



2017/18

AUDITED ANNUAL REPORT



1. VISION

A model municipality in partnership with its community through excellent service delivery, local economic development and public participation.

2. MISSION

Building a caring, responsive, accountable and economic viable municipality.

3. VALUES

In implementing the above, the Amahlathi Municipality subscribes to the following values

- ◆ Team work
- ◆ Trust
- ◆ Honesty
- ◆ Responsibility
- ◆ Dedication
- ◆ Value and acknowledgement of the individual.
- ◆ Integrity
- ◆ Work Ethics.
- ◆ Transparent and Clean Government.
- ◆ Tolerance
- ◆ Understanding
- ◆ Good Leadership.
- ◆ Accountability
- ◆ Value for Money
- ◆ Efficiency and Affordability
- ◆ Developmental Local Government striving for effectiveness and Performance.

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ACRONYMS

IDP- Integrated Development Plan
PGDP- Provincial Development Growth Plan
SCM- Supply Chain Management
MIG- Municipal Infrastructure Grant
SDBIP- Service Delivery & Budget Implementation Plan
MRM- Moral Regeneration Movement
MPAC -Municipal Public Accounts Committee
FMG- Finance Municipal Grant
MSIG- Municipal Systems Improvement Grant
LLF- Local Labour Forum
MM- Municipal Manager
CFO- Chief Finance Officer
MTREF- Medium Term Revenue Expenditure Framework
GRAP- General Recognised Accounting Practise
SANRAL- South African National Road Agency Limited
SALGA- South African Local Government Association
ADM- Amathole District Municipality
NER- National Electricity Regulations
SMMEs- Small Medium and Micro Enterprises
HR- Human Resource
OHS- Occupational Health and Safety
MFMA- Municipal Finance Management Act
CCLR- Councillor
PR CLLR- Proportional Representative Councillor
PMS- Performance Management System
IGR- Intergovernmental Relations
DCF- District Communicators Forum (DCF)
DEDEAT- Department of Economic Development Environmental Affairs and Tourism
DRDAR- Department of Rural Development and Agrarian Reform

NGO- Non- Governmental Organisations
AFS- Annual Financial Statements
CIPC- Companies & Intellectual Property Commission
KPI- Key Performance Indicator
KPA- Key Performance Area
TCS- Traffic Contravention System
DPSA- Department of Public Services and Administration
VAT- Value Added Tax
AOPO- Audit of Predetermined Objectives
MTEF- Medium Term Expenditure Framework
SMART - Specific Measurable Assignable Realistic Time-related
HODs- Head of Departments (HO-Ds)
ICT- Information Communication Technology
PPE- Property Plant & Equipment
FAR- Fixed Asset Register
AC- Audit Committee
MPRA- Municipal Property Rates Acts
AG- Auditor General
FY- Financial Year
COGTA- Cooperative Governance and Tradition Affairs
KKH- Keiskammahoek
SLA- Service Level Agreement
DR- Disaster Recovery
IT- Information Technology
MEC- Member of Executive Council
Q1- Quarter 1
Q2- Quarter 2
Q3- Quarter 3
Q4- Quarter 4
AO- Accounting Officer
IA- Internal Audit

PPP- Private Public Partnership

N/A- Not Applicable

ALM- Amahlathi Local Municipality

EPWP- Extended Public Work Programme

GSFPA- Greater Stutterheim Fire Protection Association

UIF- Unemployment Insurance Fund

CA- Chartered Accountant

SA- South Africa

SPU- Special Programs Unit

LTO- Local Tourism Organisation

CTO- Community Tourism Organisation

LED- Local Economic Development

SALGBC- South African local Government Bargaining Council

CWP- Community Works Programme

MCCP- Mlungisi Community Commercial Park

DSRAC- Department of Sport Recreation Arts and Culture

EAP- Employment Awareness Programme

HRD- Human Resource Development

YTD- Year to Date

EEP- Employment Equity Plan

WSP- Workplace Skills Plan

LGSETA- Local Government Sector Education Training Authority

NERSA- National Energy Regulation South Africa

BTO- Budget and Treasury Office

MVR- Motor Vehicle Registration

SDI- Service Delivery and Infrastructure Development

MFV- Municipal Financial Viability

MTI- Municipal Transformation and Institutional Development

GGP- Good Governance and Public Participation

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

MAYOR'S FOREWORD

The financial year 2017/18 commenced on a back foot that was never experienced since Amalgamation of year 2000 whose demarcation process established Amahlathi Municipality as a distinct set of fragmented strategic small rural towns made up of 20 ward which have now been reduced to only 15 wards. The challenges have remained the same while revenue collection has declined significantly. This new experience has brought about instability which manifested from labour unrest to community protests. Be that as it may, the council doubled its effort to bring back the stability that Amahlathi is known for and discharged its mandate of developmental local government. In its strategy, the municipality, has taken advantage of the natural resources features such as the Amatola Mountains, Keiskamma catchment, sour veld, and annual rainfall of more than 600mm, the timber and its high agricultural potential. It is this economic potential that bears hope and surety that Amahlathi is unique and stands a good chance to grow rapidly and catch up with our sister municipalities in the Amathole.



The constitution of the republic establishes local government as the sphere of government that should provide a democratic and accountable government for local communities. As the sphere of government accountable to its people, Amahlathi Local Municipality will always be evaluated on its ability to meet the growing needs of its people through rendering quality services, promoting economic development, fiscal discipline, ensuring that it governs effectively and facilitating the growth of the municipality.

The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA) commands Amahlathi Municipality to prepare an annual report for each financial year. Section 127(2) of the Act, requires that the Mayor, within seven months after the end of a financial year, to table in the municipal council the annual report of the municipality. It is against this legislative requirement that the Amahlathi Local Municipality has prepared this document.

The Annual Report is an account of how the municipality has taken up the challenge to grow the Amahlathi area, to effectively engage our community and develop partnerships with our business sector. Section 46(1) of the Municipal Systems Act (MSA) requires municipalities to prepare a performance report for each financial year, setting out the performance of the municipality and its external service providers. The report should measure current performance against targets and performance in the previous financial year and outline measures to improve performance in the year ahead. The annual performance report must form part of the annual financial report.

It is therefore my pleasure to present this Annual Report of Amahlathi Local Municipality for the period of 2017/18 to Council, the Amahlathi community, the National and Provincial Treasury, the Local Government, Auditor General and other stakeholders.

Whilst the role of the Office of the Mayor is established to provide political guidance and ensuring that governance structures exist and are functional, it is also the legislative requirement enshrined in the Municipal Finance Management Act that I present this report to all Amahlathi Local Municipality's stakeholders.

The municipality has managed to render basic services to improve the lives of its communities even though everything done was against the backdrop of limited financial resources to fund various projects. The municipality appreciates the strides it has made to address the needs and aspirations of Amahlathi communities and recognises that there is even more that still remains to be done.

Our role and responsibility as Amahlathi Local Council is to implement projects that have been budgeted for and translated into a Service Delivery and Budget Implementation Plan. It is in this regard that the Office of the Mayor applauds the dedication displayed to accomplish this good work.

Amahlathi Local Municipality is determined to achieve its strategic objectives through partnership with communities in addressing the basic services as outlined in its Integrated Development Plan (IDP). It is also important to mention that the municipality has aligned its planning to the Provincial Growth and Development Plan (PGDP), through the development of targets that focuses on addressing issues identified in the PGDP. This is done in order to improve the quality of lives of its community.

I would like to thank the community of Amahlathi for continuously believing in the municipality, participating in the programmes, their willingness to be part of the collective and for taking care of their assets and investments. I would also like to extend my gratitude to my fellow Councillors, the Audit Committee, Senior Management and staff for their undivided commitment to collectively participate in Municipality's developmental Agenda.

This year has proved to be a challenging one and thanks to those challenges because they have laid a good foundation for what must be done in the coming financial year. Going forward the council must take a centre stage in developing a deliberate programme which must yield sound labour relations in the institution. Better service delivery is directly associated with a motivated work force. The aim is to brand Amahlathi as the employer of choice and a model agent of radical socio-economic transformation.

Cllr. P. Qaba
Her Worship, the Mayor
Amahlathi Local Municipality

B: STATEMENT OF THE MUNICIPAL MANAGER

This Annual Report captures Amahlathi Local Municipality's strategic focus, provides an overview on its performance and sets out Council's financial position for the 2017/2018 financial year. The report also outlines the details of the various programmes managed by the Directorates of Amahlathi Local Municipality and how the municipality has performed towards meeting the set targets. The municipality firmly believe that it is on track towards meeting the growth and its set development targets although this year's challenges impacted negatively on the overall performance of the Municipality. The overall performance has been constant in 2016/17 and 2017/18 financial years at 82.25% which is a decrease from 2015/16 financial year.

The Amahlathi Local Municipality consisted of six directors (including acting directors) who reported to the Municipal Manager. The year commenced with a vacant position of the municipal manager. By October the municipality had already managed to appoint the municipal manager. Now directors were reporting directly to the Municipal Manager who is accountable to the Mayor. During the course of the year the council managed to appoint three other directors including Chief Financial Officer however two other directors had to leave the municipality at the end of their five year fixed term contracts and one left for greener pastures at the end of the financial year.

During 2017/18 financial year, Amahlathi Local Municipality's aim was to improve from the unqualified audit opinion of the previous year, where the basis for the opinion was that the municipality had an unauthorised expenditure of R13.3m on overspending, irregular expenditure of R59.9m due to flouting of SCM processes and regulations, material losses on distribution of electricity amounting to R5m and restatement of corresponding figures. The municipality has during 2017/18 put measures in place in order to improve the audit outcomes by development and implementation of an audit action plan to address the issues raised by Auditor General.

As we present the annual report for the 2017/18 financial year, I confirm that the report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000 as amended, the Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations as well as National Treasury Circular No. 63 that outlines Annual Report Guidelines.

These are the five top risks that were identified by the municipality and priorities below were set to address such risks.

- Lack of access to households and amenities
- Distribution losses on electricity
- Slow turn-around time on fire incidents.
- Non adherence to SCM policies, procedures and regulations
- Slow spending on INEP

The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

- a) Performance management
- b) Community Works Programme
- c) Expanded Public Works Programme
- d) Implementation of basic services to communities
- e) Meeting of statutory timelines and reporting frameworks.
- f) Development, review and approval of municipal policies.
- g) Enhance public participation programme
- h) Deal with administrative matters that will ensure the smooth induction of Council.

In the 2016/17 financial year, the following areas received priority

- a) Institutionalisation of outcomes approach
- b) Accelerating and improving access to basic services
- c) Internal implementation of infrastructure projects using internal plants
- d) Continuing to review and improving financial systems and procedures.
- e) Address issues emanating from the Auditor-General's report for 2015/16 financial year.
- f) Development of municipal by-laws
- g) Public safety and law enforcement
- h) Improving reporting, monitoring and evaluation
- i) Capacitation of councillors and municipal employees.

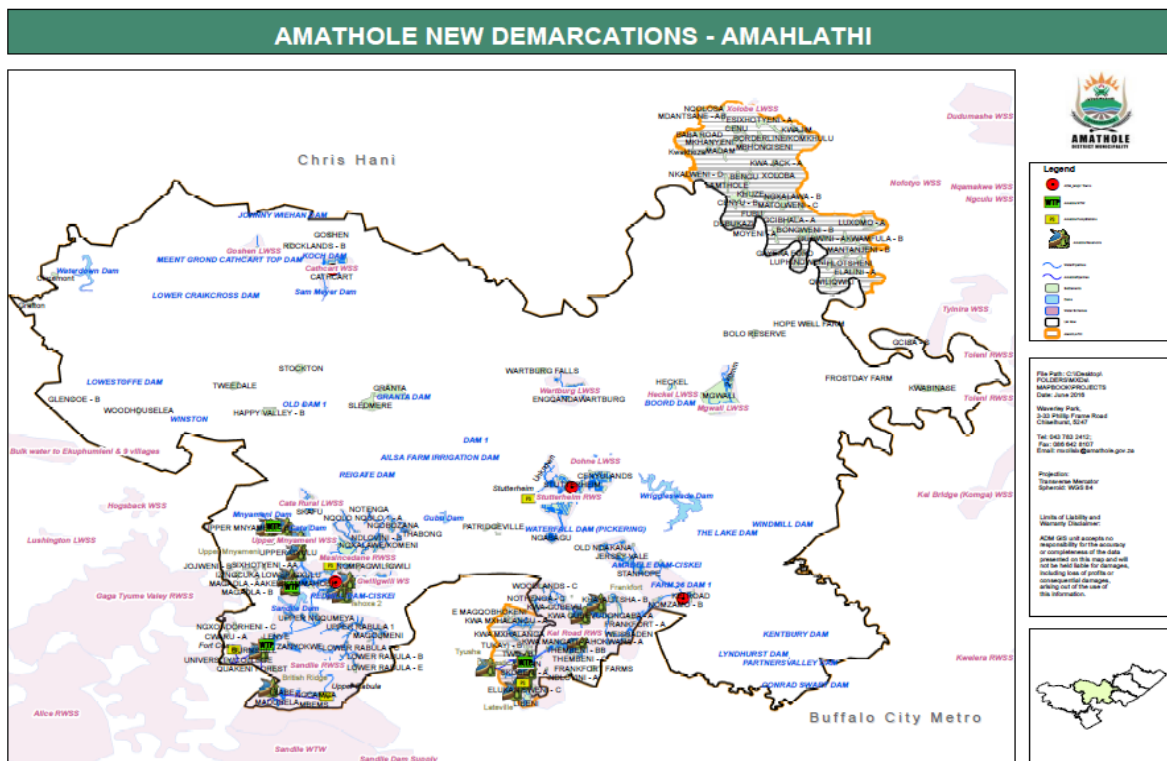
**MUNICIPAL MANAGER
MS IVY SIKHULU-NQWENA**

C: EXECUTIVE SUMMARY

1.1 Municipal Manager’s overview

Amahlathi Local Municipality is situated in the Northern part of the Amathole District Municipality, and it is 4266.21 km² in extent, the municipality’s jurisdiction comprises of Stutterheim, Cathcart, Keiskammahoek and Kei Road. Strategically placed both Stutterheim and Cathcart are located along the N6 road with access to the rail and road network. Keiskammahoek is the agricultural hub with a majority of the population active within the agricultural sector. The main municipal offices are situated in Stutterheim, there are satellite offices in Cathcart, Kei road and Keiskammahoek.

The Amahlathi Local Municipal area is comprised of 15 Wards and is characterised by a range of settlement patterns and associated land uses, including formal urban areas, formal and informal rural settlement areas and extensive, privately owned farmland. The Intsika Yethu Municipality lies to the north-west, the Lukhanji Municipality lies to the north, the Mquma and Great Kei Municipalities lie to the east, the Buffalo City Metro to the south, and the Raymond Mhlaba Municipality lies to the west.



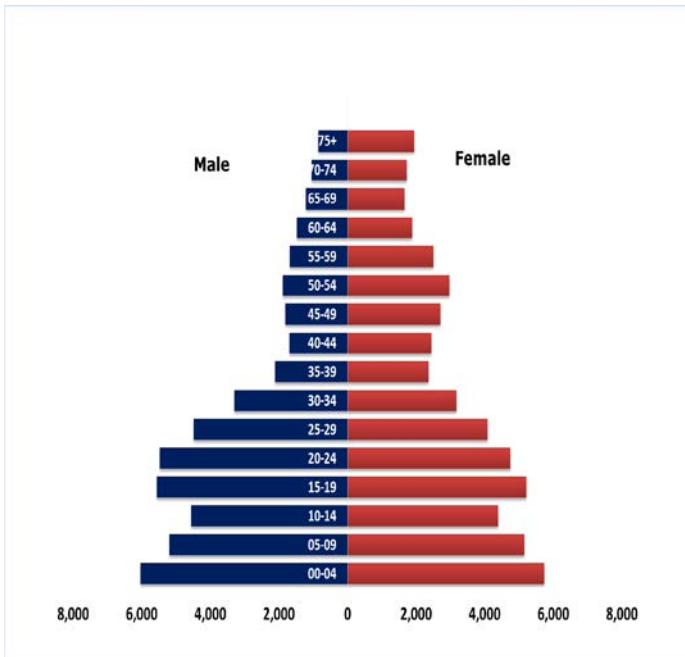
1.2 Population & Household dynamics

The population of Amahlathi has decreased from 122 778 to 101 826 based on the new boundaries as per the 2016 Community survey done by Statistics SA, this came as a result of the number of wards that have been reduced from 20 to 15 by the Demarcation board. About 13 villages have been moved to Buffalo City Metro Municipality and 10 villages to Intsika Yethu Municipality. The 2016 Community Survey also shows a decrease in the households from 34 159 to 29 994 households. The population is unevenly distributed among the 15 wards.

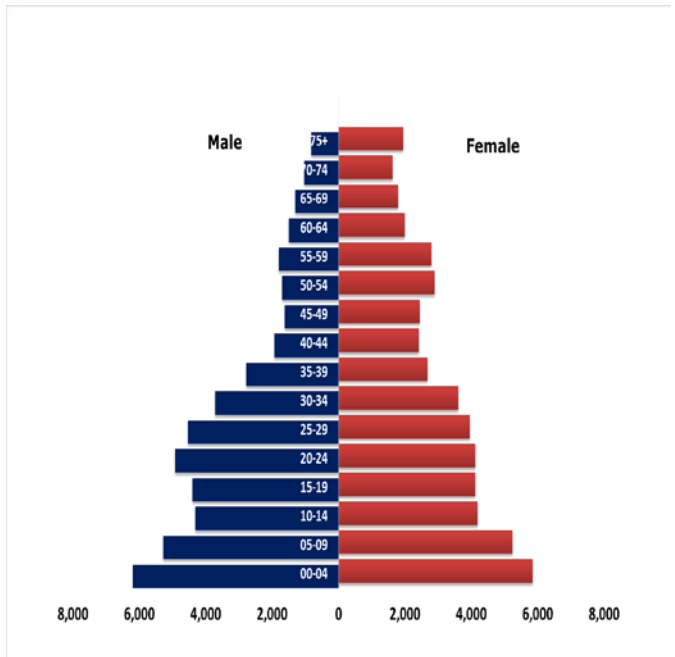
Age and Gender Distribution

- i. The gender distribution analysis of Amahlathi population reflects a similar pattern to that of the country with females accounting for 51.75% and males only 48.25%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.
- ii. The population pyramids below provide a breakdown of the population estimates in the municipality by age, group and gender for 2011 and makes a comparison with 2016 population estimates. The population of the municipality shows a typical age structure of a very young population distribution. The economically active population (15-64) who are willing and able to work account for 60%. Those in the age group 15-34 account 31% however by 2016, the structure changed and the population in those age cohorts grew to 60.6% and those in the 15-34 age cohort declined to 29.1%. The decline in the youth category could indicate the out-migration impact where the youth would typically seek better working and living conditions elsewhere in the region.

Population pyramid 2011



Population pyramid 2016



1.3 Household Income distribution

The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the households.

61.4% of households in Amahlathi earn between R30, 000 to R72, 000 per annum. The households with the highest income brackets falls between R30,000 – R42,000 and R18,000 – R30,000 accounting for about 18.9% and 17.0% of households respectively. In 2016, there was a significant shift in the income breakdown where certain income brackets grew while others declined. Households in the income categories of R0 to R4,200 experienced a cumulative decline of about 18% while significant increases in the categories of R42,000 upwards were experienced increase with those between R72,000 to R132,000.

1.4 Access to basic services

According to data below as presented by Statistics South Africa in their 2016 Community Survey, over 80% of households in the past 15 years have access to water and electricity. However during the two periods, access to water declined slightly although at high levels while significant increase in the provision of electricity was observed as more than 90% of households in the municipality. Access to electricity is reliant on infrastructure above ground with cables that are able to cover significant land area compared to services that are provided by infrastructure underground.

Toilet facilities remain at low levels. Challenges in providing sanitation services in most municipalities include in-ground factors and the soil type. The service is influenced also by the type of infrastructure the municipality should

provide taking into consideration the topography of the municipality in terms of identifying of landmark features and vegetative land cover.

With regards to access to refuse removal much focus is required as levels are low and declining which is indication of high backlog levels. This could likely be a result of the sparsely distributed households including the access to the various wards in the municipality for the collection of the refuse. The high levels of refuse removal to a communal service indicates refuse being disposed in a central place by households as opposed to removal by the municipality or a service provider.

Table: Access to service delivery

Access to Basic Infrastructure	2011		2016	
	Households	% of households with access	Households	% of households with access
Main source of drinking water				
A Access to piped water	26 269	92.0%	22 041	89.7%
No access to piped water	2 278	8%	2 535	10.3%
Access to Sanitation				
Flush Toilets	7 640	27.5%	6 040	24.6%
Chemicals	415	1.5%	1512	6.2%
Pit Toilets	18 263	65.7%	15 235	62.0%
Buckets	67	0.2%	48	0.2%
None	1403	5.0%	1 460	5.9%
Energy for lightning				
Electricity	24 919	87.4%	22 610	92.7%
Other	3 590	12.6%	1 781	7.3%
Energy for Cooking				
Electricity	20 577	72.3%	20 840	85.9%
Other	7 880	27.7%	3 429	14.1%
Access to refuse removal				
Removed by local authority at least once a week	7 113	24.9%	3 438	14.0%
Removed by local authority less often	96	0.3%	256	1.0%
Communal refuse dump	316	1.1%	2 637	10.7%
Own refuse damp	19 789	69.3%	17 323	70.5%
No rubbish disposal	1 150	4.0%	231	0.9%

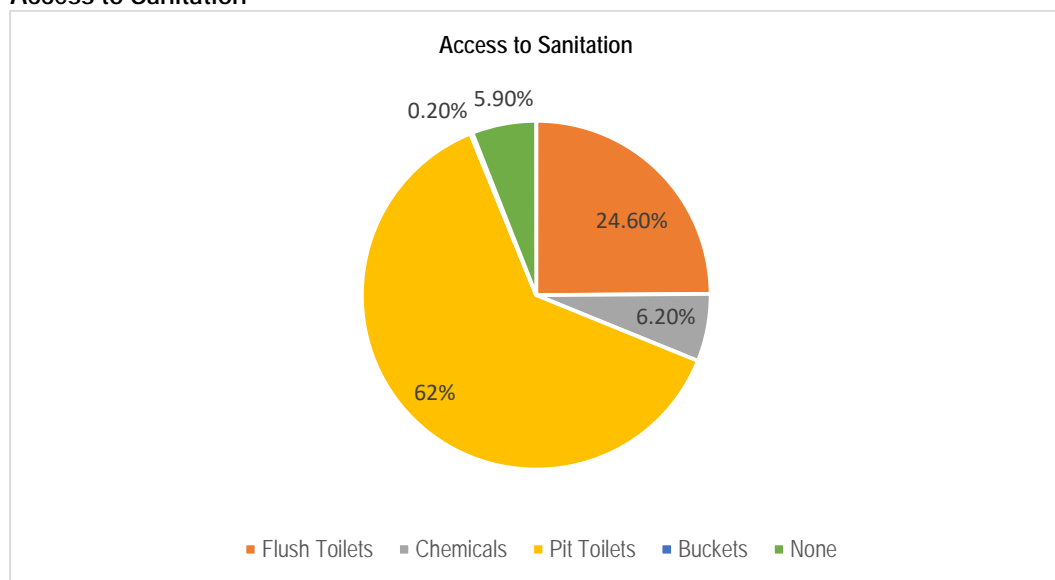
Source: Stats SA Community Survey 2016, own calculations

According to Community Survey 2016 about 89.7% of the households in Amahlathi area access water from regional/ local water scheme operated by the municipality or other water service provider and only 10.3% that does not have access to piped water.

Electricity – 2016 Community Survey as per the table above indicates that 92.7% of households at Amahlathi uses electricity for lighting compared to 87.4% calculated in the Census 2011 meaning there is a great improvement of about 5.3%.

Refuse removal - The statistics above indicate that about 70.5% of Amahlathi households uses their own refuse dump as compared to 69.32% in 2011 and only 14.0% that have access to refuse removal at least weekly. This shows that there is still huge backlog on refuse removal.

Access to Sanitation



Source: Community Survey 2016

Sanitation - Community Survey 2016 indicates that 62 % of Amahlathi households still use pit toilets ventilation, 24.6 % use flush toilets with sewerage system, 5.9 % do not have any toilets, 6.2% uses chemical toilets and only 0.2% uses bucket system. The statistics merely indicates there's a great need for flush toilets with sewerage system in Amahlathi.

1.5 Financial Overview

Financial Overview: Year 2017/178			
R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants (excluding Capital)	101 164	102 531	102 204
Taxes, Levies and tariffs	68 573	69 073	53 708
Other	55 883	56 084	46 109
Sub Total	225 621	227 688	202 022
Less: Expenditure	225 621	253 812	277 975
Net Total*	–	(26 124)	(75 953)
* Note: surplus/(defecit)			T 1.4.2

1.6 Auditor General Report 2016/17 Financial Year

The municipality has received an unqualified audit opinion in 2016/17 financial year. The matters of emphasis was that the municipality had an irregular expenditure of R22.5m, Unauthorised expenditure of R20.6m due to flouting of SCM processes and regulations, material losses on distribution of electricity amounting R3,5m and restatement of corresponding figures. The municipality has put measures in place in order to improve that the outcome in the form of Action Plan.

Operating Ratios	
Detail	%
Employee Cost	45%
Repairs & Maintenance	3%
Finance Charges & Impairment	0%
<i>T 1.4.3</i>	

1.7 Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	December
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	January
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	

CHAPTER 2: GOVERNANCE

COMPONENT A. POLITICAL AND ADMINISTRATIVE GOVERNANCE

Institutional Structure of Amahlathi Local Municipality

The institutional Structure of Amahlathi Local Municipality is divided into two levels, the Political and Administrative Structures. The Administrative Structure is accountable to the Political Structure.

2.1. Political Structure of Amahlathi Local Municipality

The Principalship of Amahlathi Local Municipality lies with the Council under the chairperson of The Speaker and it operates a number of controls that assist in the realisation of the council's mandates.



Honourable Mayor Cllr P Qaba



Cllr N Mlahleki (Madam Speaker)



Cllr X Mngxaso (Chief Whip)

MAYORAL EXECUTIVE COMMITTEE



Cllr N. Busika:
Portfolio Head Cooperate Services and Community Services



Cllr T Balindlela
Portfolio Head Community Services



Cllr X Mngxaso
Portfolio Head Development and Planning



Cllr N Monti
Portfolio Head Engineering Services



Cllr N Nongqayi
Portfolio Head Finance

LISTED BELOW ARE THE COMMITTEES THAT ASSIST COUNCIL IN CARRYING OUT ITS RESPONSIBILITIES;-

i. Executive Committee.

The Mayor of Amahlathi Local Municipality, **Honourable Cllr. P. Qaba**, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since powers are vested in her to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility.

The executive committee consists of the Council members (chairperson of each standing committee) listed below and the heads of departments. Meetings are convened monthly but special meetings are convened when the need arises.

No.	Names
1.	Hon. Cllr P. Qaba the Mayor – Chairperson
2.	Cllr N. Busika
3.	Cllr X. Mngxaso
4.	Cllr N. Monti
5.	Cllr N.C. Nonggayi
6.	Cllr T. Balindlela

ii. Municipal Public Accounts Committee (MPAC).

The Municipal Public Accounts Committee is established to assist Council to fulfil its mandate of overseeing the Executive and the Administration.

The committee sits quarterly but special meetings are convened when the need arises. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. Below is the list of the members of the committee;

No.	Names
1.	Cllr S. Malawu – Chairperson
3.	Cllr N. Jikazayo
4.	Cllr D. Gxekwa
5.	Cllr P. Ntwanambi
6.	Traditional Leader Mr X. Zake

iii.Standing Committees

In terms of Section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or the mayor.

Section 79 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. The meetings are held monthly meaning 12 sittings per year.

The portfolio committee members together with their Chairpersons are as follow:

a. Infrastructure Service delivery Committee

No.	Names
1.	Cllr N. Monti - Chairperson
2.	Cllr S.G. Venkile
3.	Cllr G.D. Mxosa
4.	Cllr N. Pose
5.	Cllr M. Ngcofe
6.	Traditional Leader Mr. A. T Daka

b. Corporate Services Committee

No.	Names
1.	Cllr N. Busika - Chairperson
2.	Cllr X. Tokwe
3.	Cllr X. Ngata
4.	Cllr N. Mtati
5.	Cllr T.C. Ngxingolo
6.	Traditional Leader Mrs. N. Mekuto

c. Community Services Committee

No.	Names
1.	Cllr T. Balindlela – Chairperson
2.	Cllr G.P. Noxeke
3.	Cllr M. Mjikelo
4.	Cllr V.W. Tshaka
5.	Cllr A. Hobo
6.	Traditional Leader Mr S.N. Mdledle

d. Planning and Development Committee

No.	Names
1.	Cllr X. Mngxaso - Chairperson
2.	Cllr M. Ngini
3.	Cllr E.N. Brukwe
4.	Cllr D. Mzili
5.	Cllr. Ngxakangxaka
6.	Traditional Leader Mr Z. Ngudle

e. Budget and Treasury Committee

No.	Names
1.	Cllr N.C. Nongqayi - Chairperson
2.	Cllr R.T. Desi
3.	Cllr N.A. Kato-Manyika
4.	Cllr R. Pickering
5.	Traditional Leader K Sandile

f. Strategic Services Committee

No.	Names
1.	Cllr N. Busika - Chairperson
2.	Cllr X. Tokwe
3.	Cllr X. Nqata
4.	Cllr N. Mtati
5.	Cllr T.C. Ngxingolo
6.	Traditional Leader Mrs. N. Mekuto

iv. Other Committees

a. Local Labour Forum Committee

The Local Labour Forum is a consultative structure that only takes decision within the powers and functions. The main collective agreement confer to the L.L.F powers and functions of negotiating and or consulting among other things;

- On matters of mutual concern pertaining to the employer which do not form the subject matter of negotiations at the council or Division
- On such matters as may from time to time be referred to such forum by the Council or its division.
- Concluding of minimum service level agreement

The Local Labour Forum is established with equal representation from trade unions and the employer with the trade union's representation divided in proportion to their respective membership. In the year under review the municipality experienced labour unrest which resulted in the employee component not being represented in the

Local Labour Forum and that lead non-functionality of the committee. It is important to report that through the interventions made by COGTA the labour relations in the municipality have improved and thus the local labour forum will be functional in the 2018/19 financial year.

The committee representatives are as follows;

No.	Names
1.	Cllr N. Busika
2.	Cllr N Nongqayi
3.	Cllr Ngxingolo
4.	Cllr M. Mjikelo
5.	Cllr. Tshaka
6.	Ms. N.E. Tom
7.	Mr. V. Msindwana
8.	Mr. T. Komna
9.	Mr. Nkongo L – Samwu Rep
10.	Mr R Mbi- SAMWU Rep
11.	Ms T Magwangqana- SAMWU
12.	Mr L. Mostert- Imatu Rep
13.	Ms N. Damesi- SAMWU
14.	Mr Dyosi- SAMWU
15.	Ms A Matiwane- SAMWU
16.	Mr. L. Bacu- SAMWU

b. Audit and Performance Committee

The function of the Audit and Performance Committee is primarily to assist the Municipality in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements. The Audit and Performance Committee had 3 members listed below and should meet 4 times per annum as per its approved terms of reference.

NUMBER	SURNAME AND INITIAL
1.	T Mnqeta- Chairperson
2.	T Maqwati
3.	M. Deliwe

The Audit Committee had the following meetings during the year:

Ordinary Meetings	Special Meetings
10/07/2017	25 August 2017
27/10/2017	29 August 2017
05/12/2017	23 January 2018
27/03/2018	03 May 2018
27/06/2018	

c. Training Committee

In terms of the regulations to the Skills Development Act, every organisation with more than 50 employees must establish an institutional forum (Training Committee) for purposes of consultation with regards to skills development. The Training Committee consists of the following Councillors and Officials and it sit bi-monthly.

Four meetings were convened during the year under review.

- Chairperson Standing Committee- Corporate Services
 - Chairperson Standing Committee – Finance
 - Municipal Manager
 - Chief Financial Officer
 - Human Resources Manager
 - Skills Development Facilitator
-
- Representatives of 2 Trade Unions represented in the Municipality
 - Occupational levels rep for – Professionally qualified (Officers)
 - Skills Technical (Technicians)
 - Semi-Skilled (Clerks)
 - Unskilled (General workers)
 - Imatu Representative
 - Samwu Representative
 - Non Union member representative

2.2 Administrative Structure of Amahlathi Municipality

The principalship of the Administrative structures lies with the Municipal Manager with a number of Departments reporting directly to the Municipal Manager who is accountable to the Mayor.



**IVY SIKHULU-NQWENA
MUNICIPAL MANAGER**



**LUBABALO MANJINGOLO
CHIEF FINANCIAL OFFICER**



**TEMBELA BACELA
DIRECTOR STRATEGIC SERVICES**

(LEFT THE INSTITUTION ON THE 30TH JUNE 2018)



BUNTU ONDALA
DIRECTOR DEVELOPMENT AND PLANNING
(5 YEAR EMPLOYMENT CONTRACT EXPIRED ON THE 31ST MAY 2018)



NTOMBIZODWA MAHLATI-NKUHLU
DIRECTOR CORPORATE SERVICES



XOLA MNTONINTSHI
DIRECTOR ENGINEERING SERVICE



MR SP VARA
DIRECTOR COMMUNITY SERVICES
(5 YEAR EMPLOYMENT CONTRACT EXPIRED ON THE 31ST MAY 2018)

ROLES AND RESPONSIBILITIES OF DIRECTORATES

Role of the Chief Financial Officer:

- Is administratively in charge of the budget and treasury office.
- Must advise the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of this Act.
- Must assist the accounting officer in the administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget.
- Must advise senior managers and other senior officials in the exercise of powers and duties assigned to them in terms of section 78 or delegated to them in terms of section 79.
- Must perform budgeting, accounting, analysis, financial reporting, cash management, debt management and supply chain management.
- Financial management, review and other duties in terms of section 79 as delegated by the accounting officer.
- The chief financial officer of a municipality is accountable to the accounting officer for the performance of the duties referred to in subsection.

Role of the Director Engineering Services

- We have a mechanical workshop in Stutterheim. All heavy duty road construction and maintenance machinery fall under this Department. The goal of this unit is to see that Plant and Equipment are kept in a good state of repair and responsible for the maintenance of all Municipal roads and storm water with the limited funding and machinery that is available.
- This does not include roads that fall under the Department of Roads and Public Works and South African National Road Agency Limited (SANRAL).
- The goal of the Building Control unit is to enable the Amahlathi Municipality to fulfil its role as a controller of all Building activities & maintenance of all buildings, Engineering Planning aspects of services provision of new settlement areas and ensure that municipal buildings are continuously and adequately maintained.
- The goal of this unit is to see to the proper implementation and control of all projects in Amahlathi Municipality funded by Municipal Infrastructure Grant. MIG programme is aimed at providing all South Africans with at least a basic level of service.
- Electricity provided in Stutterheim, Cathcart & Amabele Station under Licenced NER/D/124EC Eskom responsible to provides electricity supply and connections to villages not covered in terms of NER/D/124EC terms and conditions.
- Reticulation & Distribution The goal is to maintain the systems in order to provide a safe, reliable and efficient electricity supply.

Role of the Director Development Planning

- Development of Local Economic Development
- Co-ordination of agricultural programmes
- Development of SMME's and Co-operative's
- Co-ordination of tourism within Amahlathi Local Municipality
- Promotion of Culture and Heritage within Amahlathi
- Promotion of Forestry sector within Amahlathi area
- Development of Local Economic Development Policies
- Promotion of businesses within service centres
- Co-ordination of Human Settlement programme within Amahlathi
- Implementation of town planning within Amahlathi Local Municipality
- Ensure effective use and management of Municipal land
- Promotion and maximise the use of Mlungisi Commercial Park

Role of the Director Corporate Services

- Plans, coordinates and manages activities of the Human Resources department to ensure the delivery of HR services such as HR Planning, Personnel Provisioning, and Administration of conditions of service, Personnel utilisation, Industrial relations and skills development.
 - To develop a departmental vision and strategy and ensure implementation to provide effective service delivery.
 - Manages performance of employees in the Department to ensure optimal work performance. Plans and manages utilisation of resources in order to perform activities. Develops and monitor systems, policies, procedures and processes to ensure correct working operations and practices.
 - Manage the Human Resources department of the Amahlathi Council to ensure compliance with the corporate services directorate strategic plan.
 - Develop, Manage and administer the recruitment and selection policy to ensure compliance with Recruitment and selection policy of the Municipality.
-
- Promote good and sound industrial relations environment to ensure labour stability in the municipality.
 - Administer the implementation of the Employment Equity to ensure compliance with the Employment Equity Plan.
 - Manage the Training and Development Function to ensure effective training system in the Municipality.
 - Overall management of the Occupational Health and safety to ensure compliance with the OHS Act.
 - Manage the use of Council resources to ensure economic, effective and efficient service delivery.
 - Management of an administration system that is efficient and facilitates decision making and service delivery throughout the Amahlathi Municipality

- Manage the Municipality's administration in accordance with the constitution, local government municipal structures act and other applicable legislation.
- The effective management of Human Resources in order to ensure that transaction and implementation of skills development, employment equity, performance management and fleet management.

Role of the Director Community Services

- To contribute towards a safe and secure environment
- To promote a clean and healthy environment
- To promote a culture of reading and learning
- To ensure that public amenities are improved and well managed
- To reduce number of road carnages on our Public Roads
- To increase Traffic visibility in our Municipal Roads

Role of the Director Strategic Services

To assist and co-ordinate the operations for the offices of the Speaker, Executive Mayor, the Chief Whip of Council and the Chairperson of the Municipal Public Accounts Committee (MPAC) and coordinating the programs, projects, activities and support for the following Units:

Planning and Public Participation.

- Monitoring and evaluation of municipal performance within Amahlathi Local Municipality.
 - Information Communication Technology and support to the departments.
 - Risk management as prescribed in the MFMA as a compliance issue.
 - Communications.
-
- Special Programs (Youth, Women, Elderly, Children and the Disabled).
 - To promote and implement the Integrated Development Planning with other spheres of Government including intergovernmental Relations.
 - To gather information and research on specific policies, strategies and programs relevant to Local Government.
 - To ensure explicit alignment between IDP and Budget during planning.
 - To coordinate the implementation of the Performance Management System.
 - To ensure public participation in decision making processes of the Municipality.
 - Identify the Council's Development priorities and Objectives and internal transformation needs

B. INTER GOVERNMENTAL RELATIONS

2.3 INTER GOVERNMENTAL RELATIONS COMMITTEE

Chapter 3 of the Constitution Act 108 of 1996 provides for the principles that underpin the relations between the spheres of government. IGR meetings sit on a quarterly basis and are information-sharing sessions that seek to align planning between the municipality and other spheres of government.

Amahlathi Local Municipality has developed and adopted an IGR Policy Framework in 2016/17 which outlines the following roles to be performed by the structure;

- a. Coordinating, overseeing and monitoring the implementation of national, provincial and district governance policies and legislations relating to matters affecting local government interests in Amahlathi Local Municipality;
- b. Matters arising in the District Mayors Forum (DIMAFO), Provincial MuniMEC and the Premier's Coordinating Forum affecting Amahlathi Local Municipality;
- c. Mutual support in terms of the section 88 of Local Government Municipal Structures Act 117 of 1998;
- d. The provision of services in Amahlathi Local Municipality as well as the performance of the Amahlathi Local Municipality in the provision of services in order to detect failures and to initiate supportive, preventive or corrective action when necessary;
- e. Coherent planning and development in Amahlathi Local Municipality;
- f. The coordination and alignment of the strategic and performance plans and priorities, objectives and strategies between the Amahlathi Local Municipality, District Municipality and other spheres of government.
- g. Any other matters of strategic importance which affects the interests of Amahlathi Local Municipality
- h. Coordination of IGR cluster forums that are aligned to Key Performance Areas of local government

THE IGR CLUSTERS

It is critical to note the importance of clarity in the allocation of powers and functions to role players and a keen understanding of specific roles and responsibilities within the realm of service delivery. The IGR System functions more effectively when the role players share a very specific objective that needs to be achieved within a non-negotiable period of time.

-
- a. The Amahlathi Local Municipality IGR Forum established Clusters to assist and advise it in the performance of its functions and exercise of its powers.
 - b. The Amahlathi Local Municipality IGR Forum appointed the members of such Clusters.
 - c. The members of the Clusters are members of the IGR Forum as well as other partners/stakeholders of the Amahlathi Local Municipality.
 - d. The Amahlathi Local Municipality IGR Forum developed the Terms of Reference of Clusters established by it but may not delegate any decision making powers to these Committees.
 - e. The composition of clusters internally is determined by the respective functional areas.
 - f. Each cluster may establish sub-clusters within the cluster to ensure that details of planning, coordination, implementation, monitoring and evaluation are discussed.

The established Clusters meet quarterly or as determined by the cluster established so as to consolidate reports to the Amahlathi Intergovernmental Relations Forum which also sit quarterly.

Allocation of the clusters is aligned to the five (5) KPAs of Local Government as well as the 5 Pillars of the Back to Basics Approach.

C. PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 Public Accountability

The Municipality has a Public Participation Policy that was reviewed in May 2018. In accordance with Municipal Systems Act 2000, the municipality should hold regular IDP/PMS/ Budget Representative Forum meeting in drafting the IDP and Budget. Forum meetings are convened 4 times per year or quarterly in preparation of each phase. The following methods are used to invite interested parties:

- Website
- Community Radio Stations
- News Papers
- Posters, pamphlets, ward councillors and announcements through community gatherings and community based organizations.
- Loud hailing

Other structures used to enhance public participation is through Ward Committee Meetings, LED Forums, SPU Forums and the Communication Forum.

2.4.1 IDP/PMS & Budget Rep Forum

This forum is established in terms of Chapter 4 of the Municipal Systems Act 32 of 2000 for community to participate in the matters of the Municipality. The purpose of this forum is to ensure maximized participation of different interest groups and sectors departments on IDP/PMS and Budget matters. The meetings are convened quarterly as per legislative requirements on all IDP/PMS and Budget phases. The ward committees and stakeholders (interest group) in each ward are transported to attend the IDP/PMS and Budget Rep forum meetings that are held at Stutterheim.

2.4.2 Ward Committees

In line with Chapter 4 of the Municipal Structures Act 1998, the municipality is committed to enhance democratic, open, transparent and participatory system of local governance within its area of jurisdiction. The municipality is mandated by the Municipal Structures Act to elect Ward Committees within 90 days after the local government elections.

In terms of White Paper on Local Government 1998, ward committees should be given stipend and that has been implemented since November 2011.

The functionality of ward committees is indicated on Appendix E of this report.

2.5 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

D. CORPORATE GOVERNANCE

The council recognises the wide range of risks to which Amahlathi Local Municipality is exposed. Amahlathi Local Municipality is committed to the effective management of risk in order to achieve our goals and objectives, as well as converting risk into opportunities that create value for our stakeholders. It is therefore a strategic objective to adopt a process of integrated risk management that will assist Amahlathi Local Municipality in meeting its key goals.

To achieve this risk policy statement, an integrated risk management programme must be implemented and is continuously reviewed in order to improve its adequacy and efficiency. The Council and Municipal Manager, being responsible for the total process of risk management, produces a formal risk assessment on an annual basis. This process is co-ordinated through the activities of the Risk Management Committee and Internal Audit Unit.

The Risk Management Committee is responsible for the assessment of risk to ensure that risk control and management efforts are not duplicated, risk identification “gaps” are avoided and that interdependencies at risk are identified and managed in a timely manner.

Top risks identified by the municipality

The municipality identified 41 risks for 2017/2018 financial year and all risks were prioritized. During risk assessment the strategic risk register and operational risk register were developed and the action plans were developed.

Existence of the committee and functionality.

The municipality has a Risk Committee which consists of all section 56 managers and departmental risk champions. The risk committee meetings were held on the following dates and the chairperson of the Audit Committee attends as per invitation.

- 03/08/2017
- 29/09/2017
- 12/12/2017
- 29/03/2018

2.6 Anti- Corruption and Fraud

The municipality has Fraud Prevention Plan and Anti-Corruption Policy in place that were adopted by Council. They were reviewed in April 2018 and adopted by the Council.

Strategies in place for prevention i.e. campaigns etc.

The municipality had the following fraud awareness campaigns during the financial year under review:

1. 29 September 2017
2. 14 December 2017
3. 22 March 2018
4. 29 June 2018

2.7 Supply Chain Management

Section 3(1) (b) and (c) of the SCM regulations states that the accounting officer of a municipality must at least annually review the implementation of SCM policy and when necessary submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations and it was last reviewed in May 2018. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in the process of completing the minimum

requirements. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

Range of procurement processes

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY
R0 – R2 000	Petty Cash	Head of Department or Delegated Authority
R2 001 – R5 000	Three Quotes	Head of Department or Delegated Authority
R5 001 – R30 000	Three Quotations	Head of Department or Delegated Official
R30 001-R200 000.00	1 Week Bulletin Notice and Advertisement via Website: Three Quotations	Chief Financial Officer
R200 001 – R2 Million	Competitive Bidding Process	Bid Adjudication Committee
R2 Million – R10 Million	Competitive Bidding Process	Bid Adjudication Committee
Above R10 Million	Competitive Bidding Process	Accounting Officer

2.8 Websites

Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year -2017/18)	Yes
The annual report (Year 2017/18) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2017/18) and resulting scorecards	Yes
All service delivery agreements (Year 2017/18)	Yes
All long-term borrowing contracts (Year 2017/18)	Not Applicable
All supply chain management contracts above a prescribed value (give value) for Year 2017/18	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2017/18	No

Contracts agreed in Year 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 Year 2017/18	Not Applicable
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2017/18	No

2.9 By Laws

The institution has 19 by laws, 17 are promulgated and the two are still in the process of being promulgated.

2.10 Public Satisfaction on Municipal Services

The municipality conducted the Public Participation Survey to enhance public participation by ensuring that the communities' views and inputs on our public participation practices and methods are taken into consideration. Comments from the public are also received through the use of Complaints book, and suggestion boxes which are placed to the main building and all satellite offices. The municipality also procured Customer Care system that is used to logged complaints, faulty meters, high mast lights etc. The logged called are assigned and forwarded to the relevant department and closed on the system when resolved. Reports are submitted on a quarterly basis by user departments.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

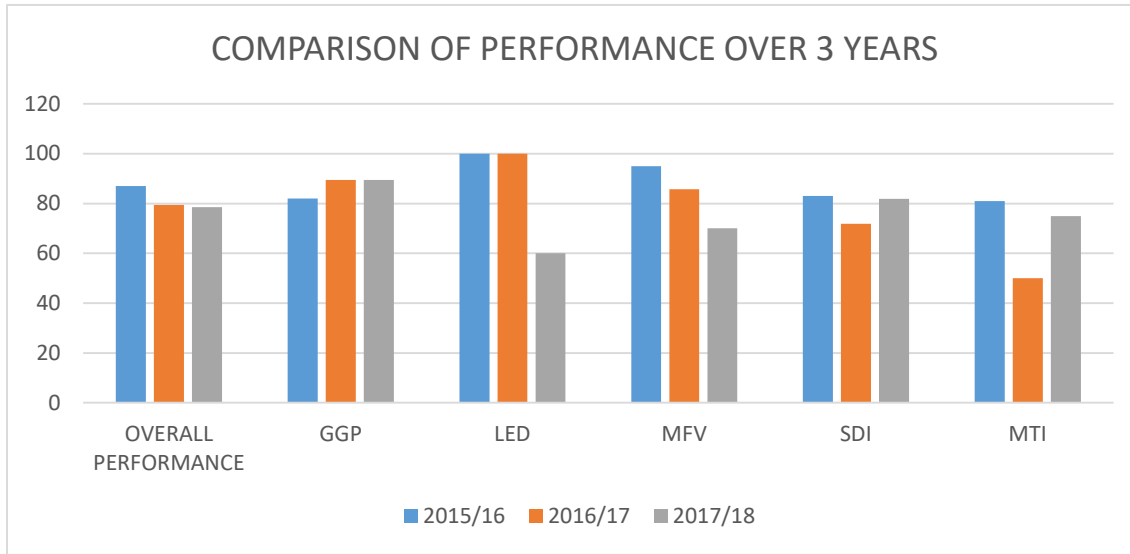
COMPARISONS OF PERFORMANCE OVER 5 FINANCIAL YEARS

DESCRIPTION	TOTAL TARGETS	TARGETS MET	NOT MET TARGETS	% 2017/18ANNUAL PERFORMANCE
Service Delivery and Infrastructure Development	22	18	4	81.82%
Municipal Financial Viability	10	7	3	70%
Good Governance and Public Participation	19	17	2	89.47%
Local Economic Development	10	6	4	60%
Municipal Transformation and Institutional Development	20	15	5	75%
Overall Performance	80	63	18	78.75%

COMPARISONS OVER THREE FINANCIAL YEARS

KEY PERFORMANCE AREA	2015/16	2016/17	2017/18
OVERALL PERFORMANCE	87%	80.46%	78.75%
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	82%	89.47%	89.47%
LOCAL ECONOMIC DEVELOPMENT	100%	100%	60%
MUNICIPAL FINANCIAL VIABILITY	95%	85.71%	70%
SERVICE DELIVERY AND INSTITUTIONAL DEVELOPMENT	83%	78.13%	81.82
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT	81%	50%	75%

GRAPHICAL PRESENTATION ON ORGANISATIONAL PERFORMANCE

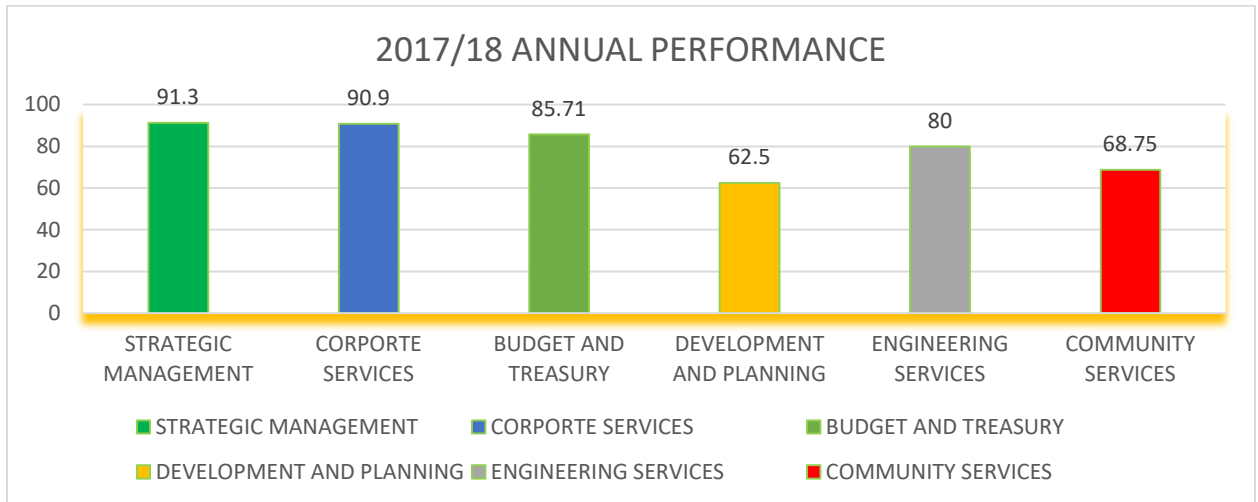


DEPARTMENTAL PERFORMANCE

The percentages depicted on the table below are only calculated according to the targets met and does not quantify any allocation of performance bonuses. The Core Competency Requirements (CCR's) are not included as the municipality is reflecting departmental performance based on service delivery only.

DEPARTMENT	TOTAL TARGETS	TARGETS MET	NOT MET TARGETS	% 2017/18 ANNUAL PERFORMANCE
Strategic Management Services	23	21	2	91.30%
Corporate Services	11	10	1	90.90%
Budget and Treasury Office	14	12	2	85.71%
Development and Planning	16	10	6	62.50%
Engineering Services	15	12	3	80%
Community Services	16	11	5	68.75%

Graphical presentation



In 2017/18 financial year the performance of Amahlathi Local Municipality reflects a performance rate of 78.75% indicating the regression when compared to 80.46% achieved in 2016/17. The municipality still needs to focus on timeous submission of quarterly reports and collation of portfolio of evidence. The departments should also ensure that the information provided is credible and accurate.

3.2 INSTITUTIONAL PERFORMANCE MANAGEMENT PROCESS OVERVIEW

In the 2017/2018 financial year, attempts were made to ensure that the municipality complies with legislation concerning the development, operation and maintenance of a performance management system that is commensurate to the institutional service delivery objectives enshrined in the IDP. The municipality has continued to maintain the effective operation of the following mechanisms:

- The 2017-2022 IDP included strategic objectives, strategies and key performance indicators (KPIs) as required by the Municipal Systems Act, 32 of 2000;
- The 2017/2018 budget for implementation of the IDP was approved within the prescribed timelines prescribed in the Municipal Finance Management Act, 56 of 2003;
- After approval of the budget, the SDBIP was developed to integrate the IDP and the budget and to ensure effective implementation of the institutional strategies. The development of the SDBIP was informed by below planning and reporting cycle in the quest to create a balance between integrated planning, reporting and accountability.

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- Adoption of the 2017/2018 Organizational Performance Management System and score card for monitoring and review of performance;
- Performance agreements with performance plans were developed, signed and approved by the Honorable Mayor as required by the Municipal Performance Regulations, 2006;
- Quarterly performance reports with supporting evidence were prepared by managers directly reporting to the Municipal Manager (MM); and
- Quarterly performance reports were objectively and independently audited by the Internal Audit unit to verify and to confirm performance information as reflected in the reports.

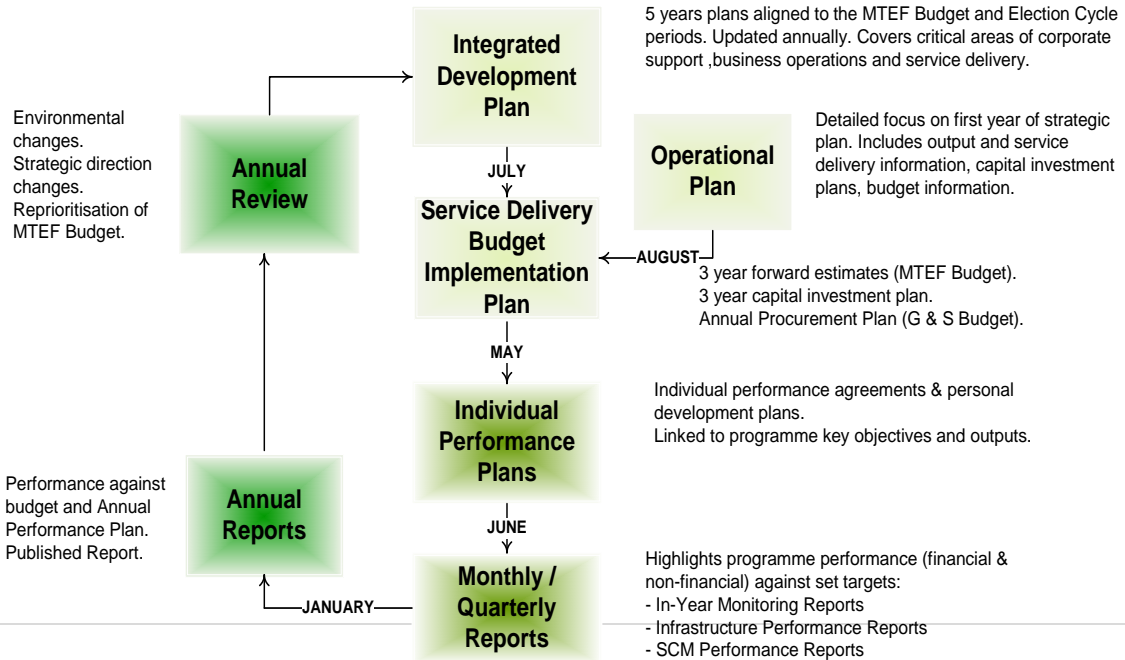


Figure 2: Planning & Reporting Cycle

3.3 CHALLENGES FACED BY THE MUNICIPALITY

The following challenges were encountered in the period under review:

- Filling of critical positions as some department operated without head of department for more than three months
- Delays in submitting the reports and evidence files by departments which could be due to limited understanding in collation of evidence by departments.
- Inconsistence in the format and content reports
- Standardisation that increased employee costs
- Reduction of equitable share due to demarcation

STRATEGY TO OVERCOME THE CHALLENGES AND AREAS OF UNDERPERFORMANCE

- Quarterly meetings with the elected PMS champions to iron out issues relating to collation of evidence and inconsistency in the format and content reports
- To conduct workshop with departments in order to address gaps identified in the Portfolio of evidence files.
- Continuous provision of reporting templates to all departments
- Speed up the Appointment of HODs
- Grading all job descriptions for both existing and vacant positions
- Awareness's on the importance of census to our communities as it affects the equitable share allocation.

3.4 CHANGES TO PLANNED TARGETS

Section 72 (1)(a)(ii) of the MFMA states that an accounting officer of a municipality, must by 25 January of each year assess the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the SDBIP.

In preparation for the mid-year review of performance, management prepared quarterly reports, measured and analysed performance of the first six months of 2017/18. During the review management reviewed

performance for the first and second quarter and also anticipated the last six months of the 2017/18 financial year in cognisance of the feasibility to implement certain programmes based on priority and budget availability.

This process culminated to a mid-year performance report which highlighted achievements, non-achievements with reasons for non-achievement and corrective measures. The process also emerged with 25 (Key Performance Indicators) KPIs that either needed to be removed or amended going into the last six months of the financial year, and these amendments were duly approved by all requisite authorities including Council. 7 targets were removed from the SDBIP these included KPI 29, 40, 41, 42, 60, 68 and 69 which also means the IDP Ref numbers for those targets will not reflect as affected by the removal of those targets (i.e. IDP Ref 2.7, 3.7, 3.8, 3.9, 4.5, 5.2 and 5.3) and there remaining 18 were amendments on either the target or portfolio of evidence. The table below depicts the changes made on 2017/18 SDBIP financial year as alluded above.

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KPI No	Objective	Strategy	Indicator	Proposed Change	Justification	Approved /Not Approved	Custodian
1	To ensure provision of a sustainable road network within Amahlathi by 2022	Development, implementation and monitoring of the Roads Infrastructure Masterplan for both tarred and gravel roads	No. of Km's of gravel roads maintained (Blading)	Removal of Consultant Progress report as well as Contractors progress report under expected evidence column (POE).	Maintenance does not utilize Consultants and Contractors they are done in house.	Approved 01/03/2018	Director Engineering Services
2		Development, implementation and monitoring of the Roads Infrastructure Master-plan for both tarred and gravel roads	No. of Kms of municipal roads re-graveled	Removal of Consultant Progress report as well as Contractors progress report as POE. Increasing of quarterly target from 2km to 4km in each of quarter 3 and 4 as well annual target from 8-12km	Maintenance does not utilize Consultants and Contractors they are done in house. Target to be increased based on the assessment of performance from previous quarters.	Approved 01/03/2018	Director Engineering Services
4		Development, implementation and monitoring of the Roads Infrastructure Master-plan for both tarred and gravel roads	No. of km of Inspected storm water drains unblocked	Increasing of quarterly target from 500m to 2000m for each of Quarter 3 and 4, therefore the annual target will be changed as well from 2km to 5km of unblocked storm water drains	Target increased based on the assessment of performance from previous quarter.	Approved 01/03/2018	Director Engineering Services

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5		Development, implementation and monitoring of the Roads Infrastructure Master-plan for both tarred and gravel roads	No. of km of roads gravelled	Removal of Contractors progress report as POE on expected evidence on Quarter 3 and 4	The expected evidence on the SDBIP requested both consultants and contractors progress report. Request to remove contractors' progress report as the Consultant progress report contains contractor's progress report	Approved 01/03/2018	Director Engineering Services
6	To ensure provision of compliant and efficient community safety by 2022 and beyond	To ensure provision of compliant and efficient community safety by 2022 and beyond	No. of high mast lights installed	Removal of high mast lights and replaced by Connection and Commissioning in quarter 4 only as the 6 high mast lights has been erected already.	High-mast lights have already been erected already on the second quarter, the only thing left is to connect and commissioning of high mast lights	Approved 01/03/2018	Director Engineering Services
7	To ensure connection of electricity to all households within	Reduce electricity system losses	% of Faulty reported meters repaired per inspection report	Reduction of percentage of faulty meters repaired from 90% to 80%.	Target decreased based on the assessment of performance from previous quarters as	Approved 01/03/2018	Director Engineering Services

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	the licensed areas by 2022.				the department was not meeting the target.		
8		Implementation of the Electricity Master plan dated 2015	No. of Substations upgraded (as per master plan)	Change the target from Construction/upgrade of Bush-Pig substation to Appointment of turnkey service provider and the target be set for Quarter 4	There have been delays in appointment of constructor and the project will not be completed by the end of the financial year. Request to change annual target. Turnkey service provider has not been appointed yet.	Approved 01/03/2018	Director Engineering Services
9	To ensure effective, compliant and efficient disaster management services by 2022 and beyond	Establishment of fire stations in Amahlathi service areas	No. of fire stations established (Constructed)	Change from Construction or establishment of fire station to the Appointment of Contractor and the target to be set for Quarter 4	There have been delays in appointment of constructor and the project will not be completed by the end of the financial year. Request to change annual target	Approved 01/03/2018	Director Engineering Services
10	To ensure provision of sustainable public facilities by 2022 and beyond	Facilitate maintenance and upgrade of sport, community halls and recreational facilities	No. of sports-fields upgraded / construction	Change from Construction or upgrade of sport fields to the Appointment of Contractor and the target to be set for Quarter 4	There have been delays in appointment of constructor and the project will not be completed by the end of the financial year. Request	Approved 01/03/2018	Director Engineering Services

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					to change annual target.		
11		Facilitate maintenance and upgrade of sport, community halls and recreational facilities	No. of community halls renovated	Change from Renovations of Nothenga hall and Mzamomhle to Mlungisi Community Hall. The annual target to change from 2 halls renovation to 1 hall to be renovated.	After the inspection of Nothenga Community Hall it was then discovered that the hall does not need renovations but needs construction. Mzamomhle Hall which was the second hall to be renovated does not exist.	Approved 01/03/2018	Director Engineering Services
12	Strengthening Amahlathi ICT systems and networks for future generations by 2022	Improvement of ICT infrastructure for efficiency and data recovery	Turnaround time to acknowledge to logged faults	Expected POE Emails from users and Response email from IT acknowledging the logged calls within the 2 working hours. We are requesting that "2. IT Fault Log Book with dates and actual log and resolved times" be removed as the POE for KPI 12	Avoiding the Repetition of the information\ev evidence, KPI 12 is for acknowledgment for calls logged faults (Logbook serves as evidence for calls being resolved (KPI 13) and does not have the time taken to acknowledge the logged calls.	Approved 01/03/2018	Director Engineering Services

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					The only expected evidence is the acknowledgment of the calls logged. And the emails are the only evidence that are able to fully reflect the 2 hours.		
29	Ensure 70% collection of income due from consumer debtors by 2022	Implementation of the Revenue Enhancement Strategy	Annual implementation of the Revenue Enhancement Strategy	Target to be removed and combined with target 85	Current strategy cannot be implemented due to the fact that it has become irrelevant due to the lapse of time since it was last reviewed.	Approved 01/03/2018	Director Budget and Treasury Office
33	To ensure effective, compliant and credible financial planning, management and reporting by 2022 and beyond.	To ensure effective, compliant and credible financial planning, management and reporting by 2022 and beyond	6.4%	To maintain a cost coverage ratio of 6.4% by June 2018 (Cost coverage = $(B+C) \div D$) B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure)	Target is not SMART in its current form.	Approved 01/03/2018	Director Budget and Treasury Office

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34	To deepen democracy through public participation	Implementation of Public Participation Policies		That the Expected PoE number 2 (Council Agenda /signed minutes/council resolution) under expected column be removed The budgeted amount of R200 000.00 be removed as there is no budget for this KPI	Evidence required is a duplication of PoE number 2 in KPI 35. Erroneously allocated a financial implication under Expected evidence column, as there is no budget required for this KPI.	Approved 01/03/2018	Director Budget and Treasury Office
36			No. of awareness programmes conducted on civic education for local communities (per clusters)	That the Expected PoE number 3 (Expenditure report) under expected evidence column be removed.	The evidence no 3 is not appropriate as there is no budget allocated for the programmes	Approved 01/03/2018	Director Strategic Services
40			Develop effective and sustainable stakeholder relations	Development of feedback mechanism between sector based structures and Amahlathi LM	No. of reports on the feedback from sector based structures and Amahlathi LM	To request for the Indicator to be removed in the 2017/18 SDBIP	The indicator is a duplication of KPI 38 as the same reports received from sector departments serves as evidence for both KPI's (38 and 40) also the process

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					that is followed when getting feedback from sector departments is through an IGR structure which is KPI 38		
41		Encourage shared services model	No. of quarterly reports prepared on Encouraged shared services model (satellite offices)	To request for the Indicator to be removed in the 2017/18 SDBIP	The report will only be available once the model has been developed, and the development of the satellite model is the indicator for this year 2017/18 and it is also affected by budget constraints and is also requested to removed and rephrased during 2018/19 financial year.	Approved 01/03/2018	Director Strategic Services
42		Strengthening the satellite model	Developed Satellite Operation Model submitted to council for	To request for the Indicator to be removed in the 2017/18 SDBIP	The development of Satellites Operation Model has been delayed due to budget constraint, the	Approved 01/03/2018	Director Strategic Services

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			adoption - Yes		indicator will rephrased in 2018/19 SDBIP		
54	Ensure effective & efficient resolution of legal matters	Resolve legal matters of the municipality	No of reports on legal matters & their status with financial implications	Proof of submission of the report to Corporate Services be part of the targets for Q3,Q4 and Annual target	The structure in which the report is submitted was not stated in the targets when the SDBIP was developed.	Approved 01/03/2018	Director Strategic Services
60	To stimulate growth of the local economy through robust programmes by 2022	Stimulate and Strengthen relationship between Amahlathi and other municipalities	No. of twining engagement programs commissioned	Request the target to be removed from the SDBIP 2017/18 Financial Year	Letters which seeks appointment for a meeting have been written and delivered to respected municipalities targeted from the current SDBIP 2017/18 with no response. We even engaged SALGA at Free State province for assistance.	Approved 01/03/2018	Director Planning and Development
68	To attract, retain, build capacity and maximize utilization of	Implementation of the approved organizational structure.	100% of new and funded posts filled as per the approved staff	The target should be removed	Insufficient funds	Approved 01/03/2018	Director Corporate Services

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	Amahlathi Human Capital by 2022 and beyond		establishment				
69	To attract, retain, build capacity and maximise utilisation of Amahlathi Human Capital by 2022 and beyond	Implementation of the approved organizational structure.	4 months turnaround time taken to fill funded vacated positions	The target should be removed.	Insufficient funds	Approved 01/03/2018	Director Corporate Services
76	Implementation of the Workplace Skills Plan	100% budget spent on implementation of Workplace Skills Plan	% budget spent on implementing Workplace Skills Plan	4th quarter should be: 10% spent on the WSP budget allocated to Amahlathi	The annual target is 100%, and was 100% expenditure on all quarters. For measurability request to change target and reflect as follows	Approved 01/03/2018	Director Corporate Services
					1st Quarter = 10% 2nd quarter = 30% 3rd quarter = 50% 4th quarter = 10%		

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85	Ensure 70% collection of income due from consumer debtors by 2022	Review and implementation of the Revenue Enhancement Strategy	Reviewed Revenue Enhancement Strategy approved by council	Annual Target to change to “development of terms of reference”; Quarter 3 will have no target; Quarter 4 development of terms of reference.	Revenue Enhancement strategy needs to be developed in an effort to address the current issues facing the municipality to improve on credit control and debt collection efforts.	Approved 01/03/2018	Director Budget and Treasury Office
87	To promote local economic development by 2022	Develop an implementable Spatial Development Framework for Amahlathi LM	Develop an implementable Spatial Development Framework for Amahlathi LM	That the target should be changed, Annual Target to First draft of SDF submitted to Planning and Development Standing Committee, Quarter one and Quarter two be deferred to quarter 3 and quarter 4 respectively from the SDBIP 2017/18 Financial Year	Insufficient budget to complete to develop the review of the SDF and there are unavailable funds from relevant stakeholders to assist in developing a credible SDF, the department anticipate completion of the document during 2018/19 financial year and it will be prioritized.	Approved 01/03/2018	Director Planning and Development

3.5 PROGRESS REPORT AUDITOR GENERAL'S FINDINGS: PREDETERMINED OBJECTIVES

Refer to attached AG Action Plan in Chapter 6

3.6 FINANCIAL PERFORMANCE INFORMATION - CAPITAL EXPENDITURE 2017/18

PROJECTS	DEPARTMENT	ORIGINAL BUDGET	ADJUSTED BUDGET	YTD (INCL.VAT)	COMMITMENTS	BALANCE
Chris Hani Internal Roads	Project Management Unit		-	571 882.26	-	571 882.26
Hawker Stalls	Project Management Unit	-	75 000.00	74 113.06	-	886.94
Mlungisi Sportfield	Project Management Unit	4 800 000.00	4 800 000.00	5 580 988.53	-	780 988.53
Amahlathi Highmast Lights	Project Management Unit	4 200 000.00	4 058 349.00	4 447 028.49	-	388 679.49
Ethembeni Internal Roads	Project Management Unit	2 200 000.00	2 200 000.00	941 084.38	-	1 258 915.62
Rhawini Internal Roads	Project Management Unit	2 700 000.00	2 330 000.00	2 400 448.30	-	70 448.30
Nothenga Internal Roads	Project Management Unit	2 345 300.00	2 390 000.00	2 540 155.36	-	150 155.36
Langdraai Internal Roads	Project Management Unit	2 800 000.00	2 470 000.00	2 534 713.30	-	64 713.30
White City Internal Roads	Project Management Unit	-	385 000.00	355 074.36	-	29 925.64
Freshwater Internal Roads	Project Management Unit	-	1 100 000.00	1 148 843.68	-	48 843.68
Kei Road Internal Roads	Project Management Unit	2 700 000.00	2 200 000.00	994 229.91	-	1 205 770.09
Zingcuka internal Roads	Project Management Unit	2 900 000.00	2 200 000.00	1 164 867.64	-	1 035 132.36
Keiskamahoe Firestation	Project Management Unit	2 500 000.00	501 651.00	380 342.03	-	121 308.97
Lower Kologha Internal Roads	Project Management Unit	-	3 000 000.00	465 764.21	-	2 534 235.79
Mlungisi Internal Roads	Project Management Unit	-	-	271 428.12	-	271 428.12

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Rabula Internal Roads	Project Management Unit	-	-	261 634.41	-	261 634.41
Phumlani Internal Roads	Project Management Unit	-	-	176 161.46	-	176 161.46
Khayelitsha Internal Roads	Project Management Unit	-	-	138 623.84	-	138 623.84
Computer Equipment	Budget & Treasury	-	39 161.00	73 858.84	-	34 697.84
Computer Equipment	Engineering	-	64 498.00	41 640.33	-	22 857.67
Computer Equipment	Corporate	-	40 000.00	98 288.33	-	58 288.33
Computer Equipment	Municipal Manager	-	17 701.00	66 696.86	-	48 995.86
New Connections	Electricity	-	500 000.00	-	-	500 000.00
Network Upgrade	IT	-	500 000.00	52 121.32	-	447 878.68
Vehicle Mayor	Council	-	500 000.00	-	571 201.63	71 201.63
Furniture	Council	-	65 000.00	-	62 645.00	2 355.00
Upgrade Electricity Infrastructure	Electricity	5 000 000.00	5 520 999.96	4 454 766.68	-	1 066 233.28
		32 145 300.00	34 957 359.96	28 662 873.44	633 846.63	5 660 639.89

3.7 SERVICE PROVIDER PERFORMANCE

Project Managers were requested to rate the performance of the Service Providers appointed by Council on the various projects. Service Providers and Contractors are rated in terms of the following:

- **Below Standard** - The Contractor/Service Provider did not meet the basic requirements as spelt out in the tender or contract. This may result in the contract being cancelled and/or the retention fee being withheld from the contractor. The Contractor may be asked to rectify the problem or the contract may be cancelled and another Contractor/Service Provider may be appointed to complete the contract/ project.
- **Acceptable** - The Contractor/Service Provider completed the project and met the basic requirements of the tender/contract. The standard of work was good enough, passable or adequate in terms of the requirements by the ALM.
- **Excellent** - The Contractor/Service Provider has completed the work up to the expected standard required. The requirements of the tender were achieved to the expectation of the municipality. There is a high quality of work and outstanding results were achieved.

Below is the performance rating of the municipality's service providers;

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PERFORMANCE OF SERVICE PROVIDERS FOR THE YEAR ENDING 30 JUNE 2018

<u>BID NO</u>	<u>NAME OF SERVICE PROVIDER</u>	<u>PROJECT NAME</u>	<u>RATING</u>	<u>COMMENTS</u>
SCM/48/2015-16	X L Aloe Travel	Provision of Travelling Agency Services	Acceptable	n/a
SCM/49/2015-16	C Track Mzansi	Procurement of Fleet Management System Monitoring and Vehicle Recovery for a period of 36 Months	Acceptable	n/a
SCM/53/2015-16	Lateral Unison Insurance Brokers	Provision of Short Term Insurance for a period of 36 Months	Acceptable	n/a
SCM/01/2016-17	Vodacom (Pty) Ltd	Voice over internet protocol telephone system for a period of 3 years	Acceptable	n/a
SCM/12/2016-17	T.H Paul Kruger	Renovations to Strategic Offices	Acceptable	n/a
SCM/20/2016-17	Uluto Active Blue Trading Enterprise	Renovations to Isihoboti Community Hall	Acceptable	n/a
SCM/40/2016-17	Thandokazi Solutions	Supply and Delivery of Mechanical Wool Press Machines	Acceptable	n/a
SCM/46/2016-17	Abangane Trading (Pty) Ltd	Supply, Delivery & Installation of 2 X Hawker Stalls in Cathcart	Acceptable	n/a
SCM/38/2016-17	Complan Town and Regional Planners	Township establishment in Mlungisi	Acceptable	n/a
SCM/45/2016-17	Gilgal Newground JV	Provision of Professional Civil Engineering services for a period of 2 years	Acceptable	n/a
SCM/45/2016-17	Bosch Projects (Pty) Ltd	Provision of Professional Civil Engineering services for a period of 2 years	Acceptable	n/a
SCM/45/2016-17	Gibb (Pty) Ltd	Provision of Professional Civil Engineering services for a period of 2 years	Acceptable	n/a
SCM/54/2016-17	Enzokuhle Enterprise	Provision for Landfillsite Rehabilitation	Acceptable	n/a
SCM/02/2017-18	Lunika Chartered Accountants	Reviewal of the 2016/17 Draft Annual Financial Statements, 2016/17 Draft Performance Report & 2016/17 Draft Annual Report	Acceptable	n/a
SCM/01/2017-18	Milanande Traders Cc	Supply and Delivery of 2500 bags of Cold Premix Asphalt	Acceptable	n/a

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BID NO	NAME OF SERVICE PROVIDER	PROJECT NAME	RATING	COMMENTS
SCM/20/2017-18	South African Foundation for Empowerment Training & Innovation	Training on Roadworks Construction for 5 Contractors	Acceptable	n/a
SCM/19/2017-18	KDC Trading	Supply and Delivery of 250 bags of yellow maize	Acceptable	n/a
SCM/21/2017-18	Rise & Shine Business Ventures (Pty) Ltd	Supply and Delivery of 500 bales of Refuse bags	Acceptable	n/a
SCM/38/2016-17	Complan Town and Regional Planners	Township establishment in Mlungisi	Acceptable	n/a
SCM/45/2016-17	Gilgal Newground JV	Provision of Professional Civil Engineering services for a period of 2 years	Acceptable	n/a
SCM/45/2016-17	Bosch Projects (Pty) Ltd	Provision of Professional Civil Engineering services for a period of 2 years	Acceptable	n/a
SCM/45/2016-17	Gibb (Pty) Ltd	Provision of Professional Civil Engineering services for a period of 2 years	Acceptable	n/a
SCM/15/2017-18	Masiyabu Trading and General Civil Construction	Construction of Freshwater Stormwater	Acceptable	n/a
SCM/17/2017-18	Stermount Projects	Rehabilitation of Keiskamahoe Waste site	Acceptable	n/a
SCM/16/2017-18	Zevocode (Pty) Ltd	Construction of white city stormwater structures	Acceptable	n/a
SCM/13/2015-16	Pricewaterhouse coopers	Preparation of Grap Compliant Asset Register for 2015/2016 and 2016/2017 Financial Years	Acceptable	n/a
SCM/14/2015-16	Pricewaterhouse coopers	Preparation of Grap Compliant Annual Financial Statements for the 2015/2016 and 2016/2017 Financial Years	Acceptable	n/a
SCM/23/2017-18	Hi-tech Consulting Engineers and Project Managers	Provision of Professional Civil Engineering services for Kei Road, Roads Project	Acceptable	n/a
SCM/24/2017-18	Sontinga Consulting Services	Provision of Professional Civil Engineering services for Izingcuka Roads Project	Acceptable	n/a
SCM/25/2017-18	Mekan Engineering Services	Provision of Professional Civil Engineering services for the Keiskamahoe Firestation Project	Acceptable	n/a
SCM/33/2017-18	Yandisa Construction Services cc	Construction of Langdraai Internal Roads	Acceptable	n/a
SCM/32/2017-18	27 Years Robben Island JV	Construction of Ethembeni Internal Roads	Below Standard	A letter of intent to terminate the

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BID NO	NAME OF SERVICE PROVIDER	PROJECT NAME	RATING	COMMENTS
				contract has been forwarded to the contractor as per GCC.
SCM/34/2017-18	PMB Projects 06	Construction of Rhawini Internal Roads	Acceptable	n/a
SCM/35/2017-18	Excellect JV	Construction of Nothenga Internal Roads	Acceptable	n/a
SCM/17/2017-18	Stermount Projects	Rehabilitation of Keiskammahoek site	Acceptable	n/a
SCM/16/2017-18	Zevocode (Pty) Ltd	Construction of Whitecity Stormwater	Acceptable	n/a
SCM/30/2016-17	SNR Electrical	Supply & Delivery of Highmast Lights	Acceptable	n/a
SCM/31/2017-18	Faku Mphumzi Civils and Building Construction	Construction of Mlungisi Sportsfield :Phase 1	Acceptable	n/a
SCM/15/2017-18	Guqaa (Pty) Ltd	Constructon of Freshwater Stormwater Structure	Acceptable	n/a
SCM/30/2017-18	SMS ICT Choice (Pty) Ltd	Suppy of Microsoft Licences by a Microsoft Partner for a period of 3 years	Acceptable	n/a
SCM/26/2017-18	Senkosi Holdings	Supply and delivery of Cold Pre -mix Asphalt	Acceptable	n/a
SCM/41/2017-18	Cyberboss	Supply and Delivery of 2 X Laptop Computers	Below Standard	Order was cancelled and new SCM processes unfolded
SCM/39/2017-18	A2A Kopano Incorporated	Preparation of Grap Compliant Annual Financial Statements for a period of 2 financial years	Acceptable	n/a
SCM/40/2017-18	Mubesko Africa (Pty) Ltd	Compilation of Grap Compliant Fixed Asset Register for a period of 2 financial years	Acceptable	n/a
SCM/46/2017-18	Balintulo Trading	Construction of Kei Road Internal Roads	Acceptable	n/a
SCM/47/2017-18	Balintulo Trading	Construction of Izingcuka internal Roads	Acceptable	n/a
SCM/18/2017-18	Smith Tabata Attorney's	Provision of Legal Services for a Period of 36 Months	Acceptable	n/a
SCM/18/2017-18	Wesley Pretorius & Associates	Provision of Legal Services for a Period of 36 Months	Acceptable	n/a

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<u>BID NO</u>	<u>NAME OF SERVICE PROVIDER</u>	<u>PROJECT NAME</u>	<u>RATING</u>	<u>COMMENTS</u>
SCM/28/2017-18	Redemption Estates cc	Compilation of General Valuation Roll together with Supplementary Roll	Acceptable	n/a
SCM/45/2017-18	Tshani Consulting cc	Review of Amahlathi Local Municipality Spatial Development Framework	Acceptable	n/a
SCM/05/2017-18	ZNM Consulting	Proposal for sourcing of Funds	Acceptable	n/a
SCM/05/2017-18	Thaso Holdings	Proposal for sourcing of Funds	Acceptable	n/a
SCM/05/2017-18	Melokuhle Management	Proposal for sourcing of Funds	Acceptable	n/a
SCM/54/2017-18	Yakha Lungisa Engineering services	Turnkey for the Provision of Professional Electrical Engineering Services for the Stutterheim Main Substation and Bush Pig Substation	Acceptable	n/a
SCM/49/2017-18	Buffalo Toyota	Supply & Delivery of 1 X (4 x 4) SUV	Acceptable	n/a
SCM/42/2017-18	Jambase Security Services	Provision of Security Services at Mlungisi Community Commercial Park for a period of 1 year	Acceptable	n/a

3.8 DETAILED 2017/18 PERFORMANCE RESULTS PRESENTED PER KEY PERFORMANCE AREA (KPA)

3.8.1 KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT (SDI)

IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
1,1	Output 2: Improving access to Basic Services	To ensure provision of a sustainable road network within Amahlathi by 2022 and beyond	Development, implementation and monitoring of the Roads Infrastructure Masterplan for both tarred and gravel roads	No. of kms of gravel roads maintained (Blading)	200 kms gravel access and internal roads bladed	Target met 491 km gravel access and internal roads bladed	Target met 248.73 km gravel access and internal roads bladed	N/A	Director: Engineering Services	1
1,2				No. of Kms of municipal roads re-gravelled	12 kms of municipal roads re-gravelled	Target met 41.85 km of municipal roads re-gravelled	Target met 68.18 km of municipal roads re-gravelled			
						Quarterly report attached and signed Expenditure reports on capital budget attached. Pictures attached	Quarterly report attached and signed Expenditure reports on capital budget attached. Pictures attached			
						Signed progress	Signed progress			

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
						report attached Pictures attached Expenditure report attached.	report attached Pictures attached Expenditure report attached.			
1,3				% of Potholes repaired as per departmental inspections	80% Potholes repaired as per departmental inspections	Target met 89.25% inspected potholes repaired	Target met 100% inspected potholes repaired. Inspection report signed by Supervisor attached 3. Dated pictures attached 4. Expenditure report attached	N/A	Director: Engineer ing Services	3
1,4				No. of km of Inspected storm water drains unblocked	5 km of Inspected storm water drains unblocked	Target met 24930.8 m of inspected storm water drains unblocked. Quarterly reports and inspection	Target met 10.82km of inspected storm water drains unblocked. Quarterly reports and inspection	N/A	Director: Engineer ing Services	4

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						reports attached	reports attached.			
1,5				No. of km of roads gravelled	18km of roads gravelled	Target Met 26.63km of municipal roads graveled (Freshwater, Madubela, White City, Phumlani, Jerseyville and Chris Hani internal roads) Reports attached and completion certificates	Target not met 10km of municipal roads graveled, 5km Langdraai, 5km Rawini Completion certificates attached for Rawini and Langdraai,	Late implementation of road projects for 17/18 FY. The remaining km of gravel roads will be completed on the first quarter 2018/2019 FY	Director: Engineering Services	5
1,6		To ensure provision of compliant and efficient community safety by 2022 and beyond	Community Safety	No. of highmast lights installed	6 high masts lights installed (insert coordinates)	Target met Highmast lights installed at Masincedane, Ethembeni, Cathcart and Toise,	Target met 7 highmast lights installed at Etembeni, Frankfort, Toise, Cenyulands, Cenyulands extension, Mzamo and Gubevu	N/A	Director: Engineering Services	6

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
1,7		To ensure connection of electricity to all households within the licensed areas by 2022.	Reduce electricity system losses	% of Faulty reported meters repaired per inspection report	80% of faulty reported meters repaired per inspection report	Target not met 39.43% of reported faulty meters repaired in first, third and fourth quarter.	Target met 97% of reported faulty meters repaired.	N/A	Director: Engineering Services	7
1,8			Implementation of the Electricity Master plan dated 2015	Appointment of turnkey service provider.	Appointment of turnkey service provider.	New Indicator	Target met 1. Appointment letter attached for Bushpig Substation)	N/A	Director: Engineering Services	8
1,9		To ensure effective, compliant and efficient disaster management services by 2022 and beyond	Establishment of fire stations in Amahlathi service areas	Appointment of Contractor for fire station construction	Appointment of Contractor for fire station construction	New Indicator	Target not met Appointment letter of the consultant attached for Keiskammahok Fire station. Contractor is not yet appointed) Advert copy attached. Late implementation of project and further removal of project from 2017/2018 to	N/A Late implementation of project and further removal of project from 2017/2018 to 2018/2019 FY. The target is planned to be met on the first quarter of 18/19 FY as the project is currently on procurement for contractor.	Director: Engineering Services	9

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							2018/2019 FY.			
1,10		To ensure provision of sustainable public facilities by 2022 and beyond	Facilitate maintenance and upgrade of sport, community halls and recreational facilities	Appointment of Contractor for 1 Sportfield to be upgraded/ construction (Mlungisi)	Appointment of Contractor for 1 Sportfield to be upgraded/ construction (Mlungisi)	New Indicator	Target met Service provider was appointed and progress is at 55%. 1. Quarterly report signed by Hod attached 2. Consultant progress attached 3. Dated pictures attached 4. Expenditure report attached	N/A	Director: Engineering Services	10
1,11				No. of community halls renovated	1 community halls renovated (Mlungisi)	Target met 2 major inspected building repaired (Strategic Services/ Development and Planning Offices and Isihobothi Centre	Target not met Management took decision not to appoint service provider but Artisan to be appointed to perform the task.	EPWP budget for the 2017/18 financial year had already been finished hence the appointment could not be done. Target deferred to next financial	Director: Engineering Services	11

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						Community Hall.) Quarterly report attached with pictures		year Finance Department to assist in allocating the Current balance, amount R244, 873.00 to 2018/19 FY votes.		
1,12		Strengthening Amahlathi ICT systems and networks for future generations by 2022	Improvement of ICT infrastructure for efficiency and data recovery	Turn around time to acknowledge to logged faults	2 working hours to acknowledge logged faults	Target met Time taken to acknowledge logged faults is average of 30 minutes. Emails received	Target met Average of 3-10 minutes time taken to acknowledge logged faults	N/A	Director: Strategic Services Management	12
1,13				Turn around time to attend to logged faults	16 working hours to attend to logged faults	Target Met Average of 3H10 minutes is taken to resolve logged fault. Emails and logbook received	Target met An average of 1h02-3h29 time taken to attend to logged faults	N/A	Director: Strategic Services Management	13
1,14				Ensure that solid waste is managed in an Integrated environmental	Review and Implementation of the Integrated Waste	No. of quarterly reports on implementation and revival of the IWMP	4 quarterly reports on implementation and revival of the IWMP	Target met 4 quarterly reports on waste bylaw	Target met 4 quarterly reports on implementatio	N/A

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
		friendly and sustainable manner	Management plan			enforcement attached	n and revival of the IWMP			
1,15				No. of households and businesses with basic waste collection	6700 households and businesses with access to basic waste collected (ward 1, 4, 5, 6, 8 13,14, 15)	Target not met an average of 6518 number of households and businesses collected throughout the year.	Target not met Total of 6505 waste collection on households and businesses during 2017/18 financial in ward 1, 4, 5, 6, 8 13,14, 15	Adjusted due to AG finding. The target will be aligned with number of households where waste is collected and exclude the vacant land that do not have owners.	Director: Community Services	15
1,16			Conduct waste management campaigns	No. of waste awareness campaigns conducted per cluster	4 awareness campaigns (1 per cluster)	Target met 8 awareness campaigns conducted in 1. Keiskammahok 09/09/2016, 2. Mlungisi Primary school (19/10/2016), 3. Sikhulule primary school (28/10/2016), 4. Cenyu Primary	Target met 6 awareness Campaigns conducted as follows 15/09/2017 Nomathemba primary school, 07/11/2017 Kubusi Combined school, 14/11/2017 Zanyokwe, 30/10/2017 HH Majiza	N/A	Director: Community Services	16

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
						school (04/11/2016), 5. Nomathemba Primary school (04/11/2016), 6. Kei road combined school 23/02/2017, 7. Daliwe primary school 16/03/2017 and 8. Sophumele H/P school 21/06/2017	SSS, 22/02/2018 Roman Catholic Primary School, 18/05/18 at King Kei Combined School).			
1,17		To protect life, property, environment and economy from hazards	Conduct integrated fire awareness campaigns	No. of fire awareness campaigns per prioritisation by the Disaster forum	4 awareness fire campaigns conducted per prioritisation by the Disaster forum	Target met 9 fire awareness campaign conducted 1. Mgwali 09/09/2017, 2. Goshen community hall 23/11/2016, 3.Ndumangen i Community hall 29/11/2016,	Target met 13 Awareness Campaigns conducted as follows 19/07/2017 Upper Gxulu, 16/08/2017 Border Post, 04/09/2017 Upper Rabula, 07/10/2017 Kubisi Combines,	N/A	Director: Communi ty Services	17

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
						4. Goshen primary 27/10/2016, 5. Ngxamngxa primary school 28/03/2017, 6. Border post community hall 30/03/2017, 7. Mathew Goniwe HP school 4/05/2017, 8. Tshoxa community hall 09/05/2017, 9. DG Cossies SPS 10/05/2017 Attached registers and reports	23/10/2017 Nxawe Primary School,31/10/2017 Sivuyile Primary School, 14/11/2017 Zanyokwe Primary School, 18/01/2018 Xhologha Community hall, 23/02/2018 Catholic RC Primary, 18/05/18- King Kei Combined School, 22/05/18- Stonehenge Farm School, 04/05/18- Ngxamngxa Primary School, 11/05/18- Skhulule Primary School)			

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
1,18			Enhance fire safety compliance by ensuring appropriate responses to fire outbreaks	Turnaround time (in hours) for responding to fire outbreaks	Fire outbreaks responded to within 2hrs	Target met reports indicating fire outbreaks submitted to standing committee	Target met 2hrs turnaround time taken to respond to fire outbreaks	N/A	Director: Community Services	18
1,19		To promote and ensure safety on municipal and public roads	Conduct road blocks	No. of road blocks conducted	12 road blocks conducted	Target met 22 road blocks conducted in Amahlathi clusters 09/09/2016 Cathcart, 16/09/2016 King Kei, Keiskammahonek, 23/09/2016 Kei road, 30/09/2016 Sutterheim, 02/12/2016 Cathcart, 09/12/2016 Keiskammahonek, 16/12/2016	Target met 19 roadblocks conducted as follows; 25/08/2018 Cathcart 13/10/2017 King Kei, 20/10/2017 Cathcart, 27/10/2017 Keiskammahonek, 03/11/2017 Sutterheim, 24/11/2017 Sutterheim, 08/12/2017 Cathcart, 20/12/2018,	N/A	Director: Community Services	19

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
						Kei road, 23/12/2016 Stutterheim and 30/12/2016 Stutterheim 10/02/17Stutt erheim 24/02/17 Stutterheim 25/02/17 Stutterheim 18/02/17Stutt erheim 21/02/17 Stutterheim 17/02/17 Stutterheim 15/02/17 Keiskammaho ek 15/02/17 Stutterheim 16/02/17 Keiskammaho ek 16/02/17 Stutterheim 31/03/17 Kei Road 05/05/2017 Cathcart	21/12/2018 Kei Road, 05/01/2018 Kei Road, 19- 01/2018 cathcart, 26/01/2018 Keiskammaho ek, 16/02/2018 Keiskammaho ek, 02/03/2018 Stutterheim, 13/04/18 KKH, 02/05/18 STUTT, 09/05/18 CATH, 29/05/18 KKH 05/06/18 CATH			

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
						07/04/2017, Stutterheim Report, pictures, law enforcement plan and occurrence book attached				
1,20		To contribute towards the reduction of road carnages	Provision of proper road marking and signage	% of inspected damaged road markings and signs maintained	100% of inspected damaged road markings and signs maintained per inspection report	Target met 89.46% of damaged road signs repaired. Reports submitted	Target met 100% of inspected damaged road signs maintained per inspection report	N/A	Director: Community Services	20
1,21		To promote the culture of reading and effective use of library resources	Conduct library activities that promote the culture of reading and effective use of library resource	No. of library awareness campaigns conducted	4 library awareness campaigns conducted per cluster	Target met 8 library awareness campaigns on the 1. 22/09/2016 Cathcart and 2. 16/11/2016 at Zidenge, 3. Library Orientation Stutterheim Correctional Services on the 07/03/2017,	Target met 10 library awareness campaigns conducted as follows; 01/09/2017 Mgwali Community hall, 23/08/2017 Mgwali Community Hall, 29/11/2017 keiskammahok,	N/A	Director: Community Services	21

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
						4. Library for blinds outreach at Ethembeni 20/03/2017, 5. Career exhibition MCCP 16/03/2017, 6. library (book club establishment workshop conducted on the 19/05/2017 Stutterheim, 7. Library orientation and book education 15/05/2017 8. Stutterheim library for St Thomas and 24/05/2017 Stutterheim library for Jack and Jill	08/11/2017 Stutterheim Library hall, 12/03/2018 Zamulwazi Primary school, 13/03/2018 Zamukukhany a Primary School, 14/03/2018 Matthew Goniwe primary School, 15/03/2018 Ndokumbana Primary School, 16/03/2018 Kei Road Community Hall, 13/06/18 at Cathcart Library Hall			
1,22		Promotion of Tourism through	Prioritise provision of tourism	No. of signage's erected	4 signage erected (Xholorha	New Indicator	Target met 4 signages erected at	N/A	Director: Develop	22

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comm ent and Corrective Action	Custodia n	KPI NO
		identification of Tourist arears	infrastructure to destinations within Amahlathi.		Boardwalk, Kwazidenge/Ch ampion trees, MCCP, Cathcart)		Xhologha boardwalk, Mlungisi Commercial Park, Champion tree and St Meyer Dam. Progress report from service provider attached Expenditure report and dated photos		ment and Planning	

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3.8.2 KPA 2 MUNICIPAL FINANCE VIABILITY (MFV)

IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
2,1	Output 6: Administrative and Financial Capacity	To ensure an equitable, economical, transparent, fair and value - add supply chain management system/function by 2022	Monitoring and reporting on the performance of service providers	No. of quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	4 quarterly Service Provider performance reports submitted to the Mayor by the 15th day after end of the quarter	Target met 4 Quarterly Service Provider performance reports attached submitted to Mayor Acknowledgement letter from the office of the Mayor	Target met 4 Quarterly Service Provider performance reports attached submitted to Mayor. Attached are the following; 1. Quarterly report signed by CFO 2. Service provider report signed user department 3. Proof of submission/acknowledgement	N/A	Chief Financial Officer	23

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
2,2			Strict adherence to SCM Regulations	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	No. of quarterly reports on (tenders awarded, deviations report, contract management report) submitted to the Mayor by the 15th day after end of the quarter	Target met 4 Quarterly reports attached and signed Proof of submission to Mayor dated attached.	Target met 4 Quarterly reports attached and signed Proof of submission to Mayor dated attached. Attached are the following 1. Quarterly report signed by CFO with Tenders awarded, deviations report, contract management report submitted to the Mayor 2. Proof of submission/acknowledgement	N/A	Chief Financial Officer	24
2,3		To maintain an accurate and complete fixed asset register that is compliant with	Maintain a fixed asset register that complies with GRAP	No. of material audit queries raised on the updated asset register by the AG.	Zero material audit queries raised on the updated asset register by the AG.	Target met 4 Quarterly schedule indicating changes to the fixed asset	Target met 1. Updated Asset register 2. AG report	N/A	Chief Financial Officer	25

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
		GRAP by 2022.				register attached and signed				
2,4		To ensure 80% expenditure of capital budget by 2022	Monitoring and reporting on the spending of the municipal capital budget by user departments	% expenditure of capital budget	100% expenditure of capital budget	Target met 88.79% capital expenditure incurred by 30 June 2017. Expenditure reports attached	Target met 100% MIG capital expenditure incurred by 30 June 2018. Expenditure reports attached	N/A	Director: Engineering Services, Community Services	26
2,5		To ensure sound and sustainable management of municipal finances by 2022	Implementation of the Workplace Skills Plan	% budget spent on implementing Workplace Skills Plan	100% budget spent on implementation of Workplace Skills Plan	Target not met 79.58% expenditure of total budget in third quarter, no expenditure report submitted in fourth quarter	Target not met 82% expenditure of total budget incurred during 2017/18 financial year due to annual training plan that was met so the budget could not be completed.	100% could not be achieved due completion of trainings on the annual training plan. The municipality will ensure alignment of budget with the annual training plan	Director Corporate Services	27
2,6		Ensure 70% collection of income due from consumer	Collect 60% of billed income	% of billed income collected	60% of billed income collected	Target met 74.88% billed income has been collected during 2016/17 financial year.	Target met 79.63% of billed income collected as at 30 June 2018	N/A	Chief Financial Officer	28

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
		debtors by 2022					1. Quarterly report signed by CFO attached. 2. BS902 report for Quarter 4 Attached			
2,8		To ensure unqualified audit opinion	Adherence to all applicable financial legislation and regulations	No. of Monthly financial reports (Sec 71 and sec 52 reports) submitted to Mayor and Treasury on the 10th working day of each month	12 Sec 71 reports) submitted to Mayor on the 10th working day of each month	Target met 1 st quarter 2 monthly section 71 submitted on the (20/08/2016, 12/09/2016) and section 52 12/10/2016, 2 nd quarter 2 monthly reports (section 71) submitted on the (14/10/2016, 13/12/2016) and section 52 11/01/2017, 3 rd quarter 2 Monthly (section 71) reports submitted on the 14 th February and 13 th March, Section 52 report on the 10 th April 2017,	Target not met 9 Sec 71 reports), and 4 section 52 reports submitted to Mayor within 10th working days of each month. 3 section 71 reports in quarter 1 were not submitted within 10 working days Proof of submission attached. Section 52 and 71 reports for Q1 submitted in Q2	Challenges encountered in implementation of new systems target has been addressed from quarter 2 onwards	Chief Financial Officer	30

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						4 th quarter 2 monthly (section 71) reports submitted on the 14 June17 12 May 17 (Section 71) and 14/07/2017 section 52 Reports and proof of submission to Treasury attached	Q2 section 52 15/01/2018 section 71 (14/12/2017, 14/11/2017) Q3 Section 52 (13/04/2018) Section 71 (14/03/2018, 14/02/2018) Q4 Section 52 (11 July 2018) Section 71-(15 May, 14 June 2018)			
2,9			Preparation and submission of credible and GRAP compliant annual financial statements	Date on which GRAP compliant annual financial statements prepared and submitted to the Auditor-General	GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial & National) by 31 August 17	Target met GRAP compliant annual financial statements were submitted to AG on the 31 st August 2016. Proof of submission attached	Target met GRAP compliant annual financial statements prepared and submitted to the Auditor-General and Treasury (Provincial &	N/A	Chief Financial Officer	31

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							National) by 31 August 17			
2,10		To prepare a realistic and compliant budget in line with the objectives and strategies in the IDP by 2022	Coordinate and develop Amahlathi municipality's budget in line with the developmental imperatives in the IDP	2018/2019 budget prepared and submitted to council for approval on 31 August 2017	2018/2019 budget prepared and submitted to council for approval on 31 August 2017	Target met Final 2017/18 budget Submitted to Council on the 31 May 2017, evidence attached.	Target met Final 2018/19 budget submitted to Council on the 30th of May 2018. Final budget attached. Council Resolutions attached. Proof of submission of council resolution attached and dated 21/05/18	N/A	Chief Financial Officer	32

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
2,11		To ensure effective, compliant and credible financial planning, management and reporting by 2022 and beyond.	To ensure effective, compliant and credible financial planning, management and reporting by 2022 and beyond.	Maintain % Cost coverage ratio by 2018 $(B+C) \div D$ B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	Maintain 6.4 % Cost coverage ratio by 2018 $(B+C) \div D$ B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure	New Indicator	Target not met 0.064% cost coverage ratio was achieved during 17/18 financial year. Weaker cash flow coupled with increase in expenditure trends particularly in employee cost has weakened the ratio.	Circular on austerity measures was adopted by council to curb the spending	Chief Financial Officer	33

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3.8.3 KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION DETAILED PERFORMANCE

IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
3,1	Output 5: Deepen democracy through a refined ward committee model.	To deepen democracy through public participation	Implementation of Public Participation Policies	Turnaround time (in days) for acknowledging received petitions	Received petitions acknowledged within 2 working days	Target Met Petitions are acknowledged with two working days from the day received	Target met Petition were acknowledged during, within 2 working days	n/a	Director; Strategic Services	34
3,2				No. of quarterly petition Management status reports submitted to Council	4 Quarterly reports on the status of petitions received and submitted to Council	Target Met All petitions received in all quarters were submitted to Council.	Target met Reports on status of petitions received were submitted to Council.	N/A	Director; Strategic Management Services	35
3,3				No. of awareness programmes conducted on civic education for local communities (per clusters)	4 awareness programmes conducted on civic education for local communities (cluster)	Target Met 3 awareness campaigns conducted as follows Mlungisi (MCCP)- 28 November 2016, Keiskammahoek-	Target met 4 awareness programmes conducted on civic education as follows; 07/09/2-17 Cathcart, 09/11/2017	N/A	Director; Strategic Management Services	36

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						28 March 2017 and Ndakana 29/05/2017	Keiskammahok, 11/06/2018 Cathcart 22/06/2018 Stutterheim			
3,4		To ensure mainstreaming of special programmes into Amahlathi Municipality programmes by 2022	Development, review and implementation of the Special programmes unit action plan	No. of SPU designated groups supported (Youth, Women, Elderly, Disabled, Children, HIV/AIDS and Sport)	7 SPU designated groups supported (Youth, Women, Elderly, Disabled, Children, HIV/AIDS and Sport)	Target met 10 Special programs on designated groups conducted on the 1. 27-10-2016 (16 days of Activism) 2. 25-11-2016 (World Aids Day) 3. 11-11-2016 (Elderly Programme) 4. 22-11-2016 (Disabled Programme) 5. 20-10-2016 (Women Celebration 6. Children's Health Awareness Programme held on the 30-03-2017	Target met 9 SPU designated groups supported as follows; 31/08/2017 Women's day Celebration Border Post, 02-3 rd /09/2017 Try Again Football club workshop at MCCP, 17/11/2017 Disabled Forum KKH, 23/11/2017 16 days of Activism Thomas River, 01/12/2017 world Aids Day Izidenge,	N/A	Director; Strategic Management Services	37

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						at Amatholaville Primary School. 7. 2017 Top 8 Rugby Union held at Keiskammahoek on the 26-02-2017. 8. Revival of Youth Council and launch of youth month- Mlungisi- 09-06-2017 9. Football Top 8 event at Izidenge- 16-06-2017 10. Child Protection week Mlungisi Commercial Park- 30-05-2017	05/12/2017 Christmas party Cenyu hall, 07/03/2018 Condom distribution Stutterheim cluster, 08/06/2018 Youth Celebrations program Etembeni, 05/06/2018 Children Programme at Cathcart.			
3,5		Coordination and integration of Stakeholder engagement by 2022	Strengthening of IGR structures	No. of IGR cluster meetings and broader IGR forum attended	20 IGR cluster meetings and 4 broader IGR Forum meeting attended	Target met 4 IGR forum meetings conducted at Amahlathi on the following dates 20-09-2016 24 -11-2016 16-03-2017, 10-05-2017	Target not met 4 IGR Clusters conducted as follows; SDI 21/11/2017 01/03/2018 Comm Serv and LED 17/11/2017	Limited or Non-attendance by sector departments when invited by Departments to clusters. The Clusters will be	Director; Strategic Management Services	38

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							GGP 07/11/2017 5 Broader IGR conducted as follows: 10/08/2017, 07/09/2017, 15/11/2017 05/03/2018 13/06/2018	coordinated by IGR unit next financial 2018/19 year not by departments and Institutional calendar will be circulated in July to plan for the whole financial year		
3,6		To develop and implement effective and compliant frameworks to improve planning and performance management by 2022	Improve the effective functionality and credibility of the performance management System	No. of individual performance reviews coordinated (sec 54 & 56)	4 Quarterly individual Performance Reviews coordinated (sec 56)		Target met Employees from task grade 12 upward's performance were reviewed during the financial year.	N/A	Director Corporate Services	39
3.10		To promote effective Communication of Amahlathi's business by 2022	Roll out of B2B/ war room approach	No. of war-room meetings coordinated	12 war-room meetings coordinated within Amahlathi area	New Indicator	Target not met 3 war room Meetings were held as follows: 20/11/2017 Burnshill, 22/11/2017 Tshoxa	Several war room were not established yet about 8 out of 15 have been established. The establishment	Director; Strategic Management Services	43

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							Keiskammahok, 28/11/2017 Lower Mnyameni	of a local warroom and traing of wardwarroom is planned for the next financial year.		
3.11			Effective implementation of the Public Communication Action Plan to revive public trust and confidence	No. of communication programmes implemented per approved plan	4 communication programmes implemented per approved plan	New Indicator	Target met 7 communication programmes implemented as per approved plan 31/08/2017 Women Celebration Border post; 27/03/2018 Human Rights Celebration Zamukhanyo farm school, 01-03/11/2017 annual Report Roadshows in all clusters, 23/11/2017 16days of activism Thomas River, 17/11/2017	N/A	Director; Strategic Management Services	44

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							Disabled Forum, 06/12/2017 LCF, 01/06/2018 awareness on Ulwaluko Stutterheim			
3,12		To ensure a clean and accountable governance in Amahlathi by 2022	Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	% implementation of the MPAC Annual Programme of Action	100% implementation of the MPAC Annual Programme of Action	New Indicator	100% implementation of the MPAC Annual Programme of action	N/A	Director; Strategic Management Services	45
3,13				No. of risk management reports submitted to the Risk Committee	4 quarterly risk management reports submitted to Risk Committees	Target met 4 quarterly risk management reports submitted to risk committee held on the following dates 14/10/2016, 16/01/2017 28/03/2017 15/06/2017	Target met 4 quarterly reports submitted to Risk Committee on Risk committee meetings held as follows; 03/08/2017, 12/12/2017, 29/03/2018 31 st May-01 st June 2018	N/A	Director; Strategic Management Services	46

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
3,14				No. of risk management reports submitted to IA Unit on implementation of risk action plans	4 risk management reports submitted to IA Unit on implementation of risk action plans	New Indicator	Target met 4 quarterly reports submitted to Internal Audit for Risk Committee on Risk committee meetings held as follows; 03/08/2017, 12/12/2017, 29/03/2018 31st May-01st June 2018	N/A	All HODs	47
3,15				% status on implementation of risk action plans for the 2017/2018 financial year	100% implementation of risk action plans for the 2017/2018 financial year	New Indicator	Target met Risk action plans attached with reflecting 100% implementation for 2017-18 financial year	N/A	All HODs	48
3,16				% implementation of the 2017/2018 risk-based internal audit plan (all scheduled	100% implementation of the 2017/2018 risk-based internal audit plan	Target met 100% of risk based internal audit plan implemented during the year.	Target met 100% implementation of risk action plans for the 2017/2018 financial year.	N/A	Director; Strategic Management Services	49

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
				audits implemented)		Internal Audit Plan with status and reports received.	Quarterly reports attached with status.			
3,17				No. of Anti-corruption and Fraud programmes conducted per implementation plan	4 Anti-corruption and Fraud programs conducted per implementation plan	Target Met 4 fraud awareness workshop conducted on the 08 th September 2016, 20 th December 2016, 30 March 2017, And 28/06/17 to Amahlathi officials	Target met 4 fraud awareness campaign conducted 29/09/2017 Fraud awareness for Planning and Development department, 14/12/2017 Corporate Services department, 22/03/2017 Community Services department, 29/06/2017 Engineering department	N/A	Director; Strategic Management Services	50

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
3,18				No. of reports submitted to the Audit Committee regarding implementation of AC resolutions	4 reports submitted to the Audit Committee regarding implementation of AC resolutions	New Indicator	Target met 4 reports submitted with progress on implementation of AC resolutions	N/A	Director; Strategic Management Services	51
3,19		Strengthening Amahlathi ICT systems and networks for future generations by 2022	Improvement of ICT infrastructure for efficiency and data recovery	No. of reports prepared on the % of backed-up information	4 quarterly reports on the 80% of backed up information	New Indicator	Target met 4 reports prepared reflecting above 80% of backed up information leading to annual average of 95.7% backed up information.	N/A	Director; Strategic Management Services	52
3,20		Ensure effective & efficient resolution of legal matters	Resolve legal matters of the municipality	No. of reports on legal matters and their status with financial implications submitted to Corporate Services	4 reports on legal matters and their status with financial implications submitted to Corporate Services	New Indicator	Target met 4 reports on legal matters with financial implications were submitted to Council Support.	N/A	Director; Strategic Management Services	53

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
3,21		To ensure compliant, effective and efficient customer management by 2022 and beyond.	Provide ongoing support to users on system related queries	% of resolved system related queries	90% of resolved system related queries	Target met 100% system related queries resolved. Emails logging and response from users logged fault attached	Target met 100% system related queries resolved. Emails logging and response from users	N/A	Chief Financial Officer	54
3,22		To ensure business continuity in the event of a disaster by 2022 and beyond	Implementation and monitoring of controls to ensure security of information and business continuity	Daily backups done on Venus and Pay day systems	Daily backups done on Venus and Pay day systems	Target Met 4 Quarterly reports indicating daily backups received.	Target met Daily backups done on Venus and Pay day systems	N/A	Chief Financial Officer	55

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3.8.4 KPA 4: LOCAL ECONOMIC DEVELOPMENT (LED)

IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
4,1	Output No 3: Implementation of Community Work Programmes	To improve implementation of the government intervention programme to eliminate poverty by 2022.	Implementation of the EPWP and municipal job creation programme	No. of jobs created through EPWP	60(LED) jobs created 120 jobs (CS) 150 ES	Target met 506 jobs created in 2016/17 financial year. 92 (LED) 172 CS 242 (ES)	Target met 678 jobs created during 2017/18 financial year	N/A	Director; Development and Planning, Engineering Services and Community Services	56
4,2		To stimulate growth of the local economy through robust programmes by 2022.	At least 70% of procurement budget to be ring-fenced in SCM policy to benefit Amahlathi SMMEs.	70% of procurement budget allocated to local SMMEs	70% of procurement budget allocated to local SMMEs	New Indicator	Target not met 0% of procurement budget was allocated to local SMMEs during 2017/18 financial year	Adjusted due to AG findings. The target will be adjusted during mid-year adjustment to look at procurement expenditure allocated to SMMEs.	Director: Development and Planning, Chief Financial Officer	57
4,3			Capacitation of SMMEs and Co-ops through development and implementation	No. of Contractors trained	5 Contractors trained	Target met Road Construction Training conducted for 5 contractors on the 17-05-	Target met 5 contractors trained on the 20-24 th November 2017 (TH Paul kruger,	N/A	Director: Development and Planning	58

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
			on of an incubation programme			2017 at Stutterheim, Engineering Department	KK 2016 enterprise, Mbekeni general trading, Ziyinqaba trading cc, Breakthrough services and suppliers).1. Report and registers Registers for training attached			
4,4			Projects of R4million and above to subcontract local contractors	No. of local contractors sub contracted and benefited	3 local contractors sub contracted and benefited	New Indicator	Target not met No assistance received from key departments in implementation of the project	The municipality is currently in the process of establishing contractor development programme which will inform the database for contractors to be selected. Target is deferred to 2018/19 financial year.	Director: Development and Planning	59

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
4.6		Promotion of Tourism through the establishment of Local Tourism Organization and CTOs by 2022	Participate in marketing platforms and host events	No. of trainings conducted for LTOs and CTOs	5 trainings conducted for LTOs and CTOs	New Indicator	Target met Training of 5 Cathcart community Organisation conducted on the 16/11/2018	N/A	Director: Development and Planning	61
4.7				No. of tourism events attended	4 tourism events attended (Wild coast Jikeleza, Christams in July, Macufe and Grahamstown Festival)	Target met 4 Events attended by Amahlathi crafters Grahams town Arts festival from 30-11 July 2016, Craft Mania at Stutterheim on 01-04th Dec 2016, Heritage and tourism Indaba at Mpekweni 22-23rd February 2017, Craft development exhibition at Ngqushwa on the 15 th June 2017.	Target not met 2 Tourism event were attended by the Amahlathi Local Municipality crafters and the dates were as follows: 1. 01/10/17 - Mangaung (Macufe Festival). 2. 28 June- 9 July 2018- Grahamstown's National Arts Festival	The event was cancelled by event organizers. The municipality will organize other exhibition programmes to be attended by crafters in 2018/19 financial year.	Director: Development and Planning	62

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						Signed Quarterly reports and pictures attached.				
4,8		To Stimulate local economy through Agricultural development by 2022	Promotion of communal garden	No. of communal gardens benefiting in the programme	50 communal gardens benefiting from the programme	New Indicator	Target met 106 communal gardens benefit on s and supported with seedlings (66 Cathcart, 18 Keiskamma hoek, 22 Stutterim)	N/A	Director: Development and Planning	63
4,9			Promotion of Buyele Masimini programme	No. of farmers provided with maize bags	200 farmers provided with maize bags	Target met 204 farmers were provided with maize seeds.	Target met 202 farmers were provided with maize seeds (118	N/A	Director: Development and Planning	64

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						Register of beneficiaries attached	King Kei, 8 Stutterheim, 76 Keiskamma hoek) Register of beneficiaries attached			
4,10			Provision of capacity building programs to support existing farmers	No. of farmers supported with capacity building	2 farmers supported with capacity building	New Indicator	Target met 3 farmers supported with training on wool classing and sheep shearing. 2. Report and Signed attendance register attached 3. Expenditure report attached	N/A	Director: Development and Planning	65

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
4,11			Facilitate commercialisation of agriculture	No. of farmers and agricultural cooperatives benefited	2 farmers and agricultural cooperatives benefited	Target met Training of 10 cooperatives in computer (Basic Introduction) on the 27-31 March 2017 at Stutterheim (MCCP) Signed Report and Attendance registers submitted.	Target met 7 farmers benefited on training on Deeping activity for Cenyu Emerging farmers conducted for farmers on the 15 th February 2018 at Dohne. 2. Signed attendance register attached 3. Expenditure report attached	N/A	Director: Development and Planning	66

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3.8.5 KPA 5: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (MTI)

IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
5,1	Output 1: Implement and differentiate approach to Municipal Finance, Planning and support	To attract, retain, build capacity and maximise utilisation of Amahlathi Human Capital by 2022 and beyond	Implementation of the approved organisational structure.	Reviewed institutional policies adopted by council - Yes/No	Yes - Reviewed institutional policies adopted by council	New Indicator	Target met 59 policies were reviewed in 2017/18. 1. Report on policy workshop with list of policies for reviewal 2. Council resolution/signed minutes/council agenda	N/A	Director: Corporate Services	67
5,4			Strengthening systems and mechanisms relating to governance processes, risks management and internal controls	No. of EAP programmes implemented as per approved plan	4 EAP programmes implemented per approved plan (Cancer awareness, World Aids day, Sexual health and TB awareness and Candle Light)	Target met 13 EAP programs were conducted on the following dates: 1. 18/08/2016 Kei road HEPB vaccination, 2. 23/08/2016 Stutterheim Library	Target met 20 programs held on the following dates: 24/08/2018 Cancer Awareness Stutterheim Library, 06/09/2018 Protective Clothing meeting Corp Serv	N/A	Director: Corporate Services	70

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						Cancer awareness, 3. 04/10/2016 Engineering department Resubstance abuse problem report, 4. 01/12/2016 Lutheran Hall World Aids day Celebration 5. 21/02/2017 STI and TB awareness (Kei road, 6. 21/02/2017 STI and TB awareness (Cathcart), 7. 23/02/2017 (Stutterheim) and 8.24/02/2017 medical and surveillance vaccination 9.23/03/2017 HR sharing session and	Boardroom, 07/09/2018 Financial fitness awareness Mlungisi, 13/09/2018 Dohne wellness tournament 06/10/2017 Team building Dohne, 09/11/2017 Financial wellness at Stutterheim Library, 21/11/2017 VacciantionKei road, 01/12/2017 World Aids Day at Lutheran, 30/01/2018 Community Services Staff at Council Chamber , 22/02/2018			

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
						sexual health awareness (Keiskammah oek, Flu vaccination Dates 10.20/04/2017 KKH 11. 12/04/2017 Main office 12. 19/04/2017 Cathcart 18/04/2017 Kei road and 13. 30/05/2017 Candle light awareness in Cathcart	Sexual Health awareness at Cathcart, 13/03/2018 Vaccination EAP Office, 13/03/2018 Vacciantion Kei Road, 15/03/2018 Protective Clothing meeting at Engineering boardroom, 15/03/2018 Chroninc deseases and financial wellness Stutterheim Library Flu Vaccinations 24/04/2018 Cathcart, 24/04/2018 Stutterheim and 26/04/2018 Kei Road,			

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							Amahlathi Worker's Tournament 30/05/2018 Raymond Mhlaba Municipality Employee Wellness programme and Candle light 24/05/2018 Lutheran Hall Stutterheim and Friendly Match at Dohne Sport Fields on the 27/06/2018			
5,5				Implementation of the approved EEP	No. of quarterly reports prepared on compliance with EEP annual targets	Target not met 3 quarterly report on the implementation of EEP and standing committee minutes attached	Target met 4 reports were prepared on compliance with EEP annual target.	N/A	Director: Corporate Services	71

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
5,6		Promotion of Community safety	Development of Liquor by-laws	Amahlathi Liquor by-Laws developed and adopted by council - Yes/No	Yes - Amahlathi Liquor by-Laws developed and adopted by council and gazetted	New Indicator	Target not met The liquor bylaw was not submitted to Council for adoption due to slow process caused by non-attendance of key stakeholders	The department will follow the internal processes of Reviewal or development of polices and by-laws. Target deferred to 2018/19 financial year.	Director: Community Services	72
5,7		To ensure effective and efficient and economical management of cemeteries	Review of Cemetery Management Policy	Review cemetery management policy adopted by council - Yes/No	Yes - Review cemetery management policy adopted by council	New Indicator	Target not met There was no designated person responsible for cemetery management unit within the Municipality for quite some time. The function was therefore assigned to the Assistant Manager Solid Waste and by	A draft Cemetery Management policy has been developed and will be presented to Community services Standing committee in August 2018. -it will then be escalated to Executive Committee	Director: Community Services	73

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							the time policy development and review process was already in an advanced stage, and therefore it was impractical to accommodate the review of this policy.	(EXCO) then to the council for approval. - To be approved by 2018/19 Financial Year.		
5,8		To ensure that all disaster incidents are attended	Facilitate reviewal and implementation of Disaster Management Plan	Disaster Management Plan adopted by council - Yes/No	Yes - Disaster Management Plan adopted by council	New Indicator	Target not met The disaster management plan was not submitted to Council for adoption due to slow process caused by non-attendance of key stakeholders	The department will follow the internal processes of Reviewal or development of polices and by-laws. Target deferred to 2018/19 financial year.	Director: Community Services	74

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
5,9		To ensure effective, efficient and economical management of Fire and that disasters are attended	Development of an Integrated Fire Management Plan	Integrated Fire Management Plan adopted by council - Yes/No	Yes - Integrated Fire Management Plan adopted by council	New Indicator	Target not met The Integrated Fire Management Plan was not submitted to Council for adoption due to slow process caused by non-attendance of key stakeholders	The department will follow the internal processes of Reviewal or development of policies and by-laws. Target deferred to 2018/19 financial year.	Director: Community Services	75
5,10		To ensure appropriate capacity building interventions by 2022	Develop and implement programmes (for graduate re-skilling) especially linked to areas of scarce skills)	% of programmes implemented per approved WSP	100% of programmes implemented per approved training plan	Target not met 79.58% of expenditure of total budget in third quarter, no expenditure report submitted in fourth quarter	Target met 100% of programmes implemented per approved training plan	N/A	Director: Corporate Services	76
5,11		To ensure cost efficient and economical use of council resources commensurate to effective	Strengthening systems and mechanisms relating to governance processes, risks	No. of quarterly reports prepared on compliance with fleet management	4 quarterly reports prepared on compliance with fleet management	Target not met Vehicle maintenance costs increased from R965 375.68 to R1	Target met 4 quarterly reports prepared on compliance with fleet management	N/A	Director: Corporate Services	77

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
		IDP implementation by 2022 and beyond	management and internal controls	policies and procedures	policies and procedures	018 239.58 which is 5.47% (R52863.90) increase in fourth quarter.	policies and procedures			
5,12			Efficient and economical utilisation of council resources	No. of quarterly reports prepared on compliance with Telephone management policies and procedures	4 quarterly reports prepared on compliance with Telephone management policies and procedures	Target not met Reports indicating reduction by 10.13% compared to Q3 and increase of 15.77% to annual budget	Target not met 4 quarterly reports prepared on compliance with Telephone management policies and procedures	N/A	Director: Corporate Services	78
5,13			Establishment of legal frameworks, standards and ethical principles to protect the confidentiality of data	No. of reports prepared on compliance with the file plan	4 reports prepared on compliance with the file plan	Target met 4 quarterly report on the implementation and monitoring of records management policy attached	Target met 4 reports prepared on compliance with the file plan reflecting workshops conducted to ensure compliance as follows 31/08/2017 Cathcart, 14/12/2017 Council Chamber,	N/A	Director: Corporate Services	79

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							07/03/2018 Keiskammahok.			
5,14		To develop and implement effective and compliant frameworks to improve planning and performance management by 2022	Integrated Planning and Development	Date on which the 2018/19 IDP is submitted to Council for approval	2018/19 IDP submitted to Council for approval by Council on 31st May 2018	Target met Final IDP submitted to Council for approval on the 31 May 17. Council Resolution attached	Target met Final 2018/19 IDP was submitted to Council on the 30 May 2018. 2018/19 IDP attached and Council resolutions attached.	N/A	Director; Strategic Management Services	80
5,15			Improve the effective functionality and credibility of the performance management System	Reviewed performance management policy adopted by council - Yes/No	Yes - Reviewed performance management policy adopted by council	Final PMS policy submitted to Council on the 31 st of May 2017 PMS Policy and Proof of submission to Council attached.	Target met PMS policy adopted by Council on the 30 May 2018. PMS Policy and Council Resolutions attached	N/A	Director; Strategic Management Services	81

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
5,16				No. of days by which the 2018/19 SDBIP is submitted to the Mayor for approval	2018/19 SDBIP submitted to the Mayor for approval by the 28th day after approval of the budget	Target met Copy of Final 2017/18 SDBIP attached 2. Proof of Approval by Mayor on the 23 of June 2017 attached	Target met 2018/19 SDBIP was submitted to Mayor and approved on the 13 th June 2018 SDBIP and Proof of submission and approval by Mayor attached	N/A	Director; Strategic Management Services	82
5,17				No. of quarterly organizational performance reports submitted to Council	4 quarterly organizational performance reports submitted to Council	Target met 4 quarterly organizational Performance assessment report attached and signed 2. Council Minutes attached Date: July 2016, 28 th October 2016, 25 January, 31 May 2017	Target met 4 quarterly organizational Performance assessment report attached and signed 2. Council Minutes attached Submission dates; 30/08/2017 26/10/2017 25/01/2018	N/A	Director; Strategic Management Services	83

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
							30/04/2018			
5,18				Date on which the 2016/17 final and audited Annual Report is submitted to AG	2016/17 Annual report submitted to AG on 31 August 2017	Target met 2015/16 Annual Report was submitted to Council on the 08 th of December 2016	Target met 2016/17 Annual report was submitted to AG on 31 August 2017	N/A	Director; Strategic Management Services	84
5,19		Ensure 70% collection of income due from consumer debtors by 2022	Review and implementation of the Revenue Enhancement Strategy	Reviewed Revenue Enhancement Strategy approved by council	Developed Terms of Reference for Revenue Enhancement Strategy	New Indicator	Target met Developed Terms of Reference attached	N/A	Chief Financial Officer	85
5,20		To ensure value-maximization of the forestry natural resource in line with local economic development by 2022.	Development and implementation of a forestry strategy in a Co-ordinated manner	Develop Forestry Strategy adopted by Council	Developed Forestry Strategy adopted by Council	New Indicator	Target met Forestry Strategy was submitted to Council and adopted on the 30th May 2018. Strategy and Council Resolutions attached	N/A	Director Development and Planning	86

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IDP Ref	Outcome 9: A Responsive	Strategic Objective	Strategy	Key Performance Indicator	Annual Target 2017/18	Annual Actual 2016/17	Annual Actual 2017/18	Reason/Comment and Corrective Action	Custodian	KPI NO
5,21		To promote sustainable Local economic development by 2022	Development and implementation of the Spatial Development Framework	First Draft of Reviewed SDF submitted to Planning and Development Standing Committee	First Draft of Reviewed SDF submitted to Planning and Development Standing Committee	New Indicator	Target not met due to insufficient budget to implement. The Service provider has been appointed however completion of the project will be during 2018/19 financial year.	Target deferred to 2018/19 financial year.	Director Development and Planning	87
5,22			Reviewal of the Local Economic Development Strategy	Reviewal of the Local Economic Development Strategy and adopted by Council	Reviewal of the Local Economic Development Strategy and adopted by Council	New Indicator	Target not met There was no budget to appoint a service provider to review LED strategy	COGTA was requested to intervene with implementation of the project and it will be done on the next financial year 2018/19	Director Development and Planning	88

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 INTRODUCTION

The municipality had 336 employees as at the end of 30 June 2018 and 23 were employed during the year under review. Out of 336 employees there were 2 Resignations, 6 Retirements and 6 deaths.

The municipality implemented standardisation as a measure to address salary discrepancies. The standardisation process did not adequately address the salary discrepancies which resulted in some employees raising their disputes on the process. The process also led to escalation of personnel costs. In order to rectify the challenges of standardisation the municipality is planning to implement organisational re-engineering. The process of Reviewal of organisation structure will also be aligned with the process of re-engineering project.

4.2. MUNICIPAL WORKFORCE & LEVELS OF REPORTING

There are 6 section 56 managers at the employ of the Municipality and they had signed performance agreements which all have been submitted to the Department of Local Government and Traditional Affairs within the required time frames.

Three of the directors left the municipality. The positions have been advertised to fill in the vacant positions through recruitment processes.

The 6 section 56 managers lead the following departments

- Engineering Services
- Community Services (Contract Expired on 16 April 2018)
- Development and Planning (Contract Expired on 30 May 2018)
- Budget and Treasury Office
- Corporate Services
- Strategic Services

Full time staff complement per functional area

Employees				
Description	Year -1	Year 2017/18		
	Employees	Approved Posts	Current year	Total No
	No.			Employees
Corporate Services	24	7	7	31
Development and Planning	20	1	1	21
Engineering Department	131	1	1	132
Community Services	82	1	1	83
Executive Services	8	9	9	16
Strategic Management Services	15	5	5	19
BTO	33	1	1	34
Totals	313	'25	'25	336
<p><i>Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.</i></p>				

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Vacancy Rate: Year 2017/18			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	100.00
CFO	1	0	100.00
Other S56 Managers (excluding Finance Posts)	2	2	100.00
Senior Manager Levels 13-15	0	0	100.00
Highly skilled supervision levels 9-12	19	0	100.00
Total	23	2	8.7%

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

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year (2017 / 2018)	23	Resignations - 1	
	23	Retirement - 6	
		Death – 6	
		Ill health - 0	
Total		Promotions - 2	
	23	13	57%

** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

T 4.1.3

4.3 MANAGING THE MUNICIPAL WORKFORCE

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	.	
1	Code of conduct for councillors	100	16 – 17 April 2018	30 MAY 2018
2	Rules of order	100	16 -17 April 2018	30 MAY 2018
3	Intergovernmental Policy framework	100	16 – 17 April 2018	30 MAY 2018
4	Code of conduct for ward committees	100	16 – 17 April 2018	30 MAY 2018
5	Career Management policy	100	16 – 17 April 2018	30 MAY 2018
6	Experiential training policy	100	16 – 17 April 2018	30 MAY 2018
7	Scarce Skills Policy	100	16 – 17 April 2018	30 MAY 2018
8	Employee study assistance policy	100	16 – 17 April 2018	30 MAY 2018
9	Training and development policy	100	16 – 17 April 2018	30 MAY 2018
10	Acting allowance policy	100	16 – 17 April 2018	30 MAY 2018
11	Bereavement Policy	100	16 – 17 April 2018	30 MAY 2018
12	Leave Policy	100	16 – 17 April 2018	30 MAY 2018
13	Policy on policy development	100	16 – 17 April 2018	30 MAY 2018
14	Fleet management Policy	100	16 – 17 April 2018	30 MAY 2018
15	Subsistence and Travelling Policy	100	16 – 17 April 2018	30 MAY 2018
16	Official transport to attend Funerals (Bereavement Policy)	100	16 – 17 April 2018	30 MAY 2018
17	Job Evaluation review policy	100	16 – 17 April 2018	30 MAY 2018
18	Occupational health and safety policy	100	16 – 17 April 2018	30 MAY 2018
19	Overtime and shift allowance policy	100	16 – 17 April 2018	30 MAY 2018
20	Performance Management and Development	100	16 – 17 April 2018	30 MAY 2018
21	Recruitment, Selection policy	100	16 – 17 April 2018	30 MAY 2018
22	Code of conduct for staff members	100	16 – 17 April 2018	30 MAY 2018
23	Long Service Allowance Policy	100	16 – 17 April 2018	30 MAY 2018

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24	Grievance procedure	100	SALGBC	30 MAY 2018
25	Skills Development policy	100	16 – 17 April 2018	30 MAY 2018
26	Staff retention policy	100	16 – 17 April 2018	30 MAY 2018
27	Telephone usage and cellular allowance phone	100	16 – 17 April 2018	30 MAY 2018
28	Records Management Policy	100	16 – 17 April 2018	30 MAY 2018
29	Uniforms and Protective Clothing (Health and Safety Policy)	100	16 – 17 April 2018	30 MAY 2018
30	Remuneration scales and allowances	100	SALGBC	30 MAY 2018
Use name of local policies if different from above and at any other HR policies not listed. T 4.2.1				

4.3.1 SICK LEAVE

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Type of injury
	Days	No.	%	Days	
Required basic medical attention only	0	0	0%	0	
Temporary total disablement	0	0	0%	0	
Permanent disablement	0	0	0%	0	
Fatal	0	0	0%	0	
Total	0	0	0%	0	

T 4.3.1

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Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 2-5)	486	5.55%	67	116	4.18	
Skilled (Levels 6-11)	499	8.21%	79	115	4.33	
Highly skilled production (levels 12-17)	541	11.82%	68	84	6.44	
Interns	6	83.33%	2	4	1.5	
Other (task grade pending)	2	100%	1	4	0.5	
MM and S57	24	16.66%	4	5	4.8	
Total	1558	9.17%	221	328	4.75	
* - Number of employees in post at the beginning of the year						T 4.3.2

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Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
P.M.U Manager	Gross Insubordination and Deliration of Duties.	05/05/2017	The disciplinary hearing was held on the 29 th of March 2018 and Mr. Silinga's contract expired on the 30 th of March 2018. The employee representative and employer representative cannot send mitigating and aggravating factors to argue their case for the Chairperson to determine the outcome as Mr Silinga is no longer an employee.	Closed
Unit Manager	Gross Insubordination	09/05/2017	In the Disciplinary hearing that was held on the 29 th of January 2018 the matter was finalised and Mr. T. Sipango was found not guilty on all the charges.	Closed
General Workers	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Securities	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Secretary to the Municipal Manager	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Supervisor	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
General Worker Development and Planning	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Receptionist	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Heavy Duty Operator	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed

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Security	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
General Worker: Refuse Section	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
T.C.S Operator	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Security	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Superintendent	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Cleaner/ Messenger	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
General Worker	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Secretary to the Director Community Services	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Security	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
General Worker: Refuse Section	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Cleaner/ Messenger	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed

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Cleaner/ Messenger	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
General Worker	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Internal Audit	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Traffic Warden	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Expenditure Accountant	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Bank Recon. Officer	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Tourism Officer	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Creditors Clerk	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Payroll Officer	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Executive Administrator Office of the Municipal Manager	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed
Superintendent	Gross Misconduct	12 April 2017	Both parties signed settlement agreement	Closed

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Senior T.C.S Operator	Gross Misconduct	12 April 2017	Re-instated	Closed
Supervisor: Road Maintenance	Gross Misconduct	12 April 2017	Re-instated	Closed
Administrator: Community Services	Gross Misconduct	12 April 2017	Re-instated	Closed
General Worker	Gross Misconduct	12 April 2017	Re-instated	Closed
General Worker	Gross Misconduct	12 April 2017	Re-instated	Closed
General Worker	Gross Misconduct	12 April 2017	Re-instated	Closed
General Worker	Gross Misconduct	12 April 2017	Re-instated	Closed
General Worker	Continuous Absenteeism	09/06/2017	Dismissed	Closed
Director Community Services Department	Corruption	10 May 2017	Mr. Vara's contract expired on the 16 th of April 2018 and the disciplinary proceedings had to fall down since he is no longer an employee.	Closed
Director Corporate Services Department	Gross Negligence	15 September 2016	Bought out of his contract	Closed
Electrician	Gross misconduct and insolent behaviour	29 May 2018	Final written warning valid for 6 months and directed to the Employment Assistant Programme.	Closed

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Senior Electrician	Gross misconduct, Continuous absenteeism and Poor performance	03 April 2018	Awaiting for the sanction from the Presiding Officer.	Finalised
Human Resources Development Manager	Insolent behaviour and gross misconduct	03 May 2018	The Disciplinary Hearing that was scheduled for the 19 th of June 2018 was postponed to a later date.	Open
Parks and Gardens supervisor	Gross Misconduct and Insolent behaviour	04 June 2018	Preparing for the Disciplinary Hearing.	Open

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Cashier	Gross Insubordination, Gross Dereliction of Duties, Theft	Dismissed	03 May 2017
Cashier	Gross Insubordination, Gross Dereliction of Duties, Theft	Suspended	04 May 2017
			T 4.3.6

4.4 CAPACITATING THE MUNICIPAL WORKFORCE - SKILLS DEVELOPMENT AND TRAINING

SKILLS DEVELOPMENT MATRIX

Skills Matrix														
Management Level	Gender	Employees in post as at 30 June Year 2018	Number of Skilled employees required and actual as at 30 June Year 2018											
			Learnerships				Skills programmes & other short courses							
			No.	Actual: End of Year 2017	Actual: End of Year 2018	Year 2018 Target	Actual: End of Year 2017				Actual: End of Year 2017	Actual: End of Year 2018	Year 2018 Target	Actual: End of Year 2017
MM and s56	Female		0	0	0	0	MM and s56	Female		0	0	0	0	MM and s56
	Male		0	0	0	0		Male		0	0	0	0	
Councillors, senior officials and managers	Female		0	0	1	0	Councillors, senior officials and managers	Female		0	0	1	0	Councillors, senior officials and managers
	Male		0	0	1	0		Male		0	0	1	0	
Technicians and associate professionals*	Female		0	0	0	0	Technicians and associate professionals*	Female		0	0	0	0	Technicians and associate professionals*
	Male		0	0	0	0		Male		0	0	0	0	
Professionals	Female		0	2	0	0	Professionals	Female		0	2	0	0	Professionals
	Male		0	1	0	0		Male		0	1	0	0	

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Semi-Skilled and Unskilled	Female		0	1	0	0	Semi-Skilled and Unskilled	Female		0	1	0	0	Semi-Skilled and Unskilled
	Male		0	0	0	0		Male		0	0	0	0	
Sub total	Female		0	0	0	0	Sub total	Female		0	0	0	0	Sub total
	Male		0	0	0	0		Male		0	0	0	0	
Total			0	0	4	2	Total			0	4	2	0	Total
<i>*Registered with professional Associate Body e.g CA</i>														T 4.5.1
(SA)														

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Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Description
Financial Officials		Financial Officials		Financial Officials		Financial Officials
Accounting officer	1	Accounting officer	1	Accounting officer	1	Accounting officer
Chief financial officer	1	Chief financial officer	1	Chief financial officer	1	Chief financial officer
Senior managers	3	Senior managers	3	Senior managers	3	Senior managers
Any other financial officials	30	Any other financial officials	30	Any other financial officials	30	Any other financial officials
Supply Chain Management Officials		Supply Chain Management Officials		Supply Chain Management Officials		Supply Chain Management Officials
Heads of supply chain management units	0	Heads of supply chain management units	0	Heads of supply chain management units	0	Heads of supply chain management units
Supply chain management senior managers	1	Supply chain management senior managers	1	Supply chain management senior managers	1	Supply chain management senior managers
TOTAL	36	TOTAL	36	TOTAL	36	TOTAL
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

SKILLS DEVELOPMENT MATRIX

Skills Matrix															
Management Level	Gender	Employees in post as at 30 June Year 2018	Number of Skilled employees required and actual as at 30 June Year 2018												
			Learnerships			Skills programmes & other short courses									
			No.	Actual: End of Year 2016	Actual: End of Year 2018	Year 2018 Target	Actual: End of Year 2017			No.	Actual: End of Year 2016	Actual: End of Year 2018	Year 2018 Target	Actual: End of Year 2017	
MM and s56	Female		0	0	0	0	MM and s56	Female		0	0	0	0	MM and s56	
	Male		0	0	0	0		Male		0	0	0	0		
Councillors, senior officials and managers	Female		0	0	1	0	Councillors, senior officials and managers	Female		0	0	1	0	Councillors, senior officials and managers	
	Male		0	0	1	0		Male		0	0	1	0		
Technicians and associate professionals*	Female		0	0	0	0	Technicians and associate professionals*	Female		0	0	0	0	Technicians and associate professionals*	
	Male		0	0	0	0		Male		0	0	0	0		

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Professionals	Female		0	2	0	0	Professionals	Female		0	2	0	0	Professionals
	Male		0	1	0	0		Male		0	1	0	0	
Semi-Skilled and Unskilled	Female		0	1	0	0	Semi-Skilled and Unskilled	Female		0	1	0	0	Semi-Skilled and Unskilled
	Male		0	0	0	0		Male		0	0	0	0	
Sub total	Female		0	0	0	0	Sub total	Female		0	0	0	0	Sub total
	Male		0	0	0	0		Male		0	0	0	0	
Total			0	0	4	2	Total			0	0	4	2	0
<i>*Registered with professional Associate Body e.g CA</i>														T 4.5.1
(SA)														

4.5 MANAGING THE WORKFORCE EXPENDITURE

Designation	Wages and benefits 2016/17	Wages and benefits 2017/18
Municipal Manager	R 1 340 628	R988 566
Corporate Services Manager	R 1 178 730	R847 045
Planning and Development Manager	R 1 178 730	R1 509 905
Engineering Services Manager	R 0	
Community Services Manager	R 1 178 730	R1 222 000
Finance Manager (CFO)	R 1 045 376	R671 337
Strategic Manager	R 1 111 542	R1 357 033

EMPLOYEE RELATED COSTS	2016/17	2017/18
Basic	R 75 258 570	R90 201 439
Bonus	R 5 353 045	R4 280 228
Medical aid contributions	R 3 674 493	R4 137 813
UIF	R 569 543	R580 153
Travel, motor car, accommodation, subsistence and other allowances	R 1 384 671	R1 113 827
Overtime payments	R 2 865 096	R2 073 801
Acting allowance	R 389 568	R750 738
Travel allowance	R 5 012 161	R5 857 550
Housing benefit and allowances	R 3 248 782	R3 242 208
Industrial Council Levy	R 31 111	R32 866
Pension fund contributions by Council	R 12 011 405	R13 522 870

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REMUNERATION OF COUNCILLORS	2016/17	2017/18
Mayor	671 050	R825 406
Speaker	563 320	R667 160
Council Salaries	7 976 254	R7 424 791
Contribution to medical aid, Pension funds and UIF	1 367 057	
Councillor allowances	873 865	R3 325 470

CHAPTER 5: FINANCIAL PERFORMANCE

5.1 INTRODUCTION

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

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

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COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

Reconciliation of
Table A1 Budget
Summary

Description	Year 2017/18											Year -2016/17			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	16 771	-	16 771			16 771	16 893		1%	101%	101%				14 013
Service charges	51 802	500	52 302			52 302	52 419		-48%	68%	68%				38 006
Investment revenue	6 800	-	6 800			6 800	6 096		-66%	60%	60%				8 442
Transfers recognised - operational	101 164	1 367	102 531			102 531	102 211		0%	100%	101%				124 982
Other own revenue	49 083	201	49 284			49 284	443		-484%	17%	17%				6 855
Total Revenue (excluding capital transfers and contributions)	225 621	2 068	227 688	-	-	227 688	167 063								192 297
Employee costs	114 036	-	114 036			114 036	120 080		5%	105%	105%				112 135
Remuneration of councillors	13 244	-	13 244			13 244	12 243		-8%	92%	92%				11 561
Debt impairment	5 000	-	5 000			5 000	10 352		52%	207%	207%				7 916

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Depreciation & asset impairment	26 000	-	26 000			26 000	853		13%	115%	115%				29 038
Finance charges	100	(50)	50			50	38		-32%	76%	38%				2 507
Materials and bulk purchases	28 000	-	28 000			28 000	072		-3%	97%	97%				26 165
Transfers and grants	-	-	-			-									
Other expenditure	39 240	28 241	67 482			67 482	290		-8%	92%	159%				64 247
Total Expenditure	225 621	28 191	253 812	-	-	253 812	928								253 569
Surplus/(Deficit)	-	(26 124)	124			124	864								(61 271)
Transfers recognised - capital	32 145	(229)	31 916			31 916	600		-0	99%	98%				21 640
Contributions recognised - capital & contributed assets			-			-									
Surplus/(Deficit) after capital transfers & contributions	32 145	(26 353)	5 793	-	-	5 793	(63 264)	-							(39 631)
Loss on disposal of assets							(2 339)								(47 128)
Fair value gain on biological assets							262								543
Loss on disposal of biological assets															-
Surplus/(Deficit) for the year	32 145	(26 353)	5 793	-	-	5 793	341	(63 341)							(86 217)
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital	32 145	(229)	31 916			31 916	600		-1%	99%	98%				21 709
Public contributions & donations															
Borrowing															
Internally generated funds		3 041	3 041			3 041	451		-574%	15%	0%				13 507
Total sources of capital funds	32 145	2 812	34 957	-	-	34 957	051	-	-575%	114%	98%	-	-	-	35 216
Cash flows															
Net cash from (used) operating	32 145	1 508	33 653			33 653	593		195%	-106%	-111%				2 733
Net cash from (used) investing	(32 145)	229	(31 916)			(31 916)	(29 317)		-9%	92%	91%				(32 774)

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Net cash from (used) financing Cash/cash equivalents at the year end	-	-	-		-	(218)						736	(3)
	105 825	(32 039)	73 786		73 786	922	6						72 050
													T 5.1.1

Notes

3 = sum of column 1 and 2

2 represents movements in original budget to get to final adjustmenst budget (including shifting of funds)

Virements must offset each other so that virements in Total

Expenditure equals zero

6 = sum of column 3, 4 and 5

8 does not necessarily equal the difference between 9 and 8 because overspending is not the only reason for unauthorised expenditure

9 = 7 - 6

10 = (7/6)*100

11 = (9/1)*100

14 = 13 - 12

15 in revenue equals Audited Outcome plus funds actually recovered

15 in expenditure equals Audited Outcome less funds actually recovered

15 in Cash Flow equals Audited Outcome plus funds recovered

This schedule must be part of the financial statements of the municipality (all other schedules, A2 - A7, should form part of the annexures to the financial statements. These schedules do not directly form part of the audit opinion)

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Financial Performance of Operational Services						
R' 000						
Description	Year - 2016/17	Year 2017/18			Year 2017/18 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Operating Cost						
Electricity	5 283	12 746	13 217	(5 031)	353%	363%
Waste Management	805	2 418	2 940	(1 316)	284%	323%
Housing	2 591	2 616	2 536	(92)	2935%	2849%
Component A: sub-total	8 680	17 781	18 694	(6 439)		
Roads	41 875	29 569	12 203	(27 103)	209%	145%
Component B: sub-total	41 875	29 569	12 203	(27 103)		
Planning & Development	13 099	10 992	10 737	(14 653)	175%	173%
Component B: sub-total	13 099	10 992	10 737	(14 653)		
Community & Social Services	10 117	11 848	11 277	(7 232)	264%	256%
Environmental Protection	553	577	496	(1 022)	156%	149%
Public Safety	2 829	2 594	2 434	(2 484)	204%	198%
Sport and Recreation	3 770	3 657	3 507	(2 793)	231%	226%
Component D: sub-total	17 269	18 675	17 713	(13 531)		
Total Expenditure	80 921	77 017	59 348	(61 726)		
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

T 5.1.2

Grant Performance						
R' 000						
Description	Year - 2016/17	Year 2017/18			Year 2017/18 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adj Budget (%)
Operating Transfers and Grants						
National Government:	121 449	99 964	99 964	99 964		
Equitable share	113 780	95 446	95 446	95 446	0%	0%
Other transfers/grants	6 607	3 129	3 129	3 129	0%	0%
EPWP Grant	1 062	1 389	1 389	1 389	0%	0%
Provincial Government:	1 200	1 200	1 200	1 200		
Sports and Recreation	1 200	1 200	1 200	1 200	0%	0%

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District Municipality:	-	-	-	-	-	-
Other grant providers:	825	-	1 366	1 048		
Waste Grant	825	-	1 366	1 010	100%	-35%
Seta Grant	-	-	-	37	0%	0%
Total Operating Transfers and Grants	123 474	101 164	102 530	102 211		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						
						T 5.2.1

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year -2016/17	Actual Grant Year 2017/18	Year 2017/18 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Foreign Governments/Development Aid Agencies						
A - "Project 1"	-	-	-	N/A	N/A	N/A
Private Sector / Organisations						
A - "Project 1"	-	-	-	N/A	N/A	N/A
<i>Provide a comprehensive response to this schedule</i>						T 5.2.3

5.2. ASSET MANAGEMENT

The Amahlathi Local Municipality believes that an Asset Management Policy is essential to ensure effective and efficient utilization of public monies and accountability thereof is heavily dependent on accurate recoding and accounting with the compilation of the Asset Register that is GRAP compliant. The policy is deemed necessary in order to facilitate the effective management, control and maintenance of the assets. The prime objectives of the policy is to ensure that the assets of Amahlathi Municipality are properly managed and accounted for by:-

- Ensuring the accurate recording of asset information
- The accurate recording of asset movements
- Exercising strict control over all assets
- Providing correct and meaningful management information
- Affecting adequate insurance of all assets
- Maintenance of Council's Assets

The policy is reviewed and amended by council annually during IDP and Budget process. The last review was done in May 2017.

An asset tracking system using bar-coded discs and scanners is implemented. The system allows for regular audits of all assets to be completed in a shorter time frame and therefore allowing for more regular updates of the register.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2017/18				
Asset 1				
Name	Mlungisi Sportfield			
Description	Construction of Mlungisi Sportfield			
Asset Type	Community Assets			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
Asset Value	Year 20/21	Year 19/20	Year 18/19	Year 17/18
				4 800 000.00
Capital Implications	4 800 000.00			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Amahlathi Highmast Lights			
Description	Highmast Lights			
Asset Type	Electricity Infrastructure			
Key Staff Involved	2			

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Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
	Year 20/21	Year 19/20	Year 18/19	Year 17/18
Asset Value				4 058 349.00
Capital Implications	4 058 349.00			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Nothenga Internal Roads			
Description	Construction of Nothenga Internal Roads			
Asset Type	Roads Infrastructure			
Key Staff Involved	2			
Staff Responsibilities	Monitoring, Managing & Reporting on the implementation of the Project			
	Year 20/21	Year 19/20	Year 18/19	Year 17/18
Asset Value				2 390 000.00
Capital Implications	2 390 000.00			
Future Purpose of Asset	To provide the community with at least a basic level of service			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy, Roads Maintenance Policy			
<i>T 5.3.2</i>				

Repair and Maintenance Expenditure: Year 2017/18				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	7 566	7 566	6 640	12%
<i>T 5.3.4</i>				

Financial Ratios

Financial Viability Assessment			
No.		Jun-17	Jun-18
Expenditure Management			
1.1	Creditors Payment Period	96 days	85 days
Revenue Management			
2.1	Debt Collection Period (after impairment)	107 days	117 days
	Debt impairment provision as percentage of accounts receivable	69.8%	68.1%
	Amount of debt impairment provision	27,895,453	38,247,863
2.2	Amount of accounts receivable	39,941,214	56,271,291
Asset & Liability Management			
	A deficit for the year was realised (total expenditure exceeded total revenue)	Yes	Yes
3.1	Amount of surplus/deficit for the year	- 39,688,885.00	63,340,915
	A net current liability position was realised (total current liabilities exceeded total current assets)	No	No
3.2	Amount of net current asset position	50,176,086.00	-15,768,777
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	Amount of net asset position	486,981,901.00	400,705,486.00
Cash Management			
	The year end bank balance was in overdraft	No	No
4.1	Amount of year end bank balance (Cash & Cash Equivalents)	72,049,611.00	6,922,101
	Net cash flow for the year from operating activities were negative	No	Yes
4.2	Amount of net cash inflow for the year from operating activities	2,733,430.00	-35,592,877
	Creditors as a percentage of cash & cash equivalents	31.6%	366.4%
	Amount of creditors (accounts payable)	22,756,156.00	25,362,056.00
4.3	Amount of cash and cash equivalents at year end	72,049,611.00	6,922,101.00

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital Expenditure - Funding Sources: Year -2016/17 to Year 2017/18							
R' 000							
Details	Year - 2016/17	Year 2017/18					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adj to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	21	32	31 916	31	-1%	-2%
	Other	640	145	3 041	600	0%	0%
		13	-		451		
		577	-				
Total		35 216	32 145	34 957	32 051	-1%	-2%
Percentage of finance							
	External loans	-	-	-	-	0%	0%
	Public contributions and donations	-	-	-	-	0%	0%
	Grants and subsidies	61.4%	100.0%	91.3%	98.6%	91%	99%
	Other	38.6%	0.0%	8.7%	1.4%	0%	0%
Capital expenditure							
	Water and sanitation						
	Electricity	5 477	9 200	8 971	8 902	-2%	-3%
	Housing	-	-	-	-		
	Roads and storm water	18 365	15 645	15 645	13 965	0%	-11%
	Other	11 374	7 300	10 341	9 184	42%	26%
Total		35 216	32 145	34 957	32 051	39%	12%
Percentage of expenditure							
	Water and sanitation	-	-	-	-	0%	0%
	Electricity	15.6%	28.6%	25.7%	27.8%	-6%	-27%
	Housing	-	-	-	-	0%	0%
	Roads and storm water	52.2%	48.7%	44.8%	43.6%	0%	-91%
	Other	32.3%	22.7%	29.6%	28.7%	106%	218%
<i>T 5.6.1</i>							

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Municipal Infrastructure Grant (MIG)* Expenditure Year 2017/18 on Service backlogs						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
Infrastructure - Road transport	15 645	15 645	16 832	7%	7%	
<i>Roads, Pavements & Bridges</i>	15 645	15 645	16 832	7%	7%	
<i>Storm water</i>						
Infrastructure - Electricity	4 200	4 200	4 447	6%	6%	
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>	4 200	4 200	4 447	6%	6%	
Infrastructure - Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure - Sanitation						
<i>Reticulation</i>						
<i>Sewerage purification</i>						
Infrastructure - Other						
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
Other Specify:	7 300	7 300	5 867	-24%	-24%	
Sportsfields	4 800	4 800	5 486	13%	13%	
Fire, Safety & Emergency	2 500	2 500	380	-557%	-557%	
Hawker Stalls						
Other						
Total	27 145	27 145	27 145			

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

T 5.8.3

COMPONENT C: CASH FLOW STATEMENT

Cash Flow Outcomes				
R'000				
Description	Year -2016/17	Current: Year 2017/18		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts	202 912	257 766	256 464	191 581
Ratepayers and other	47 848	115 017	115 217	53 674
Government - operating	123 474	101 164	102 531	102 211
Government - capital	23 147	32 145	31 916	31 600
Interest	8 442	9 440	6 800	4 096
Dividends	-	-	-	-
Payments	(200 178)	(225 621)	(222 812)	(227 174)
Suppliers and employees	(197 671)	(225 521)	(222 762)	(227 174)
Finance charges	(2 507)	(100)	(50)	-
Transfers and Grants	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	2 733	32 145	33 653	(35 593)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 859			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables	143			10
Decrease (increase) in non-current investments				
Payments				
Capital assets	(34 776)	(32 145)	(31 916)	(29 327)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(32 774)	(32 145)	(31 916)	(29 317)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(3 736)	-	-	(218)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 736)	-	-	(218)
NET INCREASE/ (DECREASE) IN CASH HELD	(33 776)	-	1 737	(65 128)
Cash/cash equivalents at the year begin:	105 825	147 381	147 381	72 050
Cash/cash equivalents at the year end:	72 050	147 381	149 117	6 922
Source: MBRR A7				T 5.9.1

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Actual Borrowings: Year -2015/16 to Year 2017/18			
R' 000			
Instrument	Year 2015/16	Year 2016/17	Year 2017/18
<u>Municipality</u>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	-	-	-
<u>Municipal Entities</u>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	-	-	-
<i>T 5.10.2</i>			

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Municipal and Entity Investments			
R' 000			
Investment* type	Year 2015/16	Year 2016/17	Year 2017/18
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	8 907	8 455	5 709
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	8 907	8 455	5 709
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	-	-	-
Consolidated total:	8 907	8 455	5 709
			<i>T 5.10.4</i>

5.3 SUPPLY CHAIN MANAGEMENT

Section 3(1) (b) and (c) of the SCM regulations states that the accounting officer of a municipality must at least annually review the implementation of SCM policy and when necessary submit proposal for the amendments of the policy to council. The SCM policy was initially developed in 2005 and implemented to give effect to the SCM regulations and it was last reviewed in May 2017. Amahlathi has established an SCM unit which comprises of four officials. The code of conduct, oath of secrecy and declaration forms are signed by all officials involved in supply chain management. The SCM manager has reached prescribed levels as required by the Minimum Competency Regulations Guidelines and the other three officials are still in process. In line with Municipal Finance Management Act (MFMA), the accounting officer has also established various bid committees that are consistent with the SCM regulations and any applicable legislation for competitive bidding i.e.

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

5.4 GRAP COMPLIANCE

The municipality is required by legislation to report on its financial affairs using GRAP Reporting Framework. The Annual Financial Statements and Fixed Asset Register have been prepared and submitted using applicable GRAP standards. In the current year, the municipality has not adopted any new standards and interpretations as there are none effective in the current financial year. The municipality also became aware that it had to comply with the requirements of GRAP 27 (Biological Assets) due to the identification of plantations under its control. The Asset Register and the Annual Financial Statements have been updated through restatements.

CHAPTER 6: AUDITOR GENERAL FINDINGS

6.1. AUDITOR GENERAL OPINION 2016/17

The Amahlathi Local Municipality received an unqualified audit opinion in 2016/2017 audit and the following issues were raised;

- Unauthorised expenditure of R20.6 million incurred
- Irregular expenditure R22.5 million incurred
- Material losses of R3.5 million incurred

AUDIT ACTION PLAN TO ADDRESS 2016/17 FINDINGS

No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
1	ISS. 1	2	Non submission of requested information	Non- compliance with section 74(1) of the MFMA	Corporate services is going to have a session to look at all the information usually requested by AG from RFI level to CoAF and ensure it is available, signed and filed for ease of retrieval	None	Accounting Officer/Corporate Services Director	2018/02/28	In Progress
2	ISS.22	8	Incorrect allocation of payables	Overstatement of payables from exchange transactions and understatement of debtors	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
3	ISS.27	9	The requirement of minimum 16 annual leave days not met	Non-compliance with the requirements of SALBC Main Collective Agreement and the Amahlathi Local Municipality Leave policy.	Leave reports will be analysed on a monthly basis and correspondence will be sent to affected directorates and followed up to ensure compliance to the Main Collective agreement and the municipal policy. Monitoring of leave book and attendance register.	None	Director Corp Serv	Monthly	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
4	ISS.35	12	HR Management Non-compliance	Non-compliance with Disciplinary Regulations for Senior Managers as required by Municipal Systems Act 23 of 2000.	To ensure full implementaton of Municipal Systems Act and Regulations by developing and sending the reports to the spheres of governance	None	Director Corp Serv	Monthly	In Progress
5			AoPO - Difference between audited and reported values	The Performance information reported as per APR, relating to Service delivery and infrastructure development, is not reliable as the misstated performance indicators/targets are material.	An oversight will be conducted on set indicators immediately the process of compiling the 2017/18 SDBIP starts	Processes are unfolding to develop strategies which will results in the development of Indicators and targets	Director Strategic	30-Jun-18	The process of developing indicators has started, and due diligence will be exercised in ensuring accuracy
6	ISS.047	17	Operating lease note is not disclosed in the annual financial statements	Non-compliance with the relevant standards.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
7	ISS.48	16	Fruitless and wasteful expenditure understated	Understatement of fruitless and wasteful expenditure with the factual misstatement	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
8	ISS.24	8	Understatement of payables	Non-compliance with the MFMA and understatement of payables on the annual financial statements	1. Accruals listing will be prepared to support the interim AFS. 2. All cancelled cheques will be followed up to ensure that they are raised as such if not repaid.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
9	ISS.26	8	Understatement of Commitments	Non-compliance with the MFMA and understatement of commitments on the annual financial statements	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
10	ISS.46	15	Contingent liabilities - Completeness of contingent liabilities	Non-compliance with applicable GRAP standards	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
					AFS will be reviewed to ensure that schedule supporting balances are correct				
11	ISS.2	12	Employee Cost - Misclassification of Industrial Council Levy	Factual misstatement of R163 112 because of misclassification between the Industrial Council levy and Travel allowances	Travel allowance to be linked to the correct vote number	This has been rectified through the mSCOA chart	CFO	30-Jun-18	In Progress
12	ISS.7	4	New Appointments: non-compliance with recruitment policy	Non-compliance with policies and procedure.	Management will ensure that policies and procedures are reviewed and fully complied with and implementation thereof monitoring and reporting is done timeously.	None	Director Corp Serv	Monthly	In Progress
13	ISS.8	4	Terminations of employment: Employees paid after employment termination	Weak internal controls and non-review of the payroll reports	To ensure that payroll information is scrutinised, reconciled and reviewed to inputs for each month. All payroll input to be submitted to Corporate Services (payroll admin officer) reviewed and submitted to payroll officer for processing.	In progress	Director Corp Serv	Monthly	In Progress
14	Iss.28	9	Leave days capture in an incorrect financial year	Lack of internal controls regarding leave days recorded.	Leave reports will be analysed on a monthly basis and correspondence will be sent to affected directorates and followed up to ensure compliance with the Main Collective agreement and the municipal policy	In progress	Director Corp Serv	Monthly	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
15	ISS.49	18	Employee benefits: Misclassification of service costs	A factual difference of R1 436 000 is therefore noted	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
16	ISS.42	15	Material Losses - Presentation and disclosure	Non-compliance and/or misstatement of amounts disclosed.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
17	ISS.43	15	Material Losses - Accuracy of the Material Losses Rand Value	Factual understatement of R185 038.64 and the projected understatement is R572 599.25.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
18	ISS.44	15	Material losses - Amount disclosed is higher than the norm	The electricity distribution losses percentage above the norm will be reported as an emphasis of matter paragraph on the audit report as material losses disclosed.	1. Meter Audit 2. Data Cleansing 3.Changing of meteres 4. AMR (Automated meter readers) 5.Transformer Zoning 6. Cost to supply electricity. 7. Development of Tariffss. 8. Ring fencing of electricity. Load Flow Study analysis	Cable has been laid from the mains to the Bushpig(2x150mm HV - 2x2.7km)	Director Engineering	30-Jun-18	In Progress
19	Iss.6	1	Procurement – less than 3 people who are fully conversant with the technical aspects of the requirements	Non-compliance with CIDB requirements.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS. Compliance with CIDB is ensured on a daily basis	CFO	30-Jun-18	In Progress
20	ISS.45	15	Consequence management - No investigation on UIFW	Non-compliance with the above Act.	Implement provisions of section 32 of the MFMA	Irregular Expenditure has been reported to council and referred to MPAC for investigation	Accounting Officer	30-Jun-18	In Progress
21	ISS.10	4	AFS: High level review	Non-compliance and/or misstatement of amounts disclosed.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
22	ISS.9	4	Internal control deficiencies: Policies and procedures not regularly reviewed and approved	The above finding could result in ineffective internal control systems due to the Municipality operating using outdated policies	A register of policies will be developed signed and adopted and kept in a central place(Corporate Services). Policies and procedures review will start of by forming a Committee represented by all departments and Union representatives to look at the policies before a policy workshop is conducted.	None	Director Corp Serv	Q3 and Q4	In Progress
23	ISS.37	11	PPE: Misstatement on Depreciation	Understatement of depreciation and an overstatement in property, plant and equipment.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS, reviewal of Asset management policy is underway to ensure alignment with the guide, Accounting policy and system set up	CFO	30-Jun-18	In Progress
24	ISS.41	17	Property, plant and equipment	Understatement of depreciation and an overstatement in property, plant and equipment.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS, reviewal of Asset management policy is underway to ensure alignment with the guide, Accounting policy and system set up	CFO	30-Jun-18	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
25	ISS.21	8	Difference between supplier statements and the creditors listing	Understatement of payables from exchange transactions and understatement of expenditure	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
26	ISS.25	8	Use of consultants: Misstatement on consultant expenditure	The cause of the above finding is due to the lack of reconciliation of the accrual listing and expenditure balances.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
27	ISS.29	8	Payables from exchange transactions: understatement of payables	Payables are therefore understated by a projected amount of R6 459 473.01	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
28	ISS.31	12	Payables: Uncleared suspense account and incorrect accrual raised	Payables are materially overstated	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct.	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
29	ISS.3	1	AoPO: Key Performance Indicators with no budgeted amount	The key performance indicators that are not budgeted for might not be achieved due to unavailability of financial resources	The institution will focus only on indicators that are SMART and budgeted for going forward(2017/18) which focus on the functions of the municipality	The process is unfolding which will culminate in the developmnet of SMART and budgeted Indicators	Director Strategic	30-Jun-18	Budgeted indicators will be reflected in the SDBIP and the process is unfolding
30	ISS.4	1	Key Performance Indicators - Measurability and Relevance	Non compliance with Local Government: Municipal Planing and Performance Management Regulation 9	The institution will look at the guidance of Legislation and Regulation during the compilation of the Strategic documents and when the SDBIP is compiled	The process is unfolding which will culminate in the developmnet of SMART and budgeted Indicators	Director Strategic	30-Jun-18	The development of an SDBIP is in process and the review will be done by Senior Management to ensure SMART indicators
31		1	Quarterly reviews APO: No evidence provided to support achieved targets (Limitation of Scope).	Unable to confirm if the set targets were met as reported.	Evidence relating to set targets will be compiled and collated at the end of every qyarter to support the achievement of all targets of the institution	Implemented quarterly	Director Strategic	Continuously	Quality check on evidence submitted to substantiate the achievement of indicators will be enhanced

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
32	ISS.11	6	Usefulness of Predetermined Objectives	This will lead to Annual Performance Report that is not useful to the users.	The institution will look at the guidance of Legislation and Regulation during the compilation of the Strategic documents and when the SDBIP is compiled	The process is unfolding which will culminate in the developmnet of SMART and budgeted Indicators	Director Strategic	30-Jun-18	The development of an SDBIP is in process and the review will be done by Senior Management to ensure SMART indicators
33	ISS.20	5	Incomplete information submitted -Local Economic Development	Limitation of scope should the information not be provided and this will lead to qualification as the indicators are considered as material	All evidence will be collected and collated and submitted within the agreed time frame	In progress	Director Plan & Dev	Monthly	In Progress
34	ISS.34	10	AoPO - Local Economic Development - Completeness of Indicators/Targets)	This could lead to inability of growth for small companies due to insufficient support by local municipality.	The institution will include indicators that promote LED, SMME and Co-ops in the next development of the 2018/19 SDBIP and the municipality will review the current 2017/18 SDBIP to accomodate the indicator/targets relating to support to SMMEs	During the adjustment budget the indicators will be accomodated	Director Strategic	Jan-Feb 2018	The indicators have been accomodated in the draft 2018/19 SDBIP and in the ajusted 2017/18 SDBIP
35	ISS.13	7	Procurement: Non-compliance - Bid not advertised in 7 days	Non-compliance with SCM regulations.	Advertised Bids are monitored on a monthly basis to ensure that they are advertised in the municipal website.	In progress	CFO	Monthly	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
36		14	Procurement and contract management: Project not finished within the initial planned completion date	The delays of the project could potentially result in additional costs being incurred on the project.	Monitoring of projects, regular sitting of site and technical meetings. Establishment of active project steering committees. Process of blacklisting defaulting service providers. Formulation project management procedure manual.	In progress	CFO/Director Engineering	Monthly	In Progress
37	ISS.30	7	SCM: Non-compliance with Municipal Supply Management Regulation 32	Non-compliance of the SCM policy and non-compliance of SCM regulation 32 which resulted to irregular expenditure	Implement provisions of section 32 of the MFMA	Irregular Expenditure has been reported to council and referred to MPAC for investigation	CFO/Accounting Officer	Monthly	In Progress
38	ISS.32	8	Provision: Overstatement of provisions	Overstatement of provisions and understatement of payables on the annual financial statements	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	Monthly - Quarterly	In Progress

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No.	Exc. No.	Coaf	Finding	Impact	Action Plan	Progress	Responsibility	Time Frame	Status
39	ISS.16	3	Debtors: Amounts disclosed in the AFS for debtors do not agree to amounts as per Age analysis	Understatement of receivables and understatement of revenue	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress
40	ISS.36	12	SCM-False declarations made by suppliers not followed up	Non-compliance with SCM regulations. This will also result in non-compliance with the requirements of GRAP 20 paragraph 27	1. Before an award DPSA site will be visited to verify directors. 2. National Treasury CSB database will also be used to verify state employees	In progress	CFO	Monthly	In Progress
41	ISS.18	13	Revenue-Unused electricity not provided	Understatement of liabilities and an overstatement of revenue.	1. The matter was resolved, however the department will be preparing IFS (Q2 and Q3) to ensure authenticity and accuracy of financial information used to prepare Annual Financial statements. AFS will be reviewed to ensure that schedule supporting balances are correct	The municipality is in the process of appointing preparer of AFS	CFO	30-Jun-18	In Progress

6.2 **AUDIT REPORT OF THE AUDITOR GENERAL 2017/18 FINANCIAL YEAR**

Report of the auditor-general to Eastern Cape Provisional Legislature and the council on Amahlathi Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Amahlathi Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, 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 financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Amahlathi Local Municipality as at 30 June 2018 and financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2013 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2017 (Act No. 3 of 2017) (Dora).

Context for the opinion

3. 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 financial statements section of this auditor's report.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter paragraphs

6. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

Restatement of corresponding figures

7. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Unauthorised expenditure

8. As disclosed in note 43 to the financial statements, unauthorised expenditure of R13,3 million (2017: 20,6 million) was incurred in the current year and no disciplinary action has been taken yet with regards to the expenditure.

Fruitless and wasteful expenditure

9. As disclosed in note 44 to the financial statements is fruitless and wasteful expenditure of R6,5 million (2017: R6,3 million) and no disciplinary action has been taken yet with regards to the expenditure. Fruitless and wasteful expenditure of R 0,262 million (2017: R 0,681 million) was incurred during the current year as a result of damages and interest payments.

Irregular expenditure

10. As disclosed in note 45 to the financial statements, irregular expenditure of R 59,9 million (2017: R 40,9 million) which had not been recovered, written off or condoned. Irregular expenditure of R19,0 million (2017: R 22,5 million) incurred during the current year, was included in the amount disclosed.

Material Impairments

11. As disclosed in note 30 to the financial statements, R10,3 million (2017: R7,9 million) were incurred as a result of a provision of impairment of irrecoverable trade and other receivables from exchange and non-exchange transactions.

Material losses

12. As disclosed in note 46 to the financial statements material losses of R5,0 million (2017: R3,45 million) was incurred which represent 18.6% (2017: 18.9%) of the total electricity purchased.

Events after the reporting date

13. As disclosed in note 42 to the financial statements, the municipality experienced a fire on the 16th October 2018 due to protest action. This fire affected the main administration and community services building including the finance department. This included the related movable assets and finance information that was housed in those facilities. The extent of this damage has not yet been assessed in full and the municipality is still in the process to quantify the rand value of the damage.

Financial sustainability

14. As disclosed in note 41 to the financial statements, the municipality is facing a number of financial risks that cast doubt on its ability to sustain its current level of operations in the near future. The key financial risks identified include:
 - an inability to pay creditors within due dates
 - negative key financial ratios including a net current liability position.

In addition, the actions taken by management to mitigate the impact of these risks are disclosed in this note.

Other matters

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

Unaudited disclosure notes

16. In terms of section 125(2)(e) of the MFMA, the municipality 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.

Unaudited supplementary information

17. The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, do not report thereon.

Responsibilities of accounting officer for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the 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.
19. 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 appropriate governance structure either intends 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 financial statements

20. 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
21. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

22. 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.
23. 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 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.
24. 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 selected development priorities presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priorities	Pages in the annual performance report
KPA 1: Basic service delivery and infrastructure	x – x
KPA 4: Local economic development	x – x

25. I performed procedures to determine whether the reported performance information was properly presented and whether performance 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.
26. The material findings in respect of reliability of the selected development priorities are as follows:

KPA 1: Basic service delivery and infrastructure

Various indicators

27. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of two of the 11 material 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 achievement of the indicators listed below:

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IDP REF	Indicator description	Planned target	Reported achievement
1.13	Turnaround time to attend to logged faults	Average of 1h02 - 3h29	Average of 1h02 - 3h29
1.18	Turnaround time (in hours) for responding to fire outbreaks	2hrs	2hrs

28. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programme:

- KPA 4: Local Economic Development

Other matters

29. I draw attention to the matters below.

Achievement of planned targets

30. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and explanations for the under- or overachievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 27 of this report.

Adjustment of material misstatements

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 1: Basic service delivery and infrastructure. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

Report on the 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:

Annual financial statements, performance and annual report

34. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of payables and receivables items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Strategic planning and performance management

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

Expenditure management

36. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R0,7 million, as disclosed in note 44 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
37. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R13 million, as disclosed in note 43 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
38. Reasonable steps were not taken to prevent irregular expenditure amounting to R59,9 million as disclosed in note 45 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

Procurement and contract management

39. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a).
40. Awards were made to providers who were in the service of other state institutions, in contravention of MFMA 112(j) 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).

Consequence management

41. Unauthorised expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(a) of the MFMA.
42. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

43. 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 financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.

44. My opinion on the 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.
45. 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 financial statements and the selected priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, 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

47. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the unqualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
 - The ineffective monitoring of daily, weekly and monthly financial discipline throughout the financial year resulted in most reconciliations, journals and corrections being performed after year-end. In addition, leadership did not ensure that the financial statements agreed to supporting documentation prior to its submission for audit.
 - There were no effective review and supervision processes to monitor compliance with all applicable legislation within the municipality. As a result, non-compliance with legislation was not effectively identified or prevented.
 - The internal audit unit and audit committee are functioning but were not fully effective in ensuring that improvements relating to internal controls and compliance with legislation were effected. This was largely as a result of ineffective monitoring of the implementation of internal audit's recommendations.

Other reports

48. I draw attention to the following engagement conducted by an external party that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report does not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

49. The Special Investigations Unit was conducting an ongoing investigation into improper conduct in procurement processes relating to the 2013-14 financial year. It was unknown when the outcome would be announced.

Auditor – General

East London

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development priorities and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Amahlathi Local Municipality ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

- I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

6.3 AUDIT AND PERFORMANCE COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2018.

1. Purpose

The function of the Audit Committee (hereinafter referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements.

2. Legal / Statutory Requirements

The Committee operates in terms of Section 166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003 and has endeavoured to comply with its responsibilities arising from those requirements. Other pieces of legislation that regulates function of the Committee are:-

- Municipal Structures Act
- Municipal Systems Act 32 of 2000

3. BACKGROUND

a. The Audit Committee sits on a quarterly basis to review Internal Audit reports as well as advise the Municipal Council, the Political office-bearers, the Accounting Officer and the management staff of the municipality on matters relating to:

-
- internal financial control and internal audits;
 - risk management;
 - accounting policies;
 - the adequacy, reliability and accuracy of financial reporting and information;
 - performance management;
 - effective governance;
 - compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
 - performance evaluation; and
 - any other issues referred to it by the municipality that are within the ambit and scope of the AC

b. Furthermore the Audit Committee has to review the annual financial statements and respond to the Council on any issues raised by the Auditor-General in the audit report.

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4. Role and Responsibility of the Audit Committee

The function of the Audit Committee (hereinafter referred to as the Committee) is primarily to assist the Amahlathi Municipality (hereinafter referred to as the Council) in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements.

5. Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. In terms of the Audit Committee Charter, the committee should consist of a minimum of 3 members. Ms Mnqeta was appointed as the Chairperson of the Audit Committee. The audit committee held 4 ordinary meetings and 4 special meetings during the year under review.

Name of Member	No of special meeting attended	No of ordinary meetings attended
Ms. T. Mnqeta (Chairperson)	4	5
Ms. T. Maqwati	3	5
Dr. M. Deliwe	3	5

6. Dates of Audit Committee Meetings

Ordinary Meetings	Special Meetings
10/07/2017	25 August 2017
27/10/2017	29 August 2017
05/12/2017	23 January 2018
27/03/2018	03 May 2018
27/06/2018	

The ordinary audit committee meetings are also attended by the Municipal Manager, Section 56 Managers, internal and external auditors and other relevant stakeholders.

7. Overall Challenges

Though it is indicated above that there is an improvement, but there are still challenges that can lead Municipality not attaining clean audit as required, thereby impacting on performance of Internal Audit as well as Audit Committee. Namely

- 7.1 MSCOA technical system challenges;
- 7.2 Finalisation of the Plant issue including the employees that were working for the yellow plant;
- 7.3 Investigations relating to the amount of irregular expenditure and fruitless and wasteful expenditure;
- 7.4 Increased amount of deviations;
- 7.5 Lack of documented processes and procedures for each function.

8. The quality of In-year management and monthly/quarterly reports

The Municipal Manager submitted reports during the year under review with regard to performance management and it was noted that the quality of the report has improved. Performance management for the municipality has improved although challenges are still noted regarding the late submission of information by the departments.

The municipality has to also improve on the documented timeframes on the policy to allow for performance reports submitted to the Council to be reviewed by Internal Audit before submission.

9. Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality in its audit. Focus by the audit committee on internal audit is to ensure that management implement the recommendations from the internal audit reports.

REVIEW OF THE 2016/2017

The Audit Committee has reviewed the draft Annual Financial Statements for 2016/2017 and there were no material misstatements that were noted. The municipality got an unqualified audit opinion for 16/17 financial years.

10. Auditor General South Africa

It must be noted that the municipality needs to put more controls in terms of implementing and monitoring the AG action plan. There is a sound and professional relationship between the Audit Committee and the Office of the Auditor General so as to ensure compliance.

SIGNED BY:

Ms. T. Mnqeta
Chairperson of the Audit Committee

CHAPTER 7 APPENDICES

APPENDIX A: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for nonattendance	Percentage Absenteeism
1. Cllr. P. Qaba	Full Time	Mayor of the Council	PR Councillor	93%	0%	7%
2. Cllr. N. P. Mlahleki	Full Time.	Speaker of the Council	PR Councillor	100%	0%	0%
3. Cllr. X. Mngxaso	Full Time	Whippery	PR Councillor	93%	0%	7%
4. Cllr. N.C. Nongqayi	Full Time	BTO Portfolio Head	PR Councillor	57%	43%	0%
5. Cllr. X. Mngxaso	Full Time	Development and Planning Portfolio Head	PR Councillor	93%	0%	7%
6. Cllr. N. Busika	Full Time	Corporate Services Portfolio Head	PR Councillor	93%	0%	7%
7. Cllr. N. Monti	Full Time	Service Delivery Portfolio Head	PR Councillor	93%	7%	0%
8. Cllr. T. Balindlela	Full Time	Community Service Portfolio Head	PR Councillor	93%	7%	0%
9. Cllr. S. Malawu	Full Time	MPAC	Ward 13	86%	7%	7%
10. Cllr. E. N. Brukwe	Part Time	Development and Planning	Ward 5	72%	28%	0%
11. Cllr. R.T. Desi	Part Time	Budget and Treasury	Ward 12	100%	0%	0%
12. Cllr. D. Gxekwa	Part Time	MPAC	Ward 2	93%	0%	7%
13. Cllr. A. Hobo	Part Time	Community Services	PR. Councillor	86%	14%	0%
14. Cllr. N. Jikazayo	Part Time	MPAC	Ward 7	86%	7%	7%

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15. Cllr. N. A. Kato-Manyika	Part Time	Budget and Treasury	PR Councillor	72%	14%	14%
16. Cllr. M. Mjikelo	Part Time	Community Services	Ward 4	93%	0%	7%
17. Cllr. N. Mtati	Part Time	Corporate Services/ Strategic Services	Ward 15	93 %	0%	7%
18. Cllr. G. D. Mxosa	Part Time	Service Delivery and Infrastructure	PR Councillor	86%	14%	0%
19. Cllr. D. Mzili	Part Time	Development and Planning	Ward 1	100%	0%	0%
20. Cllr. M. Ngcofe	Part Time	Service Delivery and Infrastructure	Ward 3	79%	7%	14%
21. Cllr. N. Ngxakangxaka	Part Time	Development and Planning	PR Councillor	100%	0%	0%
22. Cllr. T.C. Ngxingolo	Part Time	Corporate Services/Strategic Services	PR Councillor	86%	14%	0%
23. Cllr. G. P. Noxeke	Part Time	Community Services	Ward 14	100%	0%	0%
24. Cllr. P. Ntwanambi	Part Time	MPAC	PR Councillor	93%	7%	0%
25. Cllr. X. Nqata	Part Time	Corporate Services/ Strategic Services	Ward 8	93%	7%	0%
26. Cllr. M. Nqini	Part Time	Development and Planning	Ward 9	100%	0%	0%
27. Cllr. R. Pickering	Part Time	Budget and Treasury	PR Councillor	100%	0%	0%
28. Cllr. X. Tokwe	Part Time	Corporate Services/Strategic Services	Ward 6	93%	7%	0%
29. Cllr. V.W. Tshaka	Part Time	Community Services	Ward 10	86%	7%	7%
30. Cllr. S.G. Venkile	Part Time	Service Delivery	Ward 11	79%	21%	0%
31. Cllr. N. Pose	Part Time	Service Delivery/ MPAC	PR Councillor	93%	0%	7%
31. Traditional Leader: Mr. A.T. Daka	Part Time	Service Delivery	Traditional Leader	93%	0%	7%

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32. Traditional Leader: Ms. N. Sandile	Part Time	Corporate Services/Strategic Services	Traditional Leader	21%	0%	0%
33. Traditional Leader: Mr. K. Sandile	Part Time	Budget and Treasury	Traditional Leader	100%	0%	0%
34. Traditional Leader: Mr. Z. Ngudle	Part Time	Development and Planning	Traditional Leader	93%	0%	7%
35. Traditional Leader: Mr. Mdledle	Part Time	Community Services/Strategic Services	Traditional Leader	93%	0%	7%
36. Traditional Leader: Mrs. N.G. Mekuto	Part Time	MPAC/Corporate Services	Traditional Leader	100%	0%	0%
37. Traditional Leader: Mr. X. Zake	Part Time	MPAC	Traditional Leader	43%	0%	0%

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

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- *Traditional Leader Ms. N. Sandile attended only 3 Council Meetings. She resigned on the 16 September 2017.*
- *Traditional Leader Mr. X. Zake replaced traditional Leader N. Sandile. He was sworn in on the 28 March 2018*
- *After Traditional Leader Zake was sworn-in as the Traditional Leader of Amahlathi Local Municipality he was delegated to MPAC and Traditional Leader N. Mekuto replaced N. Sandile in Corporate Services Standing Committee.*

APPENDIX B: COUNCIL COMMITTEES (Other than Mayoral/ Executive Committee) and Purposes of the Committees

Municipal Committees	Purpose of Committee
Budget and Treasury	The purpose of the Budget and Treasury Standing Committee as a Section 79 Committee of Council is to:-
	Provide Political Leadership by being responsible for Policy outcomes, oversight and holds the Chief Financial Officer accountable for
	Performance by regular and consistent reporting to Council through the Committee.
Service Delivery	Report on Progress and Challenges on Capital Projects.
	Report on work done as per the Maintenance programme of Roads, also alerting the committee of the repairs done on Machinery
	That might have caused delays in the Programme.
	Challenges in the Department in General.
	Amount of Jobs created.
	The response time in repairing any complaints from the Community.
	Report on Budget Expenditure.
Development and Planning	To create a conducive environment for business to invest at Amahlathi area.
	To encourage business to create jobs in order to reduce unemployment.
	To promote SMME's and co-operatives within Amahlathi.
	To promote tourism as a vehicle for Job creation within Amahlathi.
	To support emerging farmers that are within Amahlathi and link them with business in order to sell their products.
Strategic Services	Empowerment is meant to create a conducive Environment for designated groups to be allowed equal opportunities
	To ensure that everyone has free access to government benefits irrespective of any kind of disability.
	To ensure that Gender is taken care to all workplaces.
	To restore Human dignity to previously disadvantage groups

Municipal Committees	Purpose of Committee
	To capacitate and empower the community to all matters of government
	To conduct awareness campaigns for designated groups about their rights.
Community Services	To provide accessible, affordable, equitable and sustainable service as well as a healthy environment to residents and business operating in the Amahlathi Local Municipality.
	To contribute towards a safe and secure environment.
	To promote a clean and healthy environment.
	To promote a culture of reading and learning.
	To ensure that Public Amenities are improved and well managed.
Corporate Services	To oversee the proper, efficient and effective operations of Human Resources and Administration Department.
	To ensure that Policy Formulation and recommendation from both Sections are in line with vision and mission of the municipality as well as
	Compliant with National and Provincial Legislation.
	To represent employer component in Provincial Institution Cluster of SALGA, Amathole District Municipality
	To champion good working relations between the employer and employee component of the municipality.
	To ensure that Departmental goals and Departmental Budget are aligned.
	To devise programs for imparting of skills to Stakeholders within the municipal area.
	To oversee that proper employment procedures are undertaken without disadvantaging anyone.

APPENDIX C: FUNCTIONS OF MUNICIPALITY

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

APPENDIX D: WARD REPORTING

Ward Name (Number)	Name of Ward and Ward Committees	Committee established (Yes /NO)	Number of Committee meetings held during the year	Number of quarterly reports submitted to the Speaker on time	Number of quarterly public meeting held during year
WARD 1	Cllr D.Mzili 1.Lindela Manyakanya 2.Nokrisimesi Mbande 3.Nozolile Mfuleni 4.Lulama Kwankwa 5.Cynthia Vane 6.Phumla Bobo 7.Nokuthula Madlokazi 8.Thulani Mlarsheni 9.Vuyokazi Bikitsha 10.Masixole Tebe	YES	12	3	4
WARD 2	Cllr D.S.Gxekwa 1.Veliswa Mhluzi 2.Vuyelwa Nkovu 3.Siyabulela Mpayipheli 4.Siseko Cawa 5.Milia Molteno 6.Cebo Madlokazi 7.Kungeka Sixholo 8.Ndodomzi Manyakanyaka 9.Mongameli Rode 10.Nomataru Mhlauli	YES	12	2	4
WARD 3	Cllr M.Ngcofe 1.Ntombikayise Mbane 2.Alfred Veto 3.Phiweka Socishe 4.Thozama Madlokazi 5.Zimasa Mthi 6.Akhona Tweni 7.Mfuyo Jumba 8. 9.Fundiswa Luthuli 10.Makhi Manentsa	YES	12	2	4
WARD 4	Cllr M Mjikelo 1.Nocwaka Nonyongo 2.Portia Mbesi Nancy Cofa 4.Phumelele Malamgeni	YES	12	4	4
WARD 5	Cllr Brukhwe 1.Sakhumzi Lubengu	YES	12	2	4

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	2.Ntombizanele Nono 3.Nomakorinte Ngcaku 4.Thobigunya Kolobile 5.Vukaphi Mpumelelo 6.Neliswa Nyathi 7.Vivian Sajini 8.Phindiwe Blom				
WARD 6	Cllr Tokhwe 1.Olwethu Booii 2.Nosango Manoni 3.Luyanda Sindi 4.Hussein Wayne Mopp 5.Nontekelelelo Xiniwe 6.Siphokazi Funani 7.Gudiswa Matomela 8.Nosiphiwo Nogqala 9.Zukile Malima 10.Veliswa Mondeleki	YES	12	3	4
WARD 7	Cllr Jikazayo 1.Sihlalo Magibizela 2.Phatheka Nojoko 3.Nontuthuzelo Damane 4.Nozukile Felem 5.Nosithile Momeni 6.Nwabisa Mbelwana 7.Nokona Bacela 8.Norah Toyiya 9.Kholiwe Sindaphi	YES	12	0	4
WARD 8	Cllr X.Nqatha 1.Lulama Kama 2. 3.Lee Fletcher 4.X.Mbiko 5.Mthuthuzeli Mkefu 6.Bulelwa Pinana 7.Busisa Xongwana 8.Nombuzo Bhanethi 9.Wonke Ntlombe 10.Nosiphiwo	YES	12	1	4
WARD 9	Cllr M.Nqini 1.Vuyo Mdutywa 2.Athini Somana 3.Zukisani Tancu 4.Khanya Sotyantsi 5.Msa Madliwa 6.Siyabonga Ntende 7.Thandeka Ntsasa 8.Zoleka Mbekeni 9.Zameka Sotyantsi	YES	12	4	4

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	10.Nobekaphi Wawa				
WARD 10	Cllr V.Tshaka 1.N.Maseti 2.D.R.Nonkewuse 3.Ntombizakhe Jaza 4.Bukelwa Soyi 5.Buntu Mpondo 6.Unathi Potose 7.Ndileka Magwaxaza 8.Nomfanelo Fikilane 9.Ntombizanele Sodzeme 10.Cebokazi Nxawe	YES	12	4	4
WARD 11	Cllr S.Venkile 1.Sizeka Mqwebedu 2.Sebenzile Barney 3.Nokwanda Sinina 4.Lusanda Habule 5.Andile Ngwalangwala 6.Nomsebenzi Lantu 7.Nontyantambo Charles 8.Mzwamabhele Norushe 9.Sindiswa Lunge 10.Bukiwe Madikane	YES	12	3	4
WARD 12	Cllr R.Desi 1.Thandeka Blom 2.Thumeka Nobavu 3.Nomvuyo Ntsudushe 4.Cebo Kotsobe 5.Phelisa Zipindile 6.Fanelwa Ngese 7.Luvuyo Mtila 8.Nosicelo Tishala 9.Lote Nosipiwo 10.Zukiswa Komani	YES	12	2	4
WARD 13	Cllr S.Malawu 1.Nomandithini Sotyantsi 2.Phumza Moloze 3.Khayaletu Selani 4.Tshona Caswell 5.Siyabulela Krishi 6.Zingaphi Sawuti 7.Vuyelwa Nyamakazi 8.Vuyo Jakuja 9.Veliswa Lamana	YES	12	1	4
WARD 14	Cllr D.Noxeke 1.Neliswa Mbulawa 2.Lina Busika	YES	12	2	4

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	3.Victoria Poni 4.Zukile Jaqula 5.Yoliswa Mapukatha 6.Nozuko Mbiko 7.Mlingiseleli Cetywayo 8.Mziyanda Mtsewu 9.Bulelani Ndoloshe 10.Nomsa Jeremiah				
WARD 15	CLLR Mtati 1.Vulindlela Mvandaba 2.Zoliswa Kweleta 3.Mlandeli Mbende 4.Themba Mdedetyana 5.Mbulelo Ndinisa 6.Vusumzi Foslara 7.Sintombi Frans 8.Mzikayise Dyosi 9.Thembisa Nkabgala 10.Yolanda Mampangashe	YES	12	2	4

APPENDIX E: MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

#	ITEM	RESPONSIBLE	IMPLEMENTED/ NOT IMPLEMENTED	REASON FOR NONE IMPLEMENTATION
1	<p><u>Register of Fruitless & Wasteful Expenditure</u></p> <ul style="list-style-type: none"> Establishment of the DC Board 	Municipal Manager	Not Implemented	The municipality is currently engaging the Treasury in terms of them in conducting workshop for the Management, EXCO and the MPAC. The purpose of the workshop would be to try and outline the roles and responsibilities of the DC Board before its formulation.
2	<p><u>Repairs and Maintenance</u></p> <ul style="list-style-type: none"> Development of the memorandum of understanding between the municipality and the SPCA 	Acting Director CMS	Implemented	The municipality is in the process of issuing an advert for the management of the municipal pound/commonage to take over from SPCA.

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3	<p align="center"><u>Risk Register – Municipal Plant</u></p> <ul style="list-style-type: none"> • Follow-up on the investigations by the SIU regarding the yellow plant • Employees working with the yellow plant 	<p>Legal Services Manager</p> <p>Corporate Services Director</p>	<p>Implemented</p> <p>Implemented</p>	<p>The municipality received a progress report in this regard and we are still waiting for the final report to be submitted by the SIU to the municipality.</p> <p>The municipality has managed to place 6 officials from the yellow plant employees. The municipality is also exploring other fields within the municipality where they can be trained e.g. Security.</p>
	<p align="center"><u>Accountability Agreements</u></p> <ul style="list-style-type: none"> • Signing of accountability agreements 	<p>Corporate Services Director</p>	<p>Implemented</p>	<p>All officials above task grade 12 have since signed the accountability agreements.</p>

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	<p><u>Deviations</u></p> <ul style="list-style-type: none"> • Efforts in trying to minimise the deviations 	<p>Director Engineering Services & CFO</p>	<p>Implemented</p>	<p>The municipality has resolved to go on a public tender in trying to get service providers for the repairs and maintenance for the municipality. The specifications are being developed.</p>
	<p><u>Dashboard Report</u></p> <ul style="list-style-type: none"> • Policy workshop for Councillors • Policy workshop for employees • Review of the Human Resources Policies 	<p>Corporate Services Director</p> <p>Corporate Services Director</p> <p>Corporate Services Director</p>	<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>	<p>Policy workshop was conducted in May 2018.</p> <p>The Corporate Services department will be workshopping municipal employees in July 2018. A process plan for the workshop has been developed already and was approved by the Municipal Manager.</p> <p>Municipal Policies were amended and the issue regarding accommodation paid</p>

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				during study leaves was rectified.
	<p align="center"><u>Internal Audit Report – HR Report</u></p> <ul style="list-style-type: none"> Excessive overtime worked by employees 	<p align="center">Corporate Services Director</p>	<p align="center">Implemented</p>	<p>The municipality has resolved to give the employees that are working excessive overtime a standby allowance in trying to resolve weaknesses identified for overtime taken.</p>
	<p align="center"><u>Follow-Up IA Reports</u></p> <ul style="list-style-type: none"> Escalation of distribution losses 	<p align="center">Engineering Services Director</p>	<p align="center">Not implemented</p>	<p>The municipality has resolved to use the internal resources in trying to minimize distribution losses. EPWP employees are also appointed to assist for meter verifications.</p> <p>Over and above that, the municipality is currently developing the specifications for a meter audit. An advert will be issued</p>

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				before the end of the financial year.
	<p align="center"><u>Register of Legal Matters</u></p> <ul style="list-style-type: none"> • Regularising the amount for the legal costs within the municipality • Fiduciary insurance cover for the municipality • Sourcing of external expertise to look at the issue of standardisation 	<p>Legal Services Manager</p> <p>Legal Services Manager</p> <p>Director Corporate Services</p>	<p>Implemented</p> <p>Not Implemented</p> <p>Implemented</p>	<p>A panel of attorneys has been appointed.</p> <p>The municipality is still engaging the newly appointed panel of attorneys regarding this matter of fiduciary insurance.</p> <p>The municipality is in the process of appointing a service provider for the re-engineering project which also covers the issues relating to the standardization.</p>

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	<p align="center"><u>Budget vs Actual expenditure</u></p> <ul style="list-style-type: none"> • Submission of financial reports to BTO • Development of the Revenue Turnaround Strategy 	CFO	Implemented	Reports are being submitted to the MPA Committee.
		CFO	Implemented	Specifications for the project have been developed and an advert will be issued before the end of the Financial Year. The municipality has provided budget for the next financial year.
	<p align="center"><u>Fraud Awareness Report</u></p> <ul style="list-style-type: none"> • Fraud Awareness Session for the Senior Management and the EXCO members 	Internal Audit	Implemented	COGTA has been approached and it was indicated that their Fraud Awareness's are being conducted by DPSA. The municipal has since approached the ADM's Mr. Armstrong for the awareness workshop and it has been agreed that the workshop will be conducted by the July 2018 provided an approval is received from the ADM Municipal Manager.

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	<p align="center"><u>Progress on the Implementation of MSCOA</u></p> <ul style="list-style-type: none"> • MSCOA challenges • MSCOA training for Councillors 	<p align="center">CFO</p> <p align="center">CFO</p>	<p align="center">Implemented</p> <p align="center">Not Implemented</p>	<p>Challenges relating to billing, incorrect opening balances and reconciliations have since been sorted in May 2018. More staff have been brought in by the service provider to assist with the system challenges.</p> <p>Treasury has been approached by the municipality to conduct a workshop on behalf of the municipality.</p>
	<p align="center"><u>Risk Champion Training</u></p> <ul style="list-style-type: none"> • Risk Champion training 	<p align="center">Internal Auditing</p>	<p align="center">Not Implemented</p>	<p>COGTA have indicated that training for the Risk Champions will be conducted in July 2018.</p>

APPENDIX F: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2017 to 30 June of Year 2018		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cllr P. Qaba	Nil
Member of EXCO	Cllr. Nongqayi	Nil
	Cllr. Busika	Nil
	Cllr. Mgxaso	Nil
	Cllr. Monti	Nil
	Cllr. Mlahleki	Nil
	Cllr. Balindlela	Nil
Councillor		
Municipal Manager	I Sikhulu-Nqwena	Nil
Chief Financial Officer	L Manjingolo	Nil
Directors	X Mntonintshi	Nil
Other S57 Officials		

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A
TJ

APPENDIX G: REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year 2016/17	Current: Year 2017/18			Year 2017/18 Variance	
	Actual	Original Budget	Adj Budget	Actual	Original Budget	Adj Budget
Vote 1 - Executive & Council	133 097	105 091	105 091	106 684	1%	1%
Vote 2 - Budget & Treasury	3 912	18 823	18 823	19 635	4%	4%
Vote 3 - Corporate Services	-	-	-	-	0%	0%
Vote 4 - Planning & Development	1 564	1 535	1 535	1 429	-7%	-7%
Vote 5 - Health	-	-	-	-	0%	0%
Vote 6 - Community & Social Services	1 719	1 931	1 931	1 845	-5%	-5%
Vote 7 - Housing	245	432	432	-	0%	0%
Vote 8 - Public Safety	-	11	11	-	-100%	-100%
Vote 9 - Sport & Recreation	-	-	-	-	-100%	0%
Vote 10 - Waste Management	10 077	10 033	11 399	11 150	10%	-2%
Vote 11 - Road Transport	25 760	72 705	72 906	30 441	-139%	-139%
Vote 12 - Electricity	37 352	46 770	47 041	29 735	-57%	-58%
Vote 13 - Environmental Protection	211	436	436	6	-7245%	-7245%
Total Revenue by Vote	213 938	257 766	259 604	200 925		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						T K.1

APPENDIX H: LONG TERM CONTRACTS

Long Term Contracts (20 Largest Contracts Entered into during Year 2017/18)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					
					<i>TH.1</i>

Public Private Partnerships Entered into during Year 2017/18					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2017/18
None					
					<i>TH.2</i>

APPENDIX J: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	R '000					
	Year 2016/17	Year 2017/18			Year 2017/18 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adj Budget
Property rates	14 013	16 771	16 771	16 893	1%	1%
Property rates - penalties & collection charges	-	-	-	-	0%	0%
Service Charges - electricity revenue	28 867	41 643	42 143	25 175	-65%	-67%
Service Charges - water revenue	-	-	-	-	0%	0%
Service Charges - sanitation revenue	-	-	-	-	0%	0%
Service Charges - refuse revenue	9 133	10 032	10 032	10 140	1%	1%
Service Charges - other	6	127	127	105	0%	-21%
Rentals of facilities and equipment	827	1 004	1 004	474	-112%	-112%
Interest earned - external investments	8 442	6 800	6 800	4 096	-66%	-66%
Interest earned - outstanding debtors	2 302	2 640	2 640	4 524	42%	42%
Dividends received	-	-	-	-	0%	0%
Fines	172	53	256	572	91%	55%
Licences and permits	-	-	2 482	915	0%	0%
Agency services	3 052	4 066	1 584	355	-1046%	-347%
Transfers recognised - operational	123 474	101 164	102 531	102 211	1%	0%
Other revenue	23 650	41 320	41 318	1 604	-2477%	-2477%
Gains on disposal of PPE	-	-	-	2 262	0%	0%
Environmental Protection	-	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	213 938	225 621	227 688	169 325	-33.25%	-34.47%

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

T K.2

APPENDIX L: CONDITIONAL GRANTS EXCLUDING MIG

Conditional Grants: excluding MIG						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adj Budget	
				R' 000		
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
<i>Other Specify:</i>						
FMG Grant	1 700	1 700	1 700	0%	0%	Yes
MSIG Grant	–	–	–	0%	0%	Yes
EPWP Grant	1 389	1 389	1 389	0%	0%	Yes
Equitable Share	95 446	95 446	95 446	0%	0%	Yes
Other	1 429	1 429	1 466			Yes
<i>Provincial</i>						
Library Grant	1 200	1 200	1 200	0%	0%	Yes
Waste Grant	–	1 366	1 010	0%	-35%	Yes
Total	101 164	102 530	102 211			
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</i></p>						

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APPENDIX M: CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*						
Description	Year 2017/18			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2018/19	FY + 2019/20	FY + 2020/21
R '000						
Capital expenditure by Asset Class						
Infrastructure - Total	24 845	24 616	22 867	-	-	-
Infrastructure: Road transport - Total	15 645	15 645	13 965	-	-	-
<i>Roads, Pavements & Bridges</i>	15 645	15 645	13 965			
<i>Storm water</i>						
Infrastructure: Electricity - Total	9 200	8 971	8 902	-	-	-
<i>Generation</i>						
<i>Transmission & Reticulation</i>	5 000	4 771	4 455			
<i>Street Lighting</i>	4 200	4 200	4 447			
Infrastructure: Water - Total	-	-	-	-	-	-
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure: Sanitation - Total	-	-	-	-	-	-
<i>Reticulation</i>						
<i>Sewerage purification</i>						
Infrastructure: Other - Total	-	-	-	-	-	-
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						

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<i>Other</i>						
Community - Total	7 300	7 300	5 961	-	-	-
Parks & gardens						
Sportsfields & stadia						
Swimming pools						
Community halls						
Libraries						
Recreational facilities						
Fire, safety & emergency	2 500	2 500	380			
Security and policing						
Buses						
Clinics						
Museums & Art Galleries						
Cemeteries						
Social rental housing						
Other	4 800	4 800	5 581			
<i>Table continued next page</i>						

<i>Table continued from previous page</i>						
Capital Expenditure - New Assets Programme*						
						R '000
Description	Year 2017/18			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2018/19	FY + 2019/20	FY + 2020/21
Capital expenditure by Asset Class						
Heritage assets - Total	-		-	-	-	-
Buildings						
Other						

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Investment properties - Total	-	-	-	-	-
Housing development					
Other					
-					
Other assets	-	3 041	3 223	-	-
General vehicles		500	-		
Specialised vehicles					
Plant & equipment					
Computers - hardware/equipment		161	280		
Furniture and other office equipment		65	10		
Abattoirs					
Markets					
Civic Land and Buildings					
Other Buildings					
Other Land					
Surplus Assets - (Investment or Inventory)					
Other		2 315	2 932		
	-	-			
Agricultural assets	-		-	-	-
<i>List sub-class</i>					
Biological assets	-		-	-	-
<i>List sub-class</i>					
Intangibles	-	-	-	-	-

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Computers - software & programming Other (list sub-class)						
Total Capital Expenditure on new assets	32 145	34 957	32 051	-	-	-
Specialised vehicles	-	-	-	-	-	-
Refuse				-	-	-
Fire						
Conservancy						
Ambulances						
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)						T.M.1

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year 2017/18			Planned Capital expenditure			
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2018/19	FY + 2019/20	FY + 2020/21	
Capital expenditure by Asset Class							
Infrastructure - Total	-	-	-	-	-	-	
Infrastructure: Road transport -Total	-	-	-	-	-	-	
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-	-	-	-	-	
<i>Generation</i>		-	-	-	-	-	
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							

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Infrastructure: Water - Total	-	-	-	-	-	-
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure: Sanitation - Total	-	-	-	-	-	-
<i>Reticulation</i>						
<i>Sewerage purification</i>						
Infrastructure: Other - Total	-	-	-	-	-	-
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
<i>Other</i>						
<u>Community</u>	-	-	-	-	-	-
Parks & gardens						
Sportsfields & stadia	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-
Community halls	-	-	-	-	-	-
Libraries	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-
Buses	-	-	-	-	-	-
Clinics	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-
Other	-	-	-	-	-	-

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	-	-	-			
Heritage assets	-	-	-	-	-	-
Buildings						
Other						
<i>Table continued next page</i>						
<i>Table continued from previous page</i>						
Capital Expenditure - Upgrade/Renewal Programme*						
R '000						
Description	Year 2017/18			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	FY + 2018/19	FY + 2019/20	FY + 2020/21
Capital expenditure by Asset Class						
Investment properties	-	-	-	-	-	-
Housing development						
Other						
Other assets	-	-	-	-	-	-
General vehicles						
Specialised vehicles						
Plant & equipment						
Computers - hardware/equipment						
Furniture and other office equipment						
Abattoirs						
Markets						
Civic Land and Buildings						
Other Buildings						
Other Land						
Surplus Assets - (Investment or Inventory)						

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

APPENDIX N: CAPITAL PROGRAMME

Capital Programme by Project: Year 2017/18					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Executive & Council					
Furniture & Equipment	-	18	77	77%	100%
Other Assets	-	565	-	0%	0%
Budget & Treasury					
Furniture & Equipment	-	39	74	47%	100%
Other Assets					
Corporate Services					
Furniture & Equipment	-	40	98	59%	100%
Other Assets	-	500	52	-859%	100%
Planning & Development					
Other Assets	-	565	-	0%	0%
MIG Projects	27 145	27 145	27 145	0%	0%
Community & Social Services					
Other Assets					
Housing					
Furniture & Equipment					
Other Assets					
Public Safety					
Furniture & Equipment					
Sports & Recreation - Parks & Gardens					

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Other Assets					
Refuse					
Other Assets					
Road Transport					
Other Assets	-	40	42	4%	100%
Electricity	-	-	108	100%	100%
H/V Line Replacement					
New Connections - Electricity	-	500	-	0%	0%
Upgrade Electricity Infrastructure	5 000	4 771	4 455	-7%	-12%
Other Assets	-	774	-	0%	0%
Environmental Protection					
Other Assets					
	32 145	34 957	32 051		

APPENDIX O: Capital Programme by Project by Ward: Year 17/18

Capital Programme by Project by Ward: Year 17/18		
Capital Project	Ward(s) affected	Works completed (Yes/No)
R' 000		
Roads		
ETHEMBENI INTERNAL ROADS PH 3		No
KEI ROAD INTERNAL ROADS		Practical Complete
NOTHENGA INTERNAL ROADS		Complete
RHAWINI INTERNAL ROADS		Complete
LANGDRAI INTERNAL ROADS		Complete
ZINGCUKA INTERNAL ROADS		Complete
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity		
AMAHLAHI HIGHMAST LIGHTS	1 and 5	Complete
BUSHPIG UPGRADE	13	In progress
Housing		
Refuse removal		
Stormwater		
Economic development		
Sports, Arts & Culture		
MLUNGISI SPORTSFIELD PH1	15	In progress
Environment		

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Health		
Safety and Security		
ICT and Other		
		<i>TO</i>

APPENDIX P: Declaration of Loans and Grants made by the municipality

Declaration of Loans and Grants made by the municipality: Year 2017/18				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
None				
* Loans/Grants - whether in cash or in kind				TR

APPENDIX Q: Service Delivery Backlog experienced by the community where another sphere of government is responsible for service provision

Services by Sector Departments	Services Implemented/Provided	Service Backlogs
Access to Sanitation	93%	5,9%
Access to Water	89.7%	10.3%
Electricity	85.9%	10,3% (New extensions)
Housing	1 816	3 172
Refuse Removal	14.0%	86%

ANNEXURE R: COGTA KEY PERFORMANCE INDICATORS

RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT FOR 2017//18 FINANCIAL YEAR

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

CHAPTER: ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT –KPA 1

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

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	23	23	100%	The other positions were not advertised due to financial constrains
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	7	3	42%	The contract for 2 directors have expired on April and May 2018 The other director resigned on 31 June 2018
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	1	1		

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	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
4	Percentage of Managers in Technical Services with a professional qualification	1	0	100%	The contracts of project managers have expired on 30 June 218
6	Level of effectiveness of PMS in the LM – (LM to report)	THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM			
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	142	56	16	
8	Percentage of councillors who attended a skill development training within the current 5 year term	10	10	100	
9	Percentage of staff complement with disability	1	3	0.89	
10	Percentage of female employees	336	94	27	
11	Percentage of employees that are aged 35 or younger	336	113	33.63	
12	Adoption and implementation of a District Wide/ Local				

Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
Performance Management System				

CHAPTER: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS (KPA 2)

Annual performance as per key performance indicators in Electricity services

Indicator name	Total number of household/customer expected to benefit Total House Holds=34159	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1 Percentage of households with access to electricity services	24 269	3 429	20 840	20 840	100
2 Percentage of indigent households with access to basic electricity services	24 269	3 429	24 269	20 840	86
3 Percentage of indigent households with access	24 269	886	886	886	100

to free alternative energy sources						
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Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	24 269	14 561	11 648	11 648	80
2	Percentage of road infrastructure requiring upgrade	980 km	580 km	12 km	12 km	100
3	Percentage of planned new road infrastructure actually constructed	980 km	580 km	22 km	22 km	100
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	R 522 m	R 522 m	R15.8 m	R 15.8m	100

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
	Percentage of households with access to refuse removal services	27 475 House Holds	7000 House Holds Targeted	6525 House Holds	93,21% in the Amahlathi Municipality	Percentage of households with access to refuse removal services
2	Existence of waste management plan	Integrated Waste Management Plan has been adopted by Council and it is operational at the Amahlathi Municipality.				

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

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	4,4%	1527	N/A	N/A	0%
2	Percentage of informal settlements that have been provided with basic services	N/A	N/A	N/A	N/A	N/A

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3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	57%	19950	N/A	N/A	N/A
4	Existence of an effective indigent policy	There is Indigent policy that has been adopted and it is reviewed annually.				
5	Existence of an approved SDF	There is an approved Amahlathi Municipality Spatial Development Framework (2012) which is valid up until 2015/2016 FY. It was planned that the SDF must be reviewed the following financial year (2017/18). Due to limited budget the institution was unable to implement the project for year 2017/18. The municipality is in the process of developing a SPLUMA compliant SDF which will be developed and implemented in the year 2018/2019.				
6	Existence of Land Use Management System (LUMS)	Land Use Surveys (determination of land uses within Amahlathi Local Municipality), informed by Land Use Ordinance of 15 1985 was conducted in August 2012 and Zoning Maps were created. However a completed Zoning Scheme to regulate land development/ to control land use rights was not finalised, due to the fact that the Municipality was awaiting on the Implementation of Spatial Planning and Land Use Management Act No 13 of 2013. It is suggested that a SPLUMA compliant Wall to Wall Land Use Scheme be developed in the year 2018/19.				

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

Annual performance as per key performance indicators in LED

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	None	- No new recruitments	0%
2	Percentage of LED Budget spent on LED related activities.	100%	100%	100%
3	Existence of LED strategy	LED strategy was adopted by Council in 2012 and it is being reviewed with assistance from COGTA		
4	Number of LED stakeholder forum meetings held	-4 Community Tourism Organisation and Local Tourism Organisation meetings -4 LED Forum Meeting -4 Agricultural Forum Meeting	-3 meeting held for CTO's and LTO's -5 LED related forum meetings -8 Agricultural Forum meetings held.	100%
5	Plans to stimulate second economy	n/a	n/a	n/a
6	Percentage of SMME that have benefited from a SMME support program	-Training of 5 Contractors - 70% of Amahlathi budget allocated to local SMME's - 5 trainings conducted for Community Tourism Organisation (CTO) and	- 5 contractors trained on Construction Roadworks Training - 70% of Amahlathi budget allocated to local SMME's - 9 Community Tourism	100%

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		Local Tourism Organisations (LTO'S)	Organisation (CTO) members Trained	
7	Number of job opportunities created through EPWP	394 people to be employed by 30 June 2017	304 people were employed under EPWP Programme	77%
8	Number of job opportunities created through PPP	n/a	n/a	n/a

CHAPTER: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R 34 957 360	R 32 051 006	92%
2		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
3	Salary budget as a percentage of the total operational budget (<i>Including Councillor Allowances</i>)	R127 280 168	R132 322 599	104%
4		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
5	Total municipal own revenue as a percentage of the total actual budget	R84 657 908	R64 852 181	77%
6		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
7	Rate of municipal consumer debt reduction	5 000 000	R10 352 410	207%

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8	Percentage of MIG budget appropriately spent	R27 145 300	R27 145 300	100%
9	Percentage of MSIG budget appropriately spent	R 0	R 0	0%
10	AG Audit opinion	Unqualified	Unqualified	
11	Functionality of the Audit Committee	4 meetings	4 meetings	100%
12	Submission of AFS after the end of financial year	31 August	31 August	100%

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

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% war room	12 meetings	12	100%
3	Existence of an effective system to monitor CDWs	Currently there is no tool to motor CDWs. Only assisting them administratively (i.e. venue and communicating their meetings to relevant stakeholders)		
5	Effective of IGR structural meetings	Amahlathi Political IGR forum meetings sit on a quarterly basis and are led by the Honourable Mayor. All the Executive Committee members of the Council also form part of the forum as required by the terms of reference of the committee. The IGR is currently coordinated in the Office of the MM and is attached to the Office Administrator.		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
6	Existence of an effective communication strategy	Communication Strategy adopted by council February 2015, and it is reviewed on an annually basis by reviewing the Communication Action Plan		
7	Number of mayoral imbizos conducted	2	2	100%
8	Existence of a fraud prevention mechanism	The Internal Audit Unit is conducting Fraud Awareness Campaigns within the municipality on quarterly basis and those awareness programs are included on the Approved Risk Based Internal Audit Plan for 2015/16 financial year. Employees are workshopped on what constitutes Fraud and what they should do when they suspect that fraud is happening within the municipality. The Internal Audit Unit has also developed Fraud Prevention Plan and Whistle-blowing policy for protection of the Whistle blowers. Policy was submitted to the Council and was adopted in April 2015.		

