



WALTER SISULU
LOCAL MUNICIPALITY
Botho Humanity Ubuntu

DRAFT ANNUAL REPORT
2017/18

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

National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

1.1 COMPONENT A: MAYOR’S FOREWORD



CLLR B KHWIYIYA, MAYOR

The Walter Sisulu Local Municipal Council is proud to present its Annual Report for the 2017/2018 financial years.

In this report, Council reports on its performance throughout the 2017/18 financial years and touches on some of the service delivery highlights in this financial year.

The Municipality was placed under provincial intervention in terms of Section 139(1) (b) and Section 139(5) of the Constitution of the Republic of South Africa, 1996. The Administrator were given powers and functions as stipulated in the Terms of Reference which entail being responsible for the finances, and corporate services of the municipality as well as fulfilling the role of Municipal Manager (MM) and he therefore served as head of administration and accounting officer of Walter Sisulu Local Municipality (WSLM), until 30 November 2018.

This report is published in terms of the requirements of the Municipal Finance Management Act No. 56 of 2003, which requires municipalities to report on all aspects of performance, providing a true, honest and accurate account of the goals set out by Council and the success, or otherwise, in achieving these goals.

It is with great pleasure that we present to you the service delivery achievements during the 2017/18 financial year of the municipality. We ended the 2017/18 financial year with the following projects completed:

- The upgrading of Burgersdorp sport field
- Paving of Nozizwe access road in Steynsburg
- Maletswai paving of Road in Jamestown
- Electrification of Soul City in Aliwal North

This is but only a highlight of major service delivery projects we achieved in the 2017/2018 financial year. However, Council has other achievements such as the tabling of the Annual Budget and IDP, mid – year Financial and performance Management report.

I will conclude by extending a word of gratitude to my fellow Councillors for their support and continued commitment during the 2017/18 financial year, the Municipal Administrator Mr. KE Mpungose, management and the entire staff, our stakeholders, and most importantly, the community of Walter Sisulu Local Municipality at large for their patience throughout the financial year. We are positive that you will continue to work hand in hand with us towards our common goal of improving our municipality for the better.

Botho Humanity Ubuntu!

I thank you. Ndiyabulela. Kea leboha.

Councillor B Khweyiya
Mayor of Walter Sisulu Local Municipality

1.2 COMPONENT B: EXECUTIVE SUMMARY

It is with the greatest pleasure that I, Fezeka Ntlemeza, the Municipal Manager of Walter Sisulu Local Municipality, present Draft Annual Report for the 2017/18 fiscal years.

The Walter Sisulu Local Municipality received disclaimer audit opinion for the reported period ended 30 June 2017. This is after the amalgamation of the two disestablished Gariep and Maletswai local municipalities. This was yet another difficult period given the persistence hostile cashflow and financial performance challenges experienced during the financial year.

A remedial action plan to address the audit findings has been developed for implementation. Progress on the remedial action plan will be monitored through the oversight and governance structures including audit committee and council.

With that being said, political leadership and management and staff worked very to to ensure that the municipality carried out its mandate of basic service delivery to the community of Walter Sisulu. The following are but some of the deliverables of the municipality during the period under review:

1. 100% of the municipal capital budget was spent on capital projects for the 2017/18 financial as per the Integrated Development Plan (IDP)
2. 89% of households with basic level of access to solid waste removal
3. 87% of households with basic level of access to electricity
4. Functional portfolio committees in place
5. Establishment of functional ward committees across all 11 wards of Council in 2016/17 started to show positive results
6. Approval of IDP and Budget on time

I would like to thank the community of Walter Sisulu, municipal stakeholder, Business sector, Ward committee members for becoming a vibrant community that always partake in municipal activities, thank the Management and the staff for making sure our municipality is able to produce an annual report of the municipality. Let us then make sure that we improve our audit opinion in the near future.

FEZEKA NTLEMEZA
MUNICIPAL MANAGER

1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Walter Sisulu Local Municipality is making a concerted effort in ensuring that it fulfills its mandatory obligation of delivering basic services to the majority of people including the indigent within the constraints of limited resources. In spite of the progress the municipality has made, there are some blockages, which inhibit the maximum delivery of services, which include inter-alia obsolete infrastructure and financial constraints. The services are not all reaching people due to continuous population growth.

LOCALITY

The Walter Sisulu Local Municipality is a Category B municipality located in the west of the Joe Gqabi District in the Eastern Cape Province, south of the Orange River and Gariep Dam. The Orange River separates Walter Sisulu from both the Northern Cape and Free State Provinces. It was established by the amalgamation of the Gariep and Maletswai Local Municipalities in August 2016.

The Walter Sisulu Local Municipality has fairly diverse vegetation and is home to three distinct vegetation types, one of which – Eastern Mixed Nama Karoo – is recognised as a nationally significant biome. Mountains, hills and valleys characterize it. This area is well known for its stock farming, of which sheep production is one of the dominating sectors. The streams and rivers team with fish, trout being a common species. Rock foundations have beautiful artwork made years ago by the founders of the area – the Khoisan.

A thermal springs resort, named Aliwal Spa, is located within the municipal area and produces salty water, rich in minerals, from underground.

THE POPULATION OF WALTER SISULU LOCAL MUNICIPALITY

Ages	Male	Female	Grand total		Ages	Male	Female	Grand total
00 – 04	4436	4585	9021		45 – 49	1698	2113	3811
05 – 09	4229	4223	8452		50 – 54	1504	1858	3362
10 – 14	3731	3660	7391		55 – 59	1318	1576	2894
15 – 19	3620	3608	7228		60 – 64	985	1285	2270
20 – 24	3570	3560	7130		65 – 69	696	802	1498
25 – 29	3191	3460	6651		70 – 74	493	784	1277
30 – 34	2734	2762	5496		75 – 79	282	484	766
35 – 39	2402	2616	5018		80 – 84	138	384	522
40 – 44	1957	2182	4139		85+	160	388	548

Source: Statistics S.A, 2011

The Municipality consists of Burgersdorp, Aliwal North, Jamestown, Venterstad and Steynsburg Town. The seat of the WSLM is in Burgersdorp with administrative units in all five towns which are managed by unit managers. According to the revised population estimates based on the 2011 (Statistics South Africa, 2011), the Walter Sisulu local municipality has a population of approximately 77 477, However the current survey of 2016 shows an increased to 87 263.. This population accounts for 22% of the total population residing in the Joe Gqabi District, making it the least populous local municipality in the district (refer to table 1 below).

In a nutshell the continuing population growth suggests that more educational facilities and skills training will be required. This will also exerts more pressure on the municipality to augment its capacity to provide services to the community.

No. Households in Walter Sisulu from 2011

YEARS	Population	NO. OF HOUSEHOLDS
2011	77 477(2016 Community survey 87 263)	21 874(23 706 Community Survey 2016)

Source: Statistics S.A, 2011

KEY STATISTICS FOR WALTER SISULU	
Population	77477
Females aged 5-14	7883
Males aged 5-14	7960
Females aged 15-34	10 628
Males aged 15-34	13 115
No. of households	21 874

Source: Statistics S.A, 2011

SOCIO – ECONOMIC STATUS 2011	
Year	2011
Housing Backlog as proportion of current demand	4,5%
Unemployment Rate	38%
Proportion of households with no income	10,9%
Proportion of population in low- skilled Employment	25,2%
HIV/AIDS Prevalence	11%
Illiterate people older than 14 years	12.5%

Source: Statistics S.A, 2011

Settlement Type	2011
Formal	90.2%
Informal	9,8%

Source: Statistics S.A, 2011

The municipality has some opportunities and challenges which include inter-alia:-

Challenges: High rate of unemployment, the ageing infrastructure, Lower educational levels, HIV/AIDS, Shortage of houses, Lack of skills and low income.

Opportunities: Large percentage of youth, Orange River and access to National road (N6). This large percentage of youth should be capacitated with skills in order for them to improve the livelihood of their communities by using the available natural assets for the present and future generation. The municipalities should also support the people financially and with skills for the sustainability of their projects to create more job opportunities. Aliwal Spa, Lake Gariep and JL DE bruin Dam revitalisation project to expand the tourism potential. The growing pass rate in High School of the area, which simply indicates the high usage of, limited resources in the area and the quality of educators in the Municipality.

1.4 MUNICIPAL OBJECTS AND FUNCTIONS

According to the Constitution of the Republic of South Africa (1996) the Local Municipalities are obliged to execute these objects that are assigned to them:-

To promote democratic and accountable government for local communities

To ensure the provision of services to communities in a sustainable manner

To promote social and economic development

To promote a safe and healthy environment and

To encourage the involvement of communities and community organizations in the matters of local government.

Within this Constitutional mandate, powers and functions have been defined in terms of the Local Government Municipal Structures Act 117 of 1998 as amended.

1.4.1 FUNCTIONS OF MUNICIPALITIES

The functions of the municipality are listed in the table below

Function	District Municipality	Local Municipality
Air pollution	X	
Building regulations		X
Child Care facilities		X
Electricity reticulation		X
Fire Fighting	X as per regulations	
Local Tourism	X as per white paper	X
Municipal airports		X
Municipal Planning	X	X
Municipal Health Services	X	
Municipal Public Transport		X
Pontoons and Ferries		X
Storm water		X
Trading regulations		X
Water (potable)	X	
Sanitation	X	
Schedule 5 part b		X
Beaches and amusement facilities		X
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		X

Function	District Municipality	Local Municipality
Facilities for the accommodation, care and burial of animals		X
Fencing and fences		X
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
Additional agency functions performed		
Licensing of vehicles		X
Primary Health Care		January 2011 moved to Provincial Department of Health
Road maintenance	X	X

A Municipal Manager, and his appointment head the administration of Walter Sisulu Local Municipality as an Accounting Officer is enshrined in section 82 of Municipal Structures Act 117 of 1998, and this [appointment] is formalized by a signed Employment Contract. An Annual Performance Agreement in respect of the Municipal Manager have been aligned to the IDP 2017/18 and submitted to the Mayor together with the annual SDBIP and subsequently to the Municipal Council for ratification, However the Municipality was under administration for a period of 9months,starting from February to month end November.

1.4.2 EDUCATION PROFILE

A key dimension that directly influences the potential employability of community members is their educational background and level of skills that they possess. The level of education and skills within a region impacts on many factors, including: the productive efficiency of investments (e.g. health, capital), employment potential, the gender gap and productivity and income levels. Education is therefore acknowledged as being inextricably linked to the economic development of an area and to a growing middle class. The educational levels in Walter Sisulu municipal area are as follows:

Municipal area	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Not applicable
Walter Sisulu	18 885	6733	3104	19 273	29477

- The proportion of the population in Walter Sisulu Local Municipality with no schooling is 12.5%
- 19% of the population has a Grade 12/Matric
- 8.5% having higher education levels

There is a large proportion of the population who are unable to be fully economically active members of the community due to their employability. This impacts negatively on income levels of the community and reduces the potential for economic growth. This poor level of education could be due to lack of facilities as well the isolated nature of many people in the rural areas. Another could be the lack of employment opportunities for more skilled workers, which reduces the incentives for further study. Skilled people are more likely to leave the area to look for work or higher paying work elsewhere, reducing the skills available in the area.

1.4.3 OCCUPATION PROFILE

The unemployment and employment levels within the Walter Sisulu Local Municipality are important to investigate, because the income generated from employment is used to purchase goods and services. In addition, high levels of unemployment are generally associated with poor socio-economic conditions and poverty and currently the municipality is dominated by indigent household, more than half of the municipal households are indigent.

Out of the grand total of twenty one thousand eight hundred and seventy four (21, 874) household head only 34% of the household heads are employed whilst the biggest number of household heads are unemployed, are discouraged work seekers and are not economically active group of the society.

1.4.4 SYNTHESIS

From the socio-economic assessment conducted it is evident that the population is relatively better off than other households living in our district, however the local economy is unable to create enough jobs to absorb the working aged people. In addition to this although the population of Walter Sisulu is relatively well educated (compared with other areas in the province) most employment is in unskilled, elementary occupations, which is indicative of low levels of income.

This further undermines the ability of the local economy to grow. Population growth in Walter Sisulu is growing, as there are many government departments that are relocating to this region. There are still those with specialized and scarce skills that are relinquishing the municipality in search of employment in other areas. This is a negative trend, particularly if higher skilled people are leaving the municipality. A positive trend is that most households have access to basic services and infrastructure, e.g. Electricity, Water and Houses.

1.5 ENVIRONMENTAL OVERVIEW

Before the commencement of any land development the Municipality is fully complying with chapter 5 of the National environmental Act of 1998. In general, when considering applications for land development, the Municipality is fully considering the environmental principles.

The National Environmental Management Act is one of the pieces of legislations applicable to Walter Sisulu Local Municipality. Also, Joe Gqabi Environmental Management Plan (2003), Joe Gqabi Spatial Development Framework (2006) , Maletswai Spatial Development Framework and Gariiep Draft Spatial Development Framework are also documents considered and applicable to the municipality.

SERVICE DELIVERY OVERVIEW

Service delivery is about delivering government services as effectively as possible to the satisfaction and delight of its citizens. The South African Constitution states that municipalities have the responsibility to make sure that all citizens are provided with services to satisfy their basic needs.

It is national government policy that no household should be left without basic services because it cannot afford either the capital or the recurring monthly costs of accessing basic services. In line with this policy, National government has therefore committed to subsidizing

both the capital and operating costs of a free basic level of services for all households who cannot afford to pay.

In compliance with the aforementioned policy the municipality has made a tremendous progress in providing the basic services to the people including the indigents. The key service delivery improvements are highlighted below:-

10 521 households have access to potable water and

19030 households have access to electricity services

The main challenges that hinder the optimum delivery of these key services are the lack of finance and the obsolete infrastructure.

- Future commitments to initiatives for improving service delivery
- To accelerate the pace for service delivery, the municipality has designed and adopted the following strategic objectives:-
- Development of sector plans dealing with various service infrastructure requirements, including the possible funding mechanisms necessary to address the basic service backlogs;
- Accessing the consolidated MIG funds allocated to the municipality annually for projects to roll-out basic service infrastructure to poor communities;
- Creative application of the housing subsidy administered by the Department of Human Settlements for low-cost and middle-income housing to support roll-out of infrastructure at basic level;
- Efficient utilization of the municipality's equitable share of nationally raised revenue to fund the recurrent costs of this free basic service provision in their communities; and
- Improvement of municipal rates collections and application of a cross-subsidized system of rates determination to ensure distribution of value across the various sectors active within the local municipality.

1.6 FINANCIAL HEALTH OVERVIEW

The Municipal Systems Act 32 of 2000 requires a municipality to include a financial plan, including a 3 year budget, in the annual Integrated Development Plan. In essence this financial plan is a medium term strategic framework on how the municipality plans to deliver services, within financial means. The Council's strategic objective of service delivery includes the persistence of the acceptable levels of service as well as the improvement in those areas where it lacks acceptable levels. The balancing act is to achieve these objectives with available financial resources, and to always consider the effect of tariff adjustments on the community at large, and specifically the poor.

Walter Sisulu has challenges around the amount of income available to deliver services. Due to their population size they receive only a small amount of equitable share. This is coupled with the fact that they have urban areas with old infrastructure, which is of a high level of service, but which still needs to be maintained and they are not drawing in much income from the sale of services to these communities.

The Municipality have not managed to implement systems around levying rates on the commercial farmland and this has negatively affected their income. Challenges around the spending of funds in the municipality, which has been more towards the previously disadvantaged, has meant that maintenance of some of the higher level services in other areas have deteriorated beyond reasonable repair. This will impact on the ability of the municipality to attract and or retain commercial enterprises that could generate income for the municipality.

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

The municipality has a total of number 581 employees inherited from the erstwhile Maletswai and Gariep municipalities. The municipality has conducted staff placements, which need to be finalized and then be able to determine the vacancy rate of the municipality.

It should be noted that the municipality was under administration, (section 139 b) for a period Of 9Months, Starting from February after the Mm was expelled until November 2018.

Depicted below is the summary of the Walter Sisulu Local Municipality employees.

Full time staff complement: MM/Section 56 and Line Managers

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	0
2	Directors s56	5	2	3
4	Sectional Heads/ Line Managers	40	31	9
	Total	46	34	12

Staff complement in the Technical Services

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
	Director	1	1	0
	Manager	4	2	2
	Foremen	6	5	1
	Superintendent	2	2	0
	Tool men	4	4	0
	Linesman	1	1	0
	Shift workers	17	16	1
	Drivers	12	12	0
	Operators	6	6	0

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Director	1	1	0
2	Manager	1	0	1
3	Foreman	0	0	0
4	General assistants	47	47	0
5	Drivers	3	3	0
6	Temporary Staff	54	54	0
	Total	106	105	1

Electricity

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Director	1	0	1
2	Manager	1	1	0
3	Senior electrician	2	1	1
4	Electricians	9	9	0
5	Semi-Skilled Electricians	5	5	0
6	Street lights repairer	1	1	0
7	Temporary staff	6	6	0
8	Meter Readers	7	7	0
	Total	32	30	2

Technical Staff Registered with Professional Bodies

Technical Service (e.g. water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Electricity	1	0	0	1
Building	1	0	0	1

Staff level of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
368 (exclusive of 213 casual & contract employees)	194	74	100

Trends on total personnel expenditure

Financial Years	Total number of staff	Total approved operating Budget	Personnel expenditure (salary and salary related)
2017/18	8581	70 694 974	76 831 637

List of pension and medical aids to which employees belong

Names of pension fund	Number of members	Names of Medical Aids	Number of members
Cape Joint	91	Key Health	3
SAMWU Provident Fund	130	Samwumed	38
SALA Pension Fund	147	Bonitas	66
Municipal Pension Fund	0	LA Health	17
		Hosmed	11
		Discovery	16
Total	368		151

SENIOR OFFICIALS' WAGES AND BENEFITS

The table below is the wages and benefits for the 2017/2018 financial year. There were no performance bonuses paid to senior managers for the financial year 2017/2018.

Designation	Salaries 2017/18	Allowances 2017/18	Bonus 2017/18	Total Paid
Municipal Manager	520 878	764 825	-	1 285 703
Director: Financial Services	-	188 031	-	188 031
Director: Corporate Services	-	-	-	-
Director: Community Services	710 787	304 416	-	1 015 203
Director: Technical Services	710 787	304 416	-	1 015 203

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
Vacancy rate for all approved and budgeted posts	14%	76%	76%	-
Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	-	-	-	-
Percentage of Section 56 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%	100%	100%	-
Percentage of Managers in Technical Services with a professional qualification	100%	100%	100%	-
Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	100%	100%	100%	-
Percentage of councillors who attended a skills development training within the current 5 year term	100%	100%	100%	-
Percentage of staff complement with disability	4%	1%	1%	There is a limited number of responses from people

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
				living with disabilities.
Percentage of female employees	40%	39%	39%	-
Percentage of employees that are 35 or younger	35%	60%	-	-

MAJOR CHALLENGES AND REMEDIAL ACTIONS IN REGARD TO HUMAN RESOURCE AND ORGANIZATIONAL MANAGEMENT

Challenge	Remedial action
Inadequate funds and/or training budget that is not cash backed derails skills development programmes espoused by Work Skills plan	Collaborate with JGDM and LGSETA to ensure that training programmes planned in WSP are implemented.
Inability to fill vacant positions on the organogram	Maximum utilisation of available staff and interns

1.8 AUDITOR GENERAL REPORT 2017/18

Report of the auditor-general to the Eastern Cape Provincial Legislature and the council on the Walter Sisulu Local Municipality

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Walter Sisulu 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 period then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Limitations on the financial statements

3. I was unable to obtain sufficient appropriate audit evidence regarding the financial statements as a whole, as the financial statements were presented for audit purposes without accurate and complete accounting records. I was unable to audit the financial statements by alternative means. Consequently, I was unable to determine whether any adjustments relating to the financial statements as a whole were necessary.

Material uncertainty relating to financial sustainability

4. I draw attention to the matter below. My opinion is not modified in respect of this matter.
5. As disclosed in note 59 to the financial statements, the municipality is facing a number of financial risks that cast significant doubt on its ability to sustain its current level of operations in the near future.
6. The key financial risks identified include:
 - Net current liability position
 - An inability to pay creditors within due dates
 - Inability to collect revenue billed
 - Material electricity losses
7. In addition, the actions taken by management to mitigate the impact of these risks are disclosed in this note.

Other matters

8. I draw attention to the matters below.

Withdrawal from the audit engagement

9. Due to the limitation imposed on the scope of the audit by management, I have disclaimed my opinion on the financial statements. Were it not for the legislated requirement to perform the audit of the municipality, I would have withdrawn from the engagement in terms of the International Standards on Auditing (ISAs).

Unauthorised removal of transactions from account records

10. At merger date there were transactions which were removed from the accounting records by management detailing that these transactions were unsupported. These transactions included control accounts, discrepancies on control accounts and unreconciled differences. Some of these transactions removed relate to cash and cash equivalents. On submission of the AFS for 30 June 2018 these transactions were not disclosed as investigated or that council approved the write off of these transactions. Given the further limitations placed on the audit and the non submission of bank statements and bank confirmations of the erstwhile Gariiep municipality these transactions should be investigated by council.

Discretionary provincial administration

11. In terms of section 137 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) the municipality is under discretionary provincial administration.

Responsibilities of accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practise (SA Standards of GRAP) and the requirements of the MFMA and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (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.

13. In preparing the financial statements, the accounting officer is responsible for assessing the Walter Sisulu Local 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 accounting officer 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

14. My responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

15. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

Introduction and scope

16. 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.
17. My procedures addressed 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.
18. I was unable to obtain sufficient appropriate audit evidence to confirm the usefulness and reliability of the reported performance information because the annual performance report was presented without the approved strategic and annual performance plan integrated development plan and service delivery budget implementation plan for the year under review, as required by section 25 of the Municipal Systems Act, 2000 (Act No.32 of 2000) and section 1, 21 and 53 of the MFMA. I was unable to audit the usefulness and reliability of the reported performance information by alternative means.
19. I was unable to obtain sufficient appropriate audit evidence for the annual performance report as a whole as the annual performance report was presented without accurate and complete underlying performance records. I was therefore unable to audit the usefulness and reliability of the reported performance information. This was due to limitations placed on the scope of my work. I was unable to audit the reported performance information for the annual performance report as a whole by alternative means.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the Public Audit Act, 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 compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

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

Expenditure management

22. Money owed by the municipality was not always paid within 30 days or within an agreed period, as required by section 65(2)(e) of the MFMA.
23. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R14,9 million, as disclosed in note 48.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charges on late payments.
24. Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed in note 48.3 does not reflect the full extent of the irregular expenditure as it could not be quantified as indicated in the basis for qualification paragraph.

Financial statements

25. 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 identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer of opinion.

Liability management

26. An adequate management, accounting and information system which accounts for liabilities was not in place, as required by section 63(2) (a) of the MFMA.
27. An effective system of internal control for liabilities including a liability register was not in place, as required by section 63(2)(c) of the MFMA

Strategic planning and performance management

28. Sufficient appropriate evidence was not submitted to confirm compliance with the legislative prescripts below:
- The service delivery and budget implementation plan for the year under review did not include monthly revenue projections by source of collection or the monthly operational and capital expenditure by vote, and/or the service delivery targets and performance indicators for each quarter as required by section 1 of the MFMA.
 - A mid-year performance assessment was not performed as required by section 72(1)(a)(ii) of the MFMA.
 - The review of the IDP was not done in accordance with the results of the performance evaluation and/or to the extent that changing circumstances demanded, as required by section 34(a) and 41(1)(c)(ii) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

- Amendments to the IDP were made without making the proposed amendments available for public comment, as required by section 34(b) of the MSA and municipal planning and performance management reg 3(4)(b) and 15(1)(a)(ii)
- Amendments to the IDP were not adopted by council, as required by section 24(2)(c)(iv) of the MFMA and/or municipal planning and performance management regulation 3(3).
- The SDBIP was revised during the year without approval of the council following approval of an adjustments budget, as required by section 54(1)(c) of the MFMA.

Consequence management

29. Unauthorised, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person was liable for the expenditure, as required by section 32(2) of the MFMA.

Procurement and contract management

30. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.

31. Sufficient appropriate audit evidence could not be obtained that goods and services with a transaction value of below R200 000 were procured using price quotations as required by SCM regulation 17(a) and (c).

32. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c). Similar non-compliance was also reported in the prior year.

33. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a) and deviations approved by the accounting officer were only if it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

34. Bid documentation for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).

Revenue management

35. An effective system of internal control for debtors was not in place, as required by section 64(2)(f) of the MFMA.

Human Resources management

36. An approved staff establishment was not in place, as required by section 66(1)(a) of the MSA.

Internal control deficiencies

37. 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 disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
38. There was instability in key leadership positions during the year which resulted in a lack of accountability. Leadership did not take full ownership of the general control environment and did not insist on daily disciplines to ensure efficiency and effectiveness in financial management, performance reporting and compliance with laws and regulations. Consequently the correct tone was not set to ensure that officials are held accountable for their actions through a consequence management programme.
39. The control environment at the municipality is inadequate, with ineffective daily and monthly processing and reconciliation of transactions. Further the municipality does not have an adequate record management system in place to support the preparation of financial statements that are supported by accurate and complete underlying records.
40. Senior management did not create a specific and achievable action plan to improve the internal control deficiencies in order to resolve previously reported findings that were taken on from the pre-merger municipalities. Take-on balances were also not verified to ensure that they were accurate, valid and complete.
41. The municipality does not have a system in place to collate and report on predetermined objectives. The unit is uncoordinated and decentralised which resulted in poor and inaccurate annual reporting on achievements against targets. Management did not adequately review and analyse reported performance information against supporting and explanatory evidence. This resulted in unverifiable reporting in the annual performance report.

42. There were no review and supervision processes to monitor compliance with all applicable laws and regulations within the municipality. As a result, non-compliance with laws and regulations was not effectively identified or prevented and municipal officials were not held accountable for transgressions in this regard.
43. The municipality did not have adequate risk management processes in place. As a result, there were no processes to identify all risks to which the municipality was exposed and no mitigating controls were in place for risk that has been identified.
44. The municipality did not have an audit committee and an internal audit section during the year under review.

Auditor-General

East London

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

1.9 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe	Activity done (yes/no)
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	Yes
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).		Yes
3	Finalise 4 th quarter Report for previous financial year		Yes
4	Submit draft 2017/18 Annual Report to Internal Audit and Auditor-General		No
5	Municipal entities submit draft annual reports to MM		N/A
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August	No
8	Mayor tables the unaudited Annual Report		No
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.		No
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase		Yes
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September – October	No
12	Municipalities receive and start to address the Auditor General's comments	November	Yes
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report		No
14	Audited Annual Report is made public and representation is invited		No
15	Oversight Committee assesses Annual Report		No
16	Council adopts Oversight report	December	No

No.	Activity	Timeframe	Activity done (yes/no)
17	Oversight report is made public		No
18	Oversight report is submitted to relevant provincial councils		No
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January	No
T1.7.1			

CHAPTER 2 - GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2 POLITICAL GOVERNANCE

2.1 .1 POLITICAL GOVERNANCE

Walter Sisulu Local Municipality (WSLM) is established by Section 12 Notice promulgated by the Department of Local Government and Traditional Affairs (COGTA) in the Eastern Cape. Walter Sisulu Local Municipality is a Category B Municipality (Local Municipality) and comprises 22 Councillors, including the Mayor and the Speaker; 14 Councillors represent the African National Congress (ANC), 6 Councillors represent the Democratic Alliance (DA), 1 Councillor represents the Economic Freedom Fighters (EFF) and 1 Councillor represents the Maletswai Civic Association (MCA). Of the 22 Councillors, 11 are Ward Councillors for the respective wards, with the remaining 11 being Proportional Representative Councillors of their respective political parties in Council. In the beginning of the financial year in question the ANC had 15 councillors, one councilor died and the ward was won by DA and hence the year ended with 14 councillors for the ANC. WSLM is comprised of five towns namely; Aliwal North, Jamestown, Burgersdorp, Steynsburg and Venterstad.

Below is a categorisation of the 22 Councillors according to party representation in Council:

- Fourteen (14) African National Congress Councillors
- Five (6) Democratic Alliance Councillors:

EFF CLLR V SCHOEMAN

- One (1) Maletswai Civic Association Councillor:

MCA CLLR M JAN

2.1.1 The following councillors are appointed on a proportional basis:

2.1.1.1	Cllr B Kweyiya	-	Mayor
2.1.1.2	Cllr N Mathetha		
2.1.1.3	Cllr N Ngubo		

2.1.1.4	Cllr V Davids
2.1.1.5	Cllr Y Zweni
2.1.1.6	Cllr D Hartkopf
2.1.1.7	Cllr M De Riddel Nel
2.1.1.8	Cllr E Theron
2.1.1.9	Cllr A Van Heerden
2.1.1.10	Cllr V Schoeman
2.1.1.11	Cllr M Jan

The Committees of council are constituted as follows:

2.1.2 Corporate Services Committee

2.1.2.1	Cllr V Davids	-	Chairperson
2.1.2.2	Cllr Z Mqokwana		
2.1.2.3	Cllr Y Zweni		
2.1.2.4	Cllr M Solani		
2.1.2.5	Cllr E Theron		

2.1.3 Technical Services Committee

2.1.3.1	Cllr N Ngubo	-	Chairperson
2.1.3.2	MW Mokhoabane		
2.1.3.3	Cllr X Mabusela		

2.1.4 Financial Services

2.1.4.1	Cllr D Hartkopf	-	Chairperson
2.1.4.2	Cllr Z Masina		
2.1.4.3	Cllr Z Mangali		
2.1.4.4	Cllr M Mdumisa		
2.1.4.5	Cllr V Schoeman		

2.1.5 Community Services

2.1.5.1	Cllr B Khweyiya	-	Chairperson
2.1.5.2	Cllr L Nkunzi		
2.1.5.3	Cllr M Mtshingana		
2.1.5.4	Cllr E Theron		

2.1.6 Institutional Planning and Economic Development

2.1.6.1	Cllr M Solani
2.1.6.2	Cllr C Davids
2.1.6.3	Cllr B Khweyiya
2.1.6.4	Cllr D Hartkopf
2.1.6.5	Cllr N Ngubo

2.1.7 Municipal Public Accounts Committee (MPAC)

2.1.7.1	Cllr Zwelithini Mqokwana (Chairperson)
2.1.7.2	Cllr Zukiswa Mangali

- 2.1.7.3 Cllr Mavuyevelile Solani
- 2.1.7.4 Cllr Babalwa Ndika
- 2.1.7.5 Cllr Zukiswa Mangali
- 2.1.7.6 Cllr Vuyisile Schoeman

2.1.7 Ethics & Rules Committee

- 2.1.7.1 Cllr Yandiswa Zweni (Chairperson)
- 2.1.7.3 Cllr Mavuyevelile Solani

2.1.8 Performance Committee

Clr Ndika – (Diseased)

All section 79 portfolio heads work as part-time councilors. The legislative and executive authority vests in the municipal council.

The council registered the following successes during 2017/18 financial year: -

- Adoption of the draft and final budgets within the prescribed time frames;
- Adoption of the Integrated Development Plan (IDP) in line with legislative prescripts;
- Adoption of Draft and Final Annual Report was tabled and approved
- Overt sight report was approved
- Organogram for 2018/2019 was approved
- MIG expenditure was 100%
- Capital projects were completed e.g. Nozizwe and Masakhane paving roads projects

The main function of the standing committees is to consider matters relevant to their respective directorates and make recommendations to council for approval. Standing committees also exercise oversight role over the performance of their directorates.

2.2 ADMINISTRATIVE GOVERNANCE

The Committees of council are established in terms of section 79 of the Municipal Structures Act, Act 117 of 1998. The Municipality has a Collective Executive System combined with a Ward Participatory System. The former allows for the exercise of executive authority through an Executive Committee in which executive leadership is collectively vested, and the latter allows for matters of concern to the wards to be dealt with by Ward Committees established by the wards.

Within the context of the above, the Mayor and Speaker both hold office as full time public office bearers; this enables the Mayor to provide political leadership and direction to the municipal bureaucrats and the Speaker, as Chairperson of Council, to ensure oversight, accountability, integrity, discipline of office, and the efficient running of Council meetings.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Co-operative government means that the three spheres of government should work together (co-operate) to provide citizens with a comprehensive package of services. The Constitution states that the three spheres have to assist and support each other, share information and coordinate their efforts. The implementation of policies and government programs require close co-operation between the spheres of government.

In Walter Sisulu Local Municipality the working relations between the Departments and municipality were always cordial. Whilst some Departments attended the IDP Representative forum, others did not. Staff members who lacked the requisite authority to take decisions on behalf of their Departments represented some of those who attended. This is an area that requires much attention as it has a potential to paralyze the effectiveness of the IDP representative forum. The Departments submit their plans to the municipality so that they can be implemented in collaboration with the municipality.

2.4 INTERGOVERNMENTAL RELATIONS

2.4.1 NATIONAL INTERGOVERNMENTAL STRUCTURE

All the programs that are developed by the Municipality are derived from the laws and policies that are passed by the National and provincial governments. The local development strategies in the Walter Sisulu Municipal Integrated Development Plan are aligned to the National and Provincial development policies.

2.4.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Walter Sisulu Municipality is represented by the Joe Gqabi District Municipality (JGDM) in the following Provincial IGR cluster meetings:-

- Governance and Administration Cluster
- Social needs Cluster and
- Economic Growth and Infrastructure

2.4.3 DISTRICT INTERGOVERNMENTAL STRUCTURE

The Walter Sisulu Municipality process plan is aligned to JGDM's district Framework plan-this ensures District alignment of the Intergraded Development Plan .The District Municipality (Joe Gqabi) bilateral conventions with sector departments, and municipalities to have the same opinion on intergraded procedures, and to facilitate configuration between District Municipality, Local Municipality and Provincial Departments in respect of programmes and projects. The Municipality is represented in the Joe Gqabi District IDP Representative forum (consisting of all local municipalities in JGDM, government Departments and other key stakeholders). At this consultative forum meeting, discussions revolve around needs assessment, areas of prioritization, objectives, alignment of projects and accountability issues within the context of planning and implementation processes. The Municipality is also represented in the following District Inter-Governmental Relations (IGR) structures:-

- District Inter-Governmental Mayors Forum
In both Political and Technical Meetings
- Chief Financial Officer Forum
- District Wide Corporate Service Working Group
- District Health Advisory Council, and
- District Social Needs Cluster

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5 PUBLIC MEETINGS

2.5.1 WARD COMMITTEES' ESTABLISHMENT AND FUNCTIONALITY

Consistent with the provision participatory democracy, council adopted that regulates the establishment and functionality of the ward committees. Subsequent to the adoption of ward committee policy, council established 11 ward committees which are constituted by various interest groups in the ward.

Council has set aside approximately R 885 360 for the reimbursement of ward committee stipend.

Furthermore, council has appointed a Public Participation Officer whose task is to ensure that public participation in the affairs of the municipality. Provides secretarial support to all ward

committees, taking minutes at ward committee meetings. Record of ward committee meetings are filed for future reference and usage. The minutes are kept together with the attendance registers, which are in turn used to process the payment of the stipend for the ward committees. Ward Committees are sitting as per their calendar of events unless there are pressing issues that would require special meetings.

These ward committees consists of interest groups that are drawn from the active community based structures in the ward. In strengthening the functionality of ward committees council provided induction workshop and many other trainings to the sharpen understanding of ward committee on local government work.

The Municipality utilises ward committees and Community Development workers, special programmes forums, IDP and budget forums for public participation. The municipality also ensures the ward community consultation through Community Based Planning and constant report backs.

2.5.2 THE FOLLOWING METHODS ARE BEING UTILISED FOR REACHING OUT TO COMMUNITIES:-

2.5.2.1 PUBLIC PARTICIPATION PROGRAMME AND LOCAL PRINT AND ELECTRONIC MEDIA

To limit the language barrier that could cause the public not to participate fully in matters of government, four languages are being utilised in communicating with the public namely, (English, Afrikaans, Xhosa and Sotho). Nonetheless, there is still a challenge because the Municipality is not publishing its documents in all four official languages. IDP Budget outreach programmes are conducted before and after the draft IDP and Budget has been finalised for comment by the public. The Ward Committees, CDW's, Public Participation Officer and ward councillors assist in mobilisation of communities towards ward meetings. Community needs are processed to various government departments through IDP Representative Forum.

To ensure effective participation the following structures were entrusted with the following tasks:

Municipal Manager – To co-ordinate participation by all structures

Council – To ensure the democratic involvement of people in government

Steering Committee – To serve as a resource to the representative forum by advising and integrating the forum input.

IDP and Budget Representative Forum: to serve as a public forum for debates where various interests groups influenced government decisions.

2.5.2.2 WARD COMMITTEE’S ESTABLISHMENT AND FUNCTIONALITY

The ward committee were established in November 2016 and early March 2017 and have been functional since then. During the year under review 68 ward committee meetings were held and 33 general meetings were held in all wards.

Ward number	Committee Meetings	General meetings
1 (Venterstad, Oviston, Sunnyside, Nozizwe & Lychumville)	2	7
2 (Khaymrandi, Westdene and Greenfield)	4	7
3 (Burgersdorp town, Mzamamhle, Masakhane & kroonvlei)	7	2
4 (mzamomhle & Eurika)	8	1
5 (Thembisa, Burgersdorp town and Steynsburg town)	8	1
6 (Area 13, Block H1 & Vula Vala)	5	3
7 (Eqqili sites, Vula Vala, block F, Zwelitsha, Dukathole Block C & D, Graded, part of town, Block E & Pola Park)	7	4
8 (Block G (Vergenoeg), Block H2 and Police Station Portion)	7	3
9 (White City, Hilton, Springs, Aliwal North town, Birds Eye View, Pola Park)	6	1
10 (Joe Gqabi, Soul City and Hongerbuild)	8	3
11 (Arborview, Springs, Jamestown & Masakhane, farming community)	6	1
Total	68	33

2.5.3 COMMUNITY DEVELOPMENT WORKERS PERFORMANCE MONITORING

Masiphathisane/War Rooms is a consultative platform where all Government spheres, Provincial Departments and all community organizations within a ward meet to resolve issues affecting communities and community organisations. This platform was established in all eleven wards and are presided upon by Ward Councilors and the CDW`s as the secretariat of these meetings. Some of these War rooms and some do not due to lack of resources and some other reasons.

2.5.4 COMMUNICATION STRATEGY

A Draft Marketing and Communication Strategy has been developed for Walter Sisulu Local Municipality for the 2017/18 financial year, with a review of the Strategy done annually. The Strategy is a roadmap for the enhancement of national government`s message and call to the “Back to Basics” approach. It also ensures that a participatory democracy amongst the citizens of Walter Sisulu Local Municipality is strengthened, so that they participate fully in the affairs of government.

As part of the Communication Strategy, Environmental Scanning is done bi-annually and a Customer Satisfaction Survey done annually across all 11 wards. Moreover, the Municipality produces an external newsletter for each quarter of the financial year.

Information sharing with the public is done through various media, including the Mayor`s Radio slot conducted on a quarterly basis, publishing of articles in the local newspapers, through the distribution of marketing and communication material (flyers & posters) through the assistance of Ward Committees, as well as through official social media platforms.

Our Communication Strategy is there to strengthen the integration of communication and to ensure coherent messaging through leadership of mechanisms including Masiphathisane War Rooms, Local Communication Fora, and communication support to other government departments operating in the Walter Sisulu municipal area.

More significantly, the Communication Strategy is for ensuring that the social distance between the local community and the municipality`s political structures, political office bearers and administration is narrowed.

2.6 IDP PARTICIPATION AND ALIGNMENT

As part of enabling the community an opportunity to participate in the decision making processes of the municipality numerous mechanisms were employed. There were 11 mayoral Imbizos held with communities in the 11 wards that constitute the municipality. These meetings were preceded by meetings with ward committees. After each session of Imbizo, an action plan is drawn up for all the matters raised by the members of the community. The implementation of the plan is then monitored by the Mayor and Chairpersons of standing committees and on a quarterly basis a report is presented to the Council.

2.7 RISK MANAGEMENT

The Municipality has a policy in place whereby the Municipal Manager, the Chief Financial Officer and other key members of the senior management will proactively, purposefully and regularly identify and define current as well as emerging business, financial and operational risks and either simultaneously or with due expedition identify appropriate and cost effective methods of obviating or managing these risks.

2.8 ANTI-CORRUPTION AND FRAUD

Council is in the process of drafting Anti- Corruption and Fraud Strategy as one way of strengthening its fight against these twin social ills. As a build up to its adoption and a way of raising employees' awareness about the existence of such policies, a workshop was held comprising municipal officials and employees. The strategy will be reviewed every year after its adoption. Furthermore, to demonstrate the seriousness of the council to fight fraud and corruption, a committee comprising 5 members will be established to monitor advice and compile reports on the implementation of the anti-fraud and corruption Strategy.

2.9 SUPPLY CHAIN MANAGEMENT

The Walter Sisulu Local Municipality Supply Chain Management Policy seeks to encourage socio- economic transformation within its area. To achieve this, empowerment goals have been set, which aims to address the skewed distribution of wealth and therefore contributes to the alleviation of poverty. This means the policy will achieve the above by providing employment opportunities to Historically Disadvantaged Individuals (HDI's) and

communities enabling socio-economic transformation objectives to be linked to fair, transparent, equitable, competitive and cost effective procurement practice. The empowerment goals are proposed to be used as measures by Council in assessing the impact of its policy in realizing the socio-economic transformation agenda of government in all spheres. To boost the declining local economy the Municipality has incorporated a number of local economic development initiative and projects in the integrated development plan.

It also realizes that its supply chain management and practices can play an important role in stimulating local economic growth and development. This policy is therefore designed to contribute to the achievement of the Municipality's local economic growth and development objectives.

It is also a primary strategic objective of the Municipality to affirm the historically disadvantaged community in order to systematically eradicate the legacy of apartheid and colonialism and the resulting exclusion from opportunity. In this regard the Municipality supports the Government's broad – based black economic empowerment policies and strategy completely.

A key objective of this policy is therefore to promote entrepreneurship to allow HDI's access to the mainstream of business opportunities. This will be achieved by increasing business opportunities for HDI's and maximizing purchases of goods and services from black owned and black empowered enterprises. This means that acceptable norms and standards of quality, service delivery and technical performance will not be relaxed or compromised in respect of historically disadvantaged individuals.

The municipality developed the Supply Chain Management Policy in line with the Preferential Procurement Policy Framework Act (PPPFA), supply regulations and enabling circulars as well as by-laws that seeks to enforce full compliance with the requirements of the law. Regular updates will be effected whenever there are changes to legislation and its regulations.

The supply chain management policy explicitly states the need for quality delivery of both goods and services and rigorous processes are followed on procuring and these include among other things three quotations, competitive bidding, evaluation and adjudication of all tenders. The policy also spells out a procurement threshold and authorization thereon. All procurement below R30 000 are not advertised but a minimum of three quotations is a pre-requisite except for those below R2000, which requires a single quote.

Tenders in excess of R30 000 are advertised in the local newspaper for a period ranging from seven days to thirty (30) days for those above R10 million. The accounting officer adjudicates on all tenders above R10 million and makes the final award. The Chief Financial Officer as per the delegation framework adjudicates tenders above R30 000 but below R200 000 and the Accounting Officer as required by the policy adjudicates those between R200 001 and below R10 million.

Due to a limited number of established previously disadvantaged entrepreneurs in the municipal jurisdiction services and goods are sometimes procured from service providers outside the municipal area. The number of entrepreneurs in general is limited due to the size of the municipality and this often results in one or two suppliers available to provide a service or an item. This then results in deviations from the policy.

2.10 BY-LAWS

The municipality approved 24 By-Laws that were approved in 2017 and public consultation was made. The municipality needs to promulgate these By-Laws for implementation. Currently the municipality is sourcing funding for this purpose.

Whilst awaiting promulgation of By-law, all By-laws, regulations and resolutions applicable in the respective areas of the disestablished municipalities immediately prior to the effective date, continue to apply in such areas from the effective date, subject to any amendment or repeal by the Council of the new municipality. (Section 12 Notices)

AMENDMENT OR REPEAL BY THE COUNCIL OF THE NEW MUNICIPALITY

2.11 Website

Walter Sisulu Local Municipality has developed a new website for the entity. The website is a channel used for information dissemination and to ensure access to information by the public as prescribed by the Promotion of Access to Information Act (PAIA) of 2000. The site is updated regularly with vacancies, municipal news, events, tenders, Service Level Agreements, as well as other legislated documents such as monthly, quarterly and annual reports, performance agreements, Integrated Development Plan, etc. This site is managed by Communication Manager.

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality performs Customer Satisfaction Surveys once per annum, as well as conducts environmental scans bi-annually to assess the community's satisfaction with the municipality's service delivery performance. The platforms below are also available for the public to contribute their inputs on their satisfaction, or lack thereof, pertaining to the municipality's service delivery.

(a) Suggestion boxes

A suggestion box can be found in each of the municipal offices - Jamestown, Aliwal North, Burgersdorp, Steynsburg and Venterstad. The Municipality has developed a functional website where people are encouraged to submit their complaints, suggestions and compliments on the performance of the municipality and on service delivery. The suggestion boxes are cleared on a frequent basis and suggestion/comments/ complaints escalated to the relevant Directorates for attention.

(b) Social Media

The Municipality has active social media platforms: Facebook, Twitter, Instagram and YouTube used to engage with the public, as well as to manage complaints raised on a daily basis by the community. The social media platform predominantly used for the purpose of Complaints Management is the Municipality's Facebook page. The page is checked daily (weekdays) for complaints and all posted reports are escalated to the relevant department for attendance.

In the 2017/18 financial years the municipality has done well to address issues raised by the public, having experienced only one public demonstration, which was addressed.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

3 WATER SERVICES

3.9.1 PROVISION STRATEGY

The Joe Gqabi District Council is responsible for water services within the Municipality.

3.10 WASTE WATER (SANITATION) PROVISION

The Joe Gqabi District Council is responsible for water services within the Municipality.

3.11 ELECTRICITY

3.11.1 PROVISION STRATEGY

The Municipality should provide electricity to its community for the following consumers as one of the requirements of the Constitution of South Africa to deliver basic services to its Industrial consumers, Commercial consumers and households within the municipal area of jurisdiction. The municipality has a role of maintaining a sustainable supply and quality of electricity for its community in a healthy and safe way without endangering the lives of those who consume it.

Service Objectives	Outline Service Targets	Year 1		Year 2	
		Target	Actual	Current year	*Following Year
Eradicate current backlogs and improved access to municipal services	Ratio of street lights maintained	1:01 streetlights maintained	1:01 streetlights maintained		
	Percentage of daily disconnections executed	100% Disconnections performed	100% Disconnections performed		

	Percentage reconnections executed	100% reconnections performed	100% reconnections performed	
	Percentage faults attended to within 24 hours of reporting	100% Faults attended to within 24 hour	100% Faults attended to within 24 hour	
Eradicate current backlogs and improved access to municipal services	Number of application forms for funding submitted to DOE for electricity	1 application forms for funding submitted to DOE	1 application forms for funding submitted to DOE	
	The percentage of households with access to basic levels of electricity	100% households with access to basic levels of electricity	100% households with access to basic levels of electricity	

The municipality is entitled to ensure that requirements for availability of supply based on the individual household load growth, developments around and inside the municipal area are met.

The municipality have to do feasibility studies in assessing the electricity needs in our area so that the Electricity Master Plan could be drawn up, this was undertaken by the appointed professional service provider. The consultants had to compile the Master plan to meet the electricity needs of the Walter Sisulu community reflecting the following on their reports:

To enhance electricity service delivery, WSLM have changed 100% of electricity meters that were found and reported to be faulty, meter audits were carried out on an ongoing process and faulty meters were removed. Faulty kiosks and/or distribution boxes that are the main connection between the municipal network and the customer are repaired and kept locked to prevent vandalism or interruption of supply to consumers. Network maintenance is carried out as per the monthly planners derived and prepared from the inspections carried out on the network.

To enhance revenue collection the municipal consumers were disconnected for non-payment of Municipal Services continuously and those that have paid are reconnected.

Households that are registered on the institution's Indigent register receive the free 50kW of electricity per month and all the repairs and maintenance done on their electricity dispensers or faults are then claimed from the equitable share.

Part of the municipal role in electricity service delivery, is to ensure that there is sufficient public lighting to prevent /minimize crime activities in and around our residential and business areas. Street light maintenance are been done daily within the municipality through a daily report system and site inspections.

The electrical losses for 2017/18 financial years are recorded at 5% the department has since employed serious measures to ensure substantial reduction. Meter audits were being performed on monthly bases to minimize electrical losses and fines were issued to defaulters for tampering.

The municipal area is serviced by Walter Sisulu Local Municipality and Eskom, Eskom is mostly servicing townships (Nozizwe, Mzamomhle, Khayamnandi, Masakhane) WSLM is servicing towns and some of the townships (Burgersdorp, Venterstad & Oviston, Aliwal North, and Jamestown)

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
Percentage of households with access to electricity services = 87%	21874	2340	100%	19030	87%
Percentage of indigent households with access to basic electricity services = 79%	10000	0	100%	9109	91%
Percentage of indigent households with access to free alternative energy sources = 8.2%	440	0	0	0	0

3.12 WASTE MANAGEMENT (THIS SECTION TO INCLUDE REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING & RECYCLING)

Walter Sisulu Local Municipality appreciates the National Waste Act, 56 of 2008 by ensuring that its integrated waste management services do not only provide basic refuse removal, but also augment economic activity and empower communities to understand the value of waste management, and thus minimize the effects of waste on human and environmental health under stringent conditions. The municipality is committed to encourage avoidance, reduction, reuse, recycling processing and treatment of waste through the public outreaches it conducted during 2017/18 financial year.

3.12.1 PROVISION STRATEGY

Waste management is one of the primary functions of the municipality. The municipality facilitates the reduction, reuse and disposal of waste. The municipality has 5 landfill sites of two that are fully operational in both Steynsburg and Jamestown and the three on the verged being closed. The Landfill Site Supervisor is responsible for all landfill sites within the municipal area. A private security company provides security services to Aliwal North and Jamestown landfill sites to ensure access control, recording the vehicles that enter the site and the type of refuse carried by the vehicles and safety of landfill site users. Other role players in waste management are the Maletswai Waste and Recycling Cooperative, Joe Gqabi District Municipality, Department of Environmental Affairs, the Department of public works and the department of Human Settlements.

Walter Sisulu Local Municipality being the district's economic powerhouse is the most densely populated area in the district. Due to increased population growth and urban development there is an increase in demand for waste services. This increased population resulted [in] increased domestic waste. The waste removal occurs at a very high rate. The Municipality has two refuse removal trucks of which one is not operational, six tractors of which one has been out of commission for a year, one truck and a front end loader for ensuring proper waste management services.

MEASURES TO IMPROVE WASTE MANAGEMENT PERFORMANCE

3.12.1.1 REFUSE COLLECTION:

Includes collection of refuse from households once a week, collections from communal skip bins in informal settlements once a week and collection from businesses are done on regular

(between a period of three to six days in a week). The Municipality has a weekly programme which is communicated to consumers annually, the programme indicated the days and times at which refuse was to be removed at a particular settlement. The household refuse removal included domestic and garden refuse. The domestic refuse was collected using one truck in Aliwal North, one tractor and a truck in Jamestown, one tractor in Burgersdorp, Venterstad and Steynsburg respectively and the garden refuse was collected using the tractors. This service was accessible to all households including informal settlements.

The refuse collected was partially separated at source as businesses and some households separated recyclable from non-recyclable material at source. Recyclers collected the recyclable material. The recycling companies and organizations collect recycling waste both from source and at the landfill sites. Municipality did not have a programme of collecting recyclable material. The municipality has established a Material Recovery Facility at the Aliwal North landfill site and Buy Back Centre to ensure that separation of waste is fully realized. The facility is managed by Maletswai Recycling Cooperatives. The recycling efforts will ensure that the lifespan of the landfill site is lengthened.

Public Education: The Municipality conducts daily public education programmes using internal staff, pick it up staff and EPWP staff recruited through the Greening and Beautification of Towns Project that is funded allocated by DEDEA.

Law enforcement: Ten Peace Officers were trained by the erstwhile Maletswai Municipality to enforce the Waste Management By-laws, however some Peace Officers contracts were terminated subsequent to the completion of the project that was funded by DEDEA. Warnings were issued as well as fines as corrective measures.

3.12.1.2 WASTE DISPOSAL:

The Aliwal North, Burgersdorp and Venterstad solid waste sites are not fully compliant with either its applicable permit conditions or national legislation or both, e.g. the cells are filled with raw waste (not incinerated).

Challenges:

- The Municipality pays a lot of money for paying a hired bulldozer for compacting waste.

- The Municipality does not have compatible plant and equipment to maintain landfill sites as required by the Integrated Waste Plan as a result the municipality pays a lot of money in hiring a bulldozer for compacting waste

Cleaning of streets: Street cleaning is done in the Central Business District streets, daily including week ends and in the residential areas streets were cleaned during week. The key service delivery priorities were public education on waste management and mitigation of illegal dumping.

Description	2017/18
	Actual No
Solid waste removal (minimum level)	19 534
Remove at least once a week	19 534
Minimum Service level and above sub- total	89%
Minimum Service Level and above percentage	0
Solid waste Removal (Below minimum level)	0
Removed less frequently than once a week	0
Using communal refuse dump	
Other rubbish disposal	0
No rubbish disposal	0
Total number of households	19534

Service Delivery Levels and standard

The majority of citizens have access to refuse removal and this includes the 2340 informal settlements. The municipality provides skip bins as receptacle points for refuse. In all formal

settlements, high level waste management service is rendered through refuse removal once a week in residences and in businesses in line with refuse collection programme. The municipality set itself a target of 90% weekly door to door refuses collection and is managing it fairly.

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 financial year under review	Number of HH/customer reached	Percentage of achievement during the year
Percentage of households with access to refuse removal services	21874	2340	89%	19534	89%

3.13 HOUSING

INTRODUCTION TO HOUSING

3.13.1 PROVISION STRATEGY

The role of Walter Sisulu Local Municipality with regard to housing delivery is to:

- a) Ensure that inhabitants of its area of jurisdiction have access to adequate housing.
- b) Ensure that services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a manner which is economically efficient;
- c) Identify and designate land for housing development
- d) Initiate, plan, coordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction through:
 - Beneficiary identification
 - Completion of housing application forms

- Beneficiary verification
 - Sign off happy letters
 - Hand over completed houses to rightful beneficiaries
- e) Provide bulk engineering services, and revenue generating services in so far as such services are not provided by specialist utility suppliers
- f) Plans and manage land use and development.

3.5.2 MEASURES TO IMPROVE HOUSING PROVISION PERFORMANCE

Civil society organizations such as NGO's, labour unions, employer organizations and business organizations play a prominent role.

PROJECTS ON THE BUSINESS PLAN

- Dukathole 172 (45 Units)
- Dukathole 172(8 Military Veterans Units)
- Dukathole 140 (Accruals & Retention)
- Hilton 94 Housing Project (59 Services & Units)
- Mzamohle 2 Units
- Burgersdorp 130(123)
- JGDM Disaster (12 + 20) = 22 UNITS
- Gariep 50 (20 Destitute)
- Steynsburg 530 (Ceiling & Electricity – 200 Units)
- Dukathole 188 Phase 2 (57 Units)
- Jamestown 250 (Planning Activities)
- Dukathole 743 (Title Deeds)
- Joe Gqabi 1087 Rectification (52 Units)
- Venterstad 500 (69 Units)
- Burgersdorp 955 (15 Units)

CHALLENGES IN CURRENT (2017/2018 FY) HOUSING PROJECTS

- Beneficiary administration on previous rectification projects which now on IRDP instrument.
- Beneficiary nomination conflict issues

Electrical infrastructure to:

- Burgersdorp 30 Destitute
- Dukathole 140, 172 and Hilton 94.

3.14 FREE BASIC SERVICE AND INDIGENT SUPPORT

As part of its overall strategy to alleviate poverty in South Africa the government has put in place a policy for the provision of a free basic level of municipal services. Electricity has been prioritized as a free basic service for the poor. In realising this principle, the National Indigent Policy Guidelines determines that municipalities must provide free basic services to the indigent people in a sustainable manner.

The following are classified as free basic services to poor households, per month:-

- Free basic electricity - 50 kilowatts electricity for grid-based h/holds;
- Subsidy amount of R 146.39 for refuse removal
- Removal - DEDEA committed to grant subsidies to all indigent household for refuse removal;

In compliance with the prescribed policy the municipality is providing free or subsidized basic service for many households who would normally struggle to pay their accounts. There is an Indigent Policy where qualifying applicants must register for FBS at the municipality and endorsed by their designated councillors (ward councillors). After lodging the application it will be assessed and approved. An income declaration or proof of registration as an unemployed person, support the indigent application.

The table hereunder gives a reflection of the number of qualifying poor households over the past year and the actual financial implication.

Description	No H/H 2017/18	Equitable Share	Equitable Share Print
Refuse removal	8920	5 846 338	4295 728
Electricity	7233	4 163 464	4 732 097

A free Basic service in terms of electrical supply is still a challenge to those receiving electricity in the commercial farming and rural areas.

Service Objectives <i>Service Indicators</i>	Outline Service Targets	Year 1		Year 2	
		Target	Actual	Target	Actual
Eradicate backlog in order to improve access to services and ensure proper operations and maintenance.	Square meters potholes filled	6 potholes filled	111	32	251
	Kilometers of graveled roads maintained	50km graveled roads maintained	27km	21	66
	Kilometers of Storm water channels maintained	32km Storm water channels maintained	9km	24	66

COMPONENT B: ROAD TRANSPORT

3.15 ROADS

The municipality in terms of the Municipal Structures Act 117 of 1998 maintains Access Roads; however there is a significant challenge around capacity, knowledge, resources and magnitude of the backlogs for them to effectively implement such service.

Within the technical services department there is a division called PWD (Public Works Division) 100% focusing on roads maintenance and storm water maintenance. Key function of this division is continuous patching the potholes from all the tar roads in the Municipal Jurisdiction.

The Municipality continues with the maintenance streets and 32 potholes were filled, 18 km of Storm water channels cleaned and 32km roads were graveled. Through MIG Funding the municipality managed to pave Nozizwe and Jamestown Access roads completely.

3.15.1 LEVEL AND STANDARDS IN ROAD MAINTENANCE SERVICES

The service level standard is regarded as high in Walter Sisulu Local Municipality; all the communities have access to roads facilities. The Walter Sisulu Municipality through MIG funding has embarked on the programme to upgrade all major routes to surfaced roads as opposed to gravel roads.

3.15.2 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
Percentage of households without access to gravel or graded roads = 0%	0	0	0	0	0
Percentage of road infrastructure requiring upgrade = 60%	13 124	150km	50km	27km	54%
Percentage of planned new road infrastructure actually constructed = 100%	0	0	0	0	0 %
Percentage of capital budget reserved for road upgrading and maintenance effectively used. = 100%	0	0	0	0	0

3.16 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

3.16.1 PUBLIC TRANSPORT FACILITIES

Taxi facilities have been constructed in the Central Business District (Aliwal North). However, there is a need for the sanitation facilities to be improved at the taxi rank and the municipality is

seriously planning to redress that. The other towns of the municipality there are no formal taxi ranks rather areas identified for taxi businesses. The municipality need to build taxi ranks also in other areas as this industry is growing very fast in the municipality.

3.16.2 RAILWAY SERVICES

The weekly railway transport passenger service between Johannesburg, East London and the Western Cape is accessible in Burgersdorp. Additionally the high poverty levels in the municipality limits the benefits, as many residents cannot afford the commuting costs to Burgersdorp. It is believed that if the use of the line between Burgersdorp, Aliwal North through to Barkly East could be reinstated it could boost the tourism trade, by creating a direct transport link between the Western Cape and Johannesburg commuters. If effectively maintained, managed and marketed it will stimulate local economic development, not only in Walter Sisulu but also in the whole district area.

3.16.3 ROAD WORTHINESS AND LICENSING

The municipality has a Vehicle Testing Station in Aliwal North, Burgersdorp, which provides a road worthy, and vehicle licensing service. Furthermore, the municipality has 11 fulltime traffic officers *i.e.* 2 Vehicle examiners, 4 Drivers Licence Examiners, 7 Traffic Officers, 2 Learners Licence Examiner, 2 Management Representatives and 1 Chief Traffic Officer and 1 Superintended (some of the staff is multi- skilled and therefore perform other duties as per the instruction of the Director). Moves are afoot to enhance the performance levels of the staff as it has demonstrated an ability to augment municipal revenue. The municipality on agency basis does this service.

3.17 WASTE WATER (STORMWATER DRAINAGE)

The Walter Municipality road maintenance strategy is improving gradually. Since the Municipality improved it's planning, the road maintenance programme has improved, the road maintenance programme comprises of storm water maintenance.

Within the technical services department there is a division called PWD (Public Works Division) 100% focusing on roads maintenance and storm water maintenance. Key function of this division amongst other function is to ensure that water surface run off is channeled to appropriate storm water so that road surface is not damaged or doesn't deteriorate at an abnormal rate.

Dedicated number of employees within the Public Works division is 100% focusing on storm water maintenance especially after the resealing of street budget was exhausted all personnel in the resealing was put to storm water maintenance team. As a result about 9km of storm water was cleaned, with storm water catch pits cleaned as well. The intervention is done on an ongoing basis where flooding occurs during heavy rainfalls.

COMPONENT C: PLANNING AND DEVELOPMENT

3.18 PLANNING

3.10.1 PLANNING STRATEGIES

The Municipality is responsible for the provision of housing and town planning services. It contracts the services of Town Planning Consultants to provide layout plans for new residential areas and for other land use needs such as commercial, industrial, institutional, recreational and tourism.

3.10.2 MEASURES TO IMPROVE PLANNING PERFORMANCE

Moreover, the municipality is in the process of reviewing the spatial development framework plan to keep in line with changing circumstances. All town planning will be done within the confines of the framework plan.

The following applications were processed for land use changes:

- | | |
|---|---|
| • Rezoning | 7 |
| • Sub-division | 5 |
| • Consent use | 2 |
| • Departures | 7 |
| • Township establishments (formalization of informal areas) | 0 |

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 year under review	Number of HH/customer reached	Percentage of achievement during the year
Percentage of households living in informal settlements	2340	2340	2340	2340	100%
Percentage of informal settlements that have been provided with basic services	2340	2340	2340	2340	100%
Percentage of households in formal housing that conforms to the minimum building standards for residential houses	19534	19534	19534	19534	100%

3.11 LOCAL ECONOMIC DEVELOPMENT

3.11.1 BRIEF PRESENTATION OF LED (LOCAL ECONOMIC DEVELOPMENT) STRATEGY

Status on developing the LED strategy:

- Walter Sisulu Local Municipality, as a new municipal entity, has no Local Economic Development Strategy.

Local Economic Development Unit:

- Walter Sisulu LM has a Local Economic Development Sub-Directorate is located in the Institutional Planning and Economic Development in the Office of the Municipal Manager. Currently there are 3 people in the LED Sub-Directorate, namely: 2 x LED Coordinators, LED Officer and.

The availability of a LED expertise:

- The unit has limited expertise in local economic development practises (expertise are aligned to the capacity and ability of a staff member – what he or she can do in the practise).

LED stakeholder forum functionality (number of meetings held):

The amalgamation of the erstwhile Maletswai Local Municipality and Gariiep Local Municipality to establish the Walter Sisulu Local Municipality, had a negative effect of the functionality of the LED Sub-Directorate.

The municipality is in the process of establishing the LED stakeholder foras to realign with the new local municipality.

Funding opportunities of LED activities (indicative figures on Donors/funders and types of programme):

Programme	Donor	Funding	Jobs Created
Environment Protect & Infrastructure Programme	Department of Environmental Affairs (DEA)	R15-million	113
Environment Protect & Infrastructure Programme	Department of Environmental Affairs (DEA)	R5-million	60
Environmental and Town Beautification	Department of Economic Development, Environmental Affairs and Tourism (DEDEAT)	R1-million	32
Municipal Infrastructure Improvement	National Treasury (DORA Allocation)	R26-million	60
TOTAL:		R47-MILLION	265

3.11.2 PROGRESS TOWARDS ACHIEVING THE LED KEY OBJECTIVE

Improve public and market confidence:

The Walter Sisulu Local Municipality has no consolidated Spatial Development Framework (SDF), the two erstwhile municipalities had outdated SDFs. The process is underway to start the development of a new SDF. As it is a case, the formulation of the Spatial Development Framework is a legal requirement, in which, every municipality must adhere to as part of the integrated development processes (refer to section 26 Municipal Systems Act).

It is the principal instrument for forward planning and decision making on land development in the entire municipal area. This framework identifies certain structuring elements, such as nodal

points, corridors to guide and inform future planning in Maletswai. However, the current SDF requires a major overhaul and the municipality is in the process of seeking funding to develop a new SDF in order to meet its current developmental obligation.

Red tape reduction: (Turn-around time for licensing and other business related services):

- Walter Sisulu LM is yet to streamline its policies to reduce red tape in service delivery, a number of complaints have been received on the length of time 'we' take to process applications, payments, and other requirements.

Investments and trading by-laws:

Maletswai has no investment policy or We have Street Trading and Liquor Trading By-Laws; however the affected economic sectors (hawkers and liquor traders) have identified these two (2) by-laws as making it difficult for them trade or operate in order to maximise their profits and create more jobs.

The municipality has been commended for its steadfastness in enforcing the liquor trading by-law, it is said crime has gone down, some businesses have closed down and a number of jobs have been lost.

New by-laws are to be developed as part of the amalgamation processes and establishing a new municipality.

Exploit comparative and competitive advantage for industrial activities.

Agriculture:

The main type of farming the Municipality is stock farming, namely, sheep, goat and cattle and there is limited crop farming (potatoes, maize, cabbage, onion, etc.) taking place. This sector is very labour intensive and thus has created about +/- 1500 jobs opportunities (through commercial farmers) and there are about 155 small scale farmers operating from fifteen (15) communal farms and others have leased from established farmers. Tunnel farming has been identified as an opportunity for growth in the agricultural sector and it is being piloted in Maletswai and is being practised at a small scale and also the game farming is also seen to have greater opportunities of growth for the area. The sector is facing a number of challenges that hampers effort for development, namely: water shortage, poor infrastructure, stock theft, high costs of productions, lack of start-up capitals and human capacity building.

An Agricultural Training Centre (Farmers Support Centre) is now complete and operational; it is based in Aliwal North.

Manufacturing:

Production is mostly agro-processing such as maize meal, dairy products and juices with the key manufacturing/processing companies.

Construction:

The construction sector is currently being driven by the demand for housing, office and business space. The largest government projects in construction include the construction of houses, upgrading government office space and infrastructure such as the roads upgrades and maintenance. Here are the major projects taking place:

- Buffelspruit Nature Reserve Revitalisation
- Maletswai Composting Facility
- R58 upgrading and maintenance
- Provincial Government Office Complex (Phase 2) that commenced in the 2016/2017 FY
- Internal roads paving
- Water and Sanitation Infrastructure
- Low Cost Housing
- Middle to High Income housing development (private sector project)
- Improvement to the current Ikhala Public TVET College Somerset campus
- Construction of a new main campus for the Ikhala Public TVET College

Trade:

There are approximately 420 small and medium enterprises operating and majority are retail businesses. The local trade sector has about 15% enterprises categorised as formal businesses namely national chain/franchise businesses such as Pick `n Pay, Jet, Shoprite, Friendly Grocer, Spar, Lewis Store, Fruit & Veg, Wimpy, Steers, Spur and others, this therefore means the local economy is largely driven by the small business enterprises. A number of locally owned enterprises have expanded, local business people invested in new ventures and thus creating a number of job opportunities.

Aliwal North is the regional trade and business services centre (district economic hub) and it also a service centre to small towns in Free State (Rouxville, Bethulie, Zastron, Smithfield, Goedemoed and nearby farming communities).

Transportation and Communication:

The most commonly used mode of transport is taxis and it is estimated that 75% of the total population uses taxis particularly between towns. The local taxi associations are affiliates of UNCEDO Taxi Alliance, has 50 members who are registered operators and there are 40 registered taxi operators. There are approximately 10 'illegal' and unregistered taxi operators. There are approximately 60 job opportunities created by this industry. There are eight (13) fuel service stations, six (6) of which are located in Aliwal North, two (2) in Jamestown, three (3) in Burgersdorp, one (1) in Steynsburg and one (1) in Venterstad – servicing the local and transient market. Some of these service stations operates 24 hours and others close around 19h00.

Finance and Banking Services

There are 5 main fully fledged banking outlets, namely: ABSA, First National Bank, Standard Bank, Capitec Bank and NEDBANK. There are about 11 registered micro-lenders aligned to those banks and the African Bank and many illegal operators (Loan Sharks).

The key market segments that the financial and business services in the area target are public servants, farmers and agricultural workers, low income earners, elderly, local businesses and the youth/student market.

Venterstad and Jamestown does not have any banking institution, they only have 1 or 2 ATM's

Tourism:

There are approximately 90 tourism products operating and can be categorised as follows: self-catering chalets, guest farms, guest houses, bed & breakfast, hotels, lodges, restaurants, foods outlets and tea & gift shops, etc. The local industry can cater for approximately 900 'quality' beds and services (the highest in the district) and accounts for about 180 permanent job opportunities. Not all establishments are graded and not all are graded under the South African Tourism Grading Council, others are graded by the AA Accommodation Services.

Enterprise support and business development:

Enterprise and business development support is not a mandate of the municipality rather that of SEDA, ECDC and ECRDA, so most customers are referred to the three (3) state owned entities. Some community members approach the LED Unit to assist with the following services:

- Business Idea Generation (feasibility)
- Business Plan Evaluation
- Development of pre-business plan

- Business Advice (financial management, administration, business administration, legalities, etc.)
- Business entity registration (advice on options)
- Tender advice
- Business profiling

Public and private partnerships established:

- None.

Number of new formal SMME established within the municipality:

- Refer to the **Trade** chapter above.

Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships:

- There are about 265 jobs opportunities created through municipal driven EPWP compliant projects.

Support Social Investment Program

- Number of active cooperatives = +/- 30
- Non-governmental Organisations = +/- 40
- Community based organisations = +/- 20
- Small Business Associations = +/- 6
- Women Associations = +/- 7
- Youth Associations = +/-10

Unemployment database: It is difficult to keep an up-to-date data base of the unemployed, for when they are employed they don't report. We rely on the database of the Department of Labour and a list of unemployed people in each of the 6 wards of which they are not a true picture; however the Census 2011 estimates that the unemployment rate is at 25,2%.

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	Achievement percentage during the year

			(absolute figure)	
	Percentage of LED Budget spent on LED related activities.	0%	0%	0%
	Number of LED stakeholder forum held	2	100%	100%
	Percentage of SMME that have benefited from a SMME support program	20	100%	100%
	Number of job opportunities created through EPWP	263	265	133%
	Number of job opportunities created through PPP	0	0	0
	LED Strategy aligned to the Provincial and National LED Strategy/Framework developed	0	0	0
	LED Strategy Implementation Plan developed and resourced	0	0	0
	Number of municipal LED Intergovernmental platforms convened	0	0	0
	Number of work opportunities created through CWP	400	400	100%
	Number of job opportunities created through other municipal initiatives such as infrastructure projects etc.	0	0	0

	Number of jobs created through other government initiatives	678	678	100%
	Number of jobs created through private/business sector initiatives	N/A	N/A	N/A
	Red – tape reduction programme implemented	0	0	0
	5 year investment retention and attraction strategy plan implemented	0	0	0

CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION

CHALLENGES:

- Absence of the Walter Sisulu LM's LED Strategy
- Internal financial resources
- Additional capacity (HR)
- Additional expertise (skills development and/or human resource development).
- Technology (software to collate and analyse LED data)
- Internal understanding of Local Economic Development.

WHAT NEEDS TO BE DONE?

- Develop a new and comprehensive LED Strategy
- Availability of internal dedicated funding to support LED specific initiatives;
- Capacitating (human resources) the LED unit;
- Funding to acquire tools (software) useful for collating and analysing data relevant to LED;
- Funding for training of communities, Councillors and officials on LED to increase their understanding; and
- Additional capacity building for unit staff to improve performance.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

3.12.1 LIBRARIES

This service largely remains a competency of the province and the municipality performs agency function. In Walter Sisulu Municipality, there are eight (8) libraries, namely

1. Venterstad;
2. Steynsburg;
3. Burgersdorp;
4. Mzamomhle;
5. Martin Luther King Jnr
6. Eureka
7. Aliwal North and;
8. Jamestown.

Internet connection was installed in Jamestown and Aliwal North. However, there is a consistent outcry from community members to have more libraries in the townships. Library campaigns were conducted during the period under review.

3.12.2 MUSEUMS AND MONUMENTS

Volunteers privately run the museums. The Municipality contributed by leasing out buildings at a nominal rate and regularly do maintenance of the building Premises when required.

There are monuments in all towns except for Jamestown of the Municipality that were funded by DSRAC and the municipality contributed with land and maintenance.

3.12.3 ARCHIVES

The Registry Procedure Manual of council has been approved by the Department of Sports, Recreation, Arts and Culture.

3.12.4 COMMUNITY HALLS

The municipality has a competence for amenities and community facilities like halls. The community halls are used for different purposes by various organisations to hold meetings, recreational programmes, private functions, events and community meetings. Whilst the aims and objectives of having community halls owned by the municipality is to ensure that community functions are held in descent public facilities which are accessible to all but these facilities remain fiscally responsible so to recoup the running costs. So far, there has

been the lack of adequate funds to constantly maintain and offer security services to our community halls. The municipality has in the recent past noted a high level of vandalism to all community facilities, including community halls. As a result, the state of our community halls is deteriorating at an alarming rate.

Two community halls' roofs in Mzamomhle and Oviston respectively, have collapsed and are now in disuse due to lack of funds on the part of council to revamp them. Insurance claims were lodged with our insurers but the one for Mzamomhle was declined on technical grounds whilst the one in Oviston is being assessed. A technical assessment on the state of our community halls need to be commissioned so to avert possible collapse due to lack of maintenance.

The community halls in Walter Sisulu Local Municipality area are listed below:-

Ward no	Area based current status	Need identified
Ward 1	Venterstad Community Hall	Revamping of the entire building
	Nozizwe Community Hall	Repairs fencing and general maintenance of the building
	Oviston Hall	Fixing of the roof and revamping the building on its entirety
	Lyciumville Community Hall	Repairs and maintenance
	Venterstad Sports Ground Hall	Repairs and maintenance
Ward 2	Khayamnandi Community Hall	Repairs and maintenance
	Steynsburg Town Hall	Repairs and maintenance
Ward 3	Masakhane Community Hall	Revamping and extension of the hall. The hall needs additional chairs and tables
Ward 4	Mzamomhle Community Hall	The roof was blown away by wind. There an urgent need to repair the hall to its original form
Ward 5	Thembisa Community Hall	Implementation of phase two which includes expanding and fitting of curtains and air conditioning
	Eureka Community Hall	Hall is severely vandalized and needs revamping
Ward 7	Greenslade Community Hall	The hall needs revamping, additional chairs and tables
	Mzingisi Bilisho Community Hall	The hall needs revamping and additional chairs and tables
Ward 8	Joe Slovo Community Hall	Additional Chairs needed

Ward 9	Hilton Community Hall	The hall requires revamping, maintenance of the fence and requires additional chairs and tables.
Ward 10	Joe Gqabi Community Hall	The hall requires minor revamping and maintenance of the toilets, additional chairs and tables.
Ward 11	Burgersdorp Rugby Hall	The hall requires minor revamping, installation of air conditioning facility, curtains fitting and ceiling fitting

Service Objectives	Outline Service Targets	Year 1		Year 2	
		Target	Actual	Target	Actual
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	Percentage increase of membership at municipal libraries	18%	100%	20%	100%

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The Municipality has a total of 20 cemeteries and 5 of these cemeteries are in operation. Two cemeteries, are still fearly new, namely Jamestown and Aliwal North. The other cemeteries in Burgersdorp, Steynsburg and Venterstad are nearing closure. There is a need to prioritised the developement of new cemety site in all of the aforementioned towns. The Municipality has a functional Electronic Cemetery Management System linked to Sebata FMS.

The challenge expeienced during the year under review was the fencing of the cemeteries and theft of fencing to all of our cemeteries. There are simmering illegal burials in some of our cemeteries and the absence of fulltime care takers to our cemeteries exercibate the problem.

Crematorium

The Municipality has one Crematorium that is within a cemetery in Smith Street, Aliwal North.

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Department of Social Development is energetic in the municipal area. They provide the following services:

- Treatment and prevention of substance abuse through educational programmes, rehabilitation and home based interventions
- Care of older persons within residential care-Old Age Homes.
- Crime prevention and support to children and youth at risk /in trouble with the law and adult offenders.
- Promote socio –economic empowerment and integration programmes of people with disabilities.
- Child care and protective services
- Pre - school
- Victim empowerment that facilitate reduction of gender disparities and incidents of domestic violence.
- HIV and AIDS programmes to care and support infected and affected individuals, groups and families.
- Sustainable livelihood programmes looking at poverty reduction among poor households through food security, income generation and women and youth. Programmes
- Community capacity building through capacitating NPO's.

Service Objectives	Outline Service Targets	Year 1		Year 2	
		Target	Actual	Target	Actual
Promote a culture of participatory and good governance.	Number of Special Programmes coordinated	1	1	1	1
Contribute to the fight against HIV/ Aids	Number of Local Aids Council (LAC) meetings convened	4	0	4	0

COMPONENT E: ENVIRONMENTAL PROTECTION

3.15 POLLUTION CONTROL

The Municipality collects refuse once a week from households. Business refuse is collected on a regular basis in line with the refuse collection programme for businesses. Special collection is performed upon special requests. The Municipality had an EPWP programme for removal of illegal dumpings, where a group of unemployed individuals were employed on contract to remove illegal dumpings. Public education outreaches were conducted to educate communities on waste management. The appointed and trained Municipal Peace Officers enforced the bylaws, warnings were issued to individuals who dumped illegally. The District Municipality monitored illegal dumpings as well as dilapidated buildings and submitted weekly reports to the municipality.

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

Areas of biodiversity conservation are indicated on the illustration (below), including natural landscape, cultivated lands and plantations. A large portion of Walter Sisulu Municipality has near natural landscape.

The municipality has the following environmental opportunities:

- Scenic beauty of the area;
- Areas for prioritized intervention;
- Increased land care;
- Increased awareness around better land management practices (especially in agriculture and urban management);
- Reduction in the number of sewerage spills;
- Reduction in the number of uncontrolled waste management sites;
- Improved disaster management systems;
- Increased investment in environmental protection and conservation; and
- Infrastructure maintenance especially roads should correlate to the climatic and topographic conditions of the area.

COMPONENT F: HEALTH

3.17 CLINICS

There are ten clinics in Burgersdorp, Mzamomhle Steynsburg, Eureka, Mzamomhle, Nozizwe, Khayamnandi, Maletswai Clinic, Block H clinic and Hilton Clinic and one in Jamestown. In addition, there are two Home Base Care Centres in Aliwal North and one in Jamestown. The priority health programmes are HIV and AIDS, TB and mother and child services. There are community-based initiatives aimed at prevention of disease and promotion of healthy lifestyles. The district area is implementing the 5 priority health promotion campaigns of nutrition, substance abuse, tobacco, use of healthy environments and risks.

In view of the above, primary health care services are the function of the Provincial Department of Health. This has then resulted in all clinics in Walter Sisulu being taken over by the provincial department.

Challenges

- Venterstad requires a 24hour clinic; this is been raised in all Mayoural and Ward meetings of the councillor. There is only one clinic that services all Venterstad, Oviston and farm areas.
- Thembisa Township in Buregresdorp also requires a Building for a clinic; currently they operate in a community hall where the service is disturbed by Ward, Public and Mayoral meetings.

3.18 AMBULANCE SERVICES

The ambulance services were available within the District and were under the jurisdiction of the Eastern Cape Department of Health. The Municipality had as and when necessary invited the leadership of the emergency services to make presentations on services offered and mode of operation.

The municipality is still facing challenges of none availability of ambulance when needed the most especially in Venterstad and Jamestown where there are no hospitals nor 24Hr service clinic.

3.19 INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION

The inspection of food and abattoirs is the competency of the District Municipality because it had Environmental Health Practitioners and no negative reports were submitted concerning the functioning of the abattoir.

3.20 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

In terms of the powers and functions set out, Environmental Health Services is a function of the District Municipality. The focus is on issuing business licences, overgrown erven, enforcement of the national legislation regarding smoking in public places and any environmental health projects.

COMPONENT G: SECURITY AND SAFETY

3.21 POLICE

There are six fully staffed and capacitated police stations in municipal area. The crime rate is relatively low especially in contrast to other places in the province. This in part is contributed by the efficient enforcement of municipal by-laws by SAPS and municipal Peace Officers. The working relations between the SAPS and municipality is very sound. The provincial Department of Safety and Liaison plays an active role in assessing the effectiveness of Policing in municipal area. The municipality is also an active member of that drives the Community Safety Forums which play oversight over the SAPS members and functioning.

3.22 FIRE

The Joe Gqabi District Municipality operates a fire control unit in Walter Sisulu Municipality. The Municipality work together with the District Municipality whenever fire occurs. There are fire units in the Municipality that are runned by the District Municipality in Aliwal North and Burgersdorp.

3.23 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

There were no disasters that were declared during this period. The control of public nuisance was implemented in line with the Bylaw.

COMPONENT H: SPORT AND RECREATION TRANSPORT

3.24 SPORT AND RECREATION

The portion of the MIG funding for 2017/18 was partly used for the development of SA Moorosi stadium and Burgersdorp sport field. The municipality is having more than 2 sport ground in the entire municipality. These sport fields, some need renovations and some need to be redone totally.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.25 EXECUTIVE AND COUNCIL

Subsequent to its election in August 2016, the Council established its 79 Committees including the Municipal Public Accounts Committee with a view to strengthening its oversight role over the performance of the Administration. The IDP and Budget process plan for 2017/18 financial years was approved and its implementation is being monitored and report thereon discussed by the budget steering committee chaired by the Mayor.

Monitoring of capital projects was improved by ensuring that councilors formed part of the project steering committees and that MPAC pays site visits to the projects and compile report on the findings.

The council received monthly budget statements, implementation of the Supply Chain Management Reports, debt collection, implementation of council's resolution and SDBIP reports at the ordinary council meetings. These reports were interrogated and appropriate recommendations made to the relevant standing committee and or administration for implementation.

As a way of improving public participation in the affairs of the municipality, the council facilitated the election of the ward committees by various ward-based stakeholders in 2016/17, developed a policy to regulate their functioning and appointed ward co-coordinators to assist the ward councilors in ensuring effective functioning of the ward committees

The draft and final IDPs and Budgets for 2017/18 financial years were adopted within the prescribed statutory time frame after consultation with communities through public participation programmes and issuance of public invitation through the print media. This was allowed by the approval of the SDBIP and signing of the performance agreements of the section 56 Managers and Municipal Manager.

The Annual and Oversight reports on the Annual report were adopted and made public in accordance with the relevant statutory prescripts.

3.26 FINANCIAL SERVICES

The financial services department has a mandate of improving the financial viability of the municipality by ensuring that all services rendered are accurately billed and collected timely. One of its main objectives is to ensure that expenditure incurred is within the budget and all suppliers are paid within the prescribed timeframe. Its overall responsibility is to ensure that all internal controls are operating effectively throughout the year and ultimately enable a proper recording system that will result in a clean audit report.

Top three service delivery priorities are as follows:

- Expand and protect municipal revenue base;
- Compliance with prescribed legislative framework and accounting standards;
- Ensure efficient, effective and economical monetary management for a healthy financial position;
- Manage, control and maintain all municipal assets;
- Reduce red-tape;
- Maintain and update the current financial management system;
- Provide effective and efficient ICT services

3.27 FINANCIAL PERFORMANCE 2017/18: FINANCIAL SERVICES

Please refer to Appendix T for details of all departmental performances including the expenditure breakdown.

3.28 HUMAN RESOURCE SERVICES

The human resource policies provide the municipality with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies are framed in a manner that the municipality's vision and the human resource helping the municipality to achieve it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

3.29 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

According to the 2011 census more than 80% of the population have access either to a private telephone or one nearby but there is still a section of the population that has no access to a telephone. Urban areas receive the best service. Parts of the commercial farming areas and rural areas are provided with telephone services based on radio linkages to towers, driven by solar panel technology. The reliability of this service is sometimes a problem as spares are not always available, there is market for the solar panels resulting in theft, the service cannot effectively cope with Internet, and it is affected by weather conditions (especially cold). It must be noted that most communities (99%) have access to telecommunication either in the form of land lines, public phones or cell phones.

3.30 ANNUAL PERFORMANCE REPORT 2017/18

An attempt has been made to comply with legislative prescripts in terms of the structure and content of the report. The report has covered the actual performance of the municipality in the prior year, targets and actual performance for the year under review. The reasons have been provided where there has been a deviation from the target.

In order to ensure alignment with the Integrated Development Plan, the strategic objectives as encapsulated in the IDP have been imported to the Annual Performance Report. An attempt has also been made to ensure alignment with the SDBIP by reporting against all targets determined therein.

Municipal Manager's quality certification

QUALITY CERTIFICATE

I, F Ntlemeza, the Municipal Manager of Walter Sisulu Local Municipality, hereby certify that the Annual Performance Report for the year ended 30 June 2017/18 has been prepared in accordance with the Municipal Systems Act, Act 32 of 2000 and Regulations made under that Act.

Print Name : Fezeka Ntlemeza

Municipal Manager of Walter Sisulu Local Municipality (EC145)




Signature _____

Date _____








CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE





The municipal manager and s56 managers have signed the performance agreements as prescribe by law. The municipal and departmental SDBIP`s, which are reported on a quarterly basis to the council serves the purpose of evaluating whether or not the municipality was meeting its targets.

ANNUAL PERFORMANCE REPORT 2017/18






MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
IDP OBJECTIVE	Reference Number	Indicator	Annual Target 2017/2018	Actual 2017/18	Snapshot Assessment	Reason for variance	Remedial Action	Comments
Build and enhance the human resource capacity of the municipality	MT12	Number of organograms approved by Council	1	1				
	MT05 -1	Number of Workplace Skills Plan (WSP) submitted to LGSETA	1	1				
	MT01	Percentage of a municipality's budget actually spent on implementing its	70%	70%				

		workplace skills plan.						
	MT07-02	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan.	4	0		No new appointments were made in the year under review	To speed up the placement of staff	
Build human resource capacity for institutional and community development by 2018	MT07-03	Number of Finance interns appointed	5	0		The municipality didn't have an EEP in place, as the organogram is still not in place.	Approval of the draft Organogram by Council.	
Build human resource capacity for institutional and community development by 2018	MT05-2	Number of Councillors trained	22	22				
	MT15	Number of staff trained as per WSP	48	48				




Build human resource capacity for institutional and community development by 2018	MT10-1	Number of Ward Committee members trained	110	110				
	MT10-7	Number of Annual Reports tabled before Council	1	1				
	MT10-6	Number of IDP's submitted to council	1	1				
Improve organizational cohesion and effectiveness	MT05-1	Number of staff workshops on Human Resource Policies	2	2				
Improve organizational cohesion and effectiveness	MT13	Number of policies submitted to Council for approval.	11	22				
Improve organizational cohesion and effectiveness	MT14	Number of existing policies reviewed and submitted to Council	11	24				
Build an efficient, effective, accountable and responsive local government system by 2018	MT16	Number of Occupational Health and Safety committee meetings held	4	0		None placement of staff was made	To speed up staff placement	

Ensure effective and efficient governance	MT12	Number of draft Municipal by-laws approved by Council	24	24				
KPA 2: INFRASTRUCTURE AND BASIC SERVICE DELIVERY								
Eradicate current infrastructure backlogs and improve access to municipal services	SD08 -1	Number of traffic fines issued	1584	1590				
	SD05-2	Number illegal waste sites beautified	40	45				
	SD05-2	Percentage households with access to basic	94	89%		Council do not remove waste from the farming	The target will be reviewed in order to align	





		level of solid waste removal				communities hence the shortfall.	it with the relevant area where solid waste is removed	
Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance	SD07-3	Number of Service level Agreement signed with the DSRAC for library services	1	1	👍			
Eradicate current infrastructure backlogs and improve access to municipal services	SD012-2	Number Meters of potholes filled	40	42	👍			
	SD011-5	Ratio of street lights maintained	1:01	1:01	👍			
	SD06-3	Percentage of monthly disconnections received and performed	100%	100%	👍			
	SD06-4	Percentage of monthly reconnections received and performed	100%	100%	👍			






Eradicate current infrastructure backlogs and improve access to municipal services	SD01-01	Number of application forms for funding submitted to the DOE for the Electricity Master Plan	1	1				
	SD011-6	Percentage of electrical faults attended within 24 hours of reporting	100%	100%				
Eradicate current infrastructure backlogs and improve access to municipal services	SD012-3	Kilometers of gravel roads maintained	50km	40km		The breaking down of the vehicle`s hampered with the effective execution of the target	The bladed for the grader has been ordered in order to speed up service delivery.	
	SD012-4	Kilometers of storm water channels maintained	32km	40				
Eradicate current infrastructure	SD011-14	The percentage of households with access to basic level of electricity	100%	100%				







backlogs and improve access to municipal services	SD013-2	Percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100%	100%				
Eradicate current infrastructure backlogs and improve access to municipal services	SD06-4	Kilometre of gravel roads paved (Nozizwe)	1.5 km	1.5 km				
		Kilometre of gravel roads paved (Masakhane)	1.5 km	1.5 km				
		Upgrading of Burgersdorp sport ground	New indicator			Short fall of budget	Submit business plan to get additional funding	
	SD06-2	Number of cemeteries maintained	2	2				
Improve financial management in the municipality	SD011-1	Percentage reduction in electricity loss	18%	10%				

KPA 3: LOCAL ECONOMIC DEVELOPMENT							
To coordinate mechanisms for creating job opportunities	LED03	Number of job opportunities (full-time equivalent as per EPWP standards) created through municipal linked infrastructure projects.	200	235			
Coordinate small business access to financial and non-financial services	LED05	Number of tourism marketing initiatives undertaken	1	1			
Compliance with prescribed legislative framework and accounting standard (legislative requirements of the MFMA): compliance with Supply Chain Management Policy and regulations	LED 06	Number of informal small enterprises formalized (registered with CIPC)	10	10			

Compliance with prescribed legislative framework and accounting standard (legislative requirements of the MFMA): compliance with Supply Chain Management Policy and regulations	LED 05	Number of Tourism Establishments databases maintained	4	4	📌			
KPA4: FINANCIAL VIABILITY AND MANAGEMENT								
Improve financial management in the municipality	FM01-43	Cost coverage ratio	1 month	90 days	📌	Financial cash flow challenges are hampering the ability to adequate cash to cover for cost for a period in excess of one month.		

Compliance with prescribed legislative framework and accounting standard (legislative requirements of the MFMA): compliance with Supply Chain Management Policy and regulations	LED 04	Percentage of SMME's benefitting from the municipal Supply Chain Processes	70%	70%				
Improve financial management in the municipality by 2018	FM02-1	Percentage of approved operating budget spent	100%	54%		Budget restrictions and inadequate cash flow have led to reduced spending.		
Improve financial management in the municipality	FM01-8	Percentage of registered households earning less than R2500 per month with access to free basic services	100%	100%				
	FM01-48	Debt Coverage Ratio (Total Borrowings) (Output)	10%	3.5%				

Improve financial management in the municipality	FM04-02	Number of S71 reports submitted to Provincial and National Treasury by the 10th Working day of each month	12	12				
	FM04-04	Number of Annual Financial Statements submitted to the Auditor-General by the 31 August	1	1				
Improve financial management in the municipality	FM01-52	Number of Budgets submitted to Council for approval by the 31 May 2017	1	1				
Improve financial management in the municipality	FM01-44	The percentage of households with access to free basic electricity	100%	100%				
KPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Improve organizational cohesion and effectiveness	GG02	Number of customer care satisfactory surveys conducted	1	1				

Contribute to the fight against HIV/ Aids	GG011-1	Number of Local Aids Council (LAC) meetings convened	4	0		None placement of staff	Speed up the placement of staff	
To ensure good governance	GG06-2	Number of Audit Committee meetings held (Output)	4	0		None existence of Audit Committee	The municipality is in the process of establishing the Audit Committee.	
	GG06-3	Number of Strategic Risk Registers assessments conducted	4	1		No person was placed to perform this function	Placement/a ppointment of a person	
Ensuring Public Participation	GG013-1	Number of Stakeholder Engagement Sessions held (Output)	2	2				
To inform the community about the services rendered by the municipality	GG012-4	Ratio of responses to complaints raised in SOCIAL MEDIA platforms	1;1	1;1				
Ensuring Public Participation	GG013-2	Number of ward committee meetings held (Output)	72	60		None availability of members	Development of a calendar	

Build an efficient, effective, accountable and responsive local government system by 2018	GG02	Number of Council Outreach programmes held	4	3		None availability of councilors	Strict adherence to the calendar of events	
	GG02 - 1	Number of Local Labour Fora Committee meetings held	4	3	👎	The meeting were postpone due to the none availability of members	Strict adherence to the calendar of events will be implemented in the next financial year.	*
Promote a culture of participatory and good governance.	GG01-2	Number of ordinary Council meetings held	4	4	👍			
Promote a culture of participatory and good governance.	GG01-2	Number of MPAC Meetings held	4	4	👍			

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;	2	2	100%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	1	0	0	–
4	Percentage of Managers in Technical Services with a professional qualification	100%	None	None	
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	Not applicable	Not applicable	Not applicable	Not applicable
8	Percentage of staff that have undergone a skills audit (including competency	100%	100%	100%	–

	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
	profiles) within the current 5 year term				
9	Percentage of councillors who attended a skill development training within the current 5 year term	100%	100%	100%	
10	Percentage of staff complement with disability	4%	1%	1%	Difficult to recruit
11	Percentage of female employees	30%	35%	35%	-
12	Percentage of employees that are younger than 35 aged 35 or younger	35%	60%	-	-

Challenge	Remedial action
<p>Insufficient funds for training of councilors, staff and ward committees;</p>	<p>By participating in LGSETA programmes and those trainings offered by JGDM in support of Local Municipalities and Department of Local Government also gives support in the training of Councillors.</p>
<p>The Institution is gradually improving in filling of the vacant post</p> <p>Inability to fill all posts in the organogram to ensure effective service delivery;</p>	<p>Maximum utilization of available staff and students placed on experiential training by strengthening supervision, on job training and coaching and performance management. Speeding up of staff placement.</p>
<p>Partial implementation of the performance management system in the sense that it does not cover non-s56 employees</p>	<p>Processes are under way to engage contractual employees below s56 signs performance contracts with their immediate supervisors.</p>

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.2 EMPLOYEE TOTALS, TURNOVER & VACANCIES

MM/Section 56 and Line Managers

4.2.1 HR STATISTICS PER FUNCTIONAL AREA

MM/Section 56 and Line Managers

4.2.2 HR STATISTICS PER FUNCTIONAL AREA

4.2.2.1 FULL TIME STAFF COMPLEMENT PER FUNCTIONAL AREA

	Approved positions (e.g. MM-S57 etc.)	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	Municipal Manager	1	1	0
2	Managers s56	5	3	2
4	Sectional Heads/ Line Managers	40	31	9
	Total	46	35	11

4.2.2.2 STAFF COMPLEMENT IN THE TECHNICAL SERVICES

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1.	Director	1	1	0
2.	Assistant Manager	4	2	2
3.	Foremen	6	5	1
4.	Superintendent	2	2	0
5.	Tool men	4	4	0
6.	Linesman	1	1	0
7.	Shift workers	17	16	1
8.	Drivers	12	12	0
9.	Operators	6	6	0

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
Total		53	49	4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.3 HUMAN RESOURCE POLICIES

The human resource policies provide the municipality with a mechanism to manage risk by staying up to date with current trends in employment standards and legislation. The policies are framed in a manner that the municipality's vision and the human resource helping the municipality to achieve it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

HR policies allow an organisation to be clear with employees on:

- The nature of the organisation
- What they should expect from the organisation
- What the organisation expects of them
- How policies and procedures work
- What is acceptable and unacceptable behavior
- The consequences of unacceptable behavior

Development of policies helps the municipality to demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance. Human resource policies can also be very effective at supporting and building the desired institutional culture. For example recruitment and retention policies might outline the way in which the municipality values a flexible workforce. The Municipality has a Recruitment and Selection Manual, which guides around the issues around staffing and a number of policies (*i.e.* standby allowance policy, absenteeism policy, code of conduct, employee assistance programme, motor vehicle allowance policy *etc.*)

4.4 RECRUITMENT AND SELECTION POLICY AND PROCEDURE

Walter Sisulu Local Municipality reviewed and approved the Recruitment and Selection Policy and Procedure. The objectives of the policy are to ensure fair and equitable recruitment and screening process is achieved during the recruitment process. Furthermore the policy is aimed at guiding appointment process to attract, obtain and retain people with required competencies at minimum cost in order to satisfy the Human Resource needs of the Council. Lastly, the policy is used as an instrument to give effect to the Affirmative Action Policy principles and adheres to the Employment Equity Act and the Labour Relations Act 66 of 1995. The municipality has been consistent in implementing the recruitment policy as well as other provisions of the Municipal Systems Act, section 66 (3), in the financial year under review. There has been no litigation against council owing to inconsistency application of the selection and recruitment procedures.

4.5 EMPLOYEE ASSISTANCE PROGRAMME

Walter Sisulu Local Municipality recognizes that staff's well being plays an important role in meeting its objectives and that personal problems interfere with job performance. Regardless of how disruptive such problems may be in the life of an employee, external motivation is always needed before an employee can make necessary changes or seek professional assistance. The municipality as an employer is committed to look after the physical emotional, psychological and social well being of its employees. To this end, an Employee Assistance Programme was established in the Human Resource Section to provide support to employees. The department is performing this function, however the unavailability of skilled personnel in the department is crippling the section and this result in this function being outsourced, and the key objective of the programme is to promote the well-being, morale and productivity of all employees; coordinate counseling services and refer employees for professional and specialized services.

4.6 SUCCESSION PLANNING AND CAREER PATTING

In Walter Sisulu, succession planning simply means making the necessary arrangements to ensure that suitably qualified people are available to fill posts, which will arise within any specific department over forthcoming years. The purpose of this policy is to ensure continuity of suitably trained staff in key posts for the future, to (also) ensure that someone is always available to fulfill any particular job in the municipal service, even in the event of illness, resignation or death. Moreover, to comply with the legal requirement of the Employment Equity

Act which requires the appointment and promotion of suitably qualified person from previously disadvantaged groups, to ensure proportional representation in all occupational categories and levels? Lastly, to ensure that training programs are undertaken in an orderly way and that staff does not simply attend training courses without a purpose in this way training initiatives can be properly focused.

4.7 EMPLOYMENT EQUITY

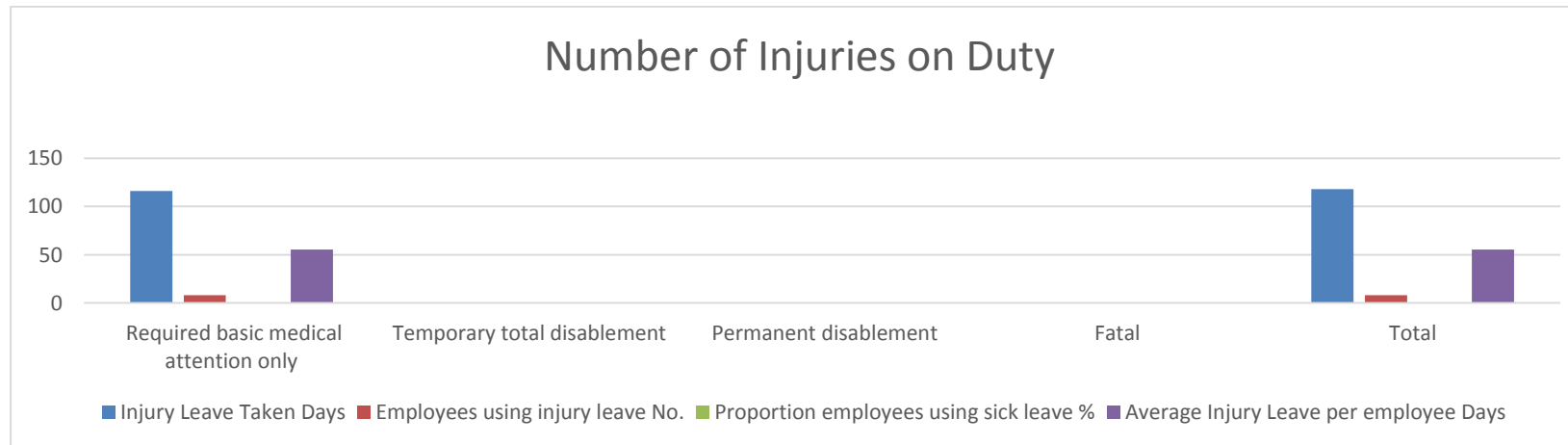
The municipality is in the process of developing the Employment Equity Plan, which will have a life span of 5 years. A wide range of consultation will be done with various stakeholders and Council.

4.8 SKILLS DEVELOPMENT

The Work Skills Plan was developed and approved by council, which was subsequently submitted to Local Government. This plan is operational in the municipality however the cash flow challenges of council impede the desirable implementation of the plan.

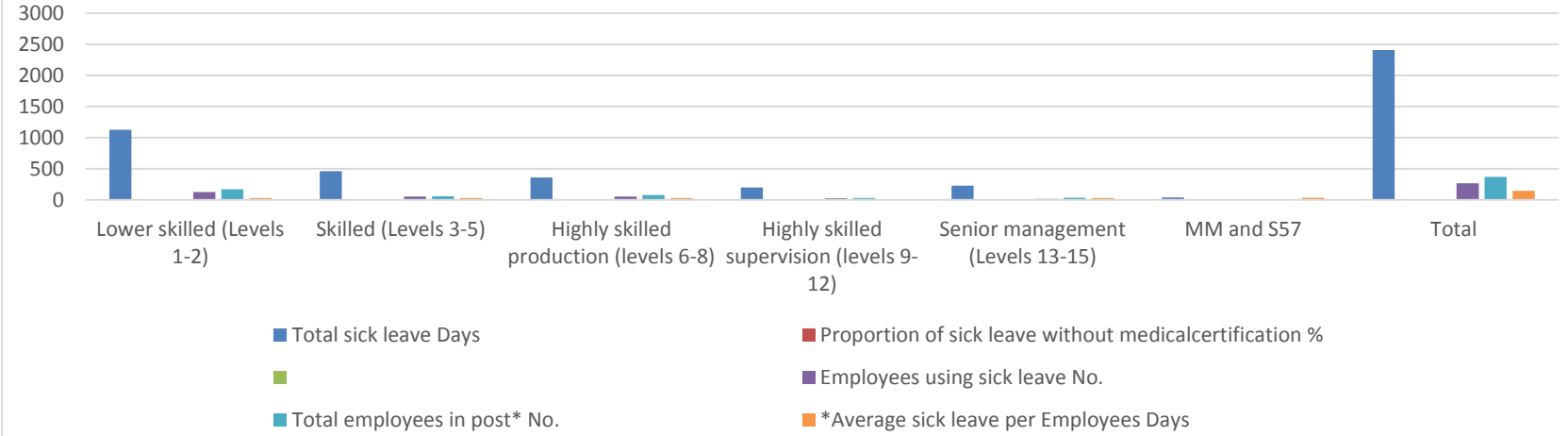
INJURIES, SICKNESS AND SUSPENSIONS

Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days
Required basic medical attention only	116	8	1.80%	55.5
Temporary total disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	118	8	1.80%	55.5



Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days
Lower skilled (Levels 1-2)	1124	2.06%	124	171	29
Skilled (Levels 3-5)	458	2.13%	50	59	27
Highly skilled production (levels 6-8)	360	5.61%	51	75	27
Highly skilled supervision (levels 9-12)	200	3%	21	28	1
Senior management (Levels 13-15)	229	1.53%	15	31	27
MM and S57	39	18%	4	4	32
Total	2410	32.33%	265	368	143

Number of Days and Cost



COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.9 SKILLS DEVELOPMENT AND TRAINING

The municipality has committed itself on that with prime purpose of accelerating the pace for change with the delivery of services. The following programmes/activities were planned for the 2017/18 financial years:

- 19 Employees in different Directorates have been registered for Municipal Finance Management Programme NQF Level 6 (Funded by LGSETA through Discretionary Grant for 5 Officials the Municipality will be paying for 14 Officials)
- 3 Employees in different Directorates have been registered for Municipal Governance Learnership Programme (with the assistance of Joe Gqabi District Municipality)
- 22 Councillors have been registered for Community Leadership NQF Level 4 Skills Programme (Funded by LGSETA through Discretionary Grant)
- 80 Ward Committees have been registered for Ward Committee Governance (with the assistance of Local Government SETA) The Municipality will top up for 30 Ward Committees.
- 15 Employed and 10 unemployed community members from different wards have been registered for Electrical Engineering (Funded by LGSETA through Discretionary Grant)
- 15 Employed and 15 Unemployed community members from different wards have been registered for Plumbing Skills Programme (Funded by LGSETA through Discretionary Grant).
- ICT Cobit 2 Officials have been registered the Programme is Funded by LGSETA through Discretionary Grant
- Officials and Portfolio Head: Corporate Services were trained on Employment Equity with the support of Joe Gqabi District Municipality

4.10 COUNCILLORS RECEIVED TRAINING ON THE FOLLOWING AREAS:

- Certificate in Local Government Law and Administration

4.11 EMPLOYEES RECEIVED TRAINING ON THE FOLLOWING AREAS:

- Certificate in Local Government Law and Administration

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.12 EMPLOYEE EXPENDITURE

Currently, the personnel expenditure stands at 40% of the total general expenditure.

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

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

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.2 INTRODUCTION TO FINANCIAL STATEMENTS

The Overall Financial Performance

Walter Sisulu Municipality recognized total revenue amounting to R267.8 million during the year under review. This amount includes revenue recognized on the utilization of both operating and capital grant of R29.3 million and R69.3 million respectively. The income raised from service charges was R113.4 million and represents about 42.3% of the total revenue for the year.

The total expenditure incurred for the same period under review was R283.5 million which resulted in a deficit of R15.7 million. This also reflects an unfavorable variance, which ultimately means that the municipality has incurred unauthorized expenditure. Walter Sisulu Municipality's financial sustainability is not favorable due to the fact that its current liabilities are in excess of the current assets thus creating a liquidity problem in the short-term.

Employee Related Costs and Bulk Purchases continue to have a significant contribution to the overall expenditure and amounted to R84.6 million and R82.5 million respectively. Depreciation and Amortization charges are the major non-cash flow expense of approximately R28.3 million allocated in the annual statement of financial performance.

STATEMENTS OF FINANCIAL PERFORMANCE

WALTER SISULU LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2018			
		2018	2017
		R	R
	Notes	(Actual)	(Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		136 877 355	118 940 089
Taxation Revenue		19 911 120	18 661 347
Property Rates	23	19 911 120	18 661 347
Transfer Revenue		113 632 607	91 251 244
Government Grants and Subsidies - Capital	24	29 317 616	27 911 207
Government Grants and Subsidies - Operating	24	69 314 991	63 340 037
Public Contributions and Donations	25	15 000 000	-
Other Revenue		3 333 629	9 027 498
Fines	26	371 465	459 253
Actuarial Gains	27	2 849 180	7 958 108
Fair Value Adjustments	28	-	597 200
Insurance Receipts		112 984	12 936
REVENUE FROM EXCHANGE TRANSACTIONS		130 935 031	99 410 787
Operating Activities		130 935 031	99 410 787
Service Charges	29	113 410 666	84 122 488
Rental of Facilities and Equipment		2 458 414	2 144 825
Interest Earned - external investments		1 686 081	1 431 704
Interest Earned - outstanding debtors	30	7 304 399	5 118 497
Licences and Permits	31	3 648 344	3 225 925
Agency Services	32	362 647	1 618 523
Other Income	33	2 064 481	1 748 824
TOTAL REVENUE		267 812 386	218 350 875
EXPENDITURE			
Employee related costs	34	84 613 449	76 831 637
Remuneration of Councillors	35	8 250 888	5 882 648
Debt Impairment	36	21 527 184	36 177 542
Depreciation and Amortisation	37	28 395 435	26 036 302
Repairs and Maintenance	38	3 706 317	4 010 665
Finance Charges	39	18 004 113	11 907 013
Bulk Purchases	40	82 544 376	70 593 781
Transfers and Grants	41	70 355	191 813
Operating Grant Expenditure	42	12 515 333	11 260 190
Fair Value Adjustments	28	595 020	-
Other Expenditure	43	23 332 835	24 921 223
TOTAL EXPENDITURE		283 555 306	267 812 814
NET DEFICIT FOR THE YEAR		(15 742 920)	(49 461 939)

GRANTS

	2018	2017
	R	R
GOVERNMENT GRANTS AND SUBSIDIES		
Unconditional Grants - National Government	49 030 000	43 290 000
Equitable Share	49 030 000	43 290 000
Conditional Grants - National Government	45 178 730	43 847 752
Financial Management Grant (FMG)	4 245 000	3 715 022
Municipal Infrastructure Grant (MIG)	29 687 206	26 496 488
Skills Development Fund	61 524	91 288
Integrated National Electrification Programme (INEP)	5 000 000	5 000 000
Energy Efficiency and Demand Side Management Grant	-	511 967
Expanded Public Works Program (EPWP)	1 619 000	2 438 000
Municipal Demarcation and Transition Grant	4 566 000	5 594 987
Conditional Grants - Provincial Government	4 423 877	2 947 000
Library Grant	1 947 000	1 947 000
Municipal Demarcation and Transition Grant (Provincial)	2 476 877	-
ECDLGTA - Greening and Beautification	-	1 000 000
Other Provincial Allocations	-	-
Conditional Grants - District Municipality	-	1 166 492
Joe Gqabi District Municipality Grant	-	1 166 492
Total	98 632 607	91 251 244

5.3 INTRODUCTION TO ASSET MANAGEMENT

Asset Management Policy has been approved by council and is implemented in conjunction with the supply chain management policy. The policy was drafted in accordance with the guidelines of the Municipal Finance Management Act as the statutory framework. It points out the fact that the principal objective of the policy is to enable the Municipality to meet its service delivery objectives efficiently and effectively. The responsibilities of the accounting officer with regards to assets are noted on the policy. The policy predominantly covers the following significant areas:

Outlines the definitions or terms used in the policy, Recognition of fixed assets, Asset management system, Roles and responsibilities in respect of asset management, Format of fixed asset register, Classification of fixed assets, Safekeeping of assets, Identification of fixed assets, Capitalization criteria, Maintenance plans, Deferred maintenance, General maintenance of fixed assets, Depreciation of fixed assets, Rate of depreciation, Method of depreciation, Amendment of asset lives and diminution in the value of fixed assets, Alternative methods of depreciation in specific instances, Carrying values of fixed assets, Revaluation of fixed assets, Verification of fixed assets, Writing off of fixed assets, Replacement norms, Insurance of fixed assets, Biological assets, Procedure in case of loss, theft, destruction, or impairment of fixed assets, etc.

5.4 TREATMENT OF THE ASSET ACQUIRED

5.4.1 PROPERTY, PLANT AND EQUIPMENT

5.4.1.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where the Municipality for no acquires an asset or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant **and equipment**.

5.4.1.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

5.4.1.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the estimated useful lives as determined in the policy.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

5.4.1.3 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2008.

Property, plant and equipment are accounted for according to the revised Generally Recognised Accounting Practice (GRAP 17) as issued by the Accounting Standards Board (ASB).

5.5 BORROWING COSTS AND CAPITAL GRANT FUNDING

Borrowing costs and other costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The amount of borrowing costs that the Municipality capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

5.6 COMMENTS ON ASSET MANAGEMENT:

5.6.1 Repairs and Maintenance Expenditure

5.6.1.1 COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Repairs and Maintenance is a mechanism in place to restore or maintain all assets in a condition that will maximize the economic benefits arising from the use of the affected assets. However, repair and maintenance costs are directly related to the age of the assets and the care thereon.

Our assets are, in the majority, classified as old and therefore would require constant repairing. An amount of R3.7 million was incurred in the period under review. The major areas that were repaired during the year were Buildings, Vehicles & Implements, Electricity Reticulation and Streets and Storm-water.

Performance ratios	2017/2018
Total Assets	708 174 403

Less current liabilities	366 102 935
Capital Employed	420 199 909
Surplus/ (Deficit) before interest charges (PBIT)	342 071 468
ROCE	-0.07
The return on capital employed is a negative 0.07%.	
Debt and Gearing Ratios	
Debt Ratio (Total debt/total assets)	0.48
Total Debt	0
Total Assets	708 174 403
Gearing ratio	

Gearing ratios measures the municipal level of indebtness in relation to the value of assets required to generate economic benefits or cash inflows that will eventually payback the debts when they fall due. This is also referred to as a long term measure of liquidity.	
Efficiency Ratios	
Debt Collection Period (in days	129
Trade Receivables	31 699 510.5
Revenue from non- exchange transactions and property taxes	23 466 545
Days in a year	365.00
Payment Period (in days)	563
Trade Payables	276 269 180
Purchases	82 544 376
Days in a year	365.00
Current Asset Ratio	0.30
Current Assets	56 163 882

Current Liabilities	366 102 935
Acid Test Ratio	0.0121
Current Assets	56 163 882
Less Inventory	(316 404)
Net current assets	85 463 226
Current Liabilities	366 102 935
Ratio	0.31

FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

NET DEFICIT FOR THE YEAR	(15 742 920)
Net Surplus/ (Deficit) before interest	(29 782 495)
Add back interest	18 004 113
Net (deficit) income	(15 742 920)
Revenue	267 812 386
Return on Sales	-0.12
Revenue	267 812 386
Total Assets	708 174 403
Asset Turnover	0.42
Asset Turnover measures how well the asset of the entity are being used to generate sales. Ability to use assets to provide a satisfactory service. A higher turnover means that Assets were used more effectively and much better in the current year than in the previous year. Revenue generated is influenced by the tariff rates applicable to the consumers. The degree of the indigent population within the municipality has a major contributing factor on the revenue generated from exchange and non-exchange transactions.	

ROCE	-0.07
Revenue from exchange transactions and taxes	136 877 355
Expenditure for trading	24 471 614
less non-operating expenses	(62 213 843)

Cash flow Ratio	0.19	
Net annual cash inflow (Operations)	19 915 032	
Total debts	1 933 650	
<p>Measure the municipal annual net cash inflows in relation to its total debts. Indicates the municipality's position to meet its foreseeable debts and future commitments from the cash generated by its operations.</p>		

Liquidity Ratios			
<p>Liquidity is a reflection of the municipality's ability to meet its short-term obligations when they fall due. The municipality's ability to convert current assets into cash to meet the current liabilities that are convertible into cash within a period of twelve months or less from the end of the financial year is assessed by its liquidity ratios. These include current assets to current liabilities ratio which measures the extent to which total current assets can meet the corresponding total current liability.</p>			
Current Ratio			

This ratio is 0.30 (1:3.37) indicating that the value of total current assets at year-end is not adequate to settle the total outstanding debts for the same period. This means that the total value of current assets could only pay up to 30% of the total value of current liabilities.			
Acid Test Ratio			
The other ratio that assesses the municipality's liquidity is the acid test ratio, which specifically excludes inventory as an asset that can be easily converted into cash. This ratio reflects that current assets to current liabilities is at 1:338, meaning that the total value of current assets at year-end can only cover 30% of total current liabilities for the same period.			
Liquidity Ratio			
ACID TEST RATIO		0.30	0.30
The ability of the municipality to cover its short term debt with its current assets without including the value of its inventory has remained constant when compared to the previous year.			

5.7 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.7.1 INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

5.7.1.1 Equitable share

The Equitable Share is the unconditional share of the revenue that is raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

5.7.1.2 Finance Management Grant (FMG)

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship

Programme (e.g. salary costs of the Financial Management Interns). This grant was received and well spent by the municipality.

5.7.1.3 Municipal Infrastructure Grant (MIG)

The grant was used to construct roads and storm water infrastructure and building sport infrastructure .The projects were Nozizwe Access road in Venterstad ward 1, Maletswai paving project in Jamestown ward 11 and upgrading of Burgersdorp sport ground

5.7.1.4 Integrated National Electrification Grant

The municipality is the recipient of this grant, The grant this year was used for the electrification of Soul City area.

5.7.1.5 Expanded Public Works Program (EPWP)

This program is aimed at providing poverty income relief through the creation of temporary work opportunities.

5.7.1.6 Department of Environmental Affairs and Tourism (DEAT)

The grant is utilised to protect, conserve and enhance our environment, natural and heritage assets and resources.

5.7.1.7 Other grants

Various grants were received from other spheres of government and includes for example the following: Spatial Development Framework, Skills Development Grant, etc.

CAPITAL EXPENDITURE

CAPITAL EXPENDITURE	ORIGINAL BUDGET 2018 R	BUDGET ADJUSTMENTS 2018 R	FINAL BUDGET 2018 R	ACTUAL OUTCOME 2018 R	BUDGET VARIANCE 2018 R
CAPITAL EXPENDITURE (VOTE)					
Single-year expenditure					
Executive and council	30 000	400 000	30 000	92 617	62 617
Budget and treasury office	30 000	-	3 030 000	15 893	(3 014 107)
Community and social services	20 000	-	20 000	18 056	(1 944)
Housing	-	-	-	337 561	337 561
Planning and Development	-	-	-	958 109	958 109
Sport and recreation	-	-	-	9 668 286	9 668 286
Waste management	-	-	-	958 109	958 109
Road transport	28 466 300	-	28 466 300	17 288 735	(11 177 565)
Electricity	9 010 000	-	9 010 000	7 651 351	(1 358 649)
Total Capital Expenditure by Vote	37 556 300	400 000	40 556 300	36 988 718	(3 567 582)

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SOURCES OF FINANCE

		2018	2017
		R	R
	Notes	(Actual)	(Restated)
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		136 877 355	118 940 089
Taxation Revenue		19 911 120	18 661 347
Property Rates	23	19 911 120	18 661 347
Transfer Revenue		113 632 607	91 251 244
Government Grants and Subsidies - Capital	24	29 317 616	27 911 207
Government Grants and Subsidies - Operating	24	69 314 991	63 340 037
Public Contributions and Donations	25	15 000 000	-
Other Revenue		3 333 629	9 027 498
Fines	26	371 465	459 253
Actuarial Gains	27	2 849 180	7 958 108
Fair Value Adjustments	28	-	597 200
Insurance Receipts		112 984	12 936
REVENUE FROM EXCHANGE TRANSACTIONS		130 935 031	99 410 787
Operating Activities		130 935 031	99 410 787
Service Charges	29	113 410 666	84 122 488
Rental of Facilities and Equipment		2 458 414	2 144 825
Interest Earned - external investments		1 686 081	1 431 704
Interest Earned - outstanding debtors	30	7 304 399	5 118 497
Licences and Permits	31	3 648 344	3 225 925
Agency Services	32	362 647	1 618 523
Other Income	33	2 064 481	1 748 824
TOTAL REVENUE		267 812 386	218 350 875

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

5.8.1 Major challenges in electricity and remedial actions

The major problems regarding electricity are the infrastructure upgrading and high replacements costs. The transformers services have never been done in many years, and as a result it makes the continuous supply of electricity to be unpredictable.

5.8.2 Major challenges in road maintenance services and remedial actions

Major challenges are regarding funding to upgrade from gravel roads to surfaced roads. The maintenance of potholes and crocodile cracking with limited funding is also a major challenge.

Major challenges in waste management services and remedial action

The major challenges in waste management are the following:

Damaged incinerator at the landfill site makes it impractical to burn waste in line with the permit.

Sickly staff that is frequently booked off duty.

Major challenges in housing and town planning services and remedial actions

Shortage of land

Informal settlements

Back yard dwelling

Lack of capacity of appointed developers

Town Planning Consultants have been appointed; the spatial development framework plan is adopted by Council and has already been reviewed once. Remedial actions are done on a need as we go basis in between the bi-annual reviews.

Major challenges in spatial planning services and remedial actions

Shortage of land for development

Low capacity infrastructure.

5. 9 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9.1 INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

5.9.1.1 Cash Flow Management

Liquidity, which is sometimes referred to as cash flow, is a reflection of the municipality's ability to meet its short-term obligations when they fall due. The municipality's ability to honor its current obligations is determined by its cash reserves (cash flow) and the duration required converting current assets into cash within a cycle of twelve months or less from the end of the financial year. These include current assets to current liabilities ratio, which measures the extent to which total current assets can meet the corresponding total current liability.

This municipal current ratio of 1:3.37 as at 30 June 2018 indicates that the value of total current assets at year-end is not adequate to settle the total outstanding debts for the same period. This means that the total value of current assets could only pay up to 30% of the total value of current liabilities.

The other ratio (acid test ratio), that assesses the municipality's liquidity which specifically excludes inventory as an asset that can be easily converted into cash, reflects that current assets to current liabilities is at 1:3.38, meaning that the total value of current assets at year-end can only cover 30% of total current liabilities for the same period.

The cash inflows and outflows are monitored on a daily basis to ensure that there are adequate reserves or cash to meet the daily operational requirements.

CASH FLOWS

		2018	2017
		R	R
	Notes	(Actual)	(Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Property rates		23 663 459	15 614 382
Service charges		77 525 332	74 257 400
Other revenue		32 969 082	10 496 517
Government - operating		70 104 908	73 230 155
Government - capital		29 317 616	29 931 011
Interest		1 686 081	1 431 704
Payments			
Suppliers		(116 818 048)	(74 942 786)
Employees		(84 053 380)	(72 153 492)
Finance charges		(14 409 663)	(8 563 560)
Transfers and Grants		(70 355)	(191 813)
NET CASH FROM OPERATING ACTIVITIES	45	19 915 032	49 109 519
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
Increase in non-current investments		-	(91 532)
Payments			
Purchase of Property, Plant and Equipment		(35 063 346)	(29 226 442)
Purchase of Intangible Assets		(24 345)	(166 770)
NET CASH USED IN INVESTING ACTIVITIES		(35 087 691)	(29 484 744)
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts			
Increase in Consumer Deposits		34 310	98 220
Payments			
Loans repaid		(1 244 529)	(1 225 989)
NET CASH USED IN FINANCING ACTIVITIES		(1 210 218)	(1 127 770)
NET INCREASE IN CASH HELD		(16 382 877)	18 497 006
Cash and Cash Equivalents recognised on merger date		21 658 077	3 161 071
Cash and Cash Equivalents at the end of the year		5 275 199	21 658 077
NET INCREASE IN CASH HELD		(16 382 877)	18 497 006

5.2 BORROWING AND INVESTMENTS

5.2.1 INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowing serves as the finance bridge on any shortfall on which the municipality is funded for by any sphere of government and is not able to generate the funds from its internal sources. Council makes use of the bank facility with FNB to fund the purchase of capital assets as well as DBSA. There are no other loan facilities exercised by the municipality.

Borrowings	2017/2018
Long-Term Loans (annuity/reducing balance)	2 210 221
Long-Term Loans (non-annuity)	-
Instalment Credit	606 427
Financial Leases	527 830
Other Securities	-
Municipality Total	3 344 478

Fixed investments

Investment* type	Year 2017/2018
	Actual
Municipality	
Deposits – Bank (fixed term)	722 677

Cash and Cash Equivalents

	2017/2018
Call Investments Deposits	357 910

COMMENT ON BORROWING AND INVESTMENTS:

All investments whether in the form of loans (in cash or kind) made by the municipality but not to one or more of the organisations set out above and all grants (in cash or kind) made to any form of organization are set out in full on Appendix R.

Due to the fact that the municipality is not funded by shareholders or investors but by public funds through government grants and subsidy, accumulated surplus will therefore be regarded as employment of capital, augmented by external funding from Development Bank of Southern Africa (DBSA) and commercial institutions, required to meet operational requirements. The municipality is not heavily indebted and is therefore not at risk of failure to obtain further external funding should a need arise in the near future.

PUBLIC PRIVATE PARTNERSHIPS

Walter Sisulu Municipality does not have any public-private partnership agreements in place during the year under review.

COMPONENT D: OTHER FINANCIAL MATTERS

SUPPLY CHAIN MANAGEMENT

The municipality has developed a supply chain management policy that conforms to the requirements or guidelines of the National Treasury Regulations. The policy was revised and implemented in 2017 after taking into consideration the changes on the revised regulations and published circulars. Although the policy was work-shopped to all councillors and management staff, the full implementation thereon remains a challenge. Due to the municipal geographical situation, which is on the far northern end of the Eastern Cape with low economic activity, significant procurement from local suppliers is always a challenge. The local suppliers and contractors are often out of stock and resources to deliver the orders requested by the municipality.

All committee membership recommended by the policy is in place and none of the councillors serves in any of the committees. Management has embarked on a drive to capacitate its staff by enrolling all qualifying staff members on accredited courses.

The Auditor General's remarks on the supply chain management are contained in the audit report; however there was an emphasis in relation to irregular expenditure incurred due to non-compliance with the policy. An audit action has been developed on how to address these findings.

GRAP COMPLIANCE

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

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Municipal Finance Management Act (MFMA) and effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – February 2010) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

CHAPTER 6 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

6.1 FINANCIAL SUSTAINABILITY

The indicators or conditions that may, individually or collectively, cast significant doubt about the going concern assumption are as follows:

Financial Indicators

The current liabilities at year end exceeded the current assets and this could result in the municipality being unable to settle all of its liabilities.

Management will continue to put measures in place to ensure that municipal current assets are in excess of the current liabilities. Expenditure patterns and budget control measures will be enforced to reduce the expenditure that lead to an increase in current liabilities.

The number of days it takes to collect money from consumer debtors has increased from the prior year and this has placed constraints on the cash flow resulting in delays in settling the creditors.

Although the debtors' collection period has increased compared to prior year, management has continued to enforce the credit control measures through electricity disconnections, prepaid blockages and handover of long outstanding debts to attorneys.

The municipality experienced material losses in electricity usage to the value of R14 230 944 or 16.1%

6.1.1 Operating Indicators

No capital grant funds were utilised for operations in the 2017/2018 financial year.

Payables outstanding at year-end are significant at R269 million. This increase can mainly be attributed to amounts owing to Eskom, Pension Funds and the Auditor General.

6.1.2 Other Indicators

The municipality has incurred unauthorised, irregular and fruitless & wasteful expenditure.

Key Successes

- Improved collection efforts through the use of disconnections, blockings, notices through normal mail and short message system.

Challenges

- Limitation of office space resulting in compromised filing system and storage facility. Negotiations in place with potential property owners to let out buildings with more space to the municipality over a long term lease period with option of purchasing in the long-term
- Unfavorable cash flows resulting from expenditure needs that exceed the revenue generation sources. Stricter control measures on expenditure and constant reminder to departmental managers and supervisors to spend within the budgeted amounts. Tough credit collection measures that ensures an average collection of over 90% per month.
- Unauthorized expenditure resulting from exceeding the budget by using funds intended for projects in operating requirements. Improved cash-flow management by ring fencing funds such as projects funds as well as maintaining a dedicated bank

account that will keep all cash that will assist in ensuring that project funds are cash backed.

- Irregular expenditure due to deficiencies in applying the supply chain management policy. Developed checklist that ensures adherence and compliance with the regulations and supply chain management policies.

The municipality continues to face severe challenges relating to its financial viability. This is mainly due to a negative liquidity or profitability ratios. The going concern status of the municipality is also in doubt due to the fact that the municipality is not able to meet its short-term obligations with the available short-term assets. The ratio of current liabilities to current assets reflects an excess of liabilities over assets.

OPERATING RATIOS

	2018	2018	2018
	R	R	R
	(Actual)	(Final Budget)	(Variance)
EXPENDITURE BY TYPE			
Employee related costs	84 613 449	89 631 108	(5 017 658)
Remuneration of councillors	8 250 888	8 317 709	(66 821)
Debt impairment	21 527 184	2 500 000	19 027 184
Depreciation & asset impairment	28 395 435	7 677 577	20 717 858
Finance charges	18 004 113	377 505	17 626 608
Bulk purchases	82 544 376	75 600 000	6 944 376
Grants and subsidies paid	70 355	363 772	(293 417)
Other expenditure	40 149 505	39 631 914	517 591
TOTAL OPERATING EXPENDITURE	283 555 306	224 099 585	59 455 721

Percentage of Employee related costs over the budget 39%

APPENDICES

6.3 ADITOR GENERAL REPORT

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance								
Council Members	Full Time / Part Time FT/PT	Ward and/or Party Represented	Committees Allocated	No. of meetings held	No. of meetings not attended	No. of apologies submitted	Percentage meetings not attended	Percentage Apologies for non-attendance
							%	%
B Khweyiya	FT	PR = ANC	Council	21	2	2	%	0%
			Exco	5	0	0	%	0%
			Community Services				%	0%
			Strat Plan & Economic Development				%	0%
KS Lange	PT	Ward 11	Council	21	3	3	%	0%
			Exco	5	1	1	%	
VD Davids	PT	PR = ANC	Council	21	1	1	%	0%
			Corporate Service				%	0%
			Exco	5	1	1	%	0%

			Strat Plan & Economic Development	1	0	0	%	0%
N Ngubo	PT	PR = ANC	Council	21	1	1	%	0%
			Technical Services				%	0%
			Exco	5	0	0	0%	0%
			Strat Plan & Economic Development	1	1	0	0%	0%
ZG Mqokrwana	PT	Ward 2	Council	21	0	0	%	0%
			Corporate Service				%	0%
			MPAC	5	0	0	%	0%
ZD Mangali	PT	Ward 1	Council	21	0	0	%	0%
			Financial Service				%	0%
			MPAC	5	0	0	%	0%
BM Ndika	PT	Ward 3	Council	21	2	2	%	0%
			Technical Service				%	0%
			Performance				%	0%
			MPAC	5	1	1	%	0%
MN Solani	PT	Ward Four (4)	Council	21	2	2	%	0%
			Corporate Services				%	%

			Rules and Ethics	0	0	0		0%
			Strat Plan & Development	1	1	0	0%	0%
			MPAC	5	0	0	%	0%
L Nkunzi	PT	Ward Five (5)	Council	21	1	1	%	0%
			Community Services				%	0%
ZE Masina	PT	Ward Six (6)	Council	21	0	0	%	0%
			Financial Services	2	2	0	0%	0%
M Mdumisa	PT	Ward Seven (7)	Council	21	0	0	%	0%
			Financial Services				%	0%
X Mabusela	PT	Ward Eight (8)	Council	21	1	1	%	0%
			Community Services				%	0%
			Technical Services				%	0%
DT De Jong	PT	Ward Nine (9)	Council	21	1	1	%	0%
			Corporate Services				%	0%
MW Mokhoabane	PT	Ward Ten (10)	Council	21	0	0	%	0%
			Technical Services				%	0%
M Mtshingana	PT	PR = ANC	Council	5	3	3	%	0%

			Community Services				%	0%
			Rules & Ethics				%	0%
Y Zweni	PT	PR = ANC	Council	21	0	0	%	0%
			Corporate Services				%	0%
			Rules & Ethics					0%
DF Hartkopf	PT	PR = DA	Council	21	3	3	%	0%
			Financial Services				%	0%
			Exco				%	0%
			Strat Plan & Development	1	1	0	0%	0%
MDR Nel	PT	PR = DA	Council	21	0	0	%	0%
E Theron	PT	PR = DA	Council	21	2	2	%	0%
			Community Services				%	0%
AJ Van Heerden	PT	PR = DA	Council	21	0	0	%	0%
VA Schoeman	PT	PR = EFF	Council	21	1	1	%	0%
			Financial Services				%	0%
			MPAC	5	1	0	0%	0%
M Jan			Council	21	1	1	%	0%

	PT	PR = MCA						
			Financial Services					0%
			Technical Services					0%
		Mathetha	Council	11	1	1	%	%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purpose of Committees			
Municipal Committees			Purpose of Committee
Corporate Committee	Services	Standing	To play an oversight role in ensuring municipal transformation, institutional development and good governance
Financial Committee	Services	Standing	To ensure good financial management and viability, transparency and openness
Technical Committee	Services	Standing	To provide effective and efficient, sustainable technical and quality basic services
Community Committee	Services	Standing	To provide effective and efficient, sustainable basic health and social services
IPED Standing Committee			To ensure good and sustainable planning tools and methods within the municipality.
Municipal Committee (MPAC)	Public Accounts	Accounts	To exercise oversight and accountability to ensure that programmes and plans are implemented in a way that is consistent with policy, legislation and the dictates of the constitution.
Bid Adjudication Committee			To adjudicate over tenders awarded and ensure transparency, fairness, equitable, competitive and cost effective and comply with prescribed regulatory framework for municipal supply chain management.
Audit Committee			To advise the municipal council, the accounting officer and the management staff of the municipality and review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the municipality and perform other duties as may be prescribed.
Performance Appraisal Committee			To assess, monitor, measure, review, manage and reward performance of s57 managers with a view of achieving stated objectives and levels of performance.
IDP AND Budget Steering Committee			To provide general political guidance over the budget process and the priorities that must guide the preparation of a budget and coordinate annual revision of the IDP.
Employment Development Committee	Equity & Skills	Skills	To coordinate and manage employment equity and monitor the implementation of skills development plans in the work place in compliance the prescribed legislations.

Committees (other than Mayoral/Executive Committee) and Purpose of Committees	
Municipal Committees	Purpose of Committee
Local Labour Forum Committee	To create and maintain a healthy relationship between employer and labour.
Occupational Health & Safety Committee	To ensure a safe and secure working environment by implementing Occupational Health and Safety Policy.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Corporate Services Department	Director Corporate Services Vacant – Acting: Ms Mokhantso
Financial Services Department	Chief Financial Officer Thomas Maseko - (Contract ended 28/04/2017) Vacant
	Budget & Treasury Office Manager Unathi Peter (Acting CFO)
Community Services Department	Director: Community Services Zolani Eric Pungwani
IPED	Director: IPED Vacant – Acting: Mr Mapete
Technical Services Department	Director: Technical Services Zolile Nongene
	Assistant Director: Technical Services (Electricity) Joseph Sello Mosenene
	Assistant Manager: Technical Services (civil) Vacant

APPENDIX D – FUNCTIONS OF MUNICIPALITY

Municipal	
MUNICIPAL FUNCTIONS	Functions 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/aerodrome	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
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	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	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 sewerage disposal systems	No
Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes, amusement facilities only
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	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Not Applicable
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollutions	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
If municipality: indicate (Yes or No); If entry: Provide name of entity	

APPENDIX E – WARD REPORTING

Functionality of Ward Committees						
Ward Name (Number)	Name of councillor elected committee members	Ward and Ward	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly <i>(Monthly)</i> public ward meetings held during the financial year
One (1)	Cllr ZD Mangali		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	AB Mbeka		Yes			
	EN Makasi		Yes			
	D Gxalaba		Yes			
	R Labuschagne		Yes			
	TF Thompson		Yes			
	NT Gcuku		Yes			
	M Nthsinga		Yes			
	M Alexander		Yes			
	NS Lidziya		Yes			
Two (2)	Cllr Z Mqokwana		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	M Notyeke		Yes			
	R Bentley		Yes			
	SB Phike		Yes			
	L Futshane		Yes			
	MJ Notyeke		Yes			
	M Gxekwa		Yes			
	VR Kamana		Yes			
	S Tyokolo		Yes			
	N Xelegu		Yes			
			Yes			
Three (3)			Yes	Please refer below for details	Please refer below for details	Please refer below for details
	N Tsobileyo		Yes			

Functionality of Ward Committees						
Ward Name (Number)	Name of councillor elected committee members	Ward and Ward	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly <u>(Monthly)</u> public ward meetings held during the financial year
	A Makhoba		Yes			
	N Makhoba		Yes			
	N Ntlodi		Yes			
	N Ramashala		Yes			
	S Mnikina		Yes			
	S Silwana		Yes			
	P Mohapi		Yes			
	N Mngxuma		Yes			
	L Malangeni		Yes			
Four (4)	Cllr MN Solani		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	GLZ Mzenene		Yes			
	B Jotina		Yes			
	VP Kolanisi		Yes			
	L Diniso		Yes			
	S Mpande		Yes			
	T Mbi		Yes			
	P Khanzi		Yes			
	F Geza		Yes			
	M Khweyiya		Yes			
Five (5)			Yes	Please refer below for details	Please refer below for details	Please refer below for details
	Z Wele		Yes			
	S Silo		Yes			
	G Jika		Yes			
	A Redeiro		Yes			
	DC Radford		Yes			
	L Prens		Yes			
	L Prens		Yes			
	L Shoba		Yes			

Functionality of Ward Committees						
Ward Name (Number)	Name of councillor elected committee members	Ward and Ward	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly <u>(Monthly)</u> public ward meetings held during the financial year
	MJ Nkothani		Yes			
	T Moleka					
	L Anderson					
Six (6)	Cllr Z Masina		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	N Ganyaza		Yes			
	M Ramokepa		Yes			
	L Noyo		Yes			
	M Magopheni		Yes			
	L Masina		Yes			
	A Madikwa		Yes			
	M Kwinana		Yes			
	T Matlotlo		Yes			
	M Nzongeni		Yes			
	T Bango		Yes			
	T Plaatjie (CDW)		Yes			
Seven (7)	Cllr M Mdumisa		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	SB Mpela		Yes			
	RF Monaheng		Yes			
	S Stragon		Yes			
	S Tyongo		Yes			
	LE Mbuli		Yes			
	KH Mathunya		Yes			
	NE Matyunjwa		Yes			
	NG Mqela-Ntshobodi		Yes			
	TM Olifant		Yes			

Functionality of Ward Committees						
Ward Name (Number)	Name of councillor elected committee members	Ward and Ward	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly <u>(Monthly)</u> public ward meetings held during the financial year
Eight (8)	Cllr X Mabusela		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	N Meje		Yes			
	N Malgas		Yes			
	S Mawonga		Yes			
	T Gaba		Yes			
	N Paul		Yes			
	M Liwani		Yes			
	Stuurman		Yes			
	S Jaza		Yes			
	M Mbele		Yes			
	M Mtabane		Yes			
	F Makisi (CDW)		Yes			
Nine (9)			Yes	Please refer below for details	Please refer below for details	Please refer below for details
	P Letuka		Yes			
	E Pretorius		Yes			
	M Kula		Yes			
	S Ruiters		Yes			
	S Wood		Yes			
	N Ndulula		Yes			
	N Pretorius		Yes			
	TA Sithukuza		Yes			
	DG Heynes		Yes			
			Yes			
			Yes			

Functionality of Ward Committees						
Ward Name (Number)	Name of councillor elected committee members	Ward and Ward	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers office on time	Number of quarterly <u>(Monthly)</u> public ward meetings held during the financial year
Ten (10)	Cllr MW Mokhoabane		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	PC Seleke		Yes			
	BS Dumsela		Yes			
	T Matlotlo		Yes			
	L Marhawule		Yes			
	N Siyale		Yes			
	D Morake		Yes			
	A Motlhokoa		Yes			
	Z Ngantweni		Yes			
	S Kolomba		Yes			
	K Morake		Yes			
Eleven (11)	Cllr KS Lange		Yes	Please refer below for details	Please refer below for details	Please refer below for details
	NS Nkani		Yes			
	N Thulelo		Yes			
	R Ntintili		Yes			
	W Tamane		Yes			
	M Boyana		Yes			
	Baatyi		Yes			
	B Mafo		Yes			
	E Heyns		Yes			
	T Sdindi		Yes			
	PS Olifant		Yes			



WARD 1	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr ZD Mangali					1			1					2
AB Mbeka					1			1					2
EN Makasi					1			1					2
DT Gxalaba					1			1					2
T Mncayi					-								
TF Thompson					-			1					1
NT Gcuku					-			1					1
MB Ntominga					-			-					-
M Alexander					-			-					-
NS Lidziya					1			1					1
M Ntshinga					1			1					1

WARD 2	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec -2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May -2018	Jun-2018	No. of meetings attended
Cllr Z Mqokwana						1		1		1	1		4
M Notyeke						1		-		-	-		1
R Bentley						-		-		-	-		
SB Phike						1		1		1	1		4
L Futshane						1		1		1	1		4
MJ Notyeke						1		-		-			1
M Gxekwa						1		1		1	1		4
VR Kamana						1		1		1	1		4
S Windvoel						-		-		-	-		
T Jada						1		-		-	-		1
S Tyokolo						1		1		1	1		4

WARD 3	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr B Ndika					1		1	1	1	0	0	0	4
Nombulelo Nngxumo					1		1	1	1	1	1	-	6
Andiswa Makhoba					1		1	1	1	1	1	1	7
Puseletso Mohapi					1		1	1	1	-	-	-	4
Nokosinathi Tsobileyo					1		1	1	1	1	1	-	6
Joseph Ramashala					-		1	1	1	1	1	-	5
Sivuyila Mnikina					1		1	1	1	1	1	-	6
Sindiswa Silwani					1		1	1	-	-	1	-	4
M Ntlondi					1		1	1	1	-	1	-	5
X Gumente L Malangeni					1		-	1	-	-	-	-	2

WARD 4	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
CIlr MN Solani					1	1	1	1	1	1	1	1	8
GLZ Mzenene					1	1	1	1	1	1	1	1	8
B Jotina					1	1	1	1	1	1	1	1	8
VP Kolanisi					1	1	1	1	1	1	1	1	8
L Diniso					1	1	1	1	1	-	1	1	7
S Mpande					1	1	1	1	1	1	1	1	8
T Mbi					1	1	1	1	1	1	1	1	8
P Khanzi					1	1	1	1	1	1	1	1	8
V Arends													
F Geza					1	1	1	1	1	1	1	1	8
M Khweyiya					1	1	1	1	1	1	1	1	8

WARD 5	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr L Nkunzi					1	1	1	1	1	1	1	1	8
Silo Sandile					1	1	1	1	1	1	1	1	8
Lulama Shoba					1	1	1	1	1	1	1	1	8
Nzimeni George Jika					1	1	1	1	-	1	1	1	7
Wele Zibongile					1	1	1	1	1	1	1	1	8
Lulama Prens					1	1	1	1	1	-	1	-	6
Nkothani Mabhuti					1	1	1	1	1	1	1	1	8
Moleka Thembinkosi					1	1	1	1	1	1	-	1	7

WARD 6	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr Z Masina					1		1	1	1	1			5
N Ganyaza					1		1	1	1	1			5
M Ramokepa							1	1	1	1			4
L Noyo													
M Magopheni					1		1	1	1	1			5
L Masina													
A Madikwa													
M Kwinana					1		-	1	1	-			3
T Matlotlo					1		1	1	1	1			5
M Ndzongeni													
T Bango					1		1	1	1	1			5
T Plaatjie (CDW)													

WARD 7	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr M Mdumisa					1		1	1	1	1	1	1	7
SB Mpela					1		1	1	1	1	1	1	7
RF Monaheng					1		1	1	1	1	1	1	7
S Stragon					1		1	1	1	1	1	1	7
S Tyongo							1	1	-	1	1	1	5
LE Mbuli							1	1	1	1	1	1	6
KH Mathunya					1		1	1	1	1	1	1	7
NE Matyunjwa					1		1	1	1	1	1	1	7
NG Mqela- Ntshobodi					1		1	1	1	1	1	-	6
TM Olifant					-		1	1	-	-	-	-	2

WARD 8	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr X Mabusela					1	1	1	1	1	1	1		7
N Meje					1	-	1	1	1	1	-		5
N Malgas					1	1	1	1	1	1	-		6
S Mawonga					1	1	1	1	1	1	-		6
T Gaba					1	1	1	1	1	-	1		6
N Paul					1	1	1	1	1	1	-		6
M Liwani					1	1	1	1	1	1	1		7
Stuurman					1	1	1	1	1	1	-		6
S Jaza					1	1	1	1	1	1	1		7
M Mbele					1	1	1	1	1	1	1		7
M Mtabane					1	1	1	1	1	1	1		7
F Makisi (CDW)					1	1	1	1	1	1	-		6

WARD 9	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr D De Jongh				1	1	1	1	1	1				6
Elizabeth Kula				1	1	1	1	1	1				6
Sabelo Wood				-	-	1	1	1	-				3
Natasha Pretorius				1	1	1	1	-	-				4
Elrico Pretorius				1	1	1	1	-	-				4
Stoffels Ruitres				-	1	1	1	-	-				3
Dinah Heyens				1	1	1	-	-	-				
Nozuko Ndulula				1	1	1	1	1	-				3
Tyongo Sonwabo				-	-	1	-	-	-				1
Timothy Sithukuza				1	1	1	1	-	-				4

WARD 10	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr MW Mokhoabane					1	1	1	1	1	1	1	1	8
PC Seleke					1	1	1	1	1	1	1	1	8
BS Dumzela					1	1	1	1	1	1	1	1	8
T Matlotlo					1	1	1	1	1	1	1	1	8
L Makhaule					1	1	1		1	1	1	1	8
N Siyale					1	1	1	1	1	1	1	1	8
D Morake					1	1	1	1	1	1	1	1	8
A Pitolo					-	1	-	-	-	-	-	-	1
Z Ngantweni					1	1	1	1	1	1	1	-	7
S Kolombo					1	1	1	1	1	1	1	1	8
K Morake					0	1	1	1	1	0	0	0	4

WARD 11	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	No. of meetings attended
Cllr KS Lange					1	1	1	1	1	1	1		7
NS Nkani					1	1	-	1	1	1	1		5
N Thulelo					-	1	-	1	1	1	1		5
R Ntintili					-	1	-	1	1	1	1		5
W Tamane					-	0	-	1	1	1	1		4
M Boyana					-	1	-	1	1	1	1		5
Baatyi					-	1	-	1	1	1	1		5
B Mafo					-	1	1	1	1	1	1		6
E Heyns					-	1	-	0	0	0	0		1
T Sdindi					-	1	-	1	1	1	1		5
PS Olifant					-	1	-	1	1	1	1		5

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2017/ 18				
No	Project and Detail	Comencement Date	Completion date	Total Value
51/2017	Nozizwe Access Road paving project	17October 2018	19July 2018	R8 164 231,09 including contingencies and 14/15% VAT
52/2017	(Maletswai Paving) (Jamestown) Access Road paving projec	31October 2017	23May 2018	R8 206 626,97 including contingencies and 14/15% VAT
54/2017	Upgrading of Burgersdorp Sport Ground	31October 2017	Not Complete	R8 498 027,29 including contingencies and 14/15% VAT
53/2017	Electrification of 500 units in Soul City area Soul Aliwal North	16October 2017	19 February 2018	R6 783 369.02 including contingencies and excluding 14/15% VAT
Basic Service Provision				
Detail	Water	Sanitation	Electricity	Refuse

Households with minimum service delivery	0	0	19118	19534
Households without minimum service delivery	0	0	0	0
Total households*	21874	21874	21874	21874
*Including informal settlements				

Priorities per Ward	Responsible Directorate	Progress to date
Ward 2 PRIORITIES		
Electricity costs not the same in the municipality	Director Financial Services	The director is attending to this
Construction of Clinic Steynsburg	Department of Health	
Purification of Water	Joe Gqabi District Municipality	The JGDM will attend the issue of water
Water and Sanitation is still challenge	Joe Gqabi District Municipality	The JGDM will attend the issue of water and sanitation
Maintenance of Streetlights	Director Technical Services	60% street lights maintained
Paving of streets Steynsburg	Director Technical Services	Complete
Satellite Offices Home Affairs	Mayor	Negotiations not yet started
Recreation Park	Director Community Services	Plans to be developed

Unemployment and crime rate high	Director IPED	The municipality is appointing local people in all projects and the SAPS is attending to the safety of communities
Stray Animals	Director Community Services	By – Laws approved,awaiting promulgation for implementation
Illegal Dumping	Director Community Services	
Storm drainage vandalized	Director Technical Services	
Ambulances are not available in Steynsburg	Ward Councillor	
Regravelling of roads	Director Technical Services	
Rectification of Old Houses built 1970's	Department of Human Settlement	
Firefighting trucks in Steynsburg	Joe Gqabi District Municipality	
Fencing of Cemeteries	Director Community Services	
Provision of Burial Sites	Director Community Services	
Upgrading Sport Ground	Director Community Services	
Revive Mayoral Cup	Mayor	
Sanitation it's a challenge I Steynsburg	Joe Gqabi District Municipality	
Provision of Super markets and clothing shops and more banks	Director Financial Services and	

Ward 6 PRIORITIE		
Intervention of Councillors in other wards employment processes	Office of the Mayor	
Establish LED programme to work in hand with LED coordinator to assist emerging businesses and projects	IPED Directorate	
Include Small businesses in upcoming projects.	IPED Directorate	
Unregistered tarven owners must be arrested they pose danger to the community by selling out of By-law hours	Community Services Directorate	
Block H1 unsurveyed portion via Area 13 paved street needs to be looked at it is a surveyable area request to connect services.	Technical Services Directorate	
Who was responsible for election of War Room Representatives because it was silent	Ward Councillor	COGTA EC& Ward Councillor
What is the resolution to decrease the number of unemployment rate	IPED Directorate	
Absorb graduates instead of hiring them for contracts	Corporate Services Directorate	
Find assistance for SPU Coordinator he has too much duties to perform and he fails a young suitable disabled person may assist	IPED Directorate	

Rectification of Old Houses Vulavala	Director Technical Services	
Covering of Storm Water drainage	Director Technical Services	
Paving from Vula Vala Hall require extension to Area 13 students struggle to go to school when it has rained	Director Technical Services	The municipality will apply for fund
Survey Brickfield Area	Director Technical Services	The municipality to investigate the issue.
Nepotism in Recruitment Processes	Mayor	
Define difference between War Room representatives and the Ward Committees	Ward Councillor COGTA Eastern Cape	
Survey land next to grave yard Area 13		
Develop training centre so people can acquire skills	IPED Directorate	
Ward 6 Street lights not functioning	Technical Services Directorate	
General Assistants workers are not doing their duties	Technical & Community Services Directorate	
Ward 7 PRIORITIES		
Assist Young Artist with resources	Director IPED	
Sewer spillage should be attended to urgently	Joe Gqabi District Municipality	
House 3572 Sewer is overflowing inside the house	Joe Gqabi District Municipality	

House 1816 Block G has no title deed	Director Community Services	
HIV/ Aids programmes not active in the Ward	Director IPED	
Graduates are unemployment political intervention	Mayor	
Resealing of Tarred Roads	Director Technical Services	
Streetlights maintenance	Director Technical Services	
Sports Committee be consulted during upgrading of Sport fields	Director Community Services	
Aliwal Spa should operate and generate income	Director Community Services	
Surveying of Phola Park	Director IPED	
Provision of Water & Sanitation and Electricity		
Sewer spillage Block C, D, and F	Joe Gqabi District Municipality	
Re-gravelling of Phola Park, Meje Park and Eggili Sites	Director Technical Services	
Covering of Storm Water Mzingisi Bilisho	Director Technical Services	
Provide Street lights for Block C, D, E and High mast lights	Director	
Speed humps Broadway, Phola Park and Malcomes street	Director Technical Services	
Cleaning of Taxi Rank	Director Community Services	

Cleanliness outside Boere Pub Tavern	Director Community Services	
Rectification of houses Block A & C	Director Technical Services	
Recruitment process must rotate according to database	Ward Councillor	
Ambulance must return patients back	Mayor	
Assistants Phelopa Train	Mayor	
Ward 8 PRIORITIES		
Street lights not functioning	Director Technical Services	
Paving of streets not yet done	Director Technical Services	
Provide Storm water drainage	Director Technical Services	
Provide taps at R58 area	Director Technical Services	
Public Toilets and sewer overflowing	Director Technical Services	
Provide services at surveyed sites	Director Technical Services	
Install internet at the Library	Director Community Services	
Decorate Malcomess High School residents use the space as a dumping site	Director Community Services	

Council give attention to the bills from the District Municipality they are too high tough no meter readers take readings	Mayor	
Provide security personnel at the Halls and Crèche there is too much vandalism	Ward Councillor	
Sports Grounds need upgrading they is nowhere to do programmes	Director Community Services	
Scholar transport for children in Area 13	Department of Transport	
The Municipality promised flats for youth but where never built	Ward Councillor	
House 1670 Block H2 have no running water but water bills do come at the end of the month	Ward Councillor	
Disabled structure needs renovation assistance there is no fence residents do illegal dumping there	Office of the Premier & Department of Social Development	
Informal settlements toilets at R58 area not cleaned	Joe Gqabi District Municipality	
Management and the Mayor always not available during office hours	Mayor	
What is the progress with Sauer Park stadium	Director Technical Services	
Councillors after elections do not attend to people's needs they do not hold meetings	Mayor	

Municipal budget must be tabled before residents so they prioritize themselves	Mayor	
House 2643 Block H2 toilet overflowing	Director Technical Services	
New RDP house number 235 half painted not done matter reported but was never attended to	Director Community Services	
Maize field grave yard hard to dig request Municipality to provide caterpillar	Director Community Services	
Ward Councillor hires people who voted for him only has the hiring criteria changed	Mayor	
Council must intervene at the clinic people queue for hours without assistance	Mayor	
R58 residents had registered for houses but no response had been received also the streets are closed ambulances and police have no access	Director Technical & Community Services	
Sites next to the hall are surveyed on top of a storm water Council must intervene	Director IPED	
Elderly living behind the hall were promised sites but where never given	Mayor	
Install electricity at surveyed sites behind the hall	Director Technical Services	
What is the progress on the Joe Gqabi extension matter	Director Community Service	

Solar Energy Matter progress	Director Technical Services	New Council still to discuss the Solar Energy project
Ward Councillors bring divisions inside the wards that must stop	Mayor	Ward Councillor only holds Public meetings but discovered that after meetings people hold their own without Councillors knowledge
Ward 9 PRIORITIES		
Electrification of Phola Park	Director Technical Services	
Provision of Houses Hilton	Department of Human Settlement	
Streetlights maintenance	Director Technical Services	
Hilton Community Hall usage	Director Community Services	
Sewer spillage	JGDM	
Title Deeds of Old House in Hilton	Director Technical Services	
Fire Services provision for 24 hours	Joe Gqabi District Municipality	
Budget for Hilton	Director Financial Services	
Renovation of Old Hilton Library	Director Community Services	
Sportfield for Children	Director Community Services	
Speed humps Hilton	Director Technical Services	
Too high Water bills	Joe Gqabi District Municipality	

Parking Meters	Director Financial Services	
Teenage Drug Abuse Juana Park	Department of Social Development & Health, SAPS	
Ward 10 PRIORITIES		
Soul city electrification, streets development, houses and water & sanitation.	Director Technical Services	
Erect speed humps at rose and Angelier street	Director Technical Services	
Arrange for Mobile Police station and Clinic weekly at Joe Gqabi	Director Community Services	
Prioritize elderly ahead of youth when building houses	Department of Human Settlement	
Build a Primary School for Joe Gqabi students	Department of Education	
Traffic officers are not assisting students at school during rush hours	Director Financial Services	
Whilst waiting for a school to be built provide scholar transport for Joe Gqabi students	Department of Transport	DOT has allocated a bus for scholar transport
Many Joe Gqabi RDP houses need rectification	Department of Human Settlement	
Does the Municipality have a youth budget and how is it utilized	Director IPED	

Provide churches sites where there is illegal dumping areas	Director IPED	
Soul City needs paved streets there is too much mud when it rains	Director Technical Services	
House number 4382 residents dump refuse in front of the house	Director Community Services	
All Joe Gqabi streets need to be re – graveled gravel is over there is mud and the rain water does not flow	Director Technical Services	
Provide support to emerging small businesses so they grow	Director IPED	
What will happen to Phola Park residents living at R58 road as the area won't be surveyed	Director IPED	
Erf 79 at Soul City was moved near the public toilets that people utilize occupants are no longer living there because of the smell.	Director Technical Services	
Joe Gqabi house number 4100 rain water flowing inside the house during raining periods	Director Technical Services	
Request that Soul City be taken as a first priority during implementation phase	Director Technical Services	
Request that the Municipality appoint registered experienced contractors in future to be build houses so there won't be a need of rectification and unfruitful expenditure	Department of Human Settlement	

Ward 11 PRIORITIES		
Only ANC volunteers are hired in upcoming projects	Mayor	
Paving of streets needed many streets not paved	Director Technical Services	
Storm water drainage is too deep cars were not accommodated they can't pass at Phama street	Director Technical Services	
Upgrading of Town Park project residents were not informed people where just seen working	Ward Councillor	
RDP houses connection pipes are leaking leading to houses falling and cracking	Department of Human Settlement	
There must be a provision made for people who built houses by themselves	Department of Human Settlement	
RDP houses toilets overflowing	Joe Gqabi District municipality	
Testing Station was promises but not yet built what was the hold back	Director Financial Services	

Street lights not functioning, Mzomhle street not yet paved, Youth Centre not yet built also request for a Supermarket to be built.	Director Technical Services	
Request that the Water Dam to be fenced stray animals drink from the dam which is harmful to the community	Joe Gqabi District Municipality	
Disabled people need to be provided with their own budget at the Municipality	Mayor	
Farmers must be assisted with tractors	Department of Rural Development & Agrarian Reform	
Students be provided with free internet access at the Library	Director Community Services	
Local Clinic be extended there is no space even if it is raining elders wait outside also hire more staff people die in queues	Department of Health	
House 169 Bongani street house overflowing sewer inside	Joe Gqabi District Municipality	
Building of houses not yet done since they were promised	Department of Human Settlement	

Newly built ATM's not properly working and there is nowhere to deposit	Director Financial Services	
Build a shopping Centre to grow the Local economy	Director IPED	
Graduates be hired in more qualified positons than being hired in EPWP projects	Director Corporate Services	
Provide mobile Police Station at the township	SAPS	
Construction of toilets for disabled people inside the houses	Department of Human Settlement	
Construct disabled ramp for the disabled at the Municipality	Director Technical Services	
Eyethu Community Garden require assistance with resources from the Municipality	Department of Rural Development & Agrarian Reform	
Sarah Moorosi sports field contractor no longer on site what happened	Director Technical Services	
Extend Community Hall, Provide more refuse trucks, job creation and attend to the Eskom electricity matter it is too weak	Director Technical Services	
Local Business owners must be engaged so that they assist in youth programmes	Director IPED	

Primary School needs extension	Department of Basic Education	
Town Library situated at a church building owners need it back there must be a provision	Director Community Services	
Cleanliness at the clinic a concern to the community	Ward Councillor	
Provide office space for Ward 3 Councillor	Mayor	
Provide patient transport for patients transferred to far hospitals	Department of Health	
There is always no medicines at the Hospital	Department of Health	
Doctor at the Hospital does not attend to female patients	Mayor	
Nurses at the Hospital are always drunk	Mayor	
WARD 3 & 4 PRIORITIES		

Regraveling of streets (Mountain View)	Director Technical Services	
Electrification of Houses 340Project and Matyotyombeni area	Director Technical Services	
Prioritiazion of High mass light and street light in Eureka	Director Technical Services	
Renovation/rectification of Houses Sisokola Sonke area	Director Technical Services	
Prioritization of youth programmes initiated by the municipality,establishment of youth council for the Walter Sisulu Local Youth Council	Director IPED	
Establishment of Street Committees	Director Technical Services	
Prioritization of local contractors	Director IPED	
Youth and community Skills development	Director Corporate Services	
Construction of Speed humps in Eureka paved road	Director Technical Services	
Storm Water Drainage System	Director Technical Services	

Sewer Spillage		Joe Gqabi District Municipality	
Top Four Service Delivery Priorities for Ward			
No	Priority name and Detail		
	Improving Basic Service Delivery and Infrastructure Investment;		
	Ensuring all communities have access to clean water and sanitation;		
	Ensuring all houses have access to electricity;		
	Ensuring universal access to free basic services;		
	Improve Local Economic Development;		

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2017/18

Municipal Audit Committee Recommendations			
Date of Committee	Audit Findings/Concern	Committee Recommendations during 2017/18	Recommendations Adopted (enter Yes); not adopted (provide explanations)
	See Audit Action plan	Not yet	

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2017/18)					
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
39/2011	Rental of Photocopiers	27 June 2011	Continuing	Mr Botha	R 64 620.00 pm
84/2014/15	Short term insurance	11 February 2016	Continuing	Mr T Maseko	R 684 389.00 p.a
122/2014-2015	Supply of Security Services		Continuing	Mr S Botha	R 1 146 353.05

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

The Schools in the area are in a fairly state; However the Simphiwe Khethwa Secondary School needs Major renovations, as the state of the school is dilapidated, its infrastructure is very old.

The clinic in Venterstad needs to render a service for 24hours, this has been a request by the communities, Venterstad does not have a hospital and this is the only clinic, which services all the communities in the area and vast difference to travel e.g.13Km from Oviston and more for the farm areas.

The Thembisa area does not have a clinic and this is been raised by communities in all Mayoral meetings and Outreaches. Currently this community is serviced at the community hall where if there will be a public meeting the service is disturbed.

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

Not applicable to Walter Sisulu Local Municipality

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

Declaration of Loans and Grants made by the municipality: Year 0				
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
<i>* Loans/Grants - whether in cash or in kind</i>				<i>TR</i>

