



**O.R. TAMBO
DISTRICT MUNICIPALITY**

**DRAFT ANNUAL REPORT
2010-2011**

TABLE OF CONTENTS

EXECUTIVE MAYOR’S FOREWORD	4
YEARLY PROGRAMME PRIORITIES’ STATEMENT	5
EXECUTIVE SUMMARY	6
CHAPTER1	11
OVERVIEW OF THE MUNICIPALITY	11
1.1 LOCALITY	11
1.2 DEMOGRAPHICS AND SOCIO-ECONOMIC INDICATORS	12
CHAPTER 2	14
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	14
2.1.1 Organisational Structure	14
2.1.2 Vacancy rate and gender.....	14
2.1.3 Staff Development Initiatives During the Financial Year	15
2.1.4 Key HR Statistics per functional area.....	15
2.1.5 Implementation of Performance Management System (PMS).....	16
2.1.6 Annual performance in Municipal Transformation and organisational Development.....	16
2.1.7 Staff provisioning and organizational development.....	17
2.1.8 Major Challenges and Remedial Actions in Regard to Human resource	17
CHAPTER 3:	18
BASIC SERVICES AND INFRASTRUCTURE	18
3.1 WATER AND SANITATION SERVICES	18
3.1.1 Water Services Backlogs	18
3.1.2 Major Challenges in water and sanitation services	19
3.2 ROADS AND TRANSPORT	19
3.2.1 Transport Planning	19
3.2.2 Challenges on Transport Planning.....	20
3.3 ENVIRONMENTAL MANAGEMENT AND WASTE MANAGEMENT	20
3.3.1 Challenges on coordination of Waste and Environmental Management.....	21
3.4 DISASTER RISK MANAGEMENT	21
3.5 FIRE AND EMERGENCY SERVICES	22
3.6 MUNICIPAL HEALTH SERVICES	22
3.7 SPORT, ARTS, RECREATION, CULTURE AND HERITAGE	22
3.8 SOCIAL DEVELOPMENT AND COMMUNITY SAFETY	23
CHAPTER 4:	24
LED STRATEGY AND IMPLEMENTATION	24
4.1 LED STRATEGY	24
4.1.1 Set-up of the LED unit	24
4.1.2 The availability of a LED expertise.....	24
4.1.3 LED stakeholder forum functionality.....	24
4.1.4 Funding opportunities for LED and related activities.....	24
4.1.5 Improve public and market confidence.....	25

4.1.6	Comparative and competitive advantage for industrial activities.....	25
4.1.7	Enterprise support and business development	26
4.2	CHALLENGES REGARDING LED STRATEGY IMPLEMENTATION	26
CHAPTER 5:	27
GOOD GOVERNANCE AND PUBLIC PARTICIPATION		27
5.1	OVERVIEW OF THE EXECUTIVE AND COUNCIL FUNCTIONS AND ACHIEVEMENTS	27
5.1.1	Political Management Committee	28
5.1.2	Whippery Support	28
5.1.3	Section 79 And 80 Committees	29
5.2	PUBLIC PARTICIPATION AND CONSULTATION.....	29
5.2.1	Participation in IDP and Budget Roadshows	30
5.2.2	Ward Committees.....	31
5.2.3	Community Development Workers	31
5.2.4	Councillor Capacity Building Programs	31
5.2.5	Oversight Committee.....	32
5.3	COUNCIL MEETINGS.....	32
5.4	INTEGOVERNMENTAL RELATIONS	32
5.5	SUPPORT TO LOCAL MUNICIPALITIES	35
5.6	LEGAL MATTERS	38
5.6.1	Setting up of Legal Units.....	38
5.6.2	Management of litigation.....	38
5.6.3	Prevention mechanisms of current litigations:.....	39
5.6.4	Management of Legal Risks	39
5.7	AUDIT, RISK MANAGEMEN, ANTI FRAUD AND ANTICORRUPTION	40
5.7.1	Audit outcomes for the 2010/2011 financial year	40
5.7.2	Audit committee	40
5.7.3	Risk Management, Fraud and Corruption.....	41
5.8	REPORT OF THE AUDITOR GENERAL (2010/11).....	42
5.9	REPORT OF THE O.R. TAMBO DM AUDIT COMMITTEE	53
5.10	AUDITED ANNUAL FINANCIAL STATEMENTS (2010/11).....	55
5.11	MANAGEMENT REMEDIAL ACTON PLAN.....	55
CHAPTER 6: SERVICE DELIVERY PERFORMANCE REPORTS.....		56
6.1	INFRASTRUCTURE AND SERVICES CLUSTER	57
6.2	PLANNING AND SOCIO-ECONOMIC AFFAIRS CLUSTER	67
6.2.1.	COMMUNITY & SOCIAL SERVICES.....	67
6.2.2.	HUMAN SETTLEMENT	74
6.2.3.	PLANNING AND DEVELOPMENT	76
6.3	CORPORATE AFFAIRS CLUSTER	85
6.4	BUDGET AND TREASURY OFFICE	96
6.5	OFFICE OF THE MUNICIPAL MANAGER	99
6.5.1	MUNICIPAL OPERATIONS	
6.5.2	INTRNAL AUDIT	
6.6	OFFICE OF THE SPEAKER.....	109
6.7	OFFICE OF THE EXECUTIVE MAYOR.....	114

EXECUTIVE MAYOR'S FOREWORD

It is with great pleasure to present the 2010/2011 Annual Report of the O R Tambo District Municipality, reflecting on progress made in the provision and expansion of basic services to the communities, as well as how the institution addressed the challenges encountered. Successful execution of the Local Government mandate has always been core to all planning and implementation mindful of the need to integrate and align with plans and programmes of the National and Provincial spheres.



Key achievements over the review period include the following:

- (a) A people-driven ward-based planning process was introduced, which informed the 2009/10 Integrated Development Plan and Budget.
- (b) The municipality's audit outcome has maintained a qualified audit opinion for two years.
- (c) The capital expenditure rate has improved.

During the 2010/11 financial year the District Municipality consciously focused on the following:

- (a) Further strengthening people involvement in planning and decision-making processes, particularly on IDP, PMS and budget processes so that together with our people, we can do more. This included the finalization of the groundbreaking and innovative ward based planning and information system that will further enhance informed decision making and budgeting.
- (b) Accelerating and expanding quality and sustainable service delivery and infrastructure, through improving on operations and maintenance of water and sanitation infrastructure as well.
- (c) Improvement in revenue collection and customer care measures within the framework of Batho Pele.
- (d) Prioritising issues concerning special groups (youth, women, children, aged and people with disabilities).
- (e) Continuously building a performance-driven institution as well attaining a good audit outcome

A word of sincere gratitude is hereby expressed to the previous Council for their commitment and dedication to the various portfolios in ensuring that together they made a commendable impact in the development in our region. The Acting Municipal Manager, senior management and officials in general the reported performance contained in this document is indeed a mere reflection of only a fraction of what we all can achieve and deliver to make the vision of this District Council a living reality.

The contribution of the various Government sector Departments in the various engagements through the various IGR platforms including the Integrated Development Planning processes also contributed to the reported progress made. However, there is still room for improvement in working together as the three spheres of Government, so we can achieve more. The communities of the O R Tambo district including traditional leadership, religious organizations, business and other stakeholders for their contribution to the progress made for the year under review, made us realize that the aspect of cooperative governance is indeed a living reality, and as such is the swiftest vehicle to sustainable legendary development in this region.

COUNCILLOR JD MYOLWA
EXECUTIVE MAYOR

YEARLY PROGRAMME PRIORITIES' STATEMENT

The 2010/11 Annual Report has been compiled in line with section 46 of the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003, the National Treasury Circular No. 11, as well as the customized template and guidelines for municipal annual reports provided by the Provincial Department of Local Government and Traditional Affairs. The key priority areas of the institution during the year under review find their expression in the Integrated Development Plan, Budget and Service Delivery and Budget Implementation Plan and include the following:

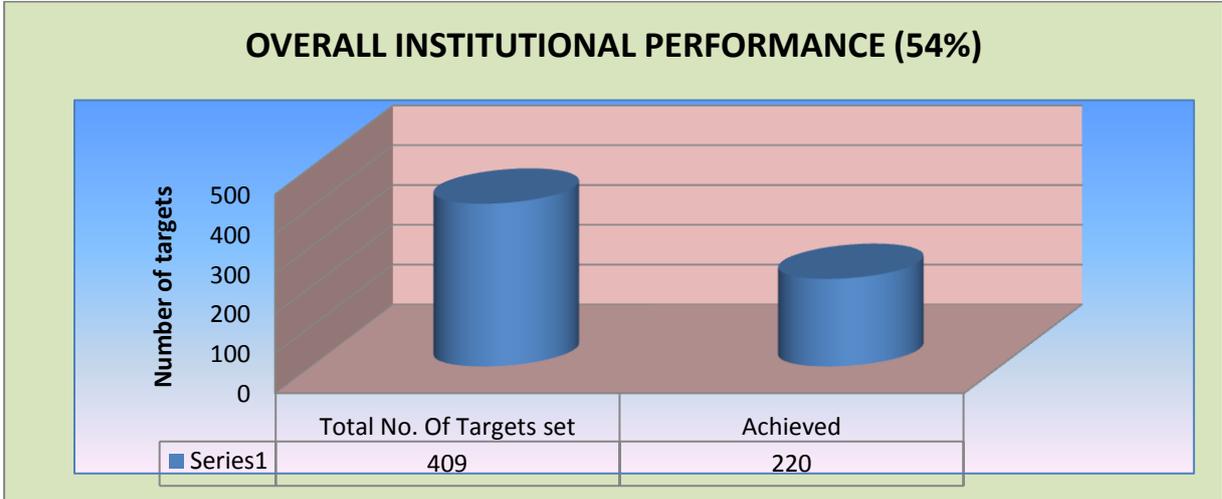
- a) Continuous improvement in good corporate governance; performance and integration; and achieving an unqualified audit opinion.
- b) Prioritising the provision of sustainable, quality basic services and free basic services to the deserving.
- c) Becoming a customer focused and more responsive institution, in adherence to Batho Pele principles.
- d) Prioritising human capital development, labour relations and bulding a performance driven organisation
- e) Ensuring sound and sustainable financial management *inter alia*, through the maximisation of revenue collection.
- f) Focusing on major infrastructure investment, operations and maintenance.
- g) Focus on the improvement of our community engagement framework through the strengthening of our public participation unit.

Warmest appreciation is hereby expressed to the political leadership, the management team and staff of the O R Tambo District Municipality for their contribution to the progress made during the 2010/11 financial year.

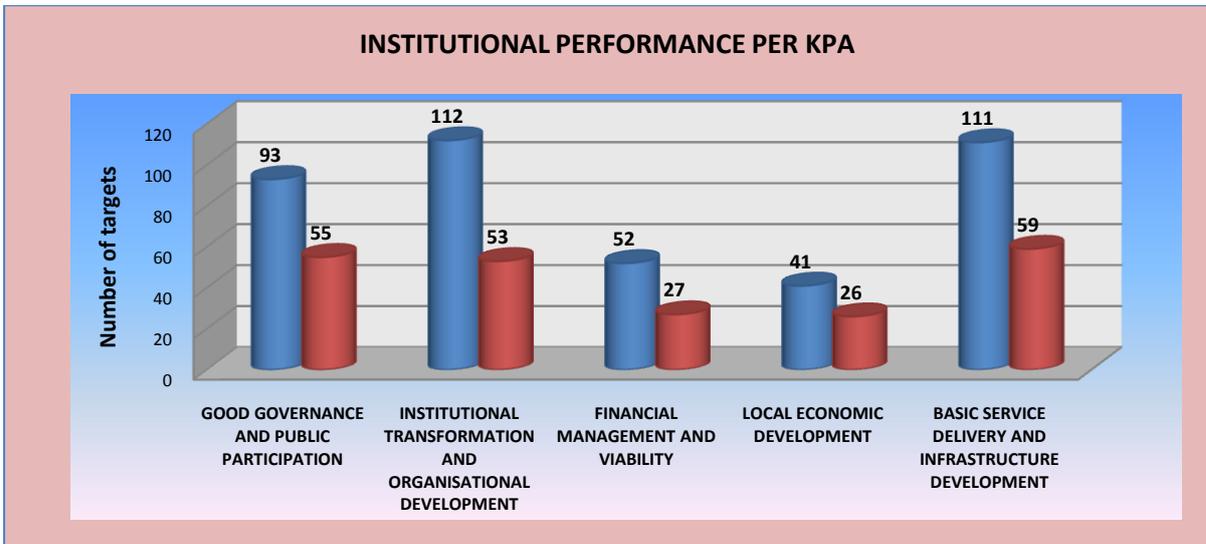
MR T.T. NOGAGA
ACTING MUNICIPAL MANAGER

EXECUTIVE SUMMARY

The reported performance for 2010/11 financial year shows that the O.R. Tambo DM managed to achieve 54% of the targets set in the 2010/11 IDP as clearly reflected in the chart below.



The overall performance is as per contribution by the various departments and the chart below reflects the reported performance on each of the 5 Local Government Key performance areas.



On institutional transformation, some of the targets reported as not achieved because the department is awaiting Council approval and 90 percent of the work has been done - this is especially true in the case of policies. In some instances there is underperformance due to staff shortages and budget constraints, which are estimated to account for only about 5% of all reasons cited for under-performance. On the good governance KPA - most indicators refer to the number of sittings of IGR structures and these were greatly affected by the Local Government Elections - most meetings did not sit because the politicians were busy campaigning. Approximately 50% of all indicators reported as unachieved - they are ranging between 70 and 95% towards completion and are mostly to have been affected by the Local Government elections.

WATER AND SANITATION

The OR Tambo district municipality is the Water Services Authority and Water Services Provider responsible for planning and implementation, operation and maintenance of water and sanitation services within the seven local municipalities in the district. In terms of the law the District Municipality is therefore responsible for the development and the implementation of its water services by-laws, District Wide Water Master plans, Water Conservation & Water Demand Management and Water Services Master Plan.

Much of the existing water and sanitation infrastructure is not adequately maintained and in many cases, is not functioning. Ongoing refurbishment and maintenance is therefore imperative. O.R. Tambo District Municipality is a grant dependant municipality and most of its water capital projects are funded through the Municipal Infrastructural Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), the Department Local Government and Traditional Affairs (DLGTA), National Treasury and Provincial Treasury have micro control.

The bulk water supply is funded through the Bulk Infrastructure Grant Funding funded by the Department of Water Affairs (DWA). The Operation and maintenance is funded through the equitable share from the Division of Revenue (DORA) and through own funding. The year under review has seen the municipality facing major difficulties that have impacted negatively in the provision of services in the district. The withholding of funds has affected a number of project which resulted into delays and annual targets not 100% met. Although we have continued in the provision of and granting access to basic level of service to all the deserving cases, the persistent drought spell ravaging the region has not spared the District Municipality. As a proactive District Municipality, efforts are still continuing to meet this need while more permanent and sustainable resolutions to the challenges are investigated.

The MIG allocation for the 2010 / 2011 could not be completed at the end of the financial year. The District managed to spend 82 % of the R570,955,000.00 at the end of the financial year, which could be ascribed to a number of reasons including the following:

- **The DORA split of the allocation:** This financial year, the DORA split the allocation according to the Local Municipalities that fall under the District Municipality. The project priorities of the District Municipality were not necessarily according to the split, and as such the District Municipality had to reprioritize the projects to comply with the new split.
- **Delays in project registrations:** 29 projects were prioritized for the 2010 / 2011 financial year. Of the 29 projects, only 12 projects were already registered at the beginning of the financial year, to the value of **R249m**.
- **Delays in EIA approval processes:** Of the 12 projects that were approved at the beginning of the financial year, 2 projects could not be implemented as they were still awaiting Record of Decision for the EIA application.
- **Delays in approval of abstraction permits:** One project could not be implemented due to the delays in the granting of abstraction permits, until April 2011.
- **Compliance to contractual obligations:** Most contractors that operate in the district are unable to secure bank guarantees for the purpose of providing sureties and retention guarantees. This resulted in delays in implementation.
- **Drought challenges:** In 2010 the District Municipality was mostly affected by drought whereby all our sources dried up. This resulted in some of our projects, which were ready for implementation being put on hold as they were depending on these sources for implementation.

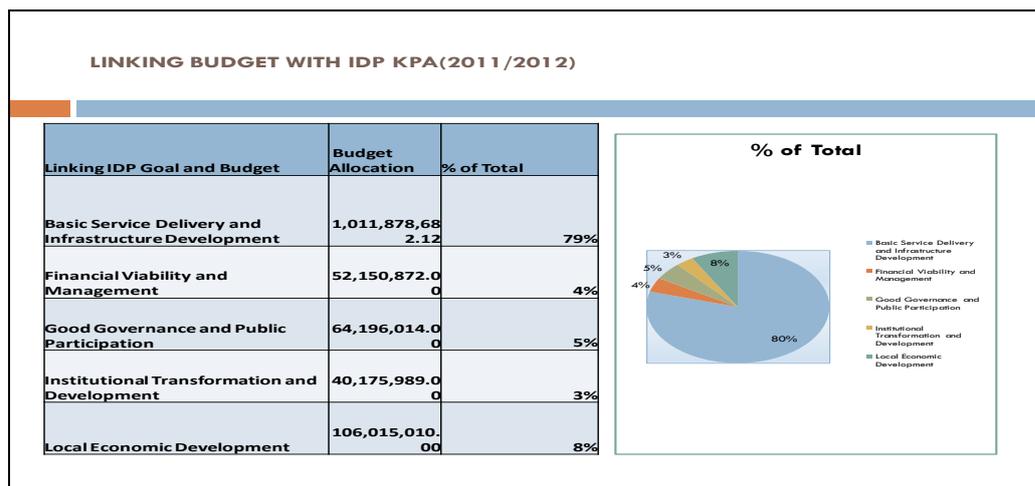
An application was made to National Treasury for the rollover of the unspent funds to the 2011/2012 financial year. The District Municipality embarked on a rectification program on shoddy and incomplete sanitation structures to improve service delivery and eliminate outcry from communities. The programme also covered MIG projects that needed counter funding. The rectification programme could not be completed as initially planned as service providers experienced challenges in the access of the projects due to topographic challenges

as well as social issues. However, funds allocated for this programme were not enough to cover all the projects that needed rectification.

The Water Services Joint Task Team, which was formed after the Minister of Water and Environmental Affairs had declared a dispute with the Executive Mayor of the District Municipality, has succeeded in bringing together the different sectors in the Water Services business. This has created a suitable platform for discussing water services issues and taking appropriate decisions that are implemented through the Technical Support Task Team. All water and sanitation projects are registered with the Expanded Public Works Programme (EPWP), but for this year the DM had some challenges during the first term with EPWP reporting. However, after the EPWP summit held in Durban in the second term as well as interactions with the Department’s officials there has been improvement in this regard. The District Municipality appointed EPWP champions at both political and technical level to ensure that EPWP is mainstreamed and also that EPWP reporting be regarded as a compliance requirement in the DM.

FINANCIAL VIABILITY AND MANAGEMENT

During the 2010/11 financial year, the O.R. Tambo District Municipality had a budget of at least R1,5 Billion and was allocated inline with the DM priorities across all 5 Local Government Key Performance Areas as presented below:-



The major sources of both operating and capital funding comes from National, Provincial Grants and own revenue. These consist of 87% grant funded revenue and 13% own revenue. These sources of revenue have funded both the capital and operating expenses in terms of the five key performance areas (KPA) of the local government as outlined in the IDP. About 57% of the total expenditure has been used to fund capital expenditure.

The key challenges in financial management are the high vacancy rate particularly the Supply Chain Management, Budget and Reporting. The financial management system is also a major limiting factor in terms of financial and management accounting procedures and information flow.

Annual performance as per key performance indicators in financial viability

Indicator name	Target set for the year R(000)	Achievement level during the year R(000)
Percentage expenditure of capital budget	100%	105%
Salary budget as a percentage of the total operational budget	26%	29%
Total actual trade creditors as a percentage of total actual revenue	15%	11%
Total municipal own revenue as a percentage of the total actual budget	16%	17%
Rate of municipal consumer debt reduction	25%	25%
Percentage of MIG budget spent	100%	82%
Percentage of MSIG budget spent	100%	100%
Indicator name	Target set for the year R(000)	Achievement level during the year R(000)
Percentage expenditure of capital budget		
Salary budget as a percentage of the total operational budget		
Total actual trade creditors as a percentage of total actual revenue		
Total municipal own revenue as a percentage of the total actual budget		
Rate of municipal consumer debt reduction		
Percentage of MIG budget spent		
Percentage of MSIG budget spent		

SPECIAL PROGRAMMES

Mainstreaming is the main function of the Special Programmes Unit in order to ensure that the District Council complies with the constitution of South Africa, Bill of Rights, policies and other pieces of legislation. Key areas of focus on special programmes included the following:-

Policy Formulation and Analysis , Mainstreaming of designated groups, Co-ordination and Mobilization, Monitoring and Evaluation, Capacity-building, Advocacy and Lobbying, Liaison and networking

To address the above , the following had been achieved in the financial year 2010 2011:

- Youth Councils has been established in five LMs.
- Women's caucus was established.
- 82 computers were donated by Dell and Vodacom to Palmerton Child care centre.
- Tiger Brand company donated groceries worth R20 000
- 104 students have benefited from Students finance program and 26 students have completed .
- Cooperatives were established by LED through mainstreaming program.
- Service delivery was intensified in recognition of Mandela and O.R. Tambo months.
- Rural women's summit was done together with Community Services Directorate.

HIV/AIDS:

The O.R. Tambo District Municipality is coordinating a fully functional District AIDS Council and in its work, the DAC is complemented by the Ward AIDS for a that have been established mainly to promote referral and maximum participation of communities in HIV/AIDS and STI programs.

The main key area of focus on HIV/AIDS for the DM was to contribute in coordination to ensure the implementation of HIV/AIDS & STI programs, focusing more on prevention programs (*HIV/AIDS & STI*)

awareness, distribution of condoms, information, education and communication material, capacity building of professional nurses for the communicable diseases and community at large). To promote disclosure, positive living among people living with HIV/AIDS and continuous Psychosocial supports, 162 support groups were established and supported throughout the District. The District is able to support terminal clients through home based care programs done by the NGOs, FBOs and CBOs. Those who have no one to care of them, are referred to the Community care centres for further management.

O.R. Tambo District Municipality was identified as pilot site for the Presidential massive HIV counselling & testing. To accelerate HIV counselling & testing uptake, the Council resolved that all municipal vehicles be branded with HIV/AIDS messages as a marketing strategy. 24 EPWP temporal jobs (8 retired professional nurses & 16 Lay counsellors) were created to ensure that HIV counselling & testing services are accessible in 8 non medical HIV counselling & testing sites. Retired nurses, currently employed professional nurses, lay counsellors and traditional health practitioners were trained HIV/AIDS & STIs programs and on new HIV counselling & testing guidelines.

The District Municipality has successfully contributed in a number of community campaigns Nationally and Provincially including the Inkciyo, 46664, Presidential Massive HIV counseling and Testing etc. The District can pride itself by effective prevention strategies which resulted in reduction of HIV infections from 33% in 2005 to 23% (latest statistics).

POVERTY RELIEF:

Poverty relief is meant to address all social ills. It is through this program that the District is able to achieve EPWP objectives of job creation. Since its inception, the District was able to create more than 5 000 jobs for cleaning and greening projects. It is also through this program that the District is able to ensure the provisioning of food in families in distress through one household one food garden program. 150 young people were identified from child headed families and homes with no source of income and trained to be enrolled nurses and Enrolled nurses assistants. The District was able to address the issue of unemployment , shortage of nurses, skills shortage, crime and poverty.

CHAPTER1. OVERVIEW OF THE MUNICIPALITY

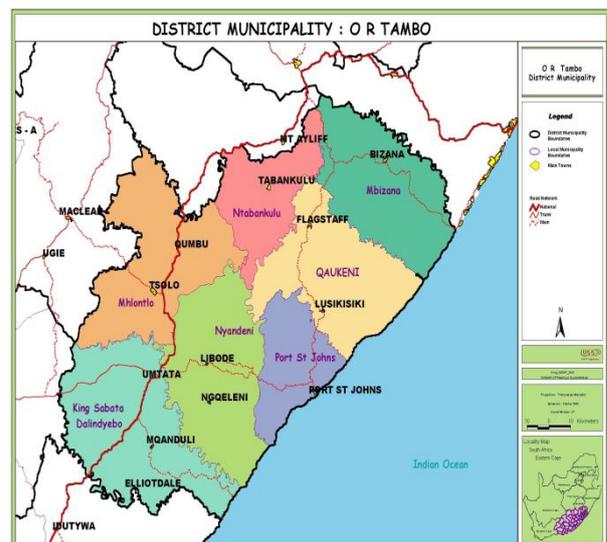
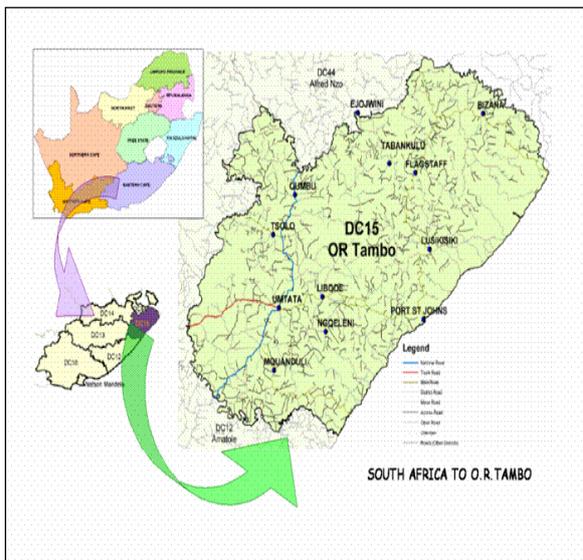
O.R. Tambo District Municipality (ORTDM) is one of the six district municipalities and one of the four ISRDP nodes of the Eastern Cape Province. It covers less than 80% of what used to be marginalised homeland of Transkei and is formed by five Local Municipalities, namely:-

- King Sabatha Dalindyebo LM (Mthatha & Mqanduli)
- Nyandeni LM (Libode & Ngqeleni)
- Mhlontlo LM (Qumbu & Tsolo)
- Port St. Johns LM
- Ngquza Hill LM (Flagstaff & Lusikisiki)
- Ntabankulu LM
- Mbizana LM

It must be noted that due municipal demarcation processes, from May 2011, two municipalities are no longer part of the O.R. Tambo DM, viz:- Ntabankulu and Mbizana, however during the 2010/11 financial year the two Municipalities were still part of the O.R. Tambo DM and as such are included in this annual report.

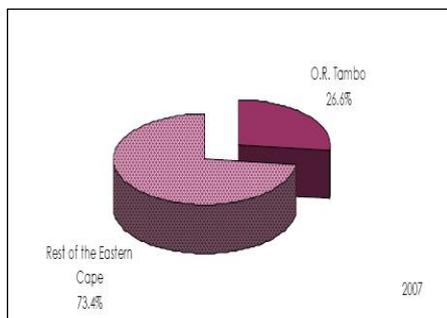
1.1 Locality

The O.R. Tambo District is located to the east of the Eastern Cape Province, on the Indian Ocean coastline of South Africa. It is bordered by the Alfred Nzo District Municipality to the north, the Ukhahlamba District Municipality to the northwest, the Chris Hani District Municipality to the west and the Amathole District Municipality to the southwest. From the east to the west the district measures 170,143km, north to south 121,725km and it measures 12857 km² in extent.



1.2 DEMOGRAPHICS AND SOCIO-ECONOMIC INDICATORS

The total population of O.R. Tambo District amounted to 1,441 120 people in 2007. The population represents approximately 27% of the total for the Eastern Cape for 2007 (6.4m) and approximately 22.5 % of the households in the Province. The average population density per sq.km for the administrative area in 2007 was 116. Generally, populations tend to be unevenly distributed within an area.



Municipality	Persons		Households	
	Census 2001	CS 2007	Census 2001	CS 2007
Mbizana	245 730	279 739	45 785	48 408
Ntabankulu	135 799	141 358	26 819	27 930
Ngquza Hill	254 480	279 795	50 206	48 701
Port St Johns	146 967	165 084	28 869	30 951
Nyandeni	274 416	314 273	54 365	56 851
Mhlontlo	202 851	237 138	43 554	49 861
KSD	416 348	444 830	89 697	93 383
O.R. District Municipality	1 676 592	1 862 218	339 294	356 085

Source: Community Survey, 2007 Basic Results: Municipalities

Chart 1: Total population in O.R. Tambo relative to the Eastern Cape (1997, Numbers)

To measure development, certain indicators are used to estimate how advanced the population of O.R. Tambo is relative to people from the rest of RSA in terms of population density, education, income distribution, and an index (the Human Development Index – HDI) that seeks to quantify the extent of human development in the District based on life expectancy, literacy and income. In terms of development, the following are the features of the O.R. Tambo DM:-

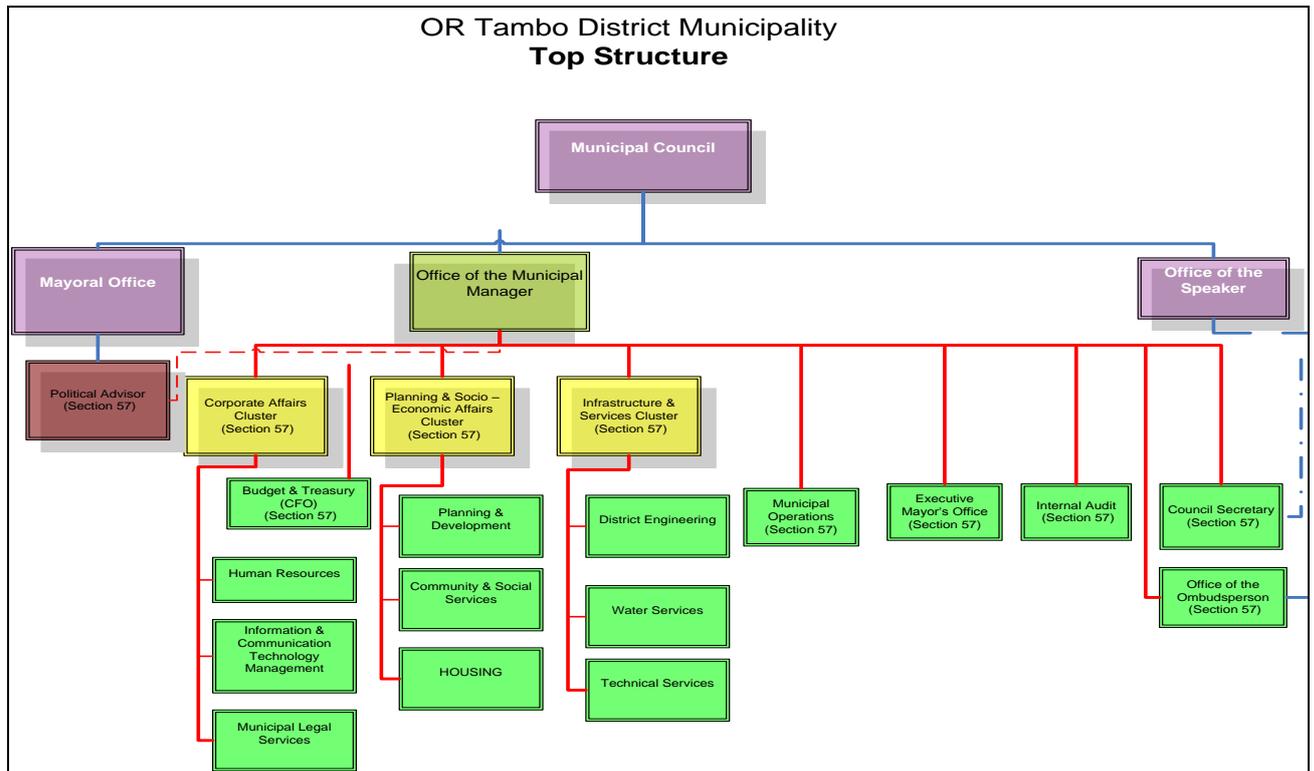
- o In 2007, the district had a Gross Value Added (GVA) of R 11.9 billion, which is 15.2% of the Eastern Cape.
- o Community services constitute 46.8% of O.R. Tambo's GVA, with trade and finance trailing at 19.9% and 19.1% respectively.
- o It is estimated that 95,049 people were employed by formal and informal sectors in the District – which is 15% of the provincial total.
- o The Gini Coefficient in O.R. Tambo for 2007 was 0.64, compared to that of the Eastern Cape which was 0.67. The population group with the highest Gini Coefficient for 2007 was the Coloureds with a coefficient of 0.59.
- o The Human Development Index of O.R. Tambo – in 2007 – was 0.42 which is significantly lower than the Province's 0.53 and the country's 0.60.
- o It is estimated that 72.2% of the population of O.R. Tambo live in poverty, compared to 62.2% in the Eastern Cape and 42.9% in South Africa as a whole.

- o GDP is a measure of the total economic activity occurring in O.R. Tambo. In 2007, O.R. Tambo's GDP was R 13.2 billion (current prices) which accounted for approximately 8.5% of the Eastern Cape's GDP.
- o Since 2001, the GDP of O.R. Tambo has grown at an annual average of approximately 3.1% (slightly below the provincial average of 3.9% per annum; measured in constant 2000 prices) - while observing 3.7% between 2005 and 2006, and 3.9% between 2006 and 2007 as compared to 5.2% and 5.0% in Eastern Cape over the same periods. The majority of O.R. Tambo's GDP is generated in King Sabata Dalindyebo – R8.1 billion or 61.7% of the total district.

**CHAPTER 2.
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT**

2.1.1 Organisational Structure

The O.R. Tambo District Municipality adopted a revised organisational structure in line with its powers and functions. The top structure is presented as follows:



2.1.2 Vacancy rate and gender

Staff Complement ORTDM

DESIGNATION LEVELS	TOTAL NUMBER OF POSTS	POSTS FILLED	NO OF FEMALES	POSTS FILLED AS A %
MUNICIPAL MANAGER	1	0	-	0%
SECTION 57 POSITIONS	10	8	3	80
SENIOR MANAGEMENT	9	8	3	89
HEADS OF SECTIONS	100	44	17	5
GENERAL STAFF Skilled , semi skilled and general assistants	1154	754	267	32
TOTAL	1274	810	294	

2.1.3 Staff Development Initiatives During the Financial Year

Training Intervention	Number of beneficiaries
Khaedo Training	5
Disciplinary procedures	20
Learnership (Water)	53
Local government law and administration	9
HIV/AIDS	30
Project management	40
Executive Leadership Programme	8
Supply chain management	20
Hygiene and cleaning	12
Principles of computerised systems (LGnet)	20
Health & Safety	18
PayDay	8
Environmental Law	1
Batho Pele principles	20
TOTAL	246

2.1.4 Key HR Statistics per functional area

Full time staff complement per functional area

Approved positions per department	No of approved posts	No of budgeted posts	Filled posts	Vacant posts
Office of the Executive Mayor	30	27	23	7
Mayor's office	40	39	18	22
Office of the Speaker	25	15	13	12
Municipal Manager's office	37	23	22	15
Community Services	318	121	80	228
Housing & Human settlement	22	15	14	08
Planning and Development	71	40	21	51
Budget & Treasury	59	40	27	32
Human Resources	40	25	22	18
Legal Services	5	5	4	01
ICT and Support	79	50	40	39
Infrastructure services departments	578	519	526	405
TOTAL	1274		777	838

Technical staff registered with professional bodies

Technical Service	Total number of technical service manager	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
10	10	3	2	7

Levels of education and skills

Total number of staff (as at 30 June 2011)	Number of staff without Grade 12	Number of staff with Senior certificate only	Number of staff Tertiary / accredited professional training
847	236	404	217

List of pension and medical aids to whom employees belong

Name of pension fund	Number of members	Name of medical aids	Number of members
SAMWU National Pension Fund	325	Hosmed	82
Cape Joint	17	Resolution Health	08
National Fund for Municipal Workers	22	Samwumed	58
Municipal Employees Pension Fund	12	Bonitas	135
Government Employees Pension Fund	147	LA Health	61
Alexander Forbes	76	Bestmed	03
		Medshield	16
		Fedhealth	05

SENIOR OFFICIALS' WAGES AND BENEFITS

SENIOR OFFICIAL	SALARY PACKAGE	OTHER BENEFIT (CELLPHONE ALLOWANCE)
Municipal Manager	R 1,198,088	R2 500.00
Political Advisor to the Executive Mayor	R 1,319,878	R2 000.00
Strategic Director: Corporate Affairs	R 1,087,232	R2 000.00
Strategic Director: Planning & Development	R 1,087,228	R2 000.00
Strategic Director: Infrastructure (Vacant)	VACANT	VACANT
Chief Financial Officer	R 1,227,653	R1 500.00
Director: Municipal Legal Services	R 1,244,051	R1 500.00
Director: Internal Audit	R 1,111,498	R1 500.00
Director: Office of the Executive Mayor	R 642,550	R1 500.00
Director: Planning	R 999,195	R1 500.00
Director: Community Services	R 999,195	R1 500.00
Director: Human Settlement	R 999,195	R1 500.00
Director : Human Resource	R 565,188	R1 500.00
Director : Information, Communication, Technology and Support	R 999,195	R1 500.00
Director: Technical Services	R 1,199,850	R1 500.00
Director: District Engineering Services	R 999,195	R1 500.00
Director: Water Services	R 1,254,188	R1 500.00
Chief Operations Officer	R 1,307,600	R1 500.00
Council Secretary	R 999,195	R1 500.00

2.1.5 Implementation of Performance Management System (PMS)

Implementation limited to institutional and senior managers only it has not yet been cascaded to lower levels.

2.1.6 Annual performance in Municipal Transformation and organisational Development

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1.	Vacancy rate for all approved and budgeted posts				47% vacancy rate
2.	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	1	0	0	Preferred candidate declined the position
3.	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the Financial Year	17	16	94%	Political advisor could not attend the course
4.	Percentage of Managers in Technical Services with a professional qualification	100	100	100	Not applicable
5.	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	1	0	0	Policy not yet approved by Council
6.	Percentage of staff that have undergone a skills audit (including competency)	60%	85%	85%	Officials could not attend skills audit sessions
7.	Percentage of councillors who have attended a skill development training within the current 5 year term	54	54	85%	Limited budget
8.	Percentage of staff complement with disability	2%	0	0	
9.	Percentage of female employees	40%	34.9%	87%	
10.	Percentage of employees that are aged 35 or younger	50%	52%	100%	

N.B. The Municipality's EE plan is outdated. Still has to be reviewed.

2.1.7 Staff provisioning and organizational development

The filling of the following critical positions have been achieved during the financial year under review:

- The appointment of the three (3) legal advisors to assist with the compliance , litigation and contract management matters; the skills development facilitator (SDF); job evaluation practitioner, district planner; project managers;
- Appointment letters for the ID manager, chief employee wellness officer, EAP practitioner, manager (IT);
- Placement was around 70% by the end of the financial year.

About 85% of job descriptions for the district municipality have been finalized;

2.1.8 Major Challenges and Remedial Actions in Regard to Human resource

Major Challenges	Remedial Actions
Delays in the population of the organogram	Finalisation of the placement processes
Little or minimum budget for the HR department	Partnerships with other sector departments
Benchmarking results not yet audited	Establishment of an internal JE panel
Delays in the finalisation of disciplinary cases	Building internal capacity for prosecutors and chairpersons of disciplinary cases
Poor retention of staff at all levels	Development of the retention strategy
Absence of the Employee Assistance Programmes and structured Employee Wellness programmes	Filling of positions in the employee wellness unit. Development of the employee wellness strategy

**CHAPTER 3:
BASIC SERVICES AND INFRASTRUCTURE**

The OR Tambo district municipality is the Water Services Authority and Water Services Provider responsible for planning and implementation, operation and maintenance of water and sanitation services within the seven local municipalities in the district. In terms of the law the District Municipality is therefore responsible for the development and the implementation of its water services by-laws, District Wide Water Master plans, Water Conservation & Water Demand Management and Water Services Master Plan.

3.1 Water and Sanitation Services

The year under review has seen the municipality facing major difficulties that have impacted negatively in the provision of services in the district. The withholding of funds has affected a number of project which resulted into delays and annual targets not 100% met. Although we have continued in the provision of and granting access to basic level of service to all the deserving cases, the persistent drought spell ravaging the region has not spared the District Municipality. As a proactive District Municipality, efforts are still continuing to meet this need while more permanent and sustainable resolutions to the challenges are investigated.

Efforts to eradicate the backlogs in the district have been affected by funding problems during the period under review. Funding from the Municipal Infrastructure grant was stopped for the greater part of the period and all the set targets have largely not been met. Refurbishment of pump stations and Upgrading of WWTW to accommodate increasing demand has been a major focus area for the municipality. A target of three pump stations had been targeted for up-grade during the year under review. The works are currently on-going and should be completed during the course of the next financial year.

3.1.1 Water Services Backlogs

Water Backlogs 2010/2011					
Name of Municipality	Total Household	Household access to water	Household access to water as a percentage	Households below basic level of service/backlog	Households without access to water as a percentage
KSD LM	93,384	49,150	52.6%	44,234	47.4%
Mhlonto LM	49,862	19,596	39.3%	30,266	60.7%
Nyandeni LM	56,853	21,226	37.3%	35,627	62.7%
PSJ LM	30,950	7,620	24.6%	23,330	75.4%
Ingquza Hill LM	48,703	17,344	35.6%	31,359	64.4%

Sanitation Backlogs Mid Year 2010/2011						
Name of Municipality	Total Household	Household access to sanitation	Household access to sanitation 2009/2010	Households provided with basic sanitation by 2010/2011	Households with access to sanitation 2010	Households without basic sanitation
KSD LM	93,384	41,016	43.9%	1 406	45.43%	54.57%
Mhlontlo LM	49,862	16,646	33.4%	0	33.4%	33.4%
Nyandeni LM	56,853	12,833	22.6%	4 241	30%	70%
Ingquza Hill LM	48,703	9,927	20.4%	1 809	24.10%	75.90%
PSJ LM	30,950	8,810	28.5%	1 021	31.76%	68.24%

3.1.2 Major Challenges in water and sanitation services

The year under review has seen funding to the municipality from MIG being stopped on reasons beyond the control of the municipality. Key staff members in the department have since resigned putting further strain on the resources to adequately serve the communities. The organogram has remained since remained un-populated with the department operating without a PMU manager and other key staff. Although funding was restored, transfers have since been highly irregular. Much of the existing water and sanitation infrastructure is not adequately maintained and, in many cases, is not functioning. The focus of the district as an authority of this function has been at extending services to those with no access to the service which largely are the poor. As such, little resources were available for refurbishing, maintaining and increasing the capacity of existing infrastructure especially in urban areas and other historical nodes of development. This has led to a situation where the state and capacity of existing infrastructure has become a constraint to growth and development. The DM now faces a challenge of having to balance extending services to areas not served and refurbishing, maintaining and increasing the capacity of existing infrastructure to support economic growth and development.

The table below depicts some of the challenges that the District Municipality faces in providing water and sanitation services.

Challenges for provision of water and sanitation services

CHALLENGE	CAUSES
Huge Backlogs	Negligence of the area during the apartheid era. Topography of the area which makes it expensive for some areas to be services
Old Infrastructure	Lack of refurbishment, and as result the infrastructure is being operated though it has far reached its design life span.
Infrastructure Capacity	Demand is in excess of available infrastructure due to rapid and unplanned growth and as such the infrastructure is overstrained which result in reduction of its lifespan
Non Functional on Schemes especially standalones	Water resource scarcity and reliability. Drought as a result of climate change
Pollution in environment	Sewer effluent discharged is not of acceptable standard due to lack of resources to upgrade of infrastructure
Lack of energy supply	Has an effect on the capacity of the infrastructure to be provided as the dependency is on diesel which are limiting on type of infrastructure that should be provided.
High Level of Vandalism and theft	High unemployment
Shortage of skilled personnel	High Level of illiteracy, and unable to attract skilled personnel from other area due to financial constraints
Poor Maintenance on existing infrastructure	Low revenue generation as the inhabitants are unemployed and as such there is dependency on grants which are very minimal

3.2 Roads and Transport

The provision of road infrastructure and related services has slightly shifted from implementation of all projects to mainly water and sanitation projects. The role of Roads Projects Implementation has largely shifted to Local Authorities with the District Municipality finishing off the projects that are currently at various stages of implementation.

3.2.1 Transport Planning

Transport Planning is the coordinating function of the O.R Tambo District Municipality as mandated by the National Land Transport Transition Act, Act 22 of 2000 and the recently enacted, Act No. 5 of 2009. In so far as

this act is concerned, the ORTDM is a planning authority with a legal responsibility to prepare an Integrated Transport Plan for the region. In essence it is required that transport plans must:

- Ensure integration:
 - with plans and in particular with the IDP process;
 - with land-use, to the extent that transport can be provided efficiently and effectively
 - Between modes, identifying the optimum role of each mode including non-motorised transport.
- Pay due attention to the development of rural areas;
- Give special attention to transport and also specific attention to transport for special categories of passengers
- Planned with the community.

3.2.2 Challenges on Transport Planning

- That the Transport Planning is not a core function of the ORTDM has a negative effect in the functioning of this section and yet according to schedule 4 of the constitution of the Republic of South Africa it is reflected as a core function of the DM.
- Lack of feedback from the upper structures like the District Transport Forum Transport Technical Committee and TransMEC affect the existence and functionality of the Local Transport Forums.
- Lack of inputs from stakeholders in the crafting of the DITP as they do not attend workshops intended for this purpose.
- Insufficient personnel.

Listed below are **strategic areas** of intervention for the 2011/12 financial year:-

- Proper strategic planning, research, monitoring and evaluation which comprises oversight responsibility by the department on all completed projects (especially grant funded projects). This is as a result of limited human resource capacity and integration within the various departments of the institution
- Development of a District Co-operatives Development Strategy and the piloting of a Co-operatives Development Centre for the District.
- Complete reshaping and re-engineering of the Social Facilitation Unit to ensure Good Governance and Public Participation and strengthening IGR.

3.3 Environmental Management and Waste Management

The municipal systems Act also states that there must be balance between service delivery and sustainable principles. Section 4 (2) d states that services should be provided in an environmental sustainable manner. Provision of services should minimize the risk to human health and safety, maximize benefit to human and environment and to a reasonable extent comply with the legislation and environmental principles and should not compromise the rights of present and future generations.

The key priority areas for environmental management in the district included the following:-

- To promote integrated environmental management in OR Tambo through coordination and ensuring effective implementation of policy and legislation.
- To ensure sustainable development throughout the region and ensure sustainable utilization of natural resources.
- Co-ordinate all environmental related and poverty alleviation projects.
- Seek to align OR Tambo District Municipality & local municipality's development plans with National Programmes and Provincial Environmental Implementation Plans.
- Promote broader participation, co-operation and co-ordination between various stakeholders in OR Tambo including community driven organizations.
- Contribute on environmental management objectives for among other things economic development, conservation and planning in O. R. Tambo.
- Facilitate environmental education and capacity building in O.R Tambo.
- In line with the Principles of the National Environmental Management Act (section 2) to integrate the sustainable development principles (social, economic and environment) in policies, plans and projects

3.3.1 Challenges on coordination of Waste and Environmental Management

Waste Management has traditionally not been seen or perceived as a priority concern and hence it has not enjoyed much support from the top structures of the municipalities. This root cause has resulted into a number of ramifications which manifest in a complete system failure or lack thereof. The current regulatory framework, financing mechanisms, planning tools, and resources to support waste management has been very weak and this has led to a stagnation of the system and collapse of any previous attempt to develop waste management sector. Silence in the waste management sector within OR Tambo DM, due to very limited or no involvement of the public, private, political, traditional, industry interest and Lobby groups in this region as whole. Strengthening the functionality of the environmental management forum which is a mobilizing body on waste management programs. Implementation and information dissemination workshops to be conducted for the council approved Environmental Management plan and the Integrated Waste Management plan.

3.4 Disaster Risk Management

To improve community readiness to mitigate against disasters vulnerable communities 30 volunteers were trained in disaster preparedness to enable them to employ effective services. Disaster 'hotspots' have been identified to enable a focused risk management next financial year. To ensure appropriate disaster risk management scientific disaster risk assessments was done in all 7 LMS but the risk profile is not yet compiled and SRK Consulting as appointed by the ECPDMC is still collecting and capturing data. Although a need for disaster communication equipment installed in LMs, funds have not been available for this. Acquisition and branding of new disaster vehicles is still underway and the process at adjudication stage. The available disaster vehicles are old and spend most time on repair garages and this hampers the rendering of this essential service.

3.5 Fire and Emergency Services

This section exists to provide effective emergency rescue and response services rescue services to all citizens and visitors within the whole OR Tambo region. As compared to last year there has been increase in veldt fires due to long grass, dry, windy, hot, weather conditions precipitated fires. However there has been a notable reduction in fires related fatalities. The majority of emergency rescue calls and fatalities are Motor Vehicle Accident. One instead two fire engines were refurbished due to shortage of vehicles as fire engines need to be out on commission. The average response time from call to dispatch to all fire emergencies (to towns and Villages) 1hr -2hrs for rural areas and 30 – 45 min for urban areas and this has been achieved satisfactorily.

3.6 Municipal Health Services

This seeks to provide a regulated healthy environment, in terms of R918, necessary for service delivery. It includes control of solid waste/ tipping sites, regular control and maintenance of landfills, food and water quality monitoring and provision of Primary Health Care. However the accumulation of dumping site proximal to businesses and residential areas makes a negative competition. Despite removal of numerous dumping sites, the greatest challenge is the recurring disposal debris and rubbles by the contractors, business people and residents. The Municipal Health plan will be revised to include small projects in identified hotspot areas.

Formal food premises should be certified in terms of R918. A major challenge is the operation of businesses and funeral undertakers without licenses. This poses a challenge in the monitoring health standards. Health care centres in drought stricken areas or at risk of water-borne diseases are supported with jik to purify water and minimise risks. Staff complement expanded this year has made a tremendous increase in water and food sampling and testing, and hence enhanced response. There is, however, a need to strengthen health and hygiene awareness education focusing on personal hygiene.

Devolution of EHP to the DM has always faced challenges. July was set as a period for the finalisation of the process but has been stalled by technical transfer challenges. About 30 EHPs are expected. The anticipated challenge will be that some of their ranks are not catered for in the existing organisational structure.

3.7 Sport, Arts, Recreation, Culture and Heritage

The section exists to ensure development of sports, heritage, arts and culture. 32 artists were given support by rendering Administration and Financial Management workshops. The heritage summit that was to facilitate the development of a heritage sector plan and the District Heritage Route was cancelled due to the geographical changes caused by disestablishment and reestablishment of the ORTDM. Sport facilities have not been transferred yet due to delays in construction, namely, levelling, pitching of posts and fencing of fields.

Library Services: The basic library furniture and equipment required for community library services was provided to 11 libraries. To promote a culture of reading, library usage and lifelong learning, 11 library awareness campaigns were conducted in the various local municipalities with the support of the Provincial department of Sport, Arts, Culture and Heritage.

3.8 Social Development and Community Safety

To contribute to prevention, reduction and management of HIV&AIDS and STI's four workshops on Life Skills awareness & parenting skills for teenage mothers at schools and organized youth were conducted. In contributing to the protection and promotion of rights of vulnerable groups four ECDCs were equipped with educational equipment this year. To assist families in distress 25 families under distress received material support this year.

**CHAPTER 4:
LED STRATEGY AND IMPLEMENTATION**

4.1 LED strategy

The LED Strategy has been reviewed developed and has been approved by Council. An LED Strategy Review Project Steering Committee was elected and mandated by the stakeholders to take the LED Strategy implementation process forward. The processes for the review have been dragging as there had to be processes for reviving the LED Sub-Forums and hence subsequent establishment of the District LED Forum to develop an informed platform for a well informed and credible LED strategy. The LED Forums and sub-forums have since been established, fully operational and instrumental in the LED review process.

The Strategy requires another review in line with the new demarcation as it was developed with the municipality having seven (7) Local Municipalities and therefore needs review in line with the existing five Local Municipalities. Despite the new demarcation alignment, the strategy is thus ready for implementation.

4.1.1 Set-up of the LED unit

An LED unit exists and is functional within the municipality and is one of the sections under the Planning and Development Department. This unit mainly focuses on Agricultural and Co-operatives Support to LMs, focuses on policy development and also plays an oversight role on the implementation of LED initiatives through the Ntinga O.R Tambo Development Agency.

4.1.2 The availability of a LED expertise

The bigger portion of LED expertise solely lies with Ntinga O.R Tambo Development Agency which is the implementing arm of the District for its LED and Rural Development initiatives with a total of approximately 35 staff members. There is also LED unit in the DM whose line of responsibility include LED policy formulation, Agriculture, Research and Tourism.

4.1.3 LED stakeholder forum functionality

The District LED Forum is not yet fully operational but has developed clearly articulated objectives and Terms of Reference for the operations of the Forum. The sub-sector forums in Tourism, Agriculture fisheries & forestry have been established and are also operational with proper Objectives and Terms of Reference. A District Support Team (DST) was established as a sub sector under the LED Forum but mainly focusing on intergrating public spheres of government in LED planning and implementation. The DST received funding support from the Eastern Cape Provincial Treasury for strengthening its operation capacity and the project is still under implementation

4.1.4 Funding opportunities for LED and related activities

Funding Institution	Projects/Programme funded	Amount funded
Thina Sinako	LED Support for District Support Teams	R 400 000.0
DLGTA	Economic Researcher	R 400 000.0
Department of Economic Development & Environmental Affairs	LED community based Projects (Hluleka Bee Keeping Project)	R2 500 000.0

4.1.5 Improve public and market confidence

- *Spatial development framework (SDF)/Land use management system(LUMS);*

The current SDF was developed in 2007/2008, the review process has been finalised and has been adopted by council to form part of the 2010/2011 Integrated Development Plan.

4.1.6 Comparative and competitive advantage for industrial activities

The municipality has got the following sectors that give it a competitive advantage:-

- *Agriculture Development*

The budget for agricultural development and project implementation is undertaken by the District Municipality's developmental arm, Ntinga OR Tambo Development Agency that has been assisting communities with Maize Production. Production trials have also been conducted for High Value Crops such as Cotton and Sunflower. The Kei Fresh Produce Market which is owned by the municipality has developed business plans for increase in commodity production of potatoes and bananas around the district. A farmer support unit has been established to market the produce of our local farmers, it is gaining popularity and the support is growing.

- *Forestry*

The municipality was instrumental in the establishment of the Furniture Incubator located in Mthatha that provides incubation facilities like office space, training, networking & access to markets for the district entrepreneurs that are involved in manufacturing of wood products. The Furniture Incubator is mainly funded by the Department of Trade & Industry (DTI), Small Enterprise Development Agency (SEDA) and the Eastern Cape Development Corporation (ECDC).

The Department is also facilitating the Integrated Langeni Timber Cluster as a way of implement resolutions taken during the District Growth and Development Summit in 2007, given the timber cluster initiatives currently occurring within that nodal area.

- *Mariculture*

There is one co-operative (Wild Coast Fishing Cooperatives) funded by DEDEA and implemented by the municipality for aquaculture production within the district. The project is still on the planning & design phase

- *Tourism*

Arts and craft development has seen 95 performing artists trained and awarded certificates on Arts Administration and Performance, from all 7 local municipalities. Database of visual and performing artists has been developed, 12 containers to serve as Production Centres were procured for 12 projects that previously did not have working space and the Tourism Information Centre at Ultra City has been established.

Tourism marketing, amongst other activities includes the development of a new tourist brochure with 10 000 copies printed, 10 000 DVD copies developed and distributed to distribution centers country-wide.

Tourism awareness & promotion revolves around the honour of the tourism month campaigns and honoring of exceptional contributors to tourism in the district in seven categories, namely, Tourist guides, Life guards, Schools, Accommodation sector, Media, Individuals, Police services and community forums

4.1.7 Enterprise support and business development

The following table reflects the extent of permanent jobs created in some of the District LED projects:

Enterprise / Cooperative	Permanent Jobs	Youth	Women	Temporary Jobs
Brick & Fence	53	47	33	5
Emfundisweni Bakery	23	13	19	33
Kei Fresh Produce Market	16	6	6	15
Ikhwezi Farm	3	0	2	8
Umzikantu Abbattoir	11	4	5	5
Young Lion Cooperative	52	6	3	9
Zalu Sewing Project	13	0	13	1
Kwam Rural Women's Project	85	15	79	10
Wild Coast Fishing	15	3	4	0
Hluleka Bee-keeping Project,	49	8	32	0
Masikuphuke Vegetable Project	8	8	4	0
TOTAL JOBS CREATED	328	110	200	86

14 Co-operatives have benefited from Ntinga O.R. Tambo Dev. Agency in the form of Business plans and Constitutions outsourced to service providers for development.

4.2 Challenges regarding LED strategy implementation

- Leadership vacuum and insufficient personnel within the LED Unit – Even though the LED unit is still suffering in terms of personnel resources, the appointment of the Senior Practitioner LED Programs and Policy development has contributed to the improved service delivery in this unit. With the addition of an LED Practitioner that is focusing on the Agriculture, Fisheries and Forestry Sector, the unit will make some stride. Improved co-ordination between the functioning of the LED Unit within the municipality and the LED implementing arm (Ntinga) has to be ensured so as to avoid duplication of functions for increased efficiency.
- Limited budget/funding – in most cases LED is regarded as unfunded mandate within the district and as such very little allocations are made for LED which therefore results to inability to deliver on the LED KPAs. A proper budget allocation needs to be made by the municipality. Extensive resource mobilization needs to be undertaken so as to compliment the current LED unit budget limitation.
- Having Tourism as one of the main economic drivers of the District, the unit has suffered in terms of funding as this unit continues without any funds made available to take advantage of the tourism potential hence tourism is still remaining an unfunded mandate of the district municipality.
- Poor integration of co-ordination between LED stakeholders - Intergovernmental Relations Unit within the municipality needs to assist the LED unit in ensuring that cooperative governance is achieved so that some of the municipalities planned LED KPAs can be delivered within other LED stakeholders budgets.

The LED Forum needs to be operational so as to provide a platform for stakeholder engagement, discussion and dialogue amongst stakeholders on how all stakeholders can integrate their efforts to develop the economy of the district.

**CHAPTER 5:
GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

5.1 Overview of the Executive and Council functions and achievements

The Constitution of the Republic of South Africa prohibits the total separation of powers at local government sphere and at the same time charges Council with an oversight role over the Executive Mayor together with His or Her Mayoral Committee. Statutorily, the O.R. Tambo District Municipality has an executive mayoral type consisting of political and administrative structure. The Executive Mayor when accounting to Council does so within the prescribed Legislative and Constitutional framework. The accountability does not undermine the principle of non-separation of powers between the Executive Mayor /Mayoral Committee and Council.

These institutions remain distinct but functionally dependent to one another. All activities and functions of the Municipal departments (administrative organs) are determined by the Mayoral Committee on approval by Council. The Mayoral Committee Members (MMCs) as Political Heads of Departments or Portfolio Functional Area are subject to the joint authority of the Mayoral Committee and subsequent approval by the Executive Mayor for such actions and activities. In terms of Section 12 Notice of Local Government: Municipal Structures Act, Act No. 117 of 1998, O.R. Tambo is a category C municipality which consists of 59 Councillors. Currently the district municipality has 56 Councillors composed as depicted in table below:

In terms of Section 12 Notice of Local Government: Municipal Structures Act, Act No. 117 of 1998, O.R. Tambo is a category C municipality which consists of 60 Councillors. Currently the district municipality has 60 Councillors composed as depicted in table below:

Existing Councillors in the O.R Tambo District Municipality during the period (2006-May 2011)

PARTY MEMBERS	TOTAL NO. OF CLLRS	PART-TIME CLLRS	FULL-TIME CLLRS	NUMBER OF FEMALE CLLRS
	59	49	10	22
ANC members	51	47	10	22
UDM members	5	5	-	0
APC members	1	1	-	-
ID member	1	1	-	-

Existing Councillors in the O.R Tambo District Municipality during the period (07 June 2011- 30 June 2011)

PARTY MEMBERS	TOTAL NO. OF CLLRS	PART-TIME CLLRS	FULL-TIME CLLRS	NUMBER OF FEMALE CLLRS
	60	47	13	
ANC members	49	36	13	
UDM members	6	6	0	
COPE members	3	3	0	
DA member	2	2	0	

Number of indirectly elected councillors per municipality (2006-May 2011)

NAME OF MUNICIPALITY	NO. OF COUNCILLORS
King Sabatha Dalindyebo	9
Nyandeni	5
Port St Johns	3
Ingquza Hill	6
Mhlontlo	4
Ntabankulu	3
Mbizana	5

Number of indirectly elected councillors per municipality (May 2011 – 07 June 2011)

NAME OF MUNICIPALITY	NO. OF COUNCILLORS
King Sabatha Dalindyebo	12
Nyandeni	7
Port St Johns	4
Ingquza Hill	7
Mhlontlo	6

5.1.1 Political Management Committee

The Office of the Council Chief Whip has just established a political committee called Troika which consists of the Executive Mayor, Speaker and Council Chief Whip. This committee is coordinated and chaired by the Council Chief Whip and can when needs be invite the Municipal Manager to the meeting. This committee provides strategic leadership for the district municipality to be able to effectively utilize the limited resources to achieve its objectives.

5.1.2 Whippyery Support

Council took a resolution to have a full time Chief Whip and institutionalization of the Office of the Chief Whip. Council Chief Whip performs duties as stated in the Council's delegated authority. The Council Chief Whip meets quarterly with Chief Whips from all seven local municipalities to conduct audit of service delivery. In doing this all whips are expected to present a written report on service delivery challenges, programs / projects taking place, achievements and any other things that may hinder service delivery. A policy on the functionality of the Office of the Chief whip has been developed and adopted by council.

5.1.3 Section 79 And 80 Committees

The district municipality has four Section 79 Committees which are managed and coordinated by the Office of the Speaker. These committees are fully functional and are meeting quarterly unless there are urgent issues that warrant their attention. These committees assist the Speaker in execution of her duties in line with relevant pieces of legislation and municipal delegation authority. All deliberations and recommendations of these committees are presented to Council for consideration. They have managed to assist Council in taking informed decisions ranging from welfare of Councillors to effective governance and enhancement of public participation. Both Sec 79 and 80 Council committees do meet and process council reports to other structures of council till adoption and resolution by Council meeting. There is a good working relationship between these committees and sometime they organize combine capacity workshops and information sharing as well as joint sitting of various committees.

i. Rules Committee

The objective of Rules Committee is to review the Standing Orders of Council and recommend to Council. This objective has not been achieved for 2009/2010 financial year.

ii. Ethics and Members' Interests Committee

The committee managed to sit and consider the Gazette on Upper Limits of Councillors as well as facilities to support Councillors in performing their duties.

iii. Oversight Committee

After tabling the annual report the Council establishes the Oversight Committee to consider the Annual Reports of the District Municipality and that of its Entity, Ntinga O.R. Tambo Development Agency for each financial year. The Committee is usually chaired by the member of the opposition party. The Oversight Report on the Annual Reports was adopted without reservations by Council in an Ordinary Council Meeting held on 31 March 2010.

iv. Municipal Public Accounts Committee

The Municipal Finance Management Act (Section 129, MFMA) assigns specific oversight responsibilities to Council in regards to the Annual Report and the preparation of an Oversight Report. Given the processes required by Council to effectively undertake its oversight role on the Annual Report, the establishment of a Municipal Public Accounts Committee (MPAC) of council would provide the appropriate mechanism in which Council could fulfill its oversight responsibilities. The MPAC's primary role, in terms of the MFMA will be to consider the Annual report, receive input from the various role players and to prepare a draft Oversight Report for consideration by Council.

5.2 Public Participation and Consultation

Public Participation derives its principles from the Constitution of the Republic of South Africa, which grants all citizens a right to meaningful participation in the country's affairs, thus a right to shape and determine their own destiny. Thus, local government has been entrusted with the responsibility of ensuring involvement of communities, and community (civic) organisations in local government affairs.

During 2011/12 financial year the O R Tambo District Municipality calls upon all her citizens to exercise their right to actively participate in the municipality's affairs to the fullest of their abilities, endowments and human dignity.

The objectives of this approach to public participation are as follows:

- To create and strengthen the appropriate community structures required for local governance;
- To establish an appropriate institutional mechanism to ensure the sustainability of such end-user groups and civil society structures;
- To capacitate members of the community structures, relevant end-user groups, councillors and officials to be effectively involved in community participation;
- To build the internal capacity within Council to roll out the training Programme to all community structures;
- To provide support to officials within the DM to ensure implementation of the new way of doing business;

The White Paper on Local Government puts forward the vision of “developmental local government” which it defines as: **“Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve their quality of lives”**. The vehicle and system for involving the public is given more emphasis in Section 16 of the Municipal Systems Act, which requires that municipalities develop a culture of community participation and create mechanisms, processes and procedures. These mechanisms would involve communities in planning, performance management, budgeting, and service delivery. Municipalities are also required to build the capacity of the local community to participate, as well as the capacity of Councillors and staff to foster community participation.

Draft Public Participation Policy and Public Participation Strategy have been developed to ensure that communities that are within the area of jurisdiction of O.R. Tambo District Municipality do participate in the policy formulation and implementation processes. The O.R. Tambo District Municipality Strategy is also meant to support and translate into reality the vision, mission and objectives of the municipality.

5.2.1 Participation in IDP and Budget Roadshows

Emphasis is placed on ensuring representativity in terms of age, gender, race and disability, as well as reaching those previously excluded from formal local government structures. IDP and Budget are very important documents that have programs and funding for all municipal projects. Municipalities are by law expected to create platforms for members of the public to participate in drafting IDP and Budget. In light of the above, a public notice was issued out notifying the community about the schedule of visits. Seven local municipalities were visited and approximately seven to ten thousand people attended the IDP & Budget road shows. The attendance in all the venues was good even though in some areas numbers picked up after the set starting time. Some of the contributing factors were distances that are traveled by communities.

The methodology followed this time was to allow communities to voice their views on service delivery under general and not to be specific on the presented draft IDP and budget. A booklet containing a summarized version of the presentation in Xhosa made it very easy for communities to follow the presentation and this was highly appreciated. After the IDP and Budget Road-shows, the municipality then amends the draft documents to reflect the needs of the public where necessary. They are then taken to the open council meeting for adoption where members of the public are invited to attend. In order to enhance effective public participation, a Public Participation Policy and Strategy has been developed and in the process of being tabled for adoption by the Council.

5.2.2 Ward Committees

Ward Committees are committees established in terms of Section 73 of Local Government: Municipal Structures Act, Act No. 117 of 1998, and they are also referred to as Section 73 Committees. They consist of a Ward Councillor as the chairperson, and 10 other members elected by ward residents in a Ward General Meeting taking into cognisance the balance in terms of gender. They play a major role in IDB/Budget and Oversight processes as they serve as a link to communities

The District Municipality conducted a district wide Ward Committee audit to determine existence and functionality of these committees. This was done mainly to determine whether all wards do have fully functional ward committees as they are an extension of Council in ensuring participatory democracy at grassroots level. Ward Committees are a competency of local municipalities and the O.R. Tambo DM did this exercise in support of our local municipalities by visiting all 162 wards. All wards indeed do have ward committees though in some wards not all members are still active due to various reasons and that was raised with local municipalities. Ward Committees are only receiving out of the pocket expenses whenever they attend Council activities and their meetings.

There are challenges in the operations due to non-existence of infrastructure / office space to do their daily operations. Majority of ward are using public schools or dilapidated buildings for their meetings. Only Nyandeni Local Municipality which has fully functional committees with informal office space and an office administrator which is paid a stipend of R650.00 per month. Capacity was also identified as another challenge which hampers effectiveness of the operations. All these challenges were raised with both Provincial and National Department Cooperative Governance for assistance to enhance public participation. The District Lekgotla held on the 19-20 May 2008 identified some serious challenges affecting effective operations of ward committees in our local municipalities and recommended intervention from the district municipality. To address the above challenges, the District Municipality has developed a Ward Committee Strategy and Guideline as a document to be used by all local municipalities. This document will be adopted by council on 31 March 2011. Council then allocated budget in the Office of the Speaker for auditing existence of Ward Committees, availability of amenities for their operations and any kind of support that may be required to improve their operations. The plans for the next financial year is to organize training programs so as to strengthen their effectiveness.

5.2.3 Community Development Workers

All seven local municipalities under O.R. Tambo district municipality have Community Development Workers who are working with other community structures in ensuring that services are delivered to the people. The intention was to ensure that each and every ward has a Community Development Worker but due to limited resources and other logistics there are wards that still have no CDWs but are being serviced by other CDWs with the coordination of a local coordinator. The district municipality works closely with the seven local coordinators who represent all CDWs per municipality in terms of implementation of CDW programs. The district municipality provides support to CDWs in implementation of their programs. Generally there has been some challenges on how CDWs operate on their daily activities and their reporting lines still pose a challenge to municipalities. CDWs have been capacitated in Ward Based Planning and Information System. This program is an upgrade of the existing Socio Economic Survey and in this process each ward will have updated electronic information of each household.

5.2.4 Councillor Capacity Building Programs

The Office of the Speaker together with the Human Resources Department has in the year under review, working with different training institutions, trained Councillors on the following courses:

- Executive Leadership

- Leadership Skills
- Presentation Skills
- Project Management
- Finance for Non Financial Managers
- Certificate in Local Government Law and Administration
- Advanced Certificate in Local Government law and Administration
- Honours in Local Government law and Administration

5.2.5 Oversight Committee

The MFMA stipulates that after tabling of Annual Report, the Council must appoint an Oversight Committee and within two months after the tabling of the Annual Report the Council has to adopt the Oversight Report. Committee members are elected and trained annually on Oversight processes. In 2009/10 O.R Tambo has adopted 2008/09 Oversight Report without reservations. The Committee was being chaired by the member of the opposition party.

All Local Municipalities were supported in establishing oversight committees and were provided with terms of reference for such committee. This was discussed and agreed upon at the level of District Speakers Forum which is the platform coordinated by the Speaker of the District Municipality for all Speakers from different local municipalities within the district. The support given to LMs also include the Community Development Workers programmes; establishment and capacitation of Municipal Public Accounts Committee; establishment and capacitation of Oversight Committee members; Policy development; and compilation of council documents.

5.3 Council Meetings

There is a Council approved Council Calendar that regulated the sitting of Council meetings and Council Committee meetings. The Office of the Speaker has fully complied regarding the sitting of Council meetings. During this term at least 4 ordinary and 5 Special Council meetings and all of them were publicized to enhance accessibility to the general public. The Office of the Speaker has provided laptops to its councillors as working tools. The intention is to introduce a paper free, electronic council meeting, and minimise transportation and cartridge costs. To assist the process, Councillors have received Computer literacy training.

5.4 Intergovernmental Relations

The role of the District Intergovernmental Forum is to serve as a Consultative Forum for the District Municipality and the Local Municipalities, Provincial, National and parastatals in the District to discuss and consult each other on matters of mutual interest, including:-

- a) Draft National and Provincial policy and legislation relating to matters affecting Local Government interests in the District.
- b) The implementation of National and Provincial policy and legislation with respect to such matters in the District.
- c) Matters arising in the Premier Intergovernmental Forum or MUNIMEC are affecting the District.
- d) Mutual support in terms of Section 88 of the Local Government: Municipal Structures Act, 1998 (Act no. 117 of 1998);
- e) The provision of services in the District;
- f) Coherent planning and development in the District;

- g) The co-ordination and alignment of the Strategic and performance plans and priorities, objectives and strategies of the Municipalities in the District; and
- h) Any other matter of strategic importance which affect the interest of the Municipalities in the District.
- i) Submission and coordination of allocation of resources to MTF budget.

There is a fully functional District Speakers' Forum which is a platform coordinated by the Speaker of the District Municipality for all Speakers from different local municipalities within the district. The aim is to share challenges and experiences on how to run the Office of the Speaker.

The functioning of the Intergovernmental Relations is improving in the O.R. Tambo district, particularly the District Mayor's forum (DIMAYFO) and the various sector fora including those linked to the IDP. Most of these fora, particularly the DIMAYFO have achieved their target of meeting at least once per semester. Some of the outcomes of the functional IGR environment in the district has been the adoption of a District Programme of Action for each, outlining what the district wide priorities as adopted by all the municipalities should be, of course guided by the local priorities, the Local Government Turnaround Strategy, as well as other Provincial and National Planning frameworks. The District programme of action was approved with a related District Monitoring and Evaluation Framework.

The most remarkable IGR initiative in the O.R. Tambo is the establishment of a Joint Task Team (JTT) forum, which was established as a result of the declaration of a dispute on water services related issues against the District Municipality by the Minister for the Department of Water Affairs and Forestry. The forum was established to try and address the issues in an IGR environment as against the litigation option. All IGR structures in place and their functionality in the O.R Tambo DM are listed in the table below:

Functionality of IGR Structures

IGR structure	Nature (political/Technical)	Required frequency of meetings	Functionality
District Mayor's Forum	Political – chaired by the Executive Mayor	Once per semester	Functional, with consistent attendance by most Mayors from the LMs
Water Services Joint Task Team	Political – chaired by the MMC for Planning Infrastructure and Services	Bi-Monthly	Functional, with a linked technical task team meeting once a week to ensure follow up on JTT issues
Various IDP sector forums	Political	Quarterly	Not all Sector Forums have been able to sit.
District AIDS Council	Political-chaired by the MMC for Special programmes	Once quarterly	Functional but lack of of consistence in the attendance of DAC members.
Municipal Manager's forum	Technical – chaired by the Municipal Manager of the DM	Quarterly	Functional, but not all LMs are actively involved
District Communicators forum	Technical – Chaired by the DM manager for communications unit	Monthly	Functional and active
Local Communicator's forum	Technical- Chaired by the LM heads of communications	Monthly	Functional in some LMs
District Speaker's Forum	Political – Chaired by the Speaker	Once per quarter	Functional, with consistent attendance by most Speakers from the LMs
District Whippyery Forum	Political – Chaired by the Council Chief Whip	Once per quarter	Functional, with consistent attendance by all Chief Whips from the LMs
DWA Bilateral Forum/ Meetings	Combination of both Technical and Political- Chaired	Bi-Monthly	Functional with consistence attendance by most of relevant

IGR structure	Nature (political/Technical)	Required frequency of meetings	Functionality
	by the MMC for Planning, Infrastructure and Services		department within DWA
MIG District Co-ordination Forum	Technical- chaired by the Senior Manager from DLGTA	Bi-Monthly	Functional and constitute DLGTA, DCoC, PMU's from all LM's including the District
MIG District Appraisal Committee	Technical – chaired by the Senior Manager DLGTA	Bi-Monthly	Functional and constitute of all LM's & DM, DWA, DLGTA
KSD Presidential Intervention	Political- Chaired by the Premier	Bi-Monthly	Functional and constitutes of all sector departments
District LED Forum	Political – Chaired by MMC for LED, Agriculture & Tourism	Quarterly	The forum is partially functional due to the fact that it managed to sit twice in the last financial year and in 2008/2009 the forum was non-functional. However the sub-sector forums (The District Tourism co-ordinating forum, the agriculture fisheries and forestry sector forum and the district support teams) that feed to the LED forum are functional and have managed to sit as scheduled.
District Spatial Planning & Environmental Management forum.	Political -	Quarterly	Not functional. The forum was launched in September 2009 and only the technical team of the forum has managed to sit as scheduled.
District IDP Coordinators Forum	Technical	Monthly	Functional, although in all meetings only about 80% attendance by local municipalities has been achieved.
Corporate Services Forum	Technical (composed of the LMs of the district)	Quarterly or when a need arises	Functional except that it is being overtaken by other pressing matters
Legal Services Forum	Technical	Quarterly	Functional
I.T. and H.R. Fora	Technical		In the process of launching

Existing twinning arrangements and MOA/ MOU

TWINNING ARRANGEMENT/ MOA/ MOU	AFFECTED INSTITUTIONS	PURPOSE	LEADING DEPARTMENT
Water Services Function	Amatola & Umgeni Water Board	Improvement of Water Services function	Water Services
Development of Water master Plans	DWA & Water-Boards	Development of Sustainable and reliable water resource (development of water master plans)	Infrastructure Cluster
Acceleration of sanitation backlogs	National Department of Human Settlement	Reduction of backlogs through Accelerate of the delivery of Sanitation	Technical Services

5.5 Support to Local Municipalities

The various departments in the O.R. Tambo are implementing a number of programmes in support to the various local municipalities. The major challenge is that up to so far there is no system in place to centrally coordinate the LM support programme, and as such these are not monitored. Currently the DM has limited capacity to ensure central coordination of LM support, mainly due to limited staff component. The table below shows the various LM support programmes implemented by the various departments in the DM.

LM Support Programmes

Name of Department	Nature of support	Beneficiary Municipalities	Key Milestones/ achievement to date	Challenges
Office of the Executive Mayor	Local AIDS Council	All LMs	Seven Local AIDS Councils had been established	Inconsistence in the attendance of meetings by the members
	Ward AIDS forums	All LMs	Thirty two wards forums had been established	Unavailability of stipend for the members is a hindering effect in the maximum participation of members
	Non governmental organisations/Faith Based and Community based Organisations	All LMs	Community based organisations doing home based care program were given home based care kits.(Faith based organisation : Mthatha)	Funds not enough to provide required support.
	Support groups	HIV positive people in all LMs	162 support groups were supported	Low socio economic status for people living with HIV virus is hindering effect to their maximum participation as most of them depend on conditional grant.
	Community health care centres	Terminal ill and neglected clients in Ntabankulu and K.S.D LMs	Ixabiso lomntu community care centre –Ntabankulu and Temba community based care –Mthatha were given financial support	R120 000 which was given to both centres proved not be enough to address their challenges.
	Non medical HIV Counselling & testing sites	All LMs	25 Non medical HIV counselling & testing sites were supported	Funds not enough to cater for the stipend of retired professional nurses and Lay Counsellors.
	High Transmission Area sites	K.S.D , Mhlontlo, Nyandeni and Port St. Johns	Five High transmission area sites were supported(Mthatha Shell Ultra City, Tsolo junction ,Mbizana , Ngqeleni and Port St. Johns second beach.	NONE
	Health facilities	All LMs	Professional nurses for communicable diseases were trained for different health facilities.	Mostly on completion of the training,professional nurses become marketable or promoted. Meaning that HIV/AIDS unit had to train new nurses.
	Nurses schools	Mhlontlo and Nyandeni LM	150 young people identified in needy homes were enrolled as in Enrolled nurses and enrolled assistance programs in an attempt to address the shortage of health care workers, unemployment and shortage of skills in the District. 75 young people completed Enrolled nurses assistance program and they are placed in different health facilities.	Lack of infrastructure in these nursing schools limits the annual intake of new student nurses.

Name of Department	Nature of support	Beneficiary Municipalities	Key Milestones/ achievement to date	Challenges
	Places of safety	Palmerton – Ingquza Hill , Siyakhana ; Ingquza Hill & K.S.D,	85 vulnerable children and 15 abducted girls were placed in Palmerton child care centre and in nearby Junior and High school to continue with their education.	Shortage of funds has a negative impact in the operations of the centre.
	Orphans and vulnerable children	All LMs	All identified needy children were placed in different schools and tertiary institutions to continue with their education	Lack of integration of programs has serious impact in expanding the program due to the fact that ,the District has to pay for the fees, stationery and uniform whereas they are supposed to be exempted.
	Cooperatives for the vulnerable groups	Zalu Hill: Ingquza Hill , Baziya, Mthatha: K.S.D.,Gxulu: Nyandeni , Hormies furniture : K.S.D LM Xhwili A/A:K.S.D LM	Two women sewing projects in Zalu Hill and Gxulu are currently functioning. Baziya Poultry project for young women is functioning well , Hormies carpentry for young men is operational , Eastern cape magazine for a young woman in Xhwili A/A is operational, Project for carpentry Arts and craft for people with Disabilities in Flagstaff : Ingquza Hill is operational	NONE
	Students finance Program	All LMs	104 tertiary students are currently benefiting in the program. 26 have completed their degree	Funds are not enough to cover needy students .
Office of the Speaker	Support on the Establishment of MPAC and Oversight Committees; -Development of Public participation Policy, Public Participation Strategy and Ward Committee Guidelines; -Compilation of Council Documents, Council Minutes and Resolutions register	All LMs	-All LMs have been workshopped on MPAC Terms of Reference -All local municipalities have been encouraged to participate in the Speakers and Traditional Leaders Summit	Inconsistence in attending meetings convened by the DM.
Internal Audit	Provide internal audit support to local municipalities on a shared service arrangement.	Port St Johns and Mhlontlo local municipalities.	There has been improvement in audit outcomes with Port St Johns municipality obtaining an unqualified audit opinion in the 2009/2010 financial year.	<ul style="list-style-type: none"> •The existing capacity in the district is inadequate to fully service the local municipalities. • Past audit issues are not addressed on time resulting in recurring audit issues.
Municipal Operations	Coordination of development of IDP and PMS	All LMS	Development of Framework and process plans for both IDP and PMS	Limited capacity (staff complement), some LMs do not dedicated personnel for IDP and PMS
Budget and Treasury				

Name of Department	Nature of support	Beneficiary Municipalities	Key Milestones/ achievement to date	Challenges
Legal Services	Legal , consultative and sharing of personnel for legal support	Mhlontlo ,Nyandeni, Ingquza Hill ,KSD and PSJ	Successfully defended cases for the municipalities' .Shared skills and legal manual.	Structures do not provide for adequate legal staff, too many litigations and less funding. Less opportunities for meetings
Human Resources	Support for job evaluation , Consultative	Mhlontlo ,Nyandeni, Ingquza Hill ,KSD and PSJ	Job evaluation finalized and implemented in some LMs and in other still in process	Formulation of policies, No uniformity of systems, lack of skilled personnel.
ICTM	Consultation,	Mhlontlo ,Nyandeni, Ingquza Hill ,KSD and PSJ		Formulation of policies, No uniformity of systems, lack of skilled personnel.
Planning and Economic development	Planning	Mhlontlo LM Mhlontlo Ward 2 & 13 PSJ LM Ward 11	Tsolo Junction SDF being developed. Community Based plans developed.	
	Capacity building and training	All LMs	Training of community members on Tourism Arts & Craft, Business skills, Poultry management & disease management. Public transport operators trained on conflict management, Customer care & financial management.	
Infrastructure Cluster	Engineering Support	All LM's	<ul style="list-style-type: none"> Development of standard tender document that complies with CIDB regulations. Purchase of Design Soft Water for Nyandeni LM. Training on General Conditions of Contract 2010 	N/A

5.6 Legal matters

5.6.1 Setting up of Legal Units

The Legal Services department has been established as a fully fledged department, the department is staffed by the Legal Services Director, two (2) Legal Advisors for Compliance, Litigation. All the positions have been filled except for the post of Legal Advisor: advisory services whose incumbent resigned in December 2010. The Legal Services department is also assisting the Local Municipalities under the District Municipality with legal support because they do not have enough capacity.

5.6.2 Management of litigation

1. Case Load Management with specific reference to:

a. Favourable cases

<i>Case name</i>	<i>Recovery (yes/No)</i>	<i>Reasons for non recovery</i>

b. Unfavourable cases

<i>Case name</i>	<i>Compliance with judgement (yes/No)</i>	<i>Reasons for non compliance with judgement</i>

2. Case age analysis,

<i>Case name</i>	<i>Nature of the case</i>	<i>Date of commencement</i>	<i>Cases of 2 years or bellow</i>	<i>Cases beyond 2 years</i>	<i>Reasons for extensive duration</i>

3. Default judgements

<i>Case name</i>	<i>Reasons for default judgement</i>

5.6.3 Prevention mechanisms of current litigations:

The municipality is expected to clearly indicate steps taken by the legal services to prevent the current litigations and the reasons why these litigations could not be prevented.

4. Criminal matters emanating from corruption and fraud

The municipality is expected to provide the list of cases of criminal matters emanating from corruption and fraud.

5.6.4 Management of Legal Risks

The municipality is expected to provide information on any existing policy adopted by the Council to manage legal risks during the year under review. In case of non existence of a policy, the municipality should say what steps are being taken to ensure that the policy for management of legal risk is in place and adopted.

5.7 Audit, Risk Management, Anti Fraud and Anticorruption

The district municipality has an in-house internal audit function. It was established in year 2003 and has been fully operational since then. This function is also extended to support some of the local municipalities that fall under its jurisdiction.

Key challenges related include the following:-

- Past audit issues are not addressed timeously. This may be due to inadequate monitoring and supervision and budgetary constraints.
- There are municipalities in the district that still require support in order to improve their audit outcomes. The existing internal audit capacity is inadequate to fully provide the required support.
- Effectiveness of the committee is not continuously monitored.
- Risk management is not yet entrenched in operations of the institutions.
- The existing systems and procedures are not fully effective in mitigating the risk of fraud and corruption.

5.7.1 Audit outcomes for the 2010/2011 financial year

For the year under review the district municipality has regressed since it received an adverse audit opinion from the Auditor General's report.

In the past two financial years the district municipality received qualified audit reports. This is an area of concern for the council of this municipality. Issues that were raised in past audits were not addressed as a result they were raised again during the 2010/2011 financial year. In the 2010/2011 financial year only one local municipality received an unqualified audit opinion. Municipalities that were beginning to show some improvement in their audit outcomes have regressed. We see this as a situation that we have no option but turn around. The table below illustrates the types of audit opinions received by municipalities over the two financial years:

Audit Outcomes

Name of the organisation	2009/2010 audit opinion	2010/11 Audit Opinion
OR Tambo District Municipality	Qualified	Adverse
Ntinga O.R. Tambo Development Agency	Qualified	Qualified
Port St Johns municipality	Unqualified	Qualified
King Sabata Dalindyebo municipality	Disclaimer	Disclaimer
Ingquza Hill municipality	Qualified	Unqualified
Nyandeni municipality	Unqualified	Disclaimer
Mhlontlo LM	Disclaimer	Qualified
Ntabankulu LM	Adverse	Qualified
Mbizana LM	Disclaimer	Disclaimer

Root causes of bad audit reports in the district can be summarized as follows:

1. Poor and lack of systems, procedures and policies;
2. Vacancies in critical positions;
3. Unsuitably qualified people in critical positions;
4. Poor record keeping;
5. Inadequate management monitoring and supervision;
6. High reliance on consultants particularly in areas such as preparation of annual financial statements.

5.7.2 Audit committee

The district municipality has appointed and has a functional audit committee. It was first appointed in 2003. It is appointed for a period of three years. The current committee was appointed in 2009 and its term of office expires in year 2012. Below is the status of audit committees in the municipal entity and local municipalities that fall under the district municipality:

Name of the organization	Audit committee status
Ntinga OR Tambo Development Agency	Committee is in place
Port St Johns municipality	Committee is in place
King Sabata Dalindyebo municipality	Committee is in place
Ingquza Hill municipality	Committee is in place
Nyandeni municipality	Committee is in place
Mhlontlo municipality	Committee is in place

Below is the status of the internal audit function at the municipal entity and local municipalities that fall under the district municipality:

Name of the organisation	Internal status
Ntinga OR Tambo Development Agency	In-house function
Port St Johns municipality	Shared with the district municipality
King Sabata Dalindyebo municipality	In-house function
Ingquza Hill municipality	In-house function
Nyandeni municipality	In-house function
Mhlontlo municipality	Shared with the district municipality

5.7.3 Risk Management, Fraud and Corruption

In OR Tambo District municipality risk management and anti fraud and anti corruption policies as well as policy on declaration of conflict of interests were workshopped to the new councillors and adopted by the new Council. However, the municipality has not yet entrenched risk management in its operations. A policy on declaration of conflict of interest by staff is being developed. The district municipality is already working hard in achieving its key milestone of receiving unqualified audit opinion. In order to achieve this, root cause of audit findings have been identified and comprehensive corrective measures are being developed. Plans are in place to address issues that resulted to a qualified audit opinion in the past year. The audit committee will play a significant role in monitoring the implementations of risk management plans.

5.8 REPORT OF THE AUDITOR GENERAL (2010/11)

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE O.R. TAMBO DISTRICT MUNICIPALITY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying consolidated and separate financial statements of the O.R. Tambo District Municipality, which comprise the consolidated and separate statement of financial position as at 30 June 2011, and the consolidated and separate statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages XXX to XXX.

Accounting officer's responsibility for the consolidated financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2010 (Act No. 1 of 2010 as amended) (DoRA), and for such internal control as management determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these consolidated and separate financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

Basis for adverse opinion

Infrastructure, property, plant and equipment, depreciation and amortisation and capital commitments

7. The Standards of Generally Recognised Accounting Practice, GRAP 17: *Property, Plant and Equipment* states that the cost of an item of property, plant and equipment shall be recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably. These recognition criteria were not applied and hence items that qualify for recognition as an infrastructure, property, plant and equipment asset totalling R48.4 million were expensed and not capitalised. Had these items been recorded as assets, the surplus for the current period, accumulated surplus at the beginning of the year as well as infrastructure, property, plant and equipment would have increased and expenditure would have decreased by R48.4 million respectively.
8. GRAP 17: *Property, Plant and Equipment* states that where assets are carried at fair value, revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Land and buildings are accounted for using the fair value method per the accounting policy notes, but were not revalued to their fair value at 30 June 2011. Had these items been revalued, the land balance of R35.8 million and buildings balance of R66.9 million as disclosed in note 10 to the consolidated and separate financial statements would increase by R2.6 million and R4.7 million respectively. The reserves balance of R102.6 million as disclosed in the statement of financial position would increase by R7.3 million.
9. Additions to infrastructure, property, plant and equipment were recorded via a journal to reallocate assets from general expenditure to infrastructure, property, plant and equipment. This journal was recorded using the cost of the asset inclusive of Value Added Tax (VAT). Had these items been journalised exclusive of VAT as required, the surplus for the period, infrastructure, property, plant and equipment and accumulated surplus would have decreased by R16.3 million and general expenses would increase by R16.3 million.
10. GRAP 17: *Property, Plant and Equipment* states that depreciation of an asset begins when it is available for use. Infrastructure assets available for use with a carrying value of R152.2 million were recorded as capital work in progress and were not depreciated. I was unable to determine when these assets were available for use and what the increase in depreciation would be had these assets been depreciated. The municipality's records did not permit the application of alternative audit procedures.
11. The infrastructure, property, plant and equipment balance of R3.860 billion, as disclosed in note 10 to the consolidated and separate financial statements, does not agree to the balance of R3.763 billion per the underlying accounting records. Furthermore, the entity did not reconcile this difference of R97 million between the consolidated and separate financial statements and the underlying accounting records and could not provide sufficient appropriate audit evidence to support this amount.
12. The correction of error amounting to R123.3 million disclosed in note 10 and 33 to the consolidated and separate financial statements, which relates to a prior period error, was not properly supported by appropriate documentation. This amount was recorded as a debit to infrastructure work in progress and a credit to accumulated surplus which increased these respective balances. Due to the nature of the errors identified, there were no alternative procedures that could be applied to verify this amount.

13. The capital commitments balance of R580.5 million disclosed in note 36 to the consolidated and separate financial statements was not properly supported by appropriate documentation. The municipality's records did not permit the application of alternative audit procedures.
14. The qualifications above are as a result of a lack of an adequate system of control, on which I could rely, to ensure the existence, completeness, valuation and allocation of the infrastructure, property, plant and equipment assets disclosure, as well as the capital commitments disclosure. The municipality's records did not permit the application of alternative audit procedures regarding infrastructure, property, plant and equipment.
15. Consequently, I did not obtain all the information I considered necessary to satisfy myself as to the existence, completeness, valuation and allocation of the infrastructure, property, plant and equipment assets balance of R3.860 billion (2009/10: R3.542 billion) as disclosed in note 10 to the consolidated and separate financial statements, the depreciation and amortisation balance of R138.5 million (2009/10: R138 million) as disclosed in the statement of financial performance, the capital commitments balance of R580.5 million (2009/10: R725.7 million) as disclosed in note 36 to the consolidated and separate financial statements and the accumulated surplus of balance of R3.784 billion (2009/10 R3.326 billion).

General expenses and repairs and maintenance

16. In terms of GRAP 17: *Property, Plant and Equipment*, the cost of an item of property, plant and equipment shall be recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably. Items that qualify for recognition as an infrastructure, property, plant and equipment asset totalling R48.4 million were expensed. Had these items been recorded as assets, general expenses and repairs and maintenance as disclosed in the statement of financial performance would have decreased by R37.5 million and R10.9 million respectively.

Revenue from exchange transactions

17. The water service charges revenue balance of R94.6 million as disclosed in note 17 to the consolidated and separate financial statements was not calculated and recorded using the approved tariff structure. Had the correct tariff structure been used, the revenue from exchange transactions and debt impairment expense as disclosed in the statement of financial performance would have decreased by R9 million. In addition, the gross trade receivables from exchange transactions and allowance for impairment losses as disclosed in note 6.1 to the consolidated and separate financial statements would have decreased by R9 million.
18. In addition, the municipality did not implement the indigents policy, nor were there controls in place to ensure that all water consumed is billed and recorded. The entity's records did not permit the application of alternative audit procedures in order to obtain reasonable assurance that all service charges revenue was completely recorded.
19. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of service charges revenue of R106 million (2009/10: R88.9 million) as disclosed in the statement of financial performance and note 17 to the consolidated and separate financial statements.

Gain on sale of assets

20. The municipality did not have adequate records, systems and controls to account for the gain on sale of biological assets on which I could rely for the purpose of my audit, and there were no satisfactory audit procedures that I could perform to obtain reasonable assurance that all biological asset sales were recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of the gain on sale of assets balance of R2.2 million as disclosed in the statement of financial performance and note 28 to the consolidated and separate financial statements.

Irregular expenditure

21. Section 112 of the MFMA requires the entity to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. Payments amounting to R321 million were made in contravention of the supply chain management policy. The amount was not identified by management and was not included in irregular expenditure, disclosed in note 42.2 to the consolidated and separate financial statements, resulting in irregular expenditure being understated by R321 million.
22. In addition, sufficient appropriate audit evidence could not be obtained to satisfy myself that contracts to the value of R41.6 million were procured in accordance with legislative requirements and the SCM policy. The municipality's records did not permit the application of alternative audit procedures. Consequently, I was unable to satisfy myself as to the completeness of irregular expenditure as disclosed in note 42.2 to the consolidated and separate financial statements.

Water distribution losses

23. The municipality did not have adequate systems and controls to measure and monitor distribution losses. The water distribution losses amounting to R44.9 million (2009/10: R15 million) as disclosed in note 43 to the consolidated and separate financial statements were not supported by appropriate documentation and calculations. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness and occurrence of the water distribution losses of R44.9 million (2009/10: R15 million) disclosed in note 43 to the consolidated and separate financial statements.

Other corresponding figures

24. The auditor's report on the consolidated financial statements for the year ended 30 June 2010 contained a qualification paragraph due to a limitation on the scope on the audit of expenditure and therefore the possibility of irregular expenditure incurred. The matter which gave rise to the limitation, as described below, remains unresolved in the current year.
25. The municipal entity, Ntinga O.R. Tambo Development Agency, could not provide sufficient appropriate audit evidence regarding proof of delivery of goods or receipt of services and evidence of approval of expenditure of R51.4 million included in the prior year total expenditure balance of R984.9 million as disclosed in the consolidated statement of financial performance. This limitation on the scope of my work was imposed by a fire which destroyed expenditure vouchers in the prior year. I was unable to confirm or verify these amounts by alternative means and as a result, could not confirm the occurrence and compliance of the abovementioned amounts included in the corresponding figures.

Adverse opinion

26. In my opinion, because of the significance of the matters described in the basis for adverse opinion paragraphs, the consolidated and separate financial statements do not present fairly the financial position of the O.R. Tambo District Municipality as at 30 June 2011 and its financial performance and cash flows for the year then ended, in accordance with the GRAP reporting framework and the requirements of the MFMA.

Emphasis of matters

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

Restatement of corresponding figures

27. As disclosed in note 33 to the consolidated and separate financial statements, the corresponding figures for 30 June 2010 have been restated in the consolidated and separate financial statements of the O.R. Tambo District Municipality as a result of errors discovered during the current year.

Unauthorised expenditure

28. As disclosed in the note 42.3 to the consolidated and separate financial statements, unauthorised expenditure to the amount of R7.2 million was incurred as the actual expenditure exceeded the budgeted amount on certain votes for which approval was not obtained.

Irregular expenditure

29. As disclosed in the note 42.2 to the consolidated and separate financial statements, irregular expenditure of R4.39 million was incurred as the expenditure incurred was in contravention of Supply Chain Management (SCM) regulation 12(1)(c) and 17(a).

Fruitless and wasteful expenditure

30. As disclosed in the note 43.1 to the consolidated and separate financial statements, the municipality incurred fruitless and wasteful expenditure of R 419 050 relating to payments for goods and services that were never received.

Material losses / Impairments

31. As disclosed in note 6.2 to the consolidated and separate financial statements, the municipality impaired its current year and prior year debtors by an amount of R195 million and R163 million respectively. This impairment is necessary due to poor collection practices and non-implementation of policies.

Material underspending of the budget

32. As disclosed in note 45 to the consolidated and separate financial statements, the municipality has materially underspent on its budget. At the year end, the underspending amounted to R234 million (2010: R164 million) and no satisfactory explanation was provided. The majority of this relates to other expenditure, which includes conditional grant expenditure. This results in targets not being achieved and poor service delivery.

Additional matter

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

Unaudited supplementary schedules

33. The supplementary information in the appendices set out on pages XXXX to XXXX do not form part of the consolidated and separate financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

34. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages XXX to XXX and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Usefulness of information

35. The following criteria are relevant to the findings below:

- **Consistency:** Objectives, indicators and targets are consistent between planning and reporting documents.
- **Relevance:** A clear and logical link exists between the objectives, outcomes, outputs, indicators and performance targets.
- **Measurability:** Indicators are well-defined and verifiable, and targets are specific, measurable and time-bound.

36. Audit findings:

- **Reported indicators are not complete when compared with the planned indicators**

The actual achievements with regard to 37% of all planned indicators specified in the integrated development plan for the year under review were not included in the report on predetermined objectives submitted for audit.

- **Reported information is not consistent when compared with the planned indicators**

Of the reported information reviewed, 38% of the planned objectives, 68% of all planned indicators and 29% of the planned targets specified in the integrated development plan for the year under review were not consistent with the information reported in the report on predetermined objectives submitted for audit purposes.

- **Planned and reported performance targets are not measurable**

Targets with regard to 38% of all planned indicators specified in the integrated development plan are not measurable and specific.

Reliability of information

37. The following criteria are relevant to the findings below:

- **Validity:** Actual reported performance has occurred and pertains to the entity.
- **Accuracy:** Amounts, numbers, and other data relating to reported actual performance have been recorded and reported appropriately.

38. Audit findings:

- **Reported results per the annual performance report are not valid as no supporting source information was provided**

For the selected targets the validity of 27% of the reported indicators could not be established as sufficient appropriate audit evidence could not be provided for audit purposes.

- **Reported results per the annual performance report are not accurate when compared to source information**

For the following material reported indicators the source information or evidence provided was not accurate:

- The reported number of water schemes refurbished and upgraded is not accurate as 70% of the reported performance did not agree to supporting documentation.
- The reported number of households benefiting from the One Household One Food Garden programme is not accurate as 47% of the reported performance did not agree to supporting documentation.

Compliance with laws and regulations

Included below are findings on material non-compliance with laws and regulations applicable to the municipality.

Budgets

39. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.
40. The accounting officer did not always submit the monthly budget statements to the relevant provincial treasury, as required by section 71(1) of the MFMA.

Annual financial statements, performance and annual reports

41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of capital assets, revenue, expenditure and disclosure identified by the auditors were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving an adverse audit opinion.
42. The accounting officer did not make public the council's oversight report on the 2009/10 annual report within seven days of its adoption, as required by section 129(3) of the MFMA.

Internal audit

43. The internal auditors of the municipality did not audit the performance measurements on a continuous basis as required by Municipal Planning and Performance Management Regulation 14.

Expenditure management

44. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
45. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system which recognised expenditure when it was incurred, accounted for creditors of the municipality and accounted for payments made by the municipality as required by section 65(2)(b) of the MFMA.
46. The accounting officer did not take reasonable steps to prevent unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Procurement and contract management

47. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17(a) and (c).
48. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids as per the requirements of SCM regulation 19(a) and 36(1).
49. Invitations for competitive bidding were not always advertised for a required minimum period of days as per the requirements of SCM regulation 22(1) and 22(2).
50. Awards were made to providers whose tax matters had not been declared by the South African Revenue Services to be in order as required by SCM regulation 43.
51. Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per the requirements of Municipal SCM regulation 13(c).
52. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and SCM regulation 28(1)(a).
53. Sufficient appropriate audit evidence could not be obtained that construction contracts were awarded to contractors that were registered and qualified for the contract in accordance with the prescripts of the Construction Industry Development Board (CIDB).
54. Awards were made to providers who are persons in service of other state institutions in contravention of the requirements of SCM regulations 44. Furthermore the provider failed to declare that he/she is in the service of the state as required by SCM regulation 13(c).
55. Persons in service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, as required by SCM regulation 46(2)(e).
56. A list of accredited prospective providers was not in place for procuring goods and services through quotations as required by SCM regulation 14(1)(a).

Human resource management and compensation

57. Senior managers directly accountable to the municipal manager did not sign annual performance agreements for the year under review, as required by sections 57(1)(b) and 57(2)(a) of the Municipal Systems Act (MSA).
58. The acting municipal manager did not sign an annual performance agreement for the year under review, as required by sections 57(1)(b) and 57(2)(a) of the MSA.

Transfer of funds and conditional grants

59. The municipality did not always submit quarterly reports to the transferring national officer on non-financial performance in respect of the allocation received as required by section 11(2)(c) of the DoRA.
60. The accounting officer did not evaluate the performance of the municipality in respect of programmes funded or partially funded by a schedule 4 allocation within two months after the end of the financial year as required by section 11(6) of the DoRA.

Revenue management

61. A credit control and debt collection policy was not implemented as required by section 96(b) of the MSA.

Asset management

62. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system which accounts for the assets of the municipality as required by section 63(2)(a) of the MFMA.
63. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of internal control for assets (including an asset register) as required by section 63(2)(c) of the MFMA.

INTERNAL CONTROL

64. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for adverse opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

65. There has been a significant change in leadership during the year in that a new Council and Mayor were appointed after the elections. The lack of oversight and accountability of the accounting officer, senior management officials and Council has resulted in numerous repeat audit findings.
66. The accounting officer and council have failed to ensure that the Human Resources unit manages the staffing requirements within the department through the appointment and retention of adequate and sufficiently skilled resources within an updated and approved operational organisational structure. As a result, the municipality does not appear to be sufficiently staffed in order to ensure the fair presentation of financial statements and reporting on predetermined objectives and compliance with laws and regulations.

67. The municipality did not have adequate controls and processes in place to ensure compliance with all applicable legislation. Further, there is inadequate oversight by senior officials to ensure that policies, procedures and controls are implemented correctly.

Financial and performance management

68. The finance department remains reliant on the use of consultants to perform functions that should be performed by the staff employed by the municipality. A poor control environment over financial reporting exists as extensive manual reconciliation of accounting records and supporting schedules is required at year end as these controls are not performed on a regular ongoing basis during the year. In addition, controls are not designed to prevent and detect irregular expenditure.
69. The annual financial statements submitted for audit were subject to numerous amendments to ensure achievement of adequate presentation. Further, not all documentation requested for the auditing of a number of balances disclosed in the financial statements, as well as assessing actual performance against predetermined objectives, was provided for audit purposes. The systems or processes for the preparation and reporting of performance against predetermined objectives are not adequate or sufficient as the department has no formally adopted, and tailored, system or procedure manual which sets out processes to follow, controls in place, as well as responsible officials for the preparation, collation, reporting and monitoring of performance against predetermined objectives. In addition, managers do not always submit the required reports and supporting documentation for monitoring purposes.
70. The municipality does not have adequate controls in place over significant operational areas such as infrastructure, property, plant and equipment, revenue and accounts receivable as not all transactions are identified and recorded in the accounting records. Further, there is a lack of segregation of duties as reliance is placed on a few key personnel to perform crucial functions. This has the impact of limiting supervision and monitoring.

Governance

71. Insufficient action was taken by the governance structures within the municipality to ensure that risks relating to the monitoring and reporting of financial information as well as performance objectives were addressed. Management did not implement all the recommendations made by internal and external audit which resulted in repeat audit findings in these areas.
72. In addition, the audit committee and internal audit unit failed to identify and provide sufficient oversight relating to the supply chain management processes resulting in a significant increase in irregular expenditure identified through the audit process in the current year. Although a review of the supply chain management process was performed by the internal audit unit, it was not sufficient as it did not identify all weaknesses, resulting in unidentified and undisclosed irregular expenditure. There was also insufficient monitoring by those charged with governance to ensure compliance with laws and regulations.

OTHER REPORTS

Investigations

73. A number of investigations are in progress. The investigations were initiated based on the allegation of possible conflicts of interest, irregularities in the awarding of bids, non compliance with the supply chain management policy, misappropriation of assets and fraud. The investigations resulted in criminal proceedings being instituted against four employees.

Auditor-General

East London

15 December 2011



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

5.9 REPORT OF THE O.R. TAMBO DM AUDIT COMMITTEE

The O.R. Tambo District Municipality has a functional audit committee and the detail is contained in the document pasted below:-

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

Audit Committee Members and Attendance:

The Audit Committees consist of the members listed hereunder and meet at least 4 times per annum as per the approved terms of reference. Over and above the four mandatory meetings stipulated in the terms of reference, the Audit Committee meets on an ad-hoc basis as and when it is necessary, during the current year six Audit Committee meetings were held. The details of attendance of meetings are recorded below:

Name of Member	Number of meetings attended	Ad-hoc Sitings	Total
Ms. T. Njozela Chairperson	4	2	6
Ms N Galeni	4	1	3
Ms N. Mangisa	3	0	-
Mr J. Moshesh (Resigned 09/2010)			

The Audit Committee had separate meetings with the Executive Mayors and Councillor responsible for audit as well as the Auditor General.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from sections 166(2) and 121(4) (g) of the Municipal Financial Management Act no 56 of 2003(MFMA).

The Audit Committee also reports that it has reviewed and adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal control applied by the department over financial risk and risk management is not entirely effective and adequate. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, it was noted that the system of internal control was inadequate and ineffective for the year under review. During the year under review, several deficiencies in the system of internal control and/or deviations were reported by the internal auditors. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

The O.R. Tambo District Municipality (ORTDM) had senior positions vacant during the year including the Municipal Manager position that was vacant for the entire year. A number of positions in the budget and treasury office were vacant and that severely compromised the control systems of the municipality. Risk assessments are done. However, risk mitigating controls are not fully implemented. In addition there was a delay in finalising the risk assessment exercise. There

were suspected fraud and corruption cases that were referred to the committee for investigation. Findings of such investigations and suggested corrective measures were discussed with management.

The quality management of quarterly reports submitted in terms of the MFMA.

The Audit Committee has not been presented with satisfactory regular management reports to enable us to:

- Monitor the integrity ,accuracy and reliability of the financial position of the Municipality
- Review the management accounts to provide the Council with an authoritative and credible view of the financial position of ORTDM.
- Review the disclosure in the financial reports of ORTDM
- Monitor and review the implementation of approved budget of ORTDM

The audit committee had reported this shortcoming to the management.

Evaluation of Financial Statements

The Audit Committee has

- reviewed and discussed the Audited financial statements and performance against objectives report to be included in the annual report with the Auditor General, management and Accounting Officer
- Reviewed the Auditor-General’s management letter
- Not reviewed the management’s response to management letter because it was not available; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor general conclusion 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

Ms. T. Njozela
Chairperson – Audit Committee

5.10 AUDITED ANNUAL FINANCIAL STATEMENTS (2010/11)

Refer to Appendix 1. Attached.

5.11 MANAGEMENT REMEDIAL ACTION PLAN

Refer to Appendix 2. Attached

CHAPTER 6: SERVICE DELIVERY PERFORMANCE REPORTS

6.1 INFRASTRUCTURE AND SERVICES CLUSTER

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
Good Governance and public participation	To enhance accountability in the municipal organisation	1.1	% review of ORTDM' system of delegation		100%	none	Not prioritised in the cluster	Management as a collective to prioritize.	System of Delegation approved by ORTDM Council
	Improve communication for service delivery improvement	1.2	No. of service delivery progress reports presented to communities		4	3 SLA's entered into and on implementation	None	None	Service Delivery Report
		1.3	% response to queries from the Presidential Hotline, imbizos, call centre, operation cacisa ⁱ		100%	100% (No queries submitted)	None	None	None
		1.4	% implementation of massive communication programme		100%	100% IDP roadshows, Water conservation and demand management awareness campaigns, Operation Cacisa flyers and stickers	None	None	Attendance registers, Stickers, notice boards and flyers
		1.5	Number of communication and marketing programs implemented 1.6 on the SDBIP talks to compliance with the Council calendar – this report does not reflect that.		3	3 1 Drought Awareness 1 Water conservation and demand management awareness campaign Roadshows on by-laws and policies	none	none	Stickers, notice boards and flyers and operation Cacisa
	Ensure all identified risks are mitigated	1.6	% development of a system to track and analyze the implementation of resolutions made by Council and council structures		100%	80%	None	None	Minutes

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
		1.7	% attainment of targets set to address audit issues raised.		100%	95%	Staff shortages to implement identified challenges	Filling of vacant posts	Meters installed, WSDP approved by Council, Asset Registers in place, enforcement of credit control policy, draft tariff policy document completed and tariff increase proposals have been presented to communities.
	To ensure effective IGR environment and proper functioning of IGR structures	1.8	Number of JTT meetings held		6	6	None	None	Minutes and attendance register (Management report to portfolio on functionality of IGR)
		1.9	% implementation of resolutions and recommendations made by the JTT		100%	80% achieved	none	none	MOA Signed with Amatola water-boards and implementation plan agreed upon is under execution. MOA has been signed with uMgeni Water (Portfolio reports on IDP Sector Forum meetings)
Institutional Transformation and Development	To create a conducive policy environment for improved systems	2.1	No. of policies and by-laws developed and enforced ⁱⁱ		2	2	The Tariff Policy, credit control policy and the WSDP has been approved by council.	none	Approved Credit control policy, Tariff policy and

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
		2.2	No. of by-laws offenders prosecuted		30		none	none	Lists of water disconnections for non-payment and for discharge grey water on the street
		2.3	% Review of WSDP		100%	100% WSDP approved by council	None	None	Council approved WSDP document
	To implement Performance Management across the district municipality	2.4	Number of performance/ compliance reports submitted Indicator on PMS Implementation not reported on		17	Quarterly reports submitted SDBIP also refers to monthly reports	none	Ensure compliance	Monthly report Annual report Quarterly report
	Improve management of contracts, SLA, MOU & MOA and partnerships for community/ institutional development	2.5	Number of new partnerships for community/ institutional development established ⁱⁱⁱ		4	4	none	none	Amatola water contract, DHS (sanitation) and Lonmin & IDT(rain water harvesting tanks),EPWP
		2.6	% compliance with legal services procedure manual		100%	99%	none	none	All draft agreements are sent to Legal Service prior signing for comments and their recommendation Compliance report
		2.7	Number of legal actions taken against defaulting contractors		2	115	Implementation of credit control policy	None	Compliance report Blacklisting database, summons, court orders
		2.8	% compliance with contractual signed agreements, SLA, MOU, MOA		100%	90%	Delays caused by labour union in relation to their grievances	None	Compliance report

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
	To improve customer relations management	2.9	Average time taken to respond to water service queries		48hrs	12hrs Response time seems to have been reduced to even lower than target – what did they do well?	Analyzing feedback from communities and ensuring that accurate information is received from communities is still a challenge.	Implementation of operation Cacisa	Customer Care Relations Report
		2.10	Time taken to repair faulty meter, water leakages and blocked drains		2hrs	3hs	None, Reason can't be none when target is not met	To improve on Resource mobilisation and supervision	Customer Care Relations Report
		2.11	% Development of customer service charter		100%	98%	Draft available awaiting Council Approval by 30 September 2011.	None	A Draft Customer service Charter is available and the necessary processes for it to be approved by council before 30 September 2011 will be followed. Approved Customer Service Charter
		2.12	% improvement in Customer satisfaction		40%	65%	None	none	Customer satisfaction survey results
	To strengthen the mainstreaming of special programmes	2.13	Number of programmes implemented in recognition of Mandela day		1	3 Achieved: KwaMpuku sewer, Waterfall park sewer and completion of sanitation project in KSD 21	There were too many volunteers who offered their services.	None	Payment and invoices and Mandela Day report Nelson Mandela Contribution report
		2.14	Number of programmes implemented in recognition of O.R Tambo Month		3	3	none	None	O. R. Tambo Month Report and photos

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
		2.15	Number of service delivery programs mainstreaming interests of vulnerable/ designated groups		10	8	None If target is not fully met there must be a reason for variation	none	Employment register on projects Mainstreaming report
Financial Viability and management	Implement sound financial management and revenue enhancement	3.1	%Compliance with financial reporting requirements		100%	100%	None	None	Sec 71 & 52 d report
		3.2	% additional revenue generated/ raised to support the special programmes		0	3 million(from DHS)	None	None	Funding from DHS for Sanitation
		3.3	Amount of financial savings accrued ^{iv}		R30 000.00	0	Recession and market price increases	none	None Management Report
		3.4	Number of awarded incentives received for additional revenue generated		1	none	None If target is not fully met there must be a reason for variation	none	None Management Report
		3.5	% of ORTDM' Capital budget spent		95%	82%	Delays in tender adverts and awards, delays in project registration. EIA approvals, drought challenges, non compliance to contractual obligations by PSPs	Ensure that projected time frames for procurement are adhered to. Engagement with the sector departments on project approvals, strengthen project management	Projections vs Expenditure report Audited Financial Statements
		3.6	% of MIG budget spent		100%	82%	Delays in tender adverts and awards, delays in project registration. EIA approvals, drought challenges, non compliance to contractual obligations by PSPs	Ensure that projected time frames for procurement are adhered to. Engagement with the sector departments on project approvals, strengthen project management	Projections vs Expenditure report Audited Financial Statements

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
		3.7	R amount of capital expenditure raised from private markets and other sources		30 million	57 million	Mobilised more than the set target	Positive performance	SLA signed between DM and National Department of Human Settlement Annual Financial Statements approved by Council
	Revenue collection	3.8	No. of consumers receiving their monthly bills		19 000	22083 achieved	None Reason for over - achievement	None	Billing records South African Postal Services confirmations
		3.9	% implementation of data cleansing		100%	90%	none	Gained access to the Deeds office website	Management report
		3.10	% increase in revenue collection from water sales		30%	Reported on under BTO	Reported on under BTO	Reported on under BTO	S 71 Report to the Executive Mayor
	Reduce indebtedness of indigent H/H	3.11	% of the accounts of indigent HHs written-off		100%	50% Refer to cfo	None	none	Annual Financial Statements approved by Council
Local Economic Development	To build the capacity of Council employees and residents	4.1	No. of learnerships implemented		5	45	Received funding from DWA	None	HR Report Learnership Report to Council
		4.2	No. of students benefitting from the District financial assistance		99	Reported under Corporate Affairs department	Reported under Corporate Affairs department	Reported under Corporate Affairs department	HR Report Registration confirmations from tertiary institutions
	Create job opportunities and reduce unemployment	4.3	Number of jobs created through EPWP and other job creation programmes		600	300	None Reason for under-performance to be stated.	None	EPWP Reports submitted to Public Works and Council
	To improve procurement opportunities for	4.4	% of budget spent on BEE companies, designated groups and cooperatives		30%	50%	None Reason for overachievement	None	SCM report/

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
	BEE companies, designated groups and cooperatives	4.5	No. of cooperatives established for designated groups		7	0	Uncertainties in the existing cooperatives hence the scope was not expanded.	Liaise with LED	None Report on skills development and economic empowerment for designated groups
Basic Service Delivery and Infrastructure	Ensure reduction of water and sanitation services backlogs	5.1	No. of Water Schemes refurbished and upgraded ^v		9	115??? Pls confirm if correct	The budget was ringfenced by DoRA	None	Assessment Report Management Report
		5.2	No. of abandoned projects completed		35	5	Funding constraints, and challenges of terrain in some areas	Allocation of more funds to the program	Progress reports Service Delivery report to council
		5.3	No. of HHs with access to basic level of water		14000	3114	The work completed is the bulk component what is outstanding is the reticulation.	Setting realistic targets as there can be no household connections until the bulk components are completed. Also the Municipality is embarking on regional schemes which needs lead time before reticulation can be connected.	Project list of completed projects with no of households benefiting. Completion certificates Service Delivery report to council
		5.4	No. of HHs with access to basic levels of sanitation		45800	36314	Non award of tenders and delays in project registration	Bid Committees to ensure regular sittings in order to award on time and ensure that the funds are not taken back by funders.	Project list of completed projects with no of households benefiting. Completion certificates Happy letters from communities Service Delivery report to council

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
		5.5	No. of HHs with access to basic level of electricity		0	0 (not DM's function)	None	None	IDP
		5.6	% completion of town sanitation upgrade to waterborne sanitation system		100% of 1 town	100% of 1 town	None	None	Management Report
		5.7	No. of public toilets constructed		4	0	The funding from Public Works which was identified was on condition that the DM report on job creation	The target will be incorporated in the sanitation upgrade of towns' sanitation	Management report
		5.8	No. of bulk meters and meters installed		2000	320	Insufficient funds If no budget for it, it shouldn't have been on the SDBIP!	Explore other sources of funding	Service Delivery Report to Council
		5.9	No. of water meters repaired		300	4221???	Appointed additional service providers for meter installation	None	Service Delivery Report to Council
		5.10	No. of boreholes drilled and equipped		25	19	Insufficient funds If no budget for it, it shouldn't have been on the SDBIP!	Municipality to embark on regionalisation as there are resilient to drought	Service Delivery Report to Council
		5.11	No. of liters of water provided as FBS		300000 liters	74 656 650 litres	The need has increased due to increase in drying of Traditional water sources		Water delivery notes Service Delivery report to council
		5.12	% Update of indigent register		100%	99%	Register not yet approved	none	Draft register available Service Delivery report to council
		5.13	No. of springs protected		25 springs	42	none	none	Drought report Service Delivery report to council
		To Provide Free Basic water and sanitation services to indigent households							

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
	To improve water supply and reduce unscheduled interruptions	5.14	% implementation of operation and maintenance activitiesvi		100%	100%	None	None	Progress report Council Resolution
		5.15	No. of sewer pumps refurbished		7	9 under refurbishment	None	none	Tender award Service Delivery report to council
		5.16	Amount of ML water purchased		25200	11970ML	None	None	Current bills by DWA S71 Reports to Portfolio Committee on Infrastructure
		5.17	% of bulk mains and reservoirs constructed		100%	30%	Delays in SCM processes	Improve SCM committee sittings	Progress reports Service Delivery report to council
		5.18	No. of leaking reservoirs cleaned and sealed and replacement of ball valves		4	3 Actual performance is less than annual target	None???	None???	Payment and assessment report Service Delivery report to council
	To improve the quality of water to prescribed standards	5.19	No. of water schemes supplied with chemicals purified		30	30	None	None	Service Delivery Report to Council Reports to Portfolio Committee on Infrastructure
		5.20	% compliance with 4 critical DWAF effluent standards (e-coli count, Ammonia content, Oxygen demanding substances, total suspended solids)		90%	96%	Submission of sampling results on monthly basis	Implementation of water quality management plan	Blue drop and green drop assessment report Quality Standards Report to Portfolio Committee
		5.21	% of drinking water compliant with SANS 241 Class 1		95%	96%	Submission of sampling results on monthly basis	Implementation of water quality management plan	Water Quality Report to Council

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Annual performance 2010/11	Reasons for variation	Corrective Measures	MEANS OF VERIFICATION
		5.22	% attainment of the Blue Drop Status		90%	43.6% on blue drop and 95% on sampling compliance	???	???	Water Quality Report
	To provide adequate office space and capital assets required	5.23	% completion of Myezo offices		100%	100%	None	None	Progress Report Updated Asset Register to Council
		5.24	No. of honey suckers and jet vac delivered		3	3	None	None	Award Letter Service Delivery report to council
		5.25	No. of cars delivered		10	0	Tender & specification document developed Municipality is considering leasing option as it is seen as the cost effective method	Municipality to fast-track the exploration of leasing method	Minutes from management meeting and vehicle requirements report and draft tender document
		5.26	No. of water trucks purchased		9	9	none	None	Award Letter Asset Acquisition Report to Council
	To improve roads network for increased access	5.27	No. of km of roads (surfaced and gravel) maintained		9km Mfundisweni	9km	None	None	Progress Report/ Completion Certificate Service Delivery report to council
	To ensure effective management of ORTDM' resources	5.28	% reduction in volume of unaccounted water losses as part of total water consumed		40%	24%	Unfilled vacant positions and insufficient funding	Filling of vacant positions and installation of domestic meters to low cost houses	Service Delivery Report to Council
	To ensure adequate provision of security	5.29	No. of Treatment Works to be provided with CCTV		4	0	Tenders have been evaluated and now awaiting adjudication	none	Annual report and completion certificate CCTV Report to Portfolio committee

6.2 PLANNING AND SOCIO-ECONOMIC AFFAIRS CLUSTER

6.2.1 COMMUNITY & SOCIAL SERVICES

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
Good Governance and public participation	Improve communication for service delivery improvement	1.4	% response to queries from the Presidential Hotline, imbizos, call centre, operation cacisa		100%	100%	None	None	Call reports
		1.6	% attainment of targets set to address audit issues raised		100%	100%	None	None	Report
	To ensure effective IGR environment and proper functioning of IGR structures	1.7	% Support to district sports and art council		100%	50%	Lack of viable local structures	Establishment of local structures	Report
		1.8	Number of functional related sector forums		2	2	None	None	Reports
Institutional Transformation and Development	To create a conducive policy environment for improved systems	2.16	No. of policies and by-laws developed/reviewed		3	2	Awaiting workshop and council approval	To be finalized next financial year.	Fire bylaws Heritage sector plan Draft Sport development plan Crime prevention Strategy Disaster Management Framework
		2.17	% development of Heritage sector plans		50%	50%	None	None	Draft heritage sector plan
		2.18	% Development of Crime prevention strategy		50%	50%	None	None	Crime prevention plan draft
		2.19	% Development of Municipal health services plan		50%	50%	None	None	Municipal Health Services plan

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
		2.20	% Development of sports development plan		100%	50%	Terms of reference still outsourced	Outsourcing terms of references and solicit inputs from stake holders	Draft sports development plan
		2.21	% Development of Disaster management policy		100%	100%	None	None	Disaster Policy Framework
	To implement Performance Management across the district municipality	2.22	Number of performance/ compliance reports submitted		17	17	None	None	Reports
		2.23	% of employee levels implementing PMS in ORTDM		10%	0	Refer to HR Department	None	HR Report
	Improve management and enforcement of contracts, SLA, MOU & MOA and partnerships for community/ institutional development	2.24	Number of new partnerships for community/ institutional development established		2	2	None	None	Documents / Minutes of meetings
		2.25	% compliance with legal services procedure manual		100%	0	No legal issues this year	None	None
		2.26	% compliance with contractual signed agreements, SLA, MOU, MOA		100%	100%	None	None	Libraries report
	To improve customer relations management and inculcate batho pele standards	2.27	Average time taken to respond to labour queries		48hrs	0	No labour queries this financial year	None	None
		2.28	% development of departmental service standards		100%	100%	None	None	Departmental Service Standards
		2.29	Number of labour conflicts resolved		50%	0%	No labour conflicts this financial year	None	None
		To strengthen the mainstreaming of special programmes	2.30	Number of programmes implemented in recognition of Mandela day		1	1	None	None

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
		2.31	Number of programmes implemented in recognition of O.R Tambo Month		1	1	None	None	Photographs
Financial Viability and management	Implement sound financial management and revenue enhancement	3.12	% Compliance with financial reporting requirements		100%	100%	None	None	Financial reports
		3.13	% additional revenue generated		1% of total budget	1%	None	None	Reports Business Plan
		3.14	Amount of financial savings accrued		R30 000	R400 000	Use of domestic products during Women's environmental Summit	None	Report
		3.15	Number of sections awarded incentives for additional revenue generated		1	0	No budget for incentives.	Fast-track PMS implementation	None
		3.16	% of ORTDM Capital budget spent		95%	70%	Awaiting adjudication of tender	Facilitate adjudication	Budget Votes Report
	To reduce municipal telecommunication expenditure	3.17	% reduction in the overall ORTDM telecommunication expenditure		15%	15%	None	None	Telephone bills
Local Economic Development	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.1	% of budget spent on BEE companies, designated groups and cooperatives		90%	90%	None	None	List of local service providers used
	To build the capacity of Council employees and residents	4.2	No. of learnerships / internships in the department		2	0	No learnership opportunities obtained for Community Services this year	Project transferred to HR Department	None
Basic Service Delivery and	Ensure appropriate disaster risk	5.1	Number of LMs with scientific disaster risk assessments done		7	0	SRK Consulting still collecting and capturing data,	Interact with ECPDMC to fast track the process.	Assessment report

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
Infrastructure Development	management	5.2	Number of LMs with disaster communication equipment installed		2	0	Less funds	Provision of funds	None
		5.3	% acquisition and branding of new disaster vehicles		100%	50%	Process at adjudication stage	Liaise with Manager SCM and encourage speeding up of the process	Tender invitation document
	To provide effective emergency rescue and response services to all citizens and visitors within ORTDM	5.4	% completion of refurbishment of 2 fire engine		100%	50%	1 fire engine completed 010 ORT EC due to shortage of vehicles	None	Documentations / asset records
		5.5	Average response time from call to dispatch to all fire emergencies (to towns and Villages)		1hr - 2hrs	1hr - 2hrs	None	None	Fire call analysis
	Improve community readiness to mitigate against disasters	5.6	Number of vulnerable communities trained in disaster preparedness		14	90	Trained 30 of CERTs volunteers and used their services to train the 90 communities	None	Attendances register.
		5.7	No. of disaster 'hotspots' identified		2	2	None	None	Monthly reports
	To provide effective emergency rescue and response services to all citizens and visitors within ORTDM	5.8	% reduction in veld and forest fires		2.5%	- 23,8 % (not achieved, more veld and forest fires occurred than last year)	Long grass, dry, windy, hot, weather conditions precipitated fires	Awareness campaigns	Fire incident reports
		5.9	% reduction in disaster and fire fatalities		2.5%	2.5%	None	None	Call reports
	To facilitate access to social grants by	5.10	No. of social grants registrations campaigns facilitated		2	2	None	None	Reports

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
	indigent local residents	5.11	% development of a food bank programme		50%	25%	The identified site needs refurbishment.	None	Report from the Dept of Soc Dev.
	To strengthened CPFs. Safer schools programmes	5.12	No. of LMs selected for CPF training		4	4	None	None	Reports
		5.13	No. of volunteers trained in first aid and basic fire fighting		14	18	None	None	Reports
	To ensure adequate response through fleet availability	5.14	No. of disaster management vehicles purchased		4	0	Still in adjudication	Liaise with Manager SCM and encourage speeding up of the process	None
		5.15	% availability of disaster management vehicles		90%	50%	All vehicles are old. Most are in the garage for repairs.	Liaise with Manager Fleet management.	Logbooks
	To provide a regulatory environment necessary for service delivery	5.16	No. of inspection in uncontrolled solid waste/ tipping sites & a controlled solid waste site conducted		28	28	None	None	Report
		5.17	No. of illegal dumping site identified		20	23	None	None	Report
		5.18	% reduction in number of illegal dumping sites		10%	10%	None	None	Report
		5.19	No. of government buildings inspected		20	20	None	None	Report
		5.20	No. of government mortuaries and private funeral undertakers inspected complying with R237		14	16	None	None	Report

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
	To monitor food and water quality	5.21	Number of formal food premises certified in terms of R918		160	404	More businesses operating without licenses were identified.	Concentrate in certification of food handling premises and liaise with local municipalities regarding this issue.	Report
		5.22	No. of water samples tested		350	449	Staff complement made a tremendous increase in water sampling.	Expand distribution of domestic treatment (jik) to the needy communities.	Water Samples report
		5.23	No. of food samples tested		160	821	Strengthened health and hygiene awareness education focusing on personal hygiene resulted to bigger coverage.	Planned to carry out small projects in identified hotspot areas.	Food Samples Report
	To provide primary health care/ municipal health services	5.24	Number of municipal health service officers seconded to DM		16	0	Devolution of municipal health services function not yet finalized.	Expedite this process by making sure that all the required documentation are prepared by department of health and submitted to the DM	Minutes of meetings
		5.25	Number of health care centres supported		8	8	None	None	Report
	To ensure development of sports, heritage, arts and culture	5.26	Heritage summit held		1	0	The heritage route would be affected by disestablishment of the DM	Planned for the following financial year	None
		5.27	No. of artists supported		2	32	Administration and financial management workshops reached more people at a time	None	Files Photographs

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous year's performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of Verification
		5.28	No. of sporting codes supported		2	5	Clustering of teams for tournaments	None	Photos Reports
		5.29	No. of sports facilities transferred		2	0	Facilities still under construction	To be transferred next financial year	Photographs
	To provide basic library furniture and equipment required for community library services	5.30	No. of community libraries provided with furnisher and equipment		8	11	None	None	Reports Photos
	To promote a culture of reading, library usage and lifelong learning	5.31	No. of library awareness campaigns conducted		7	11	None	None	Reports Photos
	To prevent, reduce and manage HIV&AIDS, STI's and TB	5.32	No. of workshops on Life Skills awareness & parenting skills for teenage mothers at schools and organized youth		2	4	Partnership with UCARC	None	Report
	To protect and promote the rights of vulnerable groups	5.33	No. of ECDC equipped with educational equipment		3	4	None	None	List of ECDEs supported
		5.34	No. of places of safety supported		2	1	UCARC covers most local municipalities and therefore preferred	None	Report
	To improve livelihood of indigent families under distress	5.35	No. of families under distress receiving material support		25	27	This depends on demand	None	List of families supported

6.2.6 HUMAN SETTLEMENT

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		2.32	% Development of Housing Strategy		100%	90%	Service Provider not progressing according to the set targets.	A letter instructing the Service provider to speed up on progress according to set targets	Report
		2.33	Human Settlement Forum		4	2 Human Settlement forum meetings	Relevant stakeholder were not available due to Local Government Elections	None	Attendance Register and Minutes of the meetings.
		2.34	No. of people trained on human settlements policies		3000	1384 people trained	H.C.E raises the hopes of communities that there will be a housing project in that particular area. There couldn't be any meetings due to Local Government Election programmes	To conduct H.C.E in areas where there are approved projects.	Attendance registers
Basic Service Delivery and Infrastructure Development	To create sustainable human settlements	5.36	No. of adequate housing opportunities created		2051	182 units complete and 165 VIP Toilets	Delays in appointment of contractors.	Fastrack procurement processes.	Monthly Progress Report
		5.37	No. of emergency housing opportunities created		606	57	Delays in Tender adjudication. Slow progress in the process of fee claim payments by the Provincial Dept. of Human Settlements has caused contractors to underperform on site because of cash flow problem	Appointment of contractors	Technical Report 23 slabs constructed, 3 roofs and 26 superstructures constructed at Coffee Bay and Nqabeni
		5.38	No. of military veterans with access to housing opportunities		50	0	Slow process of appointing a contractor by the Department of Human Settlements [Directly implemented by the Dpt. Of Human Settlements]	Negotiate with DOH to fastrack appointment of contractors and	Correspondence from province. Approved funding application for 17 units

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		5.39	No. of BNG housing opportunities created		100	06 Units constructed Geotechnical investigation still underway.	Geotechnical investigation is lengthy	Completion of geotechnical investigation.	Photograph of completed BNG houses
		5.40	No. of (poor quality) housing units rectified		822	0 Contractor appointed. Agreement signed by D.O.H .S and the appointed contractor.	Delay in appointment of contractor	Establishment of site office by the Contractor. Schedule of site meetings	Appointment letter and signed agreement.
	To facilitate the upgrading informal settlements	5.41	Number of informal housing settlements upgraded		2	0	03 identified informal settlements projects:- Tsolo Ext. 07; Langeni & PSJ and still facilitating funding for the projects to be upgraded.	None	PSJ Council Resolution and Langeni Concept Document
		5.42	No. of ha of land procured for housing opportunities		6000	0	D.O.H.S is in the process of acquiring land for Community Residential Units at KSD	PSJ identified erven 1465, 1466 & 500 for housing development	Council Resolution from KSD. Council Resolution from PSJ

6.2.3 PLANNING AND DEVELOPMENT

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
Good Governance and public participation (05)	To enhance accountability in the municipal organisation	1.10	% compliance with the council calendar		100% Full compliance with council calendar	90%	Non sitting of some of the council committees.	Enhance sitting of council committees	Reports
	Improve communication for service delivery improvement	1.11	% response to queries from the Presidential Hotline, imbizos, call centre, operation cacisa.		100% response to queries from the Presidential Hotline, imbizos, call centre, operation cacisa	0%	No queries were forwarded to the department.	N/A	N/A
	Ensure all identified risks are mitigated	1.12	% implementation of resolutions made by Council and council structures		100% implementation of council resolutions	50%	Delays in the establishment of PPPs.	Consultation with strategic partners	Reports
		1.13	% attainment of targets set to address audit issues raised		100% of identified audit queries addressed	100%	None	None	Leave management report to SD
	To ensure effective IGR environment and proper functioning of IGR structures	1.14	Number of functional planning and Development related sector forums		4 Planning & Development Related Sector Forums conducted.	4	None	None	reports on sector forums meetings
Institutional Transformation and Development (10)	To create a conducive policy environment for improved systems	2.35	No. of sector plans, policies and by-laws developed/ reviewed		1 Social Facilitation Plan developed	1	None	None	Social Facilitation plan Doc
		2.36	No. of Ward IDPs developed to feed to the LM's IDP and to DM's IDP		6 Ward IDPs Developed	6 ward IDPs developed	None	None	Six ward IDPs
		2.37	% development of Co-operatives Development Strategy		100% development of Co-operatives Development Strategy	25% of strategy development completed	Delays due to local government elections	Finalise strategy development in the financial year	Reports
		2.38	% development of Agricultural Development Strategy		100% development of Agricultural Development Strategy	90% Final draft	Delays due to local government elections	Approval of strategy in the financial year	Final draft

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	To build capacity and enhance skills for councilors and officials	2.39	No. of training opportunities created		4 Training opportunities created	Target Achieved	N/A	N/A	Training reports
	To implement Performance Management across the district municipality	2.40	Number of performance/ compliance reports submitted		16 performance/ compliance reports submitted	Target Achieved	N/A	N/A	monthly reports 2 quarterly reports 1 Mid Term 1 annual report
		2.41	% of employee levels implementing PMS in ORTDM		100% of employees with signed performance plans	10%	Cascading of PMS in progress	To be implemented in the next financial year	Signed performance agreement
	Improve management and enforcement of contracts, SLA, MOU & MOA and partnerships for community/ institutional development	2.42	Number of new partnerships for community/ institutional development established.		4 new partnerships for community/ institutional development established.	4	None	None	
		2.43	% compliance with contractual signed agreements, SLA, MOU, MOA		100% compliance with contractual signed agreements, SLA, MOU, MOA	80% Compliance	Delays in processing some activities	Some contracts to be finalised next financial year	Reports
	To improve customer relations management and inculcate batho pele standards	2.44	% development of departmental service standards		100%	100%	None	None	Copy of the service standards
	Credible HR records	2.45	Number of programmes implemented in recognition of Mandela day		1 programme implemented in recognition of Mandela day	1	None	None	Distribution list Mvezo community benefitted from the programme – vegetable seedlings
	To strengthen the mainstreaming of special programmes	2.46	Number of programmes implemented in recognition of O.R Tambo Month		1	1	None	None	O.R Tambo Greenest Town Competition Awards report

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		2.47	Number of programmes implemented in support to mainstreaming of special programmes		3	3	None	None	Attendance Register Report 1 x Youth In Business workshop held 2x women recycling projects supported.
Financial Viability and management (10)	Implement sound financial management and revenue enhancement	3.18	%Compliance with financial reporting requirements		100% Submission of Monthly & Quarterly reports	100%	None	None	Section 71 & 52 d reports
		3.19	% additional revenue generated		5% of total budget Revenue Generated	5%	None	None	Payment stubs
		3.20	Amount of financial savings accrued.		R100000.00 of annual savings accrued	100,000.00	None	None	Savings on tourism month expenditure.
		3.21	Number of department/ sections awarded incentives for additional revenue generated		2 sections awarded incentives for additional revenue generated	0	No budget set aside and no policy in place for incentives.	Review for the next financial year	None
		3.22	R amount of capital expenditure raised from private markets and other sources		R600,000.00	R1,000,000.00	Obtained funding from DWA for umzimvubu river resource study.	None	Payment stubs
	To reduce municipal telecommunication expenditure	3.23	% reduction in the overall ORTDM telecommunication expenditure		15% reduction in the overall ORTDM telecommunication expenditure	15%	None	None	Telephone bills from finance department
Local Economic Development (50)	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.3	% of budget spent on BEE companies, designated groups and cooperatives		90% of budget spent on BEE companies, designated groups and cooperatives	90%	None	None	Procurement report to council

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	To build the capacity of Council employees and residents	4.4	No. of learnerships/ internships in the Department of Planning & Development		1 learnership/ internship in the Department of Planning & Development	2	None	None	Learnership Report 1 x Tourism 1 x Environmental Mgt
		4.5	% of municipal budget spent on skills development		1.5% of municipal budget spent on skills development	1.5%	None	None	Training reprt
	To develop functional models and strategies for economic growth	4.6	No. of CPPPs in all sectors piloted		2	0	Delays in getting funding approved for conducting feasibility study for the CPPP	None	Funding proposals 1 egg production 1 hawkker stalls.
		4.7	No. of feasibility studies for Investment Conference projects and other anchor Projects conducted		3 feasibility studies for Investment Conference projects and other anchor Projects conducted	0	Lack of adequate funding	Submit more business plans for funding to conduct feasibility studies to funders	Request for funding to ECDC 1 x feasibility study for massive egg production under development
		4.8	% review of the business plan for the initial OR Tambo Retreat Lodge construction		100%	20%	Delays in rollover of funds	Project transferred to Alfred Ndzo DM	TFC Report Terms of reference for tender drafted and approved by Mbizana LM
	To diversify and expand the economic base	4.9	No. of tourism marketing initiatives conducted		5 tourism marketing initiatives conducted	5	None	None	Tourism marketing initiatives report, Photos and Attendance register
		4.10	No. of tourism marketing awareness initiatives conducted		1	Target Achieved	N/A	N/A	Tourism Information office established at Ultra City

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		4.11	No. of emerging farmers supported		70 emerging farmers supported				A report on emerging farmers support
	To reduce unemployment	4.12	No. of EPWP job opportunities created		100	15	Limited funds	Intensive Resource Mobilisation	EPWP Report 10 temporal employees from Ikwezi Le Afrika Coop benefitted for 5 months
	To ensure proper functioning of Ntinga O.R. Tambo Development Agency	4.13	% Development and signing of annual service level agreement		100%	100%	None	None	Signed service level agreement
		4.14	% Approval of Ntinga Annual budget & performance plan		100%	100%	None	None	Approved annual budget 2011/12
	Increase the economic growth rate	4.15	Number of enterprise development support programmes implemented through Ntinga		7	100%	None	None	Enterprise performance report
	To enhance co-operative development	4.16	No. of District Co-operatives Centre piloted		1	0	*None within the district that is opened and fully functional yet.	To benchmark from other province that has fully fledged Co-op Centres	District Co-operatives report
		4.17	% completion of Construction and Project hand-over for the Kwam Rural Women's Co-operative.		100%	100%	None	None	Co-operative report Photos
		4.18	Amount of honey produced at Hluleka Beekeeping Co-operative facility		20%	20%	N/A	N/A	Report on amount of honey produced at Hluleka

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		4.19	% completion of wild coast fishing cooperative project		40%	0%	Delayed in tender processes	Adjudication committee to appoint the relevant service provider	Copy of tender advertisement
		4.20	% construction of honey processing facility at Hluleka Beekeeping Co-operative		100%	80%	Honey processing tender processes delayed	Complete construction in the next financial year	Copy of appointment letter for the construction
		4.21	No. of fish farming initiatives /fish farming project linked co-ops developed.		1	1	N/A	N/A	Project reports Wild Coast Fishing Coopeartives Project
	To promote forestry development	4.22	No. of forestry anchor implemented within the timber cluster		1	0	Unresolved land claims at Langeni	Proceed with planning the ILTC	Meetings report
Basic Service Delivery and Infrastructure Development (25)	All households, earning less than the stipulated amount that have access to Free Basic Services (FBS)	5.43	No. of households benefiting from the One Household One Food Garden programme		600 Households benefiting from One Household One Food Garden	600	--	--	Attendance register and distribution lists
	To promote preservation and efficient use of energy sources	5.44	% completion of a feasibility study for Information and Energy Centre		100% completion of a feasibility study for Information and Energy Centre	0	Lack of conclusive agreement with service provider	Project haded over to Alfred Nzo DM	Information and Energy Centre report
	To promote the development of one LSDFs	5.45	No. of LSDF developed		2 (Langeni and Tsolo)	1	The aspects related to water infrastructure, delayed the completion of the project The Langeni LSDF was not budgeted for and business plans submitted to the DRD&LR and ASGISA EC were unsuccessful	Submission of the Tsolo Junction LSDF document to the next Financial year	Draft LSDF for Tsolo Junction.

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	To promote integrated agriculture development	5.46	% development of Agricultural Development Strategy Also refer 2.4		100% development of Agricultural Development Strategy	90% Final draft	Delays due to local government elections	Approval of strategy in the financial year	Final draft
	To promote public participation in municipal policies and services	5.47	No. of awareness campaigns and workshops on government, municipal policies and services coordinated		162	50	Limited funding to cover all wards	To do the awareness campaign at ward level	Attendance registers
		5.48	No. of commuter organisations established in all LMs		7	0	South African commuter Organisation (SACO) structures already exist in the Eastern Cape	Establishing the SACO structures within O.R Tambo DM	N/A
	To promote environment safety	5.49	% development of Environment Risk Assessment guidelines		100%	100%	None	None	EMP Document
	To provide coherent coordination of District Integrated Transport Plan (DITP)	5.50	% development of a DITP		100%	100%	None	None	DITP Document
	To develop functional models and strategies for economic growth	5.51	No. of CPPPs in all sectors piloted		2	0	Delays in getting funding approved for conducting feasibility study for the CPPP	N/A	Funding Proposal
		5.52	No. of feasibility studies for Investment Conference projects and other anchor Projects conducted		3	0	Lack of adequate funding	Submit more business plans for funding to conduct feasibility studies to funders	Request for funding to ECDC 1 x feasibility study for massive egg production under development

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	To develop infrastructure to support economic growth	5.53	% completion of construction of the Ntabankulu Cultural Village and project handover		100%	100%	None	None	Photos and report.
		5.54	% completion of phase 1 of the Fort Donald Multi-purpose		100%	100%	None	None	Photos & report
		5.55	% of the initial OR Tambo Retreat Lodge Business Plan Review.		100%	20%	None	None	TFC Report Terms of reference for tender drafted and approved by Mbizana LM
	To strengthen Economic Research Capacity building and public participation	5.56	No. of ward administrators trained on WPIS		162 ward administrators trained on WPIS	162	None	None	Training report
		5.57	% of ward development information captured on WPIS		55% ward development information captured on WPIS	55%	None	None	WPIS Report
	To implement public transport assistance programme	5.58	No. of Taxi Cooperatives registered		1 of Taxi Cooperative registered	11	Additional support obtained from Department of Roads and Transport.	None	Taxi Cooperatives registration papers and report 8 cooperatives registered within KSD Local Municipality and 3 cooperatives at Nyandeni Local Municipality

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	ACTUAL PERFORMANCE	REASONS FOR VARIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		5.59	No. of taxi, bus and scholar transport operators trained		50 taxi, bus and scholar transport operators trained	100 taxi, bus and scholar transport training has been provided	Additional support obtained from Department of Roads and Transport.	N/A	Training programme report
	To implement priority projects as per Integrated Transport Plan (ITP)	5.60	% construction of the Qumbu bus and taxi rank		100%	0%	Funds were directed to PSJ and envisaged development at Mhlontlo was postponed for the next financial year	Follow-up on transfer of funding for next financial year	Correspondence between DM and Department of Transport
	To provide coherent coordination of Environmental Management Plan (EMP) and Integrated Waste Management Plan (IWMP)	5.61	No. of LMs supported to implement EMP and IWMP		7 LMs supported to implement EMP and IWMP	7	none	none	Reports
		5.62	No. of Buyback and recycling centres established		1	2	1 additional recycling centre identified.	none	Report on the Two recycling centres (PSJ & KSD) and one buyback centre at Mhlontlo.
	To enhance alignment and implementation of the ORTDM' SDF	5.63	No. of anchor projects identified in the ORTDM' SDF		2 anchor projects identified in the ORTDM' SDF	2	none	none	Report on N2 toll Road and regional waste recycling site

6.3 CORPORATE AFFAIRS CLUSTER

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
Good Governance and public participation	To enhance accountability in the municipal organisation	1.1	% review of ORTDM' system of delegation		100%	75%	Non Sitting of Council structures	Presentation of Draft policy to Council structures	Approved System of Delegation by ORTDM Council
		1.2	% compliance with the council calendar		100%	100 % Achieved	None	None	Compliance report Council resolution
	1.3	% response to queries from the Presidential Hotline, imbizos, call centre, operation cacisa ^{vii}		100%	No queries referred to the Cluster	No queries referred to the Cluster	None needed	None needed	Management report on the queries to services & communication portfolios
	1.4	% implementation of resolutions made by Council and council structures		100%	5% (guidelines on appointment of interns, adjustment of MM's, SD's, Directors', Managers and Fixed term contract employees' remuneration packages, festive season shutdown, wellness strategic plan, approval of job evaluation panel)	Delayed consultation process with affected employees by the Office of the Municipal Manager	Implemnetation of consultation process with affected employees by the Office of the Municipal Manager	Compliance report	

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
		1.5	% attainment of targets set to address audit and risk management issues raised		100%	50%	Leadership vacuum in the ICTM and support directorate	ICTM Managers have been appointed. Matter has been discussed with auditor general and new targets set	Internal Audit report on progress made on address audit issues raised and audit act
	To ensure effective IGR environment and proper functioning of IGR structures	1.6	Number of functional IGR structures (Batho Pele forum, LLF, etc.)		7 2	6 Local Labour Forum, Legal Services Forum, Corporate Services Forum, ICTM Forum, Placement Committee, Appeals Committee Batho Pele F	Batho Pele Forum not functional	Revive Batho Pele Forum	Management report on IGR functioning to IGR portfolio
		1.7	Number of functional HR/corporate affairs related sector forums		4	3	Plan negatively affected by other national programs	HR sector form to be launched in the next term	Portfolio reports on sector forums meetings
		1.8	Number of LLF meetings held		7	7	None	None	Management reports/ minutes of the meeting

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
Institutional Transformation and Development	To create a conducive policy environment for improved systems	2.1	No. of policies and by-laws developed/ reviewed		3	1 Approved 2 Drafts but one workshopped	Workshop did not complete its work and election programmes interfered with the processes	Ensure submission to Council	1 Employee Wellness strategy Council approved policy and 2 drafts with one draft already workshopped Council approval of policies published gazette on approved by-laws
		2.2	% reviewal of the OR Tambo DM Security Policy		100%	80% Partially achieved	Sitting of council structures	To be made ready for the sitting of council structures	Draft Security Policy still to be approved by Council Overall Security Policy approved by Council
		2.3	% Review of WSP		100%	100% Achieved	None	None	Approved copy of reviewed WSP
		2.4	% Development of district ICT strategy and policy		100%	50% Draft Policy awaiting approval after workshopping Strategy 0%	The evaluation of tenders delayed the process	The awarding of tenders will be speeded up	Draft copy of ICT policy Council approval of ICT strategy and policy

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
	To build capacity and enhance skills for councillors and officials	2.5	No. of training opportunities created		10	10 (report writing, customer service, labour law, office administration, communication skills, Bato-Pele, project management, policy development, training and installation of new Task software, advanced performance audit)	None	None	Management report
	To implement Performance Management across the district municipality	2.6	Number of performance/ compliance reports submitted		17	17 Achieved	NONE	NONE	12 monthly reports 4 quarterly reports 1 annual report
		2.7	% of employee levels implementing PMS in ORTDM		100%	30%	PMS only implemented at S57 level. Processes of developing and cascading PMS are under way	Development and Implementation of cascaded PMS	Signed Performance Contracts Performance management implemented at all levels.
	Improve management and enforcement of contracts, SLA, MOU & MOA and partnerships for community/	2.8	Number of new partnerships for community/ institutional development established ^{viii}		4	2 Placement Committee Collective Agreement	Target unrealistic	None???	Management report

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
	institutional development	2.9	% compliance with legal services procedure manual and directives		100%	80%	Draft Manual awaiting Council Approval	Legal Services Procedure Manual to be presented to Council for approval	Compliance report Approved Legal Services Procedures Manual. Compliance report
		2.10	% compliance with contractual signed agreements, SLA, MOU, MOA		100%	100%	None	None	Compliance report
		2.11	Number of legal actions taken against defaulting persons and or bodies		2	Nil	No submissions have been received from other departments	Departments have to submit defaulting persons to legal services for action to be taken	None
	To improve customer relations management and inculcate batho pele standards	2.12	Average time taken to respond to labour queries		48hrs / 5 working days	Partially achieved.	Complicated nature of cases and the work environment	N/A	Customer Care Relations Report to Council
		2.13	% development of departmental service standards		100%	0%	None availability of Departments due to clashing schedules for the training on service standards	The O.T.P. will be approached with the aim of seeking support to reschedule the training	None
		2.14	No. of days taken to finalise disciplinary cases		90 days	Partially achieved	Cases are attended to together with other programs and the work environment is not very conducive to complete cases on time.	Training of more personnel to deal with disciplinary cases	Management report

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
	Ensure improved relations with the labour component	2.15	No. of refresher courses on labour relations conducted		2	1	Lack of budget	Implementation of WSP	Training report to MM
		2.16	Number of labour cases successful litigated or defended		1	1	None	None	Court order
		2.17	Number of labour conflicts resolved		3	1	Only 1 case was submitted to the department	None	Grievance register on resolved issues signed by LLF
	Credible HR records	2.18	% development and maintenance of credible HR records		100%	50 % (Approved Records Management Policy and File Plan) (PAYDAY system used for all HR data)	Procurement of service providers delayed the process	Development of the manual and electronic records management system	HR records
	Implementation of Employee wellness and retention strategies	2.19	% of EAP programmes implemented		50%	45% (Wellness week, World Aids Day, Team Building, Spiritual Day, Condom STI week)	Mens Health Day cancelled due to poor attendance on the	Re-scheduling of the event	Management report
		2.20	% reduction in staff turnover						

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
		2.21	% of critical vacancies filled		80%	60%	Delays in recruitment processes as well as the moratorium placed on all appointments due to demarcation processes.	Advertisement and interviews of potential employees.	Management report
	Improve IT efficiency and reduce downtimes on systems	2.22	% of ICT equipment on rental agreement		100%	0%	Lack of capacity and policy.	Procurement of services for the development agreement.	Rental Agreement signed by MM
		2.23	% development of Intranet		100%	50% (email system restored to full functionality)	Budget constraints relating to development of an Intranet portal	Budget availability to develop an intranet portal	Management report on IT architecture
	Safe and secure work environment for municipal officials and assets	2.24	No. of functional CCTVs installed		32	32	None	None	Safety and Security report to Standing Committee
		2.25	% completion of security audit of all the key points		100%	100%	None	None	Report on security audit
		2.26	% reduction in safety and security breaches		90%	90%	None	None	Safety and Security report to Standing Committee
	Ensure appropriate facilities management and auxiliary services	2.27	Number of bulk cleaning maintenance of office buildings and environment		4	2	Shortage of staff and large amount of work	Employment of additional staff and building of more capacity	Management report

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
		2.28	% provision of appropriate cleaning equipment and material to all facilities		100%	50%	Service providers delay to deliver on time.	Procurement plan	Management report
		2.29	Number of service delivery programs mainstreaming interests of vulnerable/ designated groups KPI Not as per SDBIP – KPI 2.30 & 2.31 not reported on		10	0%	Awaiting management approval of proposals	Follow up on approval of proposals	Mainstreaming report
Financial Viability and management	Implement sound financial management and revenue enhancement	3.1	%Compliance with financial reporting requirements		100%	100%	None	None	Section 71 & 52 d reports
		3.2	% additional revenue generated/ raised to support ICT and capacity building		5% of ICT total budget	0%	Attempt was made but did not succeed.	Explore other sources.	Management report
		3.3	Amount of financial savings accrued ^{ix}		R300000.00	0	A need for funds is still huge for various programs	Cost saving measures will be employed	Management report
		3.4	Number of department/ sections awarded incentives for additional revenue generated		1	0	No system is in place to support the KPI.???	None	Management report

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
		3.5	% of ORTDM Capital budget spent		95%	0	Not applicable to this department.	None	Audited Financial Statements
		3.6	R amount of capital expenditure raised from private markets and other sources		1 million	0	Not applicable to this department.	None	Annual Financial Statements approved by Council
		3.7	% reduction in the overall ORTDM telecommunication expenditure		15%	0%	The telecommunications system is outdated	Installation of a modern system	Annual Financial Statements
Local Economic Development	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.1	% of budget spent on BEE companies, designated groups and cooperatives		90%	90%	None	None	BEE Spent Report to Council
	To build the capacity of Council employees and residents	4.2	No. of learnerships/ internships in the cluster		10	6 (Financial Management, Municipal Governance, IDP, Welding & Electricity Learnerships)(1 internship program)	Budget constraints and non accreditation of a service provider for LED learnership	Availability of budget to do more learnerships	Learnership Report to Council
		4.3	% of municipal budget spent on skills development		1.5%	1.5%	None	None	Training report
Basic Service Delivery and infrastructure Development	To enhance organisational processes, systems and	5.1	% development of IT architecture to support business processes		100%	60%	Staff shortage	Appointment will be speeded up.	IT architecture Report to Portfolio Committee

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
	procedures	5.2	% update of settlement polygons on GIS as per latest aerial photography in KSD and Nyandeni		100% in 2 LMs	100%	None	None	Management report on GIS capacity improvement
		5.3	% installation of integrated spatial information management system in KSD & Nyandeni		100% in 2 LMs	100% for KSD and 50% for Nyandeni	Nyandeni did not purchase a sever	Communication with Nyandeni to install new server.	Management report on GIS capacity improvement
		5.4	% update and linking of street addresses to ownership and cadastral information in all 5 LMs		100% in all 5 LMs	50% (Street address and cadastral information available. Ownership address still outstanding)	Investigation to be conducted from Deeds office	Deffered to the next financial year (2011/12)	Management report on GIS capacity improvement
	Improve IT efficiency and reduce downtimes on systems	5.5	% Development of an IT Policy and Plan to support business		100%	70%	Policy still to be sent Council Structures and Council for inputs.	To be presented to other council structures	IT Policy approved by Council
		5.6	Turn-around time for ICT support services ^x		4 days	4 days	None	None	ICT support services report to MM
		5.7	Time taken to restore system failure (system down time)		4 hours	Less than 4 hours	None	None	Feedback Survey from departments

KPA	Objectives	7	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Deviation	Corrective Measures	Means of Verification
	To ensure a functional web-site	5.8	% update of information on the municipality's website		100%	50% Not all information is provided by departments for update)	Submissions were not submitted by other departments for updating the website	Formulation of a website committee	ICT Support Services Report to Portfolio Committee

6.4 BUDGET AND TREASURY OFFICE

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target (As per revised SDBIP)	Actual performance	Reason for variation	Corrective Measures	Means of verification
		1.1	No. of MFMA Compliance Reports submitted to Council		4	4 Quarterly compliance reports such as section 52(d) of MFMA, section 66 of MFMA, paragraph 6 of SCM & paragraph 36 of SCM were submitted	None	None	Standing Committee minutes, Mayoral Committee minutes and Council minutes whenever the council sits
		1.2	% reduction in the number of MFMA contraventions		100% MFMA reports submitted to National Treasury	100% Section 71 reports were submitted including conditional grants	None	None	Copy of submission
		1.3	Number of CFOs forum meetings		2	1	The second meeting was attended by one CFO representative from Mhlontlo LM. Others did not attend due to commitments	Improved Inter government al relations.	Attendance register
	Development of a GRAP compliant MTREF budget.	1.4	% development of a MFMA Compliant Budget		100%	100% MFMA compliant budget was developed	None	None	Copy of the approved budget
	Preparation of GRAP/GAMAP/ GAAP standards annual financial statements	1.5	% progress made towards Preparation of Annual Financial statements in accordance with GRAP/GAMAP/GAAP standards		100% (Audit file prepared)	55% Audit file is still under construction and it will be completed once the annual financial statements have been finalised	The audit file will only be final once the AFS are finalised mainly because the figures must be cross-referenced to one another	Finalise Annual Financial Statements and submit to AG.	The hard copy files as well as electronic copies
	Develop and monitor Service Delivery & Budget Implementation Plans (SDBIP).	1.6	% contribution towards SDBIP components 1, 2 and 5 developed in terms of Circular 13 of the MFMA		100% (Consolidation of submitted projected cash-flow)	60%	The departments have not all submitted their corrected cash-flows for consolidation	Budget submission to be accompanied by cashflow projections	Draft SDBIP with consolidated projected cash-flows

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target (As per revised SDBIP)	Actual performance	Reason for variation	Corrective Measures	Means of verification
	To ensure efficient and effective financial systems and procedures, compliant with legislation	1.7	% implementation of MFMA requirements as per National Treasury guidelines		100% (MFMA reports prepared & submitted)	100% Quarterly compliance reports such as section 52(d) of MFMA, section 66 of MFMA, paragraph 6 of SCM & paragraph 36 of SCM were submitted	None	None	Standing Committee minutes, Mayoral Committee minutes and Council minutes whenever the council sits
		1.8	% attainment of a clean audit report by the ORTDM		Qualified with matters of emphasis	Qualified audit opinion for 2009/10 with matters of emphasis	None	None	Signed audit report
	Ensure all identified risks are mitigated	1.9	% implementation of resolutions made by Council and council structures		100%	Resolutions relevant to BTO were implemented	None	None	Council Resolution register.
		1.10	% attainment of targets set to address audit issues raised		100%	100%	None	None	Signed audit report Improved Audit Opinion
Institutional Transformation and Development	To implement Performance Management across the district municipality	2.1	Number of performance/ compliance reports submitted		4	4 Quarterly compliance reports such as section 52(d) of MFMA, section 66 of MFMA, paragraph 6 of SCM & paragraph 36 of SCM were submitted	None	None	Standing Committee minutes, Mayoral Committee minutes and Council minutes whenever the council sits
		2.2	% compliance with contractual signed agreements, SLA, MOU, MOA		100%	100% Relevant SLA's to BTO were signed	None	None	Signed copies of SLA
Financial Viability	To ensure effective, efficient, coordinated financial management in order to increase revenue	3.1	% increase in revenue collection from water sales		25%	13%	Non implementation of credit control policy and shortage of staff	Effective implementation of credit control policies and filling vacant posts.	Bank statements and reconciliations.

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target (As per revised SDBIP)	Actual performance	Reason for variation	Corrective Measures	Means of verification
		3.2	Amount of outstanding debt (Debt Book) collected		66,348,419	71,490,342 was collected	Some Government Departments have not settled their debts	Departments to be persuaded to settle greater part of their debts	Reconciled Cash receipt book and bank statements
		3.3	Amount of outstanding debts written-off		22,000,000	26, 043, 868	The old debts were written off with interest accumulated.	None	General Ledger
		3.4	% of ORTDM' Capital budget spent		30%	65%	Improvement in budget spending by departments.	None	General ledger
		3.5	% of MIG budget spent		50%	82%	Improvement in sittings of SCM committees	None	General ledger
	To improve financial management in the municipality	3.9	% of Councillors and Employee up-to-date on payment of the municipal accounts		50%	0%	Shortage of staff	Approval of the reviewed organogram	Approved Organogram
Local Economic Development	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.1	% coordination of affirmative procurement in ORTDM		100%	100%	None	None	Bid committee minutes
	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.2	% coordination of affirmative procurement in ORTDM		40%	40%	None	none	Bid committee minutes
Basic Service Delivery and Infrastructure	To provide coordination of strategic service delivery projects	5.1	% coordination of strategic service delivery projects ^{xi}		50%	0	Shortage of staff	Approval of the reviewed organogram	

6.5 OFFICE OF THE MUNICIPAL MANAGER

6.5.1 Municipal Operations

KPA	OBJECTIVES	NO	KEY PERFORMANCE INDICATORS	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of verification
Good Governance and Public Participation	To enhance accountability in the municipal organisation	1.1	% review of ORTDM' system of delegation	New indicator	100%				System of Delegation approved by ORTDM Council
	Improve communication for service delivery improvement	1.2	No. of service delivery progress reports presented to communities	4	4	2	Only 2 Rep Forum meetings were able to sit	Ensure at least 1 Rep Forum Meeting sits per quarter	Service Delivery Progress Reports to Communities
		1.3	% coordination of queries from the Presidential Hotline, imbizos, call centre, operation cacisa ^{xii}	New indicator	100%	50%	Delays in the appointment of the IGR Co-ordinator	Link with customer services department	Management Report on the queries to services & communication portfolios
		1.4	% implementation of communication strategy	New indicator	100%	30%	Communication Strategy is still in draft form	Approval of Communication Strategy	Council approval of strategy review and district ICTM strategy
		1.5	% compliance with the council calenda	New indicator	100%	80%	Some of the scheduled meetings were not able to sit due to LG elections	-	Compliance report
	Ensure all identified risks are mitigated	1.6	% development of a system to track and analyze the implementation of resolutions made by Council and council structures	New indicator	100%	100%	-	-	Management approved tool
		1.8	% attainment of targets set to address audit issues raised	80%	100%	100%	-	-	Internal Audit report on progress made on address audit issues raised and audit action plan and risk management
	To ensure effective IGR environment and	1.9	% development of Support to local	New Indicator	100%	50% Consolidation	Delays in the appointment of	Municipal Support	Approval of LM support

KPA	OBJECTIVES	NO	KEY PERFORMANCE INDICATORS	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of verification
	proper functioning of IGR structures		municipalities			of LM requirements	Municipal Support Coordinator	Coordinator appointed	programme
		1.10	Number of functional IGR structures	New indicator	4 Rep Forum 4 MM's Forums 10 IDP Coordinators Forum	2 3 8	Some of the scheduled meetings were not able to sit due to LG elections	-	Management report on IGR functioning to IGR portfolio
		1.11	Number of functional IDP sector forums	4	6	2	Some of the scheduled meetings were not able to sit due to LG elections	-	Portfolio reports on IDP sector forums meetings
		1.12	Number of M&E reports presented to DIMAYFO	0	2	2	-	-	DIMAYFO meeting report/ minutes
Institutional Transformation and Development	To create a conducive policy environment for improved systems	2.1	% development of the ORTDM medium to long term development strategy	Annual IDP	100% development of Annual IDP	100% ORTDM IDP for 2011/12 approved by Council	None	None	ORTDM IDP 11/12 review approval by Council
		2.2	% Review of the District programme of Action	New indicator	100%	0%	No District Lekgotla held	Conduct District Lekgotla in the next financial year	District Lekgotla resolutions
		2.3	% reengineering of core business processes ^{xiii}	New indicator	100%				Business Process Reengineering Report to Portfolio
		2.4	% Review of communication strategy	0	100%	80%	Awaiting council approval	-	Communication strategy review approval by council
		To implement Performance Management across the district municipality	2.5	% review of the Executive Mayor's Performance Management and Remuneration Panel ^{xiv}	New indicator	100%	0%		

KPA	OBJECTIVES	NO	KEY PERFORMANCE INDICATORS	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of verification
		2.6	% of section 57 employees signing performance agreements and scorecards	New indicator	100%	100%	-	-	12 monthly reports 4 quarterly reports 1 annual report
		2.7	% implementation of the District-wide M & E framework	New indicator	100%	100% All Quarterly Reports presented to Council Structures	-	-	Quarterly, Mid-term and annual reports
		2.8	% Coordination of the SDBIP in terms of Circular 13 of the MFMA	100%	100%	60%	Some departments did not submit their contributions timeously.	Finalisation of the SDBIP.	SDBIP approved by Executive Mayor
		2.9	% of employee levels implementing PMS in ORTDM	New indicator	100%	70%	PMS Cascading framework document and departmental management manual developed and presented to management	Cascading of PMS to lower levels.	Signed performance instruments to Portfolio Committee
Financial Viability and Management	Implement sound financial management and revenue enhancement	3.1	% Compliance with financial reporting requirements	New Indicator	100%	100%	-	-	Section 71 & 52 d reports
		3.2	% additional revenue generated/ raised	New indicator	4% of departmental budget	0%	Target re-scheduled due to adjustment budget	Target re-scheduled due to adjustment budget	Management report
		3.3	Amount of financial savings accrued ^{xv}	New indicator	R30 000	0%	Implementation of in-house catering not properly planned		Management report
		3.4	% development and implementation of incentives plan for department's contribution to revenue generation	New indicator	100%	0%	No budget for incentives		Approval of incentives plan by MAYCO
		3.5	Number of departments awarded incentives for additional revenue	New indicator	10	0	No budget for incentives		Management report

KPA	OBJECTIVES	NO	KEY PERFORMANCE INDICATORS	Previous Year's Performance (Baseline)	Annual Target	Actual Performance	Reasons for Variation	Corrective Measures	Means of verification
			generated						
		3.6	Number of awarded incentives received for additional revenue generated	New indicator	1	0	No budget for incentives		Management report
Local Economic Development ^{xvi}	Create job opportunities and reduce unemployment	4.1	% coordination of EPWP and other job creation opportunities	New indicator	100%	0%	Technical champion appointed to report		EPWP and Job Creation Report to management
	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.2	% coordination of affirmative procurement in ORTDM	New indicator	100%	100%	-	-	SCM Report
		4.3	% of budget spent on designated groups and cooperatives	New indicator	70%	70%	-	-	Management report to portfolio
Basic Service Delivery and Infrastructure	To provide coordination of strategic service delivery projects	5.2	% coordination of strategic service delivery projects ^{xvii}	New indicator	100%	50%	OPS Centre not fully operational	Installation of GIS Server and DIMS	Implementation Reports
		5.3	Number of service delivery programs mainstreaming interests of vulnerable/ designated groups	New indicator	10	0	No service delivery programmes implemented		Mainstreaming report

6.5.2 INTERNAL AUDIT

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual performance	Reasons for variation	Corrective Measure	Means of verification
Good Governance and Public Participation	To ensure efficient and effective financial systems and procedures, compliant with legislation	1.1	% implementation of MFMA requirements as per National Treasury guidelines	100%	100%	100% All internal audit MFMA compliance areas were complied with.	None	None	MFMA Compliance report to Council
		1.2	Attainment of a clean audit report by the ORTDM	Qualification	Qualified with matters of emphasis	2009/2010 audit report was qualified with matters of emphasis.	None	None	AG's Report
		1.3	No. of LMs supported to attain an improved audit opinions ^{xviii}	Qualified audit reports	3	2. Port St. Johns LM moved from qualification to unqualified audit opinion. Ingquza Hill local municipality moved from disclaimer to qualified audit opinion. Mhlontlo LM did not improve.	There were delays in implementing recommendations made to improve identified control weaknesses.	Implementation of recommendations.	Auditor General's Report approved by Councils of LMs

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual performance	Reasons for variation	Corrective Measure	Means of verification
		1.4	% review of ORTDM's Audit Committee	Reviews are not done	100%	Not achieved.	In the 2009/2010 reporting of the audit committee to council was not done on an ad-hoc basis hence the review was difficult to conduct. In the 2010/2011 quarterly reports were prepared and submitted to council. The new council has not yet reviewed the performance of the audit committee. Audit committee evaluation tool has been developed.		Council resolution
		1.5	No. of LMs supported to review their Audit Committees	Review are not done	3	Not achieved.	Evaluation tool has been developed but actual evaluation has not been done. New councils need to first be familiar with the functioning of their audit committees.		Council resolution
		1.6	No. of Audit Committee Reports submitted to Council	Reports are submitted to the portfolio councillor but are not submitted to council.	4	Achieved	Not applicable		Council resolution

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual performance	Reasons for variation	Corrective Measure	Means of verification
	To ensure efficient and effective financial systems and procedures, compliant with legislation	1.7	% of major process improvements implemented as a result of audits	Recommendations for improvements are made but there are still internal control weaknesses.	90%	Achieved.	Not applicable		Internal Audit Report to Audit Committee
	Ensure all identified risks are mitigated and the implementation of the MFMA	1.8	% reduction in high risk areas	Risk assessments are done but risk management has not been institutionalised.	100%	Achieved. All risks that were identified in the internal audit unit were properly managed and quarterly reports prepared.	Not applicable.		Internal Audit Report to Audit Committee
	Ensure compliance with internal audit charter	1.9	Time taken to prepare internal; audit plans	There are delays in finalizing internal audit assignments	Complete all planned audits	90% achieved. There are audits that were completed after the planned timeframes.	Interns were used and they required more supervision. There were delays in management in responding to internal audit requests.		Internal Audit Report to Audit Committee
	Ensure all implementation of PM legislation and regulations	1.10	% of performance evidence audited	Review quarterly performance reports	100%	Achieved.	Not applicable		Internal Audit Report to Audit Committee

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual performance	Reasons for variation	Corrective Measure	Means of verification
	To improve productivity of IA services	1.11	Number of audit assignments completed (versus number planned)	Not all planned audits are timeously completed.	100%	80% achieved.	We planned to audit the review of risk management reports once a quarter but this could not be done due to non-reporting of risk management by a number of departments. Asset register could not be audited because it was not updated on time.		Internal Audit Report to Audit Committee
		1.12	% Staff utilization (direct v indirect or audit and non-audit)	Productivity levels are approximately at 75%.	80%	Achieved	Not applicable		Internal Audit Report to Audit Committee
Institutional Transformation and Development	To improve audit findings	2.1	% of fundamental recommendations agreed by management	This has never been measured in the past.	90%	Achieved.	Not applicable.		Internal Audit Report to Audit Committee
		2.2	% of fundamental recommendations implemented	This has never been measured in the past.	100%	Not achieved	Recommendations made were not always implemented.		Internal Audit Report to Audit Committee
		2.3	No. of management requests addressed	On average two requests are made during a financial year.	100% of those approved by AC	Achieved	Not applicable		Internal Audit Report to Audit Committee
		2.4	% reduction on repeat audit findings	Repeat audit findings are estimated at 40%.	90%	Not achieved.	Management remedial action plans are not implemented as planned.		Internal Audit Report to Audit Committee
	To implement Performance Management across the	2.5	Number of performance/ compliance reports submitted	17	17	Not achieved.	Monthly reports were not always prepared. There has been lack of monitoring mechanisms with		12 monthly reports 4 quarterly reports 1 annual report

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual performance	Reasons for variation	Corrective Measure	Means of verification
	district municipality						report submission deadlines.		
		2.6	% of employee levels implementing PMS in ORTDM	Only the head of department enter into a performance agreement.	100%	Not achieved.	Performance targets were not set for other employees within the department.		Signed workplans
	Improve management of contracts, SLA, MOU & MOA	2.7	% compliance with legal services procedure manual	There are no monitoring mechanisms in place.	100%	Achieved	Not applicable		Compliance report
		2.8	% compliance with contractual signed agreements, SLA, MOU, MOA	There are no monitoring mechanisms in place.	100%	Achieved	Not applicable		Compliance report
	To provide satisfactory IA services	2.9	% of positive unsolicited comments about IA	Customer satisfaction surveys are not done.	95%	Not measured.	Surveys were not conducted.		Internal Audit customer satisfaction survey report to Audit Committee
Financial Viability and management	To reduce cost of audit services	3.1	% improvement on time and budget spent on individual audit assignments	Time allocated on individual audit assignment is not always adhered to.	10%	Achieved	Not applicable		Internal audit reports presented to the audit committee.
		3.2	% reduction of costs of external audit services	This has never been measured in the past.	10%	Achieved	Not applicable		Internal audit reports submitted to external auditors.
	To increase financial savings as a result of IA services	3.3	Amount of measurable savings achieved as a direct result of audits	This has never been measured in the past.	15%	Achieved	Not applicable		Internal audit report to audit committee

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Annual Target	Actual performance	Reasons for variation	Corrective Measure	Means of verification
Local Economic Development	To improve procurement opportunities for BEE companies, cooperatives and designated groups	4.1	% of Internal Audit budget spent on BEE companies, cooperatives and designated groups	This has never been measured.	50%	Achieved.	Not applicable		BEE Spent Report to Council

6.6 OFFICE OF THE SPEAKER

REPORT DONE AS PER REVISED/ADJUSTED SDBIP

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Revised Annual Target	Actual Performance	Reasons for Variance	Corrective Measure	Means of Verification
Good Governance and Public Participation	Enhance accountability in the municipal organisation	2.1	% review of ORTDM ⁷ system of delegation		100%	Achieved	none	N/A	None System of Delegation approved by ORTDM
		2.2	% establishment of MPACs		100%	Achieved	none	N/A	None Council Resolution
		2.3	No. of LMs supported to establish MPACs		7	Achieved	none	N/A	Speaker's Forum agenda
		2.4	No. of LMs supported to review their system of political delegation		7	Achieved	none	N/A	Correspondence to LMs
	To strengthen oversight structures, processes and systems	2.5	% review/ development of a Disclosure Policy for Councillors		-	-	N/A	N/A	N/A
		2.6	% of Councillors declaring financial and other interests		100%	Achieved	none	N/A	Declaration Forms given to cllrs
	Ensure all identified risks are mitigated	2.7	% development of a system to track and analyse the implementation of resolutions of council and council structures		100%	Achieved	none	N/A	Resolution tracking register
		2.8	% attainment of targets set to address audit issues raised		100%	Achieved	none	N/A	Queries in AG's report addressed

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Revised Annual Target	Actual Performance	Reasons for Variance	Corrective Measure	Means of Verification
	Improve IGR functioning	2.9	No. of LMs with Public Participation Polices and Strategies integrated to that of DM		4	Achieved	none	N/A	Public participation policies of LMs
		2.10	% review of Standing Orders		-	-	none	N/A	N/A
		2.11	% audit of exiting By-laws and Policies		100%	Achieved	none	N/A	Policy register
	Sitting of Council meetings	2.12	No. of ordinary Council meetings held		3	Achieved	none	N/A	Minutes
		2.13	Time-taken to deliver agendas/reports prior to sittings		7days	Achieved	none	N/A	Council Notices
	Improve IGR Structures	2.14	No. of sittings of Speakers Forum		4	Achieved	none	N/A	Minutes / Agenda
		2.15	No. of sittings of District Whippery Forum		4	Achieved	none	N/A	Minutes / agenda
	To enhance community involvement in municipal service delivery	2.16	% development of a standard Ward Committee Strategy		100%	Achieved	none	N/A	Council Resolution
		2.17	% development of a service delivery monitoring tool for Ward Committees		100%	Achieved	none	N/A	Council Resolution
		2.18	No. of service delivery progress reports presented to communities		0	-	none	N/A	N/A

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Revised Annual Target	Actual Performance	Reasons for Variance	Corrective Measure	Means of Verification
		2.19	No. of reports on functionality of CDWs		4	Not Achieved	Non availability of MOU between the Dept of Provincial Local Gov and local municipalities on working relations	The department will be pressurized to see the importance of prioritizing the signing of MOU with local municipalities	Reports
	Councillors' wellbeing and safety	2.20	No. of discussion papers on the wellbeing of municipal Councillors		1	Achieved	none	N/A	Discussion paper
		2.21	% rating by Councillors on the support rendered by the Speaker's Office		85%	Achieved	none	N/A	Rating Forms
Municipal Institutional Transformation	To strengthen oversight structures, processes and systems	2.1	No. of training programmes for the Oversight Committee/ MPAC		1	Achieved	none	N/A	Attendance register
		4.2	No. of Ward Committees trained on oversight processes				none	N/A	
		4.3	No. of announced/ Unannounced oversight visits conducted by the Oversight Committee/ MPAC		0	-	none	N/A	N/A
	Skills Development and Capacity building for Councillors	4.4	No. of capacity building programmes for Councillors		1	Achieved	none	N/A	Attendance register
		4.5	No. of Councillors enrolled on 3-year qualification				none	N/A	
	To implement Performance Management	2.6	Number of performance/ compliance reports submitted		17	Achieved	none	N/A	Sect 71 and 52(d) Reports

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Revised Annual Target	Actual Performance	Reasons for Variance	Corrective Measure	Means of Verification
	across the district municipality	2.7	% of employee levels implementing PMS in ORTDM		0	-	none	N/A	N/A
	Improve management of contracts, SLA, MOU & MOA	4.6	% compliance with legal services procedure manual		0	-	none	N/A	N/A
		4.7	% compliance with contractual signed agreements, SLA, MOU, MOA		100%	Achieved	none	N/A	Performance agreement
Financial Viability and Management	Implement sound financial management and revenue enhancement	3.1	% Compliance with financial reporting requirements		100%	Achieved	none	N/A	Sect 71 Report of MFMA
		3.2	% additional revenue generated/ raised		0	-	none	N/A	N/A
		3.3	Amount of financial savings accrued		R100 000.00	Achieved	none	N/A	Financial Savings in the departmental budget
		3.4	Number of departments awarded incentives for additional revenue generated		10	0	No budget for incentives	To be considered next financial year.	None
Local Economic Development	To build the capacity of Council employees and residents	4.1	No. of learnerships created in the Speakers' Office				none	N/A	N/A
	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.2	% of budget spent on BEE companies, designated groups and cooperatives		90%	Achieved	none	N/A	CK Document
Basic Service Delivery and	To support the coordination of strategic	5.1	Number of service delivery programs mainstreaming interests of vulnerable/		2	Achieved	none	N/A	Attendance register of meetings

KPA	Objectives	No.	Key Performance Indicator (KPI)	Previous Year's Performance (Baseline)	Revised Annual Target	Actual Performance	Reasons for Variance	Corrective Measure	Means of Verification
Infrastruc ture	service delivery projects		designated groups						

6.7 OFFICE OF THE EXECUTIVE MAYOR

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
Good Governance and public participation	Improve communication for service delivery improvement	1.1	% response to queries from the Presidential Hotline, imbizos, call centre, operation cacisa ¹		100%	100% of personnel trained. Attended Provincial Hotline meetings. Facilitated training of two Public Liaison Officers to host the Presidential Line who will attend to queries. Facilitated provincial visit by the provincial coordinator responsible for the District to enhance support for PLOs of the district municipality.	None	None	Attendance registers/Photos Management Report on the queries to the services and communication portfolio
					1	Mayoral Imbizo was held in Flagstaff in preparation for the women's march.	Intervention to the brutal killings of elderly women	None	Attendance register
			Number of Mayoral Izimbizo		5	5 Mayoral Imbizos were conducted in Flagstaff, lusikisiki, Ntabankulu, K.S.D and Mbizana municipalities.	None	None	DVD Register
		1.2	% compliance with the council calendar		100%	100% Standing committees and Mayoral committee meetings were able to sit	NONE	None	Minutes Attendance register Compliance Report
	Ensure all identified risks are mitigated	1.3	% implementation of resolutions made by Council and council structures		100%	100% Uniform for VIP members was purchased	NONE	None	Reports Compliance Report
		1.4	% attainment of targets set to address audit issues raised		100%	100% Audit management action plan was submitted. VIP log book was submitted to internal Audit office	NONE	None	Remedial action report Internal Audit report on progress made on audit issues raised and audit action plan.

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	To ensure effective IGR environment and proper functioning of IGR structures	1.5	NO of workshops conducted for structures No. of induction sessions held for DAC and task teams		1	1 DAC strategic plan workshop conducted at Port St Johns	None	None	Attendance register Report on Induction Session
			Number of communication and marketing programs implemented		1	1 Induction Workshop was done , where Communicators from the Local Municipalities, Sector Departments, Corporate Affairs and Sectional Heads (O.R. Tambo DM) were inducted on Communication Protocols.	None	None	Attendance register
		1.6	NO of District AIDS Council meetings held		4	One DAC meeting held	Inconsistence of DAC members	Revival of DAC by electing new membership	Membership Register DAC Annual Reptot
		1.7	NO of Ward AIDS forums established		4	4 ward AIDS forums formed at Nyandeni LM-in the following wards; • Ward 15,17,16 & 26	None	None	Database AIDS forums establishment report
		1.8	No. of District Youth Councils established		1	3 Achieved, K.S.D , Mbizana and Nyandeni local municipalities have established their youth councils	Tight schedule delayed the establishment	Scheduled for the next financial year If only 1 was planned – is this corrective measure relevant?	None Youth Councils Report
		1.9	Establishment of a district special programmes sector forum		100%	0%	Due to the tight schedule , it was shifted to the first quarter of the new financial year	To be established by September 2011	Attendance register Portfolio report

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		1.10	No. of DIMAYFO workshops/ meetings coordinated		2	2 DIMAYFO meetings were held	NONE	None	Attendance register DIMAYFO meeting reports with attendance registers and minutes
			Number of functional IGR structures		2	Facilitated the seating of the District Communicator's Forum which were attended by the sector departments and other sections within the O.R. Tambo District Municipality	None	None	Attendance register
					2	Facilitated 2 seatings of the Technical Support Group (TSG) in preparation for the DIMAYFO.	None	None	Attendance register
		1.11	% Establishment of a functional women's caucus		100%	100% District women's caucus was established	NONE	NONE	Attendance register Minutes of women's caucus meeting
		1.12	Number of LAC supported in their quarterly meetings		7	1 Port St. Johns Local AIDS Council was revived.	Other six LAC could not be revived due to inconstancy of LAC members.	Alfred Nzo DM to take over from the LAC support(Ntabankulu and Mbizana). To revive other four Local AIDS Council.	Attendance register DAC Quarterly report
		1.13	No. of treatment workshop conducted for Traditional Health Practitioners and other stakeholders.		4	3 HIV/AIDS treatment and HIV Counselling and testing workshop was done for Traditional health practitioners. Treatment workshop was done for People living with virus 27 Lay counsellors trained on Provider Initiated Counselling and Testing	None 4 were planned and only 3 were held – there must be some kind of reason.	None	Attendance register Treatment workshop report and attendance register.

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
Institutional Transformation and development	To create a conducive policy environment for improved systems	2.1	% review of the HIV/AIDS Policy		100%	100% HIV/AIDS policy review was done	Due to election tight schedule final processing was not done.	To be tabled to the Council for approval	Attendance register HIV/AIDS Policy
		2.2	% development of the DAC Implementation Plan for 2011/2012		100%	0%	Inconsistence of DAC members	None	None
	To implement Performance Management across the district municipality	2.3	Number of performance/ compliance reports submitted		17	17 12 monthly reports 4 quarterly reports 1 annual report	None	None	Monthly , Quarterly , Mid term and annual report
		2.4	% development of DAC M&E tool		100%	0%	Awaiting for Provincial AIDS Council M&E tool	Development of M&E tool to be moved to the next quarter	None Signed performance instruments to Portfolio Committee

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	Improve management of contracts, SLA, MOU & MOA and partnerships for community/ institutional development	2.6	NO of new partnerships formed for community/ institutional development established		4	7 Partnership was formed with following organisations; Symbolic partnership with Metropolitan Foundation was signed during World AIDS day at Mfundisweni A/A. Oxfam Italia Small Projects foundation Brothers for life Partnership was signed with VW company –Margate for leaner support material. In partnership with National Rural Youth Service and National department for rural Development and Land reform.	None	None	MOU Letter of intent Management Report
						Partnership with Religious fraternity and British Tobacco company was signed for the alleviation of poverty			

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		2.7	% compliance with legal services procedure manual		100%	100% external and internal service level agreement submitted by the legal department	NONE	None	None Compliance report
		2.8	% compliance with contractual signed agreements, SLA, MOU, MOA		New indicator	MOU was signed with Council of churches. MOU was signed with VW-Margate. ATICC Service level agreement with Provincial health department was signed.	NONE	None	DVD Compliance report
Financial Viability and Management	Implement sound financial management and revenue enhancement	3.1	% Compliance with financial reporting requirements		100%	Section 71 and section 52 d report was submitted	NONE	None	Reports
		3.2	% additional revenue generated/ raised to support the special programmes		Target cannot be defined in advance	Vw-Margate have donated Parlmerton books worth R11 000	NONE	None	Records Management Report
		3.3	Amount of financial savings accrued ¹		R30 000	More than R30 000 was saved in catering and cleaning by using sicoca sonke services.	NONE	None	Sicoca sonke register Management Report
						More than R500 000 was saved in all events catered by Sicoca sonke catering section. R100 000 was saved during world AIDS day through Metropolitan foundation donation donations.	None	None	Management Report

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
Local Economic Development	To build the capacity of Council employees and residents	4.1	No. of learnerships created in the Mayor's Office		5	60 young people were identified and trained on water treatment works by Expanded public works. 1 intern was appointed	NONE Reason for deviation? Target refers to learnership programmes not no of people	None	Database Learnership report to Council
		4.2	No. of students benefitting from the District financial assistance		99	Financial assistance was given to 104 students	None Reason for deviation?	None	Database Registration confirmations from tertiary institutions, etc
						02 Young women from the gender desk were registered at KSD FET College through the NSFAS funding.	Intervention	None	Database
						12 tertiary students under O.R. Tambo Bursary have completed their tertiary qualification	None	None	Results
						7 unemployed graduates have been placed under learnership programme in the Dept of Human Settlement for 2 years, each person is getting a stipend of R5000.00 per month	Job creation strategy	None	Database
Basic Service Delivery and									

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
infrastructure development						7 learners were registered at St John's College, 1 at Mthatha Skills Centre Technical School. 09 learners assisted by children's desk were registered at both WSU, KSD and Ngqugqushu FET Colleges with the assistance from the Council of Churches.	Special needs identification	None	Records
						18 young women who have been the sex workers were recruited and registered by the Council of Churches at both Walter Sisulu University and KSD FET College.	None	None	Database
	Create job opportunities and reduce unemployment	4.3	Number of jobs created through EPWP and other job creation programmes		65	880 jobs were created 24 casual staff have been appointed for the non medical HIV Counselling & testing sites. 75 Enrolled nursing assistants have been permanently placed in different health facilities throughout the District.	None.	None	Attendance register Testing register EPWP and Job Creation report to management
						260 casual workers were appointed to clean all O.R.Tambo towns, Ngangelizwe township and Coffee Bay 32 Sicoca Sonke and 35 Greening and cleaning casual workers stipend will be recovered through EPWP.	Job creation program	All casual workers will be clustered to form cooperatives	Register
						454 young people were trained and given stipend R1 300 by National Rural youth and National department for rural development and Land Reform.	Job creation strategy	None	database

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
	To improve procurement opportunities for BEE companies, designated groups and cooperatives	4.4	% of budget spent on BEE companies, designated groups and cooperatives		90%	100% of the budget was spent on designated groups.	None	None	SCM U records BEE Spent Report to Council
		4.5	No. of cooperatives established for designated groups		7	12 cooperatives were established 1250 Chickens, 20 pigs and animal food and medicines were purchased to establish 5 Ex-combatants cooperatives . 3 farming cooperatives were established and multi purpose centre in Mhlontlo. 2 furniture companies for the young people were funded in KSD LM The number of coops established does not add up to 12. If ex-combatants co-ops are still in the process of registration, can we say we have 12???	None	Ex-combatants are in the process of registration	SCM records
	To strengthen the mainstreaming of special programmes	5.1	No. of work session to Initiate the process of mainstreaming process		1	1 Departmental Strategic planning was done with other departments.	NONE	None	Attendance register Management report to special programmes portfolio

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						<p>Disclosure campaign was conducted during women's summit at Mfundisweni A/A</p> <p>Education on HIV and AIDS conducted for an Electrical company .(Fast Move Electrical contractors)</p> <p>Employee wellness conducted at Port St. Johns Second Beach where Sport against HIV was promoted</p> <p>Employee World AIDS Day was held.</p> <p>Mhlontlo LAC Sexual Transmitted Infections (condom week) on the 08th to 14th March 2011 in Ward 13 and Ward 2 targeting 150 infected people</p> <p>KSD LAC Awareness campaigns on Child Pornography and HIV were held at Pangindlela J.S.S, Eluthubeni S.S.S,Dalibaso S.S.S, Holomisa S.S.S,Ngangelizwe S.S.S, Nozuko S.S.S, Zimele S.S.S</p>	None	None	DVD Register/ Records
		5.2	No. of families infected/affected by HIV/AIDS assisted to access FBS		70	<p>3 free RDP houses were given HIV infected terminal ill clients in Zimbane K.S.D on Mandela day.</p> <p>1 Free RDP house was the murdered elderly woman in Flagstaff benefited from RDP houses.</p>	The office is only responsible for the facilitation , the implementation depends on the available budget in other departments	None	Photos FBS Report on HIV/AIDS infected/affected families.

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						60 households received food parcels. 300 orphans and vulnerable children were given soup kitchen in Ntsimbini and Chaguba Port St Johns LM	None	None	Records
		5.3	No. of government/private vehicles branded with HIV/AIDS messages		1500	88 council vehicles have been branded with HIV and AIDS messages.	The target could not be reached because the District only have 88 vehicles that are in a good condition	None	Photos Vehicle owners confirmation letters
		5.4	No. of the national HCT programmes facilitated		4	4 Support groups were supported. People were counselled and tested for HIV in the listed sites. Condoms were distributed. Social mobilisation was done in high transmission areas and hard to reach areas.	None	None	Reports Registers HCT programmes report

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		5.5	No. of HCT awareness campaign conducted		12	<p>42 HCT campaigns were conducted in the following local municipalities:</p> <p>Igquza L.M in the following villages :</p> <p>Ngqwabeni A/A Ndaliso A/A Mtwaku A/A KuBhala A/A Rockville AA Bhodweni, Dumsi, Maqanyeni, Bisana A/A</p> <p>KSD – WSU ,Traditional health practitioners ,KwaLink A/A,Matyenenqgina A/A, Town Hall,Shell Ultra City and Nqwathi A/A</p> <p>Mhlontlo – Ntshongweni A/A</p> <p>Nyandeni- Zibungu A/A</p> <p>Ntabankulu LM Cola A/A, Solomon A/A Lunzwana A/A</p>	None Over-achievement?? ?	None	Attendance register/photos HCT awareness campaign report

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						Mbizana LM Mpheni A/A, Nkantsini A/A, Balville A/A, Mhlanga A/A, Cangca A/A, Mngungu A/A, Nompumalanga A/A, Nyanisweni A/A Bisana A/A, Mathwebu A/A, Highland A/A, Mhlanga A/A, Nyaka A/A, Redout A/A, Mfuneli A/A, Lukholo A/A, Lugwijini A/A, Ntunjani A/A, Zikhuba A/A, Sea-view A/A, Plangweni A/A ship with Seventh day Adventist church and dept of health held an awareness campaign at the town hall. This programme was about to educate the community about healthy living and 1420 people tested for HIV	None	None	Register
						HCT social mobilization at Ingquza Hill LM: <ul style="list-style-type: none"> • Lukholo A/A • Mfuneli A/A • Nyaka A/A • Ntshingiza A/A • Kwamsomi A/A • Ntunjani A/A • Redout A/A • Nikwe A/A • Mathwebu A/A 	None	None	Register

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						<p>HCT social mobilization at Mbizana LM:</p> <ul style="list-style-type: none"> • Mpheni A/A • Balville A/A • Nkantsini A/A <p>Mbizana HTA: Education & HIV/AIDS Campaign:</p> <ul style="list-style-type: none"> • Mbizana Gateway clinic • Mbizana prison • Mbizana taxi rank <p>Mbizana HTA</p> <p>HIV/AIDS Awareness done at Mbizana gateway clinic</p> <p>HCT Social mobilisation done at Mbizana Taxi rank</p>	None	None	Register

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						<p>Ingquza Hill L.M</p> <p>World AIDS Day commemorated at Mfundisweni A/A</p> <p>Nyandeni L.M Ngqeleni HTA:</p> <p>HCT Social mobilization & education was done at :</p> <ul style="list-style-type: none"> • Lujizweni Location • Mavubeza JSS • Ngqeleni taxi rank • Correctional services <ul style="list-style-type: none"> • Nyandeni employee World AIDS Day commemorated at Nyandeni L.M Hall <ul style="list-style-type: none"> • Community World AIDS Day commemorated at Mpoza A/A <p>KSD L.M</p> <p>K.S.D Local AIDS Council ,ATICC and Eskom commemorated WAD at Eskom Hall</p>	None	None	DVD
						<p>Door to door campaign KSD L.M</p> <p>Fairfield, Link, Ntshabeni Matshongwe Circus triangle Gateway clinic</p>	None	None	Register

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						Condom Distribution 14 15000 and 25 000 IEC material all over the District	None	None	Records
		5.6	No. of identified schools benefiting from the winter and summer schools programme		10	5 Senior secondary Schools were supported	Target could not be reached due to National strike	None	Photos Attendance register Learner support programme report
			No of Orphans and Vulnerable Children supported			80 children placed and registered at Palmerton Children Care Centre with 08 new admissions to date. 10 children were rescued from the forced marriage	None	None	Records
						01 vulnerable child placed at Khanyisa Children's Home and 02 at Bethany Orphanage for Abandoned Children from different municipalities	None	None	Records
		5.7	Number of nurses trained on HCT, PMTCT and STI		296	87 Nurses were trained on HCT, PMTCT and STI infections. KSD Sub- District STI = 24	Late transfer of ATICC funds(March 2011 instead of July 2010) and vacant post of ATICC professional nurse trainer	The matter was raised with Provincial department as a corrective measure	Attendance register/ photographs/ certificates DAC report on Nurses training
						Nyandeni Sub-District: HCT & PMTCT- 23			
						Qaukeni Sub- District HCT & PMTCT- 24			
						Mhlontlo Sub – District(Spetu Hospital) HCT & PMTCT- 16			

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		5.8	Number of programmes implemented in recognition of Mandela day		3	<p>5 67 food gardens were planted in Mvezo village.</p> <p>Support was given to Ikwezi lokusa special by OR Tambo employees.</p> <p>Mandela day was commemorated in Mvezo village.</p> <p>Three free RDP houses were given to HIV terminal ill clients in KSD LM.</p> <p>HCT campaign was conducted in Mvezo and surrounding villages</p> <ul style="list-style-type: none"> • Mvezo village. • Mvezo J.S.S • Gwatyu village 	<p>NONE</p> <p>Over-achievement?? ?</p>	None	Nelson Mandela day contribution report

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		5.9	Number of programmes implemented in recognition of O.R Tambo Month		3	<p>8</p> <p>Employee wellness conducted at PSJ Second Beach in OR Tambo month , where Sport against HIV was promoted.</p> <p>Ndukudeni non medical HCT site official opening.</p> <p>District choral music was held .</p> <p>Miss O.R. Tambo Pageant was held. Miss. O.R. Tambo won a new Corsa Essentia 2010 Model.</p> <p>O.R. Tambo Memorial Lecture was held inMzamba Wild Coast Sun and was attached to the University of South Africa.</p> <p>Wreath Laying Ceremony was held in Nkantolo Garden of remembrance village-Mbizana.</p> <p>Solar gysers were installed to 20 households in Nkantolo village.</p> <p>OR Tambo DM Councillors and officials attended wreath laying ceremony in Johannesburg - Ekurhuleni Metro</p>	NONE	None	None O.R. Tambo month celebration report

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
		5.10	Number of programmes implemented in support to mainstreaming of special programmes		10	14 Inkciyo awareness campaign at Mhlontlo L.M. Ntshongweni A/A Inkciyo and teenage pregnancy consultations with traditional leaders conducted Inkciyo lifeskills awareness campaign conducted at Mfundisweni A/A	There is a need to intervene on youth life skills	None	Photos Special programmes mainstreaming report to portfolio
						Sport Against Crime and Violence Against Women and Children was held at Njimbinxeni in Flagstaff was held in partnership with Sport Unit in O.R. Tambo DM. 50 homes were supplied with potatoes to start food gardes.	Elderly killings associate with witchcraft lead to the intervention.	None	Photos records
						Women's summit Women's march against abuse and violence was organised by women's league			
						Draft Policy on People with Disabilities was done . Establishment of Media Centre at Efata (Blind and Deaf). International Day for People with Disabilities was held in Lusikisiki.			

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
						<p>Business Youth Summit held in Durban.</p> <p>Youth Business Information Session (ORTDM and DTI) was conducted</p>			
						<p>Registration of Palmerton Childcare Centre to become as NPO.</p> <p>As part of back to school campaign , 216 uniform was given to needy children of Makhosonke senior primary school –Flagstaff and 204 uniform was given to identified needy learners of Mcetheni Junior Secondary School –port St. Johns.</p> <p>Sisonke Technology donated five computers to Toli Senior Secondary School –Lusikisiki.</p>			

KPA	Objectives		Key Performance Indicator (KPI)	Previous Year's Performance (Performance)	Annual Targets	ACTUAL PERFORMANCE	REASONS FOR DEVIATION	CORRECTIVE MEASURES	MEANS OF VERIFICATION
			No. of communities/families benefited in the one-household-one food garden programme.			<p>To alleviate poverty , the following agricultural projects in Nyandeni local municipalities were ploughed and provided with vegetable inputs</p> <p>Older People: Sinxolo Food Security, Zele Food Security, Sondelani Food Security, Masiphakame</p> <p>Women's Garden, Masakhane Vegetable Garden, Sizanobuhle</p> <p>Youth Garden Project</p> <p>Philani Youth Project, Sophilasonke Youth Project, Nobubele Development Centre Bafazi Besintu, Imvelo Yamampondo Youth, and Mthombe A/A</p>	None	None	Photos Records

xii The office of the COO to coordinate ORTDM's response to service delivery queries raised through the Presidential Hotline, operation cacisa outreach, Imbizos, etc.

^{xiii} The aim of the Business Process Reengineering process is to identify areas of business performance improvement and monitoring

^{xiv} The Office of the COO would facilitate the review existing PM panel to improve Executive Mayor's process of performance managing the Municipal Manager and his/her direct reports (section 57 employees).

^{xv} The office of the COO to implement financial saving strategies on expenses related to accommodation, telephone, catering etc.

^{xvi} The Office of the COO would coordinate the reporting on the EPWP and other job creation interventions in the municipality. The Office of the COO would collate, analyse and report on EPWP and job creation interventions.

^{xvii} The office of the COO would coordinate a number of strategic service delivery projects. These would include: (i) Operation Cacisa, (ii) Service delivery and operations war-room and Water services turnaround plan