

# RAYMOND MHLABA LOCAL MUNICIPALITY



**RAYMOND**  
**MHLABA**  
MUNICIPALITY  
.....  
UMANYANO KUPHHLISO

**DRAFT ANNUAL REPORT**  
**2018/2019**

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## CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 1.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

#### 1.1.1 INTRODUCTION TO BACKGROUND DATA

Raymond Mhlaba Local Municipality was established in 2016 and is made of now disestablished Local Councils of Nkonkobe and Nxuba. Alice town is a legislative seat and Fort Beaufort is the administrative head of the municipality, the latter is situated about 140km North West of East London on the R63 and is approximately 200km North East of Port Elizabeth. The Raymond Mhlaba Municipality is situated along the southern slopes of the Winterberg Mountain range and escarpment, and is within the greater Amathole District Municipality in the Province of the Eastern Cape. The municipal area covers approximately 6 474 km<sup>2</sup>, with major towns being Alice, Adelaide, Bedford, Fort Beaufort and Middledrift. Smaller settlements include Hogsback, Seymour, Red, Jumper, Balfour, Blinkwater and Debenek.

Main access corridors are the R63 from King Williams Town through Alice and Fort Beaufort towards Adelaide and Bedford and the R67 from Grahamstown through Fort Beaufort, Blinkwater, Seymour towards Queenstown. Raymond Local Municipality is comprised of 23 wards with a total population of approximately 157 000 of which the majority about 72% resides in rural villages and farms.

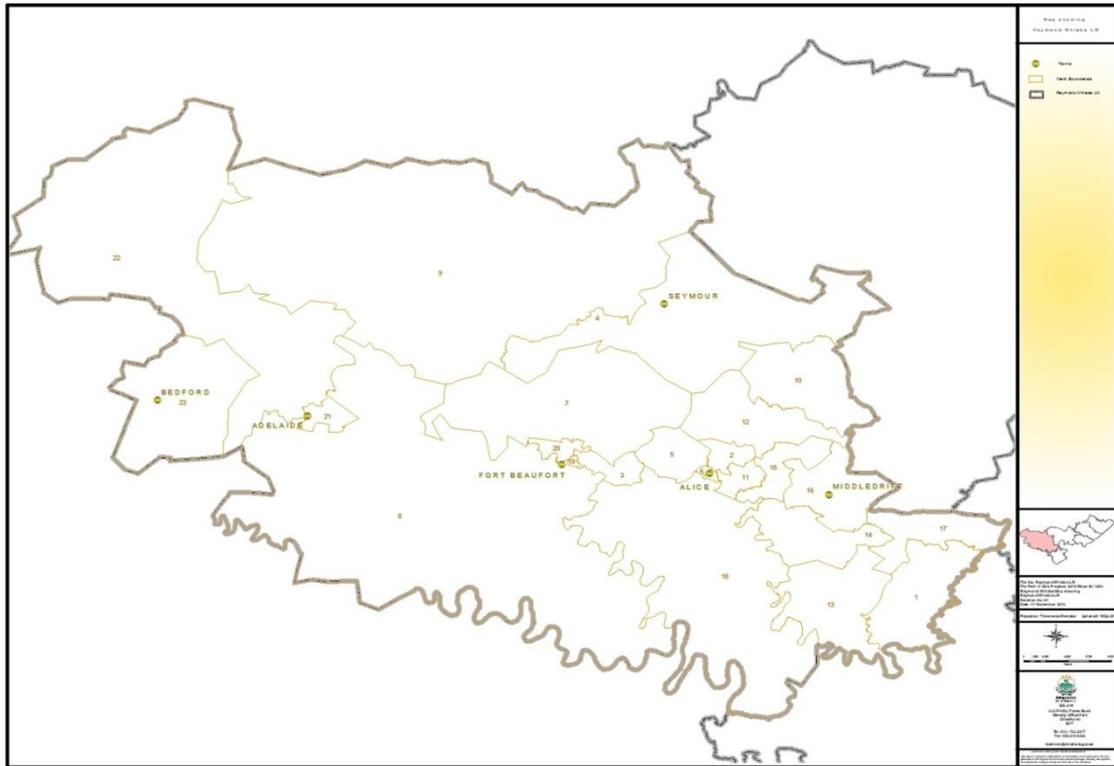
Urbanization is concentrated in Alice, Adelaide, Bedford and Fort Beaufort. The municipal area includes parts of the former Ciskei homeland and Cape Provincial Administration (CPA) areas, which means that it has a history of land expropriation and disposition in many parts due to the consolidation of land to create Ciskei in the 1960s. A distinct land tenure and land use system prevails with two distinctly different systems in the former Ciskei homeland and Cape Province areas.

Raymond Mhlaba is a rural municipality and the economy is largely driven by the agricultural sector, which includes citrus, forestry, livestock and crop production. The citrus industry is one of the municipality's largest employers. Forest plantations and timber processing are also undertaken in the area. Raymond Mhlaba Local Municipality is well-known for its rich heritage and culture. The historic education institutions of Healdtown, Lovedale College and the University of Fort Hare – are important heritage sites in Raymond Mhlaba but as yet are underutilized as tourism or cultural sites. The tourism sector remains largely unsupported and underexploited in a municipality with iconic natural resources in the form of the Amathole Mountains and national significant heritage sites. Some of the major challenges facing Raymond Mhlaba LM include infrastructure challenges and high levels of unemployment and poverty.

The municipality is the second largest local municipality covering 6 474 km<sup>2</sup>, of the surface area of the Amatole District Municipality. The municipality has the following satellite offices –

Middledrift, Hogsback, Alice, Seymour, Adelaide and Bedford. The Raymond Mhlaba area is neighboured by the boundaries of Makana Local Municipality, Blue Crane Local Municipality, Amahlathi Local Municipality, Ngqushwa Local Municipality, Enoch Mgijima Local Municipality and the Buffalo City Metropolitan Municipality.

The following map represents the geographic location of Raymond Mhlaba Local Municipality



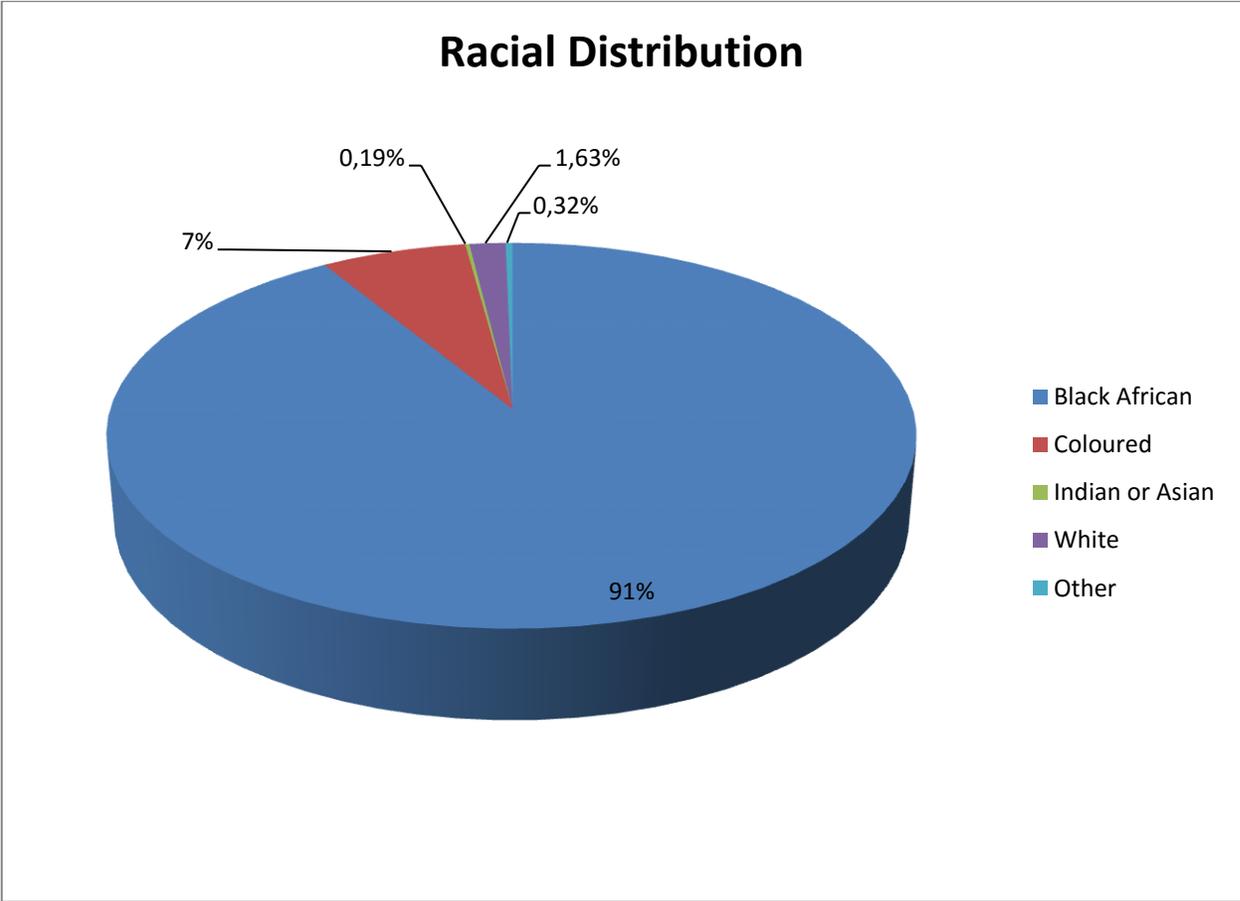
## 1.1.2 DEMOGRAPHIC INDICATORS

### 1.1.2.1 TOTAL POPULATION

In 2017 Raymond Mhlaba Municipality had a population of 157 000. The municipality has 23 wards; and it is dominated by large populace which is indigent. The majority of the population of Raymond Mhlaba of just over 70% resides in both villages and farms, and minorities are located in urban dwellings. Urbanisation is mainly concentrated in Alice, Fort Beaufort, Adelaide and Bedford.

### 1.1.2.2 RACIAL DISTRIBUTION

The results from the pie chart foreshadowed (below) indicate that Black Africans form majority of the total population in Raymond Mhlaba Local Municipality, whereas there is small Coloured population sporadically populated around the municipal area and Indians/ Asians and Whites being the least represented population group.

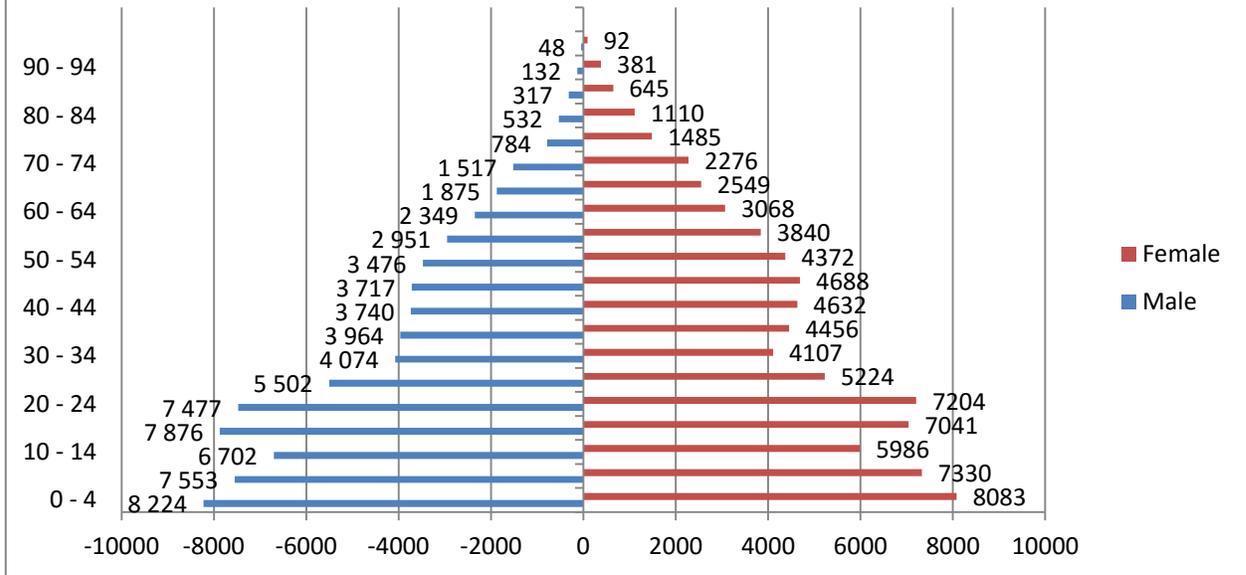


Source: Community Survey, 2016

**1.1.2.3 POPULATION GROWTH RATE**

In 2017, population consisted of 91.55% African, 1.46% White, 6.76% Coloured and 0.23% Asian people. The largest share of population is within the babies and kids (0-14 years) age category which is 28.8% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with the total share of 28.2%, followed by the teenagers and youth (15-24 years) age category which is 17,58%. The age category with the least number of people is the retired / old age (65 years and older) age category.

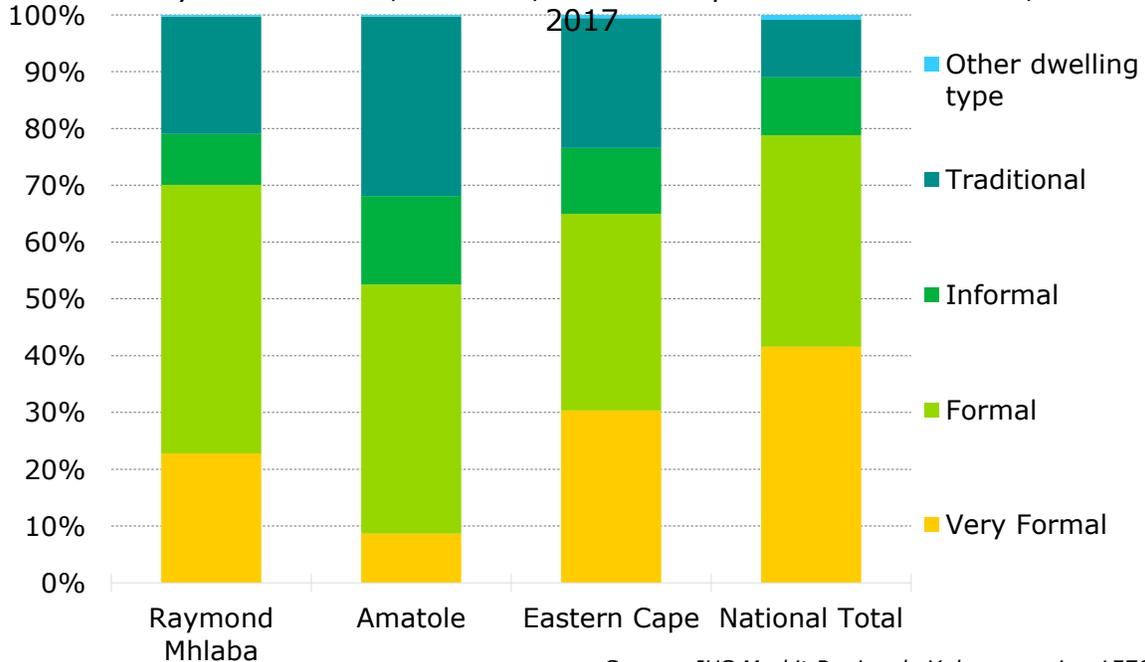
## Raymond Mhlaba Age Analysis



The population pyramid above, indicates that the population of Raymond Mhlaba Local Municipality is dominated by youth and women, ages from 10-34 are in the majority.

## Households by dwelling unit type

Raymond Mhlaba, Amatole, Eastern Cape and National Total,



Source: IHS Markit Regional eXplorer version 1570

Natural Resources	
Major Natural Resource	Relevance to Community
Fresh Water Systems	Marriculture and Aquaculture
Biodiversity and Natural Forest	Land based projects and environmental projects
National Heritage Sites	recreation and tourism, research, education and cultural values

## 1.2 SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

Raymond Mhlaba Local Municipality performs the following functions as embedded in the Constitution:

- Road Traffic Regulations;
- Vehicle Licensing;
- Municipal planning;
- Local tourism;
- Stormwater management systems;
- Cemeteries;
- Cleansing;
- Municipal Roads;
- Electricity;
- Municipal Parks and Recreations;
- Street Lighting;
- Public Spaces; and
- Refuse removal, refuse dumps and solid waste etc.

Basic service delivery and infrastructure development is one of the cornerstones for development and service delivery, as such; the municipality has invested in infrastructural development and to ensure that basic services are accessible by everyone within the municipal area.

***The Amathole District Municipality is the Water Services Authority (WSA) and the Water Service Provider for the entire Raymond Mhlaba area. Water reticulation is provided by the WSP in the urban areas.***

## 1.3 FINANCIAL OVERVIEW

Details	Original budget	Adjustment Budget	Actual
Income:			
Grants			
Taxes, Levies and tariffs			
Other			
Sub Total			
Less: Expenditure			
Net Total*			
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	
Repairs & Maintenance	
Finance Charges & Impairment	
T 1.4.3	

Total Capital Expenditure: 2016/ 17 to 2018/ 19			
	R'000		
Detail	2016/ 17	2017/ 18	2018/ 19
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
T 1.4.4			

## 1.4 ORGANISATIONAL DEVELOPMENT PERFORMANCE

Raymond Mhlaba Municipality acknowledges that the realisation of its growth and development objectives as well as the provision of acceptable levels of service delivery depends on the existence of an effective workforce. In acknowledging this reality, the Municipality takes a holistic approach to human resource management and development. Priority is given to skills and capacity development initiatives, change management, development and implementation of policies that support individual development while also striving to create an exciting workplace for full realisation of everyone's potential in order to improve competencies and efficiencies. The ability to evolve and respond to individual employee needs is also a critical imperative for the Municipality.

In demonstrating a commitment **“To provide effective and efficient workforce by aligning institutional arrangements to the overall strategy in order to deliver quality services”** D the municipality managed to achieve the following results:

- Filling top management positions (Director Strategic Planning and LED and Director for Community Services).

- Providing trainings to employees based on skills and capacity demands as captured in the Workplace Skills Plan.
- Conducted fourteen employee assistance programmes

**Employee Assistance Programmes (EAP) conducted as at June 2019**

1. Opening prayer for new financial year& service delivery (Health and safety)
2. Women’s month activities
3. Pre- Retirement & Financial wellness (Ages 50- 65 exit plan for Councilors)
4. Substance abuse Program
5. Build up events for world AIDS day & awareness campaigns
6. World AIDS day commemoration & 16 days of activism
7. Workplace Inspection: Installation of sanitary bins (all satellite offices)
8. National Condom Week & Pregnancy awareness
9. National TB Month (all satellite offices)
10. Pre- Easter service
11. Medical Screenings & Productivity program (flu vaccination)
12. Sport & Recreation activities (National Tournament)
13. Candle light
14. Man’s health Programs& Work place youth dialogue

**1.5 AUDITOR GENERAL REPORT FOR 2018/2019**

**To be included after the audit report has been released by Auditor General (November 2019)**

**1.6 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	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 2018/19 Annual Report to Internal Audit and Auditor-General	August

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

### **1.7 COMMENT ON THE ANNUAL REPORT PROCESS:**

This Annual Report reflects on the performance of the Raymond Mhlaba Local Municipality as well as the achievement obtained and challenged encountered by the municipality during the year under review. This Annual Report provides a full reporting version as required by National Treasury's MFMA Annual Report Circular 63 and is structured as follows:

Chapter 1: Mayor's Foreword and Executive Summary

Chapter 2: Governance

Chapter 3: Service delivery performance

Chapter 4: Organizational development performance

Chapter 5: Financial performance

Chapter 6: Auditor-General Audit Findings

## APPENDICES

## CHAPTER 2 – GOVERNANCE

### 2.1 INTRODUCTION TO GOVERNANCE

Good governance in the municipality embodies processes, structures and systems by which the municipality is directed, controlled and held to account for. It is characterized by a dynamic interface between political structures and administration. This section provides an overview of the governance structures and institutional management through which the Municipality implements its strategies. Governance is viewed by Raymond Mhlaba Local Municipality as the exercise of economic, political and administrative authority to manage the municipality's affairs at all levels. It comprises mechanisms and processes through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.

Raymond Municipality Local Municipality strives towards achieving the following characteristics of efficient government in both legs of governance (political and administrative):

- Participation;
- Transparency;
- Responsiveness;
- Consensus orientation;
- Equity;
- Effectiveness and efficiency;
- Accountability; and
- Strategic vision.

## **COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE**

### **2.2 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE**

Raymond Mhlaba Local Municipality has comprehensive governance structures, systems, policies and procedures underpinned by a sound set of values and ethics to support the municipality's growth and development. These structures enable a clear separation of policy making, regulation and implementation. Core administration is responsible for service delivery, policy-making and regulation.

### **2.3 POLITICAL GOVERNANCE**

#### **2.3.1 INTRODUCTION TO POLITICAL GOVERNANCE**

The legislative function of Council is implemented by Council and its committees, led by the Council Speaker, Mayor and supported by the Chief Whip of Council.



#### **MAYOR: COUNCILLOR BANDILE KETELO**

Councillor Bandile Ketelo is the Mayor of Raymond Mhlaba Municipality and is discharged for presiding at meetings of the executive committee and performs the duties including any ceremonial functions, and

exercise the powers delegated to the Mayor by the municipal council or the executive committee.



**SPEAKER OF COUNCIL: COUNCILLOR ANELE WINIFRED NTSANGANI**

Councillor Ntsangani is the Speaker of Council. The Speaker of Council is the Chairperson of Council, presiding over council meetings in accordance with council's standing rules. In Raymond Mhlaba Municipality, the Speaker also has a responsibility for Section 79 oversight committees and councillor affairs to develop political governance capacity among Councillors. Over and above the Speaker is also the driving force of public participation, petitions and ward

committees.



**CHIEF WHIP OF COUNCIL: COUNCILLOR LINDELWA DORIS PENISI**

Councillor Penisi is the Chief Whip of Council. The Chief Whip is an official office bearer, who is also the Chief Whip of the Majority Party. The Chief Whip ensures proportional distribution of Councillors to various Committees of Council. The Chief Whip maintains sound relations among the various political parties by attending to disputes among political parties.

# POLITICAL STRUCTURE

## MAYOR



Cllr Bandile Ketelo

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## SPEAKER



Cllr Anele Ntsangani

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## CHIEF WHIP



Cllr Lindelwa Doris Penisi

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### **EXECUTIVE COMMITTEE:**

Cllr Bandile Ketelo  
Cllr Nomonde Geza  
Cllr Pasika Jack  
Cllr Sinovuyo Kley  
Cllr Portia Sabane  
Cllr D Bruintjies (deceased)  
Cllr Ernst Lombard  
Cllr Mandla Johnson Makeleni  
Cllr Sipiwo Mavuso

### **2.3.2 COUNCILLORS**

The Raymond Mhlaba Council is composed of 46 councillors of which 23 are Ward Councillors and the remaining Councillors are Proportional Representatives Councillors (PR). Councillors of Raymond Mhlaba Municipality contribute to the strategic direction of the municipality through their participation in the development in the development and review of the Integrated Development Plan. Furthermore, Council received a Government Gazette appointing 10 traditional leaders to participate in the municipality in line with the provisions of section 83 of the Local Government Municipal Structures Act, 1998 as amended, read with Traditional Leadership and Governance Framework Act 2003. The traditional leaders participate in all council committees except the Executive Committee. Council adopted a schedule of meetings which provided for the meetings of Council to be held at least 4 times a year, except where circumstances require the convening of a special meeting of Council.

### **ALLOCATION OF COUNCIL SEATS**

<b>SUMMARY OF COUNCIL SEAT ALLOCATION</b>				
<b>NUMBER</b>	<b>PARTY</b>	<b>WARD SEATS</b>	<b>PR SEATS</b>	<b>TOTAL SEATS</b>
1.	African National Congress (ANC)	23	15	38
2.	Democratic Alliance (DA)	0	5	5
3.	Economic Freedom Fighter (EFF)	0	3	3
<b>TOTAL</b>		<b>23</b>	<b>23</b>	<b>46</b>

### **Council and Executive Committee Meetings as at June 2019:**

<b>Nature of Meeting</b>	<b>Number of Council Meetings held including Special Council Meetings</b>
Council Meetings	Ordinary Council Meeting = 3 Special Council Meetings = 8
Executive Committee Meetings	Ordinary Council Meeting = 3 Special Council Meetings = 9

### **2.3.3 COMMITTEES OF COUNCIL:**

The Municipality has functional section 79 and 80 committees of which section 80 committees are as follows; Engineering, Finance, Strategic Planning and Local Economic Development, Corporate Services, Community Services, Sport and Recreation Committee headed by Members of the Executive Committee. These Committees are set up to deal with oversight roles, support and performs an advisory role to the Mayor and Council.

**The following Councillors are chairpersons of the above mentioned committees:**

<b>NO.</b>	<b>NAME</b>	<b>COMMITTEE</b>
1.	Cllr B Bruintjies (deceased )	Corporate Services Committee
2.	Cllr N Geza	Engineering Services
3.	Cllr M Makeleni	Finance Committee
4.	Cllr P Jack	Community Services Committee
5.	Cllr P Sabane	Strategic Planning and LED Committee
6.	Cllr S Kley	Sports and recreation Committee

#### **2.3.3.1 Performance and Audit Committee**

The Performance and Audit Committee is a Committee of Council and performs the statutory responsibilities assigned to it in terms of sections 165 and 166 of the MFMA. It is an independent advisory body that advises Council and is responsible for oversight over the following functions:

- Internal audits
- External audits
- Financial reporting
- Risk management
- Internal controls
- Information technology governance
- Performance management

## COMPOSITION OF THE PERFORMANCE & AUDIT COMMITTEE AND ATTENDANCE OF MEETINGS

### *List of Members and meetings*

<b>NO</b>	<b>Name of members</b>	<b>Meeting dates and Description of meeting</b>	<b>Attendance</b>
1.	Mr A Yeboah : <b>Chairperson of Audit Committee</b>	16 August 2018 : Special Meeting 27 August 2018 : Special Meeting 14 September 2018 : Special Meeting 26 October 2018 : Ordinary Meeting	All members
2.	Ms L Smith : <b>Chairperson of Performance Audit Committee</b>	1 February 2019 : Ordinary Meeting 24 April 2019 : Ordinary Meeting	
3.	Mr M Mafani		
4.	Mr HJ Marsberg		
5.	Prof W Plaatjes		

### 2.3.3.2 Municipal Public Accounts Committee

The Municipal Public Accounts Committees has a total of 7 members and headed by Cllr B Tyhali. The MPAC is a committee of Council, appointed in accordance with section 79 of the Structures Act. During the year under review the committee held 5 ordinary meetings and 8 special meetings to give an expression on the quarterly reports and annual report. Moreover, the committee has fully considered the 2017/2018 Annual Report with its contents submitted to Council to adopt the Oversight Report.

### 2.3.4 POLITICAL DECISION-TAKING

Standing Committees sit monthly to discuss issues pertaining to their respective departments and make recommendations to Executive Committee. Executive Committee meeting is then convened to discuss reports and recommendations submitted by Portfolio Heads and agree on the matters to be referred to Council.

Troika, which consists of Speaker, Chief Whip and Mayor, convenes a meeting prior to the sitting of each Council meeting to discuss all issues to be tabled in the Council. The Municipal Manager also attends the Troika meetings to provide guidance and advice. Council sits quarterly and makes decisions on all matters pertaining to community development and

service delivery. Council resolutions are taken on the basis of reports and recommendations made by the Committees.

## **2.4 ADMINISTRATIVE GOVERNANCE**

### **INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

#### **2.4.1 INTRODUCTION TO ADMINISTRATIVE GOVERNANCE**

The Administrative Arm of the municipality is driven by the Municipal Manager: Ms U.T Malinzi as the Accounting Officer. The Municipal Manager is supported by a team of five (5) Directors. The municipal administration has the overall responsibility for management and strategic direction of the municipal business affairs. Other duties of the Municipal Administration include planning, reporting and accountability, enforcing internal controls revenue enhancement etc.

### **TOP ADMINISTRATIVE STRUCTURE**

#### **MUNICIPAL MANAGER**

Ms Unathi Malinzi

#### **SENIOR MANAGERS:**

##### **ACTING SENIOR MANAGER: Corporate Services**

Mr Mpilonde Njokweni

##### **ACTING SENIOR MANAGER: Engineering Services**

Mrs Fungiwe Dandala

##### **SENIOR MANAGER: Community Services**

Mrs Noluthando Majiba

##### **SENIOR MANAGER: Chief Financial Officer**

Mrs Busisiwe. Lubelwane

##### **SENIOR MANAGER: Strategic Planning & LED**

Dr. Lulamile Donacious Hanabe

## **COMPONENT B: INTERGOVERNMENTAL RELATIONS**

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

Raymond Mhlaba Local Municipality has fostered Intergovernmental Relations (IGR) to ensure the coordinated delivery of services to citizens. This aligns with the Intergovernmental Relations Framework Act, Act No 13 of 2005, which requires all spheres of Government to coordinate, communicate, align and integrate service delivery to ensure effective access to services. The IGR is a forum that is chaired by the Mayor, and includes Portfolio Heads, Senior Managers of departments in Raymond Mhlaba Municipality as well as Senior managers within the municipality. Government departments in this forum present their programmes within the municipal space for the year as well as programmes they want the municipality to be involved in.

#### **2.5.1 PROVINCIAL INTERGOVERNMENTAL STRUCTURES**

The Municipal Manager seats in the provincial structure called the Ministers and Members of Executive Council meeting (MuNIMEC). This is where all Ministers, MECs, Municipal Managers, Mayors and Heads of Departments sit. In terms of the value obtained from the meetings; it is challenging to quantify it. There are thorny issues that the municipality has over the years raised in the local structures, and these have been escalated to both the DIMAFO (Mayor's forum) and the provincial IGR structure (MuNIMEC).

#### **The Municipality's achievements in the area of intergovernmental relations in the 2018/19 financial year were;**

- Development of the Municipality's IGR policy
- Adopted an IGR cluster approach which has resulted to six clusters, namely,
  - Good Governance and Public Participation.
  - Local Economic Development
  - Financial Viability
  - Institutional Development and Organizational Transformation
  - Community Services , and
  - Engineering Services
- Facilitation of engagement between other spheres of government and the communities of Raymond Mhlaba

#### **The Municipality' achievements in the area of international relations in the 2018/19 financial year are listed below.**

- Actively participated in the GIZ- GSP (German Cooperation) pilot programmes

**Achievement in stakeholder and strategic relations in 2018/19 are summarized as follows:**

- Reviewed a partnership agreement with University of Fort Hare and Department of Sport and Recreation
- Entered into a new partnership with Aspire, Amathole District Municipality and Alice Taxi Association
- New partnership with COGTA and UFH

## **COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **2.6 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The Municipality has a long-standing culture of community and stakeholder engagement, which promotes transparency and accountability. These values are an integral part of any truly democratic society, and are enshrined in the Constitution. This democratic culture is realised through various platforms for community and stakeholder involvement in matters of municipal governance, and include public meetings and stakeholder engagement sessions. Public participation at Raymond Mhlaba Municipality is coordinated through ward committee, IDP & Budget participation meetings and Mayoral Imbizos. These forums are also utilized as report back platforms on service delivery matters.

**Consultations were facilitated, among others, regarding the following:**

- Draft by-laws
- IDP and Medium-term Revenue and Expenditure Framework (MTREF)

Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 encourages municipalities to create conditions for the local community to participate in the affairs of the municipality. In terms of strengthening public participation, a wide range of communication tools are used to communicate with the community and also to disseminate information. These include;

- Newspapers: Winterberg, Times Media, Dike lethu, Hogsback Times, Umhlali newsletter
- Imbizo's / Road shows,
- Loud hailing,
- Library;
- Notice boards
- Social Media Pages (Facebook, Twitter)
- Municipal Website
- Intergovernmental Relations (IGR)
- Meetings of ward committees
- Forte FM, Tru FM, Algoa FM, Umhlobo wenene FM

### 2.6.1 COMMENT ON SATISFACTION LEVELS:

Raymond Mhlaba Local is committed to effective and efficient delivery of services. Accordingly, the municipality acknowledges that this can only be achieved by engaging residents so as to understand their concerns and priorities. Through the ongoing outreach processes, the municipality aims to build a collective and shared vision of the future of the entire Raymond Mhlaba jurisdiction. The processes enable stakeholders to express their interests, concerns, fears and aspirations for the future of Raymond Mhlaba.

### 2.7 WARD COMMITTEES MEMBERS

Municipal Structures Act provides for ward committee members to be established with primary function to be a formal communication channel between the community and the municipal council. The Raymond Mhlaba Municipality has ward committees members in each ward totalling to 218 within its jurisdiction. They are always invited to participate in municipal activities during the development and review of the IDP, Budget and the annual report review as required in terms of the Municipal Systems Act, No 32 of 2000 as amended.

### 2.8 IDP PARTICIPATION AND ALIGNMENT

The Municipality's commitment regarding the promotion of public participation and consultation are based on constitutional and legal obligations including the governance model. Therefore the Municipality continues to promote participatory engagements with communities in all its processes, including the development of the IDP. Public participation is a critical part of democracy, as it affords members of the community and stakeholders an opportunity to inform the Municipality about their developmental needs. The process also gives community members a clear understanding of how the Municipality arranges for public participation.

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?	NO
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
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	YES

Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	YES

## **COMPONENT D: CORPORATE GOVERNANCE**

### **2.9 RISK MANAGEMENT**

Purpose of Risk Management is to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of municipality's objectives.

Section 62 of the Municipal Finance Management Act 56 of 2003 states that:

- The accounting officer of municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps;
- That the resources of the municipality are used effectively, efficiently and economically;
- That full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards;
- That the municipality has effective, efficient and transparent systems;
- Of financial and risk management and internal control; and
- Of internal audit operating in accordance with any prescribed norms and standards

The Risk Management Policy and Risk Management Strategy were developed and approved by the Council. Workshop on strategic risks and policy were conducted to Councillors and employees to promote a positive risk culture.

The strategic risk profile for 2018/19 had 14 risks which were monitored and managed on an ongoing basis through various risk governance structures.

Below is the list of top high strategic risks:

Risk Number	Risk Description	Risk Causes	Consequences	Current controls	Control Effectiveness	Impact Value (1-5)		Residual Risk Value	Result
						Impact Value (1-5)	Likelihood value (1-5)		
1.	Inability to implement effective infrastructure project.	1. Limited funding 2. Poor project management by service providers 3. Lack of capacity	Poor quality of work Projects overruns, reduction in grant funding	1. Projects monitoring in place	Weak	4	5	20	High
2.	High staff turnover rate	1. Lack of growth and development 2. Better job offers elsewhere.	1. Poor service delivery	1. Critical positions are advertised. 2. Exit interviews are conducted	Weak	4	4	16	High
3.	Increase employee cost in comparison to current budget	Amalgamation and alignment of all employee to current structure	1. Increase employee costs, cash flow challenges. 2. Impaired financial viability of the municipality.	1. Maintaining moratorium on unfilled none critical post. 2. None filling of redundant post vacating through natural attrition	Weak	4	4	16	High
4.	Fatal accidents caused by stray livestock	1. Unattended livestock	1. Litigations	1. Two (2) Pounds in place 2. Rangers in place	Weak	4	4	16	High

5.	1. Inability to raise additional funding and investment in the area for regional development	1. Lack of partnership with relevant stakeholders (private & public) 2. Global Economic instability 3. Policy decision on the economy 4. Lack of capacity 5. Political instability	1. Reduce revenue based of the municipality 2. Decline in the economic growth rate of the municipality 3. Perpetual unemployment, poverty and social inequality 4. High rate of crime 5. Service delivery protest	1. Memorandum of understanding (MOU) with Fort Hare in place 2. Partnership with local farmers. 3. Established Business of business forum in place. 4. Masiphathisane programme	Weak	5	5	25	High
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Operational risk profiles were also developed and monitored for all departments. Furthermore, these operational risks hinder service delivery through the impact of the high Eskom debt, amalgamation challenges on staffing and constant water outages.

## 2.10 SUPPLY CHAIN MANAGEMENT

Raymond Mhlaba Municipality's Supply Chain Management (SCM) Policy seeks to promote an innovative form of targeted procurement, which will encourage socio-economic transformation within its locality. Furthermore it seeks to empower the municipality to continue to redress the skewed distribution of wealth. The policy maintains a fair, transparent, equitable, competitive and cost effective procurement practices this is to ensure all procurement processes are expedited to a reason period of one to two months, however service delivery linked procurement are done instantaneously and in line with the MFMA regulations.

## CHAPTER 3 : SERVICE DELIVERY PERFORMANCE

### 3.1 INTRODUCTION

This chapter presents the performance of the Municipality over the 2018/19 financial year. In the main, the focus is on performance against predetermined objectives as presented in the SDBIP scorecard approved by Council. The strategic agenda of the Municipality over the current term of office is captured in the IDP for 2017- 2022. The Municipality identified the following strategic pillars to anchor its development objectives and guide the implementation of programmes for effective service delivery:

- To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within Raymond Mhlaba by 2022.
- To assist and facilitate with the development, safety and empowerment of the poor and the most vulnerable by 2022.
- To establish fully functional firefighting base in Fort Beaufort and one satellite station in Alice and Adelaide by 2022.
- To upgrade and construct animal pound facilities in key areas of Raymond Mhlaba by 2022.

Over the financial year under review, the Municipality committed to improve effectiveness in the provision of basic services in order to improve the living conditions of disadvantaged residents while maintaining good service standards in the affluent and previously serviced areas. The provision of roads and storm water networks, waste management, electricity, housing, disaster management, emergency services such as firefighting, social programmes for the elderly and other vulnerable groups were all identified as priority focus areas.

***The Amathole District Municipality is the Water Services Authority (WSA) and the Water Services Provider for the entire Raymond Mhlaba area.***

### COMPONENT A: BASIC SERVICES

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

### 3.2 INTRODUCTION TO BASIC SERVICES

This Key Performance Area deals with the core functions of the Municipality by providing the provision of electricity, roads and stormwater, community facilities, and town planning services. This is the department that is at the coalface of service delivery, it is entrusted with ensuring that services are delivered to the communities *i.e.* construction of community halls, day care facilities; construction or development or maintenance of gravel roads, paving of roads, installation of electricity, maintenance of municipal buildings and consideration of plans (building plans), zoning *etc.* Land and Human Settlements is also located in this department, registration for houses, rectification is referred to this department and will then

be channeled to the Provincial Department as the municipality is not yet accredited to provide the services.

### 3.3 INTRODUCTION TO ELECTRICITY

Electricity Service Delivery Levels Households	
Description	2018/ 2019
	Actual No.
<b><u>Energy: (above minimum level)</u></b>	
Electricity (at least min.service level)	523
Electricity - prepaid (min.service level)	565
<i>Minimum Service Level and Above sub-total</i>	1088
<i>Minimum Service Level and Above Percentage</i>	62,1%
<b><u>Energy: (below minimum level)</u></b>	
Electricity (< min.service level)	124
Electricity - prepaid (< min. service level)	487
Other energy sources	54
<i>Below Minimum Service Level sub-total</i>	664
<i>Below Minimum Service Level Percentage</i>	37,9%
<b>Total number of households</b>	1753

Capital Expenditure Year 2018/ 2019: Electricity Services R' 000					
Capital Projects	2018/ 2019				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
INEP	R1 400 000.00	No	R 1 400 000.00		
Electricity maintenance was implemented on the operational budget.					

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

Maintenance of streetlights and highmast is ongoing by the in-house maintenance team. During the year under review there were countless faults and outages caused by obsolete infrastructure, which resulted to 24 hours outages. The Department of Energy has approved the municipality's request for infrastructure upgrade, but it will be done in stages on funds allocated by the department. Eskom has increased the Notified Maximum Demand to eight which was a major issue on the municipality since the municipality was paying penalties for exceeding the NMD. The municipality also participated in the Eskom pilot project which focused changing meters in the areas of Adelaide and Bedford and that is completed. The Department of Energy (EEDSM) has approved funding for retrofitting streetlights and high mast lights as part of energy efficiency to assist with the electricity consumption, this will also be done in stages. A mini grid project funded by GIZ and DEDEAT is under construction with gas stoves being donated to the Upper Blink village. Eskom is installing infill under the Eskom network area of supply

## **3.4 WASTE MANAGEMENT**

### **INTRODUCTION TO WASTE MANAGEMENT**

Waste management is the primary function of the municipality as enshrined in the Constitution of RSA, 1996, Part B, Schedule 5. The Raymond Mhlaba Municipality collects refuse on a weekly basis in the following areas: Fort Beaufort, Seymour, Hogsback, Middledrift, Adelaide and Alice only in CBD area. Refuse in businesses is collected as per the municipal refuse schedule which is based on the volumes of refuse generated. Only few number of business premises have proper refuse storage facilities and there have been campaigns made to encourage them to construct such storage facilities. Businesses are also encouraged to call the municipality when they have consumed large volume of waste to avoid refuse being put in front of their shops, but that is still a challenge as some others are still doing that. The waste that is collected is taken to disposal sites within the Raymond Mhlaba area of jurisdiction. The Municipality has 3 operational disposal sites namely, Alice, Bedford, Middledrift. All these disposal sites are permitted but need to be fenced again due to vandalism. During the year under review by-laws on nuisance abatement have been promulgated and training of peace officers will be affected in 2019/2020 so that they are able to do enforcement on problem areas identified within central business districts and urban areas.

As the municipality renders the waste management function, open spaces are contaminated with household refuse which is dumped illegally by community members. The CWP and EPWP beneficiaries are working at these sites picking up debris filling it into bin liners and later this is picked up by the municipal waste compactor truck for disposal.

### **3.4.1 *Recycling initiative***

Four recycling initiatives have been operational in different towns namely Bedford, Adelaide, Fort Beaufort and Alice. These individuals are collecting recyclable waste in a very minimal capacity and are selling what they have collected to recyclers in Port Elizabeth. They were all visited by the waste management section to assess their need and a business plan is sent to acquire funding for them DEA and DEDEAT. However, the application process has been put on hold due to funding applications cycle that has passed. Again the municipality visited SAB to source funding and assist the above recyclers.

### **3.4.2 *Youth Programme Awareness Campaigners***

A total of 23 young people have been appointed by DEA through the Good Green Deeds for a period of 2 years. The programme was launched to support municipalities in war against waste and 60% of these participants are women and 2% are people that are physically challenged. Their appointment commenced in May 2019 and they are paid a stipend of R120 per day.

### **3.4.3 *Co-operatives in Waste Management***

The municipality has appointed 3 co-operatives for waste management and refuse removal functions in Alice, Fort Beaufort and Bedford. These cooperatives provide refuse trucks, personnel and issuing of binliners to household in areas they are servicing. These co-operatives are contracted for a period of twelve months as means of encouraging economic growth to SMMES within Raymond Mhlaba.

## **3.5 HOUSING**

One of the serious problems facing South Africa is the backlog in low cost housing provision, and Raymond Mhlaba Local Municipality is no different from the national reality. The Raymond Mhlaba Local Municipality is a Category B Municipality which means when it comes to the provision of low cost housing it is mainly responsible for the coordination and ensuring adequate provision of housing for its residents through amongst other things Beneficiary administration, ensuring land availability and suitability then the Department of Human settlements is the one responsible for the actual implementation of the projects.

Human Settlements (Shelter) is unarguably one of the basic inevitabilities of the human race. It used to be ranked second after food in the hierarchy of human needs. Raymond Mhlaba Local Municipality is striving with the challenge of ensuring access to adequate human settlements to all its inhabitants. Delivery of human settlements is underpinned by the principles of promoting sustainable dignified communities, economic viability and urban integration.

The major challenges are inter alia with:

- Upgrading of informal settlements.
- Identify land for human settlements development.
- Facilitate integration and viability of sustainable human settlements.
- Spatial integration primarily through infill development.
- Revitalization of small towns within the Local Municipality
- Promotion of medium density housing, such as, Community Residential Units (CRUs) and Social Housing

In preparing the housing plan for Raymond Mhlaba Municipality, several key policy documents were considered with a view to providing an informative document that will add value to the municipal planning processes. It can therefore be said that considerable attention was paid to reviewing relevant literature and consolidating information on policies and issues impacting on housing delivery in Raymond Mhlaba Local Municipality.

#### **COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:**

The Municipality is progressively working towards reducing the significant backlog of 15 577 (Stats SA: Census 2011) Human Settlements units, and to ensure the vision of its inhabitants have access to adequate Human Settlements is realized.

### **3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT**

Raymond Mhlaba LM has a free basic services unit which is discharged at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme. A register of qualifying beneficiaries is maintained on a monthly basis and only person(s) in this register get the subsidy. As of 30 June 2019 all qualifying indigent households who registered in the database of the municipality have received the indigent support. The services rendered under this programme are as follows;

1. Subsidised electricity
2. Subsidised refuse removal
3. Alternative energy i.e. paraffin
4. Subsidised property rates

#### **COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:**

Raymond Mhlaba LM has a free basic services unit which is dedicated at ensuring that all indigent households within the jurisdiction of the municipality receive free basic services. There is an indigent policy in place which regulates the whole indigent beneficiary programme. A register of qualifying beneficiaries is maintained on a monthly basis and only person(s) in this register get the subsidy. As of 30 June 2019 all qualifying indigent

households who registered in the database of the municipality have received the indigent support.

### **COMPONENT B: ROADS AND STORMWATER**

This component includes: roads and waste water (stormwater drainage).

#### **3.7 INTRODUCTION TO ROADS**

The role of the Municipality is to provide appropriate, cost effective and affordable roads, storm-water drainage, transport infrastructure and public services in-order to improve the quality of life of the communities. The main role players are the Municipality, Department of Roads and Public works, as well as SANRAL. The Department of Roads and Public Works and SANRAL are responsible for the construction and maintenance of National, Provincial road networks whereas the Municipality is responsible for the access roads leading to villages and those in urban areas.

All the households have the access to gravel or surfaced roads. The gravel roads are maintained according to the work schedule of the Engineering Department and also immediately after rainstorms. The surfaced roads are maintained from the operating maintenance budget. The quality and standards of the roads are in a poor condition.

The surfacing of all remaining strategic routes and roads is of significance in rural areas. Due to a thin revenue base the Municipality is unable to address the backlog. Financial assistance is needed from the MIG funding to address the backlog. MIG is also required for upgrading of existing roads infrastructure. The National Department of Transport is currently rolling out the Rural Transport Services and infrastructure Grant whose objective is to ensure effective and efficient investments on rural roads through development of Road Asset Management System (RAMS).

<b>Road Infrastructure</b>				<b>Kilometres</b>	
	<b>Dry blading</b>	<b>New gravel roads constructed</b>	<b>Re-surfacing</b>	<b>Gravel roads upgraded to Paving</b>	
Year 2018/2019			0.76km	6.4km	

#### **COMMENT ON THE PERFORMANCE OF ROADS OVERALL:**

All the roads that fall under the jurisdiction of the Municipality are being attended by the Technical Unit according to their work schedule. The surface roads are repaired and cleaned after heavy rainfalls including storm-water channels. Furthermore, the municipality has

revitalised the road maintenance forum through which road maintenance plan was developed by the Ward Councillors and to be used as a vehicle through which progress will be monitored and assessed. This forum is therefore a platform providing the municipality with a broad overview of the maintenance strategy and how it is accommodated within the allocated budget. Road maintenance is essential in order to preserve the road in its originally constructed condition. Improper maintenance may result in a rapid deterioration of the road structure and ultimate collapse to a point requiring total reconstruction.

The storm-water management system is provided for the towns of Adelaide, Alice, Bedford, Fort Beaufort, Middledrift, and Seymour. A more holistic Water Management Plan for the areas mentioned above needs to be relooked at a planned integrated manner. The municipality has prioritised storm-water and storm-water management needs. These are provided through the on-going paving and greening as well as maintenance of roads. The network has been neglected for some time and situation has caused major flooding during rainy seasons. This prevailing situation will cause the road network to disintegrate rapidly over the years to come, resulting to high maintenance cost

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

This component includes: planning; and local economic development.

### **3.8 INTRODUCTION TO PLANNING AND DEVELOPMENT**

Town Planning and Land Use Management is a very important component in ensuring coordinated and proper development as well as investor attraction within the Municipality as in its nature ensures compliance with relevant statutory framework as well as guides development through the development of the Spatial development Frameworks, development and enforcement of By-Laws . In view of the above, it must be noted that the Raymond Mhlaba Local Municipality has developed its Draft land use scheme (LUMS) in accordance with the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013). This scheme should take into account various aspects such as integration, topography, infrastructure, environmental concerns, existing and future developments. The new Land Use Scheme will have direct impact on property values, business development and ultimately rates income for the municipality. It would also introduce a more uniform and development facilitation land management system that could form the basis for sustainable development in the municipality for a long-term period.

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

#### **3.9.1 INTRODUCTION TO ECONOMIC DEVELOPMENT**

Raymond Mhlaba Local Municipality takes cognizance of the essential challenges facing the country as a whole and the electoral mandate for the next coming years. The ruling party identified the following five priority areas:

- a. Creation of decent work and sustainable livelihoods;
- b. Education;
- c. Health;
- d. Rural development, food security and Land Reform; and
- e. The fight against crime and corruption.

These 5 priorities of the ruling party were cascaded into a Medium Term Strategic Framework (MTSF) which is aimed at translating the electoral mandate into a clear and time-bound government delivery programme. The MTSF is a statement of intent identifying the developmental challenges facing the country and outlining the medium-term strategy for improvements. The MTSF identified 10 priorities which are as follows:

- a. Speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- b. Massive programmes to build economic and social infrastructure
- c. A comprehensive rural development strategy linked to land and agrarian reform and food security
- d. Strengthen the skills and human resource base
- e. Improve the health profile of society
- f. Intensify the fight against crime and corruption
- g. Build cohesive, caring and sustainable communities
- h. Pursue regional development, African advancement and enhanced international cooperation
- i. Sustainable resource management and use
- j. Building a developmental state, including improving of public services and strengthening democratic institutions.

Alignment of national programmes and municipal plans becomes very paramount. Closer interaction and cooperation between the three spheres of government is critical during the planning processes. There has been a gradual improvement in the level of education in

Raymond Mhlaba and the population is relatively well educated compared with other municipal areas in the province, however overall education levels are still quite low.

There is a large proportion of the population who are unable to be fully economically active members of the community due to the fact that they are unemployable. This impacts on income levels of the community and reduces the potential for economic growth. Another could be the lack of employment opportunities for more skilled workers, which reduces the incentives for further study. Skilled people are more likely to leave the area to look for work or higher paying work elsewhere, reducing the skills available in the area. The municipality has to revive the LED forum for all stakeholders to participate in local economic development issues within the area. A long term and shared vision on how to develop and drive a robust and inclusive local economy with a view to create job opportunities and eradicate poverty should be realized by the LED forum. It is imperative that systematic baseline data (for example, socio-economic data) must be gathered before the initiation of a policy project and on-going monitoring process must take place throughout the lifespan of the project and even after its completion in order to enable effective evaluation of that project.

Generally, cooperatives in Raymond Mhlaba are black owned, run by the elderly individuals who barely have any skill capacity, and the legacy still continues to exist and this leaves cooperatives unsustainable even if they are skilled, they suffer from natural attrition due to old age. Most cooperatives and group enterprises are started with unemployed people, often with low technical skill capacity levels and no prior business experience in economically marginal areas; hence their chances of success is reduced to the absolute minimum. The Cooperative Act No.14 of 2005 spells out how cooperatives should operate and as such the Municipality has assisted local cooperatives in the form of training and legal registration. However there is new amendment Act No. 6 of 2013 which seeks to address the strengthening of Cooperative governers, adhering to cooperative regulations as per cooperative constitution and also to ensure the effective directorship, leadership and management of the cooperative.

Furthermore, to enhance the effectiveness and financial viability and stability, Department of Trade and Industry, Eastern Cape Development Corporation, SEDA and DEDEAT has got funding for SMME development and the municipality has explored these funding opportunities by assisting SMME in developing their business plans for funding. Auditing of SMME's is of essence to ensure that the municipality has statistical information of its

SMME's. A need to develop an SMME plan is still outstanding and has to be developed for sustainable projects and this SMME plan will feed into the LED strategy. The municipality for this current FY has scheduled plans to conduct a baseline survey of all SMME's. This will yield a way for development of SMME plan. The municipality is working hand in hand with RMEDA for registration of new SMME's.

### **3.9.2 TOURISM AND MARKET**

In order to strengthen tourism development and marketing, the municipality is working in partnership with the Community Tourism Organizations; the structures plays a crucial role on driving tourism development in order to explore opportunities in hunting, game farming, eco-tourism, cultural tourism and promotion of adventure tourism in the area. The Community Tourism Organisations in partnership with the municipality has developed and designed a tourism marketing brochure, in order to market Raymond Mhlaba Municipality as leading tourist destination in Amathole District Municipality.

Raymond Mhlaba Municipality in partnership with the Eastern Cape Parks and Tourism Agency has established a homestays project in Alice. Homestays refers to the experience of tourists or visitors living together with a selected host family while interacting and experiencing the day to day life of the family, including their cultural lifestyle. It is a private residence that accommodates paying guests who enjoys staying in the comfort and security of family home. The homestays are intended to provide visitors with accommodation, a taste of township, village and urban lifestyle attempting to provide authentic cross cultural experience. The tourism unit is supporting the emerging tourism entrepreneurs and facilitating the capacity building programmes in partnership with other relevant stakeholders.

The tourism unit has developed events in order to celebrate and bring awareness about tourism, heritage in order to promote the destination and to stimulate the local economy with a view of creating employment opportunities. The Tourism Section has been coordinating the Cultural Heritage Festival every year on the month of September in order to celebrate, promote and create awareness about the heritage in the area. The tourism unit has been providing technical and financially support towards the Bedford Garden Festival in order to profile and showcase the best beautiful gardens in Amathole District Municipality.

Raymond Mhlaba Municipality is endowed with rich heritage, natural landscape, forests and rivers which attract visitors to the area. The South African Heritage Resources Agency has made a remarkable proclamation in which the University of Fort Hare, Chief Tyhali Memorial Grave and ZK Matthews House has been declared a National Heritage Sites. This is a significant achievement which could enhance the tourism development of tourism and stimulates the Local Economic Development in Raymond Mhlaba.

In addition destination planning and management should achieve a tourism development based on a balance between the conservation of existing natural and cultural resources, the economic viability of tourism and social equity in tourism development. The tourism unit will collaborate with the tourism structures, travel agents and tour operators in order to package and promote tourism in the area.

## **COMPONENT D: COMMUNITY & SOCIAL SERVICES**

### **3.10 INTRODUCTION TO COMMUNITY**

A wide range of social services and amenities are provided to promote sustainable communities and ensure that the dignity of the people is restored. The aim is to achieve social empowerment and cohesion by promoting social development and strengthening communities, with a dedicated focus on poor, vulnerable and marginalised residents. The municipality's interventions include establishing and maintaining inclusive community amenities such as municipal halls, parks/ recreational facilities, sport grounds, markets and libraries. These play a critical role in the development of society and in enhancing social cohesion. This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

#### **3.10.1 Cemeteries**

Raymond Mhlaba Municipality currently has a total of eleven (11) cemeteries that are located in urban areas. All of the cemeteries are almost full to capacity as such the municipality has identified new sites through the assistance of the town planning section in Alice and Fort beaufort. Communique with regards to the Environmental Impact Assessment has been sent to the Department of Economic development, Environment and Tourism. The municipality continues to roll out the fencing of rural cemeteries. This is done in consultation with ward councillors. Their responsibility is to identify which cemetery to be fenced. The fence is procured and later erected per identified space making use of local youth. This is to ensure that the project is owned by the communities while the same youth receives income and gain a skill at the same time.

### **3.10.2 Community facilities**

The municipality has 19 halls and 5 municipal parks under its jurisdiction which are rented out to communities as per approved rates. All the municipal halls need major renovations and as such the office has been receiving numerous complaints about the conditions of such properties.

### **3.10.3 Libraries**

Raymond Mhlaba Municipality has eight public libraries in the following areas ;Bedford x 1, Adelaide x 2, Alice x 1, Fort Beaufort x 3 and Seymour which the municipality is rendering the service on behalf of the Department of Sport, Recreation, and Arts & Culture (DSRAC). On a yearly basis the municipality is requested to submit a business plan which outlines the activities that will be carried out within these libraries for DSRAC to fund those. The municipality is also required to enter into an MOU with Department which outlines the responsibilities of each party. Construction of new Library in Alice is underway. Challenges relating to the arrangement is that the subsidy received to deliver this service do not cover 100% of the expenses of library services.

## **3.12 INTRODUCTION TO CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES**

The Department of Social Development is well positioned to empower the poor, as a crucial component of ensuring a sustainable solution to poverty and hunger in the long term. The Department's targeted interventions focus on poverty reduction, food security and developmental initiatives that enable self-sustainability and social inclusivity. These interventions further respond to the conditions of both individual and household poverty by providing a broad variety of programmes and support services. A critical enabling milestone in addressing the inter-generational poverty confronting many poor households is food and nutrition security. To this end the municipality supports small scale farmers so that they can contribute to the municipality food trade surplus.

## **COMPONENT E: HEALTH**

This component includes: clinics and hospitals.

### **3.13 INTRODUCTION TO HEALTH**

Department of Health is mandated to develop a high quality, efficient, equitable health system that is accessible to all Raymond Mhlaba Municipality's residents. The Department is responsible for the provision of primary health care services in the Raymond Mhlaba through its 38 clinics network. The municipality's clinics operate in conjunction with the six hospitals managed by the Eastern Cape Provincial Department of Health.

## **COMPONENT F: DISASTER AND SAFETY**

This component includes: Traffic, registration and licencing, control of animals and fire & disaster management services.

### **3.14 FIRE SERVICES**

#### **INTRODUCTION TO FIRE SERVICES**

Raymond Mhlaba Municipal Fire & Rescue Department as a first responder to incidents is dedicated to protecting and serving the entire community with a commitment to professionalism and performance excellence. Prevention of human life from fire and other hazards, advance public safety through fire prevention, investigation and education is amongst the core responsibility of the unit.

**The core function of the department is outlined as follows;**

**Fire Suppression:**

Deliver fire and rescue services to all Raymond Mhlaba residence.

**Fire Prevention:**

Improve quality of life through pro-active services, including education, inspection and awareness campaigns.

**Fire Administration:**

Provide leadership and visionary and direction for the Raymond Mhlaba Fire and Rescue Services.

#### **PERFORMANCE IMPROVEMENT:**

- Trained staff appointed
- Three skid units engines used to cover Raymond Mhlaba Municipal area.
- Main Fire base in Fort Beaufort being established, and operate 24/7 (to be completed within the first quarter of 2019/2020).
- Establishment of Disaster Management Centre within the Fire Services base, and to operate on 24/7 basis.
- Adelaide satellite fire station established and operational.

Fire Service Data					
	Details	2017/ 18	2018/ 19		2019/ 2020
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires <i>attended</i> in the year	39		48	
2	Total of other incidents attended in the year	27		72	
3	Average turnout time - urban areas	30 minutes		30 minutes	
4	Average turnout time - rural areas	60 minutes		60 minutes	
5	Fire fighters in post at year end	7		8	
6	Total fire appliances at year end	2		2	
7	Average number of appliance off the road during the year	2		2	

Capital Expenditure 2018/ 19: Fire Services			
Capital Projects	2018/ 19		
	Budget	Adjustment Budget	Actual Expenditure
Total All	R 150 000.00	R160 000.00	R 250 000.00
Refurbishment of SANCO building	R 150 000.00	R160 000.00	R 250 000.00

### 3.15 INTRODUCTION TO TRAFFIC SERVICE

Traffic services unit is responsible to carry the following functions;

- Deliver satisfied service to all citizens.
- Making appointments for learners licence.
- Renewal of driving licence.
- Conducting eye tests
- Renewal of professional driving permits.
- Conducting learners licence class.
- Testing for driving licence.
- Serving residents with queries on certain transactions.
- Registration and licensing of motor vehicles.
- To regulate and control traffic upon any public road within our area of jurisdiction.
- To attend to accidents.

- To do escorts.
- To serve warrants of arrest.
- To conduct external training at schools.
- To visit scholar patrols and conduct traffic safety talks.

<b>Traffic Service Data</b>					
	<b>Details</b>	<b>2017/ 18</b>	<b>2018/ 2019</b>		<b>2019/ 2020</b>
		<b>Actual No.</b>	<b>Estimate No.</b>	<b>Actual No.</b>	<b>Estimate No.</b>
1.	Number of road traffic accidents during the year	80	200	120	
2.	Number of by-law infringements attended	0	0	0	
3.	Number of traffic officers in the field on an average day	9	9	9	9
4.	Number of traffic officers on duty on an average day	9	9	9	9

### **COMPONENT G: SPORT AND RECREATION**

This component includes: community parks; sports fields; sports halls and stadiums.

#### **3.16 INTRODUCTION TO SPORT AND RECREATION**

Raymond Mhlaba Local Municipality provides access to facilities and encourages recreational activities and other healthy lifestyle activities. It strives for sporting excellence, encouraging the transformation of sporting codes and facilitates various initiatives that reinforce the national sport plan initiatives. The municipality has a total of 7 sports facilities in the following urban areas, Bedford x 3, Adelaide x 1, Fort Beaufort x 2, Alice x1 and Middledrift x1. All these facilities are vandalized by communities and need major renovations. There is no policy and procedure on the utilization of sports facilities. The Municipality has received an amount of 8million from the Department of Environmental Affairs to rehabilitate the existing parks and as such both parties are in a process of signing a Memorandum of Understanding.



## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Raymond Mhlaba Local Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategic Objective is: **To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.** This chapter will focus on the staffing rate of the municipality, human resource policies and practices.

Another pillar of Organisational Development is to ensure that employees are looked well after and that their morale is boosted on a continuous basis. The following programmes were implemented in the 2018/19 financial year:

1. Opening prayer for new financial year & service delivery (Health and safety)
2. Women's month activities
3. Pre- Retirement & Financial wellness (Ages 50- 65 exit plan for Councilors)
4. Substance abuse Program
5. Build up events for world AIDS day & awareness campaigns
6. World AIDS day commemoration & 16 days of activism
7. Workplace Inspection: Installation of sanitary bins (all satellite offices)
8. National Condom Week & Pregnancy awareness
9. National TB Month (all satellite offices)
10. Pre- Easter service
11. Medical Screenings & Productivity program (flu vaccination)
12. Sport & Recreation activities (National Tournament)
13. Candle light
14. Man's health Programs & Work place youth dialogue

#### 4.1 Employee Totals

Employees					
Job Level	2017/ 18	2018/ 2019			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	9	0	9	0	
4 - 6	126	343	119	224	
7 - 9	103	142	98	44	
10 – 12	79	159	77	82	
13 - 15	11	32	19	13	
16 - 18	10	2	2	0	

19 - 20	0	0	0	0	
Total	338	678	324	345 (fulltime equivalents)	

<b>Employees</b>					
<b>Description</b>	<b>2017/ 18</b>	<b>2018/ 2019</b>			
	<b>Employees</b>	<b>Approved Posts</b>	<b>Employees</b>	<b>Vacancies</b>	<b>Vacancies</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
Internal Audit		4	1	3	
Communications		5	1	4	
Legal Services		1	1	0	
LED		20	13	7	
IDP/PMS		5	2	3	
Supply Chain		9	9	0	
Expenditure		5	4	1	
Revenue		35	15	20	
Budget		4	3	1	
Asset		3	1	2	
Council Support & Records Mgnt & Secretariat		25	12	13	
ICT		5	1	4	
HR		14	10	4	
Fleet		37	10	27	
Waste & Social Needs		106	67	39	
Fire & Disaster Management		33	5	28	
Law Enforcement		133	79	54	
Housing & Land Use		38	15	23	
Civil Works		78	27	51	
Electricity Services		41	18	23	
PMU & EPWP		11	4	7	
Political Offices & Special Programmes		16	15	1	
Administration Section		50	20	30	
<b>Totals</b>		<b>678</b>	<b>333 (inclusive of fixed term contracts)</b>	<b>345</b>	

#### 4.2 VACANCY AND TURNOVER RATES

<b>Vacancy Rate: 2018/ 19</b>			
<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Vacancies (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Vacancies (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Municipal Manager	1	0	
CFO	1	0	
Other S57 Managers (excluding Finance Posts)	4	2	50%
Other S57 Managers (Finance posts)	0	0	
Police officers	0	0	
Fire fighters	29		
Senior management: Levels 13-15 (excluding Finance Posts)	29		
Senior management: Levels 13-15 (Finance posts)	6		
Highly skilled supervision: levels 9-12 (excluding Finance posts)	181		
Highly skilled supervision: levels 9-12 (Finance posts)	20		
<b>Total</b>	<b>271</b>		

<b>Turn-over Rate</b>			
<b>Details</b>	<b>Total Appointments as of beginning of Financial Year</b>	<b>Terminations during the Financial Year</b>	<b>Turn-over Rate*</b>
	<b>No.</b>	<b>No.</b>	
2016/ 17			
2017/ 18	1	15	1500%
2018/ 19	5	15	300%

**COMMENT ON VACANCIES AND TURNOVER:**

As at year end, the municipality had twenty (20) staff movements which are incorporated as new appointments and terminations. The termination strata include resignation, retirement, dismissal and absconding. From the above table the municipality recorded a turnover rate of 300% which is quite an improvement in contrast to the previous financial year. A high turnover may be costly to a municipality and will negatively hinder productivity, service delivery and institutional memory/organisational knowledge.

## **COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

### **4.3 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT**

The HR related policies were developed and adopted as listed below. Review was also done due to gaps that were identified in some policies. In any case on an annual basis review is done and also when there are changes in legislations. Also, on workforce management, compliance with Collective Agreement is emphasised.

#### **4.3.1 POLICIES**

<b>HR Policies and Plans</b>				
<b>#</b>	<b>Name of Policy</b>	<b>% Completed</b>	<b>% Reviewed</b>	<b>Date adopted by council or comment on failure to adopt</b>
1	Recruitment and Selection	100 %		October 2016
2	Leave Management	100%		October 2016
3	Training and development	100%	100%	May 2019 (Review)
4	Placement	100%		October 2016
5	Overtime	100%	100%	May 2019 (Review)
6	Subsistence and travelling	100%	100%	May 2019 (Review)

#### **4.3.2 COMMENT ON WORKFORCE POLICY DEVELOPMENT:**

Raymond Mhlaba Local Municipality convened an institutional policy workshop on March 12, 2019. The purpose of the workshop was to present to councillors' policy documents guiding the municipality in accelerating service delivery. Amongst the policies developed and presented, there were Human Resource related policies which include Overtime, Training and Development, and Subsistence and Travelling. These policies were duly noted in the workshop and were subsequently approved by council on April 17, 2019.

#### 4.4 INJURIES, SICKNESS AND SUSPENSIONS

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	302	4	1%	60	60
Temporary total disablement	1	1	100%	0	
<b>TOTAL</b>	<b>303</b>	<b>5</b>	<b>2%</b>	<b>61</b>	<b>60</b>

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees
	Days	%	No.	No.	Days
Lower skilled (Levels 1-2)	24	90%	10	30	0.07
Skilled (Levels 3-5)	25	15%	21	119	0.07
Highly skilled production (levels 6-8)	44	9%	39	98	0.13
Highly skilled supervision (levels 9-12)	34	3%	31	77	0.10
Senior management (Levels 13-15)	16	2%	14	19	0.05
MM and S57	0			2	0.00
<b>Total</b>	<b>143</b>	<b>24%</b>	<b>115</b>	<b>345</b>	<b>0.41</b>

#### 4.4.1 COMMENT ON INJURY AND SICK LEAVE:

There are unfortunate instances where an employee gets injured at work and in some instances they experience minor injuries. The employee wellness unit of the municipality ensures that the employee is taken care of until they recover and also the medical expenses are paid by the municipality. In terms of monitoring, the municipality ensures adherence to the Collective Agreements and Leave Management Policy of the Municipality.

<b>Number and Period of Suspensions</b>				
<b>Position</b>	<b>Nature of Alleged Misconduct</b>	<b>Date of Suspension</b>	<b>Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised</b>	<b>Date Finalised</b>
Chief Security Officer	The employee was charged for contravening the public gathering act by leading an IMATU protest.	June 2018	The employee was acquitted on some technicality on the first set of charges on 13 April 2018 and was re-suspended on the 01 June 2018 for gross negligence and abdication of crucial responsibilities	Not yet finalised.

#### 4.4.2 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

During the 2018/19 financial year one disciplinary hearing was underway of an employee who was placed on precautionary suspension pending disciplinary investigations for their alleged involvement in a case of serious misconduct. The disciplinary hearing of one employee suspended during 2018/19 could not be completed and will be finalised during 2019/2020 financial year.

#### **4.5 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

In line with the National Skills Strategy, Raymond Mhlaba Local Municipality continuously pursue investing towards a skilled and capable workforce that shares in, and contributes to, the benefits and opportunities of economic expansion and an inclusive growth path. Further to that, the municipality reviewed its Workplace skills plan taking into consideration the National Councillor Development Programme. This reviewed plan was tabled and adopted by council on April 17, 2019.

#### **INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT**

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Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of 2017/18	Actual: End of 2018/19	Year 2018/19 Target	Actual: End of 2017/18	Actual: End of 2018/19	Year 2018/19 Target	Actual: End of 2017/18	Actual: End of 2018/19	Year 2018/19 Target	Actual: End of 2017/18	Actual: End of 2018/19
MM and s57	Female	3							1	1	1		1	1
	Male	1								1	2		1	2
Councillors, senior officials and managers	Female	19		26						3	3		29	3
	Male	24		27					1	1	1		28	1
Technicians and associate professionals*	Female	0								2	2		2	2
	Male	0								8	9		8	9
Professionals	Female	4								4	4		4	4
	Male	7								7	7		7	7
Sub total	Female	26		26						10	10		36	10
	Male	32		27						17	19		44	19
<b>Total</b>		<b>58</b>	<b>0</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>27</b>	<b>29</b>	<b>0</b>	<b>80</b>	<b>29</b>

**Financial Competency Development: Progress Report\***

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	1					
<i>Chief financial officer</i>	1					
<i>Senior managers</i>	2					
<i>Any other financial officials</i>	0					
<b>Supply Chain Management Officials</b>	0					
<i>Heads of supply chain management units</i>	1					
<i>Supply chain management senior managers</i>	0					
<b>TOTAL</b>	5					

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2								
	Male	1	14000	14000					14000	14000
Legislators, senior officials and managers	Female	26	40000	40000	20000	20000	200000	20000	260000	80000
	Male	27	40000	40000	20000	20000	40000	40000	100000	100000
Professionals	Female	4					13000	13000	13000	13000
	Male	7					13000	13000	13000	13000
Technicians and associate professionals	Female	5					100000	100000	100000	100000
	Male	10					100000	100000	100000	100000
Clerks	Female	34					80000	80000	80000	80000
	Male	19					100000	100000	100000	100000
Service and sales workers	Female	31					100000	100000	100000	100000
	Male	76					100000	100000	100000	100000
Plant and machine operators and assemblers	Female	38					100000	100000	100000	100000
	Male	98					100000	100000	100000	100000
Elementary occupations	Female	2					10000	10000	10000	10000
	Male	3					10000	10000	10000	10000
Sub total	Female	142	40000	40000	20000	20000	603000	423000	663000	483000
	Male	241	54000	54000	20000	20000	463000	463000	537000	537000
<b>Total</b>		<b>383</b>	<b>40000</b>	<b>40000</b>	<b>20000</b>	<b>20000</b>	<b>613000</b>	<b>433000</b>	<b>1200000</b>	<b>1020000</b>

**COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:**

There is adequate funding and it fits the Training Plans of the Municipality. Looking at the actual as well as budgeted expenditure, what was planned for in the financial year has been achieved but change is always required in terms of the training needs and required competencies.

## CHAPTER 5 – FINANCIAL PERFORMANCE

### 5.1 INTRODUCTION

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

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

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### 5.2 STATEMENTS OF FINANCIAL PERFORMANCE

#### 5.3 GRANT PERFORMANCE

*Refer to Annual Financial Statements as annexed (Annexure B)*

#### 5.4 ASSET MANAGEMENT

##### INTRODUCTION TO ASSET MANAGEMENT

#### 5.5 REPAIRS AND MAINTENANCE

##### COMMENT ON ASSET MANAGEMENT:

Repairs and Maintenance Expenditure: Year 2018/ 19				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure				

##### COMMENT ON REPAIRS AND MAINTENANCE EXPENDITURE:

## 5.6 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### COMMENT ON FINANCIAL RATIOS:

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

## 5.7 CAPITAL EXPENDITURE

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure					
Operating Expenditure					
<b>Total expenditure</b>					
Water and sanitation					
Electricity					
Housing					
Roads, Pavements, Bridges and storm water					
Other					
External Loans					
Internal contributions					
Grants and subsidies					
Other					
External Loans					
Grants and subsidies					
Investments Redeemed					
Statutory Receipts (including VAT)					
Other Receipts					
Salaries, wages and allowances					
Cash and creditor payments					
Capital payments					
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments					
Property rates					

Service charges					
Other own revenue					
Employee related costs					
Provision for working capital					
Repairs and maintenance					
Bulk purchases					
Other expenditure					
Service charges: Electricity					
Grants & subsidies: Electricity					
Other revenue: Electricity					
Employee related costs: Electricity					
Provision for working capital: Electricity					
Repairs and maintenance: Electricity					
Bulk purchases: Electricity					
Other expenditure: Electricity					
Service charges: Water					
Grants & subsidies: Water					
Other revenue: Water					
Employee related costs: Water					
Provision for working capital: Water					
Repairs and maintenance: Water					
Bulk purchases: Water					
Other expenditure: Water					

## 5.8 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2017/ 2018 to 2018/ 2019							R' 000
Details	2017/ 2018	2018/ 2019					
	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						
<b>Total</b>							
<i>Percentage of finance</i>							
	External loans						
	Public contributions and donations						
	Grants and subsidies						
	Other						
<b>Capital expenditure</b>							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						
<b>Total</b>							
<i>Percentage of expenditure</i>							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						

T 5.6.1

**COMMENT ON SOURCES OF FUNDING:**

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

#### 5.9 CASH FLOW

Cash Flow Outcomes			
Description	Current: Year 2018/ 2019		
	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other			
Government - operating			
Government - capital			
Interest			
Dividends			
<b>Payments</b>			
Suppliers and employees			
Finance charges			
Transfers and Grants			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of PPE			
Decrease (Increase) in non-current debtors			
Decrease (increase) other non-current receivables			
Decrease (increase) in non-current investments			
<b>Payments</b>			
Capital assets			
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Short term loans			
Borrowing long term/refinancing			
Increase (decrease) in consumer deposits			
<b>Payments</b>			
Repayment of borrowing			
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			
Cash/cash equivalents at the year begin:			
Cash/cash equivalents at the year-end:			

## **5.9 BORROWING AND INVESTMENTS**

### **INTRODUCTION TO BORROWING AND INVESTMENTS**

#### **COMPONENT D: OTHER FINANCIAL MATTERS**

##### **5.10 SUPPLY CHAIN MANAGEMENT**

##### **5.11 GRAP COMPLIANCE**

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

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION:

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 section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR: 2017/2018

#### AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

<b>Auditor-General Report on Service Delivery Performance: Year 2017/18</b>	
<b>Audit Report Status:</b>	<b>Unqualified with Findings</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Fruitless and wasteful expenditure of R12, 8 million was incurred by the municipality during the year ended 30 June 2018. This was as a result of interest and penalties charged on the late payments made by the municipality.	<p>Fruitless and wasteful expenditure of R12, 8 million was incurred by the municipality during the year ended 30 June 2018. This was as a result of interest and penalties charged on the late payments made by the municipality.</p> <p>Ensure that invoices are processed on receipt</p> <p>Payments be made in accordance with the ageing of invoices as per the age analysis</p>
Material Losses on electricity of R14, 1 million was incurred by the municipality during the year ended 30 June 2018. This was as a result of ageing infrastructure, theft and bypasses.	<p>Material losses to be reported on quarterly Basis</p> <p>Door to Door inspections to be done on monthly basis</p> <p>Identify electricity infrastructure to be maintained and develop maintenance plan</p>
Irregular Expenditure of R10, 3 million was incurred by the municipality during the year ended 30 June 2018.	<p>Management to ensure that SCM processes are followed</p> <p>Management will ensure that all SCM related documents are reviewed and stored in a safe.</p> <p>Management will ensure that irregular expenditure is reported on monthly quarterly basis</p>
The amounts promulgated in the DORA have a serious impact on the level of services that the municipality can render and it may well raise doubt about the future financial sustainability of the municipality	<p>Continuously enforcement of revenue collection policies</p> <p>Adjustment of budget to be in line with the cash available on the bank and anticipated revenues.</p>
The SDBIP of the municipality did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.	Management will ensure that the SDBIP of the municipality includes monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

A performance management system was not established, as required by section 38(a) of the MSA	Management will ensure that performance management system is established, as required by section 38(a) of the MSA
Reasonable steps were not taken to prevent unauthorized, irregular and fruitless and wasteful expenditure	Ensure that invoices are processed on receipt
Money owed by the municipality was not always paid within 30 days	Payments be made in accordance with the ageing of invoices as per the age analysis
Unauthorized expenditure amounting to R3,9 million was incurred by the municipality as a result of expenditure which was not adequately budgeted for and expenditure in excess of the budget	Management will ensure that actual expenditure do not exceed the total expenditure budget, by correcting estimates upon budget preparation.
	Management will monitor movements during the financial year and make appropriate adjustments during budget adjustment stage.
Unauthorized, irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure	MPAC to ensure that unauthorized, irregular, fruitless and wasteful expenditure is investigated to determine if any person is liable for the expenditure.
Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1)	Management will ensure that Deviations submitted to the MM complies with SCM regulation 36(1)
Sufficient appropriate evidence could not be obtained that contracts were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of Preferential Procurement Policy Framework Act and its regulations.	Management will ensure that records are reviewed and stored in the safe
The performance of some contractors was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA.	Municipality will ensure that the performance of contractors is monitored on a monthly basis. SCM Manager will develop a performance system for all contracts.
Oversight responsibilities regarding the monitoring of internal controls over financial reporting and compliance with applicable laws and regulations were not adequate performed	Management will ensure that Internal Audit do follow up reviews on findings previously raised to ensure internal controls are monitored.
	Management to develop an internal control monitoring tool that will be monitored on a monthly basis
Compliance monitoring process was not effective in the implementation and monitoring of controls to ensure that non-compliance with its laws and regulations was prevented or detected	Management will ensure that compliance monitoring tool (internal controls) is developed and implemented to detect and prevent non-compliance with laws and regulations
The leadership did not implement adequate controls to ensure that the financial statements submitted for auditing did not contain material errors and non-compliance with applicable legislation.	Management will continue to capacitate the finance department from internal staff through to external resources used to ensure that AFS progress to a state that are free of material errors.

<p>The leadership did not ensure that adequately skilled resources are in place together with an effective performance management system to enable monitoring, oversight and hold all personnel accountable for their performance throughout the year.</p>	<p>Management will ensure that Internal Audit and Audit Committee do reviews on Annual Financial Statement before submitted to Auditor General</p>
<p>Recommendations of Internal Audit Unit were not adequately addressed by Management and therefore did not have a positive impact on addressing control defiance's that existed in the municipality's control environment.</p>	<p>Management will ensure that they address recommendations made by Internal Audit Unit</p>
<p>Ineffective of Audit Committee in strengthening the control environment within the municipality, as it was only appointed after year-end.</p>	<p>Management will ensure that Action plan on recommendation made is developed and implemented by IA unit</p>



## 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 “ <i>what we use to do the work</i> ”. 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.

**Vote:**

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.

Section 1 of the MFMA defines a "vote" as:

*a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*

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

**APPENDIX A: COUNCILLORS, COMMITTEES ALLOCATED AND COUNCIL ATTENDANCE**

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full Time / Part Time FT/PT</b>	<b>Committees Allocated</b>	<b>*Ward and/ or Party Represented</b>	<b>Percentage Council Meetings Attendance %</b>	<b>Percentage Apologies for non-attendance %</b>
Cllr. B. Ketelo	FT	Mayor (EXCO)	EXCO	73%	27%
Cllr. A.W. Ntsangani	FT	Speaker		100%	0%
Cllr. L.D. Penisi	FT	Chief Whip and Corporate Services Committee	WC	91%	9%
Cllr. P. Sabane	PT	Strategic Planning & LED and EXCO	PR	73%	27%
Cllr. V. Ndevu	PT	Strategic Planning & LED	PR	64%	36%
Cllr. N. Metuse	PT	Strategic Planning & LED	PR	82%	18%
Cllr. T. Ngaye	PT	Strategic Planning & LED	WC	73%	27%
Cllr. S. Mjakuca	PT	Strategic Planning & LED	WC	82%	18%
Cllr. P. Jack	PT	Community Services Committee and EXCO	PR	64%	36%
Cllr. S Nivi	PT	Community Services Committee	WC	100%	0%
Cllr. Badi	PT	Community Services Committee	WC	82%	18%
Cllr. S. Mavuso	PT	Community Services Committee and EXCO	PR	36%	64%
Cllr. S. Mkhwayimba	PT	Community Services Committee	WC	91%	9%

Cllr Thyobeka	PT	Community Services Committee	WC	82%	18%
Cllr.M Makeleni	FT	Finance Committee and EXCO	PR	100%	0%
Cllr. C. Guzi	PT	Finance Committee	WC	91%	9%
Cllr. Z Mpendu	PT	Finance Committee	WC	64%	36%
Cllr. N. Sango	PT	Finance Committee	WC	82%	18%
Cllr. M. Dywili	PT	Finance Committee	WC	73%	27%
Cllr. C. Auld	PT	Finance Committee	PR	82%	18%
Cllr.N. Geza	FT	Engineering Committee and EXCO	PR	55%	45%
Cllr.E. Lombard	PT	Engineering Committee and EXCO	PR	64%	36%
Cllr. T. Dwanya	PT	Engineering Committee	PR	91%	9%
Cllr.Z. Qaqawe	PT	Engineering Committee	WC	91%	9%
Cllr X. Jezile	PT	Engineering Committee	WC	73%	27%
Cllr M. Matayo	PT	Engineering Committee	WC	91%	9%
Cllr. L. Bruintjies (Deceased)	FT	Corporate Services and EXCO	PR	1%	99%
Cllr.Z. Papu	PT	Corporate Services	WC	100%	0%
Cllr.Z.M. Rasmeni	PT	Corporate Services	PR	82%	18%
Cllr. Baliso	PT	Corporate Services	PR	91%	9%
Cllr. S. Kiswa	PT	Corporate Services	WC	45%	55%
Cllr. S. Kleyi	PT	Sports, Arts & Culture and EXCO	PR	64%	36%
Cllr. C. Frans	PT	Sports, Arts and Culture	WC	100%	0%
Cllr. S. Mashengana	PT	Sports, Arts and Culture	WC	64%	36%
Cllr. K. Machakela	PT	Sports, Arts and Culture	PR	27%	73%

Cllr. Makhenyane	N.	PT	Sports, Arts and Culture	PR	100%	0%
Cllr. B. Thyali		FT	MPAC	PR	91%	9%
Cllr. E. Bantam		PT	MPAC	WC	100%	0%
Cllr. Mahlengale	S.	PT	MPAC	PR	91%	9%
Cllr. B.E. Mfondini		PT	MPAC	PR	64%	36%
Cllr. T. Mjo		PT	MPAC	WC	73%	27%
Cllr. Ndongeni	M.L.	PT	MPAC	WC	82%	18%
Cllr X. Dyantyi		PT	MPAC	WC	91%	9%
Chief Mabandla	J.T.	PT	Traditional Leader	TL	9%	91%
Chie. SSG.Burns Ncamashe		PT	Traditional Leader	TL	100%	0%
Chief K. Siduli		PT	Traditional Leader	TL	64%	36%
Chief W. Ndesi		PT	Traditional Leader	TL	91%	9%
Chief M. Tyali		PT	Traditional Leader	TL	18%	82%
Chief V.B. Zibi		PT	Traditional Leader	TL	64%	36%
Chieft M. Gulwa		PT	Traditional Leader	TL	73%	27%
Chief XG. Zulu		PT	Traditional Leader	TL	27%	73%
Chief M. Santi		PT	Traditional Leader	TL	18%	82%
Chief SJ. Thyali		PT	Traditional Leader	TL	91%	9%

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	Provide political guidance of the fiscal and financial affairs of the municipality, including the budget process and the priorities that must guide the preparation of the budget; Monitor and oversee the exercise of financial responsibilities assigned to the Accounting Officer and Chief Financial Officer in terms of the MFMA; Take reasonable steps to ensure the municipality performs its Constitutional and statutory functions within the limits to the municipality's approved budget;
Strategic planning and Local Economic Development	Identify the social and economic needs of the municipality; Review and evaluate those needs in order of priority; Recommend to Council strategies, programmes and services to address priority needs through the integrated development plan and the estimates of revenue and expenditure involved; Recommend to Council the best way to deliver those strategies, programmes and services to the maximum benefit of the municipality; Identify and develop criteria in terms of which progress in the implementation of the recommended strategies, programmes and services can be evaluated, including the key performance indicators;
Community Services	Oversee the provision of services to communities in a sustainable manner. Areas of Responsibility of the Committee: Solid waste disposal services; Traffic services; Fire Services;
Sports , Arts and Culture	Assist the Mayor to enhance unity in diversity through the provision of sport, arts and culture for sustainable development.
Corporate Services	Assist the Mayor to monitor the management of the municipality's administration in accordance with the directions of Council. Areas of responsibility of the Committee; Personnel Administration; Public Administration; Occupational Health and Safety in respect of Council officials; Conditions of Services and Staff Benefits;
Engineering serves	Oversee the provision of services to communities in a sustainable manner. Areas of Responsibility of the Committee: Electricity; Projects Land and housing,

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
DIRECTORATE	SENIOR MANAGER (STATE TITLE AND NAME)
<b>Municipal Manager</b>	<b>Ms Unathi Malinzi</b>
Budget and Treasury	Mrs Busisiwe Lubelwana
Community Services	Mrs Noluthando Majiba
Acting Corporate Services	Mr Mpilonde Njokweni
Acting Engineering Services	Mrs Fungiwe Dandala
Strategic Planning and LED	Dr. Lulamile Donacious Hanabe

## APPENDIX D – FUNCTIONS OF THE MUNICIPALITY

The municipality is mandated to perform the following powers and functions as stipulated in the Constitution of the Republic of South Africa 1996:

<b>SCHEDULE 4 B</b>	<b>SCHEDULE 5 B</b>
Air Pollution	Billboards and display of advertisement in public places
Building Regulations	Cemeteries
Child Care Facility	Cleansing
Electricity	Control of Public nuisance
Fire Fighting Services	Control of undertaking that sells liquor to the public
Local Tourism	Fencing and Fences
Municipal Planning	Local Amenities
Stormwater management system	Local Sport Facilities
Trading Regulations	Markets
	Municipal Abattoirs
	Municipal Parks and Recreation
	Municipal Roads
	Noise Pollution
	Pounds
	Public Places
	Refuse Removal, Refuse Dumps, Solid waste disposal
	Street Trading
	Street lighting
	Traffic and Parking

## APPENDIX E – WARD REPORTING

Functionality of Ward Committees							
Ward (Number)	Name	Name of Councillor elected committee members	Ward and Ward	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
<b>1</b>		<b>Cllr Qaqawe</b>		<b>Yes</b>	<b>2</b>	<b>2</b>	<b>3</b>
		N. Tanco					
		L. Belani					
		V. Mdyova					
		A. Vena					
		T. Gamzana					
		M. Mankeli					
		N. Ntabeni					
		N. Ntsamba					
		A. Tsiko					
		N. Mxako					
<b>2</b>		<b>Cllr. Matayo</b>		<b>Yes</b>	<b>1</b>	<b>1</b>	<b>3</b>
		M. Hani					
		V. Fulmen					
		I. Hani					
		N. Gusha					
		M. Sigonyela					
		T. Kemese					
		X. Stemele					
		T. Besmani					
		N. Williams					
<b>3</b>		<b>Cllr. Sango</b>		<b>Yes</b>	<b>3</b>	<b>3</b>	<b>3</b>
		N. Matondolo					
		N. Kayi					
		P. Toko					
		N. Kabane					
		L. Maxham					
		N. Vuthuza					
		M. Kepeyi					

	S. Vokwana				
	T. Quma				
	L. Kotshane				
<b>4</b>	<b>Cllr. Dyantyi</b>	<b>Yes</b>	<b>3</b>	<b>3</b>	<b>4</b>
	P. Ben				
	N. Mafrika				
	Z. Khethelo				
	B. Nqonqo				
	W.V. Maketi				
	M. Matya				
	N. Siyanga				
	N. Mafika (Deceased)				
	S. Aba				
	M.W. Sokrowa				
<b>5</b>	<b>Cllr. Guzi</b>	<b>Yes</b>	<b>3</b>	<b>2</b>	<b>2</b>
	N. Gulwa				
	N.L. Zondi				
	P. Stemele				
	T. Gaqa				
	N. Mxotwa				
	T. Ngcokovane				
	A. Magcubela				
	M. Masiza				
	S. Nondzaba				
	B. Manqunyana				
<b>6</b>	<b>Cllr Nivi</b>	<b>Yes</b>	<b>4</b>	<b>4</b>	<b>4</b>
	M. September				
	B. Hoyana				
	N. Tshakweni				
	B. Desmond				
	M. Tom				
	I. Summerton				
	E. Ntushelo				
	T. Sontaba				
	T. Mbontsi				
	S. Nomnqa				
<b>7</b>	<b>Cllr. Kiswa</b>	<b>Yes</b>	<b>4</b>	<b>2</b>	<b>2</b>
	N. Tose				
	N.A. Mama				
	L. Mxenge				
	L. M. Fundani				

	E.N. Tose				
	N. Mahlanyana				
	S.B. Zanto				
	A. Jantyes				
	S. Ndarana				
	N. Mani				
<b>8</b>	<b>Cllr. Bantam</b>	<b>Yes</b>	<b>4</b>	<b>4</b>	<b>4</b>
	C. Langa				
	T. Tsotsa				
	P. May				
	N. Doyi				
	T. Ngcowa				
	N. Kwayinto				
	M. Mangali				
	N. Mgwangqa				
	A. Tabalaza				
<b>9</b>	<b>Cllr Jezile</b>	<b>Yes</b>	<b>2</b>	<b>2</b>	<b>2</b>
	L. Mbethe				
	B. Madyongolo				
	N. Grabile				
	N. Gushu				
	L. Mntuwaphantsi				
	G. Higa				
	Z. Mafrika				
	N. Gaju				
<b>10</b>	<b>Cllr Ndongeni</b>	<b>Yes</b>	<b>4</b>	<b>4</b>	<b>4</b>
	N. Nguta				
	N. Sgonyela				
	N. Mbozi				
	N. Mthunzini				
	N. Mkhencele				
	P. Mtshakazi				
	N. Jacobs				
	S. Mankazana				
	M. Mkhaza				
<b>11</b>	<b>Cllr. Thyobeka</b>	<b>Yes</b>	<b>0</b>	<b>0</b>	<b>0</b>
	I Ndziya				
	X. Myoli				
	Y. Kebeni				
	L. Ngqala				
	N. Lekezwa				

	N. Makapela				
	B. Mnyamana				
	P. Nohamba				
<b>12</b>	<b>Cllr. Mkhwayimba</b>	<b>Yes</b>	<b>3</b>	<b>2</b>	<b>2</b>
	P.A. Ngqolo				
	B.C. Gqirhana				
	N. Nngwalangwala				
	M. Gugwini				
	N. Ntantiso				
	N. Nontshinga				
	M. Lizani				
	M. Langa				
	N. Mtandana				
	N. Papu				
<b>13</b>	<b>Cllr. Mpendu</b>	<b>Yes</b>	<b>2</b>	<b>2</b>	<b>2</b>
	N. Qomfo				
	N. Mtshilita				
	N. Sindeka				
	Y. Lemna				
	M. Gebengana				
	Z, Kama				
	L. Merikana				
	S. Nzabela				
	S. Nyala				
	X. Nkulana				
<b>14</b>	<b>Cllr. Mashenqana</b>	<b>Yes</b>	<b>4</b>	<b>4</b>	<b>4</b>
	T. Ntsangani				
	M. Gosani				
	N. Yono				
	S. Mguqulwa				
	Z.M. Booi				
	T. Melani				
	M. Bbeza				
	E. Ndlebe				
	K. Dyantyi				
	M. Ketyana				
<b>15</b>	<b>Cllr. Ngaye</b>	<b>Yes</b>	<b>3</b>	<b>3</b>	<b>4</b>
	M. Sinqe				
	N. Nzabela				
	N. Makosa				
	L. Tshibika				

	S. Mashibini				
	S. Mdoana				
	S. Nyweba				
	D. Somni				
	N. Makibeni				
	T. Novoyi				
<b>16</b>	<b>Cllr. Badi</b>	<b>Yes</b>	<b>4</b>	<b>4</b>	<b>6</b>
	M. Zam				
	B. Mtima				
	N. Gila				
	N. Totoyi				
	N. Ngeyi				
	L.Nxoko				
	T. Majola				
	M. Tyhali				
	N. Neku				
	K. Nombembe				
<b>17</b>	<b>Cllr. Qawu</b>	<b>Yes</b>	<b>4</b>	<b>2</b>	<b>2</b>
	X. Ngxoweni				
	L. Ngwabeni				
	L. Xujwa				
	V. Mkani				
	N. Tose				
	M. Nkam				
	Z. Daki				
	Z. Komeni				
	S.Z Masingta				
<b>18</b>	<b>Cllr Mjo</b>	<b>Yes</b>	<b>5</b>	<b>3</b>	<b>2</b>
	T. Mbete				
	S. Kilimani				
	X. Mamase				
	N. Liwani				
	N. Hina				
	S. Mgijima				
	Y. Davane				
	N.C Msthu				
	N.B. Maneli				
	N.P. Faku				
<b>19</b>	<b>Cllr. Papu</b>	<b>Yes</b>	<b>3</b>	<b>3</b>	<b>5</b>
	N. Qina				
	M. Mveli				

	M. Madakana				
	P. Maku				
	N. Skoti				
	V. Tiyiwe				
	T. Gomi				
	F. Kula				
	T. Mani				
<b>20</b>	<b>Cllr Penisi</b>	<b>Yes</b>	<b>2</b>	<b>2</b>	<b>3</b>
	Z.P. Dyakala				
	N. Gqirhana				
	M. Fulman				
	M. Rhoyati				
	N. Gxekwa				
	S. Khayi				
	N. Masholugu				
	M. Nguye				
	A. Dayile				
	N. Nqume				
<b>21</b>	<b>Cllr. Mjakuca</b>	<b>Yes</b>	<b>2</b>	<b>1</b>	<b>4</b>
	X. Mlondleni				
	O. Kiva				
	X. Dikina				
	M. Vuthuza				
	B. Jeyi				
	N.Rangula				
	C.R. De Wit				
	P. De Lange				
<b>22</b>	<b>Cllr. Christian</b>	<b>Yes</b>	<b>2</b>	<b>3</b>	<b>2</b>
	Z. Mpati				
	M. Mentoor				
	V. Bosch				
	A. Gqaliso				
	K. Tshanga				
	F. Skoti				
	B. Piet				
	X.M. Bawana				
	P. Swaartbooi				
<b>23</b>	<b>Cllr. Dywili</b>	<b>Yes</b>	<b>3</b>	<b>3</b>	<b>3</b>
	V. Noganta				
	P. Mpambani				
	B. Payi				

	P. Nawula				
	V. Ngetu				
	P. Supto				
	N. Kweta				
	M.Mahleza				
	K. Williams				
	M. Vece				

**APPENDIX F – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2018/19**

<b>MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS</b>		
<b>Date of Committee</b>	<b>Committee recommendations during 2018/ 2019</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
27/08/2018	The entity needs to create template for fruitless and wasteful, irregular and unauthorised expenditure to track and monitored on quarterly basis.	Yes
27/08/2018	The CEO should come with more information from SARS VAT refund that is due to NEDA.	Yes
27/08/2018	The CEO should furnish the AC with the contract between the entity and the funders of Microcredit fund and how this should be disclosed on the AFS as per GRAP standards	Yes
27/08/2018	Management should provide information on traffic fines including magistrate information.	Yes
27/08/2018	Analysis on overtime, budget vs actual. Hours spend and approval to ensure that it was approved. Compliance with the overtime policy.	Yes
27/08/2018	Internal Auditors to review annual performance report before its submitted to AGSA	Yes
27/08/2018	Management should provide information on long outstanding debt of councilors.	Yes
27/08/2018	Information on how the municipality should disclose the MSCOA cost and trainings- Intangible assets or	Yes

	expensed.	
27/08/2018	AGSA to report whether the audit steering committee meeting are taking place	Yes
01/02/2019	CEO to submit to AC members a three months cash flow projection for the block yard	Yes
01/02/2019	CEO should submit quarterly financial and performance information to the AC meetings.	Yes
01/02/2019	Internal audit unit should conduct follow up audits.	Yes
01/02/2019	PMS policy to be submitted to the AC for comments before submitted to Council for approval	Yes
26/04/2019	Raymond Mhlaba Development Agency to register for VAT	Yes
26/04/2019	CFO to provide the creditor's age analysis (including names)	Yes
26/04/2019	CFO to submit the report on irregular, unauthorised and fruitless and wasteful expenditure	Yes
26/04/2019	Long outstanding debt of employees	Yes
26/04/2019	Development of revenue collection strategy.	Yes
26/04/2019	CFO to submit Annual Budget 2019/2020	Yes
26/04/2019	Submit the detailed report on fines (April to June) e.g. what has been issued, cancelled fines and paid fines	Yes
26/04/2019	IT charter, office backups, recovery plan, access controls and firewall to be presented on the next AC meeting.	Yes

26/04/2019	To submit fraud and legal compliance report	Yes
26/04/2019	Resubmission of 3rd quarter Engineering report	Yes
26/04/2019	Provide a quarterly comparative performance report	No

**APPENDIX G – MUNICIPAL SERVICE PROVIDER PERFORMANCE SCHEDULE**

<b>SERVICE PROVIDERS PERFORMANCE EVALUATION 2018/ 19</b>									
<b>NO.</b>	<b>SERVICE PROVIDER</b>	<b>PROJECT NAME</b>	<b>DATE OF AWARD</b>	<b>EXPIRY DATE</b>	<b>PROJECT MANAGER</b>	<b>CONTRACT AMOUNT</b>	<b>PROJECT STATUS:</b>	<b>Reasons for Variances</b>	<b>PROJECT PROGRESS</b>
1	Tixispan Trading t/a Zezethu Engineers	Professional services for the construction of Fort Beaufort sport complex.	10/09/2013	Multi-year project	M.Ndzoyiya	1,160,520.00	In-progress	Multi-year project	Good
2	Tixispan Trading t/a Zezethu Engineers	Professional services for paving of streets, golf course, Bofolo and Gugulethu township	22/04/2014	Multi-year project	M.Ndzoyiya	450,000.00	In-progress	Multi-year project	Good
3	Malk lafrica Trading	Re-Surfacing of Adelaide Town Street	2/12/2015	Multi-year project	M.Ndzoyiya	9,300,000.00	In-progress	Multi-year project	Good
4	27 years Roben Island	Construction of Ngqolowa Sports Field	12/12/2017	Multi-year project	M.Ndzoyiya	4,275,895.47	In-progress	Multi-year project	Good
5	Ondondela enterprise Jv Maxhosandile Construction	Rehabilitation of Goodwill Park Multi-Purpose Centre phase	12/12/2017	Multi-year project	M.Ndzoyiya	2,458,280.15	In-progress	Multi-year project	Poor performance

		2							
6	Gcobani &ST Jv	Construction of Qhomfo Day Care Centre	12/12/2017	Multi-year project	M.Ndzoyiya	439,309.50	In-progress	Multi-year project	Poor performance
7	Sizanane Consulting	Compilation and maintenance of the valuation roll	08/02/2018	Multi-year project	Mr Britz	5,185,393.00	In-progress	No variances	Good
8	Chizama Trading (Pty)Ltd	Refuse collection in Newtown, Fort Beaufort	01/04/2019	01/04/20	N.Desha	750,000.00	In-progress	No variances	Good
9	Icebolethu Construction and projects	Refuse collection in Golf course, Alice	01/04/2019	01/04/20	N.Desha	720,000.00		No variances	Good
10	Siyavuya Construction	Turnkey services for design and construction of high mast lights	01/05/2019	30/06/2019	M.Ndzoyiya	2,220,088.25	In-progress	<b>No variances</b>	Good
11	Sesonasipho-Vizikhumgo Construction Jv	Construction of Fort Beaufort Sports	01/05/2019	30/06/2019	M.Ndzoyiya	1,787,281.30	Cancelled	No variances	Poor performance

## APPENDIX H: DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 2018/19		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>Mayor/ Speaker</b>	Cllr B Ketelo (Mayor)	Land and property, house ERF 4209 Ntselemanzi Alice, GEDF Special Pension.
<b>Members of Exco</b>	Cllr Sabane	Retirement pension
<b>Councillor</b>	Cllr Bantam	Directorship and partnership: Elten Agriculture /Auto Supplier, House in New Town, A plot in Fort Beaufort
	Cllr Kiswa	Director Malwande Investments, House in Port Elizabeth, House in Cape Town
	Cllr Mjo	Department of Higher Education : Centre Manager
	Cllr Mashengqana	Zizamele Agriculture Project
	Cllr Mfondini	Pension from ESKOM
	Cllr Sango	Site and House 1486 Maneli Street
	Cllr Auld	Homestead 1436 m2,Libert Life and Old Mutual Pensions

<b>Municipal Manager</b>		
<b>Chief Financial Officer</b>	Mrs Busisiwe Lubelwana	ELCB Information System and Zangoma Trading CC
<b>Deputy MM and (Executive) Directors</b>		
<b>Other S56 Officials</b>		

## **VOLUME II: ANNUAL FINANCIAL STATEMENTS**