

NQUTHU LOCAL MUNICIPALITY

ANNUAL REPORT

2012/13

User

2013

83 MDLALOSE STREET, NQUTHU 3135

Foreword by the Mayor

Her Worship the: E.N Molefe



As we mark the second year of our term of Office as Council elected in 2011, and heading to the celebration of 20 years of freedom and democracy our country has a lot to celebrate. I am pleased to be a citizen of this country and also to be part of society who inspires change to the lives of the electorates.

Last year I have highlighted some of the measure Capital projects which were about to be launched by the Council, among those projects there was an upgrade of the CBD intersection and installation of traffic lights, which I believe it was a dream for every citizen of Nquthu to see such a wonderful project. We now experiencing a smooth flow of traffic and we have braced this project with law enforcement department, to ensure safety and proper compliance with traffic regulations by the motorist because we want to see Nquthu as one of the emerging towns in KwaZulu-Natal.

Our commitment to serve the public, working harder and to direct our resources into endeavors to address unemployment, inequality and poverty is yet our precedence. This is perceived by the number of young people assisted by the Council with registration fees to various tertiary institutions, skills and capacity building sessions to the unemployed youth. Community organizations have been funded through our socio-economic development programmes.

I believe this Annual report portrays the extent to which the municipality has responded to the expectations of the communities, based on the Council approved Integrated Development Plan

of the period under review. It is presented in such a manner that community can contemplate the service rendered by the Council versus the budgeted allocated.

It is our desire to achieve clean audit by 2014, since this is a National operation by all the municipalities, but we have set ourselves a solid footing by obtaining consistent unqualified audit opinion for the past years.

We still need that support from the community though we clearly understand that expectations of the community cannot be fulfilled in a single day. With the Management we have and leadership of the council it alluring to attain our priorities by 80% by the end of our term of office.

Once more time the credit must be awarded to the Councilors, Officials and all stakeholders even the community for their significant role in ensuring conveying of services and safeguarding of the resources.

If we maintain this standard I am certain Nquthu would never be the same again

I thank you

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Cllr E.N Molefe: MAYOR OF NQUTHU MUNICIPALITY

Message from the Municipal Manager

Municipal Manager: BP GUMBI



This report is one of the many tools used by the Municipality to communicate with stakeholders about the municipal performance, on financial and non- financial matters for the year under review. The Municipal Annual Report is compiled annually in compliance with Local Government Municipal Legislations.

The report mirrors the performance of the Council to its electorates. At this point, we are pleased to delineate that we have obtained an improved and consistent unqualified audit opinion for the past 4 years. This is splendid and substantial paraphernalia, Nquthu Municipality has ever achieved in its decade. It was a result of industriousness and dedication to serve the public with integrity by both Councilors and Officials. There is still a long way to walk and inspire change to achieve clean audit which is the requirement for all municipality in South Africa by 2014, but we have laid a concrete foundation for ourselves to achieve this.

As we head to the commemoration of 20 years of freedom and democracy in 2014, as citizens of Nquthu we too have something to celebrate. When we analyze the 2011 Stats SA demographics they indicates that the provision of basic services which are dispensed to us as the Local Authority have improved drastically when compared with 2001 demographics.

This change is witnessed by the coherent and accountable manner on which public funds are managed; targets set to achieve basic service delivery, transformation and development of the institution to meet the National turnaround strategy.

In conclusion, I take this opportunity to express my sincere gratitude to all role players who contributed positively towards good governance of the municipality, more especially the political leadership, municipal officials, ward committees and our public at large. I still believe that Nquthu can do more on championing service delivery

BP GUMBI

Municipal Manager

CHAPTER 1: INTRODUCTION AND OVERVIEW

1. INTRODUCTION

Nquthu Local Municipality Annual Report which encompasses of the Annual Performance Report is compiled in terms of Section 121 (1) of the Municipal Finance Management Act No.56 of 2003 and Section 46 of the Municipal Systems Act No.32 of 2000, a municipality, including its entity, is required to prepare an annual report and an annual performance report for the year-end review.

The purpose of the annual report is to provide a record of the activities of the municipality and its entity, and a report on performance against the budget for that financial year with the aim of promoting accountability to the local community for the decisions made by the municipality and its entity. The annual performance report on the other hand reflects the performance of the municipality and its service providers during the financial year, comparison of performance of the current and previous financial years and measure taken to improve performance. The municipality' 2012/13 annual report provides a true, honest and accurate account of the set performance and financial goals, the extent to which they were met, the resultant successes and the challenges that were experienced in pursuance thereof.

2. OVERVIEW

Nquthu is a Category B municipality established in 2000 as one of the four local municipalities that constitute the UMzinyathi District Municipality. It is located along the north eastern boundary of the district and is boarded by the following municipalities:

- eMadlangeni and Abaqulusi municipalities on the north;
- Ulundi Municipality on the east;
- Nkandla Municipality on the south; and

passing through the northern areas, passing east of Nondweni before linking Vryheid with the R68.

The town of Nquthu is a small but stable urban area that has established itself as the primary commercial, administrative and service centre for the Municipality as a whole. The town is an old Japie Uys town established in terms of Proclamation 67 of 1983. The majority of the land in Nquthu is under Ingonyama Trust land and the municipality does not have any land registered under its own name. The municipality is about to conclude a process towards the transfer of state land under its name.

Nquthu town is strongly linked to the surrounding towns of Dundee, Melmoth, Vryheid and Newcastle. Nquthu serves as a provincial administrative centre, with offices of the Departments of Education, Agriculture and Environmental Affairs, Works, Health, Justice and Welfare, Department of Transport, Safety and Security (SAPS), Post Office, as well as a variety of social infrastructure. Nquthu is located in at the crossroad of provincial roads, this place the node at a strategic position as an economic powerhouse and has the potential of growing as a Service Support Hub. Additional potential lies in the development and improvement of the commercial and property sector.

Land use in Nquthu is primarily agriculture, mainly dryland subsistence, where people keep livestock and grow crops such as maize and beans.

2.1 DEMOGRAPHIC TRENDS AND CHARACTERISTICS

According to the 2011 Census data, UMzinyathi DM has the population of 510 838 which shows a steady increase compared with the 2001 figures. The population per municipality in the uMzinyathi DM is broken down as follows:

TABLE : Total Population

Local Municipality	Population	% of Total	Households
Endumeni	64,865	12% of the district	16,851
Nquthu	165 307	32.4% of the district	31 612
Msinga	177,576	35% of the district	37,724
Mvoti	103,093	20.2% of the district	27 282
Umzinyathi	510,838	5% of the province	113 469

(Source: Stats SA: 2011 Census)

Figure 2 provides comparative population as per age within Nquthu area.

Approximately 42% of the population are 14 years and younger, while 53% of the population are aged between 15 and 64 years and 5.1% people with 65+. This indicates a youthful population which places pressure on the need for education and social facilities. These figures follow the general trend for the populations in the uMzinyathi DM municipalities.

Figure 3: Shows Age Structure for 2001 and 2011 Stats SA

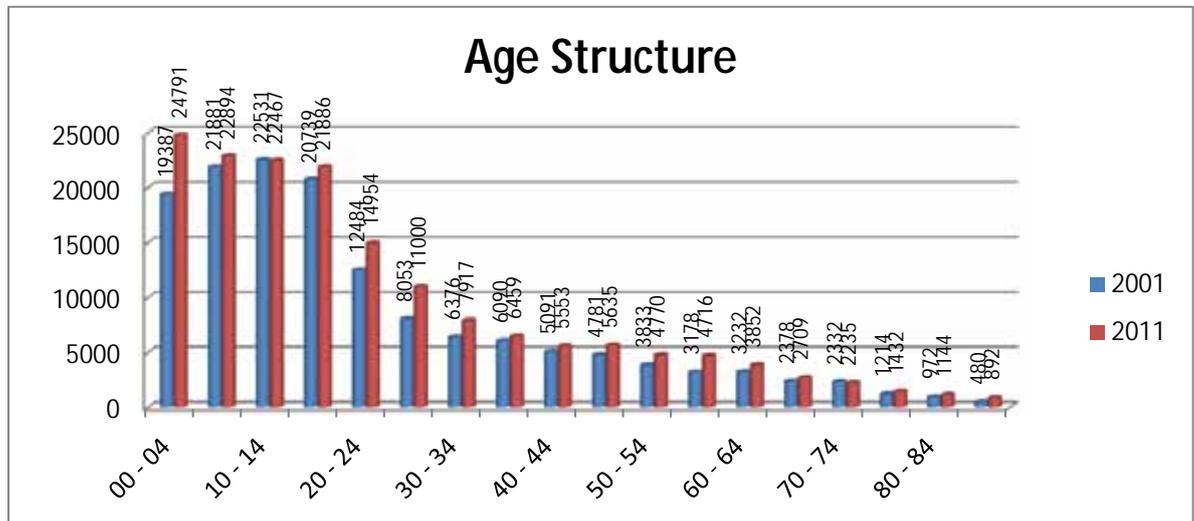


Figure 3: Reflects the population race groups

Nquthu consists of a large rural population (over 90%), with less than 10% of its people living in the semi-urban areas of Nquthu Town (3.44% living in Nquthu Town), Nondweni, Isandlwana and Ngolokodo. Roads and storm water in these rural areas are in a poor condition. This places enormous pressure on the delivery of services.

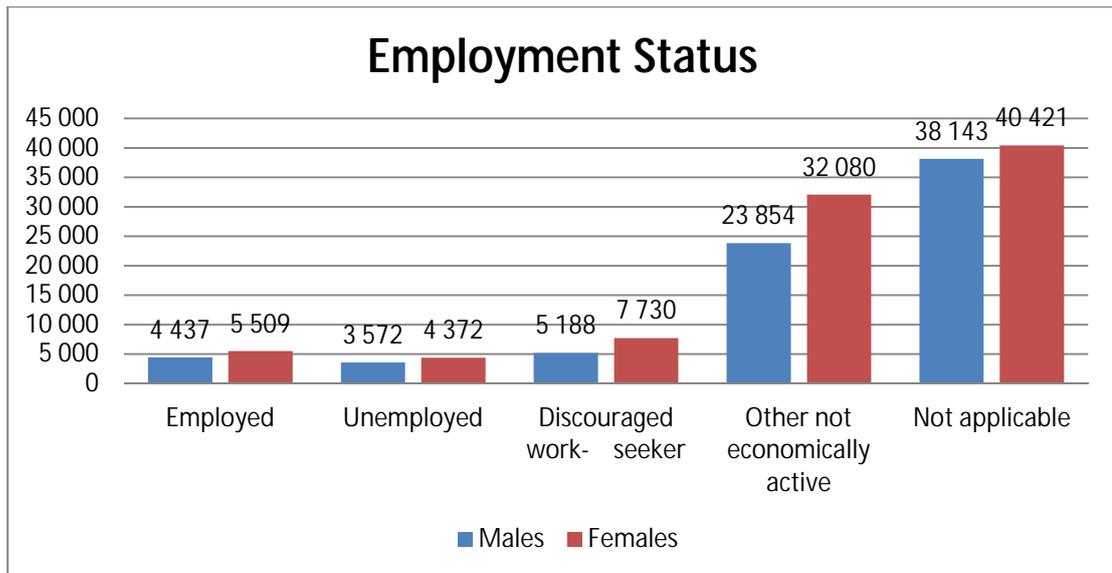
MUNICIPALITY	BLACK	COLOURED	INDIAN / ASIAN	WHITE	OTHER
UMzinyathi	96.6%	0.5%	1.3%	1.4%	0.1%
Endumeni	83.9%	2.6%	5.9%	0.4%	0.4%
Nquthu	99.7%	0.1%	0.1%	0.1%	0.1%
Msinga	99.6%	0.1%	0.1%	0.1%	0.1%
Mvoti	94.6%	0.8%	2.2%	0.2%	0.2%

(Source: Stats SA: 2011 Census)

The population of Nquthu is distributed throughout the Municipality comprising 17 Wards, although the southern areas are less densely populated due to the topography. The highest

numbers of residents are settled in wards 1, 3, 10, 11 and 15 however ward 6 has the least population.

Figure 4: Reflects the Economic growth



(Source: Statistics SA Census, 2011)

Employment levels are exceptionally low with only 9 946 of the economically active population being employed. Of the total population, 55 954 are not economic active as this include people with disability, school children and pensioners while 12 918 are discouraged work seekers and the rest of the potential labour force is not economically active (students, housewives etc). With such high unemployment the dependency levels are also very high and it is estimated that for every employed person there are 28 unemployed people who are in need of support.

2.2 VISION, MISSION AND CORE VALUES

2.2.1 Vision

“To be the champions of sustainable Local Economic and Community development, through good governance”

2.2.2 Mission

“We are a united community striving to provide basic services, eradicating poverty and promoting LED through co- operative governance and public participation”

2.2.3 Core Values

Q-Quality

H-Humanity

A-Accountable

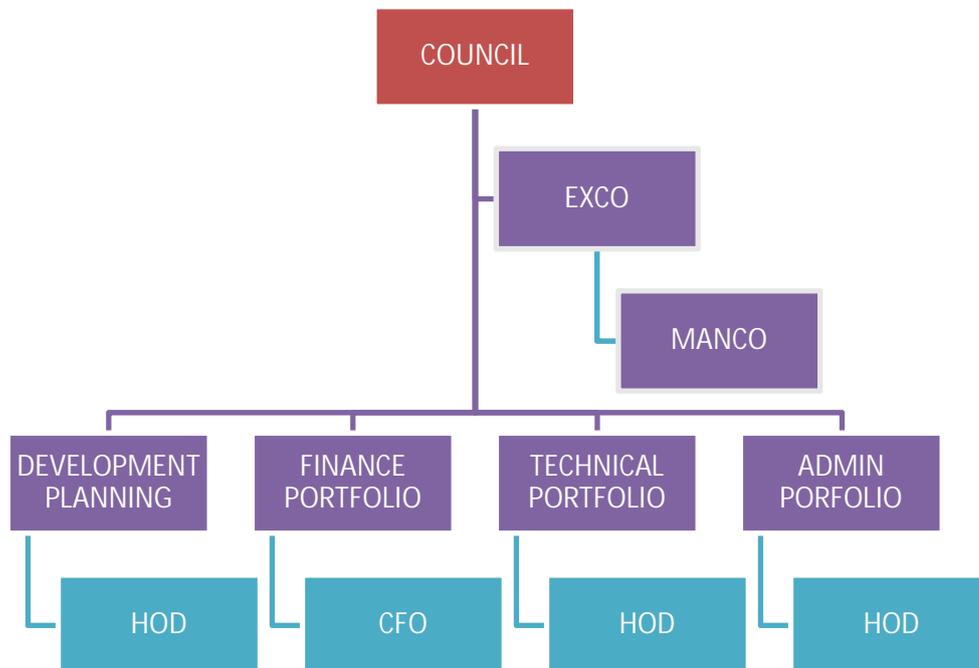
W-Willingness

E-Excellence

CHAPTER 2: GOVERNANCE

COMPONENT A

2.1 POLITICAL GOVERNANCE STRUCTURE



Nquthu Municipality has 34 Councillors which are participating in the municipal area service delivery. Within the municipality; councillors are given the opportunity to learn more as a part of capacitating them. Through this development, all councillors serving on any working committee for the council also need to be afforded opportunities to broaden their skills. Nominations via the Mayor need to be forwarded to the Training section staff. All the logistical arrangements for councillors and political support staff must be done through the training section after the appropriate approval is received. This will be done in conjunction with the Speaker's office.

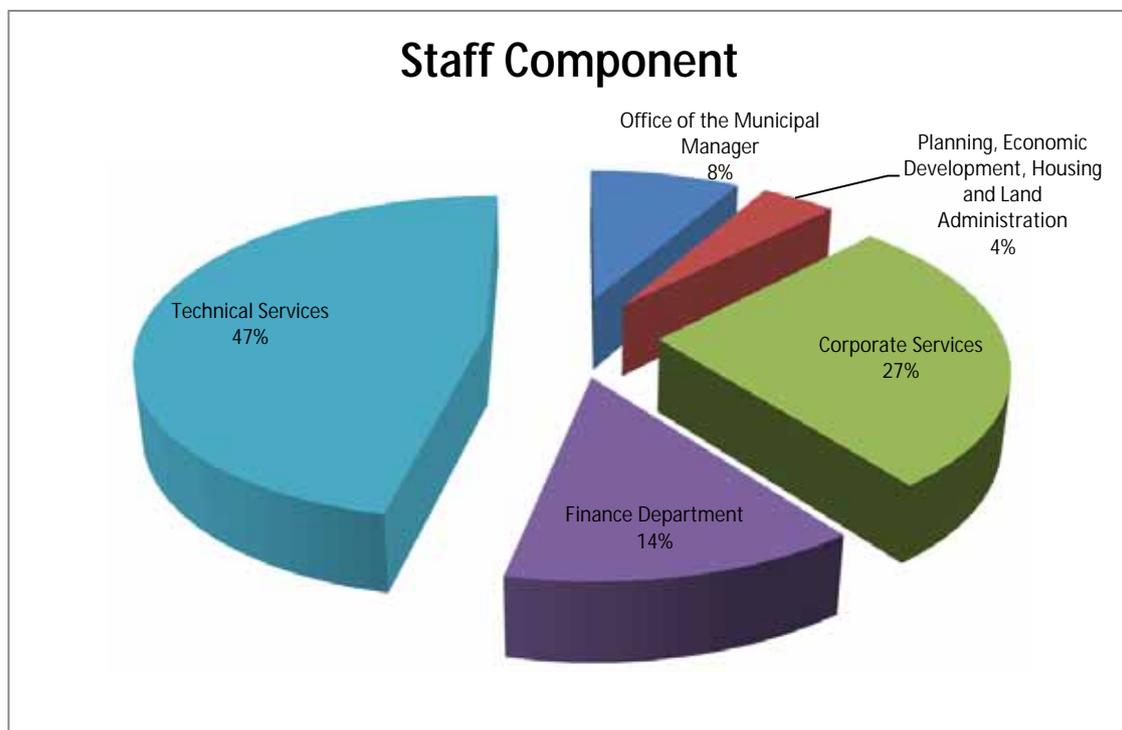
2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The municipality approves the 2012/2013 organizational structure which is aligned to the IDP in order to improve its operational capacity. The revised structure contributed positive to the

organization in terms of services delivery. During the year under review ,the municipality had a staff compliment of 143 as opposed to 130 during 2012/2013 financial year, which indicates that the municipality is strengthening its capacity in order fulfill its development mandate. The approve structure of the municipality had 153 posts of which 05 were currently vacant but will be filled in 2013/2014.

Nquthu Municipality comprises of 4 departments that report directly to the Municipal Manager, the Administrative Head. They are as follows:

- Budget and Treasury;
 - Corporate and Community Services;
 - Planning, LED and Housing
 - Technical Services
- The organizational arrangement is as follows:



Nquthu Municipality entails of staff which reports to the Heads of Department who are the Directors of different components. The HODs sit on the portfolio committee meetings and discuss matters pertaining their respective constituent matters. The portfolio committee advices the HODs with solutions on how the department matters can be tackled and how to go about the departmental programmes for service delivery to the community. When the issues have been analysed, the MANCO assembles and finalize together the individual portfolio outcomes to form one report which will be tabled in the Executive Committee thereafter taken to Full Council for resolutions.

2.3 Occupation and gender equity analysis

In terms of section 13(1) of the Employment Equity Act 55 of 1998, the Municipality is required to achieve employment equity by ensuring that affirmative action is implemented targeting mainly the designated groups.

In order to achieve equal opportunity in the workplace, the Nquthu Municipality has ensured that all positions are aligned to the Employment Equity Act sec 15 (2) (c), 2(b) and 3(b) according to the targets and timeframes set by the Equity Forum.

The distribution of staff by occupation, group and gender

Occupational Level	Designated							Total
	Male			Female				
	B	C	I	B	C	I	W	
Top Management	05	0	0	0	0	0	0	5
Middle Management	11	0	0	8	0	0	0	19
Semi-Skilled	18	0	0	25	0	0	0	43
Elementary Occupation	51	0	0	39	0	0	0	90

TOTAL	85	0		72	0	0	0	157
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2.4 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

This key performance area encapsulates the Municipality's commitment to the provision of the highest quality of service to its constituencies and to ensure that all strategies and objectives area adhered to, resulting in a productive and sustainable Municipality.

All Municipalities are obligated to encourage the involvement of communities and community organisations in the affairs of Local Government according to the Constitution, Section 151 (1) (e). This is further emphasised by Section 16(1) of the Municipal Systems Act 32 of 2000, which requires the Municipality to develop a culture of municipal governance that complements formal representative government with a system of participatory governance.

Nquthu Municipality has continued with strengthening the public participation unit in the year under review. During 2012/2013 one public meeting was held monthly in each of the 17 Wards.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations Framework Act No 13 of 2005 was promulgated to establish a framework for the national government, provincial governments and local governments in order to ensure amongst other things:

- promotion and facilitation of intergovernmental relations;

- Provision for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and
- Provision for matters connected therewith.
- The objective of the Act is based on the principle of co-operative governance as set out in Chapter 3 of the Constitution. The Act also aims to facilitate co-ordination in the implementation of policy and legislation including:
 - Coherent government;
 - Effective provision of services;
 - Monitoring implementation of policy and legislation; and
 - Realization of national priorities.

Nquthu Local Municipality has the following Intergovernmental Relations Structures in place:

Intergovernmental Relations Forum	Objective of the Function	Functionality
IDP Representative Forum	The purpose of the forum is to serve as a platform where the Nquthu Municipality meet with the sector departments, private organizations, business, NGO's and CBO to discuss developmental issues that affect the municipality	Yes
Planning and Development Forum	The purpose of the forum is to co-ordinate planning. Nquthu Municipality does not have its own forum but seats at the district as the UMzinyathi District Municipality has established the forum where the district family of municipality engage to ensure communication amongst the various planning and development within the district is undertaken in a holistic way.	Yes

IDP Technical Committee	<p>This Committee is situated at the district level and the local municipalities participate on it. The purpose of this forum is :</p> <ul style="list-style-type: none"> • Streamline planning process; • Combating socio-economic ills in a strategic and coordinated manner • Put forward a plan of action that will enjoy political buy-in at levels • Unifying the channelling of both private and public sector investments 	Yes
SMME Forum	The purpose of the forum is to serve platform to discuss SMME matters and consolidate informal traders	Yes
LED Project Steering	Local Economic Development is one of the key programmes that exist in Nquthu area. Therefore the purpose of the committee is to monitor and assess LED projects and also discuss LED issues	Yes
Disaster Advisory Forum	The purpose of the forum is to implement, monitor and co-ordinate all disaster management related issues within Nquthu area by ensuring improved and continued communication.	

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.6 PUBLIC MEETINGS

Subsequent to the inauguration of the new Council, the Public Participation Unit embarked on a programme to elect new Ward Committees. Currently, all our Ward Committees are fully functional and they have been inducted and trained on the first module as prescribed

by CoGTA. These new Ward Committees have submitted their schedule of meetings to the Municipality and have begun their Ward meetings. The Council adopted the Policy on Ward Committee election and operation.

Council held all statutory meetings as expected throughout the financial year and special meetings convened when needed. All Standing Committees held their monthly meetings as expected. The observation made was that the Municipality needed to ensure that Councilors keep time scheduled for meetings. It is also critical that all Committees should submit reports to Council or Executive Committee.

The Executive Committee also was very consistent in meeting its calendar of meetings as scheduled. Special meetings were called when necessary and regular reports were submitted quarterly as expected by the legislation.

2.7 IDP PARTICIPATION AND ALIGNMENT

Integrated Development Plan plays a major role in addressing the programmes and projects to be undertaken by the spheres of government and sector departments. The participation of the internal and the external bodies were scheduled and held as follows:

2.7.1 IDP STEERING COMMITTEE MEETING

Date	Venue
11 October 2012	Indaba room Nquthu Municipality
30 January 2013	Indaba Room Nquthu Municipality

11 March 2013	Natal Spa
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2.7.2 IDP REPRESENTATIVE FORUM MEETING

Date	Venue
17 October 2012	Nquthu Municipality Council Chamber
04 March 2013	Nquthu Municipality Council Chamber

The above dates of the IDP were adopted by the council during the adoption of the Process Plan. It must be noted that the IDP RF that was scheduled for the 27 February 2013 did not take place on that day but was rescheduled to the 04 March. This was due to the Community Based Plan which took place on the 27 February where it also played a vital role in identifying challenges in a ward level.

The Nquthu Municipality has been in partnership with UMzinyathi District Municipality in conducting the community public engagement. The UMzinyathi Growth and Development Summit was held on the 06-07 November where the economic status and economic potential alignment at the District level was analysed for future developments.

COMPONENT D: CORPORATE GOVERNANCE

2.8 RISK MANAGEMENT

Nquthu Municipality has an in-house Risk Assessment Officer who under the guideline of Section 62(1) of Municipal Finance Management Act (MFMA) assists the Accounting Officer/ Municipal Manager in his responsibility towards Risk Assessment Processes. Accounting Officer

of the municipality is responsible for financial administration of the municipality and must for this purpose take all reasonable steps to ensure the municipality maintains effective, efficient & transparent systems of financial and risk management and internal control.

Nquthu Municipality operates under the Enterprise Risk Management Framework (ERM) which specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner.

Nquthu Municipality is reviewing its Risk Management Policy which is set as one of the items scheduled on the 28th March 2013 Council Meeting and it was adopted. MANCO Risk Committee has been established by Nquthu Municipality to assist the Municipal Manager to fulfill his risk management and control responsibilities in accordance with prescribed legal and corporate governance principles.

The objectives of this committee are:

- Assist the Municipal Manager in discharging his accountability for risk management by reviewing the effectiveness of the municipality's risk management systems, practices and procedures, and providing recommendations for improvement.
- Review the risk management policy and strategy, and recommend for approval by the Accounting Officer;
- Review and assess the integrity of the risk control systems and ensure that the risk policies and strategies are effectively managed;
- Set out the nature, role, responsibility and authority of the risk management / risk officer function within the institution and outline the scope of risk management work;
- Monitor the management of significant risks to the institution, including emerging and prospective impacts;
- Review any legal matters, together with the legal advisor, that could have a significant impact on the institution;

Review management and internal audit reports detailing the adequacy and overall effectiveness of the institution's risk management function and its implementation by

management, and reports on internal control and any recommendations, and confirm that appropriate action has been taken

2.9 ANTI-CORRUPTION AND FRAUD

In terms of the Municipal Systems Act (MSA) Act 32 of 2000 Section 83 (c), if a municipality decides to provide a municipal service through service delivery agreement with a person referred to in section 80 (1) (b), it must select the service provider through selection processes which minimize the possibility of fraud and corruption.

Nquthu Local Municipality has the following strategies in place to prevent corruption, fraud and theft: .

- Risk Management Policy.

A Risk Management Committee is also in place to assist the Accounting Officer in addressing oversight requirements of risk management and evaluating and monitoring the municipality's performance with regards to Risk Management, Fraud Prevention and Corruption.

2.10 SUPPLY CHAIN MANAGEMENT

SCM is fully staff and all the bid committees are in place, SCM policy, delegations are also in place. The functions and responsibilities of SCM in Nquthu Municipality are as follows:

- aligning information system, applications, work processes and role boundaries to support functional outcomes related to the stock control, requisitioning, procurement, utilization, etc
- Controlling administrative sequences & mechanism related to bid documentation, opening, registering, recording & evaluation of bids.
- Providing guidance to personnel on the interpretation of procedures application and communication sequence associated within the supply chain management cycle.

- Arranging & attending specifications and site meeting to communicate or inform prospective bidders on requirements, specific term & condition.
- Attending to the verification & pre – qualification of person/companies participating in the bidding process.
- Controlling stock receipting, storage, counting & issuing applications, investigating deviations & monitoring application of corrective procedures.
- Preparing reports related to a specific analysis or investigations and forwarding to the respective committee on approval by the immediate superior.
- Provide SCM advices to institutional management teams and SCM Practitioners.
- Ensure the compliance in finance and SCM procedures.
- Oversee the implementation of SCM & Finance policies and legislative

Monitor and control all stock/ material to and from stores

- Control the receipting, storage and utilization of stock
- Check supplier documentation, record short delivery and damages on documents
- Order, rotate and monitor stock
- Receive and verify requirements on approved transactional documentation
- Follow up on instructions on disposal of damaged stock
- Implement control procedures/ supervise subordinates and monitor attendance and performance and allocate tasks

2.11 BY-LAWS

Nquthu Municipality has a quantity of By-Laws which are in place and are adopted by the Council. They are as follows:

- Standing rules of order By-Laws
- Street Trading By-Laws
- Tariffs Policy By-Law for indigent person
- Storm water and waste management By-Laws
- Keeping of animal By-Laws
- Cemetery and crematoria By-Laws
- Credit control and debt collection By-Laws
- Municipal Public Transport By-Laws
- Outdoor advertising By-Laws
- Property encroachment By-Laws

2.12 WEBSITE

Nquthu Municipality has established a website which is updated accordingly. All advertisements and municipal documents are published on the website so as to comply with the requirement of the municipality.

2.13 PUBLIC SATISFACTION LEVELS

The purpose of survey is to inform action. Nquthu Local Municipality acknowledges the fact that, there has not been any research done in the past financial year. Municipality, it therefore,

moves from the premise that survey is very vital to decision making. It is therefore incumbent of municipality to conduct at least one major survey a year. Focus areas of survey will be: customer satisfaction, external and internal stakeholders and other related issues.

2.14 OVERSIGHT COMMITTEE

The oversight role of Council is an important component of the financial reforms and it is achieved through the separation of roles and responsibilities between Council, the Executive Committee and Administration. Good governance, effective accountability, and oversight can only be achieved if there is a clear distinction between the functions performed by the different role players.

Non-executive Councillors are required to maintain oversight on the performance of specific responsibilities and delegated powers that they have given to the Executive Committee. In other words, in exchange for the powers in which Council have delegated to the Executive Committee, Council retains a monitoring and oversight role ensuring that there is accountability for the performance or nonperformance of the municipality.

The Municipal Finance Management Act, No.56 of 2003 (MFMA) vests in Council specific powers of approval and oversight:

- Approval of budgets;
- Approval of Budget related policies; and
- Review of the Annual Report and adoption of the Oversight Report.

The functions of the Oversight Committee are

- Undertake a review and analysis of the Annual Report.
- Invite, receive, and consider inputs from Councillors and Portfolio Committees, on the Annual Report.
- Consider written comments received on the Annual Report from the public consultation process.
- Conduct Public Hearing(s) to allow the local community or any organs of state to make representations on the Annual Report.
- Receive and consider Council's Audit Committee views and comments on the annual financial statements and the performance report.

- Preparation of the draft Oversight Report, taking into consideration, the views and inputs of the public, representative(s) of the Auditor-General, organs of state, Council's Audit Committee and Councillors.
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Consolidated Annual

Performance Reporting Template For

Nquthu Municipality

2012/2013 Financial Year

INTRODUCTION

Background to Municipal Performance Reporting

The Consolidated Municipal Performance Report is compiled in terms of the legislative requirements of Chapter 6 of the Municipal Systems Act No. 32 of 2000 and Chapter 12 of the Municipal Finance Management Act No. 56 of 2003. The Municipal Systems Act prescribes the role of each sphere of government in municipal performance reporting.

Purpose of the Report

The purpose of this Consolidated Annual Municipal Performance Report is to report on progress being made by Municipalities towards achieving the overall goal of “a better life for all”. Furthermore, the report is a key performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and co-operative governance and responds to the principles of the Constitution, Batho Pele, and White Paper on Local Government, MSA and the MFMA.

KPA 1: Municipal Transformation and Institutional Development

The main focus in this key performance area is the institutional and organisational capacity of municipalities to perform their functions and fulfil their developmental role as stipulated in the Constitution and the White Paper on Local Government. Institutional and organisational reform in Local Government is the key to sustainable municipalities. Having been allocated separate powers and functions entrenched in the Constitution, municipalities had to organise themselves in preparation to fulfil these functions and powers. Organisational transformation in Local Government is further explicitly prescribed in Section 51 of the Municipal Systems Act which provides as follows:

"A municipality must, within its administrative and financial capacity, establish and organise its administration in a manner that would enable the municipality to:-

- be responsive to the needs of the local community;
- facilitate a culture of public service and accountability amongst its staff;
- be performance orientated and focussed on the objects of Local Government set out in section 152 of the Constitution and its developmental duties as required by section 153 of the Constitution;
- ensure that its political structures, political office bearers and managers and other staff members align their roles and responsibilities with the priorities and objectives set out in the municipality's Integrated Development Plan;
- establish clear relationships, and facilitate co-operation, co-ordination and communication, between:

- a) its political structures, political office bearers and its administration;
- b) its political structures, political office bearers and administration and the local community;
- organise its political structures, political office bearers and administration in a flexible way in order to respond to changing priorities and circumstances;
- perform its functions:
 - a) through operationally effective and appropriate administrative units and mechanisms, including departments and other functional or business units;
 - b) when necessary, on a decentralised basis;
 - c) assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms;
 - d) hold the municipal manager accountable for the overall performance of the administration;
 - e) maximise efficiency of communication and decision-making within the administration;
 - f) delegate responsibility to the most effective level within the administration;
 - g) involve staff in management decisions as far as is practicable; and
 - h) provide an equitable, fair, open and non-discriminatory working environment"

This Key Performance Area (KPA) focuses on organisational capacity and includes indicators that show progress on how municipalities have organised themselves in terms of building capacity to deliver, compliance with equity targets as well as implementing both the organisational and individual performance management systems Municipal performance in this KPA was assessed in the following six (6) focus areas:

- Performance Management Systems;
- Filling of Section 57 Manager positions;
- Signed performance agreements by Section 57 Managers;
- Disciplinary processes against Section 57 Managers;
- Employment Equity; and
- Skills development.

Table 1: The Annual Report (Section 127 (2) MFMA) Submission rate per Municipality

Municipality	2010/11		2011/12		2012/13	
	Annual Report Submitted	% Submissions	Annual Report Submitted	% Submissions	Annual Report Submitted	Date Published
Nquthu	Yes	100%	Yes	100%	Yes	31 August 2013

Performance Management System

Table 2: Implementation of PMS per Municipality

Municipality	PMS Policy Framework developed /reviewed and adopted by Council	No of Section 54/56 Performance Agreements signed	PMS audited by an Internal Auditor for functionality and legal compliance	Performance Audit Committee (PAC) Appointed	Submission of previous year's council oversight report and made public	No. of quarterly performance reports submitted	Cascading of PMS to lower levels
Nquthu	Yes (2009)	5	Yes	Yes	No	4	No

Table 3: Linkage between IDP, SDBIP, and Performance Agreements per Municipality

Municipality	2010/11			2011/12			2012/13		
	IDP Framework Approved	Are the IDP KPI's aligned to s57 managers Performance agreements?	IDP Aligned To SDBIP	IDP Framework Approved	Are the IDP KPI's aligned to s57 managers Performance agreements?	IDP Aligned To SDBIP	IDP Framework Approved	Are the IDP KPI's aligned to s57 managers Performance agreements?	IDP Aligned To SDBIP
Nquthu	Yes	No	Yes	Yes	No	No	Yes	No	No

Table 4: Filling of Section 54/56 Managers posts

Section 54/56 posts	2010/11			2011/12			2012/13			Reasons for vacancies
	Approved posts	Filled posts	% of filled posts	Approved posts	Filled posts	% of filled posts	Approved posts	Filled posts	% of filled posts	
Municipal Manager	01	01	100%	01	01	100%	01	01	100%	N/A
Chief Financial Officer	01	01	100%	01	01	100%	01	01	100%	N/A
Technical / Infrastructure	01	01	100%	01	01	100%	01	01	100%	N/A
Corporate Services	01	01	100%	01	01	100%	01	01	100%	N/A

Compliance with the EEA

Table 7: Women Appointments – Section 54/56 Managers

Municipality	2010/11		2011/12		2012/13	
	No. of Section 54/56 posts approved	Women appointed in Section 54/56 posts	No. of Section 54/56 posts approved	Women appointed in Section 54/56 posts	No. of Section 54/56 posts approved	Women appointed in Section 54/56 posts
Nquthu	5	0	5	0	5	0

Table 8: Employment of people with disabilities (Whole Organization)

Municipality	2010/11			2011/12			2012/13		
	Total no. of approved posts	No. of people with disabilities	% of people with disabilities	Total no. of approved posts	No. of people with disabilities	% of people with disabilities	Total no. of approved posts	No. of people with disabilities	% of people with disabilities
Nquthu	00	00	00	00	00	00	00	00	00

Table 9: Employment of employees that are aged 35 or younger (Whole Organization)

Municipality	2011/12			2012/13		
	Total Approved Posts	No Of Posts Occupied By Staff Aged 35 Or Younger	% Of Posts Occupied By Staff Aged 35 Or Younger	Total Approved Posts	No Of Posts Occupied By Staff Aged 35 Or Younger	% Of Posts Occupied By Staff Aged 35 Or Younger

Municipality	Recruitment and Selection Policy			Skills Development Plan			EE Plan			HRM and HRD Policies		
	/Reviewed /Developed	Approved	Implemented	/Reviewed /Developed	Approved	Implemented	/Reviewed /Developed	Approved	Implemented	/Reviewed /Developed	Approved	Implemented
Nquthu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No

Table 12: Workplace Skills Plans submitted by municipalities to LG SETA

Management/ staff level	2010/11		2011/12		2012/13	
	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
Councillors	34	34	34	34	34	34
Senior Management level	5	5	5	5	5	5
lower level employees	*	*	*	*	*	8
Technicians and professional	*	*	*	*	*	32

TOTAL	39	39	39	39	39	79
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Table 13: Municipalities Put under Section 139 Interventions

Municipality	2010/11		2011/12		2012/13	
	Challenges	Interventions	Challenges	Interventions	Challenges	Interventions
Nquthu	N/A	N/A	N/A	N/A	N/A	N/A

Challenges and Interventions

1.1 CHALLENGES

- Individual Capacity: In acknowledgement of the necessity to recruit suitable personnel to execute the core functions of service delivery
- Institutional Capacity: need for the municipality to have mechanisms to review and realign arrangement for effective service delivery

1.2 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Training of staff
- Work-shopping the policies

1.3 RECOMMENDATIONS

- Improve the training and Capacity Building of officials and Councillors

KPA 2: Basic Service Delivery

This KPA entails the assessment of the ability of municipalities to deliver infrastructure and basic services, and also report on the role played by National and Provincial Departments in the different sectors in the execution of their functions. Local Government works in partnership with the communities to find sustainable ways to meet their needs and improve the quality of lives. As entrenched in the Constitution, the Millennium Development Goals as well as Vision 2014, government has geared itself to achieve targets for universal access to basic services.

Municipalities are at the forefront of attempts to achieve high levels of service delivery. Service delivery has assumed centre stage in South Africa, due to highly publicized events related to wide-spread protests within various communities. This has put even greater pressure on municipalities to deliver on their mandates and to ensure effective service delivery. The role of municipalities is crucial in dealing with many of the challenges that have led to such high levels of discontent.

A crucial aspect of this process is the provision of basic services such as water, electricity and sanitation for all communities. The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and extending the infrastructure to eradicate the backlog in service delivery.

The focus areas that measure the performance of municipalities in this KPA are the following:

- Access to basic services

- a) Access to portable water to all households;
 - b) Access to adequate sanitation;
 - c) Universal access to electricity; and
 - d) Access to adequate shelter.
- **Municipal Infrastructure Grant (MIG)**
 - **Free Basic Services (FBS)**
 - a) Indigent policy implementation;
 - b) Free basic water;
 - c) Free basic sanitation;
 - d) Free basic sanitation; and
 - e) Refuse removal.

3.2.1 Performance Information Analysis and Progress

Provision of basic services

Government is committed to providing access to electricity, water and sanitation as basic services to address the infrastructural backlog. Eighteen (18) years into democracy, government's development programmes are beginning to show tangible results in that access to basic services has improved substantially since 1994. Analysis of progressive trends is provided below on each of the basic services.

Access to potable water to all households

In relation to water services, government's goal is for all people of South Africa to have access to potable water by 2014. The MDG goal is to halve proportion of people without sustainable

access to improved water source between 1990 and 2015. The basic level of water service is an RDP standard equivalent to a minimum of 25 litres of potable water per day within 200 metres of a household not interrupted for more than 7 days in any year and a minimum flow of 10 litres per minute for communal water points. The South African service standard is substantially higher than the one defined by the MDGs as 20 litres of potable water per person per day within 1 000 metres of a household.

Table 14: Access to Adequate Services per Municipality

Municipality	2010/2011				2011/2012				2012/2013			
	Water		Sanitation		Water		Sanitation		Water		Sanitation	
	Target	Actual										
Nquthu	District Function											

Table 16: Access to Adequate Services per Municipality

Municipality	2010/2011						2011/2012						2012/2013					
	Housing		Refuse removal		Electricity		Housing		Refuse removal		Electricity		Housing		Refuse removal		Electricity	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Nquthu	00	00	3269	3269	1946	1946	00	00	3329	3329	2006	2006	00	00	3389	3389	2066	2066

Table 18: Blue Drop Water Certification per Water Service Authority

Municipality	2010/11	2011/12	2012/13
	% of Blue Drop Water Certification	% of Blue Drop Water Certification	% of Blue Drop Water Certification
Nquthu	District Function	District Function	District Function

Municipal Infrastructure Grant (MIG) Expenditure

Table 19: Total Grants, Donations and Contributions Received per Municipality

Municipality	2010/11			2011/12			2012/13		
	Allocations	Amount Spent	% spent	Allocations	Amount Spent	% spent	Allocations	Amount Spent	% spent
Nquthu	R17 476 817,52	R17 476 817,52	100%	R21 019 455,54	R21 019 455,54	100%	R25 497 000.00	R21 514 920.72	85%

Indigent Policy Implementation with Regard to Provision of free Basic Services

Table 20: Indigent Policies and Registers

Municipality	2010/11				2011/12				2012/13			
	Reviewed /Developed Indigent Policies	Indigent Policy Implemented	Indigent Registers In Place and date last updated		Reviewed /Developed Indigent Policies	Indigent Policy Implemented	Indigent Registers In Place and date last updated		Reviewed /Developed Indigent Policies	Indigent Policy Implemented	Indigent Registers In Place and date last updated	
			Yes/No	Date			Yes/No	Date			Yes/No	Date
Nquthu	Yes	Yes	Yes	21 June 2011	No	Yes	Yes	21 June 2011	No	Yes	Yes	21 June 2011

Table 21: Status on the Provision of Free Basic Services by Municipalities - 2012/13

Municipality	Electricity		Water		Sanitation		Refuse Removal	
	No Of Indigent Households Receiving Free Service	Units Per Household (Kwh)	No Of Indigent Households Receiving Free Service	Units Per House-Hold (Kl)	No Of Indigent Households Receiving Free Service	Units/ R Value Pm Per House- Hold	No Of Indigent Households Receiving Free Service	Units/ R Value Pm Per House- Hold
Nquthu	3 800	50 Kwh	3 800	6kl	3 800	00	3 800	R0.00

Challenges and Interventions

CHALLENGES

- The Nquthu municipality has a challenge of funding to reduce the present backlog; the funding that is received by the municipality is not sufficient as the organization does not have much of revenue.
- Ageing staff is a challenge as it is difficult to invest to people who can retire at any time
- There is no staff capacity within technical services department
- Political interference which leads to un-transparent service delivery

MEASURES TAKEN TO IMPROVE PERFORMANCE

- The municipality will engage MISA for the young professionals who will be employed by the Nquthu Municipality so as to solicit qualified technicians who will drive and undertake responsibility in help of the Director so as to keep the technical services department functional.
- Develop an Integrated Waste Management Plan and Infrastructure; these plans will assist to rectify the municipal technical issues.

RECOMMENDATIONS

As the Nquthu Municipality; it is recommended that more funding is given to the municipality so that backlogs that the municipality has can be driven to an excellent point of good service delivery.

KPA 3: Local Economic Development

This is one of the most important KPA's that the National Government intended using to push back the frontiers of poverty and build a developmental state. It cannot be doubted that the unemployment rate is quite high and if all spheres of government do not collectively play a meaningful role in creating conducive environments to attract jobs, more people will end up in the social grant lists, which puts a tremendous strain on government.

LED is one of those KPA's that most municipalities push to the back burner and do not allocate enough attention, planning and resources to it. It is even worse that most municipalities have not reached a level of appreciating the relevance of the principles of the National Spatial Development Perspective, the importance of developing their Spatial Development Frameworks (SDF) and LED strategies and linking these with their IDPs and the Provincial Growth and Development Strategies.

LED has been recognized as a critical approach to pursue within the context of empowered municipalities, pro-active actions by local communities, and the need to ensure that development is pro-poor in its focus and outcomes.

Local Economic Development (LED) strategies are at the centre of efforts by municipalities to create economic growth and development. It is an absolutely vital tool at the disposal of all municipalities and has the potential to radically improve the lives of all municipal constituents by enabling growth and reducing poverty. However, the strategies associated with LED are not to be viewed as a quick-fix solution to these problems. There are a myriad of potential challenges

and obstacles that need to be overcome in implementing such a comprehensive strategy – from local political conditions to the impact of globalization.

In essence, the aim of an effective LED strategy is to reduce the impact of factors that adversely affect local economic growth – such as the rapid increase in urbanisation (which affects all municipalities in some way), as well as global economic ruptures, such as the financial crisis which had a significant impact during the year under review. In order to mitigate these risks, LED requires absolute commitment from the various stakeholders involved in its development and implementation.

An LED strategy forms part of the IDP for each municipality. In many respects, it is the most crucial aspect of an IDP and plays a determining role in the effectiveness of the overall IDP approach. As such, an LED strategy needs to ensure the following:

- Assimilation of socio-economic conditions and needs;
- Establishment of the economic profile of the region;
- Selection of priorities;
- Development of policy thrusts;
- Formulation of strategic interventions;
- Formation of implementation plans;
- Programme and project development that addresses strategic objectives;
- Key performance areas for projects and programmes, including timeframes, targets and reporting mechanisms; and
- Indication of budget prioritization and allocation to deliver on economic priorities.

Ultimately, an effective LED strategy has the potential to improve the quality of life of local communities. However, this is dependent upon the genuine prioritization of the LED by all stakeholders and the active pursuit of its effective implementation. This requires significant levels of co-ordination between all stakeholders, as well as effective oversight.

Table 22: Number of Municipalities with Adopted LED Strategies and Filled LED Posts

Municipality	2010/11			2011/12			2012/13		
	LED strategy reviewed / developed	LED Strategy approved	LED Strategy implemented	LED strategy reviewed / developed	LED Strategy approved	LED Strategy implemented	LED strategy reviewed / developed	LED Strategy approved	LED Strategy implemented
Nquthu	Yes	Yes	Yes	Yes	No	No	No	No	No

Table 23: Capacity of Municipalities to Implement LED

Municipality	2010/11		2011/12		2012/13	
	No. of LED posts approved	No. of filled posts	No. of LED posts approved	No. of filled posts	No. of LED posts approved	No. of filled posts
Nquthu	00	00	1	1	1	1

Table 24: Number of Jobs Created per Municipality

Municipality	2010/11			2011/12			2012/13		
	Jobs Created Through EPWP	Jobs created through CWP	Jobs created through LED initiatives (including Co-operatives)	Jobs Created Through EPWP	Jobs created through CWP	Jobs created through LED initiatives (including Co-operatives)	Jobs Created Through EPWP	Jobs created through CWP	Jobs created through LED initiatives (including Co-operatives)
Nquthu	0	0	25	91	100	557	100	1145	72 co-operatives

Table 25: EPWP Implementation per Municipality – 2012/13

Municipality Implementing EPWP	Person-years of Work Including Training	Person –Years of training	Gross number of work opportunities created	Number of Youth	Number of Women	% of People with Disabilities
Nquthu	1 year	1 Year	100	32	52	None

Challenges and Interventions

- Slow progress in undertaking the project and this is dragging the scope of work and trackable impact is not clear. This refers to Mntshongweni vegetable production.
- There is no Local Economic Development Strategy in place and this hinders on the implementation of programmes that can assist in the economic development of the area and this also make it difficult to identify those areas which have potential in agriculture and other sector of uplifting the economy of Nquthu

3.14 MEASURES TAKEN TO IMPROVE PERFORMANCE

LED and Agricultural Strategies to be developed this financial year (2013/14). This will enable the municipality to ensure that all the economic sectors are well unlocked so as to elevate the local economy.

3.15 RECOMMENDATIONS

It is recommended that the budgeted funds are utilizes at a prescribed term so as to avoid hinders that will affect the municipality's performance.

KPA 4: Municipal Financial Viability and Management

Profound fiscal efficacy, discipline, prudence and monitoring all provide a sound basis for the delivery of all the key and fundamental municipal objectives. It is therefore imperative that municipalities not only purport to portray but embrace an intrinsic and frugal duty to maximize revenue potential while transparently managing public finances as set out in the Municipal Finance Management Act 2003, and the Municipal Property Rates Act 2004 following the proper International Accounting Standards as prescribed in policy and regulation. The guidelines set therein provide for effective accountability, evident financial sustainability and a financial viability conducive to infrastructure investment and service delivery.

The financial performance of municipalities is based on the 2011/12 financial statements.

- Financial viability data is based on the 2011/12 financial statements of the municipalities. Municipal financial statements are not all in the same format, there are instances where it is difficult to compare the same items across municipalities. In cases where ambiguity may exist, please refer the municipality's individual financial statement.
- An attempt is made to ensure that the data tables in this report are for the status as at end June 2011.
- Audited financial statements were requested from municipalities and the statements received are considered audited unless unaudited set was received and it wasn't highlighted as such by the municipality.
- Interpretations of the annual financial statements were made based on the statements received from municipalities.

3.4.1 Financial Viability

This is the main prescribed Key Performance Indicator (KPI). It is therefore compulsory for all municipalities to submit annual reports on achievements or challenges encountered in achieving according to ratios set in the 2001 Regulations.

Financial viability of Local Government is measured using three (3) Key Performance Indicators:

- **Debt coverage:** which denotes the rate at which a municipality to meet its debt service payments with the financial year from its own sources of revenue. A municipality should have 20% debt coverage.
- **Outstanding service debts to revenue:** refer to the ability of a municipality to service its debts dependant on the rate at which the municipality collects amounts owed to it. In other words it represents the ratio of outstanding debtors to total revenue.
- **Cash flow:** measures the rate at which municipalities can cover their costs, that is the debtor collection rates which result in sufficient cash to enable the municipalities to meet their day to day operational costs. It is mandatory for municipalities to determine cash flow requirements to maintain operations and also have adequate measures to foresee the need to alter operations as required.

Table 26: Performance against Budget by Municipalities

Municipality	2010/11			2011/12			2012/13		
	Budget Approved	Revenue	Expenditure	Budget Approved	Revenue	Expenditure	Budget Approved	Revenue	Expenditure
Nquthu	*	97816504	87231742	134308944	117123500	96466779	*	111722239	108132803

Table 27: Total Grants, Donations and Contributions Received per Municipality

Municipality	2010/11			2011/12			2012/13		
	Total Donations, Grants And Contributions Available	Total Spent	% Expenditure	Total Donations, Grants And Contributions Available	Total Spent	% Expenditure	Total Donations, Grants And Contributions Available	Total Spent	% Expenditure
Nquthu	63586658	12516511	77.94%	95388232	83233430	87%	115257757.96	111495228.48	91%

Table 28: Auditor General Opinion per Municipality

Municipality	Audit Opinion 2010/11	Audit Opinion 2011/12	Audit Opinion 2012/13
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	Clean Audit	Unqualified	Qualified	Adverse	Disclaimer	Clean Audit	Unqualified	Qualified	Adverse	Disclaimer	Clean Audit	Unqualified	Qualified	Adverse	Disclaimer
Nquthu			✓				✓					✓			

Table 29: Outstanding debt and debt Management

Municipality	2010/2011				2011/2012				2012/2013			
	Electricity	Sewerage & Refuse	Housing	Other	Electricity	Sewerage & Refuse	Housing	Other	Electricity	Sewerage & Refuse	Housing	Other
Nquthu	3578694	5878234	00	Market Stalls	3189318	8780063	00	276428	2167327	10205542	00	421397

Table 30: Development of Revenue Enhancement Strategy

Municipality	2010/11			2011/12			2012/13		
	Strategy Approved	Strategy Implemented	Strategy Improved	Strategy Approved	Strategy Implemented	Strategy Improved	Strategy Approved	Strategy Implemented	Strategy Improved

Municipality	2010/11			2011/12			2012/13		
	Strategy Approved	Strategy Implemented	Strategy Improved	Strategy Approved	Strategy Implemented	Strategy Improved	Strategy Approved	Strategy Implemented	Strategy Improved
Nquthu	NO	NO	NO	No	No	No	Yes	Yes	Still implementing recommendations

Challenges and Interventions

- Lack of office space prevents us from appointing staff which affects proper segregation of duties.
- High debtors due to high indigent
- Lack of transfer of ownership of land limits revenue base
- Non-payment for services by customers who have the ability to pay
- Moving to clean audit
- Improve compliance with legislation

17 MEASURES TAKEN TO IMPROVE PERFORMANCE

- Appointment of debt collector to do debt collection
- Appointment of additional debt control clerks
- Develop and implement Revenue Enhancement Strategy

RECOMMENDATIONS

- To continue on implementing the A-G dashboard recommendations

KPA 5: Good Governance and Public Participation

Good governance according to the democratic principles is achieved through effective public participation. Not only does public participation allow constituents to monitor the governance record of its elected officials, but it also encourages the public to take an active interest in the performance of their municipality and region. It is only through broad public participation that citizens will recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society.

This allows all citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector. Active ward-based plans and consultative forums are central structures through which public participation and, ultimately, good governance can be achieved.

This necessarily means that municipalities need to be enabled to perform their duties in order to ensure the implementation of good governance practices and public participation. Section 151 of Chapter 7 of the South African Constitution gives each municipality the right to govern the Local Government affairs of its community on its own initiative, subject to National and Provincial legislation. Additionally, the by-laws of municipal councils are legislative acts that are not reviewable in terms of administrative law.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and individual municipalities should ensure that its Finance Committee, Audit Committee, Council and sub-committees are fully functional. This should be done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance.

Table 31: Functionality of Ward Committees per Municipality

Municipality	2010/11 As @ March 2011		2011/12 As @ June 2012		2012/13 As @ June 2013	
	No. of Functional Ward Committees	% of Functional Ward Committees	No. of Functional Ward Committees	% of Functional Ward Committees	No. of Functional Ward Committees	% of Functional Ward Committees
Nquthu	15 of 15	100%	17 of 17	100%	17 of 17	95%

Table 32: Total Number of Deployed CDW's Per Municipality

Municipality	2010/11			2011/12			2012/13		
	No Of CDW Posts Approved	No Of CDW's Deployed To Wards	Manner of Feedback	No Of CDW Posts Approved	No Of CDW's Deployed To Wards	Manner of Feedback	No Of CDW Posts Approved	No Of CDW's Deployed To Wards	Manner of Feedback
Nquthu	00	15	*	00	15	*	04	19	*

Table 33: Progress on the Implementation of Anti-Corruption Strategies by Municipalities

Municipality	2010/11	2011/12	2012/13
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	Anti-Corruption Plan Compiled	Have Council Adopted The Anti-Corruption Plan	Anti-Corruption Plan Implemented	Anti-Corruption Plan Compiled	Have Council Adopted The Anti-Corruption Plan	Anti-Corruption Plan Implemented	Anti-Corruption Plan Compiled	Have Council Adopted The Anti-Corruption Plan	Anti-Corruption Plan Implemented
Nquthu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 34: Mayoral Izimbizo per Municipality

Municipality	2010/11			2011/12			2012/13		
	No. of Izimbizo	Challenges	Resolutions	No. of Izimbizo	Challenges	Resolutions	No. of Izimbizo	Challenges	Resolutions
Nquthu	None	Financial constraints	None	6	Poor attendance	Proper advertisement	1	Financial Constraints	Adjust the budget to accommodate the financial issues

Table 35: Compliance of municipalities on the analysis, public participation, development, adoption and implementation of the IDP

Municipality	2010/11	2011/12	2012/13
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	IDP Reviewed	No of stakeholders who participated	IDP Reviewed	No of stakeholders who participated	IDP Reviewed	No of stakeholders who participated
Nquthu	Yes	Records not available	Yes	Records not available	Yes	11

Table 36: IDP credibility Score per municipality

Municipality	2010/2011	2011/2012	2012/2013
Nquthu		*	*

Table 37: Good Governance Indicators as at June 2013

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					No. of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee				

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					No. of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Representatives	Council	Executive mayoral committee				
Nquthu	Yes	Yes	Yes	4	12	Yes	Yes	2	None	None	Yes	No	Yes	No

Challenges and Interventions

CHALLENGES

There are no enough budgets for the other sport codes promotion

There are no proper sport facilities which are conducive to accommodate different sport codes

MEASURES TAKEN TO IMPROVE PERFORMANCE

Request Department of Sport and Recreation to assist with infrastructure development and equipment

RECOMMENDATIONS

- To have enough budget for sport unit
- To have conducive infrastructure

KPA 6: Cross Cutting Interventions

Cross-cutting interventions are specific issues that are not addressed directly by the Five (5) Key Performance Areas. The interventions deal with how municipalities should organize themselves and mobilize human and financial support to discharge their mandate as provided in the Constitution of the Republic of South Africa. Progress in municipal performance in this KPA had been assessed in the following 5 focus areas:

- Integrated Development Planning;
- Spatial Development Framework
- Disaster management;

This is to be achieved through:

- capacitating municipalities to deliver quality services to communities;
- promoting participative, integrated and sustainable communities;
- ensuring municipal plans reflect national, provincial and local priorities and resources through sound intergovernmental relations;
- being the first port of call for municipalities for advice and support; and
- Facilitating delivery through sound administration and the engagement of all spheres of government and social partners.

Table 38: Development, Submission and Implementation Rate of SDF's

Municipality	2010/11			2011/12			2012/13		
	SDF's Approved	SDF's Submitted	SDF's Implemented	SDF's Approved	SDF's Submitted	SDF's Implemented	SDF's Approved	SDF's Submitted	SDF's Implemented
Nquthu	Yes	Yes as a part of IDP	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 39: State Of Readiness on National Disaster Implementation per Municipality

Municipality	2010/11				2011/12				2012/13			
	Functional Disaster Management Centre	Municipalities With Heads Appointed	Disaster Management Forums Established	Municipalities With Disaster Management Plans	Functional Disaster Management Centre	Municipalities With Heads Appointed	Disaster Management Forums Established	Municipalities With Disaster Management Plans	Functional Disaster Management Centre	Municipalities With Heads Appointed	Disaster Management Forums Established	Municipalities With Disaster Management Plans
Nquthu	Yes	No	No	No	No	No	No	No	No	No	No	No

Table 40: Functionality of National Disaster Plans in Districts – 2012/13

Municipality	Disaster Management Centre Established And Fully Functional	Disaster Management Framework	Disaster Management Plans Finalised
Nquthu	No	No	No

Table 41: Functionality of rural nodes and 8 urban nodes

Municipality	2010/2011	2011/2012	2012/2013
Nquthu			

Challenges and Interventions

DISASTER MANAGEMENT CHALLENGES

Insufficient resources

Infrastructure (Disaster Centre)

Poor reporting on the disastrous incidents

Shortage of expertise

DISASTER MANAGEMENT INTERVENTIONS

- Department of Social Development provide relief stock and psychological support
- UMzinyathi District Municipality provide all kinds of support and assistance
- SAPS provides search and rescue support
- Department of Health provides emergency medical services

DISASTER MANAGEMENT RECOMMENDATIONS

It is recommended that the disaster unit get full equipment and uniform to combat the disaster in all wards

CHAPTER 4: Organizational Development Performance (Performance Report Part II)

COMPONENT A

The Nquthu Municipality consists of 153 staff members whom are within five departments namely; Executive office; Technical Services; Development Planning; Corporate Services as well as Budget and Treasury. Due to unattractive salary scale; the municipality experience the high rate of staff turnover and this has given a negative impact to the institution. Therefore it can be stated that the municipality is unstable as it employs different people for one position as people move to greener pastures for better life condition.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS

The Nquthu Municipality has a head section unit where all departments reports too. The Executive Office is the office of the Municipal Manager and it consists of Integrated Development Plan, Risk Management, Internal Audit, Youth Development and the administrative office of the Mayor. The above mentioned units are situated in the office of the Municipal Manager and reports directly.

Contained by the municipality; there are other four department which are managed by the Senior Managers who reports directly to the Municipal Manager and they have their own middle management who reports direct to them in order to deliver and address Batho Pele Principles to the public. The middle managers are the ones who take initiative in practical scope of work of the municipality and the Senior Managers plays a role of supervision.

The municipality also has general workers who reports to their respective supervisors and the supervisors report to the responsible middle managers; this gives rise to service delivery as co-operation is applied within the municipality.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

The Municipal Service Act 2000, S68 (1) required municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their power in an economical, effective, efficient and accountable way.

The Municipality through Corporate Services Department is the custodian or champion for skills development on behalf of the Municipality. Various training interventions are conducted through different levels in the organization. There are training programmes that are attended to equip the employee in order to improve the quality and standard of service delivery. The Workplace Skills Plan is developed along the LGSETA guideline. Almost what is due to the municipality in terms of the training rebates is collected on an annual basis in full. Whilst the Human Resources Development Unit is tasked to improve the competency of our employees the unit is also responsible to work in partnership with various departments and training providers and communities to improve the level of skills, knowledge and behaviour of our employees and citizens to be active participants in the Municipal and the economic development and growth of the municipality.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Managing workplace expenditure is governed by Section 66 of the MFMA Act 56 of 2003. The economic challenges faced by the Municipality include, optimizing productivity and rand value, balancing compensation for performance results, the growing dilemma of providing care and wellness programmes for all employees, hiring professional staff and raising and addressing the skills levels of all employees.

The strategic and economic challenges are managed through the following programmes:

1. Affirmative Action and Employment Equity
2. Code of Conduct of employees
3. Grievances and disciplinary Procedures
4. Occupational Health and safety
5. Working Hours and Overtime
6. Remuneration scales and allowances

CHAPTER 5: FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

CHAPTER 6: AUDITOR –GENERAL AUDIT FINDINGS

APPENDICES

APPENDIX A: Councillors; Committee Allocation

Council member	Committees allocated	Ward and party represented
Cllr V.B. Ntombela (SPEAKER)	EXCO	ANC
Cllr E.N. Molefe (MAYOR)	EXCO, Finance portfolio	ANC
Cllr S.M. Kunene (DEPUTY)	EXCO, Technical service portfolio	NFP
Cllr Z . Sthole	Planning and Housing portfolio	IFP
Cllr R.S. Langa	Corporate service portfolio	IFP
Cllr E.M. Mkhwanazi	Finance portfolio	IFP
Cllr M.E. Mnguni	Planning and Housing portfolio	IFP
Cllr G.A.N Buthelezi	Technical service portfolio	IFP
Cllr L.S. Sangweni	Corporate service portfolio	IFP
Cllr S.M. Shabangu	Planning and Housing portfolio	ANC
Cllr S.M. Buthelezi	Technical service portfolio	IFP
Cllr M.L. Dlamini	EXCO, Planning and Housing portfolio	NFP
Cllr T.W. Madondo	Technical service portfolio	ANC
Cllr T.M. Ndlovu	Finance portfolio	IFP
Cllr K.S. Selepe	Corporate service portfolio	ANC
Cllr AES Buthelezi	Technical service portfolio	ANC
Cllr R.A. Ndlovu	Finance portfolio	ANC
Cllr H.M. Moloji	Planning and Housing portfolio	ANC

Cllr S.M.C. Zikode	Planning and Housing portfolio	ANC
Cllr C.T. Buthelezi	Planning and Housing portfolio	ANC
Cllr G.H. Buthelezi	Corporate service portfolio	IFP
Cllr F.A. Hlatshwayo	Planning and Housing portfolio	IFP
Cllr L.S. Hoffman	Finance portfolio	ANC
Cllr P.P. Khoza	Technical service portfolio	IFP
Cllr S.P. Mazibuko	Corporate service portfolio	ANC
Cllr N.S. Mkhize	Corporate service portfolio EXCO	ANC
Cllr S.J. Mkhwanazi	Corporate service portfolio	NFP
Cllr J.C. Ndlovu	Technical service portfolio	IFP
Cllr Z.G. Ngcobo	Corporate service portfolio	NFP
Cllr V. Ngobese	Planning and Housing portfolio	NFP
Cllr S.R. Nyamane	EXCO, Planning and Housing portfolio, Finance portfolio	IFP
Cllr E.T. Zulu	Planning and Housing portfolio	ANC
Cllr NM Zungu	Planning and Housing portfolio, EXCO	IFP
Cllr B.I. Zwane	Planning and Housing portfolio	DA

APPENDIX B: Committee and Committee Purpose

NQUTHU MUNICIPALITY PORTFOLIO COMMITTEES

<i>BUDGET AND TREASURY PORTFOLIO COMMITTEE</i>		
COUNCILLORS NAME	DESIGNATION	PURPOSE OF THE COMMITTEE

1. Cllr. EN Molefe	Chairperson	<p>Administering the capital and operational budgets of the Municipal Council;</p> <p>Encouraging the involvement of the community of the municipality and its community organisations and institutions in the matters of the municipality;</p> <p>Ensuring that the governmental discretions exercised by the municipality are democratic, consistent and accountable; and Administering Council's assets</p>
2. Cllr. RA Ndlovu	Member	
3. Cllr. LS Hoffman	Member	
4. Cllr. SR Nyamane	Member	
5. Cllr. EM Mkhwanazi	Member	
6. Cllr. TM Ndlovu	Member	

<i>CORPORATE, SPORTS AND COMMUNITY PORTFOLIO COMMITTEE</i>		
1. Cllr. NS Mkhize	Chairperson	<p>PURPOSE OF THE COMMITTEE</p> <ul style="list-style-type: none"> The leasing, letting, hiring and alienation of the goods and intellectual property of the municipality in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
2. Cllr. SP Mazibuko	Member	
3. Cllr. KS Selepe	Member	
4. Cllr. ZG Ngcobo	Member	
5. Cllr. LS Sangweni	Member	
6. Cllr. GH	Member	

Buthelezi		
7. Cllr. SJ Mkhwanazi	Member	
8. Cllr. RS Langa	Member	<ul style="list-style-type: none"> • Implementing and maintaining an effective and efficient information technology system, catering for all the needs of the municipality. • Obtaining proper legal services for the municipality. • Providing adequate, effective and efficient secretarial, agenda and minuting services to the municipal council and its committees. • Implementation and maintenance of an approved records system. • Carrying out sport and recreation programmes with the municipality. • Providing adequate, effective and efficient Human Resources and Management service and; • That the values and principles set out in Section 195 of the Constitution are promoted

		<p>throughout the municipal administration</p> <ul style="list-style-type: none"> • Administration of ward committee with the municipality; • Overseeing certain municipal library services • To pay attention to Operation Sukuma Sakhe to the entire municipality
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<i>TECHNICAL PORTFOLIO COMMITTEE</i>		
1. Cllr. SM Kunene	Chairperson	PURPOSE OF THE COMMITTEE
2. Cllr. TW Madondo	Member	<p>Advising on legislation and service delivery mechanisms, which are within the financial</p> <p>Overseeing the delivery of certain municipal services and facilities; and projects</p> <p>Ensuring, subject to any policy that the Municipal Council may determine in terms of any National</p>
3. Cllr. PP Ntombela	Member	
4. Cllr. CJ Ndlovu	Member	
5. Cllr. AES Buthelezi	Member	
6. Cllr. FA Hlatshwayo	Member	
7. Cllr. RA Ndlovu	Member	

		and Provincial Legislation made in terms of section 217 (3) of the Constitution prior to the date referred to in Item 21 (4) of Schedule 6 to the Constitution, that when the municipality contracts for goods and services, it does so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
<i>PLANNING AND LED PORTFOLIO COMMITTEE</i>		
1. Cllr. ML Dlamini	Chairperson	PURPOSE OF THE COMMITTEE
2. Cllr. SMC Zikode	Member	
3. Cllr. HM Moloji	Member	The goal of the of Development Planning and Local Economic Development is to provide strategic direction to the municipality with regards to development issues and to ensure that the municipality's vision and strategies are achieved in the fields of development planning and operations. Provide spatial and development plans, and the management thereof within the context of the <u>Integrated Development Plan</u> .
4. Cllr. ME Mnguni	Member	
5. Cllr. ET Zulu	Member	
6. Cllr. Z Sithole	Member	

		<p>Facilitate and manage the development and ongoing enhancement of strategy, policies and processes pertaining to city planning, land administration, housing.</p> <p>Facilitate and manage a number of interrelated spatial, housing, land and programmes.</p> <p>Formulate and implement appropriate policies and strategies to sustain rural development.</p> <p>Allocate, manage and optimise resources, and drive performance within the key focus areas of development planning and operations</p>
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<i>HOUSING PORTFOLIO COMMITTEE</i>		
1. Cllr. NM Zungu	Chairperson	PURPOSE OF THE COMMITTEE
2. Cllr. TC Buthelezi	Member	
3. Cllr. SM Shabangu	Member	
4. Cllr. SM Buthelezi	Member	
5. Cllr. GAN Buthelezi	Member	
6. Cllr. V Ngobese	Member	

		Human settlements and Infrastructure
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<i>STANDING COMMITTEE ON MUNICIPAL ACCOUNTS (SCOMA)</i>				
1.	Cllr. SJ Mkhwanazi	Chairperson	0781956452	PURPOSE OF THE COMMITTEE To monitor good governance where there is optimal utilisation of municipal resources to enhance and sustain service delivery and financial management
2.	Cllr. SP Mazibuko	Member	0820495395	
3.	Cllr. ZG Ngcobo	Member	0762337900	
4.	Cllr. FA Hlatshwayo	Member	0825115590	
5.	Cllr. SMC Zikode	Member	0822211035	
6.	Cllr. PP Ntombela	Member	0738700023	
7.	Cllr. BI Zwane	Member	0722445802	

<i>LOCAL LABOUR FORUM</i>		
		PURPOSE OF THE COMMITTEE
1.	Cllr. SM Shabangu	Member
2.	Cllr. SP Mazibuko	Member
3.	Cllr. SJ Mkhwanazi	Member
4.	Cllr. ME Mnguni	Member
5.	Mr XM Mbatha	Member
<ul style="list-style-type: none"> • promote the interests of all workers • enhance workplace efficiency; • consult with the employer; and • take part in decision-making 		

6. Mr WS Mpanza	Member	
7. Ms Nozipho Motaung	Member	
8. Mr Bongani Khumalo	Member	
9. Ms Doctor Mosea	Member	
10. Ms Khuli Ngobese	Member	

APPENDIX C: Third Tier Administrative Structure

APPENDIX D: Functions of the Municipality

• FUNCTION	• NQUTHU LM	• UMZINYATHI DM
• Water and Sanitation	•	• X
• Access roads and Storm Water	• X	•
• Billboards	• X	•
• Street Cleaning	• X	•
• Local Amenities	• X	•
• local sport facilities and public places	• X	•
• local tourism	• X	•
• building regulations and municipal planning	• X	•

APPENDIX E: Ward Reporting

APPENDIX F: Ward Information

PLEASE NOTE

As required by Circular 63 that the Annual Report must reflect all the appendices as per Circular. The financial information which does not appear on the required tables and appendices can be viewed on the financial statements as they are not yet extracted from the statements.

CONCLUSION

In 2012/13 financial year; the municipality managed to deliver on its development mandate of improving sustainable of life and quality services to its community; in spite of operating in an environment with challenges with political constraints which hinders the service delivery to run in a conducive way. The municipality managed to reduce the basic services backlog and the municipality also managed to achieve the goals sets out for 2012/13 financial year.

Through EPWP; the municipality managed to create a number of the jobs in order to reduce the rate of unemployment within Nquthu area.