

# ANNUAL REPORT 2010/2011



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# **VISION**

*"A leading local municipality that empowers its communities through excellent service delivery"*

# **MISSION**

*"To enhance the quality of life of all the communities in Nkomazi Local Municipality area through rendering basic services in an efficient and cost-effective manner that adheres to the principles of sustainable development"*

## Acronyms and Abbreviations

MFMA	Municipal Finance Management Act
MSA	Municipal Systems Act
IDP	Integrated Development Plan
MIG	Municipal Infrastructure Grant
DoE	Department of Energy
DWA	Department of Water Affairs
COGTA	Department of Corporate Governance and Traditional Affairs
AG	Auditor General
Cllr	Councillor
VAT	Value Added Tax
GIS	Geographic Information System
LEDf	Local Economic Development Forum
EPWP	Extended Public Works Programme
MAM	Multi-Agency Mechanism
SDF	Spatial Development Framework
LUMS	Land Use Management System
DBSA	Development Bank of Southern Africa
LED	Local Economic Development
PRASA	Passenger Rail Agency of South Africa
SMME'S	Small Medium and Macro Enterprises
CPMD	Certificate programme in Management development for Municipal Finance
SALGA	South African Local Government Association
FIFA	Federation International Football Association
PC	Personal Computer
DoRA	Division of Revenue Act
HR	Human Resources
PMS	Performance Management System
MPRA	Municipal Property Rates Act
GRAP	General Recognized Accounting Practice
PMU	Project Management Unit
VIP	Ventilated Improved Pit Latrine
CLO	Community Liaison Officer
CIDB	Construction Industry Development Board
CIP	Comprehensive Infrastructure Plan
MCPF	Municipal Council Pension Fund
MGF	Municipal Gratuity Fund
MFMP	Municipal Finance Management Programme



# Executive Summary

The Nkomazi Municipality Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000.

According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. A brief summation of what is contained in each chapter is outlined below.

## Chapter 1:

This chapter contains the geographic location of the municipality as well as the population dynamics of the municipality. Key to this chapter is the consultative processes that the Municipality embarked on, which led to the creation of the IDP document. The chapter touches on issues of governance and how the Council is constituted.

## Chapter 2:

This chapter reports on and highlights some of the key achievements and challenges of the organisation during the year under review. However, it is befitting to indicate that the Municipality faced a number of challenges, which ranged from the storm disasters that affected households and schools to mention a few, we continued to excel in service

delivery. This has been evident through the number of accolades that the Municipality has received. A detailed account of this is outlined in this chapter.

## Chapter 3:

This Chapter reports on the programmes the Municipality designed to improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.

## Chapter 4:

Key in this chapter is the fact that the municipality has submitted Annual Financial

Statements to the Auditor General for auditing.

## Chapter 5:

During 2010/2011 financial year the municipality has increased compliance with local government laws across a range of different pieces of legislation governing our operations. National Treasury has provided a reporting format for the Annual Performance Report and that is evident throughout this chapter.

# Legal Framework

The 2010/2011 Draft Annual Report has been prepared in accordance with the provisions of Section 121 of the Municipal Finance Management Act, 56 of 2003 and Section 46 of the Local Government's Municipal Systems Act, 32 of 2000.

In presenting this report for the financial year ended 30 June 2011, the municipality acknowledges progress made during the 2010/2011 financial year as well as the daunting challenges that still lie ahead. A detailed account of all the challenges and remedial actions has been provided in this report.

A handwritten signature in black ink, appearing to read "Mkhathwa", written over a horizontal line.

**Mr. M.R. Mkhathwa**  
Acting Municipal Manager

# Executive Mayor's Foreword

**Guided by the theme, 'together building a better life to ensure effective and efficient service delivery'.**

It is with great humility that I report that 2010/11 has been another very successful year for Nkomazi Local Municipality. This report will detail our on-going service delivery progress that we have continued to make on behalf of all the citizens of Nkomazi. Nkomazi continues to be amongst the best performing municipalities on MIG spending and all infrastructure development projects.

The 2010/11 financial year has been one of extraordinary change as Nkomazi Local Municipality continues to grow and develop at unprecedented levels. The Nkomazi Municipal council has worked hard during this period to finalize the outstanding matters on infrastructure projects, but also to work towards the successful implementation of the local government Turnaround Strategy that was set-up to realize significant improvements in the manner in which the local government machinery functions across the country.

We are glad in this regard that most of the projects that we

initiated as part of our Turn-key approach have reached finality and that some of our communities are already benefiting from these investments. We can mention in this particular regard that the completion of the Tonga C and Inyathi water schemes is an achievement from which the communities of Naas and Kamhlushwa and the surrounding villages are now proudly benefiting from, we remain optimistic that the final touches on the Masibekela scheme will be concluded soon, to allow our communities to benefit from these projects.

We can report further as it appears on our report that while Council has been persistent in its efforts to engage support from other levels of Government like the DoE, DWA, Cogta etc, we have continued to invest in the infrastructure needed to ensure that Nkomazi Municipality continues to provide appropriate services, facilities, businesses and employment opportunities to meet the growing needs of our communities.

We are proud to report that the sustainable partnership on social development programmes such as sport, HIV/AIDS Programmes, Culture and recreation have also received continued support from the municipality and we believe that they will continue to be a key component of our agenda to transform communities for the better.

In this report reference will also be made on the strides that we have made to improve our financial accounting, reporting and compliance. It will be noted that whilst improvements have been made on many fronts, the AG was of the opinion that more work still remained on specific matters and there is a need for the municipality to address these matters in order to get the unqualified audit opinion. It will be noted however that our on-going plans and activities in the current financial year, continue to bear testimony to our resolve in addressing the outstanding matters to which the AG has referred.

At this time Nkomazi Municipality is rising to the challenge of creating a strong, supportive, planned and sustainable future for the people of Nkomazi. This report shows our commitment in action and we look forward to continuing to work with Nkomazi's strong and diverse communities to ensure that our residents have every opportunity to grow and develop to their highest potential.



**Cllr TS Khoza**  
Her Worship, the Executive Mayor

# Acting Municipal Manager

**The 2010/2011 financial year was a period of memorable service delivery achievements for the municipality, the institution affirmed itself as a committed municipality in fulfilling its legal obligation and the implementation of our Integrated Development Plan.**

I join the Executive Mayor, Cllr TS Khoza, in presenting the draft Annual Report of Nkomazi Local Municipality for the 2010/11 financial year. The preparation of this strategic document has been one of the requirements by a number of pieces of legislations governing all the spheres of government in South Africa. This effort is the results of collaboration of both political and technical components within our municipality and most importantly, the recognition of the needs and aspirations of members of the communities in all fifty six (56) villages constituting Nkomazi Municipality. Such needs of the communities were taken into account during massive community participation sessions that were held in all wards (*needs assessment*), prioritised to meet the inadequate resources (*strategic planning*) and was translated into implementable actions (*projects*) to enhance and

change the lives of communities around our area of jurisdiction.

Consistent with the dictates of transparency, openness and accountability, Nkomazi Municipality once again humbly presents for public scrutiny the Annual Report for the 2010/11 reporting year.

The adoption of our IDP as a five year strategic tool has ensured that we have an elaborate plan in terms of which we will, together with our people, the material conditions under which they live, through the provisioning of quality infrastructure and sustainable services.

The institution is also continuously strengthened through the recruitment and appointment of key personnel in such strategic departments such as Infrastructure Development,

Budget and Treasury and our Political divisions. We believe that these strategic appointments will relieve the administrative burden on our existing personnel and political arms, enabling them to focus on more strategic matters of the institution and also to reach out to the majority of our people.

It can be said that of paramount importance to those tasks is the element of capacity building of our staff. This is a process that we have embraced warmly during the period under review, primarily because we appreciate the fact that without sharpening the skills-base of our work force, our personnel will become the equivalent of a blunt instrument. Consistent with this understanding, we have approved a bursary scheme for our employees, and we are confident that the continuous

training and development of our staff will yield better results for service delivery in Nkomazi.

We therefore humbly present this draft Annual Report for the 2010/11 financial year. We are optimistic that through the multi- year planning system and the capacity that we have amassed over the years,

we shall be at the hilltop of our commitments to push back the frontiers of poverty, and indeed to advance a better life for all.

Thank you!



**Mr. M.R. Mkhathwa**  
Acting Municipal Manager

# Audit Committee Chairperson's Report

We are pleased to present our report for the financial year ended 30 June 2011

## 1.1 Audit Committee Members

The Audit Committee was appointed on the 01 May 2009 and consists of the members listed hereunder. During the year under review, 5 meetings were held.

Name of member	Number of meetings attended
Mr BT Khoza (Chairperson)	5
Mr MJR Mpai	4
Mr RT Dipone	5
Mr S Taku	4

## 1.2 Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 166 (2) – (4) of the MFMA. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter and regulated its affairs in compliance with this Charter, and has attempted to discharge its responsibilities as contained therein. The

Audit Committee has addressed itself to the financial statements of the Municipality during the period under review.

### 1.2.1 The effectiveness of internal controls

Major weaknesses in internal controls were identified during the year by both the Audit Committee and the Auditor General. Non-compliance with prescribed policies and ineffective internal control measures have resulted in a number of issues being raised by the Auditor General that will require immediate attention from management in the next financial year.

- **Weakness in budgeting control**

The audit committee reviewed the adequacy of the e-Venus financial system following the resolution to introduce a financial system that will monitor spending and budget control and was satisfied of its

standard. The system was implemented in the middle of the current financial year and hence some transactions had already exceeded budgets.

- **Weakness in adherence to supply chain management policies**

The audit committee reviewed the unauthorised expenditure of R88m of which R40m was condoned by council and R31m relates to depreciation and remainder of R17m still needs to be condoned by the council.

### 1.2.2 Adequacy, Reliability and Accuracy of Financial Management Reporting

The Audit Committee has reached a level of comfort on the reliability and accuracy of the financial

statements provided by management. Continuous improvements have been made with regards to financial reports and the final Annual Financial Statements.

### 1.2.3 Risk Management

The Municipality has developed and approved a risk management strategy. This strategy is the foundation for a continuous risk assessment process and for management monitoring of risks on an ongoing basis.

The audit committee has reviewed the Annual Risk Assessment and risk register prepared by the risk manager and internal audit and was satisfied that the municipality has now developed and implemented an appropriate risk management strategy.

### 1.2.6 Internal Audit

Internal auditing provides a supportive role to management and the Audit Committee to achieve their objectives by assisting in the management of risks within the municipality.

The internal audit component is responsible for independent and objective evaluation of the department's system of internal control at a detailed

level and to bring any significant business risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.

The audit committee reviewed the reports prepared by the internal audit unit. It is the audit committee's view that additional resources within the internal audit unit be added after a review of the unit's capacity.

### 1.2.7 Aspects requiring specific mention

In the previous financial year, the Auditor-General has rendered a Qualified Audit Opinion on the financial statements due to certain shortcomings in fixed assets, Revenue, Leave Pay Provision and VAT.

The Audit Committee has taken note of the findings and opinions of the Auditor-General and we will evaluate and monitor the steps being taken by management to address each of the issues raised.

### 1.2.8 Evaluation of Financial Statements

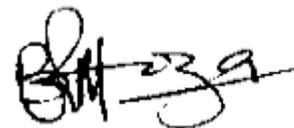
The Audit Committee accepts the conclusions of the Auditor-General on the

annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

### 1.2.9 Conclusion

Much remains to be done if the municipality is to improve to obtain an unqualified audit opinion. Management's commitment, adherence to internal controls and appropriate monitoring will assist in this regard. The Audit Committee further confirms its commitment into improving the current situation and will be available for additional meetings as required in order to ensure that internal controls are effective.

The Audit Committee extends its appreciation to management and the internal audit unit, for addressing some of the issues raised in the previous Auditor General's report.



MR BT KHOZA  
Chairperson of the Audit Committee

# Overview of the Municipality



## MUNICIPAL AREA: BASIC STATISTICS AND FIGURES

### Locality

The Nkomazi Local Municipality is located in the eastern part of the Ehlanzeni District Municipality of the Mpumalanga Province. The municipality is strategically placed between Swaziland (North of Swaziland) and Mozambique (East of Mozambique). It is linked with Swaziland by two provincial roads the R570 and R571 and with Mozambique by a railway line and the National road (N4), which forms the Maputo Corridor. The Nkomazi Municipality is 3240.42 km<sup>2</sup> in extent, which is 4.07% and 23% of the Mpumalanga Province and Ehlanzeni District Municipality land mass respectively. The Municipality is bounded by the Mozambique to the east, Swaziland to the south, Kruger National Park to the north, Umjindi Local Municipality to the south west and Mbombela Local Municipality from the northwest to west. In 2001 the population of the Nkomazi Local Municipality was at **334 408** persons and in terms of the Statistics SA 2007 Community Survey the population is now estimated at **338 095** persons, an increase by **3 687** persons. In 2001 the Municipality had 56 villages, 185 farm portions, 75 593 households and in 2007 the Community survey found that the households has increased to 78 254. As stated above the population of this Municipality has increased slightly, factors such as migration, death and birth has influenced the slow growth of the population.



## **Tribal Authorities and accompanying Villages**

In addition, the Nkomazi Local Municipality is made out of several villages that are under the control of traditional authorities. There are 8 tribal authorities and about **56** villages grouped as follows:

### **Mlambo Tribal Authority**

Mbuzini; Mabidozini; Samora Park; Emacambeni; Mbangwane; Ekusulukeni; Khombaso; Tsambokhulu; Mananga; Masibekela; Mandulo; Mthatha; New Village; and Hlahleya.

### **Hhoyi Tribal Authority**

KaHhoyi (Figtree); Eric'sville and Goba.

### **Siboshwa Tribal Authority**

Part of kaMaqhekeza; Block A (Kazibokwane); Block B (Kasibhejane); Block C (Esibayeni); Tonga; Los My Cherry; Ngwenyeni and Dludluma.

### **Kwa-Lugedlane Tribal Authority**

Mangweni and Steenbok.

### **Mawewe Tribal Authority**

Magudu; Mgobodzi; Madadeni; Sibange; Phakama.

### **Matsamo Tribal Authority**

Jeppes Reef; Schoemansdal; Buffelspruit; Driekoppies; Middleplaas; Schulzental; Mzinti; Ntunda; Phiva; Mdladla; Phosaville; Langeloo; Ekuphumuleni; Sikhwahlane.

### **Mhlaba Tribal Authority**

Magogeni; Boschfontein; Skoonplaas.

### **Lomshiyo Tribal Authority**

Louieville; Shiyalongubo



- Technical assessment by the COGTA
- MEC's comments raised during the 2009/2010
- Auditor General's report for 2009/2010

A number of strategic sections were held to ensure maximum participation by stakeholders in the IDP development. Copies of the Draft IDP were made available to the public and stakeholders for comments and inputs. A programme to visit communities on the draft IDP was developed and implemented before the final IDP was approved.

### **a) Stakeholders Consultation**

This IDP was developed after the country has experienced service delivery protest; as a result there was a need to pay special attention to service delivery challenges as raised by communities. In response to that a Municipal Turnaround Strategy was developed in consultation with communities. Below are the issues which required immediate intervention:

- Water provision
- Construction of Roads and Storm Water Drainage
- Provision of electricity
- Sanitation
- Waste Management
- Housing and Land Ownership
- Education
- Health
- Local Economic Development
- Community facilities
- Safety and Security

In response to the above, the bigger allocation of the budget was directed towards addressing critical issues raised by communities.

### **b) IDP Alignment**

As some of the concerns raised by communities during the IDP consultations were a mandate of sector Departments, there was a need for the Provincial and National departments to re-align their plans in order to respond to these issues. A number of projects were received from Sector Departments as way of responding to the issues raised. This resulted in a process of aligning the Provincial Plans with the Municipal Plans as part of the Turnaround Strategy.

### **Nkomazi's High Level Strategic Objectives**

#### **Municipal Manager's Office**

- To ensure effective implementation of council resolutions
- To promote the quality of service delivery
- Strengthening democratic processes
- To liaise on financial matters between the treasury and heads of departments (local, provincial and national)
- To provide professional advice and guidance
- To ensure effective monitoring and evaluation system
- To effectively and efficiently manage departmental budget and expenditure
- To manage institutional risks

- To ensure a harmonious and conducive working environment
- To adhere to the municipal service standards
- To promote and advocate issues of special groups and HIV/AIDS

#### **Corporate Services**

- To ensure sustainable institutional capacity (Improved technical skills, planning, contract management, engineering, finance and project management. (organogram )
- To ensure effective and efficient Inter Governmental and stakeholder Relations (LLF)
- Functional community participation mechanisms and ward committees
- To ensure effective and efficient secretariat service for council
- To promote and advocate issues of special groups and HIV/AIDS
- Improved, functional, effective, accountable and performance management mechanisms for councillors and officials
- To improve synergy between traditional and the municipal governance at the level of spatial planning and development. (service demand management, human settlement expansion control/plan)
- Facilitate staff skills and development
- To ensure the provision of legal support to the institution

- To ensure best practices on organisation, methods and usage of modern technology
- To ensure development of policies and by-laws
- To manage institutional risks
- To effectively and efficiently manage departmental budget and expenditure
- To adhere to the municipal service standards
- To ensure occupational health, safety and wellness of officials and councillors
- To ensure harmonious and conducive working environment
- Ensure effective intergovernmental and stakeholder relations
- To maintain on the job/ in service training programme
- To adhere to the municipal service standards
- To effectively and efficiently manage municipal assets
- To adhere to the budget cash flow management plan
- To uphold best practices as per treasury norms and standards

### Planning and Development

### Budget and Treasury

- To reduce dependency on grant transfers and actively seek alternative revenue
- To ensure financial sustainability and management
- To uphold best practices as per treasury regulations and other related acts
- To guide and support all departments
- To ensure that departmental sector plans are developed/reviewed, implemented and maintained
- To effectively support participatory democracy and integration
- To effectively and efficiently manage departmental budget and expenditure
- To effectively support institutional monitoring and evaluation system
- To manage departmental risks
- To support special groups and HIV/AIDS through mainstreaming

- To promote and facilitate economic transformation, sustainable growth and development
- To facilitate the processes of human settlement and formalisation of informal settlements
- To plan and guide development in terms of policy and legislation
- To promote tourism and culture
- To effectively and efficiently manage departmental budget and expenditure
- To manage departmental risks
- To develop, maintain and manage municipal spatial information through the use of GIS
- To adhere to all development principles as stipulated in the relevant contemporary legislation and policy
- To ensure development of policies and by-laws
- To ensure adequate access to housing and secure tenure

- To adhere to the municipal service standards
- To promote social cohesion through stakeholder forums (LEDF)

### Community Services

- To promote and facilitate a healthy and safe environment and creates an environmental aware society (Waste management)
- To ensure that biodiversity is protected and conserved for sustainable use (management of fauna and flora- game, birds, flowers, wetlands etc)
- To promote a culture of reading, literacy and access to information
- To promote adherence to traffic laws and municipal by-laws
- To ensure compliance with National Road Traffic Act 93 of 1996 (licensing)
- To promote social cohesion through sport and stakeholder forums (mayoral/twinning games and MAM meetings)
- To effectively manage municipal facilities (parks, cemeteries, community halls and stadia)
- To ensure effective fire and rescue services and manage potential disasters
- To effectively and efficiently manage departmental budget and expenditure
- To ensure that departmental sector plans are developed/reviewed, implemented and maintained
- To adhere to the municipal service standards

- To generate income (Traffic fines, waste removal, community halls, stadia and national monument, libraries etc)
- To support special groups and HIV/AIDS through mainstreaming
- To effectively support institutional monitoring and evaluation system
- To effectively support participatory democracy and integration
- To promote tourism and culture
- To manage departmental risks

### Infrastructure Development

- To provide reliable, sustainable and safe infrastructure (high quality electricity, water and sanitation, roads and storm water drainage)
- To promote and facilitate public infrastructure investment
- To generate income (electricity and water)
- To effectively and efficiently manage departmental budget and expenditure
- To ensure development of policies and by-laws
- To uphold best practices as per national and provincial guidelines
- To adhere to municipal service standards
- To initiate EPWP projects

- To proactively create infrastructure to stimulate investment
- To uphold best practices as per regulations and other related acts
- To maximise the use of modern technology
- To manage departmental risks



## ADDRESS DETAILS

Postal Address	Private Bag X101, Malalane, 1320
Physical Address	9 park Street, Malalane, 1320
Contact Numbers	Tel: (013) 790-0245, Fax: (013) 790-0886
Web Address	<a href="http://www.nkomazi.gov.za">www.nkomazi.gov.za</a>
Municipal Type	Category B (Municipal Structures Act)
Municipal Demarcation Board Code	MP324
Location of Head Office	Malalane
Municipal Area (km <sup>2</sup> )	3 219.35
Population (2001)	335 581
Number of Households	85 000
Unemployment rate	49.5%

## FULL TIME COUNCILLORS

Clr TS Khoza	Executive Mayor
Clr KJ Macie	Speaker
Clr S Mabuza	Chief Whip
Clr MW Mhlanga	MMC: Budget and Treasury
Clr PP Magagula	MMC: Corporate Services
Clr MR Shongwe	MMC: Infrastructure Development
Clr EM Ngomane	MMC: Community Services
Clr SL Mkhathshwa	MMC: Planning and Development

## MEMBERS OF PORTFOLIO COMMITTEES

### CORPORATE SERVICES

1. Clr Magagula PP
2. Clr Maphanga DA
3. Clr Mpofo JN
4. Clr Masilela DL
5. Clr Mkhumbane CT
6. Clr Masilela JD
7. Clr Vuma LT
8. Clr Mathenjwa ND
9. Clr Ndlala SJ
10. Clr Nkentshane EM
11. Clr Mambane DS
12. Clr Hlahla DB
13. Clr Ngomane BD

### BUDGET AND TREASURY

1. Clr Mhlanga WM
2. Clr Letsoalo MS
3. Clr Shongwe V
4. Clr Mabuza LA
5. Clr Zitha MA
6. Clr Mthombo TM
7. Clr Lusibane FN
8. Clr Masuku SH
9. Clr Makamo SL
10. Clr Motha CM
11. Clr Shabangu VT
12. Clr Shungube ZT

## **PLANNING AND DEVELOPMENT**

1. Cllr Mkhathshwa SL
2. Cllr Mahlalela EJ
3. Cllr Masilela ET
4. Cllr Mkhabela L
5. Cllr Ngomane LP
6. Cllr Myeni NM
7. Cllr Nkambule GJ
8. Cllr Mazibuko BC
9. Cllr Dikiza GK
10. Cllr Cloete A
11. Cllr Makhubela LS
12. Cllr Thumbathi BP

## **INFRASTRUCTURE DEVELOPMENT**

1. Cllr Shongwe MR
2. Cllr Mahlalela SS
3. Cllr Lumphoko PC
4. Cllr Mnisi PM
5. Cllr Mathonsi SS
6. Cllr Makhubela JJ
7. Cllr Preddy MMS
8. Cllr Sibiya S
9. Cllr Msithini ZS
10. Cllr Mabuza VE
11. Cllr Langa NP
12. Cllr Ntuli J

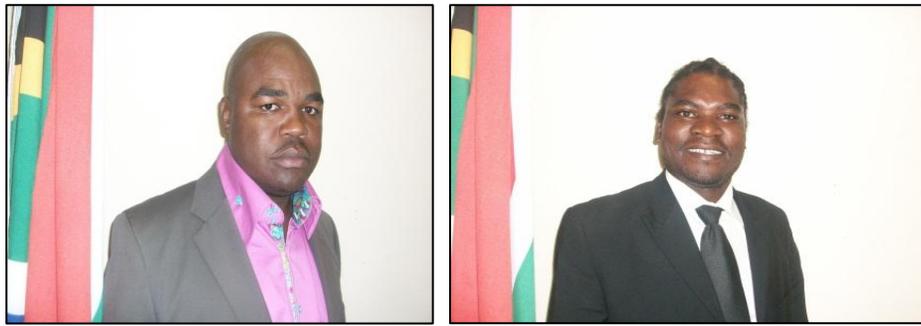
## **DIRECTORS/SECTION 57 & 56**

Mr MR Mkhathshwa	Acting Municipal Manager
Mrs SNN Mabaso	Chief Financial Officer
Mrs A Nortjé	Director Planning and Development
Mr EA Zitha	Director Infrastructure Development
Mr RL Shabangu	Acting Director Corporate Services
Mr VJ Makwakwa	Acting Director Community Services
Mr JW Mkhonto	Acting Chief Financial Officer

## **COMMUNITY SERVICES**

1. Cllr Ngomane EM
2. Cllr Nkosi MJ
3. Cllr Shongwe DM
4. Cllr Makhubela BS
5. Cllr Malaza BB
6. Cllr Silombo SR
7. Cllr Mnisi DP
8. Cllr Madolo SP
9. Cllr Mziako PM
10. Cllr Ngomane GB
11. Cllr Mogiba GN
12. Cllr Mkhumbane RM

# Governance: Executive Structure



# Council

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budget, policies, IDP, tariffs for rates and service charges.

The Council consists of 60 members, eight of whom are full-time. Table 5 depicts political and gender representation on Council.

Table 5: Political and Gender Representation on Council

Party	Councillors	Female	Male
African National Congress	55 (91.67 %)	25	30
Democratic Alliance	4 (6.67%)	2	2
African Christian Democratic Party	1 (1.67 %)		1
<b>TOTAL</b>	<b>60</b>	<b>27</b>	<b>33</b>



# Chapter 2

## Performance Highlights and Challenges

- 2.1 Planning and Development
- 2.2 Community Services
- 2.3 Corporate Services
- 2.4 Budget and Treasury
- 2.5 Infrastructure Development



## Planning and Development Department

### Performance Highlights

The department renders services in the following sections:

- Integrated Development Planning
- Urban and Rural Development
- Local Economic Development and Tourism

The department attempted to complete the formalization of townships in Tonga Block C, Pholane, Phosaville, Driekoppies and Kamhlushwa ext 2. Some progress was made with regard to the Pholane project and the Block C project. The other 3 projects could not proceed as planned due to the fact that the projects were funded from surplus on the budget which was found to be not available.

For this reason, the municipality entered into an agreement with Ehlanzeni District Municipality to formalize the settlements. The agreement stipulates that the municipality must contribute R2m and Ehlanzeni District Municipality will contribute R3m in order to finalize the formalization of a total of 5 settlements. The R2m to be paid to the District Municipality in the 2011/12 financial year.

The final SDF was approved by Council and the draft LUMS was adopted as a draft. However, problems arose with regard to the application of the LUMS in the former Kangwane area and the matter was referred to DBSA for assistance with a legal opinion. Until such time as the legal opinion has been received, the department cannot proceed with the public participation process which is the next step.

The Department realized that policies to guide development are lacking and the following policies were developed and approved by Council: Agricultural Land Subdivision Policy and Guest House Policy. It also became clear that no fees are charged towards bulk service contributions from developers and the department addressed this. Tariffs in this regard were promulgated during the 2011/12 budget process.

The Department planned to develop a long term development strategy for Nkomazi and the tender was advertised. However, due to the fact that there was no cash backed surplus funding, the project had to be cancelled and will now continue in the 2012/13 financial year.

With regards to Good Governance and Public

Participation, the department planned to improve the IDP to the extent that it will be 70% credible. Problems encountered during the previous financial year were addressed and the public participation process was followed as per approved IDP Process Plan.

During the assessment of the IDP, Nkomazi was rated as amongst the top 6 in the province which is an achievement. There are still outstanding sector plans which must be updated / compiled during the current financial year. This will increase the assessment of the IDP even more. However, the cooperation of the other relevant departments will be needed in this regard.

On Local Economic Development, the department managed to do the following during the 2010/2011 financial year in an attempt to create an environment that is conducive to economic development:

- The LED strategy was finalized and adopted by Council
- An Investment Policy was developed and adopted by Council
- Land was identified in Komatipoort and it was approved that this land be rezoned for industrial use.

Once the rezoning has been completed, the area can be marketed for investors as this area is next to the Maputo Development Corridor.

Assisted the informal trading sector by building facilities in Malalane, Komatipoort, N4/R570 intersection and Mbuzini. Stalls were built in Malalane and Komatipoort, building plans were drawn for Mbuzini and planning for the N4/R570 development was finalized. Due to the problem mentioned above with regard to the surplus, the projects could not proceed any further and the department is now in the process of scouting for funding to complete the projects.

Two crafters markets were also planned, one in Schoemansdal and one in Malalane. The one in Malalane was also intended to be used as a day market for hand crafted goods once a month and to incorporate a botanical garden as well. Negotiations were conducted with land owners who indicated that they will support a hiking trail from the market to the Spargo dam which will cut across their land. However, the lack of surplus funding also stopped these projects and all that could be done was to clear and fence the areas. Building plans for Malalane market were drawn and approved.

The Department further attempted to assist the Mangweni Cultural Village, however it was found that feasibility studies and business plans were not done and the sustainability of the project was questioned by the political leadership as well. Therefore, the project was placed on hold and the assistance of the tourism sector was invited to ensure that a sustainable project will be created. Funding remains a problem as this project was also funded from surplus funding.

The Kruger Malalane Junction project could not proceed due to the fact that the Section 21 Company running the project disbanded and no assurance could be obtained from PRASA, the landowner that the land will still be available for this project. However, this project was packaged by Ehlanzeni District Municipality as a project earmarked for investment.

The Department managed to facilitate the establishment of an LED forum on the 13<sup>th</sup> of August 2010. The forum is functional and working groups have been established namely: Agriculture and Mining, Tourism, SMME's, Infrastructure, Commerce and Investment.

The Department also participated in the Tourism Awareness month and one

event was hosted by the municipality, focusing on scholars.

Controlled expenditure in order to prevent over expenditure. The fact that no cash backed surplus was available, prevented the department from achieving most of its project goals.

Progress has been made with regard to future contributions by developers towards bulk service infrastructure as the Department managed to have tariffs promulgated which will become payable by developers with effect from 1 July 2011.

The department arranged for 5 officials to be trained and appointed as Peace Officers to assist with law enforcement regarding building control, town planning and trading legislation.

Two officials attended a course in marketing and the director attended the CPMD course at Wits University. Various workshops were attended by officials in the department.

Five students were also accommodated to perform their practical training in the LED and Urban Planning sections.

Secure filing facilities were installed in the offices for the safekeeping of building plans and a plotter for the GIS

system was purchased. The department also managed to purchase one more vehicle which was urgently needed.

### **Challenges**

The lack of funding during the 2010/11 financial year was the biggest challenge for the department as goals could not be achieved. Lack of building control officials remains a problem as the department only has 3 officials at its disposal.

The lack of an LED manager also posed a challenge as the

LED section was managed by the Director on top of her other duties. It is also clear that capacity building is necessary in the LED section and therefore 2 officials have been enrolled to participate in the DBSA programme on LED.

The continued development in rural areas on land allocated by Traditional Authorities remains a problem as development cannot be coordinated in this way and no proper planning for infrastructure can be done.

# COMMUNITY SERVICES DEPARTMENT



## DEPARTMENTAL FUNCTIONS

- Waste Management
- Nature Conservation
- Fire & Rescue Management
- Vehicle Licensing and Testing
- Protection Services
- Community Development
- HIV/AIDS Management

## KEY PERFORMANCE AREAS

The performance of the Department is measured against the performance areas as identified and approved by Council, namely:

1. Basic Service Delivery
2. Good governance and public participation
3. Local Economic Development
4. Municipal financial viability and management
5. Municipal efficiency and productivity

## 6. Municipal institutional Development and Transformation

### KPA1: Basic services

Accessibility to public facilities (stadia, community halls, parks & cemeteries, libraries and international monument) improved through provision of repairs and maintenance services. Number of bookings increased drastically especially with the community halls and stadia, libraries during exam times. Best practices model cooperated within the licensing guidelines, all customers served. 54600 households received waste collection services. Road related accidents were reduced from a trend of 234 to 134, following traffic fines issued, speed checks and road blocks conducted. HIV Counselling and Testing

services extended from community outreach to home education, awareness and home HIV Counselling and Testing.

### KPA2: Good Governance and public participation

Stakeholder's forums strengthened with quarterly meetings. Public viewing area staged with a success for the FIFA 2010 world cup. Mayoral cup held and four winning teams awarded. Nkomazi cleanest school competition was conducted and 38 schools participated. Nkomazi got second position in the greenest Municipality competition. Men's Indaba project launched, and initiated Medical male Circumcision as part of prevention programmes. Ehlanzeni District Municipality awarded Nkomazi for having the best HIV/AIDS programme at the District, Nkomazi Local AIDS Council

recognized by COGTA and SALGA to be the best in the country in terms of HIV/AIDS programmes and implementation. Average fire response time improved from 45 minutes to 30 minutes.

**KPA3: Local Economic Development**

Successfully established cultural groups and crafter's market. The Department assists recycling companies around Nkomazi.

**KPA4: Municipal financial viability and management**

Revenue collection is done in urban, schools and commercial areas through waste collection.

**KPA5: Municipal efficiency and productivity**

32 lay Counsellors trained for home HIV counselling and testing services.

**KPA6: Municipal institutional development and transformation**

HIV/AIDS prevalence dropped from 37, 5% to 35, 5%. HIV/AIDS programmes continues as per the priority areas on the Nkomazi HIV/AIDS strategy. AIDS Council leaflets designed for communities to understand the roles and responsibilities of the AIDS Council.

**Challenges**

The Department is faced with different challenges ranging from shortage of personnel, transport, and insufficient budget to run programmes and to procure equipments. Licensing offices at Kamhlushwa delayed to be opened due to the shortage of equipments from National Department. Waste collection services did not address the 9288 backlog due to lack of funding to purchase equipments. HIV/AIDS strategy reviewed and could not be approved by Council because results delayed by National Department of health, hence the strategy could not be complete without the Municipal HIV/AIDS prevalence.



## CORPORATE SERVICES DEPARTMENT

### Performance Highlights

#### Support Department:

It supports all the four departments, in particular with the Human Resource issues, portfolio Committee Meetings, training and Development and Record Keeping.

Corporate Services consist of the following key sections:

- Human Resources
- Administration
- Legal Section
- Performance Management Section
- Transversal Section

The office of the Municipal Manager also falls under Corporate Services with the following sections.

- Communications
- Risk Management
- Internal Audit

The following political offices fall under Corporate Services

- Office Of The Speaker
- Office Of The Chief Whip
- Office Of The Executive Mayor

Secretarial to Council, Mayoral Committee and Portfolio Committees.

#### Council

- Preparation of agenda
- Distribution of Council agenda
- Recording of Minutes

- Distribution of Minutes
- Consolidation of Council Resolutions

#### Challenges

Administration is informed late and therefore this delay the Council's agenda being delivered in time as specified in the Legislation. This also required overtime to be worked.

Late submission of reports results in reports being tabled as addendums and Council does not take note of addendums.

Nkomazi has no Council Chamber

#### Achievements

All Council minutes signed by Speaker and correctly filed.

All Council Resolutions consolidated and posted onto the G drive for easy access.

New Sound system has been procured for the recordings of Council can be saved on the PC instead of cassettes.

#### Cleaning Services

Corporate services is responsible for the cleanliness of all municipal buildings.

#### Challenges

Insufficient funds for procuring cleaning materials throughout the year.

#### Internal Audit

##### Mandate

Nkomazi Local Municipality has established internal audit unit in terms of section 165 of the Municipal Finance Management Act, No 56 of 2003. The unit was established in 2008 and it has two full-time officials, Internal Auditor and Assistant Internal Auditor.

##### Responsibilities of the Unit in terms of the Act:

1. Prepare a risk-based audit plan and an internal audit program for each financial year,
2. Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to:-
  - Audit,
  - Internal controls,
  - Accounting procedures and practices;
  - Risk and risk management;
  - Performance management;
  - Loss control; and
  - Compliance with this Act, the Annual DoRA and any applicable legislation, and;
3. Perform such other duties as may be assigned to it by the accounting officer.

the unit in executing its responsibilities

### Risk Management

Legislating Risk Management in the public sector institutions is a Risk Management Strategy of Government towards ensuring the achievement of national goals and objectives. In other words, Risk Management was established to assist management in proactively identifying risks that may prevent Nkomazi Local Municipality from achieving its strategic and operational objectives and thereafter design action plans aimed at ensuring that the perceived risks are reduced to an acceptable level.

### Mandate

The following legislative instruments provide a legal foundation for Risk Management within provincial departments, entities and Municipalities.

- a) Municipal Finance Management Act no 56 of 2003 (MFMA)

The Risk Management unit was established In terms of section 62(1)(c)(i) of the Municipal Finance Management Act which states that the accounting officer must develop and maintain an effective, efficient and transparent system of Risk Management and internal controls in accordance with any prescribed norms and standards.

### b) King III Report on Corporate Governance, 2009

The King III report on corporate governance also outlined the following as risk management guidelines:

- The governance of risk-i.e Nkomazi Local Municipality's senior management's responsibility for risk governance;
- The governance of information technology –i.e information technology to form an important part of Nkomazi Local Municipality's risk management profile;
- Responsibility for risk management;
- Compliance risks-i.e. compliance to laws, rule, codes and standards also to form an important part of Nkomazi Local municipality's risk management process.

## 4. Audit Committee

The Audit Committee was appointed in 2009 and has four (4) members. Their appointment was in terms of section 166 of the Municipal Finance Management Act, No 56 of 2003. The Committee is playing an advisory role to the Council and it meets at least once per quarter.

### Achievements

The Internal Audit Unit has managed to perform its duties as required by the Act. All internal audit reports were discussed with management and presented to all audit committee meetings.

1. The following documents relating to the internal audit unit were developed and reviewed in each year:
  - Internal Audit Plan and 3 year rolling plan
  - Internal audit Charter
  - Internal Audit Methodology
  - Audit Committee Charter
2. The Unit has also managed to provide management with monthly and quarterly reports which reflects the performance of the Unit.

### Challenge

Understaffing of the unit

### Recommendation

Create a post for an additional internal audit clerk to assist

In addition to the above, a Risk Management Committee was formed and it is fully functional. This committee is made up of the five departmental directors and two independent external members.

### Challenges

The section has experienced challenges relating to the implementation of its activities and functions as it only has one official. Some of the most important functions are not timeously done and reported to management.

### Recommendations

The unit urges management to put more effort in supporting Risk management's activities and principles as stipulated on the Municipal Finance Management Act, King III report on corporate governance as well as on Public Sector Risk Management Framework.

### Communications



The municipality is being guided by a number of factors in terms of service delivery mechanisms. This includes the communication strategy for the entire municipality to align itself with government programme of action and to have clear communication messages to the public. During the 2010/11 financial year the communication section has procured a mobile sound and stage facility (well branded 4 ton communication truck) to enhance all communication programmes of the municipality and to ensure that nothing hinders reaching all the villages. The section currently has three communicators (Communications Manager, Communication Liaison Officer, and Communication Officer) and an intern.

The introduction of the municipality's newsletter further allows proper feedback mechanisms in communicating our programmes and to showcase some of our milestones. The section also ensures that a number of mediums are being utilized to communicate with its people.

At least one radio slot is procured per month to update communities on latest developments. Community newspapers are also other platforms whereby we communicate with the public.

Nkomazi launched its website ([www.nkomazi.gov.za](http://www.nkomazi.gov.za)) which is interactive to enable those who have access to the internet to communicate directly with the municipality. This has shown how much serious the institution is taking communication and using all possible means to relay positive image to the entire public. Though this is a public institution but we envisage making it a brand through proper branding.



## Transversal

### Mandate

The Special Groups focus was proclaimed by the Presidency as the most vulnerable and historically disadvantaged individuals (Women, Children, Disabled Persons, Elderly and Youth). The Mandate of the Government is to ensure that the above mentioned Special Groups are given preference in Service Delivery by:

- Ensuring effective coordination of Special Groups issues (Women, Children, Disabled Persons, Elderly and Youth Development).
- Liaison between the community, stakeholders and Government Departments for rendering services to the public.
- Ensuring that Special Groups issues are mainstreamed within the Municipal Business.

### Achievements

- Launched the Youth, Disabled and Women Advisory Councils.
- Established Nkomazi Children's Rights stakeholder forum.
- Facilitated Learnership on water and sanitation for 40 youth.
- Launched Career Exhibition.
- Launched Tertiary Assistance Programme.
- Facilitated Training for 40 women on Business skills.

- Facilitated Training for 30 youth on basic computer skills.
- Facilitated Training for 20 disabled person's basic computer skills.
- Facilitated Training for 15 cooperatives and registration process.
- Facilitated Training for (5 youth, 5 women, 5 disabled persons).

### Challenges

- Insufficient staff (unfilled posts).
- Insufficient budget allocation for special groups.
- Lack of Special Groups Vehicle (disabled transport).

### Recommendations

- All vacant post to be filled to accelerate service delivery for Special Groups.
- Nominate Councillors within the Portfolio to be responsible for each special focus.

### Youth Development

Nkomazi Youth Policy, National youth policy and integrated youth development frame work serves as a guiding tool for the implementation of youth development programmes covering the entire Nkomazi Sub-Region

### Youth Summit/Career Expo

The Municipality has embarked on an annual youth summit

where NYDA, SEDA Government Departments and Parastatals are invited to present opportunities and funding for youth development initiatives. These events are used to disseminate information and also are capacitating young people to take informed decision about their future prospects.

### Skills Development

Trained 50 youth companies on tendering process, and understanding of the business environment. The Municipality wants to ensure that economic opportunities are also given to young people with skill and knowledge of how to conduct the business activities

### Career Exhibition

The municipality hosts an annual career EXPO targeting most rural youth and schools. The project is organised by the Municipality inviting the Department of Education as a partner and other government departments, universities, FET's and other institutions of higher learning exhibit about career opportunities requirements for academic entrance to universities and bursary opportunities.

### Once off Registration Fund

The municipality has started a once off registration fund financial assistance programme. This programme is aimed at assisting learners who have passed their matric

grade 12 and pursuing the careers with institutions of higher learning.

Attach table for assisted learners

### **Children's Rights**

Take a child to work programme was held by the

Municipality in August 2010 for the first time, and has since been made an annual programme. The municipality focuses on exposing girl children from disadvantaged background family into understanding the various

municipal functions and different careers

### **Nkomazi extends a hand to matriculants in need to further education**



The Nkomazi Municipality has invited matriculants from disadvantaged background to apply for a once-off tertiary registration fee for students who wanted to further their studies during the 2010/11 financial year. The application forms were available at Malalane Civic Center.

#### **Conditions of Consideration were:**

1. Only South African Citizens eligible to apply
2. Preference is on first year undergraduate / first diploma / Critical Skills
3. Financial Support is for Registration Only
4. Need to fill-in the application form with supporting documents.



Below is the list of 18 students who benefited from this programme according to the field of study and institutions:

Name of Student	Name of Course	Name of Institution
Mahlanga Busisiwe Marcia	Diploma in Environmental Health	Durban University of Technology (DUT)
Palmer Bongzi Percival	Degree in Electrical Engineering	University of KwaZulu-Natal
Khoza Witness	Degree in Mechanical Engineering	DUT
Khoza Bongekile Lungile	Diploma in Healthcare Science	University of Limpopo
Shabalala Professor Menzi	Degree in Electronic Engineering	University of KwaZulu-Natal
Herold Isabel	Diploma in Town & Regional Planning	DUT
Zitha Sihle Howard	Bachelor of Commerce	Wits university
Mathe Penwell	Degree in Civil Engineering	University of Johannesburg (UJ)
Fakude Fezekile Persistence	Degree in Library & Information Science	University of Fort hare
Christine Mkhathswa	Degree in Environmental Planning & Development	University of Zululand (Unizul)
Densone Nkosingiphile Wonder	Diploma in Agric- Economics	University of Limpopo
Makhubela Themba Innocent	Degree in Financial Information	Tshwane University of Technology (TUT)
Manzini Gaylord July	Bachelor of Commerce in Internal Auditing	University of Pretoria
Ngcane Bongane	Honours in Quantity Surveying	Wits University
Mashabane Nhlanhla	Diploma in Electrical Engineering	Cape Peninsula University
Shabangu Lwazi Decky	Bachelor of Commerce in Accounting	University of Limpopo
Bhila Philemon Charles	Diploma in Internal Auditing	DUT
Sithole Siphesihle Fortunate	Degree in Hydrology	Unizul

## Human Resource Division

### Mandate

Chapter 2, section 7 of the constitution, 1996, establishes the Bill of Rights as the cornerstone of democracy in South Africa and affirms the democratic values of human dignity, equality and freedom. The municipality, as a sphere of Government, is required to respect, protect, promote and fulfill these rights which include human resources. Responsibilities of Human Resource

- Labour relations
- Occupational Health and Safety
- Skills development
- Recruitment and selection
- Wellness
- Human resource management
- Human resource planning
- Organisational structuring

## Achievements

- Task implementation only one of few municipality who could manage to implement the new Task system
- Organogram under review
- Filling of most critical posts (no consultants)
- HR received 100% mark on IDP review
- Achieved Best skills development for the second year in a row
- Wellness program for all officials and councillors has been established
- Managed to establish safety committees
- Regular personnel meetings were held
- Active labour forum
- Various policies developed and adopted

- PAY DAY implementation (human resource component)

## Challenges

- Not enough qualified training providers
- Municipality does not have an integrated computer system-communication therefore very difficult
- More than 90% of management less than 5 years municipal experience
- Age profile young inexperienced workforce
- Nkomazi is a rural area and it is not easy to access qualified, experienced people
- Lack of funding
- Lack of office space
- AIDS has a substantial impact on workforce

## Performance Management

- The Local Government: Municipal Systems Act no 32 of 2000 place the responsibility of establishing a performance management system to the Executive Mayor.
- The Act also allows the Executive Mayor to delegate the powers of establishing the PMS to the Municipal Manager as the Head of administration

## PMS Policy framework

- Performance Management System Policy/ Framework was adopted by Council on the 26 May 2010(Council Resolution No. NKM: GCM: A039/2010), this was the first review since 2006. Currently the performance management system is implemented to section 56 managers but the municipality intends to cascade to all employees in the near future.

## Performance Management Model

- The Nkomazi Local Municipality has adopted the Balanced Scorecard as its performance management model. The Balanced scorecard fully

integrates with the IDP as the IDP provides the basic framework of performance expectations.

- It is a proven tool that creates synergy and enables alignment of priorities and coherent reporting.

## Performance agreement 2010/2011

- Nkomazi Local Municipality section 56 managers have entered into Performance Agreement with the municipality for the financial year 2010/11. This is in line with the MSA of 2000 and performance regulations. Performance Agreements for 2010/2011 adopted by council on the 20 August 2010(Council Resolution No. NKM: MCM: A097).

## Performance reviews Cycle

### The performance intervals are supposed to be as follows:

- 1<sup>st</sup> quarter (September) – performance reviews
- 2<sup>nd</sup> quarter (December) – performance reviews (assessment)
- 3<sup>rd</sup> quarter (March) – performance reviews

- 4<sup>th</sup> quarter (June) – performance reviews (assessment)

- The performance information (quarterly reports) is audited quarterly by the audit committee.

NB! The assessments were not conducted due to the fact that four out of the five section 56 managers including the Accounting officer (Municipal Manager) are on an acting capacity

## Cascading PMS to all staff

- The Performance Management System covers only the section 56 managers. The municipality has a plan to cascade the PMS to all levels in the municipality with assistance from SALGA.

## Achievements

- Service Delivery and Budget Implementation Plan for financial year 2010/2011 submitted.
- The section 56 managers signed performance contracts for 2010/2011
- Performance reports for each department are

submitted on a quarterly basis.

### Challenges

- lack of understanding on performance information in both staff and councillors
- Lack of proper quarterly reporting and late submission of reports.
- Assessment of section 56 Managers was not performed
- Shortage of staff in the PMS unit

- A PMS awareness be conducted both on councillors and officials and PMS task team program be compiled for the functionality of the performance management in the municipality
- PMS co coordinator will be appointed in the next financial year(2011/2012)
- A schedule of deadlines for reporting will be formulated and communicated

### Awards Received for the year

SALGA was inspired by Nkomazi Local Municipality's excellent and innovative approach to delivering

municipal services. The municipality was recognised for excelling on municipal essential services, HIV/AIDS programmes, Disaster management and Batho Pele Principles. The best practices on these areas enabled the municipality to scoop the following awards:

- *Best Local Employer on essential services*
- *Best Municipality on HIV/AIDS programmes*
- *Best Local Municipality in Mpumalanga 2009/10 financial year*
- *Best Local Municipality on Disaster Management*
- *Best Municipality on implementation of Batho Pele Principles*

### Recommendations

### EQUITY STRUCTURE

The equity structure within the Municipality as at 30/06/2011:

EMPLOYEES GENDER DESCRIPTION	TOTAL	PERCENTAGE
Total Male	626	72.20%
Total Female	235	27.10%
Disabled	6	0.69
EQUITY	TOTAL	PERCENTAGE
Total Black Male	614	70.82%
Total White Male	20	2.31 %
Total Coloured Male	0	0
Total Indian Male	0	0
Total Black Female	226	26.07 %
Total White Female	7	0.81%
Total Coloured Female	0	0
Total Indian Female	0	0
Total Black	841	97. %
Total White	26	3.00%
Total Coloured	0	0
Total Indian	0	0

<b>TOP MANAGEMENT: section 56</b>	<b>GENDER</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
<b>DESCRIPTION</b>			
Total Male		1	50.00%
Total Female		1	50.00%
<b>MANAGEMENT TASK LEVEL 17</b>	<b>GENDER</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
<b>DESCRIPTION</b>			
Black Male		18	72 %
White Male		3	12 %
Coloured Male		0	0
Indian Male		0	0
Black Female		4	16 %
White Female		0	0
Coloured Female		0	0
Indian Female		0	0
<b>MANAGEMENT TASK LEVEL 14-8</b>	<b>GENDER</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
<b>DESCRIPTION</b>			
Black Male		149	66.82 %
White Male		16	23.32 %
Coloured Male		0	0
Indian Male		0	0
Black Female		52	7.17%
White Female		5	2.24%
Coloured Female		1	0.45%
Indian Female		0.0	0
<b>EMPLOYEES TASK LEVEL 7-1</b>	<b>GENDER</b>	<b>TOTAL</b>	<b>PERCENTAGE</b>
<b>DESCRIPTION</b>			
Black Male		465	75.36 %
White Male		1	0.16 %
Coloured Male		0	0
Indian Male		0	0
Black Female		150	24.31%
White Female		1	0.16%
Coloured Female		0	0
Indian Female		0	0
<b>TOTAL EMPLOYEES (Including Temp./Contract Workers)</b>		<b>867</b>	

## BUDGET AND TREASURY DEPARTMENT

This is the annual report to indicate the performance of the Budget and Treasury Department for 2010/11 financial year.

### STRATEGIC PLAN

The strategic goal of the Budget and Treasury Department is to ensure the financial viability of the municipality by effectively managing the financial resources and assets of the municipality. This includes revenue management and enhancement as well as debtor management. Support to other departments is also a role of the department to ensure the municipality's complete financial viability.

### SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN 2010/11

#### KEY PERFORMANCE AREA (KPA's)

1. BASIC SERVICE DELIVERY, PUBLIC PARTICIPATION & GOOD GOVERNANCE
    - Financial Management
  2. MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT
    - Revenue Management
  3. MUNICIPAL EFFICIENCY & PRODUCTIVITY
    - Financial Accounting
    - Supply Chain Management
  4. INSTITUTIONAL DEVELOPMENT & TRANSFORMATION
    - Staff Management
- Budget documents prepared and consolidated and were made available to the Budget & Treasury Steering Committee
  - The 3 year draft budget adopted by Council, advertised and made available for public comment as prescribed by the MFMA
  - Consultation meetings conducted with the community
  - The Adjustment budget adopted by Council
  - Final 2010/11 Budget was approved by Council in May 2010

### PERFORMANCE

#### KPA's: BASIC SERVICE DELIVERY, PUBLIC PARTICIPATION & GOOD GOVERNANCE FINANCE MANAGEMENT

#### Achievements

- The Time Schedule of key deadlines and Budget & Treasury Steering Committee Meetings were tabled and adopted by Council.
- Revenue projections for next 3 years for all departments tabled to Council and approved.
- All budget related policies reviewed and approved by Council

#### KPA: MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT

#### REVENUE MANAGEMENT

#### Achievements

- An average of 79% collection rate on rates and taxes was achieved
- Service Provider appointed for the amendment of the valuation roll and the compilation of the supplementary valuation roll

- Financial Reports submitted and approved by Council
- Tariff fees reviewed and approved
- Reviewed and implemented the Municipal Property Rates Policy approved by Council
- Reviewed Indigent policy approved by Council
- Drafted and approved the indigent register
- A total of 48 tenders were awarded.

### Challenges

- The lack of support on the BIQ system necessitated a change of the financial system to e-Venus during the financial year
- The development of the Revenue Enhancement Programme
- As developments in urban areas were minimal, the revenue base could not be increased
- No bad debts were written off this financial year
- Debtors Data not cleansed as it forms part of the Revenue Enhancement Programme which is not yet implemented
- Larger population stays in the communal land where they don't have

title deeds therefore there must be a speeding up of the land tenure upgrade application for other areas that have potential of revenue collection so that property rates can be implemented in rural areas.

- Determination of rates/tariffs on communal land where there is potential revenue collection has been difficult but a nominal rate will be charged in areas where there is potential revenue collection. Speeding up of the land tenure upgrade for these areas will assist in expanding the municipality's revenue base
- The on-going litigation process with the Valuar of the municipality has hampered the implementation of the MPRA
- Due to the extensive amendments required and the large number of objections to be dealt with to make the valuation roll credible, the supplementary valuation roll could not be completed in the fourth quarter, as planned.

## KPA: MUNICIPAL EFFECIENCY & PRODUCTIVITY

### FINANCIAL ACCOUNTING

#### Achievements

- Monthly reports submitted to all relevant stakeholders, Provincial and National Treasury
- Compliance to GRAP maintained
- Monthly Financial Reporting, Cash Flow and Staff Benefits reports were done.
- Report on Service Delivery and Budget Implementation Plan submitted monthly
- Bank statements reconciled on a monthly basis
- Annual Cash Flow document prepared and approved together with the budget and revised during the budget process
- Reviewed and implemented the Credit Control and Debt Collection Policy
- Bad debts collected with the assistance of debt collectors
- Service provider appointed to provide Fleet management services

### Challenges

- The introduction of a new financial system due to the transition process of training and getting accustomed to the system.

### SUPPLY CHAIN MANAGEMENT

#### Achievements

- Suppliers' Database updated and available
- Tenders are evaluated /Adjudicated on continuous basis and reported to Council
- The Reviewed Supply Chain Management Policy was submitted and approved by Council

- Assets to be disposed were identified
- Fixed Assets Register including movable and immovable assets compiled
- Asset Management and Disposal Policy reviewed to include maintenance & Impairment
- GRAP compliant Inventory Policy approved
- Infrastructure asset register converted to comply with GRAP and updated
- Asset Management Plan developed and implemented

### Challenges

- Rotation of suppliers for procurement of goods and services done manually.

### KPA: INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

#### STAFF MANAGEMENT

- Critical vacant posts advertised.
- 5 interns appointed as part of compliance to National Treasury
- Senior Accountant: Assets and Accounting Services post filled.



# INFRASTRUCTURE DEVELOPMENT DEPARTMENT

## Departmental Overview

The Infrastructure Development Department comprises of four Sub-Directorates (each with numerous sections), namely:

- *Water and Sanitation Services;*
- *Roads and Storm-water Services;*
- *Electrical Services; and*
- *Project Management Unit (PMU).*

## Performance highlights

The water and sanitation services section of the department is concerned with the following key developmental objectives/goals:

- To improve the access to basic services and infrastructure of all households in the municipal area.
- To provide an efficient and effective Water and Sanitation Function.
- Provide all customers with adequate, quality and affordable water in a cost-effective manner.
- Provide sufficient water-borne sewage system for the urban areas and VIP toilets for the rural villages.
- To ensure and facilitate the adequate provision of infrastructure for housing and other development initiatives.
- To facilitate good governance and public

participation in all projects to be implemented.

The roads and storm-water services section of the department is concerned with the following key developmental objectives/goals:

- To improve the access to basic services and infrastructure of all households in the municipal area.
- To render an efficient and effective Roads and Storm-water function.
- To ensure adequate provision of infrastructure for housing and other development initiatives.

On Local Economic Development, the department repaired and maintained all municipal buildings. Provided safe and quality roads and storm-water network. Facilitated good governance and public participation in all projects implemented.

The electrical services section of the department is concerned with the following key developmental objectives/goals:

- To improve the access to basic services and infrastructure of all households in the municipal area.

- To eliminate electricity bag-locks within the municipal area.
- To prevent break-downs by maintaining networks and infrastructure.
- To replace redundant over-headlines to ensure cost effectiveness, sustainability and safety.

- With regards to institutional development, the department seeks to ensure access to power for all before the year 2014.
- To render an efficient and effective electrical service.
- To facilitate the repairs and maintenance of street lights to the required standards.
- To facilitate good governance and public participation in all projects to be implemented.
- To create safe and sustainable electrical infrastructure.

The Project Management Unit is concerned with the following key developmental objectives/goals:

- To render an efficient and effective Project Management Unit.
- To manage its financial affairs through project management
- To facilitate good governance and public participation in all

projects to be implemented.

The 2009/2010 MIG allocation was R78, 280,000. This report sets out to show the level of usage and implementation of the MIG funds in the year 2009/2010 and also to show the impact of the funding on the community as beneficiaries.

## Introduction

This report aims at summarising the utilization of the 2010/11 Municipal Infrastructure Grant (MIG) funding to the Nkomazi Local Municipality. The objective of the MIG funding is to expedite service delivery to Municipalities that have

backlogs in order to reach the stated Millennium Development Goals. The 2010/2011 MIG allocation was R91, 482,000. This report sets out to show the level of usage and implementation of the MIG funds in the year 2010/2011 and also to show the impact of the funding.

## Background

Since the establishment of the PMU section in mid-2007, the MIG expenditure showed marked and tremendous improvement in Nkomazi Local Municipality. The table below shows the MIG expenditure performance in the last 4 years.

	2007/08	2008/09	2009/2010	2010/2011
MIG Budget	R76,719,000 (Revised)	R64,136,000	R78,280,000	R91,482,,000
Expenditure	R76,719,000 (100%)	R64,136,000 (100%)	R78,280,000 (100%)	R91,482,000 (100%)

## Progress to date

The progress on Project implementation is summarized below. Projects completion was affected in some instances by lack of capacity of service providers but the PMU addressed these challenges in order to complete the projects. Projects were implemented within the MIG framework. Consulting engineers were used for the design and supervision of the projects, and only CIDB registered Contractors were used in the construction process and the Municipality's PMU monitored the service providers during implementation.

The projects had local community involvement in the following manner:

- A Community Liaison Officer (CLO) was employed and involved in all projects
- The Councillors for the particular area were actively involved in the Project Steering Committee and were represented at meetings by the CLO
- Local labour was employed for project implementation

## Expenditure Details

The Table below shows the monthly expenditure from July 2010 to July 2011. Expenditure on PMU salaries, and office equipment was also taken from the MIG allocation.

### Monthly MIG Expenditure

Month	Total Monthly Payments
July 2010	R 4,734,604.18
August 2010	R7,326,054.34
September 2010	R 2,174,745.74
October 2010	R 4,503,983.38
November 2010	R 8,389,006.25
January 2011	R 4,173,860.96
February 2011	R 6,397,848.39
March 2011	R 9,052,659.87
April 2011	R 7,409,040.11
May 2011	R 8,386,494.08
June 2011	R 14,768,378.60
July 2011	R 16,975,435
<b><i>PMU Operational costs (2,7%) included on the June 2011 Monthly expenditure</i></b>	<b><i>R 2,470,014</i></b>
<b>TOTAL</b>	<b>R77,316,675.90 (85% by June 2011)</b>

**NB: The 100% expenditure of the MIG allocation was reached by 31 July 2011.**

The roll-over of R16,975,435 was requested from National Treasury to be retained. The following schedules show the extracts from the 2010/11 PMU Business Plan and the actual expenditure and status of projects executed in the 2010/11 financial year. The expenditure shown and the physical progress is the actual current progress as at 31<sup>st</sup> July 2011.



## EXTRACT FROM 2010/2011 PMU BUSINESS PLAN

Project Title	2010/11	2011/2012	2012/2013	Remarks
<b>Mbuzini Bulk Water Supply Scheme Augmentation:</b>	<b>(61,933,300)</b>			Multi-year Project
Khombaso Reservoir + Pumping Station	11,761,986	5,493,400		
Pipeline Khombaso Pumping station to Thambokhulu		22,009,900		
Thambokhulu Reservoir + Pumping Station			9,053,000	
Thambokhulu Pump Line to Mbuzini (Ndingindi Reservoir)			5,742,000	
			4,994,000	
Masibekela Water Treatment Works Phase 2		10,000,000	40,000,000	Multi-year Project
Hoyi Reservoir		8,230,800		
<i>Sibange Bulk Water</i>	3,000,000			
Tonga WTW Phase 1B	9,000,000	20,000,000	17,888,000	Multi-year Project
Madadeni Elevated Tank/Booster Pumps	1,500,000			
Mafambisa Water Reticulation	3,500,000	5,300,000		
Mbekisburg Water Reticulation	3,000,000			
Tonga D Water Reticulation	1,500,000			
Mangweni Water Reticulation	3,000,000			
Steenbok Water Reticulation	1,500,000			
Tonga C Bus Route Phase 2	6,000,000			
Nyathi Bus Route	4,000,000			
Ntunda Bus Route	4,750,000			
Magogeni Bus Route	9,500,000			
Schulzental Bus Route	4,000,000			
KaMhlushwa (East gate) Bus Route	4,000,000			
KaMaqhekeza (Abdul Section) Bus Route	4,000,000			
<b>Old Sanitation Project :</b> Mbanwane, Tsambokhulu, Khombaso, Mananga, Mandulo and Dlunduma	5,000,000			
<b>New Sanitation Project:</b> Bongani, Shiyalongubo, Ericsville, Middleplaas, Sikhwahlane, Dunusa and Mzinti	5,000,000			
Schoemansdal Community Hall	5,000,000			
<b>GRAND TOTAL</b>	<b>89,011,986</b>			
<b>MIG Allocation Less PMU Costs (2, 7%)</b>	<b>91,482,000 2,470,014</b>	<b>112,208,000</b>	<b>136,434,000</b>	



Name of the project	Project Description	Capacity	Approved Budget	Cumulative Expenditure R	Physical progress (July 2011)	Remarks
Mbuzini Bulk Water Supply Augmentation Scheme	New reservoirs, pumping station and bulk water pipelines	2*3m <sup>l</sup> reservoirs + 1 m <sup>l</sup> reservoir 12 km rising main pipelines	61,933,300	10,652,532.45	Construction in progress <b>(40%)</b>	Multi-year project
Sibange Bulk Water Supply	Upgrading of abstraction point and raw water pump		3,000,000	2,004,957.36	Completed	
Tonga WTW Phase 1B	Increase the capacity of the existing treatment plant	8Ml/day	51,000,000	8,575,357.05	Construction in progress <b>(25%)</b>	Multi-year project
Madadeni Elevated Tank/Booster Pumps	Elevated Tank, pump station and 2,2km rising main pipeline	40kl elevated tower, 2,2km clear water pipe	3,400,000	3,095,870.48	Completed	
Mafambisa Water Reticulation Phase 2	Installation of water reticulation network	110/75mmØ about 15km networks	13,000,000	4,497,555.89	Completed	Multi-year project
Mbekisburg Water Reticulation	Installation of water reticulation network	110/75mmØ about 15km networks	3,580,129.24	3,274,512.54	Completed	
Tonga D Water Reticulation	Installation of water reticulation network	110/75mmØ about 5km networks	1,500,000	920,710.78	Completed	
Mangweni Water Reticulation	Installation of water reticulation network and refurbishment of old reservoir	110/75mmØ pipes and 1Ml reservoir	3,000,000	2,794,503.40	Completed	

Steenbok Water Reticulation	Installation of water reticulation network	110/75mmØ about 5km networks	1,500,000	1,367,721	Completed	
Tonga C bus route Phase 2	Surfacing of 2,2km gravel bus road and storm water drainage system		6,000,000	4,212,677.94	Construction in progress <b>(70%)</b>	Roll-over project
Nyathi Bus Route	Surfacing of 4,2km gravel bus road and storm water drainage system		4,000,000	3,515,975.95	Construction in progress <b>(45%)</b>	Multi-year project
Ntunda Bus Route	Surfacing of 3,5km gravel bus road and storm water drainage system		4,750,000	6,703,855.77	Completed	Multi-year project
Magogeni Bus Route	Surfacing of 5,0km gravel bus road and storm water drainage system		9,500,000	5,031,508	Construction in progress <b>(65%)</b>	Roll-over project
Schulzental Bus Route	Surfacing of 4,0km gravel bus road and storm water drainage system		4,000,000	6,357,202.1	Completed	Multi-year project
KaMhlushwa (Eastgate) Bus Route	Surfacing of 1,5km gravel bus road and storm water drainage system		4,000,000	1,797,817.95	Construction in progress <b>(69%)</b>	Roll-over project
KaMaquekeza (Abdul Section ) Bus Route	Surfacing of 1,8km gravel bus road and storm water drainage system		4,000,000	1,000,266.78	Construction in progress <b>(45%)</b>	Roll-over project
Old Sanitation Project: Mbangwane, Tsambokhulu, Khombaso, Mananga,	Construction of vip Toilets	500 units	5,000,000	4,134,417	Completed	

Mandulo and Dluhluma						
New Sanitation Project: Bongani, Shiyalongubo, Ericsville, Middleplaas, Sikhwahlane, Dunusa, and Mzinti	Construction of vip Toilets	500 units	5,000,000	3,359,459.42	Construction in progress <b>(75%)</b>	Roll-over project
Schoemansdal Community Hall	Construction of Community hall	1 100m <sup>2</sup>	8,322,118.08	4,397,508.42	Construction in progress <b>(70%)</b>	Multi-year project
Masibekela WTW	New Water Treatment Works	7m <sup>3</sup> /day	33,085,137	1,054,375.45	Completed	Roll-over project
Masibekela/Hoyi Link Pipeline	Rising mainline from Masibekela treatment works	5km * 500mm Diameter pipeline	17,100,000	10,263,200.27	Completed	Roll-over project



## Monitoring

- Technical Monitoring for quality and performance to specifications was carried out by the Consulting Engineer who had been employed to manage the specific project. The Municipality however attended progress review meetings to ensure that the project was on track and performance was according to agreement by all service providers.
- Financial monitoring was carried out through expenditure tracking of Payment Certificates. Any indications of extra funding requirements would be picked up while the project was still on going in order to arrest any major variations.
- The PMU facilitated the progress of construction by recommending the sub –contracting of certain phases of the project where the main contractor clearly showed lack of technical expertise. This was done in order to save the project from complete failure.

## Results & Benefits

The Municipality has a data collection section which enters all the data related to specific projects. The broad outcomes and outputs as defined in the IDP document are:

Priority Issue	Objective	Measure		Target	Date
		Output	Outcome		
Water Infrastructure	Provide adequate, affordable water in a cost effective manner	Consumers provided	Consumers with access	80% of households	30 June 2012
		Consumers paying	Revenue collected	100% of households	
Sanitation	Provide waterborne sewer for urban and VIP for rural	Households connected	Households with Access	100% of households	30 June 2013
		Households with VIP toilets	Households with Access	80% of households	
Roads & storm water	Provide safe and quality roads and Storm water Network	Kilometres tarred/ upgraded with Storm water Drains	Improved mobility And safe roads	80% of households	30 June 2012
		Kilometres of access streets with storm water drains	Improved mobility and safe roads in settlements	90 % of all routes within settlements	30 June 2012
Water Infrastructure	Provide adequate, affordable water in a cost effective manner	Consumers provided	Consumers with access	80% of households	30 June 2012
		Consumers paying	Revenue collected	100% of households	
Sanitation	Provide waterborne sewer for urban and VIP for rural	Households connected	Households with Access	100% of households	30 June 2012
		Households with VIP toilets	Households with Access	80% of households	
Roads & storm water	Provide safe and quality roads and Storm water Network	Kilometres tarred/ upgraded with Storm water Drains	Improved mobility And safe roads	80% of households	30 June 2012
		Kilometres of access streets with storm water drains	Improved mobility and safe roads in settlements	90 % of all routes within settlements	30 June 2012

An Annual Review of the IDP is carried out with a view to continuously address new challenges that may have arisen and also to review the current position. A Comprehensive Infrastructure Plan (CIP) document has been completed and the Municipality intends to approach the infrastructure mindful of the CIP document.

## Conclusion

The major success of the program is that the strategic issues identified in the Nkomazi Local Municipality IDP are being tackled. The way and direction has been set and the provision of service is improving. Past constraints of delays have been overcome through forward planning and commitments. However the issue of maintenance of the installed infrastructure shall now form a

new focus area. The Municipality also intends to address the issue of sustainability of the water infrastructure through the engagement of a service provider who shall ensure compliance with the by-laws of the Municipality.

## Lessons Learnt and Recommendations

The implementation of the MIG projects on time requires

continuous funding from MIG. The backlogs are still huge and require substantial financial commitments to be overcome.

The recommendations are that the programme be fully supported by MIG as it is indeed making significant impact in the provision of infrastructure services. However more focus shall now be made on Operation and Maintenance of the infrastructure to ensure sustainability.

## SECTION- C: BACK-LOGS AND CHALLENGES WITHIN THE NKOMAZI MUNICIPAL AREA

Services	Population	Backlog
Water	±5947 (Households)	± R135,979,026
Sanitation	±41575 (Households)	± R279,211,764
Roads	±1252 kms	± R3,174,084,507
Electricity	±5046 (Households)	± R72,662,400

### The following challenges have been identified as critical:

- Illegal connections from the bulk water supply has been identified as a major course to the supply of water
- Same to Electrification, there are huge illegal connections which are of no proper Control to Communities
- The suspension of water for all flagship project has also caused serious concerns to Communities because there

was hope that water will be available at least 18hrs per day, the creation of unfinished infrastructure through water for all flagship project which is unfinished and the leftover of trenches which are creating donga has caused problems.

- The area which is significant to be attended to is the Technical Capacity of personnel especially on the senior positions and plant operators
- Insufficient resources to upgrade our road, electrical and water infrastructure

### Envisaged strategy:

Since the council has requested to implement a management contract for the proper supply of water services to enhance service delivery and revenue management. This will assist the municipality to create its capital investment through revenue services and it will lead to focus on every household to pay for services in the next three to five years to provide for insufficient resources.

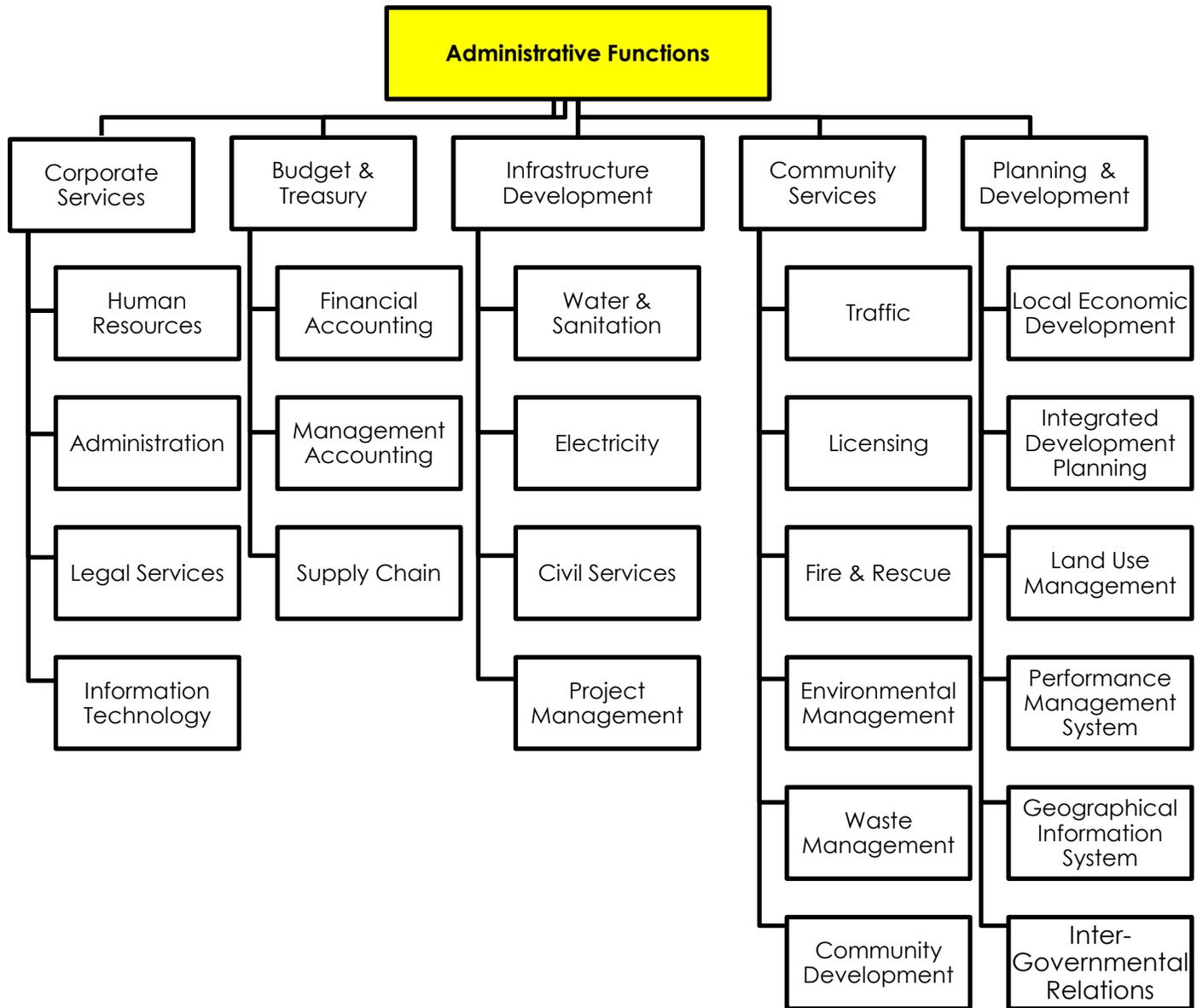
# CHAPTER 3

## Human Resources and other Organisational Management

- Organisational Structure
- Human Resources Profile
- Staffing Information
- Skills Development Programme
- Disclosures
- Occupational Health & Safety
- Employee Assistance Programme



A macro Organisational structure which displays the departments and functions is as follows:



## Administration

The administration of the municipality is headed by the Municipal Manager. The Municipality has five administrative departments, each being headed by a section 56 Manager. In addition the Operational Manager within the Office of the Municipal Manager is responsible for the efficient and effective operation of all departments.

## Office of the Municipal Manager

The Office of the Municipal Manager consists of the following functions: Internal Audit; Communications and Risk Management.

## Internal Audit –

Responsibilities include the provision of internal audit services to the Municipality. The section also facilitates external audit services required by the Municipality.

## Communications –

Responsibilities include the coordination of corporate communications, events, general marketing and maintenance of the municipality's profile. This section also acts as the vehicle for the realization of intergovernmental and corporate governance structures and events.

## Risk Management -

Responsibilities include the development of municipality's vision for risk management and risk

## management

implementation plan. This section also communicates the municipality's risk framework to all stakeholders in the institution and monitoring its implementation. It also assists management with risk identification, assessment and developing of response strategies and reports the risk register to the Accounting Officer, Management and Risk Management Committee. Also participates with Internal Audit, Management and Auditor-General in the development of combined assurance plan for the municipality.

## Human Resources Profile

The following table provides staffing information

Table: Employment equity statistics																
Level	Region Demographics	Nkomazi-Overall														
		Accounting Officer			Section 56 managers			Middle Management			Junior Management			General Workers		
		0-1			17			8-14			1-7					
		Exist	Ideal	diff	Exist	Ideal	diff	Exist	Ideal	diff	Exist	Ideal	diff	Exist	Ideal	diff
African Males		0	-1	-1	1	-4	-3	18				149		465		
African Females								4				52		150		
Coloured Males								0				0		0		
Coloured Females								0				1		0		
Indian Males								0				0		0		
Indian Females								0				0		0		
White Males								3				16		1		
White Females					1			0				5		1		
Other Males								0				0		0		
Other females								0				0		0		
<b>Total</b>		<b>0</b>	<b>-1</b>	<b>-1</b>	<b>2</b>	<b>-4</b>	<b>-3</b>	<b>25</b>				<b>223</b>		<b>617</b>		

Legend:

-Exist: Number of officials currently occupying the post(s)

-Ideal: Number of officials that should have been employed by the municipality

-Diff: Shortfall

## Staffing Information

The following table provides staffing information. The Municipality currently (as at June 2011) has 867 Permanent members employed, with 14 vacant posts as illustrated in the following table:

Table: Approved Posts		
Function	No. of Staff	No. of Vacancies
Municipal Manager	8	2
Corporate Services	46	2
Planning and Development	25	2
Budget and Treasury	45	6
Community Services	299	2
Infrastructure Development	444	1
<b>Total</b>	<b>867</b>	<b>15</b>

The following policies and by-laws were developed and in certain cases reviewed during 2010/2011 financial year and some have not been approved by Council:

- Exit interview policy
- Occupational Health and Safety policy

The following are the medical aid schemes in operation in the Municipality:

- Bonitas
- Hosmed
- Discovery

The following are pension fund schemes in existence in the Municipality:

- Municipal Council Pension Fund (MCPF)
- Municipal Gratuity Fund (MGF)

## Skills Development Programme

A total of 97 Employees received training in the 2010/2011 financial year at a cost of R1, 005,473

## Minimum Competency levels for Senior Management

The Municipal Finance Management Act, Section 83, 107 and 119 prescribe that the Accounting Officer, Senior Managers, the Chief Financial Officer and other financial officials of the municipality must meet the financial management competency levels prescribed by regulations. National Treasury issued regulations on Minimum Competency levels on 15 June 2007. The regulations prescribe the minimum competency levels for the following categories of employees:

- Accounting Officers of municipalities and municipal entities;
- Chief Financial Officers of municipalities and municipal entities;

- Senior Managers of municipalities and municipal entities;
- Other Financial Officials of municipalities and municipal entities; and
- Supply Chain Management Officials of municipalities and municipal entities;

The regulations further requires each municipality to report in its Annual Report consolidated information in respect of progress made in the attainment of minimum competency levels by the above mentioned categories of employees.

The report on progress made as at 30 June 2011 is provided in the table below in a format provided by the National treasury.

**Column A** – gives the total number of officials employed in the categories mentioned above.

**Column B** – gives the total number of officials employed by the municipal entity if applicable and such officials being in the categories mentioned above.

**Column C** – gives the total number of employees covered in column A and B

**Column D** – gives the total number of employees that have undergone competency assessment.

**Column E** – gives the total number of officials whose performance contracts for the year ended 30 June 2011 indicated the attainment of these competency levels as a performance target.

**Column F** - gives the total number of officials that

meet the minimum competency levels.

**Section 56 managers: CPMD**

Currently, there are Senior Managers (S56) and Middle Managers who are participating in the CPMD programme, which commenced on the 1<sup>st</sup> of July 2010 and is scheduled to be concluded by the 31<sup>st</sup> of October 2011. This is in order to meet the Minimum Competency Level Requirements.

**Other finance officials**

Five officials completed the Municipal Finance Management Programme (MFMP) during the 2010/2011 financial year in order to meet the Minimum Competency Levels, but the results have not been received from the Development Bank of Southern Africa (DBSA)

## Annual Report - Employee Wellness Programme

### Wellness Programme

Employee [Wellness program](#) was established to assist employees to enhance performance and general wellbeing; it was adopted on the 1<sup>st</sup> of December 2009 at Nkomazi Local Municipality in order to reduce absenteeism within the municipality. The Employee wellness unit shows the number of recorded absenteeism which was 308 since the establishment of the unit.

In employees lives this programme has contributed by making sure that they are intellectual grown by giving information on which impact that drugs, gambling, alcohol and any other psychological related dependence has in their lives, also ensures the fitness of the employees, which leads to better productivity at work by awareness workshops.

Sites Visited in order to encourage employees and to empower employees to enhance their general wellbeing, because a well taken care employee improves productivity.

Also those employees with financial crises were given information about the National Credit Act. Self and Formal referral were made to certain employees to Careways Group where they got professional support.

# Annual Report – Occupational Health and Safety

Occupational Health and Safety is slowly becoming a lifestyle amongst employees in Nkomazi Local Municipality. The municipality is committed to reach a reasonable compliance with the Occupational Health and Safety Act 85 of 1993.

All the four Safety Committees are meeting at a regular basis to

promote safety in their respective workplaces.

Awareness on safety working procedures has increased. Therefore, there has been a great decrease of Injuries on duty. In 2009/2010 there were 11 Injuries on Duty and in 2010/2011 there were 3 Injuries on Duty which means the reduction is at an

astonishing 73%. All Injuries are being processed by The Compensation Commissioner at the Department of Labour.

75 employees were trained on basic First Aid which will cover all the workstations and 74 process controllers received on-job training on Chlorine Gas safety.

## Training and Skills Development

Through the process of job assessment and skills development the following interventions were provided. Twelve trainings were conducted as from July 2010-June 2011:

Number	Name of Training	Number of attendees	Service Provider
1.	Certificate in Municipal Financial Management	7 Officials	University of Pretoria
2.	Municipal Finance Management Programme	5 Officials	Development Bank of Southern Africa
3.	Local Government accounting certificate	9 Officials	The college of people Management and Development (Pty)Ltd
4.	Certificate programme in municipal Finance Development	4 Officials	WITS university
5.	Executive Municipal Leadership Development Programme	18 Councillors	WITS university
6.	Municipal Governance	10 Officials	University of Johannesburg
7.	Examiner of driver's license	3 Officials	Boekenhout College
8.	Education Training and Development	1 Official	University of Johannesburg
9.	New Venture Creation	40 Learners	Mthenganya and Associates

## DETAILED STAFF COMPLEMENT (Filled Post and Vacant Post)

DETAILS	TOTAL STAFF	FIELD POST	VACANT POST	CONTRACTS
OFFICE OF THE MM	9	8	2	0
BUDGET AND TREASURY	54	45	6	3
CORPORATE SERVICES	49	46	2	1
INFRASTRUCTURE DEVELOPMENT	504	444	1	59
PLANNING AND DEVELOPMENT	28	25	2	1
COMMUNITY SERVICES	319	299	2	18
<b>TOTAL</b>	<b>963</b>	<b>867</b>	<b>15</b>	<b>82</b>

## Disclosure Concerning Councillors and Senior Officials

In terms of Section 124 of the Municipal Finance Management Act, the following is disclosed (also in the financial statements):

### Councillors' Remuneration

DETAILS	AMOUNT
EXECUTIVE MAYOR	577,938
SPEAKER	485,183
MAYORAL COMMITTEE	2,292,822
COUNCILLORS	6,600,008
COUNCILLORS' PENSION FUND	1,011,595
MEDICAL AID CONTRIBUTION	3,139,706
<b>TOTAL COUNCILLOR'S REMUNERATIONS</b>	<b>14,107,252</b>

The Executive Mayor, Speaker, Chief Whip and members of the Mayoral Committee are full time and therefore provided with secretariat support and office accommodation.

DETAILS	MUNICIPAL MANAGER	CFO	INFRASTRUCTUR E DEVELOPMENT	CORPORATE SERVICE	PLANNING AND DEVELOPMENT	COMMUNITY SERVICES
ANNUAL REMUNERATION	0	651,703	83,703	0	546077	539,381
	0	0	49,515	0	0	0
PERFORMANCE BONUS (NO BONUSES PAID IN THE YEAR UNDER REVIEW)	0	0	0	0	0	0
CAR ALLOWANCE	0	118,394	23,390	0	64,427	123,963
CONTRIBUTIONS TO UIF	0	1,497	250	0	1,497	1,497
MEDICAL COUNCIL CONTRIBUTION	0	0	3,919	0	17,152	0
PENSION COUNCIL CONTRIBUTION	0	130,341	17,546	0	119,212	107,876
SALGABC	0	0	8	0	49	49
ACTING ALLOWANCE	174,420	249,631	189,020	179,930	0	179,930
<b>TOTAL</b>	<b>174,420</b>	<b>1,151,566</b>	<b>367,608</b>	<b>179,930</b>	<b>748,414</b>	<b>952,696</b>
<b>TOTAL EXCLUDING ACTING ALLOWANCE</b>	<b>0</b>	<b>901,935</b>	<b>178,588</b>	<b>0</b>	<b>748,414</b>	<b>772,766</b>

## Senior Officials

The payment of performance bonus is subjected to an assessment approved by Council.

**NOTE: NO PERFORMANCE BONUSES HAVE BEEN PAID**

ACTING MUNICIPAL MANAGER	174,420
CHIEF FINANCIAL OFFICER	901,935
ACTING CHIEF FINANCIAL OFFICER	249,631
DIRECTOR: INFRASTRUCTURE DEVELOPMENT	178,588
ACTING DIRECTOR: INFRASTRUCTURE DEVELOPMENT	189,020
ACTING DIRECTOR: CORPORATE SERVICES	179,930
DIRECTOR : PLANNING AND DEVELOPMENT	748,414
DIRECTOR : COMMUNITY SERVICES	952,696
ACTING DIRECTOR: COMMUNITY SERVICES	179,930
<b>TOTAL</b>	<b>3,574,634</b>

# CHAPTER 4

## Consolidated Annual Financial Statements for the year ended 30 June 2011

### **Annual Financial Statements for the year ended 30 June 2011**

*( refer to the stamped financial statements*

## Municipal Taxes and Service Charges

### APPROVED TARIFF CHARGES FOR THE 2010/2011 FINANCIAL YEAR ALL CHARGES ARE VAT EXCLUSIVE!!!

1.1 ASSESSMENT RATES	EXISTING 2010/2011	APPROVED 2011/2012
	TARRIF	TARRIF
Unimproved Residential Stands Marloth Park		.032
Unimproved Residential Stands	0.032	.034
Improved Residential Stands	0.007	.0075
Business	0.015	.016
Agricultural	0.004	.0043
State Owned	0.011	.012
PSI	0.004	.043
Residential- Consolidated or Notarial Tide - 2 stands		20%
-3 stands		30%
-4 stands or more		40%
RDP Houses (Flat rate)		
Entrance Control Levy - improved stands	R35.00	R35.00
Entrance Control Levy - unimproved stands	R15.00	R15.00
<b>1.2 ASSESSMENT RATES REBATE:</b>		
<p>In terms of Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) a further remission be granted of pensioners and permanent disable persons on the following conditions:</p> <ul style="list-style-type: none"> <li>(i) An applicant shall be the registered owner and the permanent occupier of the property in question, which property is being used as at the date of application for sole purpose of accommodating one dwelling, which dwelling is being used for residential purposes only.</li> <li>(ii) Applicants shall be a pensioner of permanent medically disabled person with an income less than R1,200 per month 40% remission and with an income exceeding R1,200 per month but not more than R2,000 per month, 20% remission.</li> <li>(iii) The aforementioned detail shall be verified by an affidavit.</li> </ul> <p>That notice be given in terms of the Municipal Finance Act Management Act, (No 56 of 2003), to the effect that the assessment rates due on 1 July 2003 shall be payable in twelve equal monthly instalments on or before the due date printed on the face of the account, failing which, interest equal to the prime rate as determined by the South African Reserve Bank per annum, will be charged in terms of section 50A of the Local Government Ordinance (Ordinance 17 of 1939) on amounts in arrear after the fixed day and defaulters are liable to legal proceedings for recovery of such arrear amounts.</p>		
<b>2.1 WATER</b>		
Basic charge	R66.73	R73.41
Water consumption per kl	R3.40	R3.74
Kamhlushwa Residential Yard Connections		
1-6kl	R3.29	R3.62

6-20kl	R4.17	R4.17	R4.59
20-40kl	R4.67	R4.67	R5.03
40 + kl	R4.88	R4.88	R5.37
Kamhlushwa Stand Pipe			
1-6kl	R1.75	R1.75	R1.93
6-20kl	R2.46	R2.46	R2.71
20-40kl	R2.95	R2.95	R3.25
40 + kl	R3.22	R3.22	R3.66
Kamhlushwa Business			
1-20kl	R4.46	R4.46	R4.90
20-40kl	R5.20	R5.20	R5.72
40 + kl	R5.75	R5.75	R6.35
Phosaville	R1.50	R1.50	R1.65
2.2 MARLOTH PARK			
Basic Charge		R16.65 per month	R18.32
3. ELECTRICITY			
Basic charge Residential		R45.05 per month	R49.56
Energy charge Residential kWh		R0.70	R0.84.
Basic charge Business < 70 Amp (single phase)		R150.77 per month	R165.95
Energy charge Business < 70 Amp (single phase)		R0.69	R0.83
179Basic charge Business < 150 Amp (three phase)		R179.99 per month	R197.99
Energy charge Business <150 Amp (three phase)		R0.69	R0.83
Basic charge Business > 150 Amp (three phase)		R330.85 per month	R363.94
Demand charge Business > 150 Amp (KVA three phase)		R88.09	R109.23
Energy charge Business > 160 Amp (three phase)		R0.43	R0.52
Domestic Prepay Tariff		R0.85	R1.02
Basic Charge Prepaid		NIL	NIL
4. REFUSE			
Refuse Residential once a week services		R32.81	R36.10
Refuse Residential twice a week services		R66.25	R72.88
Refuse Residential Rural once a week services		R15.85	R17.44
Refuse Business once a week services		R43.78	R48.16
Refuse Business twice a week services		R96.25	R105.88
Business - (one container)		R92.86	R102.15
- 1.75cubic meters (20 containers)		R1857.34	R2043.08
- 2.5cubic meters (29 containers)		R2325.86	R2558.45
Public Institutions Schools/Clinics		R87.03	R95.74
Clearing Grass and Bushes on Open Stands		R662.93	R729.23
Clearing of General Waste on Open Stands		R466.30	R512.93
Removal of Building Rubble		R466.30	R512.93
Removal of Garden Refuse		R264.05	R290.46
Cutting of Large Trees		R264.05	R290.46
5. SEWERAGE		EXISTING 2010/2011	APPROVED 2011/2012

Sewerage Fixed charge (1 <sup>st</sup> 2 points)	R107.06 per month	R117.76
Sewerage (Additional Points) per point	R40.28 per month	R44.31
Available charge – Empty stands	R53.00 per month	R58.30
Sewerage charge M'hlatikop per kl	R2.12	R2.34
Sewerage Fixed charge (1 <sup>st</sup> 2 points)Hectorspruit	R48.76	R53.64
Sewerage (Additional points) Hectorspruit per point	R24.17 per month	R26.59
Chemical Toilet per day	R662.93	R729.23
Septic Tank Drainage	R264.58/cubic meter	R291.04
	R5.35/m <sup>2</sup> (min R420.00)	R5.89/m(min R462.00)
6. BUILDING PLAN FEES		
7. PAVEMENT DEPOSIT	R561.40	R617.54
8. TOWN PLANNING TARIFFS:		
Application in accordance with Section 6 (1) of the division of Land, Ordinance 1986 (Ordinance No. 20 of 1986) – Division of farm portion	R1505.26	R1655.79
Application in accordance with Section 57 (1)(b) of the Town Planning and Township Ordinance, 1986 (Ordinance No.15 of 1986) – Reasons for Municipality's decision	R252.63	R277.90
Application in accordance with Section 56 (1)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Amendment scheme/rezoning	R1876.32	R2063.96
Application in accordance with Section 96 (2)(b) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Townships Establishment Applications	R4382.46	R4820.71
Application in accordance with Section 96 (4)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Amendment of a Township Establishment i) If already approved by Municipality ii) If not already approved by Municipality	R4382.46 R1876.32	R4820.71 R2063.96
Application in accordance with Section 92 (1)(a) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Sub –division: i) For first five (x5) erven ii) Six (x6) plus erven	376.32 151.58/erf	R413.96 R166.74/erf
Application in accordance with Section 92 (1)(b) of the Town Planning and Townships Ordinance, 1986 (Ordinance No.15 of 1986) – Consolidation	252.63	R277.79

Application in accordance with Section 125 of the Town Planning and Townships Ordinance, 1986 (Ordinance No. 15 of 1986) – Amendment Scheme on Township Establishment Application: i) 1 to 100 erven ii) 101 to 200 erven iii) 201 to 500 erven 501 to 1000 erven	3129.83 3752.63 4382.46 5000.00	R3442.60 R4127.90 R4820.71 R5500.00
Hearing and inspection fees in accordance with Annexure 17 of Regulation 41 B©, of the Town Planning and Townships Ordinance 1986 (0.15 of 1986)	R617.54	R679.30
Application for special utilization rights (In terms of the Town Planning Schemes in operation, as well as the urban settlement areas) (consent use)	R1235.97	R1359.57
Issuing of Certificates	R63.16	R69.50
<b>9. SUNDRY TARIFFS:</b>		
1. Reason for Council's decision 2. Building relaxations Fees 3. General information (written) 4. Building Inspections: Swimming pools 5. Sub Division of Stand – service contribution (civil)	798.25 R629.83 R14.04 per letter R118.42 R5955.26	R878.08 R692.82 R14.91 per letter R130.27 R6550.79
<b>10. ESTATES &amp; BUILDINGS: RENTAL:</b>		
<b>10.1 MARLOTH PARK</b>		
I) Chalets per night		
Non Property Owners	R293.86	R322.80
Property Owner	R256.14	R281.76
Persons 60+ (public & school holidays excluded)	R178.07	R195.62
ii) Rondavels per night	<b>EXISTING 2010/2011</b>	<b>APPROVED 2011/2012</b>
Non Property Owner	R247.37	R272.80
Property Owner	R202.63	R222.80
Persons 60+ (public & school holidays excluded)	R157.90	R173.69
iii) Caravan Sites		
Non Property Owner	R98.25	R108.78
Property Owner	R84.21	R92.64
Persons 60+ (public & school holidays excluded)	R62.28	R92.99
iv) Entrance Fees		
Henk van Rooyen Park		

Property Owner	Free	Free
Non Property Owner	R39.47 per person	R43.86 per person
Rental Recreation Centre Lionspruit		R100.00 p/day
Non Property Owner	R48.24 per vehicle	R52.63 per vehicle
Safari Game Vehicles	R148.24 per vehicle	R163.15 per vehicle
Season Tickets - Property Owner (1 <sup>st</sup> ticket)	Free	Free
- Property Owner 2 <sup>nd</sup> ticket)	R236.84	R260.53
- Non Property Owner	R842.98	R927.19
Deposit	R225.44	R247.37
Rental – Private per day	R561.40	R617.54
- Church Services per day	R122.00	R134.21
<b>10.3 STADIUMS</b>		
Deposit	R561.40	R617.54
Rental – per day	R1122.81	R1235.08
Churches	R450.00	R495.61
<b>10.4 CEMETERIES</b>		
<b>10.4.1 URBAN</b>		
<u>Burial Fees:</u>		
Within jurisdiction - Adults	R561.40	R600.88
Nl. (Kaapmuiden) - Children	R392.98	R421.05
(Malelane & Hectorspruit) - Internment in one grave – additional	R112.29	R120.18
Outside jurisdiction - Adults	R674.56	R721.05
- Children	R449.54	R479.83
Enlargement of Grave	R112.28	R120.18
<u>Reserving Graves:</u>		
Per grave per person resident in jurisdiction at time of decease	R280.70	R300.88
Per grave per person NOT resident in jurisdiction at time of decease	R504.39	R539.47
Per niche	R168.42	R179.83
<u>Wall of Remembrance:</u>		
Per single niche, per single emplacement	R280.70	R300.88
Per Double niche, per double emplacement	R504.39	R539.47
<u>Memorial Stones:</u>		
Consent for erection of memorial stone	R112.28	R120.18
<b>Re-opening of Graves</b>		
	R280.70	R300.88
<b>10.4.2 RURAL</b>		
<u>Burial Fees:</u>		
In jurisdiction - Adults	R89.47	R96.49
Nl. (Kamhlushwa) - Children	R39.47	R42.98

- Internment in one grave – additional	R28.07	R30.70
Outside jurisdiction - Adults	R112.28	R120.18
- Children	R67.54	R72.81
Enlargement of Grave	R28.07	R30.70
<b>Reserving Graves:</b>		
Per grave per person resident in jurisdiction at time of decease	R280.70	R300.88
Per grave per person NOT resident in jurisdiction at time of decease	R504.39	R539.47
<b>Memorial Stones:</b>		
Consent for erection of memorial stone	R78.95	R84.21
<b>Wall of Remembering:</b>		
Per single niche	R280.70	R300.88
Re-opening of Graves	R280.70	R300.88
<b>11. HAWKER FEES:</b>	<b>EXISTING 2010/2011</b>	<b>APPROVED 2011/2012</b>
Rent of Site Fee (per month)	R17.54	R19.30
License Application Fee	R61.40	R67.54
Hawker License (per annum)	R134.21	R147.64
Taxi Rank Fees (per annum)		R220.00
<b>12. BANNERS, POSTERS &amp; ADVERTISEMENT</b>		
Deposit: Posters (excluding elections)	R561.40	R617.54
Deposit: Posters in a elections	R842.11	R926.33
Deposit: For each banner	R561.40	R617.54
Application Fee for Public Display of Advertisement Boards	R338.60	R372.46
Public Display of Advertisement Boards smaller than 6 m <sup>2</sup>	R842.11	R926.33
Public display of Advertisement Boards bigger than 6 m <sup>2</sup>	R2247.37	R2472.11
Advertisement on Municipal Statements	R250.00 pm.	R275.00pm.
Display of Billboards	R5618.42p/annum	R6180.27p/annum
Illuminated Signs		R100.00 p/m
Temporary Signs		R100.00 per sign
Street Name Advertising Structures		R926.33
Loose Standing Signs		R926.33
Street Light Poles (N4)		R7 200.00 per annum
Advertisement on Municipal Trucks	R3369.30 per annum	R3706.23 per annum
Poundage Fee		R100-00 per day
<b>Furnishing of information and issuing of Certificates:</b>		
Application of Safety Certificate	R56.14	R61.76
Issuing of Safety certificate	R112.28	R123.51
<b>13. LIBRARY:</b>		
Membership Fees: Adult per year	R50.88	R55.26

Membership Fees: Children under 18 years, pensioner & students	R21.93	R24.56
Penalties: Books per week	R2.19	R2.41
Special Demand	R5.70	R6.27
Visitor's Deposit	R135.97	R149.58
<b>14. FEE GENERAL CLEANSING:</b>		
i) Removal of building rubbish	R250 per m	R275.00 per m
ii) Removal of gardening rubbish	R65.79 per m	R72.37 PER M
iii) Cleaning of Stand	R250.00 per m	R275.00 per m
<b>15. FURNISHING OF INFORMATION AND ISSUING OF CERTIFICATES</b>		
Clearance Certificates/clearance Cost Schedule/Duplicate/extension	R50.00	R54.39
Valuation Certificates	R39.47	R43.42
Search Fees	R39.47	R43.42
Photocopies: - A4-size	R2.19	R2.41
- A3-size	R3.51	R3.87
Colour copies - A4	R3.07	R3.38
Internet Fees: - 20 Min	R 8.78	R9.66
- 30 Min	R13.16	R14.48
- 1 Hour	R26.32	R28.96
- 5 Hours	R87.72	R96.50
Tender documents	R250.00	R570.18
Faxes per page	R3.95	R4.35
Cheque Refer to Drawer	R135.97	R149.57
Copy of Voter Roll	R3.07 per page	R3.38 per page
Copies of Valuation Roll	R3.07 per page	R3.38 per page
Electronic Copy of Valuation Roll	R785.09	R863.60
<b>16. CONNECTION FEES</b>		
<b>16.1 WATER</b>		
Nkomazi	R1631.58	R1794.74
25mm	R1877.19	R2064.91
Testing of Water Meter	R168.42	R185.27
Supply and Installation of meter		Actual cost +15% larger than 25mm
Changes in installation		Actual cost + 15%
Civil Service Contribution	R6179.83	R6797.82
<b>16.2 ELECTRICITY</b>		
Nkomazi - single phase	R2864.04	R3150.45
- 3 phase	R4776.32	R5253.96
- single phase pre-paid	R1013.16	R1114.48
- 3 phase pre-paid	R2473.68	R2719.95
Temporary Connection	R225.44	R247.99
Connection due to non payment	R171.05	R188.16
Call out - Nkomazi	R225.44	R247.99

Tampering with meter	R3956.49 plus legal cost	R3956.14 plus legal cost
Use of fire hydrant	R280.70 plus labour	R308.77 plus labour
Testing		Actual cost +15%
Supply and Installation of meter box		Actual cost +15%
Changes in installation		Actual cost +15%
Service contribution (civil)	R2192.98	R2412.28
<b>17. CLINIC FEES</b>		
Health Certificate	R236.84 per certificate	R260.53 per certificate
Water Test Result - Bacterial	R293.86	R323.25
- Chemical	R592.99	R652.24
<b>18. BUSINESS FEES</b>		
Business License per annum	R337.72	R371.50
Application of Business License	R135.97	R149.57
Other Chargeable Properties: RDP HOUSES	R17.54	R19.30
<b>19. BULK SERVICE CONTRIBUTIONS</b>		
Residential 1 – Per residential unit		R34 440.00
Residential 2 – Per residential unit		R24 360.00
Residential 3 – Per 100m <sup>2</sup> floor area		R20 790.00
Second dwellings – Per application		R22 260.00
Offices – Per 100m <sup>2</sup> building floor area		R19 320.00
Hotels & Hostels - Per 100m <sup>2</sup> building floor area		R15 330.00
Doctors & Dentists- Per 100m <sup>2</sup> building floor area		R18 743.00
<b>Schools &amp; Creches:</b>		
Buildings – Per 100m <sup>2</sup> building floor area		R 10 920.00
Size of the Stand- per ha		R157 500.00
Dry Industrial – Per 100m <sup>2</sup> of building floor area		R 18 900.00
Wet Industrial – Per 100m <sup>2</sup> of building floor area		R 50 925.00
<b>Clubs &amp; Sport Facilities:</b>		
Buildings – Per 100m <sup>2</sup> of building floor area		R 8 610.00
Size of the Stand – per ha		R157 500.00
<b>Sport Stadiums:</b>		
Buildings – Per 100m <sup>2</sup> of building floor area		R 15 960.00
Size of the Stand – per ha		R157 500.00
Warehouses – Per 100m <sup>2</sup> of building floor area		R 4 830.00
Parks – per ha		R157 500.00
Laundries– Per 100m <sup>2</sup> of building floor area		R 24 990.00
Butchery– Per 100m <sup>2</sup> of building floor area		R27 143.00
Hairdressers– Per 100m <sup>2</sup> of building floor area		R37 643.00
Panel Beaters– Per 100m <sup>2</sup> of building floor area		R19 425.00
<b>Nursery:</b>		
Buildings – Per 100m <sup>2</sup> of building floor area		R9 030.00
Size of the Stand – per ha		R157 500.00

Hospitals - Per 100m <sup>2</sup> of building floor area		R39 690.00
Restaurants – Per 100m <sup>2</sup> of building floor area		R26 040.00
Other commercial, excl. shopping centres – per 100m <sup>2</sup> floor area		R18 060.00
Institutional – per 100m <sup>2</sup> building floor area		R25 043.00
<u>Agricultural holding:</u>		
Buildings – per Residential Unit		R18 690.00
Size of the stand – per ha		R26 250.00
Laboratories – per 100m <sup>2</sup> of building floor area		R17 693.00
Bus Depots – Per Bus facility		R19 845.00
<u>Other Developments:</u>		
Water Services – per kl AADD		R10 500.00
Sewer Services – per kl AWWF		R10 500.00
Electrical Services – Per KVA		R1 365.00
Roads & Storm water – Sum		
<u>LINK SERVICE CONTRIBUTIONS:</u>		
To be Determined per Application		
<u>20. ROADS:</u>		
Grader	R450-00 p/h	R482.00 p/h
TLB	R250-00 p/h	R275.00 p/h
High up		R200.00

## CHAPTER 5

### Functional Area

Planning and Development Department  
Infrastructure Development Department  
Community Services Department  
Budget and Treasury Department  
Corporate Services Department

#### **Budget**

Kindly note that the departmental activities were not budgeted for per their planned output.

However the total operating budget for the 2010/11 financial year was **R368,796,484**

The total capital budget for the year was **R176,675,176**

## PLANNING AND DEVELOPMENT DEPARTMENT

KPA 1: BASIC SERVICE DELIVERY							
Objective	Indicator	Priority Area	Annual Target (2010/11)	Actual performance	Reasons for non achievement	Plans to address non achievement	Responsibility
Provision of secure tenure through township establishment/formalization Tonga Block C	Release of state land finalized	Rural development	100%	80%	Project funded from surplus. No surplus available	Rolled over to 2011/12 financial year	Urban and rural planning
Provision of secure tenure through township establishment/formalization Pholane	Release of state land finalized	Rural development	100%	60%	Project funded from surplus. No surplus available	Rolled over to 2011/12 financial year	Urban and rural planning
Provision of secure tenure through township establishment/formalization Pholane	Release of state land finalized	Rural development	100%	0%	Project funded from surplus. No surplus available	Agreement signed with EDM to complete project with co-funding from EDM	Urban and rural planning
Provision of secure tenure through township establishment/formalization Phosaville	Release of state land finalized	Rural development	100%	0%	Project funded from surplus. No surplus available	Agreement signed with EDM to complete project with co-funding from EDM	Urban and rural planning
Provision of secure tenure through township establishment/formalization Driekoppies	Release of state land finalized	Rural development	100%	0%	Project funded from surplus. No surplus available	Agreement signed with EDM to complete project with co-funding from EDM	Urban and rural planning

Provision of secure tenure through township establishment/formalization Kamhlushwa x2	Release of state land finalized	Rural development	100%	0%	Project funded from surplus. No surplus available	Agreement signed with EDM to complete project with co-funding from EDM	Urban and rural planning
To guide development in Nkomazi	Approved SDF and LUMS	Urban and rural development	100%	95%	SDF approved. Draft LUMS approved. Process to continue once legal opinion in conjunction with DBSA has been obtained	Attempt to expedite the process	Urban and rural planning
To have development guided by approved policies	2 policies approved	Urban and rural development	Not part of SDBIP	2 policies approved			
To develop a long term development strategy for Nkomazi	Strategy approved by Council	Urban and rural development	Strategy adopted and approved	Tender was placed in local media	No surplus funding, project could not proceed	Roll over to 2012/13 financial year	Urban and rural planning
<b>KPA: LOCAL ECONOMIC DEVELOPMENT</b>							
<b>Objective</b>	<b>Indicator</b>	<b>Priority Area</b>	<b>Annual Target (2010/11)</b>	<b>Actual performance</b>	<b>Reasons for non achievement</b>	<b>Plans to address non achievement</b>	<b>Responsibility</b>
Develop a credible LED strategy and implementation plan in order to promote LED in Nkomazi	Credible LED strategy and implementation plan adopted by 31 August 2010	Local economic development	Strategy available for private funding	Strategy finalized			Director Planning and Development
Develop an investment policy to draw investment	policy adopted by Council	Local economic development	Policy adopted and implemented	Policy adopted and implemented			Director Planning and Development

Support the MDC flagship programme to ensure investment in Nkomazi	Number of enterprises participating in the Komatipoort Info Centre	Local economic development	All available space occupied by private enterprise	No progress made due to project not handed over to Nkomazi	No response from MDC flagship programme and DEDET	Continued follow-up	Director Planning and Development
Creation of facilities for hawkers in order to improve facilities for informal trading	Facilities built in Malalane, Komatipoort, N4 intersection, Mbuzini, Matsamo, Block C market renovation	Local economic development	Hawker stalls availed to legal hawkers	Hawker stalls availed to hawkers in Malalane and Komatipoort. Final design of hawker facility at N4/R570 intersection finalized. Survey and geotech investigation done. Building plans for Mbuzini finalized	No surplus funding, projects could not proceed	Scout funding for	Director Planning and Development
Creation of a platform for local crafters to sell their goods	Established crafters/ flea market in close proximity to N4	Local economic development	First phase of flea market established and occupied by traders	Area was cleaned and fenced, lights were installed, building plans were drawn up. Negotiations to create a walking trail was started with various land owners	No surplus funding, projects could not proceed	Scout funding for	Director Planning and Development

To alleviate poverty in Nkomazi	Assist non functional projects in Nkomazi to become functional	Local economic development	Mangweni cultural village operational Funding obtained for KMJ project	Mangweni Cultural Village – investigation still ongoing to determine the feasibility of the project. Electricity supply to facility was installed.  Malalane Kruger Junction – no permission could be obtained from Prasa to continue with the project on their land. Council approved capital funding to be used for purchase of vehicle which was purchased	Project in its current form not feasible and sustainable.  Cannot invest council funds if no security of use of land can be obtained	LEDF to assist in reviving the project in a feasible manner  Continued discussions with EDM.	Director Planning and Development
Promotion of LED through stakeholder relationships	To strengthen LED in Nkomazi through stakeholder participation	Local economic development	Functional LED forum	LED Forum established on 13 August 2010			Director Planning and Development

To create an environment conducive to LED	To provide industrial zoned land for development	Local economic development	Land identified and rezoned	Land availability approved  Rezoning process started			Director Planning and Development
<b>KPA 3: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>							
To guide development and service delivery through a credible IDP	IDP assessed and approved by council	Integrated development planning	Improved assessment reports	IDP rated as one of top 6 in province			

## INFRASTRUCTURE DEVELOPMENT DEPARTMENT

Objective	Indicator	Annual Target (2010/11)	Actual performance	Annual budget		Reasons for non-achievement	Plans to address non-achievement
				Planned	Actual		
Improve access to water services (Mbuzini Bulk Water Augmentation (Kombaso Reservoir))	4 Ml/day	Commissioning & Hand-over	30% construction	11,259,576	8,579,413.16	Delayed of contractor appointment	Programme revised for project completion
Improve access to water services (Sibange Bulk water supply)	0.3 Ml	Commissioning & Hand-over	100% complete	3,000,000	2,204,957	None	None
Improve access to water services (Madadeni Elevated Tank, Booster pump & Rising main pipeline)	200mm diameter rising main pipeline (2,2km length), 40kl elevated tower	Commissioning & Hand-over	100% complete	3,400,000	3,095,870	None	None
Improve access to water	20 km	Commissioning	100%	5,200,000	4,497,556	None	None

services (Mafambisa Reticulation)	Networks (200mm & 75mm diameter pipes)	ng & Hand- over	complete				
Improve access to water services (Tonga D Reticulation)	15 km Networks (160mm & 75mm diameter pipes)	100% project complete and commissionin g	100% complete	1,500,000	1,437,500		The project was planned to be completed on the 3 <sup>rd</sup> quarter
Improve access to water services (Mangweni Refurbishment Reservoir + Reticulation)	10 km Networks (160mm & 75mm diameter pipes)	100% project complete and commissionin g	100% complete	3,000,000	2,794,503.40		The project was planned to be completed on the 3 <sup>rd</sup> quarter
Improve access to water services (Steenbok Reticulation)	15 km Networks (110mm & 75mm diameter pipes)	100% project complete and commissionin g	100% complete	1,500,000	398,215		The project was planned to be completed on the 3 <sup>rd</sup> quarter
Improve access to water services (Msibekela Reticulation)	5 km Networks (110mm & 75mm diameter pipes)	100% project complete and commissionin g	65% construction	500,000	55,000	Evaluation process slow	The budget for this project rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter.
Improve access to water services	8 km Networks (110mm &	100% project complete and	65% construction	1,000,000	55,000	Evaluation process slow	The budget for this project

(Jeppes Reef (Zone 10) Reticulation)	75mm diameter pipes)	commissioning						rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter.
Improve access to sanitation (Mbekisburg Water Connection + Reticulation)	15 km Networks (110mm & 75mm diameter pipes)	100% project complete	100% complete	3,000,000	2,806,325	None	None	None
Improve access to sanitation (Construction of VIP toilets in Mbangwane, Thambokhulu, khombaso, Mananga, Manduko and dludluma old villages.	500 households	100% project complete and commissioning	100% construction	5,000,000	4,134,417	Delay due to heavy rainfall	The project was planned to be completed on the 3 <sup>rd</sup> quarter. Finally completed in April 2011 4 <sup>th</sup> quarter.	
Improve access to sanitation (new villages sanitation project Bongani, Shiyalongubo, Erics ville, Middelpaas, Sikhwahlane, Dunusa and Mzinti.	500 households	90% construction	85% construction	5,000,000	2,886,654	Delay on supply of material and late receives for the list of beneficiaries and also delay by heavy rainfall	Extension of construction period granted to the contractor. The project has rolled over 2011/12 financial year	
Improve access to sanitation (Upgrading of Komatipoort Sewerage Works)	1 535 households	Commissioning and handover	65% project completion	3,200,000	2,157,567.42	Insufficient funds planned for multi year	The project is planned to be multi-year (2010/11-2011/12)	
Improve access to sanitation	859 households	100% construction	30% construction	4,000,000	1,842,764	Acquiring the permission	The design engineer of	

(Upgrading of Malelane Outfall Sewer)		and commissioning					from the TSB for the pipe route	the project is busy with TSB to acquire the permit
Provide efficient public transport network (Tonga C Bus Route)	2,2 km (tarred)	100% complete and commissioning	65% construction	6,000,000	3,589,516.61	Insufficient funds.		The budget for this project rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter
Provide efficient public transport network (Nyathi Bus Route)	5 km (tarred)	100% complete and commissioning	30% construction	4,000,000	3,515,975.95	Insufficient funds.		The project re-planned to be implemented as multi-year due to financial budget limit. The project rolled over to 2011/12 yr
Provide efficient public transport network (Ntunda Bus Route)	3,5 km (tarred)	100% complete and commissioning	100% complete	4,750,000	3,515,975.95	The contractor is performing very well.		
Provide efficient public transport network (Magogeni Bus Ring Route)	5 km (tarred)	100% complete and commissioning	65% construction	9,500,000	5,031,508	Delay due to heavy rainfall + general workers strike		The budget for this project rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter
Provide efficient public transport network	4 km (tarred)	100% complete and commissioning	100% construction.	4,000,000	2,718,087	The contractor is performing very well.		

(Schulzendal Bus Route)		g					
Provide efficient public transport network (KaMhlushwa Eastgate Bus Route)	1,8 (tarred) km	100% complete and commissioning	65% construction	4,000,000	2,591,237	Slow process of evaluation for the contractor	The budget for this project rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter
Provide efficient public transport network (KaMaqhekeza (Abdul Section) Bus Route)	1,5 (tarred) km	100% complete and commissioning	40% construction	4,000,000	1,764,511.78	Slow process of evaluation for the contractor	The budget for this project rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter
Provide efficient public transport network (Upgrading and resealing of roads Malalane)	2,5 (tarred) km	100% complete and commissioning	100% construction	3,000,000	2,126,354.90	The contractor is performing very well.	
Provide efficient public transport network (Upgrading and resealing of roads Komatipoort)	2,5 (tarred) km	100% complete and commissioning	65% construction	3,000,000	2,617,288.55	Insufficient funds multi year project.	The budget for this project rolled over to 2011/12 and full expenditure to be reported on the 1 <sup>st</sup> quarter
Improve access to water services (Phiva Elevated Tower)	40 kl elevated tank	Project transferred to 2011/12 financial yr.	Project transferred to 2011/12 financial yr.	R900,000		Project transferred to 2011/12 financial yr, approved by COGTA.	The project to be implemented in 2011/12 yr.
Improve access to water	40 kl elevated	Project	Project	R900,000		Project	The project to

services (Mdladla Elevated Tower)	tank	transferred to 2011/12 financial yr.	transferred to 2011/12 financial yr.			transferred to 2011/12 financial yr.	be implemented in 2011/12 yr
Improve access to water services (Hhoyi Elevated Tower)	40 kl elevated tank	Project transferred to 2011/12 financial yr.	Project transferred to 2011/12 financial yr.	R700,000		Project transferred to 2011/12 financial yr.	The project to be implemented in 2011/12 yr
Improve access to water services (Block B Package Plant)	2Ml/day package plant	Project transferred to 2011/12 financial yr.	Project transferred to 2011/12 financial yr.	R1,700,000		Project transferred to 2011/12 financial yr.	The project to be implemented in 2011/12 yr
Improve access to water services (Mgobodzi Package Plant)	2Ml/day package plant	Project not approved with COGTA	Project not approved with COGTA	R1,000,000		Project not approved with COGTA	The project did not meet conditions for MIG Programme, it is not a sustainable infrastructure service
Improve access to water services (Mbuzini Borehole)	78 M3/day	Project not approved with COGTA	Project not approved with COGTA	R500,000		Project not approved with COGTA	The project did not meet conditions for MIG Programme, it is not a sustainable infrastructure service
Improve access to water services (Boschfontein Borehole)	78 M3/day	Project not approved with COGTA	Project not approved with COGTA	R400,000		Project not approved with COGTA	The project did not meet conditions for MIG Programme, it is not a sustainable infrastructure service

Improve access to basic services in Nkomazi by electrifying households in accordance with the IDP and DOE programs.	Percentage of households with access to electricity services	625 proposed number of connections in Mdladla – 300 Police station -225 Mzinti - 100	625 connections to households completed and energized.	4,500,000.00	4,500,000.00		
Improve access to basic services in Nkomazi by electrifying households in Stentor	Percentage of households with access to electricity services	118 proposed number of connections in Stentor Estates.	118 connections to households completed and energized	1,500,000.00	1,500,000.00		
Improve access to basic services in Nkomazi by electrifying households in Mbangwane	Percentage of households with access to electricity services	135 proposed number of connections in Mbangwane	135 connections completed and energized	1,100,000.00	1,100,000.00		
Improve access to basic services in Nkomazi town, by electrifying households in Marloth Park	Percentage of households with access to electricity services	85 proposed number of connections in Marloth Park.	116 connections were completed	2,000,000.00	1,817,916.31		
Improve access to basic services in Nkomazi	Number of streetlights and mast lights installed, replaced and	Add additional lights where required and maintain the	Replace 28 x residential streetlights. Add 27 x main road	300,000.00	271,292.73		

	maintained.	others.	poles. Replace 5 x N4 streetlight poles. Maintain all mast lights.				
Improve access to basic services in Nkomazi Towns	Number of HT Ring Supplies planned and installed.	Install the following HT ring supplies: 1)Visarend street – Malelane. 2) SPAR to Crocodile street – Komatipoort. 3) Ext 187 First Street – Hectorspruit. 4) Olifant street – Komatipoort. 5) Station Project - Malelane	Complete and commission the following HT ring supplies: 1)Visarend street – Malelane. 2) SPAR to Crocodile street – Komatipoort. 3) Ext 187 First Street – Hectorspruit.	2,000,000.00	1,236,039.00	Planned target for the 4 <sup>th</sup> quarter was not achieved due to the following: Tender for the purchase of the required material and equipment were stopped at the Adjudication committee due to funding constraints.	Proper budget management to be implemented.
Improve access to basic services in Nkomazi Towns	Number of refurbishments and upgrades planned and executed	Refurbish/ upgrade 2 x mini - substations and 4 x RMU's	Replace 1x mini-substation transformer and 4 x Interswitch Ring Main Units.	300,000.00	275,313.99		
Improve access to basic services in Nkomazi Towns	Number of overhead lines refurbished or upgraded.	Replace the most critical OH lines with underground cable in	1) Impala str. Malelane 2) Libenberg str Komatipoort	500,000.00	407,654.40	Planned target for the 4 <sup>th</sup> quarter was not achieved due to the	Proper budget management to be implemented.

		1) Impala str. Malelane 2) Marula str. Malelane 3) Libenberg str Komatipoort 4) Louw str. Komatipoort 5) Rissic str. Komatipoort.	3) Rissic str. Komatipoort were completed.			following: Funding was available on the budget but not in the cash flow therefore no purchase order was issued.	
Improve access to basic services in Nkomazi Towns	Number of main substations upgraded and capacity increases made	Application for bulk upgrades were made to Eskom	Budget quotations from Eskom were received on 15/04/2011	2,000,000.00 Komatipoort Bulk 1,000,000.00 Nkomazi Bulk	0.00 0.00	Purchase orders were issued to Eskom for both quotes but were not paid. Funding was budgeted for, but was not available on the cash flow.	Proper budget management to be implemented.
Improve access to basic services in Nkomazi	Number of new connections, and supply upgrades made	Execute new connections and upgrades according to applications received. Attend to new Eskom applications.	104 x single phase connections and 38 three phase connections were completed. 16 new Eskom applications were completed and paid.	3,171,000.00	2,799,080.19	Serious delays in obtaining quotations from Eskom.  Suppliers are refusing to deliver material because of long outstanding payments.	Improve payment methods.

Improve access to basic services in Nkomazi	% of substations and mini-substations serviced and repaired according to preventative maintenance programs	Maintain all transforming equipment (oil testing and purification) Refurbish and replace transforming equipment where necessary.	1) Refurbish 2 x mini-substations. 2) Purchase 2x mini-substations. (Tender was awarded to MPS Power Lines, but they failed to deliver.	766,000.00	391,731.36	MPS Power Lines never supplied the equipment as agreed in the conditions of the tender. The appointment amount was 433,200.00	Procurement(Supply Chain) to address non-performance of suppliers
Improve access to basic services in Nkomazi	Provide personnel with reliable and efficient equipment	Improved efficiency	Tender was evaluated and adjudicated but no appointment was made.	500,000.00	0.00	The tender was stopped due to financial constraints although it was properly budgeted for.	Proper budget management to be implemented.
Improve access to basic services in Nkomazi	Provide personnel with reliable and efficient equipment	Purchase 1 x LDV	1 x LDV purchased.	180,000.00	181,066.00		

## COMMUNITY SERVICES DEPARTMENT

Objective	Output measure	Planned	Actual	Annual budget		Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual		
<b>KPA 1 Service Delivery</b>							
Improve access to basic services in Nkomazi	Number of households with access to refuse removal and solid waste disposal	4489	None	Operational budget	14 skips distributed in commercial centres was performed	No budget for equipments, service extended to commercial sites only	Apply for MIG funding for completion of the Steenbok landfill site and lobby during budget review for procurement of equipments.
	Number of employees having access to change rooms and store rooms to create a good environment that ensures compliance with Health & Safety Regulations	Upgrading of 4 change rooms in the following areas: Kamhlushwa Kamaqhekez a Driekopies Komatipoort	Service provider appointed in the first quarter	R720 000	Naas R179 000  Komatipoort R176 000	None	Monitor and evaluate if service provider built as per the specifications given
Improve access to community and public services (library, community halls, parks and recreation areas and graveyards facility)	Number of facilities accessible to communities facilities	20 bookings for the stadia	24 bookings made for the stadia	Operational	Operational	2010 FIFA world cup activities	Maintain the cleanliness and security of the Stadia
		36 grass cutting visits	20 grass cutting done	Operational	Operational	Season not favourable for	Lobby budget for

			63 burial bookings and conducted with 18 pauper burials	Operational budget	Operational budget	the grass to grow faster  None	maintenance and complete revitalization of parks  Maintain graveyard maintenance
		75 bookings	82	Operational	Operational	COSATU contributed to the increased bookings - The other 11 community halls are controlled in the communities, booked through Ward counselors.	Budget for Maintenance and provision of security for the 11 community halls
		5 484 bookings	6 2000	Operational	Operational	Exam time increased the	More campaigns to

						visits to the library and campaigns developed to encourage people to walk and use the library	be developed to market library services
		700 visits	914 visits	Operational	Operational	Commemoration of Samora Machell	Maintenance of the site and marketing
Ensure adherence to road safety standards and regulations	Reduce number of motor vehicle accidents	15 road blocks and 180 speed checks	17 road blocks and 180 speed checks	(operational)	As per operational budget	Extra road blocks conducted with SAPS	Strengthen joint operations with other Law enforcement urgencies and Departments
	Nkomazi communities access licensing services at near each	5000 community members targeted to receive the service	6000 community members serviced	1,969,251.75 (Operational budget)	As per operational budget	Best practise model running, clients are serviced quickly	Maintain the best practise and expand the service to Kamhlushwa for many more people to be services.
	Approved transport plan	Development of an Integrated transport plan	Appointment of service provider	400,000	Tender specification done for the re-advertised	Tenders prices were higher than the budgeted amount	Follow up with tender specification committee to speed up re-advertisement for the project to be completed in the third

							quarter
	Nkomazi communities access licensing services at near reach	5000 community members targeted to receive the service	6000 community members services	1,969,251.75 (Operational budget)	As per operational budget	Best Practice model running , clients are serviced quickly	Maintain the best practice model and expand the service to Kamhlushwa for more people to be serviced
	Safeguarding municipal equipments	Store room erected at Komatipoort	Quotations invited	200 000	Quotations invited	Project delayed	To appoint the service provider in the first quarter
	A portion of the drive way and parking area paved to keep vehicle testing machine clean for effective use	Planned to pave phase one of the testing station	Completed phase one	400 000	R200 000 spent on phase one	Other 200 000 was reallocated as per priority needs	Maintenance of the centre and lobby for more funding to pave the next phase
Ensure that physical environment is protected and conserved for sustainable use	Approved Nature conservation plan	Plan approved by Council	Budget reprioritized	250 000	None	budget re allocate for Cleanest school competition	To lobby budget for the Nature Conservation plan during budget review processes
	New cold room & floor tiles installed at Marloth Park Abattoir	Procurement & installation	None	200,000	None	Project delayed, suppliers are not available locally	Project to be prioritized in the second quarter
	Number of	Consultation	None	R200 000	None	Meetings did	Project

	School programmes developed in the interpretation centre	with Department of Education				not take place due to Internal challenges from Department of Education	reprioritized for the third quarter
	X5 geysers procured for employees to have access to warm water	Procurement & installation	None	R50 000	None	Receiving of Quotations delayed	Project will be implemented during second quarter
	Nyathi Camp fenced	Appoint service provider for fencing of Nyathi Camp	Nyathi Camp fenced	150 000	150 000	None	Maintenance and monitoring of poachers.
	Water pump installed at Nyathi Camp (Lionspruit)	Installation of Water pump at Nyathi Camp in Lionspruit	Nyathi Camp water pump installed	100 000	100 000	None	Maintenance and monitoring for the pump to be fully functional at all times
	Erected cattle Grid (Rinosta road to Makhombo Farm)	invite quotations and appoint service provider	Cattle grid erected	200 000	200 000	None	Maintenance and monitor movement of games
	Number of tents procured for disaster response	Procurement of disaster relief equipment	25 tents procured	300 000	Best practice model running, clients are serviced quickly	None – budget from the line item for Disaster	Disaster equipments procured when need arise as incidence differs from time to time
Ensure adherence to and regulations road safety standards	Nkomazi communities access	5000 community members	6000 community members	1,969,251.75 (Operational budget)	As per operational budget		Maintain the best practice and expand

	licensing services at near each	targeted to receive the service	serviced				the service to Kamhlushwa for many more people to be services.
Ensure adherence to and regulations road safety standards	Nkomazi communities access licensing services at near each	5000 community members targeted to receive the service	6000 community members serviced	1,969,251.75 (Operational budget)	As per operational budget		Maintain the best practice and expand the service to Kamhlushwa for many more people to be services
		Store room erected at Komatipoort	Service provider appointed	100 000.00	Completed	Other 100 000. was relocated as per priority needs	
Improve access to community & public services (library, community halls, parks & recreation areas & graveyards facility)	Number of facilities accessible to communities facilities	5000 community members targeted to receive the service	6000 community members serviced	1,969,251.75 (Operational budget)	As per operational budget	Best practise model running, clients are serviced quickly	Maintain the best practise and expand the service to Kamhlushwa for many more people to be services
		Store room erected at Komatipoort	Service provider appointed	100 000.00	Completed	Other 100 000. was relocated as per priority needs	Maintain the cleanliness and security of the stadia
		20 bookings for the stadia	28 bookings made for stadia	Operational	Operational	2010 Mayoral Cup had an impact in the bookings	Lobby budget for maintenance and complete revitalization of parks.
		36 grass cutting visits	33 grass cutting done	Operational budget	Operational budget	Season favorable for the grass to grow faster.	Maintain the graveyard maintenance.
			96 burials				4 Community

			bookings & 21 paupers burials				halls are controlled by the Department and the other by Ward Councilors
		75 bookings	58 bookings	Operational budget	Operational budget	Community meetings contributed the number of bookings	Maintenance of the hall and for security purposes.
		To fence Orlando community hall.	Service provider appointed	R150 000	R150 000	N/A	More campaigns to be developed to market the library services
		5484 bookings	8725	Operational	Operational	Exam time increased the visits to the library.	Maintenance of the site and marketing in partnership with other departments.
		700 bookings	2031 visits	Operational	Operational	Schools visits for educational tours contributed in this regard	
Ensure adherence to road safety standards and regulations	Reduce number of motor vehicle accidents	15 road blocks and 180 speed checks	21 road blocks and 429 speed checks	Operational	As per operational budget	- Extra road blocks conducted with the SAPS.	Strengthen joint operations with other Law enforcement agencies and departments
	Approved	Development	Appointment	400,000	Tender	Follow up with tender	Follow up with tender

	transport plan	of integrated transport plan	of service provider		specification done for the re-advertised	specifications committee to speed up re-advertisement for the project to be completed in the third quarter	specifications committee to speed up re-advertisement for the project to be completed in the third quarter
To improve stakeholder satisfaction and participation	Transport forum meetings held	Three meetings	None	Operational)	Operational	No budget allocated for these stakeholder forums	Municipality to budget for these meetings
	MAM meetings conducted	One quarterly meeting	One	Operational	Operational	No budget allocated for these stakeholder forums	
Advertise notices and Tenders in the Local Newspaper	To register all tenders received	To advertise and register all tenders	48 tenders advertised and registered	Operational budget		None	None
Improve access to basic services in Nkomazi	Number of households with access to refuse removal and solid waste disposal	4489	None	Operational budget	Operational budget		
Ensure that physical environment is protected and conserved for sustainable use	New cold room & floor tiles installed at Marlothpark Abattoir	Procurement & installation	None	200,000	None	No budget for equipments, service extended to commercial sites only	Apply for MIG Funding for completion of the Steenbok landfill site.
	X 5 geysers	Procurement	None	R50 000	None		Maintain and

	procured for employees to have access of warm water.	& installation				Yes	keep the cold room in good standard
		To purchase 50 chairs	Quotation invited	R5000.00	None	None	Procurement delayed
To increase knowledge and understanding of HIV/AIDS to the community of Nkomazi with more emphasis on Prevention	Number of people informed and able to take informed decisions about their lives.	02	06	Operational	Operational	Initiation of Programmes in Farms increased the number of places to be visited on HIV/AIDS programmes	HIV/AIDS Prevention programmes to be strengthened and sustained in all far to reach communities and farms
To render more effective fire fighting, Disaster mitigation and rescue services.	Number of tents procured for Disaster response	Procurement of disaster relief equipment	20 tents	151 000	120 000	Procurement process delayed.	Finance Section have to take Disaster issues seriously and recognized it.
Improve access to basic services in Nkomazi	Number of households with access to refuse removal and solid waste disposal	4489	None	Operational budget	14 Skips distributed in commercial centers.	No budget for equipments, service extended to commercial sites only	Apply for MIG Funding for completion of the Steenbok
Improve access to community & public services (library, community halls, parks & recreation areas & graveyards facility)	Number of facilities accessible to communities facilities	20 bookings for the stadia	32 bookings made for the stadia	Operational	Operational	2011 Mayoral cup had an impact in the bookings	Maintain the cleanliness and security of the Stadia
	4 parks maintained in	46 grass cutting done	Operational budget	Operational budget	Yes	Lobby budget for	

	theseas: Marlothpark Malalane(Wate rbok str & Kobwa						maintenance and complete revitalization of parks	
Ensure adherence to the road traffic act and road safety standards	Nkomazi cleanest school competition	All schools in Nkomazi to enter	34 schools entered	250 000	250 000	Evaluations were done in all the schools that have entered the competition	Prize giving ceremony will be done in the 4 <sup>th</sup> quarter	
Improve access to community & public services (library, community halls, parks & recreation areas & graveyards facility			63 burial bookings conducted				Maintain graveyard maintenance	
		75 bookings	76 bookings	Operational budget	Operational budget	Community halls are controlled in the communities through Ward Councilors in the other communities	Community halls are controlled in the communities through Ward Councilors in the other communities	
Improve access to community & public services (library, community halls, parks & recreation areas & graveyards facility)		5484 bookings	7185	Operational	Operational	Quarterly Exam time increased the visits to the library and campaigns developed to encourage people to walk and used the library	More campaigns to be developed to market the library services	
		700 bookings	2742 visits	Operational	Operational	Schools visits	Maintenance	

						for educational tours and Local community contributed in this regard	of the site and marketing in partnership with other departments
Ensure adherence to road safety standards and regulations	Reduce number of motor vehicle accidents	15 road blocks and 180 speed checks	17 road blocks and 350 speed checks	Operational	As per operational budget	Extra road blocks conducted with the SAPS	Strengthen joint operations with other Law enforcement agencies and departments
	Approved transport plan	Development of integrated transport plan	Appointment of service provider	400,000	Tender specification done for the re-advertised	Tenders prices were higher than the budgeted amount	Tender specifications committee not yet re-advertised the tender
To improve stakeholder satisfaction and participation	Transport forum meetings held	Three meetings	None	Operational	Operational	No budget allocated for these stakeholder forums	Municipality to budget for these meetings
Ensure adherence to the road traffic act and road safety sta	Nkomazi communities access licensing services at near each	5000 community members targeted to receive the service	6000 community members serviced	1,969,251.75 (Operational budget)	As per operational budget	Best practice model running, clients are serviced quickly	Maintain the best practice and expand the service to Kamhlushwa for many more people to be services

To establish two places of safety to strengthen HIV/AIDS response	Number	Two funding proposals to be drafted	Two funding proposals drafted and sent to SALGA for Catalytic Fund			Nil	Nil
	Number	05	09			Other 11 will be trained in the next quarter	To train the other group of Lay Counselors in the next quarter.
	Number	50	78			New high transmission areas identified	To map all the high transmission areas in Nkomazi
Improve access to community and public services (library, community halls, parks and recreation areas and graveyards facility.	One TLB procured to improve access to cemeteries services	One TLB Purchased	One TLB Purchased	One TLB Purchased	One TLB Purchased	One TLB Purchased	One TLB Purchased
Improve access to community and public services (library, community halls, parks and recreation areas and graveyards facility.	3 tone truck procured to transport employees and working tools for the maintenance of parks	R350 000	Tender specification done for advertisement	Tender has been advertised awaiting for adjudication	Tender for the supply of this 3 ton truck. Tender re advertised	Recommendation for re advertisement of the tender	Follow up the bid processes.
To monitor and improve performance	Number	100%	100%		yes	Nil	
To strengthen and extend licensing service to Kamhlushwa	Kamhlushwa licensing office to be fully functional	Started operating in the 4 <sup>th</sup> quarter	Operational Budget	Operational Budget	Operational Budget	National department of Transport has not installed E-	Follow up with the Provincial office to install

						Natis equipment as yet. Waiting for Telkom to install lines.	
	4 x refrigerators purchased & delivered.	Quotations were invited for 4 refrigerators to be purchase , awaiting procurement process		R20 000	R2999.99	Awaiting completion of store rooms and change rooms in the following areas: Kamhlushwa, Kamaqhekeza, and Driekoppies & Komatipoort.	Waiting for payment on the proforma invoice before delivery, there is delay in procurement processes.
To improve healthy working environment	Number of employees having access to change rooms to create a good environment that ensures compliance with health & safety regulations	Upgrading of 4 change rooms in the following areas : Kamhlushwa , Kamaqhekeza, Driekoppies & Komatipoort	Service provider appointed in the first quarter	R720 000	Naas R179 000 Komatipoort R176 000 Kamhlushwa R141 792.64 Driekoppies R177 000.00	None	Monitor and evaluate if service provider built as per the specifications given.
Improve access to basic services in Nkomazi	Number of households with access to refuse removal and solid waste disposal	4489	None	Operational budget	14 Skips distributed in commercial centers.	No budget for equipments, service extended to commercial sites only	Apply for MIG Funding for completion of the Steenbok

Ensure adherence to road safety standards and regulations	Reduce number of motor vehicle accidents	15 road blocks and 180 speed checks	20 road blocks and 180 speed checks	Operational	As per operational	Extra road blocks	Strengthen joint operations with other Law enforcement agencies and departments
	Approved transport plan	Development of integrated transport plan	Appointment of service provider	400,000	Tender specification done for the re-advertised	Tenders prices were higher than the budgeted amount	Tender specifications committee not yet re-advertised the tender
Improve access to community & public services (library, community halls, parks & recreation areas & graveyards facility)	Number of facilities accessible to communities facilities	20 bookings for the stadia	25 bookings made for the stadia	Operational	Operational	1 <sup>st</sup> division teams booked Driekoppies stadium had an impact in the bookings	Maintain the cleanliness and security of the Stadia
	4 parks maintained in these areas: Marlothpark, Malalane(Waterbok str & Kobwa 4 grave yards sites serviced 4 Community halls	27 grass cutting done  87 burial bookings conducted.  78 bookings	Operational budget  Operational budget	Operational budget  Operational budget	Yes	Lobby budget for maintenance and complete revitalization of parks Maintain graveyard maintenance Community halls are controlled in the communities through Ward Councilors in the other communities Budget for	

						maintenance and provision of security for the halls	
To render a more effective fire fighting, Disasters mitigation and rescue services	To reduce the Disaster Risk	-39 Road accidents attended (4 fatal) - 18 House fire attended -6 veld fire -205 blankets issued to community -10 tents mounted -4 community complains Power failed Robot out of order Malalane	Shortage of human resources  Shortage of equipments	-Purchasing of Fire and Rescue on process	Manager Fire and Rescue, Traffic team		
To render a more effective fire fighting, Disasters mitigation and rescue services	To reduce the Disaster Risk	-39 Road accidents attended (4 fatal) - 18 House fire attended -6 veld fire -205 blankets issued to community -10 tents mounted -4	Shortage of human resources  Shortage of equipments	-Purchasing of Fire and Rescue on process	Manager Fire and Rescue, Traffic team		

		community complains Power failed Robot out of order Malalane					
To Improve stakeholder and customer satisfaction.	Safety of the Community	Assisting at the event spin city Kamhlushwa Assisting at Driekoppies dam event. Assisting at the Ligwalagwala FM event Kamhlushwa Assisting at Madadeni event (war against poverty) Assisting on fire breaks, Steenbok, Dludluma, Strydomblok and Mahhushe game reserve.					Nkomazi Municipality

<b>KPA 2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>							
<b>OBJECTIVE</b>	<b>OUTPUT MEASURE</b>	<b>PLANNED</b>	<b>ACTUAL</b>	<b>BUDGET</b>		<b>EXPLANATION OF VARIANCE</b>	<b>RECOMMENDATION REMEDIAL STRATEGY &amp; ACTION</b>
				<b>PLANNED</b>	<b>ACTUAL</b>		
To improve stakeholder satisfaction and participation	Disaster advisory forum quarterly meetings held	04 Quarterly meetings	01 meeting	Operational	Operational	None	To maintain stakeholder relations
	LOCAL AIDS Council meetings held	04 quarterly	1 quarterly meeting	Operational	Operational	None	To maintain stakeholder relations and implement programmes as per the Municipal HIV/AIDS strategy
	Transport forum meetings held	12 meetings	Three meetings	Operational	Operational	No budget allocated for these stakeholder forums	Municipality to budget for these meetings
	MAM meetings conducted	04 Quarterly meetings	One quarterly	Operational	Operational	No budget allocated for these stakeholder forums	Municipality to budget for these meetings
	Arts and Culture forums	04 Quarterly meetings	One quarterly	Operational	Operational	Extra meetings resulted from events to be held (Mayoral Cultural event)	To sustain and maintain stakeholder forums for effective and well-coordinated projects

	Nkomazi Sports Council meetings held	04 Quarterly meetings	01 meeting	Operational	Operational	None	To maintain stakeholder relations and implement
	HIV/AIDS strategy reviewed	HIV/AIDS strategy reviewed and approved by Council	Conducted HIV/AIDS strategy review workshop	Operational	Operational	None	To maintain stakeholder relations make sure that the strategy is reviewed by Council before the end of the second quarter.
To improve stakeholder satisfaction participation To improve stakeholder satisfaction participation	Nkomazi cleanest school competition	All schools in Nkomazi to enter	34 schools entered the competition	250 000	250 000	Evaluations will start on the third quarter	
To improve stakeholders and customers satisfaction To improve stake holder satisfaction participation	Disaster advisory forum quarterly meetings held	1 meeting	None	Operational	Operational	Disaster issues and events to be conducted	Human Resource be appointed.
	Nkomazi cleanest school competition	All schools in Nkomazi to enter	34 schools entered the completion	250 000	250 000	None	Evaluations will start on the third quarter

<b>KPA 3: LOCAL ECONOMIC DEVELOPMENT</b>							
<b>OBJECTIVE</b>	<b>OUTPUT MEASURE</b>	<b>PLANNED</b>	<b>ACTUAL</b>	<b>BUDGET</b>		<b>EXPLANATION OF VARIANCE</b>	<b>RECOMMENDATION STRATEGY &amp; ACTION</b>
				<b>PLANNED</b>	<b>ACTUAL</b>		
To contribute in the local economic development of Nkomazi	Number of local economic projects initiated and supported	One LED project	One established and operational at N4 TSB junction	Operational	Operational	None	Continue work with planning and development Department to establish more LED projects.
To establish a fully fledged HIV/AIDS unit	-Number of furniture and Container procured.  -Number of vehicles procured.  -Number of personnel appointed for Treatment Care and Support.	-01 container procured with furniture.  -One LDV procured One coordinator appointed for Treatment Care and support	01 container procured with furniture LDV procured  One coordinator pointed for Treatment Care and support	R200 000  Salaries budget I	R200 000  Salaries budget I	Nil  Nil	To maintain the place and furniture  LDV to be maintained
To support all sick Employees to promote Productivity and care	Number of sick employees supported and visited	All sick employees to be supported	02 sick known employees	Operational	Operational	Nil	All sick employees to be reported and supported

To increase access to condoms	Number of conditioners installed in high transmission areas and public places	01	03	Operational	Operational	More busy sites identified	Data base to be created and have regular meetings with the owners of taverns and shebeens
To contribute in the local economic development of Nkomazi	Number of local economic projects initiated and supported	One LED project	One established and operational at N4 TSB junction, still monitoring the same project	Operational	Operational	None	Continue to work with planning and development LED projects
To assist driving schools with the correct information to register as instructors and driving schools.	Number of driving schools and instructors registered in terms of the National Road Traffic Act.	20 driving schools	20 driving schools	None	None	None	To keep on rendering a service to the driving schools though support. To develop a policy and Municipal by-law To effectively control driving schools Operating in Nkomazi.
To improve conditions of the institution and to respond to the needs of the community	Number of young people recruited for peer education programme				Yes	None	

Number of Lay Counsellors trained for Home Based HIV Counselling and Testing	Four appointed	32			Yes	To train the other group of Lay Counselors in the next quarter.	
<b>KPA 4: MUNICIPAL FINANCIAL MANAGEMENT AND VIDILITY</b>							
To improve and support revenue collection	Increase revenue	1 815 397.71	1 815 397.73	Operational	Operational	None	To keep on improving on revenue collection through support
		1000 000	1 077,775	Operational	Operational	Joint operations increases activities to fine individuals not complying to the National road traffic Act	Continue sustain the joint operations
		740 860.40	855945.14	Operational	Operational	14 accounts added for Skips in commercial areas	Implementation of cost recovery plan to rural areas
	4892	1000	1223	Operational	Operational	None	Maintain the stadia and provide security to avoid vandalism and unauthorized entrance
	44920		11232	Operational	Operational	Bookings for graveyard not planned but we attend to all requests made	To continue attend to all requests from communities
	2949	11796	2 500	Operational	Operational	Public bookings increased by community request .	Maintenance of the hall

	22 7 536	56 884	40 000	Operational	Operational	Campaigns conducted increased the bookings	More campaigns to be conducted for increasing access and awareness to communities on library services
	23 470 generated from the monument	93 8800	20 000	Operational	Operational	Annual events increased the visits and school visits are also contributing	Maintenance and monitoring
To improve and support revenue collection	Increase revenue	1,1717500 .00	1,850266.1 1	Operational	Operational	None	To keep on improving revenue collection through support
		740 860.40	873 137.40	Operation	Operational	5 new accounts have been opened for business	Implementation of cost recovery plan to rural areas
To improve and support revenue collection	Increase revenue	1000 000	R737,950	Operational	Operational	Stats decreased due to the failure of the newly appointed service provider which failing to supply us with sect 56 summonses / traffic fine books	Service Provider to supply us in bulk timeously
To improve and support revenue collection	Increase revenue	R1,717500 .00	R1,955318 .83	Operational	Operational	None	To keep on improving revenue collection through support
To improve and support revenue collection	Increase revenue	740 860.40	873 137.40	Operational	Operational	5 new accounts have been opened for business	Implementation of cost recovery plan to rural areas

To strengthen and extend licensing service to Kamhlushwa	Licensing service extended to Kamhlushwa	Start operating in the 1 <sup>st</sup> quarter 2011/2012		Operational Budget	Operational Budget	No	Follow up with the Provincial government on Delivery and Installation of LSU. Follow up with Telkom on installation of lines
<b>KPA 5: MUNICIPAL EFFICIENCY AND PRODUCTIVITY</b>							
To improve staff skills and performance (capacity building)	Number of staff trained as examiners of Driving licenses and learners licenses	7 staff members sent for training	Staff members completed training , four registered to perform their duties	Operational	Operational	Three staff members not registered , waiting for the post to be advertised	Speed up the appointment processes after approval by the Mayoral committee
	Number of personnel appointed in the HIV/AIDS unit	Recruit and appoint a suitable candidate	HIV/AIDS Coordinator for treatment, care and support appointed	Salaries budget	Salaries budget	None	Utilize the available staff effectively and accordingly
<b>KPA 6: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>							
To contribute in the reduction of HIV/AIDS infection through strengthening of Prevention programmes, treatment Care and	1x LDV procured	Procure 1x LDV	LDV procured and delivered	200 000	200 000	None	Maintenance of the LDV and continue sustaining the existing programmes

support, Orphans, vulnerable Children and families							
Ensure effective fire and rescue services	25 seater mini Bus procured and delivered to transport fire fighters when responding to fire incidence	4 x refrigerators purchased	Only one Refrigerator procured for Malalane site	R20 000	R2 999.99	Awaiting completion of store rooms and change rooms in the following areas: Kamhlushwa KaMaqhekeza Driekoppies Komatipoort	To make sure that the refrigerators for other store and change rooms are purchased in the second quarter
Improve access to community and public services (library, community halls, parks and recreation areas and graveyards facility)	One TLB procured to improve access to cemeteries services	Start operating in the second quarter	Furniture procured and delivered for the Kamhlushwa licensing offices. -service provider appointed to install security cameras.	130 000	90 000	Remaining balance will be shifted to other priorities	Follow up with the Provincial office to install e-natis computers
		Erect palisades at Komatipoort	Palisades at Komatipoort erected	400 000	R200 000	None	Other 200 000 was reallocated as per priority needs Maintain security

## BUDGET AND TREASURY DEPARTMENT

Objective	Output measure	Planned	Actual	Annual budget		Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual		
<b>KPA 1 Service Delivery</b>							
Revenue management	% increase in revenue	SCM processes completed	SCM processes completed	23,626,856.67	21,190,693.44	None	None
Debtor management	% decrease in debtors' book	SCM processes completed	SCM processes completed	0	0	None	None
Revenue management	% increase in revenue	SCM processes completed	SCM processes completed	22,726,229.71 Billed	18,264,657.35 Received	None	None
Debtor management	% decrease in debtors' book	SCM processes completed	SCM processes completed	0	0	None	None
Revenue management	% increase in revenue	4%		Billed R26,591,824.53	Received R19,990,551.03	None	None
Debtor management	% decrease in debtors' book	% of debtors data cleansed	Data cleansing not completed	300,000	612,380.42	Finalisation of application with Trans Union to be done in July	
Revenue management	% increase in revenue	4%	0%	31910630 BILLED	23301529 RECEIVED	The incorrect valuation roll hampers the ability to correctly bill the consumers, thereby getting a true	The appointed service provider is currently correcting the valuation roll and will compile a supplementary valuation roll. this will enable the municipality to correctly bill the consumers

						reflection of what is owed as properties are over-valued and some are under-valued	
Debtor management	% decrease in debtors' book	2% of debtors' book decreased	0%		1,564,137.32 of bad debts was collected	Although debt collectors and attorneys are used, the valuation roll's incorrectness continues to hamper the ability to get a true reflection of what is truly owed to the municipality.	Correction of the valuation roll.

**KPA 2: MUNICIPAL EFFICIENCY AND PRODUCTIVITY**

Operation clean audit	Unqualified audit opinion	Implementation of relevant legislation such as the MFMA and approved policies	Implementation of relevant legislation such as the MFMA and approved policies	0	0	None	None
Assets and liabilities management	% current ratio (assets VS liabilities)	Assets monitored and safeguarded	Assets monitored and safeguarded	825,000	11,675.00	None	None
Operation clean audit	Unqualified audit opinion	Monitoring compliance	Qualified audit opinion	0	0	None	None
Assets and	% current			0	0		

liabilities management	ratio (assets VS liabilities)					None	None
Operation clean audit	Unqualified audit opinion	Monitoring compliance	Compliance being monitored and the Action Plan to address issues being adhered to	0	0	None	None
Assets and liabilities management	% current ratio (assets VS liabilities)	Assets monitored and safeguarded	Assets monitored and safeguarded	825,000	5,335.20	None	None
Assets and liabilities management	% current ratio (assets VS liabilities)	Additional assets bar-coded	Newly acquired assets are bar-coded	0	0	None	None
Assets and liabilities management	% current ratio (assets VS liabilities)	List of assets to be disposed	List of assets to be disposed updated	0	0	None	None
Operation clean audit	Unqualified audit opinion	Monitoring compliance	Compliance monitored and action plan to deal with AG queries implemented	450,000	192,771.44	Audit fees are determined by the number of hours worked.	
Assets and liabilities management	% current ratio (assets VS liabilities)	Assets monitored and safeguarded	Assets monitored and safeguarded	825,000		None	None
Assets and liabilities management	% current ratio (assets VS liabilities)	Obsolete assets disposed	Assets to be disposed list compiled and ready for Asset Disposal Committee	20,000		The function to dispose of assets is the function of the Asset Disposal Committee	Asset Disposal Committee to be mandated to sit and decide on whether to dispose of obsolete assets

**Bids awarded for the financial year:**

<b>No.</b>	<b>Tender description</b>	<b>Contractor appointed</b>	<b>Amount (Vat inclusive)</b>	<b>Date appointed</b>	<b>Source of fund</b>
1.	Tender No.08/2010 Rehabilitation and reconnection of bulk line to existing water reticulation at Mbekisburg	Vuka JV T/A Mashapula Mangoba JV	R2 424 767.00	08/07/2010	MIG
2.	Tender No.16/2010 Supply and delivery of 1XTLB 4X4 backhoe for Nkomazi Local Municipality	Hitachi Construction Machinery	R628 356.00	08/07/2010	SURPLUS
3.	Tender No.11/2010A Proposal for the provision of professional engineering services : 1) Mangweni reservoir refurbishment and water reticulation 2)Tonga D reticulation	TSK & SMM Consulting JV	R556 819.50	05/08/2010	MIG
4.	Tender No.11/2010B Proposal for the provision of professional engineering services : 1)Steenbok reticulation 2)Construction of Schoemansdal community hall	Eyesizwe Consulting	R910 000.00	05/08/2010	MIG
5.	Tender No.11/2010C Proposal for the provision of professional engineering services : 1)Construction of Eastgate(KaMhlushwa) bus route(2.1km) 2)Construction of Kamaqhekeza(Abdul section bus route(1.8km)	TMS Consulting	R825 054.00	05/08/2010	MIG
6.	Tender No.23/2010 Upgrading of Malelane bulk sewer in extension 16	Thenjwako Construction & Projects	R3 344944.84	23/08/2010	SURPLUS
	Tender No.25/2010 Construction of VIP toilets in Bongani,				

7.	Shiyalongubo, Ericsville, Middelpaas, Sikhwahlane, Dunusa & Mzinti new villages of Nkomazi Local Municipality	Casnan/Vience Trading JV	R3 246 292.50	23/08/2010	MIG
8.	Tender No.26/2010 Construction of VIP toilets in Mbangwane, Tsambokhulu, Khombaso, Mananga, Mandulo and Dlunduma old villages of Nkomazi Local Municipality	Valley and Zamangwane JV	R3 750 000.00	23/08/2010	MIG
	Tender No.39/2010 Supply and delivery of a TLB for Nkomazi local Municipality	Laeveld Trekkers	R634 980.00	29/09/2010	SURPLUS
9.	Tender no.27/2010 Ntunda pipeline	Zamangwane water Technology	R1 369 189.88	23/08/2010	DWA
10.	Tender No.40/2010 Supply and delivery of two tipper trucks for Nkomazi Local Municipality	Union Motors Lowveld	R1 071 554.40	13/09/2010	SURPLUS
11.	Tender No.41/2010 Supply and delivery of two 4ton trucks for Nkomazi Local Municipality	West Vaal Nelspruit	R887 312.00	13/09/2010	SURPLUS
12.	Tender no.43/2010 Supply and delivery of 1XHydraulic excavator for Nkomazi Local Municipality	Eqstra Equipment	R1 032 840.00	13/09/2010	SURPLUS
13.	Tender No.42/2010 Supply and delivery of 2X140H graders for Nkomazi Local Municipality	Babcock Equipment	R4 058 400.00	29/09/2010	SURPLUS
14.	Tender No.24/2010 Proposal for the provision of professional engineering services on Masibekela water treatment works phase 2(turn-key approach)	FT Consultants	R48 919 929.98	11/10/2010	MIG
15.	Tender No.49/2010 Upgrading of bus route in Schulzental	Tencity White Hazy JV	R8 252 261.64	11/10/2010	MIG
16.	Tender No.50/2010 Upgrading of bus route in Ntunda	Docson CC T/A Doc's Construction & Plant hire	R7 834 355.78	11/10/2010	MIG

17.	Tender No.53/2010 Construction of Magogeni bus route	Mokoena Construction	R10 037 607.00	22/10/2010	MIG
18.	Tender No.59/2010 Tonga C bus route	Imagagane Construction	R7 336 110.60	22/10/2010	MIG
19.	Tender No.61/2010 Electrical contractor for the supply, install and commissioning of the electrification of Stantor and Mbangwane	Stanford M Electrical	R2 199 195.68	22/10/2010	SURPLUS
20.	Tender No.62/2010 Electrical contractor for the supply, install and commissioning of the electrification of Mzinti, Schoeman Police & hospital and Mdladla	Hloyasane Electrical Technologies	R3 703 244.33	22/10/2010	DOE
21.	Tender No.57/2010 Supply and delivery of one 6m <sup>3</sup> tipper truck for Nkomazi Local Municipality	Khulantimane Trading	R439 500.00	22/11/2010 (Failed to deliver)	SURPLUS
22.	Tender No.58/2010 Supply and delivery of one 25 seat minibus for Nkomazi Local Municipality	Gumaju Engineering	R445 000.00	22/11/2010 (Failed to deliver)	REVENUE
23.	Tender No.70/2010 Supply and delivery of one mechanical horse/truck tractor and low bed trailer for Nkomazi Local Municipality	Union Motors Lowveld	R1 573 017.60	22/11/2010	SURPLUS
24.	Tender No.46A/2010 Proposal for the provision of professional engineering services: Marloth Park resealing and fog spray	T2-Tech Consulting	R 473 416.01	22/12/2010	REVENUE & SURPLUS
25.	Tender No.46B/2010 Proposal for the provision of professional engineering services: (extension of Driekoppies office and Hectorspruit standby quarters and ablution block)	SKC Masakhizwe Engineering	R 108 300.00	22/12/2010	SURPLUS

26.	Tender No.68/2010 Upgrading of sewer plant in Komatipoort	Nkomazi Business Network	R4 555 286.67	22/12/2010	SURPLUS
27.	Tender No.69/2010 Rehabilitation of Komatipoort roads – Phase 2	Advance Projects	R4 187 375.61	22/12/2010	SURPLUS
28.	Tender No.79/2010 Upgrading of Steenbok water reticulation	SS Mabuza and sons Investment CC	R1 285 577.47	22/12/2010	MIG
29.	Tender No.76/2010 Nyathi Bus route	Gaby Construction	R12200 322.75	23/12/2010	MIG
30.	Tender No.67/2010 Rehabilitation and surfacing of streets in Malelane – phase 2	Manchel Construction Company	R3 207 619.14	08/02/2011	SURPLUS
31.	Tender No.73/2010 Eastgate (KaMhlushwa) bus route	Easy way Construction	R3 395 862.66	08/02/2011	MIG
32.	Tender No.77/2010 Tonga D water reticulation	Siyathuthuka Moda JV	R1 215 332.66	08/02/2011	MIG
33.	Tender No.78/2010 Mangweni reservoir refurbishment and water reticulation	Mashapula Construction	R2 589 377.98	08/02/2011	MIG
34.	Tender No.82/2010 Construction of Schoemansdal community hall	Takitsi Trading CC	R8 322 118.08	08/02/2011	MIG
35.	Tender No.55/2010 Supply and delivery of one 4X4 TLB	Hitachi Construction Machinery SA	R 628 140.00	22/02/2011	SURPLUS
36.	Tender No.74/2010 KaMaqhekeza (Abdul section) bus route	Route 7 Trading	R3 545 698.30	22/02/2011	MIG
37.	Tender No.84/2010 Supply and delivery of two sedan vehicles 1.6	Mascor	R 289 954.52	22/02/2011	REVENUE

38.	Tender No.80/2010 Rendering of security services in the Nkomazi area	Zone 1: Superpro Alarms	R 66 613.05 pm	02/03/2011	REVENUE
39.	Tender No.64/2010 Supply and delivery of two 4X2 TLB's for Nkomazi Local Municipality	Zone2:Ibutholentomb Security	R67 050.00 pm		SURPLUS
		Zone 3: Masephula security services	R66 899.98 pm		
		Bell Equipment Sales SA LTD	R1 252 860.00	16/03/2011	
40.	Tender No.83/2010A Mbuzini bulk water augmentation scheme – phase 1	Gaby Glass & Bright Idea JV	R15 347 536.10	16/03/2011	MIG
41.	Tender No.83/2010B Bulk line to 3ML reservoir 1ML reservoir	MTP Trading Enterprises	R1 605 245.40	16/03/2011	MIG
42.	Tender No.54/2010 Compilation and maintenance of supplementary valuation roll and amendment to the existing valuation roll	DDP Valuers	R294 per entry	29/03/2011	REVENUE
43.	Tender No.81/2010 Request for proposal for the provision of professional engineering services on Dlunduma community hall	Cicam Project Agency	R560 000.00	29/03/2011	REVENUE
44.	Tender No.85/2010 Proposal for the provision of fleet management system to Nkomazi Local Municipality	Absa Vehicle Management Solutions (Pty) Ltd	R2 685 600.00	19/05/2011	REVENUE
45.	Tender No.13/2011 Electrification of Mbuzini villages, 102 stands	Vuka JV MC Electrical & Construction	R891 141.15	19/05/2011	Human Settlement
46.	Tender No.10/2011 Jeppes Reef water reticulation	MJNS General Trading	R867 970.21	07/06/2011	MIG

47.	Tender No.11/2011 Masibekela water reticulation	Nuladys CC	R433 733.52	07/06/2011	MIG
48.	Tender No.05/2011 Restoration/Improvement of the Henk van Rooyen Park in holiday township of Mpumalanga Province	Enticron (Pty) Ltd	Lease	09/06/2011	No funding

## CORPORATE SERVICES DEPARTMENT

Objective	Output measure	Planned	Actual	Annual budget		Explanation of variance	Recommendation/ remedial strategy and action
				Planned	Actual		
<b>KPA 1 Service Delivery</b>							
Advertise Notices and Tenders in the Local Newspaper	To register all Tenders Received	To advertise and register all tenders	48 Tenders received and opened in public	Operational budget	Operational budget	None	None
<b>KPA 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION</b>							
To enhance good governance and public participation	Number of meetings held per quarter	1 Mayoral Outreach	None	100 000	None	None	None
To give support to Council	Number of Council meetings	2 Meetings held	1x SGC Meeting 3 x SMC 1x MCM	Operational budget		None	None
To enhance the participation of target groups	Number of workshops, training programmes and national celebrations	4 workshops, training programmes and national celebrations	10 workshops, training programmes and national celebrations <i>(refer to monthly reports attached)</i>	228 000	237 429.79	None	None

Improve effective functionality of Ward Committees	27 functional ward committees	30	100% of vacancies in ward committees had been filled through support office of the speaker	Operational budget		None	To strengthen the training of ward committees and administrative support
To enhance IT communication and information system	% of IT functional system	Telecommunication system in place 20%	Installing/conversion of domain network	1,800,000		none	To speed up the process
To improve customer care and management	% in customer care improvement	To appoint an information desk officer	None	None	None	None	Report has been tabled to the portfolio committee motivating the appointing of the information desk officer
To enhance good governance and public participation	Number of meetings held per quarter	1 Mayoral Outreach	3 Mayoral outreach: heritage day, Traditional Leader Briefing Session, Mzinti Pre Cast	100 000	R120,000	none	none
To give support to Council	Number of Council meetings	3 Meetings held	1x Corporate Services Portfolio Meeting	Operational budget	Operational budget	none	none
		3 Meetings held	1 x Special Corporate Services Portfolio meeting 1 x Mayoral committee Meeting 1 x Special Mayoral committee Meeting 2 x General Council Meeting 2 x Special General Council Meeting 1x Municipal Lekgotla	Operational budget	Operational budget	none	none
To enhance the	Number of workshops,	4 National celebrations	(1 training and 1 National Celebration)			Some of the events were	Ehlanzeni District Council will assist by scouting

participation of target groups	training programmes and national celebrations		Training a registration for corporative  International day for disable person			not budgeted for.	funds, To involve Seda to train and register the corporative, and To employ a coordinaton
To enhance IT communication and information system	IT functional system to all department including the satellite offices	Implementation and connection of the wide area network	In a process of installing an advanced economical telephone system	R50,000 R20,000	R49,000 R18,450	Challenges on the service provider (Valor It) appointment letter.	
To improve customer care and management	% in customer care improvement	Upgrading of reception and front	Reception and front desk upgraded	R2,000,000	R194.000	Insufficient of funds	Waiting for the appointment of provider to complete the whole project
Revenue risks facing the municipality to an acceptable level	Number of risks	Follow-up Audit: Asset Management Review and Asset Verification	Audit not performed, due to the External audit by the Auditor-General	R130, 000	R124, 000	Audit could not start as planned due to the external audits by the Auditor General of South Africa	
		Follow-up: Compliance Audit	Audit not performed, due to the External audit by the Auditor-General	R52, 850.00	R38,275,03		Follow up audits to be performed in January 2011
		Follow up: Audit of Performance Information and Performance Audit: Value For Money Audit	Audit not performed, due to the External audit by the Auditor-General				
		Human Resources: Recruitment, Overtime, Leave,	Audit not performed, due to				

		Termination	the External audit by the Auditor-General				
		Performance Audit: Value For Money Audit	Audit not performed, due to the External audit by the Auditor-General				
		Audit of Performance Information	Audit on progress (execution)				
Instil a positive public image for the institution	Procure radio slots and print media adverts	At least one slot on service delivery issues and newspaper ads according to needs (events)	Procured 3x15 minutes radio interviews	R21,000	0	Budget is controlled by Corporate Services and SABC invited the institution for an interview free of charge	Budget is controlled by Corporate Services and need to be relocated to communication
	Newsletter production	1 edition per quarter	1 edition Newsletter already printed and on circulation.	R50 000	R90 000	Insufficient funds.	Have a designated budget for communications.
	Newsletter production	1 edition per quarter	1 edition Newsletter already printed and on circulation.	R63,420	R104,000.00		Have a designated budget for communications.
	Wall and desk calendars	Once a year edition.	4000 x A 2 wall calendars. Calendars already in circulation.	R30 000	None	none	none
	Production of business cards for managers	Business cards for managers with corporate colours	No business cards were produced			Contact details changes and upgrading of telephone systems, changes of email addresses made it	Consolidate the current details and procure the business cards.

						impossible to procure in time	
Improve effective functionality of Ward Committees	27 functional ward committees	30	3 community meetings per ward per quarter had been convened	R80,000	N/A	We have a challenge of understaffing as well as budgetary constraints	Additional staff The budget for ward committees be raised to allow effective administrative support
To enhance good governance and public participation	Number of meetings held per quarter	1 Mayoral Outreach	1 Mayoral outreach, Mayoral Imbizo with the Elderly citizens of Nkomazi.	R100 000	R80 000	none	To have more of these consultative imbizos
To give support to Council	Number of Council meetings	3 Meetings held	3x Special General Council Meeting 1x Special Mayoral Committee Meeting 1x Special Corporate Services Portfolio Meeting	30 000		None	None
To enhance the participation of target groups	Number of workshops, training programmes and national celebrations	1 national event, 2 national celebration	Trained 50 youth in businesses	R 50 000	R 48 823-29	There were no national events for celebration, therefore training was done.	
To ensure public participation in the process of producing a credible municipal IDP	Invite Ward Committees, Business forum, Farmers, Traditional Leaders and other Stakeholders to attend IDP meetings	Promote public participation and functionality of ward committees	Community structures and other stakeholders attended and participated on the IDP meeting held and reports were submitted with regard to the community participation and the functionality of ward Committees	Operational budget	Operational budget	none	none
To enhance IT communication and	% of IT functionality of IT	Implementing electronically in	Target was not reached due to contractual issues.	80.000	R0.00	Challenges on the service provider (Valor	

information system		administration on 10%				It) appointment letter.	
To enhance good governance and public participation	Number of meetings held per quarter	400,000	1 Mayoral Outreach	None	100,000	Budget exhausted /Councillors already busy with preparations for Local government elections.	To have more of these consultative imbizos
To give support to Council	Number of Council meetings	None	2 Council Meetings to be held	3 meetings held  2x Special council meeting  1xSpecial Mayoral Committee Meeting	None	none	
To enhance the participation of target groups	Number of workshops, training programmes and national celebrations	528,000	2 national events disability lift	No national event conducted. Career guidance for unemployed youth at Kamhushwa conducted	No budget allocated for this quarter	Insufficient budget	
To ensure public participation in the process of producing a credible	Invite Ward Committees, Business forum, Farmers, Traditional	Monitoring	All the 30 ward committees were functional	No budget allocated for this quarter	Not applicable	No budget allocated for this quarter  Re-launching all the 30 ward	None

municipal IDP	Leaders and other Stakeholders to attend IDP meetings					committees	
To enhance IT communication and information system	% of IT functional system	Monitoring and evaluation of the system	All systems have been monitored and a request was sent to the head of department for data backups of the municipality, Waiting for respond.	Not applicable	Not applicable	We are operating in a risk situation because we are not doing our daily backups so if any system can crush we will loss all the information.	We need to purchase media tape and get backup exec to resolve the problem
<b>KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION</b>							
Establish a municipal performance management system	Number of employees signed-off performance contracts to task level 17	Performance management system awareness	PMS awareness not done. Shifted to next quarter	operational	Operational	Shortage of staff	Appoint PMS Coordinator to assist with workload.
Reduce the vacancy rate according to organogram	Number reduction in vacant posts	5	4 vacant posts filled: - Risk Manager - Admin Clerk(MMC Finance)	Operational budget		In process of shortlisting all other unfilled advertised posts during the quarter	To shortlist and appoint
Provide support with regard to municipal by-laws, organizational policies and legal matters	% in increase of internal legal department. Number of by-laws to be reviewed	On-going process. 3 by-laws review	Resolved two matters internally two matters are outstanding and will be finalized before the end of September 2010	Operational budget	None	Not enough officials trained to deal with disciplinary matters	To work with other municipalities and to encourage other officials to participate in disciplinary matters. To work with the legal and labour department of Mbombela
To initiate, develop,	Reduction on injury on		Inspection of all Municipal vehicles.			Lack of support from	A meeting will be held with the relevant Managers to

promote ,maintain and review measures to ensure the Health and Safety of workers	duty accidents and improvement on the Health and Safety of workers		Monthly Safety Committee meeting held.  Improved Protective clothing in terms of quality and management during procurement.  Refuse removal staff change rooms constructions have started.			other Department in terms of safety.  Insufficient budget.	address the challenges.
Improve staff skills in the municipality	Number of employees achieving personal development	Conduct a skills audit in the municipality and Developed employees PDP's	Second phase of the skills audit is not yet done	0	0	Insufficient fund	Waiting for budget to work on a last part PDP
Training of Staff	Number of employees, Councillors and Unemployed	To train 10 employees and Councillors	8 officials attending Municipal Finance Management by DBSA 2 councillors and 4 officials attending Municipal Governance studies in the University of Johannesburg	Operational budget	Operational budget	None	None
Reduce the vacancy rate according to organogram	Number reduction in vacant posts	10	10 advertised> posts HIV/AIDS coordinator, Cleaner, General attendant, 2 Traffic Officers, Municipal Manager, Deputy CFO, Director Corporate services and Director Infrastructure and Development	Operational budget	Operational budget	Only The posts of a Cleaner, General attendant, HIV/AIDS coordinator, and 2 Traffic Officers were shortlisted, Interviewed and appointed	

Establish a municipal performance management system	Number of employees signed-off performance contracts to post level 3	Reward policy for Task 17 adopted by council	First and second quarter report Submitted to council for approval and Draft annual performance report submitted to council for noting. Reward policy not in place	Operational budget	Operational budget	Staff shortage and lack of capacity	Appoint PMS Coordinator to assist with workload, however a letter has been sent to SALGA for an assistant to cascade PMS to task level 17
Provide support with regard to municipal by-laws, organizational policies and legal matters	Increase of internal legal department. Number of by-laws to be reviewed	On-going process. 3 by-laws review	Developed and drafted policy on traditional leaders. 4 By-Laws have been advertised to provincial government gazette.	Operational budget	Operational budget	none	none
Establish a municipal performance management system	Number of employees signed-off performance contracts to post level 3	SDBIP and scorecards for task level 17 Submit quarterly reports	Not done yet, however SALGA in process of assisting the municipality 2 <sup>nd</sup> quarterly reports submitted	Operational budget	Operational budget	Process is slow due other commitments SALGA has.	Constantly consult SALGA to speed up the process One Meeting held with SALGA to discuss the approach, and the next meeting will be scheduled after the 15 of April 2011. Quarterly report submitted
Improve staff skills in the municipality	Number of employees achieving personal development	Conduct a skills audit in the municipality and Developed employees PDP's	Second phase of the skills audit is not yet done	Operational budget	Operational budget	No budget	
Reduce the vacancy rate according to organogram	Number reduction in vacant posts	10	14 vacant post filled: -Senior Person -Team Leader (4) -Excavator Operator -Low Bed Driver -Bomac Operator -Special Workman -Drivers -Superintended Electrical (3)	R1000,000	R285,344		

Provide support with regard to municipal by-laws, organizational policies and legal matters	Increase of internal legal department. Number of by-laws to be reviewed	On-going process. 3 by-laws review	Resolved four matters internal 4 by-laws have been advertised to provincial gazette. three policies have been drafted: Policy on Traditional Leaders and whistle blowing policy, fraud prevention policy one internal matter on a process of being dealt with by the end of the next quarter	Operational budget	Operational budget	Not enough officials trained to deal with disciplinary matters.  Training is needed on policy formulation	To work with other Municipalities and to encourage other officials to participate in disciplinary matters
Establish a municipal performance management system	Number of employees signed-off performance contracts to post level 3	Not applicable	27 Task 17 employees sign performance contracts	No performance contract signed. Quarterly report submitted. SDBIP and Performance Agreements for section 57 signed with time lines	Not applicable	Assistance from SALGA with regard to cascading PMS was slow could not meet timelines.	
Reduce the vacancy rate according to organogram	Number reduction in vacant posts	10 vacant post to be filled	07 post filled -TLB -Landfill Site Operator -Gardener -Labourer -Grade Operator -2x Licensing Officers	1000,000	650,000		Post for The Municipal Manager, Director: Corporate Services, Director: Infrastructure and development were advertised but not filled

Provide support with regard to municipal by-laws, organisational policies and legal matters	% in increase of internal legal department. Number of by-laws to be reviewed	On-going process. 3 by-laws review	Resolve three matters internally Two Policies have developed: -Lack of Capacity due to health matters -incapacity due to poor work performance  No By-Laws were developed	Not applicable	Not applicable	Insufficient budget to develop Policies and By-Laws	Training to be offered on Policy and By-Laws development
Website Development	Updating of website.	Fully updated and functional website.	Not updated website	Not applicable	Not applicable	Updating information on the web page i.e. events calendar, advertisements on time.	Hosting website on site other than remote hosting. Requests departments to forward any planned events To the office of the municipal manager on time. Also needs dedicated personnel that will be responsible for the website administration (Web administrator). Website development budgeted for next financial year.
Install a positive public image fir the institution	Conduct Live interviews, Write media invites and releases, Responses to media enquiries	At least 1 interview per week, Write to all local media, Respond in time with accurate information	+40 interviews conducted. Media releases written in relation to all planned municipality events	Not applicable	Not applicable	Media inquiries that have an element of attacking a person and not well related to business of the municipality.  Leakage of information to the media by staff members and councillors	Make a distinction of personal and business matters. Application of code of conduct

	Procure radio slots and print media adverts	No radio airtime procured and print media not relevant to target group. Uncoordinated print adverts	At least one radio slot every month and newspaper ads when need arises	At least 1 slot on service delivery issues and newspaper ads according to needs (events)	21 000	Budget is controlled and SABC sometimes invites the institution for an interview free of charge.	Budget is currently controlled by Corporate services and need to be relocated to communications.
	Production of annual report	100 copies of annual report	100 copies of annual report are on printing stage	R 200 000	R153 000	Service provider is less	none
To minimize risks in the municipality	Number of risks	Human Resource Management Review	Report issued and presented to the audit committee	R52,850.00	9, 791.43	None	None
		Review of interim financial statements	Final Audit Report issued to Management, Provincial Treasury and the Chairperson of the Audit Committee			None	None
		Follow-up on the Auditor General's Audit report 2009/2010	Report issued after discussion with management and presented to the audit committee			None	None
			Audit of Performance Information (Performance Assessment report)	Report issued after discussion with management		None	None

				and presented to the audit committee			
			Supply Chain Management Review: Inventory Management	Audit Not performed		Auditor-General requested to conduct an interim audit.	None
			Follow up: Audit of Performance Information and Supply Chain Management Review	Audit Not performed		Auditor-General requested to conduct an interim audit.	None
			Review of Internal Audit Charter and Audit Committee Charter	Internal audit charter and audit committee charter reviewed and approved by the audit committee		None	None
			Documenting of the 2011/2012 Operational Plan and three year rolling internal audit plan	2011/2012 operational plan and three year rolling internal audit plan documents approved by the audit committee		None	None
<b>KPA 4: LOCAL ECONOMIC DEVELOPMENT</b>							
To Create environment that will be conducive for	To Give Support with regard to Policies and	2% (Support)	none	Operational Budget		None	None

Local Economic Development	By-Laws that will not be a threat to investors						
To Create environment that will be conducive for Local Economic Development	To Give Support with regard to Policies and By-Laws that will not be a threat to investors	3% (Support)	None	Operational budget	Operational budget	Not core function of the department	Recommend that departments report on objectives which they have full control on
<b>KPA 5: MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY</b>							
To improve Financial Management	To give support and ensure that the Financial policies are adhered to	5% Compliance (Consultation with Finance Department)	5% Compliance	Operational Budget		none	To strengthen the internal control system and implementation thereof
To improve Financial Management	To give support and ensure that the Financial policies are adhered to	5% Compliance	5% increase from 90% to 95% on compliance through consultation with Budget and Treasury Department.	Operational budget	Operational budget	none	To strengthen the internal control system and implementation thereof
To minimise risks in the municipality	Number of risks	Follow-up Audit: Asset Management Review and Asset Verification	Audit Report issued and presented during the Audit Committee meeting: 23 February 2011	R52,850.00	R16,370.0 (R90,000.00)Transferred	None	None
		Follow-up: Compliance Audit	Audit Report issued and presented during the Audit Committee meeting: 23 February 2011				
		Audit of Performance	Draft internal audit				

		Information	report awaiting for management comments				
		Performance Audit: Value For Money Audit	Audit Report issued and presented during the Audit Committee meeting: 23 February 2011			None	None
		Follow up: Audit of Performance Information and Performance Audit: Value For Money Audit	Audit still to be performed			Management still in a process of implementing their action plans None	To be incorporated in the follow-up audit for Auditor General Report for 2009/2010 None
		Human Resources: Recruitment, Overtime, Leave, Termination	Audit completed, Communication of findings to be issued for management comments				
		Audit of interim financial statements	Audit Completed. Audit Report to be issued to Management and Provincial Treasury			None	None
Website Development	Updating of website.	Fully updated and functional website.	Updated and functional	Operational Budget	Operational Budget	Updating information on the web page i.e. events calendar, advertisements on time.	Hosting website on site other than remote hosting. Requests departments to forward any planned events to the office of the municipal manager on time. Also needs dedicated personnel that will be responsible for the website administration (Web administrator)

Communication Policy Drafting	Draft policy, Circulate it to departments	Approval communication policy	Only a draft available	Operational Budget	Operational Budget	Waiting for council approval	Once approved by council it will harmonise and synchronise effective communication.
Media liaison	Conduct Live interviews, Write media invites and releases, Responses to media enquiries  Procure radio slots and print media adverts	At least 1 interview per week, Write to all local media, Respond in time with accurate information  At least one radio slot every month and newspaper ads when need arises.	+40 interviews conducted. Media releases written in relation to all planned municipality events  At least 1 slot on service delivery issues and newspaper ads according to needs (events)	Operational Budget	Operational Budget	Media inquiries that have an element of attacking a person and not well related to business of the municipality. Leakage of information to the media by staff members and councillors  Budget is controlled and SABC sometimes invites the institution for an interview free of charge.	Make a distinction of personal and business matters. Application of code of conduct  Budget is currently controlled by Corporate services and need to be relocated to communications. The slot was obtained free of charge whereby the municipality was requested to comment on issues of service delivery.
Community Liaison	Take a lead in mobilizing communities for government activities	Well attended events	Well attended events	Operational Budget	Operational Budget	Lack of facilities and human resource when coordinating events.	Work together with other departments who can provide the necessary support.
Corporate Image	Brand all municipal events	Well branded events	Well branded events	Operational Budget	Operational Budget	Branding material	Procure more outdoor branding material
	Procure corporate diaries for council	Procure 100 branded diaries	10 diaries	R30 000.00	4500	No budget	

# Summary of Audit Findings

## Management Corrective Actions in response to Consolidated Audit Report findings raised by the Auditor-General for the year ended 2011

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
<b>Procurement and Contract Management (SCM)</b>					
1. Procurement & contract management - non compliance with municipality's SCM procedure manual	There have been instances whereby the received quotations from requiring departments have already included a particular supplier to be used, therefore it is not the SCM unit sourcing	<i>The Supply chain Management unit to be fully responsible for sourcing out all quotations. This will be done after the proposed training.</i>	We recommend that the CFO together with the accounting officer exercise strict monitoring controls over the municipality's procurement systems	-Municipal Manager  -All Directors -CFO	31/03/2012
2. Procurement & Contract management - Listing criteria are not specified in the SCM policy	From the review of the SCM policy and enquiry of the SCM manager: DD Mkhathshwa, it was confirmed that the SCM policy does not specify the listing criteria for accredited prospective providers nor are the criteria listed anywhere else.	A list of criteria will be developed and incorporated into a draft database policy. This policy will be submitted to the portfolio committee for Budget and Treasury and	We recommend the accounting officer together with the SCM management develop an official criteria listing for all accredited	-CFO - Manager: Supply Chain -Demand Officer	31/03/2012

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
		Council for approval	prospective providers/suppliers and ensure this listing is adhered to in the addition of any new prospective providers		
3. Procurement and contract management - Interest of SCM official's family member's not declared	An SCM official did not include in his declaration of interest, the interest their spouse has in a company the municipality has been doing business with	Management will ensure that supply Chain Officials declares their interests.	We recommend strict evaluation of the SCM unit for compliance with all SCM legislation with instances of non-compliance subject to disciplinary action	-CFO -Manager: Supply Chain Management	31/01/2012
4. Procurement & contract management - SCM official participation in awards linked to their family	An SCM official and another role player were involved in awards made to suppliers their family has shareholding	<i>Management will exercise oversight over supply chain management.</i>	The accounting officer, with assistance from the SCM supervisor (Act CFO) performs effective oversight over SCM.	-CFO -Manager: Supply Chain Management	Ongoing
5. Procurement & contract management - Non disclosures in the AFS	Awards made to the companies owned by people whose spouses/family are officials of the municipality during the year were not disclosed in the Annual Financial Statements of the municipality ( <b>Related parties</b> )	This has already been disclosed on the financial statements.	Effective policies and processes should be in place to identify such transactions to ensure complete disclosures are made in the AFS.	CFO -Manager: Supply Chain Management	N/A

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
6. Procurement & contract management - Awards made to suppliers whose shareholders are officials of the municipality	The municipality made awards to suppliers whose shareholders were official employees of the municipality at the time of awards	<i>The concerned companies were deactivated from E-venus.</i>	The accounting officer, with assistance of the IT unit, perform CAATs test on all suppliers to identify suppliers owned by municipal officials which the municipality may do business with to ensure compliance with this regulation.	-Accounting Officer -CFO -Manager: Supply Chain Management	31/01/2012
7. Procurement & contract management - Awards made to state employees (excl Nkomazi LM)	The municipality made prohibited awards in the last two financial years to the companies which are owned by state employees	<i>Assistance will be requested from Auditor General Accountant General and COGTA to perform CAATs test on quarterly basis. All suppliers will be requested to complete an MBD4 form</i>	The accounting officer, with assistance of the IT unit, perform CAATs test on all suppliers to identify suppliers owned by state officials which the municipality may do business with to ensure compliance with this regulation	-Council - Audit Committee -Municipal Manager - CFO -Manager: Supply Chain Management	<b>31/01/2012</b>
8. Procurement & contract management - non compliance with PPPFA 5 of 2000	<i>The municipality has not been using the 80/20 rule in its awards between R30 000 and R200 000.</i>	Management will request assistance from National Treasury. An electronic template will be requested to simplify the process	We recommend that SCM incorporates the PPPFA and its regulations in its system to ensure	Municipal Manager CFO Manager:	31/03/2012

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
			compliance	Supply Chain	
9. Procurement & contract management - possible fraud in awards made	<p>Non declaration of family's interest in businesses the municipality receives goods/services from by SCM officials</p> <ul style="list-style-type: none"> <li>- Involvement of the SCM official in the awarding of business to their family's business</li> <li>- Re-occurred instances of the involvement of the SCM official in the approval of those awards</li> <li>- Continued non-declaration of the interest family has in businesses the municipality receives goods/services from.</li> <li>- Fraudulent declaration by suppliers whose owners are officials of the municipality</li> </ul>	<p><i>Steps to be taken to ensure that the conduct of officials concerned does not re-occur through awareness and preventative measures. Internal investigations will be done within a period of three months</i></p>	<p>We recommend forensic investigation be conducted in the SCM unit for possibility of fraud as a result of the findings above and the unit as a whole.</p>	<p><b>-Council</b></p> <p><b>-Executive Mayor</b></p> <p><b>-Municipal Manager</b></p>	<p><b>30/04/2012</b></p>
10. Procurement & contract management - abuse of the SCM system	<p>There are instances where reasons given do not appear reasonable/ justified on the basis that it was impossible/ impractical to obtain 3 written quotations:</p>	<p><i>Ongoing services, eg maintenance of pumps, supply of chemicals, etc will be procured on short term contracts.</i></p> <p><i>Infrastructure maintenance plan to be in place to avoid reactive maintenance</i></p>	<p>The accounting officer and CFO need to emphasise the importance of all departments adhering to the set policies and procedures.</p>	<p>-Municipal Manager</p> <p>-Director: Infrastructure Development</p>	<p>30/04/2012</p> <p>30/04/2012</p>

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
	The Auditor General identified a lot of internal control deficiencies within the Supply Chain Management unit and as a result National Treasury should be invited to come and train the Mayoral Committee, Directors , Managers and Supply Chain Officials on Supply Chain related issues			-Municipal manager  - DBSA Financial Advisor  - Manager: Risk Management	28/02/2012
<b>Unauthorised, Irregular and Fruitless &amp; Wasteful Expenditure</b>					
11. Process relating to recovery of unauthorised, irregular and fruitless and wasteful are not in place	The unauthorised expenditure amounted to R48 786 375.00 and irregular expenditure amounted to R374 425.00 were not recovered in the financial year 2010/2011 and there is no process in place to recover the same.	Management has taken a decision to have an internal investigation	We recommend that irregular and unauthorised expenditure be recovered from the person liable for that expenditure	-Council -Executive Mayor -Municipal Manager	<b>31/04/2012</b>
<b>Predetermined objectives</b>					
12. Predetermined objectives - Non measurable targets	The following indicators as included in the IDP do not have measurable targets set	Departments will be consulted and target dates for the IDP activities will be set. If possible, the set targets will be quantified. The IDP and the SDBIP for 2011/12 financial	The accounting officer exercises effective oversight on the IDP process, specifically in the setting of measures	Director: Planning and development  -Director: Corporate	31/04/2012

<b>Audit Finding</b>	<b>Nature</b>	<b>Action Plan</b>	<b>Auditor General's recommendation</b>	<b>Accountable Manager/ Official</b>	<b>Due date</b>
		will be reviewed.	and targets for objectives. ( section 41(c) of the Municipal Systems act)	Services -Manager : PMS -Manager: IDP	
13. Predetermined objectives - non inclusion of corrective measures in APR	The municipality's APR does not include any measures to be taken to improve performance.	The reporting template will be reviewed to clearly accommodate corrective measures	The accounting officer with the assistance from the PMS unit should exercise oversight on what is reported in the municipality's APR to confirm its in compliance with the MSA provisions	Director: Corporate Services Manager: PMS	31/01/2012
14. Predetermined Objectives - non specific targets set for indicators/objectives	The following indicators relating to objectives do not have targets sets, where targets are set, they are not specific:	Departments will be consulted and target dates for the IDP activities will be set. If possible, the set targets will be quantified. The IDP and the SDBIP for 2011/12 financial will be reviewed	Management must abide to regulations (section 41(b))	-Director: Planning and development -Director: Corporate Services -Manager : PMS -Manager: IDP	31/04/2012
15. Predetermined objectives - inconsistencies	There were inconsistencies identified between the objectives contained in the IDP	The objectives set out in the IDP, SDBIP and APR will be	management must abide with	-Director: Planning and	31/04/2012

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
between IDP and SDBIP objectives	and those in the SDBIP in the following instances, for which no amendments were made to the IDP	aligned	regulations ( section 34 (b) of the Municipal Systems Act)	development -Director: Corporate Services -Manager : PMS -Manager: IDP	
16. Predetermined objectives - inconsistencies between the measures in the IDP and those in the SDBIP	There were inconsistencies identified between the measures set out in the IDP and those set out in the SDBIP in the following instances:	The objectives set out in the IDP, SDBIP and APR will be aligned	The accounting officer should, with the assistance of the PMS unit, exercise effective oversight on the alignment of measures included in the SDBIP to the IDP	Director: Planning and development -Director: Corporate Services -Manager : PMS -Manager: IDP	31/04/2012
17. Predetermined objectives - targets set not time-bound	Targets set for the following indicators are not time-bound (no specific time period or deadline set):	Timeframes will be set for all objectives	We recommend that the accounting officer with the assistance of the IDP department/unit ensure the measures set for objective do meet the definitions as set by National	Director: Planning and development -Director: Corporate Services -Manager :	31/04/2012

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
			Treasury.	PMS -Manager: IDP	
18. Predetermined objectives - non compliance with section 32 (1) (a) of the MSA	The municipality (Municipal Manager) submitted its IDP on the 15th July 2010 to the Department of Co-operative Governance and Tradition Affairs whilst the IDP was adopted by Council on the 31 May 2010	The IDP for 2011/2012 was submitted within the specified timeframe ( Resolved)	The accounting officer with assistance from the Planning and Development department must ensure controls are in place to ensure compliance with legislation.	Director: Planning and development  Manager: IDP	N/A
19. Predetermined objectives - Output reporting activities	The following processes for gathering data for output on incomplete projects could not be verified due to insufficient evidence received	Departments will submit the portfolio of evidence on quarterly basis	The HODs with the assistance of the PMS unit should ensure all supporting and relevant documentation be included as part of their portfolio of	All Directors  Manager: PMS	Ongoing

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date
			evidence.		
<b>Operating expenditure</b>					
20. Unspent conditional grants is not cashed back	<p>As per Note 16 of the AFS the unspent conditional grant relating to MIG is 16,975,435 which should be cash backed at the year end and should not be utilised for any other purpose as MIG is conditional grant specific for certain purpose.</p> <p>Unspent conditional Grant as per afs - 16,975,435</p> <p>Cash and CASH equivalents as per AFS - 5,002,000</p> <p>Non cash backed amount - 11,973,435</p>	A separate conditional grants account has been opened to address this problem.	<p>Management must ensure that conditional grants are specifically used for the purpose.</p> <p>The unauthorised expenditure should be determined on appropriate basis.</p> <p>Relevant laws and legislations should be adhered to</p>	<p>Council</p> <p>Executive Mayor</p> <p>Municipal Manager</p> <p>CFO</p>	Ongoing

Audit Finding	Nature	Action Plan	Auditor General's recommendation	Accountable Manager/ Official	Due date								
21. Budgets - Adjustment budget not approved	During the audit, found that the municipality had an adjustment budget for the Financial year ended 30 June 2011, however, the budget was not approved.	The adjustment budget was approved. The only problem that was picked-up by the Auditors is that the Council resolution was not clear. Each item will have its own resolution number	Management must review and monitor compliance with applicable laws and regulations.	Director: Corporate Services	31/01/2012								
<b>Revenue</b>													
22. Revenue - High Percentage of Line Losses	<p>During the audit, we found out that the line losses for the municipality are high in comparison to the total units purchased by the municipality and no investigation has been undertaken to eradicate the problem.</p> <table border="0" data-bbox="388 1015 978 1161"> <tr> <td>Revenue from electricity sales</td> <td style="text-align: right;">33,476,859.00</td> </tr> <tr> <td>Bulk purchases for the year</td> <td style="text-align: right;">42,645,469.00</td> </tr> <tr> <td></td> <td style="text-align: right;"><b>(9,168,610.00)</b></td> </tr> <tr> <td></td> <td style="text-align: right;"><b>27.5</b></td> </tr> </table>	Revenue from electricity sales	33,476,859.00	Bulk purchases for the year	42,645,469.00		<b>(9,168,610.00)</b>		<b>27.5</b>	<p>An internal investigation will be performed.</p> <p>The conventional meters should be replaced by prepaid meters. This will enable the municipality to identify customers who are not buying electricity and take appropriate steps to ensure that the by-laws are enforced in the following areas.</p> <ul style="list-style-type: none"> <li>-Malelane</li> <li>-Komatipoort</li> <li>-Hectorspruit</li> <li>-Mzinti RDP</li> </ul>	Management must implement controls and seek ways to minimise the risk of distribution losses to a minimum acceptable level.	-Council -CFO -Manager: Revenue	31/03/2012
Revenue from electricity sales	33,476,859.00												
Bulk purchases for the year	42,645,469.00												
	<b>(9,168,610.00)</b>												
	<b>27.5</b>												

NO	DRIVERS	COMMITMENTS
<b>LEADERSHIP</b>		
1.b	Exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls	The municipality will ensure that it adheres to schedule of deadlines as per the Municipal Finance Management Act. A Mid-year Budget and Performance assessment report for 2011/2012 financial year was submitted before the 25 <sup>th</sup> of January 2012. The budget adjustment will be done by the end of February 2012.
1.c	Implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored	<p><b><u>Human Resources</u></b></p> <p>i) The following section 56 Managers will be appointed by the end of February 2012.</p> <ul style="list-style-type: none"> <li>a) Chief Financial Officer</li> <li>b) Director Corporate Services</li> <li>c) Director Infrastructure Development</li> </ul> <p>The section 56 Managers for Planning and Community Services will be appointed by the end of March 2012.</p> <p>ii) A Human Resource Standard Operational Procedures and the Systems of Delegation will be implemented.</p> <p>iii) The selection and Recruitment policy will be reviewed by the end of February 2012</p> <p><b><u>Performance</u></b></p> <p>iv) Monthly and quarterly reports will be monitored (Sectional and Management meetings, Audit Committee and Council)</p>

NO	DRIVERS	COMMITMENTS
1.e	Develop and monitor the implementation of action plans to address internal control deficiencies	The action plan to address issues raised by the Auditor General has already been developed. Progress on the implementation of the action plan will be presented to management on weekly basis. This item will also be a standing item on Risk Management Committee meetings and Audit Committee meetings. A follow-up Audit by Internal Audit unit will be conducted in March 2012.
1.f	Establish an IT governance framework that supports and enables the business, delivers value and improves performance	Policies relating to IT will be sent to Council for approval by the end of February 2012
<b>FINANCIAL AND PERFORMANCE MANAGEMENT</b>		
2.a	Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting	A proper record keeping system has been implemented. The creditors clerks are the only officials segregated to have access to the filling room. The file register to control the issuing of records will be implemented from the 1 <sup>st</sup> of February 2012.
2.c	Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information	i) A column for the portfolio of evidence will be added on the SDBIP and the reporting template ii) Reports on performance information will be accompanied by the portfolio of evidence.
2.d	Review and monitor compliance with applicable laws and regulations	A compliance checklist will be finalised and implemented by the end of March 2012

NO	DRIVERS	COMMITMENTS
2.e	Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information	Policies relating to IT will be sent to Council for approval by the end of February 2012
<b>GOVERNANCE</b>		
3.a	Implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored	Strategic and operational risk registers are monitored on an ongoing process. The fraud prevention plan will be implemented throughout the institution on an ongoing basis. A compliance checklist for Supply Chain Processes and other laws and regulations will be finalised and implemented
3.b	Ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively	The internal audit Unit will focus on compliance with laws and regulations.

## Annual Performance Reports

Strategic Objective	Output Measure	Baseline 2009/10	FY	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
				Planned	Actual	Planned	Actual	Planned	Actual		

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action	
			Planned	Actual	Planned	Actual	Planned	Actual			
Improve access to basic services	1.1 Number of households (HHS) having access to <b>water services</b>	The water backlog is estimated at 25,167 households	66,575 (HHS)	26561 (HHS)	16,719 HHS	8030 HHS Back log of 17137	33,359,576	R25,924,339.56 <i>Under expenditure of R8 809,369.44</i>	Including R3m for Refurbishment	Other projects not completed due to slow process of evaluation (Mbuzini Bulk water and Khombaso reservoir, Masibekela reticulation and Jeppes reef reticulation)	Management to develop a plan evaluation process
	1.2 Number of water supply systems to be sampled and tested	18 water supply system treatment works			18 water supply system to produce 100% drinking water quality	100% on 14 water treatment works drinking water quality	R2,000,000	R1,674,905		4 water scheme had no treatment process due to the design of scheme	5 water treatment works constructed to increase number of WTW.
	1.3 Number of HHS having access to <b>sanitation</b>	Sanitation backlog is estimate at 26,842 households			1000 house holds	500 house holds	R10,000,000	R7,021,071  <i>Under expenditure R2,978,929</i>		New village sanitation project not completed due delays on supply of material and list of beneficiaries.	Management to develop program for evaluation process

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
									And bad weather condition (heavy rain)	
							R7,200,000 for upgrading of Komatiport and Malan sewerage works	R4,162,232.42 Under expenditure RR3,037,767,58	Insufficient funds/cash flow on Komatiport projects. Malelane outfall sewer could not be completed due to delay from TSB to give permission for pipe route	The project planned to be multi-year
	1.4 Number of Households (HHs) having access to <b>electricity</b>	Backlog is estimate at 15 500 households	2,265 (HHs)	2,558 (HHs)	963 HHs	994 HHs	R 9,100,000	R8,917,916.31  Savings R182,083.69	Performance beyond expectations	

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
				New connections 88 HHs, and 70 commercial users	<i>104 Urban areas small houses 38 business areas</i>	New connections in Urban Areas 104 small houses and 38 Business Areas	R 3,171,000	R2,799,080.19		
	1.5 % budget spend on new electricity infrastructure and maintenance	100% O&M Plan	R 8,225,000	R 5,750,890 <i>Budget under spent R2,5 million 70% spent</i>	100% spent on O/M plan	38%	R 6,866,000	R2,582,031.48	Financial constraints. Funds were available in the budget but not in the cash flow. Service provider did not perform.(failed to supply the equipment as per contract	Project should be budgeted on revenue not surplus

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
	1.6 Number of Households (HHs) having access to <b>refuse removal</b> services	Phase 1 of Steenbok land fill site has been completed	78,252 HHs	54,600 HHs	None	None	None	None	No budget allocated for waste management	
	1.7 Number of Kilometres of constructed new municipal <b>roads network</b>	Tarred road network is 186km. Gravel road network is 13,150km. and 5 foot bridges constructed	1.5KM road to be constructed.	None	18km	7.5 km (Ntunda and Schulzendal bus route)	R36,250,000	<i>R22,726,812.29</i>  <i>Under expenditure R13,523,187</i>	Other projects could not be completed due to slow process of evaluation of tenders, bad weather conditions and insufficient of funds especially on (Tonga C Bus route, Nyathi bus route.)	Management to develop program for evaluation process
	<b>1.8</b> Number of households with access to <b>road network</b>		4,290	4,290	920 HHs foot bridges	920HHs	R1,800,000	R1730703.39		
	1.9 Number of kilometres of municipal		5km road Resealed	5km road reseal	5km tarred road to	2.5 km (Malalane)	R6m	R4,743,643.45	Komatipoort road resealing could not be completed due	

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
	roads maintained				reseal 3000km gravel road to maintain				to insufficient of funds	
Promote road safety	1.10 % or no. reduction in road safety related incidents	234 trend in reported accidents. 1221 Traffic fines issued	4% reduction in trend( 60 road blocks and 720 speed checks)	60 road blocks were held, 4323 traffic fines issued related to violation of traffic signs and markings. Vehicle roadworthy.	60 road blocks and 720 speed checks	75 road blocks ,1139 speed checks and 6855 traffic fines issued related to violation of traffic signs	Not applicable	Not applicable		Strengthen joint operations with other law enforcement agencies and department
	1.11 Number of communities members accessing service at near reach	72 000 community members	72 000	72 000	24 000	24 000	Not applicable	Not applicable		

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Render effective fire services	1.12 Average response time	30 minutes	15 minutes response time	30 minutes response time	30 minutes response time maintained	30 minutes response time	Operational budget	Operational budget	Only one fire fighting unit cater for Nkomazi	Secure more funds To extend fire service stations in villages(Mangweni and Dreikopies) to reduce response time to 15 minutes
Improve access to community facilities and public services	1.13 Number of facilities accessible by communities	3-stadia 15-halls 5 parks 6 libraries 1 international monument	4-parks, 4 graveyard 3 stadia. 15 community halls, Libraries(6), 1 international monument	All community facilities maintained	3 stadia- 15 Community Halls, 4 Parks, 6 Community Libraries and 1 International Monument	All facilities are Maintained at regular basis	Operational budget	Operational budget		To strengthen security in all areas

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
	1.14 number of community hall	15 community halls			One community hall at Schoemansdal	Not completed	R5,000,000	R4,170,008.42 <i>Over expenditure R2,970,008.42</i>	Insufficient funds	Management to develop program for evaluation process
Protect and conserve the environment for sustainable use	1.15 Number of programs	05 programs	5 programs Patrolling, Alien control, veld management, maintenance and game management	5 programs to be maintained	5 programs maintained	5 programs	Operational budget	Operational budget		
	1.16 Number of game introduced	11 different species				No games introduced, however 41 games donated for. (35 buffalo and 6 Ostrich)	R500,000	0	No survey conducted	



Strategic Objective	Output Measure	Baseline FY2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Revenue Management	3.1 % increase in revenue	88% collection in formalized areas, 0% in villages	5% increase in revenue base	None	10% increase in revenue base (formalized areas)	2% increase in revenue base	None	None	300 farms were billed for the first time in this financial year which increased the revenue base to be 2%.  73% collection rate due to the incorrect valuation roll	Revenue Enhancement Strategy as management action plan
					2% increase in revenue base (rural areas)	0%	R422,800	0	Public participation not conducted, however 2 out of 3 villages information was collected	Incorporate this function into the revenue enhancement strategy
Debtor management	3.2 % decrease in debtors' book	29,919,579			2% R598,391.58	16,75% R5,012,421.28	R600,000	R612,380.42	Valuation roll's incorrectness hampers the ability to get the true reflection of what is owed to the municipality.	Service provider appointed to correct valuation roll and will compile a supplementary valuation roll, and this will

Strategic Objective	Output Measure	Baseline FY2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
										enable the municipality to correctly bill consumers
Operation clean audit	3.3 Unqualified audit opinion	Qualified audit opinion			To achieve unqualified audit opinion	Qualified audit opinion for FY2009/10	R450 000	R192,771.44	Audit findings which were raised	Compliance monitored and action plan to deal with queries implemented
Assets and liabilities management	3.4 % current ratio (assets VS liabilities)	2.65% current ratio			Maintained ration 2%	Not maintained	R3 300,000	R11,675.00	Current liabilities are more than the current assets	Cash flow management

Strategic Objective	Output Measure	Baseline FY 2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Develop a credible IDP (including budget)	4.1 % credibility of the IDP (COGTA IDP assessment Report)	IDP assessed for 2010 and gaps identified for improving credibility	100% Credible IDP	70% credible	70% Credible IDP(improve assessment report)	76% credible	R 300,000	R 300,000	Non availability of complete information in some sections of the IDP	COGTA to and District municipality to advise with regard to appropriate targets to improve the municipal IDP credibility
	4.2 Number IDP stakeholder consultative meetings		14	14	16	16	R70,000	R40 000		
Improve democracy and good governance	4.3 Number of Mayoral Outreach Campaigns	1 Mayoral Imbizo held	4 campaigns	2 campaigns	4 Mayoral Outreach	4 Mayoral Outreach	R 400,000	R 200,000		To have more of community consultative meetings
Facilitate training for disadvantaged groups	4.4 Number of youth trained		100 youth	100 youth	50 Business and tendering skills	50 youth trained in business skills	R 50,000	R48 823,29		
Enhance the participation of disadvantaged groups in municipal issues	4.5 Number of outreach programmes (events)		10	7	13	13	R 528,000	R511,703.08		

Strategic Objective	Output Measure	Baseline FY2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Maximise public participation	4.6 Number of functional ward committees	30 wards committee established, 27 functionally, 3 need support	30	27	30 ward	30 ward	R160,000	0		
	4.7 Number of ward community meetings per ward	8 community meetings	4 per ward per quarter	8	4	3	Not applicable	Not applicable	Lack of administrative support from municipality (travelling cost, stationery)	Ward committees re-established
Revenue risk facing the municipality to an acceptable level	4.8 Number of risk	53 risk identified: maximum risk: 1 high risk: 8 medium risk: 10 low risk: 19 minimum			16 internal audit activities	14 internal audit activities (11 audit reports issued)	R211,400	R129,125.75  R84300.00-Virement		

Strategic Objective	Output Measure	Baseline FY2009/10	FY 2009/10		FY2010/11		Annual Budget 2009/10		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Provide support to all departments	5.1 Number of agenda and minutes compiled	Meeting held constantly as per itinerary	28 (agendas /minutes)	19 (agendas/ minutes)	10 council meeting as per itinerary	11 council meeting	Not applicable	Not applicable		
Improve staff performance (EAP)	5.2 % reduction in staff absenteeism	308		308		2806	R200,000	R200,000	Lack of proper register monitoring.	Management action plan to monitor the registers
Improve staff skills and performance (Capacity building)	5.3 Number of Staff, Councillors and community members trained		866 staff	616 staff	250 Employees	132,officials	R1,220,000	R959,904.02	Financial constraints. SALGA, LGSETE, ES ETA funded the trainings	More budget allocated for training
			20 councillors	18 trained	20 councillors	11 councillors				
					60 unemployed community members	40 trained				
Improve Information Technology	5.4 % functionality of the IT system	40% functionality of IT systems	100%	60%	50% increase in effective in IT communication and information management	40%	R3,699,500	R4,128,073.60	Implementation of electrical system could not be done due to challenges the service provider had in relation with payments	

Strategic Objective	Output Measure	Baseline FY2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Ensure comprehensive legal support	5.5 Number of legal matters dealt with internally	All labour matters	5 internal cases	5 legal disputes	5-internal. 11 by-laws to be reviewed	4 internal cases resolved. 3 by-laws reviewed. 2 policies developed	Not applicable	Not applicable	Not enough officials trained to deal with disciplinary matters	To work with other municipalities and to encourage other officials to participate in disciplinary matters. To work with the legal and labour department of Mbombela
Establish a municipal Performance Management System	5.6 Number of employees signed off performance contracts to task level 17	Performance Management unit established	Reviewed and adopted by Council	Policy Reviewed and adopted by Council(26 May 2010)	27 task 17 employees signed performance contracts and report submissions	No performance contract signed for task level 17, however quarterly reports submitted. SDBIP and performance contract for section 56 manager signed with time lines	Not applicable	Not applicable	Assistance from SALGA with regard to cascading of PMS is slow due to other commitments SALGA has	

Strategic Objective	Output Measure	Baseline FY2009/10	FY 2009/10		FY2010/11		Annual Budget 2010/11		Explanation of variance	Recommendation or remedial strategy and action
			Planned	Actual	Planned	Actual	Planned	Actual		
Promote a healthy and safe work environment	5.7 Number reduction in injury on duty accidents	11 injury on duty report		11 injury on duty reported		3 injury on duty reported	Not applicable	Not applicable		
Reduce the vacancy rate according to organogram	5.8 Number reduction in vacant post	855 filled post 33 vacant posts			33 post filled	100 post filled	R3,800,000	R935,344		
Improved staff skills in the municipality	5.9 % employees achieving personal development plan	(822 employees) post Task 15 - 17, Senior Managers, Post Task 11 - 13, middle management, post Task 10 - 1, lower management			60% employees achieving PDP	Not done	Not applicable	Not applicable	Not budgeted for.	Need to be budgeted for next financial year 2010/2011
Contribute to the reduction of HIV/AIDS	5.10 Number of HIV counselling and testing outreach activities	56	30	56	12	44	Not applicable	Not applicable		
	5.11 Number of local AIDS Council and District meetings held	6	4	6	4	3	Not applicable	Not applicable	More other meetings attended resulted to failure to attend Local AIDS meeting as per scheduled.	

## Chapter 6

# Council Oversight Report

**Minutes of the Oversight Committee meeting held in the Executive Mayor's Boardroom, Head Office-Civic Centre, 9 Park Street, Malalane on Thursday, 17 March 2011, at 14H00**

### **PRESENT**

Cllr Magagula PP	Chairperson
Cllr Letsoalo SM	
Cllr Maphanga DA	
Cllr Gumede I	
Cllr Kubhayi GR	
Cllr Mabuza S	
Cllr Macie KJ	
Cllr Mkhumbane TC	

### **IN ATTENDANCE**

Ms Shongwe D



## 1. Opening and Welcoming

The meeting was opened at 14h34 with a prayer by Councilor Kubhayi GR, after which the Chairperson Council PP Magagula welcomed all members of the Oversight Committee

*In her own words the Chairperson Council PP Magagula "I'm frustrated of the Committee members that they don't attend the meeting, I don't understand or maybe is because I'm being undermined or the Councillors are undermining the Committee or the work of the committee. I'm going to report this issue to the Executive Mayor and the Speaker".*

## 2. Apologies

Apologies were received from Cllr Mashaba Mahlalela, Cllr Khoza MR and Cllr Mkhumbane TC and Cllr Mabuza S will be late.

### **Resolved**

That leave of absence be granted to Cllr Mashaba Mahlalela and Cllr Khoza MR.

## 3. Business of the day

### *3.1. Purpose of the session- Cllr PP Magagula*

- Deal with the Annual Report 2009/2010

### *3.2. Discussions and noting of matters for further enquiry*

The Oversight Committee has considered the Annual Report for the 2009/10 financial year, and as part of its ongoing work at considering the Annual Report, it engaged the Municipal Manager and the Directors with a view to obtaining administrative explanations and/or clarity to some of the observations that it has noted during its in-depth assessments of the Annual Report.

Outlined below are the textual matters that committee has noted in the report and on the basis of which explanations/clarifications were solicited from the administration:

1. Page (3-32) the footer is "Nkomazi Municipality Draft Annual Report 2009/10"

It must be Nkomazi Municipality Annual Report 2010/11

2. Page (6) *"Management has also failed to put an IT system in place that will monitor and warn management of exceeded budgets"*.

A question was paused.

3. Page (7) *"R74 million reported to the Audit Committee was audited amount of unauthorized expenditure that exceeded the budget as ....."*

Explanation on how it was exceeded.

The second paragraph 1.2.5 the spacing in between must be deleted.

4. Page (9) *"Mlambo Tribal Authority....."*

Some of the villages are not included like Bhaca, Ndindi, Durban, Nkungwini etc need more clarity.

5. Page (10) paragraph 1 *"Part of Kamaqhekeza, Block A (KwaZibukwane); Block B (Kwasibhejane; Block C (Esibayeni)....."*

It must read Block A (Kazibokwane); Block B (Kasibhejane).....

6. Page (16) under KPA 6 paragraph 4 *"As the department did not have many resources to start with, one vehicle and 4 computers were purchased as well as some furniture for officials. The backlog on resources has not fully been erased yet but should be within the next financial year"*.

The paragraph is not clear, it must indicate which resources do they still need.

Paragraph 3 under challenges *"the department also inherited a number of non-functioning LED projects for various different reasons. Therefore it was resolved to scale down on projects but to ensure that the ones that are approved will be viable and functioning and to focus on assisting the non-functioning and to focus on assisting the non-functioning projects to functions. The obtaining of funds does however pose a serious problem I this regard"*.

Reporting the same thing from the 2008/9 Annual Report.  
What is the department doing to change the report?

The challenges are not shown: the challenges need to be outlined

7. Page 18 under KPA 6 (MUNICIPAL INSTITUTIONAL DEVELOPMENT) first paragraph *"a fully flushed HIV/AIDS unit at community reach (Kamhlushwa)....."*

Should read as follows: a fully-fledged HIV/AIDS and community outreach unit.....

Paragraph first paragraph under challenges *"the Steenbok landfill site still needs more funding to be completed"*

As far as the Oversight Committee understands that the landfill site has been completed but still they need funding? Not clear.

Paragraph 1 and 2 under challenges: need for a progress report.

Paragraph 4 under challenges *"again too many structures exist at Marloth Park which makes it difficult to implement whatever decision."*

*Should read as follows: again too many structures exist at Marloth Park which makes it difficult to implement municipal decision.*

8. Page (19) first paragraph line number 5 *"Information Technology section is not yet functional."*

Correction must be done because under KPA 5 "Information Technology system has been effectively and efficiently managed. The system is currently functionality, is confusing which one is the correct one?"

9. Page (21) under *"BUDGET RELATED POLICIES"*.

Need more clarity where are the annexure? They must be attached.

*Same page under CHALLENGES*

Director must give clarity to this, be specific.

10. Page (22) first line *"This is the annual report to indicate the performance....."*

Should read as follows: This annual report is to indicate the performance.....

KPA 3 is missing; correction must be made before publish.

11. Page (23) first paragraph under challenges, line 8 *"lack of proper billing of all revenue potential and billing implemented in these villages."*

What is the reason for the lack of proper billing of all revenue potential and billing implemented in these villages? Where do the department lack?

12. Page (24) first paragraph under challenges *"3 year Asset Management Plan not yet developed."*

Why what is the reason.

13. Page (25) KPA 3 *"KPA 3: LOCAL ECONOMIC DEVELOPMENT."*

Delete the spacing in between the words. Should be *"KPA 3: LOCAL ECONOMIC DEVELOPMENT*

14. Page (29) second last and last column, last row *"completed; two cells opened, more funding required for cells extension."*

It is not clear, must include columns for when did the project start and end or finish column.

15. Page (34) under sick leave *"one on one interviews were made to those employees who had taken more than 20 days o their sick leave trying to kwon that is it that is actually wrong within them. There were about 33 sick employee who took more than 20 days of their sick leave, 18 of them shown up 7 are still at home sick, 3 passed away and 5 of them are not available."*

It should read as follows: One on one interviews were conducted to those employees who had taken more than 20 days of their sick leave trying to know what is actually wrong with them. There were about 33 sick employee who took more than 20 days of their sick leave, 18 of them show up, 7 are still at home sick, 3 passed away and 5 of them were employed for another department then.

The language used here is not professional.

Under awareness "*sick older employees were informed about early retirement. Questioners were given.....*"

Should be; sick older employees were informed about early retirement. Questionnaires were given

16. Page (35) under safety committees "*all members of the Safety Committee have been trained on general safety on 17 the December 2009*".

Must indicate the duration of the training.

Does the Safety Committee include Councillor?

17. Page 41 the numbering is incorrect and from 40 in the footer there is no numbering.

18. From page 42-47 the Municipal Manager must make a presentation because there is no way forward.

#### **4. Way forward**

- Next meeting on the 25 March 2011 at 14h00 at Mayor's Boardroom.

#### **5. Closure**

The meeting was closed at 16h30 with a prayer by Cllr Kubhayi GR.