



ALFRED NZO

DISTRICT MUNICIPALITY

Draft Annual Report 2017/2018

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It is with great honour that I present, to the Council and the residents of the Alfred Nzo District Municipality, the Annual Report for 2017/2018 financial year.

This Annual report presents the performance of the municipality in implementing the integrated development Plan (IDP) that was developed with the people through IDP Outreach Programme.

The year has not been without its challenges, we encountered numerous challenges in our quest to change the lives of our communities for better. I am happy that we gained a experience out of these challenges.

We are humbled by the level of commitment shown by our communities to work towards a common purpose of developing their areas. They have also shown us that they understand their role of keeping us accountable to them.

We committed ourselves to always performing our functions in a transparent and accountable manner through mechanisms that would make us, public representatives, visible to communities at all times. I am pleased to report that in the year under review, we have crisscrossed the district to handover deliverable outputs, inform of water and sanitation projects, disaster management services as well as economic development initiatives.

The financial health of the district municipality has drastically improved and I acknowledge the fact that there is still a way to go. It is worth noting that important contributors of financial health revenue collection through payment of accounts by ratepayers. Our district municipality is highly dependent on grant funding as our communities are mostly indigents.

Furthermore, we have deployed mechanisms to further strengthen our oversight responsibilities that would ensure good governance and sound financial management. In this regard, Municipal Public Accounts Committee (MPAC) is constantly embarking on service delivery oversight and monitoring outreaches throughout the district to fulfil this commitment and report its findings to the Council.

Whilst our aspiration to achieve a clean administration and audit opinion seems to be indefinable, we have not lost hope and we will continue to strive for service excellence and to vigorously exert all our collective efforts in doing what is best for this municipality.

We will be taking advantage of the opportunities we have to explore as we strive to ensure that all our communities have access to clean water and sanitation that bring dignity to their lives.

Date: 31 January 2019

Cllr S. Mehlomakhulu

Executive Mayor

1.1. MUNICIPAL MANAGER'S OVERVIEW



Alfred Nzo District Municipality during the financial year 2017/2018 embarked on numerous programs that seek to change its landscape. Chief amongst these were at the strategic level. The introduction of vision 2022 expressed in the five year IDP ushered an opportunity wherein our architects (Councillors) crafted a vision which in its form presented a season of home to its communities. Together this vision and the new mission enable the municipality to respond to the clarion call of heightened service delivery whilst ensuring that the basics are mastered through good governance. Importantly, good governance leads to good administration, good management, good performance management, good people behaviours and ultimately yield to good outcomes.

It is an honour and privilege that comes with a huge responsibility, not only to turn the situation around, but also set the municipality on the right path, towards a clean administration. To the management and staff, I know that change of leadership brings anxiety and uncertainty, but this time around we must be optimistic about the future, no matter how difficult the situation might be. The role MPAC has played in ensuring that irregular expenditure is cleared and an eclectic approach developed to resolve all, demonstrate the level of good governance our councillors seek to marshal the organisation towards a positive destination.

The development of the District Growth Development Plan vision 2030 has also allowed a focused allocation of resources and also gave three important areas the municipality must deal with and these inter alia include focus, attention and time. This new was of orientation is results driven and as such, the concomitant results of a clean administration may be realised with a few years. Whilst there was no improvement on our audit outcome, the fact that the qualification matters were reduced from seven to three present a clear season of home for a clean audit in the next financial year and at the least an unqualified audit opinion. We have ensured that service delivery is heightened albeit the shrinking financial envelop. Also, the introduction of cost containment measures which rewarded the municipality with greater financial returns cannot be underestimated. The partnership between councillors, administration and the unions was in achieving the latter need to be applauded and the contribution by all made us to subscribe to the old adage "United we stand, divided we fall ". Indeed, Alfred Nzo District Municipality is rising to it call.

The integrity of Alfred Nzo District Municipality is being restored and this is observable in simplified work processes that are being presented each day. The commitment of leadership in good governance cannot be emphasized there by allowing the municipality to eliminate all unwarranted matters that deter it to its purpose.

This is but a testimony of an institution in action. The task assigned is achieved.

I thank you.

Mr Z. H. Sikhundla
Municipal

Date: 31 January 2019

Manager

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1. MUNICIPAL POWERS & FUNCTIONS

The Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the district and local municipalities. It assigns the district wide functions to the district municipalities and most day to day service delivery functions to the local municipalities. The provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services.

With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is still the function of the district. Amongst other things the powers and functions of the municipalities are as defined as follows:

Local Functions		District Functions	Shared Functions
Building Regulations	Facilities for the Accommodation, Care and Burial of Animals	Municipal Health Services	Local Tourism
Child Care Facilities	Burial of Animals	Potable Water	Municipal Airports
Pontoons, Ferries, Jetties, Piers and Harbors	Fences and Fencing	Sanitation	Municipal Public Transport
Storm Water Management Systems in Built up Areas	Local Amenities	Air Quality Management	Cemeteries, Funeral Parlors and Crematoria
Trading Regulations	Local Sport Facilities	Licensing and Control of Undertakings that sell food to the public	Markets
Street Lighting	Municipal Parks and Recreation	Fire Fighting Services	Municipal Abattoirs
Traffic and Parking	Pounds	Disaster Management	Municipal Roads
	Public Places		Refuse Removal, Refuse Dumps and Solid Waste
	Street Trading		Development Planning
			Sports , Recreation , Arts & Culture
			Thusong Centres

AGE DISTRIBUTION

The potentially economically active population (16 – 65 years) constitutes 40% of the population. ANDM currently has a high youth dependency and as such municipal planning must take cognisance of the predominantly youthful population of the municipality, the Municipality currently acknowledges this through inclusion of the needs of children and youth issues in its Programme for special groups. Furthermore the Planning and Economic development department within the municipality currently has a unit dedicated to economic development, aimed at assisting all SMMEs of the District including those operated by the youth of the District. This approach by the municipality is in line with one of the Millennium Development Goals.

Area	0-14	15- 34	35-64	65+	Grand Total
Alfred Nzo	39.8	39.3	15.2	5.8	100
Matatiele	37.4	39.2	16.9	6.5	100
Umzimvubu	36.6	40.3	16.7	6.4	100
Mbizana	43.2	38.6	13.3	4.8	100
Ntabankulu	40.4	39.3	14.3	5.9	100

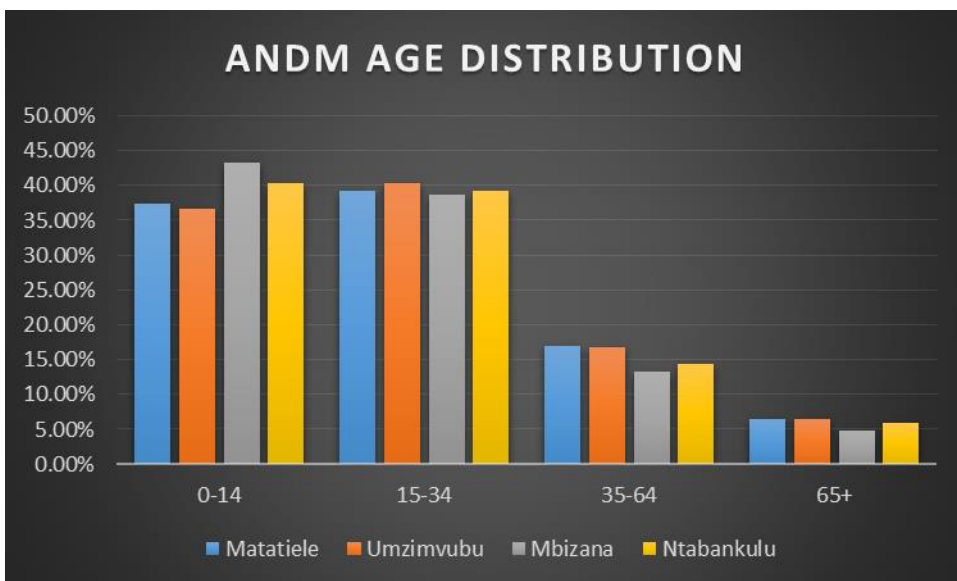


Figure 1: Age Distribution

Source: Statistics South Africa, 2016 Community Survey

The high proportion of dependent youth in the district implies a higher burden on the economically active population. Given that a high percentage of the economically active population is not economically active this burden shifts to organs of state and places a higher burden on municipalities and government departments such as Social Development, Health etc.

GENDER DISTRIBUTION

The Alfred Nzo population is predominantly female. Females constitute approximately 54. % of the population while males constitute 46% and this is a replica of the previous situation before the incorporation of Mbizana and Ntabankulu Local Municipalities. Municipal planning must take into consideration the issue of this gender balance. The Municipality acknowledges this through inclusion of the needs of women and gender issues in its programmes for special groups. This approach by the district municipality is in line with Global Approach on meeting Millennium Development Goals by 2014.

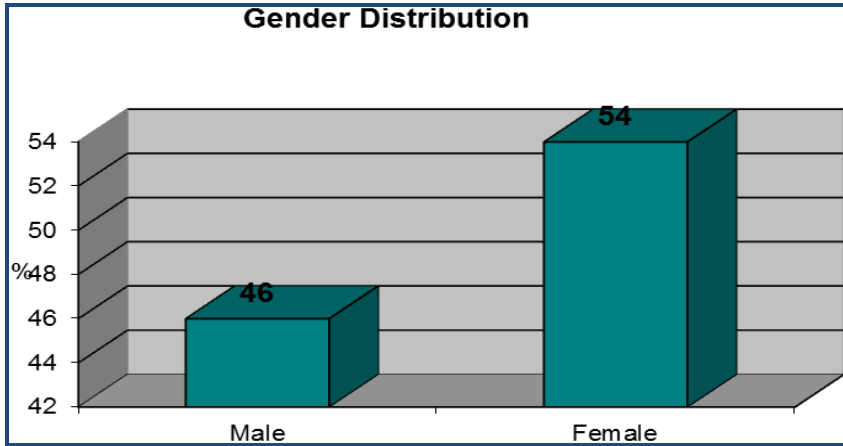


Figure 2: Gender Distribution

Source: Statistics South Africa: Census (2011 Census and 2016 community survey)

The Alfred Nzo District is embattled by poor socio-economic conditions and low levels of development which is not an uncommon trend in the region.

ECONOMIC SECTORS AND THEIR PERFORMANCE

The figure below shows the total Gross Value Adding (GVA) of the district relative to that of other districts in the province. Alfred Nzo is the least significant contributor to the provincial GVA, contributing less than 1% of the province's GVA.

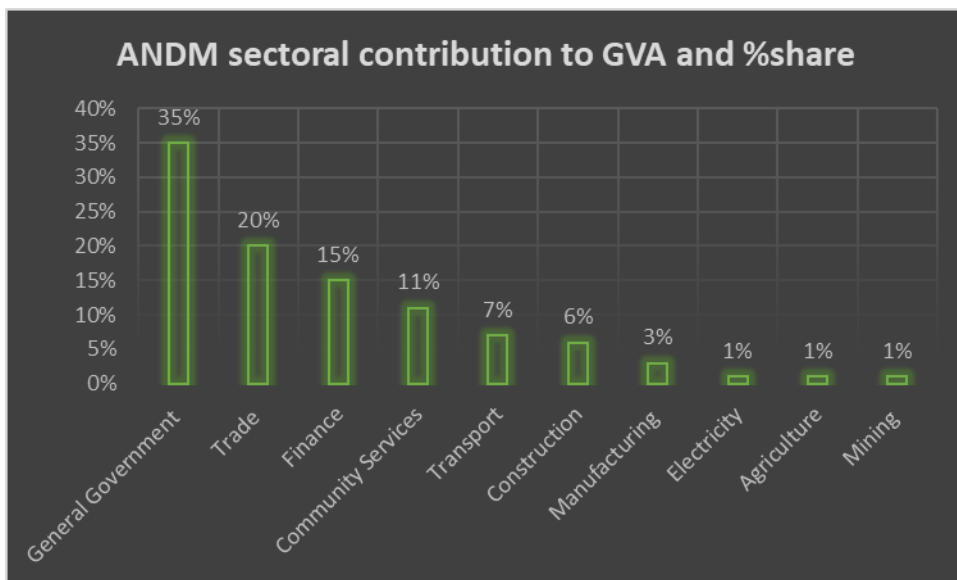


Figure 3: Sector Contribution to the District Economy

Source: Alfred Nzo IDP, 2016

The District local economy is heavily reliant on the government sector which contributes 35% of the Gross Value Adding (GVA) in the District. This includes community, personal and social services rendered by private and public institutions. Activities classified within this sector include public administration and defence activities, activities of government, government departments and agencies; education, public and private; health and social work; activities of membership organisations; recreational, cultural and sporting activities.

The second highest contributor to the District's economy is Wholesale / Trade (20% of GVA). This sector is underpinned by the public sector based expenditure through government employment and social grants.

The third highest contributor to the District's economy is Finance (15% of GVA) and Community Services is the fourth highest contributor by 11% to the district economy. The contribution of the other sectors is very limited with transport contributing only 7% and construction sector contributing 6%.

Must be noted that the poor contribution of the productive sectors such as agriculture and manufacturing is an issue of concern. As already stated the ANDM economy is dependant of the public sector. In ideal situation an economy should be more dependent on its productive sectors as stipulated above, this creates for a more resilient economy and that is not dependant on public sector funding.

INCOME LEVELS

Income levels within the District are very low. Only 6.6% of the economically active population has an income of more than R1601.00 per month. The majority of the people within the District are having income that is less than R800 per month. Municipal planning and budgeting needs to focus strongly on local economic development initiatives that will enable the community to be economically active to generate income. As stated above the municipality though its programmes must encourage economic development initiatives that generate income for communities through amongst others focusing of the productive sectors of the communities.

The absence of a higher income earning class limits the growth potential of the District, in that it is this category that usually offers the necessary intellectual and financial capital to support growth.

POVERTY LEVELS

Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R 800 or less a month. Poverty levels vary from district to district but in Alfred Nzo region approximately 40% of the population lives below the poverty line. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms closely linked to economic development initiatives.

EMPLOYMENT LEVELS AND TRENDS

The Alfred Nzo District has very low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels. High unemployment rates impact negatively on municipalities as low affordability levels result in a poor payment rate for services.

For the purposes of this section, people's employment status may be classified as employed, unemployed and not economically active. These statuses may be defined as:

Employed being people who have within the last thirty days performed work for pay.

Unemployed are those people within the economically active population who: are not working; want to work and are available to start work immediately; and have taken active steps to look for work or to start some form of self-employment.

Not economically active i.e. a person who is not working, not seeking work and not available for work

The figure below shows that ANDM currently has an unemployment rate of 43.5% using the strict definition of unemployment.

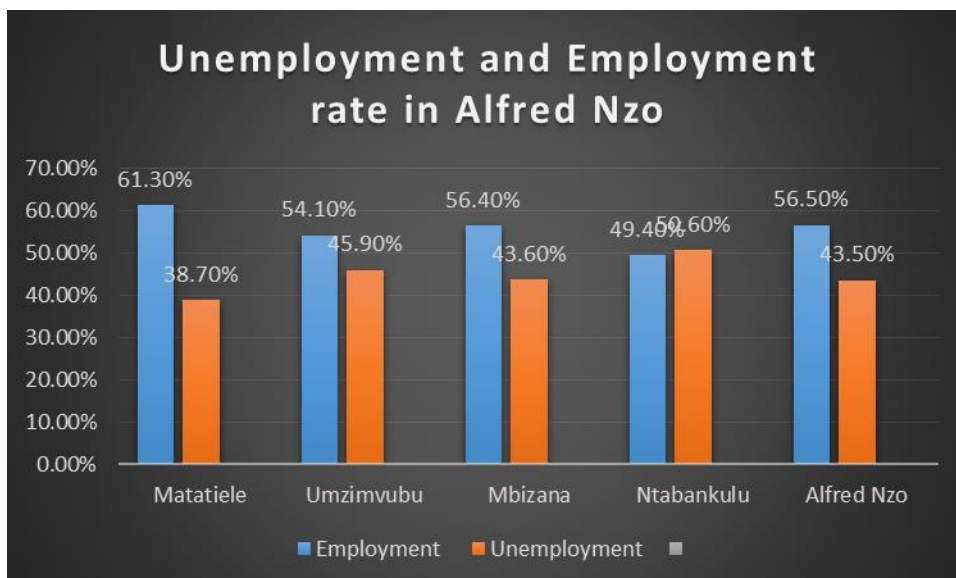


Figure 4: Unemployment Rate by Local Municipality

Source: Alfred Nzo IDP, 2016

EDUCATION

Education is an important indicator of development due to its correlation with human capabilities, productivity and, ultimately, income. The level of educational attainment is used as an indicator of the skill levels of the population, with the higher educational attainment levels being associated with greater opportunities for higher earnings, better social circumstances and the potential investment attraction. The percentage of the population aged 20 years and above with no education; Alfred Nzo Local Municipality:

The District has low levels of educational attainment. This has implications on the present percentage of the population that is functionally literate. Only 16.6 percentage of the population of the District was estimated to have completed matric in 2016.

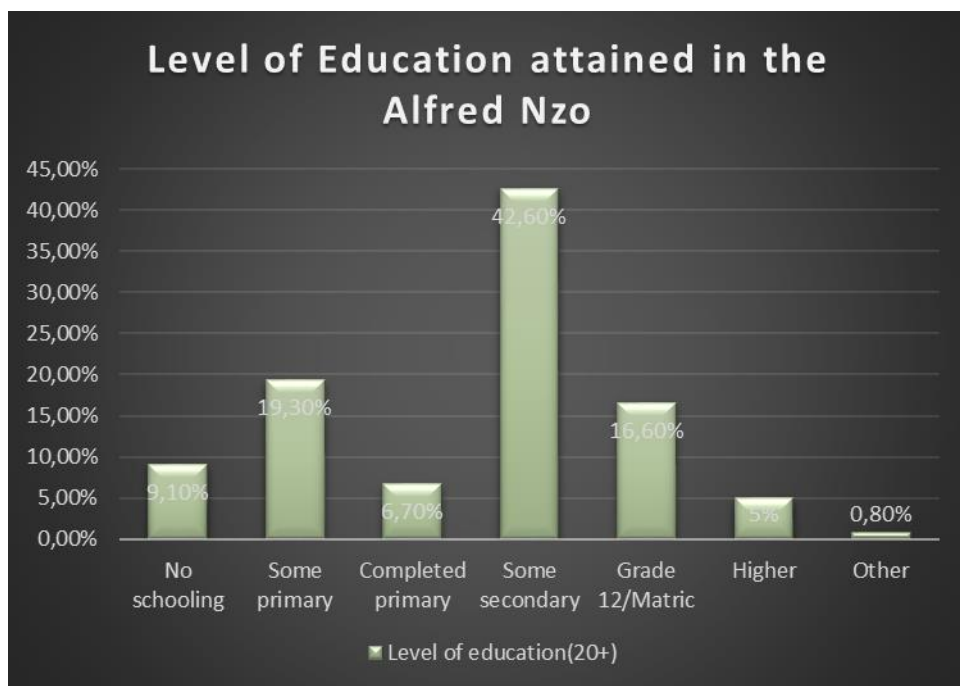


Figure 5: Persons 20+ educational attainment

Source: Statistics South Africa, 2016

HIV/AIDS continues to pose a major challenge for the people of South Africa and the Eastern Cape. According to the Department of Health, the HIV/AIDS infection rate has stabilized in the Alfred Nzo District. HIV/AIDS nevertheless remains a challenge and the Department is actively concentrating on the management of antiretroviral treatment of infected people. There is a high level of Tuberculosis (TB) in the region which is commonly associated with HIV/AIDS and the Department is also focusing its attention on the management of TB. Municipal planning must take into consideration the needs of people infected and affected by HIV/AIDS. The Municipality has developed an HIV/AIDS strategy (attached as part of sector plans) and established a District AIDS Council.

1.3. SERVICE DELIVERY OVERVIEW

The Alfred Nzo District Municipality is a Water Services Authority with full legislative mandate and oversight role as well as Water Services Provision. The municipality strides to reduce the water services backlogs, as shown in Figure 6 as it continues to deliver the service especially with regards to provision of sanitation services i.e. VIP toilets in rural areas. A gradual increase is seen the Figure 6 below in so far as access to water and sanitation for the households of ANDM. The major challenge is the funding constraints and the funding model that is not proportional to the water services backlogs. The other challenge lies with sector departments who do not respond promptly on compliance approvals such as Water Use License and Eskom applications. These challenges need to be addressed in the following manner:

- Strengthening relations with the sector departments through the IGR process,
- Engage financial institutions on the funding model that will assist in addressing service delivery backlogs and enhance monitoring and evaluation of service providers.

Furthermore poor performance by contractors poses a risk in terms of municipal performance in service delivery. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes.

It is also imperative that the institution improves its debt collection by the implementation of revenue enhancement program and the indigent register to be continuously reviewed so that those who are no longer indigent are billed to recover costs for operations and maintenance.

Contractor development / incubation programme is being implemented and strict selection criteria with respect to appointment of contractors are the area of focus to change the situation going forward. Staff development and training remains our priority, however, the need far exceeds the available resources. The verification reports indicate that there is still a lot of backlog to be eradicated, including reverse backlogs and there is also need to refurbish and replace water supply scheme components attributed to aging infrastructure.

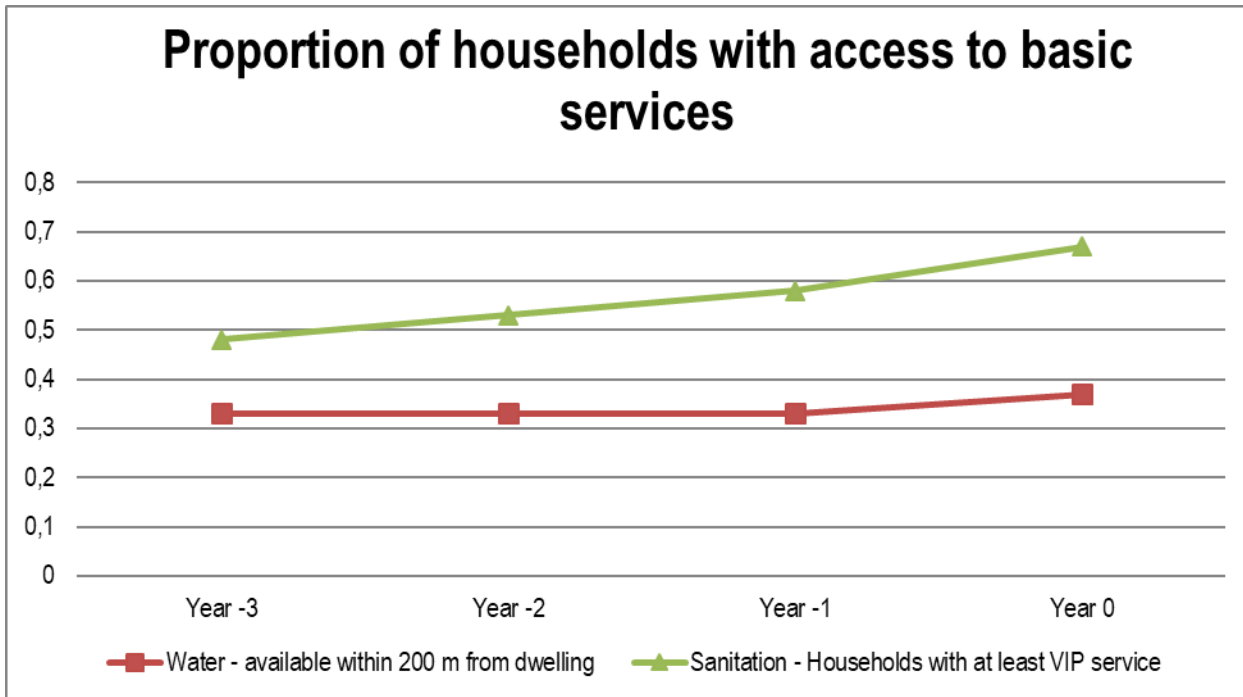


Figure 6: Proportion of households with access to Basic Services

Source: ANDM Water Services Development Plan (2017/18)

1.4. FINANCIAL HEALTH OVERVIEW

Whilst the district municipality has over years maintained a strong financial position through having sufficient reserves, these reserves are however were depleted in the 2016/17 financial year where major funding was directed to capital and operational projects of the municipality. This is mainly due to service delivery backlogs that the District Municipality has been faced with over the years. Also, due to the rural nature of the District Municipality, there is a heavy reliance on government grants as the municipality currently has a low revenue base.

In attempt to identify and remedy the financial challenges facing the municipality in 2016/17, the municipality through Section 54 of the Municipal Finance Management Act Of 2003 (MFMA) declared financial challenges and inability to meet its financial obligations. Subsequently the municipality held a Business Re-engineering Session where a number invited stakeholders including Department of Cooperative Governance and Traditional Affairs (COGTA), Provincial Treasury, Department of Water and Sanitation (DWS) and various others were invited to participate and assist the municipality conceptualise and develop its Turn Around Plan. Furthermore during that period the municipality developed and approved through a council resolution Cost Cutting Measures which are currently being implemented in the institution as part of the institutional recovery plan.

In line with the provisions of the Division of Revenue Act (DORA), the District Municipality anticipates to continue receive such grants over the foreseeable future as there is a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the District Municipality, the municipal council adopted a Revenue Enhancement Strategy that is currently being implemented. Included in the components of this strategy are amongst others, the following: -

- Water meter audit;
- Data cleansing;
- Replacement and installation of water meters;

Table 3: Municipal Income Breakdown

Details	Original budget	Adjustment Budget	Actual
	R1 093 791 251	R1 133 467 917	R1 093 920 453

Table 5: Capital Expenditure

Income:			
Internal Funds	R 56 779 700	R 70 557 580	R 882 785
Grants – NT/PT	R 565 467 880	R 576 356 026	R 585 661 777
Equitable Share	R 437 586 120	R 437 586 120	R 437 586 120
External Loan	R 0.00	R 0.00	R 0.00
Operating Reserves	R 0.00	R 0.00	R 0.00
TOTAL OPERATING REVENUE*	R1 093 791 251	R1 133 467 917	R 1 093 920 453

1.4.1. OPERATING RATIOS

The 'Employee Costs' is expected to be approximately 35% to total operating cost; as this is the industry norm. ANDM employee operating cost ratio is 45.7%, which is above the industry norm.

The cost of 'Repairs and maintenance' is expected to be approximately 8% to total operating cost, as this is the industry norm. ANDM repairs and maintenance operating cost ratio is 7%. Looking at this on the financial management perspective, ANDM can be regarded as financially healthy in this aspect albeit there is a high rate of delapidated infrastructure which needs refurbishment and repairs.

The cost of 'Finance Charges and Impairment' is expected to be approximately 10% as per the industry norm. The ANDM finance charges and impairment operating cost ratio is 0.39%. The reason behind this percentage is a data cleansing exercise that is continuous ensuring that the billing data is at acceptable levels. The municipality further introduced the prepaid system on the areas of Matatiele Maluti and Cederville.

Table 4: Operating Ratios

Detail	%
Employee Cost	45.7%
Repairs & Maintenance	7%
Finance Charges & Impairment	0.39%

1.4.2 CAPITAL EXPENDITURE

Detail	2015/16	2016/2017	2017/2018
Original Budget	723 401 033	1 461 393 897	532 273 748
Adjustment Budget	635 211 858	571 915585	524 929 420
Actual	515 403 866	479 983 107	488 435 486

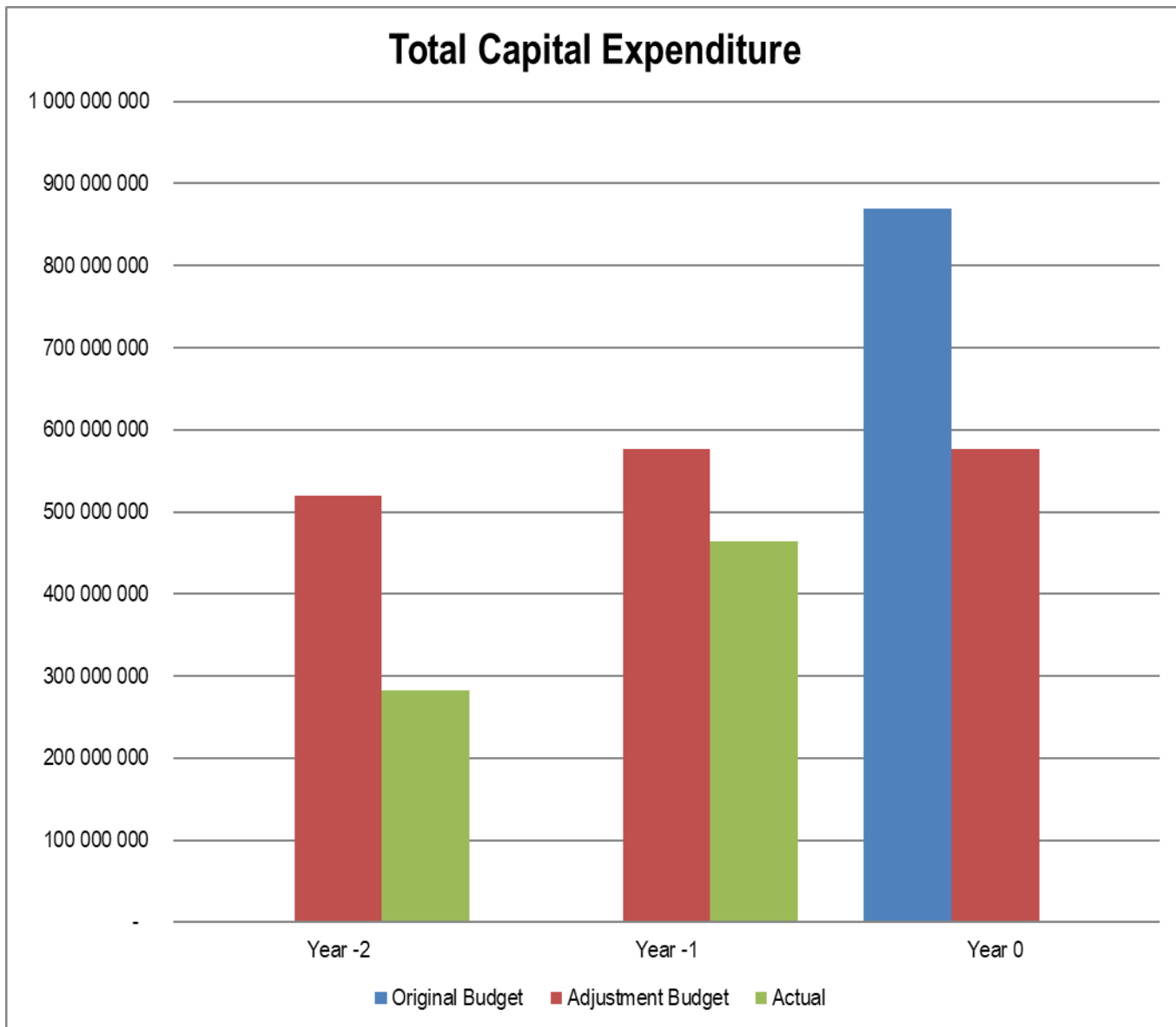


Figure 7: Total Capital Expenditure

Source: Own Construct

The municipality approved an annual budget that was divided into capital and an operating budget in accordance with international best practice. The appropriation for capital projects considered the funding sources and the municipality had insured that funds were available and were not committed for other purposes.

The budget includes the Regional Bulk Infrastructure Grant which is schedule 6 (B) Grant as per Division of Revenue (DoRa). The implementing Agent is appointed by Department of Water Affairs and funds are not transferred to the municipality, therefore there

was no expenditure incurred by the municipality. The budget for 2017 – 2018 did not include the total allocation but only the grant portion that was implemented by the municipality

Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) as amended requires a Municipal Manager to develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval. In line with the above legislative framework and other pertinent employment regulations the ANDM reviewed its staff establishment for the financial year 2017/2018.

The structure had a total of 831 posts for the period and a sum of 509 posts are filled resulting in a vacancy percentage of 38.7% for the period. The municipality administration is comprised of the following departments:

Office of the Executive Mayor

Constituency and Whippery Support, Office of the Speaker, Council Support, Risk Management

Office of the Municipal Manager

Corporate Services

Budget and Treasury

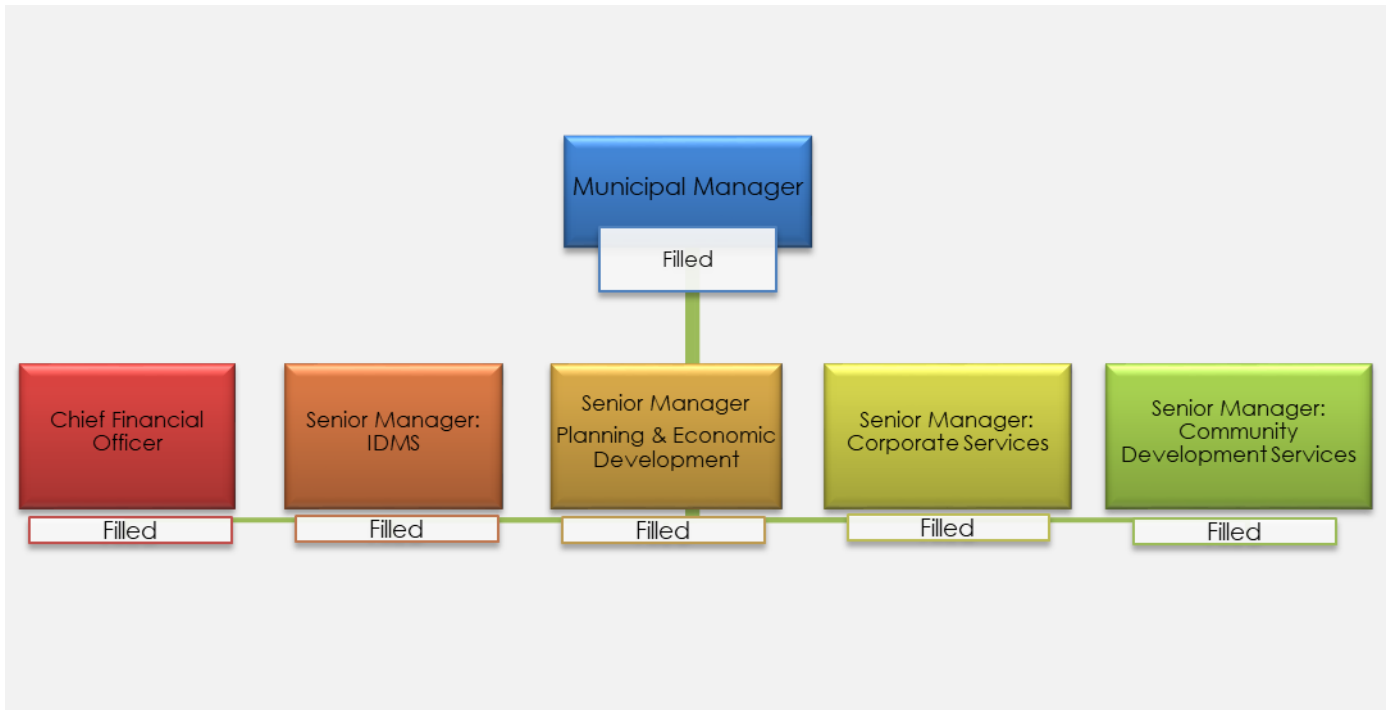
Community Development Services

Infrastructure Development and Municipal Services

Planning and Economic Development

The municipal manager together with five section 56 managers have all signed annual performance agreements for the year under review and submitted to the relevant authorities that is Department of Local Government and Traditional Affairs and Provincial Legislature.

The municipality structure reflected below covers the top levels only and the comprehensive adopted organizational structure is attached to the report as an annexure for further reference.



AG's responsibility is to express an opinion on the consolidated and separate financial statements based on AG's audit. AG conducted AG's audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that AG comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasons of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The Office of the Auditor General has given the municipality an Unqualified Audit Opinion for the year under review. The basis of opinion is dealt with in the following chapters of the Annual Report.

The municipal performance over the last three financial years in as far as the audit is concerned is summarized below:

Table 8: Audit Opinions	
Financial Year	Auditor General's Opinion
2015/16	Qualified
2016-17	Qualified
2017-18	Unqualified

1.7. STATUTORY ANNUAL REPORT PROCESS

Table 9: Statutory Process		
No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July

Table 9: Statutory Process

2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	
8	Mayor tables the unaudited Annual Report	August
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General's comments	September – October
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	November
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	December
		January

The Alfred Nzo Municipal Annual Report enables the Council and the public to monitor the progress of the municipality against a set of specific objectives established by the municipality. Since the Annual Report considers previous, current and future year activities, ANDM may choose to integrate its annual reporting process with other municipal planning and management processes.

Annual reporting promotes a greater understanding of municipal responsibilities and priorities and also provides an opportunity to engage citizens in setting municipal objectives. Each municipality can choose how it will measure its progress against the objectives and how it will report on its progress each year.

The Council may consider establishing a feedback form that citizens can use to advise Council of the type of information they would like to see included in subsequent reports.

The Annual Report will be made available for public at the municipal offices and at the municipal public meetings.

Alfred Nzo District Municipality is a District authority, a Category municipality which means all the legislative and executive powers of the municipality are vested to the Council. The provisions of the latter are as per section 12 of the Notice of the Municipal Structures Act 117 of 1998. The period under review is that of 2017/2018 Financial Year. The Alfred Nzo District Municipal Council was inaugurated on the 31 August 2016 following the local government elections held on the 3rd August 2016.

As with the other public sector institutions, ANDM's political governance structure; and as the highest decision making body of the institution; the council is supported by an administration. There is an interface between the legislative and administration as the administration is charged with a responsibility to generate reports and recommendations for informed decision making.

A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipal manager is the Accounting Officer and the leader of the administrative business of the municipality, supported by 5 Senior Managers. The administrative leadership are involved in a day to day running of the municipality.

Table 10 below provides an outline of the status of Administrative Governance of the Municipality.

Table 10: Administrative Governance		
Indicators	Targets	Achievements
Filling of critical posts	To fill all Section 56 positions	Municipal Manager position has been filled Five Section 56 manager posts filled and three vacant i.e. Strategic Manager

2.1. POLITICAL GOVERNANCE

As indicated above Alfred Nzo District Municipality is a District Authority, Category C municipality which means that all the executive powers of the municipality are vested to the Council. The provisions of the latter are per Section 12 of the Notice of the Municipal Structures Act 117 of 1990. Council has a minimum of six (6) meetings per year: All meetings are preceded by meetings of the standing committees and or Mayoral Committee Meeting as informed by the business of the Council as set in the Council Agenda: In addition to the Ordinary Council meetings undertaken during the year, Special Council meetings and Committee meetings are convened during the year to ensure that decisions are not delayed. The following table provides an outline of number of sittings of both municipal administrative and political structures of the organization. The period covered below refers to the 2017/18 financial year.

Table 11: Municipal Administrative and Political Governance: Sittings of the Meetings

	2017/18 for the period July 2017– June 2018	
	Ordinary	Special
Council Meetings	5	12
Mayoral Committee		
Executive Management		0
Full Management		0
Audit Committee		0
MPAC	4	4
Whippery Programmes	4 x Study Group held for all Councillors	
	2 x District Whippery Forum workshop on oversight, customization of Chief Whips	
	12 x caucuses were held in preparation for the Council Sitings	
Speakers Forum	3 x District Speakers Forum held	

2.1.1. TOP POLITICAL STRUCTURE

2.1.1.1 LEGISLATIVE STRUCTURE

Table 12:Legislative Structure		
Position	Name	Function
Speaker	Cllr P.T. Sobuthongo	Chairperson of the Council
Chief Whip	Cllr. N. Tobo	Political link between organisations within the Council
MPAC Chairperson	Cllr M. Twabu	Chairperson of Municipal Public Accounts Committee

Public Participation & Petitions Committee Chairperson	Cllr Nqasha	Chairperson of Petitions Committee
Rules Ethics & Members Interests Committee Chairperson	Cllr. Pangwa	Chairperson of Rules and Ethics Committee
Executive Mayor	Cllr. S. Mehlomakhulu	Political head of the Institution and performs all the functions as per the legislation
Deputy Executive Mayor	Cllr. S. Sello	Performs all functions as delegated by the Executive Mayor.
Portfolio Heads	Cllr. S.Sello	Portfolio committee Chairperson of Community Development Services Standing Committee
	Cllr. L. Nkula	Portfolio committee Chairperson of Budget & Treasury Office Standing Committee
	Cllr. Msokana	Portfolio committee Chairperson of the Corporate Services standing Committee

	Cllr. N. N. Nqoko	Portfolio committee Chairperson of Planning & economic Development Standing Committee
	Cllr. S. Kulu	Portfolio committee Chairperson of IGR & Communications Standing Committee
	Cllr J. Bosman	Portfolio committee Chairperson of Special Programmes Unit Standing Committee
	Cllr . Mankahla	Portfolio committee Chairperson of
	Cllr. P Mohale	Portfolio committee chairperson

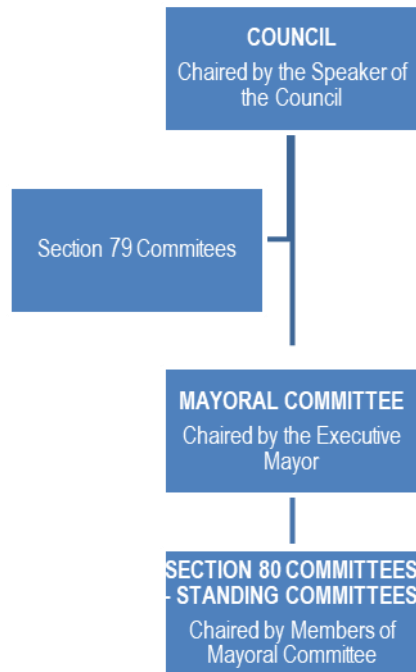
2.1.2. COUNCILLORS

The Alfred Nzo District Municipality is made up 40 Councillors and proportionally representatives from the four local municipalities (Matatiele, Mbizana, Ntabankulu and Umzimvubu). Eight Traditional Leaders from their Traditional Councils in accordance with Section 81 of the Local Government: Municipal Structures Act were gazetted by the MEC to serve in Alfred Nzo. Refer to **Appendix A** where a full list of Councilors and Traditional Leaders can be found.

(Review list of councilors, Com, Traditional Councilors as an annexure)

2.1.3. POLITICAL DECISION-TAKING

The political decisions are taken as per the diagram depicted below. Standing committees endorse from the management to the Mayoral Committee and the latter approves in accordance with powers as per the Municipal Delegation Framework and further recommend to the Council for approval.



2.2. ADMINISTRATIVE GOVERNANCE

The Constitution, chapter 3, states that the Republic is constituted of three spheres of government, namely, national, provincial and local spheres of government. It further states that the Act of Parliament must establish or provide for structures and institutions to promote and facilitate intergovernmental relations amongst all spheres of government and organs of within each sphere.

The Intergovernmental Relations Framework Act, 13 of 2005 aims to address the above and seeks to establish a framework for the national, provincial and local governments to promote and facilitate intergovernmental relations

The Municipal Systems Act, Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution, Section 41.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participated in some of the National Intergovernmental Structures during the year under review such as National Municipal Managers Forum.

During the year under review the municipality has participated in the following national and provincial Intergovernmental Forums:

Presidential Coordinating Forum

MINIMEC

SALGA's National Members Assembly

2.3.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

During the year under review the municipality has participated in the provincial IGR structures such as Technical, Political Muni MEC, Provincial Speakers Forum, PMIF (Provincial Municipal Infrastructure Forum) and Local Government Communicators Forum.

During the year under review the municipality has participated in the following Provincial Intergovernmental Forums:

Premier's Coordinating Forum

Muni-MEC

Speakers' Forum

SALGA's Provincial Members Assemble

SALGA Working Groups

Intergovernmental Communications Forum

Local Government Communicators' Forum

Provincial AIDS Council

Provincial Gender Machinery

2.3.3. DISTRICT INTERGOVERNMENTAL STRUCTURE

During the year under review the municipality has participated in the District IGR structures such as District Mayors Forum, Speakers Forum, Municipal Managers Forum, and IDP Rep Forum. Also the district had established and strengthened the functionality of sub forums such as:

District Wide Infrastructure Forum

CFO Forum

Social Services Forum

Corporate Services Forum

District Communicators Forum

District Aids Council

District Support Team

Intergrated Development Plan (IDP) Forum

District Mayors Forum (DIMAFO),

Speakers Forum;

Chief whips Forum,

Municipal Managers Forum,

Technical Support Forum,

Planners' Forum

District AIDS Council

District Women's Forum

District Men's Forum

District Disability Forum

Children Advisory Council

Older Persons'Forum

Young Women's Network

District Youth Council

Initiation Forum

2.3.3. RELATIONSHIPS WITH MUNICIPAL ENTITIES

In 2008 Alfred Nzo District Municipality established its development agency, Alfred Nzo Development Agency (ANDA), to focus on promoting and implementation of local economic development initiatives, investment mobilization, and trade promotion and marketing in so far as it relates to local economic development. ANDA is a municipal entity established in terms of the Municipal Systems Act and is accountable to the Municipality.

The District Municipality has established relations and partnerships with the following municipalities and entities:

City of Johannesburg

Ekurhuleni Metro Municipality

City of Lusaka in Zambia

Joe Gqabi District Municipality

Ugu District Municipality

Harry Gwala District Municipality

O. R. Tambo District Municipality

The institution has put various mechanisms aimed at advancing public accountability and participation and it has conducted a series of community and stakeholder engagements through the following structures:

IDP & Budget outreaches

Mayoral Outreaches

The Executive Mayor of the Alfred Nzo District Municipality in his inaugural speech outlined a clear programme of action which formed part of the municipality's 100 days programme which is aimed at fast-tracking provision of basic services to communities and also mobilise communities and stakeholder to partner with the municipality to drive development in the district.

The program included:

Project Hand Overs

School Outreach Programs

Back to school outreach programs

Stakeholder engagements

Objectives of the 100 Days Programme

To profile the municipal and government programme of action

To provide a platform for direct interaction between leaders of government and communities

To profile various interventions that are done to unblock service delivery challenges in the district as part of government's monitoring mechanisms

To build and solicit partnership with stakeholders and communities towards development of the district

Other elements that guided the implementation of the 100 Days Programme:

Monitoring Visits

The Mayoral Committee embarked on district wide outreach programme visiting various projects that are implemented by the district municipality in order to have a clear view on the progress in each project with the aim find immediate and amicable solutions.

Stakeholder Engagement

The outreach also included engagement with ratepayers, civil society formations, special groupings and communities.

CONSOLIDATED DISTRICT WIDE 100 DAYS STAKEHOLDER AND OUTREACH PROGRAMME

The 100 Days Stakeholder and Outreach was anchored around the broader government Public Participation Programmes (PPP) and aligned with the mayoral outreach initiative in an effort to enhance impact and arrest shortfalls associated with implementation of the government programme of action in the district.

The 100 days Mayoral Outreach also aimed at maintaining an on-going /continuous process of engagements between government and citizenry through which accountability will be maintained and communities are asserted **as co-creators** of solutions thus actively participate in decision making in the development of their respective communities.

Highlights of key issues raised on the inaugural speech:

Fast-tracking of Provision of Basic Services to Communities

District Wide Plan on fast-tracking of water and sanitation projects

Funding mechanisms for water and sanitation projects

Turnaround plan on sanitation challenges or sewerage related issues in the town of Mbizana and Matatiele

Fast-tracking of feasibility studies and eventual implementation of projects in various communities

Mayor's Community and Segmented Stakeholder Engagement Programme:

Rollout of Mayor's Monitoring Visit to projects across the District

Rollout of Mayor's Launch and Handover of projects to communities

Up-scaling of mayoral outreaches to various communities across the municipality

Segmented stakeholder imbizos or engagements throughout the district focusing on Traditional Leaders, NGO's, FBO's, Business

Fraternity, special groupings – Youth, elderly, men and women forums

Building a People Centred Municipality:

Improvement of Customer Care systems within the municipality and turnaround time on concerns that are raised by citizens

Engagement session with ratepayers across all local municipalities

Formation of District Ratepayers Structure and other related formations

Development of District Wide Communication Strategy and Plan:

Media engagement to communicate municipal programme of action

Development of District Wide Communications Strategy working together with local municipalities

Induction on communication for new councillors

Full implementation of Talk To Your Mayor and Councillor Radio Programme by all municipalities – mechanism to have direct interactions with communities

Speeding up the implementation of Local Economic Development Initiatives:

Outline of tangible and implementable District Wide SMME Empowerment Strategy

Implementation of Ntenetyana and Ludeke dam tourism initiative and funding mechanism towards building of conferencing infrastructure in the two areas

Revitalisation of municipal zone centres in line with district economic development strategy

Contractor Development Plan and ANDA Turnaround Plan

Rollout of Reakenella Job initiative and EPWP

Hosting of ICT Summit

Development of District Development Plan (DDP)

Heritage and Legacy Programmes

Formation of a district Heritage and Legacy Task Team to look at major initiatives like O.R. Tambo, Alfred Nzo legacy programmes

Hold District Initiation Indaba to respond to initiates death

Look into the rollout plan for the Thusong Service Centres in order to provide services closer to the people

Focus on Special Groups

Prioritisation of launch of district youth council as part of fast-tracking youth development in the district

Host District Aids Indaba to develop District Aids Plan which is aligned with the 2030 Vision

Rollout of Sport against Crime Programme – Handover of Kit and equipment to various communities across the district

Intergovernmental Relations

Formation of District Governance Clusters

Support to local municipalities and the improvement of the role of the district on rollout of IDP/Budget Process Plan and roadshows

Meet with local mayors to develop a district wide strategy to address electricity backlog in the district/DIMAFO interactions

Meet with all heads of sector departments to be briefed about their respective programmes within the district in the 2017/18 financial year and beyond

Convened first sitting of DIMAFO in September to map district plan to respond issues raised by electorate

3. Speakers Outreaches

The Speaker of Alfred Nzo District municipality as the Chairperson of council visited Traditional Councils to forge relations with them as a newly elected council. This was a programme wherein members of communities were also afforded an opportunity to interact with the municipal leadership. The outreach programme was done throughout the district. Stakeholder engagement sessions were also held with Traditional Healers and Business Sector to identify gaps in service delivery and insight on the guidelines to a safe provision of their services by abiding to the laws of the country.

4. MPAC

MPAC Oversight Committee, conducted oversight visits to projects in Ntabankulu that are currently implemented by the institution to verify information contained in progress reports.

2.4. PUBLIC MEETINGS

2.4.1. COMMUNICATION, PUBLIC PARTICIPATION AND FORUMS

The Alfred Nzo District Municipality's Five Year Communication Strategy was developed and adopted by the Council. The strategy is reviewed on an annual basis to review its efficiency and effectiveness. ANDM has quarterly District Communicators Forum (Communicators from the four local municipalities, government departments and State Owned Entities) and District Communications Core Team meetings respectively sit to coordinate integrated communication programmes.

In realisation of the Communication Strategy Action Plan, we have implemented Phuhla Alfred Nzo Radio programme that seeks inform residents of the government programme of action in the district, Talk to Your Mayor, Talk to Your Portfolio Head, Know Your Council and Constituency Radio Programmes that were transmitted live on Alfred Nzo Community Radio, Inkonjane Community Radio and official social media pages of the municipality. These radio programmes aimed at updating residents about the municipal programme of action as contained in the Integrated Development Plan (IDP).

During the year under review the district municipality facilitated 33 community outreach programmes aimed at bringing government closer to communities and encouraging participatory citizenry in planning municipal affairs. These outreaches were project handovers and launches.

2.4.2. WARD COMMITTEES

Ward Committee structures as per the Systems Act are located within the local municipalities of the district municipality. They play a central role in developing municipality's IDP & Budget and Municipal Programme of Action.

Through the Speaker's Forum office the Speaker had convened a District Wide Ward Committee Summit. The ward committees of all four local municipalities were visited through a "Know Your Neighbourhood Outreach " programme with the intention of identifying the challenges and hiccups

2.5. IDP PARTICIPATION AND ALIGNMENT

Table 13: IDP Participation and alignments	
IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes

Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

D: CORPORATE GOVERNANCE

All organs of the state in South Africa are expected to improve their audit outcomes and maintaining systems for sustaining quality financial statements and management information.

In an effort to achieve the nationwide objective, the Alfred Nzo District Municipality is utilizing its Internal Audit Office to monitor the processes that are meant to improve general governance processes.

In a process of reviving and institutionalizing the Audit process to complement the developed Audit Action Plan (FY 2017-18) and put in place a systematic approach in addressing AG queries. The Audit Action Plan was part of ongoing oversight processes which tasked to monitor implementation of Audit Action Plan and report to the Audit Committee and Mayoral Committee meeting on quarterly basis. The plan was not fully implemented by all departments of the institution and the progress on implementation was tracked through reporting

2.6. RISK MANAGEMENT

Alfred Nzo District Municipality Risk Management Unit in partnership with Department of Corporative Governance and Traditional Affairs has conducted or rolled out a training program on the Local Government Anti-Corruption Strategy and the Municipal Integrity Management Framework for it management. The program is also planned to be escalated to Councilors in the current financial year.

The Strategy seeks to:

- Provide a holistic and integrated approach to fighting corruption at the local government level;
- Promote prevention, detection, investigation, , resolution and public participation as the platform for the strategy;

- Support comprehensive public awareness and civil education including strengthening community participation in the fight against corruption in municipalities;
- Promote the integrity of municipal business process, including comprehensive risk management.

2.7. ANTI-CORRUPTION AND FRAUD

Fraud and Anti- corruption plan was developed and adopted by the Council for the year under review. Fraud risk assessments were also conducted to identify high risk areas that are prone to fraud risks along with mitigating strategies which gives effect to the plan. Workshops and awareness campaigns will be conducted throughout the district on the initiatives, plans and strategies that have been developed to address the municipal exposures to fraud and corruption which is part of implementation of fraud prevention plan. The municipality has also developed and implemented an Ethics Commitment document for suppliers, contractors that are dealing with the municipality to make a pledge and commitment that in their dealings with the municipality, they shall uphold high standards of ethics, honesty and in good faith.

2.8. SUPPLY CHAIN MANAGEMENT

2.8.1. SUPPLY CHAIN MANAGEMENT POLICY

Alfred Nzo District Municipality has developed the supply chain management policy and its being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

2.8.2. Supply Chain Management Policy Compliance with Prescribed Framework

Supply chain management policy of the Alfred Nzo municipality does comply with all National Treasury Regulations and the applicable legislations. The supply chain management policy of Alfred Nzo is fair, equitable, transparent, competitive and cost-effective and complies with prescribed regulatory framework for municipal supply chain management, which cover at least the following:

The range of supply chain management processes that municipalities and including tenders, quotations, auctions and other types of competitive bidding;

Alfred Nzo District municipality may or must use a particular type of process;

and mechanisms for each type of process;

Procedures and mechanisms for more flexible processes where the value of a contract is below a prescribed mount;

Open and transparent pre-qualification processes for tenders or other bids;

Competitive bidding processes in which only pre-qualified persons may participate;

Bid documentation, advertising of and invitations for contracts;

Procedures and mechanisms for—

The opening , registering and recording of bids in the presence of interested persons;

The evaluation of bids to ensure best value for money;

Negotiating the final terms of contracts; and

The approval of bids;

Screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;

Compulsory disclosure of any conflicts of interests prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids;

Participation in the supply chain management system of persons who are not officials of the municipality or municipal entity, subject to section 117 of MFMA

The barring of persons from participating in tendering or other bidding processes, including persons

Who were convicted for fraud or corruption during the past five years;

Who wilfully neglected, reneged on or failed to comply with a government contract during the past five years; or

Whose tax matters are not cleared by South African Revenue Service;

Measures for combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management; and

Promoting ethics of officials and other role players involved in municipal supply chain management;

The invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by

Councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or

Municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;

The procurement of goods and services by municipalities through contracts procured by other organs of state;

Contract management and dispute settling procedures; and

The delegation of municipal supply chain management powers and duties, including to officials.

2.8.3. Approval of Tenders Not Recommended

If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality is approved, the accounting officer of the municipality do notify the Auditor-General in writing, the relevant provincial treasury and the National

2.8.4. Implementation of Systems

The accounting officer of Alfred Nzo municipality does

Implement the supply chain management policy of the municipality and

Take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favoritism and unfair and irregular practices.

No person may impede the accounting officer in fulfilling this responsibility.

2.8.5. Contracts and Contract Management

A contract or agreement procured through the supply chain management system of a municipality is completed/ prepared
in writing;

stipulate the terms and conditions of the contract or agreement, which include provisions providing for

the termination of the contract or agreement in the case of non- or underperformance;

dispute resolution mechanisms to settle disputes between the parties;

a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and

any other matters that may be prescribed.

The accounting officer of a Alfred Nzo District municipality also the termination of the contract or agreement in the case of non- or underperformance;

dispute resolution mechanisms to settle disputes between the parties;

a periodic review of the contract or agreement once every three years in the case of a contract or

take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the Alfred Nzo District municipality is properly enforced;

monitor on a monthly basis the performance of the contractor under the contract or agreement;

establish capacity in the administration of the Alfred Nzo District municipality

to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and

to oversee the day-to-day management of the contract or agreement; and regularly report to the council of the Alfred Nzo District municipality, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after

the reasons for the proposed amendment have been tabled in the council of the Alfred Nzo District municipality.

Councillors barred from serving on municipal tender committees

No Councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

2.9. BY-LAWS

During the year 2017/18 there were no By Laws developed, revised and enforced during the year under review due to the non-conduction of public participation.

2.10. WEBSITES

Table 14: Website Activity		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	
Annual Financial Statements (2017/2018)		-
Adjustment Budget (2017/18)		12/03/2018
Draft Annual Budget (2017/18)		30/03/2017
Final Annual Budget (2017/18)		15/06/2017
All current budget-related policies	No	
The previous annual report (Year -1) Draft Annual Report	Yes	01/02/2018
Final Annual Report		17/04/2018
The annual report (Year 0) published/to be published	Yes	15/06/2017
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	25/08/2017
All service delivery agreements (Year 0) (SDIBIP)	Yes	07/08/2017
Integrated Development Plan (IDP)	Yes	31/07/2017
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	

Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the Council in terms of section 52 (d) during Year 0	No	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>	T 2.10.1	

Municipal Finance Management Act requires municipalities to have an official website that is updated constantly with legislative documents such as IDP, SDBIP and Municipal Budget to mention the few. Alfred Nzo District Municipality does have a website (www.andm.gov.za) and is updated with the content as and when required and according to the timeframes of uploading legislative documents.

2.11. CUSTOMER/ PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipal Systems Act 32 of 2000; emphasises on the role of the municipality to establish sound relations between the municipality and its customers. Customer satisfaction measurement has a critical role in informing service delivery improvement. It allows the municipality to understand what its customer's value; how values vary between different types of customers and various customer segments. The District Municipality established the customer care unit in the financial year 2012/13. In this financial year the municipality has been using electronic customer satisfaction feedback devices that measure satisfaction levels of the public. These devices have been piloted in three ANDM satellite offices including the main offices in Mount Ayliff. A budget to roll out the project to two remaining satellite offices was set aside however the target could not be achieved due to municipal wide SCM constraints and pressures. The Municipality is a Water Services Authority under the Municipal Structures Act (No117 of 1998). The Municipality, being the WSA, has also decided to fulfil the Water Services Provider function for the local Municipalities that fall within its area of jurisdiction. These services are performed under the infrastructure within the DM. The infrastructure department is split into three sections, the WSA, PMU and WSP.

The WSA is responsible for the compilation of the Water Services Development plan (WSDP) and the Master Plans for sanitation & transport planning. It is also responsible for the verification and review of by-laws and tariffs in terms of the Water Services Act (108 of 1997). It is also responsible for the investigations and designs of all water schemes and extensions.

The PMU deals with all capital and MIG funded projects in the entire district. These include water, sanitation, community facilities, and LED projects. This section also deals with the management of the funding of projects for which applications have been received and the implementation thereof. The strategic objectives of this unit are to provide services including engineering and community services to address the current backlogs.

The WSP is responsible for the operations and maintenance of the water purification and sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntabankulu local Municipalities). It is responsible for the bulk and reticulation networks in the aforementioned municipalities. It is responsible for the operations and maintenance of water services infrastructure management of the drought relief funding, also deals with sampling for water and effluent quality testing and compliance with legislative requirements (BDS & GDS).

The key main stakeholders that are critical to the success of our effort to reduce backlog are listed as follows:

The entire community (beneficiaries) to be served with water to ensure ownership of the project.

Political leadership represented by Council who ensures that budget is equitably allocated to ensure that it addresses the imbalances of the past in line with the Government's vision.

National and Provincial Government through Municipal Infrastructure Grant which ensures that budget is made available.

Contractors and professional service providers who forms part of business community to ensure that projects are implemented on time at the right quality.

The municipality provides a high level, RDP and below RDP standards level of services of water and sanitation. People sourcing water from springs, rainwater tanks, streams, rivers, dams, or water vendors are deemed to be unserved. People sourcing water from within 200m from a standpipe in the rural areas are deemed to be served within the RDP Standards and people with ERF connections in the urban areas are deemed to be served with a high level service. The Municipality provides bulk services for water and Sanitation to Schools and clinics where the cost for connection is incurred by the respective sector departments.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

INTRODUCTION

The major challenge that the municipality is currently facing is the reverse in backlogs resulting from the increase of a number of local municipalities it is serving. The verification reports show that there is a lot of backlog eradication, replacement and refurbishment of infrastructure that needs to be carried out at Mbizana and Ntabankulu areas. One of the challenges that the Municipality is facing in water provisioning is the statutory obligations. The challenge lies when the supporting departments do not respond promptly on compliance approvals i.e water licenses, ROD's on EIA's and Basic Assessments conducted. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes. The other challenge that is usually overlooked is the poor performance by the contractors.

These challenges need to be addressed in the following manner: - Strengthening relations with the support departments through the IGR process. It is imperative that the implementation of debt collection strategies and the compilation of the indigent register is done so that all consumers that do not qualify as indigent are billed to recover costs for operations and maintenance.

Contractor development/ incubation programme had been identified and strict selection criteria with respect to appointment of contractors are our areas of focus to change the situation going forward. Staff development and training remains our other area of focus to try and mitigate the issue of staff retention.

Water Provision

Operations and maintenance

The WSP is responsible for provision of Water and Sanitation services as mandated by the constitution and Water Services Act No. 108 of 1996. The Unit seeks to achieve its mandate through the following:-

Operation and Maintenance of Rural and Urban Water Schemes

Ensuring purification of drinking water

Ensuring final effluent meets set standards by the regulator

Ensure Customer complaints are attended within 48hrs

Ensure sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntabankulu local Municipalities).

It is responsible for the bulk and reticulation networks in the aforementioned municipalities. It is responsible for the operations and maintenance of water services infrastructure management of the drought relief funding, also deals with operational sampling for water and waste water effluent quality testing and compliance with SANS 241.

Water CONSERVATION AND DEMAND MANAGEMENT

This ensures water resources management which includes leak detection, water loss control, pressure management, catchment management, water restrictions and water use education, to ensure that water provided by the municipality is conserved. This assists in ensuring that the municipality reduce water losses to an acceptable minimum levels. Municipality also developed water conservation strategy in an attempt to implement water conservation strategies and put up the demand measures. The challenge with the strategy is that it is not easy to implement in the absence of the personnel dealing specifically with this function.

Refurbishment

This ensures that the existing water services infrastructure in the district is maintained and refurbished to its original intended use. Through refurbishment, the municipality saves on water losses and unaccounted for water and also ensures that water that is provided to communities is of good quality

Water QUALITY MONITORING

This ensures that water provided by the municipality is of good quality and is compliant to the set standards as per the department of Water and Sanitation. The ANDM as the Water Services Authority has the responsibility to provide portable water that is safe for human consumption. In order to ensure this, the suitable monitoring program in accordance with the requirements of the last version of SANS241, Drinking Water and Water Services Act 108 of 1997 and other pieces of legislation. The Blue Drop System (BDS) is a tool used by the Department of Water and Sanitation to monitor drinking water quality for all water service Authorities. The key objective on the Blue Drop System Water Service Audit is to ensure compliance and further achieve acceptable water quality standards as set by the regulator (Department of Water and Sanitation). ANDM is participating on this system every year

Currently WSA unit had identified and set 400 sampling points across the entire ANDM (which only includes regional scheme but excludes rural schemes), and these need to be monitored monthly, however, the unit does not have enough personnel to assist in undertaking this huge task.

Water Usage Monitoring

This ensures that water consumption by consumers provided by the municipality is monitored. The ANDM monitors water supply by recording the flows to the supply system. Consumption volumes are recorded during billing. Consumption volumes determine the unaccounted for water through water balance of the output and consumed volumes.

The table below illustrates the results of current and previous years' water balance.

The ANDM water covers mainly domestic water, which encompasses commercial water usage.

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	0	0	0	6801064	2358065

Year 0	0	0	0	8161277	2004611
				T 3.1.2	

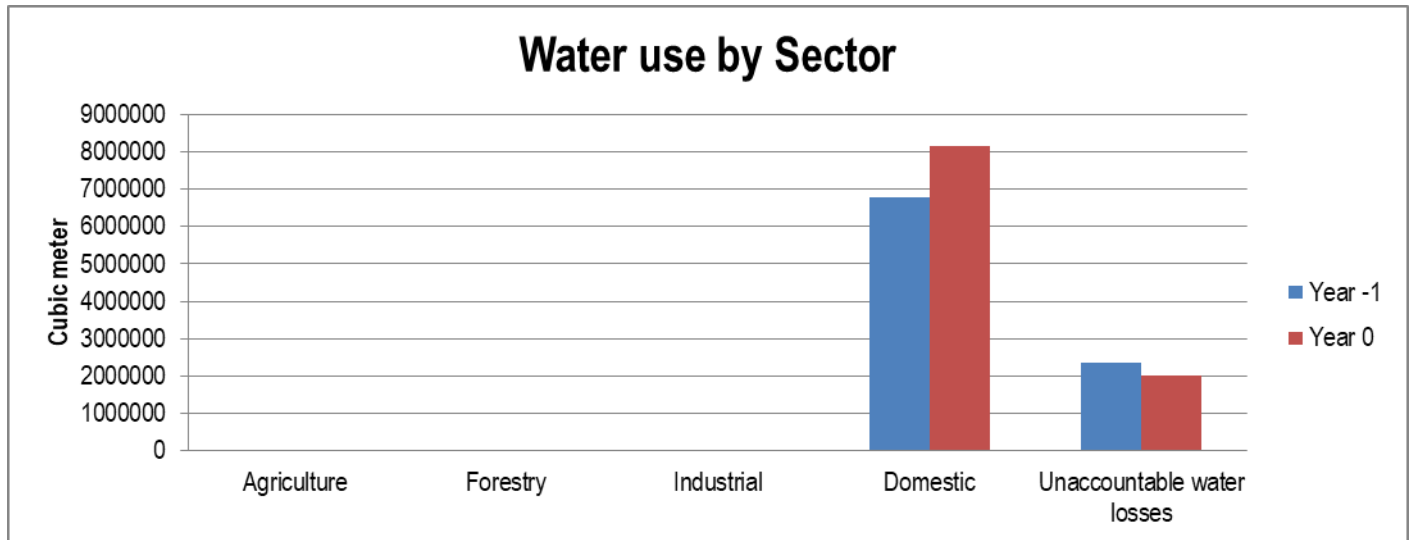


Figure 9: Water consumption per sector

Source: Alfred Nzo Water Services Development Plan

The table & figure above reveals the level of water usage by each sector in ANDM. The figures show significant increase of usage of water per cubic meter between the year 2016/17 and 2017/18 financial year. The domestic water usage has experienced an approximate 17% increase from the 2016/17 to 2017/18 financial year. The uncountable water usage has seen a drop in cubic meters when compared to the 2016/17 financial year. This may be a result of various mechanisms employed by the municipality to prevent such. ANDM provides water for domestic use only; however there is unaccounted water that gets detected and this is due to commercial activities taking place at a household level.

Alfred Nzo does not provide water for the following sectors:

Agriculture,

Forestry

Industrial use

Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				

Piped water inside dwelling	12 596	12 698	15 283	17 117
Piped water inside yard (but not in dwelling)	3 178	3 204	3 856	4 319
Using public tap (within 200m from dwelling)	58 186	58 655	70 594	72 065
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	73 961	74 557	89 733	93 501
Minimum Service Level and Above Percentage	41.5%	41.8%	50.3%	52.4%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	16 789	16 113	13757	13 043
Other water supply (more than 200m from dwelling)	92 840	87 677	74857	71 803
No water supply				
Below Minimum Service Level sub-total	109 629	103 790	88614	84 846
Below Minimum Service Level Percentage	61.5%	58.2%	49.7%	47.6%
Total number of households*	178 347	178 347	178 347	178 347
* - To include informal settlements			T 3.1.3	

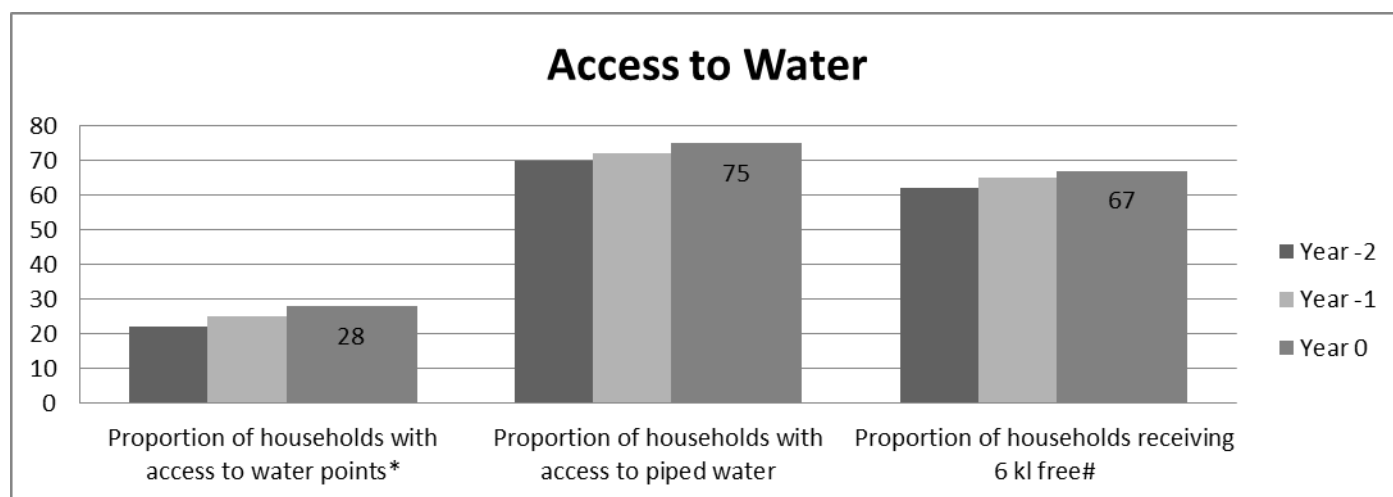


Figure 10: Access to water per household

Source: Alfred Nzo District Water Services Development Plan

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

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

The above figure illustrates the water service delivery levels and its growth from the previous financial years. The above graph reveals a significant increase of proportion of households with access to water points from 2016/17 to 2017/18 financial year. This means in average 25 liters of potable water per day is supplied within 200m of a household and with a minimum flow of 10 liters per minute. Therefore 6,000 liters of potable water is supplied per formal connection per month.

Table 17: Water Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 2	
		Target	Actual	Target	Actual	Target	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	1089	1516	7050	9589	3768	3881	3997	4117
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year -1 (xxx interruptions of one hour or more during the yr)	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs
Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (KLs) unaccounted for during the yr)	35%	37%	50%	35%	15%	20%	25%	25%

Employees: Water Services		
Job Level	Year -1	Year 0

	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	2	5	2	3	60%
4 - 6	7	8	7	1	13%
7 - 9	29	62	30	32	52%
10 - 12	49	74	50	29	39%
13 - 15	18	96	32	64	67%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	105	245	121	129	53%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.1.7

Figure 11: Water Services Employment statistics

Source: Alfred Nzo District Water Services Development Plan

Table 18: Water Services Capital Expenditure Year 0					
Capital Expenditure Year 0: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	PRO-RATA BUDGET	Actual Expenditure	Variance from original budget
Total All	613265628	545965440	544621065	476631386	88
TOOLS & EQUIPMENT PROV CAP EXP	1 000 000	21 235	12 386.93	21 235	171

WATER METERING COST	40 000 000	40 000 000	23 333 333	40 000 000	144
FEASIBILITY PROV CAP EXP	3 906 000	3 989 230	3 989 230	4 124 837	103
DROUGHT RELIEF PROJECTS PROV C	5 000 000	1 700 000	991 666.67	6 944 523	58
MATAT WTW REFURB WATER AUGM PR	1 000 000	519 047	302 777.60	558 320	37
REFURBISHMENT WATER SCHEME MBIZANA 13, 17, 18	1 500 000	1 500 000	875 000	-	-
REFURBISHMENT WATER SCHEME UMZIMVUBU	1 500 000	1 000 000	583 333.33	3 546 562	142
REFURBISHMENT WATER SCHEME MATATIELE	1 500 000	6 759 718	3 943 168.80	1 779 430	71
REBURBISHM WATER SCHEM NTABANK	1 500 000	1 500 000	875 000	277 334	18
REFURBISH MNCEBA WATER SCHEM P	1 500 000	1 500 000	875 000	1 662 439	111
MALUTI REG BULK WATER SUPPLY (BELFORD BULK PIPELINES)	-	-	-	-	-
KWA- BACA SOUTH LEG WATER AUG	10 000 000	10 000 000.00	5 833 333	5 924 624	-
RAMS-PROFFESIONAL FEES PROV C	2 157 000	2 157 000	1 258 250	979 456	47
GREATER BIZANA - DBSA	60 000 000	35 000 000	20 416 666.67	-	-
FOBANE PHASE 2 WATER/S - DBSA	15 000 000	15 000 000	8 750 000	22 943 597	115
UMZIMVUBU WARD 13 W/SUP - DBSA	15 000 000	15 000 000	8 750 000	8 535 095	96
UMZIM WARD 14 W/SUPPLY - DBSA	15 000 000	15 000 000	8 750 000	8 535 095	96
NTABANKULU MWIG	32 171 000	32 171 000	18 766 461.67	14 464 405	72
MBIZANA MWIG	25 000 000	25 000 000	14 583 333.33	27 327 890	91

MATATIELE:MWIG PROV CAP EXP	17 000 000	17 000 000	9 916 666.67	15 547 523	62
UMZIMVUBU MWIG	12 500 000	12 500 000	7 291 666.67	11 425 030	67
RBIG MATATIELE PRO	40 000 000	40 000 000	23 333 333.33	-	-
MT AYLIF R BIG PROV CAP EXP	15 000 000	15 000 000	8 750 000.00	2 550 060	51
MT AYLIF PERI-URBAN	80 500 000	80 500 000	46 958 333.33		
RBIG MBIZANA PROV CAP EXP	76 000 000	76 000 000	44 333 333.33	-	-
SIQHINGENI WATER SUPPLY PROV C	-	-	-	-	-
THOLAMELA WATER SUPPLY - DBSA	5 000 000	5 000 000	2 916 666.67	8 131 599	68
HLANE WATER SUPPLY PHASE 4 PRO	1 500 000	1 500 000	875 000	1 375 557	92
QWIDLANA WATER SUPPLY AREA 5	-	-	-	-	-
KWABHACA REGINAL WATER -MIG PR	6 500 000	6 500 000	3 791 666.67	6 288 868	63
QWIDLANA WATER SUPPLY - MIG PR	9 500 000	9 500 000	5 541 666.67	1 193 409	119
CABAZANA WATER - MIG PROV CAP	18 000 000	18 000 000	10 500 000	15 986 977	123
MALUTI/MATATIELE/RAMO -MIG WATER SUPPLY	2 000 000	2 000 000	1 166 666.67	7 572 657	274
MT AYLIF PERI-URBAN	15 000 000	14 255 956	1 855 955	2 678 688	144
QWIDLANA WATER SUPPLY PROV CAP		-	-	-	-
NTIBANE WATER PROJECT PROV CAP	6 500 000	21500 000	12 541 666.67	67 609 119	152
CABAZI WATER PROV CAP EXP	-	-	-	-	-

NYOKWENI BOMVINI BULK WATER SUPPLY	30 500 000	20 500 000	11 958 333.33	35 199 719	139
UMZIMVUBU WARD 24 PROV CAP EXP	-	-	-	-	-
UMZIMVUBU WARD 22 PROV CAP EXP	7 500 000	7 500 000	4 375 000	18 954 988	126
UMZIMVUBU WARD 6 PROV CAP EXP	-	-	-	-	-
FURNITURE AND EQUIPMENT			800 000	66 179	
MATATIELE WARD 16 PROV CAP EXP	-	-	-	-	-
MATATIELE WARD 15 PROV CAP EXP	25 000 000	22 500 000	13 125 000	14 038 530	83
MATATIELE WARD 22 PROV CAP EXP	-	-	-	-	-
MATATIELE WARD 5 PROV CAP EXP	20 000 000	20 000 000	11 666 666.67	-	-
MATATIELE WARD 7 PROV CAP EXP	25 000 000	50 000 000	29 166 666.67	51 569 198	143
MOUNT FRERE PERI-URBAN PROJECT	-	-	-	-	-
UMZIMVUBU WARDS 20 & 21 - WATER FEASIBILITY STUDY	-	-	-	-	-
UMZIMVUBU WARDS 3 & 17 - WATER FEASIBILITY STUDY	-	-	-	-	-
MATATIELE WARD 4 - WATER FEASIBILITY STUDY	-	-	-	-	
MBIZANA WARDS 29 & 30 - WATER FEASIBILITY STUDY	-	-	-	-	-
MBIZANA WARDS 11,14 & 16 - WATER FEASIBILITY STUDY	-	-	-	-	-
MBIZANA WARDS 10,12,13 and 15 - WATER FEASIBILITY STUDY	-	-	-	-	-
MBIZANA WARDS 21,23 and 24 - WATER FEASIBILITY STUDY	-	-	-	-	-
MBIZANA WARDS 25,27 and 28 -	-	-	-	-	

WATER FEASIBILITY STUDY					-
NTABANKULU WARDS 17 & 18 - WATER FEASIBILITY STUDY	5 000 000	5 000 000	2 916 666.67	3 596 240	74
NTABANKULU WARDS 12 & 14 - WATER FEASIBILITY STUDY	8 200 000	8 200 000	4 783 333.33	1 015 749	56
NTABANKULU WARDS 3 & 4 - WATER FEASIBILITY STUDY	4 869 890	4 869 890	3 369 890	3 065 147	91
NTABANKULU WARDS 1,5 and 6 - WATER FEASIBILITY STUDY	4 140 000	4 140 000	2 415 000	2 476 843	67

Waste Water (Sanitation) Provision

The Municipality provides sanitation for its entire jurisdiction i.e. Umzimvubu, Matatiele, Mbizana and Ntabankulu Local Municipalities. The construction is done through normal tender processes internally. It should be noted, however, that due to change from use of cement blocks for the building of toilets to precast type structures, the requirement for huge numbers of labour was reduced as the precast panels are not manufactured within the local municipalities.

The municipality ensures that the appointed Professional Service Providers source labourers from within the areas where VIP toilets are being constructed and this contributes immensely to unemployment in communities living in poverty.

The municipality is also serving the communities with Waste Water Treatment through the treatment of Sewer and managing the disposal of sewage from the septic tanks especially in areas that are not connected to water borne system.

In rural areas the municipality provides VIP toilets whereas in urban areas are provided with waterborne system. However, urban areas in the Ntabankulu and Mbizana municipalities are operating with septic tanks whereas Umzimvubu and Matatiele municipalities operate with waterborne system.

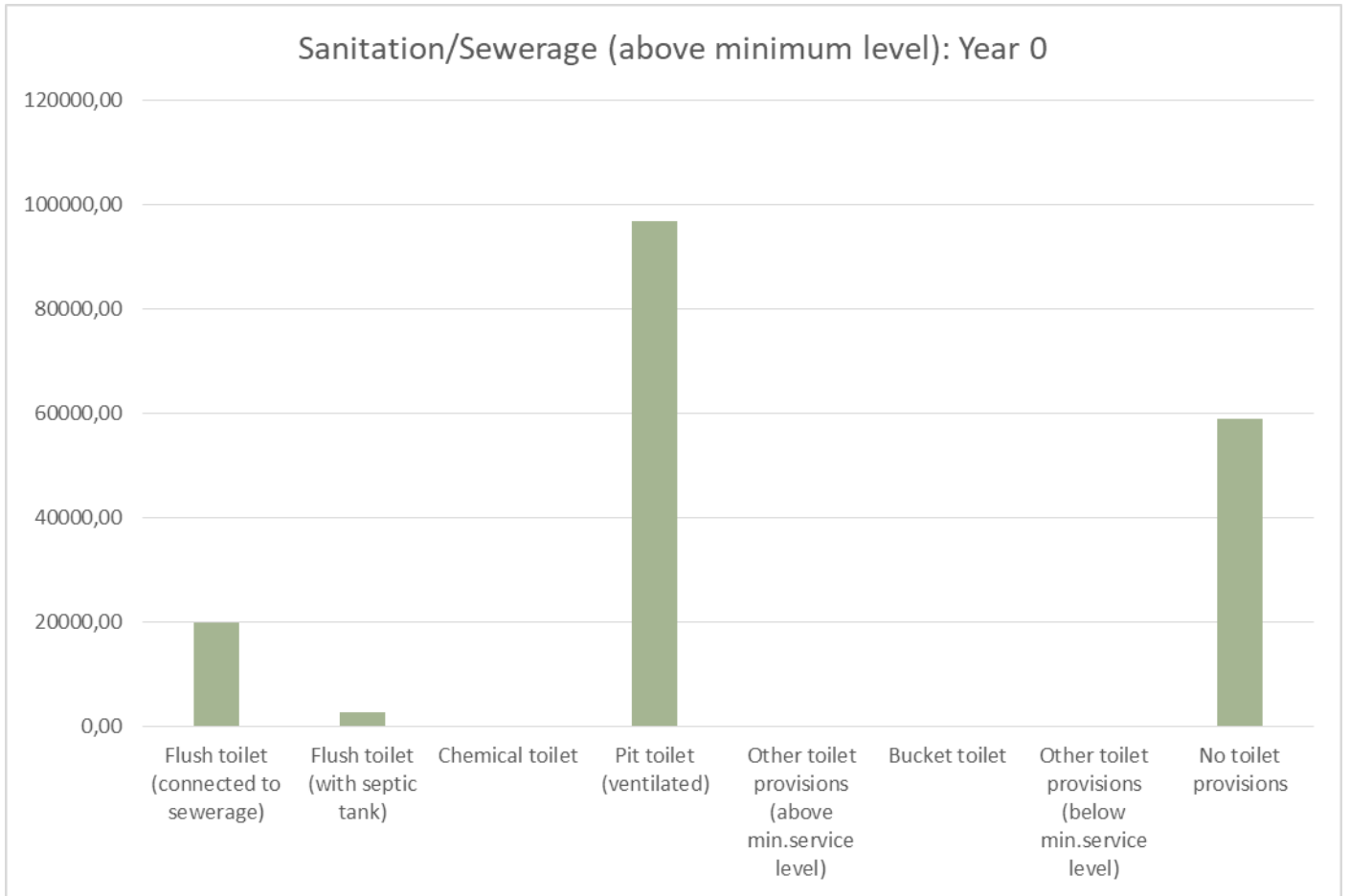


Figure 12: Sanitation Services

Source: Alfred Nzo District Waster Services Development Plan

The above bar graph shows sanitation or sewerage provision to the ANDM local municipalities. The 2017/18 financial year shows a significant rise in the provision for pit toilets while provision for chemical toilets recorded at a dramatic low. What may be of necessity to also note in the above graph is the rise of no toilet provision to ANDM communities through local municipalities for the 2017/18 financial year.

Sanitation Service Delivery Levels

Table 19: Sanitation Service Delivery Levels				
*Households				
Description	Year -3	Year -2	Year -1	Year 0
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	19 058	19 958	19 958	19 958
Flush toilet (with septic tank)	4 514	4 914	2 713	2 713
Chemical toilet	0	0		
Pit toilet (ventilated)	89 981	94 124	96 803	96 803
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	113 553	118 996	119 474	119 474
Minimum Service Level and Above Percentage	63.7%	66.7%	67.0%	67.0%
Sanitation/sewerage: (below minimum level)				
Bucket toilet				
Other toilet provisions (below min.service level)				
No toilet provisions	64 794	59 351	58 873	58 873
Below Minimum Service Level sub-total	64 794	59 351	58 873	58 873
Below Minimum Service Level Percentage	36.3%	33.3%	33.0%	33.0%
Total households	178 347	178 347	178 347	178 347
*Total number of households including informal settlements				T 3.2.3

Table 20: Households - Sanitation Service Delivery Levels below the minimum						
Households						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	176 285	176 285	176 285			176 285
Households below minimum service level	65 782	59 351	56 672			56 672
Proportion of households below minimum service level	37%	34%	32%			32%
Informal Settlements						
Total households	2062	2062	2062			2062
Households below minimum service level	222	222	0			0
Proportion of households below minimum service level	11%	11%	0%			0%
					T 3.2.4	

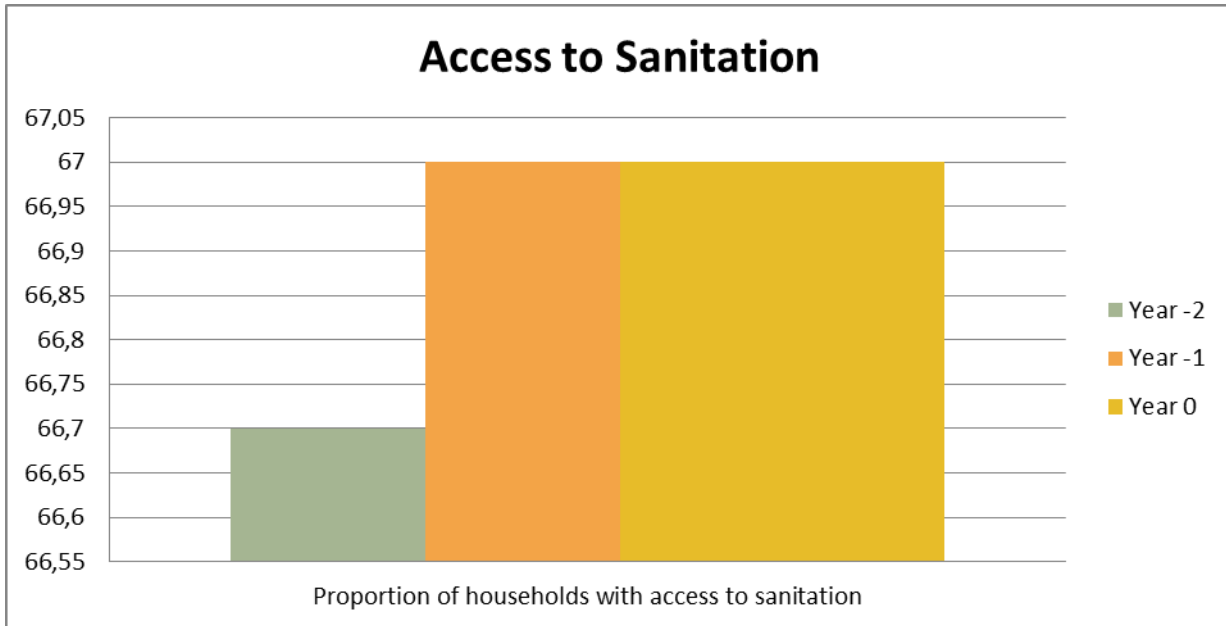


Figure 13: Access to sanitation per household

Source: Alfred Nzo District Water Services Development Plan

The above graph shows the proportion of households with access to sanitation. ANDM has recorded a slight increase in sanitation service delivery levels of households compared to the previous years. The 0.3% improvement has been recorded for 2016/17 to 2017/18 financial year in relation to the proportion of households with access to sanitation.

Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target	Actual	Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of toilets within	Additional Households	6000	2679	5645	1356	0	1084	1117	1150

standard	(HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)								
----------	-------------------------------------------------------------------------------------------------------------------------	--	--	--	--	--	--	--	--

Employees in Sanitation Services

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	5	2	3	60%
4 - 6	7	8	7	1	13%
7 - 9	29	62	30	32	52%
10 - 12	49	74	50	29	39%
13 - 15	18	96	32	64	67%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	105	245	121	129	53%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T 3.2.7

Financial Performance

Financial Performance Year 0: Sanitation Services					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	827 451.30	3 493 613.59	3 256 397.22	3 520 755.90	1%
Repairs and Maintenance					0%
Other					0%
Total Operational Expenditure	827451	3493614	3256397	3520756	1%
Net Operational Expenditure	827451	3493614	3256397	3520756	1%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.2.8

Figure14: Financial Performance – Sanitation Services

Source: Own Construct

Table 23: Capital Expenditure Year 0: Sanitation Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	PRO-RATA BUDGET	Actual Expenditure	Variance from original budget
Total All	90675405	69406418	77376221	57355987	74
REHAB OF MBIZANA PONDS PROV CA	1 000 000	1 106 670	1 356 670	1 181 474	87
REHAB OF NTABANKULU POND PROV	1 000 000	1 000 000	1 000 000	961 988	96
RHIG	-	-	-	279 129	-
NTABANKULU SEWER	-	47 405 344	47 405 344.00	22 344 189	-
NTABANKULU SEWER UPGRADE PROV	12 000 000	12 000 000	20 494 375	15 697 178	77
SANITATION ALL MUNICIPALITY PR	24 108 179		3 225 428	-	

		-			-
MBIZ WARD 28 CONSTR.OF VIP TOI	4 544 275	-	-	3 144 438	-
MBIZ WARD 19 CONSTR.OF VIP TOI	9 000 000	-	-4 000 000	3 955 763	-99
MBIZ WARD 16 CONSTR.OF VIP TOI	3 348 899	-	-	2 652 505	-
RAMOHLAKOANA/MALUTI SEWER PROV CAP EXP	1 500 000	1 500 000	1 500 000	-	-
UPGRADING OF MBIZANA TOWN SEWER	6 394 404	6 394 404	6 394 404	3 130 483	49
CONSTRUCTION OF VIP IN MBIZANA WARD 26	5 441 275	-	-	3 993 000	-
CONSTRUCTION OF VIP IN MBIZANA WARD 29	10 603 425	-	-	-	-
CONSTRUCTION OF VIP IN MBIZANA WARD 30	11 734 948	-	-	15 840	-

Electricity

This is not the ANDM competency; it is the competency of Local Municipalities. However the ANDM assist in facilitation the Electricity Sector Plan which outlines a strategy on how Local Municipalities should go about providing electricity for different user/ Level of service.

Waste Management

This is the competency of the local municipality not the district municipality but the district assists in monitoring compliance and raising awareness on good waste management practices. ANDM also plays a role in ensuring that the Local Municipalities have got credible Integrated Waste Management Plans. ANDM reviewed the Integrated Waste Management Plan (IWMP) for all four local Municipalities within the district. Awareness campaigns were conducted by ANDM across the District and Matatiele and Mbizana LMs received wheelie bins from ANDM as part of encouraging proper waste management practices.

Housing

This is a Local Municipalities competency together with the department of Human Settlements.

Free Basic Services And Indigent Support

Free Basic services have been established under WSA Unit and it has a coordinator. Policy has been reviewed and adopted by council. The role of the District is to verify the Indigent registration list provided by the Local Municipalities. The municipality has even taken an initiative to translate the policy into ANDM languages and this has been completed. The Free Basic Services (FBS) Unit also conducts awareness campaigns to sensitise communities of the processes and procedures to follow when applying for indigence. The policy mentions that the applicant will be subjected to verification. During 2015/16 financial year, 65 000 households were verified and those households who qualify for free basic services were given the status and as such they received services supplied both by district municipality and local municipality.

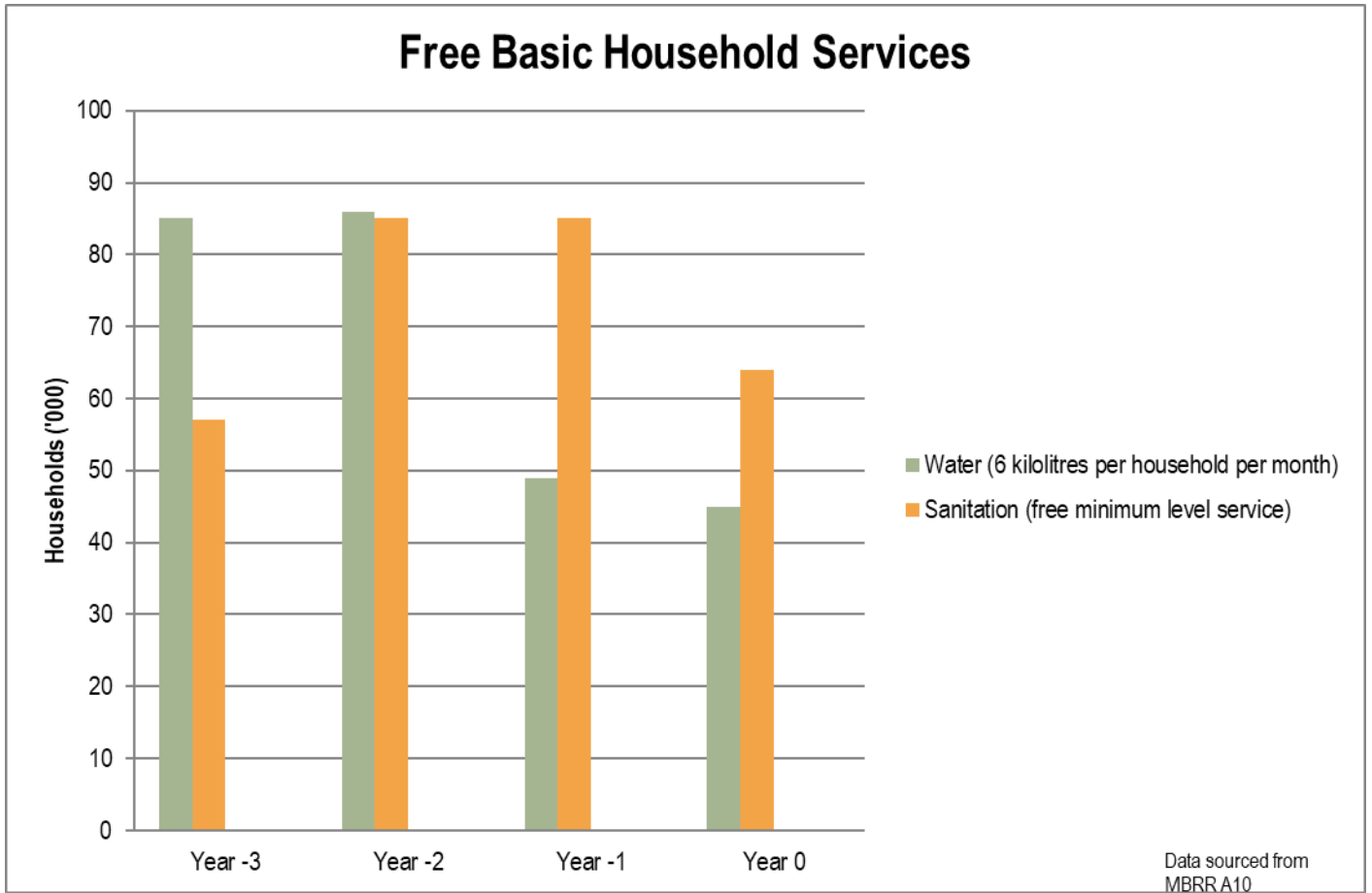


Figure 15: Free Basic Household Services

Source: Alfred Nzo District Water Services Development Plan

The graph above shows the household's access to free basic services i.e. Water and Sanitation. The graph also reveals a backlog in balance between the provision of water per household and the provision of sanitation in 2016/2017 financial year. The 2016/17 financial year has recorded a dramatic decrease in the provision of water services while on a steady movement on access to

Table 25: Free Basic Services To Low Income Households

infrastructure.

	Number of households									
	Total	Households earning less than 2 state pensions combined per household								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
Total	Access	%	Access	%	Access	%	Access	%		
Year -2	178 347	178 347	74 557	42%	94 124	53%				
Year -1	178 347	178 347	77741	44%	96803	54%				
Year 0	178 347	178 347	78 473	45%	96803	54%				

Table 24: Free Basic Services To Low Income Households

	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
Total	Access	%	Access	%	Access	%	Access	%		
Year -2	178 347	178 347	73 961	41%	113 553	64%				
Year -1	178 347	178 347	74 557	42%	118 996	67%				
Year 0	178 347	178 347	76 689	43%	118 996	67%				

Free Basic Service Financial Performance

Table 26: Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered

Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	250	248	253	250	1%
Waste Water (Sanitation)	250	245	244	250	2%

Total	750	753	750	753	5%
				T 3.6.4	

Low earner receive free basic water services and this applies in urban and peri-urban areas. In rural areas the communities do not pay for water services as such everyone benefits.

B: Road Transport

This is not the competency of the district municipality.

Roads

This is not the competency of the district municipality.

Transport

This is not the competency of the district municipality

Waste Water (Storm water Drainage)

This is the local municipality's competence.

C: PLANNING AND DEVELOPMENT

Planning and Economic Development Department deals with the following:

Promotion of Local Economic Development and Planning

Development Planning which includes Integrated Development Planning (IDP), Organisational Performance Management Systems (OPMS)

Spatial Planning and Land Use Management

Geographic Information Systems (GIS)

Land and Development Administration

Environmental Management

Town Planning related issues

PLANNING

A large proportion of the Town Planning work especially land-use management is the responsibility of the Local Municipality. However, the District Municipality is responsible for regional spatial planning through crafting of Spatial Development Framework (SDF), co-ordinating regional planning, strategic planning and district wide spatial planning interventions.

SPATIAL PLANNING:

In accordance with section 26 (e) of the Municipal Systems Act No.32 of 2000 Alfred Nzo District Municipality was reviewed in 2015/2016 financial year. The reviewed SDF was necessitated by the recent development project of the N2 Wild Coast route that is planned to traverse between Alfred Nzo, O.R Tambo and Amathole District Municipalities.

In keeping with the requirements of Chapter Four of the Municipal System Act, Act No. 32 of 2000, the District Municipality has ensured a transparent, inclusive and comprehensive approach towards the adoption of the SDF. The project steering committee of the subject document was made up of representatives from the District Municipality, COGTA, DRDAR, Traditional Leaders, Councillors, Local Municipalities and the professional consulting team responsible for assisting the district in crafting the document.

The SDF has been compiled in support of the long term strategic intent and a short to medium development program as outlined in the IDP. Local Municipalities utilised this document in order to ensure that there is synergy in all Local Plans within the District. The following are the key spatial restructuring programs for Alfred Nzo District Municipality:

Hierarchy of corridors

Hierarchy of Nodes

Settlement Clusters

However, the current SDF is outdated and requires reviewal by the municipality. The ANDM has planned to review its SDF during 2017/2018 financial year.

LAND USE MANAGEMENT:

The District Municipality is predominantly rural in nature with small urban centres within its five towns such as Mbizana, Mount Frere, Mount Ayliff, Matatiele and Ntabankulu. This means that only the towns mentioned above have Town Planning Schemes, thus they are the only areas that have proper land use management. It is still a challenge to manage land-use in rural areas as these areas are under the administration of the traditional leaders who use customary systems of land use and land allocation. The District Municipality is responsible for regional development and the local municipalities are responsible for local development. Therefore, the District Municipality devises strategies to inform land use management but cannot enforce land-use regulatory measures as this is the function of the Local Municipalities.

The District Municipality does not deal directly with statutory planning but advises Local Municipalities on applications for land development as and when needed. Nonetheless, the District Municipality's responsibility is to compile a broad Land Use Management Framework (LUMF) in preparation of the wall-to- wall development of schemes, which will be developed after the adoption of SDF. Up to this end, the District Municipality continues to assist in implementing land use management guidelines as from financial year 2013-2014, hence wall-to-wall schemes are yet to be developed by respective Local Municipalities.

CAPACITY SUPPORT TO LMS:

The District Municipality is committed to supporting Local Municipalities under its area of jurisdiction. It has continuously provided technical, professional and financial assistance to the Local Municipalities. During the financial year 2017/2018 the District Municipality had financial constraints because of limited available budget. Due to this situation there was no financial support given to LMs, however the only support provided was technical and personnel assistance. Moreover, the District Municipality resolved to form a Joint Municipal Planning Tribunal (JMPT) with Ntabankulu LM for processing of statutory development applications for proposed future developments in relation to the use of the land, which is a requirement of the new latest piece of legislation, governing Spatial Planning and Land Use Management in the Republic of South Africa (RSA) known as Spatial Planning and Land Use Management Act, No 16 of 2013. A Memorandum of Understanding (MOU) or Service Level Agreement (SLA) has henceforth signed between the District Municipality and Ntabankulu LM pertaining to these new developments for the establishment of the JMPT. An advert for the JMPT was placed on the National newspaper and the municipality is in the process of appointing members of the JMPT, however the progress is very slow.

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The district has established a GIS unit that is responsible for capturing, managing, maintaining and disseminating all the geographic information for the District. GIS is a vital information technology tool that is needed to support a number of critical legislated municipal functions at both District and Local Municipality level. It is an essential information system to support the ANDM Integrated Development Plan, the Spatial Development Plan, the Fixed Asset Register, and Municipal Valuation Roles. It is also essential to support accurate and complete reading of water meters and the billing for water services.

In line with the Municipal Systems Act (No. 32 of 2000), the Municipal Structures Act (No 117 of 1998), the Spatial Data Infrastructure Act (No. 54 of 2003) and the Promotion of Access to Information Act (No. 2 of 2000) the following are amongst other programs undertaken by the district to coordinate the management of spatial information and provide GIS support to the local municipalities:

GIS Shared Services

GIS Data Maintenance

MAJOR CHALLENGES

The key challenge for the district in terms of spatial planning is land tenure; most of the land is either under a claim, communal ownership or under the custody of the house of traditional leaders. Secondly another challenge to spatial planning is dispersed housing settlements which makes it either too costly to provide basic services or virtually impossible. The district SDF has proposed the development of settlement plans throughout the district area as a remedial action to the current spatial planning challenges.

SPATIAL PLANNING CHALLENGES RELATING TO PERFORMANCE

The main challenge relating to performance in the Spatial Planning Unit has been the state of Municipal Finances in the year under review. Budget cuts resulted in projects being put on hold for implementation in the next Financial Year. This has specifically had a

negative impact on the implementation of SPLUMA, where certain Chapters of the Act have been put on hold, resulting in the regulations taking more time to be adopted by stakeholders and role players. The Act was passed by Parliament in 2013, however the legislation initially was not implemented fully and an extension was granted for the establishment of the Municipal Planning Tribunal (MPT).

Table 27: Employees: Planning Services						
Job Level	Year -1	Year 0				COMMENT
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	3	6	4	2	33.33%	
4 - 6	6	11	7	5	45.45%	
7 - 9	2	0	0	0	0%	
10 - 12	2	0	0	0	0%	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	0%	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	0%	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	0%	NOT ON ORGANOGRAM
Total	13		9	5	%	

LOCAL ECONOMIC DEVELOPMENT

ANDM LED STRATEGY

ANDM IDP identifies, inter alia, Local Economic Development as one of the key performance areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life. LED aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life by realizing a locality's full comparative advantage.

The ANDM LED Strategy was adopted in 2012, as informed by the municipal IDP. The strategy serves as a guiding document for the implementation of District LED initiatives – providing a general overview of District economic drivers. The document identifies the key sectors within the Alfred Nzo District to be Government Services, Agriculture, the Trade and Commercial Sector as well as Tourism.

During the period under review, ANDM has undertaken to review the 2012 LED Strategy. The reviewed Strategy takes into account the prominent sectors in the District as informed by the 2012 LED Strategy, and the following development thrusts have been identified:

- *Agriculture and Agro-processing*
- *Forestry*
- *Tourism and Heritage*

- *The Ocean Economy*
- *Manufacturing*

Whilst undertaking the review of the strategy, ANDM, through a capacity building intervention facilitated by the Eastern Cape Socio-Economic Consultative Council (ECSECC), realised the importance of integrating the spatial development component for the purposes of planning for development. ANDM, through the review of the Spatial Development Framework (SDF) therefore wishes to identify corridors within ANDM, whilst the LED Strategy wishes to have an appreciation of the development opportunities associated with each specific corridor. This integration will be undertaken in the next financial year.

Therefore, with regard to the contribution being made to the local economy in facilitating job creation through LED services (in year 1); the District LED Strategy identifies programmes and initiatives that are designed to facilitate job creation through LED, which includes programmes in:

- **Agriculture and Agro-processing**
 - Through the implementation of the Agri-Parks programme
- **Tourism and Heritage**
 - Through the implementation of the Beach to Berg Corridor Development Plan
- **The Ocean Economy**
 - ANDM has a 32km coastline within Mbizana Local Municipality. The coast-line and the development potential that exists therein has been explored through participation in the National Department of Public Works Operation Phakisa Programme. To that effect, ANDM will be developing a Coastal and Ocean Economy Sector Plan that will further explore the development potential of the coast-line.
- **Manufacturing**
 - Through the conceptualisation and implementation of the Resident Fashion Designer Programme aimed at the establishment of the textiles industry
 - Through the resuscitation of the Zone Centres as key drivers of the local economy, mainly for manufacturing building blocks and in turn job creation

TOP 3 SERVICE DELIVERY PRIORITIES:

As per the ANDM LED Strategy, the Agricultural Sector is showing that the sector's contribution to the district economy is not in line with its contribution to employment – the sector creates employment, but has low levels of productivity.

ANDM has previously participated in a study conducted by the Sarah Baartman District Municipality, researching the potential for the production of maize in the Eastern Cape. The study indicated that the animal feed industry in the Eastern Cape is mostly dependant on grain imported from other production areas, although the Eastern Cape has areas that are suitable for maize production (with Alfred Nzo indicating high potential for maize production). The District has since invested in a masterplan to guide the development of the grain production industry.

The Department of Rural Development and Land Reform (DRDLR) was mandated to execute the planning and establishment of Agri Parks in each of the 44 district municipalities in South Africa. These Agri Parks are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products. The ANDM is one of the district municipalities in the Eastern Cape Province (EC) that have been prioritised for the establishment of Agri Parks. An Agri-park (AP) is a network innovation system of agro-production, processing, logistics, marketing, training and Extension Services, located in district municipalities. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The AP comprises of three basic units i.e. Farmer Production Support Unit (FPSU) and Agri-Hub Unit (AH) per local municipality and One Rural Urban Market Centre Unit (RUMC) for the district.

Therefore, **the first service delivery priority** for LED is:

To increase the level of production within the Agricultural sector, in order to increase food security, sell the production surplus, where the intended outcome is to reduce high levels of unemployment and increasing district economic growth and development.

SMME Development and Support has been identified by the District LED Strategy as having potential to create employment opportunities and facilitate job creation. ANDM has thus embarked on the development of an SMME Strategy; to provide a guide in terms of the various types of programmes that may be implemented in order to stimulate economic growth within the SMME sector of the district.

The SMME sector is faced with a number of challenges that relate to an under-developed SMME sector; which is not able to significantly and positively contribute to economic growth and development and the creation of sustainable jobs for the residents of the district.

The second service delivery priority for LED is:

*To implement programmes that **build the capacity of SMMEs** in the District; to have an SMME sector that takes the lead in the provision of decent and sustainable employment – thus stimulating the District's economic growth and development.*

The Tourism Sector within ANDM is characterised by fragmented tourism activities that are boundary specific to local municipalities within the District. Even though the District is strategically positioned with a Coast-side and Mountainous inlands, there remains a lot of potential to explore the area and develop the Tourism sector.

In 2013, the District undertook the development of a Tourism Sector Plan, which is reviewed annually, as a way to create a framework for implementing a collection of initiatives or programmes that will contribute towards the development of the district's tourism potential. The Beach to Berg Corridor Development Plan has also been developed as a strategy that packages the District's tourism attractions into one umbrella. This is meant to ensure that ANDM is a tourism destination, where tourists get to experience the district and ensure that revenue circulates within the district.

The **third service delivery priority for LED** is:

the development of the District Tourism sector through the provision of infrastructure for a sustainable Tourism Industry that will in turn contribute to the District's economy.

Measures taken to improve performance and the major efficiencies achieved by your service during the year:

ANDM GRAIN PRODUCTION MASTERPLAN - IMPLEMENTATION

In response to the gaps identified in the Agricultural sector in the region; and in response to the high potential identified in ANDM for the production of maize, the District has embarked on the implementation of the Grain Production Masterplan. The document serves as the masterplan for the development of the grain industry in the District. It is an investment attraction tool, giving a comprehensive report on the areas with high yield potential, and also gives recommendations as to how the value-chain can be exploited; from production to markets. Since the development of the Master Plan, implementation has been underway in the Mbizana Local Municipality through the implementation of the Red Hub Programme, led by the Eastern Cape Rural Development Agency working together with Mbizana Local Municipality, Alfred Nzo District Municipality and the Department of Rural Development and Agrarian Reform. Furthermore a similar implementation process guided by the Master Plan is under implementation in the Matatiele Local Municipality, through the financial aid of the Masisizane Fund. Both these programmes can be viewed as catalysts to the overall development of an industry and value-chain in the agro-processing industry.

ALFRED NZO AGRI-PARKS PROGRAMME

As mentioned briefly above, the Department of Rural Development and Land Reform (DRDLR) was mandated to execute the planning and establishment of Agri Parks nationally. Agri Parks are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products. The ANDM is one of the district municipalities in the Eastern Cape Province that have been prioritised for the establishment of Agri Parks. An Agri-park (AP) is a network innovation system of agro-production, processing, logistics, marketing, training and Extension Services, located in district municipalities. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The AP comprises of three basic units i.e. Farmer Production Support Unit (FPSU) and Agri-Hub Unit (AH) per local municipality and One Rural Urban Market Centre Unit (RUMC) for the district. The Agri Hub for the Alfred Nzo district has been prioritised for Cedarville, within the Matatiele Local Municipality. The FSPUs will be established in the three local municipalities (Umzimvubu, Ntabankulu and Mbizana local municipalities) where the Mbizana Red Hub will be one of FSPUs.

GRAIN PRODUCTION PROGRAMME

The Grain Production Programme is in response to the Grain Production Master plan however on a small elementary scale, based on the level of development of the District's subsistence farmers. The long term plan is to convert these farmers into, small holder and commercial farmers able to realise the full objectives of the ANDM Master Plan and within the context of the Agri Parks programme. The overall objective of the programme is to increase the level of production and development within the agricultural sector, in order to increase food security and sell the production surplus and eventually create a fully-fledged industry. The Agri Parks Business Plan has been drafted, and Commodities that have been identified as prioritised for ANDM include maize (grain), potatoes (vegetable) and sheep (red meat).

In the current period, ANDM planned to provide monitoring for the co-operatives that were assisted with crop production and capacity building in the previous years.

MANUFACTURING DEVELOPMENT PROGRAMME

ANDM has over a period of time, embarked on a skills developmental client journey with SMMEs across the key sectors within the District. Of the key sectors within the space, Tourism has been identified among one with potential to contribute significantly to the ANDM economy, and thereby addressing the triple challenges of poverty, unemployment and inequality

Towards ensuring that the untapped potential of the Tourism sector is fully exploited in ANDM, the Beach to Berg (B2B) Corridor Development Plan was developed in 2014 as an output of the Tourism Sector Plan which was also informed by the District Spatial Development Framework (SDF) of 2012. B2B seeks to address the challenges of fragmented and local municipality boundary specific tourism initiatives within the District. Although local initiatives are essential, a district or regional level intervention which seeks to consolidate all tourism related programs and projects holds a high degree of significance for the development of this sector.

The B2B Corridor Development Plan seeks to address this gap by creating a framework for implementation that clusters a collection of initiatives and programmes into one umbrella with the intended outcome of growing regional development, and to also assist in the economic development of the District through Tourism. The visitor experience for ANDM tourists, whether coming to the District for business or leisure purposes, is intended to be a package where tourists get to enjoy their stay. ANDM, in its bid to stimulate socio-economic development within the District has identified garment manufacturing as one of the strategic industrial sectors to catalyse industry development in the area. There exists within the area, fashion design graduates and sewing groups involved in garment manufacturing activities. It is this pool of local talent that the ANDM wishes to organise through the provision of garment manufacturing infrastructure, and technical and business training interventions to improve both the design and quality of garment products manufactured in ANDM. To this effect, ANDM has procured industrial machinery for the implementation of the programme.

As such, part of the B2B Corridor Development Plan entails the capacitation of product owners in the manufacturing and textiles industry within the route. This is part of strengthening the B2B brand, offering a variety of unique products and services, and essentially offering a high quality package to consumers. ANDM therefore wishes to undertake Garment Manufacturing Training with a Computer aided design technology platform for design, pattern making, grading, printing and Business Management Training which entails the key elements of running a business (Financial Management, Access to Markets, Governance etc.).

VUKA ALFRED NZO PROGRAMME

ANDM has embarked on a Vuka Alfred Nzo Programme, designed to intervene at a socio-economic level by providing small scale support to emerging projects and cooperatives/SMMEs which demonstrate potential to grow into better and more established business entities.

The District set aside financial resources in order to finance the needs of each project or cooperatives which have formally communicated required support for their respective project venture. This is an intervention that forms part of the foundation for the further development and mentorship of projects and SMMEs that will translate into sustainable business ventures; thus creating employment and reducing the District's poverty levels.

Economic Employment by Sector			
Sector	Year 1 No. (17/18)	Year -1 No. (15/16)	Jobs
			Year 0 No. (16/17)
Agric, forestry and fishing	12%	4.00%	12%
Mining and quarrying	2%	-	2%
Manufacturing	10%	2%	10%
Wholesale and retail trade	15%	27%	15%
Finance, property, etc.	7%	8%	7%
Govt, community and social services	27%	45%	27%
Infrastructure services	6%	10%	6%
Other/Unspecified	21%	4%	21%
Total	100%	100%	100%
			T 3.11.3

Source: ANDM IDP 2016/17; ANDM IDP 2017/18

Although ANDM continues to portray low levels of economic activity with high unemployment and poverty, a notable improvement is witnessed when comparing economic sector performance for the 2016/17 and 2017/18 Financial Years comparatively.

Government and Trade are the largest employers within the Municipality. The Agricultural sector has demonstrated a growing trend from 2016/17 to 2017/18, even though it continues to operate far below its potential with relatively low contributions to GDP. This therefore indicates that productivity levels on the Agricultural sector are very low.

LOCAL JOB OPPORTUNITIES:

The Alfred Nzo District is characterised by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels.

With regards to the District's Gross Value Add (GVA) related to employment opportunities by sector:

Government Services are the largest contributor to the ANDM Employment Sector; showing that that District's economy is heavily reliant on this sector. It contributes approximately 28% of the Gross Value Adding (GVA) in the District.

Other sectors that play a noticeable contribution to the District's GVA include the Wholesale/Retail sector at 15%, Agriculture, Forestry and Fishing at 12% and the Manufacturing sector at 10% of total GVA.

Manufacturing Sector Expansion Potential

Agriculture (Grain Master plan)

Forestry Expansion (27 000 ha to be developed)

CHALLENGES AND HIGHLIGHTS RELATING TO 2016/17 PERFORMANCE

As it may have been stated above in this document, the Municipality faced financial challenges that had a significant impact on project implementation, and in turn, service delivery. One of the programmes that was impacted significantly by this, is the Agri-Parks and Vuka Alfred Nzo Programme.

The two projects were not completed in the previous (2016/17) financial year due to technical challenges on the ground mainly relating to the drought that occurred and on Vuka Alfred Nzo delay on sitting of committees. It was thus planned for completion in the current (2017/18) period, however due to cash flow challenges within ANDM, only a portion of the Agri Parks project could be completed.

Towards mobilising financial and other resources, ANDM has undertaken to enter into partnerships with the Public and Private sectors. This resource-sharing has potential for meaningful, impactful initiatives on the ground. ANDM does however need to mobilise financial resources internally as a form of capital investment to the programme, as well as to co-finance the programme.

Regardless of the limitations sighted above, the LED Unit has managed to conceptualise an Agricultural Production Model that showcases how subsistence farmers can graduate from operating on a subsistence level to a commercial level. The model takes into cognisance the overall investment ploughed in by ANDM and partnering stakeholders; mainly sighting the best possible means to ensure that subsistence farmers graduate to commercial farmers. The model entails a hand-holding process, supporting the farmers with mechanisation support, capacity building and mentorship, providing them with basic infrastructure as well as assisting them to access finance and markets. Through support from stakeholder partners such as the Department of Small Business Development (DSBD), financing was secured for three out of twelve ANDM cooperatives in the programme. The rest of the cooperatives managed to get some income from the yield that was sold to a market, giving them some mileage to prepare for the next planting season! This was indeed a highlight for LED in ANDM, and served as a good example and indication of the potential success of this programme if it were to be rolled out on a large scale and on the rest of the ANDM.





Market secured for Bagqozini Cooperative

The Municipal Infrastructure Grant (MIG) has an allocation of 5% that should be committed to Social and Economic Infrastructure initiatives. This allocation would assist the Department a great deal in achieving the said objectives industrialising the Agricultural sector and taking the initiative forward.

ANDM continued with the implementation of this project in the 2017/18 Financial Year.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2 (2015/16)	276	0	276	The beneficiaries have been registered as Cooperatives where all listed members are actively involved in the grain production and activities and business operations
Year 1 (2016/17)	276	0	276	The beneficiaries have been registered as Cooperatives where all listed members are actively involved in the grain production and activities and business operations
Year 0 (2017/18)	0	0	0	
ANDM PROGRAMMES				
	0	0	0	
ANDA PROGRAMMES				
Initiative C (Year 0)	0	0	0	
				<i>T 3.11.5</i>

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year -2	40	2 000
Year -1	50	2 009
Year 0	0	0
* - <i>Extended Public Works Programme</i>		T 3.11.6

Figure 17: Jobs created through EPWP projects

Source: ANDM IDP

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1 (2015/16)		Year 0 (2016/17)			Year 1 (2017/18)	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
SMME Development	To build the capacity of SMMEs and Cooperatives (in the form of training and mentorship) within t Tourism sectors from within the District, focusing in the following areas of intervention: - Business Management	No people to be trained	No People trained	No People to be trained	No People to be trained	No People were trained	10 people to be trained	7 people trained	10 people to be trained

Figure 18: LED Policy objectives

Source: ANDM IDP

The table above provides an indication of the IDP Service Objectives for LED in relation to SMME Capacity Building. The table summarises interventions undertaken by the LED unit for the development and capacitation of SMMEs involved in the Textiles Industry.

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	0	4	3	1	25%
7 - 9	0	0	0	0	NOT ORGARNOGRAM
10 - 12	0	0	0	0	NOT ORGARNOGRAM
13 - 15	0	0	0	0	NOT ORGARNOGRAM
16 - 18	0	0	0	0	NOT ORGARNOGRAM
19 - 20	0	0	0	0	NOT ORGARNOGRAM
Total	3	7	6	1	14%

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

T 3.11.8

R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120.00	125.00	100.00	95.00	-32%
Expenditure:					
Employees	604	1 589	1 481	1 428	-11%
	126.32	595.85	662.29	737.79	

Repairs and Maintenance	25.00	244.00	250.00	248.00	2%
Other	45.00	244.00	250.00	248.00	2%
Total Operational Expenditure	604	1 590	1 482	1 429	-11%
	196.32	083.85	162.29	233.79	
Net Operational Expenditure	604	1 589	1 482	1 429	-11%
	076.32	958.85	062.29	138.79	

Capital Expenditure Year 1: Economic Development Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.11.10	

Figure 19: Capital Expenditure Year 1: Economic Development Services

Source: ANDM Management Accounts

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special Programmes Unit (SPU) is located in the office of the Municipal Manager administratively and Office of the Executive Mayor politically and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. children's development, youth, gender, older persons, people with disability and HIV & AIDS. Special Programmes coordinates and implement municipal programmes related to the vulnerable groups. The unit advises the municipality in policy development and other strategic documents and programmes to favour the above mentioned groups.

During the year under review the municipality has conducted a series of programmes targeted at the above mentioned special groups.

MANDATE

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of women, men, youth, children, senior citizens and people with disabilities.

CONSTITUTIONAL MANDATE

When the President announced the Ministry for Women, Children and People with Disabilities in May 2009 and proclaimed the establishment of the department in July 2009, he emphasised the need for equity and access to development opportunities for the vulnerable groups in our society.

POLICY MANDATES

A range of policies inform equality, empowerment, human rights and human dignity processes. These include, among others, the following:

- Municipal Systems Act
- Municipal Finance Management Act
- Municipal Structures Act
- White Paper on Affirmative Action in the Public Service, 1997
- White Paper on Integrated National Disability Strategy, 1997
- South African National Policy Framework for Women's Empowerment and Gender Equality, 2000
- Technical Assistance Guidelines on the Employment of People with Disabilities, 2007
- South African International Relations and Cooperation Framework
- Employment Equity Act (Act 55 of 1996)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act 39 of 1996)
- Basic Conditions of Employment Act (Act 75 of 1997)
- Domestic Violence Act (Act 116 of 1998)
- Maintenance Act (Act 4 of 1998)
- Skills Development Act (Act 97 of 1998)
- Broad Based Black Economic Empowerment Act (Act 53 of 2003)
- Children's Act (Act 38 of 2005)

The Special Programmes (SPU) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind

eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

NOTE: Special Programmes goes deeper than any other projects/ programmes. They are about behavioural change and this change calls for the change in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc. but also about the psychological wellbeing of an individual. Children, Youth, Senior Citizen, People Living with Disabilities, Men and Women must have a voice in governance.

The municipality is at the stage whereby it is acknowledged that people are different yet the same. In no way the municipality can implement service delivery alone but with the people.

STRATEGIC OBJECTIVES

Strengthen good governance for the Special Programmes Unit to deliver on its mandate.

Promote intersectoral collaboration through Mainstreaming of Special Groups

Promote, advocate and monitor women's empowerment and gender equality.

Promote, advocate and monitor men's rights and responsibilities.

Promote, advocate and monitor children's rights and responsibilities.

Promote, advocate and monitor senior citizen's rights and responsibilities.

Promote, advocate and monitor youth's rights and responsibilities.

Promote, advocate and monitor the rights of people with disabilities.

Promote, advocate and monitor the rights of people living with HIV/AIDS.

PROGRAMMES COORDINATED DURING 2017/2018 FINANCIAL YEAR

CHILD CARE

Children's Advisory Council Reviewed

Fifty (50) Orphans and vulnerable children were supported with school uniforms.

One (1) pre-school was supported with pre-school material

Christmas for Orphaned and Vulnerable Children hosted

Child Protection Week hosted

Early Parenting Indaba

One (1) Children's Rights Awareness conducted

One (1) Early parenting dialogue was conducted

OLDER PERSON'S CARE & SUPPORT

One Older Person's Forum Reviewed

Induction and Training of the newly elected forum

*One (1) Awareness campaign on Women's Health
Older Person's Month Commemoration hosted
Two (2) older person projects supported
Conducted active ageing programs and golden games*

HIV AND AIDS AWARENESS

Conducted eight (8) HIV and Aids awareness campaign in the form of;

*Operation Masinyange
HIV & AIDS Awareness (Women in partnership against AIDS and Disability)
World AIDS Day
HIV & AIDS targeting Young Women
Condom Week Awareness
District TB Day Commemoration
HIV & AIDS Awareness targeting Young people
HIV, AIDS and TB Workshop*

HIV, AIDS AND TB CARE AND SUPPORT

*Two (3) Support groups and two (2) Community Based Organisation were trained and supported with home based care kit and Gardening inputs.
Campaigns were conducted namely:
Treatment Adherence Campaign
Nurture newly supported HIV and AIDS Support groups
Awareness on treatment awareness targeting schools
Candle Memorial Commemoration*

YOUTH

*Provided support to 4 Youth initiatives.
Collection of database for Youth Projects
Leadership Seminar conducted
Education support to 3 schools and Exam Prayer
Juvenile support Programmes
Provision of support 2 youth initiatives
Mayoral Achievers and Bursary Awards
Back to school learners support programme for first years
Career Expo
Alfred Nzo Battle of talents*

Bilateral with institutions of higher learning for MOU development

GENDER

Seven (7) Awareness Campaigns were conducted:

National Women's Month Commemoration

Young Women's Roadshow

Early parenting awareness

Sixteen Days of Activism for no violence against women and children

The Right to Know Campaign

Young Women against Gender Based Violence

Women and HIV & AIDS Workshop

DISABILITY

Reviewed disability forum and workshop

Six (6) Disability awareness campaigns:

International Day for Disabled Persons

Disability Economic Empowerment

Play your role on sexual abuse on disability

Disability and HIV & AIDS Awareness

Disability Expo

Participated on national disability awards in partnership with Vallahala

Schools assistance program conducted

Disability schools achievers awards

SPU FORA MEETINGS

2 Children's Advisory Council Meetings held

2 Disability Forum Meetings held

2 Gender Forum meetings held

2 District Older Person's Forum Meeting held

2 DAC Meetings held

District Youth Council Meetings held

MAINSTREAMING

6 SPU Initiatives conducted:

Book launch support

Opera singer supported to perform in Germany

Grade 12 Mayoral Achievers Awards

Soccer kits

Sewing material for Women Empowerment Program

Girl Child Dignity Campaign

Awareness Campaigns on Alcohol and Substance Abuse conducted

Table 30: Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Older Person's	To coordinate and facilitate the integration and mainstreaming of older person's programme to keep societal norms and values and to maintain their respect and dignity	11	8	8	7	7			
Coordination of children's development programmes care and support	To facilitate the creation of an environment that will be conducive for growth and development of children by coordinating government	11	18	18	8	8			

	departments and civil society within the district								
District Gender programmes	To coordinate response to gender inequalities through empowerment, mainstreaming, awareness and consultation of men and women	21	21	21	7	7			
District disability programmes coordination	To create an environment that is free of barriers prejudice and stereotypes in order to maximise access of people with disabilities	12	10	10	9	9			
Youth Development and transformation	To identify skills , coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in	15	15	15	11	11			

	collaboration with other stakeholders								
HIV and AIDS Awareness Programmes	To sensitise communities about HIV and AIDS epidemic and its impact in the socio economic development of the individual, families and community at large	11	10	10	8	8			
HIV and AIDS Coordination Care and Support programmes	To support functioning of all HIV and AIDS council structures through coordination of programmes	9	10	10	6	6			
SPU Mainstreaming	Promote earning potential of ANDM Communities	4	7	7	4	9			
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>									T 3.14.3

SERVICE STATISTICS FOR CHILD CARE

Table 32: Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	6	5	1	17%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	8	7	1	13%

Financial Performance Year 0: Child Care; Aged Care; Social Programmes						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120.00	125.00	100.00	95.00	-32%	
Expenditure:						
Employees	2 836 729.48	2 740 582.73	2 566 329.19	2 419 750.81	-13%	
Repairs and Maintenance	25.00	244.00	250.00	248.00	2%	
Other	45.00	244.00	250.00	248.00	2%	
Total Operational Expenditure	2 836 799.48	2 741 070.73	2 566 829.19	2 420 246.81	-13%	
Net Operational Expenditure	2 836 679.48	2 740 945.73	2 566 729.19	2 420 151.81	-13%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.14.5	

Figure 20: Financial Performance Year 0: Child Care, Aged Care, Social Programmes

Source: own construct

Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.56.6

Figure 21; Capital Expenditure Year 1: Child Care, Aged Care, Social Programmes

Source: own construct

An Environmental Management Framework (EMF) can be defined as a study of the biophysical and socio-cultural systems of a geographically defined area to reveal where specific land uses may be best practiced and to offer performance standards for maintaining appropriate use of such land. It serves as a blueprint that will guide government's strategic and spatial planning, to ensure that sustainability is attained and resources optimised. An EMF also serves as a guide to ensure that there is compatibility between plans and the state of the environment to allow for the integration of environmental management measures into the plans. An EMF is part of a suite of Integrated Environmental Management (IEM) tools that can be used to support informed decisions regarding the management of the impacts on the environment that can arise out of human activities and development. An EMF also functions as a support mechanism in the Environmental Impact Assessment (EIA) process in the evaluation and review of the development applications as well as informs decision making regarding land-use planning application.

POLLUTION CONTROL

Climate Change vulnerability assessment-the assessment was completed and vulnerability maps were completed.

with climate change vulnerability assessment, a climate change committee was established and this committee ensured that a climate change summit is hosted where different stakeholders were invited to participate in incorporating the climate change issues into the planning of the municipalities within Alfred Nzo District Municipality.

The seating of climate change committee meetings continued every quarter and learning exchange programs were identified and initiated. Currently ANDM climate change committee has established a partnership with OR Tambo District Municipality.

The climate change response strategy was developed. This strategy outlines exactly what impacts will be caused by climate change and how best can municipalities respond to these impacts.

Integrated Waste Management Plan- this plan was completed and its implementation started from July 2016.

Water Safety Plan-this plan was completed and adopted by council. The plan assists in ensuring that the municipality provides clean drinking water to its communities.

Project Steering committees were established to ensure that these projects are a success and are addressing the pollution problems that are facing Alfred Nzo District Municipality.

With integrated waste management plan, an awareness was done to stakeholders on how to manage waste. This led to schools taking an initiative in managing waste as such there were request from certain schools for supply of waste receptacles but only one school benefited from this because the municipality did not have enough budget to assist the schools.

N/a- air quality function was delegated to DEDEA and therefore the statistics can be sourced from DEDEA

There were four capital projects that were planned for ANDM pollution control but only one capital project was implemented and that was Mt Frere Waste Buyback Center. The other three capital projects were Matatiele Waste Buyback Center, Ntabankulu Waste Buyback Center and Mbizana Waste Buyback Center were not implemented due to limited financial resources even the Mt Frere Waste Buyback Center was funded by the municipality of Ostersund in Sweden through a partnership that Alfred Nzo District Municipality had with it.

BIO-DIVERSITY & LANDSCAPE

This is the competency of the Local Municipalities, the district assists in facilitating funds for the implementation of the projects relating to this component.

SOURCE FUNDING FOR MATATIELE LOCAL MUNICIPALITY:

Source funding for Matatiele Nature Reserve and Ecotourism Gateway Complex. This application was successful and the project is already under implementation. Department of Environmental Affairs funded the project with R7000 000.00.

PAC has been established comprising of ward councillors, community members, Matatiele LM officials, ANDM officials, DEA officials and appointed service provider for this project

Ward councillors are currently busy identifying project beneficiaries/employees

SOURCE FUNDING FOR UMZIMVUBU LOCAL MUNICIPALITY:

Source funding for Umzimvubu street cleaning and beautification. The application to Department of Environmental Affairs for this project was successful and the project was funded with R15 174 184.00

Project is at its implementation phase and no challenges are incurred to date

SOURCE FUNDING MBIZANA LOCAL MUNICIPALITY-

Source funding for establishment of Mthamvuna Nature Reserve. The application to Department of Environmental Affairs for this project was successful and the project was funded with R10 000 000.00

Project is at its implementation phase and service provider appointed is working well with the communities around the proposed nature reserve.

These projects are assisting the communities residing in these Local Municipalities in securing job opportunities and being able to earn a living. The project conditions are that they should be implemented using the EPWP.

E: MUNICIPAL HEALTH SERVICES

As per the Municipal Structures Act, s84, ss1(i) & National Health Act 61 of 2003, the Municipal Health Services are a responsibility of the district municipalities and metropolitan municipalities.

This then assisted the ANDM to incur and take over this function from the national and provincial governments. It is on this basis that even the National Treasury is funding the district municipalities to carry out this function through the Equitable Share under Community Services.

The organogram of ANDM is taking care of the function, although there should be improvement and compliance based on the World Health Organisation's norms and standards that each EHP should service 10,000 population (1:10,000).

In 2013/14 we were at 1: 44,555 then 15/16 ratio has increased to 1: 50,125. It needs to be noted that we are not improving and instead we are dropping the standards of compliance, and this could adversely affect the municipality performance and compliance (leading to the service being recalled by National Department of Health here in ANDM only). In 2015/16 the conditions remained the same, but an improvement was induced by the Eastern Cape Department of Health in a strategy to reduce the unemployment rate of the Environmental Health (EH) graduates, where it appointed 80 EH graduates for the province and 25 of them were placed in Alfred Nzo DM. This then improved ANDM compliance from 1: 50,125 to 1:19,561 and this therefore affected the DM's performance as we became the 1st in the province on an audit that was conducted in January 2016 on MHS by the National Department of Health, and a review of the audit was again to be conducted in August 2017. This was to check if ANDM has made any improvement in the highlighted areas of improvement

As noted previously, that the intervention done by ECDoH was for a period of 12 months only (15/16 financial year only), and that was for the intermediate period as indicated. This then left the ratio going back to 1:50,125, until 5 EHPs were appointed in October 2016, and the compliance slight improved to 1: 40,120.

As a stride to reach a compliance level, it was then deemed fit that 24 EHP positions be advertised, and this was done, but has not yet been filled in (reasons are not very clear as these positions were budgeted for in full).

An ongoing intervention remains to be necessary from ANDM going forward.

Despite all odds, ANDM has been selected as ***the best performing municipality when it comes to the rendering of MHS In communities from a rural perspective***, and this was pronounced in Cape Town, at a National South African Institute on Environmental Health Conference, which had an International Federation of Environmental Health status (world status). We need to soldier on, come what may!!!

The 26 September was declared as World Environmental Health Day by the International Federation of Environmental Health at its September 2011 Council Meeting at Bali, Indonesia. This then was again accepted into the World Health Organisation and included into its calendar. South African Institute of Environmental Health had to follow at it is IFEH in a South African context and level.

The international theme by **World Health Organisation (WHO)** for 2015 was *“Tobacco Control: a response to global tobacco pandemic”*.

This theme wanted our focus as government in SA and the World on the global damage done by tobacco, and what we can do to protect our atmosphere from this irreparable damage, through protection from environmental health risk exposures and promoting a healthy environment. Everybody is vulnerable to environmental hazards, but more particularly passive smokers as they are not even aware that they are exposed to passive smoking. More strongly, children get to be more vulnerable because of incomplete growth and development; and higher respiratory and metabolic rates, not to mention immune-compromised persons.

ANDM in its alignment with the theme, has also embarked heavily on a training programme of all ANDM EHPs on Indoor Air Quality, and this exposed ourselves to the dangers that are there when we are exposed to all sorts of pollutants (inclusive of smoking).

We also embarked on build-up programs for the WEHD within the district. This was focusing on tobacco awareness and also on Smoking in general as there was also a linkage to veld fires caused by tobacco smokers.

As part of the National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners, it is also a compliance issue to partake in the World Environmental Health Day Commemoration, of which we as ANDM always comply on this, and we were also audited positively in this regard.

IN HOUSE CAPACITY BUILDING DONE BY EHPS TO EHPS ON MAJOR AREAS OF CONCERN IN OPERATIONS

SAIEH and HPCSA (Professional Board for Environmental Health) advised that it would be to our professional growth advantage if we as ANDM would apply for a training status to HPCSA. It would assist us to spend less in the CPD and CEU requirements by HPCSA.

This we did, but did not 100% succeed. Nevertheless, we continued with the training of EHPs by EHPs internally, and this was very motivational for us in a big way. This is shown by the completion of the program as follows:

Table 33: Training Interventions

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Topic to train on	Presenter/ Trainer (Name and place of operation)	Date, time and venue for training
1. Integrated Vector and Pest Management Plan	Mr O Lamuni EHP Intern Matatiele	11 March 2016 Total hours – 2 hours Mt Ayliff (DMC)
2. Healthcare Risk Waste Management Plan	Mr S Mntonintshi EHP Intern Mbizana	11 March 2016 Total hours – 3 hours Mt Ayliff (DMC)
3. Air Quality Management Plan	Miss X Dlamini EHP Intern Mt Frere	11 March 2016 Mt Ayliff (DMC)

ENVIRONMENTAL MANAGEMENT INSPECTION

Due to the requirements as stipulated in the HPCSA and SAIEH, it is necessary that each and every EHP be an Environmental Management inspector and this is going to be a full-time requirement during the upcoming years.

The 10 EHPs that were trained in 15/16 financial year, graduated in 16/17 financial year, and ever since they have assisted in implementing the EMI from an Environmental Health perspective in the district.

ENVIRONMENTAL HEALTH SERVICES AUDIT

National Department of Health, in its quest to monitor and support its municipalities in rendering preventive health, it made a decision to have National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners, where again an audit tool was designed to audit all municipalities rendering EHS/ MHS.

Alfred Nzo DM was no exception as it was audited on the 1st round, and out of the odds, we got 72% and were rated the 1st in the Eastern Cape Province.

As the results of the audit were publicised in the WEHD 2016, it was then announced that ANDM has rated 3rd in the country when it comes to implementation of Norm and Standards guiding Environmental Health Services in and out of municipal boundary.

This again necessitated improvement as we had a lot of gaps identified when we were re-audited.

FOOD SAFETY AND CONTROL

Good governance: food safety and awareness programmes, and since the function is has been introduced to district municipalities in the last decade, this has then assisted them in understanding and accounting for the function that has no been their responsibility.

Samples are taken for both bacteriological and chemical analysis. Food swabs are also taken to ascertain the level of environmental hygiene in food handlers (at schools, and food handling outlets).

Awarenesses in schools around food preparation and storage is also done. This takes care of educators who are co-ordinators of school nutrition programme (SNP) and food handlers

Evaluations and meat safety awarenesses are done in butcheries, specifically to look at the adulteration of meat which has been a cry in the country (especially from National Parliament).

Raids have been done to ensure that foodstuffs sold to our communities is sound and complies with the South African legislation.

Raids have been done to ensure that foodstuffs sold to our communities is sound and complies with the South African legislation.

WATER QUALITY MONITORING

Ensuring that the water consumed by our communities is potable, and complies with SANS 0241, by taking and analysing water samples (in the laboratory).

In all ANDM clinics and hospitals water samples are taken on a monthly basis to ascertain compliance with core standards (as enacted in NHA 61 of 2003)

Generally the quality of water is not always in a potable condition, and this raises a great health concern as it could result in uncontrollable waterborne disease outbreaks.

HEALTH SURVEILLANCE OF PREMISES

Evaluation/ inspection of businesses (rural & urban), all government premises as required by law, and there has been a remarkable change in the maintenance of government institutions (with specific reference to hospitals, clinics and schools). Even with the business world, a very remarkable improvement has been noticed.

Local Municipalities are in a way recognising the importance of involving MHS in Building Plans of which other LMs were not considering this as important for years.

National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners are implemented taking into consideration that they have annexures in the likes of Health Certificates, Certificates of Acceptability, and Certificates of Competence.

An active involvement of EHPs in ECDCs has vigorously kicked in as there has been an ECD Indaba at Provincial and District level where we have crafted a clear way-forward on how to improve the compliance within the ambits of the Dept of Social Development (as the funder of a majority of Early Childhood Development Centres)

As a follow-up to the District Indaba, ANDM and Dept of Social Development made their own District Plan on how to conduct the assessments of the ECDCs so that there is understanding of the functions of each stakeholder. This is then setting a trend where we sit down under one roof to assess the ECDC, and we agree unanimously on what needs to be done, and by whom, etc

This then removes the blame-game and we move on smoothly with the services to be delivered to our communities at no disadvantage to our people.

Sipetu Hospital has been amongst the very much dilapidated health facilities in the province, and it's worth mentioning that even during the hospital revitalisation programme of the Eastern Cape Dept of Health, it never benefited in the programme. It was then prioritised to be built in 2016. COEGA Development Agency has been then appointed to conduct the construction process (notwithstanding the process protocol).

It was then discovered in the process of building plans that the kitchen is in its closest proximity to the mortuary, in fact they were sharing the same alley. It was then recommended that this be changed, It took a lot of effort for the changes to be effected, and we're proud to say that there has been a new building plan which was discussed with ANDM MHS to effect the changes. Now the kitchen is in the main building and the mortuary is constructed outside, distance being reasonable enough for the "dirty" area.

ENVIRONMENTAL POLLUTION CONTROL (AIR QUALITY MONITORING)

ANDM is embarking on strategies to mitigate and adapt to effects of Climate Change, and out of this workshops and trainings are being held to put the EHPs on par with the advantages and disadvantages of adverse conditions of climate change and what are the deadly effects thereof. It also capacitates EHPs on the dos and don'ts for mitigation and prevention.

Re-inspection of a petroleum mini-storage (Wozani Berg Gasoline), which had to be within the threshold limit values of the area indicated that there is a lot of improvement conducted in the station, responding to the recommendations by MHS. This is taking us forward in the petroleum store being granted a permit to operate fully.

DISPOSAL OF THE DEAD/ MANAGEMENT OF HUMAN REMAINS

Environmental health awareness on processes followed when conducting exhumation and interment of dead bodies.

Through intensive awarenesses, application for exhumations have increased, and this is also accompanied by compliance with health requirements as well.

Forensic Pathology Services (being government facilities) have been stuck with unclaimed corpses, but after the active intervention of EHPs, the tables have turned for the better now, as these mortuaries are starting to comply with minimum health requirements, where Mbizana was able to bury them.

Private funeral parlours have started to comply with Regulation 363 National Health Act 61(No 61 of 2003), and as a result they are encouraged to apply for Certificates of Compliance.

Training of Funeral Parlours has been further conducted by the EHPs in Mbizana LM, where the parlours were trained such that it would be easier for them to apply for a CoC.

CHEMICAL SAFETY

Capacity building on hazardous substances has been done and this has also improved management on sale of organo-phosphate without authorisation.

Environmental health investigations and education on chemical poisoning (with specific reference to organo-phosphates) is being conducted on a community awareness level

Ongoing education on impact of lead in toys is being done, though there is still a major challenge of credible suppliers. This is still in a process of being researched.

Awareness done to hawkers in paypoints on dangers of decanting and improper labeling

Chemical poisoning: Notifications of deaths and cases have been received from the health facilities and individuals on organo-phosphate poisoning. Investigations have been done to this effect, and a lot of improvement has been noted, hence the award-winning project that has been earned as ANDM.

A project emanating from the admissions and thereof notifications of cases/ deaths due to the Organo-phosphate poisoning triggered the MHS to embark heavily on a prevention and awareness programme for these said cases and deaths, and it really needed govt intervention at all levels as the death rate was higher than before. The reported deaths from ingestion of this pill were 30 for the 1617 financial year.

This then turned out to be preventable as a lot of vigorous awareness was conducted in all areas, with specific reference to Mbizana (where the 30 deaths emanated from). Then as a follow-up, another study was conducted, where it was ascertained that there was a drop from that 30 deaths to 2 after the campaigns and follow-up on cases was conducted. It needs to be mentioned though that it was pretty strenuous to the EHPs as they are too stretched to deal with a portion of one KPA.

The success was then turned to a project, which was entered into the Eastern Cape Adjudication for Alfred Nzo Environmental Health Excellence Awards (and was then selected at a national level) qualifying for 2nd level in projects that are conducted by EHPs to improve the lives of the people at a community level.

The same project was presented to the SAIEH Conference as the best practice culminating from the operations of a rural municipality (with very limited resources)

SURVEILLANCE & PREVENTION OF COMMUNICABLE DISEASES

Awareness on prevention of communicable diseases has been done. This assisted in increase on notification of these communicable disease (especially dog bites) and the improvement on cases that have finalised their rabies treatment proves beyond reasonable doubt that our people are taking dog bites seriously now.

Investigation of communicable diseases (scabies, schistosomiasis, measles): This is also conducted as per notification received (be it written or verbal/ telephonic)

Emergency Preparedness and Response awarenesses are conducted with IDMS to communities identified by MHS as high risk areas, through funds allocated under IDMS.

VECTOR CONTROL

Evaluation on businesses and government institutions relating to prevention of occurrence of vectors (and as a result we do not have a challenge of Alexandra rodents in ANDM and this is because our businesses are preventing the occurrence of vector harbourage).

Nevertheless in the audit tool, it is highly necessary that we get to be prepared for the vector outbreak that might surface at any given point in time, hence the need to have a vector control plan.

SERVICE STATISTICS FOR MUNICIPAL HEALTH SERVICES

Food Safety and Control

944 food samples taken and analysed for bacteriological and chemical analysis, and 72 food safety awarenesses covering the critical areas of the population

Environmental Health Awareness

141 awareness programmes conducted on: surveillance and prevention of communicable diseases, environmental pollution control (inclusive of air quality and climate change adaptation), chemical safety, vector control and disposal of the dead/ management of human remains

Health surveillance of premises:

570 businesses & government institutions inspected and reports are discussed with relevant authorities

Water Quality Monitoring:

962 samples were taken and analysed. (Water samples were analysed at NHLS). Awarenesses are conducted to areas (communities, government institutions and businesses) where analysed water samples are non-compliant.

Table 34: MHS Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	2015/16		2016/17		2017/18	2018/19	
		Target	Actual	Target	Actual	8	Target	
Service Indicators		*Previous Year		*Current Year		*Current	*Current	*Following Year

		s Year					Year	Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensure that a comprehensive municipal health service package is rendered throughout the district									
Water Quality Monitoring To reduce prevalence rate of water borne related illnesses through water quality monitoring	To monitor the quality of water supplied to the communities by ANDM through taking, analysis & reporting of water samples	744	692	744	960	962 (NHLS analysis only)			
Food Control & Safety - To monitor quality of food that reach ANDM consumers - To reduce rate of food borne disease outbreaks	Number of food safety awareness campaigns conducted Number of food samples taken, analyzed and communicated	408 204 100% of compliant food businesses	72 934 (chemical & bacteriologic al analysis) 45	408 204 100% of compliant food businesses	60 900 100% of compliant food businesses	117 944 (Both chemical & bacteriologic al) 69			

	Certificate of Acceptability issued to qualifying food businesses								
Health surveillance of premises To ensure that food and non-food businesses, schools, and govt buildings are evaluated and monitored	Number of businesses, and govt institutions inspected	558 non-food 960 food premises 100% of caterer appointed in events	570 non-food 998 food premises inspected 181 of the caterers appointed all inspected before and during the events	558 960 100% of caterers appointed in events	540 900 100% of caterers that are appointed in events	585 (non-food) 967(formal food businesses) 143 (caterers inspected during the events)			

Surveillance & prevention of communicable diseases -Ensure that communicable diseases within Alfred Nzo are effectively prevented, and even the cross-boundary issues are properly addressed Epidemiological surveillance of diseases	Number of awarenesses conducted on prevention and control of communicable diseases.	204	148	204	120	132			
Disposal of the dead	Number of awarenesses on disposal of the dead	408	106	408	120	132 (exhumation awarenesses)			
		28 cemeteries to be inspected	27 cemeteries inspected	28 cemetery inspections	100% of exhumation applications responded to 28 inspections of 7 cemeteries	6exhumations & reburials of dead human bodies 28 inspections			

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Table 35: Employees: Municipal Health Services					
Job Level	16/17		17/18		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	22	32	25	0.6	24%

In 15/16 we were at 1: 19,000 (with 40 EHPs. This improvement was through the initiative by the Eastern Cape Department of Health who assisted with 24 EHP Interns for a period of 12 months. This was just to bridge the gap of Community Service. Then in 16/17 we were at 1: 42,120 with 20 EHPs

Table 36: Financial Performance Year 16/17: Municipal Health Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance To Budget
Total Operational Revenue	21,606	17,404 (MHS ES)		17,404 (MHS ES) 2,101 (ECDoH)	%
Expenditure:					
Employees	6,500	8,500	8,500	7,429	14,4%
Repairs And Maintenance	-	-	-	-	%
Other	4,000	5,500	5,000	4,358	26%
Total Operational Expenditure	10,500	14,000	13,000	11,787	18.8%
Net Operational Expenditure					%
Financial Performance Year 16/17: Municipal Health Services					
R'000					
Details	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Variance To Budget
Total Operational Revenue	21,606	17,404 (MHS ES)		17,404 (MHS ES) 2,101 (ECDoH)	%
Expenditure:					
Employees	6,500	8,500	8,500	7,429	14,4%

Repairs And Maintenance	-	-	-	-	%
Other	4,000	5,500	5,000	4,358	26%
Total Operational Expenditure	10,500	14,000	13,000	11,787	18.8%
Net Operational Expenditure					%
Capital Expenditure Year 16/17: Municipal Health Services					
R' 000					
Capital Projects	14/617				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	600	400	164	26%	
Purchase of water & air sampling kits	600	400	164	26%	400

The capital budget would have assisted in procuring air sampling equipment, but this was not possible as by the time we needed to procure the budget was no longer available. This was a mishap as there was a budget planned for procuring air sampling equipment in the allocations of the 16/17 financial year.

F: SECURITY AND SAFETY

The functions that are carried out by ANDM are Fire and Rescue Services, and Disaster Risk Management. These are carried out following the legislative mandate set out in *the Disaster Management Act and Fire Services Act*

FIRE AND RESCUE SERVICES

Fire and Rescue Services is a unit under Community Development Services Directorate Services Directorate, responsible for ensuring the safety of ANDM community and visitors by; providing effective emergency response services and quality prevention and education programmes that will minimize the loss of life and property resulting from fires and other emergency situations.

The Fire and Rescue Service Unit is organized into four divisions. Each division has functional Sections which are responsible for the accomplishment of specific functional goals and objectives.

THE DIVISIONS FIRE AND RESCUE SERVICES

Management & Administration

The Management and Administration division is responsible for all management and administrative functions in Fire and Rescue Services unit. It is therefore responsible for budget management and control thereof, human resource management, establishing organizational principles and processes and providing motivation and discipline. Furthermore, the monitoring and management of

performance and risk management are key functional roles of the division so as to ensure excellence of service delivery and a safe and healthy environment for all communities.

Operations

The Operations Division is responsible for fire suppression and rescue and is the backbone of the Fire and Rescue Service. The key objective of the division is to ensure that the Fire and Rescue Service is always prepared to provide a 24 hour uninterrupted fire and rescue response to all members of the community. Functions include fire suppression, technical rescue, hazardous materials, and urban search and rescue and disaster response services, operational risk familiarization and public fire education in partnership with other service divisions. This division also include Fire and Rescue service communications – dispatch services.

The Communication Control Centre has handled 401 emergency calls and dispatched response vehicles/teams.

Through utilization of relevant resources the Fire and Rescue services has promptly respond to 352 fire related incidents, saving lives and property thus, ensuring stability in the district economy.

Safety & Support Services

The Safety and Support Services Division is primarily responsible for the achievement of the department’s fire prevention, fire cause determination and fire protection strategies. It is also responsible for ensuring that all support services relating to the provision of a fire and rescue service are provided in a manner that contributes to the rendering of an effective service.

200 occupancies have been inspected resulting into the registration of 54 flammable liquid and hazardous chemical handling sites and production of reports thereof. 12 notices were issued to the none compliant business sites.

Out of 25 building plans that were scrutinized, 15 were approved and 10 rejected pending noncompliance.

In-house and Public Training

The Training section is primarily responsible for the professional and continual skills development of fire-fighters and for public fire education to achieve preparedness objectives.

Through extensive public education, public awareness programs and continuous training of fire fighters, the municipality has managed to reduce the impact of fire related incidents by 97% in 2017/18 financial year.

Table 37: District Fire Service Data						
	Details	Year 16/16	Year 16/17		Year 17/18	
		Actual No.	Estimate No.	Actual No.	Estimate No.	
1	Total fires attended in the year	321	599	250	250	73
2	Total of other incidents attended in the year	150	190	150	150	22

3	Average turnout time - urban areas	10 min	7 min	7 min	7 min	7min
4	Average turnout time - rural areas	30 min	45 min	45 min	45 min	45min
5	Fire fighters in post at year end	54	54	57	57	64
6	Total fire appliances at year end	14	14	16	16	5
7	Average number of appliance off the road during the year	1	2	2	2	9

95% of the response time as stipulated in SANS 10090 was achieved in the financial.

Table 38: Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	none	0
Other Fire Officers					
0 - 3					
4 - 6	3	4	4	1	25
7 - 9	8	14	12	8	40
10 - 12	42	48	38	58	60
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	47	67	51	66	56

DISASTER MANAGEMENT

Alfred Nzo District Municipality Disaster Risk Management Unit is responsible for an integrated institutional capacity for disaster risk management, risk assessment, risk reduction, response and recovery, this forms part of our endeavors aimed at sustainable communities.

Disaster risk management is a multi-disciplinary, multi-sectoral integrated and uniform process of planning that focuses on the prevention and reduction of risk of disasters, mitigating their severity, ensure emergency preparedness and also provide for the rapid response to disasters and post-disaster recovery.

Here are the projects for the year under review (2017/2018 FY);

Table 39: 2016/17 Projects	
KPA	PROGRAMS (2017/2018 Financial Year)
<i>Integrated institutional capacity for disaster risk management</i>	<p>Sitting of the District Disaster Management Advisory Forum (4X quarterly) including emergency response management task team</p> <p>Capacitation of the Disaster Management Volunteers</p> <p>Capacitation of councilors and officials on disaster management wherein 15 people were trained in the year under review.</p>
<i>Disaster Risk Assessment</i>	Inspection of high risk institutions like health centres has been done to two hospitals in Matatiele and Mbizana.
<i>Disaster Risk Reduction</i>	Adoption of the ANDM Disaster Risk Management Plan Updated the Disaster Risk Profile
<i>Disaster Response and Recovery</i>	Procurement of relief material Responding to Hailstorm; Thunderstorm and Heavy rainfall disaster at Ntabankulu LM , Umzimvubu LM ; Mbizamba LM and Matatiele LMs
SERVICE STATISTICS FOR DISASTER MANAGEMENT	
TYPE OF INTERVENTION	NUMBER
Declared disasters	3
Households assisted with disaster relief material	500
Awareness campaigns	The unit is responsible to conduct awareness campaigns to mitigate disaster related incidents. In the year under review, the unit managed to conduct 40 awareness campaigns.

Capacity building/training (number of beneficiaries)	33
Institutional capacity (advisory forum)	4
Disaster risk plans developed (Disaster Risk Management Plan, Disaster Management Policy Framework and Risk Assessment)	4

The unit has been effective due to increase in human resource and dedication of the staff member through team building efforts.

Table 40: Employees: Disaster Management

Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	2	100%
4 - 6	0	0	0	0	0%
7 - 9	8	15	7	8	53%

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	10 237 983.84	3 716 088.46	2 744 635.65	2 070 231.11	-80%
Repairs and Maintenance	-	-	-	-	0%
Other	-	-	-	-	0%
Total Operational Expenditure	10 237 983.84	3 716 088.46	2 744 635.65	2 070 231.11	-80%
Net Operational Expenditure	10 237 983.84	3 716 088.46	2 744 635.65	2 070 231.11	-80%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.22.5

Figure 22: Financial Performance Year 0: Disaster Management, Animal Licensing and Control, Control of Public Nuisances

Source: Own construct

G1: SPORT AND RECREATION

According to the municipal key performance area this unit belongs to Good Governance and Public Participation, it directly involve members of the communities on heritage issues, community sport development and development of arts and culture.

HERITAGE AND MUSEUMS

Recognising the contribution made by district heroes and heroines and further celebrating their life and times. Develop, protect and promote heritage site.

ARTS AND CULTURE

Facilitate the coordination of district cultural activities by recognising ANDM cultural diversity.

SPORTS AND RECREATION

Facilitate and coordination the sport and recreation development programmes.

SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT ARTS CULTURE RECREATION AND HERITAGE

Heritage and Museum:

- 1x Nonqulana memorial site was fenced
- O.R. Tambo legacy program conducted through O.R. Tambo Centinery. (Melting Pot Choral Music was coordinated and supported, Wreathlyng ceremony was attended, O.R. Tambo memorial lecture was supported.
- Alfred Nzo legacy program conducted (Alfred Nzo memorial lecture was put in abeyance)

Arts and Culture:

- District cultural Festival was not conducted. (the budget for cultural festival was convected and used for O.R. Tambo Centinery)
- Alfred Nzo Choral music was not conducted (there was no budget to run the programme)
- Traditional Leaders programs were not supported financially (Ulwandlolumbvu Pondo festival, Madzikane commeration, umkhosi wokukhahlela, and Fikeni Traditional Council were supported by means of sending personnel for coordination of their events)
- Initiation program (abafana basentabeni) conducted and supported (8 awareness campaigns and stakeholder engagements, 4 District Initiation Meetings were conducted, and initiation school visits were done, death reduction was achieved, two death in Mbizana)
- 1 x Grahamstowm national arts festival (district artists paricipatated in the festival)

Sport and recreation:

- Netball Championship was not done, the budget was opted to O.R. Tambo Centinery.
- Horse racing program was supported by means of giving personnel for Coordination.
- SALGA Games (Steave Stshwete Vukile Games) were conducted in East London and supported.

Table 40: SACR&H Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	15/16		16/17		-	17/18		
		Target	Actual	Target	Actual	Target			
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<i>To co-ordinate SACR & H at a district level and to ensure that these services go uninterrupted and smoothly.</i>									
Heritage and museum	Number of commemoration	3	3	3	3	3	17/18	3	3
Sport and recreation	Number of sport programes conducted	3	3	4	4	4	17/18	1	1
Arts and culture	Number of cultural activities conducted	1	1	5	5	5	17/18	4	4

The component of SACRH is focusing mainly in coordinating and facilitating the development of sport and recreation, arts and culture, heritage and museum. The target major task is to develop heritage route that link all heritage sites within the district. Identify and develop undeveloped heritage sites within the district. Expose and develop the district youth on sport and recreation and arts and culture programmes. As the district is playing a co-ordination and facilitation role, there is a challenge with regard to specific budget, this is based on the primary mandate of the entire municipality.

CUSTOMER CARE PUBLIC EDUCATION AND COMMUNITY AWARENESS PROGRAMME

In line with *The Local Government: Municipal Systems Act 32 of 2000, Chapter 9, Section 95(a)* stipulates that: a municipality must within its financial and administrative mandate establish a sound customer management system that aims to create a positive and reciprocal relationship between the district municipality and its customers, the Customer Care Unit was established.

The following targets were for this financial year;

- Strengthen Batho Pele Championship Programme and conduct four customer care roadshows
- Provide support to Support to Local Municipalities in the implementation of their respective community safety plans
- Lease 1 Customer Care Mobile Unit
- Procurement of two (2) Customer Satisfaction Feedback devices

BATHO PELE CHAMPIONSHIP PROGRAMME & CUSTOMER CARE ROADSHOWS

- 4 customer care road shows were conducted covering all municipalities within ANDM family of municipalities.
- Customer care information leaflets, Visitors registers and complaints registers were procured

PROVIDE SUPPORT TO LOCAL MUNICIPALITIES TOWARDS IMPLEMENTATION OF THEIR RESPECTIVE COMMUNITY SAFETY PLANS

- Non financial/Technical support has been provided to Umzimvubu Local Municipality, Matatiele LM and Mbizana LM in the implementation of their respective community plans, the nature of the programmes were educational and awareness around social crime.
- No progress was made in Ntabankulu based on the administrative (institutional) challenges that the municipality has been faced with

PROCURE TWO CUSTOMER SATISFACTION FEEDBACK DEVICES

- The project took off but could not reach the final completion stage based on the municipal wide SCM and time constraints. The project was advertised and could not proceed to the stage of evaluation and adjudication as the financial year ended before it could be closed off.

- LeAse one customer Care mobile unit
- The project was phased off during the budget adjustment period based on financial deficiencies and it was converted to the procurement of customer care office furniture which also could not be completed this financial year.

Table 41: Employees: Customer Care					
Job Level	16/17		17/18		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0%
4 - 6	16	20	9	1	20%

G3: THUSONG SERVICE CENTRES

Thusong Service Centers, formerly known as Multi-Purpose Community Centers (MPCCs) have been identified by the South African Government as the primary approach to address historical, social and economic factors, which limited access to information, services and participation by citizens, as they had to travel long distances to access these services, negatively affects their own empowerment.

THUSONG SERVICE CENTERS PROGRAMMES

THUSONG CENTRE INSTITUTIONAL ARRANGEMENTS

- Local center management committee which composed of all stakeholders within and around Nophoyi and Thabachicha Thusong Service Centre.*
- Intersectoral stakeholder engagements took place in order to finalise contractual agreements with leads government agencies within the centres.*
- Benchmarking has been conducted and best practise has been adopted.*
- Standard Operating procedures has been developed to serve as a guide the use of Thusong Services Centre facilities.*
- Mobile office purchased in Nophoyi as an ANDM office and an ICT center*

- f) ICT center being set up by ANDM ICT unit and ICT center in Thabachicha fitted with burglar guards
- g) Provincial Intersectoral Steering Committee (PISSC) has been revived by GCIS in collaboration with the OTP.
- h) Departments were engaged to provide services on wheels/mobile services and information sharing sessions as on going exertion.

CONSTRUCTION OF THUSONG CENTERS

- a) Nkantolo Thusong Service Centres – is at 40% (construction at a stand still since February 2016 due to DHS challenges with their contractors.
- b) Tabachicha Thusong Services Centre is 100% completed and handed over to ANDM for coordinatation (awaiting handing over certificate from the DHS)

THUSONG CENTRE SERVICES

Table 42: Employees: Thusong Service Centers					
Job Level	16/17		17/18		
	Employees	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	1	0	0%
4 – 6	0	4	1	3	75%

H: CORPORATE POLICY OFFICES AND OTHER SERVICES

The responsibilities of the department include;

Human Resource Management which is responsible for providing management and staff with quality human resource support including career and compensation management, labour relations management and employee wellness

Human Resource Development which includes assisting new entrants into the labour market (NSDS), training and development of staff, Councillor Development and community empowerment.

Legal Services which includes all legal related matters of the whole Municipality such as litigation, contract management, advisory services, debt recovery, by law development and disciplinary proceedings.

Administrative Support

Information and Communication Technology (ICT)

Table 44: Financial Performance Year 0: Financial Services					
R'000 Details	Year 2016/17	Year 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Budget	2	4	2	1	25%
Total Operational Revenue	7	9	16	8	89%
Expenditure:	8	11	11	7	64%
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	17	24	29	16	67%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Table 45: Financial Performance Year 0: Financial Services					
R'000					
Details	Year 2016/17	Year 2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					

Employees	R 15 306 130	R 22 547 352	R 24 125 667	R 21 217 532	-6%
Repairs and Maintenance	-	-	-	-	0%
Other	-	-	-	-	0%
Total Operational Expenditure	R 15 306 130	R 22 547 352	R 24 125 667	R 21 217 532	-6%
Net Operational Expenditure	R 15 306 130	R 22 547 352	R 24 125 667	R 21 217 532	-6%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.5

Human Resource Services

ANDM Human Resources Management and Development Division is responsible for the following:

1. Employee Health and welfare through the implementation of a sustainable Integrated Wellness Programme.
2. To ensure that a fully compliant to legislation IPMS and EPMS is implemented and monitored
3. Promotion of sound labour relations and employee welfare
4. Development and review of policies and implementation of collective agreements as signed.
5. Review and adoption of the Organisational structure and organizational development strategies implemented in terms legislation.
6. Implement personnel management and payroll management.
7. Implement and coordinate the capacity building and training of employees and Councillors.
8. Implement graduate and non-graduate support programmes for ANDM Youth

ANDM Human Resources Management and Development Division is responsible for the following:

Service Statistics For Human Resource Services

Achievements:

Integrated Employee Wellness Programme - 60 Counselling, follow ups Treatment and referral done at IDMS Technical Services. 120 consultations and referrals done for employees. 40 OHS inspections done on ANDM sites

Policy development and review - CPS policies were adopted by council on the 30 May 2018.

The annual Employment Equity Report was submitted to the Department of Labour in January 2018.

Performance Management System - Performance contracts were signed by senior managers, level 2&3 managers

Performance assessment for level 2&3 managers were conducted for midterm

Performance Management has been cascaded down to the lowest level by utilising internal resources

Review and adoption of the organizational structure - 1 Reviewed organisational structure was adopted on the 30 May 2018.

Coordination of all training and development programmes

District Job Evaluation Unit was established and is functional

External Bursary Scheme - 7 students were registered at tertiary institutions to study.

4 GIS interns are professional registered with the relevant professional bodies.

Table 46: Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2014/2015		2015/2016		2016/2017	2017/2018		
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
number of employees and councillors trained	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP
Improving speed of payroll administration to ensure that efficient and effective payroll administration	Commencement of the payroll monthly payroll adjustments within the prescribed time frames.	Payroll Monthly adjustments are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly payroll adjustments within the prescribed time frames.	Payroll Monthly adjustments are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly payroll adjustments within the prescribed time frames.	Payroll Monthly adjustments are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly payroll adjustments within the prescribed time frames.	Payroll Monthly adjustments are received monthly as per prescribed schedule of payroll processing	Payroll Monthly adjustments are received monthly as per prescribed schedule of payroll processing
improve compliance with adopted policies and collective agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements
Training of unemployed graduates	Number of graduates	228 x graduates trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	3	2	3	33%
4 - 6	9	13	9	13	30%
7 - 9	3	4	3	4	25%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	13	20	12	6	30%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.26.4

R'000						
Details	Year 2016/17		Year 2017/18			
	Actual		Original Budget	Adjustment Budget	Actual	Variance to Budget
Budget						0%
Total Operational Revenue						
Expenditure:	4 943 124.66		6 169 750.09	6 601 632.59	5 742 895.48	-7%

Employees	-	-	-	-	0%
Repairs and Maintenance	-	-	-	-	0%
Other	4 943 124.66	6 169 750.09	6 601 632.59	5 742 895.48	-7%
Total Operational Expenditure	4 943 124.66	6 169 750.09	6 601 632.59	5 742 895.48	-7%
Net Operational Expenditure					T 3.26.5

Achievements:

Organogram approved by the Council on the 30 May 2018

Performance agreements for all section 56 managers.

ANDM developed and adopted a workplace skills plan for the 2017/18 financial year.

Information And Communication Technology Services

ICT Infrastructure Assessment

Hardware and software evaluation

Improve operational efficiency and ICT diversity management

Assist municipality in making informed decisions when procuring systems/technology specifications to meet current and planned requirements

Provide guidance and information on proposed standards

ICT Projects for 16/17 Financial Period

Municipal Licenses and SLAs

All ICT licenses that were due for renewal during the 2017/18 financial period were renewed together with their Service Level Agreements. It should be noted all municipal systems including software's and applications has to be legit and licenced in compliance with ICASA regulations relating to ICT systems licencing. The municipal ICT infrastructure has to run on latest technologies with latest system patches/version and being maintained and supported.

Implementation of EDRMS

EDRMS (Electronic Documents and Records Management System), this project seek to achieve an integrated system for both Document management (paperless workflows) and Records Management (Audit of records and scanning of critical for electronic archiving), Data Security (DriveLock), supply and installation of enabling infrastructure and development of Policies and Strategies thereof. These are major components of the project, all these components are critical for the success of the project.

All Workflows were implemented and tested successfully and the required additional licenses have been procured to allow 25 concurrent logins on the system. This process will contribute to paperless work execution processes.

Information Security Software: document security software deployment has been installed and tested successfully all policy amendments and change management processes have been concluded.

Records Scanning: The scanning component of the project has been completed; there will be a rollout training for all relevant departments that will be regularly creating, saving, modifying, archiving and retrieving the municipality's records management system.

Implementation OF MASTER Systems Plan AND ICT Strategy

ICT Strategy has been developed and adopted by council and implemented. Master System Plan is also in place and implemented. Master Systems Plan is pronouncing very loud on the issue of Regional Broadband implementation and ANDM stand on Green Project. ANDM Council as per the report from ICT Governance Committee has approved plans to pursue Regional Broadband implementation in the region. ICT Strategy has been the guiding strategy for all ICT Projects including support to LMs, this is informed by the fact that ANDM strategy also encapsulates inputs from Local municipalities.

Municipal Backup and Monitoring

Backup of daily activities remains a critical component of the municipal business continuity and records keeping. This includes monitoring of automated backup process and testing of data integrity. Backup is used reservoir of the institution, The backup solution provides Business Continuity and immediate recovery from disaster. It can also be used during data terrorism resulting to crash of systems and loss or damage of information. The solution places confidence that the municipality will be able to continue with its business post disaster with speedy recovery.

ICT Community Centres Support and Maintenance

Six (6) ICT Community centres have been established in the district in responding to the call that was made in 2007 by South African Government when they resolved on building of an information society. The ICT unity is tasked with the responsibility of managing these centres to ensure that they are effectively utilized by communities and maintained. ICT is providing support on a monthly basis to ensure that they do not run into white elephants and hubs of criminals. Matatiele and Ntabankulu ICT Community Centres are fully utilized by the communities. Mbizana and Mount Ayliff Centres are having a challenge of electric power supply which is already communicated with Local Municipalities accounting officers requesting their intervention.

Table 49: ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	16/17		17/18		17/18	18/19		
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective: Optimize systems, administration and operating procedures									
SLA Maintained and renewed Software licenses	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals

								als	
ICT Community Centre Support and Maintenance	Establishment of ICT Community Centres	Establishment of ICT Community Centres. Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Establishment of one Community Centre

ICT Division for the financial year 2017/2018 reduced the downtime for all networks and network support was provided to all departments and the turnaround time for handling queries was reduced.

All the hardware and software licenses were updated so that ANDM ICT environment is secured and protected from external attack.

Job Level	Year 2016/17	Year 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0%
4 - 6	5	6	4	3	75%
7 - 9	0	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	5	5	5	6	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.
T3.27.4

Admin Support Projects for 17/18 Financial Period

Records management

Centralized and scanning of Municipal Document: Collection of municipal all available documents from all department was done and recorded accordingly except documents from the office of the speaker and mayor have not been made available. Scanners have been delivered, records scanning has been done.

Classification system; File Plan, Record Procedure manual and Records Management Policy have been approved by Provincial Archives and the Council. Procedure manual rollout was done to all satellite.

Sorting of document for disposal and appraisal: Document were prepared, sorted for disposal and appraisal. The disposal of documents is awaiting approval by Council.

Training; IDMS and admin officers were trained on electronic records management system

Cleaning Services

Appointment of service provider: All tender processes were conducted and Service provider Hlubi Engineers was appointed to deliver cleaning material for (1) year.

Policy: Cleaning services Policy has been approved by Council.

Security Services

Appointment of service provider: All tender processes were conducted and the following service providers wer appoited – DLS Security Services ,Phiko Security Services, Dodop Security and Cleaning services, Uyabonwa Security Services. SLA's were developed and signed by the office of the Municipal Manager also signed by Service provides

Challenge: Electricity issue and fencing is a challenge in most of sites and lack of water. Short fall of budget. Policy has been developed and adopted by Council.

Security Infrastructure

Installation of CCTV cameras in the main office ANDM: Implementation of CCTV cameras failed due to unavailability of funds. The Project is budgeted for 2018/19 Budget.

Draft SLA was developed and sent to SCM for implementation.

Printing Services

The contract of the current service provider has been expired on May 2017 and extended for 6 months which will end in the month of November 2017. SCM processes and service provider has been appointed

RISK MANAGEMENT

Alfred Nzo District Municipality has established Risk Management processes for identification, analysing & evaluating, monitoring and communication of risks. Integrated Risk Management Framework was also established to guide operation of risk management practises across of the municipality. Municipal wide Risk Assessment was also conducted to identify high risk areas and also for the preparation of Risk Based Internal Audit Plan. Risks registers were also compiled based on the outcomes of the risk assessments.

Table 51: Employees					
Job	Year 2016/17		Year 2017/18		
Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	
4 - 6	2	2	2	0	
7 - 9	0	0	0	0	NOT ON ORGANOGRAM
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	NOT ON ORGANOGRAM
Total	0	0	0	0	NOT ON ORGANOGRAM

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

T 3.28.4

I: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Table 52: Organisational Transformation and Institutional 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;	623	509	18.3%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	8	5	62%	Chief of staff was not budgeted for. Strategic manager and Council secretary were advertised but were withdrawn pending Review of organizational structure.
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	1	1	100%	Supply Management Process
4	Percentage of Managers in Technical Services with a professional qualification	Planners, Technicians Engineers	5	55.5%	In progress of registration
5	Level of PMS effectiveness in the DM – (DM to report)	Section 56 and level 2 and 3 Managers = 43	42 Manager signed their performance agreements and 23 Managers have been assessed . The rest are	53 .5%	Assessments in progress.

			scheduled to be assessed.		
6	<i>Level of effectiveness of PMS in the LM – (LM to report)</i>				
7	<i>Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term</i>	185	85	45.95	<i>Supply management processes</i>
8	<i>Percentage of councillors who attended a skill development training within the current 5 year term (For 2017/-2018)</i>	23	9	39%	<i>Supply Chain Management Processes</i>
9	<i>Percentage of staff complement with disability</i>	509	5	1%	
10	<i>Percentage of female employees</i>	509	239	47%	
11	<i>Percentage of employees that are aged 35 or younger</i>	509	260	51.38%	
12	<i>Adoption and implementation of a District Wide/ Local Performance Management System</i>	60	60	100%	

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

The indicators below are performed by Local municipalities:

- Electricity
- Road maintenance
- Waste management
- Housing & Town Planning Services

Table 53: Annual performance as per key performance indicators in water services

	<i>Indicator name</i>	<i>Total number of household expected to benefit</i>	<i>Estimated backlogs (actual numbers)</i>	<i>Target set for the FY under review (actual numbers)</i>	<i>Number of HH/customer reached during the FY</i>	<i>Percentage of achievement during the year</i>
1	<i>Percentage of households with access to potable water</i>	178 347	107 008	9589	71339	
2	<i>Percentage of indigent households with access to free basic potable water</i>	7741	99715	9589	71339	
3	<i>Percentage of clinics with access to potable water</i>	-		No target set		
4	<i>Percentage of schools with access to potable water</i>	-		No target set		
5	<i>Percentage of households in formal settlements using buckets</i>	COMPLETED				

Table 54: Annual performance as per key performance indicators in sanitation services

	<i>Indicator name</i>	<i>Total number of household/customer expected to benefit</i>	<i>Estimated backlogs (actual numbers)</i>	<i>Target set for the f. year under review</i>	<i>Number of HH/customer reached</i>	<i>Percentage of achievement during the year</i>
1	<i>Percentage of households with access to sanitation</i>	178 347	58 855	1 356	119 492	

	services					
2	Percentage of indigent households with access to free basic sanitation services	66415	98574	1 356	119 492	
3	Percentage of clinics with access to sanitation services			No target set		
4	Percentage of schools with access to sanitation services			No target set		

FINANCIAL VIABILITY AND MANAGEMENT

Table 56: Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	100%	75,4%	75,4%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	35%	33,6%	33,6%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	20%	20%	20%
		Target set for the year (40% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	40%	35%	35%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	30%	-23%	-23%
6	Percentage of MIG budget appropriately spent	100%	100%	100%
7	Percentage of MSIG budget	100%	100%	100%

	<i>appropriately spent</i>			
8	AG Audit opinion	Unqualified Audit Opinion	Qualified Audit Opinion	80%
9	Functionality of the Audit Committee			
10	Submission of AFS after the end of financial year	31 August 2017	31 August 2017	100%

Table 56: Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	100%	75,4%	75,4%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	35%	33,6%	33,6%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	20%	20%	20%
		Target set for the year (40% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	40%	35%	35%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	30%	-23%	-23%
6	Percentage of MIG budget appropriately spent	100%	100%	100%
7	Percentage of MSIG budget appropriately spent	100%	100%	100%
8	AG Audit opinion	Unqualified Audit Opinion	Qualified Audit Opinion	80%
9	Functionality of the Audit Committee			
10	Submission of AFS after the end of financial year	31 August 2017	31 August 2017	100%

Table 57: Annual performance as per key performance indicators in Good Governance and Public Participation				
No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	N/A		
2	% of ward committees that are functional	N/A		
3	Existence of an effective system to monitor CDWs	N/A		
4	Existence of an IGR strategy	1	1	100%
5	Effective of IGR structural meetings	8	8	100%

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

6	Existence of an effective communication strategy	1	1	100%
7	Number of mayoral imbizos conducted	12	24	200%
8	Existence of a fraud prevention mechanism	4	2	50%

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(Performance Report Part II)

A: Introduction To The Municipal Personnel

4.1 Employee Totals, Turnover And Vacancies

Table 58 : Employee Totals, Turnover and Vacancies					
Description	Year 2016/17	Year 2017/18			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	331	331	127	189	57%
Waste Water (Sanitation)	-	-	-	-	%
Electricity	-	-	-	-	%

Table 58 : Employee Totals, Turnover and Vacancies

Description	Year 2016/17	Year 2017/18			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
Waste Management	-	-	-	-	%
Housing	-	-	-	-	%
Waste Water (Stormwater Drainage)	-	-	-	-	%
Roads	-	-	-	-	%
Transport	-	-	-	-	%
Planning & Local Economic Development	22	21	11	10	44%
Local Economic Development	-	-	-	-	%
Environmental Protection	-	-	-	-	%
Sport and Recreation	4	4	4	0	0%
Totals	357	356	132	199	55,89%

Table 59: Vacancy Rate: Year 55,89%

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	4	0	0.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	78	23	29.48%
Section management: Level 2-3 (excluding finance)	38	16	42.1%
Section management: Levels 2-3 (Finance posts)	08	1	12.5%
Highly skilled supervision: Task Grade 9-13 (excluding Finance posts)	83	23	28%
Highly skilled supervision: Task Grade 9-12 (Finance posts)	26	09	34.61%
Total	239	72	30.12%

Table 60: Turn-over Rate

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2 (2015/16)	0	0	
Year -1 (2016/17)	93	84	%
Year 0 (2017/18)	44	69	%

B: Managing The Municipal Workforce

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

4.2 Policies

Table 61: HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%		30-May-18
2	Attraction and Retention	100%		30-May-18
3	Code of Conduct for employees	100%		30-May-18
4	Delegations, Authorisation & Responsibility	100%		30-May-18
5	Disciplinary Code and Procedures	100%		30-May-18
6	Essential Services	100%		30-May-18
7	Employee Assistance / Wellness	100%		30-May-18
8	Employment Equity	100%		30-May-18
9	Termination Policy	100%		30-May-18
10	Grievance Procedures	100%		As per Collective Agreement
11	Human Resource and Development	100%		30-May-18

Table 61: HR Policies and Plans

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
12	Leave	100%		30-May-18
13	Occupational Health and Safety	100%		30-May-18
14	Organisational Development and Job Evaluation	100%		30-May-18
15	Subsistence and Travelling	100%		30-May-18
16	Municipal Bereavement	100%		30-May-18
17	Official Working Hours and Overtime	100%		30-May-18
18				
19				
20				
21	Organisational Rights			
22	Performance Management Framework	100%		30-May-17
23	Remuneration Policy	100%		30-May-17
24	Training Development Policy	100%		30- May-17
25				

Table 61: HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
26				
27				
28				
29				
30				
31				
32				
33	Other:			30-May-18
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.3 Injuries, Sickness And Suspensions

Table 62: Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R0.00

Required basic medical attention only	0	0	%	0	None
Temporary total disablement	0	0	%	0	None
Permanent disablement	0	0	%	0	None
Fata	0	0	%	0	None
Total	-	-	-	-	-

Table 63: Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	121	63%	69	273	21.00	R 689 578.35
Skilled (Levels 3-5)	147	42%	95	101	0.25	R 252 251.32

Highly skilled production (levels 6-8)	136	38%	55	132	0.23	R 313 215.04
Highly skilled supervision (levels 9-12)	101	23%	27	36	0.17	R 222 523.21
Senior management (Levels 13-15)	52	3%	11	36	0.09	R 534 221.24
MM and S57	19	0%	3	8	0.03	R 235 729.35
Total	576	28%	260	586	0.98	R 2 247 518.51
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

Average Number of Days Sick Leave (excluding IOD)

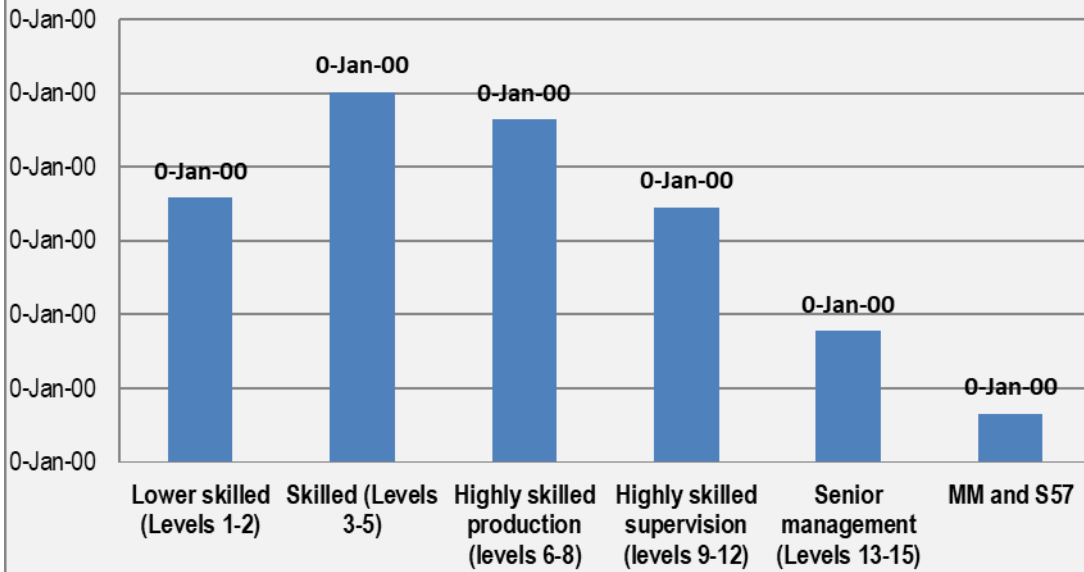


Table 64: Number of period of suspensions

Positions	Nature of alleged Misconduct	Date of suspension	Details of Disciplinary action taken or status of case and reasons why not finalised	Date finalised
None	None	None	None	None

Table 65: Performance Rewards By Gender

Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
				R' 000	0%
Lower skilled (Levels 1-2)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Skilled (Levels 3-5)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Highly skilled production (levels 6-8)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Highly skilled supervision (levels 9-12)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Senior management (Levels 13-15)	Female		0	R0.00	0%
	Male		0	R0.00	0%
MM and S57	Female		0	R0.00	0%
	Male		0	R0.00	0%
Total				R0.00	0%
Has the statutory municipal calculator been used as part of the evaluation process?					Yes/No

<p>Note: MSA 2000 S51 (d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</p>	<p>T 4.4.1</p>
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C: Capacitating The Municipal Workforce

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

4.5 Skills Development And Training

Table 66: Skills Matrix						
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0 (2017/18)			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total

		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	3	0	0	0	0	0	3	0	1	3	0	1	3
	Male	2	0	0	0	0	0	2	0	1	2	0	1	2
Councillors , senior officials and managers	Female	23	0	0	0	3	6	22	8	18	22	1	18	22
	Male	24	0	0	0	61	85	270	85	0	0	61	85	270
Technicians and associate professionals*	Female	40	4	5	40	15	12	40	0	0	0	16	17	40
	Male	50	11	9	50	23	14	40		2	6	2	3	6
Professionals	Female	39	0	0	0	4	4	39	4	4	39	4	4	39
	Male	37	0	0	0	7	3	37	3	3	37	7	3	37
Sub total	Female	239	4	5	40	19	16	79	4	4	39	20	21	79
	Male	270	11	9	50	91	102	347	88	5	43	70	91	313
Total	39	39	0	0	0	31	39	39	0	0	0	31	39	39
*Registered with professional Associate Body e.g. CA (SA)														T

Table 66: Skills Matrix

Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0 (2017/18)										
			Learnerships			Skills programmes & other short courses			Other forms of training			Total	
			No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1
												4.5.1	

Table 67: Financial Competency Development: Progress Report*

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	14	0	14	0	0	0
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1

Senior managers	5	0	5	5	5	5
Any other financial officials	8	0	8	0	0	0
Supply Chain Management Officials	8		8	0	0	0
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	38	0	38	7	7	7
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Table 68: Skills Development Expenditure										
R880215.85										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget

MM and S57	Female	3	0	0						
	Male	3	0	0				19908		19908
Legislators, senior officials and managers	Female	33	0			40222.50		103685		143907.50
	Male	47	0			5131.80		110988		116119.80
Professionals	Female	58	0			23686		136260		159946
	Male	38				7117.70		30803		37920
Technicians and associate professionals	Female	27				49842		15471		65313
	Male	69				45476				45476
Clerks	Female	62						5905		5905
	Male	20				10000		7881		7881
Service and sales workers	Female	22				29217		10000		39217
	Male	23				15600				15600
Plant and machine operators and assemblers	Female	3				125895				125895
	Male	21				53955				53955
Elementary occupations	Female	25								
	Male	72								
Sub total	Female	174		242500		416372		120000		778872

	Male	189				50280		33500		83780
Total		363	0	242500	0	1113152	0	153500		1509152
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

D: Managing The Workforce Expenditure

4.6 Employee Expenditure

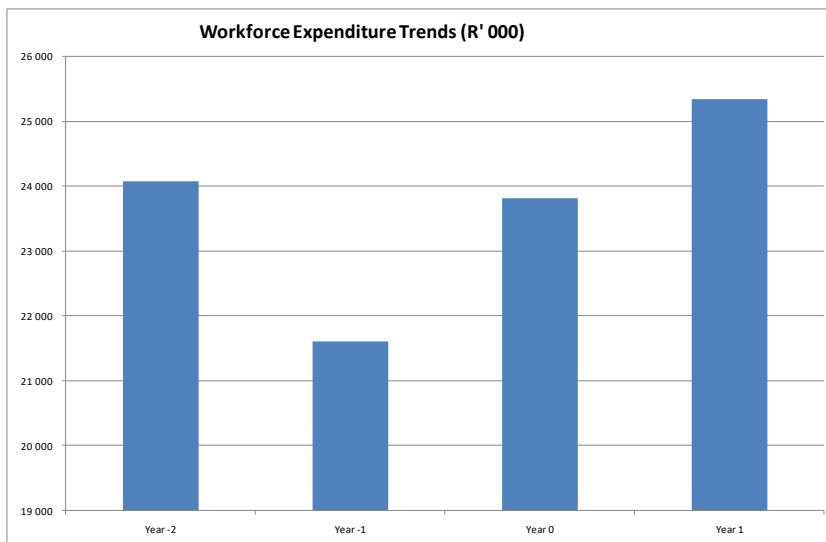


Table 69: Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0
Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).		T 4.6.2

Table 70: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Secretary	3	Task Grade 5	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Gender Coordinator	1	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Expenditure Clerk	1	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Administration clerk	1	Task Grade 6	Level 9	The employee has already reached the ceiling by the time job evaluation was implemented
Records Officer	1	Task Grade 9	Level 7	The employees have already reached the ceiling by the time job evaluation was implemented
Registry Clerk	1	Task Grade 6	Level 9	The employee has already reached the ceiling by the time job evaluation was implemented
Customer Care Officer	4	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
SPU Co-ordinators	4	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Driver / Messenger	1	Task Grade 4	level 9	The employee has already reached the ceiling by the time job evaluation was implemented
Senior HR Officer :	1	Task Grade 10	Level 4	The employees have already reached the ceiling by the time

Table 70: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Wellness				job evaluation was implemented
Senior Accountant Payroll	1	Task Grade 12	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Accountant Payments	1	Task Grade 11	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
General Assistant maintenance	21	Task Grade 5	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Meter Reader	13	Task Grade 6	Level 12	The employees have already reached the ceiling by the time job evaluation was implemented
Desktop Engineers	1	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Data Capturer	5	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Accountant Credit Control	1	Task Grade 11	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Payroll Clerk	2	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Receiving & Issuing CLERK	7	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented

Table 70: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Stores Clerk	1	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
				T4.6.3

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

A: Statements Of Financial Performance

5.1. Introduction to Financial Statements

ANDM has been under duress during the financial year 2016/2017 due to cash-flow constraints, this has however improved in the 2017/2018 financial year which reflects a positive cash flow. The municipality still continues with the task of ensuring that municipality continues to operate whilst trying to build the depleted reserves. The budget for the year was developed to address the issues of creditors that were long outstanding.

A turnaround strategy was developed and adopted by council as a management tool to ensure that the finances of the municipality are well managed. Furthermore, Council adopted Cost Cutting Measures that were implemented during the year 2016/2017 financial years. The implementation of cost cutting measures have assisted the municipality to somewhat regain a better financial position albeit the financial position is not yet strong. It is anticipated that the municipality will be back to standard by the year 2020.

The municipality is rural with a high rate on unemployment, which in its nature is a source of a low revenue base. There is therefore a high rate of indigence. This has a negative impact on own revenue collection for providing services. The cost of providing the services is extremely higher than the revenue derived from the service. This is further exasperated by lack of infrastructure in the rural areas. This is mainly due to service delivery backlogs that the district municipality has over the years. Also, due to the rural nature of the district municipality, we rely heavily on government grants as we have a low revenue base.

In line with the provisions of the Division of Revenue Act (DORA), the district municipality anticipates to receive such grants over the foreseeable future as we maintain a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the district municipality, the municipal council adopted a Revenue Enhancement Strategy that is currently being implemented in line with the implementation plan. In line with this the meter audit with an objective of replacing all meters not working and considering prepaid meters for the district.

The effective and efficient implementation of the strategy depends on the availability of funds; ANDM requires additional funds to implement the strategy.

Alfred Nzo District Municipality has developed the supply chain management policy and is being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

ANDM is currently GRAP compliant; providing rules that require the municipality to maintain its financial accounts to ensure comparable and more informative for the municipality. It also ensures that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications

The municipality has improved from qualified audit opinion in year 2017 and has received an unqualified audit opinion.

The municipality will develop an audit action plan to address the matters emphasised on the audit report to ensure that clean audit opinion is approved.

A strategic planning session was held in December 2018 to address issues of IDP implementation, Budgets and SDBIP implementation and review. The strategic planning session will also address issues of ANDM audit outcomes, performance and a coordinated approach to compliance, service delivery and overall financial management.

STATEMENT OF FINANCIAL POSITION – FOR THE YEAR ENDED 30 JUNE 2018

Assets

Assets		
Current Assets		
Inventories	10,772,899	8,139,021
Receivables from exchange transactions	49,878,241	22,173,065
Receivables from non-exchange transactions	1,273,135	1,053,251
VAT receivable	27,909,410	21,909,269
Cash and cash equivalents	94,661,103	9,893,610
	184,494,788	63,168,216
Non-Current Assets		
Property, plant and equipment	3,586,954,168	3,175,408,625
Intangible assets	2,821,545	2,836,471
Heritage assets	131,100	131,100
Investments in controlled entities	100	100
Long Term Receivables	-	244,496
Investments		
	7,318,659	6,615,159
	3,597,225,572	3,185,235,951
Non-Current Assets	3,597,225,572	3,185,235,951
Current Assets	184,494,788	63,168,216
Total Assets	3,781,720,360	3,248,404,167

Liabilities		
Current Liabilities		
Finance lease obligation	-	8,205,675
Operating lease liability	175,570	121,696
Payables from exchange transactions	129,127,129	179,780,613
Unspent conditional grants and receipts	2	405,122
Provisions	897,048	1,097,790
Current Portion of Long Term Loan	952,631	892,645
Payables from Non Exchange Transaction	378,373	376,458
	131,530,753	190,879,999
Non-Current Liabilities		
Provisions	6,660,419	6,086,462
Long Term Loan	6,669,086	7,408,437
	13,329,505	13,494,899
Non-Current Liabilities	13,329,505	13,494,899
Current Liabilities	131,530,753	190,879,999
Total Liabilities	144,860,258	204,374,898
Assets	3,781,720,360	3,248,404,167
Liabilities	(144,860,258)	(204,374,898)
Net Assets	3,636,860,102	3,044,029,269
Accumulated surplus	3,636,860,102	3,044,029,269

The statement of financial position reflects a total assets of R3, 7 Billion as at 30 June 2018 with total liabilities of R144 Million. However the statement further reflects current liabilities of R131 Million, whilst current assets are reflected at R184 Million. This is considered a massive improvement considering the fact that the current liabilities were R190 Million in the previous financial year whilst current assets were R 63 Million.

The above statement of financial position further reflects an increase in non-current assets of R 533 million, which is 14% of the total net assets. This is an indication of an increase in service delivery through capital expenditure during the financial year, 2018.

Statement of Financial Performance for the year ended 30 June 2018

Statement of Financial Performance for the Period Ended 30 June 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	23	35,697,756	14,745,947
Rental of facilities and equipment	24	344,695	454,897
Agency services	29	173,800	26,323
Reversal of Provision for Impairment	30	8,309,918	-
Other income	25	882,785	2,171,278
Interest received - investment	26	25,263,602	17,847,268
Actuarial gains	-	-	184,738
Total revenue from exchange transactions		70,672,556	35,430,451
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	28	1,023,247,897	957,611,832
		70,672,556	35,430,451
		1,023,247,897	957,611,832
Total revenue	22	1,093,920,453	993,042,283
Expenditure			
Employee related costs	31	(229,115,772)	(222,606,790)
Remuneration of councillors	32	(9,803,063)	(8,804,757)

Litigation Expenditure	33	(2,814,985)	(2,862,667)
Depreciation and amortisation	34	(73,084,417)	(65,966,475)
	35	(1,723,03)	(2,518,719)
Finance costs			
Lease rentals on operating lease		(1,111,256)	(2,817,747)
Provision for Debt Impairment	36	(244,496)	(6,032,348)
Bulk purchases	37	(7,965,560)	(6,480,389)
Contracted services	38	(40,051,069)	(46,682,878)
Transfers and Subsidies	27	(17,888,335)	(101,235,681)
Repairs and Maintenance		(33,439,048)	(70,240,833)
Actuarial losses		(46,801) -	
Loss on Disposal		(3,574,831)	(1,117,447)
General Expenses	39	(80,631,450)	(135,300,824)
Total expenditure		(501 494 114)	(672 667 555)
Total revenue		1,093,920,453	993,042,283
Total expenditure		(501,494,114)	(672,667,555)
Operating surplus/deficit		-	-

GRANT PERFORMANCE FOR THE YEAR 2018

The municipality spend all its conditional grants as indicated in the Division of Revenue Act.

Abbreviations

FMG - Finance Management Grants

MSIG - Municipal Systems Improvement Grant

EPWP - Expanded Public Works Programme

MIG - Municipal Infrastructure Grants

WCDM - Water Conservation and Water Demand Management

ISDG - Infrastructure Skills and Development Grants

MWIG - Municipal Water Infrastructure Grants

Analysis on Grants Performance

Equitable share was not received in full. An amount of R9million for the MIG Grant was deducted due to the usage of the grant outside its conditions. Furthermore and amount of R405 000 for the ISDG grant was deducted, which was an unapproved roll over amount by National Treasury.

Regional Bulk Infrastructure Grants, MIG, WSOG, are infrastructure grants and were spent at 100% during the 2018 financial year.

ISDG, had an amount of R1, 1 million which was unspent.

Below is a detail of grants received for the years 2017 and 2018

29. Government grants and subsidies

Operating grants

Equitable share	437,586,120	387,046,635
Finance Management Grant	1,795,000	1,460,000
Local Government SETA	112,338	649,525
National Heritage Grant	-	405,000
Human Settlements	22,715,146	-
Energy Efficiency and Demand Management	5,000,000	8,000,000
Rural Housing	-	1,327,253
Expanded Public Works Programme	10,279,995	6,006,001

Water Services Operation Grant	109,999,999	101,171,000
Municipal Infrastructure Grant	373,843,229	361,497,000
Regional Bulk Infrastructure Grant	53,457,815	83,297,538
Department of Transport	2,285,000	2,157,000
Infrastructure Skills Development Grant	4,260,659	4,594,880
	1,021,335,301	957,611,832

5.3 ASSET MANAGEMENT

5.3.1 INTRODUCTION TO ASSET MANAGEMENT

Alfred Nzo District Municipality has developed sound financial management improvement processes by implementing sound asset management practices as required by the MFMA and GRAP. As asset management is seen as being central to providing required services in a cost - effective, efficient and transparent manner.

Alfred Nzo District Municipality created a mechanism to coordinate various national initiatives for the benefit of municipality. Various mutually supporting guidelines have been aligned. These include:

NT issued:

Asset Management Framework

- ✚ *Local Government Capital Asset Management Guideline*
- ✚ *The DPLG "Guidelines for Infrastructure Asset Management in Local Government"*
- ✚ *Sector specific guidelines on how asset management principles would be applied for efficient, effective and economical management of sectorial assets:*

Verification and Valuation of Major Water Infrastructure Assets

Department of Water and Forestry Affairs (DWAF);

International Infrastructure Management Manual co-authored by Institute of Municipal Engineering of Southern Africa IMESA; and

National Infrastructure Maintenance Strategy (NIMS) managed by Department of Public Works (DPW).

5.3.2 SCOPE

The MFMA has made NT responsible for providing support for the implementation of the Act, the setting of standards and guidelines as well as building capacity. This guideline is aimed at supporting the implementation of the MFMA, specifically, section 63. The asset management requirements include:

Key asset management functions such as:

- ✚ *safeguarding assets,*
- ✚ *maintaining assets,*

- ✚ *Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;*
- ✚ *Asset valuation principles in accordance with GRAP;*
- ✚ *Establishing and maintaining systems of internal controls over assets;*
- ✚ *Establishing and maintaining asset registers;*
- ✚ *Clarifying responsibilities and accountabilities for the asset management process.*

The accounting and reporting principles governing capital assets are covered in more detail in standard specific guidelines and should be referred to in conjunction with the Local Government Capital Asset Management Guideline (LGCAMG). Examples of accounting standards that cover assets are:

- ✚ *GRAP 17 on Property, Plant & Equipment (PPE)*
- ✚ *GRAP 16 on Investment Properties*
- ✚ *GRAP 102 on Intangible Assets*
- ✚ *GRAP 100 on Non-current Assets Held for Sale and Discontinued Operations*
- ✚ *GRAP 101 on Agricultural Activities*
- ✚ *IAS 36 on Impairment of Assets.*

Other relevant accounting standards are:

- ✚ *GRAP 12 on Inventories*
- ✚ *GRAP 11 on Construction Contracts.*

This guideline is based on the currently promulgated standards and policies and therefore does not discuss in detail future developments in the field of current cost accounting and regular revaluations of assets to current replacement values.

ANDM, has implemented these policies and standards, an asset management policy that is in line with all these requirements has been implemented. The policy is used as a guide to addresses the first essential steps in asset management relating to the identification, recognition and recording of all existing assets and new acquisitions. This culminates in the establishment of credible and accurate data bases in asset registers that facilitates the implementation of Section 63 of the MFMA.

5.3.3. STATUTORY FRAMEWORK

The statutory framework for this Guideline is:

- The Constitution of the Republic of South Africa, 1996
- ✚ *Municipal Systems Act, 2000*
- ✚ *Municipal Finance Management Act, 2003.*
- ✚ *The Constitution's prime mandate for Local Government is that services are provided in a sustainable manner. (Section 152)*

The MSA in sections 4(2)(d) states that a municipality has the duty to –

- ✚ *Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner.*

The Municipality integrated all the above requirements in the Asset Management policy and its reviewed annually to ensure continued compliance to the ever changing legislative frame.

5.3.4 ASSET MANAGEMENT IMPLEMENTATION

National Treasury (NT) provides standards and guidance on the financial aspects of asset management. NT further provides principles of good asset management based on best practice and the implementation thereof by municipalities. Key to the implementation is the establishment of complete and reliable asset registers. ANDM compiled an asset register based on these guidelines as well as GRAP statements. The Unit continues to support

There is a link between strategic planning, capital budgets, operating budgets and asset management plans, which informs the Integrated Development Plan (IDP) processes. It also demonstrates that all asset management issues and their management are underpinned by the IDP and Budgets.

The following table illustrates the three largest capital assets bought during the financial year, they formed additions for the financial year to the asset register. These assets are part of the two capital water projects that were completed during the financial year.

Below is an illustration of asset performance for the year 2017 and 2018

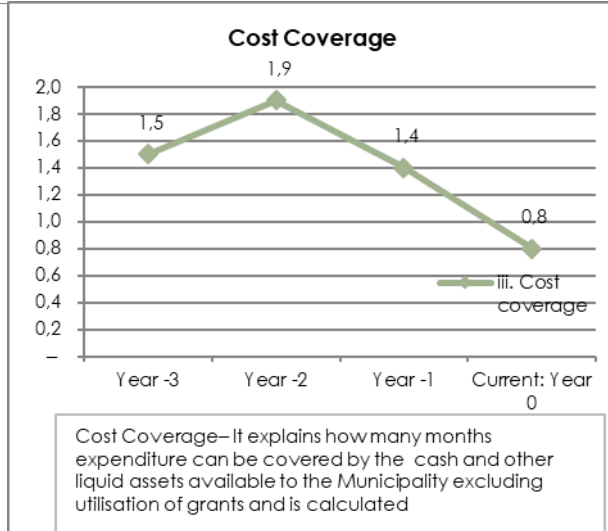
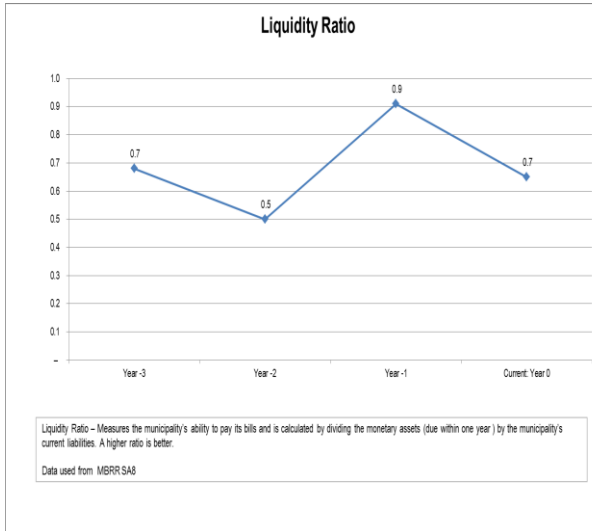
Details	Opening Balance	Additions	Adjustments	Disposal	Transfers	Depreciation	Impairment Loss	TOTAL
Land	465 000	-	-	-	-	-	-	465 000
Buildings	36 701 682	514 418	-	-	-	(1 838 797)	-	35 377 303
Other PPE	27 513 631	3 121 789	-	(4 102 410)	-	(8 714 213)	-	46 672 821
Finance Lease Assets	28 854 024	-	-	-	28 854 024	(28 854 024)	-	-
Infrastructure	1 730 243 395	-	-	-	108 594 487	(62 234 522)	-	1 776 603 359
Assets Under Construction - Infrastructure	1 351 630 893	484 799 278	-	-	(108 594 487)	-	-	1 727 835 685
Total	3 175 408 625	488 435 485	-	(4 102 410)	-	(72 787 532)	-	3 586 954 168
Intangible assets	2 836 471	283 321	-	-	-	(298 247)	-	2 821 545
Total Assets	3 178 245 096	488 718 806	-	(4 102 410)	-	(73 085 779)	-	3 589 775 713

The Municipality is currently implementing a number of capital projects and these are still in the construction phase, and have been recorded under Assets under construction (AUC), when these projects are completed, all the project costs are unbundled and assets are recorded in the asset register. The municipality has developed sound financial controls to ensure that the asset register is complete.

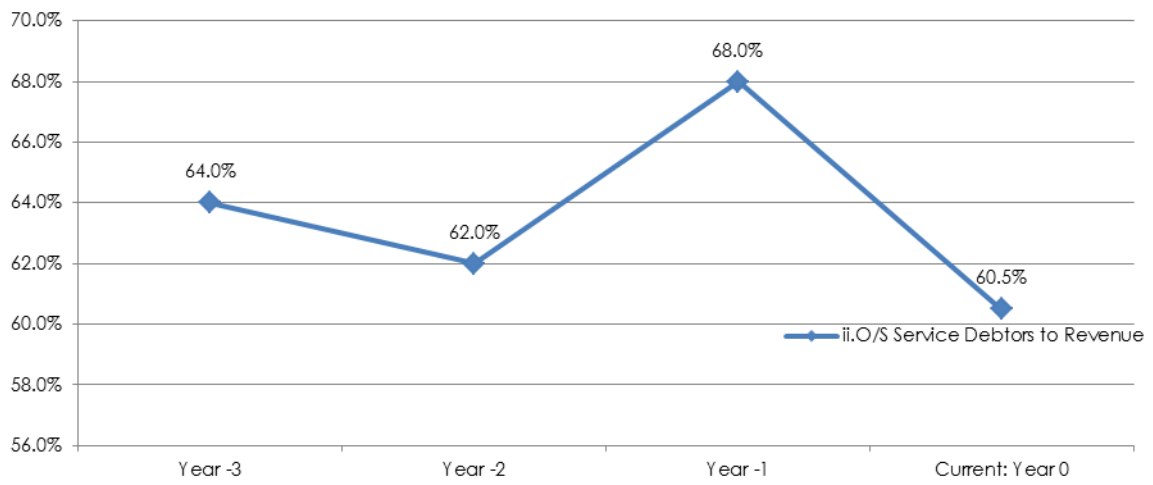
Some of the infrastructure assets of the municipality are dilapidated, these assets are maintained but there are some that need to be replaced. The municipality is in the process of engaging a service provider to assist the Municipality in the drafting of the Asset Replacement /maintenance Plan. The plan will ensure that assets are all reviewed and replaced where necessary.

Currently the municipality has budget for 4% percent on repairs and maintenance against the total infrastructure assets. Assets management is central to proving services in a cost-effective, efficient and transparent manner. In order to maximize the service potential of existing assets and to ensure that they are appropriately used, maintained, safeguarded and that risks of disruptions in service delivery are mitigated, ANDM has to increase the maintenance budget to accomplish objectives illustrated above.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



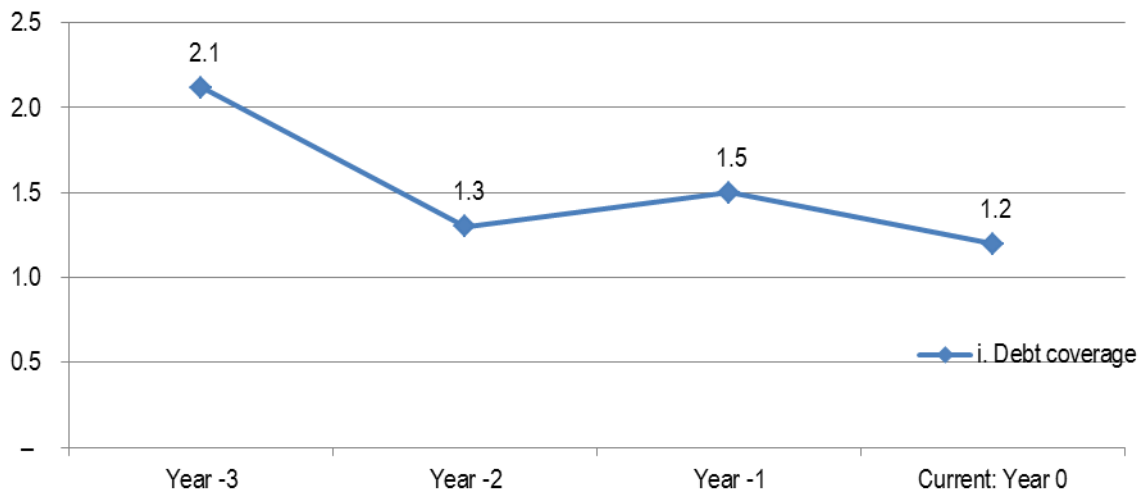
Total Outstanding Service Debtors



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

Data used from MBRR SA8

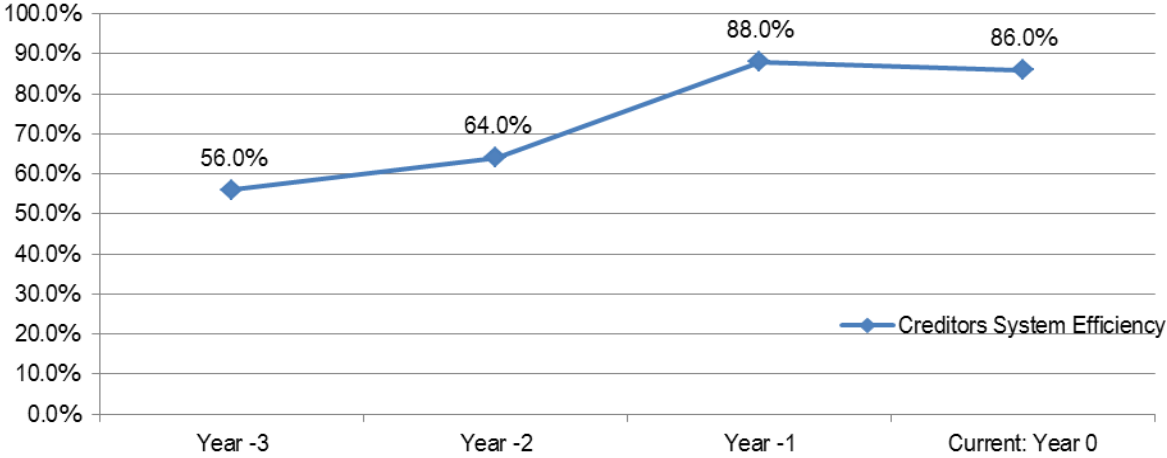
Debt Coverage



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

Data used from MBRR SA8

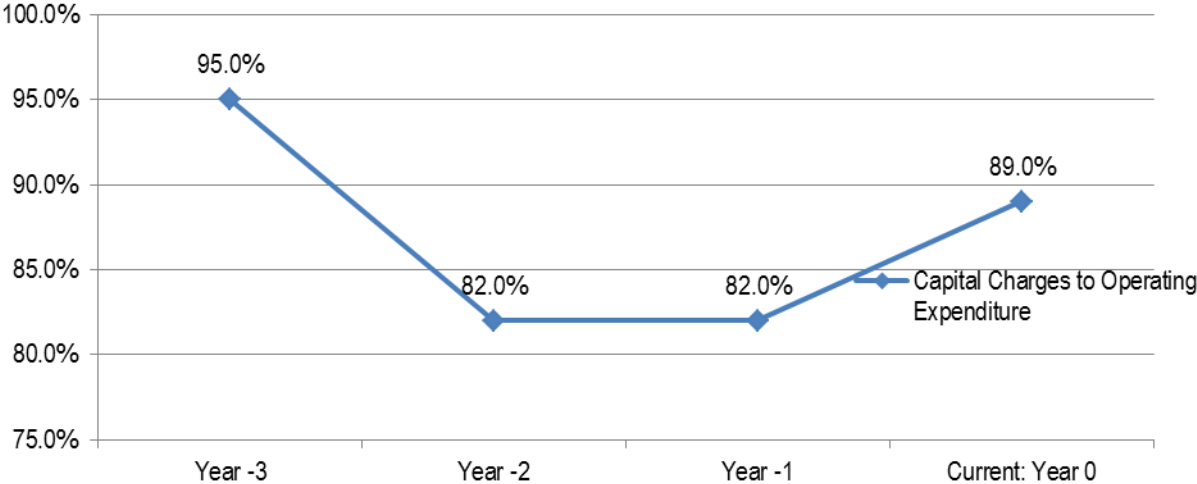
Creditors System Efficiency



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

Data used from MBRR SA8

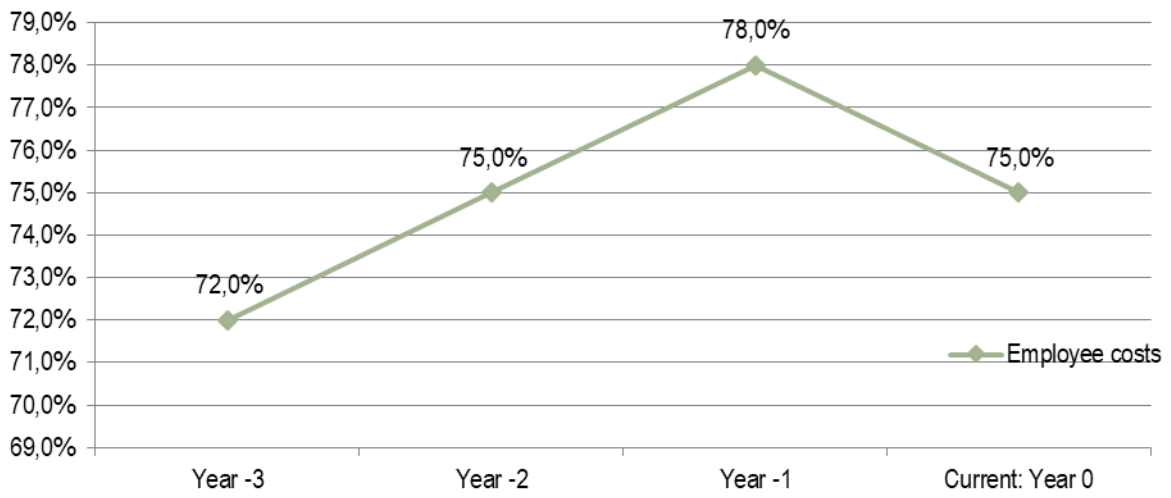
Capital Charges to Operating Expenditure



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

Data used from MBRR SA8

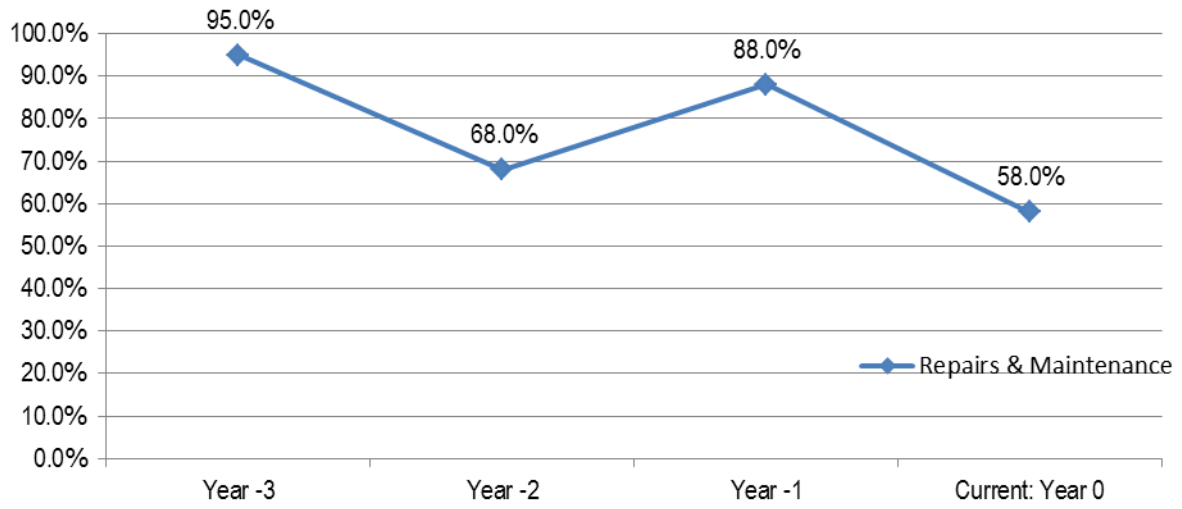
Employee Costs



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

Data used from MBRR SA8

Repairs & Maintenance

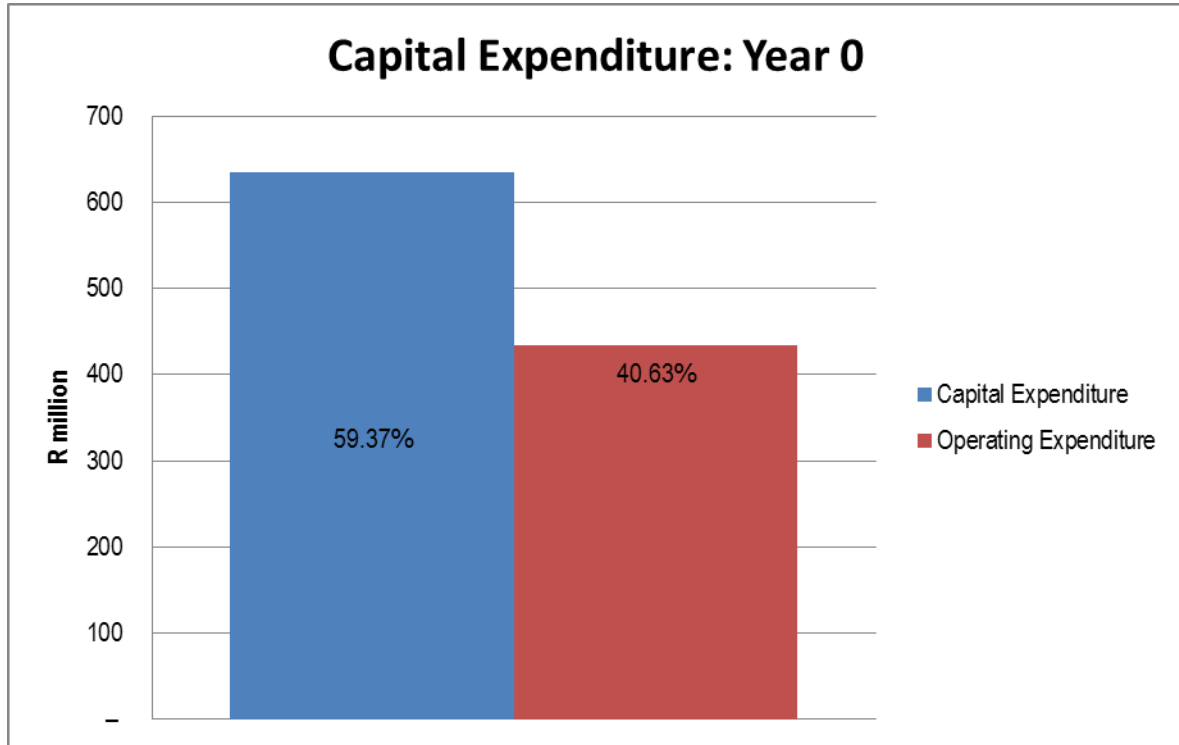


Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

5.5

CAPITAL EXPENDITURE



The graph above provides an indication of Capital and Operating expenditure for the year under review. Capital expenditure is 59.37%, whereas the Operating expenditure is 40.63%. It should be noted that not all the projects were implemented during the year under review due to the financial constraints that the municipality encountered.

5.6

SOURCES OF FINANCE

DRAFT ANNUAL BUDGET 2017 - 2018	BUDGET YR. 1	BUDGET YR.2		BUDGET YR.3
	2016/2017	2017/2018 Medium Term Revenue & Expenditure Framework		
	ORIGINAL BUDGET	PROPOSED FINAL BUDGET 2017/2018	Budget Year +1 2018/19	Budget Year +2 2019/20
DESCRIPTIONS	R		R	R
INTERNAL FUNDS (OWN REVENUE)	(38 608 920)	(36 037 251)	(38 021 375)	(40 087 572)
GRANTS -NT / PT	(717 381 000)	(565 168 000)	(615 766 000)	(609 389 000)
EQUITABLE SHARE	(387 047 000)	(437 586 000)	(511 925 000)	(557 420 000)
EXTERNAL LOAN OPERATING RESERVES / INVESTMENTS	(1 000 000 000)	-	-	-
	-	(55 000 000)	(119 525 560)	(48 896 820)
TOTAL OPERATING REVENUE	(2 143 036 920)	(1 093 791 251)	(1 285 237 935)	(1 255 793 392)

The municipality is largely grant dependent due to low revenue base. A revenue enhancement strategy was adopted by council.

5.7

CAPITAL SPENDING ON 5 LARGEST PROJECTS

The table below provides an indication of capital spending on the 5 largest capital projects implemented by ANDM. The co-funders of the listed projects below are Regional Bulk Grant, MWIG and MIG respectively.

Project Name	Description	
Mount Ayliff Peri-urban	Construction of Water Treatment Works, River abstraction, pump station and bulk main	
Matatiele Ward 7	Construction of reservoir, steel pipe, rising main, pump rising main, gravity system. Construction of internal reticulation with communal standpipes	

Kwa Bhaca Regional Water	Construction of WTW and bulk mains and reservoirs	
Fobane Water Supply	Construction of the Fobane WS Water Treatment Works - Civils works for the Kinira Drift Water Treatment Works Construction of the Fobane WS Water Treatment Works - Mechanical & Electrical installations	
Ntabankulu MWIG	Construction of waste water treatment works for Ntabankulu town sewer.	

5.8

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Water Backlogs: 50% and this percentage applies to 88614 households

Sanitation backlogs 33% and this percentage applies to 58873 households

ANDM water services backlogs are relatively high and this is due to incorporation of Mbizana and Ntabankulu Municipalities into the district. Some backlogs are due to reverse backlogs which emanates mainly from population growth and growing need for development and basic services.

The water infrastructure that is aging and dilapidated are budgeted under refurbishment of water infrastructure. The projected budget for refurbishment for year 1 is R10 000 000.00.

Service Backlogs as at 30 June Year 0

	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	89733	50	88614	50
Sanitation	119474	67	58873	33
Electricity				
Waste management				
Housing				

C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9

CASH FLOW

Cash Flow Statement

Figures in Rand	Note(s)	2018	2017 Restated*
Cash flows from operating activities			
Receipts			
Service Charges		16,281,376	13,314,514
Other Receipts		1,181,396	2,656,674
Interest income		14,842,111	8,107,691
Government Grants and Subsidies		1,022,842,777	950,118,191
		1,055,147,660	974,197,070
Payments			
Employee costs		(229,115,782)	(214,618,198)
Suppliers		(242,760,198)	(355,898,860)
Finance costs		(1,680,371)	(2,518,719)
Remuneration of Councillors		(9,803,063)	(8,804,757)
Other Payments		-	(953,311)
		(483,359,414)	(582,793,845)
Total receipts		1,055,147,660	974,197,070

Total payments		(483,359,414)	(582,793,845)
Net cash flows from operating activities	41	571,788,246	391,403,225
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(477,462,190)	(439,932,426)
Proceeds from sale of property, plant and equipment	3	-	1,551,211
Proceeds from sale of other intangible assets	4	-	40,001
Proceeds from sale of financial assets		(703,500)	-
Increase in investments		-	31,524,153
Net cash flows from investing activities		(478,165,690)	(406,817,061)
Cash flows from financing activities			
Movement in long term loan		(661,807)	(608,782)
Finance lease payments		(8,193,256)	(10,453,116)
Net cash flows from financing activities		(8,855,063)	(11,061,898)
Net increase/(decrease) in cash and cash equivalents		84,767,493	(26,475,734)
Cash and cash equivalents at the beginning of the year		9,893,610	36,369,344
Cash and cash equivalents at the end of the year	15	94,661,103	9,893,610

The municipality's cash-flow has improved from cash and cash equivalents of R9, 8 million during the 2017 financial year to R94million during the 2018 financial year.

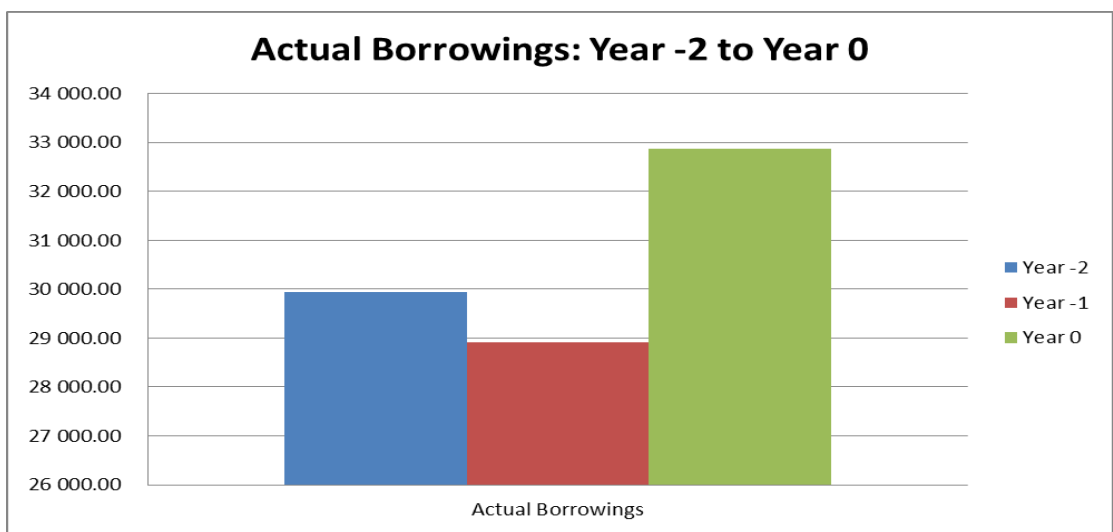
Capital Actual funding received from government amounts to R983, 8 million versus total budget of R1.1 billion as per the audited outcome, this is due to the schedule 6B grant wherein the municipality receives a portion of the allocation. The budget was then adjusted down during adjustments budget. Looking at what has been received from the grant funding versus the actual own income collected, this means that the municipality is highly dependent on grants.

Repayment of other financial liabilities is the repayment of the DBSA loan that was made to fund capital projects.

5.10 BORROWING AND INVESTMENTS

The Municipality has only one loan from DBSA obtained in 2005, no further loans were obtained during the financial period. The municipality had two loans in the 2013/2014 financial year and one of them was settled in 2015. The other second loan will be fully repaid in 2025

Actual Borrowings: Year - 2 to Year 0			
R'000			
Instrument	Year 2	Year 1	Year 0
Municipality			
Municipality Total	R 8 909 864	R 8 301 082	R 7 621 717



The following table illustrates the investments made by the Municipality in the year 2018.

Descriptions	2016/2017	2017/2018
Investments	R 7 318 659	R 6 615 159

The municipality has one long term investment which is with Nedbank. The total amount of the investment is R7,3 Million. This investment is also held as security for the DBSA loan. The municipality further owns 100% of the municipal entity which is ANDA.

D: OTHER FINANCIAL MATTERS

5.11

SUPPLY CHAIN MANAGEMENT

Supply chain management policy

Alfred Nzo District municipality has an approved supply chain management policy which is in line with section 111 of MFMA and the policy is being reviewed every year in line with prescribed regulations and policies that give guidance to supply chain management policies.

Section 117 of the MFMA, required that No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, and as such, the Alfred Nzo District Municipality Supply Chain Management policy complies with section 117 of the MFMA.

The municipality complied with the above regulation and there were no Councillors of ANDM that were members of the municipal bid committee or any other committee evaluating or approving tenders, quotations

Competency levels of officials involved in municipal supply chain management

S 119. (1) The accounting officer and all other officials of a municipality or municipal entity involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels.

(2) A municipality and a municipal entity must for the purposes of subsection (1) provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.

(3) The National Treasury or a provincial treasury may assist municipalities and municipal entities in the training of officials referred to in subsection (1).

Attached is the competence levels of all Supply Chain Management officials:

Non- Compliance with SCM Policy and Regulations Also as per Auditor General Audit Report.

- Whilst the municipality is enforcing compliance with implementation of SCM policy and SCM Regulations the following challenges have been experienced:-

Challenges	Corrective Measure
Terms of reference are submitted late by respective project Managers as per approved Procurement Plan.	Implementation of procurement should be added as a KPI for all respective Managers on the performance agreements.
None sitting of Bid Committees result in delays on appointment of service providers.	All bid Committee Member should include on their performance agreement, their sitting on respective committee
Irregular expenditure, fruitless and waste full expenditure, is not recovered from respective officials.	Control needs to be in place and communicated to all staff on consequences and steps to be followed to recover such losses.

5.12 GRAP COMPLIANCE

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

The municipality complies with GRAP standards in maintaining its financial accounts. Accounts are being prepared in accordance with the Standards of Generally Recognised Accounting Practice including any interpretations, guidelines and directives issued by the Accounting Standards Board. The municipality is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment.

There were no instances where the municipality has deviated from the GRAP standards.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General.

The municipality has received an unqualified audit opinion, with the following emphasis of matter:

- Irregular expenditure incurred during the period
- Material Water Losses
- Material Adjustments made to the Opening Balances
- Unauthorized Expenditure

T6.0.1

INTRODUCTION

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Auditor-general's has a responsibility to express an opinion on the consolidated and separate financial statements based on audit performed. The audit was conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that auditors comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The audit evidence that was obtained was sufficient and appropriate to provide a basis for **Unqualified audit opinion**.

ANDM will draw a detailed and comprehensive audit turnaround strategy and plan. Our intention and mandate is to develop and promote high quality audit turnaround strategy with clearly identified and defined audit action plans and targets with realistic timeframes. This will include departmental audit report analysis and action plan and on most significant risk areas, improvement and enhancement quality of ANDM annual financial statements and lead schedule. We will implement informative and relevant actions and encourage the Accounting Officer to appropriately perform field tests of key audit strategy through the office of ANDM internal audit.

During the January 2019 on the municipal strategic session, the accounting officer will encourage one municipal global solution to the perceived ANDM municipal audit outcomes; coordinated approach and consistency in implementation of audit turnaround will mitigate and improve our next audit report.

Signed (Accounting Officer)..... Dated.....
T6.2.5

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
Supply Chain Management	Compliance check list was developed and implemented
Governance structure	Municipal Calender was developed and implemented
Performance management	PMS is in place
<i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i>	
T 6.2.1	

B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

Auditor-General Report on Financial Performance: Year -1	
Audit Report Status*:	Qualified Audit opinion
Non-Compliance Issues	Remedial Action Taken
Supply Chain Management	Compliance check list was developed and implemented
Governance structure	Municipal Calender was developed and implemented
Performance management	PMS is in place
<i>Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
T 6.1.1	

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

<i>Accessibility indicators</i>	<i>Explore whether the intended beneficiaries are able to access services or outputs.</i>
<i>Accountability documents</i>	<i>Documents used by executive authorities to give “full and regular” 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.</i>
<i>Activities</i>	<i>The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.</i>
<i>Adequacy indicators</i>	<i>The quantity of input or output relative to the need or demand.</i>
<i>Annual Report</i>	<i>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.</i>
<i>Approved Budget</i>	<i>The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.</i>
<i>Baseline</i>	<i>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.</i>
<i>Basic municipal service</i>	<i>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.</i>
<i>Budget year</i>	<i>The financial year for which an annual budget is to be approved – means a year ending on 30 June.</i>
<i>Cost indicators</i>	<i>The overall cost or expenditure of producing a specified quantity of outputs.</i>
<i>Distribution indicators</i>	<i>The distribution of capacity to deliver services.</i>
<i>Financial Statements</i>	<i>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.</i>
<i>General Key performance indicators</i>	<i>After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.</i>
<i>Impact</i>	<i>The results of achieving specific outcomes, such as reducing poverty and creating jobs.</i>
<i>Inputs</i>	<i>All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.</i>

<i>Accessibility indicators</i>	<i>Explore whether the intended beneficiaries are able to access services or outputs.</i>
<i>Integrated Development Plan (IDP)</i>	<i>Set out municipal goals and development plans.</i>
<i>National Key performance areas</i>	<i>Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation</i>
<i>Outcomes</i>	<i>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".</i>
<i>Outputs</i>	<i>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.</i>
<i>Performance Indicator</i>	<i>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)</i>
<i>Performance Information</i>	<i>Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.</i>
<i>Performance Standards:</i>	<i>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.</i>
<i>Performance Targets:</i>	<i>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.</i>
<i>Service Delivery Budget Implementation Plan</i>	<i>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.</i>
<i>Vote:</i>	<i>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.</i>

Accessibility indicators

Explore whether the intended beneficiaries are able to access services or outputs.

Section 1 of the MFMA defines a “vote” as:

- 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*
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Mehlomakhulu S	FT	Executive Mayor	PR	100%	0%
Sello SA	FT	Deputy Executive Mayor	PR	90%	10%
Sobuthongo PT	FT	Speaker	PR	100%	0%
Tobo BN	FT	Chief Whip	PR	90%	10%
Twabu MM	FT	MPAC Chairperson	PR	90%	10%
Bosman- Magangana KJ	FT	Special Programs Unit	PR	90%	10%
Kulu S	FT	Intergovernmental Relations & Communications	PR	90%	10%
Mankahla PN	FT	Sport, Arts, Culture, Heritage, Museums & Libariess	PR	100%	0%
Mohale PA	FT	Infrastructure Development and Municipal Services	PR	90%	10%
Msokana N	FT	Corporate Services	PR	100%	0%
Nkula N	FT	Budget and Treasury Office	PR	90%	10%
Nqoko N	FT	Planning and Economic Development	PR	80%	20%
Nqatsha L	PT	Public Participation / Infrastructure Development and Municipal Services	PR	100%	0%
Pangwa K	FT	Rules, Ethics and Members Interest / Sports Arts and Culture	PR	80%	20%
Voko E	PT	ICT / Corporate Services	PR	100%	0%
Betwayo B	PT	Infrastructure Development and Municipal Services	PR	90%	10%
Bongwana N	PT	MPAC	PR	100%	0%
Cekeshe SAN	PT	Corporate Services	PR	100%	0%
Cwele N	PT	Budget and Treasury	PR	70%	30%
Dandala HN	PT	Budget and Treasury	PR	80%	20%
Dangisa SS	PT	MPAC	PR	100%	0%
Langa NT	FT	Community Development Services	PR	70%	30%
Langasiki N	PT	Sport, Arts and Culture	PR	70%	30%
Leballo WP	PT	IGR / ICT	PR	90%	10%
Maqhashalala	PT	Economic Development / Public Participation	PR	90%	10%
Mbuyelwa F	PT	IGR / ICT	PR	100%	0%
Mcambalala LG	PT	Community Development Services	PR	100%	0%
Mhlwazi Z	PT	Infrastructure Development and	W	70%	30%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
		Municipal Services			
Mkhandaniso M	PT	Municipal Public Accounts	W	90%	10%
Motjope T	FT	Budget and Treasury Office	W	100%	0%
Mzimkhulu BL	FT	SPU / Sports, Arts and Culture	PR	60%	40%
Ndamase NL	PT	Economic Development Planning	PR	90%	10%
Ngesi V	FT	Special Programmes	PR	90%	10%
Njobe N	PT	Community Development Services	W	100%	0%
Nkomo NB	PT	Economic Development and Planning / Public Participation	PR	100%	0%
Nxesi CL	PT	Special Programs	PR	80%	20%
Potwana WB	FT	Municipal Public Accounts	PR	80%	20%
Sobazile NF	PT	CPS and Public Participation	PR	90%	10%
Sontsi FP	PT	Intergovernmental Relations	PR	90%	10%

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Rules, Ethics and Members Interests Committee	This committee is responsible for ensuring the welfare of council members. The committee also ensures that discipline in council is paramount. It ensures that the ethics of the council members are upheld
Public Participation & Petitions Committee	The Public Participation and Petitions Committee is responsible for ensuring that petitions and participation are held and resolved according to the local government legislative prescripts and frameworks
Municipal Public Accounts Committee	The Municipal Public Accounts Committee provides oversight and is also responsible for scrutinising municipal performance.
Information, Communication and Technology Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Infrastructure, Development and Municipal Services Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Corporate Services Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Community Development Services	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Planning & Economic Development	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Budget & Treasury Office	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Audit Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Remuneration Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
	<i>T B</i>

Administrative Structure	
Directorate	Director/ Manager (state Tile and Name
MM's Office	Mr. Z.H. Sikhundla (Municipal Manager)
Budget and Treasury	Mrs. U.P. Mahlasela
PED	Ms. M. Bambeni (Senior Manager)
CPS	Mr. L. Matiwane (Senior Manager)
IDMS	Mr. X. Masiza (Senior Manager)
CDS	Mrs. D.N. Ngxenge (Senior Manager)

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

<i>Municipal / Entity Functions</i>	<i>Function Applicable to Municipality (Yes / No)*</i>	<i>Function Applicable to Entity (Yes / No)</i>
MUNICIPAL FUNCTIONS		
<i>Constitution Schedule 4, Part B functions:</i>		
<i>Air pollution</i>	Yes	
<i>Building regulations</i>	No	
<i>Child care facilities</i>	No	
<i>Electricity and gas reticulation</i>	No	
<i>Fire-fighting services</i>	Yes	
<i>Local tourism</i>	No	
<i>Municipal airports</i>	No	
<i>Municipal planning</i>	Yes	
<i>Disaster Management</i>	Yes	
<i>Thusong Services</i>	Yes	
<i>Customer Care</i>	Yes	
<i>Institutional and Social Development</i>	Yes	
<i>Fire safety, prevention and fighting services</i>	Yes	
<i>Sports, Arts, Culture, Recreation and Heritage</i>	Yes	
<i>Municipal Health Services</i>	Yes	
<i>Local Economic Development</i>	Yes	
<i>Integrated Development Planning</i>	Yes	
<i>Geographic Information System</i>	Yes	
<i>Dam Management</i>	Yes	
<i>Environmental Management</i>		
<i>Municipal public transport</i>		
<i>Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law</i>		
<i>Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto</i>		
<i>Storm-water management systems in built-up areas</i>		
<i>Trading regulations</i>		
<i>Water and sanitation services (including rural and urban)</i>		
<i>Beaches and amusement facilities</i>	No	
<i>Billboards and the display of advertisements in public</i>	No	

<i>Municipal / Entity Functions</i>		
<i>MUNICIPAL FUNCTIONS</i>	<i>Function Applicable to Municipality (Yes / No)*</i>	<i>Function Applicable to Entity (Yes / No)</i>
<i>places</i>		
<i>Cemeteries, funeral parlours and crematoria</i>	<i>No</i>	
<i>Cleansing</i>	<i>No</i>	
<i>Control of public nuisances</i>	<i>No</i>	
<i>Control of undertakings that sell liquor to the public</i>	<i>No</i>	
<i>Facilities for the accommodation, care and burial of animals</i>	<i>No</i>	
<i>Fencing and fences</i>	<i>No</i>	
<i>Licensing of dogs</i>	<i>No</i>	
<i>Licensing and control of undertakings that sell food to the public</i>	<i>No</i>	
<i>Local amenities</i>	<i>No</i>	
<i>Local sport facilities</i>	<i>No</i>	
<i>Markets</i>	<i>No</i>	
<i>Municipal abattoirs</i>	<i>No</i>	
<i>Municipal parks and recreation</i>	<i>No</i>	
<i>Municipal roads</i>	<i>No</i>	
<i>Noise pollution</i>	<i>Yes</i>	
<i>Pounds</i>	<i>No</i>	
<i>Public places</i>	<i>No</i>	
<i>Refuse removal, refuse dumps and solid waste disposal</i>	<i>No</i>	
<i>Street trading</i>	<i>No</i>	
<i>Street lighting</i>	<i>No</i>	
<i>Traffic and parking</i>	<i>No</i>	
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		<i>T D</i>

APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

<i>Date</i>	<i>Committee Recommendation</i>	<i>Recommendation Adopted Yes or No Comment if No</i>
26 July 2017	<p>MSCOA Reviews: The Internal Audit Manager presented the report on mSCOA, based on the audit findings, the Audit Committee requested management to consider the recommendations made by Internal Audit.</p> <p>Performance Information (Q3): In light of the tabled quarter 3 performance information report, management was requested to resolved internal audit findings, in order to prevention similar audit findings from re-occurring.</p> <p>Revenue Management Reviews: Audit Committee noted the report, and appealed to CFO to provide comments on areas where the comments were not documented.</p> <p>Follow up reviews: Audit Committee noted the report and asked management to resolve the IA and AG findings, they likely to affect the audit outcomes 2016-17.</p> <p>SIU update : Audit Committee noted the SIU report</p> <p>Quality Assurance Reviews: The Quality Assurance Report was noted by the Audit Committee</p>	Yes
24 August 2017	<p>AFS Reviews 2016-17: The Audit Committee confirmed that the work has been done on AFS 2016-17 and indeed there was great improvement compare to the last year AFS.</p> <p>APR 2016-17: In terms of the Annual Performance Report 2016-17, it was agreed that the Internal Audit findings on APR be submitted to management for its finalization.</p>	YES
	<p>Risk Based Internal Audit 2017-18 was approved</p>	YES

Date	Committee Recommendation	Recommendation Adopted Yes or No Comment if No
25 October 2017	<p>Update on external audit process: The Audit Committee noted the external audit process by AG SA</p> <p>Employee Verification: Report on Employee verification exercise was noted by the Audit Committee.</p> <p>Deviation Report: The Audit Committee advised that management implement recommendation of Internal Audit. The Council Committee appointed to investigate deviations, as per Internal Audit report.</p> <p>Follow up reviews: Audit Committee noted the report and asked management to resolve the IA and AG findings, and better progress be tabled to the next audit committee meeting.</p> <p>Asset Management: Audit Committee noted the report on Asset Management</p> <p>Revenue Management Reviews: Audit Committee noted the report</p>	YES
24 January 2018	<p>Audit report 2016-17: Ms Mbeki- Dazana: tabled Audit Report 2016-17, highlighted key external audit findings, Audit Committee advised management to develop proper Audit Action Plan to deal with audit findings both from Financial and non-Financial components</p> <p>Internal Audit Methodology: Internal Audit Methodology was tabled and the Audit Committee accepted the methodology the working document in in order to guide the day to day Internal Audit activities.</p> <p>Performance Information (Q1&Q2): The Audit Committee urged management to implement internal audit recommendations, and their implementation be tested during the follow up reviews.</p> <p>Internal Audit Comments on Annual Report 2016-17: the Report on AR was noted by the Audit Committee</p>	YES

Date	Committee Recommendation	Recommendation Adopted Yes or No Comment if No
25 May 2018	<p>Recruitment and Selection Processes Reviews: The Internal Audit Report was noted, with strong emphases on compliance regulations for appointment of senior managers. The training intervention Plan be implemented to close the skills gap.</p> <p>SCM and Expenditure Management Processes: The Report was noted and agreed that the Manager: SCM, Asset & Liabilities and Revenue Management to make follow ups on the raised matter by Internal Audit.</p> <p>Performance Information (Q2&3): It was agreed that , Internal Audit would make follow up on issues raised on Q2 & Q3, during the follow up reviews to be conducted in Q4.</p> <p>Support to SMMEs Reviews: the report was noted by the Audit Committee</p> <p>Draft Unauthorized, Irregular, Fruitless and Wasteful Expenditure Management Policy: The policy was noted, and Audit Committee appreciated the work done in respect of the content of the policy</p>	YES

APPENDIX F – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

<i>Name of Service Provider</i>	<i>Description of Services Rendered</i>	<i>Start Date</i>	<i>Expiry Date</i>	<i>Project Manager</i>	<i>Contract Value</i>

The Municipality does not have contracts that are more than three years or long term contracts.

Public Private Partnerships Entered into

<i>Name and Description of Project</i>	<i>Name of Partners</i>	<i>Start Date</i>	<i>Expiry Date</i>	<i>Project Manager</i>	<i>Contract Value</i>

The Municipality did not enter in any Public Private Partnerships.

APPENDIX G – DISCLOSURES OF FINANCIAL INTEREST

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX H (I): REVENUE COLLECTION PERFORMANCE BY VOTE

DC44 Alfred Nzo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Revenue by Vote	1										
Vote 1 - Executive and Council		-	-	000	5	020	2	000	5	000	5
Vote 2 - Planning and Development		-	-	-		-		-		-	
Vote 3 - Budget and Treasury		1 004	1 093	551	519	031	(74)	-	519	(519 551)	-100.0%
Vote 4 - Technical Service		(342)	5	213	598	229)	(138)	-	213	(598 213)	-100.0%
Vote 5 - Community		-	-	10		-		-	10	(10)	-100.0%
Vote 6 - Corporate Services		-	-	694	10	953	1	-	694	(10 694)	-100.0%
Total Revenue by Vote	2	1 004	1 093	1 133	(208	000	5	1 133	468	#####	-99.6%
Expenditure by Vote	1										
Vote 1 - Executive and Council		69	62	970	67	546	4	196	55	641	56
Vote 2 - Planning and Development		986	84	412	35	378	1	214	28	412	35
Vote 3 - Budget and Treasury		443	165	618	153	116	3	251	95	618	153
Vote 4 - Technical Service		558	182	844	185	513	18	578	150	334	106
		221	287							44 244	41.6%
		040									844

Vote 5 - Community		188	66	800	5	473	68	847	1	663	48	473	68	(19 809)	-28.9%	473	68
Vote 6 - Corporate Services		024	53	599	33	379	56	034	11	604	54	379	56	(1 776)	-3.1%	379	56
Total Expenditure by Vote	2	239	493	266	533	696	567	435	40	505	432	857	476	(44 352)	-9.3%	529	502
Surplus/ (Deficit) for the year	2	418	511	326	560	772	565	(248	721)	505)	(427	611	656	#####	-165.1%	939	630

APPENDIX H (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

DC44 Alfred Nzo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	R e f	2016/17	Budget Year 2017/18							
		Audited Outcom e	Origina l Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<u>Revenue By Source</u>										
Service charges - water revenue		12 429	20 054	35 094	13 470	40 415	#####	5 321	15%	18 484
Service charges - sanitation revenue		947	3 532	3 547	1 234	4 319	3 546 900	772	22%	3 547
Rental of facilities and equipment		266	401	352	422	658	352 303	305	87%	352
Interest earned - external		5 992	10 000	10 000	939	12 657	#####	2 657	27%	10 000

investments										
Transfers and subsidies	981 929	435 064	467 235	(52 638)	816 834	#####	349 599	75%	464 950	
Other revenue	1 429	56 550	70 533	(13 337)	(6 545)	#####	(77 078)	-109%	70 533	
Total Revenue (excluding capital transfers and contributions)	1 002 990	525 601	586 761	(49 909)	868 337	586 761	281 577	48%	567 866	
<u>Expenditure By Type</u>	-									
Employee related costs	210 671	249 873	230 191	16 048	207 469	#####	(22 722)	-10%	230 191	
Remuneration of councillors	-	9 998	9 881	825	10 028	9 880 676	147	1%	9 881	
Debt impairment	-	22 500	22 500	-	-	#####	(22 500)	-100%	22 500	
Depreciation & asset impairment	-	55 000	70 000	-	37 859	#####	(32 141)	-46%	70 000	
Finance charges	1 063	888	1 228	(54)	1 593	1 228 000.00	365	30%	1 228	
Bulk purchases	6 252	3 000	6 644	1 244	7 194	6 643 636.13	551	8%	6 644	
Other materials	-	7 115	29 071	6 057	15 220	#####	(13 850)	-48%	29 071	

Contracted services	175 825	90 208	631 140	9 805	077 81	#####	(59 554)	-42%	140 631
Transfers and subsidies	2 101	650	000 20	205	578 3	#####	(16 422)	-82%	20 000
Other expenditure	95 661	94 033	551 37	6 305	966 74	#####	37 415	100%	37 551
Total Expenditure	491 573	533 266	567 696	40 435	438 985	567 696	(128 711)	-23%	567 696
Surplus/(Deficit)	511 418	(7 664)	19 065	(90 344)	429 353	19 065	410 288	0	170
Transfers and subsidies - capital (monetary allocations) (National and Provincial and District)	–	567 990	546 707	(158 377)	258 535	#####	(288 172)	(0)	535 274
Surplus/(Deficit) after capital transfers & contributions	511 418	560 326	565 772	(248 720)	687 887	565 772			535 444
Taxation	–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation	511 418	560 326	565 772	(248 720)	687 887	565 772			535 444
Attributable to minorities	–	–	–	–	–	–			–

Surplus/(Deficit) attributable to municipality	511 418	560 326	565 772	(248 720)	687 887	565 772			535 444
Share of surplus/ (deficit) of associate	-	-	-	-	-	-			-
Surplus/ (Deficit) for the year	511 418	560 326	565 772	(248 720)	687 887	565 772			535 444

APPENDIX I: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

	2018	2017
Government grants and subsidies		
Operating grants		
Equitable share	437,586,120	387,046,635
Finance Management Grant	1,795,000	1,460,000
Local Government SETA	112,338	649,525
National Heritage Grant	-	405,000
Human Settlements	22,715,146	-
Energy Efficiency and Demand Management	5,000,000	8,000,000
Rural Housing	-	1,327,253
Expanded Public Works Programme	10,279,995	6,006,001
Water Services Operation Grant	109,999,999	101,171,000
Municipal Infrastructure Grant	373,843,229	361,497,000
Regional Bulk Infrastructure Grant	53,457,815	83,297,538
Department of Transport	2,285,000	2,157,000
Infrastructure Skills Development Grant	4,260,659	4,594,880
	1,021,335,301	957,611,832

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

During the year under review the Equitable Share was not received in full due to the rollovers that were not approved by National Treasury as well as the use of additional MIG grant outside the stipulated conditions. It should also be noted that the Municipality is dependent on grants. All other grants were received in full. An amount of R1,1 million for ISDG grant remains unspent. The allocation for RBIG was received in full and spent at 100%.

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DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	% VARIANCE ACT -ADJ	% VARIANCE ACT - OB
Rehab Ntababkulu Ponds. (50500/361)	860 540	830 540	0	0	830 540
Rehab Ntababkulu Ponds: advert (50500)	0	30 000	0	0	30 000
Refurbish Matatiele water scheme 50509/851	1 500 000	1 470 000	0	0	1 470 000
Refurbish Matatiele water scheme: Advert 50509/851	0	30 000	0	0	30 000
Refurbish Ntabank water scheme (50509/871)	1 000 000	970 000	0	0	970 000
Refurbish Ntabank water scheme - Advert (50509)	0	30 000	0	0	30 000
Refurbish Umzimvubu water scheme (50509/841)	1 500 000	1 470 000	0	0	1 470 000
Refurbish Umzimvubu water scheme - Advert (50509)	0	30 000	0	0	30 000
Refurbish Mbizana water scheme (50509/831)	1 000 000	970 000	385 793	0	584 207
Refurbish Mbizana water scheme - Advert (50509)	0	30 000	0	0	30 000
Building Installation (15000/50500/171)	1 200 000	1 170 000	0	0	1 170 000
Building Installation - Advert(15000/50500/171)	0	30 000	0	0	30 000
Drought RELief/Feasibility. (50500/2201/111)	3 000 000	3 000 000	834 996	0	2 165 004
Refurb Matatiele WTW. (50509/811)	555 000	525 000	0	0	525 000
Refurb Matatiele WTW. - Advert (50509/811)	0	30 000	0		30 000
Bulk & domestic water meters: S & T 50500	30 000	10 000	0	0	10 000
Bulk & domestic worker meters : Advertisement (5050)	10 000	30 000	0	0	30 000
Bulk water meter supply (50500)	960 000	960 000	0	0	960 000
WCDM Field Equipment: S&T (50500)	30 000	30 000	0	0	30 000
WCDM Field Equipment: Advertising	10 000	10 000	0	0	10 000
Field Equipment Supply (50500)	960 000	960 000	0	0	960 000
Tools & Equipment. (50500/1081)	25 000	25 000	0	0	25 000

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	% VARIANCE ACT -ADJ	% VARIANCE ACT - OB
Motor Vehicles Bakkies (50500)	0	2 353 691	0	0	2 353 691
Rehab Mbizana Ponds (50500/251)	3 500 000	3 470 000	23 957	0	3 446 043
Rehab Mbizana Ponds - Advert (50500/251)	0	30 000	0	0	30 000
Mnceba Water Scheme - Advert(15000/50509/881)	0	30 000	0	0	30 000
Mnceba Water Scheme. (15000/50509/881)	2 000 000	2 000 000	47 663	0	1 952 337
Matatiele RBIG (50500/951)	20 000 000	8 000 000	5 986 288	1	2 013 712
MT Ayliff Urban. (50500/3550)	15 000 000	27 000 000	57 535 420	2	-30 535 420
EC NEW KINIRA REGIONAL BWSS Technical Feasibility	1 000 000	0	0	0	0
EC NEW KINIRA REGIONAL BWSS.Prelim Desgns	980 000	0	0	0	0
EC NEW KINIRA REGIONAL BWSS.Accomodation	10 000	0	0	0	0
EC NEW KINIRA REGIONAL BWSS.S & T	10 000	0	0	0	0
ECR 044 NTABANKULU BWS.Technical Feasibility	1 000 000	0	0	0	0
ECR 044 NTABANKULU BWS.Prelim Designs	980 000	0	0	0	0
ECR 044 NTABANKULU BWS.Accomodation	10 000	2 000 000	0	0	2 000 000
ECR 044 NTABANKULU BWS.S & T	10 000	0	0	0	0
EC NEW MKEMANE RBWSS.Technical Feasibility	600 000	2 000 000	0	0	2 000 000
EC NEW MKEMANE RBWSS.Prelim Designs	380 000	0	0	0	0
EC NEW MKEMANE RBWSS.Accomodation	10 000	1 000 000	0	0	1 000 000
EC NEW MKEMANE RBWSS.S & T	10 000	0	0	0	0

DESCRIPTION	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	% VARIANCE ACT -ADJ	% VARIANCE ACT - OB
Upgrading WWT& Distribution Network: Matat CBD (5	0	3 500 000	1 908 183	1	1 591 817
Umzimvubu Ward 14. (50500/491)	4 000 000	8 000 000	3 875 387	0	4 124 613
Umzimvubu Ward 22. (50504/961)	4 000 000	0	0	0	0
Matatiele Water Ward 15. (50509/41)	15 000 000	15 000 000	8 789 344	0	9 546 782
Matatiele Ward 5. (0509/61)	10 000 000	13 000 000	19 221 463	0	53 778 537
Greater Mbizana Phase 1A (50500/3551)	84 359 267	75 362 267	46 294 216	1	4 904 177
Matatiele Ward 7. (50509/71)	41 000 000	41 000 000	37 380 424	-2	-56 380 424
Matatiele Ward 4 Water Supply			0	0	0
Feasibility Study: Matatiele Ward 4 (50503/302)	0	4 000 000	0	0	4 000 000
Fobane Water Supply. (50500/121)	7 337 800	12 337 800	11 225 202	1	2 203 094
Ntabankulu Ward 17 & 18 (50500/301)	5 950 000	2 500 000	1 735 548	1	764 452
Ntabankulu Ward 17&18 (50500/301) Prelim Designs	2 000 000	0	3 920 469	0	-3 920 469
Ntabankulu Ward 17 & 18 (50503/301)Accomodation	20 000	0	0	0	0
Ntabankulu ward 17 & 18 (50503/301) S&T	30 000	0	0	0	0
Ntabankulu Ward 12 & 14 Prelim Designs	2 000 000	0	0	0	0
Ntabankulu Ward 12 & 14 (50503/501) Final Documen	2 950 000	5 000 000	0	0	8 541 336
Ntabankulu Ward 12 & 14 (5053/503) Accomodation	20 000	0	0	0	0
Ntabankulu ward 12 & 14 (50503/503) S&T	30 000	0	0	0	0
Qwidlana Water (15000/50500/441)	5 000 000	6 000 000	5 080 525	1	919 475
Ntibane Project (15000/50500/3081)	22 000 000	22 000 000	16 982 926	1	5 017 074
Maluti (15000/50500/511)	2 000 000	6 000 000	5 288 674	1	711 326
Cabazana P2 (15000/50500/471)	5 000 000	21 000 000	2 517 002	0	14 984 666
Nyokweni Bulk Water. (15000/50504/901)	6 500 000	6 500 000	4 612 805	1	1 887 195
Umzimvubu (15000/50504/931)	5 000 000	1 000 000	2 268 372	1	2 229 959
Tholamba Water Supply. (15000/50500)	3 000 000	3 000 000	1 664 672	1	244 833
Kwabhaca Water (15000/50500/431)	45 314 600	45 314 600	75 062 433	1	252 167
Ntabankulu Sewer (15000/50500/291)	25 000 000	25 000 000	22 115 002	1	2 884 998
Mbizana wards 10 12 13 and 15 : Final Document (15000/50500/291)	3 950 000	6 874 850	3 525 508	1	3 349 342
Mbizana Wards 10 12 13 and 15: Prelim Designs (15000/50500/291)	2 874 850	0	0	0	0
Mbizana wards 10 12 13 15 : Accomodation (15000/50500/291)	20 000	0	0	0	0
Mbizana Wards 10 12 13 &15 S&T (50500)	30 000	0	0	0	0
Ntabankulu Ward 1 5 6-Water Feasability-Final Docum	4 960 000	5 000 000	1 578 868	0	3 421 132
Ntabankulu wards 1 5 6 Accomodation(50503/701)	20 000	0	0	0	0
Ntabankulu wards 1 5 6 S&T	20 000	0	0	0	0
Mbizana sewer Upgrade	37 000 000	10 000 000	11 100 420	1	-1 100 420
Matatiele Feasability Study (50500)	3 300 000	3 300 000	0	0	3 300 000
	349 686 517	340 689 517	286 147 442	11	67 255 662

APPENDIX L – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital programme by Project: Year 1		
Capital Project	Ward(s) Affected	Works Completed (Yes/No)
WATER		
Fobane Sub-Regional Water Supply Scheme - Phase 2	Ward 18,23 & 24	No
Maluti Matatiele Ramohlakoana Bulk Water Supply Scheme	Ward 02	Yes
Matatiele Ward 15 Water Supply	Ward 15	No
Matatiele Ward 5 Water Supply	Ward 5	No
Matatiele ward 7 Water Supply Scheme Phase 2	Ward 7	No
Tholamela Regional Water Supply	Ward 11,12 & 13	Yes
Matatiele LM:Feasibility Study for the Upgrading / New Water Treatment Works CBD and Peri Urban Area	Ward 19	No
Mbizana ward 10, 12,13 & 15 Water Supply Scheme: Implementation Phase	Ward 10,12,13 & 15	Yes
Greater Mbizana Water Supply-Phase 1A Reticulation System (Supply Zones A, C, E & O)	Ward 5, 4 & 27	No
Ntabankulu Wards 1,5 and 6 - Water Feasibility Study	Ward 1, 5 & 6	No
Ntabankulu Wards 12 & 14 - Water Feasibility Study	Ward 12 &14	No
Ntabankulu Wards 17 & 18 - Water Feasibility Study	Ward 17 & 18	No
Nyokweni/Bomvini Regional Water Supply Scheme	Ward 6,7 & 8	No
Cabazana Bulk Water Supply	Ward 01, 02 & 26	Yes
KwaBacha Regional Bulk Water Supply Scheme - Clear Water Storage, Raw Water Pipelines, Bulk Drinking	Ward 15, 16,17,18, 19 & 20	No
Ntibane Water Supply Scheme - Phase 2	Ward 10,11 & 12	No
Qwidlana water supply - Area 3&4	Ward 21	No
Umzimvubu ward 13 water supply	Ward 13	No
Umzimvubu ward 14 water supply	Ward 14	No
Umzimvubu ward 22 water supply scheme	Ward 22	Yes
SANITATION / SEWERAGE		
ANDM SANITATION	Ward 5, 6 and 14	
Servicing Mbizana Town Area with Sewerage	Ward 01	
Ntabankulu Sewer Reticulation and Waste Water Treatment works	Ward 08 & 13	

Information currently not available for ANDM.

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
<i>Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.</i>				T P

The Annual Performance Report is attached as part of the annual report of the Agency.

APPENDIX V – AUDITOR GENERAL’S AUDIT REPORT

The AG Report is attached.

APPENDIX W – ALFRED NZO DEVELOPMENT AGENCY ANNUAL REPORT

The Annual Report of ANDA is attached.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements (AFS) to the respective financial year as audited by the Auditor-General.
Attached.

APPENDIX X – PERFORMANCE OF SERVICE PROVIDERS -2017-2018 FY

End User	Name of Service Provider	Type of Service	Duration	Assessment of Service	Challenges	Corrective Measures	Comments
K. SIBUTA	IMANI HUMAN CAPITAL	COMPILATION OF ANNUAL FINANCIAL STATEMENT	3 YEARS	Doing Well	None	None	
K. SIBUTA	IMANI HUMAN CAPITAL	VAT PREPERATION	2 YEARS	Doing Well	None	None	Contract extended
K. SIBUTA	FNB	BANK ACCOUNT SERVICES	5 YEARS	Doing Well	None	None	
S. KHUZO	SONDLO JV MALANDA	UPDATING OF INFRASTRUCTURE ASSET REGISTER	2 YEARS	Doing Well	None	None	Contract ending June 2019
CFO	LATERAL UNISON INSURANCE BROKERS (PTY) LTD	PROVISIONING OF SHORT TERM INSURANCE	3 YEARS	Doing Well	None	None	None
T MAZWANE	MAFULO INVESTMENTS 6 (PTY) LTD	PROPERTY LEASE AGREEMENT	10 YEARS	Doing Well	None	None	It's a lease agreement
T MAZWANE	BLACKSTONE PROPERTIES 55 CC	PROPERTY LEASE AGREEMENT	5 YEARS	Doing Well	None	None	It's a lease agreement
CFO	GADALANI TRADING ENTERPRISE CC	SUPPLY AND DELIVERY OF STATIONERY	2 YEARS	Done very well	None	None	contract ended 14 September 2018
CFO	SINOLWAZI PUBLIC ENTERPRISE	SUPPLY AND DELIVERY OF STATIONERY	2 YEARS	Done well	Late delivery	yes	contract ended 14 September 2018
CFO	SEBATA	DATA CLEANSING AND REVENUE ENHANCE MANAGEMENT	3 YEARS	Doing Well	Ntabankulu was not corrected because of the electricity	Electricity from Local Municipality needs to be upgraded	contract ended 31 December 2018
END-USER	Name of Service Provider	Type of Service	Duration	Assessment of Service	Challenges	Corrective Measures	Comments

WSA/M R E DZIDE	MBSA CONSULTI NG ENGINEER S	DISTRICT INTEGRATED TRANSPORT PLAN (DITP)	7 MONTH S	Doing very well	None	None	Project Completed
WSA/M R E DZIDE	ENGINEERI NG ADVICE AND SERVICES (PTY)	RURAL ROAD GRANT (PRAMS)	ONGOI NG	Doing very well	None	None	PSP not being paid on time
WSA/M s Khathal i	Gibb PTY Ltd	Water safety plan	08 Months				Expired
Assista nt WSP Manag er: Matatiel e LM	Novubu Constructio n	Repairs and Maintenance of Water & Sanitation Infrastructure schemes - Matatiele	3 years	The project continu ed smoothl y and services are provide d timeousl y as per the clients request s.	Delays in the proces sing of payme nts for the service provide r hinders the implem entatio n of this project.	Payment of submitted invoices timeously to avoid the delays in payment processes.	The project implementa tion and monitoring was simplified due to the service provider's co- operation.
Assista nt WSP Manag er: Mbizana a LM	Step cc Specialist Technologis t & Project Managers cc	Refurbishment and Replacement of Water Infrastructure - Mbizana	6 months	The project was design to refurbis h various wards of MBIZA NA by installin g JOJO tanks; standpi pes and test for reticulati on line.	The project couldn't been comple ted in time due to late payme nt of casual s by Servic e Provid er hence it was comple ted in August 2017.	Ensuring that the Casuals and Service Provider are paid in time as per the work done on site.	Casual employees should be paid in time

Assistant WSP Manager: Ntabankulu LM	MSB Ultra Clean	Refurbishment and Replacement of Water Infrastructure - Ntabankulu	6 months	The project was design to service the various areas of Ntabankulu by installing Galaxy Tanks, standpipes and capturing of springs.	The project was design to service the various areas of Ntabankulu by installing Galaxy Tanks, standpipes and capturing of springs.	The project was design to service the various areas of Ntabankulu by installing Galaxy Tanks, standpipes and capturing of springs.	The project was design to service the various areas of Ntabankulu by installing Galaxy Tanks, standpipes and capturing of springs.
WSA/MRE DZIDE	MAISHA DEVELOPMENT ENGINEERS	DETAILED FEASIBILITY FOR UMZIMVUBU WARD 3 AND 17	ON GOING	Doing very well	None	None	More budget be allocated to the project to speed up process
WSA/MRE DZIDE	KAGO CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR NTABANKULU WARD 3 AND 4 (STAGE TWO)	ON GOING	Doing very well	None	None	Technical report submitted to DWS waiting for recommendation letter
WSA/MRE DZIDE	REFLECTIVE THINKING (PTY) LTD	DETAILED FEASIBILITY FOR MBIZANA WARD 11,14 AND 16 (STAGE TWO)	12 MONTHS	Doing very well	None	None	Technical report submitted to DWS waiting for recommendation letter
WSA/MRE DZIDE	MBSA CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR UMZIMVUBU WARDS 20 AND 21 (STAGE TWO)	12 MONTHS	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered
WSA/MRE DZIDE	DEEDSCON CONSULTANTS CC	DETAILED FEASIBILITY FOR NTABANKULU WARD 12 AND 14 (STAGE TWO)	ON GOING	Doing very well	None	None	More budget be allocated to the project to speed up process

WSA/M R E DZIDE	UMPISI CONSULTI NG ENGINEER S	DETAILED FEASIBILITY FOR MBIZANA WARD 10,12,13 AND 15 (STAGE TWO)	6 MONTH S	Doing very well	None	None	Feasibility Study Completed
WSA/M R E DZIDE	HATCH GOBA	DETAILED FEASIBILITY FOR MBIZANA WARD 29 AND 30 (STAGE TWO)	ON GOING	Doing very well	No budget allocat ed for 2018/2 019	PMU to allocate Budget	Feasibility Study completed but cannot finalise the detailed designs due to non- availability of funds
WSA/M R E DZIDE	IQHAWA CONSULTI NG ENGINEER S	DETAILED FEASIBILITY FOR MATATIELE WARD 4 (STAGE TWO)	ON GOING	Doing very well	None	None	Feasibility study completed
WSA/M R E DZIDE	SOKHANI DEVELOP MENT AND CONSULTI NG ENGINEER S	DETAILED FEASIBILITY FOR MBIZANA WARDS 21,23 AND 24 (STAGE TWO)	ON GOING	Doing very well	No budget allocat ed for 2018/2 019	PMU to allocate Budget	Feasibility Study completed but cannot finalise the detailed designs due to non- availability of funds
WSA/M R E DZIDE	GABA CONSULTI NG ENGINEER S	DETAILED FEASIBILITY FOR NTABANKULU WARD 1,5 AND 6 (STAGE TWO)	ON GOING	Doing very well	No budget allocat ed for 2018/2 019	PMU to allocate Budget	PSP not paid for services rendered.F easibility study completed
WSA/M R E DZIDE	GABA CONSULTI NG ENGINEER S	DETAILED FEASIBILITY FOR NTABANKULU WARD 1,5 AND 6 (STAGE TWO)	12 MONTH S	Doing very well	Doing very well	Doing very well	Doing very well
WSA/M R E DZIDE	IMBUMBA CONSULTA NTS	DETAILED FEASIBILITY FOR NTABANKULU WARD 17 AND 18 (STAGE TWO)	ON GOING	Doing very well	No budget allocat ed for 2018/2 019	PMU to allocate Budget	PSP not paid for services rendered. Feasibility study completed
WSA/M R E DZIDE	ZINZAME ENGINEER S	DETAILED FEASIBILITY FOR WATER TRATMENT	12 MONTH S	Doing very well	No budget allocat ed for 2018/2 019	PMU to allocate Budget	PSP not paid for services rendered. Feasibility study

							completed
L GWAL A	UHAMBISO CONSULTA NT	BOMVININ NYOKWENI W/S (Source development)	ONGOI NG	Doing very well	None	None	None
L GWAL A	UMSO CONSTRU CTION (PTY) LTD	BOMVININ NYOKWENI W/S (Source development)	ONGOI NG	Doing very well	None	None	None
M.LEH LEHLA	CAMDEKO N ENGINEER S	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION	MULTI YEAR CONTR ACT	Doing very well	None	None	None
M.LEH LEHLA	E.G PIPING	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION	ON GOING	Doing very well	None	None	None
M LEHLE HLA	PHUMELEL A JV KARA	GREATER MBIZANA WATER SUPPLY PROJECT -PH1A CONTRACT 1A	12 MONTH S	Doing very well	None	None	None
M LEHLE HLA	NAGENI CIVILS	GREATER MBIZANA WATER SUPPLY PROJECT -PH1A CONTRACT 1B	2 YEARS	Doing very well	None	None	None
M LEHLE HLA	NAGENI CIVILS	GREATER MBIZANA WATER SUPPLY PROJECT -PH1A CONTRACT 1C	2 YEARS	Doing very well	None	None	None
X.MASI ZA	S ZONKO CONSULTI NF CC	GREATER MBIZANA WATER SUPPLY PROJECT -PH1A CONTRACT 1C	12 MONTH	Doing very well	None	None	None
X.MASI ZA	UBUHLE BEMPISI CONSULTI NG ENGINEER S	GREATER MBIZANA WATER SUPPLY PROJECT -WARD 13-DESIGN DEVELOPMENT	12 MONTH	Doing very well	None	None	None
GWAL A	ZAMISANA NANI	HLANE PHASE 2	12 MONTH	Doing very well		None	None
GWAL A	MAISHA DEVELOP MENT ENGINEER S	HLANE PHASE 2	12 MONTH	Doing very well		None	None

GWAL A	LIHLE NATHI/BAS EMAJOR JV	KWABHACA REGIONAL -SEC RAW WATER PIPELINE	24 MONTHS		Slow progress	Contractor to speed up the Works.	Contractor to speed up the Works.
GWAL A	ML/PHUMI HD	KWABHACA REGIONAL -SEC RAW WATER PIPELINE	IDMS-PMU MONTH		Slow progress	Contractor to speed up the Works.	Contractor to speed up the Works.
GWAL A	MAISHA DEVELOPMENT ENGINEERS	KWABHACA REGIONAL -SEC RAW WATER PIPELINE	04 MONTH		None	None	None
N. GULE	XESIBE CONSTRUCTION	MALUTI/MATATIELE /RAMOHLAKOANA WATER SUPPLY	13 MONTH	Poor	Slow progress		None
N. GULE	WINWATER	MALUTI/MATATIELE /RAMOHLAKOANA WATER SUPPLY	13 MONTH	Doing very well	None	None	None
N. GULE	MALUTI GSM	MALUTI/MATATIELE /RAMOHLAKOANA WATER SUPPLY	12 MONTHS	Doing very well	None	None	None
GULE	ZANAMAZI SERVICES	MALUTI/MATATIELE /RAMOHLAKOANA SEWER	13 MONTH	Doing very well	None	None	None
N. GULE	BEACON ENGINEERS	MATATIELE WARD 15 WATER SUPPLY PROJECTS	7 MONTHS	Doing very well	None	None	None
N. GULE	ANIX TRADING 129 CC	MATATIELE WARD 15 WATER SUPPLY PROJECTS	10 MONTHS	Poor	Contractor is very slow, staff not competent	Terminate contract.	
N. GULE	GABA CONSULTING ENGINEERS	MATATIELE WARD 7 WATER SUPPLY PROJECTS	7 YEARS	Doing very well	None	None	None
N. GULE	LIHLE NATHI/BAS EMAJOR JV	MATATIELE WARD 7 WATER SUPPLY PROJECTS	24 MONTHS	Poor	Contractor is very slow.		
L GWAL A	SIZO JV EMS	MT.AYLIFF PERI - URBAN	24 MONTHS	Doing very well	None	None	None

L GWAL A	UMSO CONSTRU CTION (PTY) LTD	MT.AYLIFF WATER WASTE TREATMENT WORKS DESIGN, BULD AND OPERATE	36 MONTH S	Doing very well	None	None	None
L GWAL A	NOVUMBU/ IVIWE JV	MT.AYLIFF PERI - URBAN	16 MONTH	Doing very well	None	None	None
L GWAL A	PHUMELEL A JV KARA	MT.AYLIFF PERI - URBAN	16 MONTH	Doing very well	None	None	None
L GWAL A	BITLINE	MT.AYLIFF PERI - URBAN	16 MONTH	Doing very well			None
L GWAL A	MABONA CIVILS AND PLANT HIRE	MT.AYLIFF PERI - URBAN	16 MONTH	Doing very well	None	None	None
L GWAL A	LG CONSTRU CTION	UMZIMVUBU WATER SUPPLY WARD 14	6 MONTH S	Doing very well	None	None	None
L GWAL A	LNP CONSTRU CTION	UMZIMVUBU WATER SUPPLY WARD 14	10 MONTH S	Poor	Contra ctor is very slow	Terminate contract.	
L GWAL A	MABONA CIVILS AND PLANT HIRE	UMZIMVUBU WATER SUPPLY WARD 14	5 MONTH S	Doing very well	None	None	None
L GWAL A	XESIBE CONSTRU CTION	UMZIMVUBU WARD 13 WATER SUPPLY	11 MONTH S	Doing very well	None	None	None
L GWAL A	IMBUMBA CONSULTA NTS	UMZIMVUBU WARD 13 WATER SUPPLY	10 MONTH S	Doing very well	None	None	None
	CNN DEVELOP MENT ENGINEER S	NTIBANE WATER SUPPLY PHASE2	18 MONTH S	Doing very well	None	None	None
L GWAL A	ZANAMANZ I SERVICES	NTIBANE WATER SUPPLY PHASE2	28 MONTH S	Doing very well	None	None	None
L GWAL A	IPM PLANT HIRE CC	NTIBANE WATER SUPPLY PHASE2	12 MONTH S	Doing very well	None	None	None
N. GULE	PMPZ CONSTRU CTION	RBIG MATATIELE	18 MONTH S	Poor	Contra ctor is slow	Avail Funding.	
N. GULE	REXUS	RBIG MATATIELE	04 MONTH	Doing Good	None	None	None

N. GULE	BEACON ENGINEERS	THOLAMELA WATER SUPPLY	9 MONTHS	Doing Good	None	None	None
N. GULE	DWEBA ENGINEERING	THOLAMELA WATER SUPPLY	7 MONTHS	Doing Good	None	None	None
N. GULE	UHURU	THOLAMELA WATER SUPPLY	10 MONTHS	Doing Good	None	None	None
F. MPISANE	EGXENI TRADING	NTABANKULU SEWER UPGRADE	18 MONTHS	Additional work which resulted to underfunding of the project	Avail Budget		
F. MPISANE	SBM ENGINEERING SERVICES	NTABANKULU SEWER UPGRADE	29 MONTHS	Additional work which resulted to underfunding of the project	Avail Budget		
F. MPISANE	AURECON-CONSULTANT	NTABANKULU SEWER UPGRADE	4 YEARS	Poor Designs			
E.B.DZIDE	IMBUMBA CONSULTANTS	NTABANKULU WATER SUPPLY WARD 17 AND 18	12 MONTHS	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered.F feasibility study completed
N. GULE	NCI CONSORTIUM	MATATIELE WARD 5 WATER SUPPLY PROJECT: EXTENSION OF SCOPE	60 MONTHS	None	None		None
N. GULE	SISONKE JV WHITE HAZY	MATATIELE WARD 5 WATER SUPPLY PROJECT: EXTENSION OF SCOPE	18 MONTHS	None	None		None
GWALA	SEKTOR CONSULTING ENGINEERS	QWIDLANA WATER SUPPLY AREA 5	11 MONTHS	Appointment amount exceeded and the Engineer left the			

				site.			
GWAL A	LIHLE NATHI/BAS EMAJOR JV	QWIDLANA WATER SUPPLY AREA 3&4	9 MONTH S	Contractor was very slow on site.			
GULE	WPCP	FOBANE SUB REGIONAL WATER SUPPLY	60 WEEKS	None	None		None
GULE	UMPISI CONSULTING ENGINEERS	FOBANE SUB REGIONAL WATER SUPPLY	36 MONTH S	None	None		None
GULE	IMBUMBA CONSULTANTS	CABAZANA WATER SUPPLY	24 MONTH S	None	None		None
ASSIS TANT WSP MANA GER: UMZIM VUBU LM	C.O. VALVES	REPAIRS AND MAINTENANCE OF WATER & SANITATION INFRASTRUCTURE SCHEMES - UMZIMVUBU	3 YEARS	Doing Good	None	None	None
ASSIS TANT WSP MANA GER: MBIZA NALM	NOVUBU CONSTRUCTION	REPAIRS AND MAINTENANCE OF WATER & SANITATION INFRASTRUCTURE SCHEMES - MBIZANA	3 YEARS	Maintenance of Water and Sanitation Infrastructure Schemes are being attended to as required.	The greatest challenge is a turnaround time for Service Provider to attend a broadens as they have to wait for the order to be issued.	Fast-tracking the process of issuing an official order.	None

Assistant WSP Manager: Ntabankulu LM	C.O. VALVES	REPAIRS AND MAINTENANCE OF WATER & SANITATION INFRASTRUCTURE SCHEMES - NTABANKULU	3 years	Maintenance of Water and Sanitation Infrastructure Schemes are being attended to as required.	The greatest challenge is a turnaround time for Service Provider to attend a breakdowns as they have to wait for the order to be issued.	Fast-tracking the process of issuing an official order.	None.
ASSISTANT WSP MANAGER: MATATIELE LM	NOVUBU CONSTRUCTION	REPAIRS AND MAINTENANCE OF WATER & SANITATION INFRASTRUCTURE SCHEMES - MATATIELE	3 YEARS	The project continued smoothly and services are provided timeously as per the clients requests.	Delays in the processing of payments for the service provider hinders the implementation of this project.	Payment of submitted invoices timeously to avoid the delays in payment processes.	The project implementation and monitoring was simplified due to the service providers co-operation.
WSP Manager	AGES	DROUGHT RELIEF	3 years	The project continued smoothly and services were provided timeously as per the clients requests.	Inadequate budget allocation resulted in some projects not completed.	Allocation of enough funds for decrease the current backlog.	The service provider was more than willing to complete all project in allocated time frame.

WSA/MRE DZIDE	AURECON-CONSULTANT	WATER SERVICE DEVELOPMENT PLAN REVIEW	4 MONTHS	None	None	None	Project Completed
WSA/MRE DZIDE	MONDE CONSULTING ENGINEERS	WATER SERVICES DEVELOPMENT PLAN REVIEW	3 MONTHS	Doing Well	PSP not paid for work done	Submitted Invoice to finance and waiting for payment	PSP doesn't want to submit final document due to unpaid invoices
X.MASIZA	RIOCABA (PTY) Ltd	SUPPLY AND DELIVERY OF BULK FUEL AND LUBRICANTS	2 YEARS	Doing well	None	None	None
X.MASIZA	UMPHONGOLO PETROLEUM	SUPPLY AND DELIVERY OF BULK FUEL AND LUBRICANTS	2 YEARS	Doing well	None	None	None
END-USER	Name of Service Provider	Type of Service	Duration	Assessment of Service	Challenges	Corrective Measures	Comments
MS. N. MAFUNDA	PAKAMA TRADING ENTREPRISE	SMME CAPACITY BUILDING FOR AGRICULTURE	6 MONTHS	GOOD	NONE	NONE	Project completed and closed out
MR. V. MJOKOVANA	DIBU CONSTRUCTION T/A LWANDLE CONSULTING	AGRI-PARK FENCING	6 MONTHS	GOOD	NONE	NONE	Project completed and closed out
MS. V. MBIKO	ELO RURAL DEVELOPERS	SMME CAPACITY BUILDING (SUPPLY AND DELIVERY OF MACHINERY)	3 MONTHS	GOOD	NONE	NONE	Project completed and closed out
MS. N. MAFUNDA	FALCOLUX RURAL DEVELOPERS	AGRI-PARK CROP PRODUCTION	8 MONTHS	GOOD	NONE	NONE	Project completed and closed out
MS. V. MBIKO	HUMAN CAPITAL DYNAMICS	SMME CAPACITY BUILDING FOR TOURISM	6 MONTHS	GOOD	NONE	NONE	Project completed and closed out
END-USER	Name of Service Provider	Type of Service	Duration	Assessment of Service	Challenges	Corrective Measures	Comments

ICT/ MS LUVAL O	ITNA	SOFTWARE LICENSING & MAINTENANCE (DISASTER RECOVERY)	3 YEARS, RENEW ABLE	Service provider is being assesse d quartely , we are still satisfy with their perfoma nce regardin g the licences .	None	None	None
MR L MATIW ANE	DLS SECURITY SERVICES	SECURITY SERVICES (NTABANKULU)	24 MONTH S	Doing very well	None	None	contract expired, sill waiting the appointmen t of a new service provider
MR L MATIW ANE	DODOP SECURITY SERVICES	SECURITY SERVICES (MOUNT FRERE SITES)	24 MONTH S	Doing very well	None	None	contract expired, sill waiting the appointmen t of a new service provider
MR L MATIW ANE	UYABONW A SECURITY SERVICES	SECURITY SERVICES (MBIZANA SITES)	24 MONTH S	Doing very well	None	None	contract expired, sill waiting the appointmen t of a new service provider
MR L MATIW ANE	PHIKO SECURITY SERVICES	SECURITY SERVICES (MOUNT AYLIFF SITES)	24 MONTH S	Doing very well	None	None	contract expired, sill waiting the appointmen t of a new service provider
ICT/ MS LUVAL O	ITNA	VMWARE (DISASTER RECOVERY)	3 YEARS, RENEW ABLE	This service is has been incopor ated to Munsoft SLA	None	None	None

ICT/ MS LUVAL O	ITNA	MIMECAST MANAGEMENT SERVICE (DISASTER RECOVERY)	3 YEARS, RENEW ABLE	This service is has been incopor ated to Munsoft SLA	None	None	None
ICT/ MS LUVAL O	ITNA	BACKUP SOLUTION (DISASTER RECOVERY)	3 YEARS, RENEW ABLE	This service is has been incopor ated to Munsoft SLA	None	None	None
ICT/ MS LUVAL O	ITNA	ELECTRONIC EMAIL MANAGEMENT (DISASTER RECOVERY)	3 YEARS, RENEW ABLE	This service is has been incopor ated to Munsoft SLA	None	None	None
L .MATI WANE	Ikhaya Trainig Consulting	Certifce in Municipal Financial Management	15 months	Did it well	None	None	
L .MATI WANE	ALOE OFFICE & BUSINESS EQUIPMEN T/GENBIZ TRADING 1001	PRINTING SOLUTION EQUIPMENT	2 YEARS	It is not doing well	late deliv ery of toners and poor images in printed materi al	meeting with a service provider to try to address these issues	More printing machines are required
S MAMB AFULA	INTRA AFRICA TRADE	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING	3 MONTH S	It is not doing well	Late or non deliv ery of materi al	meeting with a service provider to try to address these issues	Three months contract is about to expire
END- USER	Name of Service Provider	Type of Service	Duratio n	Assess ment of Service	Challe nges	Corrective Measures	Comments

MR. TSHAZ I	ECSECC	DEVELOPMENT OF ANDM 5 YEAR IDP, DISTRICT DEVELOPMENT PLAN AND ANDA CORPORATE PLAN	24 Months	GOOD	NONE	NONE	The service provider has excelled in performing it duties.
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