



MAKANA
MUNICIPALITY | EASTERN CAPE
MASIPALA WASEMPUMAKOLONI
MUNISIPALITEIT | OOS-KAAP
...a great place to be

FINAL ANNUAL REPORT

2019 – 2020



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ACRONYMS AND ABBREVIATIONS

IDP	INTEGRATED DEVELOPMENT PLAN
LM	LOCAL MUNICIPALITY
STATS SA	STATISTIC SOUTH AFRICA
EPWP	EXTENDED PUBLIC WORKS PROGRAMME
AFS	ANNUAL FINANCIAL STATEMENTS
MSA	MUNICIPAL SYSTEMS ACT 32 OF 2000
IGR	INTER-GOVERNMENTAL RELATIONS
MOU	MEMORANDUM OF UNDERSTANDING
MISA	MUNICIPAL INFRASTRUCTURE SUPPORT AGENT
FAME	FINANCE, ADMINISTRATION, MONITORING & EVALUATION
GRAP	GENERAL RECOGNISED ACCOUNTING PRACTICE
MUNI-MEC	AN INTERGOVERNMENTAL BODY THAT MEETS QUARTERLY TO ANALYSE THE STATE OF LOCAL GOVERNMENT AND IS MADE UP OF THE MEC'S & THE MUNICIPAL MAYORS AND MUNICIPAL MANAGERS
MIG	MUNICIPAL INFRASTRUCTURE GRANT
NERSA	NATIONAL ENERGY REGULATOR OF SOUTH AFRICA
COGTA	CORPORATIVE GOVERNANCE & TRADITIONAL AFFAIRS
SPLUMA	SPATIAL PLANNING AND LAND USE MANAGEMENT ACT
SBDM	SARAH BAARTMAN DISTRICT MUNICIPALITY
HR	HUMAN RESOURCES
IT	INFORMATION TECHNOLOGY
SDF	SPATIAL DEVELOPMENT FRAMEWORK
CWP	COMMUNITY WORKER'S PROGRAMME
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
LED	LOCAL ECONOMIC DEVELOPMENT
PMS	PERFORMANCE MANAGEMENT SYSTEM
SMME	SMALL, MEDIUM & MICRO ENTERPRISE

CHAPTER ONE: MUNICIPAL OVERVIEW

1.1 MUNICIPAL PROFILE

Makana Local Municipality (Makana) is a category B Municipality approximately halfway between East London and Port Elizabeth that forms part of the seven local municipalities of the Sarah Baartman (formerly Cacadu) District Municipality in the Eastern Cape Province.

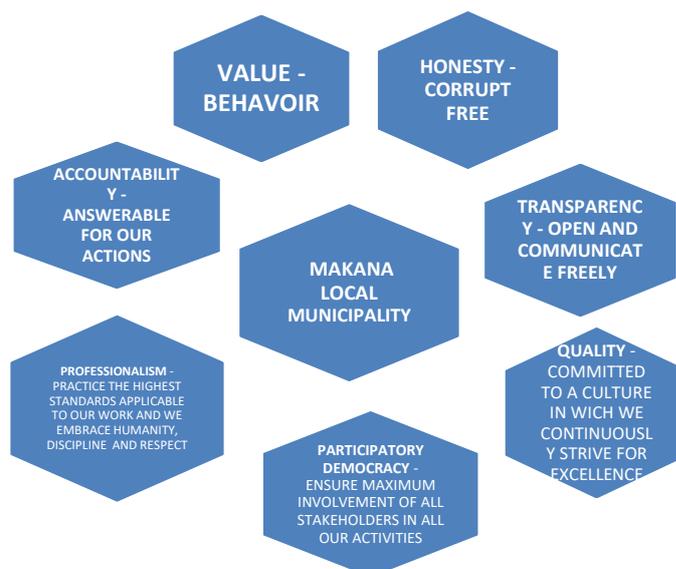
Makana's area is bordered in the North-East by Amathole District Municipality, North-West by Blue Crane Route Local Municipality, in the South by Ndlambe Local Municipality and in the South-West by the Sundays River Valley Local Municipality with the cities of Port Elizabeth 120km to the West and East London 180 km to east. In 2011 the Municipality was delimited into fourteen wards.

Makana Municipality's commitment to developing a "Great Place to be" is driven with specific emphasis of translating the Municipality's strategies into an Implementable Action Plan. The Municipality is committed in ensuring that, its revised Developmental Priorities in the IDP 2017-22 are achieved.

1.1.1 Vision

"Makana Municipality strives to ensure sustainable, affordable, equitable and quality services in a just, friendly, secure and healthy environment, which promotes social and economic growth for all".

1.1.2 Core Values Figure1



1.1.3 Demographics and Socio Economic Profile

The following Statistical Overview Report aims to quantify the economic, demographic and socio-economic environment of Makana Local Municipality in context of its neighbouring regions, the district, the province and South Africa. A better understanding of the demographic, economic and socio-economic environment could inform stakeholders to implement and monitor plans and policies that will allow for a healthy, growing and inclusive economy and society.

Understanding the changes in the composition of the population with respect to population group, age and gender is vital in the face of growing pressure on food, energy, water, jobs and social support on the country's citizens. An understanding of how the total fertility rates, age-specific fertility rates, sex ratios at birth, life expectancies and international migration affect the respective population groups, ages and genders is essential for effective planning on a spatial level. The first section of the Statistical Overview Report will aim to disentangle the changes in the Makana Local Municipality demographics in context of other locals of the region, the districts, the Province and South Africa.

The second section will provide insights into the economic environment of Makana Local Municipality in relation to the other local municipality in the region, the district, the province and South Africa's performance. The changing economic environment subsequently has an effect on the ability of the economy to create jobs. This section will therefore also include analysis on the employment and subsequent income dynamics of Makana Local Municipality.

1.1.3.1. Demographic Profile

"Demographics", or "population characteristics", includes analysis of the population of a region. Distributions of values within a demographic variable, and across households, as well as trends over time are of interest. In this section, an overview is provided of the demography of the Makana Local Municipality and all its neighbouring regions, Sarah Baartman District Municipality, Eastern Cape Province and South Africa as a whole.

Total Population: Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

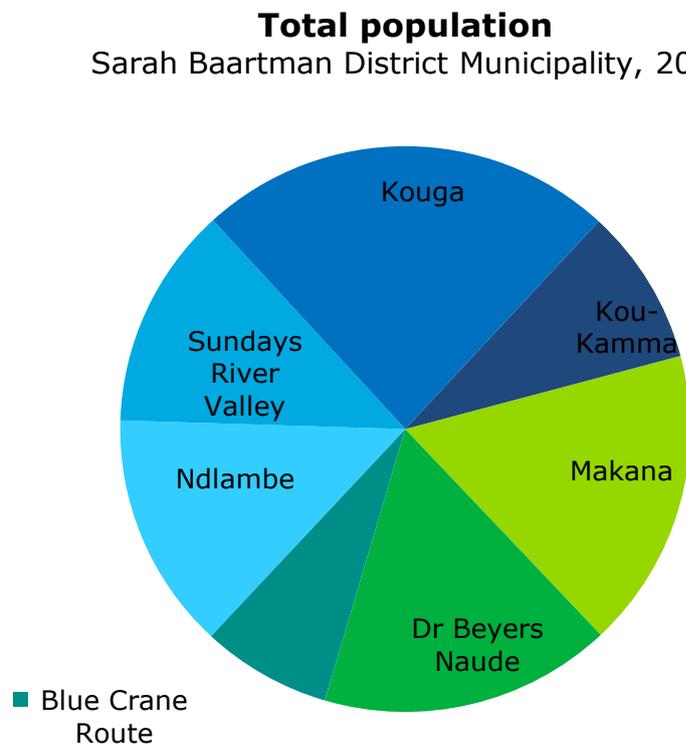
TABLE 1. TOTAL POPULATION - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBERS PERCENTAGE]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2010	82,500	458,000	6,680,000	51,100,000	18.0%	1.24%	0.16%
2011	83,500	466,000	6,740,000	52,000,000	17.9%	1.24%	0.16%
2012	84,500	475,000	6,800,000	52,900,000	17.8%	1.24%	0.16%
2013	85,400	483,000	6,870,000	53,700,000	17.7%	1.24%	0.16%
2014	86,400	491,000	6,930,000	54,600,000	17.6%	1.25%	0.16%
2015	87,300	499,000	7,010,000	55,500,000	17.5%	1.25%	0.16%
2016	88,200	506,000	7,080,000	56,400,000	17.4%	1.25%	0.16%
2017	89,000	514,000	7,150,000	57,200,000	17.3%	1.24%	0.16%
2018	89,800	520,000	7,220,000	58,100,000	17.2%	1.24%	0.15%
2019	90,600	527,000	7,290,000	59,000,000	17.2%	1.24%	0.15%
2020	91,400	533,000	7,360,000	59,800,000	17.1%	1.24%	0.15%
Average Annual growth							
2010-2020	1.03%	1.54%	0.98%	1.59%			

Source: IHS Markit Regional eXplorer version 2112

With 91 400 people, the Makana Local Municipality housed 0.2% of South Africa's total population in 2020. Between 2010 and 2020 the population growth averaged 1.03% per annum which is close to half than the growth rate of South Africa as a whole (1.59%). Compared to Sarah Baartman's average annual growth rate (1.54%), the growth rate in Makana's population at 1.03% was close to half than that of the district municipality.

CHART 1. TOTAL POPULATION - MAKANA AND THE REST OF SARAH BAARTMAN, 2020 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 2112

When compared to other regions, the Makana Local Municipality accounts for a total population of 91,400, or 17.1% of the total population in the Sarah Baartman District Municipality, with the Kouga being the most populous region in the Sarah Baartman District Municipality for 2020. The ranking in terms of the size of Makana compared to the other regions remained the same between 2010 and 2020. In terms of its share the Makana Local Municipality was slightly smaller in 2020 (17.1%) compared to what it was in 2010 (18.0%). When looking at the average annual growth rate, it is noted that Makana ranked fifth (relative to its peers in terms of growth) with an average annual growth rate of 1.0% between 2010 and 2020.

TABLE 2. POPULATION PROJECTIONS - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2020-2025 [NUMBERS PERCENTAGE]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2020	91,400	533,000	7,360,000	59,800,000	17.1%	1.24%	0.15%
2021	92,200	539,000	7,430,000	60,600,000	17.1%	1.24%	0.15%
2022	93,000	545,000	7,500,000	61,500,000	17.1%	1.24%	0.15%
2023	93,900	551,000	7,570,000	62,300,000	17.0%	1.24%	0.15%
2024	94,900	557,000	7,630,000	63,100,000	17.0%	1.24%	0.15%
2025	96,000	563,000	7,700,000	63,900,000	17.1%	1.25%	0.15%
Average Annual growth							
2020-2025	0.98%	1.08%	0.92%	1.32%			

Source: IHS Markit Regional eXplorer version 2112

The population projection of Makana Local Municipality shows an estimated average annual growth rate of 1.0% between 2020 and 2025. The average annual growth rate in the population over the projection period for Sarah Baartman District Municipality, Eastern Cape Province and South Africa is 1.1%, 0.9% and 1.3% respectively. The Eastern Cape Province is estimated to have an average growth rate of 0.9% which is very similar than that of the Makana Local Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.3% which is very similar than that of Makana's projected growth rate.

1.1.4 Municipal Socio Economic Status

1.1.4.1 Household Profile

Number of Households by Population Group: A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household. To categorise a household according to population group, the population group to which the head of the household belongs, is used.

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa.

In 2020, the Makana Local Municipality comprised of 23 600 households. This equates to an average annual growth rate of 0.94% in the number of households from 2010 to 2020. With an average annual growth rate of 1.03% in the total population, the average household size in the Makana Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2010 increased from approximately 3.8 individuals per household to 3.9 persons per household in 2020.

TABLE 3. NUMBER OF HOUSEHOLDS - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER PERCENTAGE]

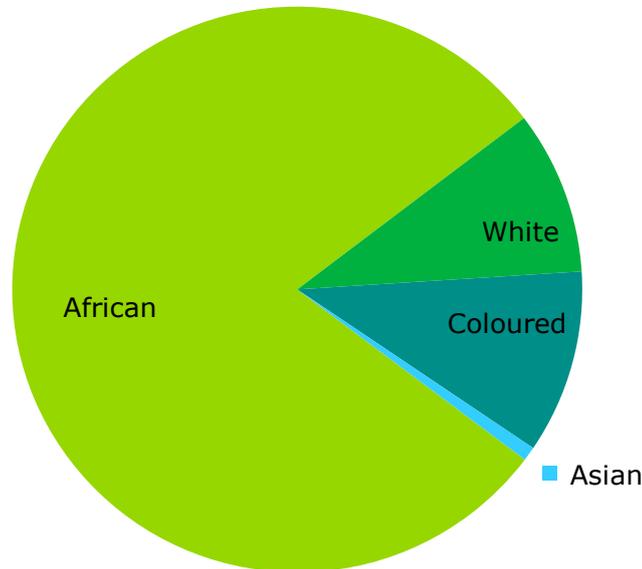
	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2010	21,500	130,000	1,710,000	14,100,000	16.5%	1.26%	0.15%
2011	21,900	133,000	1,730,000	14,400,000	16.4%	1.27%	0.15%
2012	22,100	135,000	1,750,000	14,700,000	16.3%	1.26%	0.15%
2013	22,300	137,000	1,760,000	15,000,000	16.3%	1.26%	0.15%
2014	22,400	139,000	1,780,000	15,300,000	16.1%	1.26%	0.15%
2015	22,800	142,000	1,810,000	15,700,000	16.1%	1.26%	0.15%
2016	23,300	145,000	1,850,000	16,100,000	16.0%	1.26%	0.15%
2017	23,800	149,000	1,890,000	16,400,000	16.0%	1.26%	0.15%
2018	24,200	152,000	1,930,000	16,600,000	16.0%	1.26%	0.15%
2019	24,000	152,000	1,910,000	16,800,000	15.8%	1.26%	0.14%
2020	23,600	150,000	1,880,000	17,000,000	15.8%	1.26%	0.14%
Average Annual growth							
2010-2020	0.94%	1.42%	0.97%	1.90%			

Source: IHS Markit Regional eXplorer version 2112

Relative to the district municipality, the Makana Local Municipality had a lower average annual growth rate of 0.94% from 2010 to 2020. In contrast, the province had an average annual growth rate of 0.97% from 2010. The South Africa as a whole had a total of 17 million households, with a growth rate of 1.90%, thus growing at a higher rate than the Makana.

The composition of the households by population group consists of 79.4% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 10.5% (ranking second). The White population group had a total composition of 9.3% of the total households. The smallest population group by households is the Asian population group with only 0.8% in 2020.

Number of Households by Population group Makana, 2020



Source: IHS Markit Regional eXplorer version 2112

The growth in the number of African headed households was on average 1.19% per annum between 2010 and 2020, which translates in the number of households increasing by 2 090 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2010 and 2020 at 3.68%. The average annual growth rate in the number of households for all the other population groups has increased with 0.92%.

1.1.4.2 Labour Profile

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 4. WORKING AGE POPULATION IN MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010 AND 2020 [NUMBER]

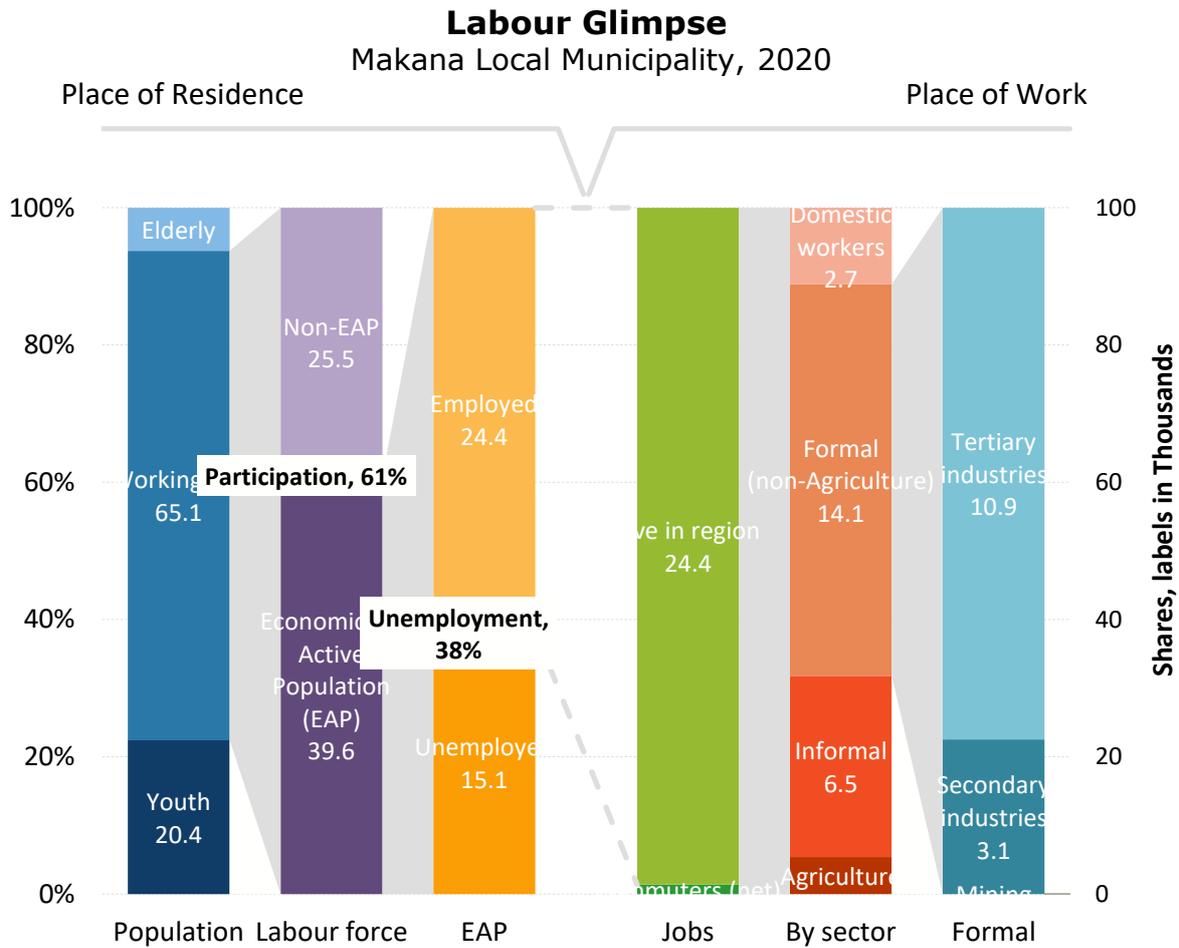
	Makana		Sarah Baartman		Eastern Cape		National Total	
	2010	2020	2010	2020	2010	2020	2010	2020
15-19	7,470	5,890	36,600	33,300	713,000	614,000	5,220,000	4,730,000
20-24	10,400	9,590	43,600	39,600	657,000	552,000	5,350,000	4,780,000
25-29	8,180	10,200	42,300	51,900	542,000	672,000	4,780,000	5,460,000
30-34	6,420	8,260	36,300	48,900	445,000	630,000	3,900,000	5,580,000
35-39	6,350	7,370	36,000	44,000	427,000	515,000	3,420,000	4,800,000
40-44	5,820	6,800	31,600	38,200	367,000	414,000	2,810,000	3,740,000
45-49	4,920	6,000	27,000	33,500	322,000	384,000	2,520,000	3,180,000
50-54	3,940	4,500	21,600	26,300	277,000	322,000	2,150,000	2,570,000
55-59	2,840	3,780	16,800	22,200	214,000	285,000	1,750,000	2,270,000
60-64	2,170	2,840	14,100	18,100	178,000	246,000	1,410,000	1,900,000
Total	58,500	65,200	306,000	356,000	4,140,000	4,630,000	33,300,000	39,000,000

Source: IHS Markit Regional eXplorer version 2112

The working age population in Makana in 2020 was 65 200, increasing at an average annual rate of 1.08% since 2010. For the same period the working age population for Sarah Baartman District Municipality increased at 1.53% annually, while that of Eastern Cape Province increased at 1.13% annually. South Africa's working age population has increased annually by 1.60% from 33.3 million in 2010 to 39 million in 2020.

The graph below combines all the facets of the labour force in the Makana Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

CHART 3. LABOUR GLIMPSE - MAKANA LOCAL MUNICIPALITY, 2020



Source: IHS Markit Regional eXplorer version 2112

Reading the chart from the left-most bar, breaking down the total population of the Makana Local Municipality (91 400) into working age and non-working age, the number of people that are of working age is about 65 200. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 60.8% are participating in the labour force, meaning 39 600 residents of the local municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the local municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 25 500 people. Out of the economically active population, there are 15 200 that are unemployed, or when expressed as a percentage, an unemployment rate of 38.3%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Makana, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 11 000 jobs.

When including the informal, agricultural and domestic workers, we have a total number of 24 800 jobs in the area. Formal jobs make up 57.0% of all jobs in the Makana Local Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that commute every day into the local municipality.

The economically active population (EAP): is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

TABLE 5. ECONOMICALLY ACTIVE POPULATION (EAP) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER, PERCENTAGE]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2010	30,400	171,000	1,760,000	18,000,000	17.7%	1.73%	0.17%
2011	30,100	173,000	1,770,000	18,300,000	17.5%	1.70%	0.16%
2012	30,600	176,000	1,800,000	18,700,000	17.4%	1.70%	0.16%
2013	31,600	182,000	1,870,000	19,400,000	17.4%	1.69%	0.16%
2014	33,200	191,000	1,970,000	20,200,000	17.4%	1.69%	0.16%
2015	34,600	199,000	2,050,000	20,900,000	17.4%	1.69%	0.17%
2016	36,200	208,000	2,140,000	21,500,000	17.4%	1.69%	0.17%
2017	37,800	216,000	2,230,000	22,100,000	17.5%	1.69%	0.17%
2018	38,600	221,000	2,290,000	22,400,000	17.5%	1.69%	0.17%
2019	39,700	227,000	2,360,000	22,800,000	17.5%	1.68%	0.17%
2020	39,600	225,000	2,380,000	22,300,000	17.6%	1.67%	0.18%
Average Annual growth							
2010-2020	2.69%	2.78%	3.03%	2.14%			

Source: IHS Markit Regional eXplorer version 2112

Makana Local Municipality's EAP was 39 600 in 2020, which is 43.38% of its total population of 91 400, and roughly 17.59% of the total EAP of the Sarah Baartman District Municipality. From 2010 to 2020, the average annual increase in the EAP in the Makana Local Municipality was 2.69%, which is 0.0887 percentage points lower than the growth in the EAP of Sarah Baartman's for the same period.

1.1.4.3 Economic Profile

The economic state of Makana Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Sarah Baartman District Municipality, Eastern Cape Province and South Africa. The Makana Local Municipality does not function in isolation from Sarah Baartman,

Eastern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning.

Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

Gross Domestic Product (GDP-R): Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies. GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 6. GROSS DOMESTIC PRODUCT (GDP) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [R BILLIONS, CURRENT PRICES]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2010	3.8	21.1	211.6	2,748.0	18.1%	1.81%	0.14%
2011	4.0	22.7	226.0	3,023.7	17.8%	1.79%	0.13%
2012	4.4	25.5	252.3	3,253.9	17.3%	1.75%	0.14%
2013	4.6	27.1	273.2	3,540.0	17.1%	1.70%	0.13%
2014	5.0	28.7	293.6	3,805.3	17.3%	1.69%	0.13%
2015	5.3	30.8	316.3	4,049.9	17.3%	1.68%	0.13%
2016	5.7	32.8	334.4	4,359.1	17.3%	1.69%	0.13%
2017	6.1	35.4	358.6	4,653.6	17.3%	1.71%	0.13%
2018	6.5	37.5	375.5	4,873.9	17.4%	1.73%	0.13%
2019	6.8	39.4	387.4	5,077.6	17.2%	1.75%	0.13%
2020	6.7	38.5	378.1	4,974.0	17.5%	1.78%	0.14%

Source: IHS Markit Regional eXplorer version 2112

With a GDP of R 6.72 billion in 2020 (up from R 3.83 billion in 2010), the Makana Local Municipality contributed 17.45% to the Sarah Baartman District Municipality GDP of R 38.5 billion in 2020 increasing in the share of the Sarah Baartman from 18.09% in 2010. The Makana Local Municipality contributes 1.78% to the GDP of Eastern Cape Province and 0.14% the GDP of South Africa which had a total GDP of R 4.97 trillion in 2020 (as measured in nominal or current prices).It's contribution to the national economy stayed similar in importance from 2010 when it contributed 0.14% to South Africa, but it is lower than the peak of 0.14% in 2010.

TABLE 7. GROSS DOMESTIC PRODUCT (GDP) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Makana	Sarah Baartman	Eastern Cape	National Total
2010	1.2%	3.6%	2.4%	3.0%
2011	1.7%	4.6%	3.7%	3.3%
2012	-0.2%	1.3%	2.0%	2.2%
2013	-1.1%	-0.7%	1.4%	2.5%
2014	0.5%	-0.3%	1.3%	1.8%
2015	0.3%	0.8%	0.8%	1.2%
2016	1.0%	0.0%	0.7%	0.4%
2017	2.1%	1.9%	0.6%	1.4%
2018	1.8%	2.5%	0.6%	0.8%
2019	1.8%	2.5%	0.0%	0.2%
2020	-4.7%	-6.5%	-6.7%	-7.0%
Average Annual growth 2010-2020	0.30%	0.58%	0.41%	0.64%

Source: IHS Markit Regional eXplorer version 2112

In 2020, the Makana Local Municipality achieved an annual growth rate of -4.69% which is a significantly higher GDP growth than the Eastern Cape Province's -6.71%, but is higher than that of South Africa, where the 2020 GDP growth rate was -6.96%. Contrary to the short-term growth rate of 2020, the longer-term average growth rate for Makana (0.30%) is slightly lower than that of South Africa (0.64%). The economic growth in Makana peaked in 2017 at 2.09%.

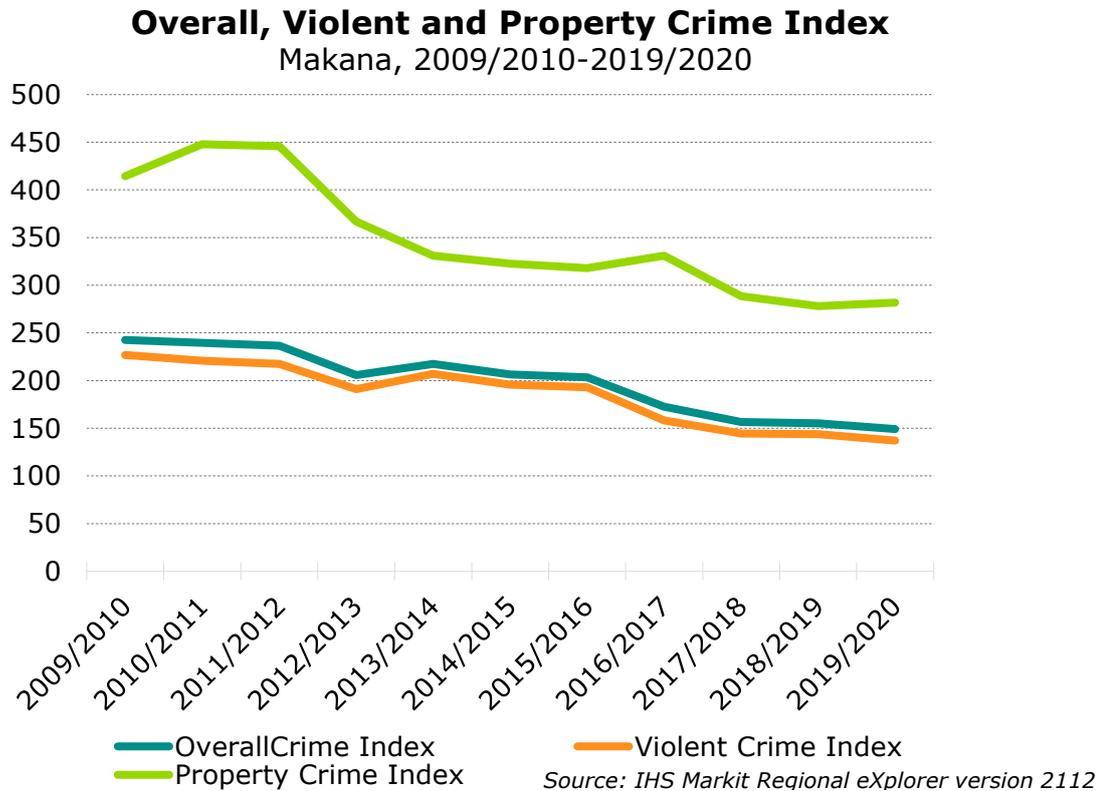
1.1.4.4 Crime Statistics Report

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

IHS Composite Crime Index: The IHS Composite Crime Index makes use of the official SAPS data, which is reported in 27 crime categories (ranging from murder to crime injuries). These 27 categories are divided into two groups according to the nature of the crime: i.e. violent crimes and property crimes. IHS uses the (a) Length-of-sentence and the (b) Cost-of-crime in order to apply a weight to each category.

Overall crime Index: The crime index is a composite, weighted index which measures crime. The higher the index number, the higher the level of crime for that specific year in a particular region. The index is best used by looking at the change over time, or comparing the crime levels across regions.

CHART 4. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA LOCAL MUNICIPALITY, 2009/2010-2019/2020 [INDEX VALUE]



For the period 2009/2010 to 2019/2020 overall crime has decrease at an average annual rate of 4.74% within the Makana Local Municipality. Violent crime decreased by 4.91% since 2009/2010, while property crimes decreased by 3.78% between the 2009/2010 and 2019/2020 financial years.

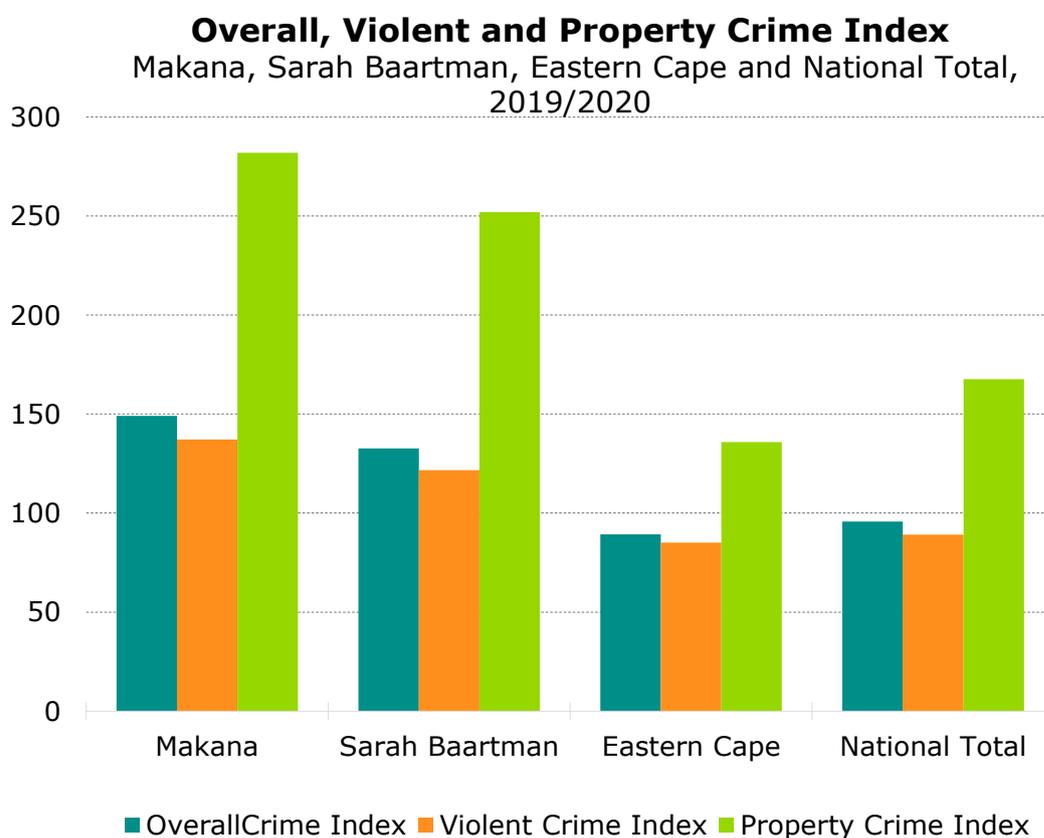
TABLE 8. OVERALL CRIME INDEX - MAKANA LOCAL MUNICIPALITY AND THE REST OF SARAH BAARTMAN, 2009/2010-2019/2020 [INDEX VALUE]

	Makana	Dr Beyers Naude	Blue Crane Route	Ndlambe	Sundays River Valley	Kouga	Kou-Kamma
2009/2010	242.38	150.17	174.64	197.59	216.32	199.31	189.55
2010/2011	239.67	125.13	153.11	184.19	181.26	174.43	196.71
2011/2012	236.35	124.08	140.82	176.43	169.80	140.11	173.82
2012/2013	205.67	130.34	135.45	171.81	170.88	121.89	157.08
2013/2014	217.51	115.79	142.65	168.33	164.52	121.57	146.05
2014/2015	206.25	121.50	132.95	176.77	168.66	118.35	141.52
2015/2016	203.46	132.06	128.50	167.02	152.70	122.79	126.62
2016/2017	172.48	126.65	133.00	166.03	130.20	125.85	125.68
2017/2018	156.47	118.98	119.36	153.38	130.78	118.84	135.13
2018/2019	155.00	121.20	122.56	165.52	153.44	120.57	137.08
2019/2020	149.16	124.43	127.34	144.43	155.91	116.89	110.45
Average Annual growth							
2009/2010-2019/2020	-4.74%	-1.86%	-3.11%	-3.09%	-3.22%	-5.20%	-5.26%

Source: IHS Markit Regional eXplorer version 2112

In 2019/2020, the Sundays River Valley Local Municipality has the highest overall crime rate of the sub-regions within the overall Sarah Baartman District Municipality with an index value of 156. Makana Local Municipality has the second highest overall crime index at 149, with Ndlambe Local Municipality having the third highest overall crime index of 144. It is clear that all the crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. Kouga Local Municipality has the second lowest overall crime index of 117 and the Kou-Kamma Local Municipality has the lowest overall crime rate of 110. It is clear that crime is decreasing overtime for all the regions within Sarah Baartman District Municipality. The region that decreased the most in overall crime since 2009/2010 was Kou-Kamma Local Municipality with an average annual decrease of 5.3% followed by Kouga Local Municipality with an average annual decrease of 5.2%.

CHART 5. IHS CRIME INDEX - CALENDER YEARS (WEIGHTED AVG / 100,000 PEOPLE) - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2019/2020 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 2112

From the chart above it is evident that property crime is a major problem for all the regions relative to violent crime.

1.1.4.5 Social Cohesion in the Municipal Planning

There are a number of social activities organised by the Municipality and other stakeholders that encourage social cohesion within the municipal area. Below are some of the activities organised annually

ACTIVITIES	PERIOD
National Arts Festival	June/ July yearly
National Arts Festival Soccer Tournament	June/ July yearly
Science Festival	March yearly
New year's Cup	December yearly
Ten-a-side (Rugby Tournament)	Easter weekend
Easter Tournament (Alicedale)	Easter weekend
Mayor's Cup	December yearly

1.1.4.6 Dimension and Cross- Cutting

1.1.4.1.1 HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.

NUMBER OF HIV+ PEOPLE - MAKANA, SARAH BAARTMAN, EASTERN CAPE AND NATIONAL TOTAL, 2010-2020 [NUMBER AND PERCENTAGE]

	Makana	Sarah Baartman	Eastern Cape	National Total	Makana as % of district municipality	Makana as % of province	Makana as % of national
2010	10,700	45,500	785,000	6,340,000	23.6%	1.37%	0.17%
2011	11,000	47,000	803,000	6,520,000	23.3%	1.37%	0.17%
2012	11,200	48,500	819,000	6,680,000	23.1%	1.36%	0.17%
2013	11,400	49,800	833,000	6,820,000	22.8%	1.36%	0.17%
2014	11,500	51,000	847,000	6,960,000	22.7%	1.36%	0.17%
2015	11,700	52,200	861,000	7,110,000	22.5%	1.36%	0.16%
2016	11,900	53,300	874,000	7,250,000	22.3%	1.36%	0.16%
2017	12,100	54,500	890,000	7,420,000	22.2%	1.36%	0.16%
2018	12,300	55,700	906,000	7,600,000	22.1%	1.36%	0.16%
2019	12,500	56,900	922,000	7,780,000	22.0%	1.36%	0.16%
2020	12,700	58,200	939,000	7,970,000	21.9%	1.36%	0.16%
Average Annual growth							
2010-2020	1.74%	2.50%	1.81%	2.31%			

Source: IHS Markit Regional eXplorer version 2112

In 2020, 12 800 people in the Makana Local Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.74% since 2010, and in 2020 represented 13.95% of the local municipality's total population. The Sarah Baartman District Municipality had an average annual growth rate of 2.50% from 2010 to 2020 in the number of people infected with HIV, which is higher than that of the Makana Local Municipality. The number of infections in the Eastern Cape Province increased from 785,000 in 2010 to 940,000 in 2020. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2010 to 2020 with an average annual growth rate of 2.31%.

1.1.4.6.2

SABAARTMAN District COVID-19

SARAH BAARTMAN DISTRICT - COVID-19	Jun-2020
Blue Crane Route LM	144
Dr Beyers Naude LM	135
Kouga LM	514
Kou-Kamma LM	17
Makana LM	430
Ndlambe LM	258
Sundays River Valley LM	402
GRAND TOTAL	1900

CHAPTER TWO: MUNICIPAL GOVERNANCE:

In the quest to realise Makana Municipality’s vision of “A Great Place to be”, it is imperative that the Municipality is governed in a way that promotes good governance. The Municipality strives to achieve excellence by balancing the needs of all residents and the constitutional and legal framework applicable to local government with the available resources in such a way that service delivery takes place in an efficient, economic and effective manner.

Makana Municipality is established in terms of Section 12 of the Municipal Structures Act, 1998 (Act 118 of 1998) as a Municipality with a Mayoral Executive System combined with a Ward Participatory System. Section 2(b) of the Municipal Systems Act states that a Municipality is constituted by its Political Structures, Administration and Community

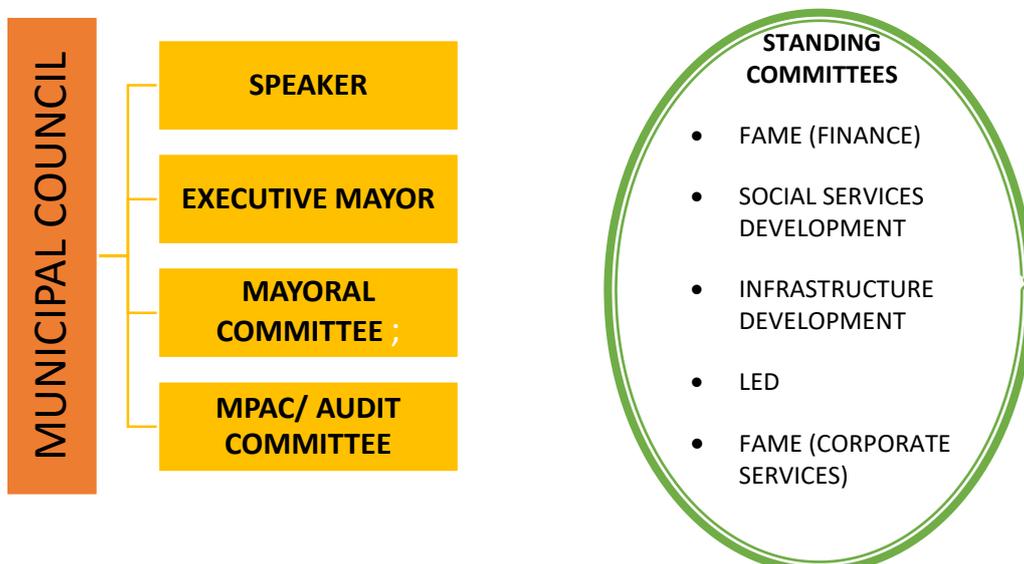
The Municipality is a Category B Municipality (local municipality) with an Executive Mayoral Committee System combined with a Ward Participatory System, as defined under Chapter 1 of the Local Government: Municipal Structures Act No. 117 of 1998. The Political and Administrative seat is situated in Makhanda.

2.1. POLITICAL GOVERNANCE

In compliance with Section 151(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996); Section 53 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), Makana Municipal Council governs the local government affairs of the local community on its own initiative.

The roles and areas of responsibility of each political structure and each political office-bearer of the Municipality and of the Municipal Manager are defined and adhered to accordingly.

2.1.1. The Outline of Makana’s Political Structure



The Executive Mayor, Cllr M Mpahlwa, assisted by the Mayoral Committee heads the political executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility.

The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation.

Although he is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in close conjunction with the Mayoral Committee.

The Municipal Council which comprises 27 Councillors, 14 of whom are Ward Councillors and 13 of whom are Proportional Representative (PR) Councillors. The Speaker is the Chairperson of the Municipal Council. There is an Executive Mayor and Executive Mayoral Committee; and Portfolio Committees who provide oversight on directorial operations.

2.1.2. FULL-TIME OFFICER BEARERS

REF NO	DESIGNATION	FUNCTION
01	Council Speaker Cllr Y Vara	<p>The Speaker of the Municipal Council:</p> <ul style="list-style-type: none"> ▪ Presides at meetings of the Council; □ Performs the duties and exercises the powers delegated to the Speaker in terms of Section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); ▪ Must ensure that the Council meets at least quarterly; ▪ Must maintain order during meetings; ▪ Must ensure compliance in Council and Council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); and ▪ Must ensure that Council meetings are conducted in accordance with the Rules and Orders of the Council.
02	Executive Mayor Cllr Mpahlwa	<p>The Executive Mayor represents the public and is the chief political principal of the municipality. In terms of legislation the Executive Mayor has the following functions:</p> <ul style="list-style-type: none"> ▪ Identify the needs of the Municipality; ▪ Review and evaluate those needs in order of priority; ▪ Recommend to the Municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan and the Operating and Capital Budgets, taking into account any applicable national and provincial development plans; and

		<ul style="list-style-type: none"> ▪ Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the benefit of the community.
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2.1.3. Council and Councilors

Council's primary role is to govern the Municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). It focuses on legislation, decision-making, oversight and participatory roles and has delegated executive functions to the Executive Mayor, other office bearers, the Municipal Manager and other staff members where applicable.

Makana Municipal Council consists of 14 ward councilors and 13 proportionally elected councilors. Political parties are represented through elected councilors from the ANC (18), DA (7), and EFF (2), Please note that Ward 12 was vacant at the start of the financial year, with By-elections successfully held during August 2019. The ward was previously held by the DA and won by the ANC in 2019.

2.1.4. Political Decision Making

Section 160(3) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) prescribes the manner in which Council takes decisions. A quorum of all Councilors must be present to take any decision and the majority of the votes cast results in a legal decision. The exception to this rule is that when any of the following issues are determined, it is determined by a decision taken with a supporting vote of a majority of all its members:

The passing of policies and bylaws;

- The approval of IDP and budgets;
- The imposition of rates and other taxes, levies and duties;
- The raising of loans and
- Appointment of section 54 and 57 employees.

Section 32 Committee

The schedule below gives an indication of the date meetings were supposed to sit and the date the meeting actually sat.

REF NO.	COUNCIL/ COMM. MEETING	SCHEDULED DATE	ACTUAL DATE	MEETING
1.	Ordinary Council Meeting	31.07.2019	31.07.2019	
2.	Local Labour Forum	30.07.2019	05.07.2019	
August 2019				
3	Ordinary Council Meeting	29.08.2019	29.08.2019	
4.	Social Development	13.08.2019	14.08.2019	
5.	Budget Steering Committee	14.08.2019	14.08.2019	
6.	Infrastructure Development	14.05.2019	13.08.2019	
7.	Local Economic Dev.	15.08.2019	15.08.2019	
8..	FAME (F)	20.08.2019	20.08.2019	
9	FAME (C)	22.08.2019	22.08.2019	
September 2019				
10.	MPAC	06.09.2019	30.08.2019	
11..	Mayoral	10.09.2019	11.09.2019	
12.	Budget Steering Committee	12.09.2019	12.09.2019	
October 2019				
13.	Ordinary Council Meeting	30.10.2019	30.10.2019	
14	Employment Equity Comm.	10.10.2019	15.10.2019	
15	Training Committee	15.10.2019	15.19.2019	
16.	Local Labour Forum	22.10.2019	22.10.2019	
17.	Budget Steering Committee	11.10.2019	11.10.2019	
18.	Audit Committee	24.10.2019	24.10.2019	
November 2019				
19.	Social Development	05.11.2019	05.11.2019	
20.	Infrastructure Development	06.11.2019	06.11.2019	
21.	Local Economic Dev.	07.11.2019	22.11.2019	
22.	FAME (F)	12.11.2019	14.11.2019	
23.	FAME (C)	14.11.2019	21.11.2019	
24.	Budget Steering Committee	12.11.2019	11.12.2019	
25.	Audit & Risk Committee	29.11.2019	29.11.2019	
December 2019				
26.	Mayoral	03.12.2019	03.12.2019	
January 2020				
27.	Budget Steering Committee	11.01.2020	11.01.2020	
28.	Ordinary Council Meeting	30.01.2020	30.01.2020	
February 2020				
.29	Budget Steering Committee	11.02.2020	14.02.2020	
30	Social Development	12.02.2020	11.02.2020	
31..	Infrastructure Development	13.02.2020	12.02.2020	
32..	Local Economic Development	14.02.2020	13.02.2020	
33..	FAME	19.02.2020	18.02.2020	
34.	FAME (C)	21.02.2020	21.02.2020	
March				
3.5	Budget Steering Committee	12.06.2020	29.06.2020	

2.1.5 Mayoral Committee

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions.

The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the Municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee.

REF NO	COUNCILLOR	PORTFOLIO
01	CLR P MATYUMZA	Chairperson Social Services Development
02	CLR N. MASOMA	Chairperson Financial Administration, Monitoring & Evaluation – Corporate Services
03	CLR L. NASE	Chairperson Financial Administration, Monitoring & Evaluation – Finance
04	CLR R. XONXA	Chairperson Engineering & Infrastructure Development:
05	CLR M. MATYUMZA	Local Economic Development

2.1.6 Portfolio Committees

Five (5) Section 80 committees are established, namely: PSS, FAME, BTO, EIS and LED to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor. They are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them. The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councilors and form part of the Mayoral Committee.

2.1.7 Municipal Public Accounts Committee (MPAC)

Section 79 committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council. The MPAC, inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA). No members from the political executive arm is a member of the MPAC.

The committee met on four (4) occasions during the year under review and mainly dealt with the compilation of the Oversight Report on the 2019/20 Annual Report as well as considering of matters relating to unauthorized, irregular, fruitless and wasteful expenditure.

MPAC Members:

REF NO	NAME	CAPACITY	POLITICAL PARTY
01	Clr T. Seyisi	Chairperson	ANC
02	Clr N. Pieters	Member	ANC
03	Clr L. Sakata	Member	ANC
04	Clr B. Fargher	Member	DA
05	Clr M. Khubalo	Member	ANC
06	Clr S. Dyantye	Member	EFF

2.1.8 Audit Committee

In compliance with Section 166(2) of the MFMA, Council has an Audit and Risk Committee which is an independent body advising the Municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- Internal control;
- Risk management;
- Accounting policies;
- Adequacy, reliability and accuracy of financial reporting and information;
- Annual financial statements
- Performance management;
- Governance
- Compliance with MFMA, DoRA and other applicable legislation;
- Issues raised by the Auditor-General and Internal Audit; and
- Monitoring and evaluation of the Internal Audit Unit.

The Audit and Risk Committee Terms of Reference is reviewed by Council annually to ensure compliance with legislation and governance best practices. The Audit and Risk Committee meets on a quarterly basis and detail regarding their recommendations to Council can be found in Appendix G of the Annual Report.

Ref No	Name	Capacity	Number of meeting attended
01	Prof W. Plaatjies	Chairperson	7
02	Mrs A. Wagenaar	Member	7
03	Mr D. De Lange	Member	7
04	Mr L. Coopasamy	Member	5

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Accounting Officer of the Municipality and also the head of the Administration. His primary function is to serve as chief custodian of service delivery and the implementation of political priorities.

He is assisted by his Senior Management Team (SMT), which comprises of the Directors of the five departments established in the organogram as indicated in the chart below. There are also six (6) divisional managers reporting directly to the Municipal Manager. The SMT met at least twice on monthly basis to discuss current priorities, strategic interventions to improve service delivery and new initiatives based on feedback from political leadership, departments and the local community.

The Municipal Manager provides direction and support to all officials under his leadership. Committees exist in ensuring smooth operation both within the institution and to the communities we serve, such committees as the Management Committee that constitutes of the Municipal Manager and his Directors as well as the Extended Management Committee which constitutes of the Municipal Manager, Directors and Operational Managers.

2.2.1 Organogram



The municipality undertook a comprehensive organisational development exercise for the entire institution. The objective was the alignment of the current and future organisational needs. Due to organisational growth and new challenges, municipality proceeded with a review of its organisational structure and functional organogram which was adopted by Council during the 2019/20 financial year on 30TH October 2019, after consultation with the Local Labour Forum.

Workshops were conducted with both senior managers and middle managers to discuss and consider current and emerging issues and how these might apply at Makana local municipality. Individual meetings were then held with all managers to gain their personal insight into service levels, resourcing, performance, structure and sustainability.

Following a “one on one” session with the senior managers and middle managers a workshop facilitated by Municipal Manager and Councillors and the Strategic Plan session held on the 29 - 30 June 2019.

Top Management of the Municipality

- Municipal Manager: Mr Moppo Mene
- Chief Financial Officer: Mr Gerard Goliath
- Director Corporate and Shared Services: Ms Nomthandazo Mazwayi
- Director Engineering and Infrastructure: Vacant
- Director Public Safety and Community Services: Mr Kelello Makgoka
- Director Local Economic Development and Planning: Ms Riana Meiring

2.3. INTERGOVERNMENTAL RELATIONS

An intergovernmental Relations Forum exists under the guidance of the Executive Mayor. The purpose of the forum is to coordinate the planning of projects and the implementation of programmes emanating from the IDP processes.

The meetings of the IGR Forum are chaired by the Mayor and convened on a quarterly basis with all local Government Departments being represented by Senior-Decision makers. The impact of COVID19 pandemic and resultant lockdown, meant that we could not meet as planned for the latter part of the financial year.

2.3.1 National Intergovernmental Structures

As an active member of the South African Local Government Association, the Makana Municipality plays an active role when National Planning Proposals are discussed.

2.3.2 Provincial Intergovernmental Structures

The Municipal Manager attends all meetings of the Provincial Muni-MEC and similar structures with all resolutions taken at that level being worked into the Makana Council agenda. The value in this interaction is in ensuring that the needs of the local community are considered when the implementation of Government Projects are discussed.

2.3.3 District Intergovernmental Structures

The Makana Municipality regularly interacts with the other Municipalities in the District as the Government has created platforms for such deliberations, such as the Sarah Baartman District Municipal Managers Forum. This ensures that information related to new initiatives in the District is effectively relayed to the Makana Municipality’s senior management.

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4.1 STAKEHOLDER INPUT AND COMMUNITY BASED PLANNING

The IDP is about determining the stakeholder and community needs and priorities which need to be addressed in order to contribute to the improvement of the quality of life of residents within the Municipal Area. Various stakeholders and sector departments were involved during the draft IDP development process through virtual meeting due to COVID19 lock down regulations.

2.4.2 WARD PUBLIC MEETINGS

Community meeting are held per ward by Ward Councillors and their committees at least once per quarter. Notices are distributed at least two days in advance in order for the communities to attend such meetings.

The municipality also makes use of the local Radio and Newspaper to inform the public as well as Social Media e.g. WhatsApp groups and MobiSAM. This helps to get the message to the people on time so they can plan their questions and make necessary arrangements to attend.

There were also IDP revision / budget process reviews meeting held in 2019-20 financial year. The first series of meetings were held in between February-March 2020, aimed at the review and re-prioritisation of development priorities through IDP and Budget Mayoral Imbizo Consultation.

2.4.4.1 WARD COMMITTEES

Ward committees form an essential part of the public participation process and these structures are particularly useful to ensure a relationship between Councillors and ward residents. It provides the opportunity to discuss local matters that concern the residents in that ward. Ward committees play an important role in this regard as they advise on the projects they would like to be implemented. These ward projects further strengthen the relationship between the Municipality and the communities due to the direct impact that the ward committees can make on development projects in their wards. The purpose of ward committees are:

- To act as an advisory committee to the Ward Councillor and Council;
- To ensure two-way communication to and from the community;
- To identify ward specific needs and to refer same to the administration and Council for attention;
- To actively partake in the annual IDP ward based public meetings;
- To assist the Ward Councillor in identifying ward projects and ward capital projects

- To identify stakeholders in the wards and to liaise with them regarding matters needing attention; and
- To discuss ward related Council agenda items and to make inputs regarding same if necessary.

The chairperson of the ward committee is the elected Ward Councillor and other members of the ward committee are elected by the residents of the ward. It is expected of the ward committees to hold regular meetings – at least once every three (3) months – and the minutes are submitted to the Speaker’s Office. The functionality of the ward committees is monitored and reported on to Council on a quarterly basis.

2.4.4.1 IDP MAYORAL IMBIZO:

Table: IDP Imbizo:

WARD	AREA	VENUE	DATE	STATUS
1, 3 & 4	Ghost Town, Scott’s Farm, Vergenoeg, Sun city, Hooggenoeg, Upper & Lower Zolani Squatters	Recreational Hall	26/02/ 2020	Postponed
1	Fort Brown	Fort Brown Community Hall	Done	1
7 & 10	M,O,P,Q,R,S,T,U,V,W,X,Y,Z Streets. Newtown Cottages, Lombo, Lukhwe, Sofisa, Xolani & Xolani Squatters	Tantyi Hall	27/02/2020	Done
6 & 11	Extension 4, 5, 6, 7 PA, Ethembeni, 25 Sites,	Indoor Sport Centre	27/02/2020	Postponed
7	K , L Hlalani & Eluxolweni	Foley’s Ground Hall	03/03/2020	Postponed
14	ALICEDALE	Town Hall	03/03/2020	Done
5	Extension 8, 9, Phumlani and Transit	Extension 9 Community Hall L	04/03/2020	Postponed
2 & 6	JOZA, EXT 1, 2, 3, 4 & 5	NOLUTHANDO HALL	05/03/2020	Postponed

Second series of meetings were not held as usual in April & May 2020 due to the COVID19 lock down and the consultation was rather done through Radio Shows during June 2020 aimed at presenting to communities the IDP/Budget Development priorities for 2020/2021.

These meetings generally followed the tabling of draft IDP and Budget to Council. These session provide an opportunity for municipality to interact with the communities to get comments before making their final recommendation to Council.

2.5 CORPORATE GOVERNANCE

2.5.1 Audit and Risk Committee:

A new four member Audit and Risk Committee was appointed by Council in April 2018 effective from the 01 May 2018 – 30 April 2021 and are therefore in their second year. The committee holds its quarterly meetings and performs its function in terms of the Makana Municipality Audit and Risk Committee Charter approved by Council and PMS Framework which are reviewed annually before the start of each financial year.

Other parties in attendance are:

Makana Municipality : The Municipal Manager, Director of Budget & Treasury / Chief Financial officer, Director of LED & Planning, Director Engineering & Infrastructural Services, Director of Corporate Services and Director Public Safety and Community Services. Manager: Internal Audit; IDP/PMS Manager and the MPAC Chairperson as an ex-officio.

External Parties: Provincial Treasury; Provincial COGTA and Auditor-General representatives.

2.5.2 Internal Audit Unit:

The Municipality has an in-house Internal Audit Unit in place that is in the office of the Municipal Manager, headed by an Internal Audit Manager.

The staff component consists of Internal Audit Manager (previous incumbent resigned September 2019; new incumbent appointed February 2020), Senior Internal Auditor (Appointed 01 April 2020) and 2x National Treasury Interns appointed in 2021. Risk based and statutory audits as required by section 165 of the Municipal Finance Management Act are performed each year including Ad – Hoc requests from time to time.

2.5.3 Risk Management:

Risk management framework is in existence and there is a risk based audit plan but the implementation remains a challenge. In addition, the risk based audit plan needs to be reviewed and updated in light of the current challenges at the municipality. Risk management is not fully embedded in the culture and internal control processes of the municipality and this is hopefully to change with the now separately-established Risk Management Committee. Strategic risk register has been developed and reports produced on the implementation of corrective action quarterly.

Table: Summary of Strategic Institutional Risks

No	Risk Description	Mitigation actions to be taken
1	No financial sustainability (not a going concern)	Continue implementation of Revenue collection strategies and policies. Improved debt collection and strict credit control procedures to be continuously applied. Reduction of expenditure on salaries,

		fuel, telephone and other controllable expenditure. Continued monthly reporting. Regular disposal of obsolete items. Implementation of overtime moratorium. Only crucial vacancies to be filled. Review of Fleet Management system.
2	Inadequate and ageing water infrastructure including plants	Implement consequence management. Training and skilling of staff. Provide budget for maintenance. Lobby for funding. Implement the maintenance plan. Ensure that the budget for the subsequent financial years available/confirmed by DWS. Drought funding to be implemented. Water - upgrading of James Kleynhans WTW. Upgrading of Waainek WTW. The upgrade of the Riebeeck East Water Treatment Work.
3	Unstable and poor reliability of supply of electricity	Sourcing of external funds. Enforcement of the ring-fencing of 10% allocation as stipulated by NERSA. Review of by-laws. Develop Master Plan. Disconnect illegal connection. Prosecute illegal connections. BTO to ensure the availability of tools, equipment and materials at stores.
4	Ageing road and storm water infrastructure	Maintain plant and equipment when funding is available. Facilitate the maintenance of provincial roads. Develop and implement RRAMS. Operational and maintenance budget allocation. Skilling of staff. Ensure capital budget for road is provided for on the budget.
5	Business continuity compromised	Review the Disaster Recovery Plan. Installation of the VPN solution Use Alicedale office as a disaster recovery site. Server capacity be increased. Space requirements and centralised records management system. A singular system that encompasses all records (GRC system). Backups done on a regular basis. Create an offsite storage space. Appointment of an experienced ICT Manager. Appointment of ICT security officer to Safe-guard manual records.
6	Sewer spillages and inadequate waste water treatment plants	External funding to be sourced to address maintenance of Infrastructure. Development and implementation of Standard operating plans. WWRAP. Upgrading of Sewer reticulation system. Training and skilling of staff. Provision of tools equipment and materials to staff.
7	Performance targets not fully achieved	Proper job descriptions in place and properly evaluated. New organogram (restructuring). Quarterly review of set targets. Set aside time to prioritise planning. Management prioritising the issue of performance with staff. Cascading the PMS system down. Consequence management. Filling of critical positions. (IT-Manager and Internal Audit and Director: Technical and Manager Revenue)
8	Non-compliance with laws and	Review policies and Policy Strategy. Enhance Compliance Monitoring.

	statutory regulations	
9	Poor contract management	Signing of employment contracts complying with EWP and minimum wage prescripts by all employees. Compliance with BCEA. Tight project management and monitoring. Proactive actions taken against signs of default. Monthly project meetings Enforcement of Penalty clauses.
10	Inability to fully manage solid waste	Strengthen Waste Management Awareness campaigns. Improvement of plant and machinery. Upgrading of the solid waste site. Illegal vagrants must be managed. Weighbridge to be in operation. More vehicles to be procured for solid waste management. Long term plan for an alternative site. Review monthly tariffs for the use of tip site Formalise Recycling. Expedite biomass projects. Review of by-laws. Staffing and training.

2.5.4 Fraud and Anti-Corruption Strategy:

The Makana Municipality developed and adopted a Fraud Prevention Policy Framework and Fraud Prevention has been included in the KPAs of the Directors. During the year of review, the Municipality assigned this function to the Risk manager and attempts were made to operationalise fraud-reporting. A Fraud reporting Hotline has been established and a Fraud Whistle Blower Policy was formulated to protect whistle blowers.

2.5.5 Dedicated Fraud hotline numbers: 046 001 0012 and 087 809 4100:

all legitimate matters are reported to this number for further investigation. Furthermore in accordance with the Protected Disclosure Act 26 of 2000, Makana Municipality provides assurance to all staff members, the general public, suppliers and other stakeholders related to the municipality, that they will be protected from any victimisation arising from any legitimate matters reported through any of the reporting channels provided.

2.5.6 Public Satisfaction Customer Survey 2016:

Services	Good (%)	Average (%)	Poor (%)	No access (%)	Do not use (%)	Total population
Electricity supply	69	22	7	1	1	100%
Refuse removal	65	24	10	1	0	100%
Local hospital	65	20	6	3	7	100%

Local public school	60	19	10	4	7	100%
Local public clinic	59	20	15	2	5	100%
Sanitation services	58	17	21	3	1	100%
Local police service	42	22	27	2	7	100%
Government subsidized dwelling (RDP)	12	11	14	0	64	100%

Source Statistic SA Customer survey 2016

2.7 Information Communication and Technology

Information Communication & Technology (ICT) section is responsible for the following functions: Planning, Network, Data, Security and Support.

Makana Municipality's ICT Environment supports about 150 users. The municipality has the following offices namely:

- | | |
|-------------------------------------|----------------------------------|
| I. Corporate Services | Admin/ HR City Hall/ High Street |
| II. Financial Viability | Finance Building High Street |
| III. Infrastructure Services | Engineering Building High Street |
| IV. Alicedale Office | |
| V. Riebeeck East Office | |
| VI. Electricity | |
| VII. Asset Management | Stores Breytenbach Road |
| VIII. Land and Estate Housing | Sonny Street/ Joza |
| IX. Parks Recreational | Parks |
| X. Traffic Services | Knight Street |
| XI. Fire Services | Knight Street |
| XII. Cleansing | Knight Street |
| XIII. Environmental Services | |
| XIV. Internal Audit | |
| XV. Strategic Planning & Monitoring | |
| XVI. Local Economic Development | High Street |
| XVII. Legal | City Hall/ High Street |
| XVIII. Records Management | City Hall/ High Street |

3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process that measures the implementation of the organisation's strategic objectives. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level, performance management is institutionalised through the legislative requirements of the performance management process. Performance management provides the mechanism to measure whether targets are met in line with the strategic objectives as set by the organization.

Section 152 of the Constitution of the Republic of South Africa, 1996, deals with the objectives of local government and paves the way for performance management.

The idea of a government that is accountable is important to meet the needs of Makana Municipality. The democratic values and principles in terms of section 195(1) are also linked with the concept of performance management, with reference to the principles of the following, among others to:

- Promote the effective, efficient and economic use of resources;
- Ensure accountable public administration;
- Be transparent by providing information;
- Be responsive to the needs of the community; and
- Facilitate a culture of public service and accountability.

The Local Government: Municipal Systems Act (MSA) of 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) require the Integrated Development Plan (IDP) to be aligned to the municipal budget. The monitoring of organisational performance of the budget must be done against the IDP on a quarterly basis via the Service Delivery and Budget Implementation Plan (SDBIP). The report is made public after the Council has been informed of the quarterly progress against set targets.

In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players".

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. This framework, inter alia, reflects the linkage between the IDP, the Budget and the SDBIP.

3.1.2 Legislative requirements

In terms of section 46(1)(a) of the Local Government: Municipal Systems Act, a municipality must prepare an Annual Performance Report (APR) for each financial year that reflects the municipality's and any service provider's performance during the financial year. The APR must furthermore indicate the development and service delivery priorities and the performance targets set by the municipality for the financial year, and based on the results indicate what corrective measures were or are to be taken to improve performance. The 2019/20 audited annual performance report is attached in this Annual Report as Annexure 1.

3.1.3 The IDP and the Budget

Municipal Systems Act requires that the Municipality Integrated Development Plan be reviewed annually to accommodate changes in the municipal environment, including community priorities. In turn, the revised IDP will inform changes to the budget, key performance indicators and targets of the Municipality.

3.1.4 Service Delivery and Budget Implementation Plan (SDBIP)

The organisational performance is evaluated by means of a municipal scorecard (Top-Layer SDBIP). Performance objectives, as reflected in the municipal scorecard, are required to be practical, measurable and based on the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria of how, where and when the strategies, objectives and normal business processes of the Municipality are implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and the budget.

MFMA Circular No. 13 is a clarification of the Municipal Budget and Reporting Regulations, Schedule A1, General Notice 393 in Government Gazette 32141 and prescribes that:

- The IDP and Budget must be aligned;
- The Budget must address the strategic priorities;
- the SDBIP should indicate what the Municipality is going to do during the next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget/IDP processes.

The Top-Layer SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor, Cllr Mzukisi Mpahlwa on 11th September 2019 in terms of section 53(1)(c)(ii) of the Local Government: Municipal Finance Management Act of 2003. SDBIP was further adjusted in 06 March 2020 after consideration and approval of adjusted 2019/20 MTREF budget on 27th February 2020 by Council to reaffirm the Municipality's commitment to achieve its service delivery targets.

- Number of KPI' where reduced from 102 targets to 42 targets due to nature of KPI being operational
- The reduction in the number of KPI's afforded the municipality the opportunity to focus on strategic issues in which KPI's were refined,

3.1.5 The Municipal Scorecard (TOP-LAYER SDBIP)

The municipal scorecard (Top-Layer SDBIP) consolidates service delivery targets set by Council/executive management and provides an overall picture of the performance of the Municipality as a whole, reflecting performance in its strategic priorities for the 2019/20 financial year.

The scorecard is the performance evaluation tool and is used during the informal and formal performance assessment of the Municipal Manager and Directors. Components of the Top-Layer SDBIP include:

3.1.5.1 One-year detailed plan with the following components:

- Monthly projections of revenue to be collected for each source;
- Expected revenue to be collected;
- Monthly projections of expenditure (operating and capital) and revenue for each vote;
- Quarterly projections of service delivery targets and performance indicators for each vote;
- Non-financial, measurable performance objectives in the form of targets and indicators;
- Output management objectives; and
- Level and standard of service being provided to the community.

3.1.5.2 Top-Layer KPI's were prepared based on the following:

- Key performance indicators (KPIs) for the programmes/activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identifies developmental priorities;
- KPIs identified during the IDP public participation process and KPIs that need to be reported to key municipal stakeholders; and
- KPIs to address the required national minimum reporting requirements.

3.1.5.3 Amendment of the Top-Layer SDBIP

The Top-Layer SDBIP was adjusted in 06 March 2020 after consideration and approval of adjusted 2019/20 MTREF budget on 27th February 2020 by Council to reaffirm the Municipality's commitment to achieve its service delivery targets.

- Number of KPI' where reduced from 102 targets to 42 targets due to nature of KPI being operational

- The reduction in the number of KPI's afforded the municipality the opportunity to focus on strategic issues in which KPI's were refined,

3.1.6 Organisational Performance

Strategic performance assessment indicates how well the Municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is effective, efficient and economical. Municipalities must develop strategic plans and allocate resources for implementation. Implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to implement corrective measures timeously as and when required.

The Annual Performance Report (APR) highlights the strategic performance in terms of the municipality's Top-Layer Service Delivery and Budget Implementation Plan (SDBIP), high-level performance in terms of the strategic objectives of the municipality and performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act of 2000.

3.1.7 Performance Management Policy Framework

The Municipality adopted a Performance Management (PM) Policy Framework during 12 December 2008 and policy was last review 1st August 2016. The Policy will be reviewed in 2020/21 financial year. The PM Policy articulates the Municipality's objectives in order to promote accountability and the overall strategy of the Municipality.

Therefore, the main principles of the PM Policy are that it must be feasible in terms of the available resources to the Municipality and that the PM Policy must serve as an enabling mechanism for employees to achieve their performance objectives and targets.

Performance management has been introduced in the Local Government: Municipal Systems Act, Act 32 of 2000 (hereafter referred to as the MSA). The MSA is specific with regards to performance management. Each municipality must develop a performance management system (PMS) in order to enhance service delivery inputs in order to maximise outputs to the community. The MSA emphasises the amplified role of Council in performance management.

Legislative enactments which govern performance management in municipalities are found in various documents.

As outlined in Section 40 of the MSA, Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and lower levels.

3.1.8 Actual performance (2019-20)

The Municipality utilises a manual based system on which KPI owners update actual performance on a quarterly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

The actual result in terms of the set target;

- A performance comment;
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.
- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated and provide it to performance management unit for evaluation and the Internal Auditor and Auditor General upon request during the quarterly and annual audit testing.

3.1.9 Monitoring of the SDBIP

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Executive Mayor in terms of section of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the Municipality during the first half of the financial year;
- Quarterly performance was subjected to an internal audit and the results of their findings were submitted to the Audit Committee; and
- Quarterly performance reports are submitted to Council for information.

3.1.10 Individual performance

Individual performance is implemented at senior management only at the moment and its coordination is done in office of the municipal manager. In the 2019-20 financial year Council has resolved that cascading of the PMS would be managed and coordinated in Corporate & Shared Services under the organizational development unit.

3.1.11 Municipal Manager and Directors Accountable to the Municipal Manager

The Municipal Systems Act (MSA), 2000 (Act 32 of 2000) prescribes that the Municipality must enter into performance based agreements with all section 57-employees and that performance agreements must be reviewed annually and published for public interest. This process and the format are further regulated by Regulation 805 (August 2006), MSA.

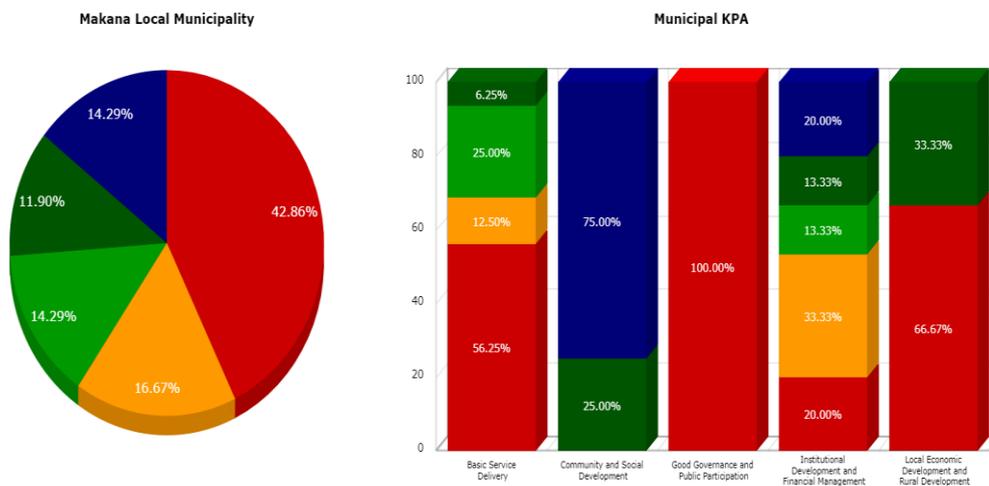
The performance agreements for the section 57 appointments for the 2019/20 financial year were signed during September 2019 after the SDBIP was approved. They include performance agreements for the:

- Municipal Manager;
- Chief Financial Officer;
- Director: Corporate & Shared Services;
- Director: LED and Planning;
- Director: Public Safety and Community Services; and
- Director: Engineering & Infrastructure Services. Vacant

3.1.12.1 ACTUAL RESULTS FOR THE 2019/20 FINANCIAL YEAR

This section of the Annual Performance Report will report on the Municipality’s actual performance against the planned targets as derived from the Municipality’s SDBIP. Municipality has six (6) development priorities in the Municipality IDP, APR will focus on the (5) of KPA in top layer SDBIP. Sixth KPA being Human Settlement was included in the top layer SDBIP but due to lack strategic projects for 2019/20 financial year, this KPA has only been reported on the department SDBIP. An overview of the overall Municipality’s actual performance and performance against set KPI linked to the National KPA’s are part of the SDBIP performance report.

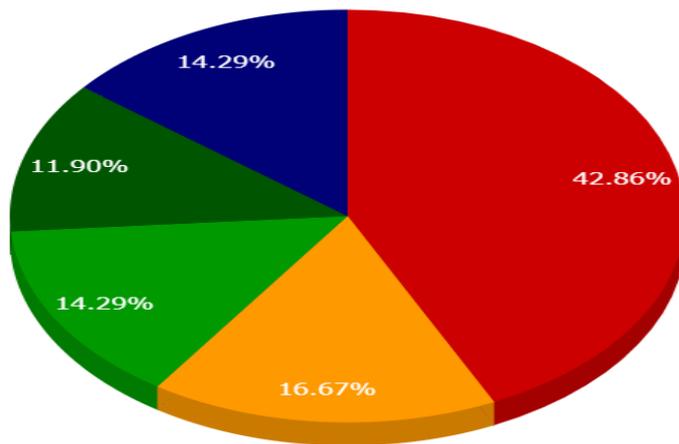
3.1.12.2 KEY PERFORMANCE AREA OVERALL (KPA) PERFORMANCE REPORT:



	Makana Local Municipality	Municipal KPA					
		Basic Service Delivery	Community and Social Development	Good Governance and Public Participation	Human Settlements	Institutional Development and Financial Management	Local Economic Development and Rural Development
Not Yet Applicable	-	-	-	-	-	-	-
Unacceptable Performance	18 (42.86%)	9 (56.25%)	-	4 (100.00%)	-	3 (20.00%)	2 (66.67%)
Performance Not Fully Effective	7 (16.67%)	2 (12.50%)	-	-	-	5 (33.33%)	-
Fully Effective	6 (14.29%)	4 (25.00%)	-	-	-	2 (13.33%)	-
Performance Significantly Above Expectations	5 (11.90%)	1 (6.25%)	1 (25.00%)	-	-	2 (13.33%)	1 (33.33%)
Outstanding Performance	6 (14.29%)	-	3 (75.00%)	-	-	3 (20.00%)	-
Total:	42	16	4	4	-	15	3
	100%	38.10%	9.52%	9.52%	-	35.71%	7.14%

Summary of Performance of overall Performance

Makana Local Municipality



Overall Summary of Results				
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.		0
R	KPI Unacceptable Performance	0% <= Actual/Target <= 74.999%		18
O	KPI Performance Not Fully Effective	75.000% <= Actual/Target <= 99.999%		7
G	KPI Fully Effective	Actual meets Target (Actual/Target = 100%)		6
G2	KPI Performance Significantly Above Expectations	100.001% <= Actual/Target <= 149.999%		5
B	KPI Outstanding Performance	150.000% <= Actual/Target		6
	Total KPIs:			42

3.1.13 Audit of Performance Information

The Auditor General's Office concluded their audit during April 2021 due to COVID19 related delays and the Audit Opinion expressed on Performance information is a Disclaimer opinion for 2019/20. The main issues attributed to the disclaimer is Usefulness and Reliability of reported performance information

AUDIT OPINION	2017/18	2018/19	2019/20
Unqualified opinion without matters (Clean Audit)			
Unqualified opinion with emphasis of matter or other matters			
Qualified opinion			
Adverse opinion			
Disclaimer	X	X	X

3.2 BASIC SERVICE DELIVERY

Water, Sanitation, Roads, electricity (It provides electricity through Eskom in the former Makhanda East area and certain rural areas, whilst the former Makhanda West and parts of Alicedale are supplied by the Municipality), waste water and refuse removal services are fundamentally important basic services to ensure a healthy and safe environment for all Makana inhabitants. Other services such as Libraries, Traffic Control and Environmental Management has service level agreements with sector provincial department. These basic services sections play a very important part in the planning and implementation of basic services in all formally established township developments as well as informal settlements.

In an effort to market the Makana area, the Municipality has a long-standing arrangement with Makana Tourism where the Municipality makes an annual financial allocation to Makana Tourism in exchange for it to market the area and promote tourism. A Service Level Agreement was also completed by both parties to formalise the arrangement and the body provides the Municipality with monthly financial reports. The Makana Municipality does not have a "Municipal Entity" nor does it utilise external mechanisms for basic service delivery.

3.2.1 WATER AND SANITATION PROVISION

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and functions by the Minister of Water Affairs and Forestry in 2004, Makana Municipality is acting as both **Water Services Authority And Water Services Provider**.

The Authority function means that the Municipality is responsible for regulation, water quality, ensuring access and monitoring and evaluation. The Provider function means that the Municipality is responsible for access, provision, operations and maintenance of all water needs.

3.2.1.1 Water Provision

The National Department of Water Affairs is responsible for policy formulation, capacity building and support where it is needed, regulation and enforcement of legislation. The National Department of Corporate Governance and Traditional Affairs is responsible for funding of some water capital projects through Municipal Infrastructure Grant. The Municipality has the responsibility of implementing water services projects and maintenance thereof. Water deliveries were made by trucks to rural areas on request by the Community and Social Services Directorate.

Description	2019/20 Actual No of Households
Water: (above min level)	
Piped water inside dwelling	6309
Piped water inside yard (but not in dwelling)	9325
Using public tap (stand pipes)	819
Other water supply (within 200m)	0
Minimum Service Level and Above sub-total	164
Minimum Service Level and Above Percentage	98%

Description	Actual no of Households 2019/20
Water: (below min level)	
Using public tap (more than 200m from dwelling)	2% located at rural farms
Other water supply (more than 200m from dwelling)	None
No water supply	2% located at farms
Below Minimum Service Level sub-total	None
Below Minimum Service Level Percentage	None
Total number of households	16481

3.2.1.2 Water supply

The Municipality provided its households with sufficient water with the exception of some farm areas and informal settlements. The Municipality supplies water to farm areas by carting water with water trucks and informal settlements receive their water through communal stand pipes.

Makana is currently providing the basic level of services as per the RDP standards but most of our households have individual house connections. The Municipality currently supplies water from two sources, which are the Fish River and Howieson's Poort Dams.

3.2.1.3 Challenges

The Municipality is still struggling with its aging infrastructure and low capacity of water treatment plant due to increase of demand of water.

Internally human resources capacity was also affected due to resignation of Manager for Water and Sanitation in 2017/18 year however, the manager was appointed in the 2019-20 financial year

3.2.1.4 Water infrastructure Development Intervention

External funding has been sourced from different stakeholders MIG and WISG. Underneath are water related infrastructure development projects funded for in the 2019-2020 financial year.

Name of the project	Amount	Progress June 2020
Refurbishment of Riebeeck East WTW	R 6 955 044	93% of work completed
Refurbishment of Jameson and Milner Dam	R 8,695,652	48 % of work completed
Refurbishment of Alicedale WTW	R10 147 495	73% of work completed
Purchase James Kleynhans Pump Set	R1 781,960	Service provider
Fencing of Botha's Hill Reservoirs	R 2,227,450	40% of work completed
Replacement of asbestos pipes in water reticulation network in Makhanda	R4 497,310	0% Project was on hold due to procurement disputes (Court Order was issued to stop the project (June 2020)
Waainek Bulk water Supply Refurbishment	R 8 932 226	32% of work completed
Upgrading and refurbishment of James Kleyhans Water Treatment Works	Upgrading and refurbishment of WTW from 10 Ml/day to 20 Ml/day in progress. The project is implemented by Amatola water implementation agent. The project is a multi-year project and expected to be finished in 2021-22 financial year and project is at Phase two, phase one was completed in 2019-20	

3.2.2 Wastewater (Sanitation) Provision

In terms of the Water Services Act (Act no. 108 of 1997) and declaration of the powers and Functions by the Minister of Water Affairs and Forestry in 2004 Makana Municipality is acting as both Water Services Authority and Water Service provider.

The Department of Corporate Governance and Traditional Affairs is responsible for funding of some sanitation capital projects through MIG. The Municipality has a responsibility of implementing sanitation projects and maintenance thereof.

Level and standard of services	<p>The Municipality has met the target of providing households with basic sanitation services for informal settlements. It is currently providing the basic level of services as per the RDP standards. The sewer infrastructure is very old and makes use of asbestos pipes which are no longer manufactured in South Africa. This results in continuous sewer blockages and overflows. The main wastewater treatment plant is currently overloaded. There is a lack of capacity on human resources, especially on technical expertise in-order for the Municipality to respond effectively on issues of operations and maintenance. This is still a challenge.</p>
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Annual performance as per Key performance indicator in sanitation services					
Indicator	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the Financial Year under review (actual numbers)	Number of Households/customer reached during the Financial Year	Percentage of achievement during the year
Households with access to sanitation services	1%	1986	569	629	Above 100%
Indigent households with access to free basic sanitation services	8064 have benefited.	7930	8000	8604	Above 100%

All Clinics and schools were provided with adequate sanitation services during the year under review.

3.2.2.1 Challenges

Lack of financial resources- funding application will be made to the Department of Water Services. Most schools have sanitation infrastructure but there are water pressure problems at a number of schools that are being addressed.

Makana is also challenged with increasing pressure on its waste water treatment leading to works overflow i.e. Belmont Valley which is near full capacity, The Wastewater Treatment Works (WWTW) is a 5.4MI biological filter plant currently being operated at an average inflow of between 7 and 8MI/d.

The plant is servicing the entire CBD and Western side and 60% of the Eastern side, Mayfield WWTW has a stated existing hydraulic capacity of 2.5 Ml/day and currently treats flows from the areas known as Mayfield, Makanaskop, Kings Flats, Transit Camp and Extensions 6 and 7.

3.2.2.2 Wastewater Infrastructure development Intervention

Below is a list sewer infrastructure upgrades currently under taken in 2019-20 and they will rollover 2022-21 financial year , at different stages.

Name of the project	Amount	Progress June 2020
Belmont Valley WWTW Refurbishment	R5 456 819	55% of the work completed
Mayfield gravity sewer	R3 739 130	45% of work completed
Refurbishment of two sewer pump stations in Joza	R3 130 435	30% of work completed

It is estimated that an amount of R395m is required to solve sanitation challenges in Makana. Business plans have been submitted to DWS for funding. As can be seen from the above, our challenges are due largely to infrastructure backlog and severe and prolonged drought. This means we must all use and re-use water sparingly.

3.2.3 Electricity

The Makana Municipality's Electricity Department ensures that its customers get good supply of quality service in compliance with the quality criteria prescribed by the national Electricity Regulator.

The Department has the duty of refurbishing electrical infrastructure and the responsibility of connecting customers who are not on the grid. The Department is also responsible for project implementation as well as day-to-day operations and maintenance.

Level and Standard of Services	<p>Customers are provided with a bulk 11 kilovolts of electricity. Some of this electricity is provided from renewable energy.</p> <p>The Municipality provides streetlights in accordance to the standards as outlined in the National Energy Regulator of South Africa (NERSA) guidelines. It also provides high</p>
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	<p>masts which are funded by the Municipal infrastructure grant (MIG).</p> <p>Medium and low voltage electricity is distributed according to consumer requirements and with NERSA standard.</p>
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Annual performance as per Key performance indicator in Electricity Services						
Indicator	Total number of households or customers expected to benefit	Estimated backlogs (actual numbers)	Target set for the financial year under review (actual numbers)	Number of households or customers reached during the financial year	Percentage of achievement during the year	Major challenges and remedial action
Households with access to electricity services	245	0	169	81	%	Funding for electrification of rural area (formalised infill area). All avenues of funding will be investigated.
Indigent households with access to basic electricity services		0	300	416	70%	None

3.2.3.1 Achievements

The Electricity Department sought funding from the Department of Minerals & Energy (DME) under the Integrated National Electrification Programme Grant (INEP), for upgrade and refurbishment of various Makana 11kv Mini-Substations. There was also a successful construction of a 66KV Overhead line refurbishment in Makhanda.

3.2.3.2 Challenges and remedial action

The major challenge was the absence of resources such as the vehicles and material. A further challenge was the absence of training measures for staff due to a lack of funds. In addition, the inadequate maintenance of infrastructure was a major problem. More funding would be sourced from external parties to address the challenges in the next financial year.

Below is a list sewer infrastructure upgrades currently under way in Makana Municipality, at different stages.

Name of the project	Amount
Refurbishment of 66 KV Line	R 1,537,952
11 KV substation	R 3,369,200

3.2.3.3 Road and Storm water

The maintenance of the Makana Road Network involves 4 major role players:

- The Provincial Road Construction Unit presently constructing a surfaced road between Makhanda and Alicedale. The road is situated partially within Makana and Sundays River jurisdiction.
- The District Road Engineer (provincial maintenance unit) is responsible for 155, 0 km surfaced trunk and main roads as well as 663,0km of gravel roads within the rural areas of Makana. The condition of these roads is presently poor.
- The Makana Council is responsible for the maintenance of 176,0km of gravel and 163.0km of surfaced roads within the urban areas. The roads are generally in a poor to fair condition owing to lack of financial resources.
- A District Roads Forum has been established to address the problem of a lack of communication between the role-players.

The road network consists of a national road between Port Elizabeth and King William’s Town consisting of ± 45km surfaced road each side of Makhanda being maintained by the National Roads Agency. The department is currently maintaining only Rural District Roads.

Level and standard of road services	The 16 503 erven within the urban areas of Makana have an acceptable surfaced or gravel access road to each erf. The 400 erven within the informal areas have no acceptable access. Maintenance done is of a high standard utilising cold premix, chip and spray and acceptable decomposed shale with a CBR of 45.
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Annual Performance as per Key Performance indicator in Road Maintenance			
Indicator	Total number of household/ customer expected to benefit	Estimated backlogs (actual numbers)	Major challenges and remedial action
Households without access to gravel or graded roads	350	350	Funding was a major challenge and for the next financial year a Business Plan will be developed to address this matter
Road infrastructure requiring upgrade	80%	153 kilometres	Lack of finance Shortage of material
Annual performance as per Key Performance indicator in Roads Maintenance			
Planned new road infrastructure actually constructed	2.5 Km	176km	Insufficient funding
Capital budget reserved for road upgrading and maintenance effectively used.	2,4%	176Km	Insufficient funding

3.2.4 Free Basic Services and Indigent Support

The Makana Municipality provides free basic services to registered indigent residents and also has a policy for indigent support that is implemented by the Finance Department. The registration of more Indigents is a project that has been receiving attention in order to increase the number of beneficiaries.

3.3 PUBLIC SAFETY AND COMMUNITY SERVICES

3.3.1 Library Services

Reporting Level	Detail	TOTAL
Overview	The provision of accessible community facilities to an acceptable standard for all people in Makana Municipality.	
Description of activity	Provision of: Adequate library services for all sectors of the community. Access to library material for the purposes of education, information, recreation and aesthetic appreciation for all residing within the Makana municipal area. The strategic objectives of this function are to: <ul style="list-style-type: none"> • Ensure that the residents have access to up-to-date information through libraries. • Ensure that there are libraries in needy areas. • Ensure that there is an acceptable standard of service for all. • Decrease the illiteracy rate of the Makana community. 	

Analysis of function	Statistical information: Quantity of materials circulated <ul style="list-style-type: none"> • Main Library (Hill Street) 54,600 • Community Library 32,300 • Duna Library 23,300 • Fingo Library 40,957 • Alicedale Library 10,095 • Riebeek East Library 11,016 • Ext 9 Total 182,662 Number of current patrons <ul style="list-style-type: none"> • Main Library (Hill Street) 15,164 • Community Library (Currie Street) 4,335 • Duna Library 7,325 • Fingo Library 1,187 • Alicedale Library 913 • Riebeek East Library 347 • Ext 9 Total 29,271	
Challenge	<ul style="list-style-type: none"> • Children’s activities space at Fingo, Riebeek East and Alicedale Library. 	
Highlights	<ul style="list-style-type: none"> • Provision of office space at Hill Street Library for Mobile Library and Library Clerk. • Installation of a library detector system and CCTV camera at Duna, Fingo and Community Libraries. • Providing public access to internet at Fingo and Hill Street libraries using “Connect with Sarah Baartman” vibrant literacy and audio projects in all libraries. 	

3.3.2 Environmental management

Environmental management function is a strategic one, providing environmental leadership to the municipality and the community at large. The municipality functions with its partners through the Makana Environmental Forum, a forum of local individuals and organizations with a focus on environmental matters in the municipality. The municipal environmental programmes and plans are communicated to the public through the quarterly meetings of the Makana Environmental Forum.

The Makana Environmental Forum to be revived during the 2021/22 financial year, the municipal environmental awareness activities continued to be strengthened by a collaboration with the Eastern Cape’s Department of Environment and Economic Development Good Green Deeds.

3.3.2.1 Activities

Environmental education and awareness: During the last financial year, the environmental management section worked in collaboration with the provincial Department of Environment and Economic Development which assisted the municipality financially to attend to illegal dumping site issues. These sessions were aimed various groups including an EPWP youth group working at the landfill site, waste pickers at the landfill site and livestock owners.

Environmental education and awareness also went together with issuing of letters of duty of care to local scrapyards and shop owners. This was with regard to surrounding littering emanating from their business.

EPWP THUMA MINA GREEN GOOD DEEDS PROGRAM: The community environmental education and awareness programme was strengthened by the appointment of twenty youth to assist with cleaning at the illegal dumping sites. These individuals were from various wards of the municipality. This programme was sponsored by the Department of Environment and Economic Development in the Eastern Cape. DEA, SALGA and Sarah Baartman District Municipal together with Makana LM embarked on the review of the waste by-laws and they are currently in a draft format, however SBDM has reviewed Municipal Health By-laws. A number of workshops were held with the group to familiarise them with municipal waste by-laws.

Municipal assisted initiatives: Department of Economic Development and Environmental Affairs (DEDEA) has introduced Good Green Deeds program to assist the municipality with environmental management programs, including awareness and education program, door to door campaigns and schools outreach program. A total of 22 youth were appointed for the program

Waste pickers at the landfill site: The recycling at the landfill site has been formalised through the appointed services, the program is currently being monitored under the services providers watch.

Adopt – A- River Project: The Adopt –A-River initiative was a project sponsored by the Department of Water and Sanitation. The project was aimed at addressing the pollution of the Kowie River by sewerage spills and littering. The project employed fifty people along the Kowie River to clean the litter whilst two days per month were spent conducting environmental awareness amongst communities along the stream. The parameters of selection given was 80% women and 20% men including individuals from vulnerable groups. The wards affected and from whom these beneficiaries were recruited were ward 10; ward 13; ward 8; ward 9 and ward 4. Beneficiaries were paid a stipend per day and the project's duration was six months.

Makana Municipal Invasive Action Plan: In terms of the Alien & Invasive Species Regulations (2014) and the National Environmental Management: Biodiversity Act (2006), all Organs of State are meant to have developed Alien Species Control Plans for areas under their jurisdiction by October 2016.

In the case of Makana municipality this regulation affects all land that is private or owned by other organs of state and would include *inter alia commonage* areas, street verges, green open spaces etc. A Makana Alien & Invasive Action Plan was drafted and submitted to the Council. The plan also incorporated actions underway and future plans such as Working for Water’s activities. The plan will be reviewed

Environmental Risk Register: With due consideration of the Environmental Monitoring outlined in the Makana Local Environmental Action Plan, assessment of risks associated with the environment in order to monitor effects of exposure of humans and/or the environment to hazardous situations is necessary. Monitoring environmental risks will also assist in avoiding litigation or compelling contractors or service providers working in the municipal area to comply with relevant legislation.

3.3.2.2 Main challenges

The general lack of funding to initiate community environmental projects remains a threat towards the implementation of projects. To mitigate this risk, the environmental management section continue to apply for funding from other state departments or in the form of EPWP projects. External stakeholders should be brought to assist the municipality to discharge its environmental mandate and be provided with various kind of rewards such as rates rebates etc. This could be case with environmental stewardship programmes by business and NGO entities.

3.3.3.1 Waste Management (Solid)

Strategy and main role player	<p>The overall objective of waste management is to reduce the generation of waste; reduce the environmental impact of all forms of waste to ensure the health of the people of Makana. The Municipality’s waste management system enhances the quality of its environmental resources.</p> <p>The roles and responsibilities in terms of the National Waste Management Strategy for local government include:</p> <ul style="list-style-type: none"> • Waste minimisation: Local Government has to implement and enforce appropriate national waste minimisation initiatives and promote the development of voluntary partnerships with industry. • Recycling: Local Government is to establish recycling centres and/or facilitate community initiatives.
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	<ul style="list-style-type: none"> Waste collection and transportation: Local Government is to improve service delivery. Waste disposal: Local Government is to take responsibility for the establishment and management of landfill sites, and to promote the development of regionally based facilities. <p>Formalising and controlling of scavenging is the responsibility of the permit holder.</p>
Level and standard of services	It is expected that every household has access to waste collection services. The Municipality is expected to collect refuse from every household on a regular basis.

Annual performance as per Key performance indicator in refuse removal services						
Indicator	Total Number of Households/ Customers expected to Benefit	Estimated Backlogs (actual numbers)	Target Set For the Financial Year under review (actual numbers)	Number of Households/ Customers reached During the Financial Year	Percentage of Achievement During the Year	Major Challenges and Remedial Action
Households with access to refuse removal services	23 366	648 (farm houses) Rural areas	0	22500	97%	Illegal dumping is a major challenge in Makana.

3.3.3.2 Environmental Health Services

Environmental Health Services is a function of the District Municipality in terms of the Municipal Structures Act, Section 84 (1) (i) was performed by Makana Municipality under a Service Level Agreement. The unit is responsible for ensuring businesses, including restaurants, complies with applicable health standards to ensure clients are not at risk of picking up diseases. The Sarah Baartman District municipality has passed a Council resolution that the Environmental Health Services will revert to the District Municipality during the 2020/21 financial year and the municipality has to then accordingly plan for the transfer back to SBDM. In March 2021, Municipal Health Services are now performed by SBDM and submit reports to Makana LM quarterly.

3.3.4 Fire and Rescue Services

Function Public Safety	
Sub-Function: Fire & Rescue Section	
Reporting Level	Detail
Overview:	Includes fire-fighting, fire safety and awareness campaigns. The municipality has signed a corporate agreement with Sarah Baartman

	District Municipality to perform the functions on agency basis as well as with the other six (6) LMs in Sarah Baartman district.
Mission statement	It is the mission of Makana Fire and Rescue to create a safer environment for all persons in our society by providing an efficient and effective fire-fighting, emergency, rescue and fire safety service within the framework of the resources available.

3.3.4.1 Core Functions

Core Functions (As per the Fire Brigade Services Act 99 of 1987)

- Preventing the outbreak or spread of a fire
- Fighting or extinguishing a fire
- The protection of life or property against fire or other threatening danger
- The rescue of life or property from fire or any other threatening danger; and
- The performance of any other function connected with any of the matters related to the above.

These functions are performed in accordance with Standard By-Laws relating to Fire Brigade Services, which was promulgated on 11 June 1982 (Provincial Notice 661 / 1982

3.3.4.2 Administration Section

This section deals with the day-to-day administrative activities of the Fire and Rescue Section which includes report writing, typing, recording and updating of information and all other related activities as required. This section is headed by the Manager and includes the Station Commander, Senior Clerk and Messenger /Cleaner.

3.3.4.3 Operational Section

_This section consists of four (4) Platoon Commanders, six (6) Senior Fire Fighters, twenty four (20) Fire Fighters, and four (4) Dispatchers. The following posts are still vacant: Two (2) Platoon Commanders, One (1) Senior Fire Fighter and three (3) Fire Fighter posts.

The operational section implements the practical aspects relating to firefighting and other emergency incidents. To achieve its aim this section is responsible for the following:

- The attendance and handling of all fires, rescues and emergency incidents.
- The acquisition of vehicles and operational equipment.
- The maintenance of vehicles and equipment.
- The checking and cleaning of fire hydrants.

- The training of public by group inspections and lectures.

3.3.4.4 Activity

Reduction of Vegetation Fires: The key objective is to try and minimise the amount of vegetation fires. Emphasis is put on

- Analysing the risk areas
- Training the farmers on proper control burnings tactics
- Awareness campaigns involving the Fire Protection Association, Albany Working for Water, Parks Department and DAFF etc.
- Includes firefighting, fire safety and awareness campaigns

Special Fire Services: Annually the Municipality decides on tariff charges which the department will levy for services rendered. In this tariff layout the cost of the use of fire appliances, services vehicles, staff and equipment, specialised extinguishing media, training etc. are laid down. Due to the fact that the fire department is an emergency service where the majority of its service is of a human nature, income from this source is very low.

Fire prevention: Businesses are inspected to ensure that they comply with fire safety regulations. A total of one hundred and twenty nine (129) businesses were inspected during the financial year.

3.3.5 Disaster Management Services:

Makana Municipality, established a Disaster Management Office and employed a Disaster Management Officer in January 2012. The Disaster Management Officer resigned in October 2017 and the post is still vacant at the moment and therefore we make use of the Sarah Baartman District Disaster Officer. [The Disaster Management officer post has been advertised and is the process of shortlisting and interviews.](#)

Mission Statement: The mission is to provide for measures to safeguard the physical wellbeing and safety of the environment and property, to ensure the implementation of an integrated and coordinated approach to disaster management across all spheres of government, involving all relevant stakeholders.

Core Functions:

- Recruitment and training of disaster management volunteers
- Conduct disaster management awareness program at schools, farmers associations and for the general community
- Informs the above mentioned groups of possible disaster areas, dangers associated with it and how to deal with disaster situations
- Advise council on disaster management legislation

- Prepare disaster management plans to ensure maximum emergency plans for its area
- Ensure disaster management plans
- Form an integral part of an IDP
- Anticipate the types of disaster that are likely to occur and their possible effects
- Provide prevention and initiation strategies
- Contain contingency plans and emergency procedures in the event of a disaster

These functions are performed in accordance with the Disaster Management Act, 2002 (Act no 57 of 2002) and provides a legislative framework for the management of disasters in the country. In terms of sections 19, 38 and 53 all spheres of government are required to prepare disaster management plans setting out the way in which the concept and principles of disaster management are to be applied in its functional area.

These plans must facilitate maximum emergency preparedness and contain contingency plans and emergency procedure in the event of a disaster clarifying the allocation of responsibilities to the various role-players and coordination in the carrying out of those responsibilities. The aim of this readiness plan is to ensure prompt and effective response to emergency incidents during and after the disaster occurrences.

Administration Section: This section deals with the day-to-day administrative activities of Disaster Management which includes report writing, typing, recording and updating of information and all other related activities as required. It is headed by the Disaster Management Officer only, and reporting to the Manager: Fire Services.

Operational Section: This section consist of one Disaster Management Officer. It implements the practical aspects relating to fire fighting in conjunction with the fire department since fires are classified as potential disasters and other emergency incidents e.g.

- Floods/Fire Victims – To conduct damage assessment to flooded/fire damaged areas, arrange temporary housing units to those who have their houses badly damaged by the flooding/fires, the office has been providing mattresses and blankets where necessary, refer the victims to other relevant sector departments for assistance example being SASSA, Social Development etc. and assist flood/fire victims with necessary requirements including evacuation of the area if needs be.
- The office forms part of the Road Incident Management System which seeks to reduce road accidents/accidents on the N2 and our national roads by taking note of bad surface

on our roads, road marking, stray animals, managing tow truck operators and training of emergency personnel in incident management.

- The Office forms part of the Safety Events Management Team that constitute amongst other stake holders SAPA, Rhodes University, NAF Organisers, Makana Municipal Departments, Home Affairs etc. to make sure that all events taking place in Makana Municipality are planned in accordance with the Safety, at Sports and Recreational Events Act no 02 of 2010 to protect participants, spectators and property.
- To conduct awareness campaigns to the targeted groups making them aware of potential disasters and how to deal with them when they do occur.
- Dissemination of weather warnings to the community at large via community radio stations, Grocott's and social networks.
- The Office forms part of the Provincial Project Management Steering Committee Meetings monitoring the DMRG (Disaster Management Risk Grant) allocated to Municipalities and Sector Departments to repair the damaged infrastructure after disaster occurrences.

Building Plans: Building plans are scrutinized to ensure that they comply with Fire Safety Regulations.

A total of one hundred and thirteen (113) building plans were scrutinized during the year under review.

Flammable liquids: Flammable liquid inspections are carried out on businesses that deal with flammable liquids. The annual tariff of charges also makes provision that all businesses dealing in the sale, manufacture, handling or storage of flammable liquids or gases must register and acquire a license from the municipality. An annual license fee for this purpose is therefore payable after safety requirements have been met. A total of ninety seven (97) Flammable Liquid inspections were conducted.

Fire Hydrants: Fire Hydrants inspections are done regularly to ensure that they are clean, clearly marked and in operation. A total of four hundred and eight (408) Fire Hydrants inspections were conducted.

Water Deliveries: As an additional income, the department delivers water to farms situated within the protected area upon request. Normal tariffs apply that include the use of the fire engine plus the

distance travelled. Water is also delivered to rural communities in municipal area of jurisdiction, for the Department of Technical and Infrastructural Services, who is then responsible for the charges. A total of five (5) Water Deliveries were done.

Motor Vehicle Accidents: The Directorate responds to motor vehicle accidents to assist with vehicle extrication, patient treatment, hazardous materials, etc. A total of thirty four (34) Accidents were attended to during the financial year.

Training and Awareness: Lectures and practical drills are presented to the staff of the Fire Department on various subjects of firefighting, rescues, handling of hazardous incidents and legislation applicable to the fire service. This is In - Service Training and only focus on preparedness of Fire Fighters to combat fires and other emergencies.

Public Training: Fire awareness campaigns are conducted at rural communities, schools and clinics within Makana to make the community aware of the dangers of fires. A total of one hundred and seventy three (173) public members were reached. Elementary Fire Fighting training is presented to businesses to enable their staff to react immediately when a fire occurs at their workplace whilst it is still small. Covid 19 had an impact on the Fire Awareness Campaigns due to Lockdown.

School Awareness Programme: The department continued with our School Awareness Programme to make the students / scholars aware of the dangers of fires and what to do in case of a fire.

A total of twelve (12) teachers and two hundred and three (203) students / scholars were reached during the financial year. Covid 19 had an impact on the School Awareness Programme due to Lockdown.

Challenges:

Fire station in Alicedale	SBDM has procure temporary satellite Fire Station for Alicedale , station is semi equipped and will be full equipped in the 21/22
Fire station in Riebeeck-East	SBDM has procure temporary satellite Fire Station for Riebeeck East , The challenge is that the station is not equipped and has no personnel and electricity, Fire posts were advertised in May 2021

No fire station in Grahamstown-East	No Capital Budget for the 2019/20 financial year, due to the financial situation of the Municipality.
Handling of after-hours complaints.	The Control Room is dealing with after-hours complaints, such as electricity, water, sewer etc. posing a risk, as the telephone lines are continuously engaged due to the influx of complaints from the public.
No Capital Budget to procure vehicles and equipment	No Capital Budget to procure much needed vehicles and equipment for the 2019/20 financial year, due to the financial situation of the Municipality. Sarah Baartman District Municipality procured two new vehicles and equipment.
Impact of Sick leave on the Fire Service	Sick leave of staff has a negative impact on the fire services. The Collective Agreement and Leave Policy makes provision for an employee to be on sick leave for two days without proof. Due to the shift system of 4 days on duty and 4 days off duty, the employee's absence from work is increased to 6 days. The employee will then only work two days and is then off for 4 days off duty before his/her next shift start again.
Shortage of Staff	Shortage of staff has an impact on the operations of the department due to the fact that Vacant positions are not filled.

3.3.5 Security and Safety

The Makana Municipality does not have an in-house policing force but does actively participate in the Local Safety and Security Forums.

3.3.5.1 Traffic and Law Enforcement

Reporting Level	Detail
Overview:	Includes Traffic, Licensing, Roadworthy and Technical Services
Description of activities Traffic Law Enforcement	<p>The key function of the Traffic Department is to provide safer roads for all stakeholders within the Makana area.</p> <p>The Municipality has a mandate to:</p> <ul style="list-style-type: none"> • Conduct preventative traffic patrols and enforce traffic legislation • Enforce speed limits • Attend traffic accidents • Enforce parking legislation • Enforce municipal bylaws <p>The key objective of this function is to ensure safe and free flow of traffic within Makana Municipal area.</p>
Driving Licenses	<p>These services include all driver testing functions.</p> <p>The Municipality has a responsibility to :</p> <ul style="list-style-type: none"> • Test applicants and issue learner licenses • Test applicants and issue driving licenses • Renew credit card driving licenses • Renew and issue Professional driving licenses <p>The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.</p>
Roadworthy Testing	<p>These services include all vehicle testing functions. The Municipality has a responsibility to:</p> <ul style="list-style-type: none"> • Test vehicle • Issue roadworthy certificates <p>The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles</p>
Technical services	This service is responsible for the maintenance of all road markings and road signs

Challenges	Lack of finances are seriously hampering operations as we find it difficult to maintain old and outdated equipment. Vehicles are old and break down frequently. This department has also not grown in numbers although town has grown considerably in the last 10 years. Corona lockdown have created a huge backlog in the processing of driver related transactions and will never be caught up unless we work overtime which there no money is for. Staff have also become complacent in their attitude toward their work and are frequently off work. The fact that there are no consequence management in the municipality contributes towards poor service delivery. Traffic officers has to work without basic safety equipment like radios, vehicles and uniform. This department has several critical vacancies that have been vacant for years and corporate services lack off timeous filling of them hamper's effective service delivery. Morale throughout the Municipality is low and are not conducive to high productivity.
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3.3.6 Parks; Sport and Recreation

Function: Horticulture and auxiliary services sub-function: Aerodrome		
Overview:	Makana and the surrounding Municipalities are fortunate to have at their disposal a category 1 licensed aerodrome with an all-weather runway and navigation lights that needs maintenance to accommodate up to a light jet aircraft.	
Description of activity:	Inspections The section: The Department of Civil Aviation also undertakes annual inspections in support of the retention of the category 1 licence.	Twice monthly
	<p style="text-align: center;">Administration</p> <p>Collection of landing fees: The lease contract has will be experiencing with the flying club.</p> <p>Challenges The airfield is currently not fully operational due to various challenges relating to fencing , overgrown weeds , run way with pot holes and no run way lights The continued deterioration of the main tarred runway due to lack of maintains is still a main challenge</p> <p>Achievements No achievements was met during this period under review on the bases that the airfield is not maintained due</p>	Annually

Overview:	This sub-function includes a number of sections including maintenance of grass verges and public open space, planted layouts, street trees and weed control.	
Description of activity:	<p>The services provided include:</p> <ul style="list-style-type: none"> Mowing of verges of Grahamstown, Alicedale and Riebeeck East including main entrances, CBD, material roads, suburban roads and council facilities. Mowing of public open space with tractor drawn implements. Maintenance of gardens and planted layouts within the city. Maintenance of street trees including tree planting and the maintenance of trees under power lines as well as the removal of trees where required. Manual tree stump removal. Weed control that includes the eradication of weeds and annual grasses on roads, gutters and storm-water channels. 	<p>196 ha</p> <p>449 ha 2,5 ha 673 trees</p> <p>17 1650 ha</p>
Function: Horticulture and auxiliary services sub-function: Cemeteries		
Overview:	This sub-function includes the maintenance of cemeteries in Grahamstown, Alicedale and Riebeeck East.	
Description of activity:	<p>The services provided include:</p> <ul style="list-style-type: none"> Administration of electronic recording system for burials Cemetery maintenance Contract management <p>CHALLENGES: Acquisition of land for new Cemetery in Alicedale and Grahamstown. Funding to maintain Cemeteries. Vandalism /Theft of artefacts / fencing , caretakers house and metal railings, Burial records not properly updated</p> <p>ACHIEVEMENTS</p> <ul style="list-style-type: none"> Extensions to Mayfield airspace , Maintenance of service roads for Mayfield. Procurement of Contracts for the maintenance of grassed areas: Waainek, Mayfield, Historical, Lavender Valley and Kings Flats cemeteries Formalisation of parks equipment tender for long term supply 	<p>± 875 to 1023 burials annually</p> <p>12 contracts</p>
Function: Horticulture and auxiliary services sub-Function: Nursery		
Overview:	Provision of nursery for the production of greening material for the Municipality.	

Description of activity:	<p>The services provided include:</p> <ul style="list-style-type: none"> • The production of ground covers, shrubs and trees. • Maintenance of ornamental section for decorations. • Production of manuals for street displays <p>CHALLENGES: Old equipment such chain saws, weed eaters, lawn mowers to deal with maintenance of grass and trees in town and the surrounding area. Limited budget for the operation of the municipal nursery</p> <p>ACHIEVEMENTS: Planting of aloe plants on 3 x illegal dumping spots to discourage illegal dumping. Trimming and cutting of dangerous trees in seven fountains (in progress) and assisting electricity department with cutting trees affecting electric power lines</p>	
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3.4 LOCAL ECONOMIC DEVELOPMENT AND PLANNING

The role of Local Economic Development and Planning is to unlock economic opportunities through support and providing a spatial environment that stimulates economic growth. The priority of the Department has been to ensure that development of strategic documents to guide development. The Municipality was able secure funding from MISA for the review of the Spatial Development Framework and funding from COGTA for the review of an LED-strategy in-house.

For the implementation of these documents the Municipality will have to ensure a full staff component for the LED and Planning Directorate with qualified professionals. The Municipality has appointed 2x Town Planners and 1x Building Inspector

The LED and Planning Directorate is constituted as follows:

- a) **Local Economic Development Section:** responsible for agricultural development, tourism development and promotion; trade and investment promotion and SMME development.
- b) **Town Planning Section:** Responsible for spatial planning, Settlement Planning and Land Use Management
- c) **Building Inspectorate Section:** Regulating development in terms of National Building Regulations and Standards Act 103 of 1977

The staff component of LED Directorate will be fully populated with qualified and experienced staff once the remaining vacancies have been filled.

During the year under review the municipality solicited funding to implement the following Agricultural and Tourism projects:

3.4.1 Agriculture and Rural Development

Projects	Amount	Funding Source
Nonzaliseko project : Crop project	R100,000	SBDM
Riebeeck East Farmers: Livestock farmers	R70,000	SBDM

3.4.2 Highlights and achievements.

- More than 2000 businesses registered on CIPC
- Almost 50 SMMEs have benefited from subcontract opportunities since the promulgation of the revised Preferential Procurement Regulations.
- The SMME Policy has been developed and approved by the Council.
- Each year during the Festival, four crafters are allocated a stall to trade. In addition three informal traders are also allocated a stall to trade at the Church Square
- Registered more than 1000 people on CWP.
- Trained more than 30 SMMEs on business management and tendering. The training was accredited, and participants received certificates.
- Assisted Makana Youth in Mining with business plan. The DTI has shown interest in funding the business plan.
- Assisted Dyakala Tyre Services and three other SMMEs to obtain funding from Sarah Baartman District Municipality
- Arranged three informal sharing sessions for SMMEs where ECDC, DTI, SEDA, SEFA, SBDM were invited to present their business support offerings
- Completed an MOU with SEDA- for SEDA to train SMMEs and to arrange regular one on one business advice sessions.
- Roadway Green Farm and Yarrow Farm were granted agricultural, infrastructural equipment and Working tools. Both farmers were allocated a site manager to facilitate and provide guidance to the beneficiaries towards obtaining the goals.
- 90 Walk-ins from Rural and township came seeking for assistance for seeds applications, development information and where assisted.
- Ploughing material (Tractors) was handed over to the farmers
- Seeds was approved by DRDAR and seeds were delivered to 39 projects.
- Farmers were given animal feeding by the Gift of the Givers to relief draught.

- Youth from rural areas got a 12 months training in agriculture and business management by ACOSA.
- Farmers' market day started and it's still an on-going project.

3.4.3 Spatial Planning and Land Use Section:

- **Full staff component:** in around 2015 to 2017 the Department has been experiencing a challenge with shortage of staff which has had a great impact on the functions of the department. As of effect from September 2019 the department has a full staff component with well experienced professionals.
- Review of the Spatial Development Framework (SDF): The SDF is a crucial document to the Municipality in achieving its desired spatial outcome as a requirement in terms of section 26 (e) of the MSA 32 of 2000. Urban Dynamics was appointed by MISA to undertake the review of Makana Municipality SDF in November 2018 – November 2019. The SDF was approved and adopted by Council on the 30 October 2019.
- Appointment of AA members and dealing with appeals: In terms of Section 126(6) of the Makana Municipal Spatial Planning and Land Use Management By-law, Council appointed the appeal authority in June 2019. The Appeal Authority has dealt with two appeals since the appointment which were resolved amicably.

3.4.4. Planning

During this financial year the following land use applications were processed:

TYPE	RECEIVED AND PROCESSED	APPROVED
Rezoning	8	7
Subdivision	5	2
Consent Uses	3	0
Departure	4	0
Removal of title deed restrictions	1	0
Closure of Public Open Space	2	0
Building Plans	120	100

CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 MUNICIPAL WORKFORCE:

The Makana Local Municipality currently has 30 different functions, based on the Municipal Systems Act, No 32 of 2000 and Act 117 of 1998.

4.1.1 MUNICIPAL MANAGER AND SECTION 57 MANAGERS

	Approved Positions (e.g. MM-S57 etc.)	Number of Approved and Budgeted posts.	Filled Posts	Vacant Posts
1	Municipal Manager	1	Yes	0
2	Director Corporate Services	1	Yes	0
3	Chief Financial Officer	1	Yes	0
4	Director Local Economic Development	1	Yes	0
5	Director Technical & Infrastructure	1	N/A	1
6	Director Public Safety	1	Yes	0
Total		6	5	1

4.1.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT INDICATORS

	Indicator Name	Total Number of People (planned for) During the Year Under Review	Achievement Level during the Year Under Review	Achievement Percentage During the Year Under Review	Comments on the Gap
1	Vacancy rate for all approved and budgeted posts	25	25	100%	None
	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	4	60%	One resignation and a suspension was experienced at this level
3	Percentage of Section 57 Managers including Municipal Managers who attended at least one skills development training course within the financial year	3	3	100%	No Gap

4	Percentage of Managers in Technical Services with a professional qualification	6	6	100%	No Gap
5	Percentage of staff that have undergone a skills audit (including competency profiles) within the current five year term	724	0	0%	Process will be addressed as one of the outcomes of the Organisational development process of the Municipality.
7	Percentage of councillors who attended skills development training within the current five year term	27	4	20%	Training was hampered by a severe lack of funds.
8	Percentage of staff complement with disability	1	1	100%	N/A
9	Percentage of female employees	131	131	100%	No Gap
	Percentage of employees that are aged 35 or younger	57	44	77%	N/A

4.2 MANAGING THE MUNICIPAL WORKFORCE

4.2.1 Human resources unit:

This Unit is responsible for the transformation of Makana Local Municipality into an effective, efficient and progressive public sector organisation. It is further responsible for the:

- Development and implementation of policies, procedures and oversight of the daily operations of the Municipality.
- develop and implement HRM strategies, policies and plans aligned to the strategy of the organisation that enable the organisation to achieve its objectives,

- Facilitate employee benefits, skills development, recruitment & selection, employee wellness, occupational health & safety and employee relations.
- Annually to review and prepare for the submission of the policy to Council for adoption. The policies may be amended from time to time, and must be revised at least every five years. All other policies.

4.2.2 Compliance with Health and Safety Legislation

The Makana LM has adopted a policy for the Occupational, Health and Safety. The position of the Occupational, Health and Safety Officer has been approved in the organogram with the aim of ensuring an ongoing review, its standards, policies and procedures to comply and, where possible, to exceed legislative requirements pertaining to Occupational Health & Safety regulations. The Occupational Health and Safety Act (85 of 1993) and its regulations provide guidelines for the Makana Council to develop appropriate standards and management systems.

4.2.3 Capacitating the Municipal Workforce

A Work Skill Plan is revised annually by the Skill Development Facilitator. The plan is approved by Council with a specific budget and an implementation report is submitted to LGSETA on or before the 30th March, in order to recover the funds spent on implementing the plan.

Budget from the Municipality 2019/20 was R700 000, 00. The funds were utilized for the Municipal Finance Management Programme: Managers, HOD's and Senior Officials as from February 2019 as an ongoing programme. The total number of officials is 23.

The Makana Local Municipality offers various annual in- service training opportunities to promote the development of skills in specific areas to encourage growth in skills availability in the province and to assist learners in obtaining practical exposure to the world of works.

Targeted training and employment is also used to affirm previously disadvantaged categories, with a special training initiative to address the gender imbalances in the work force. There has been a particular focus on developing women as water treatment works operators over the past five years. This trend will continue in the future.

In further support of its major transformation outcomes, Makana Local Municipality has also revised its human resources training and development policy and plans, making this area the responsibility of a dedicated Training Committee.

The Training Committee is responsible for the issuing and updating of Makana Local Municipality Workplace Skills Plan prepared in terms of the requirements of the Skills Development Act. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

As per the Skills Development Act 97 of 1998 Makana Municipality has a responsibility to encourage the unemployed to enter labour market through learnership programme. This also applies to internal staff for the advancement of career growth, for personal growth and upward mobility within the institutional departments. Interns - the program of the unemployed graduated to gather work experience in the work place. The Skills Plan maps out training priorities for the organisation based on identified skills gaps and deficiencies and envisaged future operational needs (including succession and career planning), thus permitting appropriate training interventions to be devised and implemented.

4.2.3.1 Skills Development & Training

Municipality has a challenge of lack internal capacity and scarcity funding as result lot of training could not take place. The following training programmes were undertaken with regard to staff development:

Details	Training Undertaken
Councillors	Training on local labour terms of reference
Staff:	<ul style="list-style-type: none"> ▪ Occupational health and safety training course- 10 Officials serving as Safety representatives ▪ Training in water and wastewater treatment.- Learnership for 29 Makana Employees

Staff Registered with Professional Bodies

Technical Services	Total Numbers of Managers & Officials	Total Number of Registered with Professional Accredited Body	Total Number of Pending Registrations Confirmation with the Accredited Professional Body	Total Number Not Registered with Accredited Professional Body
Water	1	1	0	0
Electricity	3	2	0	1
Technical	4	2	0	2

Town Planning	2	1	0	1
Project Management Unit	1	0	0	1
Internal Audit	3	3	0	0

4.3.2.3 Levels of Education and Skills

Total Number of Staff	Number of Staff Without Grade 12	Number of Staff with Senior Certificates Only	Number of Staff with Tertiary/ Accredited Professional Training
724	323	139	150

4.2.4 Employment Equity and Recruitment Policy

The success and competitive standing of Makana LM business activities hinge critically upon the quality of its human capital and on its retention and continual development of a workforce of competent and motivated personnel. Consequently, the Makana LM seeks, as a key intent, to implement best practices in the direction of all its human resources provisioning, management and employee development activities.

An Employment Contract has been developed and adopted by the Council. Subsequent to that a Human Resources Plan was developed and adopted by the Council as guiding tool towards achieving organisational objectives.

An Employment Equity policy has been adopted by the Makana Council and guides the organisation's human resources practices in promoting employment equity, the recruitment and development of employees from designated groups and the advancement of appropriate gender representation in the organisation.

An Employment Equity Plan has been developed setting out organisational equity targets, while simultaneously ensuring compliance with requirements by the Department of Labour. Progress towards employment equity has been accorded high priority and is being driven by the Employment Equity and Training & Development Committee that reports directly to the FAME. The committee includes both Makana Councillors and Management Committee representation.

A range of policies have been formulated to advance both Makana LM initiatives to address historical employment inequalities as well as wider organisational transformation goals.

Areas of employment equity focus have included the review and revision of the policy on employee recruitment practices to bring these into alignment with the requirements of Makana LM Employment Equity and Affirmative Action plans.

4.2.5 EMPLOYEE WELLNESS

The Makana LM pursues employee wellness initiatives and, within this effort, has implemented an HIV/AIDS prevention programme that serves to create awareness and share information on available assistance for HIV/AIDS treatment. The initiative has also offered elected community members as peers educators so that participants are able to interact meaningfully with affected persons, both within the workplace and in the broader community.

Various additional efforts have been made to exploit employee communication tools and staff training opportunities to promote the maintenance of employee health and positive levels of staff motivation and healthy workplace relations. This has included efforts to disseminate information and advice on the management of HIV/AIDS related illnesses and workshop training to impart knowledge and skills to managers and supervisors to promote the recognition and embracing of cultural and other diversity in the workplace.

4.2.6 INJURIES, SICKNESSES AND SUSPENSIONS:

During the year under review, 5 cases of "Injury on Duty" were reported to the Compensation Commission.

Comment on suspensions and cases of misconduct:

In the same year, the Makana Municipality dismissed two employees for various cases of misconduct.

4.2.7 OTHER STRUCTURES AND FORUMS:

Makana Local Municipality acknowledges that relationships with other strategic forums impact positively in an indirect manner on the management of the organisation. Makana LM has a formal recognition agreement with the South African Municipal Workers Union (SAMWU) and annual salary and wage adjustments affecting the union represented employees have been satisfactorily concluded since 2001.

Makana LM has a disciplinary and grievance procedure in place and invokes these in dealing with employee relations problems that may arise, with recourse taken to the Council for Conciliation, Mediation and Arbitration (CCMA) to settle any matters not satisfactorily resolved internally. An Industrial Relations Officer position has been filled with aim of improving employer-employees relations.

4.2.8. MAJOR CHALLENGES AND REMEDIAL ACTIONS WITH REGARD TO HUMAN RESOURCE AND ORGANISATIONAL MANAGEMENT

The Makana Municipality continues to face challenges related to the inability to retain key engineering skills. As a response to this challenge, the Makana Municipality has developed and adopted a Scarce Skills and Retention Policy. The Scarce Skills and Retention policy seeks to provide a framework for the retention of critical skills and also provide incentives for such skills.

4.2.9 MANAGING WORKFORCE EXPENDITURE

4.2.9.1 Employee Expenditure

Financial Year	Total Number of Staff	Total Audited Operating Expenditure	Personnel Expenditure (Salary Related)	Percentage of expenditure
2016-2017	714	422 210 000	167 75 0475	39,73%
2017-2018	706	499 485 472	156 270 281	31,29%
2018-2019	716	554 915 489	165 707 277	29.86%
2019-2020	724	484 812 324	190 680 765	39.33%

4.2.9.2 List of pension and Medical Aid Schemes

Names of pension fund	Number of staff	Name of Medical Aids	Number of staff
Cape Joint Pension Fund	3	Bonitas	99
Cape Joint Retirement	325	LA Health	240
SALA Pension Fund	111	SAMWU Med	81
SAMWU Provident Fund	245	Key Health	42
		Hosmed	2

4.2.9.3 Employee related cost

Related Cost	2018/2019	2019-20
Salaries	R 165 707 276	R 190 680 765
Remuneration of Councillors	R 10 675 513	R 11 410 126

4.2.10 Terminations

REASON	NUMBER 2018-19	2019-20
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RETIREMENTS	5	A combined total of 20 people left the institution during the 2019/20 financial year.
DECEASED	5	
RESIGNATIONS	9	
MEDICALLY BOARDED	2	
DISMISSAL	2	

CHAPTER FIVE: FINANCIAL VIABILITY AND PERFORMANCE:

5.1 Financial Viability Highlights

The steady progress made in 2018/19 evidenced by a better cash coverage ratio was slightly reversed by the economic impact of the COVID19 pandemic as the municipality's built up reserves had to be released to cover the reduced collection rate. The municipality still, however, had an increased ability to contribute towards paying Eskom account and long outstanding debt which led reduction in arrear creditors of the municipality. The municipality has also improved its financial management by ensuring Grant funding is ring-fenced and not used in the ordinary course of business.

The financial performance of the municipality has been forecasted with marginal deviation to the operational budget when comparing actual results to the budget. The review of municipal organogram and job description is another initiative that will bring accountability and ensure that departmental managers' ability to plan, perform & implement internal controls. There remains a budget shortfall to adequately cover the impairment of debtors & was partially rectified in 2019/20 Adjustments Budget together with achieving a funded budget.

EXECUTIVE SUMMARY OF KEY FINANCIAL ACHIEVEMENTS FOR THE YEAR UNDER REVIEW:

With leadership of the CFO and managers, the Budget & Treasury Office has been able to diagnose and identify possible remedial action to enhance municipal revenue.

5.2 Financial Viability Challenges

The following general challenges are experienced by the municipality with regards to financial viability:

CHALLENGES	ACTIONS TO ADDRESS
Maintain a sound financial position in the context of the	Makana took a conservative approach towards borrowing until the tax base has broadened. Makana also accepts that it should do more with less considering

national and international economic climate	its financial challenges and slow improving collection rate.
Long outstanding creditors	Makana has implemented turnaround for payment of creditors, however, there are still some high long outstanding creditors. Eskom, Amatola Water, DWS are our highest creditors but the municipality has made payment arrangements with these institutions, except DWS, in its attempt to show commitment. The latest Eskom Payment agreement was made an order of court on 06 June 2019. Renewed Payment Agreements to coincide with the seasonal nature of the municipal income and expenditure trends must be explored in the new financial year.
Revenue enhancement	Makana needs to further enhance the effectiveness and completeness of debt recovery and implement the Revenue Enhancement Plan successfully.
High volume of litigations	Due to non-payment of creditors and lack of funding to complete projects the municipality experiences a high volume of litigations which resulted in our bank account and assets being at risk of attachment. This results in unnecessary additional legal costs & less cash resources to settle all the arrear debt.
Limited Revenue Base	Local economic development needs to ensure that the revenue base is broadened through the LED strategy.
Financial Recovery Plan	Implementation of the Financial Recovery Plan to ensure improved financial health and sustainability remains a challenge. The FRP review has started in June 2019 with the strategic planning sessions and it was completed in the 2019/20 financial year. Monitoring of implementation should be intensified to ensure there are tangible results.
Filling of Critical Positions	Currently Budget & Treasury Office has 10 vacant positions including the Manager: Revenue & Receivables position. The high vacancy rate impact on

	the performance revenue section and compliance as a whole.
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5.3 National Key Performance Indicators- Municipal Financial Viability and Management (ratios)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA.

These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

Ratio	2017/18	2018/19	2019-20	Remarks
Liquidity Ratio (Current Ratio) - this ratio indicates the extent to which current assets can be used to settle short-term liabilities. If current assets do not exceed current liabilities it means a liquidity problem i.e. insufficient cash to meet financial obligations. The norm is 1.5 - 2:1.	0.22	0.43	0.53	The increased ratio is attributable to the decrease in creditors and unspent grant balances. The cash also reduced.
Cash Coverage Ratio - indicates the municipality's ability to meet at least its monthly fixed operating commitments without collecting any revenue during that month. The norm should not be less than 1 - 3 months.	0.25 month	1 month	0.42 months	The reduction is attributable to the reduction in cash due to the economic impact of COVID19. Collection efforts must be intensified
Creditors Payment Period - this indicates the average number of days taken to pay trade creditors. The norm is 30 days.	409 days	309 days	279 days	The municipality is continuing to pay its arrear creditors and reducing the balance.

<p>Contracted Services as a % of Total Operating Expenditure – measures the extent to which municipal resources are committed towards contracted services.</p> <p>The norm is 2% - 5%</p>	4%	10%	4%	<p>The municipality had a R20m anomaly in 2018/19 due to drought funding for contracted services. This funding was not received in 2019/20 and hence the performance improved back to 2017/18 level</p>
Ratio	2017/18	2018/19	2019-20	Remarks
<p>Irregular, Fruitless and Wasteful and Unauthorised Expenditure to Total Expenditure – this ratio measures the extent of irregular, fruitless and wasteful and unauthorised expenditure to total expenditure.</p> <p>The norm is 0%.</p>	139%	165%	195%	<p>The municipality did not investigate and write off or recover any UIF&W during 2019/20 and there was also new UIF&W identified resulting in the increase.</p>
<p>Capital Expenditure Budget Implementation Indicator – measures the actual to budgeted capital expenditure that has been spent by the municipality.</p> <p>The norm range is between 95% - 100%.</p>	93%	29%	72%	<p>The municipality has improved its Capital Budget Performance but still had unspent grants and budget. Efforts are made to improve capital and grant expenditure levels.</p>
Ratio	2017/18	2018/19	2019-20	Remarks

<p>Percentage of Property, Plant and Equipment, Intangible Asset and Investment Property Impaired – indicates the loss in future economic benefits or service potential of an asset over and above the systematic recognition of depreciation.</p> <p>The norm is 0%.</p>	0.00005%	0%	0%	No Assets were impaired during the 2019/20 financial year.
<p>Repairs and Maintenance to Property, Plant and Equipment and Investment Property – measures the level of repairs and maintenance to ensure adequate repairs and maintenance to prevent breakdowns and interruptions to services delivery.</p> <p>The norm is 8%.</p>	0.78%	0.21%	0.93%	R&M has been increased since 2018/19 but is still far below the norm due to cash constraints

5.4 Financial Overview

Financial year	2018 -2019			2019-2020		
	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget	Actual
Income	R 504 489	R 567 102	R 539 330	R528 120	R639 350	R573 303
Less Expenditure	R 432 937	R 471 509	R 544 502	R484 059	R485 698	R484 812
Net surplus	R 71 552	R 95 593	R 5 172	R 44 061	R153 652	R88 491

5.5 Operating Ratios:

Financial year	2018 -2019			2019-2020		
	Expected Norm	Actual	% Variance	Expected Norm	Actual	%Variance
Employee cost	25% - 40%	30.43%	9.57%	25% - 40%	41.68%	-1.68%

Repairs & maintenance	8%-12%	4.09%	3.91%	8%-12%	2.04%	5.96%
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5.6 Total Capital Expenditure

DETAILS	2018/19	2019/20
R' 000		
Original budget	R68 498	R39 069
Adjustment budget	R96 234	R86 164
Actual Expenditure	R29 808	R61 824

5.7 Auditor General Report

5.7.1 Audit Outcomes

AUDIT OPINION	2016/17	2017/18	2018/19	2019/20
Unqualified opinion without matters (Clean Audit)				
Unqualified opinion with emphasis of matter or other matters				
Qualified opinion	X	X		
Adverse opinion				
Disclaimer			X	X

The municipality regrettably received a second disclaimer audit opinion for 2019/20. The major issues contributing to the disclaimer are the Assets and Revenue components.

The audit report is attached as Annexure 3. To improve the audit outcome and audit action / improvement plan is developed to address all the audit findings. The Audit Improvement Plan is attached as annexure 4.

5.8 Supply Chain Management

5.8.1. Supply chain management

Supply chain management includes all processes which need to be followed to procure goods and services. It entails the identification of needs by the end user departments, registration of vendors, processes of obtaining quotes and bids, keeping of inventory. The section has managed to reduce the number of material findings highlighted by the AG in the 2019/20 year and it will strive to continue improving its compliance with laws and regulations going forward.

5.8.2 Competitive bids in excess of R200 000

5.8.2.1 Bid Committee meeting

In compliance with SCM regulation and policy all bid committees were established and are functioning fully:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication Committee

There are two separate sets of bid committees for Infrastructure projects and the other for other goods and services to try and expedite expenditure through service delivery. A calendar of meetings was drawn up, but was not fully adhered to. The committees thereafter functioned on an ad-hoc basis but managed to shorten the procurement processes. Delays were mostly in the planning stages up to Bid Specification approval.

5.8.2.2 Awards made by the Bid Adjudication Committee:

The highest bids awarded by the Bid Adjudication Committee are as follows;

Ref	Bid Number	Title of Bid	Value of bid awarded (R)
1.	MLM/2019-20/INFRA/014	REFURBISHMENT OF PUMPSTATIONS IN MAKHANDA	R4 871 414
2.	MLM/2019-20/INFRA/015	BOTHAS HILL FENCING IN MAKHANDA	R2 008 453
3.	MLM/2019-20/INFRA/001	Makana Ground Water Development	R533 050 per borehole
4.	MLM/2019-20/INFRA/007	Replacement of Ageing Asbestos Pipe in Makhandanda Phase 2:	R9 678 218
	MLM/2019-20/INFRA/008	Upgrade of Ncame Street: Professional Engineering and Consulting Services	R930 442 plus R279 774 contingencies plus R396000 rates
5.	MLM/2019-20/INFRA/009	Upgrade of Mayfield bulk outfall sewer.	R9 185 418
6.	MLM/2019-20/INFRA/010	Belmond Valley Waste Water Treatment Repair Works	R4 879 927
7.	MLM/2019-20/INFRA/011	Refurbishment of Jamieson and Milner Dams	R6 624 248
8.	MLM/2019-20/INFRA/012	Refurbishment of Pump-stations in Makhandanda: Professional Engineering and Consulting Services	R688 200.00, Contingencies R99 739.13 and R460 000.00 Rates
9.	MLM/2019-20/INFRA/013	Botha's Hill Reservoirs fencing in Makhandanda: Professional Engineering and Consulting Services	R282 900.00, Contingencies R41 000.00 and R460 000.00 Rates
10.	MLM/2019-20/MM/001	Provision and Support of Internet Services, Managed Firewall, MPS Cloud Connectivity and Office 365 or Equivalent	R3 416 558.76
11	MLM/2019-20/MM/002	Provision and Deployment of Email Solutions for a Period of 3 Years	R1 310 107.06

5.8.2.3 Awards Made by the Accounting Officer

In terms of paragraph 5(2) (a) of Council's SCM Policy, only the Accounting Officer may award a bid which is in excess of R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer.

Bid number	Title of bid	Successful bidder	Value of bid awarded (R)
None			

5.8.2 Procurement Statistics

a) Awards Made to the Companies/Enterprises established in the Makana Municipal Area

Request for Quotations were called for from prospective service providers for procurement of items of less than R30 000-00. For procurement of items above R30 000-00 adverts we published on the notice board, e-tender and website and the responses met the municipal needs and specifications and therefore were considered and approved. To ensure Local Economic Development, quotations are first requested from Makana Service providers.

Local awards against external awards:

Less than 30 000	Greater than 30 000	Total Awards
R2 580 143,24	R16 118 767,35	R18 698 910,59

Local Service providers	External providers	Service	Total Awards
R3 266 772,26	R15 432 138,33		R18 698 910,59

Majority of the external award values is made up of RFQs and tenders that were advertised openly.

THRESHOLD	GOODS/SERVICE - ORDERS		PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY	SERVICE PROVIDE R (S)
	VALUE	NUMBER			
R0 – R2 000 Petty Cash	R780 125,46	167	One Quote(1)		
R2 001 – R30 000	R2 259 919,83	206	Three Quotations(3)	Head of Department or Delegated Authority	VARIOUS

THRESHOLD	GOODS/SERVICE - ORDERS		PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY	SERVICE PROVIDE R (S)
	VALUE	NUMBER			
R30 001 – R200 000	R3 487 450,76	51	7days Advertise-ment via Website and Notice board : Three Quotations	This level of approval will be applied in terms of the Accounting Officer's delegation. CFO approves	VARIOUS
R200 001 – R2 Million	R12 171 414,54	16	Competitive Bidding Process	Bid Adjudication Committee	
R2 Million – R10 Million					<u>VARIOUS</u>
Above R10 Million	NONE	NONE	Deviation	Head of Department or Delegated Authority	N/A
	NONE	NONE	Competitive Bidding Process	Accounting Officer	N/A

5.8.3 Deviation from Normal procurement processes

Type of deviation	Value of deviations (R)	Percentage of total deviations value
Sole provider	R 335 256	2.9%
Goods/Service needed urgently/ Emergency	R4 712 592	40.85%
Other (strip and Quote)	R6 489 806	56.25
Total	R11 537 654	100%

5.8.4 Logistic Management

The system of logistics management must ensure the following:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

- the setting of inventory levels that include minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and monitoring and reviewing of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores is coded and listed on the financial system. Monthly monitoring of issues and receipts patterns is performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is not communicated timely to the stores section in order for them to gear them to order stock in excess of the normal levels.

Internal controls are in place to ensure that goods and services that are received are certified by the responsible person which is in line with the general conditions of a contract.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

5.8.5 Disposal Management

This is one of the critical vacant post in SCM unit. Currently there is no one in this section, all the work is distributed amongst other SCM officials and asset accountant that is presently employed by the municipality. The municipality needs to give this section urgent attention and make recommendation for the filling of the posts to council.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic, unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial Department of Education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.
- We are complying with section 14 of the MFMA which deals with the disposal of capital assets. The disposal policy plan was reviewed and finalised in June 2014 and aims to provide the guidelines for the disposal of all obsolete and damaged assets. Information regarding assets earmarked for disposal has already been collated and the request for approval for disposal will be tabled to Council in the near future.

5.8.6 Performance Management

The SCM policy requires that an Internal Monitoring System be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM Policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed, approved and are being implemented.

Monthly reporting of appeals received by aggrieved bidders are also done to measure the performance of the bid specification and bid evaluation committees

5.8.7 Procurement and Contract management

We have complied with SCM Regulation 6(3) for the 2019/20 financial year. These reports were submitted in a timely manner to the Chief Financial Officer, the Accounting Officer, as well as the Executive Mayor.

5.8.8 Procurement and Contract management- Suppliers not registered for Vat

VAT registration numbers of suppliers are indicated on a VAT 103 form that is issued by SARS. We can also confirm a VAT number that appears on an original tax clearance certificate.

The unit has access to a VAT number validity function which is available on the SARS website. It is easily accessible and is currently utilized. The unit also utilises centralise supplier database for verification of vat and tax matters.

5.8.9 Procurement and Contract Management-Monitoring of contract not done on a Monthly basis

Contract management is the responsibility of each manager for contracts in his/her functionality area. There is one official at SCM unit who deals with contracts monitoring and reporting. Additional capacity needs to be created within the SCM Contract Management Unit. In future the Chief Financial Officer will make recommendations in this regard.

5.9 Financial Performance

5.9.1 Revenue by Source:

The following table indicates the various types of revenue items:

Revenue Sources	2018-19 %	2019-20
Government subsidies	29%	32%
Service charges	50%	43%
Properties rates	14%	17.26%
Interest received Investment	1%	0.79%
Agency services	1%	0.41%
Interest received debtors	5%	5.64%
Rentals of facilities	0%	0.07%
Other Revenue		0.83%

5.9.2 Expenditure by Type

The following graph indicates the various types of expenditure items:

Type	2018-19 %	2019-20
Employees cost	31%	39.33%
Remuneration of Councillors	2%	2.35%
Debt impairment	21%	13.30%
Depreciation	6%	5.76%
Finance Charges	10%	3.83%
Bulk purchases	19%	22.29%
Contracted services	4%	5.99%
Transfer & Grants	0%	0.19%
Other expenditure	7%	6.96%

APPENDICES:

APPENDIX A: MUNICIPAL COUNCILLORS

NO.	ORG	WARD	SURNAME & NAME
1	DA	PR	BRUINTJIES, THEO FREDLIN(M)
2	DA	PR	CLARK, CAROLYNN (F)
3	DA	04	FARGHER, BRIAN (M)
4	ANC	03	FATYI, MTHUNZI (M)
5	ANC	PR	MPAHLWA MZUKISI , EXECUTIVE MAYOR(M)
6	ANC	06	GAUSHE, THEMBISA (F)
7	ANC	11	GOJELA, MNCEDISI (M)
8	ANC	12	NKWENTHSA, MZOBANZI (M) Joined August 2019
9	DA	08	JACKSON, BRIAN (M)
10	ANC	07	KHUBALO, MALIBONGWE (M)
11	ANC	14	LOUW, ENERST (M) (Resigned 17/02/2020) (vacant at year end)
12	DA	PR	MADYO, XOLANI GLADMAN (M)
13	ANC	PR	MASOMA, NOMBULELO, CHAIRPERSON:FAME CORPORATE SERVICES PORTFOLIO (F)
14	ANC	PR	MATYUMZA, MTUTUZELI, CHAIRPERSON: LED PORTFOLIO (M)
15	ANC	PR	MATYUMZA PHUMLA, CHAIRPERSON: PUBLIC SAFETY & SOCIAL SERVICES PORTFOLIO (F)
16	DA	PR	MEYER, ALDWORTH JOHN (M)
17	ANC	09	MOYA, MFUNDO (M)
18	EFF	PR	BASHE, SIYABONGA (M)
19	ANC	05	NASE, LUYANDA (M) CHAIRPERSON:FAME FINANCIAL SERVICES PORTFOLIO
20	DA	PR	LUVUYO, SIZANI (M)
21	ANC	01	PIETERS, NTOMBEKHAYA MAVIS (F)
22	EFF	PR	DYANTYIE, SIYAMTHANDA (F)
23	ANC	10	SAKATA, LUYANDA (M)
24	ANC	13	SEYISI, THEMBAKAZI (F) (MPAC CHAIRPERSON)
25	ANC	PR	SODLADLA, SIYABULELA (M)
26	ANC	PR	VARA, YANDISWA, SPEAKER (F)
27	ANC	02	XONXA, MPHUMZI RUMSELL (M)

APPENDIX: B THIRD TIER STRUCTURE

NO.	DIRECTORATE	MANAGER (TITLE AND NAME)
1.	Corporate services	Manager Administration: Mr E Mager
2.		Organisational Development: Mr X Kalashe
3.		Records Manager: Ms N Xintolo
4.		Manager Human Resources: Ms Phumla Qezu
5.		Unit Manager: Alicedale: Mr GK Goliath
6.		Unit Manager Riebeeck East: Ms N Kulati
7.	Finance	Manager Expenditure: Mr M Crouse
8.		Manager Budget and Reporting: Mr A Ndabeni

NO.	DIRECTORATE	MANAGER (TITLE AND NAME)
9.		Manager Revenue: Vacant
10.		SCM Manager: Ms Z Gxowa
11.	Mayor and MM's Offices	Acting Management Office of MM: Mr L Ngandi
12.		Internal Audit Manager: Ms G.C Mtshazi
13.		IDP/PMS Manager: Mr M Pasiya
14.		Manager office of Speaker : Ms N Santi
15.		Special Project Unit Manager: Mr S Wali
16.		Legal Manager: Ms N Mbanjwa
17.		Risk Manager: Mrs N Kosi
18.	Local Economic Development	Tourism Manager: Vacant
19.		Agriculture Manager: Vacant
20.		Manager Planning: Ms Sinazo Jonas
21.	Public Safety	Environmental Manager: Mr N Nongwe
22.		Manager Fire Services: Mr W Welkom
23.		Manager: Cleansing Services: Mr J Esterhuizen
24.		Assistant Director: Parks: Mr J Budaza
25.		Operations Manager: Mr Phumzile Smile
26.		Manager Traffic & Licensing: Mr. C Hanekom
27.	Technical and Infrastructural Services	Acting Deputy Director Electricity distribution: Mr M Radu
28.		Manager Electricity: Mr X Bokwe
29.		Manager: Renewable Energies: Mr M Siteto
30.		Manager: Water & Sanitation: Mr G Maduna
31.		Manager: Roads & Stormwater: (vacant)
32.		Deputy Director: Civil Services (vacant)

APPENDIX: C MAKANA LOCAL MUNICIPALITY'S COMMITTEES AND PURPOSES

NO.	PORTFOLIO COMMITTEE	CHAIRPERSON	COMMITTEE PURPOSE
1.	Social Development Portfolio Committee	Cllr. P. Matyumza	To deliberate and decide on the rendering of Community and Social Services
2.	Finance, Administration, Monitoring & Evaluation Portfolio Committee & Corp Services	Cllr. M Masoma	To deliberate and decide on the rendering of Finance and Corporate Services.
3.	Infrastructural Development Portfolio Committee	Cllr M R Xonxa	To deliberate and decide on the rendering of Infrastructural Services.
4.	Local Economic Development and	Cllr. M. Matyumza	To deliberate and decide on the rendering of Local economic

	Planning Portfolio Committee		development and Town Planning matters.
5.	Finance, Administration, Monitoring & Evaluation Portfolio Committee & Financial Services	Cllr. L. Nase	To deliberate and decide on the rendering of Financial Services and compliance matters
6.	Municipal Public Accounts Committee	Cllr. T. Seyisi	To provide oversight over the executive function.
7.	Section 32 Committee	Cllr. N Masoma	To investigate Unauthorised; Irregular; Fruitless & Wasteful Expenditure and make recommendations to Council.

APPENDIX: D MAKANA LOCAL MUNICIPALITY'S POWERS AND FUNCTIONS

NO.	POWERS AND FUNCTIONS	NO.	POWERS AND FUNCTIONS
1.	Building regulations	17.	Facilities for the accommodation , care and burial of animals
2.	Billboards and the display of advertisement in public spaces	18	Fencing and fences
3.	Cemeteries, funeral parlours and crematoria	19	Local amenities
4.	Child care facilities	20	Local tourism
5.	Cleansing	21	Local sport facilities
6.	Control of undertakings that sell liquor to the public. Noise pollution	22	Firefighting services
7.	Licensing and control of undertakings that sell food to the public	23	Municipal airport
8.	Municipal planning	24	Municipal health services
9.	Markets	25	Municipal abattoirs (Not applicable)
10.	Municipal parks and recreation	26	Municipal roads
11.	Noise pollution	27	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or any other Law
12.	Storm water management	28	Trading regulations
13.	Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	29	Pounds
14.	Public places	30	Refuse removal, refuse dumps and solid waste disposal
15.	Street trading	31	Street lighting
16.	Traffic and parking	32	Municipal transport (Not applicable)

APPENDIX: E WARD REPORTING

REPORT ON ESTABLISHMENT AND ACTIVITIES OF THE WARD COMMITTEES UNDER THE OFFICE OF THE SPEAKER

The constitution of the country places an obligation on all local municipalities to establish Ward Committees immediately after the local government election. The primary function of the ward committee is to be a formal communication channel between the community and the council.

The Speaker called for the establishment of ward committees which was done through an electoral process managed by the Independent Electoral Commission. To date Makana has managed to establish Ward Committees in all 14 wards.

APPENDIX: F WARD COMMITTEE INFORMATION

Details of Ward Committee Members			
WARD 1- CLR N PIETERS		WARD 2- CLR R XONXA	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• T.J. Ralo		• F. Sam(SECRETARY)
2.	• Z.C. Twani		• M. Melithafa
3.	• M. Botha		• N.N. C.Ntshudu
4.	• T.P. Janse Van Rensburg		• T. Mgoduka
5.	• B.B. Bill		• T. Yili
6.	• L.L. Basi		• A. Qhude
7.	• L. Skeyi		• N. Ntshobodi
8.	• Zibongile Ralo		• M.M. Mjekula
9.	• Thembani Zidepa(SECRETARY)		• N Adams
10			• D.D. Hashe
WARD 3- CLR M FATYI		WARD 4- CLR B FARGHER	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• N.E. Alexander	1.	• Albert Adam
2.	• N. Gxoyiya	2.	• Elizabeth Davies
3.	• J. Sphere	3.	• Davidene Alida Peters
4.	• G. Mapapu	4.	• Mzimkhulu Michael Shoba
5.	• N. Skeyi	5.	• Daphne Olivier
6.	• X. Nobebe	6.	• Betty Fourie
7.	• N Budaza(SECRETARY)	7.	• Devon Waldick
8.	• V.Z. Nquru	8.	•
9.	• T. Rawana	9.	•
10	• N. Bavuma	10	•
WARD 5- CLR L NASE		WARD 6- CLR T GAUSHE	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• G. Mene	1.	• Z.Ponoshe
2.	• N. J. Stof	2.	• Anne Richards
3.	• S. Tom	3.	• L. Bulani

4.	• K. Mpangiso	4.	• M.Mongo
5.	• B. Gawula	5.	• S.Ngcani
6.	• B. Makasi(Secretary)	6.	• S.Vulindlu
7.	• L. Balani	7.	• N.E.Mazamisa(SECRETARY)
8.	• X. Papu	8.	• S.Ngxakaza
9.	• A. Matiwana	9.	• M Hani
10.	• N. Madinda	10	• N S Ngoqo
	WARD 7- CLR M KHUBALO		WARD 8- CLR B JACKSON
	INITIALS AND SURNAME		INITIALS AND SURNAME
1.	• N Gingqini(Secretary)	1.	• C. Prince
2.	• N. Onceya	2.	• K. Brown
3.	• N. Mzizi	3.	• K. Moodley
4.	• N. Thandani	4.	• P. Cimi
5.	• M. Ncopho	5.	• Z. Frans
6.	• Bangani	6.	• M.W. Salaze
7.	• Onceya	7.	• Gabavana
8.	• M. Twani	8.	• D. Palm
9.	• S. Soxujwa		
10.	• M. Malgas		
	WARD 9- CLR M MOYA		WARD 10- CLR L SAKATA
	INITIALS AND SURNAME		INITIALS AND SURNAME
1.	• M.Mbunge	1.	• Portia Vuso(SECRETARY)
2.	• J.Mene(Secretary)	2.	• Nomonde Ncanywa
3.	• P.Ngoqo	3.	• Siphokazin Libi
4.	• V.Sodladla	4.	• Thandiswa Kwenxe
5.	• B.Mnyobe	5.	• Viwe Magqabi
6.	• N.Papu	6.	• Noxolo Ngubo
7.	• N.Tyelbooi	7.	• N. Tsili
8.	• S.Mtwa	8.	• Zola Bodla
9.	• X.Bikitsha	9.	• Babalwa Theodore T.Mbuqe
10.	• M.Sam	10.	• Ntombizanele Gotyana
	WARD 11- CLR M GOJELA		WARD 12- CLR M NKWENTSHA
	INITIALS AND SURNAME	1.	• Lwazi Kamana
1.	• S. Mdoko	2.	• Tendamudzimu Tshiwawa
2.	• S. Dondashe	3.	• Mokgoba Tiego Thotse
3.	• N. Prince	4.	• Fungiwe Enkosi Sinayo Ntwana
4.	• N. Krantz	5.	• Aviwe Lukhanyo Bezu
5.	• P. Gedana	6.	• Mlandu Solomon Mtsweni
6.	• S. Ntshoko	7.	• Mandilakhe Valela
7.	• N. Salman	8.	• Mahlodi Mathabatha
8.	• V. Tsipa	9.	• Aviwe Khanya May

9.	• L. Adam	10.	• Nokuzola Sthembile Cumbane
WARD 13- CLR T SEYISI		WARD 14- CLR E LOUW	
INITIALS AND SURNAME		INITIALS AND SURNAME	
1.	• B. Bambatho	1.	• V. Nesi(Secretary)
2.	• N. Xashimba	2.	• P. Kewuti
3.	• X. Silumko	3.	• N. Kalani
4.	• N. Ndolo	4.	• R. Kayster
5.	• W. Matina(Secretary)	5.	• Y. Beyi
6.	• D. Mxube	6.	• N. Mahe
7.	• N. Sandi	7.	• G. Hendricks
8.	• S. Thwani	8.	• M. Antoni
9.	• N. Joja	9.	• M Bani
10.	• Y. Manyathi	10.	• T. Peku

STATUS REPORT ON PUBLIC PARTICIPATION (COUNCILLORS AND WARD COMMITTEES)

The Makana Municipality has fully functional Ward Committees. The ward committees are holding meetings monthly.

The meetings are held according to the “Back to Basics” concept and meetings are held monthly, as follows:

1. Area meetings (Ward Committee member)
2. Ward general meetings (Councillor as a Chairperson)
3. Ward committee meetings (Councillor as a Chairperson)

Ward Committee reports are submitted to the office of the Speaker every month from all the wards with attendance registers used as a proof that the Ward Committee meeting sat and that is also used as proof for the payment of the stipend.

Ward general meetings: most of the wards do not hold their general meetings. The reports are submitted to the Council as an item quarterly.

WARD BASED PLANNING: has been done in all wards and priorities have also been developed for each ward and are reflecting in the IDP.

MASIPHATHISANE: In Makana municipality Masiphathisane/ War Rooms have been established in all the wards in Makana Municipality. The challenge is however that only one ward (ward 2) has a functioning war room where they hold meetings and attend to the problems raised in the meetings.

STAKEHOLDERS: Makana Municipality has a database of its stakeholders and meet bi-monthly with them.

WOMEN'S CAUCUS: A Women's caucus has been established and is fully functional.

WOMEN'S FORUM: A Women's Forum has been established and would be launched in the next financial year.

PETITIONS: A Petitions committee has been established and is chaired by the Speaker. All the petitions are handled by the office of the Speaker. Speaker receives all the petitions and hand them to the Petitions Committee.

COMMUNITY DEVELOPMENT WORKERS: The municipality provides transport for CDW's to attend their Regional Round Tables and sometimes also to the Provincial Round Table. CDW's have been allocated an office at the municipal offices. The Provincial office has been requested to assist them with the necessary tools of trade.