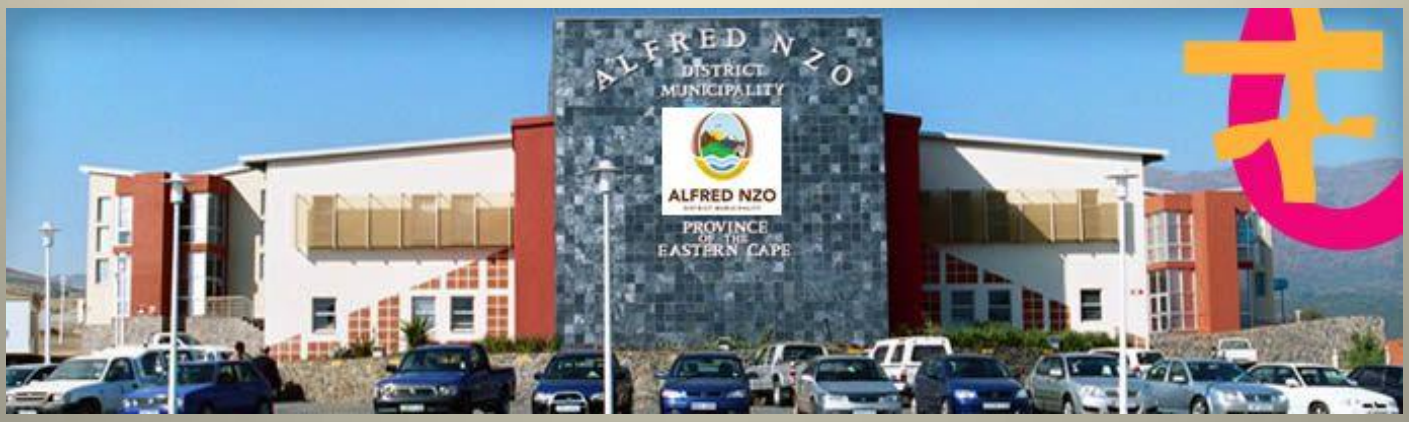
ALFRED NZO

DISTRICT MUNICIPALITY

2014/15 Annual Report



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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE

A: MAYOR'S FOREWORD

It is a great pleasure to present 2014/2015 Annual Report which is an account of the district performance in the past year. The year 2014/2015 has been a progressive year and the period also presented the municipality with many challenges and we have also made tangible efforts in our quest to address the triple challenges facing our district which are under development, poverty and unemployment.

As the district municipality, we have made significant strides to address service delivery backlogs and it is imperative for me to pay special respect to all our strategic role players in the form of various sector departments, state agencies, private partners, civil society stakeholders and most importantly our communities for working with us in driving the implementation of the municipal programme of action.

The collaborations and the spirit of working together that we have experienced in the year under review clearly elaborate the fact that we are indeed a people's centred municipality and we are continuously strengthening various platforms that are aimed at building firm relations with them.

We have held a series of mayoral outreaches that were aimed at maintaining a direct interaction with government and citizens of the district and these platforms were conducted as part of our commitment to accountability and of critical importance it is also to assert communities as co-creators of solutions to the broader district socio-economic challenges.

As we step into the new financial year, we must collectively move with speed in transforming our plans as contained in the Integrated Development Plan (IDP) into tangible deliverables that will contribute immensely in addressing service delivery backlogs in the district.

We are still forging ahead with our strategies, as part of our concerted effort to achieve clean audit opinion and these measures will go a long way in our approaches of attaining clean administration. Let me take this opportunity to thank our stakeholders and most importantly our communities for their contribution into the development of this district.

In conclusion, let me thank the Council and all the employees of the district municipality who have pulled all necessary resources to provide valuable services to our communities.

ALFRED NZO

_____ Date: _____

Eunice Diko

Executive Mayor

B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Let me take this opportunity to thank the Council of Alfred Nzo District Municipality, for entrusting me with the responsibility of heading the administration.

It is an honour and privilege that comes with a huge responsibility, not only to turn the situation around, but also set the municipality on the right path, towards a clean administration. To the management and staff, I know that change of leadership brings anxiety and uncertainty, but this time around we must be optimistic about the future, no matter how difficult the situation might be.

One is coming at a time looking at the prior –year misstatements, understanding that we have been experiencing disclaimer - Opinions, for the past 4 consecutive years, meaning that we all expected to be determined, to provide all the necessary information and support.

Equally, this is also a time for national elections in government, where the leadership, in the form of Honourable Councillors, will be engaging with the communities on priorities for the coming financial year, 2014/15.

Dealing with issues facing our institution moving forward, will require that tough decisions and difficult choices to be taken, something that is not easy.

Notwithstanding, the challenges, we are facing as the institution; I am convinced that we will overcome, so that those who will come after us, would be proud of the strides we have made.

At the end of 2013/2014, financial year, we would have made giant strides towards filling-in of critical posts as one of the steps to set administrative wheels in motion towards acceleration of services to our communities.

Critically, we need to respond with speed to the backlogs on infrastructure throughout the district, hence we are hard at strengthening IGR.

Our customer care call Centre is 086 000 3781.

I thank you.

_____ Date: _____

Mr Z. H. Sikhundla

Municipal Manager

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1. MUNICIPAL POWERS & FUNCTIONS

The Municipal Structures Act of 1998 (as amended) makes provision for the division of powers and functions between the district and local municipalities. It assigns the district wide functions to the district municipalities and most day to day service delivery functions to the local municipalities. The provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services.

With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is still the function of the district. Whilst the Local Municipality is responsible for Planning, it is also reliant on the District for advice and support. Amongst other things the powers and functions of the municipalities are as follows:

Table 1: Powers and Functions

Local Functions		**District functions**	**Shared Functions**
Building Regulations Child Care Facilities Pontoons, Ferries, Jetties, Piers and Harbors Storm Water Management Systems in Built up Areas Trading Regulations Street Lighting Traffic and Parking	Facilities for the Accommodation, Care and Burial of Animals Fences and Fencing Local Amenities Local Sport Facilities Municipal Parks and Recreation Pounds Public Places Street Trading	Municipal Health Services Potable Water Sanitation Air Quality Management Licensing and Control of Undertakings that sell food to the public	Fire Fighting Services Local Tourism Municipal Airports Municipal Public Transport Cemeteries, Funeral Parlors and Crematoria Markets Municipal Abattoirs Municipal Roads Refuse Removal, Refuse Dumps and Solid Waste Development Planning

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1.2.2. POPULATION SIZE AND DISTRIBUTION

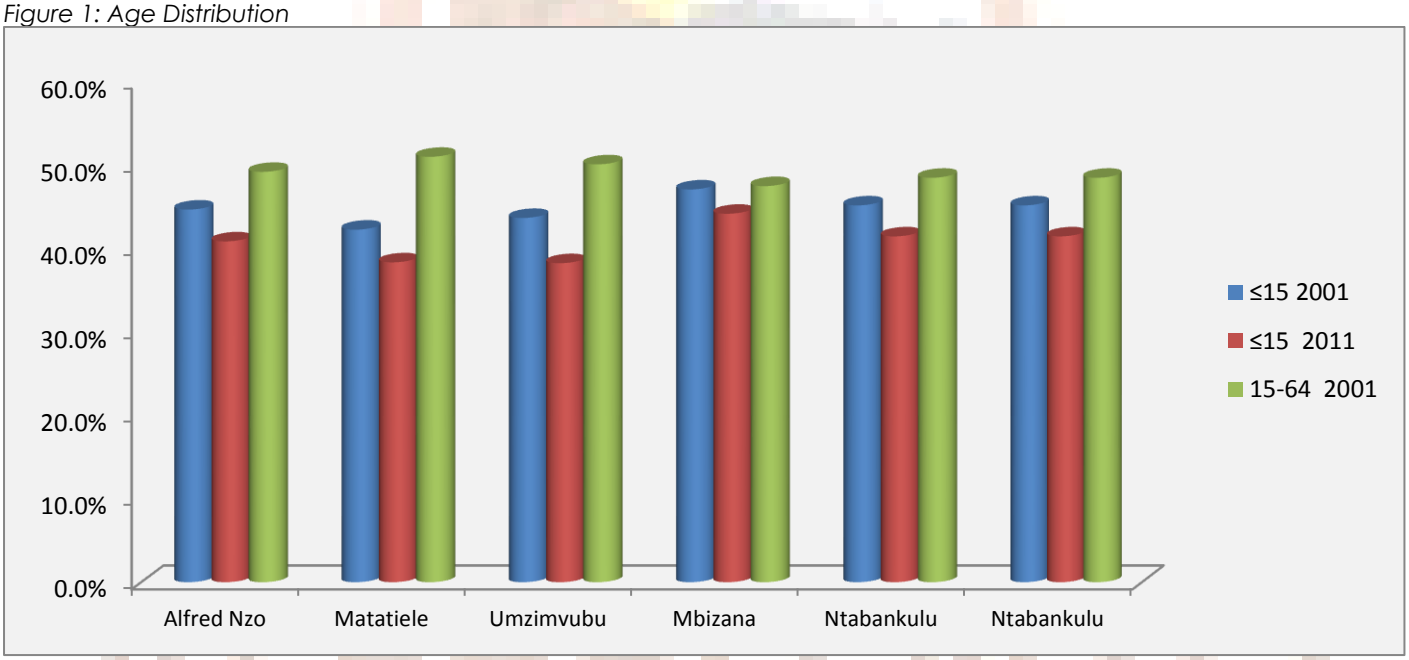
AGE DISTRIBUTION

The potentially economically active population (16 – 65 years) constitutes 40% of the population. Municipal planning must take cognisance of the predominantly youthful population and the Municipality acknowledges this through inclusion of the needs of children and youth issues in its Programme for special groups. This approach by the municipality is in line with one of the Millennium Development Goals.

Table 2: Age Distribution

Area	≤15 2001	≤15 2011	15-64 2001	15-64 2011	65+ 2001	65+ 2011
Alfred Nzo	44.7	40.9	49.2	52.9	6.1	6.2
Matatiele	42.3	38.4	51.0	54.6	6.8	6.9
Umzimvubu	43.7	38.3	50.1	55.0	6.2	6.7
Mbizana	47.1	44.2	47.5	50.6	5.4	5.2
Ntabankulu	45.2	41.5	48.5	52.2	6.3	6.3

Figure 1: Age Distribution

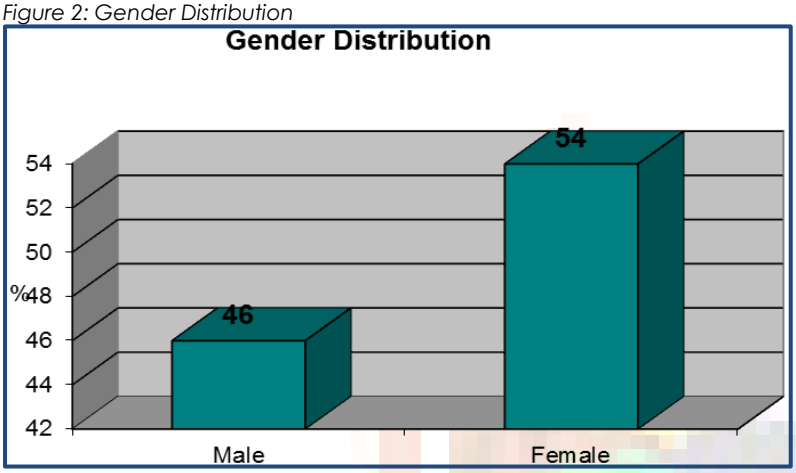


The high proportion of dependent youth in the district implies a higher burden on the economically active population. Given that a high percentage of the economically active population is not economically active this burden shifts to organs of state and places a higher burden on municipalities and government departments such as Social Development, Health etc.

GENDER DISTRIBUTION

The Alfred Nzo population is predominantly female. Females constitute approximately 54. % of the population while males constitute 45% and this is a replica of the previous situation before the incorporation of Mbizana and Ntabankulu Local Municipalities. Municipal planning must take into consideration the issue of this gender balance. The Municipality acknowledges this through inclusion of the needs of women and gender issues in its programmes for special groups. This approach by the district municipality is in line with Global Approach on meeting Millennium Development Goals by 2014.

Figure 2: Gender Distribution



Source: Statistics South Africa: Census 2011

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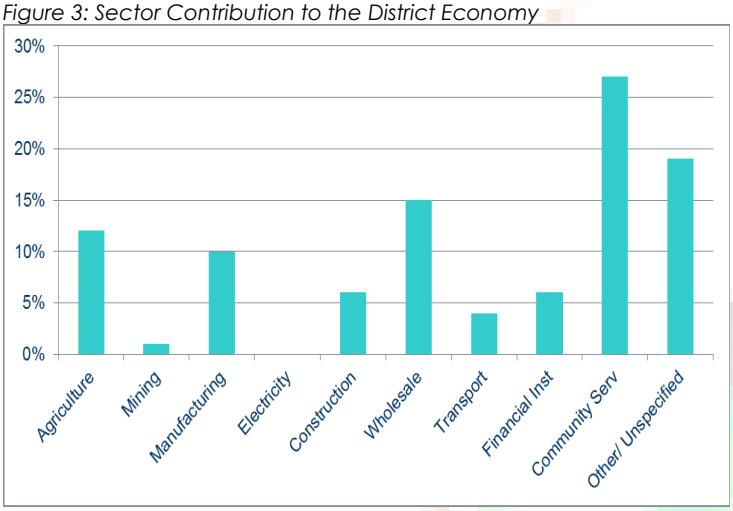
1.2.2. SOCIO ECONOMIC STATUS

The Alfred Nzo District is embattled by poor socio-economic conditions and low levels of development which is not an uncommon trend in the region.

ECONOMIC SECTORS AND THEIR PERFORMANCE

The figure below shows the total Gross Value Adding (GVA) of the district relative to that of other districts in the province. Alfred Nzo is the least significant contributor to the provincial GVA, contributing less than 1% of the province's GVA.

Figure 3: Sector Contribution to the District Economy



The district local economy is heavily reliant on the Community Services sector which contributes 28% of the Gross Value Adding (GVA) in the District. This includes salaries and wages for government employees such as office workers, nurses, teachers and doctors.

The second highest contributor to the District's economy is Wholesale / Trade (15% of GVA). This sector is underpinned by the public sector based expenditure through government employment and social grants.

The third highest contributor to the District's economy is Agriculture (12% of GVA) and Manufacturing is the fourth highest contributor by 10% to the district economy. The contribution of the other sectors is very limited with construction contributing only6% and transport sector contributing 6.4%. This is a reflection of a relatively large number of informal taxi operators in the area.

INCOME LEVELS

Income levels within the District are very low. Only 6.6% of the economically active population has an income of more than R1601.00 per month. The majority of the people within the district are having income that is less than R800 per month. Municipal planning needs to focus strongly on local economic development initiatives that will enable the community to generate income.

The absence of a higher income earning class limits the growth potential of the District in that it is this category that usually offers the necessary intellectual and financial capital to support growth.

POVERTY LEVELS

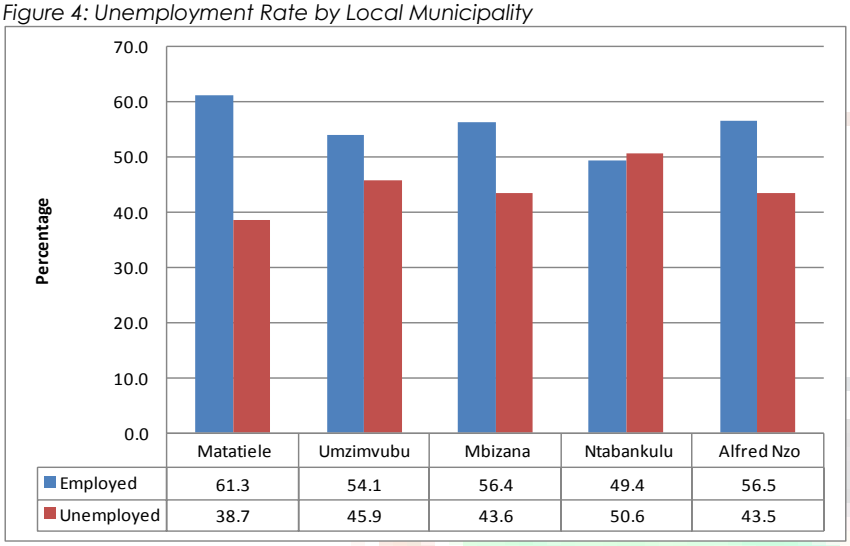
Increasing levels of absolute poverty have been recorded in the Eastern Cape and 74% of the people of the Eastern Cape live below the poverty line of R800 or less a month. Poverty levels vary from district to district but in Alfred Nzo approximately 40% of the population lives below the poverty line. High poverty levels imply a high dependency on social assistance in the form of grants. Municipal planning needs to focus strongly on poverty alleviation mechanisms.

EMPLOYMENT LEVELS AND TRENDS

The Alfred Nzo District has very low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels. High unemployment rates impact negatively on municipalities as low affordability levels result in a poor payment rate for services.

For the purposes of this section, people's employment status may be classified as employed, unemployed and not economically active. These statuses may be defined as:

Figure 4: Unemployment Rate by Local Municipality



	Matatiele	Umzimvubu	Mbizana	Ntabankulu	Alfred Nzo
Employed	61.3	54.1	56.4	49.4	56.5
Unemployed	38.7	45.9	43.6	50.6	43.5

Source: Census 2011

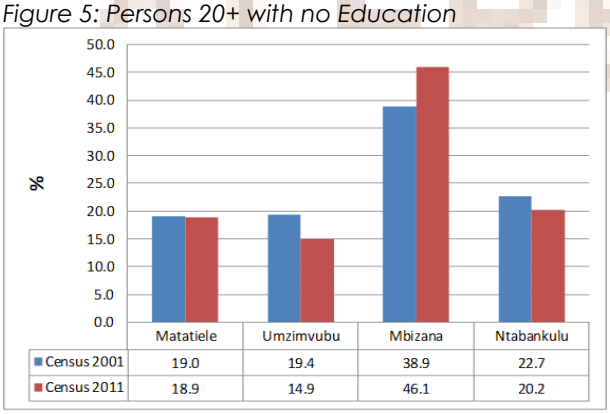
- ***Employed*** *being people who have within the last thirty days performed work for pay.*
- ***Unemployed*** *are those people within the economically active population who: are not working; want to work and are available to start work immediately; and have taken active steps to look for work or to start some form of self-employment.*
- ***Not economically active*** *i.e. a person who is not working, not seeking work and not available for work*

EDUCATION

The following Figure demonstrates that number of persons with no schooling in Mbizana Local Municipality is significantly higher than persons with no schooling in other three Local Municipalities.

Percentage of the population aged 20 years and above with no education; Alfred Nzo Local Municipality:

Figure 5: Persons 20+ with no Education



	Matatiele	Umzimvubu	Mbizana	Ntabankulu
Census 2001	19.0	19.4	38.9	22.7
Census 2011	18.9	14.9	46.1	20.2

Source: Statistics South Africa: Census 2011

HIV /AIDS

HIV&AIDS continues to pose a major challenge for the people of South Africa and the Eastern Cape. According to the Department of Health, the HIV/AIDS infection rate has stabilized in the Alfred Nzo District. HIV/AIDS nevertheless remains a challenge and the Department is actively concentrating on the management of antiretroviral treatment of I2infected people. There is a high level of Tuberculosis (TB) in the region which is commonly associated with HIV/AIDS and the Department is also focusing its attention on the management of TB. Municipal planning must take into consideration the needs of people infected and affected by HIV/AIDS. The Municipality has developed an HIV/AIDS strategy (attached as part of sector plans) and established a District AIDS Council.

1.3. SERVICE DELIVERY OVERVIEW

The Alfred Nzo District Municipality is a Water Services Authority and therefore responsible for provision of Water Services (Water & Sanitation). In the previous years, when the municipality had only two local municipalities, major strides were made to reduce the water services backlogs, however after the 2011 elections the backlog figures increased with the inclusion of two new local municipalities. Even though the two local municipalities came with backlogs, the municipality continued to deliver the service especially with regards to provision of sanitation services i.e. VIP toilets in rural areas.

Some of the major challenges lies when the supporting departments do not respond promptly on compliance approvals i.e water licenses, ROD's on EIA's and Basic Assessments conducted. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes. The other challenge that is usually overlooked is the poor performance by the contractors. These challenges need to be addressed in the following manner: - Strengthening relations with the support departments through the IGR process. It is imperative that the implementation of debt collection strategies and the compilation of the indigent register is done so that all consumers that do not qualify as indigent are billed to recover costs for operations and maintenance.

Contractor development/ incubation programme had been identified and strict selection criteria with respect to appointment of contractors are our areas of focus to change the situation going forward. Staff development and training remains our other municipality is facing is the reverse backlog, the verification reports indicate that there is still a lot of backlog to be eradicated, and there is also need to refurbish and replace old water supply scheme components.

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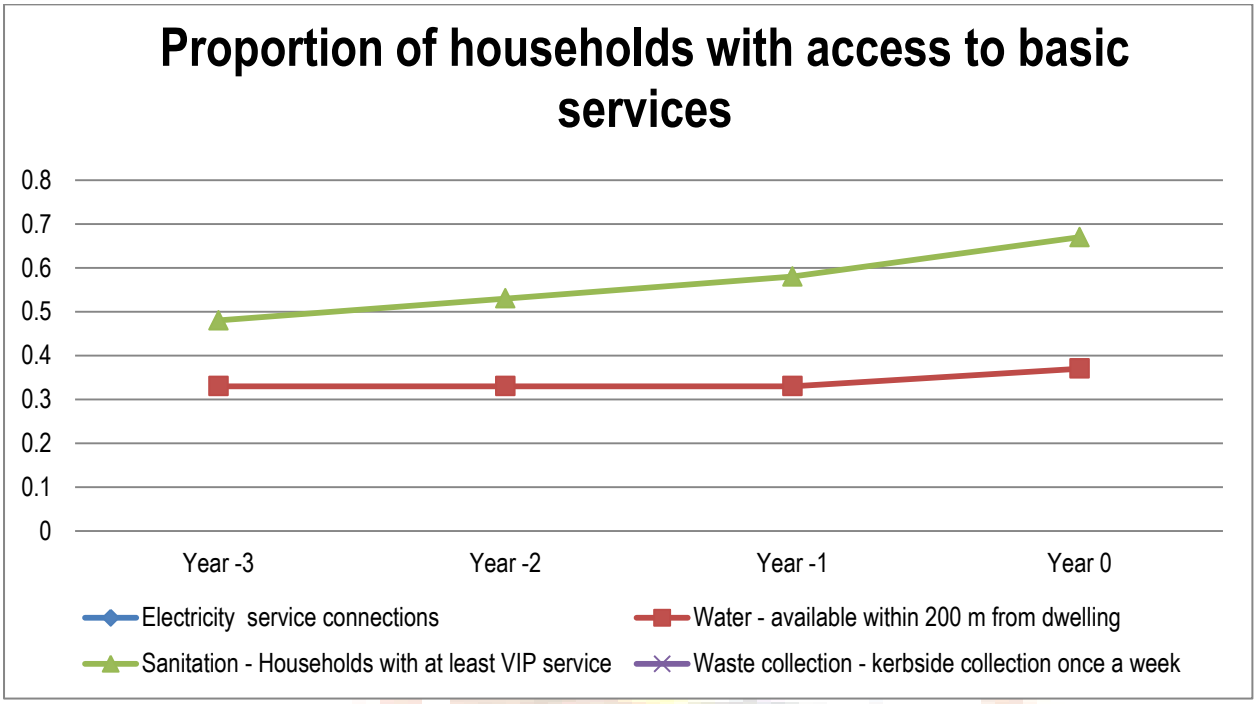


As can be seen on the diagram above, the provision of electricity and waste collection has not been taken into account as it is not the competency of the district. Furthermore it can be seen that the provision of services especially with respect to sanitation has been on the constant increase as opposed to water which has remained the same. This is mainly due to the fact that the provision of sanitation facilities i.e. VIP toilets is quick to implement while water services have a lot of statutory requirements that need to be adhered to before any construction work can commence.

1.4. FINANCIAL HEALTH OVERVIEW

Whilst the district municipality has over years maintained a strong financial position through having sufficient reserves, these reserves are however beginning to deplete as we continue to finance capital and operational projects. This is mainly due to service delivery backlogs that the district municipality has over the years. Also, due to the rural nature of the district municipality, we rely heavily on government grants as we have a low revenue base.

In line with the provisions of the Division of Revenue Act (DORA), the district municipality anticipates to receive such grants over the foreseeable future as we maintain a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the district municipality, the municipal council adopted a Revenue Enhancement Strategy that currently being implemented in line with the implementation plan. Included in the components of this strategy are amongst others, the following: -

Water meter audit;

Data cleansing;

Replacement and installation of water meters;

Establishment of Revenue management offices, etc.

Details	Original budget	Adjustment Budget	Actual
Income:			

Grants	815,371,000.00	857,831,240.00	737,010,793.00
Taxes, Levies and tariffs	22,526,200.00	22,526,200.00	16,722,504.00
Other	16,949,900.00	16,949,900.00	18,672,548.00
Sub Total	854,847,100.00	897,307,340.00	772,405,845.00
Less: Expenditure	644.00	640.00	645.00
Net Total*	854,846,456.00	897,306,700.00	772,405,200.00

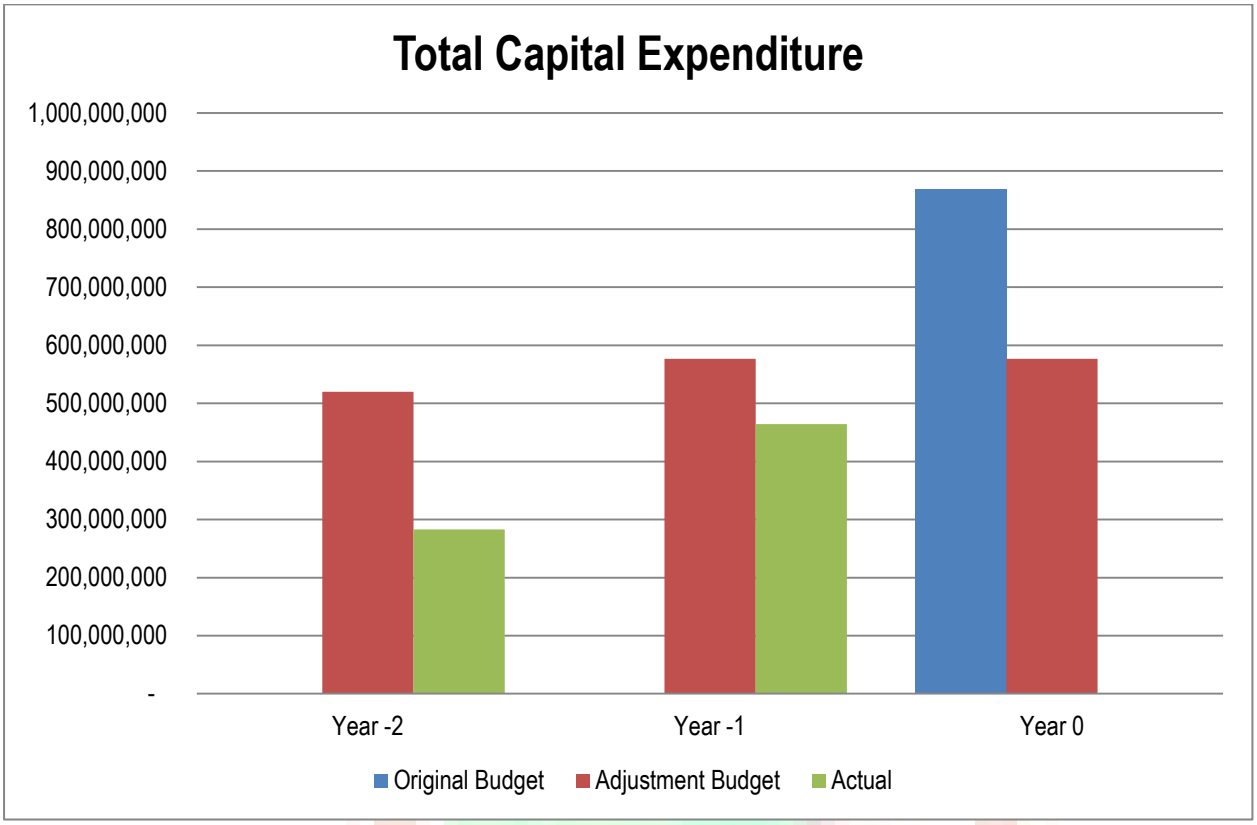
1.4.1. OPERATING RATIOS

Detail	%
Employee Cost	28%
Repairs & Maintenance	10%
Finance Charges & Impairment	3%

- *The 'Employee Costs' is expected to be approximately 30% to total operating cost; as this is the industry norm. AND employee operating cost ratio is 28%, which is even below the industry norm. It can be concluded that ANDM is doing well in managing employee costs.*
- *The cost of 'Repairs and maintenance' is expected to be approximately 20% to total operating cost, as this is the industry norm. ANDM repairs and maintenance operating cost ratio is 10%. Looking at this on the financial management perspective, ANDM can be regarded as financially health in regard to the containment of costs. It is further believed that these cost containment measures are not negative to the service delivery provision mandate of the municipality.*
- *The cost of 'Finance Charges and Impairment is expected to be approximately 10% as per the industry norm. The ANDM finance charges and impairment operating cost ratio is 3%. It is then concluded that this municipality's financial management is on par, especially when you look at its operating cost ratios as a whole, as they fall way below the industry norms. The finance charges and impairment expenditure are well managed.*

1.4.2 CAPITAL EXPENDITURE

Detail	2012/13	2014/15	2015/16
Original Budget	557 306 879	800 964 403	869 259 298
Adjustment Budget	520 096 217	576 725 403	576 725 399
Actual	283 094 489	464 360 855	0



The municipality approved an annual budget that was divided into capital and an operating budget in accordance with international best practice. The appropriation for capital projects considered the funding sources and the municipality had insured that funds were available and were not committed for other purposes.

The budget includes the Regional Bulk Infrastructure Grant which is schedule 6 (B) Grant as per Division of Revenue (DoRa). The implementing Agent is appointed by Department of Water Affairs and funds are not transferred to the municipality, therefore there was no expenditure incurred by the municipality. The budget for 2014 – 2015 will not include the total allocation but only the grant portion that will be implemented by the municipality

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1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

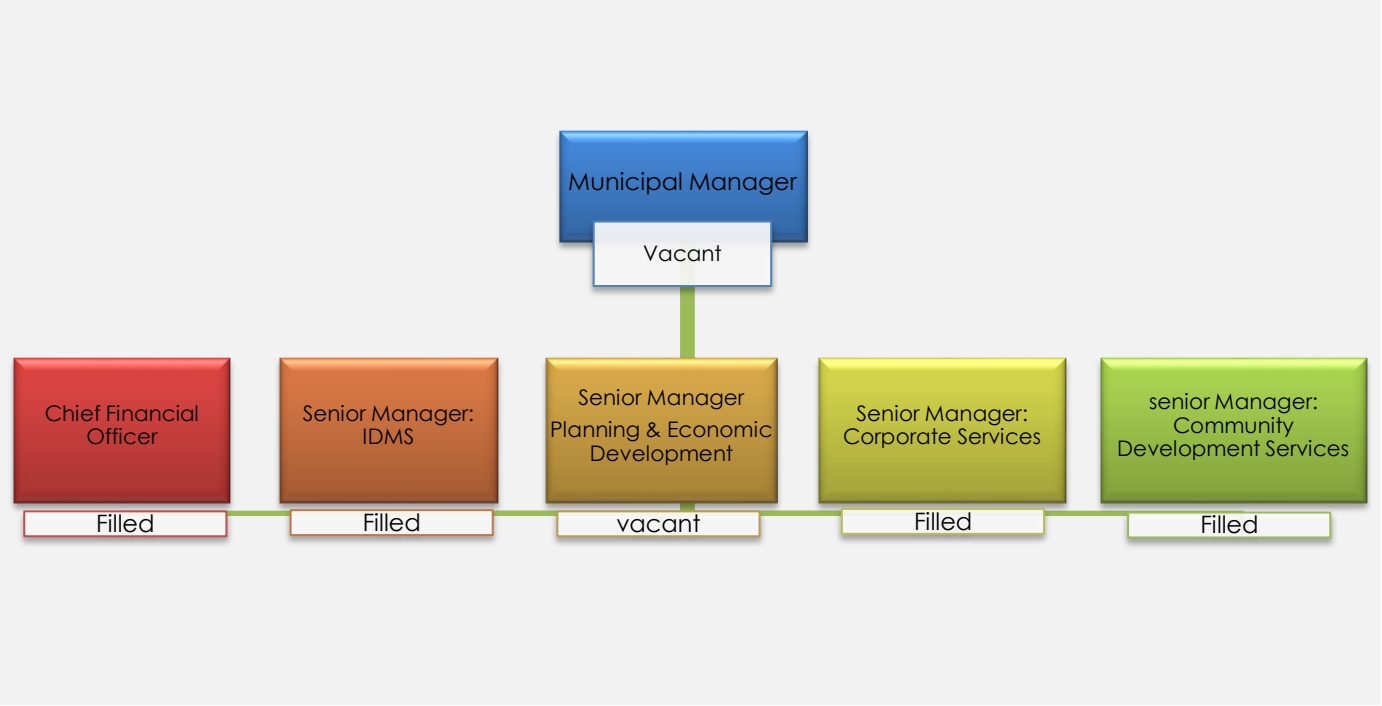
Section 66 of the Local Government: The Municipal Systems Act (Act No 32 of 2000) as amended requires a Municipal Manager to develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval. In line with the above legislative framework and other pertinent employment regulations the ANDM has reviewed its staff establishment for the financial year 2014-2015.

The structure had a total of 793 posts for the period and sum of 475 posts are filled resulting in a vacancy percentage of 40% for the period. The municipality administration is comprised of the following departments:

1. *Office of the Municipal Manager*
2. *Corporate Services*
3. *Budget and Treasury*
4. *Community Development Services*
5. *Infrastructure Development and Municipal Services*
6. *Planning and Economic Development*

The municipal manager together with four section 56 managers have all signed annual performance agreements for the year under review and submitted to the relevant authorities that is Department of Local Government and Traditional Affairs and Provincial Legislature. It is essential to note that Mr. MSA Kraai Senior Manager: Planning and Economic Development passed on during the year under review.

The municipality structure reflected below covers the top levels only and the comprehensive adopted organizational structure is attached to the report as an annexure for further reference.



1.6. AUDITOR GENERAL REPORT

AG's responsibility is to express an opinion on the consolidated and separate financial statements based on AG's audit. AG conducted AG's audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that AG comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

AG believes that the audit evidence AG have obtained is sufficient and appropriate to provide a basis for AG's qualified audit opinion.

The municipal performance over the last three financial years in as far as the audit is concerned is summarized below:

Financial Year	Auditor General's Opinion
2012/13	Disclaimer
2013/14	Qualified
2014/15	Qualified

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	

No.	Activity	Timeframe
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

The Alfred Nzo Municipal Annual Report enables the Council and the public to monitor the progress of the municipality against a set of specific objectives established by the municipality. Since the Annual Report considers previous, current and future year activities, ANDM may choose to integrate its annual reporting process with other municipal planning and management processes.

Annual reporting promotes a greater understanding of municipal responsibilities and priorities and also provides an opportunity to engage citizens in setting municipal objectives. Each municipality can choose how it will measure its progress against the objectives and how it will report on its progress each year. \

The Council may consider establishing a feedback form that citizens can use to advise Council of the type of information they would like to see included in subsequent reports.

The Annual Report will be made available for public at the municipal offices and at the municipal public meetings.

ALFRED NZO

CHAPTER 2: GOVERNANCE

Alfred Nzo District Municipality is a district authority, category C of the municipality which means all the executive powers of the municipality are vested to the Council. The provisions of the latter are per section 12 of the Notice of the Municipal Structures Act 117 of 1990. Council has a minimum of four (4) meetings per year. All meetings are preceded by meetings of the Standing and Mayoral committees. In addition to the Ordinary Council meetings convened during the year, Special Council meetings and Committee meetings are convened as and when required to ensure that decisions are not delayed.

A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The municipal manager is the Accounting Officer and the leader of the administrative business of the municipality, supported by 5 Senior Managers. The administrative leadership are involved in a day to day running of the municipality.

Indicators	Targets	Achievements
Filling of critical posts	To fill all Section 56 positions including the Municipal Manager	Municipal Manager position has been filled Five Section 56 manager posts filled

2.1. POLITICAL GOVERNANCE

Alfred Nzo District Municipality is a district authority, category C of the municipality which means all the executive powers of the municipality are vested to the Council. The provisions of the latter are per section 12 of the Notice of the Municipal Structures Act 117 of 1990. Council has a minimum of six (6) meetings per year: All meetings are preceded by meetings of the standing committees: In addition to the Ordinary Council meetings undertaken during the year, Special Council meetings and Committee meetings are convened during to ensure that decisions are not delayed.

	2014/15 for the period July 14– Jun 15	
	Ordinary	Special
Council Meetings	4	10
Mayoral Committee	6	2
Executive Management	10	8
Full Management	12	3
Audit Committee	4	0 – 2 meetings did not seat due performance management system (PMS) delays.
MPAC	4	0
Whippery Programmes	1 x Study Group held for all Councilors	
	16 x District Whippery Forum workshop on oversight, customization of Chief Whips	
	7 x caucuses were held in preparation for the Council Sittings	
Speakers Forum	4 x Speakers Forum held	

2.1.1. TOP POLITICAL STRUCTURE

Picture	POLITICAL STRUCTURE	Name	Function
	Executive Mayor	Cllr. E.N. Diko	Political head of the Institution and performs all the functions as per the legislation
	Deputy Executive Mayor	Cllr. S. Mehlomakhulu	Performs all functions as delegated by the Executive Mayor. Chairperson of Infrastructure Development and Municipal Services Standing committee
	Speaker	Cllr. S. Sello	Chairperson of the Council
	Chief Whip	Cllr. N. Tobo	Political link between organisations within the Council
		Cllr. V.N.S Mdingazwe	Chairperson of Community Development Services Standing Committee
		Cllr. Z. Busuku	Chairperson of Budget & Treasury Office Standing Committee
		Cllr. B. P. Mabhengu	Chairperson of the Corporate Services standing Committee

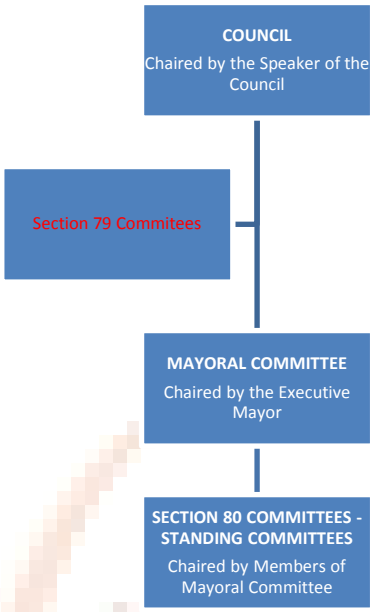
Picture	POLITICAL STRUCTURE	Name	Function
		Cllr. M. Gqola	Chairperson of Planning & economic Development Standing Committee
		Cllr. P. Nyangana	Chairperson of IGR & Communications Standing Committee
		Cllr B. Maningi	Chairperson of Special Programmes Unit Standing Committee

2.1.2. COUNCILLORS

The Alfred Nzo District Municipality is made up 40 Councillors and proportionally representatives from the four local municipalities (Matatiele, Mbizana, Ntabankulu and Umzimvubu) there were three vacancies during the year under review and eight Traditional Leaders from their Traditional Councils in accordance with Section 81 of the Local Government: Municipal Structures Act. Refer to **Appendix A** where a full list of Councilors and Traditional Leaders can be found (including committee allocations and attendance at council meetings).

2.1.3. POLITICAL DECISION-TAKING

The political decisions are taken as per the diagram depicted below. Standing committees endorse from the management to the Mayoral Committee and the latter approves in accordance with powers as per the Municipal Delegation Framework and further recommend to the Council for approval.


COUNCIL
Chaired by the Speaker of the Council
Section 79 Commitees
MAYORAL COMMITTEE
Chaired by the Executive Mayor
SECTION 80 COMMITTEES - STANDING COMMITTEES
Chaired by Members of Mayoral Committee

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CHAPTER 2: GOVERNANCE

2.2. ADMINISTRATIVE GOVERNANCE

Administrative governance is concerned with the effective functioning of the municipality and its day to day operations in terms of Finance, Corporate.

Picture	Position	Name	Function
	Municipal Manager	Vacant	Provide administrative leadership
	Chief Financial Officer	Mr. L. Fokazi	Financial management in order to promote financial viability
	Senior Manager: Infrastructure Development & Municipal Services	Mr. X. Masiza	Responsible for provision of basic service delivery
	Senior Manager: Led & Planning	Vacant	Facilitate the promotion of municipal planning and regional economic growth
	Senior Manager: Community Development Services	Mrs. N. Ngxenge	Manage the implementation of fire and rescue services, with Municipal Health Service and Disaster Management
	Senior Manager: Corporate Services	Ms. N. N. Qaba	Manage Human Resource Management, ICT and Administration

B: INTERGOVERNMENTAL RELATIONS

The Municipal Systems Act, Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution, Section 41.

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1. NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participated in some of the National Intergovernmental Structures during the year under review such as National Municipal Managers Forum.

During the year under review the municipality has participated in the following national Intergovernmental Forums:

Presidential Infrastructure Coordinating Committee

MINIMEC

AgriParks

SALGA's National Members Assembly

2.3.2. PROVINCIAL INTERGOVERNMENTAL STRUCTURE

During the year under review the municipality has participated in the provincial IGR structures such as Technical, Political Muni MEC, Provincial Speakers Forum, PMIF (Provincial Municipal Infrastructure Forum) and Local Government Communicators Forum.

During the year under review the municipality has participated in the following Provincial Intergovernmental Forums:

Premier's Coordinating Forum

MuniMEC

Speakers'Forum

SALGA's Provincial Members Assemble

SALGA Working Groups

Intergovernmental Communications Forum

Local Government Communicators' Forum

Provincial AIDS Council

Provincial Gender Machinery

2.3.3. RELATIONSHIPS WITH MUNICIPAL ENTITIES

Alfred Nzo District Municipality established its development agency, Alfred Nzo Development Agency (ANDA), to focus on promoting and implementation of local economic development initiatives, investment mobilization, and trade promotion and marketing in so far as it relates to local economic development. ANDA is a municipal entity established in terms of the Municipal Systems Act and is accountable to the Municipality.

The district Municipality has established relations and partnerships with the following municipalities and entities:

City of Johannesburg
Ekurhuleni Metro Municipality
City of Lusaka in Zambia
Joe Gqabi District Municipality
Ugu District Municipality
Harry Gwala District Municipality
Coega Development Agency
O. R. Tambo District Municipality

2.3.4. DISTRICT INTERGOVERNMENTAL STRUCTURES

These structures are up and running with varying degrees of effectiveness and efficiency, however there is room for improvement. These IGR structures have been established as mandated by the Intergovernmental Relations Framework.

District structures include political forums, namely:

Intergrated Development Plan (IDP) Forum
District Mayors Forum (DIMAFO),
Speakers Forum;
Chief whips Forum,
Municipal Managers Forum,
Technical Support Forum,
District Communicators Forum
Chief Financial Officers' Forum.
District Wide Infrastructure Forum
District AIDS Council
District Women's Forum
District Men's Forum
District Disability Forum
Children Advisory Council
Older Persons'Forum
Young Women's Network
District Youth Council
Initiation Forum

The sitting of the IGR structures has been incorporated into the adopted Municipal Planning Calendar for 2015/16 Financial Year, this will able the institution to monitor the effectiveness of these sittings.

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C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The institution has put various mechanisms aimed at advancing public accountability and participation and it has conducted a series of community and stakeholder engagements through structures like; IDP & Budget outreaches Mayoral Committee outreaches, MPAC, Audit committees, Standing committees, Council meetings and Open Council Day.

The municipality conducts an Annual Open Council Day/State of the District Address in Ward 3, Ha-Sibi in Matatiele as identified wherein members of communities were afforded an opportunities to interact with the municipal leadership.

Oversight Committees such as Standing Committees, MPAC Committee, conducted oversight visits to projects that are currently implemented by the institution to verify information contained in progress reports.

2.4. PUBLIC MEETINGS

2.4.1. COMMUNICATION, PUBLIC PARTICIPATION AND FORUMS

The Alfred Nzo District Municipality Communication Strategy was developed and adopted by the Council. The strategy is reviewed on an annual basis to review its efficiency and effectiveness. ANDM has quarterly District Communicators Forum (Communicators from the four local municipalities, government departments and State Owned Entities) and District Communications Core Team meetings respectively sit to coordinate integrated communication programmes. During the year under review the district municipality facilitated 23 community outreach programmes aimed at bringing government closer to communities and encouraging participatory citizenry in planning municipal affairs.

The municipality has also developed communications policy that has been adopted by the Council.

During the reporting year, Alfred Nzo District Municipality has initiated Annual Communicators and Community Media Awards that are aimed strengthening relations between its local municipalities, government communicators, media and strategic partners in conveying developmental messages to communities and thereby minimizing information gap.

2.4.2. WARD COMMITTEES

Ward Committee structures as per the Systems Act are located within the local municipalities of the district municipality. They play a central role in developing municipality's IDP & Budget and Municipal Programme of Action.

Through the Speaker's Forum office the Speaker had convened a District Wide Ward Committee Summit.

2.5. IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes

Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* *Section 26 Municipal Systems Act 2000*	

D: CORPORATE GOVERNANCE

By 2014, all organs of the state in South Africa are expected to have achieved clean audits on their Annual Financial Statements and maintaining systems for sustaining quality financial statements and management information.

In an effort to achieve the nationwide objective, the Alfred Nzo District Municipality is in a process of reviving and institutionalizing the Operation Clean Audit (OCA) to complement the developed Audit Action Plan (FY 2015/16) to put in place a systematic approach in addressing AG queries. The OCA committee was tasked to focus on underlying root causes and put forth recommendations for strengthening of systems.

An Audit Action Plan to address queries raised by Auditor General during the 2014/15 Audit. The plan was implemented by all departments of the institution and the progress on implementation was tracked through report.

2.6. RISK MANAGEMENT

Fraud awareness workshops were facilitated to assist Councilors and ANDM employees understand fraud and corruption, including their roles in the prevention and combating fraud within the municipality. Fraud and wide risk assessments were also conducted to identify high risk areas along with mitigating strategies.

The Risk Assessment workshop which was conducted to track progress for 2013/2014 and to use the information as baseline in developing a Risk Register for the 2014/15 as well as to develop a risk-based Internal Audit Plan.

- *None compliance reviews*

Compliance review was not conducted during the year under review due to lack of personnel.

The position of the Risk Manager has been vacant in the previous financial years and the municipality in the year under review has since filled the position of the Risk Manager.

2.7. ANTI-CORRUPTION AND FRAUD

Fraud and Anti- corruption plan was developed and adopted by the Council for the year under review. Subsequent to that fraud awareness workshops were facilitated to assist Councilors and ANDM employees understand fraud and corruption, including their roles in the prevention and combating fraud within the municipality. Fraud and wide risk assessments were also conducted to identify high risk areas along with mitigating strategies.

2.8. SUPPLY CHAIN MANAGEMENT

2.8.1. SUPPLY CHAIN MANAGEMENT POLICY

Alfred Nzo District Municipality has developed the supply chain management policy and its being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

2.8.2. SUPPLY CHAIN MANAGEMENT POLICY COMPLIANCE WITH PRESCRIBED FRAMEWORK

Supply chain management policy of the Alfred Nzo municipality does comply with all National Treasury Regulations and the applicable legislations. The supply chain management policy of Alfred Nzo is fair, equitable, transparent, competitive and cost-effective and complies with prescribed regulatory framework for municipal supply chain management, which cover at least the following:

- *The range of supply chain management processes that municipalities and including tenders, quotations, auctions and other types of competitive bidding;*
- *when Alfred Nzo District municipality may or must use a particular type of process;*
- *procedures and mechanisms for each type of process;*
- *Procedures and mechanisms for more flexible processes where the value of a contract is below a prescribed mount;*
- *open and transparent pre-qualification processes for tenders or other bids;*
- *competitive bidding processes in which only pre-qualified persons may participate;*
- *bid documentation, advertising of and invitations for contracts;*
- *procedures and mechanisms for—*
  - *the opening , registering and recording of bids in the presence of interested persons;*
  - *the evaluation of bids to ensure best value for money;*
  - *negotiating the final terms of contracts; and*
  - *the approval of bids;*
- *screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;*
- *compulsory disclosure of any conflicts of interests prospective contractors may have in specific tenders and the exclusion of such*

prospective contractors from those tenders or bids;

- *participation in the supply chain management system of persons who are not officials of the municipality or municipal entity, subject to section 117 of MFMA*
- *the barring of persons from participating in tendering or other bidding processes, including persons*
- *who were convicted for fraud or corruption during the past five years;*
- *who wilfully neglected, reneged on or failed to comply with a government contract during the past five years; or*
- *whose tax matters are not cleared by South African Revenue Service;*
- *measures for*
- *combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management; and*
- *promoting ethics of officials and other role players involved in municipal supply chain management;*
- *the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by*
- *Councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or*
- *municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;*
- *the procurement of goods and services by municipalities through contracts procured by other organs of state;*
- *contract management and dispute settling procedures; and*

- *the delegation of municipal supply chain management powers and duties, including to officials.*

2.8.3. APPROVAL OF TENDERS NOT RECOMMENDED

If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality is approved, the accounting officer of the municipality do notify the Auditor-General in writing, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

2.8.4. IMPLEMENTATION OF SYSTEMS

The accounting officer of Alfred Nzo municipality does

- *implement the supply chain management policy of the municipality and*
- *Take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favoritism and unfair and irregular practices.*
- *No person may impede the accounting officer in fulfilling this responsibility.*

2.8.5. CONTRACTS AND CONTRACT MANAGEMENT

A contract or agreement procured through the supply chain management system of a municipality is completed/ prepared

- *in writing;*
- *stipulate the terms and conditions of the contract or agreement, which include provisions providing for*
- *the termination of the contract or agreement in the case of non- or underperformance;*
- *dispute resolution mechanisms to settle disputes between the parties;*
- *a periodic review of the contract or agreement once every three years in the case of a contract or agreement for longer than three years; and*

- *any other matters that may be prescribed.*
- *The accounting officer of a Alfred Nzo District municipality also*
- *the termination of the contract or agreement in the case of non- or underperformance;*
- *dispute resolution mechanisms to settle disputes between the parties;*
- *a periodic review of the contract or agreement once every three years in the case of a contract or*
- *take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the Alfred Nzo District municipality is properly enforced;*
- *monitor on a monthly basis the performance of the contractor under the contract or agreement;*
- *establish capacity in the administration of the Alfred Nzo District municipality*
- *to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and*
- *to oversee the day-to-day management of the contract or agreement; and regularly report to the council of the Alfred Nzo District municipality, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.*
- *A contract or agreement procured through the supply chain management policy of the municipality may be amended by the parties, but only after*
- *the reasons for the proposed amendment have been tabled in the council of the Alfred Nzo District municipality.*

Councillors barred from serving on municipal tender committees

- *No Councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or*

approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

2.9. BY-LAWS

Newly Developed	Revised	Public Participation Conducted Prior to Development of By-Laws (Yes or No)	Date of Public Participation	By-Laws Gazetted (Yes or No)	Dates of Publication

There are six(6) bylaws that were promulgated in 2009, since then they were never reviewed due to non-enforcement of By Laws by user directorates within the institution

2.10. WEBSITES

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	28/01/2015
All current budget-related policies	No	
The previous annual report (Year -1)	Yes	10/04/2015
The annual report (Year 0) published/to be published	Yes	To be uploaded at the prescribed time after adoption by Council.
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	Yes	24/03/2015
All long-term borrowing contracts (Year 0)	Yes	16/03/2015
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	13/02/2015
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the Council in terms of section 52 (d) during Year 0	No	
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		*T 2.10.1*

Municipal Finance Management Act requires municipalities to have a website that is updated constantly with legislative documents such as IDP, SDBIP and Municipal Budget to mention the few. Alfred Nzo District Municipality does have a website (www.andm.gov.za) and is updated with the content as and when required. We, however, have shortfalls in doing so and have put plans in place to redress our shortfalls such as developing a calender of requesting documents that are required by the MFMA to be uploaded on the website from the relavant divisions within the institution on the set timeframe.

2.11. CUSTOMER/ PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipal Systems Act 32 of 2000; emphasises on the role of the municipality to establish sound relations between the municipality and its customers. Customer satisfaction measurement has a critical role in informing service delivery improvement. It allows the municipality to understand what its customer's value; how values vary between different types The District Municipality has just established the customer care unit in the financial year 2012/13. In this financial year the municipality has been using suggestion boxes to measure satisfaction levels of the public. A budget to conduct customer satisfaction surveys was set aside and only Supply Chain Management processes were commenced and the actual implementation started in the fiscal year 14/15.

ALFRED NZO

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

INTRODUCTION

The Municipality is a Water Services Authority under the Municipal Structures Act (No117 of 1998). The Municipality, being the WSA, has also decided to fulfil the Water Services Provider function for the local Municipalities that fall within its area of jurisdiction. These services are performed under the infrastructure within the DM. The infrastructure department is split into three sections, the WSA, PMU and WSP.

The WSA is responsible for the compilation of the Water Services Development plan (WSDP) and the Master Plans for sanitation & transport planning. It is also responsible for the verification and review of by-laws and tariffs in terms of the Water Services Act (108 of 1997). It is also responsible for the investigations and designs of all water schemes and extensions.

The PMU deals with all capital and MIG funded projects in the entire district. These include water, sanitation, community facilities, and LED projects. This section also deals with the management of the funding of projects for which applications have been received and the implementation thereof. The strategic objectives of this unit are to provide services including engineering and community services to address the current backlogs.

The WSP is responsible for the operations and maintenance of the water purification and sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntabankulu local Municipalities). It is responsible for the bulk and reticulation networks in the aforementioned municipalities. It is responsible for the operations and maintenance of water services infrastructure management of the drought relief funding, also deals with sampling for water and effluent quality testing and compliance with legislative requirements (BDS & GDS).

The key main stakeholders that are critical to the success of our effort to reduce backlog are listed as follows:

- *The entire community (beneficiaries) to be served with water to ensure ownership of the project.*
- *Political leadership represented by Council who ensures that budget is equitably allocated to ensure that it addresses the imbalances of the past in line with the Government's vision.*
- *National and Provincial Government through Municipal Infrastructure Grant which ensures that budget is made available.*
- *Contractors and professional service providers who forms part of business community to ensure that projects are implemented on time at the right quality.*

The municipality provides a high level, RDP and below RDP standards level of services of water and sanitation. People sourcing water from springs, rainwater tanks, streams, rivers, dams, or water vendors are deemed to be unserved. People sourcing water from within 200m from a standpipe in the rural areas are deemed to be served within the RDP Standards and people with ERF connections in the urban areas are deemed to be served with a high level service. The Municipality provides bulk services for water and Sanitation to Schools and clinics where the cost for connection is incurred by the respective sector departments

CHAPTER 5 – FINANCIAL PERFORMANCE

A: BASIC SERVICES

The major challenge that the municipality is currently facing is the reverse in backlogs resulting from the increase of a number of local municipalities it is serving. The verification reports show that there is a lot of backlog eradication, replacement and refurbishment of infrastructure that needs to be carried out at Mbizana and Ntabankulu areas. One of the challenges that the Municipality is facing in water provisioning is the statutory obligations. The challenge lies when the supporting departments do not respond promptly on compliance approvals i.e water licenses, ROD's on EIA's and Basic Assessments conducted. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes. The other challenge that is usually overlooked is the poor performance by the contractors.

These challenges need to be addressed in the following manner: - Strengthening relations with the support departments through the IGR process. It is imperative that the implementation of debt collection strategies and the compilation of the indigent register is done so that all consumers that do not qualify as indigent are billed to recover costs for operations and maintenance.

Contractor development/ incubation programme had been identified and strict selection criteria with respect to appointment of contractors are our areas of focus to change the situation going forward. Staff development and training remains our other area of focus to try and mitigate the issue of staff retention.

3.1. WATER PROVISION

OPERATIONS AND MAINTENANCE

Maintaining water schemes and ensuring ongoing clean drinking water supply to the communities. ANDM also ensures that the water treatment works are operational and they are operating with the set limits so as to ensure safe drinking water. Operations and maintenance is done even in rural schemes and there are rural operators that are working in these schemes thereby creating jobs for the communities living in poverty.

WATER CONSERVATION

This ensures that water provided by the municipality is conserved at a household level. This assists in ensuring that the municipality does not incur tedious water loses. Water conservation awareness and education is also conducted in rural areas.

REFURBISHMENT

This ensures that the existing water infrastructure in the district is maintained and refurbishment takes place where necessary so as to ensure continuous water provisioning. Through refurbishment, the municipality saves on water losses and unaccounted water.

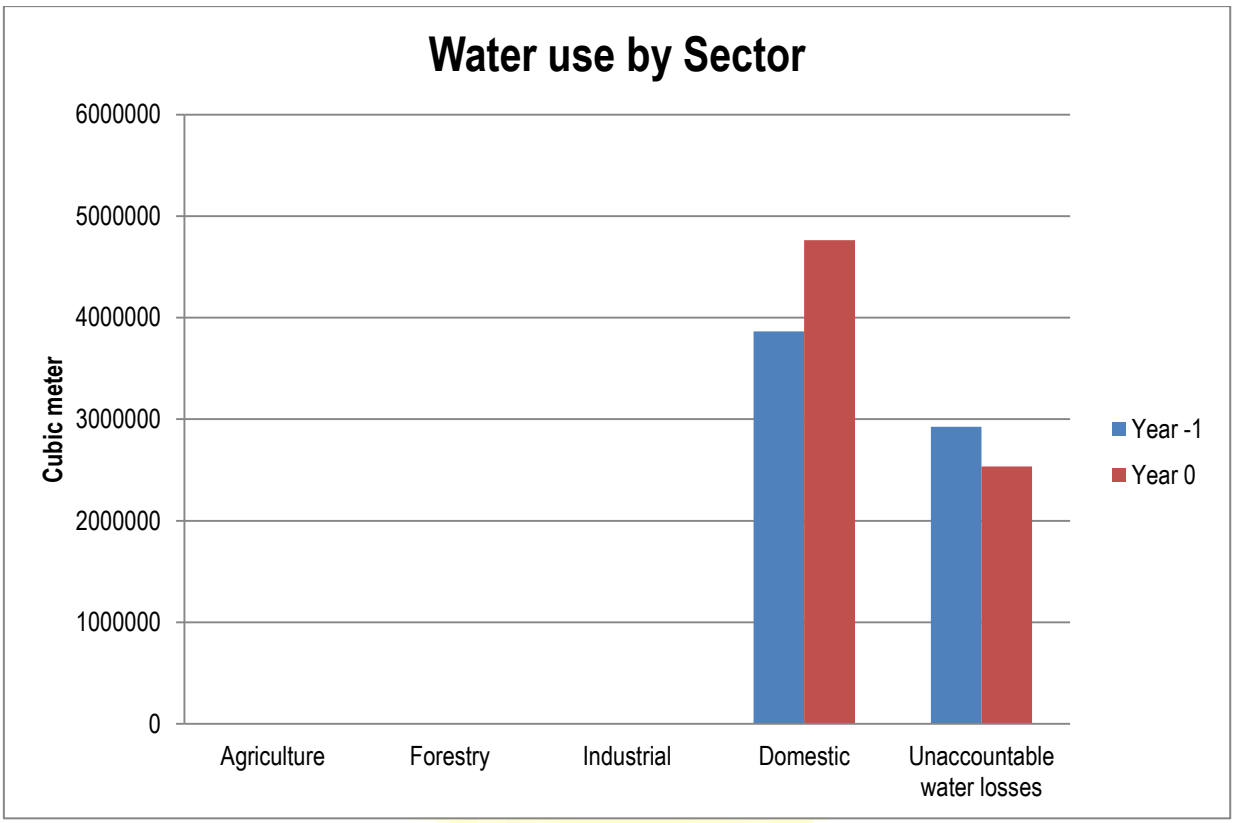
WATER QUALITY MONITORING

This ensures that water provided by the municipality is of good quality and is compliant to the set standards as per the department of Water Affairs.

WATER USAGE MONITORING

This ensures that the usage of water provided by the municipality is monitored.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	0	0	0	3864159	2927232
Year 0	0	0	0	4763022	2534027
					T 3.1.2



Alfred Nzo does not provide water for the following sectors:

- *Agriculture,*
- *Forestry*
- *Industrial use.*

ANDM provides water for domestic use only; however there is unaccounted water that gets dictated and this is due to commercial activities taking place at a household level.

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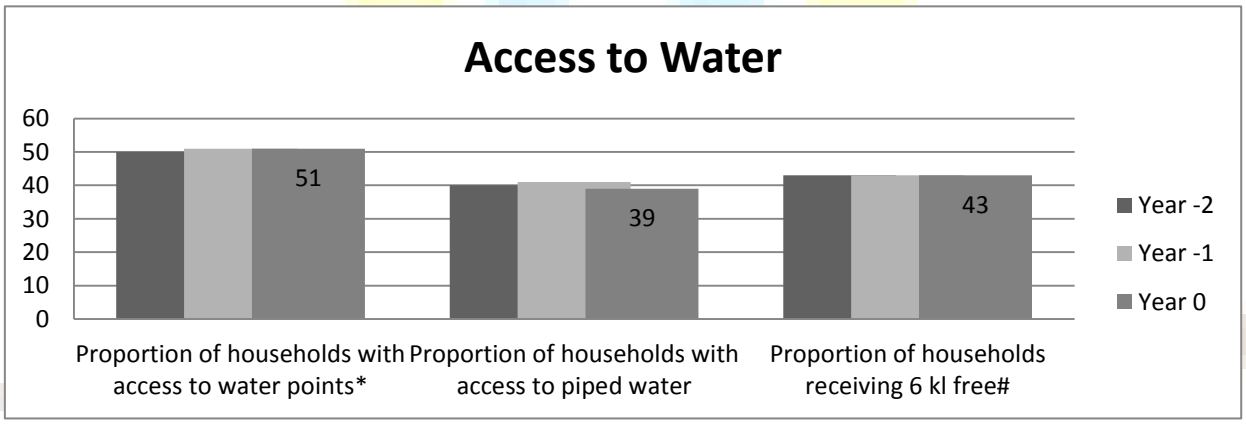
Water Service Delivery Levels Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: **(above min level)**				
Piped water inside dwelling	11 950	12 319	12 596	12 698
Piped water inside yard (but not in dwelling)	3 015	3 108	3 178	3 204
Using public tap (within 200m from dwelling)	55 199	56 906	58 186	58 655
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	70 163	72 333	73 961	74 557
Minimum Service Level and Above Percentage	39.3%	40.6%	41.5%	41.8%

Water: **(below min level)**				
Using public tap (more than 200m from dwelling)	17 358	17 086	16 789	16 113
Other water supply (more than 200m from dwelling	98 756	96 458	92 840	87 677
No water supply				
Below Minimum Service Level sub-total	116 114	113 544	109 629	103 790
Below Minimum Service Level Percentage	65.1%	63.7%	61.5%	58.2%
Total number of households*	**178 347**	**178 347**	**178 347**	**178 347**
** - To include informal settlements*				*T 3.1.3*

Households - Water Service Delivery Levels below the minimum

Households

Description	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	176 285	176 285	176 285			176 285
Households below minimum service level	102 356	102 356	102 356			102 356
Proportion of households below minimum service level	58%	58%	58%			58%
Informal Settlements						
Total households	2062	2062	2062			2062
Households below minimum service level	222	222	222			222
Proportion of households below minimum service level	11%	11%	11%			11%
						T 3.1.4



* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

6,000 liters of potable water supplied per formal connection per month

Water Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 2**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	4500	1089	1089	7050	7050	12661	27162	27162
Improve reliability of water supply	Reduce the number of interruptions (**Ints**) in supply of one hour or more compared to the baseline of Year -1 (xxx interuptions of one hour or more during the yr)	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs	4 hrs
Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year -1 (xxx kilolitres (**KLs**) unaccounted for during the yr)	50%	75%	45%	50%	50%	45%	35%	35%

*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the blue water drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* *T 3.1.6*

Employees: Water Services						
Job Level	**Year -1**	**Year 0**				COMMENT
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**	
	No.	**No.**	**No.**	**No.**	**%**	
0 - 3	7	7	6	1	14%	
4 - 6	20	24	20	11	46%	
7 - 9	36	62	29	52	84%	
10 - 12	59	74	49	23	31%	
13 - 15	65	96	18	32	33%	
16 - 18	0	0	0	0	0%	NOT ON ORGARNOGRAM
19 - 20	0	0	0	0	0%	NOT ON ORGARNOGRAM
Total	187	263	122	119	0%	NOT ON ORGARNOGRAM

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.1.7*

3.1.2. WATER SERVICES CAPITAL EXPENDITURE YEAR 0:

CAPITAL PROJECTS	YEAR 0 (RANDS)				
	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	% VARIANCE	TOTAL PROJECT VALUE
TOTAL ALL	**774 064 117.78**	**734 705 761.78**	**526 355 008.72**		
TECHNICAL SERVICES					
REHAB OF MBIZANA PONDS PROV CA	1 000 000	1 000 000	472 013	47%	
REHAB OF NTABANKULU POND PROV	1 000 000	1 000 000	353 309	35%	
TOOLS & EQUIPMENT PROV CAP EXP	-	100 000	31 154	-100%	
FEASIBILITY PROV CAP EXP	15 000 000	23 000 000	24 400 291	163%	
DROUGHT RELIEF PROJECTS PROV C	2 000 000	2 000 000	1 900 387	95%	
MATATIELE WTW REFURB WATER AUGM PR	3 000 000	3 000 000	3 220 449	107%	
REFURBISHMENT WATER SCHEME MBIZANA	2 000 000	4 000 000	2 364 201	118%	
REFURBISHMENT WATER SCHEME UMZIMVUBU	2 000 000	3 141 644	281 678	14%	
REFURBISHMENT WATER SCHEME MATATIELE	2 000 000	2 000 000	1 995 847	100%	
REBURBISHM WATER SCHEM NTABANK	2 000 000	2 000 000	1 980 998	99%	
REFURBISH MNCEBA WATER SCHEM P	2 500 000	2 500 000	607 759	24%	
ACQUISITION OF MOBILE OFFICES	-	1 500 000	638 940	-100%	
TOOLS AND EQUIPMENT(JETTING MA	1 000 000	900 000	2 850 148	285%	
MALUTI REG BULK WATER SUPPLY (BELFORD BULK PIPELINES)	8 000 000	8 000 000	5 042 707	63%	
KWA- BACA SOUTH LEG WATER AUG	5 000 000	5 000 000	3 359 537	67%	
KWA- BACA SOUTH LEG WATER AUG	-	-	295 429	-100%	
RAMS-PROFFESSIONAL FEES PROV C	2 104 000	2 104 000	2 120 629	101%	
RHIG	-	8 000 000	4 501 553	-100%	
GREATER BIZANA - DBSA	61 000 000	61 000 000	18 344 190	30%	
FOBANE PHASE 2 WATER/S - DBSA	58 978 690	58 978 690	-	0%	
UMZIMVUBU WARD 13 W/SUP - DBSA	50 000 000	50 000 000	32 356 854	65%	
UMZIM WARD 14 W/SUPPLY - DBSA	51 103 827	51 103 827	13 811 592	27%	
NTABANKULU MWIG	7 100 000	7 000 000	6 381 528	90%	
MBIZANA MWIG	10 350 000	7 000 000	6 143 894	59%	
MATATIELE:MWIG PROV CAP EXP	10 000 000	21 150 000	16 957 729	170%	
UMZIMVUBU MWIG	27 200 000	19 500 000	16 091 963	59%	
RBIG MATATIELE PRO	60 000 000	25 000 000	24 302 169	41%	
MT AYLIFF RBIG PROV CAP EXP	25 000 000	25 000 000	6 376 051	26%	
RBIG MBIZANA PROV CAP EXP	25 000 000	-	-	0%	
SIQHINGENI WATER SUPPLY PROV C	6 000 000	6 000 000	7 477 820	125%	
CABA-MDENI WATER SUPPLY PROV C	-	-	169 694	-100%	
THOLAMELA WATER SUPPLY - DBSA	15 500 000	15 500 000	23 956 003	155%	
FOBANE WATER SUPPLY DBSA PROV	15 000 000	15 000 000	17 636 438	118%	
HLANE WATER SUPPLY PHASE 4 PRO	3 000 000	3 000 000	3 320 608	111%	
NTABANKULU SEWER UPGRADE PROV	12 000 000	12 000 000	11 404 764	95%	
SANITATION ALL MUNICIPALITY PR	37 876 504	37 876 504	28 312 788	75%	
MBIZ WARD 28 CONSTR.OF VIP TOI	11 937 373	11 937 373	6 304 028	53%	
MBIZ WARD 19 CONSTR.OF VIP TOI	17 000 000	17 000 000	19 728 332	116%	
MBIZ WARD 16 CONSTR.OF VIP TOI	5 000 000	5 000 000	2 740 319	55%	
QWIDLANA WATER SUPPLY AREA 5	5 000 000	5 000 000	11 987 960	240%	
KWABHACA REGINAL WATER -MIG PR	11 413 723	11 413 723	10 355 009	91%	
QWIDLANA WATER SUPPLY - MIG PR AREA 3 & 4	5 500 000	5 500 000	9 636 318	175%	
CABAZI WATER - MIG PROV CAP EX	-	-	3 663 900	-100%	
CABAZANA WATER - MIG PROV CAP	13 000 000	13 000 000	27 340 269	210%	

UMZIMVIUBU WARD 14 - MIG PROV	7 500 000	12 500 000	-	0%	
MALUTI/MATATIELE/RAMO -MIG WATER SUPPLY	9 000 000	9 000 000	14 441 981	160%	
RAMOHLAKOANA/MALUTI SEWER PROV CAP EXP	10 000 000	10 000 000	3 555 956	36%	
MT AYLIFF PERI-URBAN	3 000 000	3 000 000	3 789 028	126%	
UMZIMVUBU WARD 13 PROV CAP EXP	2 500 000	2 500 000	26 687 126	1067%	
QWIDLANA WATER SUPPLY PROV CAP AREA 1 & 2	10 000 000	10 000 000	5 412 241	54%	
NTIBANE WATER PROJECT PROV CAP	15 000 000	10 000 000	12 530 664	84%	
CABAZI WATER PROV CAP EXP	1 500 000	5 000 000	5 533 333	369%	
REFURBISH MNCEBA WATER SCHEM P	25 500 000	22 000 000	1 232 243	5%	
NYOKWENI BOMVINI BULK WATER SUPPLY	11 500 000	11 500 000	11 747 198	102%	
UMZIMVUBU WARD 13 PROV CAP EXP	14 000 000	27 000 000	26 596 479	190%	
UMZIMVUBU WARD 24 PROV CAP EXP	2 500 000	2 500 000	-	0%	
UMZIMVUBU WARD 22 PROV CAP EXP	6 000 000	11 000 000	12 977 354	216%	
UMZIMVUBU WARD 6 PROV CAP EXP	1 500 000	1 500 000	-	0%	
MBIZANA WARD 12 PROV CAP EXP	3 500 000	3 500 000	-	0%	
MATATIELE WARD 16 PROV CAP EXP	8 000 000	3 000 000	981 629	12%	
MATATIELE WARD 15 PROV CAP EXP	10 000 000	10 000 000	1 708 889	17%	
MATATIELE WARD 22 PROV CAP EXP	8 000 000	-	2 617 625	33%	
MATATIELE WARD 5 PROV CAP EXP	15 000 000	12 500 000	1 780 169	12%	
MATATIELE WARD 7 PROV CAP EXP	15 000 000	12 500 000	11 021 838	73%	
NTABANKULU VIP SANITATION	-	-	1 048 500	-100%	
THOLANG WATER SUPPLY PROV CAP	2 500 000	2 500 000	1 475 507	59%	

83 835 households served with water by 2017. In year five, the municipality has a budget projection of 72 700 000 in providing water to its communities.

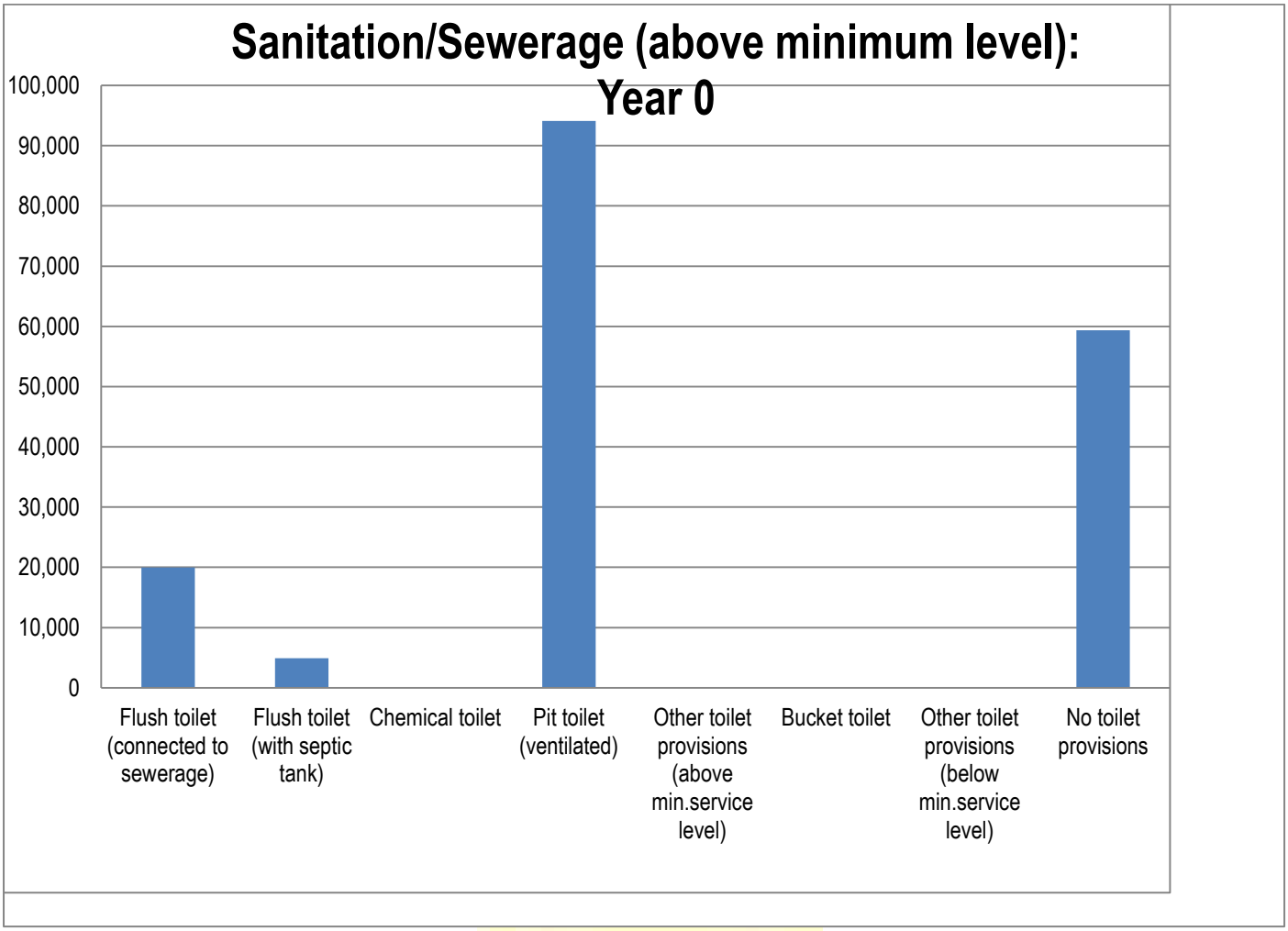
- Greater Mbizana Regional Bulk Water Supply R60 000 000
- District Sanitation project R30 000 000
- Mt Ayliff RBIG water project R25 000 000
- Matatiele RBIG Water project R25 000 000

3.2. WASTE WATER (SANITATION) PROVISION

The Municipality provides sanitation for its entire jurisdiction i.e. Umzimvubu, Matatiele, Mbizana and Ntabankulu Local Municipalities. The Department operates the established 7 Sanitation Zone centres that are responsible to produce and construct sanitation facilities in the rural area. This activity is purely a labour intensive initiative. This is where the District Municipality manages to provide many job opportunities whilst providing the sanitation service to the community. It is through this initiative that the District Municipality received lots of incentives from the EPWP. Furthermore, implementation of the VIP toilets programme has also been extended to Mbizana and Ntabankulu local municipalities, the construction is done through normal tender processes and construction. It should be noted, however, that due to change from use of cement blocks for the building of toilets to precast type structure, the requirement for huge numbers of labour was reduced as the precast panels are not manufactured within the zone center.

The municipality appoints people from the areas where VIP toilets are being constructed and this addresses issues of unemployment in communities living in poverty.

The municipality is also serving the communities with Waste Water Treatment through the treatment of Sewer and managing the disposal of sewage from the sceptic tanks especially in areas that are not connected to water borne system.


Sanitation/Sewerage (above minimum level): Year 0
100,000
90,000
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
Flush toilet (connected to sewerage)
Flush toilet (with septic tank)
Chemical toilet
Pit toilet (ventilated)
Other toilet provisions (above min.service level)
Bucket toilet
Other toilet provisions (below min.service level)
No toilet provisions

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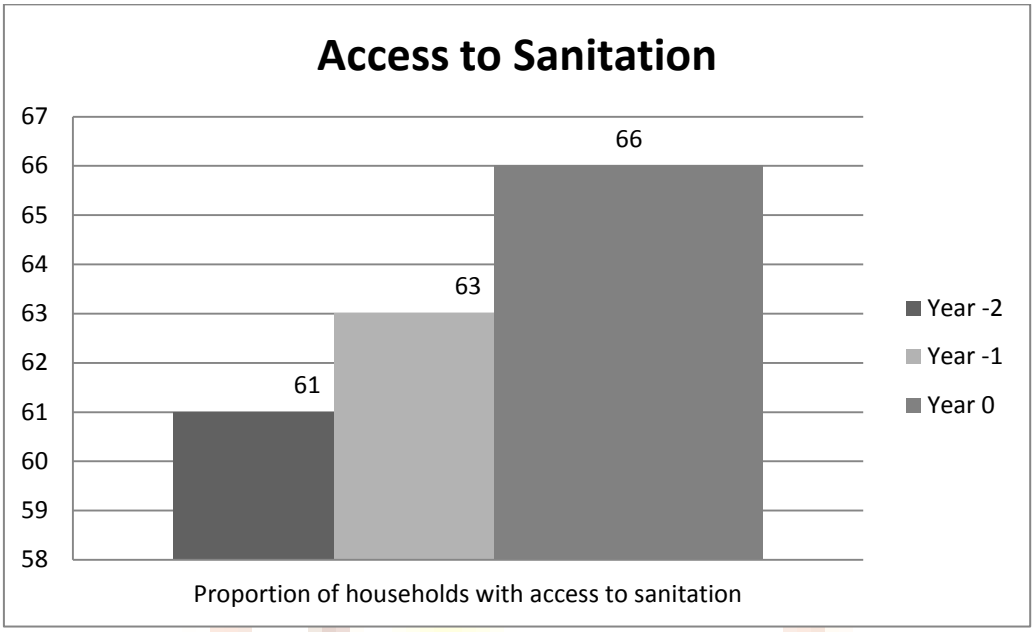
3.2.1. SANITATION SERVICE DELIVERY LEVELS

Sanitation Service Delivery Levels				*Households
Description	Year -3	Year -2	Year -1	Year 0
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	18 137	18 762	19 058	19 958
Flush toilet (with septic tank)	3 891	4 009	4 514	4 914
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	81 740	85 973	89 981	94 124
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	103 768	108 744	113 553	118 996
Minimum Service Level and Above Percentage	58.2%	61.0%	63.7%	66.7%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet				
Other toilet provisions (below min.service level)				
No toilet provisions	74 579	69 603	64 794	59 351
Below Minimum Service Level sub-total	74 579	69 603	64 794	59 351
Below Minimum Service Level Percentage	41.8%	39.0%	36.3%	33.3%
Total households	**178 347**	**178 347**	**178 347**	**178 347**
Total number of households including informal settlements				*T 3.2.3*

Households - Sanitation Service Delivery Levels below the minimum						Households
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	176 285	176 285	176 285			176 285
Households below minimum service level	75 123	69 178	65 782			59 351
Proportion of households below minimum service level	43%	39%	37%			34%
Informal Settlements						
Total households	2062	2062	2062			2062
Households below minimum service level	222	222	222			222
Proportion of households below minimum service level	11%	11%	11%			11%
						T 3.2.4



Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
Provision of toilets within standard	Additional Households (**HHs**) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	8500	8500	10626	5645	5645	5399	6000	6000

*Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the green drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* *T 3.2.6*

3.2.2. EMPLOYEES IN SANITATION SERVICES

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	4	3	0	0%
4 - 6	4	5	4	1	20%
7 - 9	0	12	0	0	100%
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	NOT ON ORGANOGRAM
Total	7	21	7	1	NOT ON ORGANOGRAM

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.2.7*

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3.2.3 FINANCIAL PERFORMANCE

Financial Performance Year 0: Sanitation Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	827 451.30	3 493 613.59	3 256 397.22	3 520 755.90	1%
Repairs and Maintenance					0%
Other					0%
Total Operational Expenditure	827451	3493614	3256397	3520756	1%
Net Operational Expenditure	827451	3493614	3256397	3520756	1%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.2.8*

Capital Expenditure Year 0: Sanitation Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	92418947	82000000	3782445	-2343%	
SANITATION ALL	60000000	82000000	3838445	-1463%	280
ANDM SANITATION ALL LMS	32418947	0	-56000	57991%	150
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.2.9*

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3.3. ELECTRICITY

This is not the ANDM competency; it is the competency of Local Municipalities. However the ANDM assist in facilitation the Electricity Sector Plan which outlines a strategy on how Local Municipalities should go about providing electricity for different user/ Level of service.

3.4 WASTE MANAGEMENT

This is the competency of the local municipality not the district municipality but the district assists in monitoring compliance and raising awareness on good waste management practices. ANDM also plays a role in ensuring that the Local Municipalities have got credible Integrated Waste Management Plans. ANDM developed an Integrated Waste Management Plan (IWMP) for all four local Municipalities within the district during the 2014/15 financial year. No awareness campaigns were conducted by ANDM but Matatiele and Mbizana LMs received wheelie bins from ANDM as part of encouraging proper waste management practices. ANDM also compile a proposal (on behalf of its LMs) to DEA for Youth Jobs in Waste and all four municipalities were awarded the program.

3.5 HOUSING

This is a Local Municipalities competency together with the department of Human Settlements.

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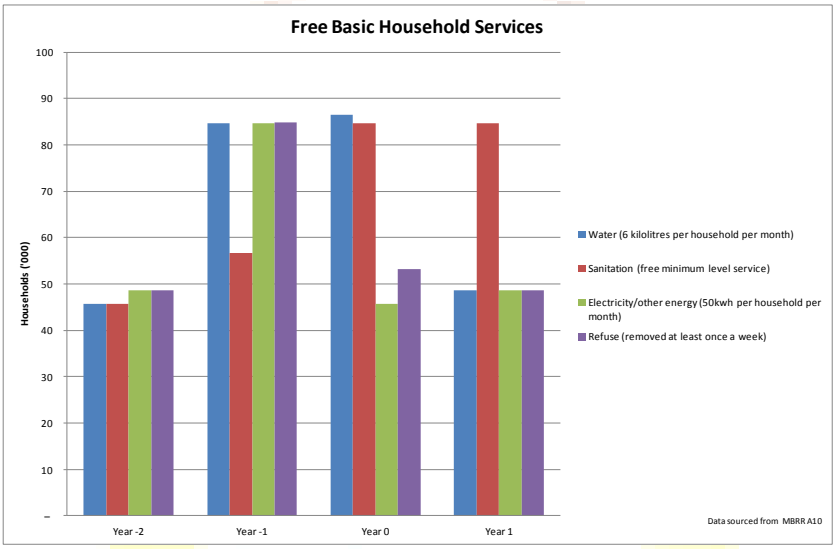
3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT

Free Basic services have been established under WSA Unit and it has a coordinator. The Indigent Policy has been reviewed and adopted by council. The municipality has even took an initiative to translate the policy into ANDM languages and this has been completed. The FBS Unit also conducts awareness campaigns to sensitise communities of the processes and procedures to follow when applying for indecency. The policy makes mention that the applicant will be subjected to verification. During 2014/15 financial year, 42 000 households were verified and those households who qualify for free basic services were given the status and as such they received services supplied both by district municipality amd local municipality.



3.6.1. FREE BASIC SERVICE DELIVERY LEVELS

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than 2 state pensions combined per household								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	178 347	178 347	11 492	6%	85 813	48%				
Year -1	178 347	178 347	63 078	35%	110 413	62%				
Year 0	178 347	178 347	38 942	22%	119 000	67%				

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	178 347	178 347	72 333	41%	108 744	61%				
Year -1	178 347	178 347	73 961	41%	113 553	64%				
Year 0	178 347	178 347	74 557	42%	118 996	67%				

T 3.6.3

3.6.3. FREE BASIC SERVICE FINANCIAL PERFORMANCE

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	200	244	250	248	2%
Waste Water (Sanitation)	220	240	250	245	2%
Electricity	100	120	130	135	11%
Waste Management (Solid Waste)	105	110	120	125	12%
Total	625	714	750	753	5%
					T 3.6.4

Low earner receive free basic water services and this applies in urban and peri-urban areas. In rural areas the communities do not pay for water services as such everyone benefits.

T3.6.6

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B: ROAD TRANSPORT

This is not the competency of the district municipality.

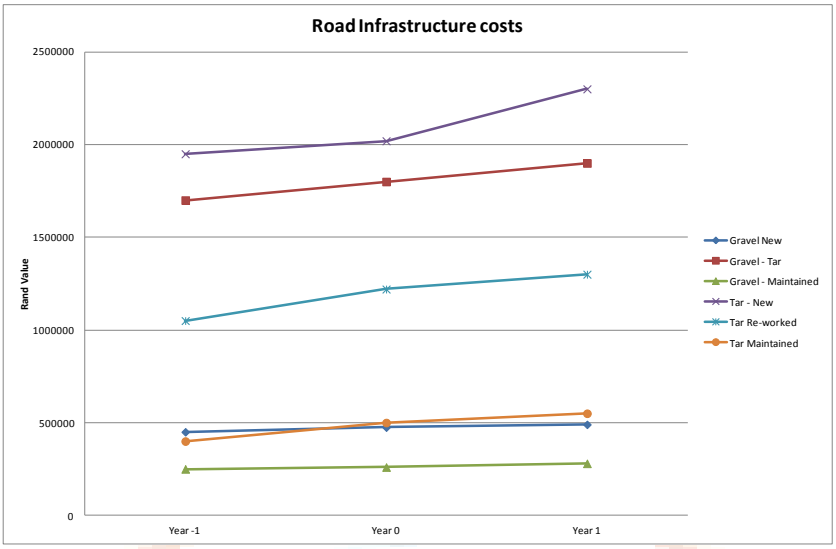
3.7 ROADS

This is not the competency of the district municipality.

Gravel Road Infrastructure Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -1	145	15	10	100
Year 0	160	20	12	120
Year 1	166	25	14	140
				T3.7.2

Tarred Road Infrastructure Kilometers					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -1	85	10	23	18	100
Year 0	98	14	25	15	120
Year 1	114	20	30	25	140
					T3.7.3

Cost of Construction/Maintenance R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -1	450000	1700000	250000	1950000	1050000	400000
Year 0	475000	1800000	260000	2020000	1220000	500000
Year 1	490000	1900000	280000	2300000	1300000	550000
						T3.7.4



Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Elimination of gravel roads in townships	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	Baseline (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)	xxx kms gravel roads tarred (xxx kms gravel roads remaining)
Development of municipal roads as required	xxx kms of municipal roads developed	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms	xxx kms

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* T3.7.6

Employees: Road Services					
Job Level	Year 0	Year 1			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.7.7

Financial Performance Year 1: Road Services					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.7.8

Capital Expenditure Year 1: Road Services					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.7.9

This is not the competency of the district municipality

ALFRED NZO

3.8 TRANSPORT

This is not the competency of the district municipality

Municipal Bus Service Data					
		Year 0	Year 1		Year 2
	Details	Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger journeys				
2	Seats available for all journeys				
3	Average Unused Bus Capacity for all journeys	%			
4	Size of bus fleet at year end				
5	Average number of Buses off the road at any one time	%			
6	Proportion of the fleet off road road at any one time	%			
7	No. of Bus journeys scheduled				
8	No. of journeys cancelled				
9	Proportion of journeys cancelled	%			

T3.8.2

Transport Service Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T3.8.3

Employees: Transport Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.8.4

Financial Performance Year 1: Transport Services					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.8.5

Capital Expenditure Year 1: Transport Services					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.8.6

This is not the competency of the district municipality

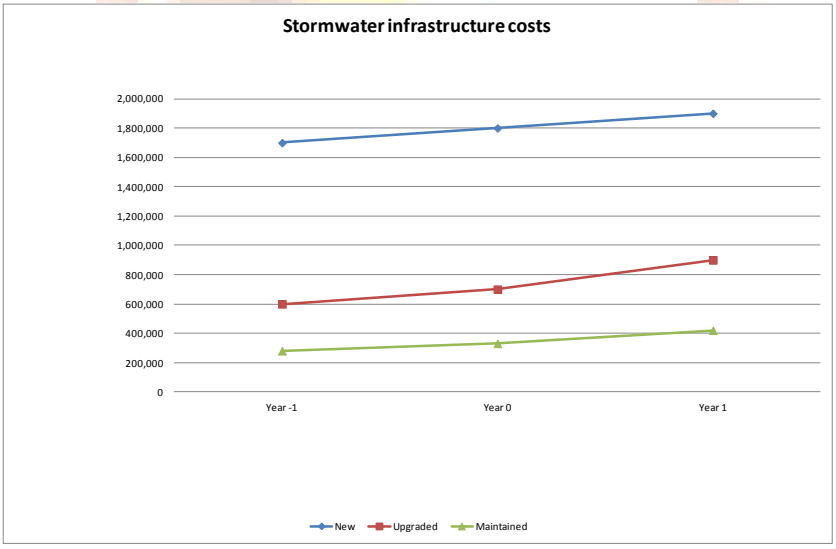
ALFRED NZO

3.9 WASTE WATER (STORMWATER DRAINAGE)

This is the local municipality's competence

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -1	145	15	10	100
Year 0	160	20	12	120
Year 1	166	25	14	140
				T3.9.2

Cost of Construction/Maintenance			R' 000
	Stormwater Measures		
	New	Upgraded	Maintained
Year -1	1,700,000	600,000	280,000
Year 0	1,800,000	700,000	330,000
Year 1	1,900,000	900,000	420,000
			T3.9.3



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Stormwater Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); Timescale x yrs	Strategy approval (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining	Completion (Yes/No); x yrs remaining

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* T3.9.5

Employees: Stormmwater Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0.5	17%
7 - 9	6	6	6	1.5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2.2	24%
16 - 18	11	11	11	0.9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7.1	13%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T3.9.6

Financial Performance Year 1: Stormwater Services					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.9.7

Capital Expenditure Year 1: Stormwater Services R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.9.8

This is not the district municipality's competency.

ALFRED NZO

C: PLANNING AND DEVELOPMENT

Planning and Development Department deals with the following:

Promotion of Local Economic Development and Planning

Development Planning which includes Integrated Development Planning (IDP), Organisational Performance Management Systems (OPMS)

Spatial Planning and Land Use Management

Geographic Information Systems (GIS)

Land and Development Administration

Environmental Management

Town Planning related issues

3.10 PLANNING

A large proportion of the town planning work especially land-use management is the responsibility of the local municipality, However the district municipality in responsible for regional spatial planning through crafting of SDF, Co-ordinating regional planning, strategic planning and district wide spatial planning interventions.

SPATIAL PLANNING

In accordance with section 26 (e) of the Municipal Systems Act No.32 of 2000 Alfred Nzo District Municipality is currently in the process of reviewing its Spatial Development Framework. The review has been necessitated by the recent development project of the N2 wild coast route that is planned to traverse between Alfred Nzo District municipality, O.R Tambo and Amathole District municipality.

In keeping with the requirements of chapter four of the Municipal System Act, Act No. 32 of 2000, The district municipality has insured a transparent, inclusive and comprehensive approach towards the adoption of the SDF. The project steering committee of the subject document was made up of representatives from the district municipality, DPLGTA, RDLR, Traditional leaders, councillors, local municipalities and the professional consulting team responsible for assisting the district in crafting the document.

Alferd Nzo District municipality SDF is compiled in support of the long term strategic intent and a short to medium development program as outlined in the IDP. The following are the key spatial restructuring program for Alfred Nzo District Municipality:

Hierarchy of corridors

Hierarchy of Nodes

Settlement Clusters

LAND USE MANAGEMENT:

The District municipality is predominantly rural in nature with small urban centres within its Six towns i.e Mbizana, Mount Frere, Mount Ayliff, Matatiele, Ntabankulu and Cedarville. This means that only the towns mentioned above have town planning schemes thus proper land use management. It is still a challenge to manage land-use in rural areas as these areas are under the administration of the traditional leaders who use customary systems of land use and land allocation. The District municipality is responsible for regional development and the local are responsible for local development therefore the district municipality devises strategies to inform land use management but can`t enforce land-use regulatory measures as that is the function of the local municipality's. The District municipality therefore does not deal directly with statutory planning but advises local municipalities on such application for land development as and when needed,

nonetheless the district municipality is hopes to compile a broad land-use Management framework in preparation of the wall to wall development of schemes. Up to this end the District municipality will initiate a project of land use management guidelines for the whole district in the 2012-2013 financial year.

CAPACITY SUPPORT TO LM`S

The district municipality is committed to supporting local municipalities under the jurisdiction of the district area and as such, the district municipality has continuously provided technical, professional and financial assistance to its local municipalities. During the 2013-2014 financial year the district municipality had budgeted over 1 million rand which would be allocated to two municipalities inoder for them to complete their spatial planning investigations, furthermore the district municipality has collaboratively worked with Mbizana and Ntabankulu local municipality to complete nodal development frameworks for the respective LM`S to this end the district municipality has established a planners forum for collaborative working in all spatial planning matters of all LM`S under the district ministerial area..

GEOGRAPHIC INFORMATION SYSTEMS (GIS)

The district has established a GIS unit that is responsible for capturing, managing, maintaining and disseminating all the geographic information for the District. GIS is a vital information technology tool that is needed to support a number of critical legislated municipal functions at both District and Local Municipality level. It is an essential information system to support the ANDM Integrated Development Plan, the Spatial Development Plan, the Fixed Asset Register, and Municipal Valuation Roles. It is also essential to support accurate and complete reading of water meters and the billing for water services.

In line with the Municipal Systems Act (No. 32 of 2000), the Municipal Structures Act (No 117 of 1998), the Spatial Data Infrastructure Act (No. 54 of 2003) and the Promotion of Access to Information Act (No. 2 of 2000) the following are amongst other programs undertaken by the district to coordinate the management of spatial information and provide GIS support to the local municipalities:

- *GIS Strategy & Policy*
- *GIS Shared Services*
- *GIS Data Maintenance*

MAJOR CHALLENGES

The key challenge for the district in terms of spatial planning is land tenure; most of the land is either under a claim, communal ownership or under the custody of the house of traditional leaders. Secondly another challenge to spatial planning is dispersed housing settlements which makes it either too costly to provide basic services or virtually impossible. The district SDF has proposed the development of settlement plans throughout the district area as a remedial action to the current spatial planning challenges.

This is not the function of the District municipality.

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received						
Determination made in year of receipt						
Determination made in following year						
Applications withdrawn						
Applications outstanding at year end						
						T3.10.2

Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Determine planning application within a reasonable timescale	Approval or rejection of all build enviroment applications within a x weeks	Determination within x weeeks	Determination within x weeeks	Determination within 12 weeeks	Determination within 12 weeeks	Determination within x weeeks	Determination within 11 weeeks	Determination within 8 weeeks	Determination within 8 weeeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	X planning decisions overturned	4% planning decisions overturned	No planning decisions overturned	No planning decisions overturned

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.* T3.10.3

Employees: Planning Services						
Job Level	Year -1	Year 0				COMMENT
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	3	3	3	0	0%	
4 - 6	2	6	5	1	17%	
7 - 9	0	2	0	2	100%	
10 - 12	0	2	0	0	0%	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	0%	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	0%	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	0%	NOT ON ORGANOGRAM
Total	5	13	8	3	23%	

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.10.4

Financial Performance Year 0: Planning Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees		5667266	6221293	3788136	-50%
Repairs and Maintenance		1000000	1000000	805314	-24%
Other		15966000	15966000	10156498	-57%
Total Operational Expenditure		22633266	23187293	14749948	-53%
Net Operational Expenditure		22633266	23187293	14749948	-53%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.10.5*

Capital Expenditure Year 0: Planning Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	400000	400000	0	0%	
GIS UPGRADE	400 000.00	400 000.00			
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.10.6*

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3.11 LOCAL ECONOMIC DEVELOPMENT

3.11.1. ANDM LED STRATEGY

ANDM IDP identifies, inter alia, Local Economic Development as one of the key performance areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life. LED aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life by realizing a locality's full comparative advantage.

The ANDM LED Strategy was adopted in 2012, as informed by the municipal IDP. The strategy serves as a guiding document for the implementation of District LED initiatives – providing a general overview of District economic drivers. The document identifies the key sectors within the Alfred Nzo District to be Government Services, Agriculture, the Trade and Commercial Sector as well as Tourism.

The majority of projects within the District are concentrated in the Business support and Enterprise development sector (28%); Agricultural sector (25%) and Infrastructure projects (22%).

With regard to the contribution being made to the local economy in facilitating job creation through LED services (in year 1):

The District LED Strategy identifies programmes and initiatives that are designed to facilitate job creation through LED, which include:

Mobilisation and Optimal Use of available Resources for LED;

Infrastructure Development;

LED Governance and Regulation;

Strategic Support to Key Economic Sectors; and

SMME Development & support.

3.11.2. TOP 3 SERVICE DELIVERY PRIORITIES:

As per the ANDM LED Strategy, the Agricultural Sector is showing that the sector's contribution to the district economy is not in line with its contribution to employment – the sector creates employment, but has low levels of productivity.

ANDM has previously participated in a study conducted by Cacadu District, researching the potential for the production of maize in the Eastern Cape. The study indicated that the animal feed industry in the Eastern Cape is mostly dependant on grain imported from other production areas, although the Eastern Cape has areas that are suitable for maize production (with Alfred Nzo indicating high potential for maize production). The District has since invested in a masterplan to guide the development of the grain production industry. Therefore, **the first service delivery priority** for LED is:

> ***To increase the level of production within the Agricultural sector****, in order to increase food security, sell the production surplus, where the intended outcome is to reduce high levels of unemployment and increasing district economic growth and development.*

SMME Development and Support has been identified by the District LED Strategy as having potential to create employment opportunities and facilitate job creation. ANDM has thus embarked on the development of an SMME Strategy; to provide a guide in terms of the various types of programmes that may be implemented in order to stimulate economic growth within the SMME sector of the district.

The SMME sector is faced with a number of challenges that relate to an under-developed SMME sector; which is not able to significantly and positively contribute to economic growth and development and the creation of sustainable jobs for the residents of the district.

The second service delivery priority for LED is:

> *To implement programmes that **build the capacity of SMMEs** in the District; to have an SMME sector that takes the lead in the provision of decent and sustainable employment – thus stimulating the District's economic growth and development.*

CHAPTER 5 – FINANCIAL PERFORMANCE

The Tourism Sector within ANDM is characterised by fragmented tourism activities that are boundary specific to local municipalities within the District. Even though the District is strategically positioned with a Coast-side and Mountainous inlands, there remains a lot of potential to explore the area and develop the Tourism sector.

The District has embarked on the development of a Tourism Sector Plan, as a way to create a framework for implementing a collection of initiatives or programmes under one umbrella to grow regional development and assist in economic development of the region through tourism.

The **third service delivery priority for LED** is:

the development of the District Tourism sector through the provision of infrastructure for a sustainable Tourism Industry that will in turn contribute to the District's economy.

Measures taken to improve performance and the major efficiencies achieved by your service during the year:

1. ANDM GRAIN PRODUCTION MASTERPLAN - IMPLEMENTATION

In response to the gaps identified in the Agricultural sector in the region; and in response to the high potential identified in ANDM for the production of maize, the District has embarked on the implementation of the Grain Production Masterplan implementation process. The document serves as the masterplan for the development of the grain industry in the District. It is an investment attraction tool, giving a comprehensive report on the areas with high yield potential, and also gives recommendations as to how the value-chain can be exploited; from production to markets. Since the development of the Master Plan, implementation has been underway in the Mbizana Local Municipality through the implementation of the Red Hub Programme, led by the Eastern Cape Rural Development Agency working together with Mbizana Local Municipality, Alfred Nzo District Municipality and the Department of Rural Development and Agrarian Reform. Furthermore a similar implementation process guided by the Master Plan is under implementation in the Matatiele Local Municipality, through the financial aid of the Masisizane Fund. Both these programmes can be viewed as catalysts to the overall development of an industry and value-chain in the agro-processing industry.

2. GRAIN PRODUCTION

The Grain Production Programme is in response to the Grain Production Masterplan however on a small elementary scale, based on the level of development of the District's subsistence farmers. The long term plan is to covert these farmers into, small holder and commercial farmers able to realise the full objectives of the ANDM Master Plan. The overall objective of the programme is to increase the level of production and development within the agricultural sector, in order to increase food security and sell the production surplus and eventually create a fully-fledged industry.

In the current period, ANDM identified (120) hectares of land for crop production. Communities provide the land and labour to the initiative, to ensure that assistance is provided to them for a limited amount of time; enough to ensure that there is a level of skills transfer. The grain produced in this programme is mainly for subsistence farming purpose, where a surplus is sold to the market.

3. POVERTY ALLEVIATION PROGRAMME

ANDM has embarked on a Poverty Alleviation Programme, designed to intervene at a socio-economic level by providing small scale support to emerging projects and cooperatives/SMMEs which demonstrate potential to grow into better and more established business entities.

The District set aside financial resources in order to finance the needs of each project or cooperatives which have formally communicated required support for their respective project venture. This is an intervention that forms part of the foundation for the further development and mentorship of projects and SMMEs that will translate into sustainable business ventures; thus creating employment and reducing the District's poverty levels. 17 initiatives were supported through this programme.

Economic Activity by Sector			R '000
Sector	**Year -1**	**Year 0**	**Year 1**
Agric, forestry and fishing	2	1.5	1.5
Mining and quarrying	6	5	2
Manufacturing	56	58	63
Wholesale and retail trade	45	51	52
Finance, property, etc.	51	48	52
Govt, community and social services	23	25	25
Infrastructure services	34	38	41
Total	217	226.5	236.5
			T3.11.2

Economic Employment by Sector			Jobs	
Sector	**Year 1 No. (14/15)**	**Year -1 No. (12/13)**	**Year 0 No. (13/14)**	**Year 0** **ANDM TOTAL POPULATION = 801 344** **ANDM EAP = 40% of total population**
Agric, forestry and fishing	43 223	32 418	38 465	
Mining and quarrying	10 806	8 104	9 616	EAP = 320 538
Manufacturing	36 019	27 015	32 054	
Wholesale and retail trade	54 029	40 522	48 081	**Year -1**
Finance, property, etc.	25 214	16 209	22 438	**ANDM TOTAL POPULATION = 900491**
Govt, community and social services	97 252	75 641	89 751	**ANDM EAP = 30% of total population**
Infrastructure services	25 214	18 910	19 232	EAP = 270 147
Other/Unspecified	68 437	51 328	60 902	
Total	360 194	270 147	320 538	**Year 1**
			T 3.11.3	**ANDM TOTAL POPULATION = 900486** **ANDM EAP = 40% of total population** EAP = 360 194

LOCAL JOB OPPORTUNITIES:

The Alfred Nzo District is characterised by low levels of employment and a high percentage of people who are not economically active. This in turn accounts for the high poverty levels and low income levels.

With regards to the District's Gross Value Add (GVA) related to employment opportunities by sector:

Government Services are the largest contributor to the ANDM Employment Sector; showing that that District's economy is heavily reliant on this sector. It contributes approximately 28% of the Gross Value Adding (GVA) in the District.

Other sectors that play a noticeable contribution to the District's GVA include the Wholesale/Retail sector at 15%, Agriculture, Forestry and Fishing at 12% and the Manufacturing sector at 10% of total GVA.

Manufacturing Sector Expansion Potential

Agriculture (Grain Masterplan)

Forestry Expansion (27 000 ha to be developed)

Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -1				
Year 0				
Year 1				
Initiative A (Year 1)				
Initiative B (Year 1)				
Initiative C (Year 1)				
				T3.11.5

(We do not have a tool that we use to measure jobs created through led initiatives at the moment)

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -1	40	2,000
Year 0	50	2,900
Year 1	66	4,500
** - Extended Public Works Programme*		T3.11.6

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives / Service Indicators	Outline Service Targets	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Training of people in essential skills: x, y, z	Number of people trained (including retrained upskilled)	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T3.11.7

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	3	3	3	0	0%
4 - 6	0	4	3	1	25%
7 - 9	0	0	0	0	NOT ORGARNOGRAM
10 - 12	0	0	0	0	NOT ORGARNOGRAM
13 - 15	0	0	0	0	NOT ORGARNOGRAM
16 - 18	0	0	0	0	NOT ORGARNOGRAM
19 - 20	0	0	0	0	NOT ORGARNOGRAM
Total	3	7	6	1	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.11.8*

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Financial Performance Year 0: Local Economic Development Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120.00	125.00	100.00	95.00	-32%
Expenditure:					
Employees	604 126.32	1 589 595.85	1 481 662.29	1 428 737.79	-11%
Repairs and Maintenance	25.00	244.00	250.00	248.00	2%
Other	45.00	244.00	250.00	248.00	2%
Total Operational Expenditure	604 196.32	1 590 083.85	1 482 162.29	1 429 233.79	-11%
Net Operational Expenditure	604 076.32	1 589 958.85	1 482 062.29	1 429 138.79	-11%

Capital Expenditure Year 1: Economic Development Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.11.10

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3.12. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special Programmes Unit (SPU) is a located in the office of the Executive Mayor and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. child care, youth, gender, older persons, people with disability and HIV & AIDS. Special Programmes coordinates and implement municipal programmes related to the vulnerable groups. The unit advises the municipality in policy development and other strategic documents and programmes to favour the above mentioned groups.

During the year under review the municipality has conducted a series of programmes targeted at the above mentioned special groups. The SPU has developed Children, Older Persons, Gender, Youth, Disability and HIV & AIDS policies respectively and they were adopted the Council.

- *Community empowerement programme*

The community empowerment programme was not achieved as per the set target due to relocation the programme to another directorate within the institution.

- *Child Care*

Five hundred (500) Orphans and vulnerable children were supported with school uniforms.

Four (4) pre-school were supported with pre-school material

Early parenting dialogue and Where are u father Campaign were conducted

- *Aged Care*

Six older person projects were supported

Conducted active ageing programs and golden games

- *HIV and Aids*

Eight (8) Support groups and Eight (8) Community Based Organisation were trained and supported with Home based care kit and Gardening inputs.

HIV and Aids strategy was reviewed

Conducted a summit of people living with HIV and Aids

Conducted twelve (12) HIV and Aids awareness campaign

- *Youth*

Conducted a seminar on youth economic opportunities

Conducted a summit on National Youth Policy in partnership with the Presidency (Vision 20 20)

Launched Young Women's Network and trained the structure

Conducted twenty (20) alcohol and substance abuse awareness campaign.

Examination roadshows and student assistance program

District Career Guidance Seminar

- *Gender*

Hosted a provincial event on six days of activism

Conducted gender violence awareness campaigns

Early parenting dialogue

- *Disability*

Reviewed disability forum and workshop

Disability awareness campaigns

Participated on national disability awards in partnership with Vallahala

Support forty (40) disability communities with 40 wheel chairs in partnership with Coega Development Agency

3.12.1. SERVICE STATISTICS FOR CHILD CARE

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Older Person's Care and Support	To coordinate and facilitate the integration and mainstreaming of Older Persons programmes to keep societal norms and values and to maintain their respect and dignity	8 Achieved	08 Achieved	8 Achieved	8 Achieved	8 Achieved	8 Achieved	8 Achieved	
Coordination of District Childrens development programmes, care and support	To facilitate the creation of an environment that will be conducive for growth and development of children by coordinating government departments and civil society with the district	08 Achived	08 Achived	08 Achived	08 Achived	08 Achived	08 Achived	08 Achived	
District Gender Programmes Coordination care and support	To create an environment that is free of barriers , prejudice and stereotypes in-order to maximize access of people with disabilities to basic services	09Achived	09Achived	09Achived	09Achived	09Achived	09Achived	09Achived	
Youth Development programmes and implementation	To identify skills , coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in collaboration with other stakeholders	08 Achived	08 Achieved	08 Achived	08 Achived	08 Achived	08 Achived	08 Achived	
HIV and AIDS Coordination Care and Support programmes	To support functioning of all HIV and AIDS council structures through coordination of programmes	03 Achieved	03 Achieved	03 Achieved	03 Achived	03 Achieved	03 Achived	03 Achived	
HIV and AIDS Awareness Programmes	To sensitise communities about HIV and AIDS epidemic and its impact in the socio economic development of the individual, families and community at large	03 Achieved	03 Achieved	03 Achieved	03 Achived	03 Achieved	03 Achived	03 Achived	

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T 3.14.3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	5	6	5	1	17%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	8	7	1	13%

Financial Performance Year 0: Child Care; Aged Care; Social Programmes					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120.00	125.00	100.00	95.00	-32%
Expenditure:					
Employees	2 836 729.48	2 740 582.73	2 566 329.19	2 419 750.81	-13%
Repairs and Maintenance	25.00	244.00	250.00	248.00	2%
Other	45.00	244.00	250.00	248.00	2%
Total Operational Expenditure	2 836 799.48	2 741 070.73	2 566 829.19	2 420 246.81	-13%
Net Operational Expenditure	2 836 679.48	2 740 945.73	2 566 729.19	2 420 151.81	-13%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.14.5

Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.56.6

Special Programmes Unit is a located in the office of the Executive Mayor and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. child care, youth, gender, older persons, people with disability and HIV & Aids. Special Programmes coordinates and implement municipal programmes related to the vulnerable groups. The unit advise the municipality in policy development and other strategic documents and programmes to favour the above mentioned groups.

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An Environmental Management Framework (EMF) can be defined as a study of the biophysical and socio-cultural systems of a geographically defined area to reveal where specific land uses may be best practiced and to offer performance standards for maintaining appropriate use of such land. It serves as a blueprint that will guide government's strategic and spatial planning, to ensure that sustainability is attained and resources optimised. An EMF also serves as a guide to ensure that there is compatibility between plans and the state of the environment to allow for the integration of environmental management measures into the plans. An EMF is part of a suite of Integrated Environmental Management (IEM) tools that can be used to support informed decisions regarding the management of the impacts on the environment that can arise out of human activities and development. An EMF also functions as a support mechanism in the Environmental Impact Assessment (EIA) process in the evaluation and review of the development applications as well as informs decision making regarding land-use planning application.

3.13. POLLUTION CONTROL

Climate Change vulnerability assessment-the assessment was completed and vulnerability maps were completed.

with climate change vunerability assessment, a climate change committee was established and this committee ensured that a climate change summit is hosted where different stakeholders were invited to participate in incoperating the climate change issues into the planning of the municipalities within Alfred Nzo District Municipality.

The seating of climate change committee meetings continued every quarter and learning exchange programs were identified and initiated. Currently ANDM climate change committee has established a partnership with OR Tambo District Municipality.

During 2014/15 financial year, a climate change response strategy was developed but not completed due to delays in the appointment of service providers. This strategy outlines exactly what impacts will be caused by climate change and how best can municipalities respond to these impacts.

Integrated Waste Management Plan- this plan has been completed and will be implemented starting from July 2015 onwards.

Water Safety Plan-this plan was completed and adopted by council. The plan assists in ensuring that the municipality provide clean drinking water to its communities.

Project Steering committees were established to ensure that these projects are a success and are adressing the pollution problems that are facing Alfred Nzo District Municipality.

With integrated waste management plan, an awareness was done to stakeholders on how to manage waste. This led to schools taking an initiative in managing waste as such there were request from certain schools for supply of waste receptacles but only one school benefited from this because the municipality did not have enough budget to assist the schools.

N/a- air quality function was delegated to DEDEA and therefore the statistics can be sourced from DEDEA

There were four capital projects that were planned for ANDM pollution control but only one capital project was implemented and that was Mt Frere Waste Buyback Center. The other three capital projects were Matatiele Waste Buyback Center, Ntabankulu Waste Buyback Center and Mbizana Waste Buyback Center were not implemented due to limited financial resources even the Mt Frere Waste Buyback Center was funded by the municipality of Ostersund in Sweden through a partnership that Alfred Nzo District Municipality had with it.

3.14. BIO-DIVERSITY & LANDSCAPE

This is the competency of the Local Municipalities, the district only assist in facilitating funds for the implementation of projects relating to this component.

1.SOURCE FUNDING FOR MATATIELE LOCAL MUNICIPALITY:

source funding for Matatiele Nature Reserve and Ecotourism Gateway Complex. This application was successful and the project is already under implementation. Department of Environmental Affairs funded the project with R7000 000.00.

PAC has been esblishedcomprising of ward councillors, community members, Matatiele LM officials, ANDM officials, DEAofficials and appointed service provider for this project

Ward councillors are currently busy identifying project beneficiaries/employees

2.SOURCE FUNDING FOR UMZIMVUBU LOCAL MUNICIPALITY:

Source funding for Umzimvubu street cleaning and beautification. The application to Department of Environmental Affairs for this project was successful and the project was funded with R15 174 184.00

Project is at its implemetation phase and no challenges are incured to date

3.SOURCE FUNDING MBIZANA LOCAL MUNICIPALITY-

Source funding for establishment of Mthamvuna Nature Reserve. The The application to Department of Environmental Affairs for this project was successful and the project was funded with R10 000 000.00

Project is at its implementation phase and service provider appointed is working well with the communities arounnd the proposed nature reserve.

These projects are assisting the communities residing in these Local Municipalities in securing job opportunities and being able to earn a living. The project conditions are that they should be implemented using the EPWP.

F: MUNICIPAL HEALTH SERVICES

Note: Recent legislation includes the National Health Act 2003.

As per the National Health Act 61 of 2003, the Municipal Health Services are a responsibility of the district municipalities and metropolitan municipalities.

This then assisted the ANDM to incur and take over this function from the national and provincial governments. It is on this basis that even the National Treasury is funding the district municipalities to carry out this function through the ES under Community Services.

The organogram of ANDM is taking care of the function, although there should be improvement and compliance based on the World Health Organisation's norms and standards that each EHP should service 10,000 population (1:10,000).

In 2013/14 we were at 1: 44,555 then 14/15 ratio has increased to 1: 50,125. It needs to be noted that we are not improving and instead we are dropping the standards of compliance, and this could adversely affect the municipality performance and compliance (leading to the service being recalled by National Dept of Health here in ANDM only)

3.15. MUNICIPAL HEALTH SERVICES KPAS

WORLD ENVIRONMENTAL HEALTH DAY COMMEMORATION

The international theme by World Health Organisation (WHO) for 2014 was "*Addressing Environmental Health Inequalities*". South Africa is adopting "*Placing Environmental Health at the heart of human health*" as a slogan for years to come in ensuring that prevention is key to healthier lives and better health.

ANDM was an active part in the commemoration of WEHD in 2014, and as such the Manager: MHS of this district was facilitating the some parts of the deliberations and presentations of the national event.

As part of these celebrations/ commemoration, National Dept of Health also has an Alfred Nzo Environmental Health Award (which gets to be awarded to the best EHP/s that have made a vast difference in the implementation of environmental health services in their respective areas of operation.

ANDM was also part of receiving the award (which was collected by CDS Portfolio Head (Cllr VNS Mdingazwe), and Head of Department (Mrs DN Ngxenge). The receiving EHP was Ms Thulisile Ngcongo and team.

SUPPORT VISIT TO ANDM BY SOUTH AFRICAN INSTITUTE OF ENVIRONMENTAL HEALTH PRESIDENCY

We, as ANDM MHS Management (under the umbrella leadership of CDS MMC and HoD) welcomed the President and his entourage in the district. The main areas of focus were our strengths of having a leadership that is always readily available to delegate its authority when the need arises, of always willing to support and assist whenever it is necessary.

The ANRIEH was launched in 2012 and has slowly but surely assisted in the operations of the MHS and EHS in the district

The good co-operative governance that we portray in this district is marvelous and also it needs to be noted that it does work for us as government departments respond well when co-ordinated by us, the examples are Social Development (on the issue of ECDCs), ECDoH on the issue of forensic pathological services, the list is endless.

That shows then that we do adhere to the slogans of the President of the country that says 'working together we can do more'- 'together we move South Africa forward'.

The SAIEH President was very instrumental in showing that there is no way we can take the profession forward if we do not work as a team, if we do not properly render the service as it is stipulated in the Scope of Profession that was designed by SAIEH and signed off by the Minister of Health as an authentic and legal document that could be used by all South African employers (DMs and Metros rendering MHS, DoH rendering Port Health Services and hazardous substances).

Very recently SALGA has requested him to craft MHS by-laws that are going to be used across the board by all DMs and Metros. He shared with us that the document is to be presented to SALGA MHSMF to be held sometime in May 2015. This will then be circulated for our inputs, as stakeholders of interest, etc, finalized and then given to DMs and MMs for implementation.

He again shared with us that the Minister of Health (Dr Aaron Motsoaledi) has requested him to co-ordinate all queries and dissatisfaction (with evidence where possible) related to mal-administration that is experienced by EHPs when dealing with Health Professions Council of South Africa (HPCSA). This was to assist the Minister to properly investigate and re-structure the council administration accordingly so that it could assist him and government in attaining a seamless administration.

SAIEH, SALGA, NDoH and municipalities have to work together and very hard to achieve the proper implementation of MHS at the WHO standards.

IN HOUSE CAPACITY BUILDING DONE BY EHPS TO EHPS ON MAJOR AREAS OF CONCERN IN OPERATIONS

SAIEH and HPCSA (Professional Board for Environmental Health) advised that it would be to our professional growth advantage if we as ANDM would apply for a training status to HPCSA. It would assist us to spend less in the CPD and CEU requirements by HPCSA.

This we did, but did not 100% succeed. Nevertheless, we continued with the training of EHPs by EHPs internally, and this was very motivational for us in a big way. This is shown by the completion of the programme as is to follow:

Topic to train on	Presenter/ Trainer (Name and place of operation)	Date, time and venue for training
1. Hazardous substances vs Chemical Safety	Miss B Mhlongo ECDoH Bisho	26 July 2014 Total hours – 2 hours Mt Ayliff (DMC)
2. Financial Management and Environmental Health	Ms CT Manciya Manager: MHS Mt Ayliff	08 October 2014 Total hours – 3 hours Mt Ayliff (Conference Centre)
3. Researchable topics in Environmental Health	Mrs B Nokwe CEHP Mt Frere	08 October 2014 Mt Ayliff (Conference Centre)
4. How could you fit in MHS into the Strategic Processes of the District Municipality	Miss S Ntshengulana CEHP Ntabankulu	06 November 2014 3 hours Mt Ayliff (Disaster Management Centre)
5. Children's Environmental Health: Sanitation, Nutrition, Food Safety, Toxins	Miss N Manciya CEHP Mt Ayliff	06 November 2014 3hours Mt Ayliff (DMC)
6. Disaster Management and Environmental Health	Mrs B Mpinda CEHP Mbizana	06 November 2014 3hours Mt Ayliff (DMC)
7. Safe ways of dealing with Health Care Risk Waste from cradle to grave	Miss A Dlongwe EHP Mt Ayliff	21 November 2014 3 hours Matatiele (DMC)
8. National Environmental Health Policy	Mr M Mahahasi CEHP Matatiele	21 November 2014 3 hours Matatiele (DMC)
9. Milk quality control vs safe consumption of milk	Miss N Kaka EHP Matatiele	21 November 2014 3 hours Matatiele DMC
10. Effects of Handling Or Staying in houses roofed with Asbestos	NG Beba EHP Mt Frere	21 November 2014 (3 hours) Matatiele DMC
11. Water, Sanitation & Health (Interlink the 3)	N Mamba-Dlamini EHP Matatiele	21 November 2014 3 hours Matatiele DMC
12. Meat Safety in Butcheries	Miss T Manci EHP Matatiele	12 December 2014 3 hours Mt Ayliff ESC
13. Effects of consuming peanut butter with high levels of aflatoxin	Mr B Alveni EHP Ntabankulu	12 December 2014 3 hours Ntabankulu DMC
14. Role of MHS in Solid waste management	Mrs PK Wakashe-Moloi	16 January 2015

	EHP Mbizana	3 hours Mbizana Cultural Village
15. Proper ways of disposing contaminated, used disposable nappies	N. Nelani-Balasane EHP Mt Ayliff	16 January 2015 3 hours Mbizana Cultural Village
16. Role of Environmental Health in Rabies	Miss PP Mbanyana-Langa EHP Mt Frere	16 January 2015 3 hours Mbizana Cultural Village
17. Water quality monitoring	T Ngcongo-Mtshengu EHP Matatiele	10 February 2015 3 hours Mt Frere DMC
18. Effects of Drinking Water from Drums Previously storing Chemicals	A Gila EHP Mbizana	10 February 2015 3 hours Mt Frere DMC
19. Effects of roofing material on water quality	NS Dlakavu CEHP Mbizana	
20. Ethics in Environmental Health Phase 2	CT Manciya Manager: MHS Mt Ayliff	10 February 2015 1 hour Mt Frere
21. Effects of handling toys contaminated with lead	PAM Ngejane EHP Ntabankulu	10 March 2015 3 hours Mt Ayliff DMC
22. Impacts of vectors to human health	N Mguzumbane EHP Ntabankulu	10 March 2015 3 hours Mt Ayliff DMC
23. Linkage between health surveillance of premises and food safety	AA Gwiji EHP Matatiele	16 April 2015 3 hours Ntabankulu DMC
24. Environmental Health Impact Assessment link with regulations	T Seleso EHP Matatiele	16 April 2015 3 hours Ntabankulu DMC
25. Association of biomass with respiratory problems to women aged 40-60 years	M Mkhalane (Ass. Director: Environmental Health) Dept of Health	16 April 2015 3 hours Ntabankulu DMC

FOOD SAFETY AND CONTROL

Good governance: food safety and awareness programmes, and since the function is new to district municipalities, this assisted them in understanding and accounting for the function that has no been their responsibility

Samples are taken for both bacteriological and chemical analysis. Food swabs are also taken to ascertain the level of environmental hygiene in food handlers (at schools, and food handling outlets.

Awarenesses in schools around food preparation and storage is also done. This takes care of educators who are co-ordinators of school nutrition programme (SNP) and food handlers

Evaluations and meat safety awarenesses are done in butcheries, specifically to look at the adulteration of meat which has been a cry in the country (especially from National Parliament).

Build up to World Health Day (theme: Food Safety) was conducted at Thabachicha (Matatiele). Sorrounding DMs were also invited and they participated in giving us messages that relate to how they deal

with food safety in their areas of operation. The municipalities were: OR Tambo District Municipality, Joe Gqabi DM, Ugu DM and Harry Gwala DM. The Eastern Cape Department of Health (Provincial Office in Bisho) was also part of us as the guest speaker of the day.

WATER QUALITY MONITORING

Ensuring that the water consumed by our communities is potable, and complies with SANS 0241, by taking and analysing water samples (on site and in the laboratory).

In clinics and hospitals water samples are taken on a monthly basis to ascertain compliance with core standards (as enacted in NHA 61 of 2003)

HEALTH SURVEILLANCE OF PREMISES

Evaluation/ inspection of businesses (rural & urban), all government premises as required by law, and there has been a remarkable change in the maintenance of government institutions (with specific reference to hospitals, clinics and schools). Even with the business world, a very remarkable improvement has been noticed.

Local Municipalities are in a way recognising the importance of involving MHS in Building Plans of which other LMs were not considering this as important for years.

Norms and Standards for Environmental Health are enforced, (Health Certificates are currently issued considering the specification in Norms and Standards)

ENVIRONMENTAL POLLUTION CONTROL (AIR QUALITY MONITORING)

ANDM is embarking on strategies to mitigate and adapt to effects of Climate Change, and out of this workshops and trainings are being held to put the EHPs on par with the advantages and disadvantages of adverse conditions of climate change and what are the deadly effects thereof. It also capacitates EHPs on the do's and don'ts for mitigation and prevention.

Further engaged on the IAQM where EHPs were trained for the 1st time on IAQM.

Community survey was once conducted to ascertain the levels of exposure of communities to biomass fuel from daily domestic activities the communities are practicing. Village of Sidanga was piloted as this area was using a lot of bio-mass. Awareness was made to this village specifically for IAQ.

Arrangements have been made with WSU to utilize their Laboratory for Indoor Air Pollutants sampling & analysis. The exercise will carry on even in 2015/16 Financial year.

Results will be used to improve the quality of lives of Alfred Nzo Citizens through limiting exposure to Indoor Air Pollutants.

ALFRED NZO

DISPOSAL OF THE DEAD

Environmental health awareness on processes followed when conducting exhumation and interment of dead bodies.

Through intensive awarenesses, application for exhumations have increased, and this is also accompanied by compliance with health requirements as well.

Forensic Pathology Services (being government facilities) have been stuck with unclaimed corpses, but after the active intervention of EHPs, the tables have turned for the better now, as these mortuaries are starting to comply with minimum health requirements.

Private funeral parlours have started to comply with Regulation 363 National Health Act 61(No 61 of 2003), and as a result they are encouraged to apply for CoCs.

CHEMICAL SAFETY

Capacity building on hazardous substances has been done and this has also improved management on sale of organo-phosphate without authorisation.

Environmental health investigations and education on chemical poisoning (with specific reference to organo-phosphate)

Impacts of Lead in Toys: ANDM has identified the need to conduct awarenesses to ECDCs on Impacts of Lead in toys so as to make them aware of that not all toys are as good as they look, others may carry potential hazards such as lead and arsenic. Pilot study was done in St Monica's ECDC (Matatiele) where education was done to Educators and Parents.

Toys were to be taken for analysis to NMMU.

Awareness done to hawkers in paypoints on dangers of decanting and improper labeling

SURVEILLANCE & PREVENTION OF COMMUNICABLE DISEASES

Awareness on prevention of communicable diseases. This assisted in increase on notification of these communicable disease (especially animal bites) and the improvement on cases that have finalised their rabies treatment proves beyond reasonable doubt that our people are taking animal bites seriously now.

Investigation of communicable diseases (especially dog bites)

Emergency Preparedness Response awarenesses are conducted with IDMS to communities identified by MHS as high risk areas, through funds allocated under IDMS.

VECTOR CONTROL

Evaluation on businesses and government institutions relating to prevention of occurrence of vectors (and as a result we do not have a challenge of Alexandra rodents in ANDM and this is because our businesses are preventing the occurrence of vector harbourage.

3.15.1. SERVICE STATISTICS FOR MUNICIPAL HEALTH SERVICES

FOOD SAFETY AND CONTROL

266 food samples taken and analysed for bacteriological and chemical analysis, and 408 awarenesses covering the critical areas of the population

ENVIRONMENTAL HEALTH AWARENESS

409 awareness programmes conducted on: surveillance and prevention of communicable diseases, environmental pollution control (inclusive of air quality and climate change adaptation), chemical safety, vector control and disposal of the dead

HEALTH SURVEILLANCE OF PREMISES:

1045 businesses & government institutions inspected and reports are discussed with relevant authorities

WATER QUALITY MONITORING:

766 samples were taken and analysed. (Water samples were analysed at NHLS and onsite analysis was used. Awarenesses are conducted to areas (communities, government institutions and businesses) where analysed water samples are non-compliant.

MHS Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2013/14		2014/15			2015/16	16/17	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensure that a comprehensive municipal health service package is rendered throughout the district									
Water Quality Monitoring To reduce prevalence rate of water borne related illnesses through water quality monitoring	To monitor the quality of water supplied to the communities by ANDM through taking, analysis & reporting of water samples	336	581	336	744	766 (NHLS &Onsite analysis)			
	Awareness campaigns conducted to areas that have been identified not to have potable water supplies	100% of areas without potable water	388 samples did not comply and immediate awareness was conducted	100%	408	409			
Food Control & Safety - To monitor quality of food that reach ANDM consumers - To reduce rate of food borne disease outbreaks	Number of food safety awareness campaigns conducted Number of food samples taken, analyzed and communicated Certificate of Acceptability issued to qualifying food businesses	408 769 70	423 40 (chemical analysis) 87	408	408 204	408 266 (Both chemical & bacteriological) 38			
Health surveillance of premises To ensure that food and non-food businesses,	Number of businesses, and govt institutions inspected	900	1043	900	420	1045			

MHS Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2013/14		2014/15			2015/16	16/17	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
schools, and govt buildings are evaluated and monitored									
Surveillance & prevention of communicable diseases -Ensure that communicable diseases within Alfred Nzo are effectively prevented, and even the cross-boundary issues are properly addressed Epidemiological surveillance of diseases	Number of awarenesses conducted on prevention and control of communicable diseases.	408	423	408	408	409			
Disposal of the dead	Number of awarenesses on disposal of the dead	408	423	408	408	409			

Employees: Municipal Health Services					
Job Level	Year -1	14/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	1	1	0	0%
4 - 6	19	25	18	0.6	24%

Note: The trend is that positions, once vacated, are not easily filled such that others get to be extinct (like the Assistant Manager: MHS that was vacated in April 2014. It was never filled, up until the post was removed from the organogram. Another EHP was vacated in March 2015, and 4 months has elapsed without it being filled. This adversely affects the compliance with WHO which requires a compliance of 1: 10,000

In 2013/14 we were at 1: 44,555 (with 18 EHPs) then 14/15 ratio has increased to 1: 50,125 (with 16 EHPs). It needs to be noted that we are not improving; instead we are dropping the standards of compliance. This is adversely affecting the

municipality performance and compliance (and could lead to the service being recalled by National Dept of Health here in ANDM only).

Financial Performance Year 0: Municipal Health Services					
R'000					
Details	2013/14	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance To Budget
Total Operational Revenue	21,606	17,404 (MHS ES)		17, 404 (MHS ES) 2,101 (ECDoH)	%
Expenditure:					
Employees	6,500	8,500	8,500	7,429	14,4%
Repairs And Maintenance	-	-	-	-	%
Other	4,000	5,500	5,000	4,358	26%
Total Operational Expenditure	10,500	14,000	13,000	11,787	18.8%
Net Operational Expenditure					%

Financial Performance Year 0: Municipal Health Services					
R'000					
Details	2013/14	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance To Budget
Total Operational Revenue	21,606	17,404 (MHS ES)		17, 404 (MHS ES) 2,101 (ECDoH)	%
Expenditure:					
Employees	6,500	8,500	8,500	7,429	14,4%
Repairs And Maintenance	-	-	-	-	%
Other	4,000	5,500	5,000	4,358	26%
Total Operational Expenditure	10,500	14,000	13,000	11,787	18.8%
Net Operational Expenditure					%

Capital Expenditure Year 0: Municipal Health Services					
R' 000					
Capital Projects	14/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	200	150	148	26%	
Purchase of water sampling kits	200	150	148	26%	200

The capital projects are majorly the procurement of sampling equipment which is assisting on on-site sampling and quick analysis of water samples. As time goes by there will be need for a fully-fledged mini laboratory which will need accreditation for the institution to sample and analyse even food samples. This will also reduce costs and on transporting the samples to Cape Town and Johannesburg and at the same time minimize the risks of having a tangible result

G: SECURITY AND SAFETY

The functions that are carried out by ANDM are Fire and Rescue Services, and Disaster Risk Management. These are carried out following the legislative mandate set out in *the Disaster Management Act and Fire Services Act*

3.16. FIRE AND RESCUE SERVICES

Fire and Rescue Services is a unit under Community Development Services Directorate Services Directorate, responsible for ensuring the safety of ANDM community and visitors by; providing effective emergency response services and quality prevention and education programmes that will minimize the loss of life and property resulting from fires and other emergency situations.

The Fire and Rescue Service Unit is organized into four divisions. Each division has functional Sections which are responsible for the accomplishment of specific functional goals and objectives.

3.16.1. THE DIVISIONS FIRE AND RESCUE SERVICES

MANAGEMENT & ADMINISTRATION

The Management and Administration division is responsible for all management and administrative functions in Fire and Rescue Services unit. It is therefore responsible for budget management and control thereof, human resource management, establishing organizational principles and processes and providing motivation and discipline. Furthermore, the monitoring and management of performance and risk management are key functional roles of the division so as to ensure excellence of service delivery and a safe and healthy environment for all communities.

OPERATIONS

The Operations Division is responsible for fire suppression and rescue and is the backbone of the Fire and Rescue Service. The key objective of the division is to ensure that the Fire and Rescue Service is always prepared to provide a 24 hour uninterrupted fire and rescue response to all members of the community. Functions include fire suppression, technical rescue, hazardous materials, and urban search and rescue and disaster response services, operational risk familiarization and public fire education in partnership with other service divisions. This division also include Fire and Rescue service communications – dispatch services.

A. *The Communication Control Centre has handled 590 emergency calls and dispatched response vehicles/teams.*

B. *Through utilization of relevant resources the Fire and Rescue services has promptly respond to 590 fire related incidents, saving lives and property thus, ensuring stability in the district economy.*

SAFETY & SUPPORT SERVICES

The Safety and Support Services Division is primarily responsible for the achievement of the department's fire prevention, fire cause determination and fire protection strategies. It is also responsible for ensuring that all support services relating to the provision of a fire and rescue service are provided in a manner that contributes to the rendering of an effective service.

C. *180 occupancies have been inspected resulting into the registration of 61 flammable liquid and hazardous chemical handling sites and production of reports thereof.*

D. *Out of 48 building plans that were scrutinized, 31 were approved and 12 rejected pending noncompliance.*

IN-HOUSE AND PUBLIC TRAINING

The Training section is primarily responsible for the professional and continual skills development of firefighters and for public fire education to achieve preparedness objectives.

E. *Through extensive public education, public awareness programs and continuous training of fire fighters, the municipality has managed to reduce the impact of fire related incidents by 70% in 2014/15 financial year.*

District Fire Service Data					
	Details	Year 13/14	Year 14/15		Year 15/16
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	600	599	590	600
2	Total of other incidents attended in the year	233	190	121	170
3	Average turnout time - urban areas	10 min	7 min	10 min	7 min
4	Average turnout time - rural areas	30 min	45 min	30 min	45 min
5	Fire fighters in post at year end	54	54		53
6	Total fire appliances at year end	11	14	14	16
7	Average number of appliance off the road during the year	1	2	1	2

90% of the response time as stipulated in SANS 10090 was achieved in the financial.

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	1	1	1	0	0%
4 - 6	8	20	12	8	40%
7 - 9	38	96	38	58	60%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	47	117	51	66	56%

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3.17. DISASTER MANAGEMENT

Alfred Nzo District Municipality Disaster Risk Management Unit is responsible for an integrated institutional capacity for disaster risk management, risk assessment, risk reduction, response and recovery, this forms part of our endeavors aimed at sustainable communities.

Disaster risk management is a multi-disciplinary, multi-sectoral integrated and uniform process of planning that focuses on the prevention and reduction of risk of disasters, mitigating their severity, ensure emergency preparedness and also provide for the rapid response to disasters and post-disaster recovery.

Here are the projects for the year under review (2014/2015);

KPA	PROGRAMS (2014/2015 Financial Year)
Integrated institutional for disaster risk management	Employment of the HOC (August 2014) Capacitation of the District Disaster Advisory Forum Members and Technical Task Teams (05-07 May 2015) Sitting of the District Disaster Management Advisory Forum (4X quarterly) Review of Local Disaster Management Advisory Forums (all LM's October to December 2014) Established cooperation with neighboring district municipalities (Dec to June 2015) Construction of Mbizana Disaster Management Satellite Centre (
Disaster Risk Reduction	Adoption of the ANDM Disaster Risk Management Plan Updated the Disaster Risk Profile – December 2015
Disaster Response and Recovery	Procurement of relief material Responding to Hailstorm disaster at Ntabankulu Maintenance of Disaster Response Teams (June –June 15)

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SERVICE STATISTICS FOR DISASTER MANAGEMENT	
TYPE OF INTERVENTION	NUMBER
Declared disasters	3
Households assisted with disaster relief material	934
Awareness campaigns	21
Capacity building/training (number of beneficiaries)	50
Institutional capacity (advisory forum)	4
Disaster risk plans developed (Disaster Risk Management Plan, Disaster Management Policy Frame work and Risk Assessment)	3

Employees: Disaster Management					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	2	100%
4 - 6	0	0	0	0	0%
7 - 9	7	15	7	8	53%

Financial Performance Year 0: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	10 237 983.84	3 716 088.46	2 744 635.65	2 070 231.11	-80%
Repairs and Maintenance	-	-	-	-	0%
Other	-	-	-	-	0%
Total Operational Expenditure	10 237 983.84	3 716 088.46	2 744 635.65	2 070 231.11	-80%
Net Operational Expenditure	10 237 983.84	3 716 088.46	2 744 635.65	2 070 231.11	-80%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.22.5*

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H1: SPORT AND RECREATION

According to the municipal key performance area this unit belong to Good Governance and Public Participation, it directly involve members of the communities on heritage issues, community sport development and development of arts and culture.

13.18. HERITAGE AND MUSEUMS

Develop, protect and promote heritage site

ARTS AND CULTURE

Facilitate the establishment and functioning of Cultural centres

SPORTS AND RECREATION

Facilitate the development of sport and recreational facilities

3.19. SPORT AND RECREATION

3.19.1. SERVICE STATISTICS FOR SPORT ARTS CULTURE RECREATION AND HERITAGE

HERITAGE AND MUSEUM:

- *1 x Mowa memorial site fenced.*
- *O.R. Tambo legacy program conducted.*
- *Alfred Nzo legacy program conducted*

ARTS AND CULTURE:

- *1x District cultural activity conducted.*
- *1 x A lfred Nzo Choral music conducted*
- 4 x Traditional Leaders program cunducted and supported supported
- 2 x initiation program(abafana basentabeni) conducted and supported
- 1 x Grahamstowm national arts festival conducted.

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SPORT AND RECREATION:

- *1* x National Spar championship program supported.
- 1x horse racing program suported
- 1 x SAIMSA games conducted and supported
- 1 x SALGA program conducted and supported

SACR&H Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	14/15		15/16			-	-	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To co-ordinate SACR & H at a district level and to ensure that these services go uninterrupted and smoothly.									
Heritage and museum	Number of commemoration	3	3	3	3	3			
Sport and recreation	Number of sport programes conducted	3	3	4	4	4			
Arts and culture	Number of cultural activities conducted	1	1	5	5	5			

The component of SACRH is focusing mainly in coordinating and facilitating the development of sport and recreation, arts and culture, heritage and museum. The target major task is to develop heritage route that link all heritage sites within the district. Identify and develop undeveloped heritage sites within the district. Expose and develop the district youth on sport and recreation and arts and culture programmes. As the district is playing a co-ordination and facilitation role there is a challenge with regard to specific budget, this is based on the primary mandate of the entire municipality.

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H2: CUSTOMER CARE AND (ISD)

ISD & CUSTOMER CARE PUBLIC EDUCATION AND COMMUNITY AWARENESS PROGRAMM

The unit is responsible for ensuring existence of sound relations between the district municipality and its customers and further ensure maximum stakeholder participation in the development initiatives of the district through a people-centred approach to achieve sustainable development

1) *Customer Care Public Education and Community Awareness Programme.*
2) *Customer Care Centre Marketing.*
3) *Batho Pele Championship Programme.*
4) *Formally introduce ANDM Batho Pele Development and Implementation of ISD Guidelines.*
5) *Promotion of a crime free district through crime awareness programmes*

1) CUSTOMER CARE PUBLIC EDUCATION AND COMMUNITY AWARENESS PROGRAM

a) *4 x Customer Care Indaba(road shows)were conducted covering all municipalaties whin ANDM family of municipalities.*
b) *4 x water use awareness campaigns.*

2) CUSTOMER CARE CENTRE MARKETING

a) *5000 x information phamphlets has been developed and discributed.*
b) *All the municipal vehicles are trademarked with customer care line.*

3) BATHO PELE CHAMPIONSHIP PROGRAMME

a) *Forum is fully operational which include representetives from local municipalities and government department within ANDM area of jurisdiction.*

4) DEVELOPMENT AND IMPLEMENTATION OF ISD GUIDELINES

a) *ISD guidelines has been developed and implented .*

5) PROMOTION OF A CRIME FREE DISTRICT THROUGH CRIME AWARENESS PROGRAMMES

F. *Support has been given to local municipalities for implementation of local community safety plan.*

G.

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Employees: CC & ISD					
Job Level	13/14	14/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	1	0%
4 - 6	16	20	21	1	20%

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H3: THUSONG SERVICE CENTRES

Thusong Service Centers, formerly known as Multi-Purpose Community Centers (MPCCs) have been identified by the South African Government as the primary approach to address historical, social and economic factors, which limited access to information, services and participation by citizens, as they had to travel long distances to access these services, negatively affects their own empowerment.

1) THUSONG SERVICE CENTERS INSTITUTIONAL ARRANGEMENT

a) *Local center management committee which composed of all stakeholders within and arround Nophoyi Thusong Service Centre.*

b) *Intersectoral stakeholde engagements took place in order to finalise contractual agrements with leads government agencies within the centres.*

c) *Benchmarking has been conducted and best practise has been adopted.*

d) *Standart Operarating proceducers has been developed to serve as a guide the use of Thusong Services Centre facilities.*

2) CONSTRUCTION OF THUSONG CENTERS

a) *Nkantolo Thusong Service Centres – is at 40%.*

b) *Tabachicha Thusong Services Centres-is at 60.5%*

3) THUSONG CENTRE SERVICES

H. *Departments were engaged to provide services on wheels/mobile services as on going exertion.*

Employees: Thusong Service Centers					
Job Level	13/14	14/15			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	1	0	0%
4 - 6	0	4	1	3	75%

Challenges & Initiatives

Challenges	Initiatives
High vacancy (MHS: vacancy and staff turn-over; Fire & Rescue Services: operating the shifts with volunteers and Disaster Management: Information Management)	Filling of vacant post prioritised

Lack of Emergency Services and Disaster Management system, that lead to poor records keeping in line with legislation	Emergency Control room has been and emergency and disaster management system has been finalized during Q1
Customer Care Surveys program was implemented but triggered the rollover of the project which could not be implemented due to financial constraints	Rollover and implantation will be implemented during Q3
There were no response for suppliers (proposals for supply and management of vending machines)	Project will be implemented during Q4
Procurement of laboratory equipment has not been achieved due self declaration of the incapacity by the appointed service province.	Project to go back on tender in the next financial.
Alfred Nzo memorial lecture has been put in abeyance for further consultation with stakeholders	Alfred Nzo Legacy Program will be implemented during Q4 of 2015/16
Fire-fighting equipment, feasibility study for the training centre, and fire engines were not procured due to delayed SCM processes and that ended up being paid in the following financial year, thus hiccupping the budget for 1516	Proper implementation of the procurement plan
Volunteers (EPWP) are constituting 43% (of the workers that operate the shifts of the Fire Services, this then requires assigning resources worth millions to unemployed people.	Appoint fire-fighters so as to comply with SANS 10090
Construction of Mbizana Disaster Management Centre was not prioritised and yet it had an allocation of budget	Prioritise the construction this financial year

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I: CORPORATE POLICY OFFICES AND OTHER SERVICES

The responsibilities of the department include;

Human Resource Management which is responsible for providing management and staff with quality human resource support including career and compensation management, labour relations management and employee wellness

Human Resource Development which includes assisting new entrants into the labour market (NSDS), training and development of staff, Councillor Development and community empowerment.

Legal Services which includes all legal related matters of the whole Municipality such as litigation, contract management, advisory services, debt recovery, by law development and disciplinary proceedings.

Administrative Support

Information and Communication Technology (ICT)

3.21. FINANCIAL SERVICES

Employees: Financial Services / BTO					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	10	9	1	10%
4 - 6	24	27	24	3	11%
7 - 9	35	48	39	9	19%
10 - 12	0	0	0	0	not on organogram
13 - 15	0	0	0	0	not on organogram
16 - 18	0	0	0	0	not on organogram
19 - 20	0	0	0	0	not on organogram
Total	65	85	72	13	not on organogram

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*
T 3.25.4

Financial Performance Year 0: Financial Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	4 359 884.07	24792787	21 740 582.00	15 306 130.45	-62%
Repairs and Maintenance	-	0	0	-	0%

Financial Performance Year 0: Financial Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Other	-	0	0	-	0%
Total Operational Expenditure	4 359 884.07	24792787	21740582	15 306 130.45	-62%
Net Operational Expenditure	4 359 884.07	24792787	21740582	15 306 130.45	-62%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.5

3.22. HUMAN RESOURCE SERVICES

ANDM Human Resources Management and Development Division is responsible for the following:

1. Employee Health and welfare through the implementation of a sustainable Integrated Wellness Programme.

2. to ensure that a fully complaint to legislation IPMS and EPMS is imp[lamented and monitored

3. Promotion of sound labour relations and employee welfare

4. Development and review of policies and implementation of collective agreements as signed.

5. Review and adoption of the Organisational structure and organizational development strategies implemented in terms legislation.

6. Implement personnel management and payroll management.

7. Implement and coordinate the capacity building and training of employees and Councillors.

8. Implement graduate and non-graduate support programmes for ANDM Youth

ANDM Human Resources Management and Development Division is responsible for the following:

3.22.1 SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

ACHIEVEMENTS:

Integrated Employee Wellness Programme - 60 Counselling, follow ups Treatment and referral done at IDMS Technical Services. 120 consultations and referrals done for employees. 30 OHS inspections done on ANDM sites

Policy development and review - All 23 CPS policies were adopted by council.

The annual Employment Equity Report was submitted to the Department of Labour in January 2015.

Performance Management System - Performance contracts were signed by senior managers, level 2&3 managers

Performance assessment for level 2&3 managers were conducted for midterm

Review and adoption of the organizational structure -1 Reviewed organisational structure was adopted.

Coordination of all training and development programmes

District Job Evaluation Unit was established

External Bursary Scheme - 7 students were registered at tertiary institutions to study.

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2014/2015		2015/2016			2016/2017	2017/2018	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
number of employees and councillors trained	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP	100% implementation of the WSP
Improving speed of payroll administration to ensure that efficient and effective payroll administration	Commencement of the payroll monthly payroll adjustments within the prescribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly payroll adjustments within the presribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll montlhy payroll adjustments within the presribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll montlhy payroll adjustments within the presribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing
improve complaince with adopted policies and collective	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements	100% legal complaint policies and Collective Agreements

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2014/2015		2015/2016			2016/2017	2017/2018	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
agreements									
Training of unemployed graduates	Number of graduates	x graduates trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	8	11	7	4	26%
7 – 9	2	4	3	1	36%
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	NOT ON ORGANOGRAM
Total	11	16	11	5	31%

Financial Performance Year 0: Human Resource Services
R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	2 411 979.26	6 169 750.09	6 083 587.64	4 943 124.66	-25%
Repairs and Maintenance	-	-	-	-	0%
Other	-	-	-	-	0%
Total Operational Expenditure	2 411 979.26	6 169 750.09	6 083 587.64	4 943 124.66	-25%
Net Operational Expenditure	2 411 979.26	6 169 750.09	6 083 587.64	4 943 124.66	-25%

ACHIEVEMENTS:

Organogram approved by the Council on the 30 May 2015

Performance agreements for all section 56 managers.

ANDM developed and adopted a workplace skills plan for the 2015/16 financial year.

3.23. INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

1. ICT Infrastructure Assessment

2. Hardware and software evaluation

3. Improve operational efficiency and ICT diversity management

4.Assist municipality in making informed decisions when procuring systems/technology specifications to meet current and planned requirements

5. Provide guidance and information on proposed standards

3.23.1. ICT PROJECTS FOR 14/15 FINANCIAL PERIOD

SOFTWARE LICENSING AND MAINTENANCE

Seven (7) Licenses that were due for renewal were renewed and SLAs were signed for all ANDM systems. MS Licenses are due for renewal on July 2015.Implementation of automated backup, Mail Continuity and Disaster Recovery Solutions is still on the implementation stage. All ICT SLAs were reviewed and signed by both parties. The municipality has appointed service provider to implement the following:

1. Mimecast (Mail Archiving solution), this solution provides both archiving and continuity on emails. This solution will ensure that ANDM emails archived as they received and sent and also to ensure total availability of emails without down time. This project component is currently on the implementation stage, I will be concluded on the second quarter of 2016/16 financial period.

2. Automated backup solution, ANDM was relying on backup tapes for daily bakups which are not reliable hence they are hardware devices which can be broken or can be easily damaged and lead to lose of backup information. ANDM decided to move away from this solution to automated backup solution which is currently on the implementation stage. This solution will be implemented using Attix5 and I will be completed on the first quarter of 2015/16 financial period.
3. Disaster Recovery and Continuity Plan, ANDM has developed disaster recovery and continuity policy and appointed service provider to deploy Disaster Recovery for the municipality which will be completed on the fisrt quarter of 2015/16 financil period. ICT has also implemented Continuity site at ANDM Mt Ayliff DMC site. This site is not complete at the moment but lot of work has been done.

HARDWARE EQUIPMENT AND NETWORK UPGRADES

All budgeted hardware requirements were delivered. ANDM has implemented Wi-Fi connectivity on the main office only, this has been done deliberately to pilot the solution to the main site first before moving to other sites. ICT is mindful that this solution is not and it cannot substitute wired network connectivity through data points but also acknowledges the fact that it is convenient such that it allows employees to move around with their mobile computers connected to the network. L2 POE Network switches were also procured and installed to enhance performance of the network. Laptops and thin clients were procured during the financial period as a response to requests that were submitted by departments, this project is co-owned by ICT and Assets unit. ICT develop specification for the assets requested according to ANDM technology minimum standards and Asset Management unit records these assets on the asset register for proper declaration on the Annual Financial Statements (AFS).

UPGRADE OF THE DISASTER RECOVERY SITE AT DISASTER MANAGEMENT CENTRE IN MOUNT AYLIFF

Uninterrupted Power Supply has been delivered awaiting for install. Installation has been delayed by dispute between service provider and SCM in relation to interpretation of specification. Solution has been provided ICT is awaiting for installation process to commence. UPS will be installed using internal resources.

IMPLEMENTATION OF MASTER SYSTEMS PLAN AND ICT STRATEGY

Draft ICT Strategy has been developed and it is now waiting for council adoption. Development of municipal Master Systems Plan (MSP) has started and the first draft is in place, there are still few things to be considered before the document can be tabled to Information and Communication Technology Governance Steering Committee (ICTGSC) and later tabled to council for adoption. The target is to conclude all due processes and adoption on the third quarter of 2015/16 financial period.

ICT GOVERNANCE POLICY IMPLEMENTATION(PHASE1)

Development MCGICTPF Phase 01 policies has be completed, the same document was sent to SALGA for comments and SALGA Eastern Cape review and comments were effected. This document is awaiting for council adoption. All supporting ICT Policies are in place waiting for Council Adoption.

OPERATE AND RUNNING OF THE EXISTING COMMUNITY ICT CENTRES

All Community ICT Centres were supported and visited by ICT Staff, the only challenge with these centres is that there were no plans for internet connectivity on this financial year which is key component of the community ICT Centres but ICT has started to implement some plans which will be realisable on the 15/16 Financial Period.

ESTABLISHMENT OF AN ICT COMMUNITY CENTRE

ICT Community Centre has been established at Mfundisweni Skills Centre. Computers were procured and installed by ICT Staff, Network and internet infrastructure were also installed by service provider. We are in the process of concluding internet connectivity SLA for the Centre to have instable internet connectivity for the whole centre.

ELECTRONIC DOCUMENT MANAGEMENT SYSTEM COMMISSIONING

This project was not implemented due to the fact that Terms of reference were that were developed by the municipality were not in line with requirements of National Archives Act and standard security framework. The responses that were received lacked also critical components of this project to mention consideration of records audit and storage plan for 5 years at least.

ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
upgrade an maintain software licenses for uninterrupted ICT Services	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals	100% of Software, Applications and Systems License Renewals
To establish four (4) Computer centers that will enhance targeted communities ICT knowledge and access	Establishment of four (4) ICT Centres	ICT Cnetres in place for Mbinza, Ntabankulu, Mt Frere and Matatiele	ICT Cnetres in place for Mbinza, Ntabankulu, Mt Frere and Matatiele	n/a	n/a	n/a	n/a	n/a	n/a

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)

	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	4	5	4	1	20%
7 - 9	0	1	0	1	100%
10 - 12	0	0	0	0	not on organogram
13 - 15	0	0	0	0	not on organogram
16 - 18	0	0	0	0	not on organogram
19 - 20	0	0	0	0	not on organogram
Total	7	9	7	2	not on organogram

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.27.4*

ICT Division for the financial year 2014/2015 reduced the downtime for all networks and network support was provided to all departments and the turnaround time for handling queries was reduced.

All the hardware and software licenses were updated so that ANDM ICT environment is secured and protected from external attack.

for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

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3.24. PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

3.24.1. RISK MANAGEMENT

Alfred Nzo District Municipality has been established Risk Management processes for identification, analysing & evaluating, monitoring and communication of risks. Integrated Risk Management Framework was also established to guide operation of risk management practises across of the municipality. Municipal wide Risk Assessment was also conducted to identify high risk areas and also for the preparation of Risk Based Internal Audit Plan. Risks registers were also compiled based on the outcomes of the risk assessments.

Employees: Property - NOT ON ORGANOGRAM					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	NOT ON ORGANOGRAM
4 - 6	0	0	0	0	NOT ON ORGANOGRAM
7 - 9	0	0	0	0	NOT ON ORGANOGRAM
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	NOT ON ORGANOGRAM
Total	0	0	0	0	NOT ON ORGANOGRAM

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4*

Employees: Risk Management - ALSO INCLUDED IN MUNICIPAL MANAGER'S OFFICE					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	0	2	0	2	100%
7 - 9	0	0	0	0	NOT ON ORGANOGRAM
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	12	NOT ON ORGANOGRAM
Total	0	3	0	3	NOT ON ORGANOGRAM

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4*

Employees: Legal Services - ALSO INCLUDED IN THE MUNICIPAL MANAGER'S OFFICE					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	1	0	1	100%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	NOT ON ORGANOGRAM
Total	2	3	2	1	NOT ON ORGANOGRAM

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4*

Employees: ;Procurement Services ALSO INCLUDED IN FINANCIAL SERVICES / BTO					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	2	0	0%
4 - 6	4	5	4	1	20%
7 - 9	3	3	3	0	NOT ON ORGANOGRAM
10 - 12	0	0	0	0	NOT ON ORGANOGRAM
13 - 15	0	0	0	0	NOT ON ORGANOGRAM
16 - 18	0	0	0	0	NOT ON ORGANOGRAM
19 - 20	0	0	0	0	NOT ON ORGANOGRAM
Total	8	10	9	1	NOT ON ORGANOGRAM

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.28.4*

J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

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K: ORGANISATIONAL PERFORMANCE SCORECARD

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Provide a brief introduction to your municipality's organizational development function.

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	793	475	40%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	7	5	71,4%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	5	1	20%	
4	Percentage of Managers in Technical Services with a professional qualification	Planners, Technicians Engineers			
5	Level of PMS effectiveness in the DM – (DM to report)	Section 56 and level 2 and 3 Managers = 45	44 Manager signed their performance agreements and 14 Managers have been assessed for midterm assessments. The rest are scheduled to be assessed.	30%	Midterm Assessments in progress.
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	793	793	100%	
8	Percentage of councillors who attended a skill development training within the current 5 year term (For 2013-2014)	80	43	53,7%	
9	Percentage of staff complement with disability	793	5	0,63%	
10	Percentage of female employees	793	428	53.9%	
11	Percentage of employees that are	793	398	50.1%	

	aged 35 or younger				
12	Adoption and implementation of a District Wide/ Local Performance Management System	60	60	100%	

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CHAPTER 5 – FINANCIAL PERFORMANCE

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

The indicators below are performed by Local municipalities:

- ***Electricy***
- ***Road maintenance***
- ***Waste management***
- ***Housing & Town Planning Services***

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	178 347	103 790	23413	78632	
2	Percentage of indigent households with access to free basic potable water	7741	99715	23413	78632	
3	Percentage of clinics with access to potable water	-		No target set		
4	Percentage of schools with access to potable water	-		No target set		
5	Percentage of households in formal settlements using buckets	COMPLETED				

Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	178 347	59 351	18 786	79773	
2	Percentage of indigent households with access to free basic sanitation services	66415	98574	18786	79773	
3	Percentage of clinics with access to sanitation services	65		No target set		
4	Percentage of schools with access to sanitation services	883		No target set		

CHAPTER 5 – FINANCIAL PERFORMANCE

LOCAL ECONOMIC DEVELOPMENT

Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	Fully fledged unit	100%	100%
2	Percentage of LED Budget spent on LED related activities.			
3	Existence of LED strategy	The ANDM LED Strategy was adopted in 2012, as informed by the municipal IDP. The strategy serves as a guiding document for the implementation of District LED initiatives – providing a general overview of District economic drivers. The document identifies the key sectors within the Alfred Nzo District to be Government Services, Agriculture, the Trade and Commercial Sector as well as Tourism.		
4	Number of LED stakeholder forum meetings held	4	6	100%
5	Plans to stimulate second economy ▪ Grain Production 120 ha ▪ Fencing of Arable Land ▪ Poverty Alleviation Project	3	3	100%
6	Percentage of SMME that have benefited from a SMME support program	100	100%	100%
7	Number of job opportunities created through EPWP	No target set	No target set	No target set
8	Number of job opportunities created through PPP	No target set	No target set	No target set

FINANCIAL VIABILITY AND MANAGEMENT

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget			
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget			
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue			
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget			
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction			
6	Percentage of MIG budget appropriately spent			
7	Percentage of MSIG budget appropriately spent			
8	AG Audit opinion			
9	Functionality of the Audit Committee			
10	Submission of AFS after the end of financial year			

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	N/A		
2	% of ward committees that are functional	N/A		
3	Existence of an effective system to monitor CDWs	N/A		
4	Existence of an IGR strategy	1	1	100%
5	Effective of IGR structural meetings	8	8	100%
6	Existence of an effective communication strategy	1	1	100%
7	Number of mayoral imbizos conducted	12	24	200%
8	Existence of a fraud prevention mechanism	4	2	50%

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	187	0	122	119	%
Waste Water (Sanitation)	6	0	5	20	%
Electricity	-	-	-	-	%
Waste Management	-	-	-	-	%
Housing	-	-	-	-	%
Waste Water (Stormwater Drainage)	-	-	-	-	%
Roads	-	-	-	-	%
Transport	-	-	-	-	%
Planning	8	0	8	3	%
Local Economic Development	5	0	5	2	%
Enviromental Proctection	28	0	25	44	%
Sport and Recreation	4	0	4	2	%
Totals	238	0	169	190	–

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Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	4	0	0.00
Other S57 Managers (Finance posts)	1	0	0.00

Vacancy Rate: Year 0			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Police officers	0	0	0.00
Fire fighters	96	58	60.42
Senior management: Levels 13-15 (excluding Finance Posts)	4	0	0.00
Senior management: Levels 13-15 (Finance posts)	1	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	125	27	21.60
Highly skilled supervision: levels 9-12 (Finance posts)	41	15	36.59
Total	274	100	36.50

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2	0	0	
Year -1	20	11	55%
Year 0	53	57	108%

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B: MANAGING THE MUNICIPAL WORKFORCE

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			September -15
2	Attraction and Retention			September -15
3	Code of Conduct for employees			September -15
4	Delegations, Authorisation & Responsibility			September -15
5	Disciplinary Code and Procedures			September -15
6	Essential Services			September -15
7	Employee Assistance / Wellness			September -15
8	Employment Equity			September -15
9	Exit Management			September -15
10	Grievance Procedures			September -15
11	HIV/Aids			September -15
12	Human Resource and Development			September -15
13	Information Technology			September -15
14	Job Evaluation			September -15
15	Leave			September -15
16	Occupational Health and Safety			September -15
18	Subsistence and Travelling			September -15
19	Municipal Bereavement			September -15
20	Official Working Hours and Overtime			September -15
22	Payroll Deductions			September -15
23	Performance Management and Development			September -15
24	Recruitment, Selection and Appointments			September -15
25	Remuneration Scales and Allowances			September -15
27	Sexual Harassment			September -15
28	Skills Development			September -15
32	Uniforms and Protective Clothing			September -15

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
33	Other:			September -15
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

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4.3. INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0			0	60
Temporary total disablement	63	6	10%	13	
Permanent disablement					
Fatal	33	1	3%	7	
Total	96	5	5%	19	60

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	105	63%	85	273	0.18	R 889 578.35
Skilled (Levels 3-5)	147	42%	95	101	0.25	R 252 251.32
Highly skilled production (levels 6-8)	136	38%	55	132	0.23	R 313 215.04
Highly skilled supervision (levels 9-12)	101	23%	27	36	0.17	R 222 523.21
Senior management (Levels 13-15)	52	3%	11	36	0.09	R 134 221.24
MM and S57	19	0%	3	8	0.03	R 115 729.35
Total	560	28%	276	586	0.96	R 1 927 518.51

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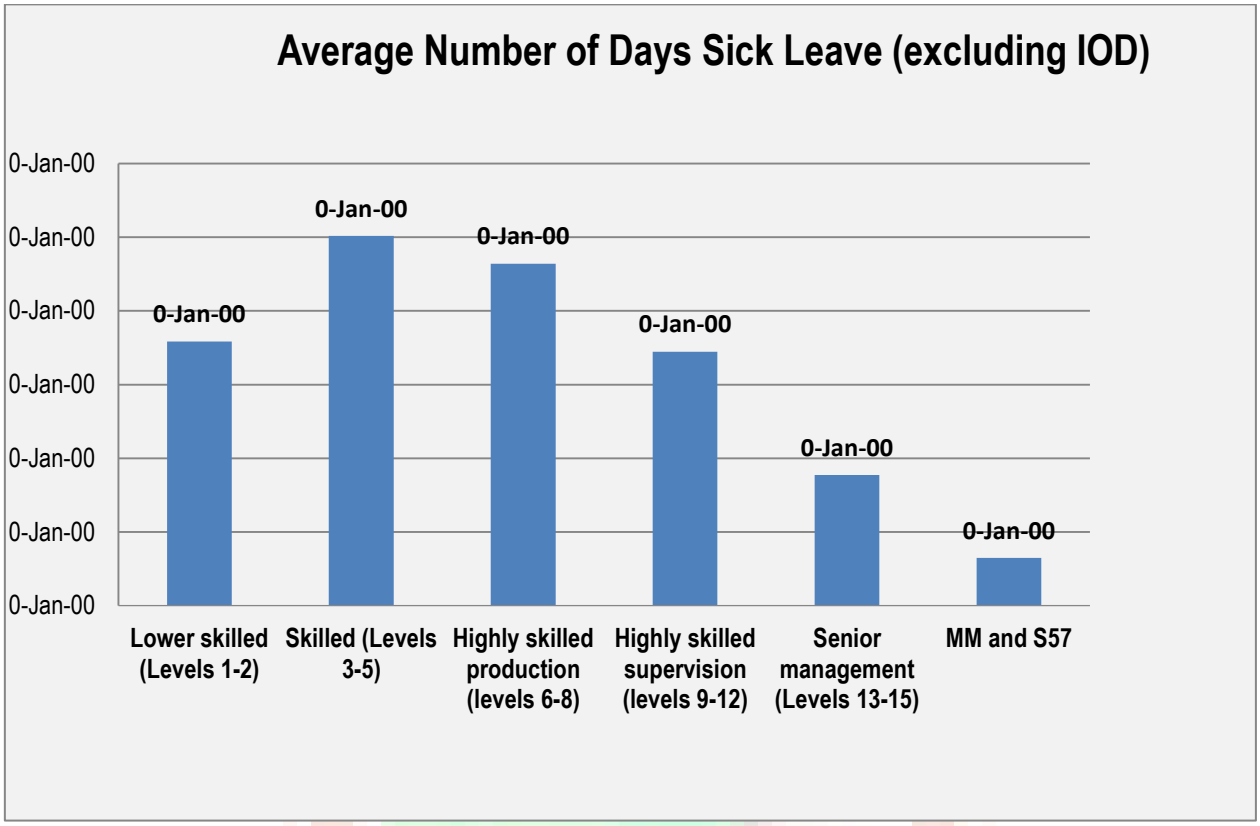

Number of period of suspensions				
Positions	Nature of alleged Misconduct	Date of suspension	Details of Disciplinary action taken or status of case and reasons why not finalised	Date finalised
Municipal Manager	Mismanagement	25 Sep 2014	Settlement reached in December 2014	December 2014

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Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	20	9		45%
	Male	30	12		
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S57	Female				
	Male				
Total		50	21		
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
Note: MSA 2000 S51(d) requires that … 'performance plans, on which rewards are based should be aligned with the IDP'… (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).					T4.4.1

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C: CAPACITATING THE MUNICIPAL WORKFORCE

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	2		1									1	
	Male	3												
Councillors, senior officials and managers	Female	33		3			24						27	
	Male	47		2			14							
Technicians and associate professionals*	Female	14	3			3	1							
	Male	72	8			4	22			3				
Professionals	Female	41				6	6			2				
	Male	24				2	4			1				
Sub total	Female	90		4			31							
	Male	146		2			40							
Total		472	11	12	0	15	142	0	0	6	0	0	28	0

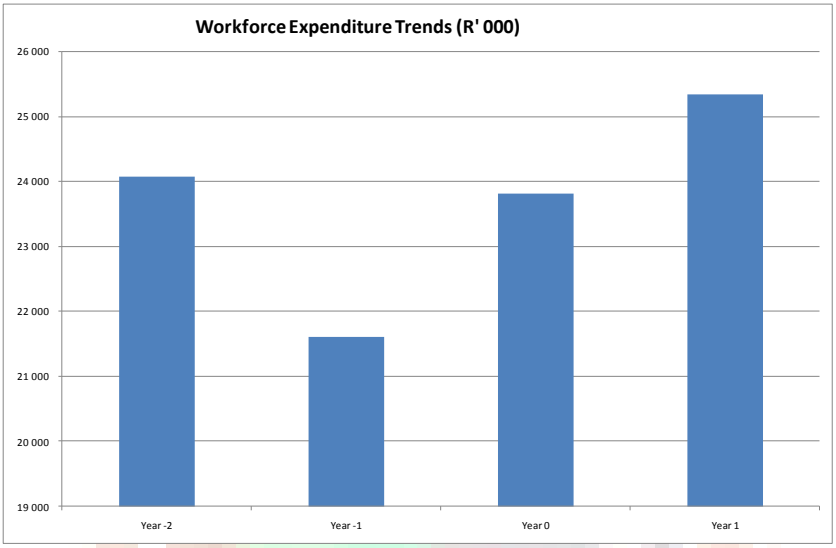
Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	0	0
Chief financial officer	1	0	1	0	0	0
Senior managers	2	0	2	0	0	0
Any other financial officials	82	0	82	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	1	0	1	1	1	1
TOTAL	**88**	**0**	**88**	**1**	**1**	**1**
** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)*						*T 4.5.2*

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	2								
	Male	3								
Legislators, senior officials and managers	Female	33								
	Male	47								
Professionals	Female	41				100468				100468
	Male	24				13617				13617
Technicians and associate professionals	Female	14								
	Male	72						5680		5680
Clerks	Female	62				120750				120750
	Male	20				7800				7800
Service and sales workers	Female	22				29217				29217
	Male	23				15600				15600
Plant and machine operators and assemblers	Female	1				125895				125895
	Male	12				53955				53955
Elementary occupations	Female	25								
	Male	72								
Sub total	Female	174				250435				250435
	Male	189				37017		5680		42697
Total		363	0	0	0	287452	0	5680		293132
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	*R
										T4.5.3

ALFRED NZO

D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE



Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	51
	Male	58
Skilled (Levels 3-5)	Female	57
	Male	54
Highly skilled production (Levels 6-8)	Female	19
	Male	6
Highly skilled supervision (Levels9-12)	Female	4
	Male	2
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		251

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Social Facilitator	7	Task Grade 11	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Secretary	3	Task Grade 5	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Gender Coordinator	1	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Expenditure Clerk	1	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Administration clerk	4	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Revenue Clerk	9	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Records Officer	1	Task Grade 9	Level 7	The employees have already reached the ceiling by the time job evaluation was implemented
Registry Clerk	3	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Customer Care Officer	4	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Personal Assistant	3	Task Grade 7	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
SPU Co- ordinators	4	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Driver / Messenger	2	Task Grade 4	level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Senior Social Facilitator	2	Task Grade 12	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Procurement Officer	1	Task Grade 10	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Fire Fighter	34	Task Grade 7	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Senior HR Officer : Wellness	1	Task Grade 10	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Senior Procurement Officer	1	Task Grade 12	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Senior Accountant Payroll	1	Task Grade 12	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Registry Clerk	3	Task Grade	Level 9	The employees have already reached the

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
		6		ceiling by the time job evaluation was implemented
HRD Officer	1	Task Grade 11	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
HR Officer	2	Task Grade 11	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Accountant Payments	1	Task Grade 11	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Senior Accountant Reconciliations	1	Task Grade 12	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
General Assistant maitainance	45	Task Grade 5	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Admin Officer: Dev Planning	1	Task Grade 9	Level 7	The employees have already reached the ceiling by the time job evaluation was implemented
Meter Reader	13	Task Grade 6	Level 12	The employees have already reached the ceiling by the time job evaluation was implemented
Development Coordinator	2	Task Grade 11	level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Desktop Engineers	2	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Asset Management Officer	1	Task Grade 11	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Contracts Officer	1	Task Grade 10	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Data Capturer	7	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Accountant Credit Control	1	Task Grade 11	Level 5	The employees have already reached the ceiling by the time job evaluation was implemented
Senior Accountant Budget	1	Task Grade 12	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Payroll Clerk	2	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Admin Clerk PMU	1	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Receiving & Issuing CLERK	7	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Stores Clerk	1	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
Adm Officer: Chief	1	Task Grade	Level 7	The employees have already reached the

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Whip		9		ceiling by the time job evaluation was implemented
Labour Relations Off	1	Task Grade 10	Level 4	The employees have already reached the ceiling by the time job evaluation was implemented
Adm Clerk: SPU	1	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented
				T4.6.3

ALFRED NZO

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

Delete Directive note once comment is complete - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in 2008/09 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T5.0.1

A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

Delete Directive note once comment is complete - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

Whilst the ANDM has over years maintained a strong financial position through having sufficient reserves, these reserves are however beginning to deplete as we continue to finance capital and operational projects internally. This is mainly due to service delivery backlogs that the district municipality has over the years. Also, due to the rural nature of the district municipality, we rely heavily on government grants as we have a low revenue base.

In line with the provisions of the Division of Revenue Act (DORA), the district municipality anticipates to receive such grants over the foreseeable future as we maintain a high compliance ratio with National Treasury requirements.

In an attempt to address the low revenue base of the district municipality, the municipal council adopted a Revenue Enhancement Strategy that currently being implemented in line with the implementation plan. In line with this the meter audit with an objective of replacing all meters not working and considering prepaid meters for the district.

The effective and efficient implementation of the strategy depends to the availability of funds, ANDM require additional funds to implement the strategy.

Alfred Nzo District Municipality has developed the supply chain management policy and its being implemented. The policy is being reviewed yearly in line with IDP and Budget implementation process plan, with all other municipal policies.

ANDM is currently GRAP compliant, it provides rules that requires municipality to maintain its financial accounts to ensure comparable and more informative for the municipality. It also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications

The municipality has received a qualified audit opinion, for the period in which the annual report relates. The bases for the qualified opinion are as follows:

ANDM will draw a detailed and comprehensive audit turnaround strategy and plan. Our intention and mandate is to develop and promote high quality audit turnaround strategy with clearly identified and defined audit action plans and targets with realistic timeframes. This will include departmental audit report analysis and action plan and on most significant risk areas, improvement and enhancement quality of ANDM annual financial statements and lead schedule. We will implement informative and relevant actions and encourage the Accounting Officer to appropriately perform field tests of key audit strategy through the office of ANDM internal audit.

During the January 2016 municipal strategic session, the accounting officer will encourage one municipal global solution to the perceived ANDM municipal audit outcomes; coordinated approach and consistency in implementation of audit turnaround will mitigate and improve our next audit report.

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Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates					%	%
Service charges	15 363	20 226	20 226	18 777	-7.72%	-7.72%
Investment revenue	16 724	15 400	15 400	19 879	22.53%	22.53%
Transfers recognised - operational	736 736	319 703	319 703	819 941	61.01%	61.01%
Other own revenue	3 224	3 850	3 850	11 637	66.91%	66.91%
Total Revenue (excluding capital transfers and contributions)	**772 047**	**359 179**	**359 179**	**870 233**	**58.73%**	**58.73%**
Employee costs	155 963	195 701	152 962	195 701	0.00%	21.84%
Remuneration of councillors	7 722	8 626		8 626	0.00%	100.00%
Depreciation & asset impairment	52 371	51 795	48 000	51 795	0.00%	7.33%
Finance charges	2 262	1 641	5 450	1 641	0.00%	-232.15%
Materials and bulk purchases	2 338	4 078	3 200	4 078	0.00%	21.53%
Transfers and grants	117 448	60 610	20 000	60 610	0.00%	67.00%
Other expenditure	177 070	198 351	208 248	216 014	8.18%	3.60%
Total Expenditure	**515 174**	**520 802**	**437 860**	**538 465**	**3.28%**	**18.68%**
Surplus/(Deficit)	256 873	(161 622)	(78 681)	331 768	148.72%	123.72%
Transfers recognised - capital						
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	256 873	(161 622)	(78 681)	331 768	148.72%	123.72%
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	256 873	(161 622)	(78 681)	331 768	148.72%	123.72%
Capital expenditure & funds sources						
Capital expenditure	–	–	–	–		
Transfers recognised - capital	244 041	745 664	6 888 564	6 888 564	89.18%	0.00%
Public contributions & donations						
Borrowing						
Internally generated funds	62 589	38 250	71 067	71 067	46.18%	0.00%
Total sources of capital funds	306 630	783 914	6 959 631	6 959 631	88.74%	0.00%
Financial position						
Total current assets	297 239	567 639	567 639	203 700	64%	100%
Total non current assets	1 901 248	2 950 510	2 926 227	2 394 606	19%	100%
Total current liabilities	202 597	122 456	123 956	127 701	-4%	100%
Total non current liabilities	28 349	249 481	249 481	28 349	89%	100%
Community wealth/Equity	2 028 662	3 146 212	3 120 430	3 120 430	1%	100%
Cash flows						
Net cash from (used) operating	239 605	486 987	416 838	465 202	-4.68%	10.40%
Net cash from (used) investing	(301 456)	(782 918)	(758 505)	(506 593)	-54.55%	-49.73%
Net cash from (used) financing	(2 629)	–	–	26 614	100.00%	100.00%
Cash/cash equivalents at the year end	(68 004)	(295 931)	(341 667)	(64 480)	-358.95%	-429.88%
Cash backing/surplus reconciliation						
Cash and investments available	258 521	548 020	548 020	548 020	0.00%	0.00%
Application of cash and investments	120 611	122 456	123 956	123 956	1.21%	0.00%
Balance - surplus (shortfall)	137 910	425 564	424 064	424 064	-0.35%	0.00%
Asset management						
Asset register summary (WDV)	1 897 902	243 271	760 584	2 353 670	89.66%	67.69%
Depreciation & asset impairment	52 371	50 000	52 500	51 795	3.46%	-1.36%
Renewal of Existing Assets	–	–	–	–		
Repairs and Maintenance	13 718	–	–	29 324	100.00%	100.00%
Free services						
Cost of Free Basic Services provided	–	–	–	–	0.00%	0.00%
Revenue cost of free services provided	–	–	1	1	100.00%	0.00%
Households below minimum service level						
Water:	-	-	-	-	0.00%	0.00%
Sanitation/sewerage:	-	-	-	-	0.00%	0.00%
Energy:	-	-	-	-	0.00%	0.00%
Refuse:	-	-	-	-	0.00%	0.00%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR T 5.1.1

Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
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Capital expenditure	–	–	–	–		
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Public contributions & donations						
Borrowing						
Internally generated funds	62 589	38 250	71 067	71 067	46.18%	0.00%
Total sources of capital funds	306 630	783 914	6 959 631	6 959 631	88.74%	0.00%
Financial position						
Total current assets	297 239	567 639	567 639	203 700	64%	100%
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Cash/cash equivalents at the year end	(68 004)	(295 931)	(341 667)	(64 480)	-358.95%	-429.88%
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Depreciation & asset impairment	52 371	50 000	52 500	51 795	3.46%	-1.36%
Renewal of Existing Assets	–	–	–	–		
Repairs and Maintenance	13 718	–	–	29 324	100.00%	100.00%
Free services						
Cost of Free Basic Services provided	–	–	–	–	0.00%	0.00%
Revenue cost of free services provided	–	–	1	1	100.00%	0.00%
Households below minimum service level						
Water:	-	-	-	-	0.00%	0.00%
Sanitation/sewerage:	-	-	-	-	0.00%	0.00%
Energy:	-	-	-	-	0.00%	0.00%
Refuse:	-	-	-	-	0.00%	0.00%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR T 5.1.1

Financial Performance of Operational Services						R '000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	45 000	48 261	57 420	110 117	56.17%	47.86%
Waste Water (Sanitation)	–	–	–	–	0.00%	0.00%
Electricity	7 669	12 000	10 000	10 050	-19.41%	0.50%
Waste Management	–	–	–	–	0.00%	0.00%
Housing	–	–	–	–	0.00%	0.00%
Component A: sub-total	52 669	60 261	67 420	120 167	49.85%	43.89%
Waste Water (Stormwater Drainage)	–	–	–	–	0.00%	0.00%
Component B: sub-total	–	–	–	–	0.00%	0.00%
Local Economic Development &Planning	–	19 556	19 231	12 543	-55.92%	-53.32%
Component B: sub-total	–	19 556	19 231	12 543	-55.92%	-53.32%
Community & Social Services		57 019	57 156	57 005	-0.02%	-0.26%
Component C: sub-total	–	57 019	57 156	57 005	-0.02%	-0.26%
Total Expenditure	**52 669**	**79 817**	**86 651**	**132 709**	**(0)**	**(0)**
In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						*T 5.1.2*

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Grant Performance						R' 000
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**736 364**	**(904 090)**	**(856 293)**	**(819 930)**		
EQUITABLE SHARES	319 703 000	-344 812 000	-344 812 000	-342 149 000	99.23%	0.99
FMG GRANT	1 500 000	-1 250 000	-1 250 000	-1 250 000	100.00%	1.00
MSIG	890 000	-934 000	-934 000	-934 000	100.00%	1.00
EPWP	5 780 000	-8 323 000	-8 323 000	-8 323 000	100.00%	1.00
WATER SERVICE OPER SUB GRANT	14 131 730	-5 000 000	-5 000 000	-5 000 000	100.00%	1.00
MIG	354 885 000	-357 363 000	-367 363 000	-367 363 000	102.80%	1.00
REGIONAL BULK INFRANSTRUCTURE	13 600 544	-110 000 000	-50 000 000	-44 138 146	40.13%	0.88
TRANSPORT	2 391 795	-2 104 000	-2 104 000	-2 104 000	100.00%	1.00
SPORTS AND RECREATION	1 851 861	-1 200 000	-1 348 837	-985 018	-100.00%	0.73
WCDM	109 390	-1 247 291	-1 247 291	-1 247 291	-100.00%	-100.00%
MUNICIPAL HEALTH	4 201 898	-1 500 000	-1 500 000	-2 328 916	155.26%	1.55
ISDG	2 236 337	-3 000 000	-3 000 000	-3 939 332	131.31%	1.31
M.W.I.G	15 082 829	-54 857 000	-54 857 000	-28 171 642	51.35%	0.51
RURAL HOUSING INFRASTR GRANT	0	-8 500 000	-8 500 000	-6 827 261	80.32%	0.80
ENERGY EFFIC & DEMAND SIDE MAN	0	-4 000 000	-4 000 000	-4 000 000	100.00%	1.00
ATTIC	0		-653 985	-508 111	-100.00%	0.78
LG SETA - GRANT	0	-	-1 400 000	-661 500	-100.00%	0.47
Provincial Government:		**(9)**	**(9)**	**(9)**		
DEPARTMENT OF WATER AFFAIRS		(9)	(9)	(9)		
District Municipality:	**–**	**–**	**–**	**–**		
Other grant providers:	**(372)**	**(1)**	**(1)**	**(1)**		
RAIN WATER HARVEST	-372 069	-901	-901	-901		
Total Operating Transfers and Grants	**735 992**	**(904 101)**	**(856 303)**	**(819 941)**		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						*T 5.2.1*

Abbreviations

FMG - Finance Management Grants
MSIG - Municipal Systems Improvement Grant
EPWP - Expanded Public Works Programme
MIG - Municipal Infrastructure Grants
WCDM - Water Conservation and Water Demand Management
ISDG - Infrastructure Skills and Development Grants
MWIG - Municipal Water Infrastructure Grants

Analysis on Grants Performance

Equitable share was received in full for an amount of R319 703 000 but there was an amount of R2 663 000 that was deducted from November transfer for roll-over grants that were not approved by Treasury (i.e. Rural Housing Grant and ISDG).

Regional Bulk Infrastructure Grants was under spent due to delay in implementation of projects and operational delays as this Grants is claimed after spending.

There was also a further allocation of R10m on Municipal Infrastructure Grant on top of the R357m that was Gazetted on DORA. For Municipal Health and ISDG, the actual amounts reflected on the table include opening balances from the previous year.

As much as we have budgeted for R54m on MWIG as per the DORA we only received R28m for the year under review. All the other grants were received and spent in full.

5.2 GRANTS

Not applicable to ANDM

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant Year 0**	**Actual Grant Year 1**	**Year 1 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reason for acceptance. Please also provide comments on grant surrendered to the National Revenue Fund with reasons that led to this.

T5.2.4

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5.3 ASSET MANAGEMENT

5.3.1 INTRODUCTION ASSET MANAGEMENT

Alfred Nzo District municipality has developed sound financial management improvement processes by implementing sound asset management practices as required by the MFMA and GRAP. As asset management is seen as being central to providing required services in a cost - effective, efficient and transparent manner.

Afraid Nzo District Municipality created a mechanism to coordinate various national initiatives for the benefit of municipality. Various mutually supporting guidelines have been aligned. These include:

• NT issued:

Asset Management Framework

Local Government Capital Asset Management Guideline

• The DPLG "Guidelines for Infrastructure Asset Management in Local Government"

• Sector specific guidelines on how asset management principles would be applied for efficient, effective and economical management of sectorial assets:

Verification and Valuation of Major Water Infrastructure Assets –

Department of Water and Forestry Affairs (DWAF);

International Infrastructure Management Manual co-authored by Institute

of Municipal Engineering of Southern Africa IMESA; and

National Infrastructure Maintenance Strategy (NIMS) managed by

Department of Public Works (DPW).

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5.3.2 SCOPE

The MFMA has made NT responsible for providing support for the implementation of the Act, the setting of standards and guidelines as well as building capacity. This guideline is aimed at supporting the implementation of the MFMA, specifically, section 63. The asset management requirements include:

Key asset management functions such as:

- *safeguarding assets,*
- *maintaining assets,*
- *Establishing and maintaining a management, accounting and information system that accounts for the assets of the municipality;*
- *Asset valuation principles in accordance with GRAP;*
- *Establishing and maintaining systems of internal controls over assets;*
- *Establishing and maintaining asset registers;*
- *Clarifying responsibilities and accountabilities for the asset management process.*

The accounting and reporting principles governing capital assets are covered in more detail in standard specific guidelines and should be referred to in conjunction with the Local Government Capital Asset Management Guideline (LGCAMG). Examples of accounting standards that cover assets are:

• GRAP 17 on Property, Plant & Equipment (PPE)

• GRAP 16 on Investment Properties

• GRAP 102 on Intangible Assets

• GRAP 100 on Non-current Assets Held for Sale and Discontinued Operations

• GRAP 101 on Agricultural Activities

• IAS 36 on Impairment of Assets.

Other relevant accounting standards are:

• GRAP 12 on Inventories

• GRAP 11 on Construction Contracts.

This guideline is based on the currently promulgated standards and policies and therefore does not discuss in detail future developments in the field of current cost accounting and regular revaluations of assets to current replacement values.

ANDM, has implemented these policies and standards, an asset management policy that is in line with all these requirements has been implemented. The policy is used as a guide to addresses the first essential steps in asset management relating to the identification, recognition and recording of all existing assets and new acquisitions. This culminates in the establishment of credible and accurate data bases in asset registers that facilitates the implementation of Section 63 of the MFMA.

5.3.3 STATUTORY FRAMEWORK

The statutory framework for this Guideline is:

• The Constitution of the Republic of South Africa, 1996

• Municipal Systems Act, 2000

• Municipal Finance Management Act, 2003.

The Constitution's prime mandate for Local Government is that services are provided in a sustainable manner. (Section 152)

The MSA in sections 4(2)(d) states that a municipality has the duty to –

• strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner.

The Municipality integrated all the above requirements in the Asset Management policy and its reviewed annually to ensure continued compliance to the ever changing legislative frame.

5.3.4 ASSET MANAGEMENT IMPLEMENTATION

National Treasury (NT) provides standards and guidance on the financial aspects of asset management. NT further provides principles of good asset management based on best practice and the implementation thereof by municipalities. Key to the implementation is the establishment of complete and reliable asset registers. ANDM compiled an asset register based on these guidelines as well as GRAP statements. The Unit continues to support

There is a link between strategic planning, capital budgets, operating budgets and asset management plans, which informs the Integrated Development Plan (IDP) processes. It also demonstrates that all asset management issues and their management are underpinned by the IDP and Budgets.

The following table illustrates the three largest capital assets bought during the financial year, they formed additions for the financial year to the asset register. These assets are part of the two capital water projects that were completed during the financial year.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0				
Asset 1				
Name	Gubhuzi Water Reticulation-Civil Structure-Pipes-110mm_1			
Description	Reticulation Pipeline			
Asset Type	Reticulation Pipeline			
Key Staff Involved	Mr Gqiba - WSA Manager			
Staff Responsibilities	Safe guarding of the assets			
	Year -3	Year -2	Year -1	Year 0
Asset Value	R 3 958 744.54	R 3 958 824.31	R 3 958 904.07	R 3 958 983.84
Capital Implications	R 3 958 983.84			
Future Purpose of Asset	Supply water			
Describe Key Issues	None			
Policies in Place to Manage Asset				
Asset 2				
Name	Siqhingeni Reservoir-Civil Structure			
Description	Pipework and Fittings			
Asset Type	Reservoir			
Key Staff Involved	Mr Gqiba - WSA Manager			
Staff Responsibilities	Safe guarding of the assets			
	Year -3	Year -2	Year -1	Year 0
Asset Value	R 3 412 507.37	R 3 412 587.13	R 3 412 666.90	R 3 412 746.67
Capital Implications	R 3 412 746.67			
Future Purpose of Asset	Supply water			
Describe Key Issues	None			
Policies in Place to Manage Asset	Assets Management Policy			
Asset 3				
Name	Siqhingeni Borehole-Electrical Plant--Distribution Board_2			
Description	Pipework and Fittings			
Asset Type	Bulk Supply			
Key Staff Involved	Mr Gqiba - WSA Manager			
Staff Responsibilities	Safe guarding of the assets			
	Year -3	Year -2	Year -1	Year 0
Asset Value	R 3 011 321.40	R 3 011 401.17	R 3 011 480.93	R 3 011 560.70
Capital Implications	R 3 011 560.70			
Future Purpose of Asset	Supply water			
Describe Key Issues	None			
Policies in Place to Manage Asset	Assets Management Policy			
				T 5.3.2

The Municipality is currently implementing a number of capital projects and these are still in the construction phase, and have been recorded under Assets under construction (AUC), when these projects are completed, all the project costs are unbundled and assets are recorded in the asset register. The municipality has developed sound financial controls to ensure that the asset register is complete.

Some of the infrastructure assets of the municipality are old, these assets are maintained but there are some that need to be replaced. The municipality is in the process of engaging a service provider to assist the Municipality in the drafting of the Asset Replacement /maintenance Plan. The plan will ensure that assets are all reviewed and replaced where necessary.

The table illustrates the repairs and maintenance budget and costs incurred by the municipality in the current financial year.

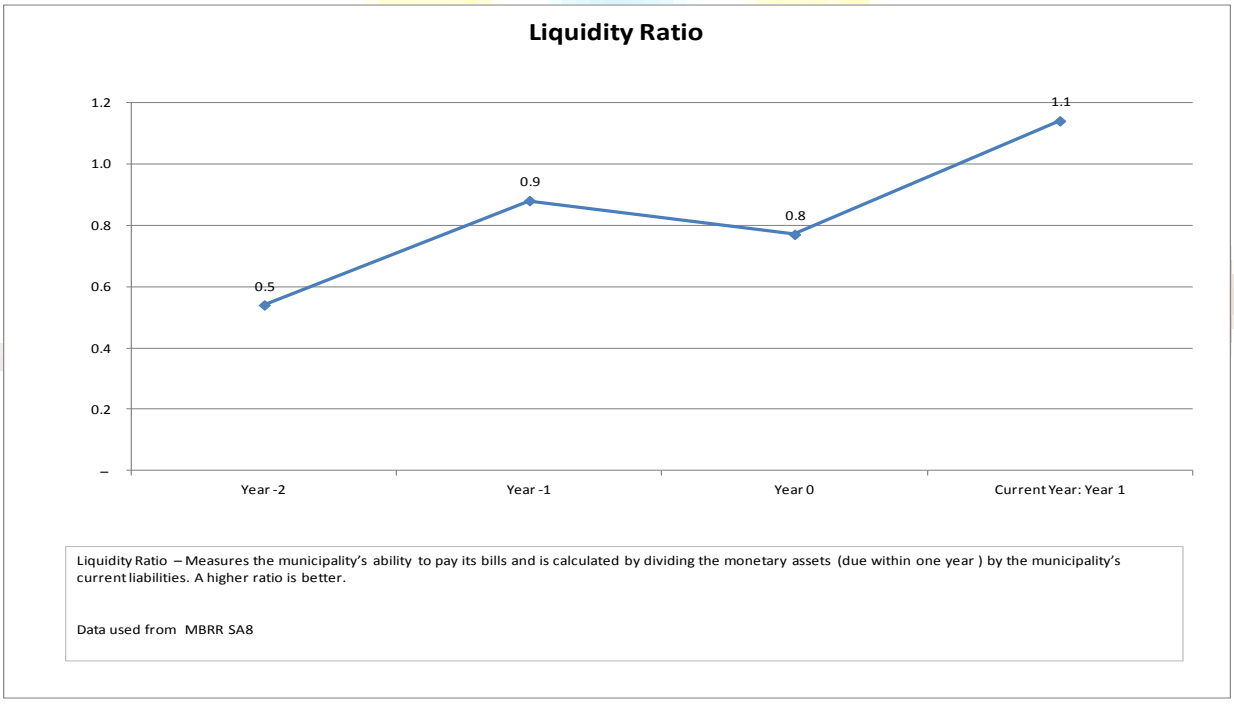
Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	31 500 000.00	37 492 938.00	29 526 529.00	7%
				T 5.3.4

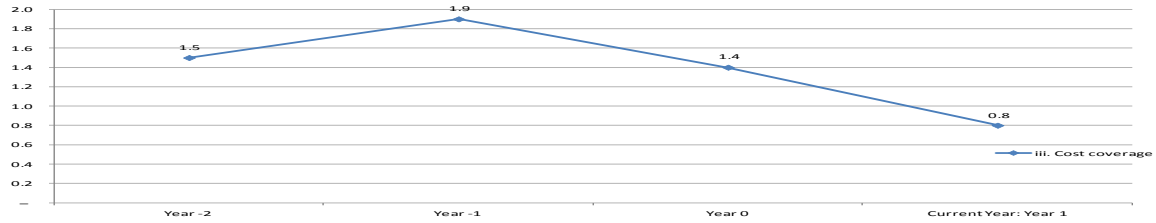
Currently the municipality has budget for 3,7 percent on repairs and maintenance against the total infrastructure assets. Assets management is central to proving services in a cost-effective, efficient and transparent manner. In order to maximize the service potential of existing assets and to ensure that they are appropriately used, maintained, safeguarded and that risks of disruptions in service delivery are mitigated, ANDM has to increase the maintenance budget to accomplish objectives illustrated above.

T5.3.3

T5.3.4.1

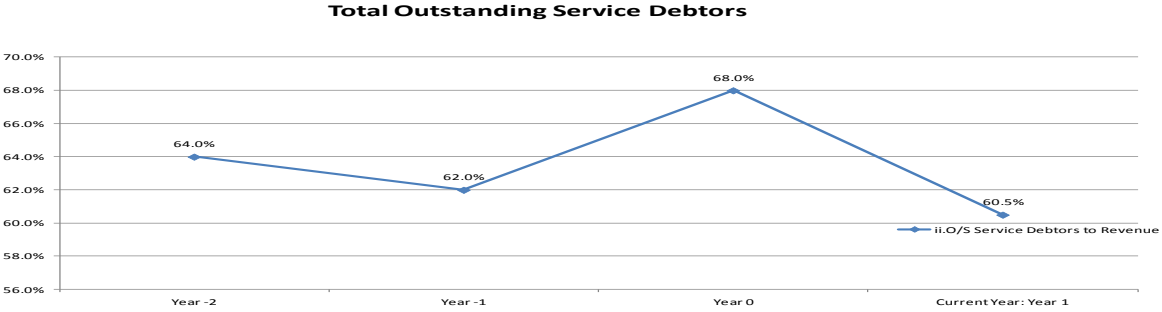
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS





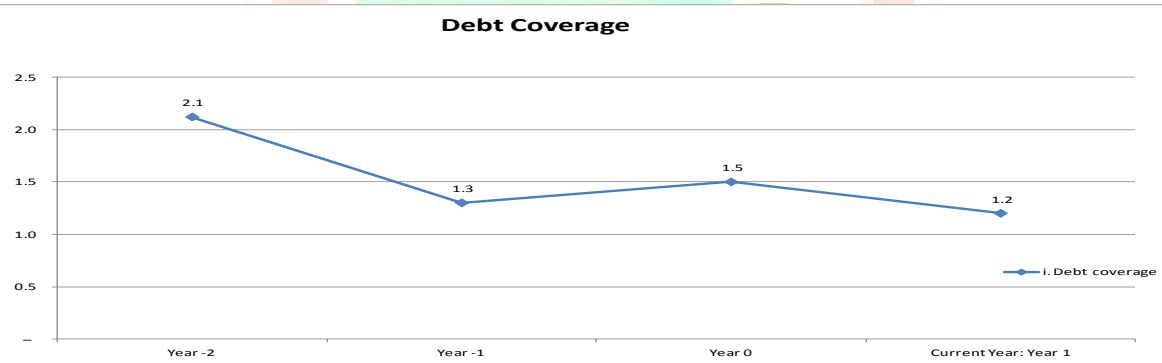
Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8



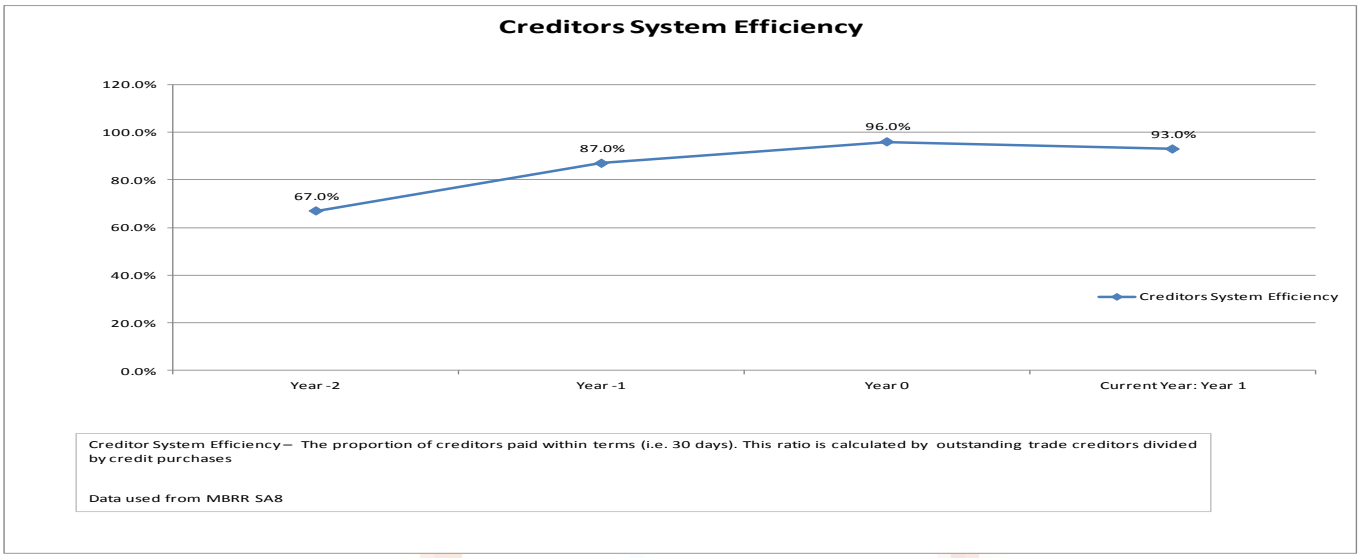
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8



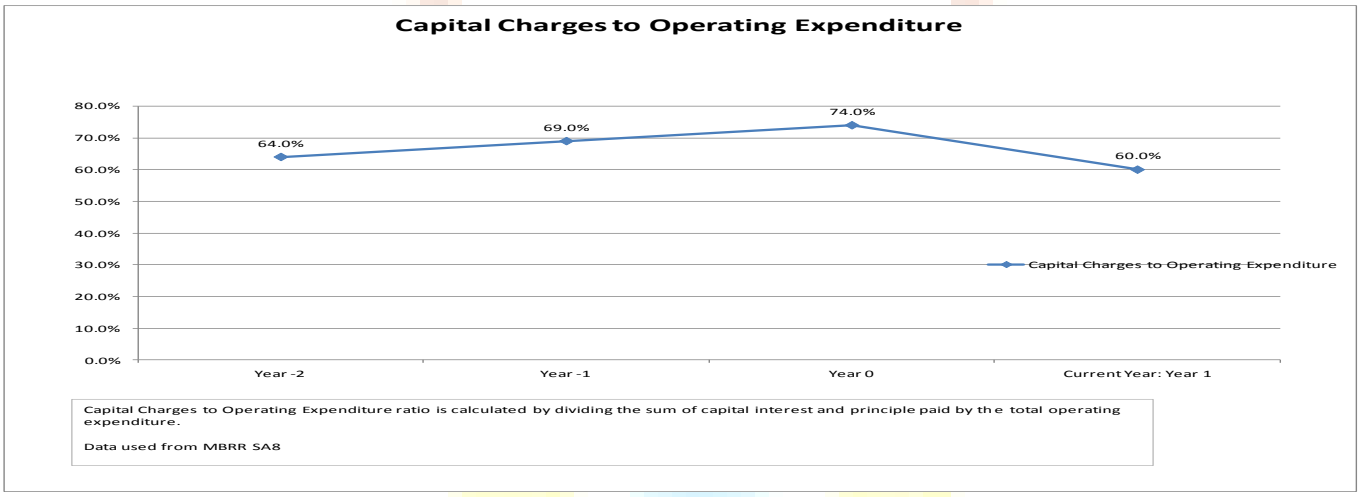
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8



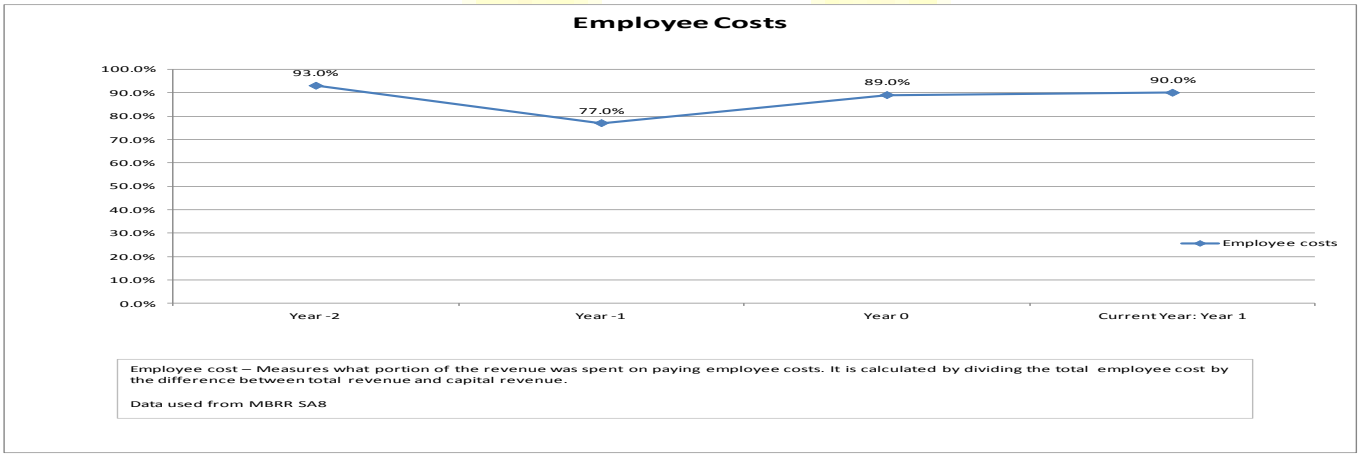
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8



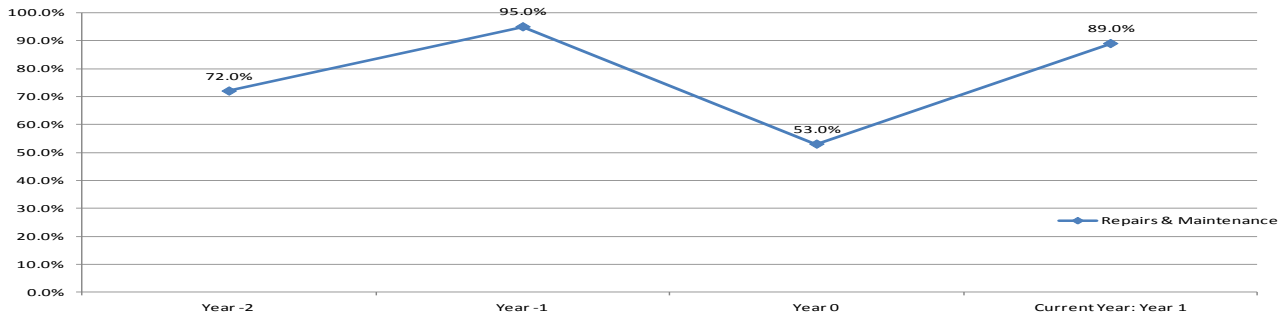
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.

Data used from MBRR SA8

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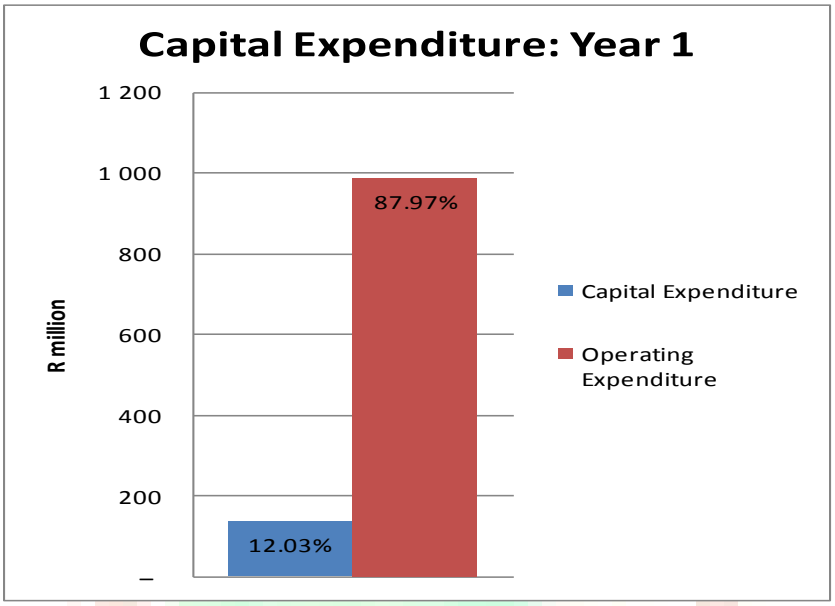
B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

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Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	26 746 763.00	8 661 975.00	8 661 975.00	8 661 975.00	0.00%	0.00%
	Public contributions and donations	-	-	-	-	-	-
	Grants and subsidies	735 992 315	819 940 587	819 940 587	819 940 587	0.00%	0.00%
	Other	-	-	-	-	-	-
Total		**762 739 078**	**828 602 562**	**828 602 562**	**828 602 562**	**0.00%**	**0.00%**
Percentage of finance							
	External loans	3.5%	1.0%	1.0%	1.0%	0.00%	0.00%
	Public contributions and donations	-	-	-	-	-	-
	Grants and subsidies	96.5%	99.0%	99.0%	99.0%	0.00%	0.00%
	Other	-	-	-	-	-	-
Capital expenditure							
	Water and sanitation	354 885 000	357 363 000	367 363 000	367 363 000	2.80%	2.80%
	Electricity	-	-	-	-	-	-
	Housing	-	6 827 261.00	6 827 261.00	6 827 261.00	0.00%	0.00%
	Roads and storm water	-	-	-	-	-	-
	Other	-	-	-	-	-	-
Total		**354885000**	**364190261**	**374190261**	**374190261**	**2.80%**	**2.80%**
Percentage of expenditure							
	Water and sanitation	100.0%	98.1%	98.2%	98.2%	100.0%	100.0%
	Electricity	-	-	-	-	-	-
	Housing	0.0%	1.9%	1.8%	1.8%	0.0%	0.0%
	Roads and storm water	-	-	-	-	-	-
	Other	-	-	-	-	-	-
							T 5.6.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL EXPENDITURE OF 5 LARGEST PROJECTS*				R'000	
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	ORIGINAL BUDGET	ADJUSTMENT BUDGET	ACTUAL EXPENDITURE	ORIGINAL VARIANCE (%)	ADJUSTMENT VARIANCE (%)
A - UMZIMVUBU WARD 13 PROV CAP EXP	66 500 000	103 700 000	85 640 459	-29%	17%
B - CABAZANA WATER - MIG PROV CAP	13 000 000	28 000 000	27 340 269	-110%	2%
C - RBIG MATATIELE PROJECT	60 000 000	25 000 000	24 302 169	59%	3%
D - THOLAMELA WATER SUPPLY - DBSA	15 500 000	24 000 000	23 956 003	-55%	0%
E - GREATER BIZANA - DBSA	61 000 000	37 098 601	18 344 190	70%	51%

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Water Backlogs: 63% and this percentage applies to 103790 households

Sanitation backlogs 33% and this percentage applies to 59351 households

ANDM water services backlogs are relatively high and this is due to immigration into the district from Lesotho. Some backlogs are due to reverse backlogs which emanates mainly from population growth and growing need for development and basic services.

The water infrastructure that is aging and dilapidated are budgeted under refurbishment of water infrastructure. The projected budget for refurbishment for year 1 is R10 000 000.00.

Service Backlogs as at 30 June Year 0

Households (HHs)

	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	74557	37	16113	10
Sanitation	119157	67	59351	33
Electricity		%		%
Waste management		%		%
Housing		%		%

*% HHs are the service above/below minimum starndard as a proportion of total HHs. 'Housing' refrs to * formal and ** informal settlements.* *T 5.8.2*

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C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

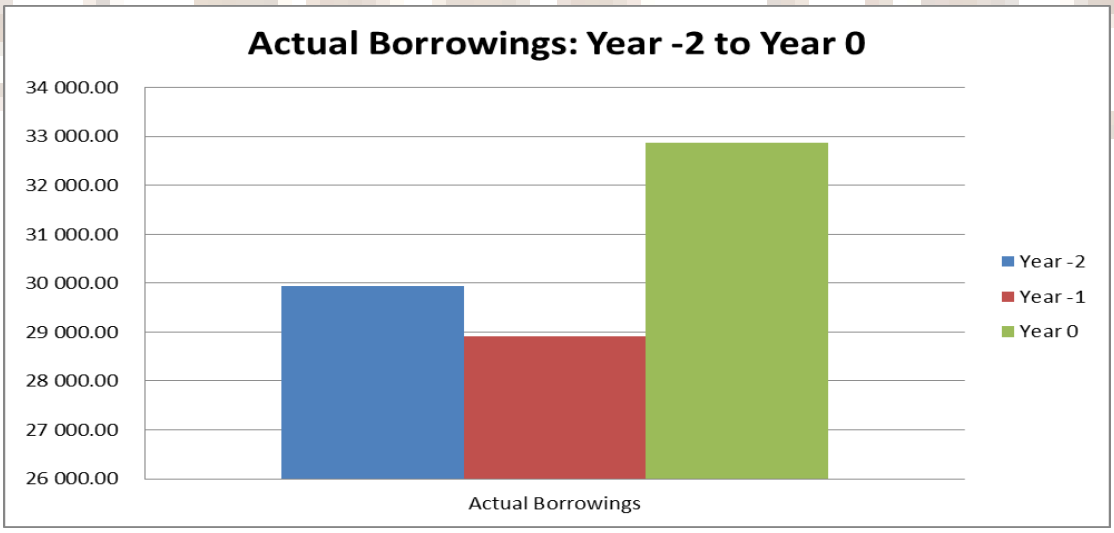
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	17 479	21 535	28 346	10 077
Rental of Facilities and Equipment	157	444	233	347
Interest	9 608	14 676	19 719	13 661
GovernmentGrants and subsidies	723 897	902 108	855 987	815 860
Public Contributions and Donations	82	25	25	25
Other Receipts	7 516	24 271	28 026	870
Vat Refund	59 296	46 401	46 401	46 401
	818 035	1 009 459	978 736	887 242
Payments				
Employee costs	155 650	152 962	196 543	181 310
Suppliers	338 256	170 685	262 377	159 534
Finance Costs	1 141	2 380	1 726	1 562
Other payments	22	20 000	15 000	–
Bulk Purchases	14 359	3 200	3 500	3 675
Repairs and maintenance	39 219	37 563	40 718	47 873
Contracted Services	29 785	29 785	29 785	28 086
	578 430	416 574	549 649	422 040
NET CASH FROM/(USED) OPERATING ACTIVITIES	**239 605**	**592 885**	**429 087**	**465 202**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Purchase of PPE	(404 608)	(582 000)	(582 000)	(581 383)
Proceeds on disposal of PPE	1 604	9	9	9
Purchase of Intangible assets	(63)	(167)	(167)	(167)
Proceeds from the sale of financial assets	101 611	–	–	–
Increase in call investments	–	56 594	56 594	56 594
Increase in investments	–	18 354	18 354	18 354
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(301 456)**	**(507 209)**	**(507 209)**	**(506 593)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Movement in Long-term loans	(2 629)	(19 531)	(19 531)	(19 531)
Finance Lease payments	–	(7 083)	(7 083)	(7 083)
Payments				
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(2 629)**	**(26 614)**	**(26 614)**	**(26 614)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(64 480)**	**59 062**	**(104 736)**	**(68 004)**
Cash/cash equivalents at the year begin:	**209 261**	**100 000**	**239 000**	**144 780**
Cash/cash equivalents at the year end:	**144 780**	**159 062**	**134 264**	**76 776**
Source: MBRR A7				*T 5.9.1*

5.10 BORROWING AND INVESTMENTS

The Municipality had two loans with DBSA for the construction of Infrastructure assets. The two loans were obtained in 2004 and 2005. During the financial year one of the loans was settled and no further loans were obtained by the Municipality, except for the finance lease agreement that the Municipality entered into during the current financial year. The finance lease was for trucks that are used for water and sanitation.

Actual Borrowings: Year -2 to Year 0			R' 000
Instrument	**Year -2**	**Year -1**	**Year 0**
Municipality	**29 933.00**	**28 904.00**	**32 867.00**
Long-Term Loans (annuity/reducing balance)	-	-	-
Long-Term Loans (non-annuity)	29 933	28 904	9 453
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	-	23 414
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Municipality Total	**29 933**	**28 904**	**32 867**
Municipal Entities			
Long-Term Loans (annuity/reducing balance)	-	-	-
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	-	-	-
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Entities Total	-	-	-

T 5.10.2



The following table illustrates the investments made by the Municipality in the year 0 – 2014/2015, year 1- 2013/2014 and year 2 – 2012/2013 financial years.

Municipal and Entity Investments			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	151 998 594.00	123 926 597.00	89 079 968.00
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	151 998 594.00	123 926 597.00	89 079 968.00
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	151998594	123926597	89079968
			T 5.10.4

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D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

Supply chain management policy

Alfred Nzo District municipality has an approved supply chain management policy which is in line with section 111 of MFMA and the policy is being reviewed every year in line with prescribed regulations and policies that give guidance to supply chain management policies.

Councillors barred from serving on municipal tender committees

117 of MFMA, required that No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, and as such Alfred Nzo Supply chain management policy do comply with section 117 of MFMA.

The municipality complied with the above regulation and there were no Councillors of ANDM that were members of the municipal bid committee or any other committee evaluating or approving tenders, quotations

Competency levels of officials involved in municipal supply chain management

119. (1) The accounting officer and all other officials of a municipality or municipal entity involved in the implementation of the supply chain management policy of the municipality or municipal entity must meet the prescribed competency levels.

(2) A municipality and a municipal entity must for the purposes of subsection (1)provide resources or opportunities for the training of officials referred to in that subsection to meet the prescribed competency levels.
(3) The National Treasury or a provincial treasury may assist municipalities and municipal entities in the training of officials referred to in subsection (1).

Attached is the competence levels of all Supply Chain Management officials:

-

- **Non- Compliance with SCM Policy and Regulations Also as per Auditor General 2014/ 2015 Audit Report.**

-

- Whilst the municipality is enforcing compliance with implementation of SCM policy and SCM Regulations the following challenges have been experienced:-

-

-

Challenges	Corrective Measure
Deviations that are approved by ANDM and Council which does not meet SCM Policy and regulations.	Checklist should be completed to ensure all requirements have been met for a valid deviation prior to approval.
Terms of reference are submitted late by respective project Managers as per approved procurement Plan.	Implementation of procurement should be added as a KPI for all respective Managers on the performance agreements.
None sitting of Bid Committees result in delays on appointment of service providers.	All bid Committee Member should include on their performance agreement, their sitting on respective committee

Shortage of personnel within SCM, organogram not fully populated.	All Budgeted post on approved Organogram me should be filled. And those not budgeted for, should be budgeted and filled.
None response from National Treasury on approval of irregular expenditure incurred as per MFA circular 68.	Engagement of Provisional and National Treasury to assist on approval on Irregular Expenditure incurred during the previous years.
Irregular expenditure, fruitless and waste full expenditure, is not recovered from respective officials.	Control needs to be in place and communicated to all staff on consequences and step to be followed to recover such losses.
Shortage of personnel within SCM, organogram not fully populated. Database Clerk was approved but not budgeted approved.	Database Clerk should be budgeted for and be filled.

5.12 GRAP COMPLIANCE

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

The municipality complies with GRAP standards in maintaining its financial accounts. Accounts are being prepared in accordance with the Standards of Generally Recognised Accounting Practice including any interpretations, guidelines and directives issued by the Accounting Standards Board. The municipality is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment.

There were no instances where the municipality has deviated from the GRAP standards.

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

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

The municipality has received a qualified audit opinion, for the period in which the annual report relates. The bases for the qualified opinion are as follows:

Irregular expenditure

Property, Plant and Equipment

Payables from exchanges transactions

Commitments

Unauthorized expenditure

Statement of comparison of budget and actual amounts

Aggregation of immaterial uncorrected misstatements

Financial Instruments

Contingent liabilities

T6.0.1

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CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Auditor-general's has a responsibility to express an opinion on the consolidated and separate financial statements based on audit performed. The audit was conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that auditors comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The audit evidence that was obtained was sufficient and appropriate to provide a basis for **qualified audit opinion**.

ANDM will draw a detailed and comprehensive audit turnaround strategy and plan. Our intention and mandate is to develop and promote high quality audit turnaround strategy with clearly identified and defined audit action plans and targets with realistic timeframes. This will include departmental audit report analysis and action plan and on most significant risk areas, improvement and enhancement quality of ANDM annual financial statements and lead schedule. We will implement informative and relevant actions and encourage the Accounting Officer to appropriately perform field tests of key audit strategy through the office of ANDM internal audit.

During the January 2016 municipal strategic session, the accounting officer will encourage one municipal global solution to the perceived ANDM municipal audit outcomes; coordinated approach and consistency in implementation of audit turnaround will mitigate and improve our next audit report.

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T6.0.1

Signed (Chief financial Officer)…….. Dated……
T6.2.5

CHAPTER 6 AUDITOR GENERALS AUDIT FINDINGS

A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	**Remedial Action Taken**
Supply Chain Management	Compliance check list was developed and implemented
Governmance structure	Municipal Calender was developed and implemented
Performance management	PMS is in place
Note: The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.*	
	T 6.2.1

B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

Auditor-General Report on Financial Performance: Year -1	
Audit Report Status*:	**Qualified Audit opinion**
Non-Compliance Issues	**Remedial Action Taken**
Supply Chain Management	Compliance check list was developed and implemented
Governmance structure	Municipal Calender was developed and implemented
Performance management	PMS is in place
*Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*	
	T 6.1.1

Auditor-General Report on Service Delivery Performance: Year 0*	
Status of audit report:**	Qualified
Non-Compliance Issues	**Remedial Action Taken**
Usefulness criteria	Action Plan developed
Reliability criteria	Action Plan developed
** This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0*	
*** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.*	
T 6.2.2	

CHAPTER 6 AUDITOR GENERALS AUDIT FINDINGS

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GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

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APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time** FT/PT	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance** %	**Percentage Apologies for non-attendance** %
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					T A

CONCERNING TA

A spreadsheet exists to compile attendance data

Delete Directive note before publication

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APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
	T B

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Use as a spill-over schedule if top 3 tiers cannot be accomodated in chapter 2 (T2.2.2).	**TC**

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	No	
Child care facilities	No	
Electricity and gas reticulation	No	
Fire-fighting services	Yes	
Local tourism	No	
Municipal airports	No	
Municipal planning	Yes	
Disaster Management	Yes	
Thusong Services	Yes	
Customer Care	Yes	
Institutional and Social Development	Yes	
Fire safety, prevention and fighting services	Yes	
Sports, Arts, Culture, Recreation and Heritage	Yes	
Municipal Health Services	Yes	
Local Economic Development	Yes	
Integrated Development Planning	Yes	
Geographic Information System	Yes	
Dam Management	Yes	
Environmental Management		
Municipal public transport		
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 this Constitution or any other law		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto		
Storm-water management systems in built-up areas		
Trading regulations		
Water and sanitation services (including rural and urban)		
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	No	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	No	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

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APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Date	Committee Recommendation	Recommendation Adopted Yes or No Comment if No

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APPENDIX F – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Name of Service Provider	Description of Services Rendered	Start Date	Expiry Date	Project Manager	Contract Value

Public Private Partnerships Entered into

Name and Description of Project	Name of Partners	Start Date	Expiry Date	Project Manager	Contract Value

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APPENDICES

APPENDIX G – DISCLOSURES OF FINANCIAL INTERESTS

Position	Name	Description of Financial Interest
Executive Mayor		
Members of EXCO		
Councillors		
Municipal Manager		
Executive Manager Corporate Services		
Executive Manager IDMS		
Executive Manager Community Services		
Executive Manager Planning & Economic Development		
Chief Financial Officer		

APPENDICES

APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX H (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						R' 000
Vote Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Example 1 - Vote 1						
Example 2 - Vote 2						
Example 3 - Vote 3						
Example 4 - Vote 4						
Example 5 - Vote 5						
Example 6 - Vote 6						
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	–	–	–	–	–	–
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

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APPENDIX H (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R '000
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	26,485	23,572	28,075	23,042	-2.30%	-21.84%
Property rates - penalties & collection charges	8,541	8,285	9,054	8,456	2.02%	-7.07%
Service Charges - electricity revenue	12,355	10,254	12,478	13,219	22.43%	5.61%
Service Charges - water revenue	14,232	13,235	13,662	12,097	-9.41%	-12.94%
Service Charges - sanitation revenue	6,542	5,496	5,954	6,346	13.40%	6.19%
Service Charges - refuse revenue	1,865	1,622	1,865	1,510	-7.41%	-23.46%
Service Charges - other	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Rentals of facilities and equipment	5,643	5,530	5,925	5,304	-4.26%	-11.70%
Interest earned - external investments	5,322	4,470	5,747	4,630	3.45%	-24.14%
Interest earned - outstanding debtors	8,455	8,455	8,624	9,554	11.50%	9.73%
Dividends received	1,254	1,003	1,191	1,354	25.93%	12.04%
Fines	2,516	2,063	2,264	2,340	11.83%	3.23%
Licences and permits	6,846	6,230	7,256	6,640	6.19%	-9.28%
Agency services	12,546	10,413	11,793	11,542	9.78%	-2.17%
Transfers recognised - operational	2,355	2,190	2,425	2,402	8.82%	-0.98%
Other revenue	48,542	40,776	48,542	46,115	11.58%	-5.26%
Gains on disposal of PPE	4,565	3,698	4,337	4,291	13.83%	-1.06%
Enviromental Proctection	5,649	4,971	6,157	4,971	0.00%	-23.86%
Total Revenue (excluding capital transfers and contributions)	**179,353**	**157,791**	**181,274**	**169,118**	**6.70%**	**-7.19%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.
This table is aligned to MBRR table A4.

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APPENDICES

APPENDIX I: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*

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COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

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APPENDIX J: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX J (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							R '000
Description	**Year 0**	**Year 1**			**Planned Capital expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**FY + 1**	**FY + 2**	**FY + 3**
Capital expenditure by Asset Class							
Infrastructure - Total	–	–		–	–	–	–
Infrastructure: Road transport - Total	–	–		–	–	–	–
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	–	–		–	–	–	–
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	–	–		–	–	–	–
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	–	–		–	–	–	–
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–
Waste Management							
Transportation							
Gas							
Other							
Community - Total	–	–		–	–	–	–
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - New Assets Programme* R '000							
Description	**Year 0**	**Year 1**			**Planned Capital expenditure**		
	Actual	**Original Budget**	**Adjustment Budget**	**Actual Expenditure**	**FY + 1**	**FY + 2**	**FY + 3**
Capital expenditure by Asset Class							
Heritage assets - Total	–	–		–	–	–	–
Buildings							
Other							
Investment properties - Total	–	–		–	–	–	–
Housing development							
Other							
Other assets	–	–		–	–	–	–
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	–	–		–	–	–	–
List sub-class							
Biological assets	–	–		–	–	–	–
List sub-class							
Intangibles	–	–		–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on new asset	–	–		–	–	–	–
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)*							T M.1

APPENDIX J (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	Year 0	Year 1			Planned Capital		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	–	–		–	–	–	–
Infrastructure: Road transport -Total	–	–		–	–	–	–
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	–	–		–	–	–	–
Generation							
Transmission & Reticulation							
Street Lighting							
Infrastructure: Water - Total	–	–		–	–	–	–
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	–	–		–	–	–	–
Reticulation							
Sewerage purification							
Infrastructure: Other - Total	–	–		–	–	–	–
Waste Management							
Transportation							
Gas							
Other							
Community	–	–		–	–	–	–
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	–	–		–	–	–	–
Buildings							
Other							
Table continued next page							

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme* R '000							
Description	Year 0	Year 1			Planned Capital		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	–	–		–	–	–	–
Housing development							
Other							
Other assets	–	–		–	–	–	–
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	–	–		–	–	–	–
List sub-class							
Biological assets	–	–		–	–	–	–
List sub-class							
Intangibles	–	–		–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on renewal of existing assets	–	–		–	–	–	–
Specialised vehicles	–	–		–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							

** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)* T M.2

APPENDIX K – CAPITAL PROGRAMME BY PROJECT YEAR 1

Capital Programme by Project: Year 1					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
Sanitation/Sewerage					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Electricity					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Housing					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Refuse removal					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Stormwater					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Economic development					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Sports, Arts & Culture					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Environment					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Health					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
Safety and Security					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
ICT and Other					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
					T N

APPENDIX L – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 1 R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Electricity		
Housing		
Refuse removal		
Stormwater		
Economic development		
Sports, Arts & Culture		
Environment		
Health		
Safety and Security		
ICT and Other		
		TO

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APPENDIX M – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	**Water**	**Sanitation**	**Electricity**	**Solid Waste Collection**
Schools (NAMES, LOCATIONS)				
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				TP

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APPENDIX N – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
** Loans/Grants - whether in cash or in kind*				T R

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APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

MFMA Section 71 Returns Not Made During Year 1 According to Reporting Requirements	
Return	**Reason Return has not been properly made on due date**
	TS

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

Delete Directive note before publication

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APPENDICES

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

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APPENDICES

VOLUME II: ANNUAL FINANCIAL STATEMENTS

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

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Mid Term Assessment Report – Section 72 (iii)

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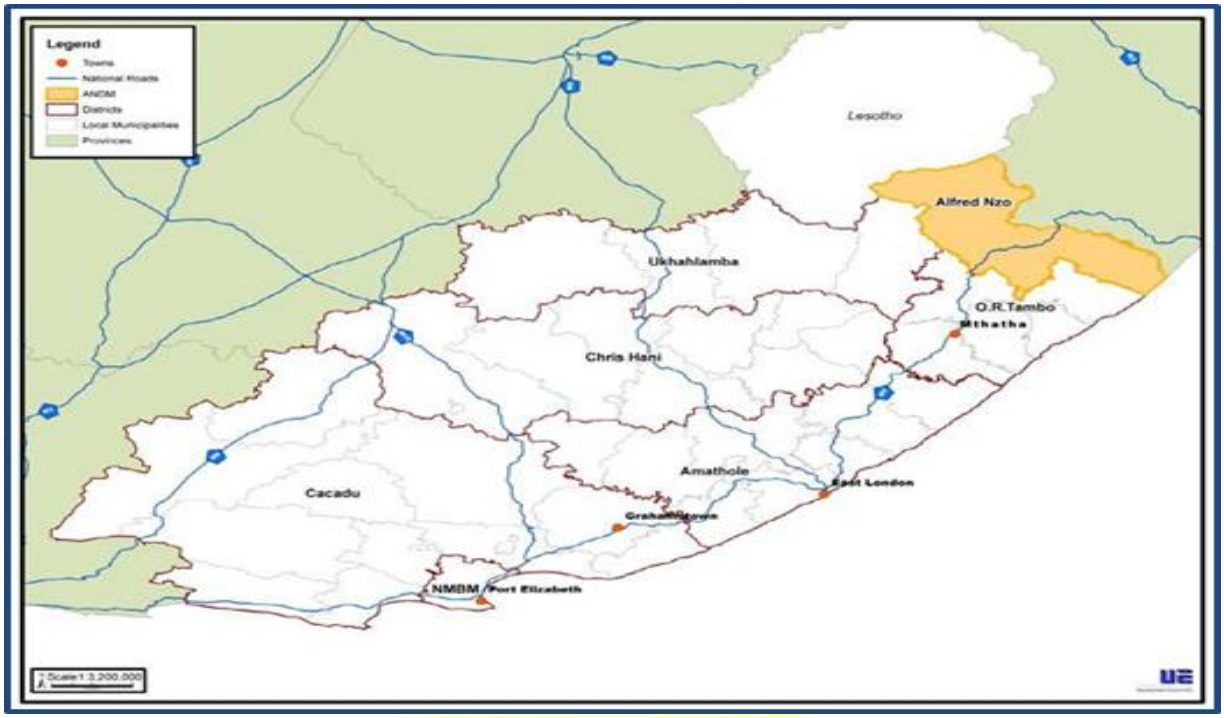
1. ANDM INTRODUCTION AND BACKGROUND

Alfred Nzo District Municipality is situated in the North Eastern corner of the Eastern Cape Province. It stretches from the Drakensberg Mountains, borders Lesotho in the West, Harry Gwala District Municipality to the North and O.R. Tambo District Municipality in the East and South.



The Alfred Nzo District comprises 11119 km2 and sizes up to four local municipalities as summarized below:

Table1: Geographic Composition of ANDM

Municipality	Area Km^2	% of the District Area
Matatiele	4352	39
Umzimvubu	2506	23
Ntabankulu	1455	13
Mbizana	2806	25
Alfred Nzo	**11119**	**100**

Population growth within Alfred Nzo has substantially increased over the years. This has been purely influenced by the changes on the administrative boundaries of the district in 2006 and in 2011. During early 2000, the district population was comprised of Umzimvubu and Umzimkhulu Municipal Population.

After the 2006 elections, Alfred Nzo District increased in geographical space to include Matatiele Local Municipality which increased the area's population to 479 591 persons. Umzimkhulu was moved to Harry Gwala District in KwaZulu-Natal. The recent demarcation following 2011 local government elections has resulted in Alfred Nzo District Municipality obtaining two additional local municipalities (i.e. Ntabankulu and Mbizana). This has further increased the area's population to approximately 900 491 persons. However, it is essential to note that currently the total population of ANDM is approximately 804 500. The geographical area has also increased from 6858 km2 to 11 119 km2.

Table 2: Local Municipalities and Key Towns in ANDM

Local Municipality	Towns
Umzimvubu	Mount Ayliff
	Mount Frere
Matatiele	Matatiele
	Maluti
	Cedarvillle
Ntabankulu	Ntabankulu
Mbizana	Bizana
TOTAL	**07 Towns**

Municipality is predominantly mountainous in the eastern and central areas with large tracts of grasslands in the north-western section.

The municipal area is predominantly rural with large number of villages scattered across the district. The N2 highway between Kokstad, located in Harry Gwala District Municipal area and Mthatha transects the most central part of the district. This route serves as the main linkage road from Kokstad through the central section of

OR Tambo District Municipality to East London. Kokstad is some 37km from Mount Ayliff and 80km from Matatiele, and serves as an important commercial linkage town which is located outside of the ANDM.

The district economy is characterized by limited formal economic activity and high dependency on the public sector for employment and social grants. Its proximity to the more developed towns of KwaZulu Natal such as Kokstad results in consumer spending leakage of funds outside of the district into the nearby Sisonke and UGU District Municipal areas. This scenario has resulted in the district municipality embarking on a project of undertaking District Economic Leakage Analysis which shall inform the municipal strategic approach to turn around the situation in terms of getting its economy base increased through circulation within its own area.

The population of Alfred Nzo is unevenly distributed amongst the four local municipalities. Mbizana has the highest population such that approximately 35.1% of the people within the district reside within it. This is followed by Matatiele which accommodate approximately 25.4% of the population. A substantial amount of the population also resides within Umzimvubu as well such that approximately 24% of the district population accounts for Umzimvubu population. Ntabankulu accounts for 15.4% of the population which implies that it is the area with least population within Alfred Nzo.

1.1. MID-TERM REPORTING LEGISLATION

Section 72 (1) (a) of the MFMA outlines the requirements for mid-year reporting.

The Accounting Officer is required by the 25th January of each year to assess the performance of the municipality during the first half of the year taking into account:

- The monthly statements referred to in section 71 of the first half of the year;
- The municipalities service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan;

- The past year's annual report, and progress on resolving problems identified in the annual report; and,
- The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Section 54 outlines Budgetary Control and early identification of Financial problems, and states that:

1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must:

    (a) Consider the statement or report;

    (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;

    (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;

    (d) Issue any appropriate instructions to the accounting officer to ensure:

        i. that the budget is implemented in accordance with the service delivery and budget implementation plan; and

        ii. that spending of funds and revenue collection proceed in accordance with the budget;

    (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and

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(f) In the case of a section 72 report, submit the report to the council by 31 January of each year.

2) If the municipality faces any serious financial problems, the Mayor must:

(a) Promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include:

i. steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;

ii. the tabling of an adjustments budget; or

iii. steps in terms of Chapter 13; and

(b) Alert the council and the MEC for local government in the province to those problems.

3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Chapter 13 (135) of MFMA – which outlines Resolution of Financial Problems; states that:

1) The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.

2) A municipality must meet its financial commitments.

3) If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately:

(a) Seek solutions for the problem;

(b) Notify the MEC for local government and the MEC for finance in the province; and

(c) Notify organised local government.

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1.2. ANDM BROAD MANDATE

ANDM Vision:

A self-sustainable municipality that guarantees effective and efficient rural development

ANDM Mission:

Creating a conducive environment by improving human capabilities and enhancing relevant skills, and maximizing the utilization of natural resources in order to improve quality of life for its communities.

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1.3. ANDM STRATEGIC OBJECTIVES

INDEX	NATIONAL KEY PERFORMANCE AREAS	DESIRED OUTCOME	REF	STRATEGIC OBJECTIVE	OUTCOME 9 OUTPUT	BACK TO BASICS	PILLAR NO.
A	Municipal Transformation And Organisational Development	Self-sustainable, compliant, efficient and capable Municipality	***A1***	Improve organisation, capacity, knowledge and Transformation	Implement a differential approach to Municipal Financing, planning and support	Building Capable Local Government Institutions	***5***
			A2	Optimise systems, administration and operating procedures			
			A3	Increase performance and efficiency levels			
B	Basic Service Delivery	Improved quality of life	***B1***	Increase access to municipal services	Improved access to basic services	Delivering Basic Services	***2***

			B2	Improve the quality of Municipal Infrastructure services			
			B3	Improve the quality and flow of water and sanitation			
C	Local Economic Development	Development in Rural areas and maximum utilisation of natural resources	***C1***	Strengthen internal & external LED capacity	Implementation of Community works Programme and supported Cooperatives	N/a	***N/a***
			C2	Improve economic viability			
			C3	Promote the earnings potential of ANDM Communities			

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D	Financial Viability And Financial Management	Self-sustainable, compliant, efficient and capable Municipality	***D1***	Increase revenue collection	Improve Municipal Financial and Administrative Capability	Sound financial management and accounting	***4***
			D2	Improve expenditure management and controls			
			D3	Maximise economies of scale and value for money by complying with SCM policies.			
			D4	Improve budgeting, reporting and compliance.			
			D5	Optimise use of municipal assets			
			D6	Strengthen financial management system			

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E	Good Governance And Public Participation	Self-sustainable, compliant, efficient and capable Municipality	***E1***	Promote Public participation and Good Meaningful Governance	Deepen Democracy through a refines Ward Committee System	Putting People First	***1 & 3***
			E2	Strengthen Governance and reduce risk		Good Governance	
F	Cross Cutting Issues	Integrated Development and strong partnerships.	***F1***	Improve Municipal planning and spatial development	One window of co-ordination	N/a	***N/a***
			F2	Improve Disaster Management and Prevention			
			F3	Improve community and health and safety			

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			F4	Improve Environmental Health & Safety			
			F5	Strengthen Intergovernmental Relations			

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2. OFFICE OF THE MUNICIPAL MANAGER

2.1. DEPARTMENTAL OVERVIEW AND FUNCTIONS

The Office of the Municipal Manager has eight units, and is charged with the following functions and duties:

2.1.1. Office of the Speaker

Purpose: To promote council legislative authority and oversight over executive.

Functions:

- Presides over meetings of council
- Assumes responsibilities for the legislative functions of Council
- Ensures that council meetings are conducted in accordance with the rules and order
- Ensure that council conducts its business in a transparent manner

2.1.2. **Office of the Mayor**

Purpose: promote the integrated sustainable socio-economic development and political stability

Functions:

- Presides over Mayoral committee meetings
- Perform ceremonial functions
- Performs delegated function by the council
- Provide political guideline, IDP/Budget/SDBIP and annual performance of S56 Manager and financial matters of the municipality
- Submission of statutory reports to council
- Responsible for political supervision of the administration

2.1.3. **Office of the Chief Whip**

Purpose: To promote the district-wide service delivery efficiency and effectiveness

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Functions:

- Political functionary placed to ensure that council interest are carried out by councillors
- advise councillors on important issues on council agenda and party to party caucuses
- Advise speaker in what order the important issues should be dealt with in the council
- ensures that meeting procedures are properly followed
- advises on quotation and sitting of council meetings and committee
- Promotes and maintains positive party to party relations and deployment to council committees.

2.1.4. **Office of the Municipal Manager**

Purpose: Overall Municipal Administration

Functions:
Oversees day to day running's of the Office of the Municipal Manager, political offices and units within the department

2.1.5. **Internal Audit**

Purpose:

- Coordinate and controls processes and procedures associated with the formulation of the Municipality's risk based Audit Plan and Program.
- The rendering of comprehensive or compliance, financial and operations and performance and fraud-risk review audits.

Functions:

- To provide Internal Audit services as per Section 165, MFMA
- Prepare Internal Audit Plan.
- Advise Accounting Officer and report to Audit Committee on the implementation of IA plan and matters relating to:
    - Internal Audit
    - Internal Controls
    - Accounting procedures and practises
        - Risk and Risk management

- Performance management
- Loss control
- Compliance with laws

2.1.6. **Risk Management**

Purpose:

- Identifies broad risk & compliance strategy & define/implements/monitors short term plans/objectives.
- Manage key processes/procedural compliance/risk applications associated with the functionality and ensuring implementation of risk management frameworks form National Treasury

Functions:

Manage key processes/procedural compliance/risk applications associated with the functionality and ensuring implementation of risk management frameworks form National Treasury.

2.1.7. **Legal Services**

Purpose:

- Coordination of Municipal legal services and support
- Prevents municipal legal disputes
- Provide legal support to Local Municipality within the district

Functions:

Provide legal support to the municipality, local municipalities and its related entities within the district.

2.1.8. **Strategic Management**

Purpose:

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- Manage/development/implementation; review of the IDP and OPMS
- Manage/development/review of the vision and long term strategy and IGR
- provide institutional legal support to Council; MAYCO
- Manage the development; implementation/review of the institutional strategic transformation agenda.
- Responsible for all functions that have a legislative mandate in the Office of the Executive Mayor i.e. SPU ; Communications and Strategic Services

Functions:

- Manage/development/implementation; review of the IDP and OPMS
- Responsible for all functions that have a legislative mandate in the Office of the Executive Mayor i.e. Special Programmes Unit ; Communications, IGR and Strategic Services

2.2. ASSESSMENT OF THE ANNUAL REPORT

Challenges within the annual report:

- Non enforcement of By-Laws
- Non implementation of the Community Empowerment Programme

2.3. PERCENTAGE OPERATIONAL TO TOTAL BUDGET

Original Budget 2014-2015		**% Operational to Total Budget**
Original Budget (Opex)	39 772 405	100%
Original Budget (Capex)	-	
Total	39 772 405	
Adjusted Budget 2014-2015		99%
Adjusted Budget (Opex)	35 875 723	
Adjusted Budget (Capex)	300 000	

Total Adjusted Budget	36 175 723	
Actual Expenditure at 30 June 2015		% Total Operational Budget Expenditure to Total Adjusted Budget
Actual Expenditure (Opex)	34 060 312	94%
Actual Expenditure (Capex)	115 733	
Total Expenditure	34 176 045	

2.4. MOTIVATION FOR BUDGET ADJUSTMENT

- Communications Unit is in the process of procuring an Outside Broadcast Van (OB Van) and subsequently encountered a shortfall in the original capital budget.
- Special Programmes Unit is in the process of opening a youth office in partnership with National Youth Development Agency (NYDA) and Alfred Nzo Development Agency (ANDA). The unit is in need of finalisation of the office space and procurement of furniture and tools of trade.
- Risk Management and Internal Audit are in the process of procuring risk and audit software there is a need to move the budget from operational to capital budget and to source additional funding.

Name of Project	Challenges	Recommendation/Motivation for Budget adjustment
Special Programmes Unit has Community Empowerment Programme (Operation Rea Kenela)	The project needs to be relocated to Infrastructure Development and Municipal Services (IDMS). The Unit also need budget adjustment	Additional budget is therefore needed for the programme.

	on Youth Programmes since it would be opening the new youth office that will need an operational budget.	
Communications Unit: - Newsletter production - Audio visuals	Budget exhausted in these votes	Additional budget is therefore needed for the programme.
Legal Services Unit has already depleted its fees due to the that	In light of the prevalent litigation the Legal Services Unit has depleted its fees.	The unit has since prompted the revision of a litigation strategy that encapsulates the appointment of a Panel of Attorneys so as to curb the exorbitant expenditure.
Office of the Municipal Manager: - Accommodation - Car Hire - Conferencing - Team Building		To adjust upward to cater for car hire, accommodation, conferencing as well as S & T. The team building is recommended for upward adjustment in order to cater for the end of term function for Councillors.
Office of the Speaker: - Open Council Day - Municipal Public Accounts Committee - Car Hire	- The Office of the Speaker is moving Open Council Day from quarter 3 to quarter 4 on the SDBIP.	- The budget for the Council upgrade vote needs to be adjusted upwards to cater for the kind of improvements that need to be effected.

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	.	- There is a need to make a funding provision for the programmes of the Municipal Public Accounts Committee whilst also adjusting the budget for the vote relating to Constituency Work in ensuring the visibility of the Council to the communities - There is also a need to adjust the budge for car Hire upwards

3. CORPORATE SERVICES

3.1. DEPARTMENTAL OVERVIEW AND FUNCTIONS

The Cooperate Services department at Alfred Nzo District Municipality consist of three sections that are responsible for the following functions:

3.1.1. **Admin Support**

This section is responsible for

- The provision of general administration services and records/document management
- The provision of administration support
- Cleaning and security services; facilities management

3.1.2. **Information and Communication Technology**

This section is charged with the following functions:

- The installation and configuration computer software
- The provision of end-user support services
- The provision of advice on system and hardware requirements
- The management and maintenance of IT networks
- The management of municipal data integrity and data analysis services
- The development and maintenance of the municipal website

3.1.3. **Human Resource Management and Development**

This section is responsible for the following functions:

- Provision of the Human Resources Transactional and practices services
- Payroll administration and labour relations services
- Ensure compliance with legislation/relevant collective agreements/policies/procedures
- Employee wellness/Performance Management /job evaluation
- Capacity building

3.2. ASSESSMENT OF THE ANNUAL REPORT

Project Name	**Challenges**	**Recommendations**
Policy development and review	Reviewed policies not adopted by Council	All reviewed and new policies were reviewed and adopted by council.
Records Management System	Non-Existence of ERDMS Under budgeting for the project	Service Provider has been appointed to deliver on objective. Budget adjustment is needed for the municipality to address the issue of institutional memory, document management, and document protection. This project is will assist

		the municipality to comply with the following Legislations: National Archives Act; Data Retention Act; Promotion of Access to information Act; Protection of Personnel Information Access Bill; Promotion of Administrative Justice Act
Security Services	Installation of UPS at Mt Ayliff DMC	This activity has been incorporated on the 2015/16 SDBIP.
	Non signing of adverts by Municipal Manager	this issue was resolved by development of Annual Recruitment Plan and enforcement thereof
Integrated Wellness programme	Non - attendance of the Integrated Wellness programme sessions by invited employees	this issue was resolved in the sense that programme should be shaped such that employees should see a value in the programme and HODs should ensure that all invited employees attend these sessions
Performance management System	Non-prioritisation/lack of commitment for PMS by Managers	Performance Contracts are in place and Assessments schedule for Q2 has been drafted and consequences will attached to those in contravention.
Establishment of the District Job Evaluation Unit	Delays on signing of service level agreement between SALGA and Delloitte for JE	SLA was signed and Delloitte is currently leading the process of JE in the province. DJE Forum is in place and operational.

As per Section 54 the department has complied with the requirements of this sub-section. It has also been noted that there is a need for revision of the service delivery and budget implementation plan, particularly service delivery targets.

Identify any financial problems facing the municipality, including any emerging or impending financial problems; as the department we could not see any elements displaying that the municipality is facing any financial problems hence we still able to pay for our commitments.

3.2.1. **Achievements for the 2014-15 Financial Year**

- Integrated Employee Wellness Programme – 60 Counselling, follow ups Treatment and referral done at IDMS Technical Services. 120 consultations and referrals done for employees. 30 OHS inspections done on ANDM sites
- Policy development and review - All 23 CPS policies were adopted by council Employment Equity Plan implementation – The ANDM Employment Equity Plan was reviewed and adopted. The annual Employment Equity Report was submitted to the Department of Labour in January 2015.
- Performance Management System - Performance contracts were signed by senior managers, level 2&3 managers
- Performance assessment for level 2&3 managers were conducted for midterm
- Review and adoption of the organizational structure -1 Reviewed organisational structure was adopted
- Coordination of all training and development programmes District Job Evaluation Unit was established
- External Bursary Scheme - students were registered at tertiary institutions to study.

ICT

- ICT Infrastructure Assessment
- Hardware and software evaluation
- Improve operational efficiency and ICT diversity management

3.3. PERCENTAGE OF OPERATIONAL BUDGET TO TOTAL BUDGET

Original Budget 2014-2015		**% Operational to Total Budget**
Original Budget (Opex)	51 758 740	93%
Original Budget (Capex)	4 050 000	
Total	55 808 740	
Adjusted Budget 2014-2015		90%
Adjusted Budget (Opex)	51 944 170	
Adjusted Budget (Capex)	5 600 000	
Total Adjusted Budget	57 544 170	
Actual Expenditure at 30 June 2015		% Total Operational Budget Expenditure to Total Adjusted Budget
Actual Expenditure (Opex)	43 155 476	75%
Actual Expenditure (Capex)	2 239 851	
Total Expenditure	45 395 327	

3.4. MOTIVATION FOR BUDGET ADJUSTMENT

Project Name	**Challenges**	**Budget Adjustment Recommendations**
Review records management policy and develop procedure	Reviewed Records Management Policy needs to be re-aligned with National Archives Act; Institutional Memory Preservation plans; Data	Budget adjustment is necessitated by the fact that the project was grossly under budgeted and the project is necessary for the institution to address non-compliance to the legislations

manual	Retention Act; Promotion of Access to information Act; Protection of Personnel Information Access Bill; Promotion of Administrative Justice Act etc.	mentioned above which exposes the municipality to many risks. It is proposed that each department should contribute **R400 000** for the project to be able to move between now and the end the financial year and also to ensure that we address bold issues raised by AG around documents and records management. The department requires **R4 million** for the project to contribute better on records management of the municipality this financial year.
Security Services	The procurement processes to appoint security services provider for the VIP Protection and additional guards have been delayed. The appointment of a new term of security companies has been delayed which led to the extension of the existing contract from 05 November 2015 to 31 January 2016.	The need for adjustment is necessitated by the fact that there were additional commitments more than what was budgeted for and also procurement of VIP Protection services which was not part of the plan. The department thus needs an additional **R2 million** to be able to pay service providers for the remaining months of the financial year.
Telephone Management System	The Current PABX system does not allow further installation of extensions.	The need for adjustment budget is necessitated by over expenditure on the service caused by under budgeting for the service. **R**

		1 500 000.00
Graduate Experiential training programmes	Budgetary constraints to meet the annual target of 50 Interns	Budget adjustment is need for the municipality to continue paying stipend for the internally funded experiential training. The department need **R3 00 000** for this programme to continue.
Career EXPO	Draft project plan was not presented to the Standing Committee and we still awaiting comments from the Office of the Premier.	Due to the fact the Office of the Premier project states that the Career must be held per Local Municipality so this necessitates a budget increase of **R 150 000.00**
SCOA Infrastructure Deployment	Under budgeted for the implementation of MSCOA by Munsoft.	The department needs an additional budget of **R 800 000.00**
Server and storage upgrade	None	The budget adjustment is necessary on the basis MSCOA implementation and interfacing costs came up sky rise due to rand-dollar exchange and expected increase on software costs. The department need additional budget of **R1 Million**.

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4. COMMUNITY DEVELOPMENT SERVICES

4.1. DEPARTMENTAL OVERVIEW AND FUNCTIONS

Community Development Services is responsible for provision of various community and social services within the district and all these functions are administered through the following units;

CDS has the following units:

- Disaster and Risk management.
- Fire and rescue Services Management.
- Municipal Health Services Management.
- Institutional and Social Development and Customer Care Services Management.
- Thusong Services Management.
- Sports, Arts, Culture, Recreation, Heritage and Museum.

4.1.1. **Disaster Risk Management Services**

Responsible for disaster risk management and response services.

Disaster risk management is a multi-disciplinary, multi-sectoral integrated and uniform process of planning that focuses on the prevention and reduction of risks of disaster, mitigating their severity, ensure emergency preparedness and also provide for the rapid response to disasters and post-disaster recovery.

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The KPAs as legislated in the Disaster Management Services (Act 57 of 2002)

- Integrated institutional capacity for disaster risk management.
- Disaster Risk assessment.
- Disaster Risk reduction.
- Disaster Response and recovery.

4.1.2. **Fire & Rescue Services**

Fire and Rescue Services is responsible for ensuring the safety of ANDM community and visitors by; providing effective emergency response services and quality prevention and education programmes that will minimize the loss of life and property resulting from fires and other emergency situations.

The Unit is organized into four divisions. Each division has functional Sections which are responsible for the accomplishment of specific functional goals and objectives.

- Management & Administration
- Operations Division is responsible for fire suppression and rescue (quality prevention and education programmes)
- In-house (Personnel) and Public Training
- Safety & Support Services

4.1.3. **Municipal Health Services**

Designed to ensure that a comprehensive environmental health services package is rendered to the inhabitants of the district

- Food safety & awareness
- Water Quality Monitoring
- Health surveillance of premises
- Environmental Control:
- Air quality, Waste Management and monitoring , Water Quality monitoring
- Vector Control
- Health Surveillance of premises and prevention of communicable diseases.
- Chemical safety

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4.1.4. **ISD & Customer Care**

Responsible for ensuring existence of sound relations between the district municipality and its customers and further ensure maximum stakeholder participation in the development initiatives of the district through a people-centred approach to achieve sustainable development

- ISD & Customer Care Public Education and Community Awareness Programme
- Customer Care Centre Marketing
- Batho Pele Championship Programme
- Formally introduce ANDM Batho Pele Development and Implementation of ISD Guidelines
- Promotion of a crime free district through crime awareness programmes

4.1.5. **Thusong Services**

Thusong Service Centers, formerly known as Multi-Purpose Community Centers (MPCCs) have been identified by the South African Government as the primary approach to address historical, social and economic factors, which limited access to information, services and participation by citizens, as they had to travel long distances to access these services, negatively affects their own empowerment.

Here are the programs of Thusong Service centers:

- Ensuring that services are brought closer to the people. This includes all services (government, private and PPP).
- Establishment of committees which assist in running of the centers (the committee is comprised of all stakeholders around the center including government agencies .

4.1.6. **Sports, Arts, Culture, Recreation & Heritage**

- Responsible for co-ordination of sports (out of school) arts, culture, recreation and heritage within the district.
  - Arts and Culture
  - Sports and Recreation
  - Heritage and Museums

CDS STRATEGIC OBJECTIVES

Improve organization, capacity, knowledge and Transformation

- Optimize systems, administration and operating procedures

- Increase performance and efficiency levels

Basic Service Delivery

- Satellite center establishment in Bizana
- Construction of 2 Thusong Centers established and functioning by 2015
- Procurement of Fire and Rescue Services vehicles (2 X Staff Training Transporters, 4 X Fire safety vehicles

Local Economic Development

- Promote the earnings potential of ANDM Communities

Financial Viability

- Improve expenditure management and controls
- Maximise economies of scale and value for money by complying with SCM policies
- Improve budgeting, reporting and compliance
- Optimise use of municipal assets

Good Governance and Public Participation.

- Promote Public participation and Good Meaningful Governance
- Cross Cutting Issues
- Improve Disaster Management and Prevention
- Improve community and health and safety
- Strengthen Intergovernmental Relations

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4.2. ASSESMENT OF ANNUAL REPORT

Challenges & Initiatives

Challenges	**Initiatives**
High vacancy & poor staff turnover(MHS)	Filling of vacant post has been made a priority.

Poor Emergency Services and Disaster Management system,that open the municipality to litigation issues as a result of incompliance.	Emergency Control room has been equipped with new equipment and emergency and disaster management system has been finalized during 2015/16 financial year.
Customer Care Surveys program was implemented, however additional funding for this project is required since the funds from the previous year could not be rolled over.	To re-priorities and re-budget for the project during the 2015/16 financial year.
The project for the supply of a vending machine for the municipal main office could not be initiated because of a lack of response to the tender advert from the suppliers.	Project will be re-advertised and implemented during 2015/16 FY.
Procurement of lab equipment has not been achieved. Due to no service provider meeting the minimum requirements of the tender.	Project to be implemented during 2015/16 FY.
Alfred Nzo memorial lecture has been put in abeyance for further consultation with stakeholders	Alfred Nzo Legacy Program will be implemented during 2015/16 FY.

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4.3. PERCENTAGE OF OPERATIONAL BUDGET TO TOTAL BUDGET

Original Budget 2014-2015		**% Operational to Total Budget**
Original Budget (Opex)	57 018 866	**94%**
Original Budget (Capex)	3 700 000	
Total	60 718 866	

Adjusted Budget 2014-2015		84%
Adjusted Budget (Opex)	59 343 170	
Adjusted Budget (Capex)	11 412 374	
Total Adjusted Budget	70 755 544	
Actual Expenditure at 30 June 2015		% Total Operational Budget Expenditure to Total Adjusted Budget
Actual Expenditure (Opex)	57 004 820	81%
Actual Expenditure (Capex)	9 217 986	
Total Expenditure	66 222 806	

4.4. MOTIVATION FOR BUDGET ADJUSTMENT

SPORTS, ARTS, CULTURE, HERITAGE & MUSEUMS

Project name	**Challenges**	**Recommendations**
Sport Development Indaba	No budget allocated	The sport indaba was supposed to be conducted on the first and second quarter, but was not budgeted for. R200 000.00 is needed for implementation
Alfred Nzo Legacy programmes	Under budgeting	The budget for this programme assisted in the second quarter (O.R. Tambo legacy programmes, SALGA games and Fikeni Traditional Council). The programme is proposed for focus more on leadership

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		consultation, family consultation, concept development and implementation of community impact programmes. R500 000.00 is needed for implemetation
Initiation programme	Under budgeting	The programme was budgeted only R60 000.00 and upon its implementation there was no budget, the programmes was assisted by Speaker's office through MRM budget vote, more budget is required for awareness campaigns and monitoring of initiation schools. An additional R120 000.00 is needed
Support, Coordinate and development of local writers	No budget allocated	The local writers will be drawn from with the institution but also encouraged to work with upcoming emerging local writers in development of Alfred Nzo booklet in honour of his legacy. R50 000.00 is needed for this programme

2. ISD & CUSTOMER CARE

Project name	**Challenges**	**Recommendations**
Customer satisfaction Surveys	Under Budgeting	The project was under budgeted during the initial

		stages of budgeting process. R800 000.00 needed for implementation
Drought response awareness Programme	Not budgeted for	No initial budget; R80 000.00 is needed for the awareness programme

3. DISASTER RISK MANAGEMENT

Project name	**Challenges**	**Recommendations**
Disaster Management Capacity Building	Under budgeting	Virement done on the vote during Q2 to cover stipend for Disaster Management Volunteers. R200 000.00 is needed for implementation
Disaster management public education & Community Awareness Program	Under budgeting	Virement done on the vote during Q2 to cover stipend for Disaster Management Volunteers. R200 000.00 is needed for implementation
Disaster Management response, recovery and rehabilitation Activities	Under budgeting	Disaster relief material bought in the last financial year was paid using the current financial year budget. There is need to budget more for drought disaster relief endeavours which has been declared by council. R2 500 000.00 is needed for implementation

THUSONG SERVICES

Project name	Challenges	Recommendations
Procurement of a mobile office in Nophoyi Thusong Service Center	Under budgeting	The project was under budgeted during the initial stages of budgeting process. An additional R550 000.00 is needed
Procurement of Nophoyi Thusong Center equipment	Under budgeting	The initial budget was not equating to the challenge, so there was gross under-budgeting. An additional R350 000.00 is needed.

5. MUNICIPAL HEALTH SERVICES

Project name	Challenges	Recommendations
Annual renewal of registration with HPCSA	Under Budgeting	The project was under budgeted during the initial stages of budgeting process. An additional R35 790.00 is needed for implementation
Communicable Diseases Awarenesses (responsive to drought, scabies, schistomiasis, chemical and indoor air quality)	Under Budgeting	The initial budget was not equating to the challenge, so there was gross under-budgeting. AN additional R400 000.00 is needed for implementation
Procurement of water sampling equipment	Under Budgeting	The budget was compared to previous expenditure in 2013, apparently the costs of the equipment has escalated by more than 50%. An additional R200 000.00 is needed for implementation

Procurement of protective equipment	Under Budgeting	This was under-budget for as there was no enough budget in the municipality to be realistic in budgeting. An additional R300 000.00 is needed for implementation
Water and food sampling	Under Budgeting	Under-budgeting resulting from budget cuts. An additional R450 000.00 is needed for implementation
World Environmental Health Congress	Under Budgeting	The project had to be halted as there were no funds for it, despite the fact that the exposure of our politicians and administrators would have done good to them. An additional R400 000.00 is needed for this project
Appointment of EHP Interns to address the non-compliance with WHO	Not budgeted for	The project was never budgeted for; R200 000.00 is needed for implementation

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FIRE AND RESCUE SERVICES

NB: R 130 000.00 was approved for vote 1600 44037: Fire and Rescue Services and that rendered the unit un-functional. The budgeted fund(R2 570 000.00) must be availed for this vote to fund all operational projects on the 2015/16 SDBIP.		
R 2 000 000.00 must be availed for repairs and maintenance of Disaster Management Centres. They are in a very bad state.		
Project Name	**Challenges**	**Recommendations**

Facilitate the recruitment and support to key Fire & Rescue Service objective	Under-budgeting	This project was budgeted till mid-term due to severe cut on Fire and Rescue Services budget.
Procurement of Fire and Rescue Services equipment	Under-budgeting	R 1 100 000 was the actual budget before budget cut, R 300 000 was approved for this project, the lowest quote during procurement is R 780 000.00 hence **R 800 000.00** is requested.
Fire and Rescue Services Communication Control Centre upgrade	Under-budgeting	This is a multi-year project, R119 820.00 is paid on monthly basis. The shortfall will be **R 338 900.**00 at the end of the financial year
Procurement of protective clothing & uniform	Under-budgeting	R 500 000 was approved for the whole department. The quotation for Fire and rescue Services Protective Wear and Uniform alone is around R 990 000.00 considering the fact that new bunker gear and replacement of the worn out garment must take place this financial year.
Strengthening of community resilience through Public Information, Public Education; Public Relations (P.I.E.R) programs	No budget was allocated	R75 000.00 is needed for the procurement of educational material for fire and life safety awareness. The initial budget was R0.00 because Fire and rescue Services had no funds.
Development of Community Emergency Response Teams (C.E.R.T)	Under-budgeting	This project could not be started resulting from no fees available. The initial R 225 000.00 was the product of budget cut but R 600 000.00 must be budgeted for this financial for this project to be effective. this project is critical as it constitutes the

		"the quick wings" status required by our political wing.

- Challenges in implementing projects within Community Development Services were due to a gross under budgeting for the department.
- SARCH has an over expenditure due to the SAIMSA games that were in Lesotho, and the MHS for the Laboratory services project.
- Disaster and Risk management partially exhausted its budget due to response and recovery program.
- Therefore Budget adjustment is highly recommended for the department as all sections of the departments are directly affected. Reshuffling including reprioritization of funds within available budget is recommended will be done through adjustment budget.
- SDBIP reprioritization in order to align projects with the available budget.

5. INFRASTRUCTURE DEVELOPMENT AND MUNICIPAL SERVICES

5.1. DEPARTMENTAL OVERVIEW & FUNCTIONS

The Municipality is a Water Services Authority under the Municipal Structures Act (No117 of 1998). The Municipality, being the WSA, has also decided to fulfil the Water Services Provider function for the local Municipalities that fall within its area of jurisdiction. These services are performed under the infrastructure within the DM.

The infrastructure department is split into three sections:

1. Water Services Authority (WSA)
2. Project Management Unit (PMU)
3. Water Services Provisioning (WSP).

5.1.1. **Water Services Authority (WSA)**

The WSA is responsible for the compilation of the Water Services Development plan (WSDP) and the Master Plans for sanitation & transport planning. It is also responsible for the verification and review of by-laws and tariffs in terms of the Water Services Act (108 of 1997). It is also responsible for the investigations and designs of all water schemes and extensions.

The section is also responsible for the following:

- Compilation of the Water Services Development plan (WSDP)
- Master Plans for sanitation & transport planning.
- Verification and review of by-laws and tariffs in terms of the Water Services Act (108 of 1997).
- Investigations and designs of all water schemes and extensions
- Environmental Management issues, Water conservation and demand management, ground water management issues, water quality issues and free basic services.

5.1.2. **Project Management Unit (PMU)**

The PMU deals with all capital and MIG funded projects in the entire district. These include water, sanitation, community facilities, and LED projects. This section also deals with the management of the funding of projects for which applications have been received and the implementation thereof. The strategic objectives of this unit are to provide services including engineering and community services to address the current backlogs.

Amongst other functions, the section also performs the following:

- The PMU deals with all capital and MIG funded projects in the entire district. These include water, sanitation, community facilities, and LED projects.
- This section also deals with the management of the funding of projects for which applications have been received and the implementation thereof.

The strategic objectives of this unit are to provide services including engineering and community services to address the current backlogs.

5.1.3. **Water Services Provisioning (WSP)**

The WSP is responsible for the operations and maintenance of the water purification and sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntabankulu local Municipalities). It is responsible for the bulk and reticulation networks in the aforementioned municipalities. It is responsible for the operations and maintenance of water services infrastructure management of the drought relief funding, also deals with sampling for water and effluent quality testing and compliance with legislative requirements (BDS & GDS).

Amongst other functions, the section also performs the following:

• Operations and maintenance of the water purification and sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntabankulu local Municipalities).

• Bulk and reticulation networks in the aforementioned municipalities.

It is responsible for the operations and maintenance of water services infrastructure management of the drought relief funding.

The key main stakeholders that are critical to the success of our effort to reduce backlog are listed as follows:

- The entire community (beneficiaries) to be served with water to ensure ownership of the project.
- Political leadership represented by Council who ensures that budget is equitably allocated to ensure that it addresses the imbalances of the past in line with the Government's vision.
- National and Provincial Government through Municipal Infrastructure Grant which ensures that budget is made available.
- Contractors and professional service providers who forms part of business community to ensure that projects are implemented on time at the right quality.

5.2. ASSESSMENT OF THE ANNUAL REPORT

The municipality provides a high level, RDP and below RDP standards level of services of water and sanitation. People sourcing water from springs, rainwater tanks, streams, rivers, dams, or water vendors are deemed to be unserved. People sourcing water from within 200m from a standpipe in the rural areas are deemed to be served within the RDP Standards and people with ERF (yard) connections in the urban areas are deemed to be served with a high level service.

Water schemes are maintained to ensure that clean drinking water is supplied to the communities. ANDM also ensures that the water treatment works are operational and they are operating with the set limits so as to ensure safe drinking water. Operations and maintenance is done even in rural schemes and there are rural operators that are working in these schemes thereby creating jobs for the communities living in poverty.

The department also ensures conservation of waters through the water conservation and water demand management program. This assists in ensuring that the municipality does not incur tedious water loses. Water conservation awareness and education is also conducted in rural areas.

The existing water infrastructure in the district is mostly dilapidated and refurbishment takes place where necessary so as to ensure continuous water provisioning. Through refurbishment, the municipality saves on water losses and unaccounted water.

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OPERATIONAL PROJECTS

Planned projects	Achievements	Shortcomings/Challenges	Possible solutions

• There were 40 operation projects planned	• 24 were achieved	• High rate of vacancies • Contracts positions not populated • Drought • Inadequate Budget • Policies do not address emergency issues • Worker's strike • Unfunded projects • Illegal connections	• Prioritize critical positions • Allocate funding for emergency and disaster projects • Provide adequate budgets • Policies should talk to means of addressing emergencies

CAPITAL PROJECTS

Planned projects	Achievements	Shortcomings	Possible solutions
• There were 41 capital projects planned	• 12 were achieved	• Contracts positions not populated • Drought • Inadequate Budget • Grant funding allocation. • Phased project implementation • Projects put on hold due to non-prioritization. • DBSA front loading which never came.	• Prioritize critical positions • Allocate funding for emergency and disaster projects • Provide adequate budgets

5.3. PERCENTAGE OF OPERATIONAL BUDGET TO THE TOTAL BUDGET

BUDGET

Original Budget 2014-2015		**% Operational to Total Budget**
Original Budget (Opex)	134 660 766	15%
Original Budget (Capex)	774 064 118	
Total	908 724 884	
Adjusted Budget 2014-2015		26%
Adjusted Budget (Opex)	233 996 508	
Adjusted Budget (Capex)	651 679 543	
Total Adjusted Budget	885 676 051	
Actual Expenditure at 30 June 2015		% Total Operational Budget Expenditure to Total Adjusted Budget
Actual Expenditure (Opex)	206 446 788	23%
Actual Expenditure (Capex)	525 595 931	
Total Expenditure	732 042 719	

5.4. MOTIVATION FOR BUDGET ADJUSTMENT

PROJECT NAME	CHALLENGES	BUDGET ADJUSTMENT RECOMMENDATIONS	PROPOSED ADJUSTMENT
CASUAL LABOUR/MATATIELE			R4 112 480.00
CASUAL LABOUR/UMZIMVUBU			R4 744 496.00
CASUAL LABOUR/MBIZANA			R1 494 128.00
CASUAL LABOUR/NTABANKULU			R2 366 912.00
OVERTIME	Under budget		R2 200 000.00
SHIFT ALLOWANCE	Under budget		R5 500 000.00

STANDBY ALLOWANCE	Under budget		R710 000.00
MANTEN SCHEM WATER: MATATI	Under budget		R15 000 000.00
MAINTEN WATER SCH: NTAB	Over budgeted		R3 000 000.00
MAINTENANCE:WS MBIZANA	Over budgeted		R1 000 000.00
MAINTENANCE WS: UMZIMVUBU	Over budgeted		R8 000 000.00
Reticulation	Under budget		-
BULK WATER PURCHASES	Under budget		R4 000 000.00
CATERING & VENUE HIRE	Under budget		R441 274.00
PROTECTIVE CLOTHING	Under budget		R5 000 000.00
SUBSISTENCE & TRAVELLING	Under budget		R3 461 536.00
WATER QUALITY MONITORING	Under budget		2 consultants were appointed instead of 1 thus additional funding of R2400 000.00 is needed
RECRUITMENT FOR WCDM UNIT	Never budgeted		WCDM unit needs more personnel given the drought crisis. R15 000 000.00 is needed for this project
DROUGHT RELIEF PROJECTS PROV C	Under Budgeted		R10 000 000.00
EPWP	Under Budgeted		R6 000 000.00
LEASING MOTOR VEHICLE	Under budget		R14 000 000.00
REHAB OF MBIZANA PONDS PROV CA			R2 000 000.00
REHAB OF NTABANKULU POND PROV			R2 000 000.00
REFURBISHMENT WATER SCHEME UMZIMVUBU	Under budget		R3 500 000.00
REFURBISHMENT WATER SCHEME MATATIELE	Under budget		R3 500 000.00
REBURBISHM WATER SCHEM NTABANK	Under budget		R3 500 000.00
REFURBISH MNCEBA WATER SCHEM P	Under budget		R2 500 000.00
MALUTI REG BULK WATER SUPPLY (BELFORD BULK PIPELINES)	Project never budgeted	Funds to be made available under Equitabe Share	R2 300 000.00
RHIG	Was not part of the budget	Funds transferred by DWS already	R4 500 000.00
GREATER BIZANA - DBSA	Under budget	Project paid under MIG, hence the need to adjust while waiting for DBSA funding	R47 000 000.00
FOBANE PHASE 2 WATER/S - DBSA	Under budget		R35 000 000.00
UMZIMVUBU WARD 13 W/SUP - DBSA	Under budget		R12 000 000.00
UMZIM WARD 14 W/SUPPLY - DBSA	Under budget		R25 000 000.00

RBIG MATATIELE PRO	DBSA Funds never made available		R36 681 116.00
MT AYLIFF RBIG PROV CAP EXP			R5 000 000.00
RBIG MBIZANA PROV CAP EXP			R16 979 887.00
MT. AYLIFF RBIG WS	New project under RBIG		R2 500 000.00
QWIDLANA WATER SUPPLY - MIG PR	Under budget	Due to inadequate MIG budget all MIG projects were under budgeted.	R6 000 000.00
CABAZANA WATER - MIG PROV CAP	Under budget		R25 000 000.00
MALUTI/MATATIELE/RAMO -MIG WATER SUPPLY	Under budget		R8 000 000.00
NTIBANE WATER PROJECT PROV CAP	Under budget		R65 000 000.00
NYOKWENI BOMVINI BULK WATER SUPPLY	Under budget		R40 000 000.00
UMZIMVUBU WARD 22 PROV CAP EXP	Under budget		R22 000 000.00
MATATIELE WARD 15 PROV CAP EXP	Under budget		R25 000 000.00
MATATIELE WARD 5 PROV CAP EXP	Under budget		R30 000 000.00
MATATIELE WARD 7 PROV CAP EXP	Under budget		R46 000 000.00
CONSTRUCTION OF VIP IN MBIZANA WARD 26	Under budget		R7 477 590.00
CONSTRUCTION OF VIP IN MBIZANA WARD 29	Under budget		R11 558 103.00
CONSTRUCTION OF VIP IN MBIZANA WARD 30	Under budget		R12 286 996.00

- Position for the WCDM
- Appointment of 2x PSP yet one was planned
- Project that were awarded above the approved budget
- Multi-year project implementation
- Improper phasing of project implementation
- Drought impact
- DBSA front loading which has not been approved yet
- O & M budget allocation not aligned to DORA requirements

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6. PLANNING AND ECONOMIC DEVELOPMENT

6.1. DEPARTMENTAL OVERVIEW

The Planning and Economic Development Department is charged with the following key programmes:

- Development Planning (IDP and PMS)
- Spatial Planning and Geographic Information Systems (GIS)
- Local Economic Development (LED)

6.1.1. **Development Planning**

The Development Planning office is charged with the following duties:

- Municipal Integrated Development Planning
- Organizational performance monitoring
- IDP local municipal support
- Annual reporting

6.1.2. **Spatial Planning and GIS**

The Spatial Planning and GIS Unit is responsible for:

- District Spatial Development framework
- Assisting Local Municipalities in advising on statutory applications
- Land claims
- Urban development planning
- Municipal Infrastructure spatial data capturing
- Supporting LMs with GIS Shares services
- Managing project related information ie Environmental, LED & Disaster management
- Disseminating GIS information to end users

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6.1.3. **Local Economic Development**

The LED Unit is responsible for:

- The promotion of local economic development through the following programmes:
    - SMME Support
    - Agriculture Development
    - Tourism Development
    - Resource Mobilisation for Information dissemination

6.2. ASSESSMENT OF THE ANNUAL REPORT DEPARTMENTAL CHALLENGES AND ACHIEVEMENTS

The following table summarises challenges identified by the Department in the Annual Performance Report for 2014/15 Financial Year. The purpose is to get a sense regarding progress made in addressing the challenges.

PROJECT NAME	CHALLENGES	RECOMMENDATIONS/REMEDIAL ACTION
Automated Filling System for Planning statutory applications	The estimated cost for this project was R500 000 and only R300 000 was availed during the budget process. The project was under-budgeted for hence it could not be implemented. The budget was thus channelled to the poverty alleviation project.	The project needs to be reprioritised and sufficient budget must be availed.
Municipal Planning Related By-laws	LM`s needed to wait for the adoption of the SPLUMA regulations and this project had to be put on hold	Await for the adoption of SPLUMA to be able to implement the project.
GIS Systems Integration	The project was advertised however; only one service provider responded and did not meet the requirements outlined in	The project to be included in the SDBIP for the 2015-16 FY.

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	the Terms of Reference. Project could not be implemented.	
GIS Infrastructure Upgrade	The budget that was requested for this vote was not approved therefore the targets were not achieved.	The project to be included in the SDBIP for the 2015-16 FY.
Fencing of Arable Land (20ha)	The target for this project was initially to fence 20ha, however scope expanded to 75 ha due to increased demand on the ground. The project could not be implemented because of delays in procurement process as a result the service provider was not appointed until the end of financial year. This resulted in the budget being forfeited	To continue project implementation in the 2015/16 FY and request BTO to make provision for this Project through accruals
ANDM Zone Centres	Zone Centre concept document has been developed and will initially be presented to the Standing Committee for LED and Planning and other relevant	Once consultation has been done project has to be re-advertised in the 2015/16 FY

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	structures.	

HIGHLIGHTS

Through the Poverty Alleviation Programme, the LED and Planning Department managed to assist projects with inputs required to assist towards ensuring participation in mainstream economy as small businesses. Despite the numerous requests for assistance received, the LED Unit within the Department managed to reach the anticipated target and further secured additional funding through the Mid-term as the demand was extremely high.

It is unfortunate that the funds received during the Mid-term were forfeited as the appointment of the Service Provider did not take place until the end of the Financial Year. Even though the municipality sometimes makes provision for accruals, no allocation was made for this project and this has had a huge impact on the implementation thereof.

During the financial year under review the Spatial Planning Unit within the Department managed to undertake and complete two land audits for Mbizana and Umzimvubu local municipality. The land audit comes against the back drop of a number of land claims that have been lodged within the respective municipalities, the land audit will assist in verifying and confirming land ownership status and giving a synopsis of all land that is under claim within the district.

In line with good governance objectives, the GIS Unit within the Department has established a GIS shared service that aims to provide spatial information management capacity for the local municipalities. This initiative has saved the local municipalities from incurring expenditure where projects that would have had to be done by service providers were implemented using the same resources from the district.

6.3. PERCENTAGE OF OPERATIONAL BUDGET TO THE TOTAL BUDGET

Total Operational Budget and Capital Projects

Original Budget 2014-2015		**% Operational to Total Budget**
Original Budget (Opex)	27 568 391	97%
Original Budget (Capex)	800 000	
Total	28 368 391	
Adjusted Budget 2014-2015		97%
Adjusted Budget (Opex)	27 132 036	
Adjusted Budget (Capex)	800 000	
Total Adjusted Budget	27 932 036	
Actual Expenditure at 30 June 2015		% Total Operational Budget Expenditure to Total Adjusted Budget
Actual Expenditure (Opex)	21 852 752	78%
Actual Expenditure (Capex)	508 147	
Total Expenditure	22 360 899	

6.4. MOTIVATION FOR BUDGET ADJUSTMENT

Project Name	Challenges	Recommendations/Motivation for Budget Adjustment
Implementation of Beach to Berg Corridor	Budget constraints limiting project scope; therefore project can only be	In order to implement the project successfully, additional funds are required to ensure the Infrastructure

Development Plan	facilitated in 2 LMs whereas Department had targeted to implement the initiative in all 4 LMs	Work Schedule covers the District; as planned. This will assist towards ensuring that the District packages its Tourism attractions thus positioning the ANDM as a tourist destination. An additional R400 000.00 is required.
SMME Capacity Building Programme	The Capacity Building Programme has been aligned with the Grain Production and Fencing of Arable Land Projects. The initial focus was on training beneficiaries on mainly on maize production (in line with the Grain Production project being implemented on the ground). In light of the drought, the maize crop had to be changed to dry beans – therefore the project scope both for Grain Production and Training had to be expanded such that it makes provision for dry bean production. This will have cost implications on the project.	For successful implementation of the training programme, additional budget is required to ensure that the additional scope of work is made provision for. An additional R200 000.00
Grain Production	The initial focus for the Grain Production	As dry bean production requires additional funding resources, the

	Programme was to plant maize in a total 120 ha throughout the District. Maize however could not be planted due to the prevailing drought conditions. The fact that the Service Provider was only appointed late in December did not assist the situation either. The department therefore had to seek alternative crops that can withstand drought conditions; and after much consultation with stakeholders, the recommendation was to plant dry beans. Beans are however a more expensive alternative as they require a different approach to soil preparation and the seed itself is quite pricey.	Department requires additional funds to ensure the successful implementation of the programme. An additional R200 000.00 is required.
Poverty Alleviation Programme	This project is in response to requests for assistance from projects/cooperatives. Since the programme commenced, there has	A programme of this nature will have significant impact on the ground – however this can only be achieved if the Department is resourced adequately to implement the programme.

	been an increased demand and these requests have not stopped pouring into the LED office. The project is however significantly under-resourced financially, and is still attending to requests that were submitted to the Department in the previous Financial Year. Furthermore during the previous financial year the project was not awarded due to the non-sitting of procurement committees as a result the budget that was set aside to implement the project was forfeited. Budget for this financial year was supposed to be utilised for this financial year's project but instead it is set aside to fund previous financial year's requests.	An additional R1 200 000.00 is required
Fencing of Arable Land	As mentioned above, the Fencing of Arable Land Programme is aligned with the Grain Production	This is also one of those programmes that have significant impact on the ground, as it provides opportunities for employment (through the EPWP)

	Programme. It has been significantly challenging to implement the Grain Production programme without adequate funding. Even though the department has started fencing some of the areas ploughed, there are still a number of areas that need to be fenced for sustainability of the Grain Production programme as a whole. Furthermore in order to boost employment the department opted to implement through programme through EPWP however there isn't enough budget to fund the stipends of EPWP workers.	and also will be ensuring sustainability of the Grain Production programme. To achieve this, additional funding is needed to ensure successful implementation of the programme. An additional R1 200 000.00 is required
Statutory applications Automated filling system	The project was initially budgeted for at R500 000.00 but this budget was reduced during the budgetary process to R200 000.00 and therefore there project cannot be implemented at that amount.	SPLUMA has been promulgated and the district municipality has been charged with the responsibility of forming a district tribunal and facilitating the approval of all class 2 applications. In the absence a statutory applications filling system the district municipality will not be able to carry out all its obligations in this regard.

		An additional R300 000.00 is required.
Land use Management Framework	The project was initially budgeted for at R1.2 million and the appointment letter was issued during the previous fiscal year thus in the current fiscal year the initial budget for the project was not rolled over. The implication with this project is that the service provider was appointed at the initial budget and is currently proceeding with work.	The service provider is currently completing this project and it is vital that additional funds be made available for this project. An additional R800 000.00 is required.
Spatial planning capacity support	The District municipality has completed its Spatial development Framework and one of the directions of the SDF is to introduce thorough land-use planning measures within all ANDM local municipalities. The challenge at local municipalities is that the budget allocated to Spatial planning is rather limited thus most LM`s can not implement SDF directives	The project was initially budgeted for at R1 000 000.00 However, during the budget process this was reduced thus the current budget allocated to the project is inadequate to assist the LM`s An additional R400 000.00 is required.

	fully. The district municipality therefore assists in this regard.	
GIS Shared Service Implementation	The project objective is to provide GIS capacity to the local municipalities. This includes coordinating funding to support the LMs with the GIS Needs. A needs analysis was conducted during the development of the GIS Shared service model whereby several GIS assistance requests were submitted by the LMs. In response to this, the DM aims to avail at least R100 000.00 per LM. The funds have not been transferred to the LMs as there has been delays in adopting the GIS Shared Service model which was meant to guide the implementation of this initiative. However, agreements that will serve as the basis for transferring the funding to the LMs have been drafted to be signed by all parties.	This vote currently has insufficient budget to meet the requests for all 4 LMs. In addition, this project also aims at promoting access to GIS services via internet. To be able to achieve the above mentioned objectives an additional R200 000.00 is required. This amount can be reallocated from the Data capturing vote as there are activities from this project that were implemented using the GIS personnel without expenditure.
GIS Systems	This project aims to	The initial budget for this project was

Integration	integrate information from various systems to ensure that the municipal systems are talking to each other. Most of the information managed by these systems is location based and needs to be represented spatially through integrating the systems. Initially the aim was to integrate 2 systems however, the scope has since expanded to 4 systems and thus additional budget is required.	about R150 000.00 and an additional R50 000.00 is required which can also be reallocated from the GIS Data Maintenance vote.

7. BUDGET AND TREASURY OFFICE

7.1. DEPARTMENTAL OVERVIEW AND FUNCTIONS

The Budget and Treasury Office (BTO) is the anchor office of the Municipality as it provides support to all departments of the Municipality. The primary role is dealing with the management of a municipal's funds and ensures financial sustainability for the institution.

For any plan to be implemented there is a need for cash, as actions won't materialize without cash injections i.e. consider the concept of fuel for vehicle fleet, you may have the best car designs with the most sophisticated engines, but for anyone of the these vehicles to move you need fuel.

Hence the fleet won't be able to serve its purpose without a drop of fuel. Hence similar to the Municipality scenario where you may have hired the best personnel,

with state of the art working tools (which in turn need cash to be acquired). In turn the highly skilled personnel will have to be paid.

It is clear that the Municipality cannot operate without cash, which has to be made available to all departments and it's controlled by BTO in terms of the Municipal Finance Management Act of 2003.

The BTO ensures that the finances of the municipality are properly managed and provides support through the following units, Budgeting, Revenue, Supply Chain Management and Expenditure.

7.1.1. **The Budgeting and Reporting Unit**

- The unit prepares strategic, credible and sustainable budget as required by the legislation. It monitors operational activities, indicates on a monthly basis any deviations from the original budget plans to enable departments to take corrective action timeously.
- The Unit also controls expenditure by highlighting exhausted budgeting items to assist management in deciding on how to deal with the underlying expenditure in question.
- The Budgeting Process synchronises departmental plans (as set out in the IDP) to operational activities, which are further broken down into time frames through the Service Delivery and Budget Implementation Plan.
- At every financial year BTO department prepares Annual Financial Statements which are audited by Auditor General

7.1.2. **Revenue Management Unit**

- This unit deals with the inflow of income into the Municipality, be it statutory or non – statutory. It ensures correct management of cash received and that all funds received are accounted for in a correct prescribed manner;
- It also ensures that consumer data is accurate in order to bill correctly, thereby improving cash collections and reducing outstanding debts
- It also deals with investment and Cash flow management
- It also deals Cash and Bank Management

7.1.3. **Supply Chain Management Unit**

- This Unit deals with the fulfilment of demands of all departments on all goods and services required to fulfil each departmental to enhance service delivery as set out in the IDP.
- It ensures that those products and services are made available timeously.

7.1.4. **Expenditure Management Unit**

- This Unit ensures that funds of the Municipality are spent in terms of an approved budget and sets up controls to minimize misuse of funds through fraud and corruption and it ensures that the municipality is financially viable
- Manage payroll and third party payments
- Capital and operational expenditure management, work-in-project, commitments and contingencies

7.1.5. **Assets and Liability Management**

- This unit produce and maintain an accurate asset register and to ensure that council's assets and liabilities are effectively managed.
- Manage of long-term liabilities and finance costs processes

7.2. ASSESSMENT OF THE ANNUAL REPORT

No	IDP Project	Achievements	Challenges	Solutions
1.	Payroll & Creditors Management	Payroll Calendar developed and approved Salaries Paid on the 15th and 25th. Reconciliations performed and third party payments by the 7th.	Payments are processed on the 15th and 30th of the month, however not all invoices are paid within 30 days of receipt. This is due to	Centralise receipt of invoices Appoint a dedicated person who will be responsible for the receipt of invoices (Placement can address the issue)

No	IDP Project	Achievements	Challenges	Solutions
			departments receiving, keeping the invoices and not submitting them for payment.	
2.	Vat Recovery	Vat was previously done by a service provider and in the current financial year it's done internally. Vat returns have been submitted to SARS on a monthly basis before the 25th of the month and without incurring any penalty. Total amount received up to date is R 28 380 791.49	Although the vat is done internally for the first time, a budget was set aside for a service provider to come and review the work done so far. The amount has not been spent as the service provider is still to be appointed.	Appoint the service provider to review and audit VAT assessments and returns.
3.	Capital Project Management Accounting	Monthly reconciliations are performed monthly. The MIG and EPWP reports are submitted before the 7th of each month.	Payments are not yet all processed within 30 days of receipt of invoice. The municipality implemented a lot of capital	The job costing module needs to be activated so that it can breakdown the cost components into projects to eliminate over expenditure on projects.

No	IDP Project	Achievements	Challenges	Solutions
			projects and service providers were appointed and started working on projects. The funds that were expected from DBSA did not come forth and payments to these service providers were delayed. Over expenditure on projects and tenders awarded, unable to accurately monitor each project due to numerous projects that are currently running.	
			Monthly updating of project files is a challenge; due	Job descriptions need to be reviewed and updated to be relevant to the actual

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No	IDP Project	Achievements	Challenges	Solutions
			to the insufficient information from the project consultants for 2008 up to 2011.	functions of the unit. Appoint a consultant to review, update and align all the project files.
4.	Budget management and Reporting	Section 71, 52, 66 reports are submitted in time to the relevant bodies like National Treasury, provincial Treasury and others. Management accounts or budget analysis is done monthly and submitted to the user Departments.	None	None
5.	mSCOA Rollout	Munsoft has been upgraded to version 6.6 to be mSCOA compliant and the steering committee has been formed and members appointed.	The project has been under budgeted and the MOU with the service provider has not been signed yet. Provincial	The budget needs to be revised and adjusted to cover the full amount of R750 000.

No	IDP Project	Achievements	Challenges	Solutions
			Treasury has not conducted the training yet, due to logistics now it has been scheduled for the 2nd to the 4th February 2016.	
6	Preparation of AFS and submission to AG	The AFS were prepared and submitted to AG in time.	Although there were major misstatements due to the interruptions in the implementation of the AFS plan. The AFS were revised during the audit.	Municipality to appoint a service provider to assist the Municipality in developing a comprehensive plan to address all the issues and components of the audit outcomes.
7	Audit Queries	The audit opinion that was achieved in the prior year was maintained. There was improvement in the submission of the COAFs to AG.	The poor quality of the work that is done by the Office of the Auditor-General. Expressed an audit opinion when they had not even finished working. No	Municipality to appoint a service provider to assist the Municipality in developing a comprehensive plan to address all the issues and components of the audit outcomes.

No	IDP Project	Achievements	Challenges	Solutions
			responses to management comments in response to the findings. Signed audit report was only received now in January 2016 and we still have not received the management letter (draft and final)	
8	Develop an IDP/Budget Process Plan	The budget process plan was approved and submitted within the stipulated timeframes	None	None
9	Indigent Support	None	Indigent Register has not yet been adopted by Municipal Council. The municipality does not have indigents in the billing system.	IDMS must table Indigent Register to the next Council sitting for approval in order to start allocating free kilolitres to qualifying customers and develop reports which shows costs involved

No	IDP Project	Achievements	Challenges	Solutions
				and how to influence Tariff determination and the budget
10	Revenue Collection and Debt management	The replacement and installation of meters was done at Mbizana, Mount Ayliff, Mount Frere, and Cedarville. Matatiele, Cedarville, Mount Frere offices were refurbished	There is limited Budget to implement the project.	The municipality requires additional funding for installation and replacement of meters in Matatiele and Ntabankulu
11	Consumer management and billing	Meters are read from 05th to the 25th of every month. Meter readings are downloaded to the server immediately the Meter has finished reading the books Faulty meters and leaks report and job cards are sent to IDMS on a monthly basis Additional meters were installed on areas that did not have meters before	Non availability of funds to escalate the project to the entire district	Budget adjustment

No	IDP Project	Achievements	Challenges	Solutions
12	Consumer Management	Reports of top 10 owing customers were sent to IDMS on a monthly basis. Debtors' reconciliation was done on a monthly basis. Revenue Management report was done on a monthly basis Statements were sent to Customers on a monthly basis and telephone calls were done monthly.	The budget anticipated increase in revenue as a result of additional meter installation As a result of introduction of new Debtors management system (SEBATA) revenue collection has dropped Meters not working Credit control policy implementation	Adjust the budget Accelerated the meter installation – revenue management solution Adjust the Budget Full implementation of Credit control policy. Implementation of revenue enhancement strategy – prepaid meter installations
13	Consumer Data cleansing	Available Customer information was	Community participating	Community participation and

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No	IDP Project	Achievements	Challenges	Solutions
		updated/corrected to the Billing system. Reconciliation of Valuation rolls and Billing system was performed on a monthly basis	challenges affected the implementation of the project. Rejections by communities and non-participation, and submission of documents	engagement by ANDM on the project To ensure community understand the significance of this project, lobby their participation
14	Cash management and Investment	Cash received from Customers was dropped in FNB safe which automated to the banking on a daily basis. All Grants and Subsidies are receipted to a liability vote and Income vote Investment register agrees with the bank statement Interest are updated monthly	Bank Reconciliation of monies receipted to two different systems was very challenging and this led to receipts not reconciled Investment policy is not in line with Investment Regulations	By July 2016 the system must run parallel in order to fast track the bank reconciliation.
15	Contract Management	None	Contract register is not updated due to inadequate staff	To appoint Senior contract officer

No	IDP Project	Achievements	Challenges	Solutions
			to perform the function. Capacity – untrained staff	
16	Sitting of BID Committees	None	Bid Committees not sitting , a calendar has been developed but not yet approved	Approve and implement Bid committee calendar Members of the committee should be held accountable for not attending and the accounting officer must intervene.
17	Annual procurement plan	Procurement plan is developed and approved.	None	None
18	Implementation of Supply Chain Management Policy	None	- Deviation that are approved by Accounting Officer and Council which does not meet SCM Policy and AG Requirements. - Terms of Reference submitted late by respective project Manager	-Checklist should be completed to ensure all requirements have been met for a valid deviation prior to approval. -Implementation of procurement should be added as a KPI for all respective Managers on the performance agreements. -All bid Committee

No	IDP Project	Achievements	Challenges	Solutions
			as per approved procurement Plan. - Non sitting of Bid Committees result in delays on appointment of service providers. - Shortage of personnel within SCM. - Non response from National Treasury on approval of irregular expenditure incurred.	Member should include on their performance agreement, their sitting on respective committee. -All Budgeted post on approved Organogram should be filled. And those not budgeted for, should be budgeted for and be filled.
19	Supplier Database Management	None	Shortage of personnel within SCM. Database Clerk was approved but not budgeted for.	Position of Database Clerk should be budgeted for and be filled.
20	BTO SOP`s delegations and contract management	BTO SOP's delegations have been finalised. SOP has been	Contract Management unit has not been	Contract management Unit must be introduced during Review of

No	IDP Project	Achievements	Challenges	Solutions
		developed.	implemented waiting for ANDM organogram review.	ANDM Organogram.
21	Update fixed asset register.	A GRAP compliant Fixed assets register is maintained and updated monthly.	There was a challenge at year of the FAR not agreeing to the GL and AFS. This was due to the accruals that were captured late. The accruals included assets that were received before year end but paid after year.	A deadline should be set for all accruals on a monthly basis and especially at year end.
22	Safeguarding and maintenance of assets	Assets are verified on a quarterly basis. Municipal Assets are insured and maintained	Infrastructure Assets are not labelled and that makes it difficult for those without coordinates on the register to be identified. The Municipality	Municipality to develop maintenance and asset replacement plan.

No	IDP Project	Achievements	Challenges	Solutions
			has no maintenance plan and asset replacement plan.	
23	Fleet Management	Fleet Register is updated monthly and monthly deviation reports are monitored.	Servicing of the fleet is sometimes delayed as the fleet that is still under warranty has only to be serviced by the respective dealerships. These dealerships are not interested in registering in our database and this result in deviations for the maintenance and repairs costs. Number of accidents still not dropping	Fleet management system not yet procured hence SCM delays Action should be taken on cases reported for disciplinary action
24	Inventory Management	Quarterly stock taking is done	Munsoft module for inventory	While continuing with the manual

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No	IDP Project	Achievements	Challenges	Solutions
			has problems. Purchase of stock items without following scm procedures.	reconciliations, IDMS department have engaged Munsoft to come and assist with the problem.
25	Stores Construction	Having had no stores in the satellite offices, now we have Matatiele/Cederville stores constructed, Mt Ayliff is being renovated and Bizana is being constructed.	Stores construction was under budgeted for. The Mount Ayliff store is going to be extended and Bizana stores is being constructed.	None
26	Management of Long-term Liabilities	All payments are made within stipulated time and no penalties were incurred.	None	None

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7.3. PERCENTAGE OF OPERATIONAL BUDGET TO TOTAL BUDGET

8. **Original Budget 2014-2015**		**% Operational to Total Budget**
Original Budget (Opex)	146 666 763	**99%**
Original Budget (Capex)	1 300 000	
Total	147 966 763	

Adjusted Budget 2014-2015		95%
Adjusted Budget (Opex)	140 798 832	
Adjusted Budget (Capex)	7 855 646	
Total Adjusted Budget	148 654 478	
Actual Expenditure at 30 June 2015		% Total Operational Budget Expenditure to Total Adjusted Budget
Actual Expenditure (Opex)	128 372 952	86%
Actual Expenditure (Capex)	5 824 861	
Total Expenditure	134 197 813	

7.4. MOTIVATION FOR BUDGET ADJUSTMENT

PROJECT	CHALLENGE	RECOMMENDATION
Revenue Collection and Debt management	The municipality does not collect revenue to its maximum level	The municipality is facing with drought, the schemes are dry, and the quantity demand is less than the quantity supply. The municipality is supposed to produce 4,8 megabytes per day but is producing 1, 8 megabytes. The municipality need to invest and refurbish the current existing infrastructure. The municipality adopted Revenue Enhancement Strategy and its

PROJECT	CHALLENGE	RECOMMENDATION
		implementation is underway. There has been a slight improvement for revenue collection. In order to effectively implement this strategy we need more funding for installation of meters The IDMS to provide Budget and Treasury Office with credible Indigent register to identify qualifying indigent consumers for free basic services
Budget preparation and management	Inadequate Spending Against Capital Budget. The municipality applied for the DBSA frontloading and the application expired before funds were transferred affecting the cash flow of the municipality since projects are underway	The municipality is looking at other source of financial modelling to speed up the implementation of projects and to strengthen the municipal cash flows
Cash management and investment	Grants Expenditure not in line with DORA requirements. The RBIG and MWIG grants were	The normally affects and reduces grant allocation for outer year. The municipality to fast-

PROJECT	CHALLENGE	RECOMMENDATION
	not spent in full as per the allocation by DORA.	track and accelerate projects and to utilise entire funding as allocated
Budget preparation and management	Inadequate funding for Repairs and Maintenance. The budget does not provide enough funding to meet the demand of repairing existing water infrastructure asset.	Funding should be made available for the Development of Asset Maintenance and Replacement plan. This will assist the municipality to budget accordingly to meet the challenges faced for un-maintained infrastructure assets
Contract Management	Multi Year projects not completed on time and poor contract management	The issue of work in progress remain a challenge even the audit has vast of issues raised for projects not completed on time, non-performing Service Providers (SP's) not charged penalties and extension of Contract now and then The projects which are under construction to be completed within time frames and be capitalised; and non performing SP be charged penalties The project files be

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PROJECT	CHALLENGE	RECOMMENDATION
		updated monthly with financial and non-financial information and this will assist in compiling credible Contract Management Register.
Sitting of BID Committees	Supply Chain Management – Non sitting of bid committees causing delay in the implementation of projects	The bid committees to adhere to the calendar for bid schedule meeting. The report for sitting of bids and implementation of procurement plans be submitted to Municipal Manager on a monthly basis
Sitting of BID Committees	Supply Chain Management – non implementation of SCM policy resulting to deviation from SCM regulations	The deviation reports are being compiled on monthly bases but t no investigations have taken place as per the Municipal Public Accounting Committee
	Lack of Office Space	ANDM need to source funding for the construction or of municipal office space, this will ensure that service delivery is appropriately implemented and improve performance

PROJECT	CHALLENGE	RECOMMENDATION
Preparation of Annual Financial Statements and submission to AG.	No Standard Operating Procedures (SOP's)	The SOP's are currently being developed to assist with the segregation of duties within the Budget and Treasury Office (BTO). The document should be ready for implementation before the end of January 2016 and are in the stage of finalisation.
Follow up and resolve audit queries.	Non-Implementation of audit action plan	The non-resolve issues will be included in the audit action plan and implementation is imperative to improve audit opinion from **Qualified to Unqualified Audit Opinion.** Some of the queries were addressed during the preparation of Annual Financial Statement (AFS)
Consumer data cleansing	Delay in implementation of Data Cleansing project due to resistance and non-community participation	Community outreach and other source of communication be utilised to communicate this project to all communities. The revenue to perform reconciliation between billing system, data

PROJECT	CHALLENGE	RECOMMENDATION
		collected to date as well valuation roll information
Maintenance of Financial Management System	Non – implementation of Standard Chart of Accounts (SCOA)	National Treasury has granted the SP's the accreditation for the implementation of SCOA. The current financial system has been upgraded to be SCOA compliant

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APPENDICES

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