



ALFRED NZO

DISTRICT MUNICIPALITY

Annual Report 2018/2019

January 2020

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It is with great honour that I present, to the Council and the residents of the Alfred Nzo District Municipality, the Annual Report for 2018/2019 financial year.

This Annual report outlines municipal highlights that include key policy developments, key service delivery improvements, partnership and future actions that reflect the performance of the municipality in implementing the integrated development Plan (IDP) that was developed with the people through IDP Outreach Programme.

The year has not been without its challenges, we encountered numerous challenges in our quest to change the lives of our communities for better. I am happy that we gained experience out of these challenges.

We are humbled by the level of commitment shown by our communities to work towards a common purpose of developing their areas. They have also shown us that they understand their role of keeping us accountable to them.

Key Highlights:

- key policy developments
 - District Development Plan through ANDA
- key service delivery improvements
 - Achieved unqualified opinion from Auditor General.
 - Mayoral bursaries awarded to local district residents to pursue further higher education
 - Awards received by the district for performance related activities (i.e. EPWP etc.)
- partnerships
 - German partnerships focused on measures of climate change adaptation and mitigation.
- future actions
 - corrective action to attain clean audit opinion
 - ANDA improvement on functionality
 - drought strategy to address water scarcity in the district
 - Improving intergovernmental relations to improve our governance
 - Implementation of 30% for the benefit of local SMME

We committed ourselves to always performing our functions in a transparent and accountable manner through mechanisms that would make us, public representatives, visible to communities at all times. Therefore this is an indication that we are placing citizen interest first. Our strategic pathway that is central to the vision of Alfred Nzo District is towards improving the forecasted economic performance that translates into a well-functioning service delivery of our municipality through decisive governance and adequate resources.

We welcome continuous support from both national and provincial structures in ensuring that our goals as the district are achieved. We are striving towards improving work synergy with all our stakeholders to ensure that we remain on track towards transformed thinking and planning.

Date: 20 January 2020

Clr S. Mehlomakhulu

Executive Mayor

1.1. MUNICIPAL MANAGER'S OVERVIEW



Alfred Nzo District Municipality during the financial year 2018/2019 embarked on numerous programs that seek to change its landscape. Chief amongst these were at the strategic level. The introduction of vision 2022 expressed in the five year IDP ushered an opportunity wherein our architects (Councillors) crafted a vision which in its form presented a season of home to its communities. Together this vision and the new mission enable the municipality to respond to the clarion call of heightened service delivery whilst ensuring that the basics are mastered through good governance. Importantly, good governance leads to good administration, good management, good performance management, and good people behaviours and ultimately yield to good outcomes.

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. The role MPAC has played in ensuring that irregular expenditure is cleared and an eclectic approach developed to resolve all, demonstrate the level of good governance our councillors seek to marshal the organisation towards a positive destination.

The development of the District Growth Development Plan vision 2030 has also allowed a focused allocation of resources and also gave three important areas the municipality must deal with and these inter alia include focus, attention and time. This new way of orientation is results driven and as such, the concomitant results of a clean administration may be realised within a few years. The municipality has made major improvement in the audit outcome, from a Qualified Audit in the previous 2 financial years to an Unqualified Audit. The management letter contained qualification matters that were reduced drastically from 203 in 2015-16 to 109 in 2016-17 to 23 in 2017-18 financial years. We are still yet to see how far the district has performed with regards to 2018-2019 Financial Year as the Office of the Auditor General has resumed with the audit. With the clear strategy and monitoring mechanism on the implementation of the Audit Action plan, we remain optimistic that the district can receive a clean report from the Auditor General.

We have ensured that service delivery is heightened albeit the shrinking financial envelop. Also, the introduction of cost containment measures which rewarded the municipality with greater financial returns cannot be underestimated. The partnership between councillors, administration and the unions was in achieving the latter need to be applauded and the contribution by all made us to subscribe to the old adage "United we stand, divided we fall ". Indeed, Alfred Nzo District Municipality is rising to its calling.

On the Alfred Nzo Development Agency, the Council has engaged in a business re-engineering process with the assistance of ECSECC to ensure that continued existence of the agency is able to yield fruits for the municipality and the people of the district.

In terms of section 62 (1) © (i) of the MFMA "the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.

In responding to the above legislative requirement, the leadership and management of Alfred Nzo District Municipality has embark on the process of identifying, analysing and evaluating risks facing the municipality guided by the adopted framework and policy on risk management.

The following are five top risks identified by the council:

1. Inability to bill, collect and enhance revenue; Vandalising of meters and illegal connections. Strategies to mitigate this risk included facilitating publication and promulgation of reviewed by-laws which include credit control, debt collection and tariff policies; Extension of the prepared meters to other areas; Full implementation of revenue enhancement strategies.
2. Occurrence of irregular, unauthorised and fruitless and wasteful expenditure; Inadequate implementation of contracts management. Strategies to mitigate this risk included Unauthorised, irregular and fruitless and wasteful policy that has been developed and approved by council; MPAC investigates and report to council on matters relating to irregular, unauthorised, fruitless and wasteful expenditure; SCM policy; Consequences management – implementation of section 32 of MFMA; Development and implementation of a contract management policy; Establishment of a fully-fledged contract management unit.
3. Ineffective performance management system (individual & institutional). Strategies to mitigate this risk included Adhere to PMS framework; Appointment of the IDP& PMS Manager; Performance plans; PMS policy; S52(d) quarterly reports; Implement recognition of performance incentives
4. Provision of water that does not meet water quality standard; Inability to provide sustainable water to our communities; Inability to meet future water demands; Non delivery of water and sanitation services in terms of DWA requirements. Strategies to mitigate these risks included: Ground water management plan; Water conversation

and demand management plan; Drought relief programme; Explore hydraulic fracturing; Water use policy; Setting adequate budget for monitoring and maintenance of boreholes; Prioritise the removal of alien invasive plants.

5. Untimely response to customer queries, complaints and requests. Strategies to mitigate this risk included: Conducting customer satisfaction surveys; Inclusive of a customer care service as a performance indicator of all section 56 managers;

Lastly, the integrity of Alfred Nzo District Municipality is being restored and this is observable in simplified work processes that are being presented each day. The commitment of leadership in good governance cannot be emphasized there by allowing the municipality to eliminate all unwarranted matters that deter it to its purpose.

This is but a testimony of an institution in action. The task assigned is achieved.

I thank you.

Date: 20 January 2020

Mr Z. H. Sikhundla

Municipal Manager

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. Amongst other things the powers and functions of the municipalities are as defined as follows:

Table 1: Powers and Functions

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

1.2.2. POPULATION SIZE AND DISTRIBUTION

AGE DISTRIBUTION

The potentially economically active population (16 – 65 years) constitutes 40% of the population. ANDM currently has a high youth dependency and as such municipal planning must take cognisance of the predominantly youthful population of the municipality, the Municipality currently acknowledges this through inclusion of the needs of children and youth issues in its Programme for special groups. Furthermore the Planning and Economic development department within the municipality currently has a unit dedicated to economic development, aimed at assisting all SMMEs of the District including those operated by the youth of the District. This approach by the municipality is in line with one of the Millennium Development Goals.

Table 2: Age Distribution					
Area	0-14	15- 34	35-64	65+	Grand Total
Alfred Nzo	39.8	39.3	15.2	5.8	100
Matatiele	37.4	39.2	16.9	6.5	100
Umzimvubu	36.6	40.3	16.7	6.4	100
Mbizana	43.2	38.6	13.3	4.8	100
Ntabankulu	40.4	39.3	14.3	5.9	100

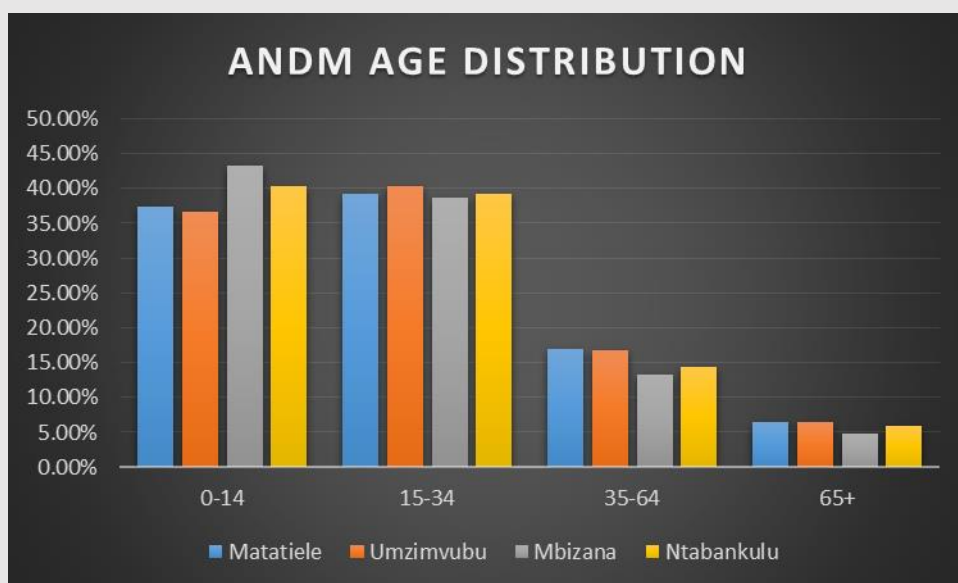


Figure 1: Age Distribution

Source: Statistics South Africa, 2016 Community Survey

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 46% 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.

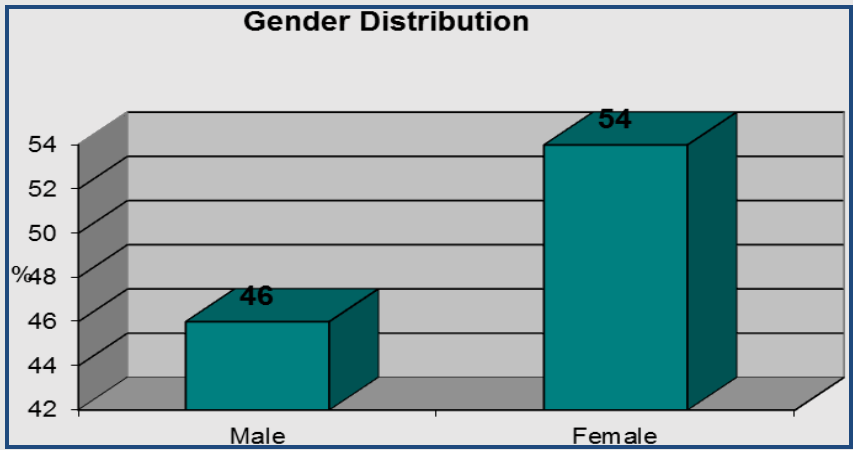


Figure 2: Gender Distribution

Source: Statistics South Africa: Census (2011 Census and 2016 community survey)

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.

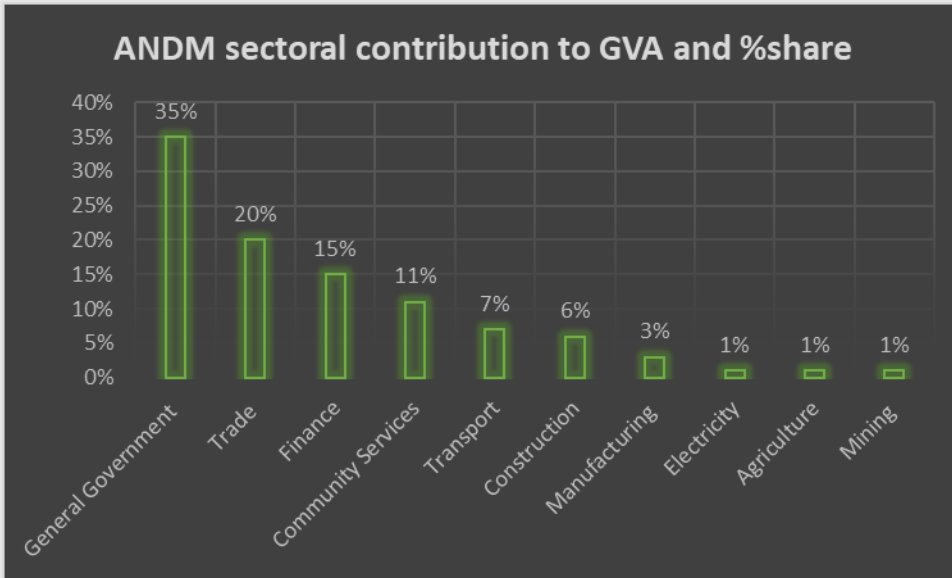


Figure 3: Sector Contribution to the District Economy

Source: Alfred Nzo IDP, 2016

The District local economy is heavily reliant on the government sector which contributes 35% of the Gross Value Adding (GVA) in the District. This includes community, personal and social services rendered by private and public institutions. Activities classified within this sector include public administration and defence activities, activities of government, government departments and agencies; education, public and private; health and social work; activities of membership organisations; recreational, cultural and sporting activities.

The second highest contributor to the District's economy is Wholesale / Trade (20% 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 Finance (15% of GVA) and Community Services is the fourth highest contributor by 11% to the district economy. The contribution of the other sectors is very limited with transport contributing only 7% and construction sector contributing 6%.

Must be noted that the poor contribution of the productive sectors such as agriculture and manufacturing is an issue of concern. As already stated the ANDM economy is dependant of the public sector. In ideal situation an economy should be more dependent on its productive sectors as stipulated above, this creates for a more resilient economy and that is not dependant on public sector funding.

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 and budgeting needs to focus strongly on local economic development initiatives that will enable the community to be economically active to generate income. As stated above the municipality though its programmes must encourage economic development initiatives that generate income for communities through amongst others focusing of the productive sectors of the communities.

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 R 800 or less a month. Poverty levels vary from district to district but in Alfred Nzo region 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 closely linked to economic development initiatives.

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:

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

The figure below shows that ANDM currently has an unemployment rate of 43.5% using the strict definition of unemployment.

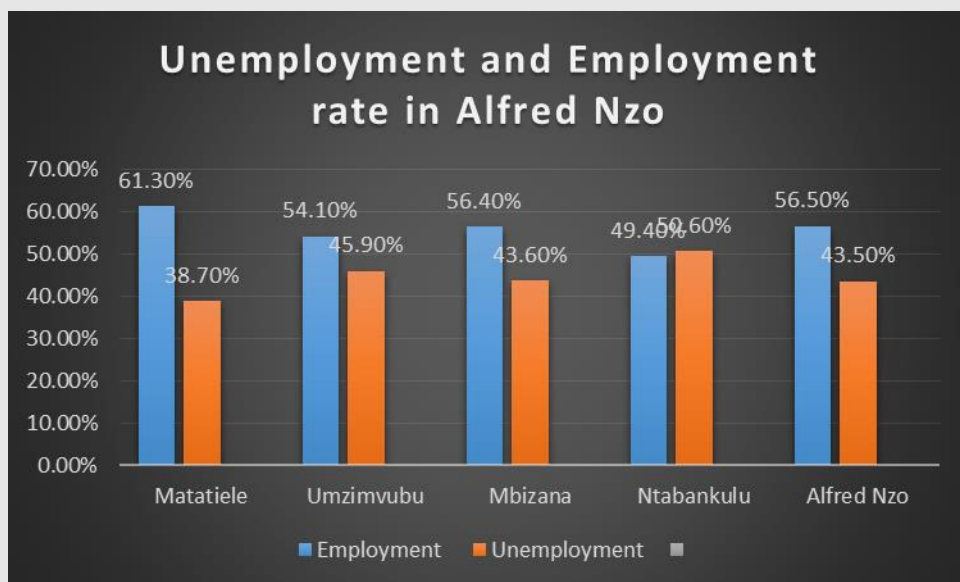


Figure 4: Unemployment Rate by Local Municipality

Source: Alfred Nzo IDP, 2016

EDUCATION

Education is an important indicator of development due to its correlation with human capabilities, productivity and, ultimately, income. The level of educational attainment is used as an indicator of the skill levels of the population, with the higher educational attainment levels being associated with greater opportunities for higher earnings, better social circumstances and the potential investment attraction. The percentage of the population aged 20 years and above with no education; Alfred Nzo Local Municipality:

The District has low levels of educational attainment. This has implications on the present percentage of the population that is functionally literate. Only 16.6 percentage of the population of the District was estimated to have completed matric in 2016.

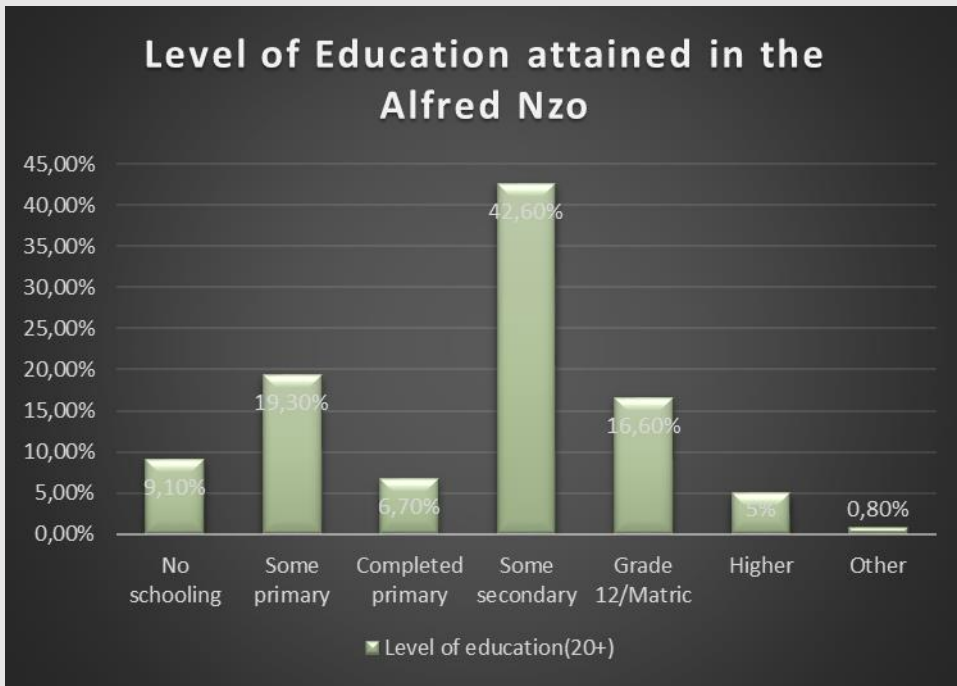


Figure 5: Persons 20+ educational attainment

Source:

Statistics

South

Africa,

2016

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 infected 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 with full legislative mandate and oversight role as well as Water Services Provision. The municipality strides to reduce the water services backlogs, as shown in Figure 6 as it continues to deliver the service especially with regards to provision of sanitation services i.e. VIP toilets in rural areas. A gradual increase is seen the Figure 6 below in so far as access to water and sanitation for the households of ANDM. The major challenge is the funding constraints and the funding model that is not proportional to the water services backlogs. The other challenge lies with sector departments who do not respond promptly on compliance approvals such as Water Use License and Eskom applications. These challenges need to be addressed in the following manner:

- Strengthening relations with the sector departments through the IGR process,
- Engage financial institutions on the funding model that will assist in addressing service delivery backlogs and enhance monitoring and evaluation of service providers.

Furthermore poor performance by contractors poses a risk in terms of municipal performance in service delivery. This, sometimes, stalls progress of projects thereby delaying the backlog eradication processes.

It is also imperative that the institution improves its debt collection by the implementation of revenue enhancement program and the indigent register to be continuously reviewed so that those who are no longer indigent are billed to recover costs for operations and maintenance.

Contractor development / incubation programme is being implemented and strict selection criteria with respect to appointment of contractors are the area of focus to change the situation going forward. Staff development and training remains our priority, however, the need far exceeds the available resources. The verification reports indicate that there is still a lot of backlog to be eradicated, including reverse backlogs and there is also need to refurbish and replace water supply scheme components attributed to aging infrastructure.

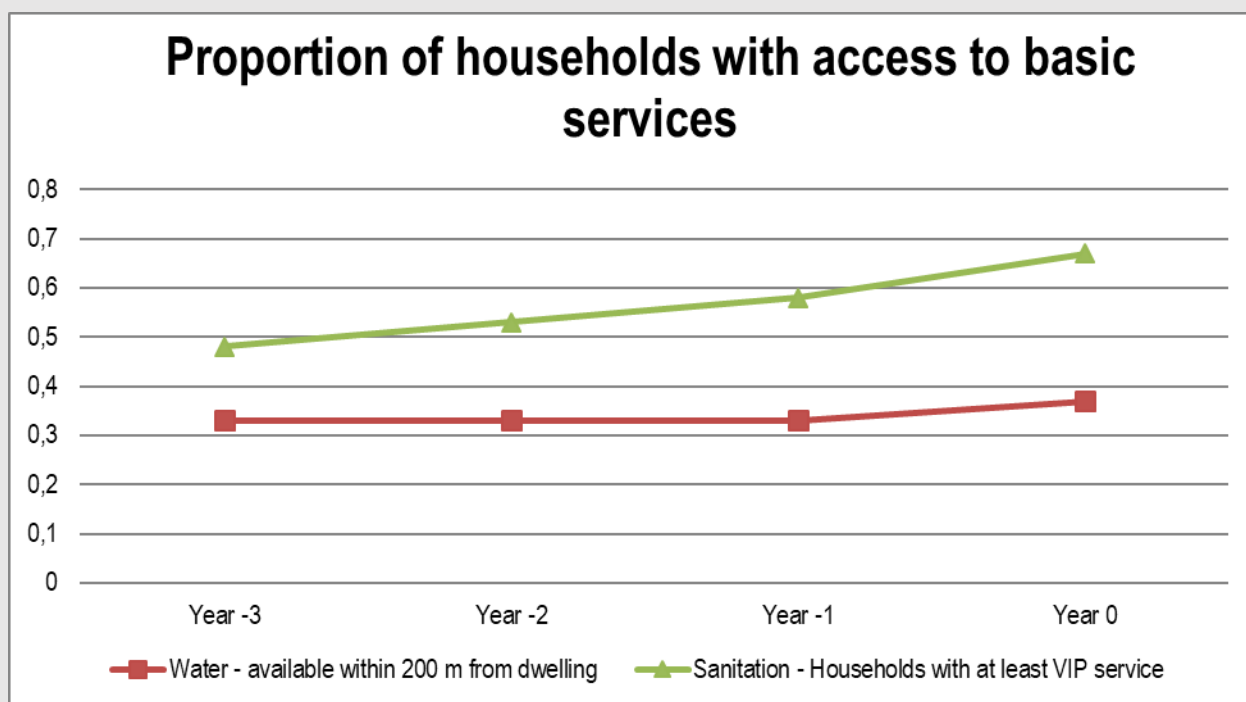


Figure 6: Proportion of households with access to Basic Services

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 were depleted in the 2016/17 financial year where major funding was directed to capital and operational projects of the municipality. This is mainly due to service delivery backlogs that the District Municipality has been faced with over the years. Also, due to the rural nature of the District Municipality, there is a heavy reliance on government grants as the municipality currently has a low revenue base.

In attempt to identify and remedy the financial challenges facing the municipality in 2016/17, the municipality through Section 54 of the Municipal Finance Management Act Of 2003 (MFMA) declared financial challenges and inability to meet its financial obligations. Subsequently the municipality held a Business Re-engineering Session where a number invited stakeholders including Department of Cooperative Governance and Traditional Affairs (COGTA), Provincial Treasury, Department of Water and Sanitation (DWS) and various others were invited to participate and assist the municipality conceptualise and develop its Turn Around Plan. Furthermore during that period the municipality developed and approved through a council resolution Cost Cutting Measures which are currently being implemented in the institution as part of the institutional recovery plan.

In line with the provisions of the Division of Revenue Act (DORA), the District Municipality anticipates to continue receive such grants over the foreseeable future as there is 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 is currently being implemented. Included in the components of this strategy are amongst others, the following: -

Water meter audit;

Data cleansing;

Replacement and installation of water meters;

The 'Employee Costs' is expected to be approximately 35% to total operating cost; as this is the industry norm. ANDM employee operating cost ratio is 45.7%, which is above the industry norm.

Details	Original budget R1 093 791 251	Adjustment Budget R1 133 467 917	Actual R1 093 920 453
Income:			
Internal Funds	R 56 779 700	R 70 557 580	R 882 785
Grants – NT/PT	R 565 467 880	R 576 356 026	R 585 661 777
Equitable Share	R 437 586 120	R 437 586 120	R 437 586 120
External Loan	R 0.00	R 0.00	R 0.00
Operating Reserves	R 0.00	R 0.00	R 0.00
TOTAL OPERATING REVENUE*	R1 093 791 251	R1 133 467 917	R 1 093 920 453

VARIANCES

- Bad debt provision went down in line with the improvement in the activity of most consumer debtor's accounts.
- Bulk Purchases - The Department of Water affairs increased their tariffs.
- Depreciation- this is attributed to the increase in the municipal infrastructure assets.
- Finance costs -caused by the interest of finance lease for the lease of trucks which was budgeted for under general expenses and disclosed separately
- Other expenditure- variance caused by the implementation of cost cutting measures which the municipality has strongly implemented during the year under review.
- Grants and subsidies- these are funds that are transferred to the development agency.
- Agency services- the municipality received commission on third party payments the difference is the VAT portion
- Interest earned- The municipality has strongly implemented the policy by investing the funds that will not be used immediately
- Other income- the other income included an amount of R70M that was categorised as reserves which was backed by noncash items viz depreciation
- Rental of facilities - The facilities were hired more than expected as the budget was based on previous projections
- Service charges- The municipality strongly implemented the credit control policy hence higher collections.
- Repairs and maintenance is due to the dilapidated infrastructure which causes high maintenance of valves and pipes

Table 2: Municipal Expenditure Breakdown

Table 5: Capital Expenditure

Details	Original Budget	Adjusted Budget	Year 10 actual
Employee related costs	R 249 873	R 230 191	R 207 469
Remuneration of councillors	R 9 998	R 9 881	R 10 028
Debt impairment	R 22 500	R 22 500	–
Depreciation & asset impairment	R 55 000	R 70 000	R 37 859
Finance charges	R 888	R 1 228	R 1 593
Bulk purchases	R 3 000	R 6 644	R 7 194
Other materials	R 7 115	R 29 071	R 15 220
Contracted services	R 90 208	R 140 631	R 81 077
Transfers and subsidies	R 650	R 20 000	R 3 578
Other expenditure	R 94 033	R 37 551	R 74 966
Total Expenditure	R 533 266	R 567 696	R 438 985

The cost of 'Repairs and maintenance' is expected to be approximately 8% to total operating cost, as this is the industry norm.

ANDM repairs and maintenance operating cost ratio is 7%. Looking at this on the financial management perspective, ANDM can be regarded as financially healthy in this aspect albeit there is a high rate of dilapidated infrastructure which needs refurbishment and repairs.

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 0.39%. The reason behind this percentage is a data cleansing exercise that is continuous ensuring that the billing data is at acceptable levels. The municipality further introduced the prepaid system on the areas of Matatiele Maluti and Cederville.

Table 4: Operating Ratios

Detail	%
Employee Cost	45.7%
Repairs & Maintenance	7%
Finance Charges & Impairment	0.39%

1.4.2 CAPITAL EXPENDITURE

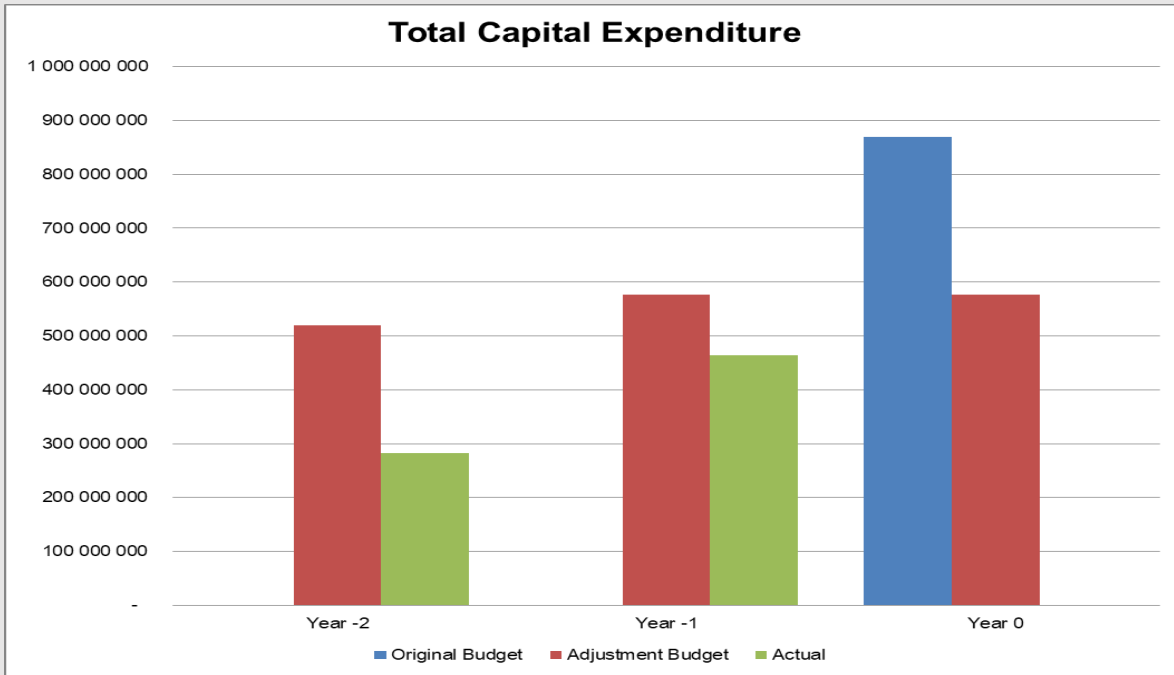


Figure 7: Total Capital Expenditure

Source: Own Construct

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 2018 – 2019 did not include the total allocation but only the grant portion that was implemented by the municipality

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 reviewed its staff establishment for the financial year 2018/2019.

The structure had a total of 831 posts for the period and a sum of 509 posts are filled resulting in a vacancy percentage of 38.7% for the period. The municipality administration is comprised of the following departments:

Office of the Executive Mayor

Constituency and Whippyery Support, Office of the Speaker, Council Support, Risk Management

Office of the Municipal Manager

Corporate Services

Budget and Treasury

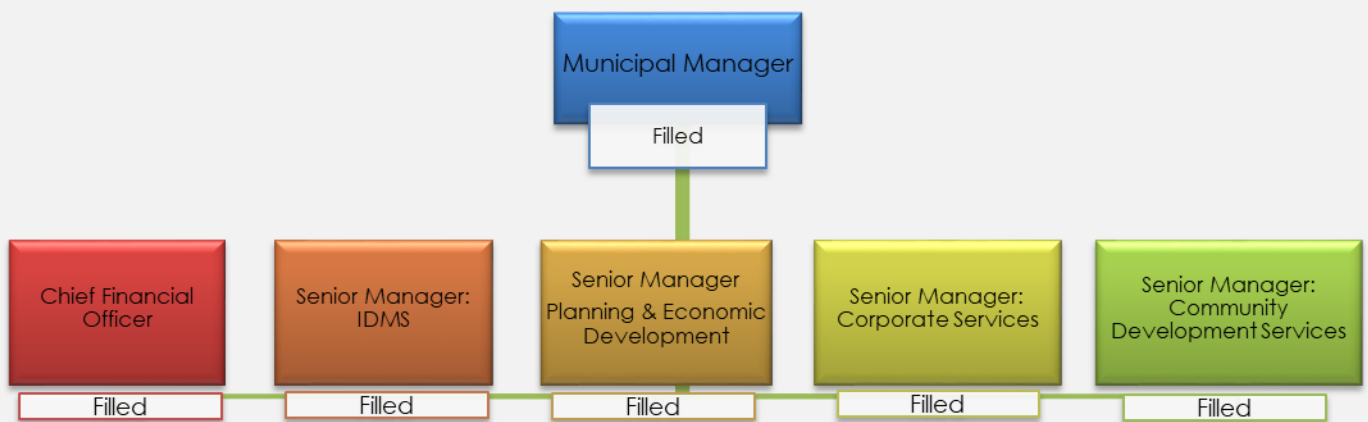
Community Development Services

Infrastructure Development and Municipal Services

Planning and Economic Development

The municipal manager together with five 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.

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.



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 reasons of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The Office of the Auditor General has given the municipality an Unqualified Audit Opinion for the year under review. The basis of opinion is dealt with in the following chapters of the Annual Report.

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

Table 8: Audit Opinions	
Financial Year	Auditor General's Opinion
2016-17	Qualified
2017-18	Unqualified
2018-19	Unqualified

1.7. STATUTORY ANNUAL REPORT PROCESS

Table 9: Statutory 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	

Table 9: Statutory Process

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)	
8	Mayor tables the unaudited Annual Report	August
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	
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	November
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	
17	Oversight report is made public	December
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 District Municipality is a District authority, a Category municipality which means all the legislative and executive powers of the municipality are vested to the Council. The provisions of the latter are as per section 12 of the Notice of the Municipal Structures Act 117 of 1998. The period under review is that of 2017/2018 Financial Year. The Alfred Nzo District Municipal Council was inaugurated on the 31 August 2016 following the local government elections held on the 3rd August 2016.

As with the other public sector institutions, ANDM's political governance structure; and as the highest decision making body of the institution; the council is supported by an administration. There is an interface between the legislative and administration as the administration is charged with a responsibility to generate reports and recommendations for informed decision making.

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.

Table 10 below provides an outline of the status of Administrative Governance of the Municipality.

Table 10: Administrative Governance		
Indicators	Targets	Achievements
Filling of critical posts	To fill all Section 56 positions	<p>Municipal Manager position has been filled</p> <p>Five Section 56 manager posts filled until April 2019 when the Senior Manager: IDMS resigned.</p> <p>Senior Manager: PED also resigned at the end of the June 2019.</p>

2.1. POLITICAL GOVERNANCE

As indicated above Alfred Nzo District Municipality is a District Authority, Category C municipality which means that 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 and or Mayoral Committee Meeting as informed by the business of the Council as set in the Council Agenda: In addition to the Ordinary Council meetings undertaken during the year, Special Council meetings and Committee meetings are convened during the year to ensure that decisions are not delayed. The following table provides an outline of number of sittings of both municipal administrative and political structures of the organization. The period covered below refers to the 2018-2019 financial year.

Table 11: Municipal Administrative and Political Governance: Sittings of the Meetings		
	period July 2018– June 2019	
	Ordinary	Special
Council Meetings	5	12

Mayoral Committee	4	7
Executive Management	12	0
Full Management	4	0
Audit Committee	4	1
MPAC	4	4
Whippery Programmes	4 x Study Group held for all Councilors	
	2 x District Whippery Forum workshop on oversight, customization of Chief Whips	
	12 x caucuses were held in preparation for the Council Sitings	
Speakers Forum	3 x District Speakers Forum held	

2.1.1. TOP POLITICAL STRUCTURE

2.1.1.1 LEGISLATIVE STRUCTURE

Position	Function
Speaker	Chairperson of the Council
Chief Whip	Political link between organisations within the Council
MPAC Chairperson	Chairperson of Municipal Public Accounts Committee
Public Participation & Petitions Committee Chairperson	Chairperson of Petitions Committee

Rules Ethics & Members Interests Committee Chairperson	Chairperson of Rules and Ethics Committee
Executive Mayor	Political head of the Institution and performs all the functions as per the legislation
Deputy Executive Mayor	Performs all functions as delegated by the Executive Mayor.
Portfolio Heads	Portfolio committee Chairperson of Community Development Services Standing Committee
	Portfolio committee Chairperson of Budget & Treasury Office Standing Committee
	Portfolio committee Chairperson of the Corporate Services standing Committee
	Portfolio committee Chairperson of Planning & economic Development Standing Committee

	Portfolio committee Chairperson of IGR & Communications Standing Committee
	Portfolio committee Chairperson of Special Programmes Unit Standing Committee
	Portfolio committee Chairperson of
	Portfolio committee chairperson

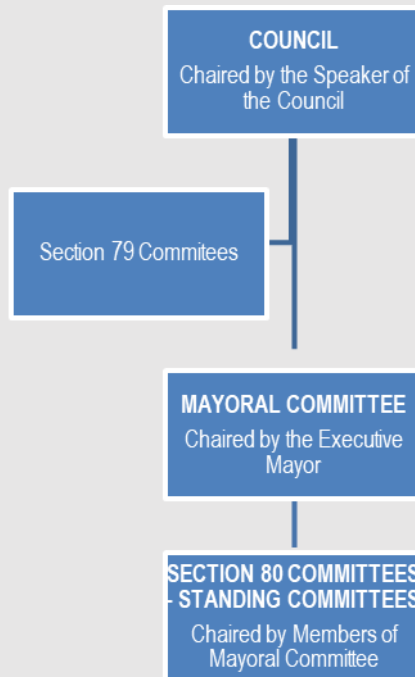
2.1.2. COUNCILLORS

The Alfred Nzo District Municipality is made up 40 Councillors and proportionally representatives from the four local municipalities (Matatiele, Mbizana, Ntabankulu and Umzimvubu). Eight Traditional Leaders from their Traditional Councils in accordance with Section 81 of the Local Government: Municipal Structures Act were gazetted by the MEC to serve in Alfred Nzo. Refer to **Appendix A** where a full list of Councilors and Traditional Leaders can be found.

(Review list of councilors, Com, Traditional Councilors as an annexure)

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.



2.2. ADMINISTRATIVE GOVERNANCE

The Constitution, chapter 3, states that the Republic is constituted of three spheres of government, namely, national, provincial and local spheres of government. It further states that the Act of Parliament must establish or provide for structures and institutions to promote and facilitate intergovernmental relations amongst all spheres of government and organs of within each sphere.

The Intergovernmental Relations Framework Act, 13 of 2005 aims to address the above and seeks to establish a framework for the national, provincial and local governments to promote and facilitate 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 envisaged 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 and provincial Intergovernmental Forums:

Presidential Coordinating Forum

MINIMEC

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

Muni-MEC

Speakers' Forum

SALGA's Provincial Members Assembly

SALGA Working Groups

Intergovernmental Communications Forum

Local Government Communicators' Forum

Provincial AIDS Council

Provincial Gender Machinery

2.3.3. DISTRICT INTERGOVERNMENTAL STRUCTURE

During the year under review the municipality has participated in the District IGR structures such as District Mayors Forum, Speakers Forum, Municipal Managers Forum, and IDP Rep Forum. Also the district had established and strengthened the functionality of sub forums such as:

District Wide Infrastructure Forum

CFO Forum

Social Services Forum

Corporate Services Forum

District Communicators Forum

District Aids Council

District Support Team

Integrated Development Plan (IDP) Forum

District Mayors Forum (DIMAFO),

Speakers Forum;

Chief whips Forum,

Municipal Managers Forum,

Technical Support Forum,

Planners' 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

2.3.3. RELATIONSHIPS WITH MUNICIPAL ENTITIES

In 2008 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

O. R. Tambo District Municipality

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 the following structures:

IDP & Budget outreaches

Mayoral Outreaches

The Executive Mayor of the Alfred Nzo District Municipality in his inaugural speech outlined a clear programme of action which formed part of the municipality's 100 days programme which is aimed at fast-tracking provision of basic services to communities and also mobilise communities and stakeholder to partner with the municipality to drive development in the district.

The program included:

Project Hand Overs

School Outreach Programs

Back to school outreach programs

Stakeholder engagements

Objectives of the 100 Days Programme

To profile the municipal and government programme of action

To provide a platform for direct interaction between leaders of government and communities

To profile various interventions that are done to unblock service delivery challenges in the district as part of government's monitoring mechanisms

To build and solicit partnership with stakeholders and communities towards development of the district

Other elements that guided the implementation of the 100 Days Programme:

Monitoring Visits

The Mayoral Committee embarked on district wide outreach programme visiting various projects that are implemented by the district municipality in order to have a clear view on the progress in each project with the aim find immediate and amicable solutions.

Stakeholder Engagement

The outreach also included engagement with ratepayers, civil society formations, special groupings and communities.

CONSOLIDATED DISTRICT WIDE 100 DAYS STAKEHOLDER AND OUTREACH PROGRAMME

The 100 Days Stakeholder and Outreach was anchored around the broader government Public Participation Programmes (PPP) and aligned with the mayoral outreach initiative in an effort to enhance impact and arrest shortfalls associated with implementation of the government programme of action in the district.

The 100 days Mayoral Outreach also aimed at maintaining an on-going /continuous process of engagements between government and citizenry through which accountability will be maintained and communities are asserted **as co-creators** of solutions thus actively participate in decision making in the development of their respective communities.

Highlights of key issues raised on the inaugural speech:

Fast-tracking of Provision of Basic Services to Communities

District Wide Plan on fast-tracking of water and sanitation projects

Funding mechanisms for water and sanitation projects

Turnaround plan on sanitation challenges or sewerage related issues in the town of Mbizana and Matatiele

Fast-tracking of feasibility studies and eventual implementation of projects in various communities

Mayor's Community and Segmented Stakeholder Engagement Programme:

Rollout of Mayor's Monitoring Visit to projects across the District

Rollout of Mayor's Launch and Handover of projects to communities

Up-scaling of mayoral outreaches to various communities across the municipality

Segmented stakeholder imbizos or engagements throughout the district focusing on Traditional Leaders, NGO's, FBO's, Business Fraternity, special groupings – Youth, elderly, men and women forums

Building a People Centred Municipality:

Improvement of Customer Care systems within the municipality and turnaround time on concerns that are raised by citizens

Engagement session with ratepayers across all local municipalities

Formation of District Ratepayers Structure and other related formations

Development of District Wide Communication Strategy and Plan:

Media engagement to communicate municipal programme of action

Development of District Wide Communications Strategy working together with local municipalities

Induction on communication for new councillors

Full implementation of Talk To Your Mayor and Councillor Radio Programme by all municipalities – mechanism to have direct interactions with communities

Speeding up the implementation of Local Economic Development Initiatives:

Outline of tangible and implementable District Wide SMME Empowerment Strategy

Implementation of Ntenetyana and Ludeke dam tourism initiative and funding mechanism towards building of conferencing infrastructure in the two areas

Revitalisation of municipal zone centres in line with district economic development strategy

Contractor Development Plan and ANDA Turnaround Plan

Rollout of Reakenella Job initiative and EPWP

Hosting of ICT Summit

Development of District Development Plan (DDP)

Heritage and Legacy Programmes

Formation of a district Heritage and Legacy Task Team to look at major initiatives like O.R. Tambo, Alfred Nzo legacy programmes

Hold District Initiation Indaba to respond to initiates death

Look into the rollout plan for the Thusong Service Centres in order to provide services closer to the people

Focus on Special Groups

Prioritisation of launch of district youth council as part of fast-tracking youth development in the district

Host District Aids Indaba to develop District Aids Plan which is aligned with the 2030 Vision

Rollout of Sport against Crime Programme – Handover of Kit and equipment to various communities across the district

Intergovernmental Relations

Formation of District Governance Clusters

Support to local municipalities and the improvement of the role of the district on rollout of IDP/Budget Process Plan and roadshows

Meet with local mayors to develop a district wide strategy to address electricity backlog in the district/DIMAFO interactions

Meet with all heads of sector departments to be briefed about their respective programmes within the district in the 2018-2019 financial year and beyond

Convened first sitting of DIMAFO in September to map district plan to respond issues raised by electorate

3. Speakers Outreaches

The Speaker of Alfred Nzo District municipality as the Chairperson of council visited Traditional Councils to forge relations with them as a newly elected council. This was a programme wherein members of communities were also afforded an opportunity to interact with the municipal leadership. The outreach programme was done throughout the district. Stakeholder engagement sessions were also held with Traditional Healers and Business Sector to identify gaps in service delivery and insight on the guidelines to a safe provision of their services by abiding to the laws of the country.

4. MPAC

MPAC Oversight Committee, conducted oversight visits to projects in Ntabankulu 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's Five Year 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.

In realisation of the Communication Strategy Action Plan, we have implemented Phuhla Alfred Nzo Radio programme that seeks inform residents of the government programme of action in the district, Talk to Your Mayor, Talk to Your Portfolio Head, Know Your Council and Constituency Radio Programmes that were transmitted live on Alfred Nzo Community Radio, Inkonjane Community Radio and official social media pages of the municipality. These radio programmes aimed at updating residents about the municipal programme of action as contained in the Integrated Development Plan (IDP).

During the year under review the district municipality facilitated 33 community outreach programmes aimed at bringing government closer to communities and encouraging participatory citizenry in planning municipal affairs. These outreaches were project handovers and launches.

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. The ward committees of all four local municipalities were visited through a "Know Your Neighbourhood Outreach " programme with the intention of identifying the challenges and hiccups

2.5. IDP PARTICIPATION AND ALIGNMENT

Table 13: IDP Participation and alignments	
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 56 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	

All organs of the state in South Africa are expected to improve their audit outcomes 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 utilizing its Internal Audit Office to monitor the processes that are meant to improve general governance processes.

In a process of reviving and institutionalizing the Audit process to complement the developed Audit Action Plan (FY 2018-19) and put in place a systematic approach in addressing AG queries. The Audit Action Plan was part of ongoing oversight processes which tasked to monitor implementation of Audit Action Plan and report to the Audit Committee and Mayoral Committee meeting on quarterly basis. The plan was not fully implemented by all departments of the institution and the progress on implementation was tracked through reporting

2.6. RISK MANAGEMENT

Alfred Nzo District Municipality Risk Management Unit in partnership with Department of Corporative Governance and Traditional Affairs has conducted or rolled out a training program on the Local Government Anti-Corruption Strategy and the Municipal Integrity Management Framework for it management. The program is also planned to be escalated to Councilors in the current financial year.

The Strategy seeks to:

- Provide a holistic and integrated approach to fighting corruption at the local government level;
 - Promote prevention, detection, investigation, , resolution and public participation as the platform for the strategy;
 - Support comprehensive public awareness and civil education including strengthening community participation in the fight against corruption in municipalities;
 - Promote the integrity of municipal business process, including comprehensive risk management.

2.7. ANTI-CORRUPTION AND FRAUD

Fraud and Anti- corruption plan was developed and adopted by the Council for the year under review. Fraud risk assessments were also conducted to identify high risk areas that are prone to fraud risks along with mitigating strategies which gives effect to the plan. Workshops and awareness campaigns will be conducted throughout the district on the initiatives, plans and strategies that have been developed to address the municipal exposures to fraud and corruption which is part of implementation of fraud prevention plan. The municipality has also developed and implemented an Ethics Commitment document for suppliers, contractors that are dealing with the municipality to make a pledge and commitment that in their dealings with the municipality, they shall uphold high standards of ethics, honesty and in good faith.

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;

Alfred Nzo District municipality may or must use a particular type of process;

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

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

During the year 2018-2019 there were no By Laws developed, revised and enforced during the year under review due to the non-conduction of public participation.

2.10. WEBSITES

Table 14: Website Activity		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	yes	
Annual Financial Statements (2018/2019)		-
Adjustment Budget (2018-2019)		12/03/2019
Draft Annual Budget (2018-2019)		30/03/2018
Final Annual Budget (2018-2019)		15/06/2018
All current budget-related policies	No	
The previous annual report (Year -1) Draft Annual Report	Yes	01/02/2019
Final Annual Report		17/04/2019

The annual report (Year 0) published/to be published	Yes	15/04/2018
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	25/08/2018
All service delivery agreements (Year 0) (SDIBIP)	Yes	07/08/2018
Integrated Development Plan (IDP)	Yes	31/07/2018
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
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	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>	T 2.10.1	

Municipal Finance Management Act requires municipalities to have an official 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 and according to the timeframes of uploading legislative documents.

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 of customers and various customer segments. The District Municipality established the customer care unit in the financial year 2012/13. In this financial year the municipality has been using electronic customer satisfaction feedback devices that measure satisfaction levels of the public. These devices have been piloted in three ANDM satellite offices including the main offices in Mount Ayliff. A budget to roll out the project to two remaining satellite offices was set aside however the target could not be achieved due to municipal wide SCM constraints and pressures. 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 3: SERVICE DELIVERY PERFORMANCE

INTRODUCTION

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.

Water Provision

Operations and maintenance

The WSP is responsible for provision of Water and Sanitation services as mandated by the constitution and Water Services Act No. 108 of 1996. The Unit seeks to achieve its mandate through the following:-

Operation and Maintenance of Rural and Urban Water Schemes

Ensuring purification of drinking water

Ensuring final effluent meets set standards by the regulator

Ensure Customer complaints are attended within 48hrs

Ensure sewerage treatment works in all local municipalities within ANDM (Matatiele, Umzimvubu, Mbizana and Ntbankulu 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 operational sampling for water and waste water effluent quality testing and compliance with SANS 241.

Water CONSERVATION AND DEMAND MANAGEMENT

This ensures water resources management which includes leak detection, water loss control, pressure management, catchment management, water restrictions and water use education, to ensure that water provided by the municipality is conserved. This assists in ensuring that the municipality reduce water losses to an acceptable minimum levels. Municipality also developed water conservation strategy in an attempt to implement water conservation strategies and put up the demand measures. The challenge with the strategy is that it is not easy to implement in the absence of the personnel dealing specifically with this function.

Refurbishment

This ensures that the existing water services infrastructure in the district is maintained and refurbished to its original intended use. Through refurbishment, the municipality saves on water losses and unaccounted for water and also ensures that water that is provided to communities is of good quality

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 and Sanitation. The ANDM as the Water Services Authority has the responsibility to provide portable water that is safe for human consumption. In order to ensure this, the suitable monitoring program in accordance with the requirements of the last version of SANS241, Drinking Water and Water Services Act 108 of 1997 and other pieces of legislation. The Blue Drop System (BDS) is a tool used by the Department of Water and Sanitation to monitor drinking water quality for all water service Authorities. The key objective on the Blue Drop System Water Service Audit is to ensure compliance and further achieve acceptable water quality standards as set by the regulator (Department of Water and Sanitation). ANDM is participating on this system every year

Currently WSA unit had identified and set 400 sampling points across the entire ANDM (which only includes regional scheme but excludes rural schemes), and these need to be monitored monthly, however, the unit does not have enough personnel to assist in undertaking this huge task.

Water Usage Monitoring

This ensures that water consumption by consumers provided by the municipality is monitored. The ANDM monitors water supply by recording the flows to the supply system. Consumption volumes are recorded during billing. Consumption volumes determine the unaccounted for water through water balance of the output and consumed volumes.

The table below illustrates the results of current and previous years' water balance.

The ANDM water covers mainly domestic water, which encompasses commercial water usage.

Table 14: Total Use of Water by Sector (cubic meters)

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	0	0	0	6801064	2358065
Year 0	0	0	0	8161277	2004611
				T 3.1.2	

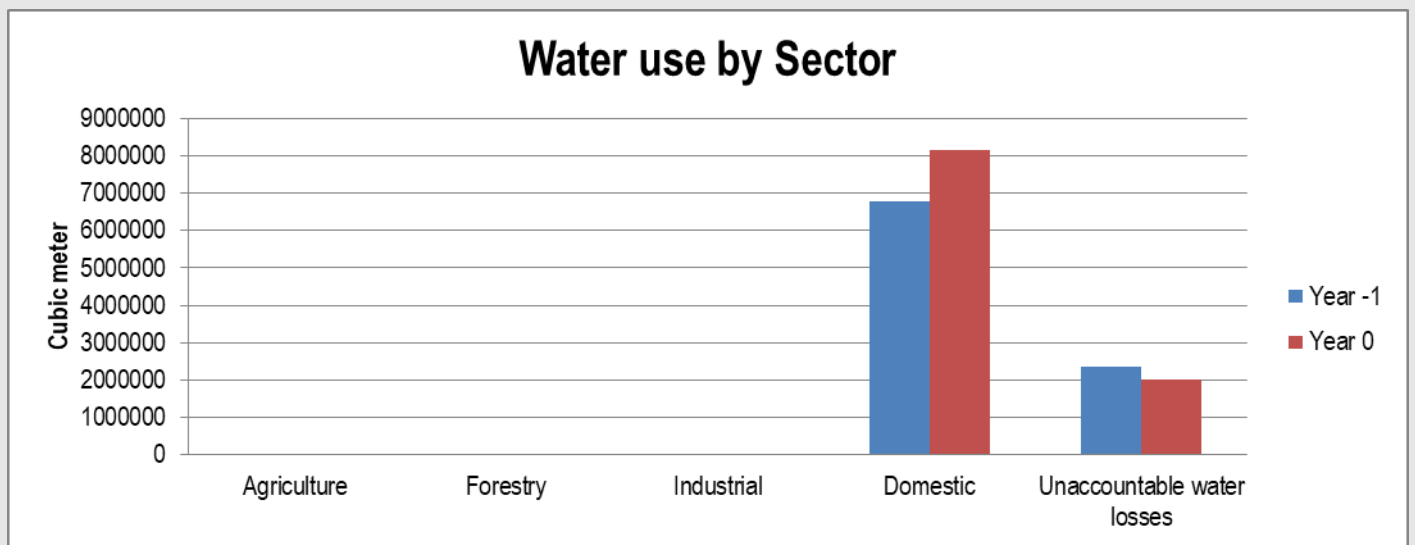


Figure 9: Water consumption per sector

Source: Alfred Nzo Water Services Development Plan

The table & figure above reveals the level of water usage by each sector in ANDM. The figures show significant increase of usage of water per cubic meter between the year 2017/18 and 2018/19 financial year. The domestic water usage has experienced an approximate 17% increase from the 2017/18 to 2018/19 financial year. The uncountable water usage has seen a drop in cubic meters when compared to the 2017/18 financial year. This may be a result of various mechanisms employed by the municipality to prevent such. ANDM provides water for domestic use only; however there is unaccounted water that gets detected and this is due to commercial activities taking place at a household level.

Alfred Nzo does not provide water for the following sectors:

Agriculture,

Forestry

Industrial use

Table 15: 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	12 596	12 698	15 283	17 117
Piped water inside yard (but not in dwelling)	3 178	3 204	3 856	4 319
Using public tap (within 200m from dwelling)	58 186	58 655	70 594	72 065
Other water supply (within 200m)				
Minimum Service Level and Above sub-total	73 961	74 557	89 733	93 501
Minimum Service Level and Above Percentage	41.5%	41.8%	50.3%	52.4%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	16 789	16 113	13757	13 043
Other water supply (more than 200m from dwelling)	92 840	87 677	74857	71 803
No water supply				
Below Minimum Service Level sub-total	109 629	103 790	88614	84 846
Below Minimum Service Level Percentage	61.5%	58.2%	49.7%	47.6%
Total number of households*	178 347	178 347	178 347	178 347
* - To include informal settlements			T 3.1.3	

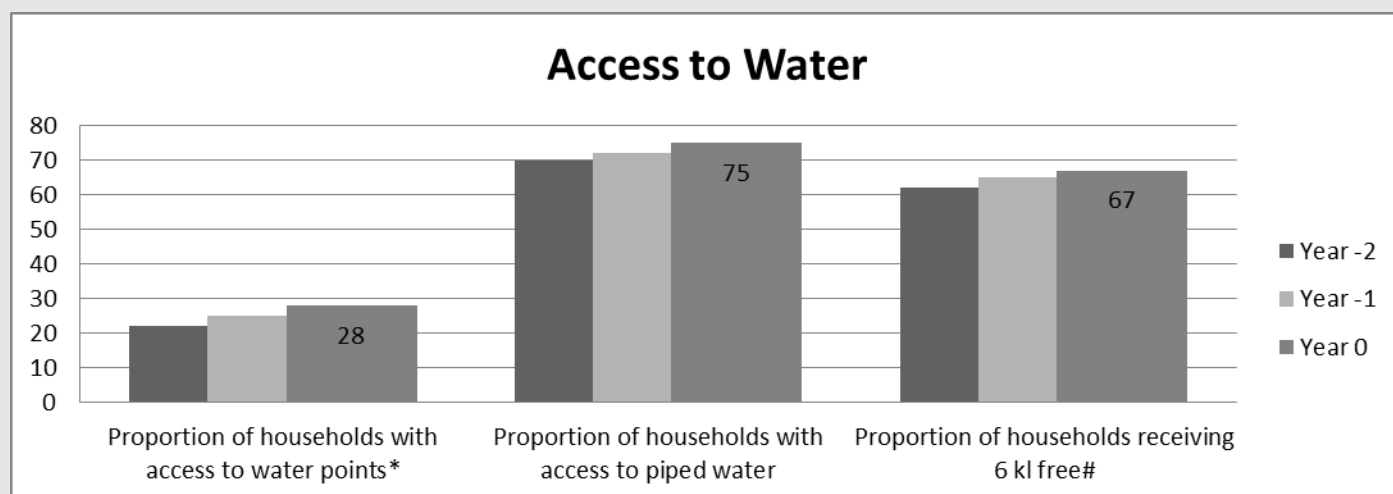


Figure 10: Access to water per household

Source: Alfred Nzo District Water Services Development Plan

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

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

The above figure illustrates the water service delivery levels and its growth from the previous financial years. The above graph reveals a significant increase of proportion of households with access to water points from 2017/18 to 2018/19 financial year. This means in average 25 litres of potable water per day is supplied within 200m of a household and with a minimum flow of 10 litres per minute. Therefore 6,000 litres of potable water is supplied per formal connection per month.

Table 17: 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)	1089	15176	7050	9589	3768	3881	3997	4117
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 interruptions 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)	35%	37%	50%	35%	15%	20%	25%	25%

Employees: Water 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	2	5	2	3	60%
4 - 6	7	8	7	1	13%

7 - 9	29	62	30	32	52%
10 - 12	49	74	50	29	39%
13 - 15	18	96	32	64	67%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	105	245	121	129	53%

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

Figure 11: Water Services Employment statistics

Source: Alfred Nzo District Water Services Development Plan

ANDM PROJECTS 18/19

PROJECT NAME	MUNICIPALITY	WARD/VILLAGE	PROJECT AMOUNT	PROJECT STATUS	H/H	EMPLOYMENT
Skemane/Ntshakeni WSIG	UMZIMVUBU	Ward 7,Skemane/Ntshakeni	R4 704 575.81	Completed	154	18
Papane WSIG		Ward 16, Papane	R5 360 830.95	Completed	51	25
Sugarbush WSIG		Ward 9,Sugarbush	R 3 457 704 .94	Completed	310	6
Silvercity WSIG		Ward 16,Silvercity	R 8 042 748 .95	Completed	350	17
Mhlotsheni/Lutshikini WSIG		Ward 11,Mhltsheni/Lutshikini	R 5 993 850.14	Completed	293	23
Ward 24 VIP Toilets		Ward 24,Luyengweni and Lower Mnyamana	R5 968 938.65	Completed	650	72
Munyeni Phase 1 WSIG		Ward 6	R 3 896 533.56	Construction	143	Recently handed over in August 2019
Mbodleni Phase 1 Scheme WSIG		Ward 27	R 3 500 011,83	Construction	289	Recently handed over in August 2019
Ntibane Water Supply		Ward 10,11,12	R 15 442 446 .75	Construction	765	23
Cabazane Water Supply		Ward 01, 02 & 26	R19 817 588.54	Construction		30
KwaBhaca Regional Bulk Water Supply		Ward 15,16,17,18,19,21,27	R 222 402 218.27	Construction	4250	35
Mt Ayliff Peri-Urban		Ward 04,07	R 347 288 050.00	Construction	6364	18
Mqhekezweni WSIG		Ward 6	R2 068 731.06	Construction	234	Recently handed over in August 2019
Silver city Phase 2		Ward 16	R5 882 698.80	Construction	350	Recently handed over in August 2019
Ext 7 Phase 2	Ward 16	R852 024.52	Construction	60	Recently handed over in August 2019	
Mowa 2 WSIG	NTABANKULU	Ward 14,Mowa	R4 123 326.94	Completed	144	6
Vulindlela WSIG		Ward 14, Vulindlela	R4 146 595.11	Completed	62	6
Qiphu 2 WSIG		Ward 9, Qiphu	R3 286 658.13	Completed	112	5
Manaleni WSIG		Ward 3, Manaleni	R4 125 371,70	Completed	120	20

Mbongweni WSIG		Ward 16, Mbongweni	R4 183 326.94	Completed	354	7
Xhopo 2 WSIG		Ward 2 Xhopo	R4 980 077,67	Construction	591	6
Mazeni/Tembeni WSIG		Ward 15	R5 233 940.83	Construction		5
Vulindlela Phase 2 WSIG		Ward 14	R5 121 394.51	Construction	62	Recently handed over in August 2019
Mbangweni WS SIG		Ward 09	R4 519 552.01	Construction	351	Recently handed over in August 2019
MIG Bomvini /Nyokweni		Ward 03	R49 194 291.29	Construction	5126	31
Ntabankulu Sewer		Ward 02	R 39 579 757.48	Construction	1305	5
Ntabankulu RDP 471		Ward 13	R 22 000 000.00	Construction	471	8
Ntabankulu Ward 12 Water Supply		Ward 12	R 28 881 418.41	Construction	2345	10
Ntabankulu Ward 14 Water Supply		Ward 14	R 12 989 324.11	Construction	1802	10
Ntabankulu RCC Ward 14 Sanitation		Ward 14	R 2 449 033.09	Completed	210 VIP	75
MIG : Greater Mbizana Water Supply Contract 1A, 1B,1C	MBIZANA	Mbizana Ward 27& ward 04	1A-R 12 939 786.12 1B-R13 184 167 .96 1C- R13 081 470.00	Completed	844	150
MIG: Greater Mbizana Water Supply 2A, 2B,2C		Mbizana Ward 27 & Ward 04	2A-R12 869 506.99 2B-R 12 950 262.95 2C-R8 132 704.17	Construction	844	80
Greater Mbizana Water Supply Contract 3A		Mbizana Ward 27 & Ward 04	3A-R 12 452 094,47	Construction		
Greater Water Supply. Clarksville, Qungebe , Gubethuka		Mbizana Ward 27 & Ward 04	R 14 641 381.98 R2 500 570 .00	Construction	359	39
Makhosonke Ward 15 WSIG		Ward 15 , Makhosonke	R R5 224 051.21	Completed	132	20
Ntsimbini WSIG		Ward 30 , Ntsimbini	R 5 419 261.31	Completed	216	21
Nontlanga 1&2 WSIG		Ward 15, Nontlanga 1&2	R 5 168 345.61	On construction	43	Recently handed over in August 2019
Dumsi ,WSIG		Ward 03 , Dumsi	R 4 742 339.54	On construction	611	Recently handed over in August 2019
Mkhambathini WSIG		Ward 02, Mkhambathini	R 4 650 091.06	On construction	173	Recently handed over in August 2019
Nobamba,WSIG		Ward 21, Nobamba	R 5 251 960.27	On Construction	408	Recently handed over in August 2019
Xholobeni WSIG		Ward 25, Xolobeni	R 6 363 687.75	On construction	102	08
Dayimane WSIG		Ward 12, Dayimane	R 6 607 345 .60	On construction		19
Lucingweni WSIG		Ward 24, Lucingweni	R 1. 2	On Construction (Phase 2)	120	10
Mphetshwa WSIG		Ward 09, Mphetshwa	R4 913 090.21	On construction (Phase 2)	342	18
Gobizembe ,WSIG	MATATIELE	Ward 26 , Gobizembe	R 5 138 874, 09	On construction	183	Recently handed over in August 2019
Pontseng , WSIG		Ward 11, Pontseng	R 1 875 677.98	On construction	990	Recently handed over in August 2019
Mdeni , WSIG		Ward 21, Mdeni	R 1 784 838.86	On construction	320	Recently handed over in August 2019
Mgubo , WSIG		Ward 17, Mgubo	R 5 495 642 ,52	On construction	406	15
Bulfontein ,WSIG		Ward 26, Bulfontein	R 2 500 023.74	Completed	67	15

Hillside , WSIG		Ward 18 , Hillside	R 4 481 312.86	Completed	162	23
Maphokong , WSIG		Ward 04 , Maphokong	R 4 500 000.00	Completed	134	19
MIG : Mavundleni & Mnqayi Matatiele Ward 05 Water Supply		Ward 05/ 09Mavundeleni Mnqayi Village	R 9 342 526.45	Completed On construction	1749	79
MIG : Matatiele Ward 15 Water Supply		Ward 15	R10 999 188.92	Construction	1851	78
MIG : Fobane Water Supply Mango Village		Ward 17	R 36 725 227.32	Construction	8074	35
MIG: Matatiele Ward 18/22 Rolweni Village		Ward 18/22, Rolweni Village	R 7 533 903.58	Construction	4898	15
MIG: Matatiele Ward 07 Water Supply Scheme Phase 2		Ward 07	R 87 977 215.99	Construction	2220	165

Waste Water (Sanitation) Provision

The Municipality provides sanitation for its entire jurisdiction i.e. Umzimvubu, Matatiele, Mbizana and Ntabankulu Local Municipalities. The construction is done through normal tender processes internally. It should be noted, however, that due to change from use of cement blocks for the building of toilets to precast type structures, the requirement for huge numbers of labour was reduced as the precast panels are not manufactured within the local municipalities.

The municipality ensures that the appointed Professional Service Providers source labourers from within the areas where VIP toilets are being constructed and this contributes immensely to 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 septic tanks especially in areas that are not connected to water borne system.

In rural areas the municipality provides VIP toilets whereas in urban areas are provided with waterborne system. However, urban areas in the Ntabankulu and Mbizana municipalities are operating with septic tanks whereas Umzimvubu and Matatiele municipalities operate with waterborne system.

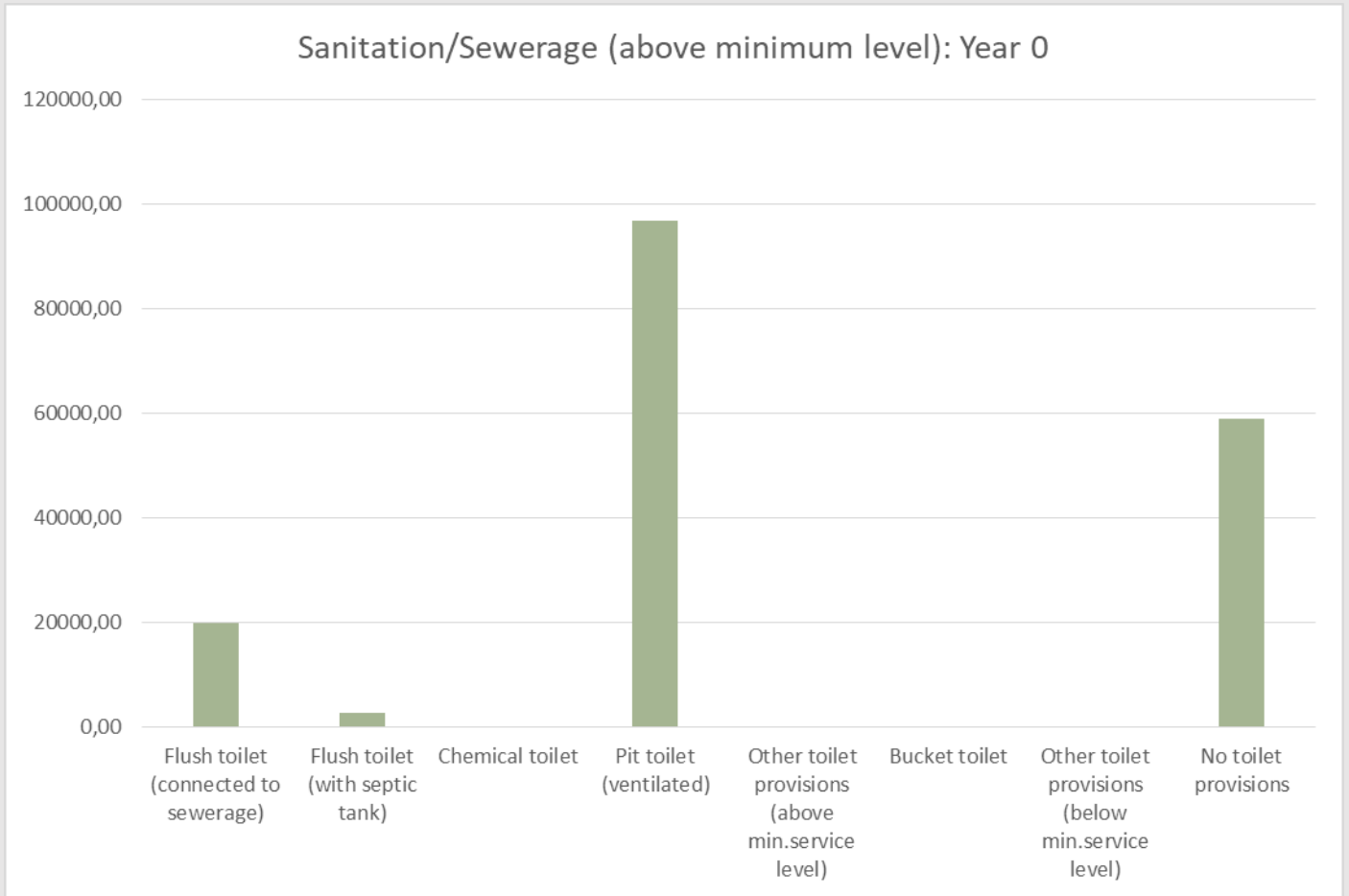


Figure 12: Sanitation Services

Source: Alfred Nzo District Waster Services Development Plan

The above bar graph shows sanitation or sewerage provision to the ANDM local municipalities. The 2017/18 financial year shows a significant rise in the provision for pit toilets while provision for chemical toilets recorded at a dramatic low. What may be of necessity to also note in the above graph is the rise of no toilet provision to ANDM communities through local municipalities for the 2018/19 financial year.

Sanitation Service Delivery Levels

Table 19: 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)	19 058	19 958	19 958	19 958
Flush toilet (with septic tank)	4 514	4 914	2 713	2 713
Chemical toilet	0	0		
Pit toilet (ventilated)	89 981	94 124	96 803	96 803
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	113 553	118 996	119 474	119 474
Minimum Service Level and Above Percentage	63.7%	66.7%	67.0%	67.0%
Sanitation/sewerage: (below minimum level)				
Bucket toilet				
Other toilet provisions (below min.service level)				
No toilet provisions	64 794	59 351	58 873	58 873
Below Minimum Service Level sub-total	64 794	59 351	58 873	58 873
Below Minimum Service Level Percentage	36.3%	33.3%	33.0%	33.0%
Total households	178 347	178 347	178 347	178 347
*Total number of households including informal settlements				T 3.2.3

Table 20: 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	65 782	59 351	56 672			56 672
Proportion of households below minimum service level	37%	34%	32%			32%
Informal Settlements						
Total households	2062	2062	2062			2062
Households below minimum service level	222	222	0			0
Proportion of households below minimum service level	11%	11%	0%			0%
					T 3.2.4	

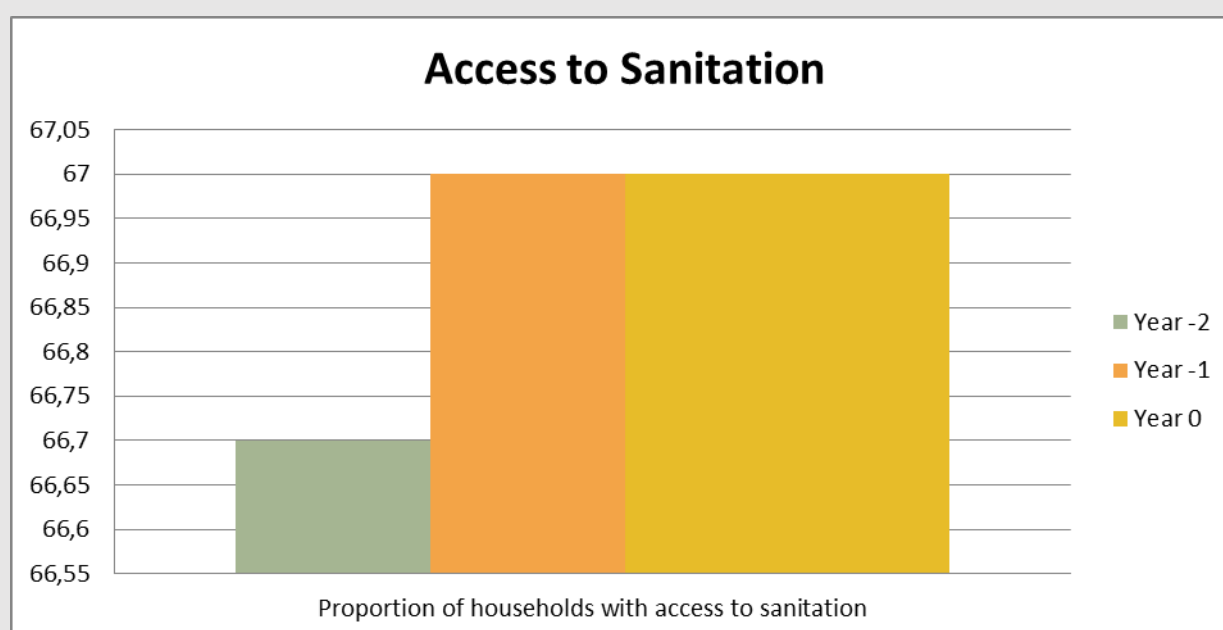


Figure 13: Access to sanitation per household

Source: Alfred Nzo District Water Services Development Plan

The above graph shows the proportion of households with access to sanitation. ANDM has recorded a slight increase in sanitation service delivery levels of households compared to the previous years. The 0.3% improvement has been recorded for 2017/18 to 2018/19 financial year in relation to the proportion of households with access to sanitation.

Table 21: 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)	6000	2679	5645	1356	0	1084	1117	1150

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	2	5	2	3	60%
4 - 6	7	8	7	1	13%

7 - 9	29	62	30	32	52%
10 - 12	49	74	50	29	39%
13 - 15	18	96	32	64	67%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	105	245	121	129	53%

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

Financial Performance

Financial Performance Year 0: Sanitation Services					
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%
<i>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.</i>					T 3.2.8

Figure14: Financial Performance – Sanitation Services

Source: Own Construct

Table 23: Capital Expenditure Year 0: Sanitation Services (See Annual Performance Report annexure)

Electricity

Alfred Nzo does not have competency for electricity services as 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.

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 reviewed the Integrated Waste Management Plan (IWMP) for all four local Municipalities within the district. Awareness campaigns were conducted by ANDM across the District and Matatiele and Mbizana LMs received wheelie bins from ANDM as part of encouraging proper waste management practices.

Housing

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

Free Basic Services and Indigent Support

Free Basic services have been established under WSA Unit and it has a coordinator. Policy has been reviewed and adopted by council. The role of the District is to verify the Indigent registration list provided by the Local Municipalities. The municipality has even taken an initiative to translate the policy into ANDM languages and this has been completed. The Free Basic Services (FBS) Unit also conducts awareness campaigns to sensitise communities of the processes and procedures to follow when applying for indigence. The policy mentions that the applicant will be subjected to verification. During 2018/19 financial year, no household verification was done due to procurement processes that could not be concluded.

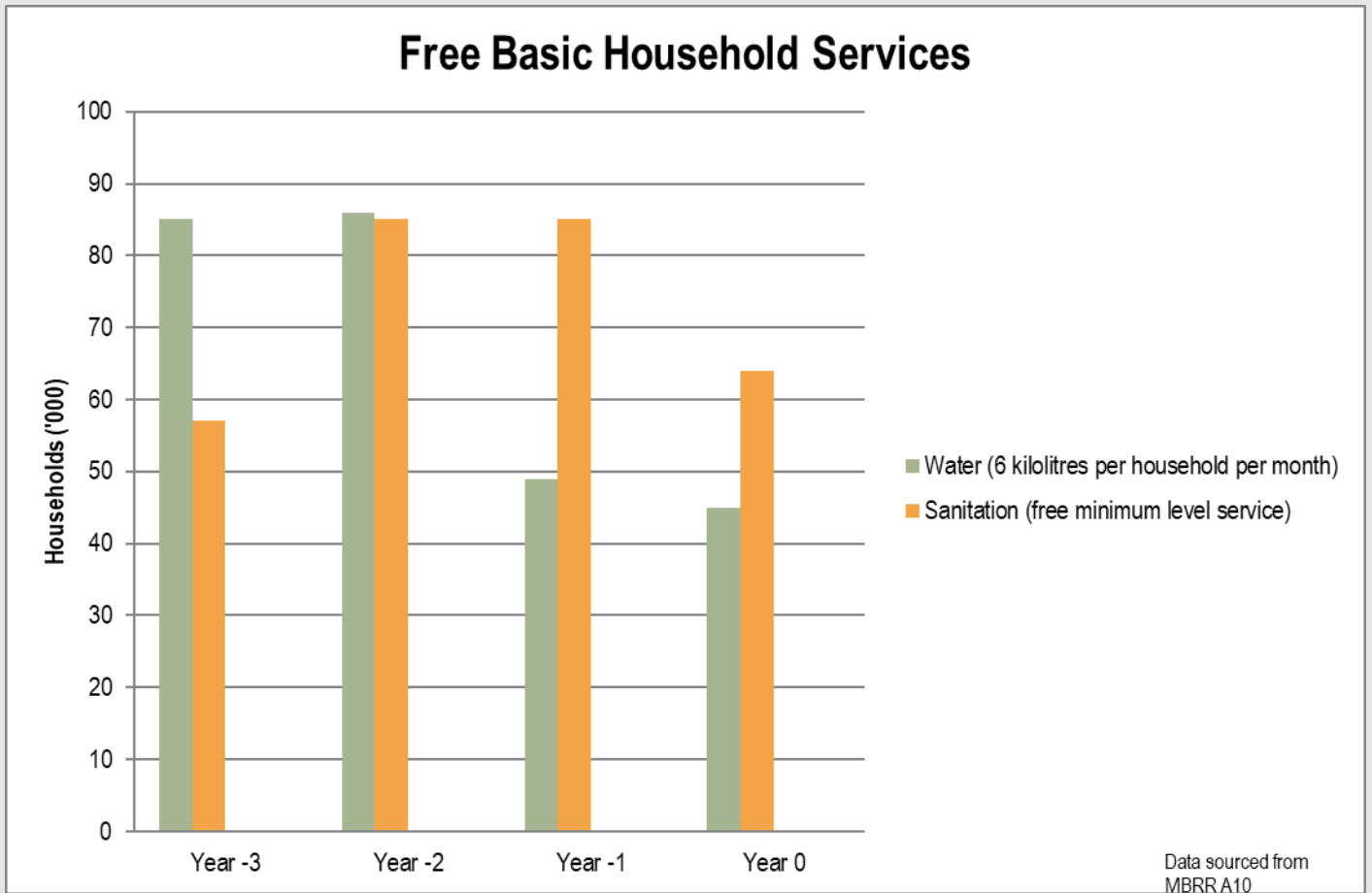


Figure 15: Free Basic Household Services

Source: Alfred Nzo District Water Services Development Plan

The graph above shows the household's access to free basic services i.e. Water and Sanitation. The graph also reveals a backlog in balance between the provision of water per household and the provision of sanitation in 2018/2019 financial year. The 2018/19 financial year has recorded a dramatic decrease in the provision of water services while on a

Table 25: Free Basic Services To Low Income Households
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steady movement on access to infrastructure.

Free Basic Service Delivery Levels

	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	74 557	42%	94 124	53%				
Year -1	178 347	178 347	77741	44%	96803	54%				
Year 0	178 347	178 347	78 473	45%	96803	54%				

Table 24: 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	73 961	41%	113 553	64%				
Year -1	178 347	178 347	74 557	42%	118 996	67%				
Year 0	178 347	178 347	76 689	43%	118 996	67%				

Free Basic Service Financial Performance

Table 26: 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	250	248	253	250	1%
Waste Water (Sanitation)	250	245	244	250	2%
Total	750	753	750	753	5%

				T 3.6.4
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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.

B: Road Transport

This is not the competency of the district municipality.

Roads

This is not the competency of the district municipality.

Transport

This is not the competency of the district municipality

Waste Water (Storm water Drainage)

This is the local municipality's competence.

C: PLANNING AND DEVELOPMENT

Planning and Economic 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

PLANNING

A large proportion of the Town Planning work especially land-use management is the responsibility of the Local Municipality. However, the District Municipality is responsible for regional spatial planning through crafting of Spatial Development Framework (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 was reviewed though it could not be completed within 2018/19 financial year as the project was done in-house. The reviewed SDF was necessitated by the recent development project of the N2 Wild Coast route that is planned to traverse between Alfred Nzo, O.R Tambo and Amathole District Municipalities.

In keeping with the requirements of Chapter Four of the Municipal System Act, Act No. 32 of 2000, the District Municipality has ensured 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, COGTA, DRDAR, Traditional Leaders, Councillors, Local Municipalities and the professional consulting team responsible for assisting the district in crafting the document.

The SDF has been compiled in support of the long term strategic intent and a short to medium development program as outlined in the IDP. Local Municipalities utilised this document in order to ensure that there is synergy in all Local Plans within the District. The following are the key spatial restructuring programs for Alfred Nzo District Municipality:

Hierarchy of corridors

Hierarchy of Nodes

Settlement Clusters

The ANDM SDF is envisaged to be completed in 2019/20 financial year.

LAND USE MANAGEMENT:

The District Municipality is predominantly rural in nature with small urban centres within its five towns such as Mbizana, Mount Frere, Mount Ayliff, Matatiele and Ntabankulu. This means that only the towns mentioned above have Town Planning Schemes, thus they are the only areas that have 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 municipalities are responsible for local development. Therefore, the District Municipality devises strategies to inform land use management but cannot enforce land-use regulatory measures as this is the function of the Local Municipalities.

The District Municipality does not deal directly with statutory planning but advises Local Municipalities on applications for land development as and when needed. Nonetheless, the District Municipality's responsibility is to compile a broad Land Use Management Framework (LUMF) in preparation of the wall-to- wall development of schemes, which will be developed after the adoption of SDF. Up to this end, the District Municipality continues to assist in implementing land use management guidelines as from financial year 2013-2014, hence wall-to-wall schemes are yet to be developed by respective Local Municipalities.

CAPACITY SUPPORT TO LMS:

The District Municipality is committed to supporting Local Municipalities under its area of jurisdiction. It has continuously provided technical, professional and financial assistance to the Local Municipalities. During the financial year 2018/2019 the District Municipality had financial constraints because of limited available budget. Due to this situation there was no financial support given to LMs, however the only support provided was technical and personnel assistance. Moreover, the District Municipality resolved to form a Joint Municipal Planning Tribunal (JMPT) with Ntabankulu LM for processing of statutory development applications for proposed future developments in relation to the use of the land, which is a requirement of the new latest piece of legislation, governing Spatial Planning and Land Use Management in the Republic of South Africa (RSA) known as Spatial Planning and Land Use Management Act, No 16 of 2013. A Memorandum of Understanding (MOU) or Service Level Agreement (SLA) has henceforth signed between the District Municipality and Ntabankulu LM pertaining to these new developments for the establishment of the JMPT. An advert for the JMPT was placed on the National newspaper and the municipality is in the process of appointing members of the JMPT, however the progress is very slow.

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 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.

SPATIAL PLANNING CHALLENGES RELATING TO PERFORMANCE

The main challenge relating to performance in the Spatial Planning Unit has been the state of Municipal Finances in the year under review. Budget cuts resulted in projects being put on hold for implementation in the next Financial Year. This has specifically had a negative impact on the implementation of SPLUMA, where certain Chapters of the Act have been put on hold, resulting in the regulations taking more time to be adopted by stakeholders and role players. The Act was passed by Parliament in 2013, however the legislation initially was not implemented fully and an extension was granted for the establishment of the Municipal Planning Tribunal (MPT).

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	6	4	2	33.33%	
4 - 6	6	11	7	5	45.45%	
7 - 9	2	0	0	0	0%	
10 - 12	2	0	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	13		9	5	%	

LOCAL ECONOMIC DEVELOPMENT

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.

During the period under review, ANDM has undertaken to review the 2012 LED Strategy. The reviewed Strategy takes into account the prominent sectors in the District as informed by the 2012 LRED Strategy, and the following development thrusts have been identified:

- *Agriculture and Agro-processing*
- *Forestry*
- *Tourism and Heritage*
- *The Ocean Economy*
- *Manufacturing*

Whilst undertaking the review of the strategy, ANDM, through a capacity building intervention facilitated by the Eastern Cape Socio-Economic Consultative Council (ECSECC), realised the importance of integrating the spatial development component for the purposes of planning for development. ANDM, through the review of the Spatial Development Framework (SDF) therefore wishes to identify corridors within ANDM, whilst the LED Strategy wishes to have an appreciation of the development opportunities associated with each specific corridor. This integration will be undertaken in the next financial year.

Therefore, 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 includes programmes in:

- **Agriculture and Agro-processing**
 - Through the implementation of the Agri-Parks programme
- **Tourism and Heritage**
 - Through the implementation of the Beach to Berg Corridor Development Plan
- **The Ocean Economy**
 - ANDM has a 32km coastline within Mbizana Local Municipality. The coast-line and the development potential that exists therein has been explored through participation in the National Department of Public Works Operation Phakisa Programme. To that effect, ANDM will be developing a Coastal and Ocean Economy Sector Plan that will further explore the development potential of the coast-line.
- **Manufacturing**

- Through the conceptualisation and implementation of the Resident Fashion Designer Programme aimed at the establishment of the textiles industry
- Through the resuscitation of the Zone Centres as key drivers of the local economy, mainly for manufacturing building blocks and in turn job creation

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 the Sarah Baartman District Municipality, 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.

The Department of Rural Development and Land Reform (DRDLR) was mandated to execute the planning and establishment of Agri Parks in each of the 44 district municipalities in South Africa. These Agri Parks are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products. The ANDM is one of the district municipalities in the Eastern Cape Province (EC) that have been prioritised for the establishment of Agri Parks. An Agri-park (AP) is a network innovation system of agro-production, processing, logistics, marketing, training and Extension Services, located in district municipalities. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The AP comprises of three basic units i.e. Farmer Production Support Unit (FPSU) and Agri-Hub Unit (AH) per local municipality and One Rural Urban Market Centre Unit (RUMC) for the district.

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.

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.

In 2013, the District undertook the development of a Tourism Sector Plan, which is reviewed annually, as a way to create a framework for implementing a collection of initiatives or programmes that will contribute towards the development of the district's tourism potential. The Beach to Berg Corridor Development Plan has also been developed as a strategy that packages the District's tourism attractions into one umbrella. This is meant to ensure that ANDM is a tourism destination, where tourists get to experience the district and ensure that revenue circulates within the district.

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:

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. 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.

ALFRED NZO AGRI-PARKS PROGRAMME

As mentioned briefly above, the Department of Rural Development and Land Reform (DRDLR) was mandated to execute the planning and establishment of Agri Parks nationally. Agri Parks are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products. The ANDM is one of the district municipalities in the Eastern Cape Province that have been prioritised for the establishment of Agri Parks. An Agri-park (AP) is a network innovation system of agro-production, processing, logistics, marketing, training and Extension Services, located in district municipalities. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services. The AP comprises of three basic units i.e. Farmer Production Support Unit (FPSU) and Agri-Hub Unit (AH) per local municipality and One Rural Urban Market Centre Unit (RUMC) for the district. The Agri Hub for the Alfred Nzo district has been prioritised for Cedarville, within the Matatiele Local Municipality. The FPSUs will be established in the three local municipalities (Umzimvubu, Ntabankulu and Mbizana local municipalities) where the Mbizana Red Hub will be one of FPSUs.

GRAIN PRODUCTION PROGRAMME

The Grain Production Programme is in response to the Grain Production Master plan however on a small elementary scale, based on the level of development of the District's subsistence farmers. The long term plan is to convert these farmers into, small holder and commercial farmers able to realise the full objectives of the ANDM Master Plan and within the context of the Agri Parks programme. 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. The Agri Parks Business Plan has been drafted, and Commodities that have been identified as prioritised for ANDM include maize (grain), potatoes (vegetable) and sheep (red meat).

In the current period, ANDM planned to provide monitoring for the co-operatives that were assisted with crop production and capacity building in the previous years.

MANUFACTURING DEVELOPMENT PROGRAMME

ANDM has over a period of time, embarked on a skills developmental client journey with SMMEs across the key sectors within the District. Of the key sectors within the space, Tourism has been identified among one with potential to contribute significantly to the ANDM economy, and thereby addressing the triple challenges of poverty, unemployment and inequality

Towards ensuring that the untapped potential of the Tourism sector is fully exploited in ANDM, the Beach to Berg (B2B) Corridor Development Plan was developed in 2014 as an output of the Tourism Sector Plan which was also informed by the District Spatial Development Framework (SDF) of 2012. B2B seeks to address the challenges of fragmented and local municipality boundary specific tourism initiatives within the District. Although local initiatives are essential, a district or regional level intervention which seeks to consolidate all tourism related programs and projects holds a high degree of significance for the development of this sector.

The B2B Corridor Development Plan seeks to address this gap by creating a framework for implementation that clusters a collection of initiatives and programmes into one umbrella with the intended outcome of growing regional development, and to also assist in the economic development of the District through Tourism. The visitor experience for ANDM tourists, whether coming to the District for business or leisure purposes, is intended to be a package where tourists get to enjoy their stay. ANDM, in its bid to stimulate socio-economic development within the District has identified garment manufacturing as one of the strategic industrial sectors to catalyse industry development in the area. There exists within the area, fashion design graduates and sewing groups involved in garment manufacturing activities. It is this pool of local talent that the ANDM wishes to organise through the provision of garment manufacturing infrastructure, and technical and business training interventions to improve both the design and quality of garment products manufactured in ANDM. To this effect, ANDM has procured industrial machinery for the implementation of the programme.

As such, part of the B2B Corridor Development Plan entails the capacitation of product owners in the manufacturing and textiles industry within the route. This is part of strengthening the B2B brand, offering a variety of unique products and services, and essentially offering a high quality package to consumers. ANDM therefore wishes to undertake Garment Manufacturing Training with a Computer aided design technology platform for design, pattern making, grading, printing and Business Management Training which entails the key elements of running a business (Financial Management, Access to Markets, Governance etc.).

VUKA ALFRED NZO PROGRAMME

ANDM has embarked on a Vuka Alfred Nzo 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.

Economic Employment by Sector			
Sector	Jobs		
	Year 1 No. (17/18)	Year -1 No. (15/16)	Year 0 No. (16/17)
Agric, forestry and fishing	12%	4.00%	12%
Mining and quarrying	2%	-	2%
Manufacturing	10%	2%	10%
Wholesale and retail trade	15%	27%	15%
Finance, property, etc.	7%	8%	7%
Govt, community and social services	27%	45%	27%
Infrastructure services	6%	10%	6%
Other/Unspecified	21%	4%	21%
Total	100%	100%	100%
			T 3.11.3

Source:

Although ANDM continues to portray low levels of economic activity with high unemployment and poverty, a notable improvement is witnessed when comparing economic sector performance for the 2017/18 and 2018/19 Financial Years comparatively.

Government and Trade are the largest employers within the Municipality. The Agricultural sector has demonstrated a growing trend from 2017/18 to 2018/19, even though it continues to operate far below its potential with relatively low contributions to GDP. This therefore indicates that productivity levels on the Agricultural sector are very low.

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 Master plan)

Forestry Expansion (27 000 ha to be developed)

CHALLENGES AND HIGHLIGHTS RELATING TO 2018/19 PERFORMANCE

The Planning and Economic Development department has performed well in the implementation of the SDBIP, however, with a few projects that could not be completed. Specific reasons are stated in the Annual Performance Report annexed hereto.

Towards mobilising financial and other resources, ANDM has undertaken to enter into partnerships with the Public and Private sectors. This resource-sharing has potential for meaningful, impactful initiatives on the ground. ANDM does however need to mobilise financial resources internally as a form of capital investment to the programme, as well as to co-finance the programme.

Regardless of the limitations sighted above, the LED Unit has managed to conceptualise an Agricultural Production Model that showcases how subsistence farmers can graduate from operating on a subsistence level to a commercial level. The model takes into cognizance the overall investment ploughed in by ANDM and partnering stakeholders; mainly sighting the best possible means to ensure that subsistence farmers graduate to commercial farmers. The model entails a hand-holding process, supporting the farmers with mechanisation support, capacity building and mentorship, providing them with basic infrastructure as well as assisting them to access finance and markets. Through support from stakeholder partners such as the Department of Small Business Development (DSBD), financing was secured for three out of twelve ANDM cooperatives in the programme. The rest of the cooperatives managed to get some income from the yield that was sold to a market, giving them some mileage to prepare for the next planting season! This was indeed a highlight for LED in ANDM, and served as a good example and indication of the potential success of this programme if it were to be rolled out on a large scale and on the rest of the ANDM.



CIS Funded Tractors



Market secured for Bagqozini Cooperative

The Municipal Infrastructure Grant (MIG) has an allocation of 5% that should be committed to Social and Economic Infrastructure initiatives. This allocation would assist the Department a great deal in achieving the said objectives industrialising the Agricultural sector and taking the initiative forward.

ANDM continued with the implementation of this project in the 2018/19 Financial Year.

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2	276	0	276	The beneficiaries have been registered as Cooperatives where all listed members are actively involved in the grain production and activities and business operations
Year 1	276	0	276	The beneficiaries have been registered as Cooperatives where all listed members are actively involved in the grain production and activities and business operations
Year 0	0	0	0	
ANDM PROGRAMMES				
	0	0	0	
ANDA PROGRAMMES				
Initiative C (Year 0)	0	0	0	
				T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year -2	40	2 000
Year -1	50	2 009
Year 0	50	1447
* - Extended Public Works Programme		T 3.11.6

Figure 17: Jobs created through EPWP projects

Source: ANDM IDP

Local Economic Development 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									
SMME Development	To build the capacity of SMMEs and Cooperatives (in the form of training and mentorship) within t Tourism sectors from within the District, focusing in the following areas of intervention: - Business Management	No people to be trained	No People trained	No People to be trained	No People to be trained	No People were trained	10 people to be trained	7 people trained	10 people to be trained

Figure 18: LED Policy objectives

Source: ANDM IDP

The table above provides an indication of the IDP Service Objectives for LED in relation to SMME Capacity Building. The table summarises interventions undertaken by the LED unit for the development and capacitation of SMMEs involved in the Textiles Industry.

Table 29: Employees: Local Economic Development 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	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

Table 30: 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	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.11.10	

Figure 19: Capital Expenditure Year 1: Economic Development Services

Source: ANDM Management Accounts

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Special Programmes Unit (SPU) is located in the office of the Municipal Manager administratively and Office of the Executive Mayor politically and is responsible for mainstreaming and advocating for previously disadvantaged groups, i.e. children's development, 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.

MANDATE

The mandate of the Special Programmes Unit is to promote, facilitate, coordinate and monitor the realization of the rights of women, men, youth, children, senior citizens and people with disabilities.

CONSTITUTIONAL MANDATE

When the President announced the Ministry for Women, Children and People with Disabilities in May 2009 and proclaimed the establishment of the department in July 2009, he emphasised the need for equity and access to development opportunities for the vulnerable groups in our society.

POLICY MANDATES

A range of policies inform equality, empowerment, human rights and human dignity processes. These include, among others, the following:

- Municipal Systems Act
- Municipal Finance Management Act
- Municipal Structures Act
- White Paper on Affirmative Action in the Public Service, 1997
- White Paper on Integrated National Disability Strategy, 1997
- South African National Policy Framework for Women's Empowerment and Gender Equality, 2000
- Technical Assistance Guidelines on the Employment of People with Disabilities, 2007
- South African International Relations and Cooperation Framework
- Employment Equity Act (Act 55 of 1996)
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act 39 of 1996)
- Basic Conditions of Employment Act (Act 75 of 1997)
- Domestic Violence Act (Act 116 of 1998)
- Maintenance Act (Act 4 of 1998)
- Skills Development Act (Act 97 of 1998)
- Broad Based Black Economic Empowerment Act (Act 53 of 2003)
- Children's Act (Act 38 of 2005)

The Special Programmes (SPU) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

NOTE: Special Programmes goes deeper than any other projects/ programmes. They are about behavioural change and this change calls for the change in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc. but also about the psychological wellbeing of an individual. Children, Youth, Senior Citizen, People Living with Disabilities, Men and Women must have a voice in governance.

The municipality is at the stage whereby it is acknowledged that people are different yet the same. In no way the municipality can implement service delivery alone but with the people.

STRATEGIC OBJECTIVES

Strengthen good governance for the Special Programmes Unit to deliver on its mandate.

Promote intersectoral collaboration through Mainstreaming of Special Groups

Promote, advocate and monitor women's empowerment and gender equality.

Promote, advocate and monitor men's rights and responsibilities.

Promote, advocate and monitor children's rights and responsibilities.

Promote, advocate and monitor senior citizen's rights and responsibilities.

Promote, advocate and monitor youth's rights and responsibilities.

Promote, advocate and monitor the rights of people with disabilities.

Promote, advocate and monitor the rights of people living with HIV/AIDS.

PROGRAMMES COORDINATED DURING 2018/2019 FINANCIAL YEAR

CHILD CARE

Children's Advisory Council Reviewed

Fifty (50) Orphans and vulnerable children were supported with school uniforms.

One (1) pre-school was supported with pre-school material

Christmas for Orphaned and Vulnerable Children hosted

Child Protection Week hosted

Early Parenting Indaba

One (1) Children's Rights Awareness conducted

One (1) Early parenting dialogue was conducted

OLDER PERSON'S CARE & SUPPORT

One Older Person's Forum Reviewed

Induction and Training of the newly elected forum

One (1) Awareness campaign on Women's Health

Older Person's Month Commemoration hosted

Two (2) older person projects supported

Conducted active ageing programs and golden games

HIV AND AIDS AWARENESS

Conducted eight (8) HIV and Aids awareness campaign in the form of;

Operation Masinyange

HIV & AIDS Awareness (Women in partnership against AIDS and Disability)

World AIDS Day

HIV & AIDS targeting Young Women

Condom Week Awareness

District TB Day Commemoration

HIV & AIDS Awareness targeting Young people

HIV, AIDS and TB Workshop

HIV, AIDS AND TB CARE AND SUPPORT

Two (3) Support groups and two (2) Community Based Organisation were trained and supported with home based care kit and Gardening inputs.

Campaigns were conducted namely:

Treatment Adherence Campaign

Nurture newly supported HIV and AIDS Support groups

Awareness on treatment awareness targeting schools

Candle Memorial Commemoration

YOUTH

Provided support to 4 Youth initiatives.

Collection of database for Youth Projects

Leadership Seminar conducted

Education support to 3 schools and Exam Prayer

Juvenile support Programmes

Provision of support 2 youth initiatives

Mayoral Achievers and Bursary Awards

Back to school learners support programme for first years

Career Expo

Alfred Nzo Battle of talents

Bilateral with institutions of higher learning for MOU development

GENDER

Seven (7) Awareness Campaigns were conducted:

National Women's Month Commemoration

Young Women's Roadshow

Early parenting awareness

Sixteen Days of Activism for no violence against women and children

The Right to Know Campaign

Young Women against Gender Based Violence

Women and HIV & AIDS Workshop

DISABILITY

Reviewed disability forum and workshop

Six (6) Disability awareness campaigns:

International Day for Disabled Persons

Disability Economic Empowerment

Play your role on sexual abuse on disability

Disability and HIV & AIDS Awareness

Disability Expo

Participated on national disability awards in partnership with Vallahala

Schools assistance program conducted

Disability schools achievers awards

SPU FORA MEETINGS

2 Children's Advisory Council Meetings held

2 Disability Forum Meetings held

2 Gender Forum meetings held

2 District Older Person's Forum Meeting held

2 DAC Meetings held

District Youth Council Meetings held

MAINSTREAMING

6 SPU Initiatives conducted:

Book launch support

Opera singer supported to perform in Germany

Grade 12 Mayoral Achievers Awards

Soccer kits

Sewing material for Women Empowerment Program

Girl Child Dignity Campaign

Awareness Campaigns on Alcohol and Substance Abuse conducted

Table 30: 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	

<i>Service Indicators</i>		<i>*Previous Year</i>		<i>*Previous Year</i>	<i>*Current Year</i>		<i>*Current Year</i>	<i>*Current Year</i>	<i>*Following Year</i>
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Older Person's	To coordinate and facilitate the integration and mainstreaming of older person's programme to keep societal norms and values and to maintain their respect and dignity	11	8	8	7	7			
Coordination of children's 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 within the district	11	18	18	8	8			
District Gender programmes	To coordinate response to gender inequalities through empowerment, mainstreaming, awareness and consultation of men and women	21	21	21	7	7			

District disability programmes coordination	To create an environment that is free of barriers prejudice and stereotypes in order to maximise access of people with disabilities	12	10	10	9	9			
Youth Development and transformation	To identify skills , coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in collaboration with other stakeholders	15	15	15	11	11			
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	11	10	10	8	8			
HIV and AIDS Coordination Care and Support	To support functioning of all HIV and AIDS council structures	9	10	10	6	6			

programmes	through coordination of programmes								
SPU Mainstreaming	Promote earning potential of ANDM Communities	4	7	7	4	9			
<p><i>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 incorporated 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.</i></p>									T 3.14.3

SERVICE STATISTICS FOR CHILD CARE

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%

Details	R'000				
	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%
<i>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.</i>					T 3.14.5

Figure 20: Financial Performance Year 0: Child Care, Aged Care, Social Programmes

Source: own construct

Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes					
R' 000					
Capital Projects	Year 1				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
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
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.56.6

Figure 21; Capital Expenditure Year 1: Child Care, Aged Care, Social Programmes

Source: own construct

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.

POLLUTION CONTROL

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

with climate change vulnerability 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 incorporating 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.

The climate change response strategy was developed. 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 was completed and its implementation started from July 2016.

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

Project Steering committees were established to ensure that these projects are a success and are addressing 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.

BIO-DIVERSITY & LANDSCAPE

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

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. PAC has been established comprising of ward councillors, community members, Matatiele LM officials, ANDM officials, DEAO officials and appointed service provider for this project

Ward councillors are currently busy identifying project beneficiaries/employees

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. Project is at its implementation phase and no challenges are incurred to date

SOURCE FUNDING MBIZANA LOCAL MUNICIPALITY-

Source funding for establishment of Mthamvuna Nature Reserve. The application to Department of Environmental Affairs for this project was successful.

Project is at its implementation phase and service provider appointed is working well with the communities around 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.

E: MUNICIPAL HEALTH SERVICES

As per the Municipal Structures Act, s84, ss1(i) & 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 Equitable Share 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).

As a stride to reach a compliance level, it was then deemed fit that 24 EHP positions be advertised, and this was done, but has not yet been filled in (reasons are not very clear as these positions were budgeted for in full).

An ongoing intervention remains to be necessary from ANDM going forward.

Despite all odds, ANDM has been selected as **the best performing municipality when it comes to the rendering of MHS In communities from a rural perspective**, and this was pronounced in Cape Town, at a National South African Institute on Environmental Health Conference, which had an International Federation of Environmental Health status (world status). We need to soldier on, come what may!!!

WORLD ENVIRONMENTAL HEALTH DAY COMMEMORATION

The 26 September was declared as World Environmental Health Day by the International Federation of Environmental Health at its September 2011 Council Meeting at Bali, Indonesia. This then was again accepted into the World Health Organisation and included into its calendar. South African Institute of Environmental Health had to follow at it is IFEH in a South African context and level.

The international theme by **World Health Organisation** (WHO) for 2015 was *"Tobacco Control: a response to global tobacco pandemic"*.

This theme wanted our focus as government in SA and the World on the global damage done by tobacco, and what we can do to protect our atmosphere from this irreparable damage, through protection from environmental health risk exposures and promoting a healthy environment. Everybody is vulnerable to environmental hazards, but more particularly passive smokers as they are not even aware that they are exposed to passive smoking. More strongly, children get to be more vulnerable because of incomplete growth and development; and higher respiratory and metabolic rates, not to mention immune-compromised persons.

ANDM in its alignment with the theme, has also embarked heavily on a training programme of all ANDM EHPs on Indoor Air Quality, and this exposed ourselves to the dangers that are there when we are exposed to all sorts of pollutants (inclusive of smoking).

We also embarked on build-up programs for the WEHD within the district. This was focusing on tobacco awareness and also on Smoking in general as there was also a linkage to veld fires caused by tobacco smokers.

As part of the National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners, it is also a compliance issue to partake in the World Environmental Health Day Commemoration, of which we as ANDM always comply on this, and we were also audited positively in this regard.

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.

ENVIRONMENTAL MANAGEMENT INSPECTION

Due to the requirements as stipulated in the HPCSA and SAIEH, it is necessary that each and every EHP be an Environmental Management inspector and this is going to be a full-time requirement during the upcoming years.

The EHPs that were trained assisted in implementing the EMI from an Environmental Health perspective in the district.

ENVIRONMENTAL HEALTH SERVICES AUDIT

National Department of Health, in its quest to monitor and support its municipalities in rendering preventive health, it made a decision to have National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners, where again an audit tool was designed to audit all municipalities rendering EHS/ MHS.

Alfred Nzo DM was no exception as it was audited on the 1st round, and out of the odds, we got an overwhelming 89 % in South Africa.

As the results of the audit were publicised in the WEHD 2016, it was then announced that ANDM has rated 3rd in the country when it comes to implementation of Norm and Standards guiding Environmental Health Services in and out of municipal boundary.

This again necessitated improvement as we had a lot of gaps identified when we were re-audited.

FOOD SAFETY AND CONTROL

Good governance: food safety and awareness programmes, and since the function is has been introduced to district municipalities in the last decade, this has then 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).

Raids have been done to ensure that foodstuffs sold to our communities is sound and complies with the South African legislation.

Raids have been done to ensure that foodstuffs sold to our communities is sound and complies with the South African legislation.

WATER QUALITY MONITORING

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

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

Generally the quality of water is not always in a potable condition, and this raises a great health concern as it could result in uncontrollable waterborne disease outbreaks.

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.

National Environmental Health Norms and Standards for premises and acceptable monitoring standards for Environmental Health Practitioners are implemented taking into consideration that they have annexures in the likes of Health Certificates, Certificates of Acceptability, and Certificates of Competence.

An active involvement of EHPs in ECDCs has vigorously kicked in as there has been an ECD Indaba at Provincial and District level where we have crafted a clear way-forward on how to improve the compliance within the ambits of the Dept of Social Development (as the funder of a majority of Early Childhood Development Centres)

As a follow-up to the District Indaba, ANDM and Dept of Social Development made their own District Plan on how to conduct the assessments of the ECDCs so that there is understanding of the functions of each stakeholder. This is then setting a trend where we sit down under one roof to assess the ECDC, and we agree unanimously on what needs to be done, and by whom, etc

This then removes the blame-game and we move on smoothly with the services to be delivered to our communities at no disadvantage to our people.

Sipetu Hospital has been amongst the very much dilapidated health facilities in the province, and it's worth mentioning that even during the hospital revitalisation programme of the Eastern Cape Dept of Health, it never benefited in the programme. It was then prioritised to be built in 2016. COEGA Development Agency has been then appointed to conduct the construction process (notwithstanding the process protocol) and construction is still underway with challenges.

It was then discovered in the process pf building plans that the kitchen is in its closest proximity to the mortuary, in fact they were sharing the same alley. It was then recommended that this be changed, It took a lot of effort for the changes to be effected, and we're proud to say that there has been a new building plan which was discussed with ANDM MHS to effect the changes. Now the kitchen is in the main building and the mortuary is constructed outside, distance being reasonable enough for the "dirty" area.

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 dos and don'ts for mitigation and prevention.

Re-inspection of a petroleum mini-storage (Wozani Berg Gasoline), which had to be within the threshold limit values of the area indicated that there is a lot of improvement conducted in the station, responding to the recommendations by MHS. This is taking us forward in the petroleum store being granted a permit to operate fully.

DISPOSAL OF THE DEAD/ MANAGEMENT OF HUMAN REMAINS

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, where Mbizana was able to bury them.

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 Certificates of Compliance.

Training of Funeral Parlours has been further conducted by the EHPs in Mbizana LM, where the parlours were trained such that it would be easier for them to apply for a CoC.

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-phosphates) is being conducted on a community awareness level

Ongoing education on impact of lead in toys is being done, though there is still a major challenge of credible suppliers. This is still in a process of being researched.

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

Chemical poisoning: Notifications of deaths and cases have been received from the health facilities and individuals on organo-phosphate poisoning. Investigations have been done to this effect, and a lot of improvement has been noted, hence the award-winning project that has been earned as ANDM.

A project emanating from the admissions and thereof notifications of cases/ deaths due to the Organo-phosphate poisoning triggered the MHS to embark heavily on a prevention and awareness programme for these said cases and deaths, and it really needed govt intervention at all levels as the death rate was higher than before. The reported deaths from ingestion of this pill were 30 for the 2018/19 financial year.

This then turned out to be preventable as a lot of vigorous awareness was conducted in all areas, with specific reference to Mbizana (where the 30 deaths emanated from). Then as a follow-up, another study was conducted], where it was ascertained that there was a drop from that 30 deaths to 2 after the campaigns and follow-up on cases was conducted. It needs to be mentioned though that it was pretty strenuous to the EHPs as they are too stretched to deal with a portion of one KPA.

The success was then turned to a project, which was entered into the Eastern Cape Adjudication for Alfred Nzo Environmental Health Excellence Awards (and was then selected at a national level) qualifying for 2nd level in projects that are conducted by EHPs to improve the lives of the people at a community level.

The same project was presented to the SAIEH Conference as the best practice culminating from the operations of a rural municipality (with very limited resources)

SURVEILLANCE & PREVENTION OF COMMUNICABLE DISEASES

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

Investigation of communicable diseases (scabies, schistosomiasis, measles): This is also conducted as per notification received (be it written or verbal/ telephonic)

Emergency Preparedness and 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.

Nevertheless in the audit tool, it is highly necessary that we get to be prepared for the vector outbreak that might surface at any given point in time, hence the need to have a vector control plan.

SERVICE STATISTICS FOR MUNICIPAL HEALTH SERVICES

Food Safety and Control

944 food samples taken and analysed for bacteriological and chemical analysis, and 72 food safety awarenesses covering the critical areas of the population

Environmental Health Awareness

141 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/ management of human remains

Health surveillance of premises:

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

Water Quality Monitoring:

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

Table 34: MHS Policy Objectives Taken From IDP									
Service Objectives	Outline	year -1		Year 0		Year 1	Year 2		
		Target	Actual	Target	Actual	Target			
Service Indicators	Targets	*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	744	692	744	960	962 (NHLS analysis only)			
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	408 204 100% of compliant food businesses	72 934 (chemical & bacteriological analysis) 45	408 204 100% of compliant food businesses	60 900 100% of compliant food businesses	117 944 (Both chemical & bacteriological) 69 100% of compliant food businesses			

<p>Health surveillance of premises</p> <p>To ensure that food and non-food businesses, schools, and government buildings are evaluated and monitored</p>	<p>Number of businesses, and government institutions inspected</p>	<p>558 non-food premises</p> <p>960 food premises</p> <p>100% of caterers appointed in events</p>	<p>570 non-food premises inspected</p> <p>181 of the caterers appointed all inspected before and during the events</p>	<p>558</p> <p>960</p> <p>100% of caterers appointed in events</p>	<p>540</p> <p>900</p> <p>100% of caterers that are appointed in events</p>	<p>585 (non-food businesses)</p> <p>967(formal food businesses)</p> <p>143 (caterers inspected during the events)</p>			
<p>Surveillance & prevention of communicable diseases</p> <p>-Ensure that communicable diseases within Alfred Nzo are effectively prevented, and even the cross-boundary issues are properly addressed</p> <p>Epidemiological surveillance of diseases</p>	<p>Number of awarenesses conducted on prevention and control of communicable diseases.</p>	<p>204</p>	<p>148</p>	<p>204</p>	<p>120</p>	<p>132</p>			
<p>Disposal of the dead</p>	<p>Number of awarenesses on disposal of the dead</p>	<p>408</p>	<p>106</p>	<p>408</p>	<p>120</p>	<p>132 (exhumation awarenesses)</p>			

			28 cemeteries to be inspected	27 cemeteries inspected	28 cemetery inspections	100% of exhumation applications responded to 28 inspections of 7 cemeteries	6exhumations & reburials of dead human bodies 28 inspections			
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Table 35: Employees: Municipal Health Services							
Job Level	2016/17	2017/18				2018/19	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.	%	No.	No.
0 - 3	1	1	1	0	0%	1	0
4 - 6	22	32	25	0.6	24%	25	1

In 2018/19 there were 25 EHPs

Table 36: Financial Performance: Municipal Health Services					
R'000					
Details	2017/18	2018/19			
	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: Municipal Health Services					
R'000					
Details	2017/18	2018/19			
	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 17/18: Municipal Health Services					
R' 000					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	600	400	164	26%	
Purchase of water & air sampling kits	600	400	164	26%	400

The capital budget would have assisted in procuring air sampling equipment, but this was not possible as by the time we needed to procure the budget was no longer available. This was a mishap as there was a budget planned for procuring air sampling equipment in the allocations of the 17/18 financial year.

F: 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

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.

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.

The Communication Control Centre has handled 401 emergency calls and dispatched response vehicles/teams.

Through utilization of relevant resources the Fire and Rescue services has promptly respond to 352 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.

200 occupancies have been inspected resulting into the registration of 54 flammable liquid and hazardous chemical handling sites and production of reports thereof. 12 notices were issued to the none compliant business sites.

Out of 25 building plans that were scrutinized, 15 were approved and 10 rejected pending noncompliance.

In-house and Public Training

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

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 97% in 2017/18 financial year.

Table 37: District Fire Service Data						
	Details	Year -2	Year -1		Year 0	
		Actual No.	Estimate No.	Actual No.	Estimate No.	
1	Total fires attended in the year	321	599	250	250	73
2	Total of other incidents attended in the year	150	190	150	150	22
3	Average turnout time - urban areas	10 min	7 min	7 min	7 min	7min
4	Average turnout time - rural areas	30 min	45 min	45 min	45 min	45min
5	Fire fighters in post at year end	54	54	57	57	64
6	Total fire appliances at year end	14	14	16	16	5
7	Average number of appliance off the road during the year	1	2	2	2	9

95% of the response time as stipulated in SANS 10090 was achieved in the financial.

Table 38: 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	1	1	1	none	0
Other Fire Officers					
0 - 3					
4 - 6	3	4	4	1	25
7 - 9	8	14	12	8	40
10 - 12	42	48	38	58	60
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	47	67	51	66	56

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 (2018/2019 FY);

Table 39: 2018/19 Projects	
KPA	PROGRAMS (2018/2019 Financial Year)
<i>Integrated institutional capacity for disaster risk management</i>	<p>Sitting of the District Disaster Management Advisory Forum (4X quarterly) including emergency response management task team</p> <p>Capacitation of the Disaster Management Volunteers</p> <p>Capacitation of councilors and officials on disaster management wherein 15 people were trained in the year under review.</p>
<i>Disaster Risk Assessment</i>	Inspection of high risk institutions like health centres has been done to two hospitals in Matatiele and Mbizana.
<i>Disaster Risk Reduction</i>	<p>Adoption of the ANDM Disaster Risk Management Plan</p> <p>Updated the Disaster Risk Profile</p>
<i>Disaster Response and Recovery</i>	<p>Procurement of relief material</p> <p>Responding to Hailstorm; Thunderstorm and Heavy rainfall disaster at Ntabankulu LM , Umzimvubu LM ; Mbizamba LM and Matatiele LMs</p>
SERVICE STATISTICS FOR DISASTER MANAGEMENT	
TYPE OF INTERVENTION	NUMBER
Declared disasters	3
Households assisted with disaster relief material	500
Awareness campaigns	The unit is responsible to conduct awareness campaigns to mitigate disaster related incidents. In the year under review, the unit managed to conduct 40 awareness campaigns.
Capacity building/training (number of beneficiaries)	33

Institutional capacity (advisory forum)	4
Disaster risk plans developed (Disaster Risk Management Plan, Disaster Management Policy Framework and Risk Assessment)	4

The unit has been effective due to increase in human resource and dedication of the staff member through team building efforts.

Table 40: 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	2	2	2	2	100%
4 - 6	0	0	0	0	0%
7 - 9	8	15	7	8	53%

Financial Performance Year 0: Disaster 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%
<i>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.</i>					T 3.22.5

Figure 22: Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances

Source: Own construct

G1: SPORT AND RECREATION

According to the municipal key performance area this unit belongs 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.

HERITAGE AND MUSEUMS

Recognising the contribution made by district heroes and heroines and further celebrating their life and times. Develop, protect and promote heritage site.

ARTS AND CULTURE

Facilitate the coordination of district cultural activities by recognising ANDM cultural diversity.

SPORTS AND RECREATION

Facilitate and coordination the sport and recreation development programmes.

SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT ARTS CULTURE RECREATION AND HERITAGE

Heritage and Museum:

- 1x Nonqulana memorial site was fenced
- O.R. Tambo legacy program conducted through O.R. Tambo Centinery. (Melting Pot Choral Music was coordinated and supported, Wreathlying ceremony was attended, O.R. Tambo memorial lecture was supported.
- Alfred Nzo legacy program conducted (Alfred Nzo memorial lecture was put in abeyance)

Arts and Culture:

- District cultural Festival was not conducted. (the budget for cultural festival was convected and used for O.R. Tambo Centinery)
- Alfred Nzo Choral music was not conducted (there was no budget to run the programme)
- Traditional Leaders programs were not supported financially (Ulwandlulubombvu Pondo festival, Madzikane commeration, umkhosi wokukhahlela , and Fikeni Traditional Council were supported by means of sending personnel for coordination of their events)
- Initiation program(abafana basentabeni) conducted and supported (8 awareness campaigns and stakeholder engagements, 4 District Initiation Meetings were conducted, and initiation school visits were done, death reduction was achieved, two death in Mbizana)
- 1 x Grahamstown national arts festival (district artists paricipatated in the festival)

Sport and recreation:

- Netball Championship was not done, the budget was opted to O.R. Tambo Centinery.
- Horse racing program was supported by means of giving personnel for Coordination.
- SALGA Games (Steave Stshwete Vukile Games) were conducted in East London and supported.

Table 40: SACR&H Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -2		Year -1			-	Year 0	
		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)
<i>To co-ordinate SACR & H at a district level and to ensure that these services go uninterrupted and smoothly.</i>									
Heritage and museum	Number of commemoration	3	3	3	3	3	17/18	3	3
Sport and recreation	Number of sport programmes conducted	3	3	4	4	4	17/18	1	1
Arts and culture	Number of cultural activities conducted	1	1	5	5	5	17/18	4	4

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.

G2: CUSTOMER CARE

CUSTOMER CARE PUBLIC EDUCATION AND COMMUNITY AWARENESS PROGRAMME

In line with *The Local Government: Municipal Systems Act 32 of 2000, Chapter 9, Section 95(a)* stipulates that: a municipality must within its financial and administrative mandate establish a sound customer management system that aims to create a positive and reciprocal relationship between the district municipality and its customers, the Customer Care Unit was established.

The following targets were for this financial year;

- Strengthen Batho Pele Championship Programme and conduct four customer care roadshows
- Provide support to Support to Local Municipalities in the implementation of their respective community safety plans

- Lease 1 Customer Care Mobile Unit
- Procurement of two (2) Customer Satisfaction Feedback devices

BATHO PELE CHAMPIONSHIP PROGRAMME & CUSTOMER CARE ROADSHOWS

- 4 customer care road shows were conducted covering all municipalities within ANDM family of municipalities.
- Customer care information leaflets, Visitors registers and complaints registers were procured

PROVIDE SUPPORT TO LOCAL MUNICIPALITIES TOWARDS IMPLEMENTATION OF THEIR RESPECTIVE COMMUNITY SAFETY PLANS

- Non financial/Technical support has been provided to Umzimvubu Local Municipality, Matatiele LM and Mbizana LM in the implementation of their respective community plans, the nature of the programmes were educational and awareness around social crime.
- No progress was made in Ntbankulu based on the administrative (institutional) challenges that the municipality has been faced.

PROCURE TWO CUSTOMER SATISFACTION FEEDBACK DEVICES

- The project took off but could not reach the final completion stage based on the municipal wide SCM and time constraints. The project was advertised and could not proceed to the stage of evaluation and adjudication as the financial year ended before it could be closed off.
- Lease one customer Care mobile unit
- The project was phased off during the budget adjustment period based on financial deficiencies and it was converted to the procurement of customer care office furniture which also could not be completed this financial year.

Table 41: Employees: Customer Care							
Job Level	2016/17	2017/18				2018/19	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%	No.	%
0 - 3	1	1	1	1	0%	1	0%
4 - 6	16	20	9	1	20%	1	20%

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.

THUSONG SERVICE CENTERS

PROGRAMMES

THUSONG CENTRE INSTITUTIONAL ARRANGEMENTS

- a) *Local center management committee which composed of all stakeholders within and around Nophoyi and Thabachicha Thusong Service Centre.*
- b) *Intersectoral stakeholder engagements took place in order to finalise contractual agreements with leads government agencies within the centres.*
- c) *Benchmarking has been conducted and best practise has been adopted.*
- d) *Standard Operating procedures has been developed to serve as a guide the use of Thusong Services Centre facilities.*
- e) *Mobile office purchased in Nophoyi as an ANDM office and an ICT center*
- f) *ICT center being set up by ANDM ICT unit and ICT center in Thabachicha fitted with burglar guards*
- g) *Provincial Intersectoral Steering Committee (PISSC) has been revived by GCIS in collaboration with the OTP.*
- h) *Departments were engaged to provide services on wheels/mobile services and information sharing sessions as on going exertion.*

CONSTRUCTION OF THUSONG CENTERS

- a) *Nkantolo Thusong Service Centres – is at 40% (construction at a stand still since February 2016 due to DHS challenges with their contractors.*
- b) *Tabachicha Thusong Services Centre is 100% completed and handed over to ANDM for coordinatation (awaiting handing over certificate from the DHS)*

THUSONG CENTRE SERVICES

Table 42: Employees: Thusong Service Centers							
Job Level	2016/17	2017/18				2018/19	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.	%	No.	No.

0 – 3	0	1	1	0	0%	1	0
4 – 6	0	4	1	3	75%	1	3

H: 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)

Table 44: Financial Performance Year 0: Financial Services					
R'000 Details	Year 2016/17	Year 2017/18			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Budget	2	4	2	1	25%
Total Operational Revenue	7	9	16	8	89%
Expenditure:	8	11	11	7	64%
Employees	0	0	0	0	0%
Repairs and Maintenance	0	0	0	0	0%
Other	0	0	0	0	0%
Total Operational Expenditure	0	0	0	0	0%
Net Operational Expenditure	17	24	29	16	67%

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.

Table 45: Financial Performance Year 0: Financial Services					
R'000					
Details	Year 2016/17	Year 2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					0%
Expenditure:					
Employees	R 15 306 130	R 22 547 352	R 24 125 667	R 21 217 532	-6%
Repairs and Maintenance	-	-	-	-	0%
Other	-	-	-	-	0%
Total Operational Expenditure	R 15 306 130	R 22 547 352	R 24 125 667	R 21 217 532	-6%
Net Operational Expenditure	R 15 306 130	R 22 547 352	R 24 125 667	R 21 217 532	-6%
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

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 implemented 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:

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. 40 OHS inspections done on ANDM sites

Policy development and review - CPS policies were adopted by council on the 30 May 2018.

The annual Employment Equity Report was submitted to the Department of Labour in January 2018.

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

Performance Management has been cascaded down to the lowest level by utilising internal resources

Review and adoption of the organizational structure -1 Reviewed organisational structure was adopted on the 30 May 2018.

Coordination of all training and development programmes

District Job Evaluation Unit was established and is functional

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

4 GIS interns are professional registered with the relevant professional bodies.

Table 46: 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 adjustment within the prescribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly adjustments within the prescribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly adjustments within the prescribed time frames.	Payroll Monthly adjustment are received monthly as per prescribed schedule of payroll processing	Commencement of the payroll monthly adjustments within the prescribed 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

Table 47: 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	2	3	2	3	33%

improve compliance with adopted 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	100% legal complaint policies and Collective Agreements
Training of unemployed graduates	Number of graduates	228 x graduates trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained	x people trained

4 - 6	9	13	9	13	30%
7 - 9	3	4	3	4	25%
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	13	20	12	6	30%

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.

T3.26.4

Table 48: Financial Performance Year 0: Human Resource Services					
R'000					
Details	Year 2016/17		Year 2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Budget					0%
Total Operational Revenue					
Expenditure:	4 943 124.66	6 169 750.09	6 601 632.59	5 742 895.48	-7%
Employees	-	-	-	-	0%
Repairs and Maintenance	-	-	-	-	0%
Other	4 943 124.66	6 169 750.09	6 601 632.59	5 742 895.48	-7%
Total Operational Expenditure	4 943 124.66	6 169 750.09	6 601 632.59	5 742 895.48	-7%
Net Operational Expenditure					T 3.26.5

Achievements:

Organogram approved by the Council on the 30 May 2018

Performance agreements for all section 56 managers.

ANDM developed and adopted a workplace skills plan for the 2017/18 financial year.

Information And Communication Technology Services

ICT Infrastructure Assessment

Hardware and software evaluation

Improve operational efficiency and ICT diversity management

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

Provide guidance and information on proposed standards

ICT Projects for 16/17 Financial Period

Municipal Licenses and SLAs

All ICT licenses that were due for renewal during the 2017/18 financial period were renewed together with their Service Level Agreements. It should be noted all municipal systems including software's and applications has to be legit and licenced in compliance with ICASA regulations relating to ICT systems licencing. The municipal ICT infrastructure has to run on latest technologies with latest system patches/version and being maintained and supported.

Implementation of EDRMS

EDRMS (Electronic Documents and Records Management System), this project seek to achieve an integrated system for both Document management (paperless workflows) and Records Management (Audit of records and scanning of critical for electronic archiving), Data Security (DriveLock), supply and installation of enabling infrastructure and development of Policies and Strategies thereof. These are major components of the project, all these components are critical for the success of the project.

All Workflows were implemented and tested successfully and the required additional licenses have been procured to allow 25 concurrent logins on the system. This process will contribute to paperless work execution processes.

Information Security Software: document security software deployment has been installed and tested successfully all policy amendments and change management processes have been concluded.

Records Scanning: The scanning component of the project has been completed; there will be a rollout training for all relevant departments that will be regularly creating, saving, modifying, archiving and retrieving the municipality's records management system.

Implementation OF MASTER Systems Plan AND ICT Strategy

ICT Strategy has been developed and adopted by council and implemented. Master System Plan is also in place and implemented. Master Systems Plan is pronouncing very loud on the issue of Regional Broadband implementation and ANDM stand on Green Project. ANDM Council as per the report from ICT Governance Committee has approved plans to pursue Regional Broadband implementation in the region. ICT Strategy has been the guiding strategy for all ICT Projects including support to LMs, this is informed by the fact that ANDM strategy also encapsulates inputs from Local municipalities.

Municipal Backup and Monitoring

Backup of daily activities remains a critical component of the municipal business continuity and records keeping. This includes monitoring of automated backup process and testing of data integrity. Backup is used reservoir of the institution, The backup solution provides Business Contiuty and immediate recovery from disaster. It can also be used during data terrorism resulting to crash of systems and loss or damage of information. The solution places confidence that the municipality will be able to continue with its business post disaster with speedy recovery.

ICT Community Centres Support and Maintenance

Six (6) ICT Community centres have been established in the district in responding to the call that was made in 2007 by South African Government when they resolved on building of an information society. The ICT unity is tasked with the responsibility of managing these centres to ensure that they are effectively utilized by communities and maintained. ICT is providing support on a monthly basis to ensure that they do not run into white elephants and hubs of criminals. Matatiele and Ntabankulu ICT Community Centres are fully utilized by the communities. Mbizana and Mount Ayliff Centres are having a challenge of electric power supply which is already communicated with Local Municipalities accounting officers requesting their intervention.

Table 49: ICT Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	16/17		17/18		17/18	18/19		
		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: Optimize systems, administration and operating procedures									
SLA Maintained and renewed Software licenses	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
ICT Community Centre Support and Maintenance	Establishment of ICT Community Centres	Establishment of ICT Community Centres. Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Monthly Support and Maintenance of the ICT Community Centres	Establishment of one Community Centre

ICT Division for the financial year 2017/2018 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.

Table 50: Employees - ICT Services					
Job Level	Year 2016/17		Year 2017/18		
	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	5	6	4	3	75%
7 - 9	0	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	5	5	5	6	

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

Admin Support Projects for 17/18 Financial Period

Records management

Centralized and scanning of Municipal Document: Collection of municipal all available documents from all department was done and recorded accordingly except documents from the office of the speaker and mayor have not been made available. Scanners have been delivered, records scanning has been done.

Classification system; File Plan, Record Procedure manual and Records Management Policy have been approved by Provincial Archives and the Council. Procedure manual rollout was done to all satellite.

Sorting of document for disposal and appraisal: Document were prepared, sorted for disposal and appraisal. The disposal of documents is awaiting approval by Council.

Training: IDMS and admin officers were trained on electronic records management system

Cleaning Services

Appointment of service provider: All tender processes were conducted and Service provider Hlubi Engineers was appointed to deliver cleaning material for (1) year.

Policy: Cleaning services Policy has been approved by Council.

Security Services

Appointment of service provider: All tender processes were conducted and the following service providers wer appoited – DLS Security Services ,Phiko Security Services, Dodop Security and Cleaning services, Uyabonwa Security Services. SLA's were developed and signed by the office of the Municipal Manager also signed by Service provides

Challenge: Electricity issue and fencing is a challenge in most of sites and lack of water. Short fall of budget. Policy has been developed and adopted by Council.

Security Infrastructure

Installation of CCTV cameras in the main office ANDM: Implementation of CCTV cameras failed due to unavailability of funds. The Project is budgeted for 2018/19 Budget.

Draft SLA was developed and sent to SCM for implementation.

Printing Services

The contract of the current service provider has been expired on May 2017 and extended for 6 months which will end in the month of November 2017. SCM processes and service provider has been appointed

Alfred Nzo District Municipality has 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.

Table 51: Employees					
Job	Year 2016/17		Year 2017/18		
Level	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	
4 - 6	2	2	2	0	
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

I: MISCELLANEOUS

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

ORGANISATIONAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Table 52: Organisational Transformation and Institutional Development					
	<i>Indicator name</i>	<i>Total number of people (planned for) during the year under review</i>	<i>Achievement level during the year under review</i>	<i>Achievement percentage during the year</i>	<i>Comments on the gap</i>
1	<i>Vacancy rate for all approved and budgeted posts;</i>	623	509	18.3%	
2	<i>Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)</i>	8	5	62%	<i>Chief of staff was not budgeted for. Strategic manager and Council secretary were advertised but were withdrawn pending Review of organizational structure.</i>
3	<i>Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY</i>	1	1	100%	<i>Supply Management Process</i>
4	<i>Percentage of Managers in Technical Services with a professional qualification</i>	<i>Planners, Technicians Engineers</i>	5	55.5%	<i>In progress of registration</i>
5	<i>Level of PMS effectiveness in the DM – (DM to report)</i>	Section 56 and level 2 and 3 Managers = 43	42 Manager signed their performance agreements and 23 Managers have been assessed . The rest are scheduled to be assessed.	53.5%	Assessments in progress.
6	<i>Level of effectiveness of PMS in the LM – (LM to report)</i>				
7	<i>Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term</i>	185	85	45.95	<i>Supply management processes</i>
8	<i>Percentage of councillors who attended a skill</i>	23	9	39%	<i>Supply Chain Management</i>

	<i>development training within the current 5 year term (For 2017-2018)</i>				<i>Processes</i>
9	<i>Percentage of staff complement with disability</i>	509	5	1%	
10	<i>Percentage of female employees</i>	509	239	47%	
11	<i>Percentage of employees that are aged 35 or younger</i>	509	260	51.38%	
12	<i>Adoption and implementation of a District Wide/ Local Performance Management System</i>	60	60	100%	

BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

The indicators below are performed by Local municipalities:

- Electricity
- Road maintenance
- Waste management
- Housing & Town Planning Services

Table 53: 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	107 008	9589	71339	
2	Percentage of indigent households with access to free basic potable water	7741	99715	9589	71339	
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				

Table 54: 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	58 855	1 356	119 492	
2	Percentage of indigent households with access to free basic sanitation services	66415	98574	1 356	119 492	
3	Percentage of clinics with access to sanitation services			No target set		
4	Percentage of schools with access to			No target set		

sanitation services					
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FINANCIAL VIABILITY AND MANAGEMENT

Table 56: 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	100%	75,4%	75,4%
		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	35%	33,6%	33,6%
		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	20%	20%	20%
		Target set for the year (40% and more) 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	40%	35%	35%
		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	30%	-23%	-23%
6	Percentage of MIG budget appropriately spent	100%	100%	100%
7	Percentage of MSIG budget appropriately spent	100%	100%	100%
8	AG Audit opinion	Unqualified Audit Opinion	Qualified Audit Opinion	80%
9	Functionality of the Audit Committee			
10	Submission of AFS after the end of financial year	31 August 2017	31 August 2017	100%

Table 56: 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	100%	75,4%	75,4%
		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	35%	33,6%	33,6%

		<i>Target set for the year (20% or less) R(000)</i>	<i>Achievement level during the year R(000)</i>	<i>Achievement percentage during the year vs the actual revenue</i>
3	<i>Trade creditors as a percentage of total actual revenue</i>	20%	20%	20%
		<i>Target set for the year (40% and more) R(000)</i>	<i>Achievement level during the year R(000)</i>	<i>Achievement percentage during the year</i>
4	<i>Total municipal own revenue as a percentage of the total actual budget</i>	40%	35%	35%
		<i>Target set for the year R(000)</i>	<i>Achievement level during the year R(000)</i>	<i>Achievement percentage during the year</i>
5	<i>Rate of municipal consumer debt reduction</i>	30%	-23%	-23%
6	<i>Percentage of MIG budget appropriately spent</i>	100%	100%	100%
7	<i>Percentage of MSIG budget appropriately spent</i>	100%	100%	100%
8	<i>AG Audit opinion</i>	<i>Unqualified Audit Opinion</i>	<i>Qualified Audit Opinion</i>	80%
9	<i>Functionality of the Audit Committee</i>			
10	<i>Submission of AFS after the end of financial year</i>	31 August 2017	31 August 2017	100%

Table 57: Annual performance as per key performance indicators in 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

Table 58 : Employee Totals, Turnover and Vacancies		
Description	Year 2016/17	Year 2017/18

	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	331	331	127	189	57%
Waste Water (Sanitation)	-	-	-	-	%
Electricity	-	-	-	-	%
Waste Management	-	-	-	-	%
Housing	-	-	-	-	%
Waste Water (Stormwater Drainage)	-	-	-	-	%
Roads	-	-	-	-	%
Transport	-	-	-	-	%
Planning & Local Economic Development	22	21	11	10	44%
Local Economic Development	-	-	-	-	%
Environmental Protection	-	-	-	-	%
Sport and Recreation	4	4	4	0	0%
Totals	357	356	132	199	55,89%

Table 59: Vacancy Rate: Year 55,89%			
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)	0	0	0.00
Police officers	0	0	0.00
Fire fighters	78	23	29.48%
Section management: Level 2-3 (excluding finance)	38	16	42.1%
Section management: Levels 2-3 (Finance posts)	08	1	12.5%
Highly skilled supervision: Task Grade 9-13 (excluding Finance posts)	83	23	28%
Highly skilled supervision: Task Grade 9-12 (Finance posts)	26	09	34.61%
Total	239	72	30.12%

Table 60: Turn-over Rate			
Details	Total Appointments as of beginning of Financial	Terminations during the Financial Year	Turn-over Rate*

	Year		
	No.	No.	
Year -2 (2015/16)	0	0	
Year -1 (2016/17)	93	84	%
Year 0 (2017/18)	44	69	%

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

Table 61: HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%		30-May-18
2	Attraction and Retention	100%		30-May-18
3	Code of Conduct for employees	100%		30-May-18
4	Delegations, Authorisation & Responsibility	100%		30-May-18
5	Disciplinary Code and Procedures	100%		30-May-18
6	Essential Services	100%		30-May-18
7	Employee Assistance / Wellness	100%		30-May-18
8	Employment Equity	100%		30-May-18
9	Termination Policy	100%		30-May-18
10	Grievance Procedures	100%		As per Collective Agreement
11	Human Resource and Development	100%		30-May-18

Table 61: HR Policies and Plans

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
12	Leave	100%		30-May-18
13	Occupational Health and Safety	100%		30-May-18
14	Organisational Development and Job Evaluation	100%		30-May-18
15	Subsistence and Travelling	100%		30-May-18
16	Municipal Bereavement	100%		30-May-18
17	Official Working Hours and Overtime	100%		30-May-18
18				
19				
20				
21	Organisational Rights			
22	Performance Management Framework	100%		30-May-17
23	Remuneration Policy	100%		30-May-17
24	Training Development Policy	100%		30- May-17
25				
26				

Table 61: HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
27				
28				
29				
30				
31				
32				
33	Other:			30-May-18
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.3 Injuries, Sickness And Suspensions

Table 62: 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	R0.00
Required basic medical attention only	0	0	%	0	None

Temporary total disablement	0	0	%	0	None
Permanent disablement	0	0	%	0	None
Fata	0	0	%	0	None
Total	-	-	-	-	-

Table 63: 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)	121	63%	69	273	21.00	R 689 578.35
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 534 221.24

MM and S57	19	0%	3	8	0.03	R 235 729.35
Total	576	28%	260	586	0.98	R 2 247 518.51
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

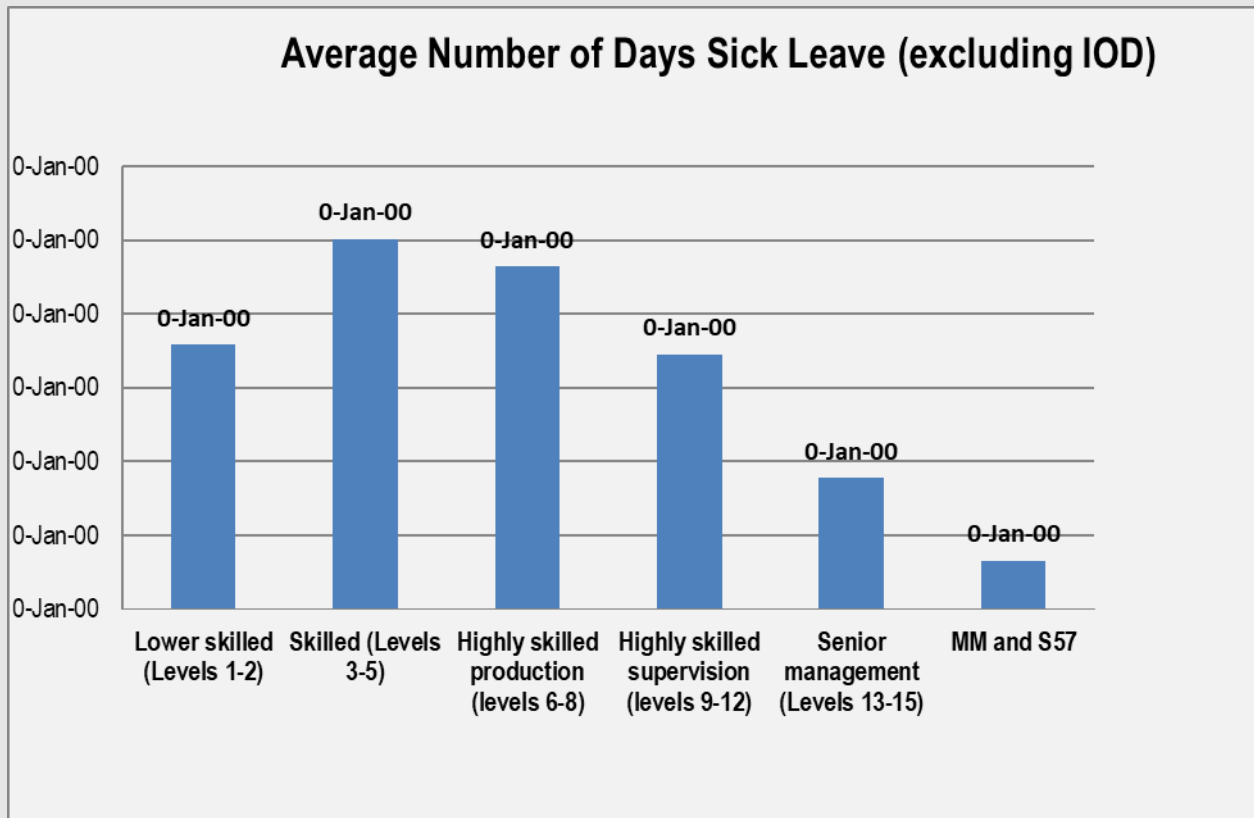


Table 64: Number of period of suspensions				
Positions	Nature of alleged Misconduct	Date of suspension	Details of Disciplinary action taken or status of case and reasons why not finalised	Date finalised

None	None	None	None	None
------	------	------	------	------

Table 65: Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1	Proportion of beneficiaries within group
				R' 000	
Lower skilled (Levels 1-2)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Skilled (Levels 3-5)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Highly skilled production (levels 6-8)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Highly skilled supervision (levels 9-12)	Female		0	R0.00	0%
	Male		0	R0.00	0%
Senior management (Levels 13-15)	Female		0	R0.00	0%
	Male		0	R0.00	0%

MM and S57	Female		0	R0.00	0%
	Male		0	R0.00	0%
Total				R0.00	0%
Has the statutory municipal calculator been used as part of the evaluation process?					Yes/No
<p>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).</p>					T 4.4.1

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

Table 66: 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 (2017/18)											
			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
MM and s57	Female	3	0	0	0	0	0	3	0	1	3	0	1	3
	Male	2	0	0	0	0	0	2	0	1	2	0	1	2
Councillors, senior officials and managers	Female	23	0	0	0	3	6	22	8	18	22	1	18	22
	Male	24	0	0	0	61	85	270	85	0	0	61	85	270
Technicians and associate professionals*	Female	40	4	5	40	15	12	40	0	0	0	16	17	40
	Male	50	11	9	50	23	14	40		2	6	2	3	6
Professionals	Female	39	0	0	0	4	4	39	4	4	39	4	4	39
	Male	37	0	0	0	7	3	37	3	3	37	7	3	37
Sub total	Female	239	4	5	40	19	16	79	4	4	39	20	21	79
	Male	270	11	9	50	91	102	347	88	5	43	70	91	313
Total	39	39	0	0	0	31	39	39	0	0	0	31	39	39
*Registered with professional Associate Body e.g. CA (SA)													T 4.5.1	

Table 67: 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	14	0	14	0	0	0
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	5	0	5	5	5	5
Any other financial officials	8	0	8	0	0	0
Supply Chain Management Officials	8		8	0	0	0
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	38	0	38	7	7	7
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Table 68: Skills Development Expenditure

R880215.85										
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
MM and S57	Female	3	0	0						
	Male	3	0	0				19908		19908
Legislators, senior officials and managers	Female	33	0			40222.50		103685		143907.50
	Male	47	0			5131.80		110988		116119.80
Professionals	Female	58	0			23686		136260		159946
	Male	38				7117.70		30803		37920
Technicians and associate professionals	Female	27				49842		15471		65313
	Male	69				45476				45476
Clerks	Female	62						5905		5905
	Male	20				10000		7881		7881
Service and sales workers	Female	22				29217		10000		39217
	Male	23				15600				15600
Plant and machine	Female	3				125895				125895

operators and assemblers	Male	21				53955				53955
Elementary occupations	Female	25								
	Male	72								
Sub total	Female	174		242500		416372		120000		778872
	Male	189				50280		33500		83780
Total		363	0	242500	0	1113152	0	153500		1509152
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									/*	*R
										T4.5.3

D: Managing The Workforce Expenditure

4.6 Employee Expenditure

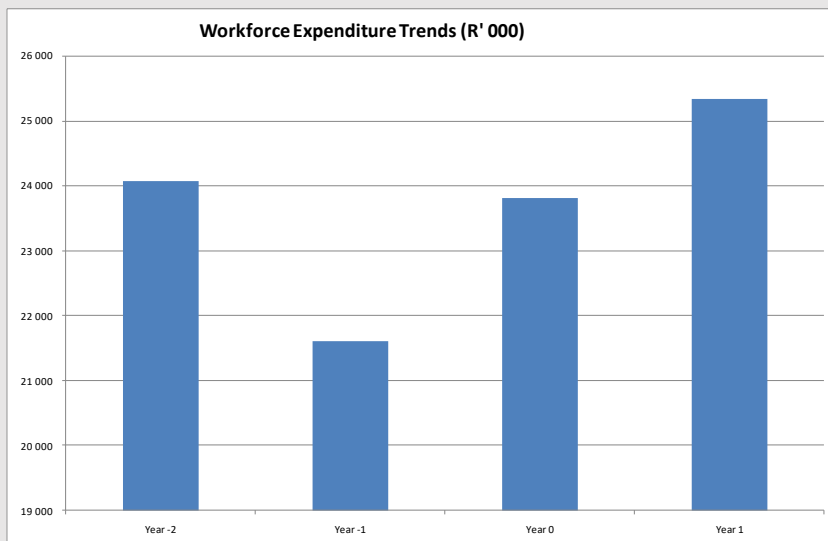


Table 69: Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded

Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0

Total	0
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).	T 4.6.2

Table 70: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
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	1	Task Grade 6	Level 9	The employee has 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	1	Task Grade 6	Level 9	The employee has 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
SPU Co-ordinators	4	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented

Table 70: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Driver / Messenger	1	Task Grade 4	level 9	The employee has 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 Accountant Payroll	1	Task Grade 12	Level 4	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
General Assistant maintenance	21	Task Grade 5	Level 5	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
Desktop Engineers	1	Task Grade 10	Level 6	The employees have already reached the ceiling by the time job evaluation was implemented
Data Capturer	5	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
Payroll Clerk	2	Task Grade 6	Level 9	The employees have already reached the ceiling by the time job evaluation was implemented

Table 70: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
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
				T4.6.3

5.1. INTRODUCTION

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

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

A: Statements Of Financial Performance

5.1. Introduction to Financial Statements

A lot of improvement on the financial side of the Municipality has been seen, previously ANDM was under duress during the 2016/2017 and 2017/2018 financial years due to cash-flow constraints. The municipality still continues with the task of ensuring that municipality continues to operate whilst trying to build the depleted reserves.

The municipality continues with the implementation of a turnaround strategy and business reengineering that was developed and adopted by council as a management tool to ensure that the finances of the municipality are well managed. Furthermore, Council also continues with the implementation of the adopted Cost Cutting Measures that were implemented during the year 2016/2017 and 2018 financial years. The implementation of cost cutting measures has assisted the municipality to somewhat regain a better financial position albeit the financial position is not yet strong.

The municipality is rural with a high rate on unemployment, which in its nature is a source of a low revenue base. There is therefore a high rate of indigence. This has a negative impact on own revenue collection for providing services. The cost of providing the services is extremely higher than the revenue derived from the service. This is further exasperated by lack of infrastructure in the rural areas. 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 on the availability of funds; ANDM requires 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; providing rules that require the municipality to maintain its financial accounts to ensure comparable and more informative for the municipality. It also ensures 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 maintained an unqualified audit opinion with two two emphases of matter which are investigation of irregular and unauthorised expenditure as well as consequence management..

The municipality has develop an audit action plan to address the matters emphasised on the audit report to ensure that clean audit opinion is achieved.

A strategic planning session will be held during February 2020 to address issues of IDP implementation, Budgets and SDBIP implementation and review. The strategic planning session will also address issues of ANDM audit outcomes, performance and a coordinated approach to compliance, service delivery and overall financial management.

STATEMENT OF FINANCIAL POSITION – FOR THE YEAR ENDED 30 JUNE 2018

Assets

Assets

Current Assets

Operating Lease Asset	24,799	4,117
Inventories	12,438,841	10,747,599
Receivables from exchange transactions	53,771,398	49,878,241
Receivables from non-exchange transactions	1,065,753	1,273,135
VAT receivable	21,264,303	26,646,680
Cash and cash equivalents	282,497,181	96,255,559
	371,062,275	184,805,331

Non-Current Assets

Property, plant and equipment	3,937,572,360	3,577,621,394
Intangible assets	2,757,622	2,841,544
Heritage assets	131,100	131,100
Investments in controlled entities	100	100
Investments	8,022,159	7,318,659
	3,948,483,341	3,587,912,797

Non-Current Assets

Current Assets

Total Assets

	3,948,483,341	3,587,912,797
	371,062,275	184,805,331
	4,319,545,616	3,772,718,128

Liabilities

Current Liabilities

Operating lease liability	215,270	175,570
Payables from exchange transactions	117,556,008	115,324,264
Unspent conditional grants and receipts	3	2

Provisions	23,704,078	20,127,818
Current Portion of Long Term Loan	770,706	952,631
Employee Benefit Obligation	665,078	897,048
Payables from Non Exchange Transaction	1,178,433	378,373
	144,089,576	137,855,706
Non-Current Liabilities		
Employee Benefit Obligation	8,922,810	6,660,419
Long Term Loan	6,669,086	7,408,437
	13,358,889	13,329,505
Non-Current Liabilities		
Current Liabilities	144,089,576	137,855,706
Total Liabilities	157,448,465	151,185,211
Assets		
Assets	4,319,545,616	3,772,718,128
Liabilities	(157,448,465)	(151,185,211)
Net Assets	4,162,097,151	3,621,532,917
Accumulated surplus		
	4,162,097,151	3,621,532,917

The statement of financial position reflects a total assets of R4.3 Billion as at 30 June 2019 with total liabilities of R157 Million. However the statement further reflects current liabilities of R144 Million, whilst current assets are reflected at R371 Million. This is considered a massive improvement considering the fact that the current assets have doubled from the 2018 financial period.

The above statement of financial position further reflects an increase in non-current assets of R 546 million, which is 14% of the total net assets. This is an indication of an increase in service delivery through capital expenditure during the financial year, 2019.

Statement of Financial Performance for the year ended 30 June 2019

Statement of Financial Performance for the Period Ended 30 June 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue			
Revenue from exchange transactions			
Service charges		36,021,719	35,697,756
Rental of facilities and equipment		369,583	348,583
Agency services		221,502	173,800
Reversal of Provision for Impairment		-	8,309,918
Other income		882,785	2,171,278
Interest received - investment		38,857,409	25,263,602
Actuarial gains		-	484,944
Total revenue from exchange transactions		78,282,378	71,161,617
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies		1,038,098,210	1,023,247,897
		78,282,378	71,161,617
		1,038,098,210	1,023,247,897
Total revenue		1,116,380,588	1,094,409,514
Expenditure			
Employee related costs		(245,014,197)	(229,647,517)
Remuneration of councillors		(10,359,387)	(9,803,063)
Litigation Expenditure		(9,479,174)	(17,936,661)

Depreciation and amortisation		(74,144,596)	(73,084,417)
Finance costs		(739,343)	(1,723,031)
Lease rentals on operating lease		(854,492)	(1,111,256)
Provision for Debt Impairment		(7,814,997)	(244,496)
Bulk purchases		(8,910,629)	(7,973,001)
Contracted services		(82,533,423)	(75,838,060)
Transfers and Subsidies		(17,395,425)	(17,888,335)
Actuarial losses		(897,443)	-
Loss on Disposal of Assets		(1,240,265)	(3,574,831)
General Expenses	39	(117,970,069)	(85,607,428)
Total expenditure		(577,353,440)	(524,432,096)
Total revenue		1,116,380,588	1,094,409,514
Total expenditure		(577,353,440)	(524,432,096)
Operating surplus/deficit		-	-
Surplus for the year		539,027,148	569,977,418

GRANT PERFORMANCE FOR THE YEAR 2018

The municipality spent all its conditional grants as indicated in the Division of Revenue Act.

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

The Municipal Infrastructure Grant was not received in full. An amount of R 20 million was withheld as some of the grants conditions were not met. All the other grants received were spent at 100% during the 2019 financial year.

Below is a detail of grants received for the years 2018 and 2019

29. Government grants and subsidies		
Operating grants		
Equitable share	510,344,000	437,586,120
Finance Management Grant	1,865,000	1,795,000
Local Government SETA	373,796	634,493
Human Settlements	-	22,715,146
Energy Efficiency and Demand Management	6,000,000	5,000,000
Expanded Public Works Programme	10,844,000	10,280,000
Water Services Operation Grant	110,000,000	109,999,999
Municipal Infrastructure Grant	347,914,000	373,989,000
Regional Bulk Infrastructure Grant	43,067,414	53,569,139
Department of Transport	2,290,000	2,285,000
Infrastructure Skills Development Grant	5,400,000	5,394,000
	1,038,098,210	1,023,247,897

5.3 ASSET MANAGEMENT

5.3.1 INTRODUCTION TO 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.

Alfred 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).

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.

Below is an illustration of asset performance for the year ended 30 June 2019

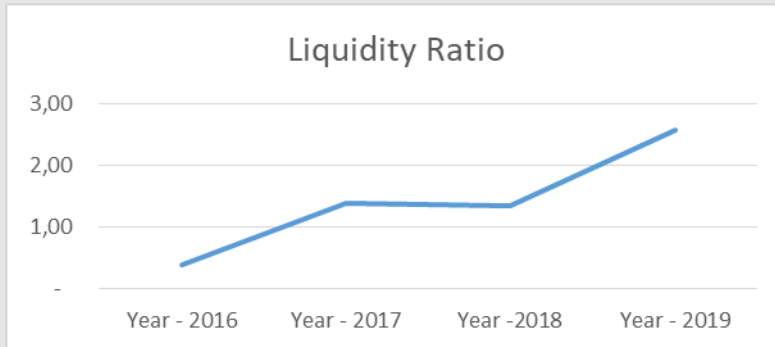
Details	Opening Balance	Additions	Adjustments	De-recognition	Transfers - (Out)/In	Depreciation	Other Movements	TOTAL
Land	465 000	-	-	-	-	-	-	465 000
Buildings	35 377 303	-	-	-	-	(1 868 857)	-	33 508 446
Other PPE	46 672 821	6 217 299	-	(1 240 265)	-	(9 160 533)	-	42 489 322
Infrastructure	1 776 603 359	-	-	-	26 898 072	(62 729 394)	-	1 740 772 037
Assets Under Construction - Water	1 531 466 875	411 456 393	-	-	(26 898 072)	-	-	1 916 025 196
Assets Under Construction - Sanitation	187 036 036	15 189 526	-	-	-	-	-	202 225 562
Assets Under Construction - Specialised Vehicle Conversion	-	2 086 796	-	-	-	-	-	2 086 796
Total	3 577 621 394	434 950 014	-	(1 240 265)	-	(73 758 784)	-	3 937 572 360
Intangible assets	2 841 544	301 890	-	-	-	(385 812)	-	2 757 623
Total Assets	3 580 462 939	435 251 904	-	(1 240 265)	-	(74 144 596)	-	3 940 329 982

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, the project assets 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.

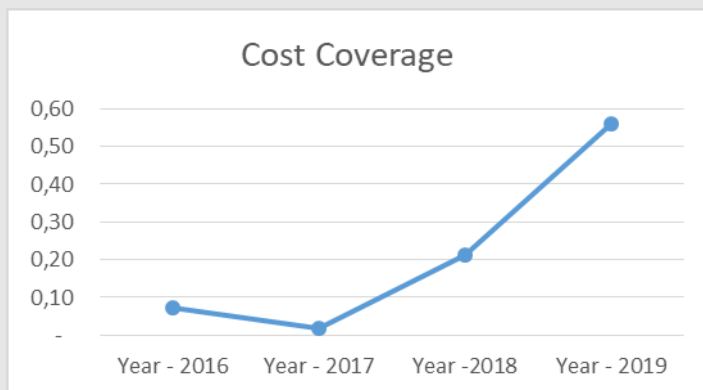
Some of the infrastructure assets of the municipality are dilapidated, these assets are maintained but there are some that need to be replaced. The municipality has approved an asset maintenance plan. The plan will ensure that assets are all reviewed and replaced where necessary.

Currently the municipality has budgeted for 2% percent on repairs and maintenance against the total infrastructure assets. The municipality has an approved maintenance plan which has been implemented in the 2018/2019 financial period. Assets management is central to providing 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.

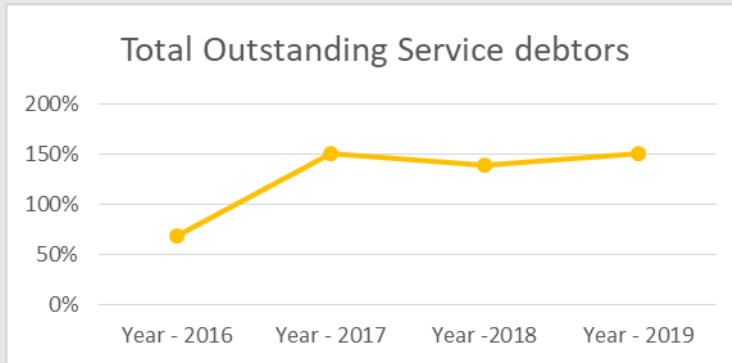
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



1. **Liquidity Ratio** - Measures the Municipality's ability to pay its bills and is calculated by dividing the monetary assets (Due within one year) by the municipality's current liabilities. A higher ratio is better. The Ratio has doubled from the previous financial period, which indicates that the municipality is able and will be able to pay its short term debts.

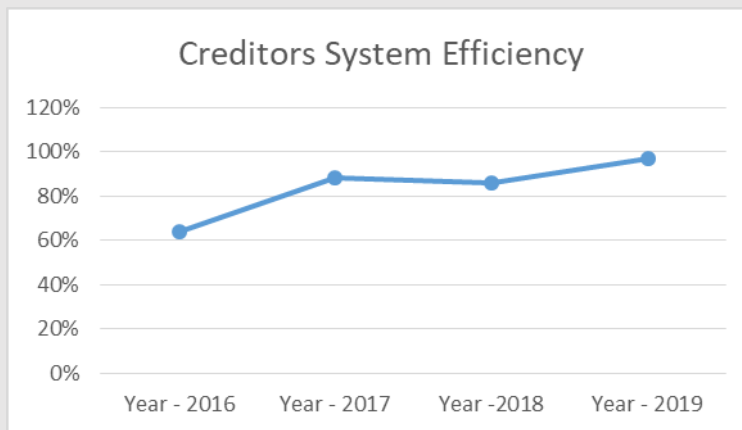


2. **Cost Coverage** - It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. The municipality is still so much dependant on government grants but a positive increase has been seen on the cost coverage. This is due to an improvement in the finances of the Municipality.

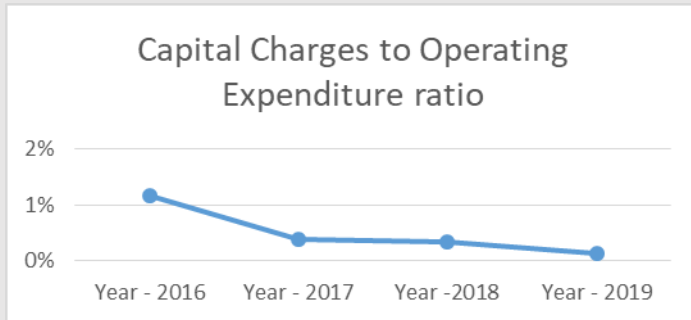


3. **Total Outstanding Service debtors** - Measures how much money is still owed by the community for water and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

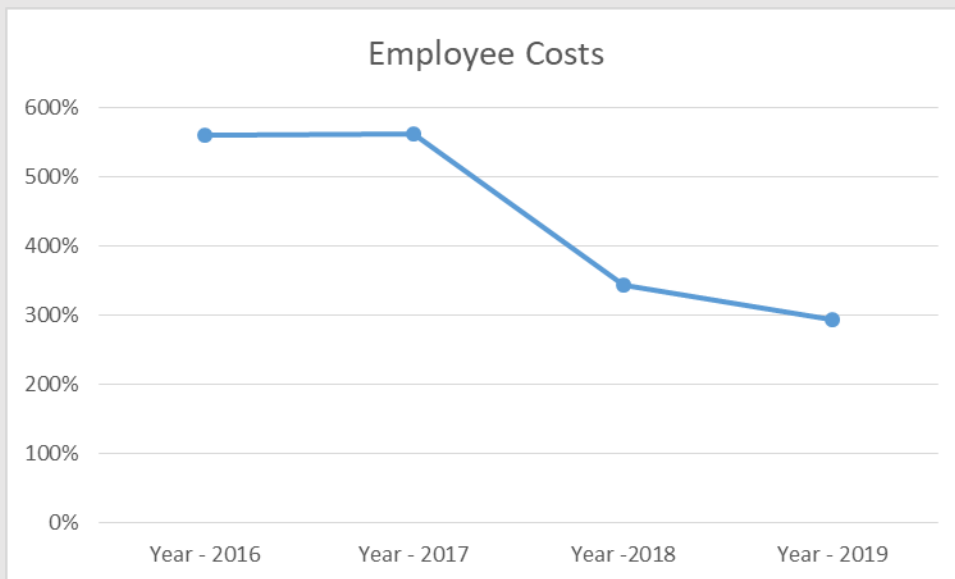
The debtors balance has been accumulating over the past 3 financial years. This is due to non-payment of accounts by the customers. The Municipality implemented revenue enhance strategies in order to address challenges that have led to this non-payment by the customers.



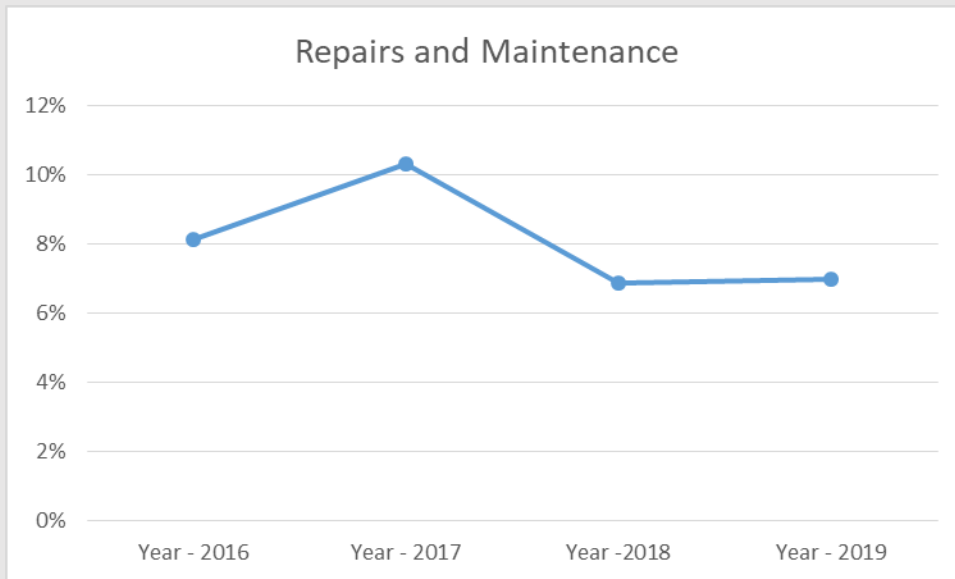
4. **Creditors System Efficiency** - The proportion of creditors paid within terms (i.e 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. The creditors system efficiency has continued to improve due to implementation of strict internal controls. The improvement in internal controls reduced the turn around times for the payment of invoices. There are still some challenges though and the municipality continues to improve the internal controls in order to be at 100%.



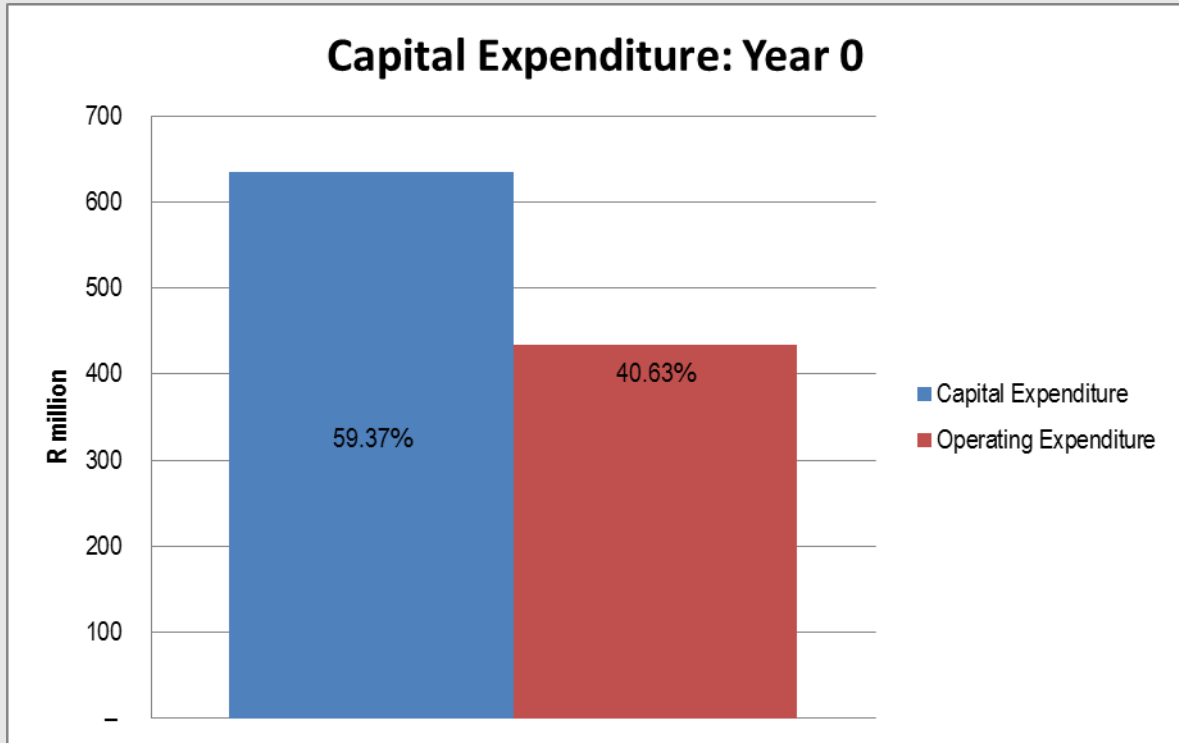
5. **Capital Charges to Operating Expenditure ratio** is calculated by dividing the sum of capital interest and principal paid by the total operating expenditure. The municipality has reduced its capital loan with DBSA. This has resulted in less interest paid during the 2019 financial period, hence increase in the capital charges to operating expenditure ratio.



6. **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. The Municipality is mostly funded by government grants and a large proportion of employee costs is funded by the equitable share. Although the ratio is improving, it is still very high.



7. **Repairs and Maintenance** - This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.



The graph above provides an indication of Capital and Operating expenditure for the year under review. Capital expenditure is 59.37%, whereas the Operating expenditure is 40.63%. It should be noted that not all the projects were implemented during the year under review due to the financial constraints that the municipality encountered.

DRAFT ANNUAL BUDGET 2018- 2019	BUDGET YR.1	BUDGET YR.2	BUDGET YR.3	
	2018/2019 Medium Term Revenue & Expenditure Framework			
	ORIGINAL BUDGET 2018/19	PROPOSED FINAL BUDGET 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
DESCRIPTIONS	R	R	R	R
INTERNAL FUNDS (OWN REVENUE)	(57 342 666)	(57 350 661)	(60 332 896)	(63 651 205)
GRANTS -NT / PT	(571 313 000)	(571 313 000)	(601 021 276)	(634 077 446)
EQUITABLE SHARE	(510 344 000)	(510 344 000)	(536 881 888)	(566 410 392)
OPERATING RESERVES / INVESTMENTS	(70 000 000)	(90 000 000)	(94 680 000)	(99 887 400)
TOTAL OPERATING REVENUE	(1 208 999 666)	(1 229 007 661)	(1 292 916 060)	(1 364 026 443)

The municipality is largely grant dependent due to low revenue base. A revenue enhancement strategy was adopted by council.

5.7

CAPITAL SPENDING ON 5 LARGEST PROJECTS

The table below provides an indication of capital spending on the 5 largest capital projects implemented by ANDM. All the projects below were funded by MIG.

Project Name	Description	Project Costs
Ntibane Water Supply	Construction of WTW and bulk mains and reservoirs	R 227,892,038
KwaBhaca Water Supply	Construction of WTW and bulk mains and reservoirs	R 194,730,700
Upgrading Ntabankulu Town Sewer system	Construction of Sewer treatment plant and sewer reticulation	R 147,832,380
Mount Ayliff Peri-urban	Construction of Water Treatment Works, River abstraction, pump station and bulk main	R 118,513,276
Fobane Water Supply	Construction of the Fobane WS Water Treatment Works - Civils works for the Kinira Drift Water Treatment Works.	R 115,114,665

	Construction of the Fobane WS Water Treatment Works - Mechanical & Electrical installations	
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5.8

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Water Backlogs: 32% and this percentage applies to 195 976 households

Sanitation backlogs 29% and this percentage applies to 195 976 households

ANDM water services backlogs are relatively high and this is due to incorporation of Mbizana and Ntabankulu Municipalities into the district. 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.

Service Backlogs as at 30 June 2019

	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	195976	68%	195976	32%
Sanitation	195976	69%	195976	31%
Electricity	-	-	-	-
Waste management	-	-	-	-
Housing	-	-	-	-

C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9

CASH FLOW

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Service Charges		24,313,566	16,281,376
Other Receipts		3,610,632	1,181,396
Interest income		26,036,852	14,842,111
Government Grants and Subsidies		1,038,098,209	1,022,842,777
		1,092,059,259	1,055,151,777
Payments			
Employee costs		(245,014,197)	(229,647,517)
Suppliers		(224,794,573)	(257,604,378)
Finance costs		(807,019)	(1,680,371)
Remuneration of Councillors		(10,359,387)	(9,803,063)
Other Payments		-	(1)
		(480,975,176)	(498,735,330)

Total receipts		1,092,059,259	1,055,151,777
Total payments		(480,975,176)	(498,735,330)
Net cash flows from operating activities	41	611,084,083	556,416,447
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(421,489,817)	(460,495,936)
Purchase of other intangible assets	11	(301,890)	-
Proceeds from sale of financial assets		(703,500)	(703,500)
Net cash flows from investing activities		(422,495,207)	(461,199,436)
Cash flows from financing activities			
Movement in long term loan		(2,347,254)	(661,806)
Finance lease payments		-	(8,193,256)
Net cash flows from financing activities		(2,347,254)	(8,855,062)
Net increase/(decrease) in cash and cash equivalents		186,241,622	86,361,949
Cash and cash equivalents at the beginning of the year		96,255,559	9,893,610
Cash and cash equivalents at the end of the year	9	282,497,181	96,255,559

The municipality's cash-flow has almost tripled from cash and cash equivalents of R96 million during the 2018 financial year to R282 million during the 2019 financial year.

Capital Actual funding received from government amounts to R1.1 billion versus total budget of R1.2 billion as per the audited outcome, this is due to the schedule 6B grant wherein the municipality receives a portion of the allocation. The budget was then adjusted down during adjustments budget. Looking at what has been received from the grant funding versus the actual own income collected, this means that the municipality is highly dependent on grants.

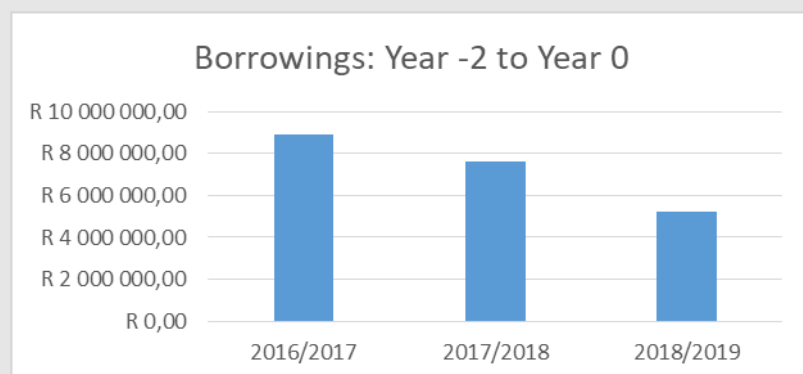
Repayment of other financial liabilities is the repayment of the DBSA loan that was made to fund capital projects.

5.10

BORROWING AND INVESTMENTS

The Municipality has only one loan from DBSA obtained in 2005, no further loans were obtained during the financial period. The loan has been reduced although it should be settle in 2025.

Actual Borrowings: Year - 2 to Year 0			
R'000			
Instrument	Year 2	Year 1	Year 0
Municipality	R 8 301 082	R 7 621 717	R 5 206 785
Municipality Total	R 8 301 082	R 7 621 717	R 5 206 785



The following table illustrates the investments made by the Municipality in the year 2019.

Descriptions	2017/2018	2018/2019
Investments	R 7 318 659	R 8 022 159

The municipality has one long term investment with Nedbank. The total amount of the investment is R8 Million. This investment is also held as security for the DBSA loan. The municipality further owns 100% of the municipal entity which is ANDA.

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.

Section 117 of the 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, the Alfred Nzo District Municipality Supply Chain Management policy complies with section 117 of the 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

S 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 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
Terms of reference are submitted late by respective project Managers and they do not adhere to the approved Procurement Plan.	Implementation of procurement should be added as a KPI for all respective Managers on the performance agreements.
Delays in appointment of service providers due to SCM Beurocracy, e.g. when no suitable service provider could be acquired through bidding process.	Forward planning to allow space for the potential re-adverts

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 steps to be followed to recover such losses.

5.12 GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognized Accounting Practice** 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 Recognized 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.

CHAPTER 5 – FINANCIAL PERFORMANCE

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 an unqualified audit opinion, with the following emphasis of matter:

- Irregular expenditure incurred during the period
- Material Water Losses
- Material Adjustments made to the Opening Balances
- Unauthorized Expenditure

T6.0.1

Report of the auditor-general to the Eastern Cape Provincial Legislature and the Council on the Alfred Nzo District Municipality

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Alfred Nzo District Municipality set out on pages ... to ..., which comprise consolidated and separate statement of financial position as at 30 June 2019, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Alfred Nzo District Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018) (Dora).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 45 to the consolidated and separate financial statements, the corresponding figures for 30 June 2018 have been restated as a result of errors identified in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2019.

Material Losses-Water

8. As disclosed in note 4.1 to the consolidated and separate financial statements, the municipality incurred water losses totalling R23,0 million (2018: R28,0 million) which represents 30% (2018: 34%) of total water produced.

Impairment of receivables from exchange transactions

9. As disclosed in note 5 to the consolidated and separate financial statements, the municipality has an impairment of receivables from exchange transactions totalling R91,8 million (2018: R84,0 million).

Irregular expenditure

10. As disclosed in note 49 to the consolidated and separate financial statements, irregular expenditure – current year amounting to R6,5 million (2018: R209,5 million) and irregular expenditure incurred in the current year as a result of prior year irregular contracts amounting to R141,0 million was incurred due to supply chain management transgressions that occurred in the current and prior financial years. The cumulative balance as at 30 June 2019 amounted to R1,4 billion (2018: R1,1 billion).

Other matter

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

Unaudited disclosure note

12. In terms of section 125(2)(e) of the MFMA, the entity is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

Responsibilities of the Accounting Officer for the financial statements

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

Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

15. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

16. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the municipality for the year ended 30 June 2019:

Programme	Pages in the annual performance report
KPA 2- Basic Service Delivery and Infrastructure Development	x – x

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

Key Performance Area 2 - Basic Service Delivery and Infrastructure Development

Various indicators

22. I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the indicator for the indicators listed below. This was due formal standard operating procedures and documented system descriptions not being made available for the audit. I was unable to validate the systems and processes by alternative means.

- Number of IDMS offices equipped with new furniture
- Number of EHPs whose annual HPCSA subscription has been paid by ANDM

Various indicators

23. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined source information and method of calculation and deadline delivery to be used when measuring the actual achievement for the indicators. This was due to a lack of technical indicator description. I was unable to test whether the targets for the following indicators were clearly defined by alternative means.

No.	Indicator as per the APR & SDBIP	Target as per APR & SDBIP
1	3 high lift pumps, 3 borehole pumps installed and 2 bridge crossings erected	Complete installation of 3 borehole pumps and 3 high lift pumps and 2 bridge crossings by 30th June 2019
2	Number of boreholes drilled & tested for drought relief schemes	6 boreholes drilled & tested for drought relief schemes by 30 June 2019
3	Number of interim water supply schemes completed in Matatiele LM	Construction of 6 interim water supply schemes
4	Number of targeted VIP Sanitation toilets completed (Matatiele)	Construction of 190 VIP Toilets
5	Number of water samples taken and analyzed, number of food samples & swabs taken and analyzed	1. 900 water samples taken and analyzed by 30 June 2019; 2. 960 food samples & swabs taken and analyzed by 30 June 2019

Various indicators

24. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators relating to this programme. This is due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

- Number of boreholes drilled & tested for drought relief schemes
- Number of water treatments works process audit completed
- Number of municipality buildings & structural components maintained
- Percentage of households (through a random sample) verified on the indigent register

- Number of reported leaks surveyed, and possible repairs done if necessary, within 3-7 days
- Percentage of disaster affected households received support and relief material within ANDM

Various indicators

25. The reasons for the variances between the planned targets and the reported achievements were not explained in the annual performance report for the indicators listed below.

- Number of interim water supply schemes completed in Mbizana LM.
- Number of interim water supply schemes constructed in Umzimvubu LM.

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21 to 25 of this report.

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, we raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

29. Included below are material findings on compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

Expenditure management

30. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

31. Reasonable steps were not taken to prevent irregular expenditure amounting to R147,5 million as disclosed in note 49 to the consolidated and separate annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by awards made to suppliers where bid committees were not constituted in terms of the supply chain regulations.

Annual financial statements

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the consolidated and separate financial statements receiving an unqualified audit opinion.

Consequence management

33. Some of the unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
34. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
35. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Other information

36. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes executive mayor's report, the audit committee's report and the accounting officer's report. The other information does not include the consolidated and separate financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in the auditor's report.
37. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
38. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

39. I considered internal controls relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report:

- The municipality does not have an effective system in place to collate and report on predetermined objectives.
- Recommendations of the internal audit in respect of financial and performance information were not implemented by management.

Other reports

40. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

41. The President of South Africa promulgated in 2017 that an investigation be conducted by the Hawks based on the allegation of possible procurement irregularities. This investigation was still in progress at the date of this report.

Auditor-General

East London

23 December 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements, and the procedures performed on reported performance information for selected programme and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the consolidated and separate financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit 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 municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Alfred Nzo District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

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
Governance structure	Municipal Calender was developed and implemented
Performance management	PMS is in place
<p><i>Note:*</i> 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.</p>	
	T 6.2.1

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

<i>Accessibility indicators</i>	<i>Explore whether the intended beneficiaries are able to access services or outputs.</i>
<i>Accountability documents</i>	<i>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.</i>
<i>Activities</i>	<i>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”.</i>
<i>Adequacy indicators</i>	<i>The quantity of input or output relative to the need or demand.</i>
<i>Annual Report</i>	<i>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.</i>
<i>Approved Budget</i>	<i>The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.</i>
<i>Baseline</i>	<i>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.</i>
<i>Basic municipal service</i>	<i>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.</i>
<i>Budget year</i>	<i>The financial year for which an annual budget is to be approved – means a year ending on 30 June.</i>
<i>Cost indicators</i>	<i>The overall cost or expenditure of producing a specified quantity of outputs.</i>
<i>Distribution indicators</i>	<i>The distribution of capacity to deliver services.</i>
<i>Financial Statements</i>	<i>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.</i>
<i>General Key performance indicators</i>	<i>After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.</i>
<i>Impact</i>	<i>The results of achieving specific outcomes, such as reducing poverty and creating jobs.</i>
<i>Inputs</i>	<i>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.</i>

<i>Accessibility indicators</i>	<i>Explore whether the intended beneficiaries are able to access services or outputs.</i>
<i>Integrated Development Plan (IDP)</i>	<i>Set out municipal goals and development plans.</i>
<i>National Key performance areas</i>	<p><i>Service delivery & infrastructure</i></p> <p><i>Economic development</i></p> <p><i>Municipal transformation and institutional development</i></p> <p><i>Financial viability and management</i></p> <p><i>Good governance and community participation</i></p>
<i>Outcomes</i>	<i>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".</i>
<i>Outputs</i>	<i>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.</i>
<i>Performance Indicator</i>	<i>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)</i>
<i>Performance Information</i>	<i>Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.</i>
<i>Performance Standards:</i>	<i>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 EPMS performance standards are divided into indicators and the time factor.</i>
<i>Performance Targets:</i>	<i>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.</i>
<i>Service Delivery Budget Implementation Plan</i>	<i>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.</i>
<i>Vote:</i>	<p><i>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.</i></p> <p><i>Section 1 of the MFMA defines a "vote" as:</i></p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance			
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented
	FT/PT		
Mehlomakhulu S	FT	Executive Mayor	PR
Mohale PA	FT	Deputy Executive Mayor/Infrastructure Development and Municipal Services	PR
Kulu S	FT	Speaker	PR
Tobo BN (Deceased)	FT	Chief Whip	PR
Cekeshe SAN	FT	MPAC Chairperson	PR
Bosman- Magangana KJ	FT	Special Programs Unit	PR
Mgoduka V.	FT	Intergovernmental Relations & Communications	PR
Mankahla PN	FT	Sport, Arts, Culture, Heritage, Museums & Libraries	PR
Sello S	FT	Community Development Services	PR
Msokana N	FT	Corporate Services	PR
Twabu M	FT	Budget and Treasury Office	PR
Nqoko N	FT	Planning and Economic Development	PR
Nqatsha L	PT	Public Participation / Infrastructure Development and Municipal Services	PR
Pangwa K	FT	Rules, Ethics and Members Interest / Sports Arts and Culture	PR
Voko E	PT	ICT / Corporate Services	PR

Councillors, Committees Allocated and Council Attendance			
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented
	FT/PT		
Betwayo B	PT	Infrastructure Development and Municipal Services	PR
Bongwana N	PT	MPAC	PR
Cekeshe SAN	PT	Corporate Services	PR
Cwele N	PT	Budget and Treasury	PR
Dandala HN	PT	Budget and Treasury	PR
Dangisa SS (Deceased)	PT	MPAC	PR
Langa NT	FT	Community Development Services	PR
Langasiki N	PT	Sport, Arts and Culture	PR
Leballo WP	PT	IGR / ICT	PR
Maqhashalala	PT	Economic Development / Public Participation	PR
Mbuyelwa F	PT	IGR / ICT	PR
Mcambalala LG	PT	Community Development Services	PR
Mhlwazi Z	PT	Infrastructure Development and Municipal Services	W
Mkhandaniso M	PT	Municipal Public Accounts	W
Motjope T	FT	Budget and Treasury Office	W
Mzikhulu BL	FT	SPU / Sports, Arts and Culture	PR
Ndamase NL	PT	Economic Development Planning	PR
Ngesi V	FT	Special Programmes	PR
Njobe N	PT	Community Development Services	W
Nkomo NB	PT	Economic Development and Planning / Public Participation	PR

Councillors, Committees Allocated and Council Attendance			
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented
	FT/PT		
Nxesi CL	PT	Special Programs	PR
Potwana WB	FT	Municipal Public Accounts	PR
Sobazile NF	PT	CPS and Public Participation	PR
Sontsi FP	PT	Intergovernmental Relations	PR

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Rules, Ethics and Members Interests Committee	This committee is responsible for ensuring the welfare of council members. The committee also ensures that discipline in council is paramount. It ensures that the ethics of the council members are upheld
Public Participation & Petitions Committee	The Public Participation and Petitions Committee is responsible for ensuring that petitions and participation are held and resolved according to the local government legislative prescripts and frameworks
Municipal Public Accounts Committee	The Municipal Public Accounts Committee provides oversight and is also responsible for scrutinising municipal performance.
Information, Communication and Technology Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Infrastructure, Development and Municipal Services Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Corporate Services Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Community Development Services	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Planning & Economic Development	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Budget & Treasury Office	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration

Audit Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
Remuneration Committee	This committee is a council committee which is charged with the responsibility to provide oversight and guidance to administration
<i>T B</i>	

Administrative Structure	
Directorate	Director/ Manager (state Title and Name)
MM's Office	Mr. Z.H. Sikhundla (Municipal Manager)
Budget and Treasury	Mrs. U.P. Mahlasela
PED	Ms. M. Bambeni (Senior Manager) Resigned in June 2019
CPS	Mr. L. Matiwane (Senior Manager)
IDMS	Mr. X. Masiza (Senior Manager) Resigned in April 2019
CDS	Mrs. D.N. Ngxenge (Senior Manager)

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

<i>Municipal / Entity Functions</i>		
MUNICIPAL FUNCTIONS	<i>Function Applicable to Municipality (Yes / No)*</i>	<i>Function Applicable to Entity (Yes / No)</i>
<i>Constitution Schedule 4, Part B functions:</i>		
<i>Air pollution</i>	Yes	
<i>Building regulations</i>	No	
<i>Child care facilities</i>	No	
<i>Electricity and gas reticulation</i>	No	
<i>Fire-fighting services</i>	Yes	
<i>Local tourism</i>	No	
<i>Municipal airports</i>	No	
<i>Municipal planning</i>	Yes	
<i>Disaster Management</i>	Yes	
<i>Thusong Services</i>	Yes	
<i>Customer Care</i>	Yes	
<i>Institutional and Social Development</i>	Yes	
<i>Fire safety, prevention and fighting services</i>	Yes	
<i>Sports, Arts, Culture, Recreation and Heritage</i>	Yes	
<i>Municipal Health Services</i>	Yes	

<i>Municipal / Entity Functions</i>		
<i>MUNICIPAL FUNCTIONS</i>	<i>Function Applicable to Municipality (Yes / No)*</i>	<i>Function Applicable to Entity (Yes / No)</i>
<i>Local Economic Development</i>	Yes	
<i>Integrated Development Planning</i>	Yes	
<i>Geographic Information System</i>	Yes	
<i>Dam Management</i>	Yes	
<i>Environmental Management</i>		
<i>Municipal public transport</i>		
<i>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</i>		
<i>Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto</i>		
<i>Storm-water management systems in built-up areas</i>		
<i>Trading regulations</i>		
<i>Water and sanitation services (including rural and urban)</i>		
<i>Beaches and amusement facilities</i>	No	
<i>Billboards and the display of advertisements in public places</i>	No	
<i>Cemeteries, funeral parlours and crematoria</i>	No	
<i>Cleansing</i>	No	
<i>Control of public nuisances</i>	No	
<i>Control of undertakings that sell liquor to the public</i>	No	
<i>Facilities for the accommodation, care and burial of animals</i>	No	

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

We are pleased to present our report for the financial year ended 30 June 2019

1 Audit Committee Members and Attendance

In terms of the Municipal Finance Management Act (MFMA) and the Alfred Nzo District Municipality's Audit and Performance Charter, the Audit and Performance Committee must consist of at least three members, all of whom must be external independent members. None of the members may be councillors.

The Audit Committee consists of the members listed hereunder and meets at least four times per year as per its approved Charter. During the year under review the mandatory quarterly meetings and one special meeting were held.

Member	Qualifications	Date of Appointment	Number of meetings attended
Adv. Mgidlana (Committee-chairperson)	LLB, B. Proc	01 August 2018	5/5
Ms Mba- CA (SA) (Committee-member)	CTA, BCompt	01 August 2018	5/5
Mr Zwili Zulu (Committee-member)	MBA,PGD-BM,Bach Degree BT & Diploma Labour Economis	01 August 2018	4/5

2 AUDIT COMMITTEE'S RESPONSIBILITIES



The Audit Committee's responsibilities are outlined in Section 166(2)(b) of the Municipal Finance Management Act (No 56 of 2003). The Audit and Performance Committee has adopted appropriate formal Terms of Reference as its Audit and Performance Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.




A summary of the Audit Committee's responsibilities in terms of the foregoing Act and its Charter is that it is responsible for, amongst other things, the following:









AUDITORS AND EXTERNAL AUDIT

Discuss and review with external auditors, *inter alia*,

-  the nature and scope of the audit function;
-  agreeing to the timing and nature of reports from the external auditors;




-  considering any problems identified in the municipality as a going concern;
-  review the Auditor-General's management letter and management response; and
-  meeting the Auditor-General at least annually to ensure that there are no unresolved issues of concern.

ANNUAL FINANCIAL STATEMENTS

-  review and discuss the unaudited annual financial statements with the Accounting Officer prior to presentation of the foregoing financial statements for audit together with recommendations, if any, regarding amendments to the said statements;
-  review and discuss with the Auditor-General and the Accounting Officer, the audited annual financial statements to be included in the Annual Report;
-  review significant adjustments resulting from the audit;
-  review effectiveness of the internal audit;
-  review risk areas of the operations to be covered in the scope of the internal and external audits; and
-  review the adequacy, reliability and accuracy of the financial information provided to management and other users of such information.


INTERNAL CONTROL AND INTERNAL AUDIT



The monitoring and supervising of the effective function of the internal audit including;

-  evaluating performance, independence and effectiveness of internal audit and external service providers through internal audit;
-  review the effectiveness of the internal controls and to consider the most appropriate system for the effective operation of its business;
-  initiating investigations within its scope e.g. employee fraud, misconduct or conflict of interest.





ETHICS

Reviewing the effectiveness of mechanisms for the identification and reporting of:

-  any material violations of ethical conduct of councillors and municipal staff;

-  compliance with laws and regulations; and
-  environmental and social issues.

COMPLIANCE

-  carrying out investigations into financial affairs as Council may request;
-  reviewing the effectiveness of mechanisms for the identification and reporting of:
 -  compliance with laws and regulations; and
 -  the findings of regulatory bodies or audit observations.

3 THE EFFECTIVENESS OF INTERNAL CONTROLS

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA and the King VI Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

4 INTERNAL AUDIT FUNCTION

During the year under review, an audit plan was prepared based on the Annual Risk Assessment. The following is a list of projects undertaken by Internal Audit, arising from the risk assessment:

Date of meeting	Major item discussed
29 August 2018	1. AFS 2018-19 Reviews
	2. Annual Performance Report 2018-19
	3. Internal Audit Risk Based Courage Plan 2018-19 (deferred to next meeting)
20 November 2018	1. Internal Audit Risk Based Courage Plan 2018-19 (deferred to next meeting)
	2. ANDM Final Report- Performance Information
	3. Audit Action Plan Report
	4. Internal Audit Report: Asset management and Liability Report
	5. Internal Audit Report: RPMS
	6. Internal Audit Follow up Report (IA)
	7. Internal Audit Report: Credibility of IDP and SDBIP Reviews
22 January 2019	1. Annual Report 2017-18
	2. Internal Audit Comments on Annual Report 2017-18
	3. Mid-Term Report 2018-19
	4. Internal Audit Comments on Mid-Term Report
	5. Audit Action Plan 2017-18
	6. Internal Audit Comments on Audit Action Plan 2017-18
	7. Report on Risk Management
	1. Interim Financial Statements 2018-19
	2. Quarterly Performance Management Report Q3

26 April 2019	3. Quarterly Report: Risk Management
	4. Internal Audit Report: Risk Management Practises
	5. Internal Audit Training and Development
	6. Internal Audit Report on Follow up Reviews
	7. Audit Action Plan 2017-18
20 May 2019	1. Update on the process plan: IDP and Budget 2019-20
	2. Q 3 Performance Management 2018-19
	3. Internal Audit Report: Performance Information (Q3)
	4. Individual Performance Management Systems Report

All reports and assignments are followed up by Internal Audit and the Audit Committee to ensure that management actions have been implemented. This action was necessary to ensure that management does not temporise Audit Committee and Council.

6 EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- 📌 reviewed and discussed with the Auditor-General and the Accounting Officer the audited annual financial statements to be included in the Annual Report;
- 📌 reviewed the Auditor-General's management letter and management responses;
- 📌 reviewed the accounting policies and practices;
- 📌 reviewed significant adjustments resulting from the audit;
- 📌 evaluated the audited annual financial statements to be included in the Annual Report and, based on the information provided to the Audit Committee, considered that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations as well as South African Statements of Generally Accepted Accounting Practice (GAAP) and certain statements of Generally Recognised Accounting Practice (GRAP

7 APPRECIATION

I would like to thank my colleagues for making themselves available to serve on this Committee and for the significant contributions that they have made.

As an Audit Committee, we rely to a great extent on the Alfred Nzo District Municipality's Manager: Internal Audit and his staff in the Internal Audit Department for their support and assistance and, in particular, for the role they continue to play in improving the accounting and internal auditing systems and controls at District Municipality. We are indebted to them for their cooperation and assistance.

We are also grateful to the Chief Financial Officer, the Auditor-General, and all other invitees to our meetings, including the external service providers, all of whom provided invaluable information to the Committee.

Adv. Mgidlana

Chairperson: ANDM Audit and Performance Committee

06 October 2019

DRAFT AUDIT ACTION PLAN 2018-19

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MANAGEMENT RESULTS			IA RESULTS			
Summary of Finding	Management	% of Completion	Summary of Finding	Management	Confirmed by IA	% of Completion

No of Findings	Total Findings	15	100,00%		Total Findings	15	15	100,00%					
	Resolved		0,00%		Resolved			15,00%					
	In Progress		0,00%		In Progress			59,00%					
	Unresolved		0,00%		Unresolved			26,00%					
TO BE COMPLETED BY DEPARTMENT													
#	Nr	Department	Stream	Substream	Audit finding (Add relevant Audit Communication number/s)	Root Cause	Risk	Recommendation/Mitigation	Remedial Actions [Separate row should be used for each action in order to provide progress per activity in a separate line]	Completion date per activity, if more than 1 activity.	Responsible section / Manager	Accountable Senior Manager	IA comment
	Finding No in MR												

1	COAF 33	BTO	Financial	Expenditure	<p>Expenditure - Payment to Supplier was made after 30 days</p> <p>Audit finding Section 65(2)(e) of the MFMA states that the accounting officer must take all reasonable steps to ensure that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure</p>	<p>Financial and performance management: Controls over daily and monthly processing and reconciling of transactions were not implemented</p>	<p>The impact for the above will result to non-compliance with section 65(2)(e) of the MFMA.</p>	<p>The management should ensure that payments are made within 30 days from the date of invoice receipt.</p>	<p>Preventative Measures : Invoice register is kept and updated with all received invoices from the service providers. On receipt of invoices, a received stamp is affixed with the date of receipt.</p> <p>Detective Measures: Invoices with outstanding documents will be followed up through the Departmental heads. A report with all invoices that have not been submitted will be prepared and circulated to all the managers monthly.</p> <p>Corrective Measures:</p>	28-Feb-20	Assistant Manager: Expenditure Management	CFO	
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					<p>Contracted services The invoice was received on 12/12/2018. However, the payment was authorised on 21/01/2019. The payment was received on the date that is close to the closing date of the system.</p> <p>Eskom : The invoice was received on 2018/07/01. However, the payment was authorised on 2018/08/08.</p>								
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2	COAF 17	IDMS		AOPO	<p>AOPO: Variance, and corrective measures Audit finding Section 46(1)(c) of the Municipal Systems Act 32 of 2000, states that a municipality must prepare for each financial year a performance report reflecting measures taken to improve performance. There were differences between the reported actual achievements and the planned</p>	<p>Financial and performance management: Regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information were not prepared.</p>	<p>The targets did not meet the requirements of SMART and this has an impact on the usefulness findings.</p>	<p>Management should ensure that employees receive training on Predefine Objectives in order to ensure that indicators or measures are verifiable.</p>	<p>Preventative Measures :.....</p> <p>Detective Measures:</p> <p>Corrective Measures:</p>				
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				targets but reason for these variances were not disclosed in the APR:										
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3	COAF 16	IDMS		AOPO	<p>AOPO: Measurability of the indicators Audit Finding Sections 41 of Municipal Systems Act 32 of 2000</p> <p>(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed : (a) set appropriate key performance indicators as a yardstick for measuring performance</p>	<p>Financial and performance management: Regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information were not prepared.</p>	<p>The targets did not meet the requirements of SMART and this has an impact on the usefulness findings.</p>	<p>Management should ensure that employees receive training on Predefine Objectives in order to ensure that indicators or measures are verifiable.</p>	<p>Preventative Measures :.....</p> <p>Detective Measures:</p> <p>Corrective Measures:</p>				
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				<p>e, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan.</p> <p>(b) set measurable performance targets with regards to each of those development priorities and objectives.</p> <p>(c) with regard to each of those development priorities and objectives and against the key performance</p>						
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				<p>e indicators and targets set in terms of paragraphs (a) and (b) -</p> <p>(i) monitor performance, and</p> <p>(ii) measure and review performance at least once per year.</p> <p>Nature The target of the following indicators did not meet the requirements of making the target to be SMART: (REF TO COAF16)</p>						
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4	COAF 27	IDMS		AOPO	<p>AOPO - Non submission of requested information</p> <p>Audit finding</p> <p>In terms of section 74 (1) of the MFMA, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations</p>	<p>Financial and performance management: Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.</p>	<p>This will result in non-compliance with section 74 (1) of the MFMA and limitation of scope</p>	<p>Management should take reasonable steps to ensure that the required information is submitted to the auditors within the required time frames.</p>	<p>Preventative Measures</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Detective Measures:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Corrective Measures:</p> <p>.....</p> <p>.....</p> <p>.....</p>				
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				<p>as may be prescribed or as may be required.</p> <p>The following information has not been submitted for audit purposes :</p> <p>1. Indicator: Number of boreholes drilled & tested for drought relief schemes</p> <p>- Information not submitted – Progress report, Terms of reference, Technical report for completed borehole drilling and signed appointment letters.</p>						
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				<p>2. Indicator: Number of water treatment works process audit completed - Corrective measures - Information not submitted – 2019/2020 Budget for the project to confirm that it has been included in the 2019/2020 budget by the quotation committee and signed advert for the project.</p> <p>3.Indicator: Number of municipal buildings & structural components maintained.</p>							
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				<p>- Information not submitted - Invoiced form the service provider for buildings maintenance, progress report, signed appointment letter and completion certificate.</p> <p>4.Indicator : % of household (through a random sample) verified on the indigent register</p> <p>- Information not submitted - Indigent application forms</p> <p>5.Indicator: Number of reported</p>						
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				<p>leaks surveyed and possible repairs done if necessary within 3-7 days</p> <p>- Information not submitted - Reports of possible infrastructure leaks</p> <p>This is due to an inadequate filing system and a lack of controls over the maintenance of information.</p> <p>This will result in non-compliance with section 74 (1) of the MFMA and limitation of</p>						
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5	COAF 34	IDMS		AOPO	<p>PDO: Indicators/ measures not verifiable -</p> <p>Audit finding Municipal Systems Act Section 41: Core component s.—(1) A municipality must in terms of its performanc e managem ent system and in accordance with any regulations and guidelines that may be prescribed- (a) set appropriate key performanc e indicators as a yardstick for measuring</p>	<p>Financial and performance management: Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.</p>	<p>As the indicators are not verifiable they may lead to limitation of scope.</p>	<p>Management should ensure that employees receive training on Predetermined Objectives in order to ensure that indicators / measures are verifiable and that information used for APR is collated and readily available on request.</p>	<p>Preventative Measures :.....</p> <p>Detective Measures:</p> <p>Corrective Measures:</p>				
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				<p>performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;</p> <p>(b) set measurable performance targets with regard to each of those development priorities and objectives;</p> <p>(c) with regard to each of those development priorities and objectives and against the key performance</p>							
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				<p>e indicators and targets set in terms of paragraphs (a) and (b)—</p> <p>(i) monitor performance; and</p> <p>(ii) measure and review performance at least once per year</p> <p>During audit procedures performed, it was noted that the performance indicators / measures for the following development objectives were not verifiable and targets not measurable :</p> <p>1. Indicator</p>					
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				expressed as percentage per the APR, however management could not provide supporting evidence or reasonable explanation of how the percentage was calculated.										
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6	COAF 2	BTO / CPS	Financial /HRM	SCM/ HRM	<p>Non submission of information requested on RFI 1</p> <p>Audit finding In terms of section 74 (1) of the MFMA, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and</p>	Financial and performance management: Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	This will result in non-compliance with section 74 (1) of the MFMA.	Management should take reasonable steps to ensure that the required information is submitted to the auditors within the required time frames.	<p>Preventative Measures :BTO approved policies are now filed in the office of the CFO, Copies supplied to CPS for filing at registry.</p> <p>Detective Measures: N/A</p> <p>Corrective Measures: The SCM Policy was subsequently supplied to AG, henceforth COAF number 6. A copy of signed policies will be a part of the audit file which will be submitted with AFS.</p>	31-Jan-20	Manager: Expenditure, Budget and Reporting	CFO	
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					<p>motivations as may be prescribed or as may be required.</p> <p>During the planning information requested in on RFI 1 on the 13 March 2019 was not submitted to the auditors, the requested information is as follows:</p> <ol style="list-style-type: none">1. Human resource policy2. Supply chain policy <p>This is due to an inadequate filing system and a lack of controls over the maintenance of</p>								
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					information. This will result in non-compliance with section 74 (1) of the MFMA.									
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7	COAF 6	BTO	Financial	SCM	<p>SCM policy is not inline with SCM regulations</p> <p>Audit finding In terms of the Supply Chain Management Regulations 2(1)(d) Each municipality must have and implement the supply chain management policy that is consistent with other applicable legislation. PPPFA section 6(1) state that 1) Thresholds for application of preference points</p>	<p>Financial and performance management:</p> <p>Review and monitor compliance with applicable laws and regulations.</p>	<p>Lack of oversight in ensuring that the SCM policy comply with applicable legislation and regulations and the SCM policy has not been updated since last approval date. Non-compliance with Preferential Procurement Policy Framework Act of 2017 and Municip</p>	<p>Management should ensure the SCM policy is reviewed regularly and updated with amendments in relevant legislation and applicable regulations.</p>	<p>Preventative Measures :Policies are reviewed annually and approved by the Council. To avoid such errors, BTO policies will be further scrutinised by BTO management.</p> <p>Detactive Measures: Management Committee to review policies prior approval by council</p> <p>Corrective Measures: The error was corrected in the 2019/2020 SCM Policy.</p>	<p>31 March 2020 and 31 May 2020 - Date of the next review of policies</p>	<p>Manager: Expenditure, budget and Reporting</p>	CFO	
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				<p>increased: 80/20 preference points – R30 000 up to R50m (Regulation 6)</p> <p>B-BBEE points for level 3 have been reduced from 16 to 14 to align with the amended codes.</p> <p>90/10 preference points – Above R50m (Regulation 7)</p> <p>B B- BBEE points for level 3 have been reduced from 8 to 6 to align with the amended codes</p> <p>2) The revised</p>	al Supply Chain Manage ment Regulati on							
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					<p>regulations require organs of state to identify tenders, where it is feasible, to sub-contract a minimum of 30% of the value of the contract for contracts above R30 million.</p> <p>3) Determining whether pre-qualification criteria are applicable to the tender; and</p> <p>3.a) Determining whether compulsory sub-contracting is applicable to the tender</p>									
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					<p>3.b)Determining whether compulsory sub-contracting is applicable to the tender.</p> <p>3.c) There is uncertainty regarding the estimated price and which preference point system will be applicable, then the tender documents should state that either the 80/20 or the 90/10 preference point system will apply and that the lowest acceptable</p>									
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					<p>tender will be used to determine the applicable preference point system.</p> <p>Municipal Supply Chain Management Regulation section 12(1)(c) state that formal written price quotations for procurement of a transaction value over R1000 up to R200 000 (Vat included)</p> <p>The supply chain policy does not address the following PPPFA changes:</p>								
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					<p>The SCM policy paragraph 29.3(a) page 33 states the following;</p> <p>Where applicable, specifications must include the following preference points evaluation system for the acquisition of services, works or goods up to a Rand value of R1 000 000 (all applicable taxes included):</p> <p>i. the following formula will be used to calculate the points for price in respect of tenders (including</p>								
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					price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R1 000 000 (all applicable taxes included) ii. subject to subparagraph (iii), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor. iii. a maximum of 20 points may be allocated under subparagraph iv. the points scored by a tenderer in respect of									
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					<p>B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph</p> <p>The B-BBEE status level attained by a tenderer must be used to determine the number of points contemplated in subparagraph 3.1(ii).</p> <p>Specifications must also provide, as a special condition of contract,</p>								
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					<p>that, in the event of all tenders received exceeding the estimated Rand value of R1 000 000, the tender invitation will be cancelled, provided that if one or more of the acceptable tenders received are within the aforesaid threshold of R1 000 000, all tenders received will be evaluated in accordance with this preference point system.</p> <p>The SCM</p>								
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					<p>policy paragraph 29.4 page 35 states the following:</p> <p>Where applicable, specifications must include the following preference points evaluation system for the acquisition of services, works or goods with a Rand value above R1 000 000 (all applicable taxes included):</p> <p>i. The following formula will be used to calculate the points for price in respect of tenders</p>								
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					<p>with a Rand value above R1 000 000 (all applicable taxes included).</p> <p>ii. subject to subparagraph (iii), points must be awarded to a tenderer for attaining the B-BBEE status level of contributor.</p> <p>iii. A maximum of 10 points may be allocated under subparagraph</p> <p>iv. The points scored by a tenderer in respect of the level of B-BBEE contribution contemplated in subparagraph</p>									
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					<p>ph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i);</p> <p>The B-BBEE status level attained by a tenderer must be used to determine the number of point contemplated in subparagraph 4.1 (ii).</p> <p>Specifications must also provide as a special condition of contract, that, in the event of all tenders received being equal</p>								
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					to, or below R1 000 000, the invitation to tender will be withdrawn and all tenders received shall be regarded as having been cancelled provided that, if one or more of the acceptable tenders received are above the prescribed threshold of R 1 000 000, all tenders received will be evaluated in accordance with this preference point system; and this is									
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					<p>not in line with PPPFA section 6(1).</p> <p>1) The SCM policy is not consistent with the Municipal Supply Chain Management Regulation: The SCM policy paragraph 12(1)(c) page 19 states that three written or verbal price quotations for procurements of a transaction value over R2,000 up to R30,000 (VAT included) and this is not in line with the requirements</p>								
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					ts as per the Municipal Supply Chain Manageme nt Regulation section 12(1)(c) stated above.									
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8	COAF 7	IDMS		AOPO	<p>AOPO: Presentation of the APR</p> <p>Audit finding In terms of section 46(1)(b) of the Municipal Systems Act 32 of 2000, a municipality must prepare for each financial year a performance report reflecting a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year.</p>	<p>Financial and performance management:</p> <p>Compliance with applicable laws and regulations was not reviewed and monitored</p>	<p>This is due to the fact that the municipality has indicated that the comparison of the current performance to the prior year performance would be done in the annual report, which is contrary to the requirements of the aforementioned Act. Impact Non-compliance with section 46(1)(b)</p>	<p>Management should ensure that reported performance information is completely and appropriately presented by referencing to applicable legislations (such as Municipal Systems Act) and frameworks (such as the Framework for Managing Programme Performance Information).</p>	<p>Preventative Measures :.....</p> <p>Detective Measures:</p> <p>Corrective Measures:</p>				
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				<p>Nature Through the inspection of the 2018/19 APR, it was noted that the municipality did not report the comparison of the current year performanc e with the prior year performanc e as required by section 46(1)(b) of the Municipal Systems Act 32 of 2000 in the annual performanc e report.</p> <p>Cause This is due to the fact that the municipality has</p>	<p>of the Municip al System s Act 32 of 2000</p>					
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				indicated that the comparison of the current performance to the prior year performance would be done in the annual report, which is contrary to the requirements of the aforementioned Act. Impact Non-compliance with section 46(1)(b) of the Municipal Systems Act 32 of 2000.										
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9	COAF 35	IDMS	WSA	AOPO	<p>Municipality does not adhere to the approved water maintenance plan</p> <p>Audit finding In terms of the Municipal Systems Act section 41: Core components.—(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed— (a) set appropriate key performance indicators</p>	<p>Financial and performance management: Compliance with applicable laws and regulations was not reviewed and monitored.</p>	<p>Non-compliance with section 46(1)(c) of the Municipal Systems Act 32 of 2000 and could result in a finding in the presentation and disclosure</p>	<p>Management should ensure that reported performance information is reviewed to ensure that the activities performed satisfy the objective of the indicator.</p>	<p>Preventative Measures :.....</p> <p>Detective Measures:</p> <p>Corrective Measures:</p>				
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					as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan; (b) set measurable performance targets with regard to each of those development priorities and objectives; (c) with regard to each of those development priorities and								
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				<p>objectives and against the key performance indicators and targets set in terms of paragraphs (a) and (b)—</p> <p>(i) monitor performance; and</p> <p>(ii) measure and review performance at least once per year</p> <p>Per testing performed on the indicator: Number of water schemes maintained 100% adherence to maintenance plan the below was noted :</p> <p>The information</p>						
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				<p>included on the O&M report is not in line with the approved maintenance plan and we therefore could not rely and audit the information on the O&M reports as it does not meet the objective of the indicator being 100% adherence to the maintenance plan. The cause of the above issue is an inadequate independent reviews of the annual performance report (APR) before they</p>						
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					are submitted for audit.									
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10	COAF 43	BTO	Inventory	Asset Manag ement	Audit Finding Disclosure in term of GRAP 12 paragraph 47, the financial statements shall disclose: (a) the accounting policies adopted in measuring inventories, including the cost formula used; In terms of section 62(1)(b) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administrati on of the municipality , and must	The cause of the above is due to lack of oversig ht in ensurin g that the financial stateme nts and fairly present, in all aspects , the financial and perform ance affairs of the municip ality. Further more, this has been caused by lack of proper implem entation of the	Non compla nce with GRAP standar ds, MFMA	Managem ent should ensure that the preparatio n of the annual financial statement s and annual performan ce report is done in accordanc e with GRAP.	Preventative Measures :.AFS plan dates will be revised to ensure that reviews are done properly and in time. Further the AFS will be reviewed by Internal audit and Audit committee. Detective Measures: Reveiw of accounting policies during the preperation of interim financial statements. Corrective Measures: This was corrected in the Final Consolidated AFS.	31- Jan- 20	Manag er: Expen diture, budget and Reporti ng	CFO	
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					<p>for this purpose take all reasonable steps to ensure that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards. Under note 1.9 Accounting policy, the formula assigned to cost inventory was not stipulated in the financial statements.</p>	<p>review process as the review control should be able to prevent, detect and correct errors</p>								
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11	COAF 7	IDMS		AOPO	<p>AOPO: Presentation of the APR Audit Finding In terms of section 46(1)(b) of the Municipal Systems Act 32 of 2000, a municipality must prepare for each financial year a performance report reflecting a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year.</p> <p>Nature Through</p>	<p>Financial and performance management: Compliance with applicable laws and regulations was not reviewed and monitored</p>	<p>Non-compliance with section 46(1)(b) of the Municipal Systems Act 32 of 2000.</p>	<p>Management should ensure that reported performance information is completely and appropriately presented by referencing to applicable legislations (such as Municipal Systems Act) and frameworks (such as the Framework for Managing Programme Performance Information</p>	<p>Preventative Measures :..... </p> <p>Detective Measures: </p> <p>Corrective Measures: </p>				
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					the inspection of the 2018/19 APR, it was noted that the municipality did not report the comparison of the current year performance with the prior year performance as required by section 46(1)(b) of the Municipal Systems Act 32 of 2000 in the annual performance report								
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12	COAF 35	IDMS	WSA	AOPO	<p>Municipality does not adhere to the approved water maintenance plan</p> <p>Audit Finding</p> <p>In terms of the Municipal Systems Act section 41: Core components.—(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed-</p> <p>(a) set appropriate key performance indicators as a</p>	<p>Financial and performance management:</p> <p>Compliance with applicable laws and regulations was not reviewed and monitored</p>	<p>Non-compliance with section 46(1)(c) of the Municipal Systems Act 32 of 2000 and could result in a finding in the presentation and disclosure</p>	<p>Management should ensure that reported performance information is reviewed to ensure that the activities performed satisfy the objective of the indicator.</p>	<p>Preventative Measures</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Detective Measures:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Corrective Measures:</p> <p>.....</p> <p>.....</p> <p>.....</p>				
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				<p>yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;</p> <p>(b) set measurable performance targets with regard to each of those development priorities and objectives;</p> <p>(c) with regard to each of those development priorities and objectives</p>						
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				<p>and against the key performance indicators and targets set in terms of paragraphs (a) and (b)—</p> <p>(i) monitor performance; and</p> <p>(ii) measure and review performance at least once per year</p> <p>Per testing performed on the indicator: Number of water schemes maintained 100% adherence to maintenance plan the below was noted :</p> <p>The information included on</p>					
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				<p>the O&M report is not in line with the approved maintenance plan and we therefore could not rely and audit the information on the O&M reports as it does not meet the objective of the indicator being 100% adherence to the maintenance plan. The cause of the above issue is an inadequate independent reviews of the annual performance report (APR) before they are</p>					
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					submitted for audit.									
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13	COAF 15	BTO	Financial	SCM	<p>SCM -No resolution by council for deviations Audit Finding</p> <p>In terms of section 74 (1) of the MFMA, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed</p>	<p>Financial and performance management:</p> <p>Compliance with applicable laws and regulations was not reviewed and monitored</p>	<p>This finding will result in Non-compliance with Section 36 of Municipal Supply Chain Management Regulation</p>	<p>Management should ensure that deviation processes are followed when it is impractical to follow quotation processes so as not to disadvantage other bidders with the expertise to provide the service</p>	<p>Preventative Measures : All deviations must be recommended by the SCM office, who will record the deviation and prepare a report thereof.</p> <p>Detective Measures: All deviations must be recommended by the SCM office, who will record the deviation and prepare a report thereof.</p> <p>.....</p> <p>.....</p> <p>Corrective Measures:</p> <p>.....Deviations will be submitted to the Council and Council Committees monthly; when available.</p>	31-Jan-20	Assistant Manager: SCM	CFO
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					or as may be required. Section 36 of Municipal Supply Chain Management Regulation page 18 state deviation from, and ratification of minor breaches of, procurement processes.(2) the Accounting officer must record the reasons for any deviations in terms of sub-regulation (1)(a) and (b)and report them to the next council meeting, or board of									
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					<p>directors in the case of municipality and also include a note in the financial statements.</p> <p>2. The minutes of council resolution for the following deviations were not submitted:</p> <p>i) THOMPSON COMMERCIAL VEHICLES - R113 513,59</p> <p>ii) NMI MERCEDEZ BANZ - R130 257,90</p> <p>iii) DODOP Security - R137 222</p>								
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14	COAF 15	BTO	Compliance	SCM	<p>SCM - Deviations not reported to the council meetings Audit Finding</p> <p>In terms of section 74 (1) of the MFMA, the accounting officer of a municipality must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be</p>	<p>Financial and performance management:</p> <p>Compliance with applicable laws and regulations was not reviewed and monitored</p>	<p>This finding will result in Non-compliance with Section 36 of Municipal Supply Chain Management Regulation.</p>	<p>Management should ensure that deviation processes are followed when it is impractical to follow quotation processes so as not to disadvantage other bidders with the expertise to provide the service.</p>	<p>Preventative Measures : All deviations must be recommended by the SCM office, who will record the deviation and prepare a report thereof.</p> <p>Detective Measures: All deviations must be recommended by the SCM office, who will record the deviation and prepare a report thereof.</p> <p>.....</p> <p>.....</p> <p>Corrective Measures:</p> <p>.....Deviations will be submitted to the Council and Council Committees monthly; when available.</p>	31-Jan-20	Assistant Manager: SCM	CFO	
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					prescribed or as may be required. Section 36 of Municipal Supply Chain Management Regulation page 18 state deviation from, and ratification of minor breaches of, procurement processes.(2) the Accounting officer must record the reasons for any deviations in terms of subregulation (1)(a) and (b)and report them to the next council meeting, or									
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					<p>board of directors in the case of municipality and also include a note in ythe financial statements.</p> <p>The deviation relating to SABC amounting to R287 500 was not reported to the municipal council. The cause of the finding is due to lack of managemen t oversight in ensuring that the all procureme nt processes are followed.</p>									
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15	COAF 15	IDMS / BTO	Compl iance	Incom e	<p>Indigents on the register who are not supposed to be on the register</p> <p>Audit Finding</p> <p>According to the Indigent Assistance Policy the following are the eligible applicants for indigent support:</p> <ol style="list-style-type: none"> 1. Indigent households who have income that is less than the prescribed threshold. 2. Household owners who depend on pensions or social grants for their 	<p>Financial and Performance Management</p> <p>Review and monitor compliance with applicable laws and regulations</p>	<p>Non-compliance of the Indigents Assistance Policy and a limitation of scope for Revenue and Receivables.</p>	<p>Management should have policies and procedures to ensure that the indigent register is scrutinized for any errors or members who no longer meet the criteria to be on the register. Management should remove any indigents who are not supposed to be on the register and start billing them for services they receive which are</p>	<p>Preventative Measures</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Detective Measures:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Corrective Measures:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>		Senior Manag er: IDMS		
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				<p>livelihood. 3. Household owners temporarily without income 4. Child Headed Households 5. Old citizens of the municipality , regardless of their monthly income. According to section 10 of the policy, should a property or account holder no longer qualify to be Indigent, such person will forfeit their status as a registered indigent with immediate effect and will</p>		<p>provided by municipality.</p>				
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thereafter
be treated
as an
ordinary
residential
property
owner or
account
holder for
the
financial
year
concerned.

The
Indigent
register
was subject
to the
application
of computer
assisted
audit
techniques
(CAATs) in
order to
identify
possible
exceptions.
Nine
different
tests were
conducted
and there
were
exceptions
noted in
eight of the
nine test

categories.
Please refer to Annexure A for the exceptions.

The following are causes of the exceptions noted.

1. There were indigents with no ID Numbers
2. There were deceased indigents still on the register
3. There were indigents with Invalid ID numbers
4. There were indigents on the register who are employed by government
5. Indigents

				<p>that have an interest in suppliers of governments and/or municipalities.</p> <p>6. Indigents with an ID Number duplicated on the indigent register.</p> <p>7. Indigents younger than 16 years.</p> <p>8. Spouses of indigents in the employment of one or another government department organisation.</p> <p>9. Spouses of indigents that has an interest of government and/or municipalities.</p>						
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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 0				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
DBSA Loan	Municipal Building	No Conditions Attached		

* Loans/Grants - whether in cash or in kind

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APPENDIX U – ANDM ANNUAL PERFORMANCE REPORT

The Annual Performance Report is attached as part of the annual report of the Agency.

APPENDIX V – AUDITOR GENERAL'S AUDIT REPORT

The Audit Report is Attached.

APPENDIX W – ALFRED NZO DEVELOPMENT AGENCY ANNUAL REPORT

The Annual Report of ANDA is attached.

Annual Financial Statements (AFS) to the respective financial year as audited by the Auditor-General. Attached.

BTO Department

END USER	NAME OF SERVICE PROVIDER	TYPE OF SERVICE	DURATION	ASSESSMENT OF SERVICE PROVIDER	CHALLENGES	CORRECTIVE MEASURES	COMMENTS
K. SIBUTA	FNB	BANK ACCOUNT SERVICES	5 YEARS	Doing Well	None	None	none
CFO	LATERAL UNISON INSURANCE BROKERS (PTY) LTD	PROVISIONING OF SHORT TERM INSURANCE	3 YEARS	Doing Well	None	None	none
T MAZWANE	MAFULO INVESTMENTS 6 (PTY) LTD	PROPERTY LEASE AGREEMENT	10 YEARS	Doing Well	None	None	none
T MAZWANE	BLACK STONE PROPERTIES 55 CC	PROPERTY LEASE AGREEMENT	5 YEARS	Doing Well	None	None	none
CFO	GADALANI TRADING ENTERPRISE CC	SUPPLY AND DELIVERY OF STATIONERY	2 YEARS	Done very well	None	None	None
CFO	HEED SA(PTY) LTD	SUPPLY AND DELIVERY OF STATIONERY	2 YEARS	Done well	Late delivery	yes	None
K. SIBUTA	ZENZO TRADING AND PROJECTS (PTY) LTD	VAT REVIEW,ASSESSMENT, COMPLIANCE AND RECOVERY FOR ANDM	2 YEARS	Doing Well	None	None	None
T MAZWANE	UTILITIES WORLD (PTY)LTD	PREPAID WATER VENDING SYSTEM	2 YEARS	Doing Well	None	None	None

S Khuzo	THEKWINI TOYOTA	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	DERICKS ENGINEERING	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	TYRES & MORE KOKSTAD	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	CAPITAL PANEL BEATERS	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	JOHNSON DELTA	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	ISUZU TRUCKS PORT SHEPSTONE	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	IAN DICKIE & CO (PTY) LTD	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	THOMPSON MOTORS	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	IVECO	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None

S Khuzo	MORTIMERS TOYOTA	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
S Khuzo	TFM	REPAIRS & MAINTENANCE OF ANDM VEHICLES	3 YEARS	Doing Well	None	None	None
CFO	BONAKUDE CONSULTING (PTY) LTD	REVENUE ENHANCEMENT PHASE1	24 Months	Doing Well	None	None	None
S Khuzo	BONAKUDE CONSULTING (PTY) LTD	UPDATE OF THE INFRASTRUCTURE FIXED ASSETS REGISTER	3 YEARS	Doing Well	None	None	None
A.NQAKWAN A	QHOLLO CIVILS	CONSSTRUCTION OF MOUNT FRERE STORES	8 MONTHS	Doing Well	None	None	None

CPS Department

END USER	NAME OF SERVICE PROVIDER	TYPE OF SERVICE	DURATION	ASSESSMENT OF SERVICE	CHALLENGES	CORRECTIVE MEASURES	COMMENTS

ICT/ LUVALO	MS	ITNA	SOFTWARE LICENSING & MAINTENACNE (DISASTER RECOVERY)	3 YEARS, RENEWABLE	Doing very well	None	None	None
MR MATIWANE	L	DLS SECURITY SERVICES	SECURITY SERVICES (NTABANKULU)	24 MONTHS	Doing very well	None	None	None
MR MATIWANE	L	DODOP SECURITY SERVICES	SECURITY SERVICES (MOUNT FRERE SITES)	24 MONTHS	Doing very well	None	None	None
MR MATIWANE	L	UYABONWA SECURITY SERVICES	SECURITY SERVICES (MBIZANA SITES)	24 MONTHS	Doing very well	None	None	None
MR MATIWANE	L	PHIKO SECURITY SERVICES	SECURITY SERVICES (MOUNT AYLIFF SITES)	24 MONTHS	Doing very well	None	None	None
ICT/ LUVALO	MS	ITNA	VMWARE (DISASTER RECOVERY)	3 YEARS, RENEWABLE	Doing very well	None	None	None

ICT/ LUVALO	MS	ITNA	MIMECAST MANAGEMENT SERVICE (DISASTER RECOVERY)	3 YEARS, RENEWABLE	Doing very well	None	None	None
ICT/ LUVALO	MS	ITNA	BACKUP SOLUTION (DISASTER RECOVERY)	3 YEARS, RENEWABLE	Doing very well	None	None	None
ICT/ LUVALO	MS	ITNA	ELECTRONIC EMAIL MANAGEMENT (DISASTER RECOVERY)	3 YEARS, RENEWABLE	Doing very well	None	None	None
L .MATIWANE	Ikhaya Consulting	Trainig	Certifce Municipal Financial Management	in 15 months	Did it well	None	None	None
S MAMBAFULA	ALOE OFFICE & BUSINESS EQUIPMENT/GENBIZ TRADING 1001		PRINTING SOLUTION EQUIPMENT	2 YEARS	doing well	none	None	More printing machines are required
S MAMBAFULA	INTRA TRADE	AFRICA	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING	3 MONTHS	Doing well	None	None	None

Z.NTLANGULA	KC AND SC SON TRADING ENTERPRISE	ESTABLISHMENT OF ICT COMMUNITY CENTRE AT NOPHOYI	1 MONTH	Did it well	NONE	NONE	contract ended
T.GAGELA	KC AND SC SON TRADING ENTERPRISE	ICT HARDWARE EQUIPMENT	12 MONTHS	Doing very well	NONE	None	None

LED Department

END USER	NAME OF SERVICE PROVIDE	TYPE OF SERVICE	DURATION	ASSESSMENT OF SERVICE	CHALLENGES	CORRECTIVE MEASURES	COMMENTS
N.MAFUNDA	MBALI RURAL DEVELOPERS JV KAAZI INVESTMENTS	AGRI-PARK DEVELOPMENT PROGRAMME	3 Years	GOOD	NONE	NONE	NONE
N.MAFUNDA	OCEANECON CONSULTING (PTY) LTD	COASTAL ECONOMY SSECTOR PLAN	6 MONTHS	GOOD	NONE	NONE	NONE
N.MAFUNDA	MVIMBELI GIS MAPPING SERVICES	GIS AGRICULTURAL ACTIVITIES DATA CAPTURER:AGRI-PARK MAPPING	4 MONTHS	GOOD	NONE	NONE	NONE

IDMS Department

WSA/MR E DZIDE	MBSA CONSULTING ENGINEERS	DISTRICT INTEGRATED TRANSPORT PLAN (DITP)	7 MONTHS	Doing very well	None	None	Project Completed
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WSA/MR E DZIDE	ENGINEERING ADVICE AND SERVICES (PTY)	RURAL ROAD GRANT (PRAMS)	Ongoing	Doing very well	None	None	PSP not being paid on time
WSA/Ms Khathali	Gibb PTY Ltd	Water safety plan	08 Months				Expired
Assistant WSP Manager: Matatiele LM	Novubu Construction	Repairs and Maintenance of Water & Sanitation Infrastructure schemes - Matatiele	3 years	Performed very well	None	None	Contract expired in November 2019 and new contract in place.
Assistant WSP Manager: Mbizana LM	Step cc Specialist Technologist & Project Managers cc	Refurbishment and Replacement of Water Infrastructure - Mbizana	6 months	The contractor performed fairly well	There were challenges with the payment of casual workers but was and that delayed project completion.	Contractors to ensure that they have cashflows in order to be able to pay the workers on time.	Contract was completed in 2017
Assistant WSP Manager: Ntabankulu LM	MSB Ultra Clean	Refurbishment and Replacement of Water Infrastructure - Ntabankulu	6 months	The contractor performed fairly well	None	None	Contract was completed in 2017
WSA/MR E DZIDE	MAISHA DEVELOPMENT ENGINEERS	DETAILED FEASIBILITY FOR UMZIMVUBU WARD 3 AND 17	Ongoing	Doing very well	None	None	More budget be allocated to the project to speed up process
WSA/MR E DZIDE	KAGO CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR NTABANKULU WARD 3 AND 4 (STAGE TWO)	Ongoing	Doing very well	None	None	Technical report submitted to DWS waiting for recommendation letter

WSA/MR E DZIDE	REFLECTIVE THINKING (PTY) LTD	DETAILED FEASIBILITY FOR MBIZANA WARD 11,14 AND 16 (STAGE TWO)	12 MONTH S	Doing very well	None	None	Technical report submitted to DWS waiting for recommendation letter
WSA/MR E DZIDE	MBSA CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR UMZIMVUBU WARDS 20 AND 21 (STAGE TWO)	12 MONTH S	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered
WSA/MR E DZIDE	DEEDSCON CONSULTANTS CC	DETAILED FEASIBILITY FOR NTABANKULU WARD 12 AND 14 (STAGE TWO)	Ongoing	Doing very well	None	None	More budget be allocated to the project to speed up process
WSA/MR E DZIDE	UMPISI CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR MBIZANA WARD 10,12,13 AND 15 (STAGE TWO)	6 MONTH S	Doing very well	None	None	Feasibility Study Completed
WSA/MR E DZIDE	HATCH GOBA	DETAILED FEASIBILITY FOR MBIZANA WARD 29 AND 30 (STAGE TWO)	Ongoing	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	Feasibility Study completed but cannot finalise the detailed designs due to non availability of funds
WSA/MR E DZIDE	IQHAWA CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR MATATIELE WARD 4 (STAGE TWO)	Ongoing	Doing very well	None	None	Feasibility study completed

WSA/MR E DZIDE	SOKHANI DEVELOPMENT AND CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR MBIZANA WARDS 21,23 AND 24 (STAGE TWO)	Ongoing	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	Feasibility Study completed but cannot finalise the detailed designs due to non availability of funds
WSA/MR E DZIDE	GABA CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR NTABANKULU WARD 1,5 AND 6 (STAGE TWO)	Ongoing	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered.Feasibility study completed
WSA/MR E DZIDE	GABA CONSULTING ENGINEERS	DETAILED FEASIBILITY FOR NTABANKULU WARD 1,5 AND 6 (STAGE TWO)	12 MONTH S	Doing very well	Doing very well	Doing very well	Doing very well
WSA/MR E DZIDE	IMBUMBA CONSULTANTS	DETAILED FEASIBILITY FOR NTABANKULU WARD 17 AND 18 (STAGE TWO)	Ongoing	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered.Feasibility study completed
WSA/MR E DZIDE	ZINZAME ENGINEERS	DETAILED FEASIBILITY FOR WATER TRATMENT	12 MONTH S	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered.Feasibility study completed
NTABANKULU LM PMU PROJECTS							
Mr. N. Bunge Acting	- UHAMBISO CONSULTANT	BOMVININ NYOKWENI W/S (Reticulation)	Ongoing	Doing very well	None	None	None
Mr. N. Bunge Acting	- MAGNACORP 485cc T/A K2S	BOMVININ NYOKWENI W/S (Reticulation)	9 Months	Doing well	None	None	None

Mr. Bunge Acting	N. -	Aurecon	Ntabankulu 471 RDP Sewer & Water Reticulation	Ongoing	Poor	The project is behind its program of works and funds have been exhausted in their management	Engineer to undertake sound contract management	None
Mr. Bunge Acting	N. -	SBM Engineering	Ntabankulu 471 RDP Sewer & Water Reticulation	8 Months	Doing well	None	None	None
Mr. Bunge Acting	N. -	Aurecon	Ntabankulu WWTW	Ongoing	Poor	The project is behind its program of works and funds have been exhausted in their management	Engineer to undertake sound contract management	None
Mr. Bunge Acting	N. -	Egxen Construction	Ntabankulu WWTW	6 months	Poor	Contractor is in Contractual dispute with the sub contractor and the client	Client to approach legal advice	Contractor is behind the program of works
Mr. Bunge Acting	N. -	DEEDSCON CONSULTANTS CC	Ntabankulu Ward 12	Ongoing	Doing Well	None	None	None
Mr. Bunge Acting	N. -	MAGNACORP 485cc T/A K2S	Ntabankulu Ward 12	11 Months	Doing well	None	None	None
Mr. Bunge Acting	N. -	DEEDSCON CONSULTANTS CC	Ntabankulu Ward 14	Ongoing	Doing well	None	None	None

Acting								
Mr. Bunge Acting	N. -	LUPHAWU TRADING (PTY) LTD	Ntabankulu Ward 14	9 Months	Doing well	None	None	None
Mr. Bunge Acting	N. -	GILGAL DEVELOPMENT ENGINEERS	Ntabankulu WSIG	3 years	Doing well	None	None	None
Mr. Bunge Acting	N. -	SIVUYASONKE (PTY) LTD	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 6	3 MONTHS	Did well	None	None	Contract ended
Mr. Bunge Acting	N. -	ATS CIVILS AND TRADING	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 6	3 MONTHS	Did well	None	None	Contract ended
Mr. Bunge Acting	N. -	SLATSHA TRADING AND PROJECTS	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 6	3 MONTHS	Did well	None	None	Contract ended
Mr. Bunge Acting	N. -	GAMADZE TRADING AND PROJECTS	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 6	3 MONTHS	Did well	None	None	Contract ended
Mr. Bunge Acting	N. -	NOMABANDLA INVESTMENTS	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 6	3 MONTHS	Did well	None	None	Contract ended
Mr. Bunge Acting	N. -	ALUNGA CONSTRUCTION CC	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU	3 MONTHS	Did well	None	None	Contract ended

		WARD 5						
Mr. N. Bunge Acting	-	CHIC-CHAC BUSINESS ENTERPRISE	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 5	3 MONTHS	Did well	None	None	Contract ended
Mr. N. Bunge Acting	-	NKWALI AM TRADING (PTY) LTD	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 5	3 MONTHS	Did well	None	None	Contract ended
Mr. N. Bunge Acting	-	NKWALIZ GROUP (PTY) LTD	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 5	3 MONTHS	Did well	None	None	Contract ended
Mr. N. Bunge Acting	-	NKAMANGANA CONSTRUCTION	CONSTRUCTION OF 50 VIP TOILETS IN NTABANKULU WARD 5	3 MONTHS	Did well	None	None	Contract ended
MBIZANA LM PMU PROJECTS								
Mr. A. Mpepanduku - Acting		CAMDEKON ENGINEERS	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 2A, 2B,2C	Ongoing	Doing very well	None	None	None

Mr. A. Mpepanduku - Acting	BITLINE SA	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 2A	45 WEEKS	Doing well	None	None	None
Mr. A. Mpepanduku - Acting	BITLINE SA	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 2B	45 WEEKS	Doing well	None	None	None
Mr. A. Mpepanduku - Acting	LEBAKA	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 2C	45 WEEKS	Poor	Poor Performance	Letters have been written to the contractor	None
Mr. A. Mpepanduku - Acting	KARA SA	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 3A	12 MONTHS	Doing very well	None	None	None

	SZOKO	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 1C	Ongoing	Doing well	None	None	None
	RIHOBOTIE	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 1C	4 MONTHS	Doing Good	None	None	None
	SZOKO	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 1D	ON GOING	Doing Good	None	None	None
	BITLINE SA	GREATER MBIZANA WATER SUPPLY: BULK LINE, RESERVOIRS AND RETICULATION CONTRACT 1D	12 MONTHS	Doing well	None	None	None
Mr. A. Mpepanduku - Acting	Isilimela JV Isazo	UPGRADING OF MBIZANA TOWN SEWER	ON GOING	Doing well	None	None	None

Mr. A. Mpepanduku - Acting	NIK JV WATER & SANITATION	UPGRADING OF MBIZANA TOWN SEWER	36 MONTHS	Doing well	None	None	None
Mr. A. Mpepanduku - Acting	ZIINZAME ENGINEERS	MBIZANA WSIG	3 YEARS	Doing well	None	None	None
UMZIMVUBU LM PMU PROJECTS							
Ms F. Mpisane	LIHLE NATHI/BASEMAJOR JV	KWABHACA REGIONAL -SEC RAW WATER PIPELINE	36 MONTHS	Poor	Slow progress	Contractor to speed up the Works.	Contractor to speed up the Works.
Ms F. Mpisane	ML/PHUMI HD	KWABHACA REGIONAL -SEC RAW WATER PIPELINE	24 MONTHS	Poor	Slow progress	Contractor to speed up the Works.	Contractor to speed up the Works.
Ms F. Mpisane	MAISHA DEVELOPMENT ENGINEERS	KWABHACA REGIONAL -SEC RAW WATER PIPELINE	Ongoing	Poor	The project is behind its program of works	Engineer to undertake sound contract management	None
Ms F. Mpisane	IMBUMBA CONSULTANTS	CABAZANA WATER SUPPLY	Ongoing	Doing well	None	None	None
Ms F. Mpisane	IPM PLANT HIRE CC	CABAZANA WATER SUPPLY	12 MONTHS	Doing well	None	None	None
Ms F. Mpisane	CYCLE CIVILS	CABAZANA WATER SUPPLY	8 MONTHS	Doing Very well	None	None	None
Ms F. Mpisane	CNN DEVELOPMENT ENGINEERS	NTIBANE WATER SUPPLY SCHEME	Ongoing	Doing well	None	None	None
Ms F. Mpisane	SIBUSISIWE CONTRACTOR	NTIBANE WATER SUPPLY PHASE3	12 MONTHS	Doing very well	None	None	None
Ms F. Mpisane	LNP CONSTRUCTION	UMZIMVUBU WATER SUPPLY WARD 14	10 MONTHS	Poor	Contractor is very slow, is abandoning Works	Terminate contract.	Client to speed up the process of terminating

Ms F. Mpisane	JTN	UMZIMVUBU WSIG	3 YEARS	Doing well	None	None	None
MATATIELE LM PMU PROJECTS							
Mr Z. Qaba	BEACON ENGINEERS	MATATIELE WARD 15 WATER SUPPLY PROJECTS	Ongoing	Doing well	None	None	None
Mr Z. Qaba	AMADWALA	MATATIELE WARD 15 WATER SUPPLY PROJECTS	10 MONTHS	Doing well	None	None	None
Mr Z. Qaba	LUPHAWU TRADING (PTY) LTD	MATATIELE WARD 15 WATER SUPPLY PROJECTS	10 MONTHS	Doing well	None	None	Contractor just started
Mr Z. Qaba	GABA CONSULTING ENGINEERS	MATATIELE WARD 7 WATER SUPPLY PROJECTS	Ongoing	Poor	The project is behind its program of works and funds have been exhausted in their management	Engineer to undertake sound contract management	None
Mr Z. Qaba	LIHLE NATHI/BASEMAJOR JV	MATATIELE WARD 7 WATER SUPPLY PROJECTS	24 MONTHS	Very Poor	Contractor is very slow, is abandoning Works	Terminate contract.	Client to speed up the process of terminating
L GWALA	SIZO JV EMS	MT.AYLIFF PERI-URBAN	24 MONTHS	Doing very well	None	None	None
L GWALA	UMSO CONSTRUCTION (PTY) LTD	MT.AYLIFF WATER WASTE TREATMENT WORKS DESIGN, BULD AND OPERATE	36 MONTHS	Doing very well	None	None	None

Mr Z. Qaba	PMPZ CONSTRUCTION	RBIG MATATIELE	18 MONTHS	Poor	Contractor is slow	Avail Funding.	None
Mr Z. Qaba	BEACON ENGINEERS	THOLAMELA WATER SUPPLY	Ongoing	Doing well	None	None	None
Mr Z. Qaba	IMBUMBA CONSULTANTS	NTABANKULU WATER SUPPLY WARD 17 AND 18	12 MONTHS	Doing very well	No budget allocated for 2018/2019	PMU to allocate Budget	PSP not paid for services rendered. Feasibility study completed
Mr Z. Qaba	NCI CONSORTIUM	MATATIELE WARD 5 WATER SUPPLY PROJECT: EXTENSION OF SCOPE	Ongoing	Poor	The project is behind its program of works and funds have been exhausted in their management	Engineer to undertake sound contract management	None
Mr Z. Qaba	EGXENI CONTRACTORS	MATATIELE WARD 5 WATER SUPPLY PROJECT: EXTENSION OF SCOPE	10 MONTHS	Doing very well	None	None	None
Mr Z. Qaba	JAMJO CIVILS	FOBANE SUB REGIONAL WATER SUPPLY PHASE 2	14 MONTHS	Doing well	None	None	None
Mr Z. Qaba	UMPISI CONSULTING ENGINEERS	FOBANE SUB REGIONAL WATER SUPPLY PHASE 2	Ongoing	Doing well	None	None	None
Mr Z. Qaba	MNA	MATATIELE WARD 18 & 22 : SCHEME 5	Ongoing	Doing very well	None	None	None
Mr Z. Qaba	C.O. VALVES	MATATIELE WARD 18 & 22 : SCHEME 6	3 YEARS	Doing very well	None	None	None

Mr Z. Qaba	NOVUBU CONSTRUCTION	MATATIELE WARD 18 & 22 : SCHEME 7	3 YEARS	Doing very well	None	None	None
Mr Z. Qaba	C.O. VALVES	MATATIELE WARD 18 & 22 : SCHEME 8	3 years	Doing very well	None	None	None
Mr Z. Qaba	NOVUBU CONSTRUCTION	MATATIELE WARD 18 & 22 : SCHEME 9	3 YEARS	Doing very well	None	None	None
Mr Z. Qaba	AGES	MATATIELE WARD 18 & 22 : SCHEME 10	3 years	Doing very well	None	None	None
Mr Z. Qaba	AURECON- CONSULTANT	MATATIELE WARD 18 & 22 : SCHEME 11	4 MONTH S	Doing very well	None	None	None
Mr Z. Qaba	MABONA CIVIL	MATATIELE WARD 18 & 22 : SCHEME 5	8 MONTH S	Doing very well	None	None	None
Mr Z. Qaba	Masilakhe/ Olon JV	MATATIELE WSIG	3 YEARS	Doing well	None	None	None

