



2017/2018

**NKANGALA DISTRICT MUNICIPALITY**

**AUDITED ANNUAL  
REPORT**

12 DECEMBER 2018

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## REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

The 2017/2018 Annual Report of Nkangala District Municipality (NDM) is submitted in compliance with the Local Government Municipal System’s Act of 2000 Section 46, the Local Government Municipal Finance Management Act (MFMA) Section 121 and 127 (2) as well as the National Treasury Regulations.

This report reflects key strategic and Service delivery projects and programmes of NDM including work done to speed up service delivery during the period under review. In addition, the 2017/2018 Annual Report covers the achievements accomplished and the challenges faced by the District Municipality based on the predetermined objectives and Priorities as outlined in the Integrated Development Plan (IDP). Quite clearly the cardinal mandate of Local Government remains to ensure that the Community at large receives proper and quality services.

#### a. Vision and Mission:

Nkangala District Municipality’s vision states; “*Improved quality of life for all*”. It articulates the overarching historical goal of ensuring a better life for all our people.

And the NDM’s Mission describe our commitment to the improvement of the Physical, Socio-economic and Institutional Environment in order to address the triple challenges through sustainable development and service excellence.

- Infrastructure development and service provision that meets priority needs of community;
- Integrated development planning and proper co-ordination and integration of development objectives in the District;
- Ensuring fair and just allocation and distribution of resources within the District;
- Encouraging and supporting the effective performance and functioning of municipalities in the District;
- Enhancing economic development and promoting a healthy and safe environment.
- Ensuring that our conduct, as government at local level, is guided by the values of Batho Pele principles.

The highlights and successes detailed in this Annual Report include the following:

- (a) Ensuring access to basic services for all resident communities in Nkangala District;
- (b) Developing and sustaining the spatial natural and built environments
- (c) Addressing challenges of poverty unemployment and social inequality;
- (d) Ensuring sound financial management and viability
- (e) Entrenching a culture of public participation in municipal planning, budgeting and decision-making process.

#### b. Key Policy Developments:

This is based on Strategic alignment to the Provincial Growth and Development Strategy, (PGDS) and the IDP strategies included in the IDP especially with focus on impact and outcome achieved.

**c. Key Service Delivery Improvements:**

The District has indeed improved its service delivery programme to expand access to basic services in the six constituent Local Municipalities.

**Highlights and Successes**

In the period under review the following are part of the successes that are included in the Annual Report:

- The completion of Sakhelwe Community Hall at Dullstroom in Emakhazeni Local Municipality and other facilities, is part of the infrastructure development programme for the provision of facilities to ensure a better life for a all, in the six constituent local Municipalities.
- The provision of equipment and machinery to SMME's and cooperatives form part of projects that addresses poverty and unemployment. This include the upgrading and construction of roads which are labour intensive projects.
- Entrenching a culture of public participation in municipal planning, budgeting and decision making process. Through Operation Vuka Sisebente (OVS) model, we continue to support Local Municipalities in ensuring that all ward stakeholders and communities participate in Municipal development programmes and activities at all times. Secondly community outreach programmes and special Mayoral outreach, enhances meaningful public participation and public awareness about government work.
- The partnerships between Government and the Private Sector is bearing fruit, in that most of the projects are delivered in collaboration with our Social Partners. For instance. The Nashua Free WIFI Programme creates universal access to the members of the public to link with internet to bridge the digital divide that exist because of inequality and poverty. The Free WIFI, will be rolled out to all constituent- Local Municipalities in the District.

Nkangala District Municipality has maintained clean audit Opinion, for the Third Time in a row in the 2016/17 financial year.

**d. Public Participation, IDP and Budget Programme:**

The IDP and Budget programme was undertaken to interact with local communities and government department, social partners and other stakeholders.

These meetings amongst others include the successful community outreach programmes, a special mayoral outreach programme aimed at developing contractors and Consultants within the district and the public participation exercise aimed at ensuring an undivided focus on the core mandate of the municipality.

The District also coordinated a number of various public – participation meetings, workshops, and open days aimed at creating public awareness.

**e. Future Actions:**

NDM is committed to take initiatives to improve service delivery, over the next few years.

**f. Conclusion:**

In conclusion, as a District we remain resolute and committed to working with our communities, our social partners (Private Sector) and all stakeholders, including the Provincial and National spheres of government in expanding access to services as well as delivering mega infrastructure projects that will create jobs and attract investment to the District.

Nkangala District is indeed on track towards improving the quality of life for all our citizens. Hence, we are destined for excellence.

**CLLR T.S MASILELA  
EXECUTIVE MAYOR**



## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### a) MUNICIPAL MANAGER'S OVERVIEW

The Municipalities must develop an Annual report as regulated by section 46 of the Municipal Systems Act No.32 of 2000 and section 121 of the Municipal Finance Management Act No. 56 of 2003 and further as guided by MFMA circular 63 which came into operation on the 26<sup>th</sup> September 2012.

The purpose of an annual report is as reflected on section 121 of MFMA is to:

- Provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- Provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- Promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

The Nkangala District Municipality (NDM) has a crucial responsibility to support the local municipalities. The Provincial Department of Co-operative Government and Traditional affairs also have a major responsibility to support municipalities. This is emphasized in various piece of legislation, as well as the Constitution of the Republic of South Africa.

All the municipalities are required to develop an Integrated Development Plan (IDP) for the term of Councils. The IDP reflects the projects and programmes that the municipality hopes to achieved during this term. For its term in office, the Council has adopted development priorities. These include investment in infrastructure, promoting economic development, support of the municipality, etc. The IDP is revised annually. The NDM's priorities and projects are reflected in the IDP for 2017/2018. A Services Delivery and Budget Implementation Plan, which is an institution score card, was developed and approved by the Executive Mayor.

The Organizational performance score card in Annuxure A of this Annual report provide, among other things, the key performance indicators, the target of each indicator, as well as the status of each indicator (whether the been achieved or not). Where targets have not been achieved, reason have been provided. It must be emphasized that many of the projects and programmes overlap into several financial years.

The financial base of the NDM is limited. It depends exclusively on Government transfer to perform its responsibilities.

The Audit Committee and Municipal Committee (MPAC) are key oversight committee to ensure the success of the institution. The Council is the ultimate decision making body. The Mayoral Committee, consisting of the Executive Mayor and full-time Councilors, is responsible for ensuring that the objectives of the council are achieved. They are also several intergovernmental forums in place. One

of the objectives of the Intergovernmental Relations Framework Act is the collaboration and partnerships of all spheres of Government towards achieving seamless services delivery. The Councilors and official of the NDM therefore participate in various sector department platform, as well as structures of SALGA, to promote integrated development and growth.

#### **b) VISION AND MISSION**

##### **The Vision:**

**‘Improved quality of life for all.’**

##### **The Mission:**

***The NDM is committed to the improvement of the physical, socio-economic and institutional environment in order to address triple challenges through sustainable development and service excellence.***

#### **c) POWER AND FUNCTIONS OF NKANGALA DISTRICT MUNICIPALITY ARE AS FOLLOWS:**

Local Government derives its Legislative and Executive Powers from the Constitution, within which original Powers and Functions are listed in Schedule 4B and 5B respectively. The obvious significance of this lies in the fact that these Powers of Local Government cannot be removed or amended by National or Provincial Legislation. They cannot be changed other than through an amendment of the Constitution.

Subsequently, the former MEC for Local Government in the Province amended a notice establishing Nkangala District Municipality (Notice No 300 of 2000) by promulgating Government Notice No 144 of 2003 in the Government Gazette (No 959) of 26 May 2003, wherein she adjusted the Division of functions and Powers between the District Municipality and its constituent Local Municipalities by way of table, under 1.2.

#### **d) FINANCIAL OVERVIEW**

Note: see the attached Annual Financial Statement as attached “Annexure A” and chapter five for financial overview.

#### **e) Generally Recognised Accounting Practices**

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

#### **f) Financial Position:**

Nkangala District Municipality has maintained clean audit Opinion, for the Third Time in a row in the 2016/17 financial year.

FINANCIAL YEAR	AUDIT OUTCOME	No. OF ISSUES RAISED
2012/2013	UNQUALIFIED	73
2013/2014	UNQUALIFIED	55
2014/2015	CLEAN AUDIT	20
2015/2016	CLEAN AUDIT	18
2016/17	CLEAN AUDIT	12
2017/2018	UNQUALIFIED	40

The Statement of Financial position represents the financial strength of the municipality by a comparison of assets over liabilities.

#### g) SENIOR MANAGEMENT VACANCY

All the section 56 managers' post position are being filled during the year under review except General Manager Technical services.

#### OVERALL PERFORMANCE FOR NDM

The organization is responsible for a **total of 129 KPI's AND 59 Projects for this financial year, of which all were assessed**. All the assessed KPI's and Projects contribute to the overall performance level of the combined IDP and adjusted SDBIP Scorecards as reflected in this report. Institutional statistics were as follows:

Type	2014/15			2015/16			2016/17			2017/18		
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved
IDP	N/A	N/A	0.0%	42	34	81.0%	32	27	84.4%	N/A	N/A	N/A
SDBIP	181	151	83.4%	139	109	78.4%	114	99	86.8%	122	95%	122
Projects	96	64	66.7%	149	80	53.7%	113	101	89.4%	59	58	98%
Total	277	215	77.6%	330	223	67.6%	259	227	87.6%	188	182	96%

#### h) CONCLUSION

Nkangala District Municipality regressed from maintained clean audit to unqualified with matters Opinion for 2017/2018 financial year. The Municipality needs to further improve on its project implementation and management strategy so that project expenditure can increase to 100% in 2018/2019 financial year and can therefore realise its objectives.

## **ACKNOWLEDGEMENT**

I would like to extend my appreciation to the Honorable Executive Mayor, Mayoral Committee, MPAC, section 80 committee, section 79 committee, Audit Committee and Councilors for strategic direction and leadership demonstrated during the financial year.

The guidance and vision of the Chief Financial Officer, Heads of Departments and other staff are acknowledged with gratitude. A special word of appreciation is extended to all my colleagues for their loyalty and support.

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**MRS. MM SKOSANA**  
**MUNICIPAL MANAGER**

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### COUNCIL'S VISION, MISSION AND GOALS

#### 1.2.1 COUNCIL'S VISION, MISSION AND GOALS

##### The Vision:

"Improved quality of life for all."

##### The Mission:

*The NDM is committed to the improvement of the physical, socio-economic and institutional environment in order to address triple challenges through sustainable development and service excellence.*

##### Principles and Values of Council:

- To be responsive to the needs of citizens and Partner-Local Municipalities
- To be transparent, accountable and participative in our dealings with each other and our partners
- To cultivate a work ethic focused on performance, achievement and results
- To promote and pursue key national, Provincial and local development goals
- To ensure a representative organization
- To be democratic in the pursuance of our objectives
- To show mutual respect, trust and ensure high levels of co-operation and discipline in our dealing with one another.
- To promote and pursue key national, Provincial and local development goals as enriched in vision2030
- To be inclusive and caring organization
- To be democratic transparent, accountable and participative in pursuance of our objectives

##### NDM Developmental District-wide Outcomes:

In order to realize our Vision, Nkangala District Municipality in 2017/2018 financial year has worked according to the developed 10 Goals called District-wide Outcomes, referred to as District-wide Outcomes. They allowed us to track our tangible progress towards the Developmental Vision while providing focus areas to work towards and to further assist in achieving the vision 2030 of National Development Plan:

- Integrated Sustainable Human Settlements and improved quality of household life
- Efficient, competitive and responsive economic infrastructure network
- Decent employment through inclusive economic growth
- Inculcate and improve financial sustainability and management
- Responsive, accountable, effective, efficient and sound Governance System
- Skilled and capable workforce supportive of inclusive growth
- Vibrant, equitable and sustainable rural communities and food security
- Protection and enhancement of environmental assets and natural resources

1.2.2 **POWER AND FUNCTIONS OF NKANGALA DISTRICT MUNICIPALITY ARE AS FOLLOWS:**

**Division of functions and powers between the NDM and Local Municipalities**

Powers and functions		VKLM	DrJSMLM	EMALLM	ELM	STLM	THLM
(a)	Integrated development planning for the District municipality as a whole, including a framework for integrated development plans of all municipalities in the areas of the District municipality	Nkangala					
(b)	Potable water supply systems.	VKLM	DrJSMLM	EMALLM	ELM	STLM	THLM
(c)	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity	VKLM	DrJSMLM	EMALLM	ELM	STLM	THLM
(d)	Domestic waste-water and sewage disposal systems	VKLM	DrJSMLM	EMALLM	ELM	STLM	THLM
(e)	Solid waste disposal sites	VKLM	DrJSMLM	EMALLM	ELM	STLM	THLM
(f)	Municipal roads which form an integral part of a road transport system for the area of the District municipality as a whole	VKLM	DrJSMLM	EMALLM	ELM	STLM	Nkangala
(g)	Regulation of passenger transport services	Nkangala					
(h)	Municipal airports serving the area of the District municipality as a whole	Nkangala	Nkangala	EMALLM	Nkangala	STLM	Nkangala
(i)	Municipal environmental health services	Nkangala					
(j)	Firefighting services	VKLM	Nkangala	EMALLM	ELM	STLM	Nkangala
(k)	The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the District	Nkangala	DrJSMLM	EMALLM	ELM	Nkangala	Nkangala
(l)	The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of the municipalities in the District	VKLM	DrJSMLM	EMALLM	ELM	STLM	THLM

(m)	Promotion of local tourism for the area of the District municipality	Nkangala	Nkangala	Nkangala	Nkangala	Nkangala	Nkangala
(n)	Municipal public works relating to any of the above functions or any other functions assigned to the District municipality	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM
(o)	The receipt allocation and, if applicable, the distribution of grants made to the District municipality	Nkangala					
(p)	The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the District municipality in terms of national legislation.	Nkangala					

### 1.2.3 BRIEF SOCIO-ECONOMIC OVERVIEW

It is important to clearly understand the development context within which the District operates, to effectively plan and deliver services to the residents of NDM. This chapter provides an overview of the NDM's demographics, the needs of its population as well as anticipated changes or trends in these areas during the rest of the term of office. The District reflects on substantial information from recent reports and research conducted including the 2011 national Census conducted by StatsSA. Information on level of development therein is elucidated through statistics from the Census 2011, other Data Enhancing Agencies like HIS Global Insight and varying Sector Departments are detailed in the relevant sections throughout this chapter.

### 1.2.4 DISTRICT GEOGRAPHY

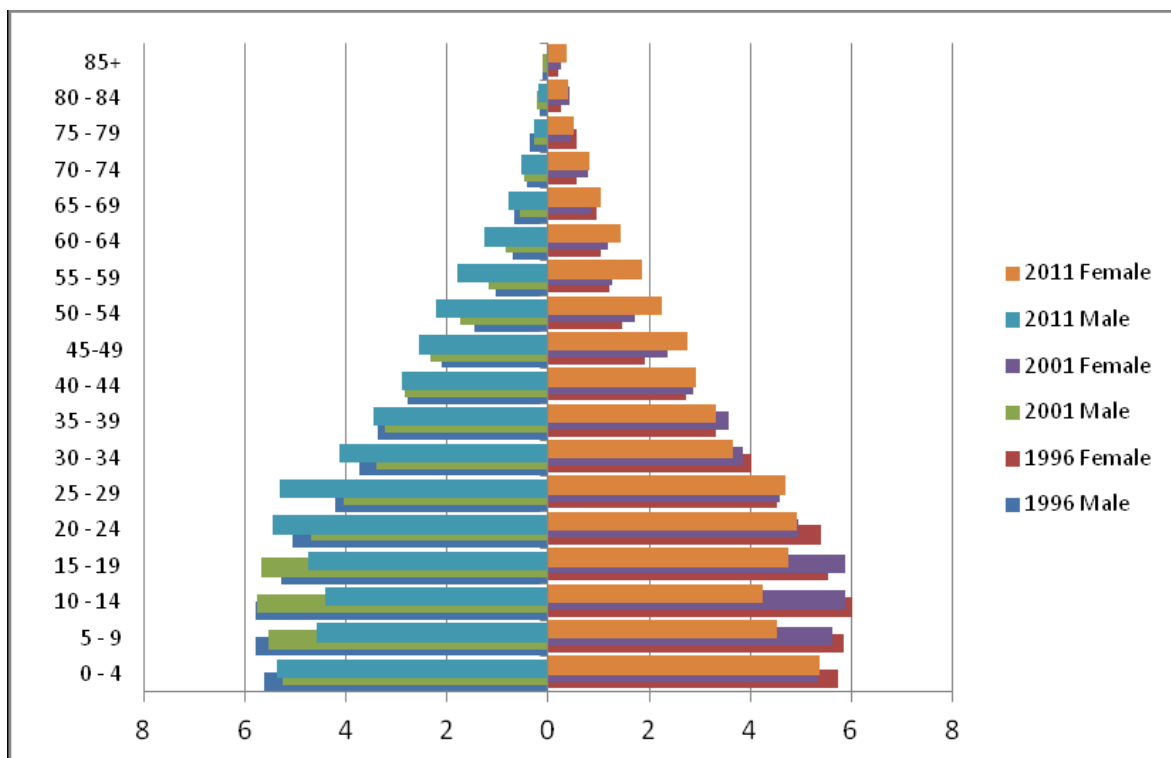
The Nkangala District Municipality (DC31) is one of the three (3) District Municipalities in Mpumalanga Province. The headquarters of Nkangala District Municipality are in Middelburg (Steve Tshwete Local Municipality). The District is composed of six (6) Local Municipalities: namely; Victor Khanye Local Municipality (MP 311), Emalahleni Local Municipality (MP 312) Steve Tshwete Local Municipality (MP 313), Emakhazeni Local Municipality (MP 314), Thembisile Hani Local Municipality (MP 315) and Dr J S Moroka Local Municipality (MP 316) (see figure 7). The area of the District covers a total area of approximately 16,892 square kilometres.

#### Demographics

The current Total Population of NDM as depicted in **Table** below according to the Census 2011 is 1 308 129 constituting approximately 32.38% of Mpumalanga's population. The population growth rate of the District was 2.50% between the period 2001 and 2011. Steve Tshwete Local Municipality recorded the largest growth rate of 60% in the District between the same periods, which is equivalent

to the annual rate of 6%. The black population formed the bulk of the District's population with 90.9 %, followed by the White population with 7.8 %, and the Indian and Coloured constituting the remaining 1.3%. The majority of the population in the District resides in Emalahleni Local Municipality (MP312), which accounts for 35.4% of the population of the District and 11.9% of the Provincial population. Emakhazeni Local Municipality has the smallest population in the District, with only 3.6% of the District's population and 0.9% of the Provincial population living there.

#### Distribution of population by age and sex, Nkangala – 1996, 2001 and 2011



Source: Statistics South Africa – Census 2011



### NDM Population, Household size and Population Growth Rates between 2001 & 2011

Category	Persons(2001)		Households(2001)		Population Growth rate 1996-2001	Persons(2011)		Households(2011)		Population Growth rate 2001-2011
	Actual	%	Actual	%		Actual	%	Actual	%	
Mpumalanga	3365554	-	830984	-	1.49	4039939	-	1075488	-	1.83
NKANGALA	1018422	100	256818	100	1.13	1308129	100	356911	100	2.50
Dr JS Moroka	243313	23.8	54339	21.2	1.14	249705	19.1	64971	18.2	2.92
Emakhazeni	43007	4.2	10937	4.3	3.16	47216	3.6	13722	3.8	3.58
Emalaheni	276413	27.1	82298	32.1	1.07	395466	30.2	119874	33.6	4.76
Steve Tshwete	142772	14.0	37115	14.5	3.01	229831	17.6	62162	17.4	0.93
Thembisile Hani	256583	25.2	58137	22.6	1.22	310458	23.7	83874	23.5	1.91
Victor Khanye	56335	5.5	13992	5.5	-1.27	75452	5.8	19838	5.6	0.26

Source: Statsa-Census 2011

## 1.3. NATURAL RESOURCE OVERVIEW

### NATURAL RESOURCE INTRODUCTION

The economy of the District is more reliant on the natural resources economy. Natural resources make a significant and direct contribution to the District economy in the following sectors/industries, commonly referred to as a 'resource based economy':

- Mining and energy generation: coal deposits.
- Mining, energy generation, agriculture, industry, domestic consumption: water reserves, also for distribution outside the District.
- Agriculture, forestry: land capacity and geographical features, climate.
- Tourism: conservation areas and ecosystems, natural features.

## 1.4. FINANCIAL HEALTH OVERVIEW

### 1.4.1 FINANCIAL OVERVIEW

The financial objective of the municipality is to secure sound and sustainable management of the financial affairs of the municipality and to assist the six local municipalities to be financially viable.

Note: see executive summary: Annual Financial Statement and Chapter 5.

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

In terms of Section 67 of the Municipal Systems Act No. 32 of 2000 as amended, a municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures, consistent with any uniform standards prescribed in terms of section 72 (1) ©, to ensure fair, efficient, effective and transparent personnel administration including:

- Recruitment;
- Selection;
- Appointment of persons as staff members;
- Service conditions of staff;
- Supervision and management of staff;
- Monitoring, measuring and evaluation of performance of staff;
- Grievance procedures;
- Disciplinary procedures;
- Investigation of allegation of misconduct and complaints against staff;
- Dismissal and retrenchment of staff; and
- Any other matter prescribed by the regulations in terms of section 72.

On the other hand, Human Resources Development (HRD) deals with the following:

- Training of individual after he/she is first hired,
- Providing opportunities to learn new skills,
- Distributing resources that are beneficial for the employee's tasks, and
- Any other developmental activities.

HRD related issues in the Municipality are in accordance with Section 72 (1) (c) of the Local Government: Municipal Systems Act 32 of 2000 as amended, which states that:

The Municipal Council adopted th2017/2018 policies so as to ensure compliance with Section 67 (1) of the Local Government: Municipal Systems Act 32 of 2000 as amended.

## 1.6. AUDITOR GENERAL REPORT

Nkangala District Municipality has regress from clean audit to unqualified with matters Opinion, for 2017/2018 financial year.

<b>FINANCIAL YEAR</b>	<b>AUDIT OUTCOME</b>	<b>No. OF ISSUES RAISED</b>
2012/2013	UNQUALIFIED	73
2013/2014	UNQUALIFIED	55
2014/2015	CLEAN AUDIT	20
2015/2016	CLEAN AUDIT	18
2016/2017	CLEAN AUDIT	12
2017/2018	UNQUALIFIED	40

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	August
5	Audit committee considers draft Annual Report of municipality	
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
10	Municipalities receive and start to address the Auditor General's comments	November
11	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	December / January
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee (MPAC) assesses Annual Report	
14	Council adopts Oversight report	February
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	

T 1.7.1

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Nkangala District Municipality Council (NDM) consist of both members elected in accordance with Subsections (2) and (3) of Section 157 of the Constitution of Republic of South Africa (Act 108 of 1996), members appointed in terms of Section 23 (1) (a) of the Local Government: Municipal Structures Act (No. 117 of 1998) and the members appointed by other Municipal Councils to represent those other Councils in terms of Section 23 (1) (b) of the Local Government: Municipal Structures Act (No. 117 of 1998) . The total number of Councilors directly elected is 24 whilst those that have been appointed by other Municipal Councils to represent those Councils are 35.

The NDM Council has the Executive Mayoral System which allowed it to elect an Executive Mayor. The Executive Mayor in turn appointed a Mayoral Committee in terms of Section 60 (1) (a) of the Local Government Municipal Structures Act 117 of 1998, which states that: If the Council has more than nine (9) members, its Executive Mayor must appoint a Mayoral Committee from among the councilors to assist the Executive Mayor. Each member of the Mayoral Committee has been delegated specific responsibilities by the Executive Mayor in terms of Section of the Local Government Municipal Structures Act 117 of 1998. On occasions when the Executive Mayor has multi programmes to run, he delegates any of his powers to the respective members of the Mayoral Committee, in terms of Section 60 (1) (c) MSA 117 of 1998. The Council also has a Speaker who chair the meeting of council. There is an Audit Committee that provides an opinion and recommendation on financial processes and performance and submit a report for inclusion in the Annual Report. There is also Risk Management committee. The NDM has established a municipal Public Account Committee (MPAC)

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### 2.1 POLITICAL GOVERNANCE

##### 2.1.1 ADMINISTRATIVE GOVERNANACE

The Nkangala District Municipal Council (NDM) derives its mandate to govern from Section 151 (3) of the Constitution of Republic of South Africa, (Act 108 of 1996) when it says, the municipality has the right to govern, on its own initiative, the local government affairs of its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

The overall strategic mandate of NDM Council as derived from section 152 of the Constitution of the Republic, Act 108 of 1996, which gives the object of local government to be:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and

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

### 2.1.2 POLITICAL GOVERNANCE

The Executive Mayor of the NDM is the political head of the Municipality. She presides at the meetings of the Mayoral Committee, and performs the duties, including any ceremonial functions, and responsibilities delegated to the Executive Mayor by the Municipal Council in terms the NDM delegation framework.

The executive and legislative authority of Nkangala District Municipality is vested in its Municipal Council. The Municipal Council is chaired by the Speaker of Council. The Speaker of the NDM Council presides at the meetings of the council. He ensures that Council meets at least quarterly and maintain order during meetings. The Speaker further ensures compliance in the NDM Council and Council Committees with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act 32 of 2000, and must ensure that Council meetings are conducted in accordance with the NDM Standing Rules and Order.

The Municipal Council sits at least quarterly and considers items from the Mayoral Committee chaired by the Executive Mayor. The Mayoral Committee deals and concludes those matters delegated to the Executive Mayor as per the NDM delegation framework.



Further, NDM Council has established six (6) Council Committees in terms of **Section 80** of the Local Government Municipal Structures Act 117 of 1998, and determined the functions of these committees. These Council Committees are established in order for Council to effectively and efficiently perform any of its oversight functions or to exercise any of its powers. The Municipal Council has also appointed chairpersons of these committees. These Council Committees are aligned to the functions delegated to the members of the Mayoral committee as follows:

- Infrastructure and Service Delivery, Water, Sanitation, Electricity, Roads and Maintenance;
- Corporate Services, Human Resources Management and Development , and Legal Services;
- Transport, Roads and Public Safety; Social Services, Disaster Management, Youth and Women, Disabled, Sports ,Arts and Culture, Health and Education;
- Rural Development, Agriculture, Public Safety and Transport;
- Finance;
- LED, Human Settlement and Tourism



The following are the other committees which have been established for the oversight role of Council:



- Rules and Ethics
- Municipal Public Accounts Committee (MPAC)


PICTURES	POLITICAL STRUCTURE	FUNCTIONS
	<p><b>EXECUTIVE MAYOR</b> <b>Councillor TS Masilela</b></p> <p>The current Executive Mayor: Cllr T S Masilela was redeployed to NDM Executive Mayor's office on <b>04 April 2018</b>.</p>	<p>Provide general political guidance over the fiscal and financial affairs of the municipality as per MFMA 56 of 2003. Manages the drafting of the IDP as per the MSA 32 of 2000 as amended and performs duty. As per delegation by Council and as per Section 49 of the Municipal Structures Act (No. 117 of 1998).</p>
	<p><b>FORMER EXECUTIVE MAYOR</b></p> <p>The Former Executive Mayor Councillor L M Malatjie was elected as NDM Executive Mayor on <b>24 August 2016</b> and as the Executive Mayor on <b>29 March 2018</b>.</p>	<p>Provide general political guidance over the fiscal and financial affairs of the municipality as per MFMA 56 of 2003. Manages the drafting of the IDP as per the MSA 32 of 2000 as amended and performs duty. As per delegation by Council and as per Section 49 of the Municipal Structures Act (No. 117 of 1998).</p>

	<p><b>SPEAKER</b> <b>Councillor S L Ndinisa</b></p>	<p>Presides at meetings of the Council. Performs the duties and exercises the powers delegated in terms of section 59 of the MSA as amended and section 37 of the Municipal Structures Act (No. 117 of 1998).</p>
	<p><b>COUNCIL WHIP</b> <b>Councillor KJ Boshomane</b></p>	<p>Performs duties as per Council resolution DM151/09/2007: on Council Whip: Institutionalization</p>



	<p><b>MAYORAL COMMITTEE</b> Cllr. L. J. Dikgale Member of the Mayoral Committee – Infrastructure, Service Delivery, Water Sanitation Electricity Roads and Maintenance (MMC)</p>	<p>To advise the Executive Mayor on infrastructure development and service delivery issues that include water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Department of Technical Services.</p>
	<p>Cllr. TS Masilela Member of the Mayoral Committee – Municipal Planning, Land Human Settlement and Transport (MMC) <b>01 July 2017 to 29 March 2018)</b></p>	<p>To advise the Executive Mayor on Rural Development, Agriculture, Public Safety and Transport issues. Plays an oversight role on the performance of the Departments of LED and Social Services.</p>

	<p>Cllr G T Mthimunye Member of the Mayoral Committee – Finance (MMC)</p>	<p>To advise the Executive Mayor on financial and budget related issues. Plays an oversight role on the performance of the Department of Finance.</p>
	<p>Cllr. R C Mahlobogoane Member of the Mayoral Committee – Corporate Services, Legal Services and Human Resources Management and Development (MMC)</p>	<p>To advise the Executive Mayor on Administration and HR and HRD issues, Legal Services, Occupational Health and Safety issues. Plays an oversight role on the performance of the Department of Corporate Services</p>

	<p><b>Cllr S H Mahlangu</b> Member of the Mayoral Committee – Social Service, Disaster Management, Youth, Women, the Disabled, Sport, Arts and Culture, Health &amp; Education (MMC)</p>	<p>To advise the Executive Mayor on Social Services, Disaster Management, Youth, Environment, Transversal, Sports, Arts and Culture, Health and Education. Plays an oversight role on the performance of the Department Social Services</p>
	<p>Cllr MS Nkosi Member of the Mayoral Committee – Local Economic Development, Tourism, Rural Development and Agriculture (MMC) <b>01 July 2017 to 30 May 2018)</b></p>	<p>To advise the Executive Mayor on Local Economic Development, Human Settlement, and Tourism issues. Plays an oversight role on the performance of the Department of LED.</p>

### 2.1.3 COUNCILLORS

The Executive Mayor, Cllr TS Masilela appointed the Members of the Mayoral Committee and allocated Members of the Mayoral Committee in the following portfolios:

- Cllr S H Mahlangu: Social Services, Disaster Management, Youth, Women, the Disabled, Sports, art and Culture, Health and Education.
- Cllr L J Dikgale: Infrastructure, Service Delivery, Water, Sanitation, Electricity, Roads and Maintenance.
- Cllr R C Mahlobogoane: Corporate Services, Legal Services and Human Resources Management and Development.
- Cllr M S Nkosi: Local Economic Development, Tourism, Rural Development and Agriculture.
- Cllr G T Mthimunye : Finance Services
- Cllr T S Masilela: Municipal Planning, Land Human Settlement and Agriculture

All the NDM Councillors are listed in **Appendix A**. Hence, **Appendix B** set out committees in which Councillors are serving, and committee purposes. Nkangala District Municipality has a total of 57 Councillors, 22 are directly elected and 35 appointed on proportional basis out of the 57 Councillors.

### POLITICAL DECISION-TAKING

The District Municipality Council adopted the Standing Rules and Orders in terms of Section 160 (b) of the Constitution of the Republic (Act No. 108 of 1996) as amended, read with Section 12 (2) of the Local Government: Municipal Systems Act, (Act No. 32 of 2000), as amended, to prescribe Rules and Orders for:

- (a) Its internal arrangements;
- (b) Its business and proceedings; and
- (c) The establishment, composition, procedures

The Standing Rules were published in the Provincial Gazette (No. 1497) dated 25 January 2008 as a by-law on the Standing Rules and Orders.

Political decisions in the Municipal Council are taken by way of a consensus. All Council resolutions of the financial year are annexed hereto as **Appendix B**.




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## 2.2 ADMINISTRATIVE GOVERNANCE

The Accounting Officer or the Municipal Manager is the Administrative head of the institution. As head of administration, the Municipal Manager is, subject to the policy directions of Municipal Council, responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration. The administration is equipped to carry out the task of implementing the municipality's integrated development plan and the monitoring of progress with implementation of the plan. Further, the Municipal Manager is responsible for the appointment of staff other than those referred to in section 56 (a) of the Local government: Municipal Systems Act 32 of 2000, subject to the Employment Equity Act, 55 of 1998.

As the administrative head of the Municipality, the Municipal Manager is responsible for advising the political structures and political office bearers of the Municipality and, to manage communication between administration, political structures and political office bearers. The carrying out of the decisions political structures and the office bearers of the Municipality is among the functions delegated to the Municipal Manager.

The Municipal Manager is responsible and accountable for all income and expenditure of the municipality, all assets and discharge of all liabilities of the municipality; proper and diligent compliance with the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003), according to Section 55 (2) (a-c) of the Local Government: Municipal Systems Act, (Act No. 32 of 2000).

	<p><b>TOP ADMINISTRATIVE STRUCTURE</b></p> <p><b>TIER 1 MUNICIPAL MANAGER</b> <b>Ms MM Skosana</b></p>	<p><b>Function</b></p> <p>The Head of Administration and the Accounting Officer. Responsible for all administrative responsibilities as per chapter 8 and section 55 of the MFMA and MSA<sup>1</sup> respectively. Reports to the Executive Mayor and Council. Ensures that the annual budget of Council is spent according to the legislative stipulations. Advises the Executive Mayor and Council at all times.</p>
	<p><b>General Manager: Social Services</b> <b>Ms. T Matoane</b></p>	<p>Delegated to head the Social Services department and oversee all its programmes, viz. Community Services, Disaster Management, Environmental Pollution Control and Municipal Health Services. Advises the Accounting Officer on such matters and reports to the Accounting Officer</p>
	<p><b>Chief Financial Officer:</b> <b>Ms AL Stander</b></p>	<p>Delegated to oversee the Council's annual budget, its preparation, adoption and its implementation. Reports to the National and Provincial Treasury according to the MFMA. Manages staff in the department. Advises the Accounting Officer on such matters and reports to the Accounting Officer</p>

	<p><b>General Manager: Planning and Economic Development</b></p> <p><b>Mr AT Matjiya (appointed from 03 January 2018)</b></p>	
	<p><b>Acting General Manager: Technical Services</b></p> <p><b>Mr J Skosana</b></p>	<p>Delegated to head the Technical Services department and oversee all its programmes, viz. water, electricity roads and project management section. Advises the Accounting Officer on such matters and reports to the Accounting Officer.</p>
	<p><b>General Manager: Corporate Services</b></p> <p><b>Ms. N Ngwenya (appointed from 01 December 2017)</b></p>	<p>Delegated to head Corporate Services. Responsible for related issues of, amongst others, HR recruitment, development in accordance with the legislation governing Local Government. Develops and monitor the implementation of HR policies and adherence thereto. Keeps records for the entire Municipality and ensure that Council Committees are established and are functional.</p>

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

#### Cooperative Governance

The Cooperative Governance and Intergovernmental structure is comprised of following structures:

- Mayors Forum
- Municipal Manager's Forum
- Audit Committee
- Risk Management Committee
- IDP/PMS Forum
- LED Forum

The Executive Mayors- and Municipal Managers forum were established. The Municipal Managers forum comprises of all Municipal Managers from the Local Municipalities and provides technical support to the Executive Mayors forum. The Executive Mayors forum on the other hand comprises of all Executive Mayors of the Local Municipalities that share their area of jurisdiction with the Nkangala District Municipality that is: Dr. JS Moroka LM; Emakhazeni LM; Emalahleni LM, Steve Tshwete LM; Thembisile Hani LM; and Victor Khanye LM. The Executive Mayors forum deals with issues that affect all the Municipalities in the District and provide political guidance on how such issues are to be addressed.

Through intergovernmental relations coupled with the role of the District Municipality to support Local Municipalities, NDM has extended the Audit Committee to its Local Municipalities. This has yielded good results in that since the shared services were extended, majority of Municipalities receives unqualified audit opinions from the Auditor General.

Further, the IDP/PMS forum chaired by the Executive Mayor. This is a political forum that comprise of the Executive Mayors of the six Local Municipalities; Members of the NDM Mayoral Committee; Representatives of all political parties in the NDM Council; Municipal Managers from all six Local Municipalities within NDM; Senior Municipal Officials, Sector Departmental HOD's and Directors; Traditional Leadership; Councilors and Ward Committee Chairpersons; Business and Labour; Parastatals; Civil Society and other delegated government officials.



## 2.3 INTERGOVERNMENTAL RELATIONS

### 2.3.1 National Intergovernmental Structures

#### **National SALGA**

This is information sharing structure and sharing of good practice.

#### **National Air Quality Lekgotla**

This is information sharing structure and sharing of good practice.

### 2.3.2. Provincial Intergovernmental Structure

Premier Coordination Forum: Monitoring of performance of all the provincial departments, Districts Municipalities and Local Municipalities, giving guidance on project implementation and sharing the provincial vision with all the already mentioned structures.

#### **Executive Lekgotla:**

Sharing of provincial mandate and monitoring of governance in the province.

#### **Provincial EPWP:**

Guiding on the implementation of the projects and sharing good practice.

#### **Provincial Energy Forum:**

Guiding on the implementation of the energy projects and sharing good practice. Meeting with the parastatals like Eskom.

#### **Provincial Water Forum:**

Guiding on the implementation of the water related projects and sharing good practice.

#### **Provincial SALGA Lekgotla:**

This is information sharing structure and sharing of good practice. Assist with capacity building in Municipality and monitoring performance. Intervene where there are challenges.

#### **MUNIMECS:**

This is the meeting of the MEC with the Members of the Mayoral Committees responsible for specific portfolios. The aim is to monitor progress of sector departments and municipal departments.

### **2.3.3. District Intergovernmental Structures**

District Municipality relates to its Local Municipalities through the following intergovernmental structures.

- Mayors Forum
- Municipal Managers Forum
- Finance Forum
- IDP/PMS Forums
- LED Forum
- District Communicators Forum
- District Speakers Forum

### **2.3.4 Other Structures**

#### **2.3.4.1 Chartered Institute of Government Finance Audit and Risk Officers**

Chartered Institute of Government Finance Audit and Risk Officers is a South African professional body founded in 1929, and dedicated to establish and maintain high standards of professionalism among municipal finance and municipal internal audit practitioners by providing an organizational framework for municipal finance officers to collectively enhance maintain and promote professionalism in the field of municipal finance. During the last ten to fifteen years, the Institute has concentrated on establishing and cementing meaningful relations with key institutions functioning within South Africa. IMFO is widely recognized for its imperative advisory role to the various national bodies.

The Institute itself has also been actively engaged in providing or supporting general training initiatives for municipal finance and internal audit practitioners in regard to financial and auditing skills in local government. Continuous professional development programmes such as Budget reform, Municipal Finance Management and other related Acts, Credit control, Business Long-term planning and more have been presented in partnership with many companies in the accounting and finance field.

A programme introducing municipal finance to non-financial managers is also undertaken. IMFO has contributed to the raising of the standard of professional excellence in local government finance over the years and continues to be at the forefront of providing valuable input to stakeholders on legislation influencing local government. The IMFO Conference held annually, demonstrates the Institute's dedication to play a constructive role in the consolidation processes following the current transformation in local government.

### 2.3.4.2 National and Provincial Governance Structures associated with NDM

Governance Structures	Purpose of the Governance Structures
Minister-Technical Working Group (MINTECH-WGII)	It is a Governance Structure where the DEA Air Quality Management Sub directorate, the Provincial Environmental Management Departments and Metropolitan and District Municipalities meet and engage on Air Quality Management issues.
Nkangala Implementation Task Team (ITT) Meeting	It is the forum where Nkangala District Municipality meet with DEA, Local Municipalities, DARDLEA and none governmental organizations to discuss Air quality issues.
Disaster Management Advisory Forum	It is to give the platform to different stakeholders an opportunity to interact on issues related to disaster management as required by Section 51 of the Disaster Management act 57 of 2002
Air Quality Officers Forum (AQOF) Meeting.	The purpose of this meeting is to give effect to the National Environment Management: Air Quality Act. This Forum serves as a platform where matters relating to air quality are discussed and resolved. Issues are also resolved via special Task Teams that are formed at the AQOF.
Integrated Environmental Management (IEM) Meeting.	This forum meeting is attended by the NKDM and local authorities to discuss issues of waste management services and sector development plans implementation e.g. IWMPs, Environmental Management Policy (EMP), State of Environment Report (SOER) and Climate Change Response Strategy.

# CHAPTER 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The district municipality undertook 12 outreach meetings within the 2017/2018 financial year. The meetings comprised of both political leadership and administration where pertinent service delivery issues were addressed. In addition, Mayoral *Izimbizo* supplemented the public outreach meetings with the view of dealing with specific service delivery expectations. Issues received from local municipalities were referred to departments concerned in the District (where possible due to availability of budget) and relevant sector departments. Implementation and feedback thereof were given at the next outreach meetings and also through Communication and Participation Forums. The information below depicts the public participation meetings that were held in the year under review.

## 2.4 PUBLIC MEETINGS

### COMMENT ON THE EFFECTIVENESS OF THE 2017/2018 PUBLIC MEETINGS HELD

All public participation meetings held in the 2017/2018 Financial Year provided a platform for engagement between Nkangala District Municipality and communities. Also Sector Departments, albeit their poor attendance, were given an opportunity to engage with communities about their services and received requests and complaints. It also provided valuable information on the IDP review and subsequent budgeting. Furthermore, the meetings encouraged communities to take ownership of service delivery projects and their continuous involvement in the IDP process.

Nature and purpose of meeting	Date of events and Municipality	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP Community Outreach Meetings	DR JSM	15	2	467	YES/ONGOING WATER/ROADS	15 February 2018
IDP Community Outreach Meetings	EMAL	14	2	278	YES/ONGOING MAINTENANCE /ROADS/WATER	04 March 2018
	VKLM	13	1	437	YES/ONGOING WATER/SERVICE DELIVERY IN FARMS	22 March 2018
IDP Community Outreach Meetings	THLM	23	1	267	YES/ONGOING WATER/ROADS/STORMWATER	20 February 2018
	EMAK	16	2	335	YES/ONGOING WATER/ROADS/SERVICE DELIVERY IN FARMS	25 February 2018
IDP Community Outreach Meetings	STLM	22	1	533	YES/ONGOING SERVICE DELIVERY IN FARMS	18 March 2018

## 2.5 IDP PARTICIPATION AND ALIGNMENT

The District has institutionalized its community and stakeholder participation and consultation mechanisms. For 2017/2018 the IDP/ PMS forum has been fully functional.

With a view of improving the functionality of these structures (including the IDP/PMS Forum, LED Forum, IDP Technical Committee, IDP internal steering Committee, IDP Working Groups and IDP Working Groups) the District has been continuously appraising their functionality and effectiveness. Throughout this process challenges relating to poor attendance, frequency of meetings, substantivizes of the discussions, the impacts were identified. The new IDP Organizational arrangement as approved by Council in terms of the above review is depicted in the figure below and was utilized during the review of the subsequent IDPs.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	yes
Does the IDP have priorities, objectives, KPIs, development strategies?	yes
Does the IDP have multi-year targets?	yes
Are the above aligned and can they calculate into a score?	yes
Does the budget align directly to the KPIs in the strategic plan?	yes
Do the IDP KPIs align to the section 57 Managers	yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	yes
Were the indicators communicated to the public?	yes
Were the four quarter aligned reports submitted within stipulated time frames?	yes
* Section 26 of Municipal Systems Act 2000	T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices and processes by which an institution is directed and controlled. Corporate governance essentially involves balancing the interest of all stakeholders. Since corporate governance also provide the framework for attaining an institution's objectives, it encompasses practically every sphere of management from action plan and internal controls to performance measurement and corporate disclosure.

During the year under review the municipality continued to incorporate the combine assurance approach with regard to risk management and improving internal control. The audit committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities. Internal audit forms an integral part of the combine assurance model as internal assurance provider. The establishment of MPAC has greatly enhance the oversight role of the Council.

### 2.6 RISK MANAGEMENT

#### OVERVIEW 2017/2018 RISK MANAGEMENT

Section 62 (1) (c) (i) of Municipal Finance Management Act (MFMA) state that:

"The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-

( C) that the municipality has and maintains effective, efficient and transparent system-

(i) Of financial and risk management and internal control.

The Risk Management, Anti-Fraud and Anti-Corruption Committee was established to assist the Accounting Officer in discharging her/his Risk Management responsibilities. The Committee is chaired by the Independent external chairperson and oversees the entire risk management system of the Municipality. The Audit Committee provides independent assurance on the risk management system as part of its oversight responsibilities.

The Council has approved the Risk Management policy; Risk Management Strategy and plan; Risk Appetite and Tolerance Framework; Risk Management, Anti-Fraud and Anti-Corruption Committee Charter which are guiding documents for Enterprise Risk Management.

The 2017/2018 Financial Year Strategic Risk Assessment was under taken during 2016/17 Financial year based on the IDP document, Auditor General of South Africa audit report and Internal Audit reports. Risk were identified and evaluated by management. Treatment strategies were also developed and approved by Risk Management, Anti-fraud and Anti-Corruption Committee and Council.

The top five (5) Strategic Risks and progress as at 30 June 2018

NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018
01	Goal 2 Sound Electronic Governance	Project disruption/delays by the local communities	Lost opportunities by the locals.	Sub-contracting of local contractors.	Achieved
			Changing of priorities after the budget/IDP has been approved	Adherence to the approved IDP, Budget and SDBIP.	Achieved
			Budget allocation	Engage with COGTA in terms of all underfunded mandates and the review of equitable share.	Achieved
			Inadequate Community mobilisation towards new projects and programmes	Intensify communication of new project through print and electronic media	Achieved
02	Goal 03 Inclusive Economic Growth with Sustainable Development	Inadequate transport planning for the efficient movement of people and goods	Inadequate implementation of the integrated transport plans	Solicit funding from social partners.	Achieved
			Lack of by-laws regulating both freight and public transportation operation within local municipalities	Development of by-laws regulating both freight and public trail	Achieved



NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018	
				Gazetting of transport by-law	Not Achieved By-Law still to be tabled before Steve Tshwete Local Municipality Council.	
03	Goal 03 Inclusive Economic Growth with Sustainable Development	Inadequate economic development initiatives for sustainable job creation	Fragmented and unsustainable Agricultural development	Monitoring of the implementation of the NDM LED Strategy	Achieved	
				Insufficient funding to implement Anchor Projects	Market and attract investor for Anchor Projects through the CEO's and LED forum	Achieved
				Implement EPWP Learnership programmes targeting the youth as part of poverty alleviation and job creation	Achieved	
				Provide Non-financial support to SMMEs, Coops and Informal trader	Achieved	
				Provide financial support to SMME's, Coops and Informal traders	Achieved	

NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018
04	Goal 05 Health Environment Social	Unhealthy community in the district due to ineffective provision of municipal health services and poor air quality within NDM jurisdiction	Inadequate capacity within the MHS unit.	Appointment of 6 MHS Staff	Achieved
			Inadequate capacity of Air Quality Management Unit	Signing of the transfer agreement with the department of health	Achieved
			Lack of functional MHS information management system	Review the organogram to include Air Quality key personnel	Achieved
				Full commissioning of the MHS information management system.	Achieved
05	Goal 06 Sustainable Infrastructure and services	Failure to eradicate basic service delivery backlogs.	Diminishing of natural resources	Conduct feasibility study for provision of water and sanitation	Achieved
			Limited fiscal resources	source development for (drilling of boreholes)	Achieved
				Water conservation and demand management	Achieved
				Explore other sources of water.	Achieved

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

Nkangala District Municipality subscribes to the principles of good corporate governance, which require conducting business in an honest and transparent fashion. The municipality is also committed to fight fraudulent behavior at all levels within the municipality. The Municipality has taken a stance that management of fraud and corruption risk is the responsibility of everyone in the municipality. The Council has also approved the Fraud and Corruption Policy; Fraud and Corruption Strategy; and Whistle Blowing Policy which are guiding documents for combating Fraud and Corruption.

Fraud and Corruption Risks for 2017/18 financial year were also identified, assessed and evaluated by the municipality. The municipality had Nine (9) Fraud and Corruption Risks for 2017/18 financial year. Fraud and Corruption risks mitigation strategies were developed and implemented.

The top five (5) Fraud and Corruption Risk of Nkangala District Municipality for the period ending 30 June 2018 of 2017/2018 financial year are tabled as follows:

NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018
01	Competent, Innovative and accountable team	Appointment of staff with criminal records	Inadequate vetting of staff	Continue to compulsory Vetting on shortlisted candidates before employment	Achieved
02	Competent, Innovative and accountable team	Inadequate Security system	Inadequate access controls	implementation of biometrics system	Achieved
			Ineffective functioning of CCTV cameras		
			Inadequate monitoring of outsourced security services	monitor the implementation of the security SLA	Achieved

NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018
			Lack of the security management policy	Implement the security management policy	Achieved
03	Sound Financial Management	Misappropriation of assets	Inadequate monitoring over assets	Continue to Conduct asset verification	Continue to Conduct asset verification
			Intentional obtaining of an asset for personal gain.	Enforce implementation of the asset management policy	Enforce implementation of the asset management policy
				Conduct workshops on the ICT policy	Conduct workshops on the ICT policy
				Conduct workshops on the Asset management policy	Conduct workshops on the Asset management policy
				Conduct workshops on the Fleet Management policy.	Conduct workshops on the Fleet Management policy.
04	Goal 4 Sound Financial Management	Non-compliance with SCM principles	Favoritism	Continue Issue declaration of interest to all employees and councilors.	Achieved
			Leakage of supply chain management information.	Conduct workshop on code of conduct and SCM Policies.	Achieved
			Inconsistency with the data with the CSD	Reporting of inconsistency of the CSD data	Achieved

NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018
				Continue with the SCM verification system	Achieved
			False declarations by suppliers.	Continue with blacklisting committee	Achieved
				Conduct workshop on blacklisting policy	Achieved
			False declarations by Officials and councilors.	Conduct verification on declarations made by employees and councilors on the system.	Achieved
			Collusion	Continue with the implementation MBD 9 form	Achieved
05	Goal 3 Inclusive Economic Growth with Sustainable Development	Fraud through manipulation of information	Inadequate review of supporting documents	Develop a quality assurance procedure manual for EPWP	Achieved
			Lack of segregation of duties	Review of employment files and supporting documents	Achieved
			Inadequate monitoring of EPWP projects	Implementation of Quality assurance procedure manual	Achieved

NO	Strategic objective/goal	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress on risk mitigation as at 30 June 2018
				Monthly Site Visit for monitoring of projects	Achieved
			Lack of induction for service providers on EPWP and Infrastructure projects reporting requirement	Induction of Service providers on EPWP and Infrastructure projects reporting requirement	Achieved

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The District has established a fully effective Supply Chain Management Unit. In terms of the Council approved staff establishment, there were eight (8) positions in the unit.

#### Implementation of The SCM Policy

In terms of the provisions of regulation 3 of the SCM regulations, read with clause 3 of the Nkangala District Municipality SCM policy, the policy of the municipality was reviewed and amendment(s) effected per council resolution **DM 411/05/2017**, it was implemented

#### Compliance and Reporting

- Monthly deviation reports were submitted in terms of the SCM policy for the procurement of goods and services.
- All the quarterly reports and annual report were submitted in terms of the SCM policy

Improvements and Compliance to internal controls

The Committees lowered the average number of days it takes from advertisement of tenders to awarding compared to the previous financial year. Cover quoting which was picked up the AG during the 2015/16 financial year has also been improved as it wasn't a finding for the 2016/17 year.

The below mentioned committees have been established and are fully functional in according with SCM Policy. The committees are listed below:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee

And for the new policy of SIPDM (System for Infrastructure Procurement Development Management)'s bid committees have been established and are functional in according with SCM Policy. The committees are listed below:

- Tender Specification Committee;
- Tender Evaluation Committee; and
- Tender Adjudication Committee

The aforesaid committees have the responsibility to make it a point that all the procurement processes are followed, and also to ensure that the value for money is received.

The municipality has showed a regression with regards to the total amount spent on deviations. The previous year's deviations came to a total of R1,926 619.71 for the 2016/2017 financial year compared to this financial year which made a total spend of R5,473,223.98 which makes a total difference in regression of savings by a – R3,546,604.27.

2.9 BY-LAWS

<b>By-Laws Gazetted during 2017/2018</b>					
<b>Newly Developed</b>	<b>Revised</b>	<b>Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)</b>	<b>Dates of Public Participation</b>	<b>By-Laws Gazetted* (Yes/No)</b>	<b>Date of Publication</b>
Water Supply and Sanitation Services By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2871, Vol 23 of the 10 November 2017
Fire Brigade Services By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2871, Vol 23 of the 10 November 2017
Electricity Supply Services By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2871, Vol 23 of the 10 November 2017
Tariff By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2864, Vol 24 of the 20 October 2017
Credit Control and Debt Management By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2864, Vol 24 of the 20 October 2017



<b>By-Laws Gazetted during 2017/2018</b>					
<b>Newly Developed</b>	<b>Revised</b>	<b>Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)</b>	<b>Dates of Public Participation</b>	<b>By-Laws Gazetted * (Yes/No)</b>	<b>Date of Publication</b>
Council Standing Rules and Orders By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2864, Vol 24 of the 20 October 2017
Municipal Property Rates By-Law	N/A	YES	20 <sup>th</sup> September 2016 (Sowetan, Website and Notice Boards)	YES	Mpumalanga Provincial Gazette No. 2708, Vol 23 of the 01 July 2016
<b>THEMBISILE HANI LOCAL MUNICIPALITY</b>					
Council Standing Rules and Orders	Yes (Review)	Yes	28 August 2017 (Website and Public Notices)	YES	Mpumalanga Provincial Gazette No. 2893, Vol 23 of the 02 February 2018
<i>*Note: See MSA section 13.</i>				<i>T 2.9.1</i>	

## 2.10 WEBSITES

<b>Municipal Website: Content and Currency of Material (2017/2018)</b>		
<b>Documents published on the Municipality's / Entity's Website</b>	<b>Yes / No</b>	<b>Publishing Date</b>
Current annual and adjustments budgets and all budget-related documents	Yes	01 March 2018
All current budget-related policies	Yes	25 January 2018
the Annual Report (2016/2017)	Yes	15 December 2017
All 2017/18 Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act	Yes	07 July 2017
IDP	Yes	19 July 2017
2017/18 Service Delivery and Budget Implementation plan	Yes	29 June 2017
All information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during 2017/2018	Yes	As required
All quarterly reports tabled to Council in terms of Section 52 (d) of 2017/2018)	Yes	quarterly
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T 2.10.1

### **COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS**

Section 75(1)(a) – (l) of the MFMA is fully complied with, in the all content required to be placed on the municipal website is done.

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### **COMMENT ON SATISFACTION LEVELS:**

The satisfaction survey was conducted in 2015/16 financial year.

## 2.12 MUNICIPAL SUPPORT

Nkangala District Municipality has established a Municipal Support Unit in compliance to the prescripts of the Municipal Structures Act section 88 which requires co-operation between the district and local municipalities. The support Unit's role is to support the local municipalities with Technical, Financial, Economic and administrative services.

During the year under review Nkangala District Municipality has supported the all local municipalities with the review of their budget related policies and by- laws.

Nkangala District Municipality has assisted Thembisile Hani Municipality with the development of the Municipal General Valuation Roll.

Under the Financial Management Support, the District has established a District Revenue Management Committee. The committee is established with an aim of addressing revenue management challenges experienced by municipality in a collective way, share best practices and technical skills. The committee is comprised of political and administrative sub-committees.

In 2017/18 the municipal economics supported Emakhazeni local municipality in developing the socio-economic analysis which serve as a basis for planning and allocating municipal resources efficiently.

Nkangala District Municipality developed quarterly reports on SLPs and CSI implementation of projects by the mines and other big industries such as Columbus, Eskom in Emalahleni, Victor Khanye, Emakhazeni , Steve Tshwete, Thembisile Hani local municipalities except Dr JS Moroka local municipality with the aim of monitoring the contribution made towards economic, social and infrastructure projects in those respective municipalities. This is in compliance by the mines operating in those local municipalities provided for in MPRDA 2002 and social responsibility by big companies. The resolutions of the mine and big business summit signifies the importance of this work to be further monitored as contributor to the economic growth in the local economies of the respective local municipalities.

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

Nkangala District Municipality (NDM) is not directly responsible for basic services implementation. Services in NDM are primarily rendered by the local municipalities. These include water, sanitation, electricity, road and storm water and community services. However, it supports all the local municipalities in the Nkangala District jurisdiction. Therefore, Technical Services Department manages the implementation of infrastructure capital projects in compliance with the Expanded Public Works Programme (EPWP) guidelines. The department also reports on the projects executed while maintaining control systems for each phase of project implementation cycle. The department also plays a key role in the prioritization and implementation of all projects on programmes executed in the Municipality's area of jurisdiction.

The Technical Services Department is committed to the improvement of the physical, socio-economic and institutional environment in order to address poverty and promote infrastructure development by:

- Developing infrastructure to enable and ensure service provision that meets the priority of communities.
- Promoting Integrated Development Planning and the proper coordination and alignment of infrastructure development initiatives in the district through sector planning.
- Encourage and supporting the effective performance and functioning of local municipalities in ensuring access to basic services within the district.
- Enhancing economic growth and development within the district through infrastructure project implementation.
- Promoting a healthy and safe environment for all.

The Technical Services Department focuses, inter alia, on the following areas:

- Issue 12 – Water & Sanitation*
- Issue 13 – Electricity Supply*
- Issue 14 – Roads & Storm water*

As part of a comprehensive strategy to deal with water and sanitation related challenges facing the Nkangala District Municipality (NDM), a range of initiatives are currently prioritized. The priority area is areas where the infrastructure exists, but inadequate service is provided. Below are the key strategic thrusts and initiatives emanating from the Water Master Plan (WMP) (2008) that has been on consideration and implemented, which include:

- *Collaboration,*
- *Institutional Arrangements,*
- *Cullinan and the Western Highveld Region Emergency Augmentation Scheme,*
- *Rand Water Augmentation Scheme for Delmas/ Victor Khanye Local Municipality,*
- *Reclamation of Mine Water (Emalahleni & Steve Tshwete Local Municipalities),*
- *Raw water supply to industries,*

*Recycling of Sewer Effluent.*

## COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

In the last five years, NDM's Council confirmed this Developmental Issue and the challenges therein to be detriment to the realisations of the Vision of the District. The delivery of basic services is essential in improving the quality of life and sustainable development for communities. In order for a household to be considered having adequate access to sanitation, the household should have a facility that removes human waste, is affordable, hygienic, and accessible. It should be noted that Nkangala District Municipality is not a water services authority.

### Basic service delivery in South Africa, Mpumalanga and Districts,

Indicator	National		Mpumalanga	Gert Sibande	Nkangala	Ehlanzeni
	Level	2014/15 target				
% of households with formal housing	72.4%	–	79.8%	70.0%	74.7%	90.0%
Formal housing backlog	3 711 528		203 480	84 772	76 957	41 752
% of households with hygienic toilets	69.1%	100%	54.1%	75.7%	44%	42.9%
Sanitation backlog	4 156 325	–	462 029	68 774	116 563	239 189
% of households with water at/above RDP level	78.8%	100%	77.1%	84.5%	86.0%	67.8%
Water backlog	2 847 569	–	230 978	43 995	29 148	135 101
% of households with electrical connections	80.2%	92%	82.3%	81.0%	74.0%	81.3%
Electricity backlog	2 659 153	–	178 115	53 860	54 266	78 464
% of households with formal refuse removal	61.0%	75%	45.9%	59.9%	42%	34.6%
Formal refuse removal backlog	5 247 071	–	544 327	113 581	119 206	274 091
Infrastructure index	<b>0.69</b>	–	<b>0.65</b>	<b>0.70</b>	<b>0.66</b>	<b>0.60</b>

Source: Stats SA-2011

Above depicts the basic service delivery on national, provincial and district level. Nkangala District Municipality is with all the indicators, second of the three Districts in the Province, in terms of access to services and backlogs, with the exception of electrical connections.

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

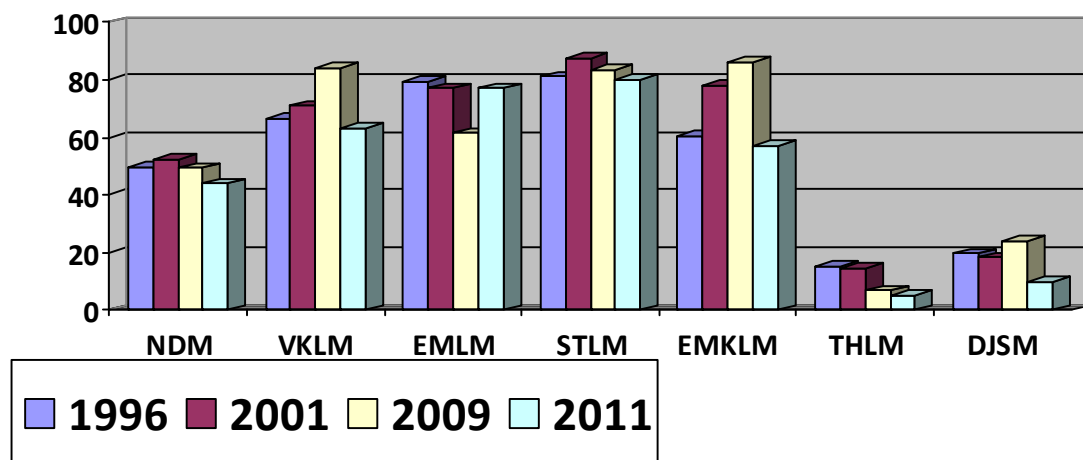
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

In Mpumalanga Province all category B municipalities have been authorized for the Water Services Authority (WSA) function. However, the Local Municipalities do not have sufficient capacity to perform their WSA functions. The Nkangala District Municipality (NDM) must therefore perform its required and expected role in building capacity to support (infrastructure development) at local level and ensure adequate sector planning and co-ordination.

The NDM has made significant investments in Water and Sanitation infrastructure in the District during the past few years.

**Households with hygienic toilets:** It is evident from Figure 30 that Nkangala showed a slight decrease in the percentage of households with hygienic toilets from 49.5 per cent in 1996 to 44 per cent in 2012. Nkangala registered 44 per cent of households with hygienic toilets that are higher than the provincial percentage (34 per cent). This is lower than the 2014 national target of 100 per cent. In 2012, the lowest percentages of households with hygienic toilets were recorded in Thembisile (5 per cent), Dr JS Moroka (10 per cent) and Emakhazeni (57 per cent), whereas the highest percentages were registered in Emalahleni (77 per cent), Victor Khanye (63 per cent) and Steve Tshwete (80 per cent). Households without hygienic toilets in the district were recorded at 116 563 making it 26 per cent of the provincial backlogs in 2012. Emakhazeni recorded the lowest backlog in the district with 3 927 households without sanitation and Thembisile had the highest in the district with 44 764 households.

**Graph 9: Percentage of households with hygienic toilets in Nkangala and its local municipalities, 1996 – 2011**

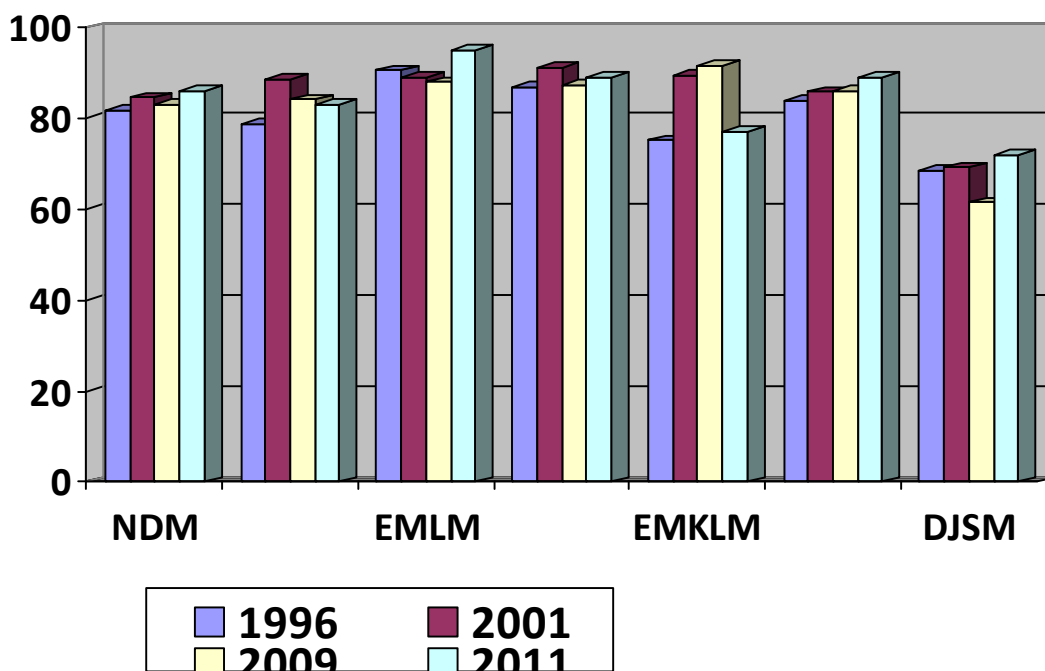


**Households with piped water at/above RDP level:** Figure 31 shows the percentage of households with piped water at/above RDP-level in Nkangala and its local municipalities. The households in Nkangala showed an improvement in access of piped water at/above RDP - level from 81.9 per cent in 1996 to 86 per cent in 2011, thus represents an increase of 4.1 percentage points Nkangala recorded a percentage above the provincial average of piped water at or above RDP-level at 83 per cent during the period under review.

Among six local municipalities in Nkangala, Emalahleni (95.0 per cent) managed to register the highest percentage of households with piped water at/above RDP level followed by Steve Tshwete and Thembisile (89.0 per cent) whereas Dr JS Moroka (72.0 per cent) recorded the lowest percentage.

Households without piped water at or above RDP-level in Nkangala were recorded at 29 148 households in 2011 and contributed 25 per cent to the provincial backlog of 114 666 households. Victor Kanye recorded the lowest backlog with 2 140 and Dr JS Moroka had the highest backlog of 13 350 households without water.

**Graph 10: Percentage of households with piped water at/above RDP level in Nkangala and its local municipalities, 1996 - 2011**



**COMMENT ON WATER USE BY SECTOR TABLE**

<b>Water Service Delivery Levels</b>		
<b>Households</b>		
<b>Description</b>	<b>Year 2016/17</b>	<b>Year 2017/18</b>
	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>
<b><u>Water: (above min level)</u></b>		
Piped water inside dwelling (NDM)	224028	228508
Piped water inside yard (but not in dwelling)	720	734
Using public tap (within 200m from dwelling )		
Other water supply (within 200m)	108	110
<i>Minimum Service Level and Above sub-total</i>	44	45
<i>Minimum Service Level and Above Percentage</i>	872	889
<b><u>Water: (below min level)</u></b>		
Nkangala District Municipality	225772	230287
Below Minimum Service Level Percentage		
	13%	13%
<b>Total number of households*</b>	360480	367689

**Source: NDM IDP:**

<b>Water Service Delivery Levels</b>		
<b>Households</b>		
<b>Description</b>	<b>Year 2016/17</b>	<b>Year 2017/18</b>
	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>
<b><u>Water: (above min level)</u></b>		
Piped water inside dwelling	0	0
Piped water inside yard (but not in dwelling)	720	792
Using public tap (within 200m from dwelling )	108	119
Other water supply (within 200m)	44	45
<i>Minimum Service Level and Above sub-total</i>	872	889
<i>Minimum Service Level and Above Percentage</i>	87%	89%
<b><u>Water: (below min level)</u></b>		
Nkangala District Municipality	225768	230283
Below Minimum Service Level Percentage	13%	13%
<b>Total number of households*</b>	360 480	367689

**Source: NDM IDP:**



### Capital Expenditure Year 2017/2018:

Project No	Project Description	Budget	Expenditure	% Expenditure	Variance	% Variance
4151/16	Replace Asbestos Pipes Siyabuswa	R3,678,446.09	R3,672,222.79	100%	R6,223.30	0%
34414	Installation of Prepaid Water Meters Dullstroom	R4,706,125.91	R4,706,124.31	100%	R1.60	0%
53705	Installation of water reticulation Gugulethu	R2,430,000.00	R2,430,000.00	100%	-	0%
2123/16	Inkanini Water	R691,693.00	R691,692.74	100%	R0.26	0%
34419	Water Supply Wilge	R13,373,035.29	R13,373,035.29	100%	-	0%
3158/15	Zakheni Water Reticulation	R1,228,900.05	R1,228,900.00	100%	R0.05	0%
34405	Rehab borehole to supply elevated steel tank Moloto	R2,780,694.70	R2,780,693.45	100%	R1.25	0%
57489	Moloto Borehole Water Supply	R515,668.73	R515,668.73	100%	-	0%
34399	Source development geohydrological study Dr JS Moroka	R1,620,164.22	R1,620,163.15	100%	R1.07	0%
34399	Source development geohydrological study Thembisile Hani	R1,365,580.00	R1,365,580.00	100%	-	0%
53673	Regional water tanker	1,369,000.00	R1,368,000.00	100%	R1,000.00	0%
54382	Bulk water supply Dr JS Moroka fire station Phase 1	RR250,000.00	R174,012.21	70%	R75,987.79	30%
<b>Totals</b>		<b>R34,009,307.99</b>	<b>R33,926,092.67</b>	<b>100%</b>	<b>R83,215.32</b>	<b>0%</b>

Detail	2016/2017	2017/2018
Water project expenditure	R33,077,059.57	R33,926,092.67

### 2017/2018 WATER SUMMIT (ADD PICTURES ALSO)

Nkangala District Municipality (“NDM”) held a two-day Water Conservation Summit (“the Summit”) on 31 May 2018 and 01 June 2018, at Nkangala District Municipality’s Council Chambers, in Middelburg.

The invitations for the Summit was sent to Local Municipalities, neighboring District Municipalities, Sector Departments, State Owned Entities, Private Entities, Non-Governmental Organizations, and Municipal Politically Elected Representatives, Academic Institutions, Traditional Councils, and Individuals. These further included various Water and Sanitation Field Experts, Policy Makers and Academia in areas of inter alia research, innovations, funding, development and implementation.

The Summit which was intended to generally address Water and Sanitation challenges across all six (6) local Municipalities located within Nkangala District Municipality focused on inter alia the following:

- Dealing with water and sanitation resources' scarcity, aging infrastructure, water quality, and water energy sources, development of alternative solutions and innovations;
- Accelerating access to clean water and sanitation services to facilitate social and economic development;
- Facilitating economic growth through infrastructure investment to enable the private sector to expand capacity, create more jobs and produce more goods and services;
- Identifying constraints and finding solutions allowing wider participation and investment in the sector;
- Water and Sanitation infrastructure funding mechanism, research, development and implementing improvements to water and sanitation infrastructure projects; and
- Collaboration by government and the private sector for the development of innovative water utilities through a supportive and regulative system;

Various proposals and suggestions were presented by various stakeholders on how best Nkangala District Municipality and its neighboring and surrounding local and District Municipalities can best conserve water.

The Successful Water Conservation Summit resulted in adoption of Resolutions which are intended to assist Nkangala District Municipality and its neighboring and surrounding local and District Municipalities to best conserve water. These will be implemented in the coming months and years as per their respective timeframes.

#### **COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

Despite the enormous capital investments committed as depicted in water use sector Table the NDM is still confronted with huge backlogs in levels of service which will require vast amounts of money to eradicate as indicated in the IDP.

Communities within the jurisdiction of the NDM receive Free Basic Services (FBS) from their respective local municipalities as per their adopted indigent policy. The status of FBS in the municipalities is sketched out in table below (FBW Provision).

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

In Mpumalanga Province all category B municipalities have been authorised for the Water Services Authority (WSA) function. However, the Local Municipalities do not have sufficient capacity to perform their WSA functions. The Nkangala District Municipality (NDM) must therefore perform its required and expected role in building capacity at local level and ensure adequate sector planning and co-ordination.

The NDM has made significant investments in Water and Sanitation infrastructure in the District during the past few years.

Sanitation Service Delivery Levels	Year 2016/2017	Year 2017/2018
<b>*Households</b>	<b>375 776</b>	<b>383291</b>
Description	Year 2016/2017	Year 2017/2018
	Actual	Actual
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	253 385	258453
Other toilet provisions (above minimum service level)	TC by LMs	TC by LMs
Minimum Service Level and Above sub-total	253 385	258453
Minimum Service Level and Above Percentage	46%	47%
<b>Sanitation/sewerage: (below minimum level)</b>		
Nkangala District Municipality	123 411	125879
Below Minimum Service Level sub-total	118 749	121123
Below Minimum Service Level Percentage	58%	59%
<b>Total households</b>	<b>118 749</b>	<b>121124</b>

Access to Sanitation	
	Proportion of households with access to sanitation
Year	
2015/16	240 348
2016/2017	242 658
2017/2018	247511

#### Capital Expenditure Year 2017/18: Sanitation Project

Project No	Project Description	Budget	Expenditure	% Expenditure	Variance	% Variance
34416	Sewer drainage Truck Emakhazeni CB	R5,300,000.00	R5,300,000.00	100%	-	0%
53706	Installation of Sanitation Reticulation in Gugulethu	R3,020,208.18	R3,020,204.81	100%	R3.37	0%
6241/17	Upgrading Of Pap En Vleis	R7,524,813.00	R6,586,142.40	88%	R938,670.60	12%
6242/16	Upgrading WWTW Thubelihle	R19,204,264.71	R19,204,264.71	100%	-	0%
3219/16	Construction of waterborne system RDP	R2,887,784.39	R2,887,305.40	100%	R478.99	0%
1209/16	Sewer Pipeline Kgomostreet phase 3	R8,500,000.00	R8,499,653.13	100%	R346.87	0%
34400	Feasibility Study Moloto Waterborne CB	R211,816.00	R192,000.00	91%	R19,816.00	9%
<b>Totals</b>		<b>R46,648,886.28</b>	<b>R45,689,570.45</b>	<b>98%</b>	<b>R959,315.83</b>	<b>2%</b>

Detail	2016/2017	2017/2018
Sanitation project expenditure	22,655,844.32	R45,689,570.45

### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

In Nkangala District Municipality, four local municipalities, namely: Steve Tshwete, Emalahleni, Delmas/Victor Khanye and Emakhazeni have been authorized for the electricity supply function, but the two western Highveld municipalities Thembisile Hani and Dr JS Moroka local municipalities are serviced by Eskom. The Nkangala District Municipality (NDM) must therefore perform its required and expected role in building capacity at local level and ensure adequate sector planning, co-ordination and support.

Communities in the NDM are fairly well supplied with electricity. The municipal electricity consumption index, which shows the number of people that are living in houses with or without electricity, shows that about 74% of the people lived in houses that were electrified and 26% were not electrified (Stats SA 2011).

NDM participate in the Mpumalanga Provincial Energy forum that meets quarterly.

#### Capital Expenditure Year 2017/18: Electrical Project

Project No	Project Description	Budget	Expenditure	% Expenditure	Variance	% Variance
4401/13	20 X high mast Lights	R52,080.00	R52,078.15	100%	R1.85	0%
<b>Totals</b>		<b>R52,080.00</b>	<b>R52,078.15</b>	<b>100%</b>	<b>R1.85</b>	<b>0%</b>

Detail	2016/2017	2017/2018
Electricity project expenditure	<b>R5,334,179.85</b>	<b>R52,078.15</b>

### 3.4 WASTE MANAGEMENT

#### INTRODUCTION TO WASTE MANAGEMENT

The mandate of a District Municipality in respect of waste management is covered in section 84 (e) of the Local Government: Structures Act 117 of 1998, and it provides as follows, “*solid waste disposal sites in so far as it relates to the determination of the waste disposal strategy, the regulation of the waste disposal, the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district*”.

#### Capital Expenditure Year 2017/18: Waste Disposal

Item Name	Budget	Expenditure	%Expenditure	Variance	%Variance
Review of Integrated Waste Management Plan (IWMP)	R700,000.00	R315,000.00	45%	R385,000.00	55%

### 3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

Communities within the jurisdiction of the NDM receive Free Basic Services (FBS) from their respective local municipalities as per their adopted indigent policy. The status of FBS in the municipalities is sketched out in table below (FBW Provision)

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

### 3.6 ROADS AND STORM WATER

Gravel Road Infrastructure				
YEAR	Total gravel roads	New gravel roads constructed (m)	Kilometres	
			Gravel roads upgraded to tar(m)	Gravel roads graded/maintained
2012/13	-	-	11 599 (11.5KM)	40 533.6 (40.5 KM)
2013/14	-	-	13 399 (13.4 KM)	57 438 (57.44KM)
2014/2015	-	5 780(5.780KM)	5 780(5.78KM)	12 563(12.563KM)
2015/2016	5835.34	0	12750 (12.75km)	0
2016/2017	0	0	10650 (10.65km)	0
2017/2018	0	0		0

Asphalted Road Infrastructure Kilometers					
YEAR	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2012/13	0	0	1.8km	0	0
2013/14	0	0	0	4.4Km	0
2014/15	0	0.8Km	3.38Km	0	0
2015/16	2272.96	0	0	0	0
2016/17	9.15km	9.15km	0	0	0
2017/2018	8.71km	8.71km	0	0	0

Cost of Construction/Maintenance R' 000						
Year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2012/13	0		R 22 000 000.00	0		R 8 500 000.00
2013/14	0	R 35 500 000.00	R 39 340 581	0		R 2 300 000.00
2014/15	0	R 3 131 389.68	R 15 876 480.00	0	R 22 338 284.33	0.00
2015/16	0	R25 342 504.19	0	0	0	0
2016/17	0	R 77,238,508.49	0	0	0	0
2017/2018	0	R27,581,598.35	0	0	0	0

**Note: Operation and maintenance are done by local municipalities**

#### Capital Expenditure Year 2017/2018: Roads & Storm water

Project No	Project Description	Budget	Expenditure	% Expenditure	Variance	% Variance
4364/16	Upgrading Marothobolong Bus and Taxi Route	120,008.69	120,008.69	100%	-	0%
53677	Procurement of Grader Dr JS Moroka	3,350,000.00	3,350,000.00	100%	-	0%
2309/16	Rehabilitation of Bhekumuzi Masango Road phase 5	593,829.81	593,829.78	100%	0.03	0%
670/16	KG Mall Road in Vosman	6,356,186.00	5,443,484.15	86%	912,701.85	14%
3356/14	Kwaggafontein D	379,130.70	379,130.70	100%	-	0%
3389/16	Bus Route Miliva	7,112,927.04	7,112,924.31	100%	2.73	0%
3375/15	Phola Park Vehicle Bridge	4,758,251.20	4,758,250.96	100%	0.24	0%
57486	Kwaggafontein D Bus Route Ph3	150,900.00	150,894.76	100%	5.24	0%
53677	Procurement of grader VKLM	3,350,000.00	3,350,000.00	100%	-	0%
7302/14	Rural Road Asset Management	2,323,075.00	2,323,075.00	100%	-	0%
<b>Totals</b>		<b>28,494,308.44</b>	<b>27,581,598.35</b>	<b>97%</b>	<b>912,710.09</b>	<b>3%</b>

Detail	2016/2017	2017/2018
Sanitation project expenditure	R77,238,508.49	R27,581,598.35



Service Objectives	Outline Service Targets	Year 2012/13	Year 2013/14		2015/16	2016/2017	2017/18	
		Target					actual	actual
		*Previous Year	*Previous Year	2014/2015 *Current Year	*Year (2015/2016)			
Service Indicators (i)	(ii)	(viii)	(ix)	(x)	(x)			
Support Local Municipalities in developing Roads infrastructure	13 KMS of municipal roads developed	8KM	4KM	13	5.78 KM	6KM	9.15KM	8.75KM

## 3.7 TRANSPORT

### **Background information**

The National Land Transport Act, 2009, NLTA 5 of 2009 provides the measures necessary to transform and to restructure South Africa's land transport system with the emphasis on public transport. It deals comprehensively with all aspects of transport, including the provision, regulation and funding of public transport. It is the product of numerous efforts over the past decade to outline each sphere of government's responsibilities.

The Act addresses the issue of the concurrency of the public transport function between national and provincial government and empowers local government to take on extensive public transport responsibilities.

The Municipal Systems Act sets out legislation that enables municipalities to uplift their communities by ensuring access to essential services. The Act defines the legal nature of a community as including the community and clarifies the executive and legislative powers of municipalities. It seeks to enhance effective local government by establishing a framework for municipal planning, performance management and use of resources. The Act also ensures that municipalities put in place service tariffs and credit control policies that take the needs of the poor into account and it promotes the participation in local communities in local governance.

### **Transport forum**

The Nkangala District Municipality has established a district transport forum which meets on a quarterly basis to discuss transport issues. As indicated above that the District Transport sits on a quarterly basis. In the financial year 2017/18 four (4) transport forum meetings were held successfully, (02 August 2017, 20 October 2017, 15 January 2018 and 29 May 2018). In the District Transport forum, a resolution was taken that Local Municipalities should also establish local transport forum for 2018/2019 financial year.

### **Progress on the upgrade of Moloto Road (R573)**

Moloto road project was identified by national government as one of the strategic projects to deal with public transport issues in the communities along the R 573 (Moloto Road) Road. This is one of the presidential projects that was facilitated by National Department of Transport and its agency SANRAL. Nkangala District Municipality also acknowledged in its strategic documents such as Integrated Development Plan (IDP's) and spatial plans that this is one of the projects that will improve public transport as well as socio- economic development in the district.

All the necessary engineering and related service providers for the main road have been appointed. The designs in progress for all the road sections in Mpumalanga Province. All the necessary

engineering and related service providers for the main road have been appointed. The designs in progress for all the road sections in Mpumalanga Province.

**Current construction project:**

- ✓ Scope – upgrading of 4 intersections in the Thembisile Hani Local Municipality (priority works)
- ✓ Main contractor – Raubex/Moloto JV
- ✓ Tender amount- R 106m (incl VAT)
- ✓ Contract duration – 12 months
- ✓ Commenced on 9 January 2017

**Progress to date (30 June 2018)**

- ✓ Projects delayed by 2.5 months initially due to labor recruitment process
- ✓ Further delays were experienced due to various things as a result the new anticipated completion date is end of August 2018 for the current phase.

**Contract Participation Goals (CPG)**

- ✓ *Contracting model for current contract:*
  - Main contractor – JV between CIDN Grade 9 (80%) and JV Partner(s), CIDB Grade 5-7 (20%)
  - Targeted Enterprises- targeting CIDB Grade 1-6 SMME's.
  - For current construction projects (20%) for SMME's
  - Sub- targets within the CPG target – 20% youth – owned and 20% women – owned SMMEs.
- ✓ *Contracting model for future contracts:*
  - Main contractor – JV between CIDB Grade 9 (80%) and JV Partner(s), CIDB Grade 5-7 (20%)
  - Targeted Enterprises – targeting CIDB Grade 1-6 SMME's
- ✓ For further phases – will be adjusted in line with the Preferential Procurement Regulations of 2017.
- ✓

**Job creation**

- ✓ SANRAL has created a database for anyone seeking employment opportunities on the project.
  - Selection method – “fudua” (raffle)
- ✓ For the current construction project in Mpumalanga Thembisile Hani, 160 people have been selected from all 32 wards, and 107 have been recruited to date  
Male: 75  
Female: 32  
Youth: 62
- ✓ SANRAL has created a database for SMME/ Supplier opportunities on the project.
  - Selection method – tender process
  - 38 SMMEs appointed to date (list attached)
  - Target R 18,711 716.10

**Special training for SMME's**

SANRAL together with the site project team identified that local SMME's had little exposure to the tendering processes which disadvantaged them when responding to bids.

It was then agreed by the team that training should also be extended to the bidders that did not win the tenders to better prepare them for submitting winnable bids for the next coming year.

### **Future Main Upgrade Projects**

- ✓ Future phases will be unbundled as per the table below (refer to the attached table)
  - There has been a delay with starting the next phases due to changes in Legislation
  - (Tenderers to tender with SMME's vs the current open tender system to source
  - SMME's. SANRAL is in talks with Treasury to resolve the issue.

### **Project Scope – Access Roads (Community Development Projects)**

Projects will be implemented using labor enhanced construction methods, to maximize:

- Job opportunities
- Targeted enterprises participation, and
- Skills transfer
- 

### **Moloto Rail Development Corridor**

Background information

In 2004 Mpumalanga undertook pre-feasibility study into rail link

The pertinent problems included:

- Long travel times in excess of 7 hours per day
  - High financial implications for both the Government and Passengers
  - Unacceptable levels of service quality
  - Insufficient road network particularly in the local residential areas
  - Increasing traffic congestion in urban areas; and
  - Increasing road accidents that result in serious injuries and loss
- 
- ✓ **In 2005 Minister of Transport issued Directive to undertake detailed feasibility on proposed Moloto Rail Corridor Development Initiative.**
    - The main objective of the Study was to prove passenger rail as the backbone of an integrated multi-modal transport system using proven state of the art rolling stock and equipment.
    - In addition this rail project would serve as a catalyst for economic development initiatives within and around the Corridor.
    - January 2006: Mpumalanga Provincial Government (MPG) tabled the Moloto Rail Corridor to Cabinet Lekgotla – part of Accelerated and Shared Growth Initiative of South Africa (AsgiSA)
  
  - ✓ **In 2008: The results of the feasibility study were submitted to Cabinet**
    - Cabinet approved the feasibility study and directed that:
      - A Project implementation and management office be established by the Department
      - An Environmental impact study be undertaken
  
  - ✓ Cabinet's attention was drawn to the fact that Treasury had been approached during the 2007/08 Medium Term Expenditure Framework (MTEF) for funding for the project, but that no funding had been secure.

- ✓ The Department of Transport motivated for funding for the Moloto Rail Corridor during the 2008/09 & 2009/10 (MTEF) cycles, funding requests from National Treasury were unsuccessful.
- ✓ **Key reasons included:**
  - Not all Modal options were sufficiently interrogated
  - Projected rail capacity
  - Sensitivity analysis around cost increases
  - Cost of modal transfers for passengers (feeder/distribution)
- ✓ **In 2011, Cabinet through the Minister of Transport instructed that the project be revisited with the aim of taking it to its logical conclusion**
  - In 2012 the DOT registered the Moloto Development Corridor Initiative as a potential Public Private Partnership (PPP) project.
  - The feasibility study directed through the PPP project cycle would enable government to take informed decisions about the most effective and feasible solution (preferred mode or modal combinations)
  - DOT commenced with new second feasibility study in October 2012 and completed in October 2013. The feasibility study still recommended that the rail option is feasible, and the Political Steering further also resolved that Moloto Road be upgraded.
- ✓ Political Oversight Committee (POC) meeting held on 18 December 2013 resolved that PRASA be the implementing agent for Moloto Corridor Development Initiatives, that the R573 be de-proclaimed and re-proclaimed as a national road, under the ownership of SANRAL.
- ✓ Thus far the transfer and relinquishing of road authority to SANRAL by, Mpumalanga and Limpopo is complete only outstanding portion from Gauteng Province which is yet to be transferred to SANRAL.
- ✓ And National Treasury (NT) has made 1.1 billion for upgrade of Moloto Road for routine Maintenance and road upgrade. SANRAL has already embarked on the routine maintenance programmes along Moloto Road. POC it further resolved that PRASA make the application for the Transaction advisory 1 (TA 1) and it further establish the Project Management office (PMO).

#### **Progress to date on Moloto Corridor Development Initiatives,**

- ✓ The progress thus far on the implementation of the projects, derived from the letter received from PRASA, as results of the enquiry made to the office of the Senior Manager: Regional Rail Planning and Special Projects, the progress report is based on the following aspects:

#### **Funding**

PRASA and The China Communications Constructions Company (CCC) signed a Memorandum of Agreement (MOU) on the 07 September 2016. The purpose of the MOU it was mainly focused on the establishing and developing co-operation between the parties (PRASA and CCCC) in their respective capacities to explore possible funding and or implementation of new projects in rail sector in South Africa. PRASA has not yet received funding from the CCC which is a party has signed the MOU with on the above-mentioned date. There is interest to fund from the Chinese Government on this project, PRASA, DOT and national Treasury are still to consider the funding interest of the funding party and discussion are yet underway.

### **Portfolio Committee of Transport Recommendations**

Cabinet in 2008 has approved the first feasibility study and implementation of the projects and it requires that PRASA provide the progress report on the implementation of the projects in their parliamentary submissions on their PRASA Capital Projects Reports, with response received from PRASA there is no yet latest recommendation from the committee on this project.

### **National Treasury Approval on TA1 Application**

National Treasury has indicated that the project is unaffordable, the funding from the concerned party (CCC from Chines Government) could make the funding of this project not entirely to depend on the National Treasury T1 Application, and that will further make the challenge of unaffordability indicated by National Treasury to cease to exist.

### **Establishment of Project Management Office (PMO)**

Both PMO and its structure is not finalized and timeline is not available as well on when will it be established.

### **Available Budget from PRASA**

No Budget is available or in existence within the PRASA's Budget on the project

### **Ministerial Engagement**

PRASA indicated that meetings between the two ministers namely: Finance and Transport are continuing though not date of meeting held was made available.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

This component includes: planning; and local economic development.

### **3.8 PLANNING**

#### **INTRODUCTION TO PLANNING**

This include all activities related to the formulation, monitoring of implementation, evaluation and review of strategic plans for the entire district. It also includes assistance to local municipality with processing of application to local land use planning and development.

The achievements are as follows for 2017/2018:

- Several township establishment project were approved and finalized accordingly.
- The implementation of Informal settlement strategy to assist municipalities in dealing with the mushrooming of informal settlements.
- Implementation of Land Use Management and Spatial Planning (SPLUMA) to be fully functionally.

- NDM developed Geographic Information System (GIS) and is in the process of being full functionally, however still to be rollout in Local Municipality. The GIS Strategy is being revised to guide in terms of assisting Local Municipality.

Type of Application	2016/2017			2017/2018		
	Received	Approved	Pending	Received	Approved	Pending
Discretionary Use	5	5	0	9	3	6
Subdivision	12	11	1	29	27	2
Rezoning	11	8	3	31	14	17
Township Establishment	13	3	10	13	9	4
Consolidation	7	4	3	11	7	4
Servitude	1	1	0	-	-	-
Total	49	32	17	93	60	33

### 3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### INTRODUCTION TO LOCAL ECONOMIC DEVELOPMENT (LED)

The goal of the Local Economic Development Unit is to facilitate economic development, job creation and poverty eradication in the District. This will be achieved by reducing the numbers of unemployed people, especially the youth, women and people living with disabilities. Secondly, by ensuring that there is economic development in the district and in particular in the identified sectors. Furthermore, that there is reduction in the number of people living below the poverty line.

**Section 153 of the Constitution** stipulates the following developmental duties of all Municipalities:

- A Municipality must structure and manage its administration, budgeting and planning processes to give priority to the needs of the community, and to promote social and economic development.
- A Municipality must participate in national and provincial developmental programmes.

On the basis of the above, the reviewed Local Economic Development (LED) Strategy of Nkangala District Municipality was adopted by Council in 2015. The principal goal of this Strategy is to improve the quality of life in the district through pro-poor economic growth that creates high quality jobs, generates wealth and investment, and helps ensure the district's long term fiscal health. Nkangala District is also located along the Maputo corridor thus suggesting enormous potential for economic growth and tourism. This is in addition to being situated at close proximity to Gauteng province, adding opportunities for development of agriculture and manufacturing sectors (considering available market).

Nkangala District Municipality is the main economic hub in the Mpumalanga province. Investment promotion is a critical driving force for economic growth and development. Most advanced economies

have experienced high level of capital accumulation or investment as a pre-cursor to their development. Investment is an underlying factor for increasing the productive capacity, providing job opportunities, addressing poverty & inequality, and generating wealth. In addition to this, the ability of countries to improve people's lives largely depend on their investments into various sectors. It is therefore imperative that governments attract and promote investment in order to improve economic performance and the wellbeing of the people.

Both private and public investments are essential in improving economic performance, and therefore strong private-public partnerships are required. Accordingly, NDM Council approved the Investment Attraction and Promotion Strategy in the district during the financial year under review, in an effort to support sustainable economic growth in the Nkangala region. The NDM's Investment Attraction and Promotion Strategy should also be viewed as a mechanism for supporting future sources of revenue growth.

The development and support of SMMEs, Cooperatives and Informal Traders in the district remain a critical focus area of LED as the small business sector is pivotal in addressing the challenges of unemployment, poverty and inequality by affording people opportunities to be fully integrated into the mainstream economy. In this regard, Nkangala District Municipality is pursuing the initiative of providing financial and non-financial support measures to assist SMMEs, Cooperatives and Informal Traders to assist these enterprises to grow their businesses.

#### **2017/2018 ANNUAL TOURISM INDABA EVENT**

The Annual Tourism Indaba 2018, which is one of the Top Travel Tradeshow and largest tourism events in South Africa. INDABA 2018 took place at the Inkosi Albert Luthuli International Convention Centre in Durban from 08 to 10 May 2018. The Tourism Indaba is meant as a gathering of all those involved in the tourism industry. It is one of the top three tourism marketing events on the global calendar and the largest in Africa and it attracts thousands of delegates, visitors and media representatives from across the globe.

Since the function of tourism development and promotion is a regional responsibility and discharged by the Nkangala District Municipality, participation in the INDABA 2018 boded well for the NDM once more. A lot has been learnt and the networking that forms part of the attendance to the event worked well for the delegates who were part of the event.

For four years in a row, Nkangala District Municipality has attended and participated in the annual tourism indaba, one of Africa's best travel and tourism show. Indaba brings together a showcase of Southern African tourism products and services for the international travel trade.

#### **2017/2018 MINING SUMMIT**

Nkangala District Municipality hosted the Mining and Big Business Summit from the 17<sup>th</sup> to 18<sup>th</sup> May 2018 at the Nkangala District Municipality's Council Chambers. The Constitution of the Republic of South Africa, 1996, Chapter 7 section 152, provides and directs municipalities to provide socio-economic development for their local communities. Furthermore, the White Paper on Local Government, 1998, asserts that local government is not directly responsible for job creation but have an obligation to create conducive environment for economic development to thrive.



The Mining and Big Industries Summit 2018 attracted a lot of interest from the stakeholders within Nkangala District and beyond because during preparations the district received enquiries mainly from Gauteng province. The summit managed to attract 312 participants on the first day, 124 delegates attended the Gala Diner and on the second day 182 participants were in attendance.

The theme of the Mining and Big Industries Summit was ***“Promoting Collaborations and Partnerships for Sustainable Economic Development”***. The objectives of the Summit were to, inter alia: bring together relevant stakeholders in the mining, SMMEs, Big Industries, Government, etc. to brainstorm and deliberate on key developmental issues and to create partnerships and collaborations on the economic growth in the NDM as well as providing a platform for cross pollination of ideas between private and public sector to foster economic growth and development in communities surrounding mining operations and labour sending areas. The Mining and Big Industries Summit further sought to create partnerships and collaborations on the economic growth in the NDM and deliberate on partnerships and possible agreements on infrastructure development and maintenance.

On the second day of the summit, 18<sup>th</sup> May 2018, commissions delivered their respective reports and the resolutions emanating from the Commissions were, amongst others:

- That the issue of radius of serviced community by mines and industries be eliminated to include the whole district and its local municipalities.
- That mining sector and industries should identify and avail opportunities for small businesses and cooperatives.
- That interested and affected parties are consulted as per legislation before approval of mining licenses.
- That all stakeholders collaborate to work on provision of community facilities.
- Ensure that there is alignment between IDP's and SLP's and both DMR and District should lead and coordinate the process.
- That 20% of procurement by mines and industries be ring fenced for local businesses.
- That strategic engagement be held between District municipality and DMR to institutionalise the engagement between mining companies and government.
- That strategic partnerships be created between mines, industries and government to promote tourism programmes.
- That a database of those mining companies likely to face closure be compiled and programme for deployment of these skills in other areas be developed.
- That mines and industries ensure that local businesses be afforded core mining business opportunities as opposed to meagre opportunities.
- That cooperatives be facilitated in the area of transport businesses especially trucking.
- That Special Purpose Vehicles be developed to facilitate skills transfer between small and larger businesses to ensure that the former graduate from their current status.
- That international exchange programmes for skills transfer be undertaken to ensure that locals participate in large scale infrastructure projects by mines and government.
- That there should be transparency in the ownership and control of mines operating in the district to ensure compliance with mining charter requirements.
- That measures be undertaken to minimise the impact of pollution in the mining areas especially affected communities.
- That an oversight structure be established to deal with the resolutions of the mining summit.

<b>Economic Activity By Sector</b>				
<b>Sector</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018 (Regionalised)</b>
Agriculture, forestry and fishing	22.9%	26.2%	25.8%	3.7%
Mining and quarrying	70.2%	72.2%	63.1%	5.9%
Manufacturing	28.5%	27.4%	31.8%	3.9%
Wholesale and retail trade	31.8%	30.4%	27.4%	2.6%
Finance, property, etc.	36.3%	32.9%	30.9%	2.8%
Government, community and social services	32.8%	28.5%	27.0%	3.2%
Infrastructure services	34.4%	33.1%	30.4%	1.7%
<b>Total</b>	<b>44.0%</b>	<b>35.8%</b>	<b>37.7%</b>	<b>24.8</b>
StatsSA and Global Insight/ Markit 2018				

<b>Economic Employment by Sector</b>				
<b>Sector</b>	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>2017/2018 (Regionalised)</b>
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	
Agric, forestry and fishing	3.4%	5.2%	4.7%	1.5%
Mining and quarrying	18.3%	16.2%	15.1%	5.9%
Manufacturing	7.1%	9.2%	9.1%	1.8%
Wholesale and retail trade	20.0%	21.6%	19.7%	3.4%
Finance, property, etc.	11.5%	12.5%	13.5%	1.1%
Govt, community and social services	13.6%	17.2%	19.1%	7.2%
Infrastructure services	7.0%	9.3%	10.3%	1.3%
<b>Total</b>	<b>11.6</b>	<b>13.02%</b>	<b>12.6%</b>	<b>22.2%</b>
<b>StatsSA and Global Insight/Market 2018</b>				

#### PROJECT EXPENDITURE YEAR 2017/2018

<b>Expenditure Year 2017/2018 Economic Development Services</b>				
<b>Projects</b>	<b>Budget</b>	<b>Project Expenditure Budget</b>	<b>Variance</b>	
Procurement of land Geluk Farm	R2 000 000.00	R1 947 011,10	3%	
Development of NEDA Financial Model	R250 000.00	R131 578,95	48%	
Integrated Green Economy Solutions Nkangala	R360 000.00	R360 000.00	0%	
Strategy Township	R504 000	R504 000.00	0%	

Economy			
Development and Review LED Strategies	R24 000.00	R24 000.00	0%
Non-financial and financial support to SMMEs Cooperatives Informal Trade	R6 011 463.00	R5 980 131.00	1%
Census Survey SMME Co Op and Informal Traders	R50 000.00	R50 000.00	0%
Total All	R9,199,463.00	R8,996,721.06	2%

JOB CREATION THROUGH EPWP * PROJECTS		
Details	EPWP Projects No.	Jobs created through EPWP Projects
2012/2013	16	229
2013/14	40	839
2014/15	34	553
2015/2016	15	439
2016/2017	30	692
2017/2018	13	554
*-Extended Public Works Programme		T3.11.6

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### 3.10 LIBRARY

#### 3.10.1 LIBRARY SERVICE

**288** Library cards has been printed and **105** issued to staff.

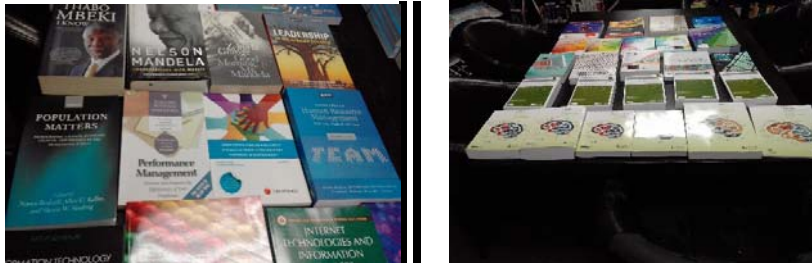
#### Statistics On Library and Library Material Use

- Total number of staff members (including new appointees) captured on the library system to date is equal to **288**;
- 630 people visited the library during the year under review.
- For newspaper reading = **201**
- Total number of library material circulated = **1494**

#### 3.10.2 COLLECTION DEVELOPMENT

## Library material

- The total number of items that makes the NDM library collection is **1633**.
- The number of books procured in the 2017/18 financial year is **165**.



- The total number of lost books is six (6), due to resignation and death, the items have been reported to the asset section. All the items should be withdrawn from the asset register and the library system.
- All the lost books reported to and approved by council to be withdrawn, in reference to council resolution DM/286/03/2017 on lost books; have been withdrawn from the library system.

### 3.10.3 SUBSCRIPTIONS

The library's newspaper subscriptions expired on 30 June 2018, only library copies will be renewed in the new financial year, due to paragraph 4.20 of the National Treasury Instruction No 3 of 2017/2018 on Cost Containment Measures which prohibits procuring newspapers and other publications for the personal use of employees. However, if they are used as library materials they can therefore not be as newspapers and other publications that are being purchased for the personal use of employees, it is for advancing the objectives of the institutions and library as an information service.

### 3.10.3 STOCKTAKING

The library stock taking was conducted from 17 April to 25 May 2018, Due to various challenges experienced in the past years, it was recommended that the asset unit be part of the process; for asset verification purposes and to make sure that their records corresponds with library records.

It is going to assist if the librarian and assets communicate when new books are procured, so that asset can source correct information from the library, and to also include barcode numbers from the library system as reference not ISBN (13 long numbers on the book barcodes).

## 3.11 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

### 3.11.1 INTRODUCTION ON CHILD CARE AND AGED PEOPLE

It integrates the needs of marginalised groups while striving for better integration of services across sectors and stakeholders ensuring that all parties take responsibility and ownership of relevant community programmes and projects. Through the coordination provided by SPU Intersectoral planning enhances service delivery

- Children's Rights
- People with Disabilities
- HIV/AIDS Response
- The Older Person Right's
- Women Empowerment and Gender Development

#### 3.11.1. Children's Month

National Child Protection Month is marked annually to raise awareness for the rights of children. It aims to mobilize all sectors of society to care for and protect children. Child Protection Week allows us to shine a spotlight on children's issues; highlight successes and identify what still needs to be done.

- Establishment of children Council was held at NDM Council chamber on the 22 June 2018 attended by 150 children within the district
- Reading contest was held at DRJSM Council chamber on the 25 May 2018 attended by 300 children from VKLM, EMAK, THLM, DRJSM.
- Environmental awareness of protection for children was held at Victor Khanye Sports Centre on the 07 June 2018 attended by 500 children form ECD's around VKLM



#### 3.11.2. People with Disability Right's

The NDM in collaboration with DPSA, DEFSA, SANLAM and STLM, EMAL, THLM and DR JSM local municipalities conducted the Disability Assembly on Supply Chain Procedure Process workshop during the Disability Rights Awareness Month with the aim improving their knowledge on procurement procedure processes. It was attended by 50 People with Disability owned companies

And training on wheelchair repairs and servicing was held with the OTTOBOCK Company to train disabled persons to repair and service their own wheelchair. Twenty wheelchair were repaired and given back to the owners and the forty trainees were awarded with certificates attendance. The other

was conducted was a capacity building and community dialogue on issue that affect people with Albinism at Emalahleni Local Municipality attended by 1000 community members



### 3.11.3. HIV/AIDS Response

HIV&AIDS is seen governance and socio-economic lens, especially at Local Government sphere. Nkangala District AIDS Council was launched in June 2005. Since then, the Council has been functional. Subsequently Local Municipalities' AIDS Councils were established, with the aim Provides oversight role in all matters relating to HIV&AIDS implementation, through the application of the Multi-Sectoral District Implementation Plan (MDIP) that ensures that all related responses and resources from sector departments, NGO /NPO's, local government and private sector are well coordinated

Provincial, District and Local World AIDS Day was commemorated World AIDS Day during the month of December and as an opportunity for every community to unite in the fight against HIV, show support for people living with HIV and remember those who have passed away. Theme: ***I have the right to know, Prevention is my responsibility.*** With seventeen HIV/AID's educational awareness campaigns was implemented to capacitate and build communities through the district.

### 3.11.4. Older Person Right's

The Older Persons Act provided for the protection and welfare of certain aged and debilitated persons, the care of their interests. This Act deals effectively with the plight of older persons by establishing a framework for the empowerment and protection of older persons, promotion and maintenance of their status, rights, well-being and safety. NDM in collaboration with Local Municipalities, Age – in – Action, DoH and DSD held the Senior Citizens Dialogue with the Executive Mayor on the 23 October 2017 at UBhetjane Resort with 180 participants within the District. To increase health awareness by providing health screenings, activities, health supplies, demonstrations, and health education.



### 3.11.5. Women Empowerment and Gender Development

The National Policy Framework for Women's Empowerment and Gender Equality was established for a clear vision and set of mainstreaming guidelines for the development of services, policies, procedures and practices based on equality between women and men. Nkangala District Municipality IDP endeavors to promote gender equality and women empowerment through creating awareness where issues of women can be discussed. The Women's Assembly and Employees and Councillors Gala Dinner in celebration of Women's month. Five NGO/NPO's led by women, older person and people with disability each receiving a cheque amounting to R 30 000 was donated by Eskom.



### 3.11.6. Multi religious prayer held against Gender Based Violence awareness campaign

Since 1994, Government has placed legislation to redress the wrongs affecting women and children. Domestic Violence Act, was enacted to afford survivors of violence maximum protection from domestic abuse, women and children being at the most receiving end of domestic violence.

Awareness on issues of GBV have been conducted in EMAL, EMAK, THLM, DRJSM and VKLM municipalities in an effort to bring about awareness. The primary objective was to encourage community involvement in initiatives to combat crimes against women and children.



### **3.11.7 Introduction to Youth Development**

The development of an Integrated Youth Development Strategy for Nkangala District Municipality marked a crucial milestone in that whilst the challenges confronting youth development are obviously noticeable, the opportunities that lie ahead have equally been identified.

The challenges of youth development are well encapsulated in the Integral Youth Development Strategy document which was adopted by Council in the 2010. Although this Strategy represents the first official Integrated Youth Development Strategy of the District, youth development has enjoyed the attention within the Nkangala District and its constituent local municipalities over the past decade.

The Youth Development unit, tasked with providing support the different local municipalities' youth units and oversee the mainstreaming youth issues in the various operations focused in the financial year 2017/18 on education, socio-economic development and arts, sports and recreation.

### **3.11.8 2017/18 CAREER EXPO**

Education has been categorized as a key to success, it is for this reason that all stakeholders both government and private sector be at the core of advancing the educational agenda and support it as a vehicle to drive transformation and respond adequately to the triple crises. The District Municipality continue to support local municipalities on their career expo since local municipalities has a direct interaction with communities. In the 2017/2018 financial year Nkangala District Municipality jointly with the Local Municipalities within their area of jurisdiction, Department of education and other strategic stakeholder conducted the five career expo in 5 Local Municipalities. Career expo was targeting grade 8 to grade 12 in various areas field of studies. The expo where conducted as follows:

- Emakhazeni Boarding school in the Emakhazeni Local Municipality.
- Marapyane College of education in Dr JS Moroka Local Municipality.
- Solomon Mahlangu Stadium in Thembisile Hani Local Municipality.
- Karinet community Hall in Emalahleni Local Municipality.
- Simon Godwe Center in Victor Khanye Local Municipality

### **3.11.9 BUSARIES FOR 2017/2018**

The Nkangala District Municipality as the organ of state established in terms of section 151 of the constitution with the mandate to provide basic services and also promote social and economic development in a sustainable manner as outlines in the objects of local government on the above mentioned supreme legislation. In line with the objectives outlined in the constitution above Nkangala District municipality has identified as part of its social responsibility within its communities to establishment the District Mayoral Bursary with the aim to uplift the previously disadvantaged communities and provide financial support to the needy students who want to pursue the career in the opportunities identified as the scarce skills in the district.

Nkangala District Municipality has continued to fund 28 Bursaries in the 2017/2018 existing bursary students and 18 new opportunities created for the learners to study in the field of study determined by the district. It further created for 9 new bursary opportunities granted by General Electric and Eskom.



### **3.11.10 2017/2018 Teenage pregnancy campaign**

Teenage pregnancy undermines government's effort to educate the nation in preparation for the wellbeing of society, hence its contribution to the high rate of school drop outs. Teenage pregnancy is risky and dangerous to teenagers and their unborn child, there is a great chance that STI, STD, and HIV/AIDS can be transmitted to the teen mother or the unborn child. Nkangala District Municipality together with Department of education and Local Municipalities, Love Life, Department of Social Development conducted the teenage pregnancy awareness campaigns in different schools across the district with high number of teenage pregnancies advised by statistics from Department of education. School that where awareness where conducted is Mbulawa Secondary School in Dr JS Moroka, Ukukhanya Higher Primary in Dr JS Moroka, Mafa Max Motloung in Victor Khanye, Entokozweni Secondary School in Thembisile, TD Mortanalo Secondary School in Steve Tshwete, Coronation High School in Emalahleni Local Municipality and Siyifunile Secondary School in Emakhazeni Local Municipality.

### **3.11.11 2017/2018 Drugs and Substance abuse awareness campaign in Partnership with SANCA**

The cost and consequences of alcoholism and drug dependence place an enormous burden on our society. As the nation's number one health problem, addiction strains the economy, the health care system, the criminal justice system, and threatens job security, public safety, marital and family life. The Municipality in Partnership with SANCA and Local Municipalities has conducted the drugs and substance awareness campaigns at Butleng in Victor Khanye, Moloto within Thembisile, Love Life Center in Emalahleni and Somaphepha Village in Steve Tshwete.

### **3.11.12 2017/2018 Youth Summit and Youth Entrepreneurial workshop**

Nkangala District Municipality is a mining and energy sector area; the district municipality is encircled by mineral wealth which is not directly benefiting the youth of Nkangala. The issue of skills remains a national crisis particular on youth side, therefore the district municipality has a responsibility to engage all relevant local stakeholders in respond to the skill development program. Skills Development in South Africa is governed under the Skills Development Act 97 of 1998, which has subsequently been amended a number of times, yet we still have skill shortage throughout the country and this result in youth unemployment and increase the poverty line of many households. The youth summit with the special focus on Skills was convene on the 21 June 2018, Emalahleni local municipality. The Summit was attended by stakeholders from the Education Sector, Corporate business, Unemployed graduates, Students, NYDA and affected youth in public.

The municipality further conducted the youth entrepreneurial workshop within the Nkangala District Municipality with the aim to capacitate the emerging youth entrepreneurs that was held at Nkangala District Municipality and further partners Emalahleni to conduct the leadership summit across the youth as a continuity for the youth entrepreneurial workshop to build and motivate the emerging youth coming into the business.

### **3.11.13 2017/2018 Mayoral Academic Awards and Nkangala District Mayoral Sports Tournament**

### **a. Mayoral Academic Awards**

The Nkangala district municipality staged this august event of awarding learners who did exceptionally well in the 2017 academic year in response to the national clarion call of prioritizing education. The Mayoral academic award ceremony was attended by delegation from the following sectors: department of education, other sector department the media house, religious and traditional leaders, Mayors from local municipalities, future leader's foundation, Standard bank, Eskom, Glencore, official of NDM and local municipalities, NDM councilors, learners and parents. The event was sent held at Maphanga Community Hall at Dr. JS Moroka Local Municipality. Students who did exceptionally well in the academic awards were given the prices ranging from the certificates, laptops and gadgets as an appreciation for their hard work and to work as tools of trade when furthering their studies.

### **b. Nkangala District Mayoral Sports Tournament**

The Municipality further hosted its Sixth Annual Mayoral sports tournament on the 25 November 2017 at Emalahleni Local Municipality (Witbank high school) and concluded on the 17nth of February 2018 at Phuma's rugby stadium in Emalahleni Local Municipality after they were disturbed by the heavy rains and hails. The Games aspires to promote sound inter-municipal relations and Social Cohesion within the District by using sports as a vehicle to forge sustainable partnerships and further strengthening existing relationships with sports federation, sports council and sports academy. The event was blessed by the attendance of athletes from all six ( 06) local municipalities.

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **INTRODUCTION TO ENVIRONMENTAL PROTECTION**

This component includes issues pertaining to pollution control; biodiversity and landscape in the Nkangala District against the backdrop that the District has high tourism and conservation potential which requires the protection, rehabilitation and enhancement of its attractive natural areas. Especially in view of the fact that the high mining activities lead to sporadic urban settlement patterns.

### **Continued Implementation of the NDM Climate Change Mitigation and Response Strategy**

The NDM Climate Change Mitigation and Response Strategy, developed and adopted in the 2016/17 financial year, is a multi-departmental and multi-sectoral strategy that needs efforts of various departments within the NDM, LMs and other sector departments. In addition, the recommendations of the strategy is an integral part other activities such as waste, air and municipal health services.

### **Establishment of the NDM Air Quality Forum**

Pursuant to the Atmospheric Emission Licensing (AEL) Function mandated to NDM, the NDM Air Quality Forum was established in this financial year. The purpose of the forum is aimed at providing government air quality officials with an opportunity to discuss and debate ways and means of addressing air quality and environmental management challenges including joint strategic inspections, monitoring compliance of air quality management activities in the region. The forum is functional and serves the intended purpose.

## 3.12 POLLUTION CONTROL

### INTRODUCTION TO POLLUTION CONTROL

#### 3.12.1. COMPLIANCE AND ENFORCEMENT STRATEGIC INSPECTIONS

Twenty-five (25) compliance and monitoring inspections were conducted in this financial year specifically for pre-licensing, on the checking compliance with the conditions of the Atmospheric Emission Licenses and also as part of the Section 22A National Environmental Management Air Quality Act.

Facility Name		Local Municipality	Inspection Purpose	Date Of Inspection	Participating Authorities
1.	Minerals to Metals	Emalahleni	AEL Application visit	11 August 2017	NDM
2.	Eagle Creek	Victor Khanye	AEL Application visit	25 August 2017	NDM,VKLM,DARDLEA
3.	ESKOM Kusile power station	Victor Khanye	AEL Application visit	28 August 2017	NDM,VKLM,DARDLEA,DEA
4.	ESKOM Duvha power station	Emalahleni	Complaint	20 August 2017	NDM,DEA,DARDLEA
5.	Emalahleni Crematoria	Emalahleni	AEL Application visit	16 August 2017	DARDLEA,NDM
6.	Black Bond Asphalt Plant	Emalahleni	Complaint	16 August 2017	DARDLEA,NDM,ELM
7.	Kwazamokuhle	Steve tshwete	Offset Projects	18 October 2017	NDM,DARDLEA,Steve tshwete,Victor khanye local,Emalahleni Local
8.	Black bond asphalt plant	Emalahleni	Complaint	17November 2017	NDM,DARDLEA,Emalahleni Local
9.	Kendal power station	Emalahleni	Joint Inspection	05 December 2017	NDM,DARDLEA,DEA,Emalahleni local
10	Elkem Ferroveld	Emalahleni	AEL Inspection	08 December 201	NDM,Emalahleni local
11	Assmang Chrome Machadodorp	Emakhazeni	AEL Pilot Inspection	13 December 2017	NDMDEA,DARDLEA,Emakhazeni local
12	Engen Witbank	Emalahleni	AEL Inspection	13 December 2017	NDM
13	Eskom Kusile power station	Emalahleni	AEL Inspection	29 January 2018	NDM
14	Black bond Asphalt Plant	Emalahleni	Complaint	13 February 2018	NDM,ELM
15	Vanchem VanadiumFEV&SA JV	Emalahleni	AEL Inspection	15 February 2018	NDM
16	South32 Khutala Colliery	Emalahleni	Facility Closure	23 February 2018	NDM
17	Eagle creek	Victor Khanye	AEL section 22A Inspection	23 February 2018	NDM,DARDLEA,VKLM

Facility Name		Local Municipality	Inspection Purpose	Date Of Inspection	Participating Authorities
18	Much Asphalt	Emalahleni	AEL Inspection	16 March 2018	NDM
19	Infrabuild cement	Emalahleni	AEL Inspection(Verification)	12 March 2018	NDM
20.	Sephaku Cement	Victor Khanye	Joint Inspection	17 April 2018	DEA,NDM,VKLM,DARDLEA
21.	N4 Route next to Ingwenyama	Emakhazeni	Joint Inspection	04 May 2018	DEA,NDM,Emakhazeni,DARDLEA
22	Komati Power Station	Steve Tshwete	Joint inspection	29 May 2018	DEA,NDM,DARDLEA
23	Columbus Stainless	Steve Tshwete	AEL Inspection	11 May 2018	NDM
24	Meliora Coal	Steve Tshwete	Complaint	18 June 2018	NDM,STLM
25	Infrabuild Cement	Steve Tshwete	AEL Inspection	20 June 2018	NDM

### 3.12.2. ATMOSPHERIC EMISSION LICENSING AND ENVIRONMENTAL MANAGEMENT AWARENESS CAMPAIGNS

Thirty (30) Air Pollution & Clean up Awareness Campaign were held in collaboration with various local municipalities and relevant stakeholders as follows:

DATE	VENUE	LOCAL MUNICIPALITY	PARTICIPATING AUTHORITIES
20 July 2017	Delpark	Victor khanye	NDM,DARDLEA,VKLM,CWP DELPARK PRIMARY SCHOOL
27 July 2017	Weltervrede	Dr J S Moroka	NDM,DARDLEA,DR JS MOROKA,EPWP,COMMUNITY MEMBERS
14 September 2017	Siyabuswa B	Dr J S Moroka	NDM,DARDLEA,WOZANAZO DEVELOPMENT,DR JS MOROKA,EPWP,WARD COMMITTEE MEMBERS
11 September 2017	Steve tshwete Boarding School	Steve Tshwete	NDM,STLM,DAFF,DARDLEA, Metropolitan, Stevetshwete Boarding school learners
15 September 2017	Imemeza Secondary School	Emakhazeni	NDM,DARDLEA,Emakhazeni LM,Imemeza Secondary School,CWP,SGB Members
29 September 2017	Bakwethure Centre	Thembisile Hani	NDM,DARDLEA,THEMBISILE LM,CWP,COMMUNITY MEMBERS HANI
29 September 2017	Shongololo Primary School	Emalahleni	NDM,ELM,Shongololo Teachers and Learners
13 October 2017	Phake Village	Dr Js Moroka	NDM,DARDLEA,WARD COMITEE,
16 November 2017	Siyathuthuka Belfast	Emakhazeni	NDM,DARDLEA,EPWP,CWP
29 November 2017	Kwazamokuhle ,Hendrina	Steve Tshwete	NDM,DARDLEA,STLMCWP

21 November 2017	Emalahleni Council Chamber	Emalahleni	NDM,ELM,DARDLEA,Environmental groups,Ward Comitees
24 November 2017	Thembisile Hani,Kwamhlanga	Thembisile Hani	NDM,THEMBISILE,DARDLEA,Hospitaal staff,EPWP,Ward Councilors
06 December 2017	Ward 7 Delpark	Victor Khanye	NDM,DARDLEA,VKLM,EPWP
02 February 2018	Doornkop,Batleng Primary School	Steve tshwete	NDM,DARDLEA,STLM,Batleng Primary School
22 February 2018	Botleng,Khangela primary	Victor Khanye	NDM,DARDLEA,COMMUNITY MEMMBERS,EPWP
07 March 2018	NDM Council chamber	NDM	NDM,DARDLEA,DEA,COUNCILLORS,VKLM OFFICIALS,ELM OFFICIALS,STLM OFFICIALS
15 March 2018	Dullstroom,Sakhelwe	Emakhazeni	
15 March 2018	Thembisile Fire Station	Thembisile Hani	NMD,Environmental,NDM Fire,Community members,EMS
22 March 2018	Kriel	Emalahleni	NDM,ELM,DARDLEA,
26 April 2018	Reitkol Primary School	Victor Khanye	NDM,DARDLEA,VKLM,EPWP
16 May 2018	Kwamhlanga Sections A, B, C	Thembisile Hani	NDM,DARDLEA,THEMBISILE LM,CWP,COMMUNITY MEMBERS HANI
17 May 2018	Mhluzi, Zikuphule Primary School	Steve Tshwete	NDM,DARDLEA,STLMCWP
15 May 2018	Kwaguqa	Emalahleni	NDM,ELM,DARDLEA
22 May 2018	Delmas CBD	Victor Khanye	NDM,DARDLEA,VKLM,EPWP
22 May 2018	Vaal Bank	Dr J S Moroka	NDM,DRJS MOROKA,EPWP,COMMUNITY MEMBERS
29 May 2018	Tabane Primary School	Dr J S Moroka	NDM,DR JS MOROKA,DR JS COUNCILLORS
01 June 2018	Môreleg School in Wonderfontein,	Emakhazeni	NDM,DARDLEA,LEARNERS
08 June 2018	Evergreen Primary School	Steve Tshwete	NDM,DARDLEA,STLM,EvergreenTeachers and Students
08 June 2018	Vaal Bank Informal Settlement	Steve Tshwete	NDM,DARDLEA,STLM,CWP,Vaal Bank Community Members
14 June 2018	Dr J S Moroka Local Municipality	Dr J S Moroka	NDM,DR JS Moroka councilors,DARDLEA

### 3.12.3 IMPLEMENTATION OF THE NEMA: ENVIRONMENTAL IMPACT ASSESSMENT (EIA) REGULATIONS 2010

The NDM participate as an interested and affected party in the the Implementation of the NEMA: Environmental Impact Assessment (EIA) Regulations 2010 (as amended) otherwise called the Environmental Authorization. Hence, the NDM participated in the following Environmental Authorization throughout the District.

Project Description	Local M unicipality	EAP/consultant	Basic/Scoping Assessment (Listed or not listed activity – in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Application for a mining right	Emakhazeni	Kongiwe Environmental Science and Engineering	Application for a mining right	19 October 2017	Emakhazeni	Natural Habitat	Commented and register as affected stakeholder
Draft EIAR for the proposed medium carbon ferromanganese (McFeMn) converter at Transalloys	Emalahleni	Terra Pacis	Scoping Report	10 October 2017	Transalloys smelter plant	Atmosphere (air pollution) Water pollution	Commented and register as affected stakeholder
Draft EIAR and EMP for proposed mining on portion of the remaining extent of portion 19 (a portion of portion 2) of the farm Rondebosch 403 JS	Steve Tshwete	Greenmined Environmental	Scoping Report	20 August 2017	Portion of the remaining extent of portion 19 (a portion of portion 2) of the farm Rondebosch 403 J	Water pollution Natural habitat Wetlands pollution	NDM registered as a stakeholder and commented on environmental issues anticipated
Draft EIAR for the proposed formalization of Dermacated site in Kameelrivier –D on 75 HA of land	DR JS Moroka	Phakamani Environmental	Scoping Report	20/07/2017	Farm Kameelrivier 160 – JR	Natural habitat Wetlands	NDM registered as a stakeholder and commented on environmental issues anticipated

Integrated environmental impact assessment: proposed expansion of ash disposal facility, kriel power station	Emalahleni	Aurecon	Scoping report	24/07/2017	Kriel Power Station	Water pollution Natural habitat Wetlands pollution	NDM registered as a stakeholder and commented on environmental issues anticipated
Section 24G for nursery and associated infrastructure	Emalahleni	AdiEnvironmental cc	Basic Assessment	26/09/17	Portion 307 and portion 308 of the farm Kromdraai 292 JS	Natural habitat wetlands	NDM registered as a stakeholder and commented on environmental issues anticipated
Proposed commercial development on a portion of portion 55 of the farm Blesboklaagte 296 JS	Emalahleni	AdiEnvironmental	Basic Assessment	15/08/17	portion 55 of the farm Blesboklaagte 296 JS	Natural habitat Wetlands Waste Management biodiversity	NDM registered as a stakeholder
The development of a residential area on the remaining extent of the farm Rockdale 442 JS	Steve Tshwete	AdiEnvironmental	Scoping Report	15/08/17	remaining extent of the farm Rockdale 442 JS	Natural habitat Wetlands Waste Management biodiversity	NDM registered as a stakeholder and commented on environmental issues anticipated
Mining right renewal and updating	Emalahleni	Digby Wells	Environmental Management Plan	10/08/17	Elandsfontein Colliery	Atmosphere (air pollution) Water pollution Natural habitat for animals. Heritage	NDM registered as a stakeholder and commented on environmental issues anticipated

						sites. Wetlands pollution	
The construction and operation of a gene transfer centre (GTC) on the remaining extent portion 24 of the farm Kleinfontein 432 JS, Middelburg	Steve Tshwete	AdiEnvironmental	Basic Assessment	11/08/17	AdiEnvironmental	Waste Management Water Management	NDM registered as a stakeholder and commented on environmental issues anticipated
The Proposed Amendment process of Kebrafield roodepoort Colliery on	Steve tshwete	Ecoelementum environmental engineering	Environmental Management Plan	16 /04/2018	Farm Roodepoort 151IS portion 17	Loss of habitat Surface and Ground Water Impact Waste Impact Air Quality Impact	NDM registered as a stakeholder and commented on environmental issues anticipated
Proposed Grootpan, Klipspruit And Cologne--Wilge 132kv Power Line Project	Steve tshwete	Ecoelementum environmental engineering	Environmental Management Plan	16 /04/2018	Remaining extent of portion 11 and portion 17 or remaining extent of the farm kopermyrn 435 JS	Loss of habitat Surface and Ground Water Impact Waste Impact Air Quality Impact	NDM registered as a stakeholder and commented on environmental issues anticipated
The construction and operation of waste treatment facility at the klinkerstene waste disposal facility	Victor Khanye	AECOM	Scooping report for a Waste Management Licence	28 /05/ 2018	Klinker stene waste disposal Site	Waste Impact Air Quality Impact	NDM registered as a stakeholder and commented on environmental issues anticipated
Water use licence Amendment application for Duvha Power	Emalahleni	Zitholele consulting Services	Public Comment Review	07/05/2018	Portion 0 of Duvha Kragstasie 337	Water pollution, Ground water	NDM registered as a stakeholder



Station					farm,	impact	and commented on environmental issues anticipated
The proposed Transalloys waste disposal site	Emalahleni	Tailor Made	Back Ground Information	01 /6/2018	The site is accessed through the R547 Clewer road and the N4 national road.	Air Quality Impact and Waste Impact	NDM registered as a stakeholder and commented on environmental issues anticipated

## COMPONENT F: HEALTH

In the context of Nkangala District Municipality, health refers to Municipal and Environmental Health Services.

### 3.13 HEALTH

#### INTRODUCTION TO HEALTH

In accordance with Section 84 (e) and (i) of the Local Government: Structures Act 117 of 1998 deals with planning and operation of the regional solid waste disposal sites and Municipal Health Services respectively as part of the mandate of a District Municipalities. The National Health Act 61 of 2003 describe Municipal Health Services (MHS) as including: - Water Quality Monitoring, Food Control, Waste Management, Health Surveillance of Premises, Surveillance and Prevention of Contagious Diseases, Vector Control, Environmental Pollution Control, Disposal of the Dead and Chemical Safety. Hence a number of the above-mentioned elements of MHS involve a lot of pollution control.

#### IMPLEMENTATION OF MUNICIPAL HEALTH SERVICES

National Health Act 61 of 2003, Section 32(1) determines that every metropolitan and district municipality must render appropriate and effective Municipal Health Services in its respective area of jurisdiction. Hence the NDM conducts MHS and receives monthly MHS Reports from the six local municipalities and report quarterly to Council and Mpumalanga Department of Health. Some of MHS functions indicated on the SDBIP are as follows.

KPA	Year 2016/17	Year 2017/18
Water Quality Monitoring	5852 water samples collected	7399 water samples collected
Food control and safety	4136 food premises inspected	4321 food premises inspections conducted
Surveillance of Premises (Mortuaries)	322 funeral undertakers/ mortuaries inspections conducted	300 funeral undertakers/ mortuaries inspections conducted
Surveillance of Premises Crèche's and ECD	1130 Crèche's and ECD inspected	1093 Crèche's and ECD inspected

## COMPONENT G: SECURITY AND SAFETY

This component includes: fire; disaster management,

### 3.14 FIRE

#### 3.14.1. INTRODUCTION TO FIRE SERVICES

Emergency Services is reflected as Issue 11 in the NDM Integrated Development Plan and cater for both Disaster Management and Fire & Rescue Services. Within Nkangala District Municipality, the primary responsibility of coordination of Emergency Services rests with each local municipality with exception of Thembisile Hani and Dr Moroka Municipalities. Whilst the two municipalities were serviced from one station; (i.e. Thembisile) in the 2016/17 financial year the Dr JS Moroka Fire Station was officially opened and is now operational.

#### 3.14.2 Incidents Statistics for the year 2017/2018

In so far as fire and rescue services are concerned, both Dr JS Moroka and Thembisile Hani Local Municipalities are being responded thereto by personnel based in Kwa-Mhlanga Fire Station. Over the period it has been established that the station receives more calls from Thembisile Hani possibly due to the proximity of the community to the station. **For instance, during the year under review, the following number of calls was recorded:**

Local Municipality	Type of Incident	2016/2017 Total number of calls	2017/2018 Total number of calls
Thembisile LM	Motor Vehicle Accidents [MVA]	143	176
	Pedestrian Vehicle Accidents [PVA]	15	12
	Grass/Veld fires	22	243
	Other fires [structural; electric; vehicle etc.]	80	21
Dr JS Moroka LM	Motor Vehicle Accidents [MVA]	30	41
	Pedestrian Vehicle Accidents [PVA]	1	3
	Grass/Veld fires	7	9
	Other fires [structural; electric; vehicle etc.]	28	35
Dr JS Moroka and Thembisile LM	Died on Accident Scene	92	136
Other services rendered by the fire department	Awareness Campaigns	138	201
	Fire extinguisher training		
	Flammable certificates	05	5
	Hydrant inspections	18	44
	Drowning rescue	05	6
	Review of Business Plans	12	82
	Safety talks	53	99
	Special services	8	61

## 3.15 DISASTER MANAGEMENT

### 3.15.1. INTRODUCTION TO DISASTER MANAGEMENT

Emergency Services is reflected as Issue 11 in the NDM Integrated Development Plan and cater for both the Disaster Management as determined by the Disaster Management Act 2000.

The Nkangala Disaster Management Centre has been operating for 24 hours for the year under review. A full complement of eight (8) control room operators have been appointed. One of the infrastructural requirements necessary to enable the District Disaster Management Centre to operate optimally as outlined in the National Disaster Management Framework of 2005 is a 24-hour central communication for reporting, managing and coordinating response to events and disasters. The Centre also serves to disseminate early warning information in attempt to prevent disasters from occurring. The Emergency Number is **013 249 2800**.

### 3.15.2 DISASTER INCIDENTS

#### (a) DISASTERS THAT OCCURRED DURING 2017/2018 FINANCIAL YEAR

Nkangala District Municipality did not declare any disasters during the financial year. One major incidents which occurred to council as follows:

- July 2017: A Truck collided with Komati staff transport which left twenty-one (21) miners death.

#### (b) STRATEGIES TO MITIGATE DISASTERS

Nkangala District implemented a number of strategies to mitigate the disasters within the region. Nine awareness campaigns were conducted, one per local municipality and two emergency open days were held at Thembisile and Steve Tshwete local municipalities.

##### i. Disaster Management Advisory Forum

The Nkangala District Municipality established the Disaster Management Advisory Forum to give the platform to different stakeholders an opportunity to interact with issues related to disaster management as it is required by section 51 of Disaster Management Act 57 of 2002. The Disaster Management Advisory Forum Meetings were held during 2017/2018 financial year.

##### ii. Disaster Risk Reduction Awareness Campaigns

Nine (9) disaster risk reduction awareness campaigns took place as follows:

Municipality	Date	Venue
Dr JS Moroka	30 August 2017	Kabete Village
Emalaheni	13 September 2017	Masakhane
Dr JS Moroka	20 February 2018	Lefisoane Community Hall
	22 February 2018	Nokaneng Community Hall
Emakhazeni	04 October 2017	Emgwenya Community Hall

	07 December 2017	Siyathuthuka Community Hall
Thembisile	24 October 2017	Moloto Old Age Home
Steve Tshwete	25 May 2018	Doornkop
Victor Khanye	16 May 2018	Mandela Section

### iii. Emergency Open Days

The Nkangala District Disaster Management Centre and Fire and Rescue Services hosted the Emergency Services Open Day working with the following Stakeholders: fire and rescue services, Emergency Medical Services (EMS), SAPS, Soldiers, Environmental Health Services, Department of Health (Communicable Diseases), Department of Home Affairs, Department of Safety, Security and Liaison (DSSL), Working on Fire, Department of Agriculture, Rural Development and Land Administration (DARDLA), Sasol Satellite Operations, ESKOM, Glencore, South African Weather Services (SAWS) and Provincial Disaster Management Centre (PDMC), National Disaster Management Centre, Road Accident Fund (RAF), Towing Services and FPA's. The Emergency Services Open Days were held at Steve Tshwete and Thembisile local municipalities as follows:

MUNICIPALITY	VENUE	DATE
Steve Tshwete	Hendrina, Tsidi Naledi High School sports ground	05 August 2017
Thembisile	Solomon Mahlangu stadium	20 April 2018

### iv. Fire Protection Association (FPA'S)

Chapter 2[3(1-2)] National Veld Forest and fires act states that "Owners may form an association for the purpose of predicting, preventing, managing and extinguishing veld fires and apply for its registration as a Fire Protection Association (FPA) in terms of this chapter. (2) A Fire Protection Association may be formed by owners who wish to co-operate for the purpose referred to in sub-section (1) in respect of an area which has-

- (a) Regular fires; or
- (b) A relatively uniform risk of veld fires; or
- (c) A relatively uniform climatic conditions; or
- (d) Relatively uniform types of forest or vegetation."

The following table provides the status quo of each FPA

<b>MUNICIPALITY</b>	<b>NAME OF FPA</b>	<b>STATUS</b>
eMalahleni	Greater Witbank	Functional
eMakhazeni	PAFPA	Functional
Thembisile Hani	Thembisile Hani	Functional
Steve Tshwete	Greater Middleburg	Functional
Victor Khanye	Delmas	Functional
Dr JS Moroka	Dr JS Moroka	Functional

#### v. Projects

<b>Project Name</b>	<b>Amount</b>	<b>Beneficiary</b>	<b>Delivery Date</b>
Disaster Relief Tents and Tarpaulins	R472 600	All Local Municipalities	15 November 2017
Hazmat Response Unit for	R1 660 965	Emalahleni LM	02 March 2018

#### Vi. Community Safety Forum

The district community safety forum structure was launched on the 22 February 2018, after all local forums have been launched.

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### 3.16 SPORT AND RECREATION

#### INTRODUCTION TO SPORTS, ARTS AND CULTURE PROGRAMMES

Intergovernmental Relations, Institutional Social and Development [IGR/ISD] are conventionally defined as an interacting network of institutions at national, provincial and local levels, created and refined to enable the various parts of government to cohere in a manner more or less appropriate to our institutional arrangements. It is an evolving system of institutional co-operation that seeks to address the relations of equality and interdependence as defined by the Constitution.

#### Regional Freedom Park

NDM Regional Freedom: Social Study project proposed at Vaalbank Crossing (DrJS Moroka Local Municipality) and the Draft Minutes of the Special Speakers Forum held on the 12<sup>th</sup> April 2018.

The object of the NDM Regional Freedom Park Social Study Project broadly seeks to:

Conduct research on political and socio-cultural heroes and heroines within Nkangala District. The study is intended to produce a profile of the political struggle heroes and heroines including photos and a brief biography of their struggle activities. The research theme, according to the Terms of Reference will align with the national theme of the National Freedom Park as well as the Provincial Liberation Heritage Route.

#### Schematic Overview : Proposed NDM Regional Freedom Park



## REPORT ON THE PARTICIPATION IN THE SOUTH AFRICAN MUNICIPAL SPORTS AND RECREATION ASSOCIATION (SAMSRA) 2017 NATIONAL GAMES

Nkangala District Municipality (NDM) participated in the South African Municipal Sports and Recreation Association (SAMSRA) National Games, which were held at Rustenburg as hosted by the Royal Bafokeng Council from the 24<sup>th</sup> September 2017 to the 29<sup>th</sup> September 2017. NDM Tennis won third (3<sup>rd</sup>) position.

ACTIVITY	PROJECT DESCRIPTION AND PROGRAMS	DATE	VENUE
National Games	SAMSRA games	24 to 29 September 2018	Rustenburg, Royal Bafokeng Stadium
Provincial games	SAMSRA games	14 to 15 July 2018	EMalahleni LM, Witbank High School
District SAMSRA games	SAMSRA Friendly games	13 September and 10 October 2017	Steve Tshwete, Taljaard Stadium
District games	SAMSRA District games	7 April 2018	Dr JS Moroka LM,
District SAMSRA games	SAMSRA and Community Sports Development games	26 May 2018, 16 June 2018, 17 June 2018 and 23 June 2018	Emalahleni LM( Hoer Tegnies Skool), Steve Tshwete LM,(Pullenshope sports ground), Steve Tshwete Themba Sinamela and Taljaard Stadium respectively
Moral Regeneration Movement	MRM workshop	11 August 2017	NDM
Moral Regeneration Movement (MRM)	Launch of MRM	11, 16, and 24 May 2018 and	Steve Tshwete LM, Dr JS Moroka LM, Thembisile LM, EMakhazeni LM, Victor Khanye LM and EMalahleni LM respectively.
Moral Regeneration Movement	Launch of MRM	19 and 28 June 2018	NDM
Greatest Train Race	Greatest Train Race	19 August 2018	EMalahleni to Middelburg
NDM gardening and Horticulture	NDM gardening and Horticulture	July to June 2018	Nkangala District Municipality, Dr JS Moroka Municipality and Thembisile Hani Municipality
Mix Migration	Mix educational Awareness Campaign	15 June 2018	Steve Tshwete, Hendrina Hostel



## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### 3.17 EXECUTIVE AND COUNCIL

Nkangala District Municipality has got four high offices namely, the office of the Executive Mayor, Office of the Speaker, Office of the Council Whip and Office of the Municipal Manager.

The office of the Executive Mayor is responsible for the Mayoral Committee members whilst the office of the Speaker is responsible for (amongst others) ensuring that the Council business is conducted in an orderly manner. On the other hand, the office of the Council Whip ensures that all Councillors including the members of the Mayoral Committee attend Council, Mayoral and other Council committees they are delegated to serve on. The office of the Municipal Manager is responsible for the general administration and the NDM staffs well-being, which includes the provision of a job description for each post, attach remuneration and other conditions of service to each post as may be determined in accordance with any applicable labour legislation and establish a process or mechanism to regularly evaluate the staff establishment and, if necessary , review the staff establishment and the remuneration and the conditions of service.

### 3.18.1 INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The primary objective of the ICT unit is to serve the immediate needs of the District concerning the application and operation of its computer systems and access to information on local networks and the public internet by the relevant stakeholders. The following remain the main objectives for the existence of the ICT Unit:

- Implementation of e-Government within the District.
- Enablement of access to information for all relevant stakeholders.
- Maintenance and implementation of ICT's within the District to fast-track service delivery.
- Management and maintenance of hardware, networks, infrastructure, and provision of general ICT support.
- Management of Information Systems in line with the vision and mission of NDM (implementation of ICT Governance).
- Provide the necessary support to all the Local Municipalities under NDM's jurisdiction.
- Management of the System Development Life Cycle (SDLC) of all current and proposed systems.
- Serve as a One-stop Shop for the District to all citizens.

The Information and Communication Technology (ICT) Unit within Nkangala District Municipality (NDM) is crucial in the underpinning of the NDM and its local municipalities IDP; while serving as the key to strategic discussions on land and spatial issues, community development, economic and social issues. This unit is the vehicle for service delivery.

#### **The following are systems that are currently in operation within NDM:**

- VIP Premier – runs the Payroll system which comprises inter alia the Employee Self Service (ESS) module. Users have been trained on the usage of this system.
- Collaborator – runs the Electronic Document Management System for the District.
- Munsoft Classic – runs the Financial System of the District.
- LIBWIN – runs the Library Systems of the District.
- IMIS – runs the Geographic Information System (GIS) of the District using Planet GIS.
- Website – this is the website of the District as per MFMA stipulations.
- Audio Visual System – this system is installed in all the committee rooms including the Council Chamber. It also comprises Video Conferencing facilities. This state-of-the-art system has turned NDM into a beehive of the province
- The Telephone, Data lines, and Wireless Connectivity were installed at Kwa-Mhlanga fire station whereby the staff members have been afforded access to Internet, Email facilities, and Wireless connectivity, fax facility and additional network points.
- The Data Centre has been upgraded and a further ICT Workshop room has been commissioned.
- The Backup Exec Server system has been implemented as a drive to upgrade the internal backup system and furthermore an online backup has been implemented. The backups are run online and stored remotely.
- The Nkangala District Municipality Website has been upgraded to include latest functionalities such as RSS feed, Podcasting, Access to other Government entities, and Access to internal contacts via e-mail.
- Nkangala District Municipality has upgraded its connectivity by, on top of the existing Telkom (25/75 CAPPED) 20 GB bandwidth, including remote access through Vox Telecoms.

- The ICT Steering Committee for Nkangala District Municipality has been formed and fully functional as part of ICT Governance requirements. Furthermore, NDM fully complies with the relevant legislations such as ECT (Electronic and Communications Transactions Act) and MISS (Minimum Information Security Standards).
- Audio Visual, DSTV and Video Conferencing facilities in the NDM's parlour have been installed and are fully functional.
- NDM has also deployed IP Telephony through the installation of the VoIP (Voice over Internet Protocol) system.

### **3.18.2 SERVICE STATISTICS FOR ICT SERVICES**

#### **Achievements**

In the Financial Year 2017/2018 the Information and Communication Technology implemented, enhanced, and/or developed the following systems:

- The Disaster Recovery Remote Site which is both fully operational and functional.
- The deployment of the Performance Management System as a Web Application.
- The deployment of the SmartGov App for committee management.
- The deployment of the Contract Management System.
- The Data Center has been revamped to include additional UPS.

#### **3.18.3. Comment on the Performance of ICT Services Overall:**

Nkangala District Municipality has progressed tremendously with regard the implementation of the Corporate Governance of ICT Framework Policy; currently being on the third phase. The satellite offices have connected. The afore-mentioned therefore indicate the increase in ICT performance during the Financial Year 2017/18.

### 1 PURPOSE

The purpose of this report is to give feedback regarding the performance of the Nkangala District Municipality as required through The Municipal Systems Act No 32 of 2000, section 41(e) and the Municipal Finance Management Act 56 of 2003, section 52(d). The information included in this report is based on the IDP<sup>2</sup> and Adjustment SDBIP<sup>3</sup> as developed for the financial year 2017/2018. The scorecards were developed to reflect **cumulative performance**; therefore, the status of indicators are a reflection of the overall performance level achieved year to date.

#### METHODOLOGY FOLLOWED IN COMPILING THE REPORT

In terms of Section 46 of the Municipal Systems Act 32 of 2000, Municipalities are required prepare for each financial year an annual performance reporting reflecting-

- (a) the performance of the municipality and of each external service provider during that financial year;
- (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year and
- (c) Measures taken to improve performance.

According to the provisions of the Municipal Systems Act, 32 of 2000, municipalities must monitor and measure the progress of their performance by preparing quarterly and mid-year performance reports and annual performance report, in terms of Chapter 6 of the MSA, on performance management systems. These quarterly and mid-year reports make up the municipality's annual performance reports (Section 46 report), which are submitted to the Auditor-General, together with the Annual financial statements, for auditing.

This report is based on information received from each department for assessment of performance for the accumulated **Annual Performance for 2017/18, ending June 2018**. This is a high-level report based on scores obtained through a process whereby actual information per Key Performance Area (KPA), Strategic Objective, Programme and the aligned Key Performance Indicators are compared to the approved 2017/18 IDP and Adjustment SDBIP scorecards.

The overall performance for the Nkangala District Municipality is based on the Departmental Performance scorecard which is inclusive of the IDP and Adjustment SDBIP KPI's and Projects applicable to each department in terms of their respective contribution.

The detail pertaining to the Key Performance Indicators (KPIs) are included as individual tables in each section of the department's individual performance. Results are presented in the form of scores as detailed below and were calculated using an automated system and based on the guidelines contained in Regulation 805; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

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<sup>2</sup> Integrated Development Plan

<sup>3</sup> Service Delivery and Budget Implementation Plan

## Executive Summary

This report serves as the **Annual Institutional Performance Report** for the **2017/2018** financial year **ending June 2018**. It provides effective and informative feedback on the performance level achieved (accumulative reporting) against the targets as laid out in the IDP and Adjustment SDBIP Scorecards. In the case of under-performance, the respective concerns or mitigating reasons are highlighted and detail pertaining to the relevant measures taken to address these challenges are included thereto.

The overall performance for the Nkangala District Municipality is based on a composite Performance Scorecard of each Department comprising of all indicators and projects inclusive of the IDP and Adjustment SDBIP.

The overall accumulative Institutional performance score achieved for the **Annual Performance Report of 2017/18, ending June 2018** was **96%**, representing a significant improvement as compared to the previous **2016/17 financial year performance**.

## ACKNOWLEDGEMENT

I would like to extend my appreciation to the Honorable Executive Mayor, Mayoral Committee, MPAC, Section 79, Section 80, Audit committee, Risk Management Committee and Councilors for strategic direction and leadership demonstrated during the financial year.

The guidance and vision of the Heads of Departments and other staff are acknowledged with gratitude. A special word of appreciation is extended to all my colleagues for their loyalty and support.

### 3. KEY PERFORMANCE AREAS AND ORGANISATIONAL STRATEGIC GOALS

The following Key Performance Areas and Strategic Goals have been adopted by the municipality for the purposes of reporting on the attainment of the Institutional performance indicators and targets

Developmental Objectives	Strategic Goals
Integrated Sustainable Human Settlements and improved quality of household life	Integrated Regionalised Planning
Efficient, competitive and responsive economic infrastructure network	Sustainable Infrastructure and Service Provisioning
Decent employment through inclusive economic growth	Inclusive Economic Growth
Inculcate and improve financial sustainability and management	Sound Financial Management
Responsive, accountable, effective, efficient and sound Governance System	Sound Electronic Governance
Skilled and capable workforce supportive of inclusive growth	Competent, Innovative and Accountable Team
Vibrant, equitable and sustainable rural communities and food security	Healthy Social Environment
Protection and enhancement of environmental assets and natural resources	Healthy Social Environment

The following table depicts the expected outcome to be achieved by the successful implementation of the Nkangala District municipality's adopted Strategic goals.

Strategic Goal	Outcome
Healthy Social Environment	Improved quality of life, effective and efficient service delivery
Inclusive Economic Growth with Sustainable Development	Diversified and sustainable regional economy by 2030
Sound Financial Management	Financial sustainability
Sustainable Infrastructure and Service Provisioning	Deliver various infrastructure projects for sustainable economic growth and service provision to communities
Integrated Regionalised Planning	Integrated economic space and sustainable human settlements by 2030
Sound Electronic Governance	Clean Audit results and satisfied and participative communities
Competent, Innovative and Accountable Team	High performing and effective employees

The District Municipality must ensure that it aligns its strategic goals with the National and Provincial goals and priorities. The table underneath reflects the Nkangala strategic goals' alignment to Local Government Key Performance Areas.

CoGTA Key Performance Areas	Nkangala Strategic Goals
KPA 1: Institutional Development and Transformation	Competent, Innovative and Accountable Team
KPA 2: Good Governance and Public Participation	Sound Electronic Governance
KPA 3: Local Economic Development	Inclusive Economic Growth with Sustainable Development
KPA 4: Financial Viability and Financial Management	Sound Financial Management
KPA 5: Basic Service Delivery and Infrastructure	Healthy Social Environment
	Sustainable Infrastructure and Service Provisioning
KPA 6: Spatial Rationale	Integrated Regionalised Planning

#### 4 INSTITUTIONAL AND DEPARTMENTAL PERFORMANCE

The following tables represent the Institutional performance by **KPA for both KPI's and Projects** and constitutes all of the KPI's and Projects in the IDP and Adjustment SDBIP Scorecards assessed. This section of the report provides information on the contribution made to **each KPA** to the overall **Annual Performance Institutional Performance** level achieved by the Nkangala District Municipality for the **period ending 31 June 2018**.

##### KEY PERFORMANCE INDICATORS

Institutional Performance – KPA's (KPI's)	YTD 2016/17	YTD 2017/18
<b>Overall Attainment</b>	<b>87,0%</b>	<b>95%</b>
<b>KPA 1: Institutional Development and Municipal Transformation</b>	<b>94.7%</b>	<b>93%</b>
<b>KPA 2: Good Governance and Public Participation</b>	<b>81.7%</b>	<b>95%</b>
<b>KPA 3: Local Economic Development</b>	<b>100.0%</b>	<b>83%</b>
<b>KPA 4: Municipal Financial Viability and Management</b>	<b>100.0%</b>	<b>100%</b>
<b>KPA 5: Service Delivery and Infrastructure Development</b>	<b>76.7%</b>	<b>94%</b>
<b>KPA 6: Spatial Analysis and Rationale</b>	<b>100.0%</b>	<b>100%</b>

##### PROJECTS

Institutional Performance – KPA's (Projects)	YTD 2016/17	YTD 2017/18
<b>Overall Attainment</b>	<b>89.4%</b>	<b>98%</b>
<b>KPA 1: Institutional Development and Municipal Transformation</b>	<b>75.0%</b>	<b>100%</b>
<b>KPA 2: Good Governance and Public Participation</b>	<b>100.0%</b>	<b>100%</b>
<b>KPA 3: Local Economic Development</b>	<b>66.7%</b>	<b>100%</b>
<b>KPA 4: Municipal Financial Viability and Management</b>	<b>100.0%</b>	<b>100%</b>
<b>KPA 5: Service Delivery and Infrastructure Development</b>	<b>98.2%</b>	<b>98%</b>
<b>KPA 6: Spatial Analysis and Rationale</b>	<b>91.7%</b>	<b>100%</b>

The organization is responsible for a **total of 129 KPI's AND 59 Projects for this financial year, of which all were assessed**. All the assessed KPI's and Projects contribute to the overall performance level of the combined IDP and adjusted SDBIP Scorecards as reflected in this report. Institutional statistics were as follows:

##### Comparison of Institutional Performance Levels 2016/2017 – 2017/2018

Type	2014/15			2015/16			2016/17			2017/18		
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved
IDP	N/A	N/A	0.0%	42	34	81.0%	32	27	84.4%	N/A	N/A	N/A
SDBIP	181	151	83.4%	139	109	78.4%	114	99	86.8%	129	122	95%
Projects	96	64	66.7%	149	80	53.7%	113	101	89.4%	59	58	98%
<b>Total</b>	<b>277</b>	<b>215</b>	<b>77.6%</b>	<b>330</b>	<b>223</b>	<b>67,6%</b>	<b>259</b>	<b>227</b>	<b>87.6%</b>	<b>188</b>	<b>182</b>	<b>96%</b>

## 4.1 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Institutional Development and Transformation is responsible for a total of **fifteen (15) KPI's and two (2) projects for 2017/2018**, of which **all** were eligible for assessment in the financial year. The statistics for the Department are as follows:

**Table: Institutional Development and Transformation Statistics**

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
SDBIP	15	14	93%	01	07%
Projects	02	02	100%	00	00%
Total	17	16	94%	01	06%

The Institutional Development and Transformation's overall score of 94%

### 4.1.1 CHALLENGES / INTERVENTIONS

- All KPIs and all projects not achieved 100%.



KPA 1: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Competent, Innovative and Accountable Team	Organisational restructuring and transformation	M_01	Number of formal performance reviews conducted with Section 56 employees (bi-annual)	1.8	Opex	2	2	2	Achieved	None	None	3
	Powers, Duties and Functions	M_02	Number of new/reviewed policies approved by Council by 30 June 2018 (10-OMM; 1 -TS; 18- FS; 10 CS)	1.4	Opex	39	39	39	Achieved	None	None	3
Competent, Innovative and Accountable Team	Good governance and communication	M_03	% of KPIs and projects attaining organisational targets by 30 Jun 2018 (Total Organisation)	1.8	Opex	80%	100%	96%	Not achieved	04% of KPIs not achieved	100% to be implemented by 30 June 2019	2
		M_04	Number of reports submitted to Council per quarter in terms of compliance to the CoGTA Back to Basics reporting system per quarter	1.8	Opex	4	4	4	Achieved	None	None	3
		M_05	Number of quarterly Institutional Performance Reports submitted to Council per quarter	1.8	Opex	4	4	4	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Competent, Innovative and Accountable Team	Organisational Restructuring and Transformation	M_06	% of Recruitment process on vacant positions coordinated and facilitated within 3 months of position being advertised	1,2	Opex	100%	100%	100%	Achieved	None	None	3
		M_07	% of employees from previously disadvantaged groups appointed in the three highest levels of management as per the approved EE plan (GKPI) by 30 June 2018	1,3	Opex	45%	45%	45%	Achieved	None	None	3
		M_08	% of allocated budget spent implementing the Workplace Skills Plan (GKPI) by 30 June 2018	1,5	Opex	35%	80%	87%	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Competent, Innovative and Accountable Team	Organisational Restructuring and Transformation	M_09	Approved EE plan submitted to the Dept. Of Labour by 30 June 2018	1,3	Opex	1	1	1	Achieved	None	None	3
		M_10	Number of bi-annual staff turnover reports submitted to Council (Bi-annual)	1,1 & 1,2	Opex	2	2	2	Achieved	None	None	3
Competent, Innovative and Accountable Team	Organisational Restructuring and Transformation	M_11	Annual Youth Summit Convened by 30 <sup>th</sup> June 2018	1,6	Opex	1	1	1	Achieved	None	None	3
		M_12	Number of beneficiaries trained as per the approved target from the Workplace Skill Plan (WSP) by 30 June 2018	1,5	Opex	103	40	75	Achieved	None	None	4
		M_13	Number of Health and Safety inspections conducted (bi-annual)	1,4	Opex	2	2	2	Achieved	None	None	3
		M_14	Number of quarterly report on Employee Assistance Programme (EAP) submitted to council by 30 Jun 2018	1.4	Opex	New	4	4	Achieved	None	None	3
		M_15	% of job description evaluated and submitted a report to Municipal Manager by 30 June 2018	1.4	Opex	New	100%	100%	Achieved	None	None	3

**PROJECTS (Legal Services)**

Project	Item	System ID	Outcome	2017/18				Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
				Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
3 By-laws gazetted	104002	P_04	Increased operational efficiency of the office Legal Services	N/A	Gazetting (100%)	N/A	N/A	300% (9/3*100)	Achieved	None	None	R450	R382
Procure Contract Management System		P_05	Improved and efficient Contract Management	Develop specifications for the procurement of the Contract Management System appoint a Service Provider (50%)	Installation and training of Users on the system (100%)	N/A	N/A	100%	Achieved	None	None	R1,000	R1,000

## 4.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Good Governance and Public Participation is responsible for a total of **forty-three (43) KPI's** of which **all** were eligible for assessment this financial year. In addition, the KPA is also responsible for **one (1) Projects**, of which **was** applicable for reporting in the annual performance and combine to contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Good Governance and Public Participation are as follows:

**Table: Good Governance and Public Participation Statistics**

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
SDBIP	43	41	95%	02	05%
Projects	01	01	100%	00	00%
<b>Total</b>	<b>44</b>	<b>42</b>	<b>96%</b>	<b>02</b>	<b>05%</b>

The overall score is at **96%**.

### 4.2.1 CHALLENGES / INTERVENTIONS

- Strategic and Operational Risk action plans not fully implemented.

KPA 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good Governance	M_16	% of MPAC recommendation resolved per quarter	2,1	Opex	89%	100%	100%	Achieved	None	None	3
		M_17	Maintain Auditor General Opinion Clean Audit in respect of the 2016/17 Audit Report by 30 November 2017	2,4	Opex	Clean Audit	1	1	Achieved	None	None	3
		M_18	Action Plan on issues raised by the Auditor General compiled and tabled to Council by December 2017	2,5	Opex	1	1	1	Achieved	None	None	3
		M_19	% of AG Management Letter findings resolved by quarter (Total organization)	2.5	Opex	94%	100%	100%	Achieved	None	None	3
		M_20	Final IDP and Budget tabled and approved by Council by the 31 <sup>st</sup> May 2018	2.6	Opex	1	1	1	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_21	Submission of Final audited consolidated Annual Report to Council on or before 31 <sup>st</sup> December 2017	2,4	Opex	1	1	1	Achieved	None	None	3
		M_22	Submission of Oversight Report to Council by the 28 February 2018	2,5	Opex	1	1	1	Achieved	None	None	3
		M_23	Final SDBIP approved by Executive Mayor within 28 days after approval of Budget	2,6	Opex	1	1	1	Achieved	None	None	3
		M_24	Adjusted SDBIP approved by Executive Mayor by 28 March 2018	2.4	Opex	1	1	1	Achieved	None	None	3
		M_25	Number of IDP and Budget Indaba meetings held by 30 May 2018	2.6	Opex	1	1	1	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_26	% of action plans implemented to address Strategic Risks Identified per quarter (organisation)	2.3	Opex	100%	100%	99%	Not Achieved	Two future Action Plans not implemented:  Transport by-law for Steve Tshwete not approved.  Supply and Delivery of Cartridges as per BAC recommendation, the tender had to be re advertised.	Transport by-law to be gazetted by 30 <sup>th</sup> September 2018  Service provider to be appointed by 30 September 2018	2
		M_27	% of action plans implemented to address Operational Risks Identified per quarter (Total Organisation)	2.3	Opex	100%	100%	98%	Not Achieved	Eleven future action plans not resolved.  Three performance agreement for	All employee to be training by 30 June 2018 and 2018/19 Performance agreement will be signed	2



										level 5 not signed due to disagreement with the Union.	by 30 September 2018
										Training of emergency personnel on diving not done due to the requirement of basic swimming training that need to be concluded	Basic Training has been concluded and the training will be done in the 1 <sup>st</sup> quarter 2018/19
										Repair the damage greenhouses and water pumps was not done due to budget constrain.	Repairs has been budgeted for in 2018/19 financial year.
										Review four land use schemes not done service	

										<p>providers rejected appointments based on amounts that they were little.</p> <p>Develop NDM long term vision delayed by procurement of service provider based on category of work which was not on panel of contractors</p> <p>Procurement of Statistical data not done due to deviation was not approved although is sole provider.</p> <p>Implementation of the Municipal</p>	<p>Draft land schemes are in place and approval is scheduled for the 1<sup>st</sup> quarter 2018/19.</p> <p>Use of states from Global insight</p> <p>The system is in place meetings have been schedule with Local Municipalities in the 1<sup>st</sup> Quarter of 2018/19.</p>
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										<p>GIS was delayed by lack of data from Thembisile and JS Moroka.</p> <p>Development of a consolidated procurement plan 2018/2019 not achieved due to correction still to be made by other departments.</p>	<p>Procurement plan has been consolidated and approved in the first week of July 2018.</p> <p>3rd and 4th Quarter are still to be evaluated and should be finalized by 30 July 2018.</p> <p>A KPI on evaluation of service providers will be included into management's Performance Agreements of</p>
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											2018/19.	
		M_28	% of action plans implemented to address Fraud and corruption Risks Identified per quarter (Total Organisation)	2,3	Opex	100%	100%	100%	Achieved	None	None	3
		M_29	Number of quarterly Risk Management reports submitted to the Risk Management, Anti-Corruption and Anti-fraud Committee per quarter	2,3	Opex	4	16	16	Achieved	None	None	3
		M_30	Number of Internal Audit reports submitted to the Audit Committee per quarter	2,2	Opex	4	25	30	Achieved	None	None	4

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_31	Developed and approved 2018/19 Strategic Risk Register by 30 June 2018	2.3	Opex	1	1	1	Achieved	None	None	3
		M_32	Number of Audit Committee Meetings held per quarter (including Performance Meetings)	3.2	Opex	4	7	7	Achieved	None	None	3
		M_33	Number of quarterly Audit Committee reports submitted to Council per quarter	2.2	Opex	4	4	4	Achieved	None	None	3
		M_34	Number of Council meeting held by 30 June 2018	2.1	Opex	11	10	14 (10 ordinary and 4 special)	Achieved	None	None	4
		M_35	Number of quarterly Risk Management and IA Forum meetings held (per quarter)	2.2	Opex	4	4	4	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_36	% of AG queries in items of ICT resolved by 30 <sup>th</sup> June 2018	2,4	Opex	100%	100%	100%	Achieved	None	None	3
		M_37	Number of quarterly ICT report submitted to ICT steering committee per quarter	1,4	Opex	100%	4	4	Achieved	None	None	3
		M_38	Number of quarterly ICT steering committee meetings held per quarter.	1,4	Opex	4	4	4	Achieved	None	None	3
		M_39	% of Services Level Agreements and other Agreements (SLA's) processed within 30 days from the date of receipt of the request from user department.		Opex	100%	100%	100%	Achieved	None	None	3
		M_40	% of employment contracts processed within the time frame of 15 days from date of employment	new	Opex	100%	100%	100%	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_41	Number of quarterly District Municipal Manager's Forum meetings held per quarter	4.6	Opex	New	4	4	Achieved	None	None	3
		M_42	Number of Quarterly District Mayoral Forum held per quarter	4.6	Opex	New	4	4	Achieved	None	None	3
		M_43	Number of quarterly district legal advisory forum meetings held per quarter	New	Opex	New	4	4	Achieved	None	None	3
		M_44	Number Of local labour forum (LLF) meetings held as scheduled per quarter	2.1	Opex	10	8	9 (8 ordinary and 1 special)	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_45	2018/19 IDP review framework plan approved by 30 <sup>th</sup> June 2018	2.6	Opex	1	1	1	Achieved	None	None	3
		M_46	Draft 2018/19 IDP tabled before council for adoption by 30 <sup>th</sup> March 2018	2.6	Opex	1	1	1	Achieved	None	None	3
		M_47	Strategic Lekgotla report tabled to council by 31 January 2018	2,6	Opex	1	1	1	Achieved	None	None	3
		M_48	Number of quarterly District IDP/PMS forums held per quarter	2.6	Opex	4	4	4	Achieved	None	None	3
		M_49	Number of progress reports on implementation of Council resolution per quarter	2,1	Opex	0	4	4	Achieved	None	None	3
		M_50	Number of monthly MAYCO meetings held per quarter	2.1	Opex	10	12	16 (12 ordinary and 4 special)	Achieved	None	None	4
		M_51	# of section 80 Committee Meetings held per quarter	2,1	Opex	10	11	11	Achieved	None	None	3



Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Electronic Governance	Good governance and communication	M_52	# of section 79 Committee Meetings held per quarter	2.1	Opex	New	4	4	Achieved	None	None	3
	Communication, Liaison and alignment	M_53	Number of Public Participation meetings facilitated and attended at each LM (bi-annual)	2.6	Opex	12	12	12	Achieved	None	None	3
		M_54	# of District newsletters published by 30 Jun 2018	2.7	Opex	0	2	2	Achieved	None	None	3
		M_55	# of Speaker's forum meeting held by June 2018	2.6	Opex	4	4	4	Achieved	None	None	3
		M_56	Number of quarterly District Communication Forum meeting convened per quarter	2.6	Opex	4	4	4	Achieved	None	None	3
		M_57	Number of training workshops for personnel on Records Management Principles and procedures conducted by 30 June 2018	2.6	Opex	1	1	1	Achieved	None	None	3
		M_58	Number of reports with respect attendance of Council and Committee Meetings submitted		Opex	New	4	4	4	Achieved	None	None

			per quarter									
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PROJECTS

Project	Item	System ID	Outcome	Annual 2017/18				Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
				Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Procurement of computer equipment	100403	P_01	Increased operational efficiency of the institution	Appointment of service provider and Deliver computers (50%)	Installation and commissioning of computer equipment (75%)	Installation and commissioning of computer equipment (100%)	N/A	100%	Achieved	None	None	R2,000	R1,993

### 3 LOCAL ECONOMIC DEVELOPMENT

The Local Economic Development is responsible for **twelve (12) KPI's and three (3) Projects for this financial year**, of which **all** were eligible for assessment in the financial year. And combine to contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Local Economic Development were as follows:

**Table: LED Statistics**

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets Not Achieved	% Target Not Achieved
SDBIP	12	10	83%	02	17%
Projects	03	03	100%	00	00%
<b>Total</b>	<b>15</b>	<b>13</b>	<b>87%</b>	<b>02</b>	<b>13%</b>

The Local Economic Development has an overall score of **87%**.

#### CHALLENGES / INTERVENTIONS

- Non-performance on EPWP Work Opportunities job created through the implementation of LED and Capital project.

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Inclusive Economic Growth with Sustainable Development	*Economic development and job creation	M_59	*Number of quarterly reports submitted to Council by 30 June 2018 (with respect to the implementation of Social Labour Plan (SLP) programmes of Mining Companies)	3,1	Opex	2	2	2	Achieved	None	None	3
		M_60	Number of reports submitted to Council by 30 June 2018 (with respect to the Corporate Social Investment (CSI) programmes of both Business and Mining organisations)	3.1	Opex	1	2	3	Achieved	None	None	4
	Transport	M_61	Number of quarterly status reports submitted to Council with respect to the Moloto Rail Corridor project (bi-annually)	3,3	Opex	2	2	2	Achieved	None	None	3
		M_62	Number of Quarterly Transport Forums meeting held (per quarter)	3,3	Opex	New	4	4	Achieved	None	None	3

**\*NB: indicator M\_59.** To monitor the implementation of the Social Labour Plan (SLP) programmes of Mining Companies that they are compliant with agreed parameters. Measured in terms of the number of reports submitted to Council with respect to the implementation of the Social Labour Plan (SLP) programmes. NDM is reporting for two quarters: Quarter 3 (January to March 2018) and Quarter 4 (April to June 2018).

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Inclusive Economic Growth with Sustainable Development	Economic development and job creation	M_63	Number of EPWP Full Time Equivalent (FTE's) job opportunities provided through the implementation of LED and Capital projects (GKPI) by 30 June 2018	3.4	Opex	&556.98 FTES	200 FTE	192,01FTE	Not Achieved	Late implementation of EPWP learnership programs	Improve planning on procurement of learnership programme by 30 September 2018	2
		M_64	Number of EPWP Work Opportunities job created through the implementation of LED and Capital projects (GKPI) by 30 June 2018	3.4	Opex	677 WO	400 WO	361 WO	Not Achieved	Late implementation of EPWP learnership programs	Improve planning on procurement of learnership programme by 30 September 2018	2
		M_65	Number of reports submitted to Council by 30 June 2018 {with respect to the financial / non-financial support provided to SMME's, Coop's and emerging contractors}	3.4	Opex	2	2	2	Achieved	None	None	3
		M_66	Number of reports submitted to Council with respect to the Agri-Processing initiative by the 30th June 2018	3.4	Opex	2	3	3	Achieved	None	None	3
		M_67	Hosting of the District Tourism summit Event by 30 June 2018	3,2	Opex	1	1	1	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Inclusive Economic Growth with Sustainable Development	Promotion of economic development	M_68	Hosting a Disabilities assembly by 30 November 2017	3,4	100	New	1	1	Achieved	None	None	3
		M_69	Hosting a Rural Development Land Audit and Agriculture summit by 30 June 2018	3,4	100	New	1	1	Achieved	None	None	3
		M_70	Hosting a Mining and big industry summit by 30 June 2018	3,4	100	New	1	1	Achieved	None	None	3

PROJECTS FOR PRIORITY ISSUE 20: ECONOMIC DEVELOPMENT AND JOB CREATION (LOCAL ECONOMIC DEVELOPMENT)

Strategic Goal	Project	Location	System ID	Outcome	2017/18				Actual Performance	Achievement	Challenges	Corrective Action	Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Promotion of economic development	Development of Township Economy Strategy by 30 June 2018		P_58		Develop Terms of Reference (TORs) and advertise (20%)	Appoint Service Provider (50%)	Draft Strategy (75%)	Final Strategy with Council Resolution (100%)	100%	Achieved	None	None	R504	R504
	Approved Feasibility Study for Integrated Green Economy Solutions in Nkangala District Municipality by 30 June 2018		P_59		Finalise Integrated Waste Management Feasibility Study (15%)	Develop Terms of Reference (TORs) and advertise (30%)	Appoint Service Provider (50%)	Inception Report with Mayoral Committee Minutes (100%)	100%	Achieved	None	None	R360	R360
Promotion of economic development	Development of NEDA Financial Model by 30 September 2017	District Wide	P_60	To create job opportunities	Advertise for the Appointment of Service Provider	N/A	N/A	N/A	100%	Achieved	None	None	R250	R132

#### 4.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The Municipal Financial Viability and Management is responsible for **17 KPI's and 5 Projects for the period under review**, of which **all** were eligible for assessment in the financial year. The statistics for the Department were as follows:

**Table: Finance Services Statistics**

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets Not Achieved	% Target Not Achieved
SDBIP	17	17	100%	00	00%
Projects	05	05	100%	00	00%
Total	22	22	100%	00	00%

The overall performance for Municipal Financial Viability and Management is at 100%

##### 4.4.1 CHALLENGES / INTERVENTIONS

- None



Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Financial Management	Financial Viability	M_71	% attendance at scheduled Bid Committee meetings per quarter	4.1	Opex	100%	100%	100%	Achieved	None	None	3
		M_72	% of the departmental projects completed by 30 June 2018 (Finance Department)	4,7	Opex	100%	100%	100%	Achieved	None	None	3
		M_73	Number of quarterly reports on the Implementation of the Procurement Plan submitted per quarter		Opex	4	4	4	Achieved	None	None	3
		M_74	Submission for approval of MTREF Budget by the 31st May 2018	4.3	Opex	1	1	1	Achieved	None	None	3
		M_75	Annual Financial Statements (AFS) submitted on or before the 31st August 2017 to Auditor General	4.4	Opex	1	1	1	Achieved	None	None	3
		M_76	Number of quarterly section 52(d) MFMA reports submitted to Executive Mayor within legislative timeframes per quarter	4.5	Opex	4	4	4	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Financial Management	Financial Viability	M_77	Annual submission of the asset verification report to the MM by 30 June 2018	2,4	Opex	1	1	1	Achieved	None	None	3
		M_78	Number of section 71 MFMA reports submitted to Executive Mayor within legislative timeframes per month	4,6	Opex	12	12	12	Achieved	None	None	3
		M_79	Section 72 (midyear) MFMA report submitted to Executive Mayor within legislative timeframes by 25 January 2018	4,6	Opex	1	1	1	Achieved	None	None	3
		M_80	Number of quarterly MFMA checklists submitted as legislated per quarter	4,5	Opex	4	4	4	Achieved	None	None	3
		M_81	% of approved (compliant) invoices paid within 30 days	4,2	Opex	100%	100%	100%	Achieved	None	None	3
		M_82	Current Ratio expressed as current assets / current liabilities by 30 June 2018 (GKPI)	4,2	Opex	9.81	7.9	13.14	Achieved	None	None	4

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sound Financial Management	Financial Viability	M_83	% of Capital Budget actually spent on Capital projects (infrastructure projects) for financial year in terms of IDP by 30 June 2018 (own funding) per quarter	4,7	Opex	100%	90%	97%	Achieved	None	None	3
		M_84	% spend on Financial Management Grant (FMG) by 30 June 2018	4,3	FMG	100%	100%	100%	Achieved	None	None	3
		M_85	Average # of days elapsed from closure of tender process to the completion of agenda items to the bid evaluation committee in terms of the competitive bidding process for tenders over R200,000 (35 days)	4,1	Opex	26.86	35	28.45	Achieved	None	None	4
		M_86	Number of quarterly SCM reports submitted to the Executive Mayor per quarter	4,1	Opex	4	4	4	Achieved	None	None	3
		M_87	Number of quarterly District Finance Forum meetings held per quarter	4,6	Opex	4	4	4	Achieved	None	None	3

PROJECTS FOR PRIORITY ISSUE 3: FINANCIAL VIABILITY

Strategic Goal	Project	Location	System ID	Outcome	2017/18				Actual Performance	achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sound Financial Management	SCM/Debtors verification system : by 30 June 2018	Emalahleni LM,STLM, VKLM, EMAKLM, THLM, DRJSMLM AND NDM	P_06	Increased efficiency of Finance operations	Appointment Payment and 1 report on debtor and SCM verification System (15%)	Payment and 1 report on debtor and SCM verification System (30%)	Payment and 1 report on debtor and SCM verification System (60%)	Payment and 1 report on debtor and SCM verification System (100%)	100%	Achieved	None	None	2,934	R2,385
	507142-AFS assistance and review by 31 August 2017	NDM	P_07	Increased efficiency of Finance operations	AFS assistance and review (100%)	N/A	N/A	N/A	100%	Achieved	None	None	1,650	R1,650
Sound Financial Management	Credit Rating	NDM	P_08	Increased efficiency of Finance operations	Appointment of service provider (25%)	N/A	N/A	Final Credit rating report (100%)	100%	Achieved	None	None	156	R145

Strategic Goal	Project	Location	System ID	Outcome	2017/18				Actual Performance	Achievement	Challenges	Corrective Action	Actual Budget	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sound Financial Management	Actuarial valuations	NDM	P_09	Increased efficiency of Finance operations	Valuation reports (100%)	N/A	N/A	N/A	100%	Achieved	None	None	20	R5
	Co funding valuation roll Thembisile Hani	Thembisile Hani (Municipal Support)	P_10	signed valuation roll	Compilation of valuation information	Compilation of valuation information	interim Valuation Roll	signed valuation roll	100% (signed valuation roll)	Achieved	None	None	2, 500	R2,210

## 4.5 BASIC SERVICES DELIVERY

The Basic Services Delivery is responsible for a total of **36 KPI's and 41 Projects**, of which **all** were eligible for assessment this financial year. The statistics for the Department were as follows:

**Table: Basic Services Delivery Statistics**

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets Achieved	% Target Achieved
SDBIP	36	34	94%	02	06%
Projects	41	40	98%	01	02%
<b>Total</b>	<b>77</b>	<b>74</b>	<b>96%</b>	<b>03</b>	<b>04%</b>

The Basic Services delivery's overall score of 96% since one target (project) and one KPI target were not achieved.

### 4.5.1 CHALLENGES / INTERVENTIONS

- Poor performance of the services provider on the delivery of 30 (thirty) Skid Unit.
- Fire Public Awareness Campaign not conducted.

KPA 5 : BASIC SERVICE DELIVERY

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Healthy Social Environment	Emergency Service	M_88	Number of Disaster Risk reduction awareness campaigns conducted with local municipalities per quarter	5,7	Opex	7	6	9	Achieved	None	None	4
		M_89	Number of quarterly fire Public Awareness Campaign conducted per quarter	5,7	Opex	New	20	00	Not Achieved	Shortage of staff due to opening of fire station	Expediting filling of fire and rescuer vacant post by 30September 2018	1
Health		M_90	Number of HIV/AIDS educational awareness campaigns implemented to capacitate and build communities per quarter	5,9	Opex	15	12	18	Achieved	None	None	4
Health and Environmental Management		M_91	Number of quarterly consolidated municipal Health Services reports submitted to Council (per quarter)	5,8	Opex	4	4	4	Achieved	None	None	3
		M_92	Number of water samples taken per quarter from the local municipalities, analysed as per the SANS 241 standard (per quarter)	5,8	Opex	5852	6000	7399	Achieved	None	None	4
		M_93	Number of food handling and preparation facility inspections conducted in terms the Foodstuffs, Cosmetics, Disinfectant Act (FCDA) per quarter	5,8	Opex	4136	3600	4321	Achieved	None	None	4

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Healthy Social Environment	Health & Environmental Management	M_94	Number of municipal Health Services and Environmental Management awareness campaigns implemented by 30 June 2018	5,8	Opex	17	14	30	Achieved	None	None	3
		M_95	Number of mortuaries / funeral undertakers / exhumations inspections conducted Per quarter	5,8	Opex	New	260	300	Achieved	None	None	4
	Health	M_96	Number of quarterly DAC meetings held per quarter	5,10	Opex	4	4	4	Achieved	None	None	3
		M_97	Hosting of a District AID's day by 30 December 2017	5,9	Opex	1	1	1	Achieved	None	None	3
		M_98	Number of Education and Awareness session for employees and councillor conducted on HIV/AIDS in the workplace by 30 June 2018	5,9	Opex	0	2	3	Achieved	None	None	4
	Environmental management	M_99	Number of Quarterly Reports submitted to Council with respect to Environmental Impact Assessments (EIA) conducted in the District per quarter	5,6	Opex	4	4	4	Achieved	None	None	3



Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Healthy Social Environment	Environmental management	M_100	Number of compliance audits conducted with respect to Sec 21 listed activities as per the NEAQ Act by 30 June 2018	5,6	Opex	13	16	25	Achieved	None	None	4
	Emergency services	M_101	Number of District Emergency Open Days hosted with local municipalities by 30 June 2018	5,7	Opex	2	2	2	Achieved	None	None	3
		M_102	Number of quarterly District Disaster Management reports submitted to Council per quarter	5,7	Opex	4	4	4	Achieved	None	None	3
		M_103	# of quarterly Fire & Rescue services reports submitted to Council per quarter	5,7	Opex	4	4	4	Achieved	None	None	3
	Welfare	M_104	Number of centres Painted to improve vulnerable groups by 30 July 2017	5,1	Opex	3	3	4	Achieved	None	None	4
		M_105	Conducting Gender Summit by 30 August 2017		Opex	1	1	1	Achieved	None	None	3
		M_106	Hosting of Women assembly by 30 August 2017	2,7	Opex	1	1	1	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Healthy Social Environment	Welfare	M_107	Hosting a children parliament programme by 30 June 2018	1,6	Opex	1	1	1	Achieved	None	None	3
	Health	M_108	Number of awareness campaigns on teenage pregnancy undertaken in the District by 30 June 2018	5,1	Opex	4	4	6	Achieved	None	None	4
		M_109	Number of campaigns on drug / substance abuse held in partnership with SANCA by March 2018	5,1	Opex	2	2	4	Achieved	None	None	4
	Culture, Sport and Recreation	M_110	Hosting a senior citizen dialogue for the elderly by 30 March 2018	5,1	Opex	1	1	1	Achieved	None	None	3
		M_111	Hosting of Mayoral Games by 31 March 2018	1,7	OpenX	1	1	1	Achieved	None	None	3
	*Education	M_112	Number of Education Career Expos held per local municipality by 30 June 2018	1,6	Opex	4	4	4	Achieved	None	None	3

**\*NB: indicator M\_112**, The measurement is based on the number of Education Career Expos held in the local municipalities, namely Dr JS Moroka, Thembisile Hani, Victor Khanye and Emakhazeni Local Municipalities. The purpose of the career expo is to *provide the opportunity for the learners to understand the academic opportunities that are there in the different industries more especially those that are contributing to the economic viability of the District. It is also to allow the companies and universities to make presentations on the various skills gaps to align needs with available academic opportunities for learners to explore.*

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Healthy Social Environment	Education	M_113	Number of existing qualifying learners provided with financial support (Funded by NDM) by 30 June 2018	1,6	Opex	46	28	28	Achieved	None	None	3
		M_114	Number of new qualifying learners provided with financial support (Funded by NDM) by 30 June 2018	1,6	Opex	New	17	17	Achieved	None	None	3
		M_115	Mayoral Academic Awards held by 30 March 2018	1,6	Opex	1	1	1	Achieved	None	None	3
Sustainable Infrastructure and Service Provisioning	Water and Sanitation	M_116	Number of SANITATION projects (as submitted by the LM's) implemented in terms of their individual quarterly schedules by 30 June 2018	5,1	Opex	7	7	7	Achieved	None	None	3
		M_117	Number of WATER projects (as submitted by the LM's) implemented in terms of their individual quarterly schedules by 30 June 2018	5,2	Opex	20	13	13	Achieved	None	None	3
	Facilities	M_118	Number of SOCIAL AND RECREATIONAL FACILITIES projects (as submitted by the LM's) implemented in terms of their individual quarterly schedules by 30 June 2018	5,3	Opex	5	2	3	Achieved	None	None	4

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Sustainable Infrastructure and Service Provisioning	Roads and Storm water	M_119	Number of ROADS AND STORMWATER Projects (as submitted by the LM's) implemented in terms of their individual quarterly schedules by 30 June 2018	5,4	Opex	15	8	8	Achieved	None	None	3
	Municipal Properties and Infrastructure	M_120	Number of MUNICIPAL PROPERTIES AND INFRASTRUCTURE projects (as submitted by the LM's) implemented in terms of their individual quarterly schedules by 30 June 2018	5,5	Opex	5	2	2	Achieved	None	None	3
	Electricity and Lighting Infrastructure	M_121	Number of ELECTRICITY INFRASTRUCTURE projects (as submitted by the LM's) implemented in terms of their individual quarterly schedules by 30 June 2018	5,6	Opex	2	1	1	Achieved	None	None	3
	Project Management	M_122	*Number of quarterly reports on the % of households with access to basic levels ( Water, Sanitation, Electricity and roads) submitted to Council per quarter	5,2	Opex	1	2	0	Not Achieved	Portfolio of evidence does not supporting the achievement	Report to include local municipalities actual performance by 30 June 2019	1

		M_123	Number of water conversation summit conducted by 30 June 2018	5,2	Opex	New	1	1	Achieved	None	None	3
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\*NB: Indicator M\_122 The report is intended to enable Council to note successes achieved and/or challenges experienced in Nkangala District Municipality's endeavor to deliver services to communities across all six local municipalities. NDM is reporting for two quarters: Quarter 3 (January to March 2018) and Quarter 4 (April to June 2018).

### PROJECTS FOR PRIORITY ISSUE 8: HEALTH (SOCIAL SERVICES): BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Health y Social Environment	Supply, Delivery and Assembling of Park Home Offices at Kwaggafontein and Siyabuswa for NDM Municipal Health Services by 30 June 2018	Thembi sile Hani & Dr JS Moroka LMs	P_18	Improve Service Delivery	SCM tendering process (25%)	Service Provider Appointed (50%)	Project to be completed 31 March 2018 (75%)	Park Home Offices at Kwaggafontein and Siyabuswa for NDM completed (100%)	100%	Achieved	None	None	R1, 893	R1,894

PROJECTS FOR PRIORITY ISSUE 9: CULTURE SPORTS AND RECREATION (SOCIAL SERVICES): BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Development of the NDM Regional Freedom Park by 30 June 2018 (Social Study) (Roll Over Project)	District wide Project(Located at Vaalbank Crossing: Dr JSLM)	P_19	Improve Service Delivery	N/A	N/A	Project is 70% Complete	100% Project Completed	100% (Social Study)	Achieved	None	None	R275	R375

PROJECTS FOR PRIORITY ISSUE 11: EMERGENCY SERVICES AND DISASTER MANAGEMENT (SOCIAL SERVICES): BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievements	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Procurement of three (3) Rescue Tool – Themobile Hani LM by 30 June 2018	District wide	P_20	Improve service delivery	Advertising and SCM process (15%)	Service provider appointed in this quarter (25%)	N/A	Delivery of three (3) Rescue Tool (100%)	100%	Achieved	None	None	R1,100	R713
	Procurement of Disaster Relief Materials [20xTents and 80xtarpaulins] by 30 June 2018	District wide	P_21	To provide relief post disasters	Scope of work developed and project advertised [25%]	Department busy with scope of work (50%)	Service provider to be appointed (75%)	Supply and Delivery of the Disaster relief [20xTents and 80xtarpaulins] procured and delivered [100%]	100% Tents (20/20*100) and 112,5% tarpaulins (90/80*100)	Achieved	None	None	R600	R473
	30 (thirty) Skid Unit by 30 June 2018	Dr JS Moroka LM	P_22	Improve service delivery	N/A	N/A	Scope of work developed and project advertised (75%)	Service provider to be appointed & thirty (30) skid units procured and delivered (100)	75%	Not Achieved	Poor performance of the services provider on the delivery of 30 (thirty) Skid Unit	30 skid unit to be delivered by 30 July 2018	R900	R0
	Procurement of Hazmat Response Unit by 30 June 2018	eMalaheni	P_23	Improve Service Delivery	Scope of work developed and project advertised (25%)	Service Provided appointed and commenced with the project (50%)	Delivery of the Hazmat Response Unit (100%)	N/A	100%	Achieved	None	None	R1,900	R1,660

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Feasibility Study on the installation of two way radio communications  (Roll Over Project) by 30 June 2018	District wide	P_24	Improve Service Delivery	Service Provider appointed [25%]	Project Completion report submitted	Complete feasibility study report (75%)	Feasibility study report submitted to council (100%)	100%	Achieved	None	None	R651	R168
	Feasibility Study on the functionality of fire hydrants by 30 June 2018	District wide	P_25	Improve Service Delivery	Service Provider appointed [25%]	Project Completion report submitted	Complete feasibility study report (75%)	Feasibility study report on the functionality of fire hydrants submitted to council (100%)	100%	Achieved	None	None	R839	R600



PROJECTS FOR PRIORITY ISSUE 12: SANITATION (TECHNICAL SERVICES): BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	achievements	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Supply, Deliver and Registration of Sewer Drainage Truck in Emakhazeni by 30 June 2018	Emakhazeni	P_42	Increased access to healthy sanitation	Stage 2: Manufacturing = 100% : Delivery and Registration of Sewer Truck	Not applicable	Not applicable	Not applicable	100%	Achieved	None	None	R5, 300	R5,300
	Installation of sewer reticulation in Gugulethu by 30 June 2018	Emakhazeni	P_43		Not applicable	Stage 2: 5%: Procurement Stage: BEC & BAC Resolutions	Stage 3: 10% : Construction Stage: Award contract to contractor: Appointment letter	Stage 3: Construction Stage = 20% :construction progress	56,9 %	Achieved	None	None	R2, 500	R3,020
	Upgrading of Pap en Vleis bulk Sewer line by 30 June 2018	Emalahleni	P_44		Stage 1: Planning = 5%: Procurement Stage: BEC Resolutions	Stage 2: Planning = 15%: Procurement Stage: BAC Resolutions and Award Contract to contractor	Stage 3: Implementation= 25% construction progress Reports	Stage 3: Implementation= 40% construction progress Reports	81%	Achieved	None	None	R6,975	R6,586

PROJECTS FOR PRIORITY ISSUE 12: SANITATION (TECHNICAL SERVICES) : BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Upgrading of WWTW in Thubelihle (Kriel Ext & community of Ga-Nala) by 30 June 2018	Emalahleni	P_45	Increased access to healthy sanitation	Stage 3: Implementation: 15% Construction stage	Stage 3: Implementation = 25% :construction progress	Stage 3: Implementation= 30% :construction progress	Stage 3: Implementation = 50% :construction progress	91%	Achieved	None	None	R19,259	R19,2014

Projects for priority Issue 12: Sanitation (Technical Services): Basic Services Delivery and infrastructure

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievements	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Construction of waterborne system RDP by 30 December 2017	Thembisile Hani	P_46		Stage 3: Implementation: 50% :Construction progress	Stage 3: Implementation: 100% Construction Stage	Not applicable	Not applicable	100%	Achieved	None	None	R2, 888	R2,887
	Feasibility Study for Waterborne Sanitation at Moloto by 30 September 2017	Thembisile Hani	P_47		Stage 3: Implementation: 100% Demand Modelling and Projections Report Approval	Not applicable	Not applicable	Not applicable	100%	Achieved	None	None	R216	R192
	Waste Water Pipeline Sewer Pipeline Kgomo Street Phase 3 by 30 June 2018	Victor Khanye	P_48		Stage 2 Implementation =50% construction progress	Stage 3 implementation stage =60% construction progress	Stage 3 implementation stage =70% construction progress	Stage 3 implementation stage =80% construction progress	80%	Achieved	None	None	R8,500	R8,500

PROJECTS FOR PRIORITY ISSUE 12: WATER (TECHNICAL SERVICES): BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	Challenges	Corrective Action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Replacement of Asbestos pipes at Siyabuswa-Ward 3 Phase 1 by 30 June 2018	Dr JS Moroka	P_28	Increased access to clean and healthy water	Stage 3: Construction Stage = 100% :construction progress	Not applicable	Not applicable	Not applicable	100%	Achieved	None	None	R3, 529	R3,672
	Replacement of Asbestos pipes at Siyabuswa-Ward 3 Phase 2 by 30 June 2018	Dr JS Moroka	P_29		Not applicable	Stage 1:Planning = 5%.Procurement Stage: BEC & BAC Resolutions	Stage 3: 10%: Construction Stage: Award contract to contractor: Appointment letter	Stage 3: Construction Stage = 50% :construction progress	80%	Achieved	None	None		
	Source development geohydrological Study Dr JS Moroka by 30 March 2018	Dr JS Moroka	P_30		Not applicable	Stage 1: Planning = 100% : Ground water Source Development	Not applicable	Not applicable	100%	Achieved	None	None	R1 620	R1,620
	Installation of Prepaid Meter in Dullstroom by 30 March 2018	Emakhazeni	P_31		Stage 3: Construction Phase = 10% award contract to contractor: appointment letter	Stage 3: Construction Phase = 25% :construction progress	Stage 3 :implementation =100% Certificate of Completion	Not applicable	100%	Achieved	None	None	R4, 475	R4,706

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Installation of water reticulation network in Gugulethu by 30 June 2018	Emakhazeni	P_32	Increased access to clean and healthy water	Not applicable	Stage 2: 5%: Procurement Stage: BEC & BAC Resolutions	Stage 3: 10% : Construction Stage: Award contract to contractor: Appointment letter	Stage 3: Construction Stage = 20% :construction progress	43%	Achieved	None	None	R2, 500	R2,430

PROJECTS FOR PRIORITY ISSUE 12: WATER (TECHNICAL SERVICES) : BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Inkanini Water by 30 September 2017	Emakhaseni	P_33	Increased access to clean and healthy water	Stage 3 :implementation =100% Certificate of Completion	Not applicable	Not applicable	Not applicable	100%	Achieved	None	None	R692	R692
	Bulk Water Supply from Phola to Wilge by 30 June 2018	Emalaheni	P_34		Stage 3: Implementation : 5% Construction Stage: Award contract and site hand over	Stage 3: Implementation = 25% construction progress	Stage 3: Implementation 45% Construction progress	Stage 3: Implementation = 60% construction progress	91%	Achieved	None	None	R13,318	R13,373
	Zakheni Water Reticulation by 30 December 2017	Thembile Hani	P_35		Stage 3: Implementation : 5% Construction Stage: Award contract and site hand over	Stage 3: Implementation: 100% : Certificate of Completion	Not applicable	Not applicable	100%	Achieved	None	None	R1, 229	R1,229
	Rehab Borehole to Supply Elevated Steel tank Moloto by 30 December 2017	Thembile Hani	P_36		Stage 3: Implementation :30% Field Investigation, Drilling and Testing	Stage 3: Implementation: 100% Data Interpretation and Analysis Report	Not applicable	Not applicable	100%	Achieved	None	None	R2,781	R2,781

PROJECTS FOR PRIORITY ISSUE 12: WATER (TECHNICAL SERVICES) : BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievements	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Moloto Water Supply by 30 June 2018	Thembisile Hani	P_37	Increased access to clean and healthy water	Not applicable	Not applicable	Stage 1: Planning= 5%: Appointment of consultant	Stage 1: Planning= 25%:Approval of Detail Design Report	25%	Achieved	None	None	R200	R516
	Moripe Gardens & Madubaduba Water Supply by 30 June 2018	Dr J S Moroka	P_38		Not applicable	Not applicable	Stage 1:Planning=5%: Appointment of consultant	Stage 1:Planning=25% :Approval of Detail Design Report	25%	Achieved	None	None	R 150	R0

PROJECTS FOR PRIORITY ISSUE 12: WATER (TECHNICAL SERVICES) : BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Source development geohydrological Study Thembisile Hani by 30 June 2018	Thembisile Hani	P_40	Increased access to clean and healthy water	Stage 1: Planning= 25%:Source verification and assessment	Not applicable	Stage 2: Planning= 70%: Progress Report on Ground Water Source Development	Stage 2:Planning= 100%: Final Report on Ground Water Source Development	100%	Achieved	None	None	R1,502	R1,366
	Supply, Delivery and Registration of Regional Water Tankers to Nkangala District Municipality by 30 June 2018	NDM	P_41		Stage 2:Planning= 5%.BEC and BAC Resolutions	Stage 2: Awarding of contract = 15% : Awarding of contract to service provider	Stage 3: Manufacturing = 100% : Delivery and Registration of NDM Regional Water Tanker Truck	Not applicable	100%	Achieved	None	None	R1, 369	R1,368



PROJECTS FOR PRIORITY ISSUE 5: SOCIAL, RECREATIONAL AND LED FACILITIES (TECHNICAL SERVICES): BASIC SERVICES DELIVERY AND INFRASTRUCTURE

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Social and Recreational Facilities	Sakhelwe Community Hall (95% construction) by 30 June 2018	Emakhazeni	P_26	Increased Community access to Sustainable Social and Recreational facilities	Stage 2. Procurement Stage: 5% :Bid Evaluation and Bid Adjudication Committees resolutions	Stage 3: Implementation: Construction Stage: 10% Award contract to contractor and Hand over certificate	Stage 3: Implementation: Construction Stage: 70% Award contract to contractor and Hand over certificate	Stage 3: Implementation: Construction Stage: 95% Construction Progress Report	100%	achieved	None	None	R15, 357	R14,902
	Business creation expansion SMME Youth by 30 June 2018	Steve Tshwete	P_27		Not applicable	Stage 2: Procurement Stage: 5% BEC & BAC Resolutions	Stage 3: Construction Stage: 10% Award contract to contractor: Appointment letter	Stage 3: Construction Stage = 50% :construction progress	53%	achieved	None	None	R462	R1,265

PROJECTS FOR PRIORITY ISSUE 14: ROADS AND STORM WATER (TECHNICAL SERVICES)

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	achievement	challenges	Corrective action	Actual Budget	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Procurement of Two (2) Graders by 30 December 2017	Victor Khanye and DRJSMLM	P_49	Increased accessibility to all destinations in the District through efficient and reliable road network	Stage 2: Planning= 5%.BEC and BAC Resolutions	Stage 2: Awarding of contract = 100% : Awarding of contract to service provider, Delivery and Registration of Two Graders	Not applicable	Not applicable	100%	Achieved	None	None	R6, 700	R6,700
	Rehabilitation of Bhekumuzi Masango Road phase 5 by 30 June 2018	Emakhazeni	P_50		Not applicable	Not applicable	Not applicable	Stage 3: Implementation: 100% : Certificate of Completion	100%	Achieved	None	None	R540	R594
	KG Mall Road in Vosman by 30 March 2018	Emalahleni	P_51		Stage 3: Implementation: 30% : Progress Report	Stage 3: Implementation: 70% : Progress Report	Stage 3: Implementation: 100% : Certificate of Completion	Not applicable	100%	Achieved	None	None	R6, 356	R5,444
	Kwagg afontein-D Bus and Taxi Route (Phase 2) by 30 September 2017	Thembisile Hani	P_52		Stage 3: Implementation: 100% : Certificate of Completion	Not applicable	Not applicable	Not applicable	100%	Achieved	None	None	R379	R379

PROJECTS FOR PRIORITY ISSUE 14: ROADS AND STORM WATER (TECHNICAL SERVICES)

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable Infrastructure and Service Provisioning	Kwaggafontein-D Bus and Taxi Route (Phase 3) by 30 June 2018	Thembisile Hani	P_53	Increased accessibility to all destinations in the District through efficient and reliable road network	Not applicable	Not applicable	Stage 1: Planning = 5% : Appointment of Consultants	Stage 1: Planning = 20% : Detailed Designs Approval	20%	Achieved	None	None	R150	R150
	Miliva RDP Route by 30 December 2017	Thembisile Hani	P_54		Stage 3: Implementation: 100% : Certificate of Completion	Not applicable	Not applicable	Not applicable	100%	Achieved	None	None	R7, 113	R7,113
	Phola Park Vehicle Bridge to Tweefontein J by 30 December 2017	Thembisile Hani	P_55		Stage 3: Implementation Stage = 60% : Construction progress	Stage 3: Implementation = 100% : Certificate of Completion	Not Applicable	Not Applicable	100%	Achieved	None	None	R4, 781	R4,758
	Rural Road Asset Management Systems by 30 June 2018	NDM	P_56		Stage 3: Implementation Stage = 10% : 1st Quarterly Progress Report 2017/18	Stage 3: Implementation Stage = 10% : 2nd Quarterly Progress Report 2017/18	Stage 3: Implementation Stage = 10% : 3rd Quarterly Progress Report 2017/18	Stage 3: Implementation Stage = 10% : 4th Quarterly Progress Report 2017/18	10%	Achieved	None	None	R2, 328	R2,323

ELECTRICAL AND LIGHTING INFRASTRUCTURE (TECHNICAL SERVICES)

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	Annual Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable and Improved Electrical Infrastructure	20 X High mast Lights in various villages by 30 March 2018	Dr JS Moroka	P_57	Increased access to electricity and lighting	Not Applicable	Not Applicable	Stage 4: Completion: 100%: Consultants Completion report	Not Applicable	105% (21/20)	Achieved	None	None	R52	R52

**Property Services (Technical Services)**

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievement	challenges	Corrective action	2017/18	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Sustainable and Improved Municipal Buildings and Infrastructure	NDM Garages	NDM	P_02	Increased operational efficiency of the Nkangala District Municipality	Stage 2: Planning: Procurement Stage: 15% Advert for Contractors	Stage 2: Planning: Procurement Stage:50% BAC Resolution	Stage 3: Implementation: Construction Stage: Award contract to contractor and Hand over certificate	Stage 3: Implementation: Construction Stage: 5% Construction	25%	Achieved	None	None	R2,000	R2,045
	Dr JS Moroka Fire Station Bulk Water Supply	NDM	P_03		Not Applicable	Not Applicable	Stage 1: Planning = 5%: Appointment of Consultants	Stage 1: Planning = 10%: Detailed Designs	10%	Achieved	None	None	R250	R174

## 4.6 SPATIAL DEVELOPMENT

The Spatial Development Department is responsible for a total of **six (6) KPI's**, of which **all** were eligible for assessment in the period under review. In addition, the department is also responsible for **seven (7) Projects**, of which **all** were applicable for reporting in the period under review and combine to contribute to the overall performance level for the IDP and Adjustment SDBIP Scorecards. The statistics for the Department were as follows:

**Table: Spatial Development Statistics**

Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
SDBIP	06	06	100%	0	00%
Projects	07	07	100%	0	00%
Total	13	13	100%	0	00%

The KPA ended the **2017/18 financial year** with an overall score of **100%**.

### 4.6.1 CHALLENGES / INTERVENTIONS

- None

KPA 6 : SPATIAL DEVELOPMENT

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Integrated Regionalised Planning	Human Settlements	M_124	Number of project implemented towards establishment of Integrated Human Settlements by 30th June 2018	6,2	Opex	2	2	2	Achieved	None	None	3
		M_125	Number of progress reports submitted to Council with respect the number of new RDP Housing units provided by the PDoHS by June 2018	6,3	Opex	1	1	1	Achieved	None	None	3
		M_126	Number of projects implemented to assist local municipalities to comply with the SPLUMA requirements by 30th June 2018	6,7	Opex	1	1	1	Achieved	None	None	3
		M_127	Number of projects implemented from the GIS Strategy by 30th June 2018	6,6	Opex		1	1	Achieved	None	None	3
	Spatial Restructuring and Service Provision	M_128	% of submitted applications with respect to town planning applications approved within (90) days	6,5	Opex	100%	100%	100%	Achieved	None	None	3

Strategic Goal	Priority Issue	KPI IDs	KPI	IDP link	Budget	2016/17 Baseline	2017/2018					
							Annual Target	Actual Performance	Achievements	Challenges	Corrective Action	Score
Integrated Regionalised Planning	Transport	M_129	Number of District By-laws developed and submitted local municipalities by 31 June 2018	6,8	Opex		1	1	Achieved	None	None	3



PROJECTS FOR PRIORITY ISSUE 5: SPATIAL RESTRUCTURING AND SERVICE PROVISION (DPW)

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievements	Challenges	Corrective Action	Budget R'000	Actual Expenditure
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Integrated Regionalised Planning	3 Land Surveying: Emakhazeni, Dr JS Moroka Thembisile,	Emakhazeni, Dr JS Moroka Thembisile	P_11	To verify the land feasibility for sustainable human settlement	Development of TOR (15%)	Appointment of Service Provider (30%)	Inception Report (70%)	Final Draft Report submitted to council (100%)	100%	Achieved	None	None	R1,393	R1,186
	2 Feasibility Study Integrated Human settlement	Thembisile Hani & DRJSMLM	P_12		Development of TOR (15%)	Appointment of Service Provider (30%)	Inception Report (70%)	Final Draft Report of the Comprehensive land Audit and submitted to council (100%)	100%	Achieved	None	None	R1,450	R1,822
	2 Opening of Township Register	Emakhazeni & Thembisile Hani	P_13		Development of TOR (15%)	Appointment of Service Provider (30%)	Inception Report (70%)	Final Draft Report submitted to council (100%)	100%	Achieved	None	None	R1,495	R1,495
	State Land Release (Thembisile Hani)	Thembisile Hani	P_14		Appointment of Service Provider (15%)	Submission of Inception Report (30%)	Submission of First Draft Report on State Land Release (THLM) (70%)	Final Report on the State Land Release (THLM) (100%)	100%	Achieved	None	None	R700	R1,000
	Review of Land Use Schemes	Dr JS Moroka, Emakhazeni, Thembisile, Victor Khanye	P_15		Appointment of Service Provider (15%)	Submission of Inception Report (30%)	Submission of First Draft Report on Review of Land Use Schemes (70%)	Progress Report on the Review of Land Use Schemes (100%)	100%	Achieved	None	None	R1,470	R1,130

Projects for priority Issue 5: Spatial Restructuring and Service Provision (DPU)

Strategic Goal	Project	Location	System ID	Outcome	2017/18				2017/18 Actual Performance	Achievements	Challenges	Corrective Action	Actual Budget	
					Qtr 1 Milestone	Qtr 2 Milestone	Qtr 3 Milestone	Qtr 4 Milestone						
Integrated Regionalised Planning	Long Term Vision and Development Strategy by 30 June 2018	District Wide	P_16	To verify the land feasibility for sustainable human settlement	N/A	Appointment of Service Provider	Inception Report	Draft Long Term Vision and Development Strategy	100%	Achieved	None	None	R500	R99
	Procurement of GIS Cadstral Data (Implementation of District wide GIS) by 30 June 2018		P_17	To enable the SPLUMA requirement into operation	Progress Report Procurement of GIS Cadastral Data	Progress Report Procurement of GIS Cadastral Data	Progress Report Procurement of GIS Cadastral Data (Implementation of District wide GIS)	Progress Report Procurement of GIS Cadastral Data (Implementation of District wide GIS)	100%	Achieved	None	None	R2,500	R1,865

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

The Municipality has six (6) departments namely: Corporate Services, Technical Services, Social Services, Finance Service (Budget and Treasury), Planning & Economic Development and the office of the Municipal Manager.

On the skilling and development of our workforce, the Workplace Skills Plan that was approved at the end of the 2017/2018 financial year was implemented in the 2016/2017. Skilling was done in accordance with the skills gaps for individual employees as approved by their respective heads of departments.

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

#### 2017/2018 FINANCIAL YEAR- VACANCY RATE PER DEPARTMENT AND UNIT

DEPARTMENT/UNIT	2016/2017 TOTAL POSITIONS	2016/2017 TOTAL FILLED POSITIONS	2016/2017 VACANT	2017/2018 TOTAL POSITIONS	2017/2018 FILLED POSITIONS	2017/2018 VACANT
Council	57	57	1	57	57	0
Audit Committee	5	5	0	5	4	1
Risk Committee	1	1	0	1	1	0
Internal audit	6	6	0	6	6	0
Executive Mayor	7	7	0	5	5	0
Speaker & Council Whip	6	6	0	5	4	1
Municipal Manager	8	7	1	14	14	0
Finance	31	31	0	37	35	2
Corporate	33		4	42	42	0
Technical	14	13	1	12	10	2
Social Services	<b>113</b>	<b>94</b>	<b>19</b>	143	128	15
LED	7	6	1	22	18	4
DPU	9	9	0	0	0	0
ICT	5	5	0	7	5	2
Interns	11	10	1	15	13	2
Total	313	287	26	371	341	30

## VACANCY RATE

Vacancy Rate: 2017/2018				
Designations	2016/17 *Total Approved Posts  No.	2017/2018 *Total Approved Posts  No.	2017/2018 *Vacancies (Total time that vacancies exist using fulltime equivalents) No.	2017/2018 *Vacancies (as a proportion of total posts in each category)  %
Municipal Manager	01	01	0	0
CFO	01	01	0	0
Other S57 Managers (excluding Finance Posts)	4	3	1	0
Deputy Managers	11	10	1	0
Assistant Managers	25	25	0	0
<b>Total</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>0</b>

T 4.1.2

## 2017/2018 TURN-OVER RATE

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year  No.	Terminations during the Financial Year  No.	Turn-over Rate*
2013/2014	139	6	4%
2014/2015	184	12	7%
2015/2016	230	9	4%
2016/2017	243	13	5%
2017/2018	371	13	9%

\* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year

T 4.1.3

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Section 67 of the Municipal Systems Act requires the municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personal administration including but not limited to items mentioned from table below. Systems in the Nkangala District includes service conditions of the staff, recruitment and selection, succession and career pathing, promotion and retention of staff, transfer and acting systems and procedures, training and development, remuneration and performance management, affirmative and employment equity.

Human Resources Systems are vehicles to ensure efficient management of the workforce. Gender parity can only be achieved through implementation of affirmative action as required in terms of Employment Equity Act No. 55 of 1998. The Employment Equity Act also requires that employment equity be maintained in human resources management such as, staff placed in either lower or higher positions without proper processes followed, underpayment, unequal remuneration for similar positions at the same level and other related barriers, be eradicated.

### 4.2 POLICIES

2017/2018 HR Policies and Plans				
	Name of Policy	Completed No.	Reviewed No of times	Date adopted by council or comment on failure to adopt
1	Leave Management Policy	1	1	
2	Occupational Health and Safety	1	1	
3	Performance Management System	1	1	
4	Recruitment, Selection and Appointments	1	1	
5	Credit Control and Debt Collection Policy	1	1	
6	Budget and <i>Virement</i> Policy	1	1	
7	Overtime	1	1	
8	Accommodation and travel subsistence	1	1	
9	Supply Chain Management	1	1	
10	Cash Management and Investment Policy	1	1	
11	Assets management Policy	1	1	
12	Fleet Management and Petrol Card Usage Policy	1	1	
13	Records Management	1	1	
14	TASK Job Evaluation	1	0	
15	Library Policy	1	1	
16	Smoking Control Policy	1	1	
17	Cellphone Policy	1	1	
18	Practical Training, Volunteerism, Learnership and Internship Policy	1	0	
19	Contingency/ Emergency Evacuation Plan	1	0	
20	Communication Strategy	1	0	

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

2017/2018 Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0	1			
Temporary total disablement	5	1			
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>					

#### LEGAL UNIT

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
Chief Supply Chain Officer	Failure to obtain 3 required quotations: R29 500.00	Charges preferred against the employee and DC Hearing is still proceeding.	31 May 2018
Manager CS & Legal Advisor	Unlawful extension of a Contract: R103 606.31	Charges preferred against the employee and DC Hearing is still proceeding.	Ongoing

#### 4.4 PERFORMANCE REWARDS

Performance evaluation for the Senior Managers has been concluded for the 2016/2017 financial year.

The following Managers, level4 and 5s has been assessed and received performance rewards for 2016/2017 financial year. **Full details on the attached Annual financial services.**

No	Incumbent Position	Period under assessment Annual assessment	Total score	% of the performance bonus
1	Municipal Manager	2016/2017	67%	06%
2	Chief Financial Officer	2016/2017	68%	06%
3	Manager Social Services	2016/2017 (only for 4 months)	67%	06%
4	Deputy Manager DPU	2016/2017	71%	08%
5	Deputy Manager Social Services	2016/2017	65%	05%
6	Deputy Manager Finance	2016/2017	72%	08%
7	Chief Risk Officer	2016/2017	75%	10%
8	Assistant Manager: PMS	2016/2017	65%	05%
9	Assistant Manager Legal	2016/2017	65%	05%
10	Assistant Manager Transversal	2016/2017	79%	12%
11	Assistant Manager Youth	2016/2017	70%	07%
12	Assistant Manager : Water and Sanitation	2016/2017	66%	05%
13	Assistant Manager: Projects	2016/2017	70%	07%
14	Assistant Manager: MHS	2016/2017	66%	05%
15	Assistant Manager: Pollution	2016/2017	71%	08%
16	Assistant Manager Fire and Rescue	2016/2017	66%	05%
17	Assistant Manager Budget	2016/2017	65%	05%
18	Assistant Manager Treasury	2016/2017	67%	06%
19	Account	2016/2017	65%	05%
20	Sub-account	2016/2017	66%	05%
21	Internal Auditor	2016/2017	65%	05%
22	Senior Internal Auditor	2016/2017	70%	07%
23	Internal Auditor	2016/2017	67%	06%
24	Risk Officer	2016/2017	74%	09%
25	PMS Coordinator	2016/2017	68%	06%
26	Technician	2016/2017	68%	06%
27	Technician	2016/2017	68%	06%
28	Youth Coordinator	2016/2017	67%	06%
29	HIV Coordinator	2016/2017	67%	06%



## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### 4.5 SKILLS DEVELOPMENT AND TRAINING

<b>Skills Matrix</b>					
<b>Management level</b>	<b>Gender</b>	<b>Number of skilled employees required and actual as 2017/2018</b>			
		<b>Learnerships</b>	<b>Skills programmes &amp; other short courses</b>	<b>Other forms of training</b>	<b>total</b>
		<b>2017/2018</b>	<b>2017/2018</b>	<b>2017/2018</b>	<b>2017/2018</b>
MM and s57	Female	1	1	1	3
	Male				0
Councillors, senior officials and managers	Female	1	4	3	8
	Male	1	3	1	5
Technicians and associate professionals*	Female	2	1	1	4
	Male	1		1	2
Professionals	Female	2	1	4	6
	Male		1	1	2
Sub total	Female	6	7	9	22
	Male	2	4	3	9
<b>Total</b>		<b>8</b>	<b>11</b>	<b>12</b>	<b>31</b>

T 4.5.1

Management level	Gender	2017/2018 Skills Development Expenditure							
		Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	R32,550	R32,550	R100,000		R92,000	R91,040	R224,550	R123,590
	Male								
Legislators, senior officials and managers	Female	R30,500	R30,500	R155,000	R151,250	R96,000	R95,805	R281,500	R277,555
	Male	R32,550	R32,550	R150,000	R146,496	R11,000	R10,255	R193,500	R189,301
Professionals	Female	R65,100	R65,100	R35,000	R33,410	R164,000	R163,510	R264,100	R262,020
	Male					R30,000	R28,750	R30,000	R288,750
Technicians and associate professionals	Female	R90,000	R87,888	R45,000	R42,526	R13,000	R12,500	R148,000	R142,914
	Male	R25,000	R22,788			R24,000	R23,330	R49,000	R46,118
Clerks	Female	R250,000	R247,500	R300,000	R288,030	R58,000	R57,586	R608,000	R593,116
	Male	R83,000	R82,500	R45,000	R41,040	R12,100	R12,085	R140,100	R135,625
Service and sales workers	Female			R75,000	R72,857	R45,500	R45,030	R120,500	R117,887
	Male			R100,000	R97,140			R100,000	R97,140
Plant and machine operators and assemblers	Female								
	Male			R5,500	R5,290	R17,000	R16,110	R22,500	R21,400
Elementary occupations	Female								
	Male								
Sub total	Female	R468,150	R463,538	710000	588073	R468,500	R465,471	R1,646,650	R1,517,082
	Male	R140,550	R137,838	300500	289966	R94,100	R90,530	R535,100	R518,334
Total		R608,650	601376	1010500	878039	R562,600	R556,001	R2,181,750	R2,035,416

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

Employee expenditure is budgeted for in accordance with the approved organogram and each department head is responsible for managing budget relating to workforce expenditure. Skills gap are early identified through a work skills plan approved by Council which ensures that employees are performing their competency level.

#### 4.6 EMPLOYEE EXPENDITURE

**Note:**This information contained in the Annual financial statement

Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
None	None	None

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reasons for deviation
None	None	None	None	None

### DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by senior managers concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix H**.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

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

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

### ACCOUNTING AND REPORTING

The municipality has the necessary financial-related policies approved by Council and these policies are reviewed annually. The implementation of this policies assist in ensuring compliance with the Standards of Generally Recognized Accounting Practices (GRAP).

The annual financial statements are prepared internally in terms of GRAP. The annual financial statements were reviewed by management and internal audit before submission to Audit Committee, for final review. The high standards of accounting and reporting practices by the municipality has attribute to the municipality achieving its 3<sup>rd</sup> “clean” audit.

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### 5.1 FINANCIAL OVERVIEW

The financial objective of the municipality is to secure sound and sustainable management of the financial affairs of the municipality and to assist the six local municipalities to be financially viable.

Critical functional areas for the district municipality amongst others include improvement of audit outcomes, effective financial management, fully functional internal audit units and audit committees, high vacancy rate in key positions, declining growth in the Regional Services Council Replacement Grant, increase in operational expenditure, which negatively impacts on the allocations to local municipalities.

Issue 3 of the IDP relates to financial viability and includes projects that contributed to the financial viability of the district and local municipalities.

The District is a pilot site for the new mSCOA regulations and successfully implemented the mSCOA for the 2017/18 financial year starting from 1 July 2015. 2017/18 are the third year of implementation of mSCOA. It has indeed been challenging as the mSCOA chart has been changing with every new version release of the mSCOA by National Treasury. The District has finalised and prepared the annual financial statements for 2017/18 on version 6.1 from 5.4 of mSCOA for the 2016/17 financial year. Items were reclassified in terms of the mSCOA classification regulations in 2017/18. Amongst others the items of Property, plant and equipment and some employee related cost has been reclassified.

## STATEMENT OF FINANCIAL PERFORMANCE

The 2017/2018 budget of the Nkangala District Municipality was approved by Council on the 31 May 2017 under item DM 414/05/2017. The roll over budget was approved 24 August 2017 under DM-ND 35/08/2017. An adjustment budget was approved on the 28th of February 2018 under item DM-ND 226/02/2018. Herewith is commentary on the financial results.

The total revenue of the municipality increased from R387,905 million (2016/17) to R391,394 (2017/18) million and indicate a positive outcome over the R374,525 million budgeted for the 2017/18 financial year.

Revenue from exchange transactions amounts to R42,478 million, whilst the revenue from non-exchange transactions amounts to R348,916 million of which the major portions is from government grants and subsidies. The municipality is highly dependent on the RSC Replacement Grant that shows a deterioration growth rate year on year.

Indicative allocations published in Division of Revenue Act (DORA) point to an increase in the RSC Levy Replacement Grant.

The outlook for the next financial year is that the total revenue will increase compared to the year under review.

The total expenditure increased with 10.44% from R364.051 million (2016/17) to R401,996 million (2017/18) compared to the budgeted operating expenditure of R418,816 million (2017/18). Transfers and subsidies to local municipalities are the main driver of the expenditure of the District

The municipality realised a deficit of R10,602 million 2017/18 compared to the surplus of R23,854 million 2017/18 as a result of the additional measures that were introduced to speed up project expenditure.

Financial Performance of Operational Services							R '000
Description	Year 2016/2017	Year 2017/2018			Year 2017/2018 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Planning	149 489	112 811	157 765	167 582	48.55%	6.22%	
Local Economic Development	13 487	10 530	15 367	11 959	13.57%	-22.18%	
Component B: sub-total	162 977	123 340	173 132	179 541	45.57%	3.70%	
Community & Social Services	29 630	26 823	27 710	27 213	1.45%	-1.79%	
Environmental Protection	1 288	3 110	2 933	1 955	-37.12%	-33.33%	
Health	21 402	27 327	27 990	24 935	-8.75%	-10.91%	
Security and Safety	20 498	34 541	32 514	31 549	-8.66%	-2.97%	
Sport and Recreation							
Corporate Policy Offices and Other	(259 648)	(216 818)	(219 987)	(254 592)	17.42%	15.73%	
Component D: sub-total	(186 830)	(125 018)	(128 840)	(168 939)	35.13%	31.12%	
<b>Totam Expenditure</b>	<b>(23 854)</b>	<b>(1 677)</b>	<b>44 291</b>	<b>10 602</b>	<b>-732.07%</b>	<b>-76.06%</b>	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each						T 5.1.2	

## 5.2 GRANTS

Grant Performance							R' 000
Description	Year 2016/2017	Year 2017/2018			Year 2017/2018 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
National Government:	337 235	344 488	344 488	344 488	0.00%	0.00%	
Equitable share	333 667	19 402	19 402	19 402	0.00%	0.00%	
Municipal Systems Improvement Department of Water Affairs							
Levy replacement		319 654	319 654	319 654	0.00%	0.00%	
Local Government SETA							
Other transfers/grants (Finance Management Grant)	1 250	1 250	1 250	1 250	0.00%	0.00%	
Other transfers/grants (EPWP Incentive)	2 318	4 182	4 182	4 182	0.00%	0.00%	
Other grant providers:	193	-	-	-	0.00%	0.00%	
Public Donation	193	-	-	-	0.00%	0.00%	
<b>Total Operating Transfers and Grants</b>	<b>337 428</b>	<b>344 488</b>	<b>344 488</b>	<b>344 488</b>	<b>0.00%</b>	<b>0.00%</b>	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial</i>						<i>T 5.2.1</i>	

## 5.3 ASSETS MANAGEMENT

### PROPERTY, PLANT AND EQUIPMENT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2017/2018			
<b>Asset 1</b>			
Name	Dr JS Moroka Local Municipality- Fire Station		
Description	Construction of the New Moroka Fire Station		
Asset Type	Facilities		
Key Staff Involved	Mr. Jackson Skosana		
Staff Responsibilities	Acting General Manager: Technical Services		
Asset Value			2017/18
			R 44 688 054.27
Future Purpose of Asset	Emergency Services, fire and disaster		
Describe Key Issues	Asset to be donated to local municipality for operation and maintenance purposes		
<b>Asset 2</b>			
Name	Telephone system (VOIP)		
Description	Telephone system (VOIP)		
Asset Type	Intangible Assets		
Key Staff Involved	Mr. Alfred Maseko		

Staff Responsibilities	<b>Divisional Manager: ICT Services</b>			
Asset Value				<b>2017/18</b>
				<b>R 7 552 987.80</b>
Future Purpose of Asset	<b>ICT and paperless environment</b>			
Describe Key Issues				
Policies in Place to Manage Asset	<b>Asset management policy</b>			
<b>Asset 3</b>				
Name	<b>Regional water tanker</b>			
Description	<b>Regional water tanker</b>			
Asset Type	<b>Transport Asset</b>			
Key Staff Involved	<b>Mr. Jackson Skosana</b>			
Staff Responsibilities	<b>Acting General Manager: Technical Services</b>			
Asset Value				2017/2018
				<b>R 1 368 000.00</b>
Capital Implications				
Future Purpose of Asset	<b>To assist local municipalities with water emergencies</b>			
				<i>T 5.3.2</i>

#### 5.4 REPAIR AND MAINTENANCE EXPENDITURE

Repair and Maintenance Expenditure: Year 2016/2017				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	7 173	6 210	4 844	-22%
				<i>T 5.3.4</i>

Repair and Maintenance Expenditure: Year 2017/2018				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	16 341	15 136	12 812	-15%
				<i>T 5.3.4</i>

## 5.5 FINANCIAL RATIOS BASED ON THE KEY PERFORMANCE INDICATORS

### CURRENT RATIO

This ratio represents the ability of the municipality to pay short term obligations within the next 12 months.

	<b>Current assets</b>	<b>Current Liabilities</b>	
	<b>R million</b>	<b>R million</b>	<b>Ratio</b>
2016/17	573,356	60,672	9.45:1
2017/18	525,276	39,980	13.14:1

### ACID TEST

A stringent indicator that determines whether a company/institution has enough short-term assets to cover its immediate liabilities without considering inventory. Institutions with ratios of less than 1 cannot pay their current liabilities and should be looked at with extreme caution.

	<b>Current assets – Inventory</b>	<b>Current Liabilities</b>	
	<b>R million</b>	<b>R million</b>	<b>Ratio</b>
2016/17	470,262	60,672	7.75:1
2017/18	437,779	39,980	10.95:1

### SOLVENCY RATIO

This represents the ability of the municipality to pay both its long term and short term obligations.

	<b>Total Assets</b>	<b>Total Liabilities</b>	
	<b>R million</b>	<b>R million</b>	<b>Ratio</b>
2016/17	779,267	85,485	9.12:1
2017/18	746,567	63,386	11.78:1

### OTHER RATIOS

<b>Ratio</b>	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
Employee related cost / Total expenditure	30.70	29.81
Actual transfers and subsidies paid / Total expenditure	43.88	44.58
Actual transfers and subsidies paid / Total revenue	45.07	41.84.



## 5.6 CAPITAL EXPENDITURE

R million	Year 2017/2018				
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	29	25	21	-27.0%	-15.9%
	29	25	21	-27.0%	-15.9%
Operating Expenditure	372	419	402	8.2%	-4.0%
	372	419	402	8.2%	-4.0%
<b>Total expenditure</b>	<b>401</b>	<b>444</b>	<b>423</b>	<b>5.6%</b>	<b>-4.7%</b>

## 5.7 SOURCE OF FINANCE

Capital Expenditure - Funding Sources: Year 2016/2017 to Year 2017/2018							R' 000
Details	Year 2015/2016	Year 2016/2017					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans							
Public contributions and donations							
Grants and subsidies							
Other	34 803	29 385	25 498	21 447	-27.01%	-15.89%	
<b>Total</b>	<b>34 803</b>	<b>29 385</b>	<b>25 498</b>	<b>21 447</b>	<b>-27.01%</b>	<b>-15.89%</b>	
<b>Percentage of finance</b>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
<b>Capital expenditure</b>							
Other	34 803	29 385	25 498	21 447	-27.01%	-15.89%	
<b>Total</b>	<b>34 803</b>	<b>29 385</b>	<b>25 498</b>	<b>21 447</b>	<b>-27.01%</b>	<b>-15.89%</b>	
<b>Percentage of expenditure</b>							
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
						<i>T 5.6.1</i>	

## 5.8 CAPITAL SPENDING ON 5 LAGERST PROJECTS

Name of Project	Current: 2017/2018			Variance: Current 2017/2018	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
<b>Upgrading Marothobolong Bus and Taxi Route</b>	R22,223,789.54	R22,223,789.54	R20,909,385.52	5.91	5.91
<b>Community Hall Sakhelwe</b>	R15,554,699.51	R15,554,699.51	R15,549,868.22	0.03	0.03
<b>Bus Route Miliva</b>	R18,669,870.00	R18,669,870.00	R15,537,661.23	16.77	16.77
<b>Phola Park Vehicle Bridge</b>	R11,573,107.36	R11,573,107.36	R10,505,729.08	9.22	9.22
<b>KG Mall Road in Vosman</b>	R10,143,507.57	R10,143,507.57	R9,749 517.94	3.88	3.88
					<i>T 5.7.1</i>

### \* Projects with the highest capital expenditure in 2017/2018

<b>Name A</b>	<b>Upgrading of Marothobolong bus &amp; taxi route</b>
Description	Upgrading of Marothobolong bus & taxi route
Asset Type	Roads & Stormwater
Key Staff Involved	Mr. Jackson Skosana
Future Purpose of Asset	Access Road and easy mobility for transportation of passengers, goods and services to and from the Community
<b>Name B</b>	<b>Community Hall Sakhelwe</b>
Description	Community Hall
Asset Type	Facilities
Key Staff Involved	Mr. Jackson Skosana
Future Purpose of Asset	Improve service delivery
<b>Name C</b>	<b>Bus Route Miliva</b>
Description	Bus Route Miliva
Asset Type	Roads & Stormwater
Key Staff Involved	Mr. Jackson Skosana
Future Purpose of Asset	Access Road and easy mobility for transportation of passengers, goods and services to and from the Community
<b>Name D</b>	<b>Phola Park Vehicle Bridge</b>
Description	Phola Park Vehicle Bridge
Asset Type	Roads & Stormwater

Key Staff Involved	Mr. Jackson Skosana
Future Purpose of Asset	Access Road and easy mobility for transportation of passengers, goods and services to and from the Community
<b>Name A</b>	<b>KG Mall Road in Vosman</b>
Description	KG Mall Road in Vosman
Asset Type	Roads & Stormwater
Key Staff Involved	Mr. Jackson Skosana
Future Purpose of Asset	Access Road and easy mobility for transportation of passengers, goods and services to and from the Community

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

**See the attached Annual Financial Statement.**

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 CASH FLOW

#### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Proper cash flow management is a critical element to ensure the municipality meets its obligations. A stable positive cash flow balance relative to the growth of the municipality is a good indication of the municipality financial position and health. Cash flow projections are done on a monthly basis and cash.

Nkangala District Municipality's cash flow is daily monitored by the Finance Services. There is also monthly reporting to the Executive Mayor in the form of section 71 reports and quarterly reports to Council.

Cash Flow Outcomes				
R'000				
Description	Year 2016/2017	Current: Year 2017/2018		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	21 196	1 170	1 170	6 393
Government - operating	337 391	344 488	344 488	344 488
Government - capital	2 076	2 175	2 175	2 175
Interest	43 945	25 450	25 450	41 755
Dividends	-	-	-	-
<b>Payments</b>				
Suppliers and employees	(206 562)	(246 766)	(300 107)	(216 720)
Finance charges	(1 127)	(1 296)	(1 296)	(780)
Transfers and Grants	(162 301)	(112 095)	(163 463)	(176 411)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>34 617</b>	<b>13 126</b>	<b>(91 583)</b>	<b>900</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	282	-	-	34
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	(3 984)	(3 984)	(3 984)	(4 373)
<b>Payments</b>				
Capital assets	(34 803)	(29 385)	(25 498)	(21 621)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(38 505)</b>	<b>(33 369)</b>	<b>(29 483)</b>	<b>(25 959)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	1 500
Increase (decrease) in consumer deposits	-	-	-	-
<b>Payments</b>				
Repayment of borrowing	(3 353)	(3 303)	(3 303)	(3 409)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 353)</b>	<b>(3 303)</b>	<b>(3 303)</b>	<b>(1 909)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(7 241)</b>	<b>(23 546)</b>	<b>(124 368)</b>	<b>(26 968)</b>
Cash/cash equivalents at the year begin:	465 142	408 811	502 073	457 901
Cash/cash equivalents at the year end:	457 901	385 266	377 706	430 933
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

## 5.10 PUBLIC PRIVATE PARTNERSHIPS

District does not have Public Private Partnerships.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.11 GENERALLY RECOGNISED ACCOUNTING PRACTICES COMPLIANCE

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The following standards were applicable during the year under review:

Reference	Topic
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash generating assets
GRAP 23	Revenue from non-exchange transactions
GRAP 24	Presentation of budget
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash generating assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments

### 5.12 CREDIT RATING

The NDM final credit rating report completed by Global Credit Rating Co. in October 2017.

The credit ratings of municipalities are based on South African national scales. The highest grade in the long-term assessment is "zaAAA" and scales down from there to zaBBB – the lowest. Within each

of the levels a "+" or "-" sign indicates further relative strength or weakness. An "A" indicates relative strength and capacity to repay liabilities. The best short-term grades range from zaA1+ down to zaA1-. In view of the country's downgraded status the District was also downgraded as expected and overall I am satisfied with the grading given to the municipality.

The negative long term International rating scale of BB- of NDM is attributed to the sovereign rating of South Africa, and thus any movement in the sovereign rating would likely have a similar impact on NDM's international scale rating. Similarly, the Negative outlook accorded to NDM's international scale rating reflects the Negative outlook on the sovereign rating.

In summary, NDM credit rating analysis is as follows as a per credit rating report issued by Global Credit Rating Co.:

Rating class	Rating scale	Rating	Rating outlook
Long term	National	A(ZA)	Stable
Short term	National	A(ZA)	Stable
Long term	International	BBB-	Negative

The District is satisfied with the credit rating under the prevailing circumstances.

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

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

The Annual Financial Statements set out in Volume II is attached hereto.

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2016/2017

#### 6.1 AUDITOR GENERAL REPORTS 2016/2017

The success in obtaining the desirable audit outcome can be attributed to management commitment in addressing findings raised by Auditor General of the preceding audit and putting in preventative controls to ensure that same issues are not raised again in the next audit. Council has been instrumental in their oversight role to hold management accountable in addressing findings raised by Auditor General.

The District Municipality has maintained its status by obtaining an “UNQUALIFIED OPINION” without matters of emphasis (clean audit) for the 2016/2017 financial year.

The success in obtaining the desirable audit outcome can be attributed to management commitment in addressing findings raised by Auditor General of the preceding audit and putting in preventative controls to ensure that same issues are not raised again in the next audit. Council has been instrumental in their oversight role to hold management accountable in addressing findings raised by Auditor General. Below is the improvement in terms of the finding raised by Auditor General over the 3 financial years

FINANCIAL YEAR	AUDIT OUTCOME	No. OF ISSUES RAISED
2013/14	UNQUALIFIED	55
2014/15	CLEAN AUDIT	20
2015/16	CLEAN AUDIT	18
2016/17	CLEAN AUDIT	12
2017/18	UNQUALIFIED	40

## COMPONENT B: AUDITOR-GENERAL OPINION 2017/2018

### 6.2 AUDITOR GENERAL REPORT 2017/2018 FINANCIL YEAR

Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Nkangala District Municipality

Report on the audit of the financial statements

#### OPINION

1. I have audited the financial statements of the Nkangala District Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nkangala District Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of 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 of South Africa, 2017 (Act No. 3 of 2017) (Dora).

#### BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### EMPHASIS OF MATTERS

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

##### Restatement of corresponding figures

7. As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.



#### Irregular expenditure

8. As disclosed in note 39 to the financial statements, the municipality incurred irregular expenditure of R3 491 392, as it did not follow a proper tender process.

#### OTHER MATTER

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

#### Unaudited disclosure notes

10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

#### RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

#### AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

#### Report on the audit of the annual performance report

#### INTRODUCTION AND SCOPE

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected performance objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected performance objectives presented in the annual performance report of the municipality for the year ended 30 June 2018:

Performance objectives	Pages in the annual performance report
KPA 3 — local economic development	Page 123 to 127
KPA 5 — service delivery and infrastructure development	Page 134 to 157

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for these performance objectives:
- KPA 3 — local economic development
  - KPA 5 — service delivery and infrastructure development

## OTHER MATTERS

20. I draw attention to the matters below.

### Achievement of planned targets

21. Refer to the annual performance report on pages 100 to 162 for the information on the achievement of planned targets for the year.

### Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 3 — local economic development and KPA 5 — service delivery and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## INTRODUCTION AND SCOPE

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material findings on compliance with specific matters in key legislation are as follows:

### Annual financial statements, performance report and annual report

25. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected, which resulted in the financial statements receiving an unqualified audit opinion.

### Procurement and contract management

26. Some contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of supply chain management regulations 21 (b) and 28(1)(a) and the Preferential Procurement Regulations.

27. Some contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of preferential procurement regulation 4(1) and 4(2) of 2017.

28. Some bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by preferential procurement regulation 8(2) of 2017.

## OTHER INFORMATION

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected performance objectives presented in the annual performance report that have been specifically reported in this auditor's report.

30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected performance objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

32. I have nothing to report in this regard.

## INTERNAL CONTROL DEFICIENCIES

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
34. Management did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls.
35. Management did not develop and monitor the implementation of action plans to address internal control deficiencies.
36. Management did not implement controls over the daily and monthly processing and reconciling of transactions.
37. Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.

*Auditor-General*

Mbombela

30 November 2018



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## GLOSSARY

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

<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.

<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

No	Names	Mayor al comm	Counc il	Financ e	Soci al	Cor p	De v PI	Infr a	Rule s & Ethic s	LE D	MPA C	Tot al	Total Meeting s per Cllr	Percenta ge Councils meetings attendanc e	Percenta ge non attendanc e
1	Malatjie, LM	9	12	0	0	0	0	0	0	0	0	30	21	70	30
2	Ndinisa, SL	0	14	0	0	0	0	0	5	0	0	19	19	100	0
3	Boshomane, KJ	0	11	0	0	0	0	0	2	0	0	19	13	68	32
4	Bath, DJ	0	5	3	0	0	0	0	0	0	0	25	8	32	68
5	Bhamjee, M	0	13	0	0	10	0	0	0	0	0	27	23	85	15
6	Boshego, S	0	4	0	0	0	0	0	0	0	9	31	13	42	58
7	Chembe, D	0	13	0	0	0	0	12	0	0	0	25	25	100	0
8	Cronje, RE	0	14	0	0	0	0	4	0	0	0	18	18	100	0
9	Dikgale, LJ	11	12	0	0	0	0	7	0	0	0	41	30	73	27
10	Dyason, J	0	11	0	0	0	0	11	0	0	0	25	22	88	12
11	Fakude, DC	0	13	0	0	0	11	0	0	5	0	30	29	97	3
12	Fakude, T	0	13	10	0	0	0	0	0	0	0	25	23	92	8
13	Khumalo, LF	0	6	0	0	0	0	2	0	0	0	18	8	44	56
14	Lamola, BR	0	8	0	0	2	0	0	0	0	0	18	10	56	44
15	Legong, TB	0	12	0	0	0	4	0	0	0	0	18	16	89	11
16	Madileng, WT	0	4	0	0	0	0	0	0	0	0	9	4	44	56
17	Magagula, M	0	14	0	0	10	0	0	5	0	0	30	29	97	3



18	Mahlangu, A	0	13	0	0	0	0	0	0	11	0	25	24	96	4
19	Mahlangu, IM	0	12	0	0	0	0	0	0	5	0	19	17	89	11
20	Mahlangu, NJ	0	2	0	0	0	0	0	0	0	0	2	2	100	0
21	Mahlangu, SH	11	10	0	11	0	0	0	0	0	0	41	32	78	22
22	Mahlobogoa e, R C	15	12	0	0	11	0	0	0	0	0	41	38	93	7
23	Makhabane, EN	0	10	0	0	0	0	0	0	0	0	14	10	71	29
24	Makola, LM	0	10	3	10	0	0	0	0	0	0	29	23	79	21
25	Malahle, D	0	13	0	0	0	0	2	0	0	0	18	15	83	17
26	Malefane, P	0	6	0	0	2	0	0	3	0	0	23	11	48	52
27	Maraba, CL	1	2	0	0	0	0	0	0	1	0	4	4	100	0
28	Masemula, LC	0	6	0	0	0	0	2	0	0	0	18	8	44	56
29	Masilela, TS	11	11	0	0	0	6	0	0	0	0	38	28	74	26
30	Masina, MA	0	4	0	0	0	0	0	0	0	0	11	4	36	64
31	Mboweni, LM	0	12	4	0	0	0	0	0	0	0	18	16	89	11
32	Mhlanga, MT	0	8	0	3	0	0	0	0	9	0	29	20	69	31
33	Mnisi, ST	0	10	0	0	0	0	1	0	0	0	18	11	61	39
34	Mogola, SM	0	11	0	0	0	9	0	0	0	0	25	20	80	20
35	Mokoala, VD	0	12	0	4	0	0	0	0	0	0	18	16	89	11
36	Mokoena, SL	0	9	0	0	0	4	0	0	0	0	18	13	72	28
37	Moseri, PP	0	13	0	0	0	0	0	0	5	0	19	18	95	5
38	Motanyane, TE	0	10	0	0	0	0	0	0	0	11	31	21	68	32
39	Mthimunye, GT	12	11	10	0	0	0	0	0	0	0	41	33	80	20
40	Mtsweni, NS	0	11	0	0	0	0	0	0	0	0	14	11	79	21
41	Ndlovu, R	0	14	3	0	0	0	0	0	0	0	18	17	94	6
42	Ngwenya, TD	0	8	0	0	0	0	0	0	0	0	14	8	57	43

43	Ngwenya, XS	0	13	0	0	0	0	0	0	0	17	31	22	71	29
44	Nkadimeng, SL	0	5	0	3	0	0	0	0	0	0	18	8	44	56
45	Nkoane, MR	0	13	0	4	0	0	0	0	0	0	18	17	94	6
46	Nkosi, MS	12	10	0	0	0	0	0	0	9	0	39	31	79	21
47	Nkosi, NB	0	10	0	0	4	0	0	0	0	0	18	14	78	22
48	Nobela, MT	0	12	0	0	3	3	0	0	0	0	22	18	82	18
49	Ntshalintshali, LL	0	2	0	0	0	0	0	0	0	0	11	2	18	82
50	Selala, NH	0	10	0	0	0	3	0	0	0	0	18	13	72	28
51	Shabangu, MM	0	9	3	0	0	0	0	0	0	0	18	12	67	33
52	Shongwe, E	0	12	0	0	0	0	0	0	5	0	19	17	89	11
53	Sibanyoni, JM	0	10	0	0	0	0	0	0	0	16	31	26	84	16
54	Skhosana, DJ	0	13	0	0	0	0	0	0	0	12	31	25	81	19
55	Skosana, GJ	0	2	0	0	0	0	0	0	0	0	5	2	40	60
56	Tolo, BJ	0	3	0	0	0	0	0	0	0	0	3	3	100	0
57	Van Den Berg, EH	0	13	0	0	0	0	0	4	0	0	19	17	89	11
58	Weber, A M	0	11	3	0	0	0	0	0	0	0	18	14	78	22
59	Zandamela, S	0	8	0	0	3	0	0	0	3	0	23	14	61	39
60	Zondo, LJN	0	11	0	4	4	0	0	0	0	0	22	19	86	14

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Infrastructure and Service Delivery, Water, Sanitation, Electricity, Roads and Maintenance:	To play an advisory role to the <b>Mayoral Committee</b>
Planning, Agriculture, Public Safety and Transport:	To play an advisory role to the <b>Mayoral Committee</b>
Finance, Internal Audit and Risk:	To play an advisory role to the <b>Mayoral Committee</b>
Corporate Services Human Resources, Legal Services and Human Resources Development:	To play an advisory role to the <b>Mayoral Committee</b>
Local Economic Development, Human Settlement and Tourism, Rural Development & Agriculture:	To play an advisory role to the <b>Mayoral Committee</b>
Social Services, Disaster Management, Youth, Women, The Disabled, Sport, Arts & Culture, Health and Education:	To play an advisory role to the <b>Mayoral Committee</b>
Municipal Public Accounts Committee	Oversight over Executive function
Audit Committee	Oversight of financial reporting and disclosure, review of the work of internal Audit, the Risk Management system and Performance Management System
Budget Steering Committee	Assist the Executive Mayor to perform her responsibility in terms of section 53 of the MFMA with regards to budget processes and related matters

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Manager (State title, name and level of position)
Social Services	Mr VM Mahlangu (Manager)
	Ms SO Mahlangu (Divisional Manager)
	Mr Ramohale ( Divisional Manager)
	Ms L Mahlangu (Divisional Manager)
	Mr S Links (Divisional Manager)
	Ms Machete (Divisional Manager)
	Mr E Nkosi (Divisional Manager)
	Ms M Nembilwi (Divisional Manager)
Corporate Services	Mr T Segoane ( Manager)
	Mr NM Motshwene (Divisional Manager)
	Mr J Nhlapho (Divisional Manager)
	Mr D Masombuka (Divisional Manager)
	Mr A Mahlangu (Divisional Manager)
Technical Services	Mr J Skosana ( Manager)
	Mr T Mohlabane (Divisional Manager)
	Ms SM Tseka ((Divisional Manager)
Finance	Mr SK Mahlangu ( Manager)
	Ms L Prinsloo (Divisional Manager)
	Mr W Mapitsing (Divisional Manager)
	Ms S Mashaba (Divisional Manager)
Planning and Economic Development	Mr B Mathe ( Manager) Resigned on the 30 June 2018
	Mr T Mokgwadi (Divisional Manager) Resigned on the 31 July 2017
	Mr JP Mangani (Divisional Manager)
	Ms FM Maseko (Divisional Manager)
	Mr S Chiloane (Divisional Manager) Resigned on the 31 Decemeber 2017
Office of the Municipal Manager	Mr A Twala (CAE)
	Ms G Mogorosi (Divisional Manager)
	Mr B Matimba (Municipal Economist)
	Mr. ML Mahlangu (Senior legal Advisor)
	Ms N Maphanga (Divisional Manager)
	Ms T Lengwato (Municipal Accountant)
	Mr A Maseko (Divisional Manager)
	Mr P Baloyi (Chief Risk Officer)

## APPENDIX D – WARD REPORTING

WARD NAME	NUMBER OF WARD COUNCILLORS AND ELECTED WARD COMMITTEES	COMMITTEES ESTABLISHED YES/NO	NUMBER OF MONTHLY COMMITTEE MEETINGS HELD DURING THE YEAR	NUMBER OF MONTHLY REPORTS SUBMITTED TO THE SPEAKERS OFFICE	NUMBER OF QUARTERLY PUBLIC WARD MEETINGS HELD DURING THE YEAR
DRJSM	31/310	YES	6 /Bi-Monthly	12	6
THLM	32/320	YES	6 /Bi-Monthly	12	6
STLM	29/290	YES	6 /Bi-Monthly	12	6
VKLM	9/90	YES	6 /Bi-Monthly	12	6
EMAK	8/80	YES	6 /Bi-Monthly	12	6
EMAL	34/340	YES	6 /Bi-Monthly	12	6

**APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE  
2017/2018**

<b>Date of Committee</b>	<b>Audit Committee recommendations during 2017/2018</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
13 July 2017	Management should ensure that transferring of outstanding staff for municipal health is finalised	Yes
	Management should stick on the procurement plan and ensure that all projects are finalised	Not adopted There is only one project that is not finalised this financial year (Financial and non-financial support to SMME's in respect of Emalahleni Local Municipality and awaiting finalization of supply chain)
	Management should ensure standardization of contracts and rationalization of salaries is finalized	Yes
30 October 2018	Management should ensure that they implement all Internal Audit recommendations	Not adopted in progress <ul style="list-style-type: none"> <li>➤ Corporate Services</li> <li>➤ Finance</li> <li>➤ Social Services</li> <li>➤ Legal Services</li> </ul>
	There is insurance that date back to 2013 that needs to be finalized by management	Not adopted All parties have made written submissions to the Ombudsman and the Ombudsman has requested time to apply its mind on the parties written presentations and a determination would be forwarded all parties in due course
	Business continuity not monitored, the municipality should continue to monitor the current business continuity document while waiting for the finalization of the review of business continuity plan	Yes
03 November 2017	The position of municipal engineer should be prioritized and filled	Yes
	Audit committee requested management to finalise the issue of job evaluation standardization of employments contracts and rationalized salaries as that can will cause unhappiness with employees	Yes
29 January 2018	Management should ensure that the signing of performance contracts is finalised before the end of the financial year	Not adopted <ul style="list-style-type: none"> <li>➤ ICT</li> <li>➤ PED</li> </ul>
	Management should fast track the finalization of	Yes

Date of Committee	Audit Committee recommendations during 2017/2018	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	disciplinary cases	
	Management should adjust the targets during the adjustment of the SDBIP and budget	Yes
09 May 2018	Management must ensure that all Auditor General findings are resolved before the end of the financial year	Yes
	Records to ensure that all documents that all documents that were not submitted during the SCM audit are traced and resubmitted	Yes
	Proper contract management should be implemented	Yes
	Management must attend to issue of job evaluation as matter of urgency as the matter can demoralize employees and cause unhappiness	Yes
	Management should ensure that they implement all actions to mitigate operational and strategic risk as identified	Not adopted still in progress <ul style="list-style-type: none"> <li>➤ Social Services</li> <li>➤ Planning and Economic Development</li> <li>➤ Corporate services</li> <li>➤ Finance</li> <li>➤ Legal Services</li> </ul>
	Finalization of the EPWP reconciliations before the end of the financial year	Yes

## APPENDIX F – ANNUAL REPORT OF THE AUDIT COMMITTEE 2017/2018

### ANNUAL REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE

#### 1. Background

Nkangala District Municipality and some of its local municipalities namely Steve Tshwete Local Municipality, Emakhazeni Local Municipality, Victor Khanye Local Municipality and Thembisile Hani Local Municipality have opted for the shared Audit and performance Committee Services. The Audit committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The Audit committee has adopted its terms of reference.

#### Statutory requirements

Section 166 of the MFMA stipulates that each municipality must establish an Audit committee. The Audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and the staff of the municipality on the following:

- Internal financial control and internal audit;
- Risk management;
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management;
- Compliance with the MFMA, the Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation
- Any other issues referred to it by the municipality;
- Review annual financial statements so as to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, ect
- Respond to Council on any matter raised by the Auditor- General (AGSA); and
- Carry out such investigation into financial affairs of the municipality as may be prescribed

#### 2. Attendance of meetings

Name of the member	Ordinary meetings	Performance meetings	Total	Attendance
Mr. MA Mmapheto (Chairperson) (Resigned 31 January 2018)	4	3	7	0
Mr. VK Chuene (Member)	4	3	7	7
Mr. L Langalibalele (Member) (Contract expired 28 February 2018) (Appointed 1 March 2018)	4	3	7	6
Advocate L Thubakgale (Member) (Contract expired 28 February 2018)	4	3	7	4
Mr. M Mathabathe (Member)	4	3	7	7
Ms. F Mudau (Member) (Appointed 1 March 2018)	4	3	7	2



The following although not members of the Audit and Performance Committee (APC), have standing invitation to Audit and Performance committee meetings:

- The Accounting Officer;
- The Chief Financial Officer;
- The chairperson of the Risk committee
- The Section 56 Managers/Departmental Heads
- Chief Risk Officer
- The Auditor- General
- The National Treasury
- Mpumalanga Provincial Treasury
- Mpumalanga Department of Cooperative Governance
- South African Local Government Association (SALGA)
- Internal Audit (Secretariat function)
- Chairperson of Risk committee

### **3. Internal Audit**

The internal Audit of Nkangala is in-house and has discharge its mandate in terms of its charter and managed to execute all projects for 2017/18 financial year. The Audit and Performance Committee (APC) would like to commend the Council and management for the dedication in strengthening the Corporate Governance.

The Audit and Performance Committee (APC) is of the opinion that Internal Audit unit is operating effectively to meet its mandate and has considered the risk pertinent to the municipality in its audit plans. The following documents were approved by the Audit Committee and performance committee and recommended to Council for adoption

- Internal Audit charter
- Internal Audit methodology
- Three year rolling strategic and Annual Audit Plan
- Combined Assurance framework

The internal function also supported other local municipalities that were experiencing capacity problems. This was evident at Thembisile Hani Local Municipality and Emakhazeni local Municipality, Dr. JS Moroka Local Municipality, Victor Khanye and Emalahleni Local Municipality.

### **4. Effectiveness of Internal controls**

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances and this was evident with the investigation of irregular expenditure that was conducted by the Council during the year under review.

The following Internal audit reports are among others that were presented to the Audit Committee

- Audit of quarterly performance information;
- Expenditure Management;
- Supply Chain Management;
- ICT audit;
- Governance;
- Leave management;
- Local Economic development; and

- Leave management
- Budget management

There has been improvement by management in responding to internal audit reports and this can be attributed to measures that have been implemented by the Accounting officer. Audit committee has also urged management to draw up action plan to address issues raised by the Auditor- General in the management letters and audit report and to ensure that all matters have been raised by the Auditor General are resolved by Management.

#### **5. Risk Management**

The municipality has an effective risk unit that consist of two staff members and Risk management, anti-fraud and anti-corruption committee that is chaired by the chairperson of Risk management, anti-fraud and anti-corruption.

Five (5) risk committee meetings were held for the year under review

The following policies were reviewed

- Risk Management strategy
- Risk Management policy
- Whistle blowing policy
- Fraud Prevention Plan and Fraud Prevention policy
- Risk Management Anti-corruption and Anti-fraud risk charters
- Fraud prevention plan and fraud prevention policy
- Risk appetite

#### **6. Performance Management**

Management has cascaded performance up to level five and plans have been put in place to cascade performance to other levels as well.

The Audit committee has reviewed the Annual Performance Information report in the meeting held on the 27 August 2018 and performance department has shown significant improvement

#### **7. Year- end reporting**

The Audit and Performance Committee (APC) has reviewed the Annual Performance Information report before the report was submitted to the Auditor-General and the quality of the quarterly reports submitted by management during the year were of acceptable standard.

#### **8. Evaluation of annual financial statements**

The Audit and Performance Committee (APC), on its meeting held on the 27 August 2018 to discuss the draft annual financial statements and unaudited annual report with the Accounting Officer, before submitting to the Auditor General.

The Audit committee wishes to indicate that it performed a review on the financial statements focusing among others:

- Significant financial reporting adjustments and estimates contained in the Annual Financial Statements
- Clarity and completeness of disclosures has been set properly

- Quality and acceptability of and any changes in accounting policies and practice.
- Significant adjustments arising from the audit
- Reasons for major year to year fluctuations

The Audit and Performance Committee (APC) has:

- Further reviewed the audited financial statements to be included in the Annual Report with the Accounting Officer.
- Reviewed the Auditor General Management report and management response thereof
- Reviewed the municipality compliance with legal and regulatory provision and;
- Reviewed significant adjustments resulting from the audit.

The Audit and Performance Committee (APC) concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements be accepted and read together with the report of th Auditor-General.

### **9. Conclusion**

The Audit and Performance Committee (APC) acknowledges the co-operation and assistance by the Nkangala District Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer and management of Nkangala District Municipality in strengthening corporate governance and working in maintaining the clean audit.

The Audit and Performance Committee (APC) further acknowledge the commitment and the foundation on good governance that has been laid by the previous Honorable Executive mayor Councillor L Malatjie and the current Honorable Executive mayor Councillor T Masilela and her Council and further express gratitude to the Chief Audit Executive, Mr. AD Twala and his staff for the support and commitment to the work of the Audit and Performance Committee.

The Chairperson of the Audit and performance committee (APC) remain confident that all matters that have been raised by the Internal Audit and Auditor General are receiving due consideration and intervention. We are committed to fully execute our oversight function to strengthening corporate governance.



**MS. F MUDAU**  
**CHAIRPERSON OF AUDIT AND PERFORMANCE COMMITTEE**

# APPENDICES

## APPENDIX G – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

### 2017/2018 REPORT ON THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

This section serves to evaluate the Service Provider's performance in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope. The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is as follows:

5	Excellent	Completion of the project before the scheduled time and within budget
4	Good	Completion of project within time frame and budget
3	Average	Completion of project within time frame but outside the allocated budget or vice versa
2	Below Average	Failure to complete the project
1	Unacceptable	Failure to commence with the project

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## LEGAL SERVICES DEPARTMENT

Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)
Timmut Connect CC	53039 – Contract Management Software	06/12/17	36 months	NDM	01/03/18	28/02/2021	Software installed and training conducted. Linking the system to Munsoft by 30/09/18.	None	None	New	4
Terblanche Pistorius Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	X2 High Court Matters on going.	None	None	New	4
Ngoato & Partners Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	Instructions completed	None	None	New	5
Mmela Mtsweni Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	X2 High Court Matters on going.	None	None	New	4
Mnisi Nyembe Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	Instructions completed	None	None	New	5

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Maphanga Essa Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	Instructions completed	None	None	New	5
Adendorff Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	X1 High Court Matters on going.	None	None	New	4
Nkgadima Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	Instructions completed	None	None	New	5
Mohube Setsoalo Attorneys	504 – Panel of Legal Service Providers	10/02/17	36 months	NDM	02/03/17	28/02/2020	X1 High Court Matters on going.	None	None	New	4
<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>											
Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)
Zambezi Accounting Pty Ltd	52393 - Training of Learners on Agri-Seta Learnership – Plant Production	20/10/17	12 months	NDM	01/01/18	31/01/19	In progress	None	None	New	4
Messrs Plan & Associates	Development of Municipal Vision 2040 and Strategy	13/12/17	6 months	NDM	01/12/17	30/06/2018	In progress	None	None	New	4

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WAG Consulting	34377 - Professional Service Provider Training to 80 Learners of Security PRISA	20/10/17	12 months	NDM	01/02/18	31/01/19	In progress	None	None	New	2
Mpisana Properties	Supply and Installation of Tools and Equipment	01 Novemeber 2017	6 months	NDM	10/01/18	30/06/18	Completed	None	None	New	3
Milestone Reflex (Pty) Ltd	Supply and Installation of Tools and Equipment	01 Novemeber 2017	6 months	NDM	10/01/18	30/06/18	Completed	None	None	New	3
Limco Consulting & Management (Pty) Ltd	52392 - Implementation of EPWP Media, Information & Communication Technology Sector Education & Training Authority Learnership	20/03/18	12 months	NDM	01/05/18	30/04/19	In progress	None	None	New	4
Harvest Chartered Accountants Inc	7980/16 - Establishment of the Financial Model for Nkangala economic Development Agency	21/02/18	6 months	NDM	21/02/18	31/07/18	In progress	Variation requested but the value thereof is yet to be determined.	To discuss the reasons for variation and the variation amount with Service Provider.	New	4

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Ntuli/Aluna JV	Development of Township Economy Strategy in Nkangala District Municipality	03/10/17	6 months	NDM	03/10/17	31/05/18	Completed	None	None	New	5
Ncele Development Consultants	Integrated Green Economy Solutions in Nkangala District Municipality	20/03/18	12 months	NDM	01/04/18	30/06/19	In progress	None	None	New	4
<b>PERFORMANCE MANAGEMENT UNIT</b>											
Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)
IGSS	Supply Installation, Support and Maintenance of a Performance Management System	11/08/17	36 months	NDM	01/09/17	31/08/2020	In progress	None	None	New	4
<b>INFORMATION COMMUNICATION TECHNOLOGY UNIT</b>											



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Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)
Dot 1Q (Pty) Ltd		17/07/17	2 months	NDM	24/07/17	05/09/17	Completed	None	None	New	5
PMH IT Management & Services (Pty) Ltd	Master Systems Plan	01/04/17	6 months	NDM	4/04/17	30/06/18	Completed	None	None	New	3
Matupunuka ICT (Pty) Ltd	Support & Maintenance of VOIP Telephone	01/08/2017	36 months	NDM	01/10/2017	30/09/2020	In progress	None	None	New	5
Matupunuka ICT (Pty) Ltd	Support and Maintenance of Network and a DRRS Platform.	01/08/17	36 months	NDM	01/08/17	31/07/2020	In progress	N/A	None	New	4
<b>SOCIAL SERVICES DEPARTMENT</b>											
Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)
Ncele Logistics & Projects (Pty) Ltd	Development of Nkangala District Municipality Regional Freedom Park Social Study	15/02/18	6 months	NDM	01/12/2016	01/06/17	In progress	None	Service Provider to review the report based on the comments made by Council and resubmit.	New	3

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Wessuny Trading Enterprises	7807/15 – Supply and Delivery of the Uniform & PPE	04/04/17	36 months	NDM	04/04/17	04/04/20	In progress	None	None	New	5
IBL Fire Fighting Equipment	52386 - Supply, Delivery and Registration of a Hazmat Response Vehicle	30/09/17	32 weeks	Emalahleni	30/09/17	05/02/18	Completed	None	None	New	5
Simunye Fleet Management	7807/15 - Feasibility Study on the Installation of Two Way Radio Communications	22/05/17	6 months	NDM/Dr. JS Moroka & Thembisile Hani	22/05/17	30/11/17	Completed	None	None	New	5
Rescue Tool Guys (Pty) Ltd	Supply & Delivery of Rescue Tools	28/02/18	6 weeks	Dr. JS Moroka/The mbisile	15/11/17	15/11/18	Completed	None	None	New	4
Hlophe Njabulo Trading Enterprises	Supply & delivery of Office Furniture	26/10/17	60 days	Dr. JS Moroka fire Station	26/10/17	26/12/17	Completed	1 Month Extension was afforded to the Service Provider	None	New	5
Afri-Infra (Pty) Ltd	7976/16 – Feasibility Study on Fire Hydrants	25/10/16	3 months	NDM	25/10/16	Oct 2017	Completed	Extension was granted to the Service Provider due to reasons beyond the Service Provider	None	New	4

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Mega Works Trading Enterprises	Supply & Delivery of protective clothing and branding material for Nkangala district Municipality Health services and Environmental Management	30/05/17	36 months	NDM	02/06/17	02/06/20	In progress	None	None	New	3
KT Industrial (Pty) Ltd	530 - Supply & delivery of Disaster Relief Tents	02/10/17	3 months	NDM	05/10/17	05/02/18	Completed	None	None	New	5
Aurecon SA	7973/15 – Repair & maintenance of NDM Disaster Management Centre	23/03/15	36 months	NDM	23/03/15	31/03/18	Completed	None	None	4	5
MPA Dynamics	15932 – Development of Emakhazeni Local municipality integrated Youth Development Strategy	30/08/17	6 months	NDM	01/09/18	28/02/18	Completed	None	None	New	4

INTERNAL AUDIT UNIT

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Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)
PWC	023836 – Customization of Team Mate System	12/07/17	5 days	NDM	24/07/17	28/07/17	Completed	None	None	New	5
MNB Chartered Accountants	25433 – ICT Audit	07/08/17	2 months	NDM	01/03/18	08/05/18	Completed	None	None	New	4
MNB Chartered Accountants	25433 – SCM Audit	07/08/17	2 months	NDM	01/03/18	08/05/18	Completed	None	None	New	4
QA Auditors	25383 – SCM Audit	07/08/17	2 months	NDM	09/01/18	28/02/18	Completed	None	None	New	4
QA Auditors	25383 – ICT Audit	07/08/17	2 months	NDM	09/01/18	28/02/18	Completed	None	None	New	4
<b>TECHNICAL SERVICES DEPARTMENT</b>											
Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)

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Nqondonqondo Business enterprises	Installation of Internal sewer reticulation infrastructure at Gugulethu	18/01/18	8 months	Emakhazeni	16/02/18	16/10/18	In progress	None	None	New	5
Nqondonqondo Business enterprises	1209/14 Sewer pipeline: Kgomo Street	27/09/16	16 weeks	Victor Khanye	12/10/16	10/12/19	In progress	None	None	3	3
Shwings Construction & projects	34418 – Building of NDM Garage at Civic Centre	24/01/18	8 months	NDM	07/03/18	08/11/18	In progress	None	None	New	4
Ntulilinah Construction	4151/16 – Replacement of asbestos pipes in Siyabuswa – Phase 2	21/11/17	6 months	Dr. JS Moroka	06/02/18	06/07/18	In progress	None	None	New	4
Milestone Reflex (Pty) Ltd	7979/16 – Business Creation & expansion SMME (Youth) for NDM	16/01/18	4 months	NDM	06/02/18	08/06/18	In progress	Extension of time granted	Revised completion date is now 08/09/18	New	3
Qhubekelapha mbile Construction & projects	Installation of internal water reticulation at Gugulethu	18/01/18	8 months	Emakhazeni	22/02/18	22/10/18	In progress	None	None	New	4
Khuhlaza Alfred JV Mpisana Properties	Installation of pre-paid meters in Dullstroom	26/06/17	8 months	Emakhazeni	26/06/17	26/02/18	In progress	None	None	New	5
Nqondonqondo Business Enterprises	670/16 KG Mall Road in Sinqobile	28/11/16	6 months	Emalahleni	24/01/17	24/10/17	Completed	Extension of time requested	Completion date revised to be 28/05/18	4	3

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Asiam JV Trading CC	Upgrading of WWTW in Thubelihle (Kriel Ext & Community of Ga-Nala)	03/03/17	12 months	Emalahleni	09/04/17	09/04/18	In progress	Extension of time requested	Completion date revised to be 31/08/18	4	4
Hard Target Trading no. 5	Upgrading of Water Treatment Plant Dullstroom	12/09/16	20 weeks	Emakhazeni	05/10/16	17/03/17	Completed	Extension of time requested	Completion date revised to 05/05/17	3	5
Vuka Magagula & Emakhazeni JV	Upgrading of Waste water Treatment Plant Dullstroom	13/06/16	6 months	Emakhazeni	02/08/17	03/03/17	Completed	None	None	New	5
KJM Business Enterprises	34415 – Construction of Sakhelwe Community Hall	25/08/17	12 months	Emakhazeni	13/09/17	19/10/18	In progress	None	None	New	4
JT Sihlangu Construction	6241/17 – Upgrading of Pap N Vleis Sewer	06/09/17	08 months	Emalahleni	16/09/17	30/06/18	In progress	Extension of time requested	3Completion date revised to 1/08/18	New	4
Ramotila Construction	34419 – Bulk Water supply from Phola to Wilge	12/07/17	12 months	Emalahleni	16/08/17	31/08/18	In progress	None	None	New	4
<b>CORPORATE SERVICES DEPARTMENT</b>											
Service Provider	Project	Appointm ent Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/201 7 Score (1-5)	2017/201 8 Score (1-5)

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Conew Supply & Services	Routine Horticultural & Gardening Maintenance for the Nkangala District Municipality & Thembisile Hani Fire Station	01/09/2017	36 months	NDM/Thembi sile	04/01/16	03/01/20	In progress	None	None	4	4
Jabela Construction	Maintenance of Emergency Vehicles	11/07/17	36 months	NDM	11/07/17	11/07/20	In progress	None	None	New	5
NBC Holdings	7975/17 Employee Wellness	10/07/17	36 months	NDM	10/07/17	30/06/20	In progress	None	None	4	3
Wenzile Phaphama	Provision of Security Services	29/03/17	36 months	NDM	01/04/16	31/03/19	In progress	None	None	4	4
Trenditrade 21 (Pty) Ltd t/a Nashua Mpumalanga	Provision of photo copy machines	01/4/2018	36 months	NDM	01/4/2018	31/3/21	In progress	None	None	New	4
Power Development services	Maintenance of Generators	01/01/17	36 months	NDM	01/07/17	31/12/2019	In progress	None	None	New	4
Vukani Site Maintenance	Office Building maintenance	16/01/15	36 months	NDM	16/01/15		In progress	None	None	New	4
Nomaswazi construction & Projects	Cleaning of NDM Offices	01/05/17	36 months	NDM	01/05/17	30/04/20	In progress	None	None	New	4

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Shellard Media Audio Visual Projects (Pty) Ltd	Maintenance of Audio Visual System	10/01/17	36 months	NDM	10/01/17	10/01/2020	In progress	None	None	New	4
Molempe Protection Services	Maintenance of Smoke & Fire Detectors	01/04/17	24 months	NDM	01/04/17	31/03/19	In progress	None	None	New	3
Marota Air-conditioning & Projects	01107 - Maintenance of Air-conditioners	12/09/16	36 months	NDM	12/09/16	12/09/2019	In progress	None	None	New	4
Siyakhula Elevators	Special Lift Maintenance	17/05/17	36 months	NDM	17/05/17	16/05/20	In progress	None	None	New	4
Otis (Pty) Ltd	Service and maintenance of ordinary lifts	11/12/16	36 months	NDM	11/12/16	11/12/19	In progress	None	None	New	4
MWG Business Solutions	Installation Support and Maintenance of Access Control and Security System	01/08/17	36 months	NDM	01/08/17	10/08/2020	In progress	None	None	New	4
Management Integrity Evaluation (Pty) Ltd	Employee vetting services	30/09/17	12 months	NDM	18/10/18	30/09/18	In progress	None	None	New	4
<b>FINANCIAL SERVICES DEPARTMENT</b>											
Service Provider	Project	Appointment Date	Contract Period	Locality	Start Date	End Date	Progress By 30 June 2018	Reasons For Variations If Any	Corrective Actions	2016/2017 Score (1-5)	2017/2018 Score (1-5)



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Whoodoo Media Advertising & Advertising Services	Advertising Services	12/04/17	36 months	NDM	12/04/17	12/10/20	In progress	None	None	New	4
Magauta Recruitment & Placement Solutions	Advertising Services	12/04/17	36 months	NDM	12/04/17	12/10/20	In progress	None	None	New	4
Basadzi Media & Personnel	Advertising Services	12/04/17	36 months	NDM	12/04/17	12/10/20	In progress	None	None	New	4
City of Choice	Travelling and Accommodation Services	01/12/17	36 months	NDM	01/12/17	30/11/20	In progress	None	None	New	4
Lateral Unison	Insurance services	01/07/17	36 months	NDM	01/07/17	30/07/20	In progress	None	None	New	4
Protea Consulting Inc	Preparation of Financial Statements	24/05/17	6 months	NDM	01/06/17	30/11/17	In progress	None	None	New	4
Uhhiya t/a Fast Moving Trading	Assistance with revenue and SCM solutions system	17/08/17	36 months	NDM	17/08/17	01/09/20	In progress	None	None	New	4
Munsoft (Pty) Ltd	Implementation and support on the Integrated financial Management & Internal Control System	28/06/17	12 months	NDM	01/07/17	30/06/18	In progress	None	None	New	4

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## APPENDIX H – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interest		
Period 1 July 2017 to 30 June 2018		
Position	Name	Description of Financial interests* (Nil / Or details)
Municipal Manager	Ms. M.M. Skosana	Alurod PTY LTD
Chief Financial Officer	Ms. A.L. Stander	Alre Jewelary And Gifts, Sanlam (shareholder) and Pretorius Trust
Other S57 Officials	Ms. N Ngwenya	Nomah Divine Trading Services
	Mr AM Matjiya	Diphale Development PTY (LTD), R37 Trading and Project , and PKT Civil work construction & project management
	Mr. J Skosana	None
	Ms	UMEC
* Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A TJ		

## APPENDIX I: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX I (i): REVENUE COLLECTION PERFORMANCE BY VOTE AND SOURCES

See detailed report on the Annual Financial Statement. The district Municipality Does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

### APPENDIX I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

See detailed report on the Annual Financial Statement. The district Municipality Does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

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## APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Grant Performance							R' 000
Description	Year 2016/2017	Year 2017/2018			Year 2017/2018 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	337 235	344 488	344 488	344 488	0.00%	0.00%	
Equitable share	333 667	19 402	19 402	19 402	0.00%	0.00%	
Municipal Systems Improvement							
Department of Water Affairs							
Levy replacement		319 654	319 654	319 654	0.00%	0.00%	
Local Government SETA							
Other transfers/grants (Finance Management Grant)	1 250	1 250	1 250	1 250	0.00%	0.00%	
Other transfers/grants (EPWP Incentive)	2 318	4 182	4 182	4 182	0.00%	0.00%	
<b>Other grant providers:</b>	193	-	-	-	0.00%	0.00%	
<i>Public Donation</i>	193	-	-	-	0.00%	0.00%	
<b>Total Operating Transfers and Grants</b>	337 428	344 488	344 488	344 488	0.00%	0.00%	
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial</i>							<i>T 5.2.1</i>

## APPENDIX K: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

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Capital Expenditure - Funding Sources: Year 2016/2017 to Year 2017/2018							R' 000
Details	Year 2015/2016	Year 2016/2017					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans							
Public contributions and donations							
Grants and subsidies							
Other	34 803	29 385	25 498	21 447	-27.01%	-15.89%	
<b>Total</b>	<b>34 803</b>	<b>29 385</b>	<b>25 498</b>	<b>21 447</b>	<b>-27.01%</b>	<b>-15.89%</b>	
<i>Percentage of finance</i>							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
<b>Capital expenditure</b>							
Other	34 803	29 385	25 498	21 447	-27.01%	-15.89%	
<b>Total</b>	<b>34 803</b>	<b>29 385</b>	<b>25 498</b>	<b>21 447</b>	<b>-27.01%</b>	<b>-15.89%</b>	
<i>Percentage of expenditure</i>							
Other	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
						<i>T 5.6.1</i>	

Not applicable – the Nkangala District Municipality's capital expenditure is only linked to assets used for operations and excluding infrastructure assets. All the infrastructure assets through capital projects implementation, is capitalise by the local municipalities.

## APPENDIX L CAPITAL PROGRAMME BY PROJECT

Not applicable.

## APPENDIX M: CAPITAL PROGRAMME BY PROJECT BY WARD

Not applicable.

## APPENDIX N: DECLARATION OF LOANS AND GRANDS MADE BY MUNICIPALITY

See detailed report on the Annual Financial Statement.

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NKANGALA MUNICIPALITY							
APPENDICES: O AG REMEDIAL ACTION PLAN							
Audit outcome 2017/2018:							
Unqualified with matters							
No	Category / Key area	Focus area (Finding)	Root cause of non-compliance / Internal control deficiencies	Action plans to be taken	Due date	Responsible person	Monitoring Mechanism / Person
1	<b>Accrued interest on call investments not accounted for in the afs and the GL.</b>	During the audit of Cash and Cash Equivalents, it was noted that the Accrued interest on the CALL accounts were not accounted for in the Annual Financial Statements submitted for the audit and on the	Management did not take the necessary precautions and establish controls of reviews AFS against the investment register to ensure that all the accrued interest on CALL accounts included in investment register are also included in AFS during the review of AFS	1. Reviews AFS against the investment register to ensure that all the accrued interest on CALL accounts included in investment register are also included in AFS during the review of AFS	30-Jun-19	Manager Finance	CFO

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		General Ledger.					
				2. Meeting with the banks to clarify the matter of submission bank confirmation certificates.	30-Jun-19	Manager Finance	CFO
2	<b>Incorrect short-term investment accounts number disclosed in afs</b>	During the audit of Cash and Cash Equivalents, it was noted that the listed below short-term investment accounts numbers and balance disclosed in note no.8.2 could not be confirmed by the bank confirmation as correct bank account.	Management did not take the necessary precautions and establish controls of reviews AFS against the investment register to ensure that all the short-term investment accounts numbers and balance included in investment register are correctly transferred to AFS.	Review AFS against the investment register to ensure that all the short-term investment accounts numbers and balance included in investment register are correctly transferred to AFS.	30-Jun-19	Manager Finance	CFO

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3	<b>Long term investment included in cash and cash equivalent note</b>	During the audit of Cash and Cash Equivalents, it was noted that the long term investment was included in disclosed note no.8.2 of Cash and Cash Equivalents	Management did not take the necessary precautions and establish controls of reviews AFS against the investment register to ensure that all the short-term investment accounts numbers and balance included in investment register are correctly transferred to AFS.	Review AFS against the investment register to ensure that all the short-term investment accounts numbers and balance included in investment register are correctly transferred to AFS.	30-Jun-19	Manager Finance	CFO
4	<b>Difference between interest revenue on the afs and interest revenue in the bank confirmation.</b>	During the audit of Cash and Cash Equivalents, it was noted that the Interest revenue disclosed on the Annual Financial Statement submitted for audit is different from the Interest calculated using the bank confirmations.	Management did not take the necessary precautions and establish controls of reviewing the investment register against the bank confirmation to ensure that interest earned is supported by the bank confirmations.	Review the investment register against the bank confirmation to ensure that interest earned is supported by the bank confirmations.	30-Jun-19	Manager Finance	CFO

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5	<b>Incorrect amount of loss on asset disposed</b>	We have identified that the auditor's calculation of amount of loss on disposal differ from amount disclosed on the 2017/18 annual financial statements.	Management did not take the necessary precautions of reviewing the disposal calculation schedule to ensure that the loss on disposal amount disclosed on annual financial statement is correct.	Review the disposal calculation schedule to ensure that the loss on disposal amount disclosed on annual financial statement is correct.	31 December 2018 and monthly	Manager Finance	CFO
6	<b>Land not disclosed in the AFS</b>	We have identified that the municipality has buildings (Kwamhlanga fire station and Dr JS Fire station) on the land of the following local municipalities. Furthermore, we have determined that those land meet the definition and recognition criteria of assets to Nkangala District Municipality due to	Management did not take the necessary precautions nor monitor controls of evaluating all the assets used by the municipality to determine whether they meet the definition and qualifies for recognition as per GRAP requirements.	1. Investigate all possible missing assets of which might be unrecorded.	30-Jun-19	Manager Finance	CFO



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		the fact that the land in which the fire stations are built on is fully used and controlled by					
				2. Start a process of transferring land of the 2 fire stations to NDM	30-Jun-20	PED, LEGAL, SDS	MM
7	<b>Incomplete disclosure note</b>	We have identified that the municipality have disclose on note 10 of the 2017/18 annual financial statement, the total carrying amount of project which are in construction or development, however they did not separately disclose the details or a summary of the cumulative expenditure	Management did not take the necessary precautions nor establish a controls of updating the knowledge of the finance employee on an updated GRAP standard through training and continuous workshop on GRAP financial reporting framework.	Training on GRAP Standards	30-Jun-19	Finance Manager	CFO

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		incurred to					
8	<b>Project completed after year-end reported as completed at 30 june 2018</b>	Work in progress capitalized in the asset register did not agree to the auditor's recalculation	it is important for the department to have a detailed documented process flow on work in progress that will include all necessary controls that will ensure early detection of errors on this nature.	Procedure manual on completed projects completed as transfers and subsidies to be developed by all departments doing projects for LMs	30-Jun-19	General Managers	CFO
9	<b>Intangible assets – Incorrect classification</b>	The municipality have classified the system listed in the table below as an intangible asset which, before the unbundling consist of both hardware and software. The Biometrics system is an integral part of the related asset because	Management did not take the necessary precautions nor monitor controls to ensure the correct classification of all intangible assets	1. Enquiry to be made with Accounting Standards Board (ASB) , Provincial Treasury and National Treasury to seek their intepretation on the matter. 2. Training on GRAP stsandards	30-Jun-19	Finance Manager	CFO

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		the hardware cannot operate without specific software, therefore, both should be treated as property, plant and equipment					
10	<b>INTANGIBLE ASSETS – Intangible Disclosure Note</b>	The following project is an intangible asset which is currently under development. This cumulative expenditure was not disclosed in a separate note for intangible assets under development. It was however included as construction work in progress in the property plant and equipment note.	Management did not take the necessary precautions nor monitor controls to ensure that the intangible assets under development are correctly disclosed in the financial statement as per the accounting framework. The municipality has one work in progress register for property plant and equipment which includes all items under development and not completed.	a. develop an intangible asset management policy and procedure manual in line with GRAP 31 requirements b. prepare a separate work in progress intangible asset register c. review the work in progress register on a quarterly basis against the developed policy ensure that all expenses included qualifies as an intangible asset.	30-Jun-19	Finance Manager	CFO

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11	<b>Review of creditors reconciliations</b>	No evidence exists to support creditors' reconciliations being reviewed. If not done accurately it could result in amongst others duplicate payments, penalties and interest as a result of invoices not paid within 30 days.	Management did not delegate the function of reviewing creditor reconciliations and as a result this is not taking place.	Creditors reconciliation of creditors age analysis will be monitored and signed off by the Divisional Manager Budget and Expenditure on a monthly basis	31 December 2018 and monthly	Finance Manager	CFO
12	<b>Leave accrual</b>	it was evident that the recalculated leave balance for the following employees were inconsistent with the leave balance indicated and used to compile the provision for leave.	Management did not review the schedule prepared in support of the annual financial statement disclosure. As a result, balances for leave days accrued as per the VIP system does not always agree to the balance of leave days used as indicated on the provision for leave calculation.	Prior to the compilation of the financial statements, a thorough reconciliation of all accounts with supporting schedules/listings and a thorough scrutiny of the schedules should be performed in order to eliminate unnecessary	31 December 2018 and monthly	Manager Corporate Services	GM: Corporate Services

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				differences.			
13	<b>Legal confirmations</b>	During the audit of contingent liabilities, we noted that municipality did not take in to account the legal cost (which municipality must pay the event NDM losses the matter) when determining the contingent liabilities amount disclosed in AFS.	Management did not take the necessary precautions of reviewing the contingent liability register against the legal confirmations to ensure that the Contingent liabilities included in contingent liabilities register includes the legal cost and also are supported by the legal confirmations.	Seek opinion of the Accountant General on the matter.	30-Jun-19	Legal Advisor	CFO
14	<b>Functionality not calculated correctly</b>	The functionality evaluation for the below tenders was set on 100 points with a required minimum 70 points to qualify for further	The bid evaluation committee did not fully understand the SCM regulations hence did not always apply the regulations in a way that will ensure a fair evaluation.	SCM role players will be properly trained for the task they were entrusted with	30-Jun-19	Divisional Manager: SCM	CFO

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		<p>evaluation. However, during the Bid evaluation meeting, it was identified that the points do not add-up to 100. This resulted in an unfair evaluation as the evaluation points together with the required minimum point had to be adjusted for the difference.</p>					
15	<p><b>Local content not included in bid specifications</b></p>	<p>Bid specification for the below mentioned tenders did not specify the minimum threshold for local production and content and neither was it specified on the advertisement that the required goods and services are</p>	<p>Management did not have controls in place for the monitoring of bid specifications that would ensure alignment to the preferential procurement regulations.</p>	<p>SCM role players will be properly trained for the task they were entrusted with</p>	<p>31 December 2018 and monthly</p>	<p>Divisional Manager: SCM</p>	<p>CFO</p>

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		designated sector for local production and content					
16	<b>Overstating of the irregular expenditure written off</b>	We have identified that the auditor's calculation of amount of Irregular expenditure written-off differ from amount disclosed on the 2017/18 annual financial statements	Management did not take the necessary precautions and monitor controls of reviewing the annual financial statement against the schedule of irregular expenditure written-off to ensure that disclosure in annual financial statement is accurate..	Detailed review of the expenditure written off to be done and matched to Council Resolutions	31 December 2018 and monthly	Manager Finance	CFO
17	<b>Overstatement of the irregular expenditure recovered</b>	We have identified that the auditor's calculation of amount of irregular expenditure recovered differ from amount disclosed on the 2017/18 annual financial	Management did not take the necessary precautions and monitor controls of reviewing the annual financial statement against the schedule of irregular expenditure recovered to ensure that disclosure in annual financial statement is accurate	Detailed review of the expenditure recovered to be done and matched to Council Resolutions	31 December 2018 and monthly	Manager Finance	CFO

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		statements Irregular expenditure disclosed no.38 of the AFS is overstated by a factual misstatement of R23 513.52					
18	<b>SCM: documents submitted by winning bidder</b>	Fictitious documents submitted by service provider (Zambesi Accounting)	The bid evaluation committee did not fully understand the SCM regulations hence did not always apply the regulations in a way that will ensure a fair evaluation.	Investigation to be done and service provider to be reported to SAPS	30-Jun- 19	Legal Advisor	MM
19	<b>Consequence management: irregular expenditure written off as irrecoverable without investigation</b>	No evidence exist that the instance of irregular expenditure were investigated to determine if any person is liable for the expenditure and before writing-off as irrecoverable,	Management did not take the necessary precautions and monitor controls of ensuring instance of irregular expenditure were investigated to determine if any person is liable for the expenditure and before writing-off as irrecoverable	Investigation to be done and the matter to be reported to Council	30-Jun- 19	Legal Advisor	MM



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20	<b>(LED): PORTFOLIO OF EVIDENCE - Invalid supporting documentation</b>	Signatures on attendance registers in respect of the projects did not match the signatures on the contracts:	Management did not perform continuous reviews of the attendance registers submitted by service providers. Management did not take the necessary precautions to proper review on supporting documents submitted as a validating document to ensure that all the days worked which are used to calculate	data sheets will be developed which will indicate how full time equivalent job opportunities are calculated as well as ensuring that all attendance registers submitted by contractors are verified in terms of signatures on contracts and those on the register on a monthly basis. If discrepancies are found those registers will be returned to contractors to supply accurate ones.	28-Feb-19	Divisional Manager EPWP	General Manager Planning and Economic Development
21	<b>(LED) : Actual achievements misstated</b>	Recalculated achievements did not agree to actual achievements reported in the annual performance	Management did not take the necessary precautions to ensure that the listing of the work opportunity per project is accurate, work opportunity created calculations are reviewed and also	utilise the calculator as provided by national department of public works to calculate fulltime equivalent job	28-Feb-19	Divisional Manager EPWP	General Manager Planning and Economic Development

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		report:	calculations are supported by the project lists	opportunities, match all the job opportunities figures with supporting documents namely attendance registers and contracts			
22	<b>Completeness of reported performance information</b>	Source documentation in instances indicates actual performance reported in the APR not being complete:	Management did not perform continuous reviews of the attendance registers submitted by service providers. Management did not take the necessary precautions to ensure that the reported achievement is complete.	monthly reviews of contractors attendance registers and reporting quarterly on progress made regarding job opportunities and full time equivalents.	31-Mar-19	Divisional Manager EPWP	General Manager Planning and Economic Development
23	<b>Usefulness indicator not well defined</b>	The indicator refers to "number of quarterly report on the % of households with access to basic level (Water, Sanitations, Electricity and Road) submitted to Council per	Management did not allow sufficient time for the review of the usefulness of indicators prepared. Furthermore, the review process did not include measuring each indicator against the specific usefulness criteria as set out in the FMPPPI	Indicators should prior to the approval of the SDBIP be reviewed by management to ensure that they all have a clear, unambiguous definition so that	31 December 2018 and Quarterly	general Managers	MM

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		quarter The municipality set a target of quarterly reports to be submitted to council as two.		data will be collected consistently, and be easy to understand and use. Additional reviews by officials independent from the process could also add value. To achieve this, sufficient time should be made available prior to the final submission for approval to ensure quality of the review process			
24	<b>Reliability – reported achievement not correct</b>	In respect of the number of new qualifying learners provided with financial support (Funding by NDM) by 30 June 2018 it was found that one learner that was not funded by the municipality due	Management did not take the necessary precautions to review the reported achievement against supporting documentation to ensure that the information reported in the performance annual report is accurate and supported by adequate	Prior to the compilation of the annual performance report a thorough reconciliation of all indicators with supporting schedules/listings and a thorough scrutiny of the schedules should	31 December 2018 and Quarterly	general manager social services and management	MM

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		to inability to register at the institution was erroneously included in the number reported on in the annual performance report:		be performed in order to eliminate unnecessary difference			
25	<b>Reliability - number of social and recreational projects facilities project implemented by 30 June 2018</b>	During the audit of predetermined objectives, we identified that the project no. Procurement of land Geluk Farm was implemented during the 2017/18 financial year, however this project was not reported in the annual performance report, as result reported achievement understated	Management did not take necessary precautions of reviewing the reported infrastructure projects in annual performance report against the WIP register to ensure that all the projects that have been implemented are accounted for in Annual Performance Report	Management should take necessary precautions of reviewing the reported infrastructure projects in annual performance report against the WIP register to ensure that all the projects that have been implemented are accounted for in Annual Performance Report	31 December 2018 and Quarterly	general managers	MM

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26	<b>Inconsistency of scoring the overachieved</b>	During the audit of Pre-determine objective, we have noted that the scoring of achievement in Annual performance report is not consistence applied as in some targets, overachievement is rated as 4 however on the other targets over achievement is score at 3	Management did not take the necessary precautions and establish controls of adequately reviewing the Annual Performance Report to ensure that the scoring of achievement in Annual performance report is consistence	Management should take the necessary precautions and establish controls of adequately reviewing the Annual Performance Report to ensure that the scoring of achievement in Annual performance report is consistenc	31 December 2018 and Quarterly	PMS Manager	MM
27	<b>Leave accruals - policy not in line with salgbc</b>	The municipality's leave policy is not aligned with this collective agreement regarding long service bonus days as the additional 5 working days after 5 years' service was omitted from the	Management did not update and communicate the changes to the leave policy to staff	Management should ensure that the leave policy is aligned to SALGBC's collective agreement on conditions of service for Mpumalanga division.	31-May-19	Manager Corporate Services	GM: Corporate Services

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		leave policy.					
28	<b>Inventory - overstatement of work in progress capitalised</b>	Work in progress capitalized in the asset register did not agree to the auditor's recalculation.	Management did perform a proper review and reconciliation between the value of expenditure for invoice on file and the expenditure recorded on the register to ensure that the expenditure to date is substantiated by the relevant supporting document.	Prior to the compilation of financial statements, a thorough reconciliation of all accounts with supporting schedules/listings and a thorough scrutiny of the schedules should be performed in order to eliminate unnecessary difference	31 December 2018 and monthly	Finance Manager	CFO
29	<b>Related parties: disclosure requirements</b>	Based on the audit work performed, we noted that not all the related parties (e.g. councilors) to Nkangala District	Management did not establish controls to ensure that all related party transactions are being disclosed	Management should take the necessary precautions and establish controls for the identification of related parties and	31 December 2018 and monthly	Finance Manager	CFO

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		municipality were disclosed in the 2017/18 Annual Financial Statement.		also to enable users of financial statements to form a view about the effects of related party relationships on a reporting entity. A procedure manual or check list aligned to GRAP 20 could be of assistance in this regard			
30	<b>SCM - functionality adjusted</b>	The functionality evaluation for the below tenders was set on 100 points with a required minimum 70 points to qualify for further evaluation. However, during the Bid evaluation meeting, it was identified that the points do not add-up to 100. This resulted in an unfair evaluation as the evaluation points together	The bid evaluation committee did not fully understand the SCM regulations hence did not always apply the regulations in a way that will ensure a fair evaluation.	Management should take the necessary steps in ensuring all SCM role players being properly trained for the task they were entrusted with.	31 December 2018 and monthly	Divisional Manager: SCM	CFO

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		with the required minimum point had to be adjusted for the difference.					
31	<b>Predetermined objectives (basic servicedelivery): submission of portfolio of evidence</b>	The indicator (number of compliance audits) and technical definition (number of quarterly reports produced) are not aligned and as a result the documentation submitted did not support the actual achievement of the indicator.	Management did not take the necessary precautions to ensure alignment between the technical indicator description and the actual indicator. Supporting documentation were not verified at the time of preparing the annual performance	At the time of preparing the annual performance plan the technical indicator descriptions should be measured against the examples provided for in Annexure E of the framework for strategic plans and annual performance plans.	31 December 2018 and Quarterly	general manager social services and management	MM
32	<b>Aopo: Outstanding supporting documentation</b>	Supporting documentation as indicated could not be provided as requested	Management did not take the necessary precautions to prepare and file valid documents supporting the accuracy of the information reported in the APR so that the reported information is	Managementshould ensure that they prepare and file valid documents supporting the accuracy of the information reported in the	31 December 2018 and Quarterly	general manager social services and management	MM



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				APR so that the reported information is reliable			
33	<b>Predetermined objectives – quarterly reports submitted to council</b>	During the audit of indicator “Number of reports submitted to Council with respect to the Agri- Processing initiative by 30 June 2018”, we have identified that reports submitted to council with respect to Agri-Processing initiative by 30 June 2018 did not reflect the quarterly progress for agriprocessing initiatives in Nkangala District.	Management did not take the necessary precautions to proper review on supporting documents submitted as a validating document to ensure that reported achievement is supported by the valid source documentation.	Review of all the quarterly reports submitted in terms of agriprocessing to ensure that progress reported on every quarter indicates improvements from various quarters.	31-Mar-19	Fikile Maseko	General Manager Planning and Economic Development

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34	<b>Aopo :minutes of plenary meeting</b>	The minutes of the plenary meeting are not detailed enough to enable the end user to understand what was discussed in the meeting	Management did not take the necessary precautions to review the plenary minutes meetings to ensure that they are detailed enough to inform them on the planned	Management should ensure that minutes of the plenary meetings are detailed enough to ensure that the end user is informed on planned event (e.g dates, venue	31 December 2018 and Quarterly	general manager social services and management	MM
35	<b>ICT:IT Governance- Governance framework</b>	A formally approved ICT governance framework could not be provided, as requested	Management did not take the necessary steps as to ensure the formal approval of the ICT governance framework as it is still in the process of updating the policy.	Progress in respect of updating and finalising all IT policies currently in draft format should be tracked by the ICT committee. Regular feedback in respect of this process should be included in top management meetings.	30-May-19	ICT Manager	MM
36	<b>ICT :IT Governance - Information security</b>	Information security responsibilities had not been	Management should consider appointing a IT security officer or to delegate the functions of an IT	Information Security Officer has subsequently been filled as of	30-Nov-19	ICT Manager	MM

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		delegated to an information security officer, as the position is currently vacant. The lack of a dedicated IT security officer to ensure the implementation of security measures over financial data could result in the data and information being compromised	security officer to a knowledgeable and independent staff member	1st November 2018			
37	<b>Security management: IT Security policy</b>	Security management within a computerised information system environment prevents unauthorised access to the application system that generates the	Management did not take the necessary steps as to ensure the formal approval of the IT security policy as it is still in the process of updating the policy	Progress in respect of updating and finalising all IT policies currently in draft format should be tracked by the ICT committee. Regular feedback in respect of this process should be included in	30-May-19	ICT Manager	MM

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		information used to prepare the financial statements and enable personnel to access and utilise information system resources and information		top management meetings			
38	<b>Service continuity: IT policy</b>	Although the IT policy outlines the high level backup procedures it did not include the following: · Backup strategy · Roles and responsibilities	Management did not take the necessary steps to test the effectiveness of the detailed backup procedures as included in the draft IT policy	The backup strategy should at least include the minimum information as indicated above. · Backup procedures should be tested regularly with detailed feedback to the ICT	30-Jun-19	ICT Manager	MM
39	<b>Access management user access</b>	An approved process that is used to manage the process of granting users access (access control) to all systems could not	Management did not take the necessary steps as to ensure the formal approval of a policy regulating user access as it is still in the process of updating the policy.	Progress in respect of updating and finalising all IT policies currently in draft format should be tracked by the ICT	30-Jun-19	ICT Manager	MM

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		be provided as requested on the request for information no.1 on 26 March		committee. Regular feedback in respect of this process should be included in top management meetings.top management meetings			
40	<b>Programme change management: Change control policy</b>	Formally approved program change control policies and procedures could not be provided as requested in request for information no.1 on 26 March 2018.	Management did not take the necessary steps as to ensure the formal approval of the IT change management policy as it is still in the process of updating the policy.	Progress in respect of updating and finalising all IT policies currently in draft format should be tracked by the ICT committee. Regular feedback in respect of this process should be included in top management meetings.	30-Jun-19	ICT Manager	MM
	<b>TOTAL FINDINGS</b>	<b>40</b>					

VOLUME II: 2017/2018 ANNUAL FINANCIAL STATEMENTS (ANNEXURE A)

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.