> <p>3.2.5 to direct any matter for investigation through the relevant investigation Departments, Office of the Auditor General and law enforcement agencies within its terms of reference.</p> <p>3.2.6 to have unrestricted access through the Office of the Accounting Officer to employees of Council, information relating to all personnel, books of account, records, assets and liabilities of the Council and to any other sources of relevant information that may be required from the Council for the purpose of</p>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<p>carrying out its duties and responsibilities.</p> <p>3.2.7 to seek any information (and have access) it requires from any MMC/Councillor. All MMCs and Councillors are directed to co-operate with any request made by the Committee.</p> <p>3.2.8 MPAC shall have direct access to internal and external auditors and may direct investigations in any matter when necessary.</p> <p>3.2.9 The Committee should have permanent referral as they become available, of –</p> <ul style="list-style-type: none"> (a) all accounts and financial statements of the municipality; (b) all reports of the Auditor-General; (c) all reports of the Audit Committee; (d) Information on compliance (see section 128 and 133 of the MFMA); (e) Information in respect of any disciplinary actions taken in terms of the Municipal Finance Management Act (MFMA); (f) Information in respect of transgressions in terms of the MFMA. <p>3.2.10 The Committee also has the right to summon any person to give evidence before it, or to require any person or institution to report to it. In the interest of accountability, the Committee may call individuals who were responsible at the time of the events, even though they may since have resigned from the municipality.</p> <p>3.2.11 Receive technical support from the Internal Audit office.</p> <p>3.2.12 The committee must hold public hearings and instruct other committee members, management and other employees to be present at a given meeting to hear and answer for themselves and for possible interview and input regarding items of the agenda.</p> <p>3.2.13. The committee must monitor the extent to which its recommendations and those of the AG are carried</p>

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
	<p>3.2.14 The committee must invite and receive submissions from the public out.</p> <p>3.2.15 The committee must undertake fieldwork (i.e. oversight visits within the municipality) to get first-hand information on any municipal matters.</p> <p>3.2.16 The committee must consider recommendations and reports from the Audit Committee.</p> <p>3.2.17 MPAC may consider any financial reports or financial statements jointly with the Audit Committee.</p> <p>3.2.18 MPAC must consider the oversight reports of the portfolio committees with regard to quarterly performance, budget expenditure and focused intervention study.</p> <p>3.2.19 The committee must ensure that the municipality complies with the provisions of the King IV Report.</p> <p>3.2.20 MPAC requires the executive to attend its meetings where required, and will not be able to engage the municipal manager (accounting officer) and senior management in the absence of the executive or political office bearers, as this will encroach on the role of the executive who has the responsibility for oversight over the administration of the municipality.</p> <p>The MPAC is not authorised to:</p> <ul style="list-style-type: none"> (a) Discuss matters that are still under investigation or <i>sub-judice</i>, but can in-committee receive progress reports on matters under investigation. (b) Report to Council on allegations not investigated. (c) Call any person outside Council (e.g. contractor, service provider, etc.) to account for the monies of the municipality and municipal entities where such outside person is implicated in the forensic investigation report.

SECTION 79 STANDING COMMITTEE	SCOPE OF THE TERMS OF REFERENCE
5. Ethics and Members Interest Committee	(1) To promote adherence to the Code of Conduct for councillors. (2) To develop, advise and monitor the implementation of Council's policy with regard to councillors welfare and benefits. (3) To diligently perform its power and functions in terms of these terms of references. (4) To promote adherence to council standing orders. (5) To promote adherence to appropriate dress code for all council and committee meetings.
6. Multiparty Women's Caucus	1. To act as an advisory, influencing and consultative body by representing the interests and concerns of women members in Council and making submissions to the Council. 2. To engage on empowerment issues with women in political structures outside Council.
7. Petitions and Public Participation Committee	1. to encourage active involvement of communities and community organisations in the affairs of the municipality; 2. to increase the effectiveness of Public Participation in the affairs of the municipality; 3. to ensure the consideration, monitoring and tracking of petitions lodged to the municipality; 4. to ensure that timeous feedback is given to Petitioners; 5. to ensure adherence to Community Complaints and Petitions Handling Policy; Public Participation Policy; and Public Participation Strategy;

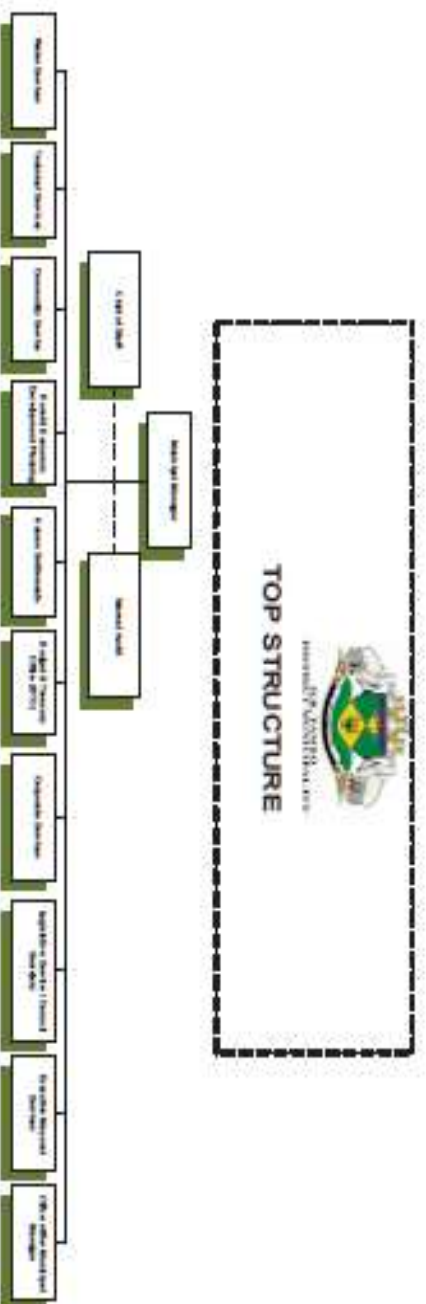
SCOPE OF THE TERMS OF REFERENCE (PURPOSE) FOR S79 PORTFOLIO COMMITTEES

SECTION 79 PORTFOLIO COMMITTEES NAME	PURPOSE
<p>1. Infrastructure Services & Technical Services Portfolio Committee</p> <p>2. Human Settlement and Disaster Management Portfolio Committee</p> <p>3. Corporate Services</p> <p>4. Community Services</p> <p>5. Budget & Treasury Office (BTO) and Internal Audit</p> <p>6. Planning, Research and Intergovernmental Relations</p> <p>7. Special Programs and Social Services Portfolio Committee</p> <p>8. REDP</p>	<p>(1) The Committee maintains oversight on the Member of the Mayoral Committee (MMC), and the department in fulfilling their responsibilities, including the implementation of policies, By-laws, regulations and other applicable legislation.</p> <p>(2) To fulfil its oversight responsibility, the Committee must scrutinize and oversee the extent to which the department is fulfilling its Constitutional obligations in respect of –</p> <ul style="list-style-type: none"> (i) the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5, and any other matter assigned to it by national or provincial legislation; and (ii) the promotion and fulfilment of all the rights enshrined in Chapter 2 - the Bill of Rights, sub-sections 7 – 39; <p>(3) To scrutinize the reports of the department, for submission to Council pursuant to the requirements of, but not limited to, the Structures, Systems and Finance Acts respectively and to report to Council with recommendations;</p> <p>(4) To scrutinize the reports of institutions established by Chapter 9 of the Constitution, in particular, the reports of the Auditor-General to the extent that reflections on the department are made by the Auditor-General.</p> <p>(5) To establish mechanisms that will enable the Committee to undertake Focused Intervention studies and Oversight visits;</p>

SECTION 79 PORTFOLIO COMMITTEES NAME	PURPOSE
	<p>(6) To facilitate the participation of the public in the oversight processes of the Committee; and</p> <p>(7) To ensure the scrutiny and review of the efficacy of policies and By-laws made, as a means of ensuring accountable and responsive local government.</p>

APPENDIX C- THIRD TIER ADMINISTRATIVE STRUCTURE

ANNEXURE 2: ADMINISTRATIVE STRUCTURE OF THE MUNICIPALITY



APPENDIX D – FUNCTIONS OF MUNICIPALITY/ ENTITY

APPENDIX E & F WARD REPORTING & INFORMATION

The following report covers the information required in appendix E& F of the Annual Performance Report

REPORT ON FUNCTIONALITY OF WARD COMMITTEES WITHIN THE DISTRICT

O.R. Tambo District Municipality is involved in public participation through ward committees. Capacity building programs was taken to ward committees in order to strengthen ward committee mode. About 100 Ward Committee Members from KSD; Nyandeni; Port St Johns , Ingquza Hill Local Municipalities and Mhlonlto LM were trained on Leadership; Communication, Conflict Management, minute taking and report writing Skills. Community Education programs were also conducted in Mhlonlto LM, Nyandeni and Port St Johns. LMs. The Municipality monitors the functionality of ward committees within the district by using the Ward Committee Monitoring Tool. On a quarterly basis, the Local Municipalities submit reports on functionality of ward committees in line with Ward Committee Monitoring Tool.

Community participation is of high importance in all municipal programs; including IDP/Budget process wherein IDP/Budget roadshows were conducted in all local municipalities. The Annual report was also taken to communities after it was tabled to Council. Communities were requested to submit their comments on the Annual Report, but no submissions were received.

In order to involve communities in Council decisions, two Open councils (Taking Council to the People) were held, wherein the council meetings were held outside the council premises. In addition to that, community members were encouraged to take part in council by hosting 2 sector parliaments (Disabled Council and Women's Council).

Municipal Monitoring Tool

Municipality	No. of Wards	No. of wards with Ward Schedules	No. of Ward Committee Meetings Organized	% Attendance by Ward Committee Members	% Attendance by CDWs	Door-to-Door Campaigns Conducted	Community Meetings Organized	No. of wards submitted Monthly Reports to the Office of the Speaker	No. of wards with Updated Ward Profile
Nyandeni LM	32	32	32	312 of 316= 98%	16 of 28= 57%	Nil	86 of 283	32	32
			32	312 of 318= 98%	22 of 32= 69%	Nil	15 of 283	32	
			N/A	N/A	N/A	N/A	N/A	N/A	
Port St Johns LM	20	20	20 of 20	193 of 200= 97%	20 of 20= 100%	32 of 191	46 of 191	20	20
			20 of 20	193 of 200= 97%	20 of 20= 100%	52 of 191	50 of 191	20	
			20 of 20	193 of 200= 97%	20 of 20= 100%	89 of 191	42 of 191	20	
Ingquza Hill LM	32	32	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			N/A	N/A	N/A	N/A	N/A		
			N/A	N/A	N/A	N/A	N/A		
Mhlontlo LM	26	26	20 of 26	192 of 256 = 77%	11 of 25= 42%	49 of 257	84 of 256	20 of 26	26
			21 of 26	184 of 256= 71%	16 of 25= 64%	85 of 257	88 of 256	21 of 26	
			N/A	N/A	N/A	N/A	N/A	N/A	
King Sabata Dalindyebo LM	36	36	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			N/A	N/A	N/A	N/A	N/A		
			N/A	N/A	N/A	N/A	N/A		

Issues Raised to the Council:

- No issues were raised to Local Municipal Councils;

Resolutions on Issues Raised to the Council:

- N/A

Comments:

- All wards from Nyandeni; Mhlontlo; and Port St Johns Local Municipalities have Ward Schedules (schedule of ward committee and ward general meetings);
- All wards at Mhlontlo; Port St Johns and Nyandeni Local Municipalities have updated Ward Profiles;

- There is 100% attendance of Ward Committee Meetings by CDWs at Port St Johns Local Municipality;
- Only Ward Committees of Mhlonito and Port St Johns Local Municipalities conduct Door-to-Door Campaigns to identify Challenges facing communities;

Challenges:

- Poor sitting of Ward Committee Meetings at Mhlonito Local Municipality
 - At Mhlonito Local Municipality:
 - only 20 of 26 wards convened Ward Committee Meetings in April 2017; and
 - only 21 of 26 wards convened Ward Committee Meetings in May 2017
- Moderate submission of reports to the Office of the Speaker at Mhlonito Local Municipalities;
- only 20 of 26 wards at Mhlonito Local Municipality submitted reports to the Office of the Speaker in April 2017, whereas
- only 21 of 26 wards at Mhlonito Local Municipality submitted reports to the Office of the Speaker in May 2017
- There is poor sitting of Ward General Meetings across the district;
- At Nyandeni LM ward 19 CDW has been chased away by the community in a mass meeting and insisted that she must not participate in any activity of the ward, accusing her that she does not belong to the ward instead she belongs to Ward 1 of PSJ Local Municipality. The Speaker of Nyandeni LM has tried to intervene but failed and referred the matter to Cogta for intervention.
- At Mhlonito,
 - >Ward 9 there is no CDW
 - >Ward 18 one ward committee member is under suspension and investigation by the LM
- The attendance of ward committee meetings by CDWs at Nyandeni and Mhlonito Local Municipalities is not good enough;
- There is lack of administrative support and monitoring of Ward Committee Meetings by local municipalities due to lack of personnel in the Offices of Speakers;
- There is poor conducting of Door to Door Campaigns by Ward Committees across the district;

Recommendations:

It is recommended to the District Speakers Forum that:

1. Intervene to the case of CDW of Ward 19 in Nyandeni
2. Offices of Speakers must continue encouraging CDWs to attend Ward Committee Meetings;

3. Officials in municipalities within the district must provide technical support, and monitor Ward Committee and Ward/Village Meetings where possible;
4. The Speaker of Mhlontlo Local Municipality must intervene in the issue of Ward 9 where there is no CDW
5. Ward Committees within the district must be encouraged to conduct Door to Door Campaigns more emphasis on Nyandeni Local Municipality
6. Ward clerks/ administrators must be employment
7. Statutory documents (MFMA, MSA, Constitution etc) are highly recommended to be delivered ASAP

APPENDIX G – REPORT OF THE MUNICIPAL AUDIT COMMITTEE

The report of the Municipal Audit Committee for the year ended 30 June 2017 signed by the Chairperson is annexed hereto as Appendix G.

APPENDIX H- LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

The municipality had no long-term contracts or Public Private Partnership contract during the current financial year

APPENDIX I- SERVICE PROVIDER PERFORMANCE SCHEDULE

The Service provider performance Report is annexed as Appendix I on an excel spread sheet.

APPENDIX J- DISCLOSURE OF FINANCIAL INTERESTS

The Municipal Manager and Section 56 Managers had no financial interests during the financial year 2016/17.

APPENDIX K- REVENUE COLLECTION PERFORMANCE (BY VOTE AND SOURCE)

Revenue Collection Performance by Vote

Revenue collection is centralised at Budget and Treasury Office (BTO) and the overall revenue collected during the current year amounted to R 1,822,821,175

Revenue Collection Performance by Source

Description	Amount
Service Charges	129,548,814
Government Grants and Subsidies	1,511,317,746
Interest income	57,322,045
Other receipts	124,632,570
	1,822,821,175

APPENDIX L- CONDITIONAL GRANTS RECEIVED (EXCLUDING MIG)

Grant	Total Budget	Actual				Total	Variance	Variance %
		Q1	Q2	Q3	Q4			
Equitable Shares	669,303,000.00	278,876,000.00	-	223,101,000.00	167,326,000.00	669,303,000.00	-	0%
MSIG	109,739,000.00	27,435,000.00	54,870,000.00	27,434,000.00	-	109,739,000.00	-	0%
RBIG	343,183,000.00	171,592,000.00	68,636,000.00	102,955,000.00	-	343,183,000.00	-	0%
FMG	1,710,000.00	1,710,000.00	-	-	-	1,710,000.00	-	0%
EPMP	3,213,000.00	803,000.00	-	1,446,000.00	964,000.00	3,213,000.00	-	0%
	1,127,148,000.00	480,416,000.00	123,506,000.00	354,936,000.00	168,290,000.00	1,127,148,000.00	-	0%

APPENDIX M- CAPITAL EXPENDITURE: NEW & UPGRADE RENEWAL PROGRAMMES: INCLUDING MIG & NEW ASSET PROGRAMME Capital Expenditure – New Assets Programme

DETAILS	Actual 2016/17 R	Actual 2015/16 R	Percentage Variance %	Budgeted 2016/17 R	Variance actual/ budgeted %
Executive and Council	-	-		3,000,000	100%
Budget and Treasury Office	15,669,267	18,727,473	-16%	41,640,500	62%
Corporate Services	-	-	0%	1,850,000	100%
Planning and Development	-	261,057	-100%	12,040,000	100%
Health	-	-	0%	1,300,000	100%
Housing	-	-	0%	2,830,000	100%
Public Safety	-	-	0%	15,000,000	100%
Roads and Transport	-	-	0%	7,000,000	100%
Water	787,578,383	566,823,713	41%	1,131,874,200	29%
Other	-	-	0%	50,000	100%
	803,247,650	585,812,243		1,216,584,700	

Capital Expenditure – Upgrade / Renewal Programme

The upgrade / Renewal programme for the current financial year consisted of replacement of water meters to the value of R4,248,285.36

APPENDIX N & O - CAPITAL PROGRAMMES BY PROJECT CURRENT YEAR

The Capital Infrastructure projects are annexed as Appendix N on an Excel Spread sheet.

APPENDIX P- SERVICE CONNECTION BACKLOG AT SCHOOLS AND CLINICS

Schools without Electricity Supply

National Emis Number	School Name	District Name	Municipality Name	Comments	ENROLMENT	No of Units	Estimated Budget
200400040	MTHATHA BUJOLO JS SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			
200401265	LIBODE BOMVINI SP SCHOOL	O.R. Tambo	Nyandeni Local Municipality	None	163	340	652,775
200400064	MTHATHA CABA SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200401253	MTHATHA DOBE JS SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200500143	QUMBU DUMEZWENI SP SCHOOL	O.R. Tambo	Mhlonto Local Municipality	None	31	180	581,000
200500145	QUMBU DUMILE P SCHOOL	O.R. Tambo	Mhlonto Local Municipality	None	37	180	581,000
200400186	MTHATHA FULINZIMA JP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200400209	MTHATHA GOBIDOLO SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	ELECTRICITY			581000
200400230	MTHATHA GQUBENI JS SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200400231	QUMBU GQUKUNQA SP SCHOOL	O.R. Tambo	Mhlonto Local Municipality	None	37	180	581,000

National Emis Number	School Name	District Name	Municipality Name	Comments	ENROLMENT	No of Units	Estimated Budget
200400243	MTHATHA GUNJANA JS SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	None		180	581,000
200500284	LUSIKISIKI GWEXINTABA SP SCHOOL	O.R. Tambo	Nguza Hill Local Municipality	None	183	370	666,275
200500333	LUSIKISIKI JIBA SS SCHOOL	O.R. Tambo	Nguza Hill Local Municipality	IDT RIP II			581000
200500381	LUSIKISIKI KWANDUMISO SP SCHOOL	O.R. Tambo	Nguza Hill Local Municipality	None	132	180	581,000
200400345	MTHATHA KWENXURA SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200400384	QUMBU LOWER NGCOLOKENI SP SCHOOL	O.R. Tambo	Mhlonto Local Municipality	Check - Condition Assessment shows electricity			581000
200400407	LIBODE LUNDINI JP SCHOOL	O.R. Tambo	Port St Johns Local Municipality	None	79	180	581,000
200400426	MTHATHA LWANDLANA P SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200500493	MALUTI MABHELENI SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200400440	#N/A MADUKUDA SP SCHOOL	O.R. Tambo	Mhlonto Local Municipality	None	#N/A		581,000
200400450	LIBODE MAGILA SP SCHOOL	O.R. Tambo	Nyandeni Local Municipality	None	75	180	581,000
200400494	QUMBU MANZOTHUKELA JP SCHOOL	O.R. Tambo	Mhlonto Local Municipality	None	25	180	581,000
200400503	QUMBU MASIBAMBISANE SP	O.R. Tambo	Mhlonto Local	IDT EISP			581000

National Emis Number	School Name	District Name	Municipality Name	Comments	ENROLMENT	No of Units	Estimated Budget
200400625	LIBODE MNGABE JS SCHOOL	O.R.Tambo	Nyandeni Local Municipality	None	233	445	700,025
200500851	QUMBU NDAKANA SP SCHOOL	O.R.Tambo	Mhlonto Local Municipality	None	140	305	637,250
200500256	LUSIKISIKI NDIMBANENI SP SCHOOL	O.R.Tambo	Ngquza Hill Local Municipality	None	328	587	764,150
200400730	LIBODE NDZULUKA P SCHOOL	O.R.Tambo	Nyandeni Local Municipality	IDT EISP			581000
200500880	LUSIKISIKI NGIBE SP SCHOOL	O.R.Tambo	Ngquza Hill Local Municipality	None	102	180	581,000
200400749	MTHATHA NGONYAMA JP SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	None	155	328	647,375
200400809	MTHATHA NOBUHLE SP SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200400814	LIBODE NOKWINTI JP SCHOOL	O.R.Tambo	Nyandeni Local Municipality	None	18	180	581,000
200400856	MTHATHA NTEKEELO JS SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200400901	MTHATHA NZWAKAZI JS SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	ADDITIONAL CLASSROOMS			581000
200401412	MTHATHA POLAR PARK PRIMARY SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200501131	QUMBU SIYOYO JS SCHOOL	O.R.Tambo	Mhlonto Local Municipality	Check - Condition Assessment shows electricity			581000

National Emis Number	School Name	District Name	Municipality Name	Comments	ENROLMENT	No of Units	Estimated Budget
200401020	MTHATHA SOMPA JP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200501177	LIBODE TALENI SP SCHOOL	O.R. Tambo	Port St Johns Local Municipality	None	301	547	745,925
200401047	QUMBU TEMBENI SP SCHOOL	O.R. Tambo	Mhlonito Local Municipality	Check - Condition Assessment shows electricity			581000
200401363	MTHATHA THWALUPHAPHLA SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200501245	LIBODE TYONGWANA SP SCHOOL	O.R. Tambo	Port St Johns Local Municipality	None	277	511	729,725
200401141	MTHATHA WATHA SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200401165	QUMBU ZAMUKULUNGISA SP SCHOOL	O.R. Tambo	Mhlonito Local Municipality	None	142	308	638,600
200401190	QUMBU ZIMBENGWINI SP SCHOOL	O.R. Tambo	Mhlonito Local Municipality	Check - Condition Assessment shows electricity			581000
200401209	MTHATHA ZWELI JP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200501344	MT FRERE ZWELIHLANGENE P SCHOOL	O.R. Tambo	Mhlonito Local Municipality	None	137	301	635,225
200401214	MTHATHA ZWELIJONGILE SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local Municipality	Check - Condition Assessment shows electricity			581000
200501347	QUMBU ZWELISILE SP SCHOOL	O.R. Tambo	Mhlonito Local Municipality	None	55	180	581,000

Pits only and non-sanitation

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200400085	AM/AMBALU JS SCHOOL	MTHATHA	293	17	595	Public
200400104	BAMBILANGA JS SCHOOL	MTHATHA	310	17	595	Public
200401307	BANTWANANA JS SCHOOL	MTHATHA	314	22	770	Public
200401308	BAVUMELE JS SCHOOL	MTHATHA	276	17	595	Public
200401311	BAZINDLOVU SS SCHOOL	MTHATHA	443	22	770	Public
200401331	BITYI JS SCHOOL	MTHATHA	343	22	770	Public
200400113	CABA SP SCHOOL	MTHATHA	146	17	595	Public
200401216	CANDILANGA SP SCHOOL	MTHATHA	190	17	595	Public
200401335	CENTULI JS SCHOOL	MTHATHA	352	22	770	Public
200401341	CEZU JS SCHOOL	MTHATHA	386	22	770	Public
200401313	CIBINI JS SCHOOL	MTHATHA	318	22	770	Public
200401342	DALIBANGO SP SCHOOL	MTHATHA	159	17	595	Public
200401364	DALUKHANYO SS SCHOOL	MTHATHA	681	30	1050	Public
200400019	DINIZULU JS SCHOOL	MTHATHA	380	22	770	Public
200600495	DOBE JS SCHOOL	MTHATHA	220	17	595	Public
200400115	DUDUMAYO SS SCHOOL	MTHATHA	1442	34	1190	Public
200400044	DUKATOLE JS SCHOOL	MTHATHA	264	17	595	Public
200401158	DUMALISILE JS SCHOOL	MTHATHA	230	17	595	Public
200600854	DUMRANA PJS SCHOOL	MTHATHA	434	22	770	Public
200400154	EMAWENI JS SCHOOL	MTHATHA	190	17	595	Public
200400161	EMPA JS SCHOOL	MTHATHA	523	22	770	Public
200400045	ESIKOBENI PJS SCHOOL	MTHATHA	242	17	595	Public
200400071	FULINZIMA JP SCHOOL	MTHATHA	288	17	595	Public
200400080	FUTYE JS SCHOOL	MTHATHA	255	17	595	Public

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200400382	GADUKA PJS SCHOOL	MTHATHA	259	17	595	Public
200400439	GASA JS SCHOOL	MTHATHA	427	22	770	Public
200401009	GWEBINKUNDLA JS SCHOOL	MTHATHA	370	22	770	Public
200400452	GXWALBOMVU JS SCHOOL	MTHATHA	240	17	595	Public
200400463	JONGIBANDLA JS SCHOOL	MTHATHA	488	22	770	Public
200400023	JONGINTABA SS SCHOOL	MTHATHA	520	22	770	Public
200600133	JOYI SS SCHOOL	MTHATHA	627	30	1050	Public
200400030	KAMBI JS SCHOOL	MTHATHA	313	22	770	Public
200400486	KONQENI JS SCHOOL	MTHATHA	359	22	770	Public
200400037	KUYASA JS SCHOOL	MTHATHA	145	17	595	Public
200400065	KWAAIMAN JS SCHOOL	MTHATHA	362	22	770	Public
200400070	Kwa-PAYNE JP SCHOOL	MTHATHA	1165	34	1190	Public
200400072	LANDSEND JS SCHOOL	MTHATHA	230	17	595	Public
200400084	LOWER MATEKO PS SCHOOL	MTHATHA	371	22	770	Public
200400487	LOWER NGQWARA JS SCHOOL	MTHATHA	357	22	770	Public
200600594	LOWER XONGORA PJS SCHOOL	MTHATHA	253	17	595	Public
200400496	LUGXOGXO JS SCHOOL	MTHATHA	561	22	770	Public
200400510	LUKHANYISWENI SP SCHOOL	MTHATHA	197	17	595	Public
200400093	LUTUBENI SS SCHOOL	MTHATHA	656	30	1050	Public
200400152	LWANDLANA P SCHOOL	MTHATHA	317	22	770	Public
200400158	LYNDALE JS SCHOOL	MTHATHA	599	22	770	Public
200400538	MABEHANA JS SCHOOL	MTHATHA	651	30	1050	Public
200400237	MADONISI JS SCHOOL	MTHATHA	277	17	595	Public
200400170	MAJOLA LP SCHOOL	MTHATHA	236	17	595	Public
200400269	MAKAJULA JS SCHOOL	MTHATHA	501	22	770	Public
200400216	MANDLENI JS SCHOOL	MTHATHA	375	22	770	Public

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200401059	MANYOSINI SP SCHOOL	MTHATHA	245	17	595	Public
200400281	MATISO JS SCHOOL	MTHATHA	208	17	595	Public
200400304	MATSHONGWE JS SCHOOL	MTHATHA	147	17	595	Public
200400326	MAWELENI JS SCHOOL	MTHATHA	217	17	595	Public
200400222	MAXWELE SSS	MTHATHA	176	17	595	Public
200400238	MBASHE SP SCHOOL	MTHATHA	205	17	595	Public
200400375	MBOLOMPO COMPREHENSIVE SCHOOL	MTHATHA	357	22	770	Public
200400259	MBOZISA JS SCHOOL	MTHATHA	444	22	770	Public
200400303	MBOZISA JS SCHOOL	MTHATHA	387	22	770	Public
200400404	MBOZWANA JS SCHOOL	MTHATHA	159	17	595	Public
200400312	MDEDELENI JS SCHOOL	MTHATHA	463	22	770	Public
200400458	MDITSHWA SS SCHOOL	MTHATHA	211	17	595	Public
200400530	MHLABUNZIMA JS SCHOOL	MTHATHA	213	17	595	Public
200400537	MIL TON DALASILE SS SCHOOL	MTHATHA	332	22	770	Public
200400702	MIL TON MBEKELA SS SCHOOL	MTHATHA	931	34	1190	Public
200400727	MKWEZO JS SCHOOL	MTHATHA	349	22	770	Public
200400763	MNCWASA JS SCHOOL	MTHATHA	337	22	770	Public
200100469	MOKOLWENI JS SCHOOL	MTHATHA	102	10	350	Public
200401062	MPANDELA JS SCHOOL	MTHATHA	338	22	770	Public
200400552	MPEKO JS SCHOOL	MTHATHA	418	22	770	Public
200400555	MPEKO SS SCHOOL	MTHATHA	867	30	1050	Public
200400768	MPIKWANA JS SCHOOL	MTHATHA	477	22	770	Public
200400773	MPINDWENI JS SCHOOL	MTHATHA	764	30	1050	Public
200401160	MPINDWENI SS SCHOOL	MTHATHA	393	22	770	Public
200400585	MPUTI JS SCHOOL	MTHATHA	422	22	770	Public
200400785	MQANDULI JS SCHOOL	MTHATHA	201	17	595	Public

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200400630	MOEKEZWE NI JS SCHOOL	MTHATHA	247	17	595	Public
200401026	MVEZO JS SCHOOL	MTHATHA	356	22	770	Public
200400661	MVULANKULU SP SCHOOL	MTHATHA	232	17	595	Public
200400987	MZIMTSHA JP SCHOOL	MTHATHA	54	6	210	Public
200400802	MZIWODUMO JS SCHOOL	MTHATHA	251	17	595	Public
200400831	MZOMHLE JS SCHOOL	MTHATHA	361	22	770	Public
200400693	NCAMBELE JS SCHOOL	MTHATHA	224	17	595	Public
200600085	NCISE JS SCHOOL	MTHATHA	411	22	770	Public
200400700	NGANGENYATI SP SCHOOL	MTHATHA	417	22	770	Public
200400726	NGCANASINI JS SCHOOL	MTHATHA	315	22	770	Public
200400732	NGCENDESE JS SCHOOL	MTHATHA	298	17	595	Public
200400736	NGCWALA JS SCHOOL	MTHATHA	485	22	770	Public
200400774	NGCWANGUBA JS SCHOOL	MTHATHA	373	22	770	Public
200400851	NGQUNGE JS SCHOOL	MTHATHA	410	22	770	Public
200600868	NGWAYIBANJWA SS SCHOOL	MTHATHA	958	34	1190	Public
200400865	NGWENI JS SCHOOL	MTHATHA	300	17	595	Public
200600657	NJEMLA JS SCHOOL	MTHATHA	344	22	770	Public
200400838	NOBUHLE SP SCHOOL	MTHATHA	70	10	350	Public
200400867	NOTINARA JS SCHOOL	MTHATHA	139	17	595	Public
200400875	NOENCU PJS SCHOOL	MTHATHA	101	10	350	Public
200400905	NTABENI JS SCHOOL	MTHATHA	279	17	595	Public
200400885	NTLUKUHLA JS SCHOOL	MTHATHA	213	17	595	Public
200400906	NTSHABENI JS SCHOOL	MTHATHA	276	17	595	Public
200400942	NTSHETU JS SCHOOL	MTHATHA	174	17	595	Public
200400949	NXELE JS SCHOOL	MTHATHA	368	22	770	Public
200400952	ORANGE GROVE JS SCHOOL	MTHATHA	113	10	350	Public

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200400927	PANGINDELELA JS SCHOOL	MTHATHA	923	30	1050	Public
200400940	PATO JS SCHOOL	MTHATHA	363	22	770	Public
200400955	PAZIMA JS SCHOOL	MTHATHA	617	22	770	Public
200400964	PINGILILI JS SCHOOL	MTHATHA	254	17	595	Public
200600143	POLAR PARK PRIMARY SCHOOL	MTHATHA	991	34	1190	Public
200400978	QINGQOLO JS SCHOOL	MTHATHA	210	17	595	Public
200400584	QINGQOLO SS SCHOOL	MTHATHA	209	17	595	Public
200400597	QIYA JP SCHOOL	MTHATHA	181	17	595	Public
200401184	QOKOLWENI JS SCHOOL	MTHATHA	210	17	595	Public
200401007	QOKOLWENI SS SCHOOL	MTHATHA	772	30	1050	Public
200400961	RAFUZA MNTUYEDWA SP SCHOOL	MTHATHA	201	17	595	Public
200400973	ROSS JS SCHOOL	MTHATHA	94	10	350	Public
200400628	ROZA PJS SCHOOL	MTHATHA	182	17	595	Public
200400999	SAKELA JS SCHOOL	MTHATHA	308	17	595	Public
200401000	SANGONI JS SCHOOL	MTHATHA	412	22	770	Public
200401008	SANKOBE JS SCHOOL	MTHATHA	308	17	595	Public
200600231	SEA VIEW JS SCHOOL	MTHATHA	341	22	770	Public
200600276	SEA VIEW SS SCHOOL	MTHATHA	350	22	770	Public
200600328	SIGOYO JS SCHOOL	MTHATHA	386	22	770	Public
200401010	SIGUBUDU JS SCHOOL	MTHATHA	213	17	595	Public
200600087	SITETO JS SCHOOL	MTHATHA	181	17	595	Public
200600357	SIXHONKXWENI SP SCHOOL	MTHATHA	247	17	595	Public
200600500	SIYAVUYA SP SCHOOL (USATHETHA)	MTHATHA	114	10	350	Public
200401018	SPEFUNDEVU JS SCHOOL	MTHATHA	115	10	350	Public
200401055	SPRINGVALE PJS SCHOOL	MTHATHA	322	22	770	Public
200100343	TABASE JS SCHOOL	MTHATHA	634	30	1050	Public

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200401066	TAMSANQA JS SCHOOL	MTHATHA	445	22	770	Public
200401081	TANDOKAZI SP SCHOOL	MTHATHA	388	22	770	Public
200401223	THEMBELANI JP SCHOOL	MTHATHA	101	10	350	Public
200600359	THEMBELILE JP SCHOOL	MTHATHA	72	10	350	Public
200600374	TSHONTINI JP SCHOOL	MTHATHA	186	17	595	Public
200401096	TUNGWANA PS SCHOOL	MTHATHA	341	22	770	Public
200401119	TYALARA JS SCHOOL	MTHATHA	385	22	770	Public
200401151	TYUMBU JS SCHOOL	MTHATHA	388	22	770	Public
200401159	UPPER MPAKO JS SCHOOL	MTHATHA	396	22	770	Public
200600381	UPPER NGQWARA JS SCHOOL	MTHATHA	465	22	770	Public
200600431	UPPER NTLANGAZA JS SCHOOL	MTHATHA	142	17	595	Public
200600460	UPPER XONGORA JS SCHOOL	MTHATHA	170	17	595	Public
200401162	VUKANI SP SCHOOL	MTHATHA	321	22	770	Public
200600520	VUKUKHANYE JS SCHOOL	MTHATHA	82	10	350	Public
200600647	VULINDELA SP SCHOOL	MTHATHA	141	17	595	Public
200401172	VULINGCOBO JS SCHOOL	MTHATHA	254	17	595	Public
200401187	VULINKETE SP SCHOOL	MTHATHA	213	17	595	Public
200600686	VULINKUNDLA JS SCHOOL	MTHATHA	187	17	595	Public
200401196	WATERFALL PARK P SCHOOL	MTHATHA	171	17	595	Public
200600743	ZANGOLE JS SCHOOL	MTHATHA	355	22	770	Public
200401218	ZANOKHANYO JS SCHOOL	MTHATHA	250	17	595	Public
200401212	ZANOKHANYO SP SCHOOL	MTHATHA	295	17	595	Public
200100887	ZIBODLA JS SCHOOL	MTHATHA	253	17	595	Public
200600745	ZIBUZELE JS SCHOOL	MTHATHA	254	17	595	Public
200401227	ZILINYAMA JP SCHOOL	MTHATHA	270	17	595	Public
200600874	ZWELAKHE JS SCHOOL	MTHATHA	271	17	595	Public

National Emis Number	School Name	District	Enrolment	No of Units	Estimated Budget	Sector
200600385	ZWELEBANGO JS SCHOOL	MTHATHA	261	17	595	Public
200401233	ZWELINZIWA SP SCHOOL	MTHATHA	187	17	595	Public
200600459	ZWELIVUMILE JS SCHOOL	MTHATHA	172	17	595	Public
200401312	ZWELIXOLILE JS SCHOOL	MTHATHA	443	22	770	Public
200600464	ZWELODUMO SS SCHOOL	MTHATHA	858	30	1050	Public
					110,145	

Eastern Cape - Schools without Water Supply

National Emis Number	School Name	District Name	Municipality Name	Enrolment
200400064	MTHATHA CABA SP SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	146
200401253	MTHATHA DOBE JS SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	220
200400145	MTHATHA EAGERTON JS SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	522
200400230	MTHATHA GUBENI JS SCHOOL	O.R.Tambo	King Sabata Dalindyebo Local Municipality	326
200400388	LIBODE LOWER NTLAZA JP SCHOOL	O.R.Tambo	Nyandeni Local Municipality	117
200400407	LIBODE LUNDINI JP SCHOOL	O.R.Tambo	Port St Johns Local Municipality	79
200400450	LIBODE MAGILA SP SCHOOL	O.R.Tambo	Nyandeni Local Municipality	75
200401248	LIBODE NKALWENI SP SCHOOL	O.R.Tambo	Nyandeni Local Municipality	106

National Emis Number	School Name	District Name	Municipality Name	Enrolment
200400814	LIBODE NOKWINTI JP SCHOOL	O.R. Tambo	Nyanderi Local Municipality	18
200400901	MTHATHA NZWAKAZI JS SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local I Municipality	407
200501131	QUMBU SIYOYO JS SCHOOL	O.R. Tambo	Mhlonito Local Municipality	550
200401090	MTHATHA UMTENTU JS SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local I Municipality	245
200501263	LUSIKISIKI UPPER QOOO SP SCHOOL	O.R. Tambo	Ngquza Hill Local Municipality	268
200401214	MTHATHA ZWELIJONGILE SP SCHOOL	O.R. Tambo	King Sabata Dalindyebo Local I Municipality	181

Schools with no toilets

District	National Emis Number	School Name	Sector	Enrolment	No of Units	Estimated Budget
MTHATHA	200400209	GOBIDOLO SP SCHOOL	Public	411	22	770,000

APPENDIX Q- SERVICE BACKLOG EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

	Electricity	Informal Dwelling
King Sabata Dalindyebo LM	20800	1558
Mhlonito LM	8500	1209
Inguza Hill LM	13900	710
Nyandeni LM	12800	269
Port St Johns LM	7320	243
O.R Tambo DM	63320	3989

APPENDIX R- DECLARATIONS OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Grants made by the municipality

The table below indicates grants transferred to the municipal entity and municipalities under OR Tambo District.

Organisation	Nature of the project	Amount
Ninga Development Agency	Economic Development	54,421,940
Mhlonto Municipality	Municipal Support	600,000
Port Saint Johns Municipality	Municipal Support	700,000
Ingquza Hill Municipality	Municipal Support	600,000
Nyandeni Municipality	Municipal Support	600,000
King Sabata Dalindyebo	Municipal Support	600,000
		57,521,940

Loans made by the municipality

The municipality did not make any loans out to any organisations during the current financial year.

APPENDIX S- DECLARATION OF RETURNS NOT MADE IN DUE TIME MFMA S71

All section 71 reports were submitted with 10 working days of the month as required by section s71 of the MFMA.