



ALFRED NZO

DISTRICT MUNICIPALITY

**Integrated Development Plan:
2021 – 2022 Financial Year**

“Each municipal council, within a prescribed period after the start of its elected term, must adopt a single, inclusive and strategic Integrated Development Plan...”

Core components of integrated development plans

According to *Section 26* of the *Local Government Municipal Systems Act, 2000*, an integrated development plan must reflect-

- a) The municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- b) An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- c) The council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- d) The council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;
- e) A spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;
- f) The council's operational strategies;
- g) Applicable disaster management plans;
- h) A financial plan, which must include a budget projection for at least the next three years; and
- i) The key performance indicators and performance targets determined in terms of section 41.

VISION

A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and soci-economic opportunities

MISSION

To be a responsive and capable institution that effectively delivers basic services and innovative development programmes with a strong orientation to rural development in Partnership with its communities and other social partners

STRATEGIC GOALS 2017-22

- 1. Inclusive Growth and Development**
- 2. Basic Services Delivery and Community Empowerment**
- 3. Effective Public Participation, Good Governance and Partnerships**
- 4. A capable and financially viable institution**

FORWORD OF THE EXECUTIVE MAYOR



It is with sense of great pleasure and humility that I, as Executive Mayor of Alfred Nzo District Municipality, stand to take this opportunity to thank everyone who carries the best interest of the people of Alfred Nzo District Municipality, for they gave us an opportunity to change their lives through service delivery and exercise good governance. In 2020/21 Financial Year, we have witnessed passing on of our dear brothers and sisters, fathers and mothers of Africa and the world, from Covid 19 pandemic. We will continue to remember and honour those who lost their lives, particularly, heroes and heroines who risked their lives in the line of duty to save our people from this dreadful Pandemic. We call upon our people to continue with maintenance of social distancing, wearing of mask and avoiding mass gatherings especially with eminent threat of the outbreak of third wave.

Impact of Covid 19 Pandemic conditions dictated reprioritisation and redirection of our resources something which has negatively affected spending patterns of our Municipality. As Alfred Nzo District Municipality, we have consistently celebrated achievement of Unqualified Audit Opinion Report from Auditor General since we resumed our responsibilities as councillors after election into the office. Now we are in the end of our term of office, consistently celebrating great news from AG report of **Unqualified Audit Opinion for 2019/2020 Financial Year Audit Opinion**. Already good news of **ANDA sustaining Unqualified Audit Opinion** has reverberated our walls and congratulatory messages are already pouring over ANDA Board, CEO and CFO, together with the Staff. In addition, the **Auditor General Clean Audit Report on Covid 19 Procurement** has

vindicated Municipality from widely spread allegations of fraud and corruption on Covid-19 Procurement. These significant historical improvements in financial spending and reporting are a clear reflection of stable institutions of governance which emanates from proper political leadership as translated into proper administration. As we make this reflection, we look back with pride as we approach the final phase of the current term of our political office, knowing it very well that, our achievements, coupled with commitment, loyalty and resilience, have brought us towards successful completion of our term of office with high note.

2021/21 IDP document express our continued commitment to deploy mechanisms that strengthen our oversight responsibilities to ensure good governance and sound financial management. In this regard, Municipal Public Accounts Committee (MPAC) and my office is constantly embarking on service delivery oversight and monitoring outreaches throughout the district to fulfil this commitment, and report its findings to the Council. All these affords as expressed in our IDP seek to fight poverty by radically reducing service delivery backlog emanating from our historical spatial planning disparities.

Best Wishes

Councillor, Sixolile Mehlomakhulu

Executive Mayor

1. Introduction and Background

1.1. Process plan document – how this IDP was drawn up

This IDP was drawn up in terms of an **IDP Process Plan** to ensure the proper management of the planning process. The ANDM IDP/PMS and Budget Process Plan 2020 – 2021 was adopted by Council on the 31st of August 2019.

This plan outlined:

- Structures to manage the planning process;
- How the public could participate and structures to ensure this participation;
- A time schedule for the planning process;
- Who is responsible for what; and
- How the process would be monitored.

At District Council level, a framework was developed in consultation with all our local municipalities. This ensured co-ordination, consultation and alignment between the district council and local municipalities. The framework also guides the development of an IDP process plan for each local municipality.

The process undertaken to produce this IDP consisted of 5 phases:

Phase 1: Analysis

During this phase information was collected on the existing conditions within the municipality. It focused on the types of problems faced by people in the area and the causes of these problems. Identified problems were assessed and prioritised. This phase allowed the municipality to provide:

- An assessment of the existing level of development
- Details on priority issues and problems and their causes
- Information on available resources

Phase 2: Strategies

During this phase, the municipality worked on finding solutions to the problems assessed in phase one.

This entailed:

- **Developing a vision**

The vision is a statement of the ideal situation the municipality would like to achieve in the long term once it has addressed the problems outlined in phase one. The following is an example of a vision statement:

“An economically vibrant municipality with citizens living in a secure, healthy and comfortable environment”

- **Defining development objectives**

Development objectives are clear statements of what the municipality intends to achieve in the medium term to deal with the problems outlined in phase one.

For example: *Provide access to clean water for all residents living in informal settlements*

Development strategies

Once the municipality worked out where it wanted to go and what we needed to do to get there, we worked out how to get there. Our development strategies are about finding the best way for the municipality to meet its development objectives. For example: *Co-operate with the Department of Water Affairs to provide one water stand pipe for every 20 households.*

- **Project identification**

Once we had identified the best methods to achieving our development objectives we went on to the identification of specific projects.

Phase 3: Projects

During this phase the municipality worked on the design and content of projects identified

during Phase 2. Clear details for each project had to be worked out in terms of:

- Who is going to benefit from the project?
- How much is it going to cost?
- How will it be funded?
- How long will it take to complete?
- Who is going to manage the project?

Clear targets were set and indicators worked out to measure performance as well as the impact of individual projects.

Phase 4: Integration

Once all projects had been identified, the municipality checked again that they contributed to meeting the objectives outlined in Phase 2. These projects provide an overall picture of our development plans.

All the development plans now had to be integrated. In addition, the municipality has also drawn up strategies for issues like poverty alleviation and disaster management. These are integrated with the overall IDP.

Phase 5: Approval

The IDP is then presented to the council for consideration, adoption and public comment, before approval of a finalised IDP.

The IDP Review took into consideration the MEC comments that were raised in the 2017/18 IDP. It is also one way of implementing the Council Resolutions. The Council further, made an invitation via the media for members of the public to register their interests to participate as organized interest groups.

ANDM Community Survey

In preparation for its IDP Situational Analysis, the District Municipality further undertook a process of a survey and this exercise targeted Community Development Workers (CWDs). The following are the key issues and challenges that were captured from the survey:

- Lack of water
- Lack of funding for SMMEs

- Lack of clinics or health facilities
- Evidence of mud schools in some wards i.e. Tembeni J.S.S ward 10 Umzimvubu
- Need for ABET programme
- Evidence of households without adequate shelter
- Evidence of child headed households
- Evidence of people living with disability
- Evidence of households without access to water and sanitation

Consideration of MEC's (CoGTA) Comments for IDP Review 2019/20

As required in terms of Section 32 (a) of the Municipal Systems Act of 2000, ANDM submitted its adopted IDP as reviewed for 2019/20 to the MEC CoGTA. The District municipality further participated in the IDP Assessment process which was facilitated by the Office of the MEC and subsequently comments were obtained. The results are not yet available; however, in summary for IDP 2017/18, it was declared to be credible as it was rated high in accordance with the Department's rating criteria. 2020/21 results will be incorporated in April 2021. The overall assessment scorings are summarized below:

KPA	RATINGS 2015/16	RATINGS 2016/17	RATINGS 2017/18	RATINGS 2018/19	RATINGS 2019/20	RATINGS 2020/21
Spatial Development Framework	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Basic Service Delivery	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Financial Viability	HIGH	HIGH	MEDIUM	HIGH	HIGH	HIGH
Local Economic Development	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Good Governance & Public Participation	HIGH	HIGH	MEDIUM	HIGH	HIGH	HIGH
Institutional Arrangements	MEDIUM	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
OVERALL RATING	HIGH	HIGH	Medium	HIGH	HIGH	HIGH

2. National and Provincial Policy Context

Over the last few years there have been key changes in national and provincial policy that have reshaped the strategic environment. There is now a stronger commitment to ensuring

harmony and alignment between the three spheres of government. The National Development Plan Vision for 2030, and other key national and provincial strategies are seen as primary mechanisms through which this will be achieved. This IDP document has been developed on the basis of critical reflection on the following key policy documents.

2.1. National Development Plan (NDP) - Vision For 2030

The National Development Plan (NDP) offers a long-term perspective. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal.

As a long-term strategic plan, it serves four broad objectives:

- Providing overarching goals for what we want to achieve by 2030.
- Building consensus on the key obstacles to us achieving these goals and what needs to be done to overcome those obstacles.
- Providing a shared long-term strategic framework within which more detailed planning can take place in order to advance the long-term goals set out in the NDP.
- Creating a basis for making choices about how best to use limited resources.

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. The core elements of a decent standard of living identified in the Plan are:

- Housing, water, electricity and sanitation
- Safe and reliable public transport
- Quality education and skills development
- Safety and security
- Quality health care
- Social protection
- Employment
- Recreation and leisure
- Clean environment
- Adequate nutrition

The NDP aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. The NDP highlights the increasing levels of urbanisation with approximately 70% of the country's population expected to live in cities by 2030.

PROBLEM TO PLAN THE JOURNEY TO 2030

THE PROBLEM **TODAY**
POVERTY & INEQUALITY

THE PLAN **2030**
PROSPERITY & EQUITY



NDP targets by 2030 include the elimination of income poverty (i.e. reduce the proportion of households with a monthly income below R419 per person - in 2009 prices - from 39 percent to zero) and reduce the country's Gini coefficient from 0.69 to 0.6. In order to do this, a number of enabling milestones are detailed:

- Increase employment from 13 million in 2010 to 24 million in 2030.

- Raise per capita income from R50 000 in 2010 to R120 000 by 2030.
- Increase the share of national income of the bottom 40 percent from 6 percent to 10 percent.
- Establish a competitive base of infrastructure, human resources and regulatory frameworks.
- Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
- Broaden ownership of assets to historically disadvantaged groups.
- Increase the quality of education so that all children have at least two years of preschool education and all children in Grade 3 can read and write.
- Provide affordable access to quality health care while promoting health and wellbeing.
- Establish effective, safe and affordable public transport.
- Produce sufficient energy to support industry at competitive prices, ensuring access for poor households, while reducing carbon emissions per unit of power by about one-third.
- Ensure that all South Africans have access to clean running water in their homes.
- Make high-speed broadband internet universally available at competitive prices.
- Realise a food trade surplus, with one-third produced by small-scale farmers or households.
- Ensure household food and nutrition security.
- Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
- Realise a developmental, capable and ethical state that treats citizens with dignity.
- Ensure that all people live safely, with an independent and fair criminal justice system.
- Broaden social cohesion and unity while redressing the inequities of the past.
- Play a leading role in continental development, economic integration and human rights.

Critical actions that may affect ANDM include the need for a strategy to address poverty through broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes. Investment should be increased in labour-intensive areas.

2.2. National Government's Outcomes - Role of Local Government

National Government has agreed on 14 outcomes which have been expanded into high-level outputs and activities. These in turn form the basis of a series of performance agreements between the President and relevant ministers.

All of the outcomes can to some extent be supported through the work of local government, but Outcome 9 (A responsive, accountable, effective and efficient local government system) is particularly important. ANDM aims to comply with the following 14 outcomes by taking them into consideration in this IDP process:

- Improve the quality of basic education;
- Improve health and life expectancy;
- All people in South Africa protected and feel safe;

- Decent employment through inclusive growth;
- A skilled and capable workforce to support inclusive growth;
- An efficient, competitive and responsive economic infrastructure network;
- Vibrant, equitable and sustainable rural communities and food security;
- Sustainable human settlements and improved quality of household life;
- A responsive, accountable, effective and efficient local government system;
- Protection and enhancement of environmental assets and natural resources;
- A better South Africa, a better and safer Africa and world;
- A development-orientated public service and inclusive citizenship;
- An inclusive and responsive social protection system;
- A diverse, socially cohesive society with a common national identity.

2.3. Medium-Term Strategic Framework (MTSF) 2014-19

The central focus of the 2014-2019 MTSF is on ensuring sustainable and reliable access to basic services, particularly in weaker municipalities which have the highest unmet demand for basic services.

The NDP proposes that by 2030 the proportion of people with access to the electricity grid should rise to at least 90%, with non-grid options available for the remainder of households. Full access to affordable and reliable water and sanitation is envisaged before 2030. Where municipalities lack technical capacity, regional utilities or alternative institutional mechanisms should be used so that basic services are not compromised. Key targets for the MTSF include:

- Increase in the percentage of households with access to a functional water service from 85% in 2013 to 90% by 2019.
- Increase in the percentage of households with access to a functional sanitation service from 84% in 2013 to 90% by 2019, including elimination of bucket sanitation in the formal areas.
- 1.4 million Additional households to be connected to the grid between 2014 and 2019, and 105 000 additional non-grid connections.
- Income support to the unemployed through expansion of the Community Work Programme to reach 1 million participants in 2019.
- An increase in the level of public trust and confidence in local government from 51% in 2012 to 65% in 2019, as measured by the IPSOS survey.
- An improvement in overall municipal audit outcomes, with at least 75% of municipalities receiving unqualified audits by 2019.

Some of the targets that should be realised by 2030 are summarised below:

Infrastructure development
South Africa's infrastructure is seeing a major boost with the upgrading of major roads and the building of power stations

Dams are receiving priority from government, while rail infrastructure has not been left behind, with the Gautrain linking OR Tambo International Airport with the two major cities in Gauteng (Johannesburg and Pretoria).

The Passenger Rail Agency of South Africa is also introducing a new fleet of trains. About 3 600 trains, valued at R51 billion are expected to be delivered over a 10-year period from 2015.

Job creation

The NDP suggests the creation of 11 million jobs, increased infrastructure development, using mineral resources to benefit everyone while at the same time making sure that such resources can be used in the long-term.

Improving Education and Training

For South Africa to realise Vision 2030, education should take a central role. A lot of work has been done in ensuring that access to education is improved and more still needs to be done.

The NDP sets out what should be done in the next years to ensure that the country achieves its goals. Among others, there should be an increase in teacher training output by expanding the bursary scheme "Funza Lushaka", which means to educate the nation, to attract learners into teaching, especially those with good passes in maths, science and languages.

Teachers should also be regularly tested in the subjects they teach to determine their level of knowledge and competence, while teacher pay should be linked to learner

Quality Health Care

At the centre of achieving all the plans of a thriving nation is a healthy nation. The NDP sets out what should be done to ensure quality health care for all South Africans. Coverage of anti-retroviral treatment to all HIV-positive people should be increased.

Community specialists should be trained in medicine, surgery including anaesthetics, obstetrics, paediatrics and psychiatry, while between 700 000 and 1,3 million community health workers should be recruited, trained and deployed to implement community-based health care.

Working Together

The NDP is a plan for the whole country. Government will engage with all sectors to understand how they are contributing to implementation, and particularly to identify any obstacles to them fulfilling their role effectively.

The NDP sets out ambitious goals for poverty reduction, economic growth, economic transformation and job creation. The private sector has a major role to play in achieving these objectives.

Long-term planning and investment in the future is just as important for the private as the public sector. Government is clearly stating its commitment to the NDP, and it is important that the private sector does the same.

Where the private sector faces obstacles, sectoral dialogues will take place to identify how these obstacles can be addressed within the parameters laid out by the NDP.

Citizen participation in local government processes will continue to be promoted. Cooperative governance arrangements will be strengthened to better support and empower municipalities. A long-term approach will be taken to skills development and capacity building for the local government sector. Institutional problems will be addressed to improve the quality of municipal administrative and management practices including human resources and recruitment practices, supply chain and financial management, and anticorruption initiatives.

2.4. Back to Basics Local Government Programme

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialise. Our goal is to improve the functioning of municipalities to better serve communities by getting the basics right. The Department of Cooperative Governance is tasked to build and strengthen the capability and accountability of municipalities.

The Building Blocks for the Back-to-Basics approach are:

Basic services: Creating decent living conditions Municipalities must:

Develop fundable consolidated infrastructure plans. They should ensure infrastructure maintenance and repairs to reduce losses with respect to:

- Water and sanitation.
- Human Settlements.
- Electricity.
- Waste Management.
- Roads.
- Public Transportation.
- Ensure the provision of Free Basic Services and the maintenance of Indigent register.

Good governance

Good governance is at the heart of the effective functioning of municipalities. Municipalities will be constantly monitored and evaluated on their ability to carry out the following basics:

- The holding of Council meetings as legislated.
- The functionality of oversight structures, S79 committees, audit committees and District IGR Forums.
- Whether or not there has been progress following interventions over the last 3 – 5 years:
 - The existence and efficiency of anti-corruption measures.
 - The extent to which there is compliance with legislation and the enforcement of by- laws.
 - The rate of service delivery protests and approaches to address them.

Public participation

Measures will be taken to ensure that municipalities engage with their communities. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

- The existence of the required number of functional Ward committees.
- The number of effective public participation programmes conducted by Councils.
- The regularity of community satisfaction surveys carried out.

Financial management

Sound financial management is integral to the success of local government. Performance against the following basic indicators will be constantly assessed:

- The number of disclaimers in the last three to five years.
- Whether the budgets are realistic and based on cash available.
- The percentage revenue collected.
- The extent to which debt is serviced.
- The efficiency and functionality of supply chain management.

Institutional capacity

There has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building will be provided for councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed through bursary and training programmes. The basic requirements to be monitored include:

- Ensuring that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified persons.
- That the municipal organograms are realistic, underpinned by a service delivery model and affordable.
- That there are implementable human resources development and management programmes.
- There are sustained platforms to engage organised labour to minimise disputes and disruptions.
- Importance of establishing resilient systems such as billing.

2.5. The Eastern Cape Provincial Development Plan

Based on the National Development Plan (NDP), the Provincial Development Plan (PDP) seeks to outline a development path for the province. Vision 2030 sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and Development Plan (PGDP) of 2004-2014. The plan proposes key programmes and projects for implementation up to 2030 and suggests arrangements for implementation of the plan, tracking and accountability.

The diagnostic phase centred on the nine key challenges identified by the National Planning Commission's *Diagnostic Report*. Many of these challenges reflect the multi-generational underdevelopment and alienation that is both a legacy of our colonial / apartheid past and a neo-colonial present that focuses on the comforts of a few rather than a concern for the well-being of the many. At the root of South Africa's and the province's developmental struggle is the structural legacy of under-development and deprivation inherited from colonialism and apartheid - the dispossession of land and property, the disruption of families and social institutions, the undermining of opportunities for the majority of the population, the disruption of organic intellectualism and self-determination, and a systematic destruction of self-worth that is replicated across generations for the majority of citizens.

The key challenges highlighted in the NDP and the PDP are:

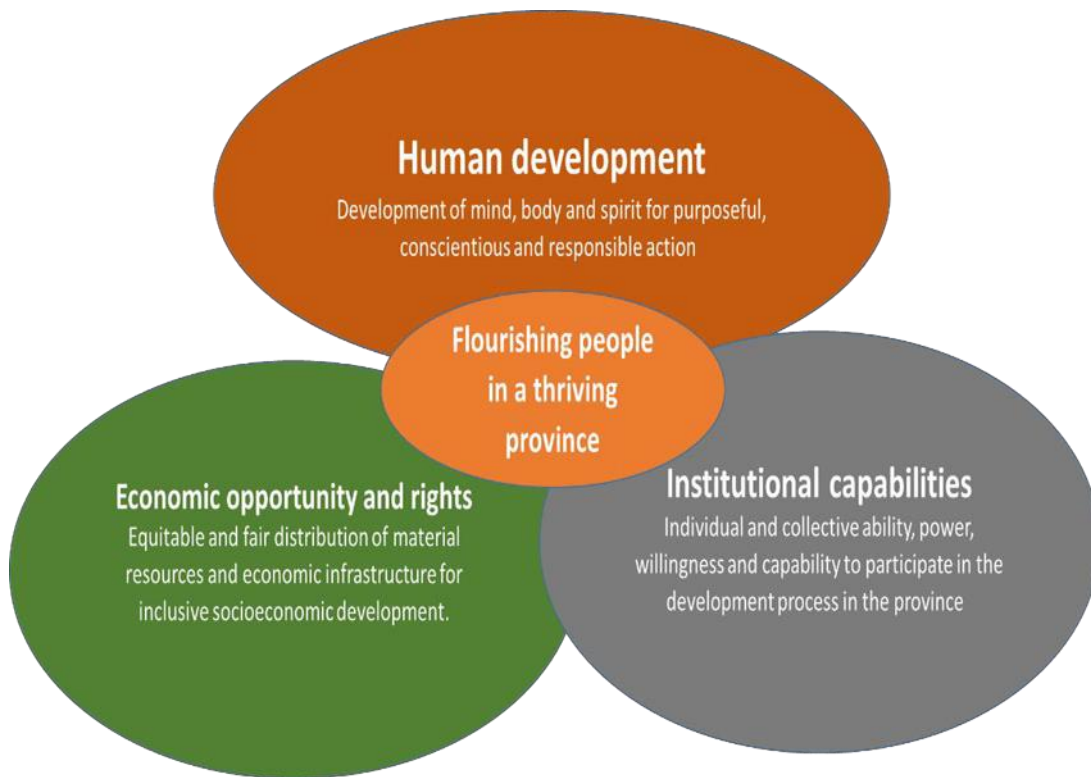
- Too few people work.
- The standard of education for most black learners is poor.
- Infrastructure is poorly located, under-maintained and insufficient for fostering higher growth and spatial transformation.
- Spatial patterns exclude the poor from the fruits of development.
- The economy is overly and unsustainably resource intensive.
- A widespread disease burden is compounded by a failing public health system.
- Public services are uneven and often of poor quality.
- Corruption is widespread.
- South Africa remains a divided society.

Unemployment in the former Bantustan areas is much higher than the rest of the province. A basic services index, constructed using Census 2011 data, provides scores for RDP level access to water and sanitation, as well as the use of electricity for lighting. The areas that make up the OR Tambo and Alfred Nzo districts show very low access in the majority of wards. The NDP characterises these areas of deprivation as "poverty traps" to be eliminated by 2050.

PDP Vision and conceptual framework

The 2030 vision for the Eastern Cape is of "flourishing people in a thriving province". This vision will be achieved by development in each of three areas of focus, namely: (i) *human*

development, (ii) *economic opportunity and rights* and (iii) *institutional capabilities*. The PDP seeks to achieve “human flourishing and a thriving province” through strengthening the positive interactions between human, economic and institutional development. The framework is illustrated below.



Principles and assumptions of the PDP

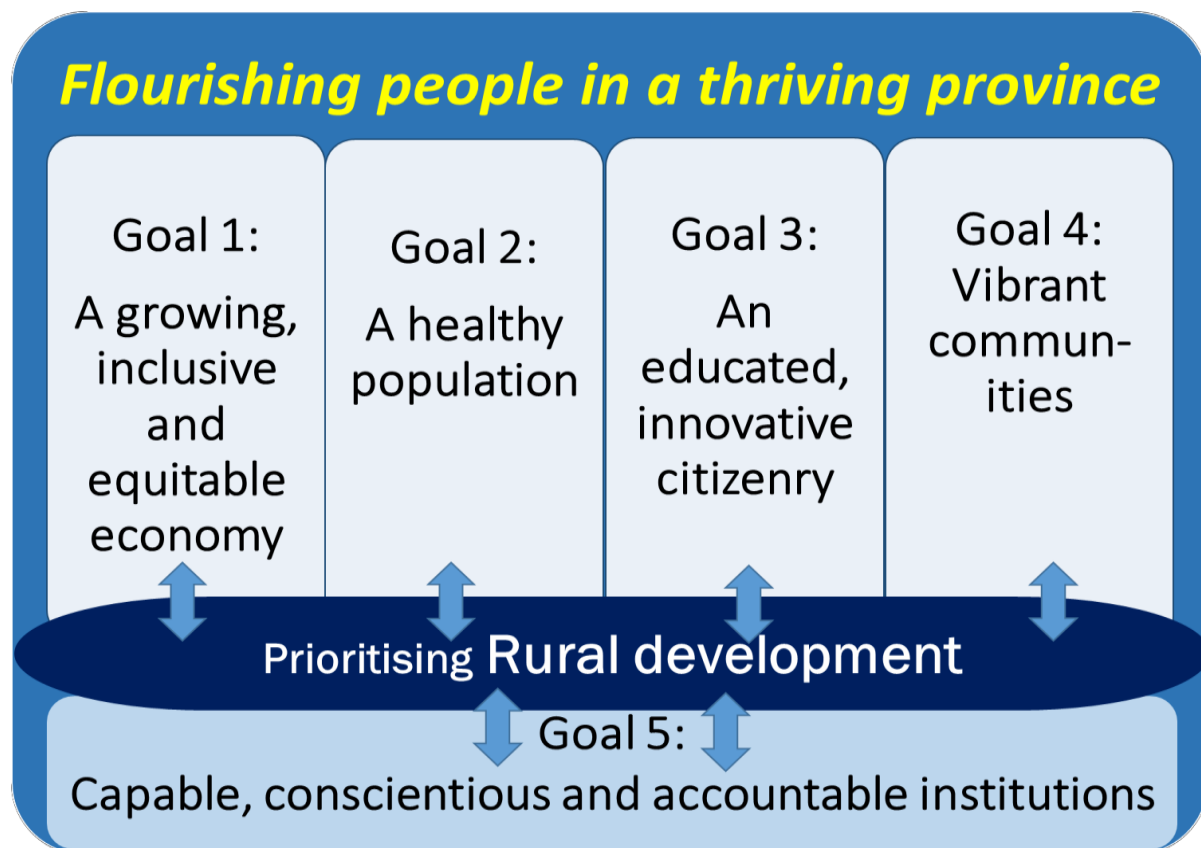
The provincial plan starts from the premise that key structural features hobble the provincial economy and social progress. The plan therefore strives for social and economic justice. It places particular emphasis on transforming the apartheid spatial geography. The plan promotes cultural development, inclusion and respect for diversity. It further encourages citizen participation and co-responsibility for development. It promotes ethical, integrated multi-agent action predicated on relative strengths of institutional partners. This is not a plan for government alone, but for the entire province. Accountability is one of the most important principles of the plan – and must be the basis for renewed social partnerships. The plan and its proposals should be based on objective evidence and critical deliberation.

Vision 2030 is a strategic plan for the province rather than a detailed master plan. The plan outlines strategic departures from current practice and identifies “game-changers” to set the province on a necessarily different development path. However, the plan also argues for

continuation and strengthening of current practice in some areas. The focus of the plan is on issues of implementation and execution. Hence it proposes new instruments to be designed, where budgets must be aligned and institutional capabilities re-modelled to implement the plan. Vision 2030 has put more emphasis on planning among strategic partners (government structures, enterprises, communities, civil society organisations etc.) and locating agency for implementation outside of the state. The plan proposes spatially targeted interventions.

To set the Eastern Cape on a new development trajectory, the plan is organised around five goals:

Goal 1: A growing, inclusive and equitable economy



This

goal emphasises a larger and more efficient provincial economy, more employment, and reduced inequalities of income and wealth. This proposals deal with: rural development; economic infrastructure; land reform; industry and enterprise support; and economic sector development. Proposals for priorities and interventions are district-specific.

Goal 2: A healthy population

This goal targets a healthy population through an improved healthcare system. The system should move from being hospital-centric to focusing on a primary care system that is integrated across primary, secondary, and tertiary levels. The proposals deal with: primary health care and

strengthening of district health systems; improvement of leadership across the sector; infrastructure and facility improvement; health workforce planning and the social determinants of health.

Goal 3: *An educated, innovative citizenry*

This goal seeks to ensure that people are empowered to define their identity, are capable of sustaining their livelihoods, living healthy lives and raising healthy families, developing a just society and economy, and playing an effective role in the politics and governance of their communities. The proposals deal with: access to and quality of early childhood development; basic education and training, including foundation phase literacy and numeracy, mother- tongue education, teacher development, improved leadership, management and governance and infrastructure. For the post school education and training sector, it addresses adult education and training, community colleges, technical and vocational education training, universities as well as research and innovation.

Goal 4: *Vibrant communities*

This goal seeks to generate a shift from a focus on state-driven housing delivery to one that enables people to make own decisions, build their own liveable places and transform spatial patterns. The proposals deal with transformed human settlements, spatial planning and land use management, regional development, social infrastructure and community safety.

Goal 5: *Capable, conscientious and accountable institutions*

This goal seeks to build capable, resilient and accountable institutions to champion rapid inclusive development. The proposals deal with the creation of capable provincial and local government; leadership renewal across society; citizen-centred development and multi- agency partnerships.

Achievement of the vision is impossible without concurrent, systemic and continuous interaction between an inclusive and equitable economy, a healthy population, an educated, innovative citizenry, vibrant communities and capable, conscientious and accountable institutions. There are complex interrelations between the goals, as well as the objectives and strategic actions proposed in this plan.

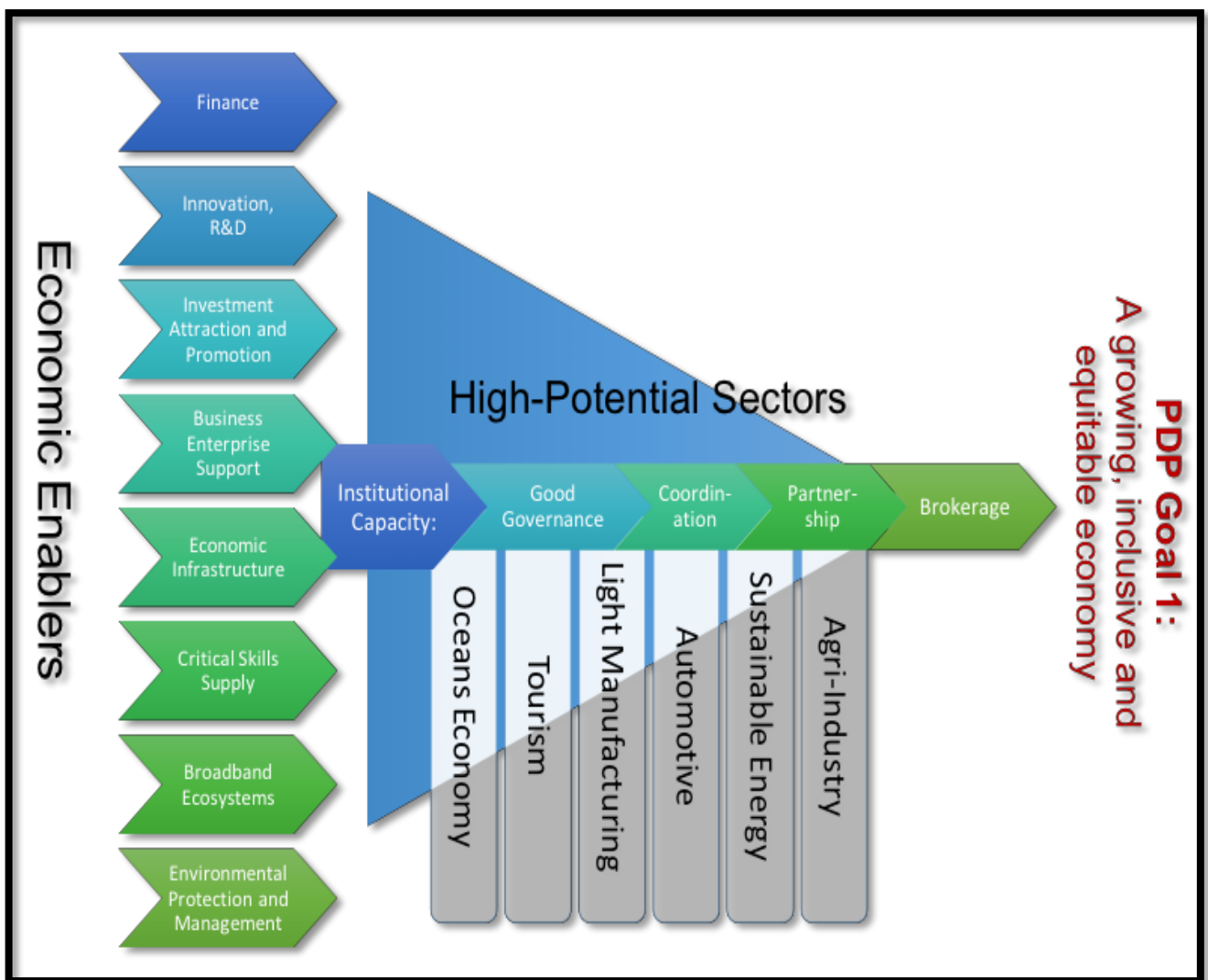
Prioritising rural development

Given that over 70% of the population is rural, the fortunes of the province are inherently bound up with the future of its rural areas. While urbanisation is an undeniable trend, we estimate that the majority of the population will still be outside of the metropolitan areas in 2030. The Eastern

Cape is set to remain a rural province for the foreseeable future and this situation demands appropriate development and support measures. Therefore rural development is a key priority and has been integrated into all the goal areas.

2.6. EC Provincial Economic Development Strategy (PEDS) Strategic Framework

The diagram below synthesises neatly the framework for the strategy. The Economic Goal and Objectives of the PEDS is built upon the growth pillars of six 'high-potential sectors' and eight 'economic enablers'. All of these hinge critically upon institutional capacity – this is elaborated on below in “making the strategy work”.



2.7. Eastern Cape Infrastructure Plan 2030 (ECIP)

The overall purpose of the Eastern Cape Infrastructure Plan (ECIP) is to articulate the infrastructure priorities for the province between 2016 and 2030 and outline key

programmes and interventions.

In addition to this the ECIP:

- Supports the realisation of the Eastern Cape development priorities that are in the National Development Plan and the Eastern Cape Development Plan
- Complements the National Infrastructure Plan (2012) in the Eastern Cape
- Aims to derive more value from the large public expenditures on infrastructure assets through improved infrastructure planning and infrastructure delivery management.

Major infrastructure challenges in the province include:

- Spatial inequalities of infrastructure provision inherited from our colonial and apartheid history.
- Social infrastructure backlogs still persist especially in the eastern part of the Eastern Cape
- Disconnect between the economic development strategy of the Eastern Cape and the infrastructure programme
- Absence of central planning of infrastructure in the EC to ensure integrated planning, rational project prioritization
- Premature announcement of infrastructure projects before completion of feasibility studies and resource allocations.
- Under expenditure of major grants and CAPEX allocations
- Capacity, skills and system required are inadequate.

The ECIP has four goals:

1. Infrastructure investment must respond to **spatial** aspects of future infrastructure demand and undo apartheid geography
2. Accelerate eradication of **social** infrastructure backlogs
3. Ensure effective infrastructural support for **economic** development
4. Improve infrastructure planning, delivery, operations and maintenance.

The goals are to be achieved through the implementation of Eleven Provincial Strategic Projects (PSPs):

1. Strategic catalytic projects;
2. Small Town Development;
3. Urban Settlements Infrastructure
4. Water & Sanitation
5. Energy and Electricity;
6. Agro-logistics;
7. Education Infrastructure
8. Health Infrastructure;
9. Transport infrastructure;
10. ICT Infrastructure; and
11. Enabling interventions.

An implementation matrix has been developed that identifies lead agents; strategic risks; proposed interventions for the period 2016-2021; and immediate action required. The ECIP contains a summary of priorities per district. For Alfred Nzo district these are:

- Household electrification
- Completion of five regional bulk water schemes
- Reticulation infrastructure for Ludeke Dam
- Infrastructure for Mbizana peri-urban area
- Small-scale irrigation schemes
- Matatiele Agri-park

2.8. Eastern Cape Agriculture Economic Transformation Strategy

Between 95% and 99% of agricultural output in the Eastern Cape is produced by commercial farmers. Commercial farmers have however declined in numbers both nationally and provincially (SA: 60 000 to 37 000, EC: 6 000 to 4 000). Only about one to five per cent of agricultural output now comes from smallholder farmers whose practices are deeply rooted in former homeland subsistence farming practices.

The Eastern Cape has the smallest commercial agricultural sector. The document argues that the strength of EC agriculture lies in the untapped potential of the smallholder and communal sector.

The challenge is to make smallholder and communal farmers commercially viable and derive real economic value from their land.

The strategy documents suggests treating agriculture as a business and enabling the private sector to intervene and invest alongside government. Smallholder/communal farmers should be developed into agro-entrepreneurs who partner with businesses that are willing to invest for reasons beyond short-term profit. Partnerships will focus on expansion, market access, creating more value through appropriate funding, technology development, skills development, innovation and job creation.

The point is to stimulate both public and private procurement directly from primary producers. Government should put in place appropriate policies and regulations to strengthen these partnerships and drive investment in infrastructure. The goal is to increase agriculture's contribution to GDP by at least 2% and create 10 000 (direct and indirect) job opportunities annually.

Critical success factors include:

- The expansion of production
- Market access and off-take agreements
- Training and development of farmers
- Value addition and local beneficiation
- Increased employment, especially for unemployed graduates
- Increased farm income
- Increased opportunity and business for SMMEs
- Increased total investment into industry
- Increased transformation within the industry.

2.9. State of the Nation Addresss (SONA)

During his 2018 State of the Nation Address in Parliament, President Cyril Rmaphosa, among other things, announced Agriculture presents one of the greatest opportunities to significantly grow our economy and create jobs. Agriculture made the largest contribution, by a significant margin, to the improved growth of our economy in the second and third quarters of 2017. This year, we will take decisive action to realise the enormous economic potential of agriculture. We will accelerate our land redistribution programme not only to redress a grave historical injustice, but also to bring more producers into the agricultural sector and to make more land available for cultivation. Tourism is another area which provides our country with incredible opportunities to, quite literally, shine.

In response to the State of the Nation Address, the ANDM Municipality has made tremendous contribution towards the provision of infrastructure (particularly water and sanitation), economic development, development of our rural areas, poverty alleviation, provision of ICT infrastructure in our rural areas (particularly Thusong Centres) and improving health and healthy communities through our Municipal Health Services (MHS) Unit. The municipality also responds to youth development and further ensures rural development in ANDM.

2.10. State of the Province Address

The ANDM acknowledges the issues highlighted in the State of the District Address. The ANDM's IDP implementation will assist in realising the development agenda of the Province. The provincial address confirmed the priorities of the province as outlined below:

- The importance of growing the economy of Eastern Cape, which remains one of the country's poorest provinces and with a high unemployment rate as well as huge infrastructure backlogs.
- The level of unemployment in the province – especially among the youth, was too high, therefore the Eastern Cape Provincial Government will implement various programmes aimed at creating thousands of job opportunities in the coming year.
- The identification of opportunities for off-take agreements will also be prioritised to ensure that our target of sourcing 50% of goods and services locally is achieved.
- The re-engineering of Primary Health Care, which is one of the corner stones of the National Health Insurance (NHI), remains our key driver to achieve universal health coverage

2.11. Powers and functions of the municipality

The Alfred Nzo District Municipality executes amongst others the following functions and powers:

- Integrated Development Planning of the district as a whole including the Framework Plan for IDPs for local municipalities within its area of jurisdiction.
- The district is a Water Service Authority (WSA) and Water Provision Authority, and therefore provides Bulk and Potable water supply as well as both rural and urban sanitation
- Municipal Health Services
- Fire and Rescue Services as well as Disaster Risk Management
- The implementation of Expanded Public Works Programme (EPWP).
- Environmental Management

- Financial Management and Revenue Collection through services it renders to communities, business and government departments and distribution of grants to local municipalities.
- Promotion of Local Tourism for the district.
- Promotion of Local Economic Development.

Functions not yet provided by the district are:

- Municipal Abattoirs
- Municipal Public Transport
- Municipal Airport Services

The transformation model:



AGRICULTURAL ECONOMIC TRANSFORMATION MODEL

- COMMODITY BASED PARTNERSHIP MODEL
 - Citrus
 - Deciduous Fruit
 - Chicory
 - Pineapples
 - CLUSTER BASED PARTNERSHIP MODEL
 - Red meat
 - Wool
 - Grains (maize)
 - Vegetables
 - Poultry
 - Aquaculture, Fisheries
 - Forestry
 - Macadamia
 - Tea Estates
 - Household Food Gardens (informal trade)
 - EASTERN CAPE ADVISORY COUNCIL
 - Cross-sectional consensus on the agricultural growth trajectory and targets
 - RESEARCH & DEV. And MONITORING & EVAL.
 - Integrated research & development
 - Integrated monitoring & evaluation
 - Recommendation & technologies for improved efficiencies
- Value Chain Growth Extension

Incubation
Infrastructure,
Market access
Agro-processing
Extension

Assess Performance Prioritise
Growth paths
Lobby support
Address challenges

Monitor Performance
Evaluate performance
Prioritise research items
Communicate research and
performance finding and
recommendations

INTEGRATED GOVERNMENT SUPPORT

3. District Situational Review

3.1. Socio-economic Overview



Source: ECSECC, 2016

3.1.1. General Overview of Alfred Nzo District Municipality

Alfred Nzo District Municipality was historically part of the Transkei homelands. As such the district is characterized by high levels of poverty, based on both income inequality and low level of development. In response to this deprivation, the Alfred Nzo District was one of the presidential poverty nodes identified in the Integrated Sustainable Rural Development Programme (ISRDP), and has been a subject of different forms economic intervention through time.

The District is largely rural in nature, with village settlements defined by the district's geographical footprint through mountain ranges and river systems. Agriculture and tourism make up core components of the local economy. Matatiele municipality is close to the Lesotho/South Africa national border and has two urban nodes – the towns of Matatiele and Cedarville. Matatiele acts as a service node to the agrarian based economy of the area, while Cedarville serves as a secondary service centre. Umzimvubu municipality hosts the district's administrative capital in Mt Ayliff and the district's largest economic node in Mt Frere. The N2 traverses the course of the Umzimvubu municipality, and can be seen as its most prominent defining trait.

Ntabankulu municipality has small urban settlements at Ntabankulu town and Cacadu. Ntabankulu has a strong rural presence and is geographically defined by several mountain ranges. Mbizana municipality is the district's gateway to the Wild Coast and has a medium sized town at Bizana. The district has a very mountainous terrain. The land form of the district is generally rugged, with parts of it characterized by steep slopes and high elevations. The topography has implications on the district's natural, social and economic environment. The district is characterized by a high level of biodiversity, and natural resources include river systems, indigenous forests and rich soils. Socially, settlement patterns are determined by the courses of rivers, valleys and hills. The interaction between people and nature also means that the terrain either exacerbates or ameliorates human impacts on the environment.

Economically, a mountainous terrain provides opportunities and challenges not found in other areas. Opportunities include potential for scenic tourism and forestry activity. Challenges include high costs of doing business, given the implications of mountains and hills for the provision of infrastructure such as roads, electricity and telecommunications.

3.1.2. Total Population

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

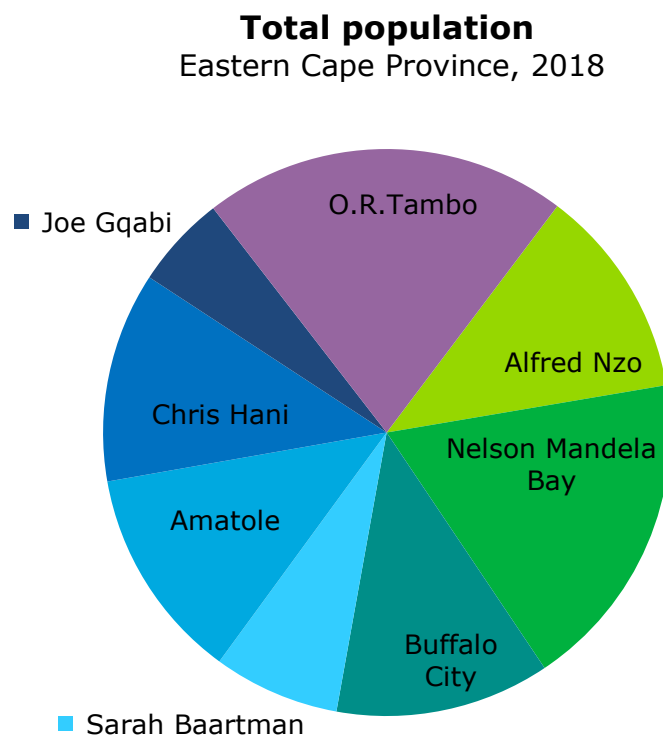
TABLE 1. TOTAL POPULATION - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBERS PERCENTAGE]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2008	798,000	6,580,000	49,500,000	12.1%	1.61%
2009	803,000	6,620,000	50,300,000	12.1%	1.60%
2010	809,000	6,680,000	51,100,000	12.1%	1.58%
2011	815,000	6,740,000	52,000,000	12.1%	1.57%
2012	821,000	6,800,000	52,900,000	12.1%	1.55%
2013	828,000	6,870,000	53,700,000	12.1%	1.54%
2014	836,000	6,930,000	54,600,000	12.1%	1.53%
2015	844,000	7,010,000	55,500,000	12.1%	1.52%
2016	853,000	7,080,000	56,400,000	12.1%	1.51%
2017	862,000	7,150,000	57,200,000	12.0%	1.50%
2018	870,000	7,220,000	58,100,000	12.1%	1.50%
Average Annual growth					
2008-2018	0.87%	0.94%	1.61%		

Source: IHS Markit Regional eXplorer version 1803

With 870 000 people, the Alfred Nzo District Municipality housed 1.5% of South Africa's total population in 2018. Between 2008 and 2018 the population growth averaged 0.87% per annum which is about half than the growth rate of South Africa as a whole (1.61%). Compared to Eastern Cape's average annual growth rate (0.94%), the growth rate in Alfred Nzo's population at 0.87% was very similar than that of the province.

TOTAL POPULATION - ALFRED NZO AND THE REST OF EASTERN CAPE, 2018
[PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

When compared to other regions, the Alfred Nzo District Municipality accounts for a total population of 870,000, or 12.1% of the total population in the Eastern Cape Province, with the O.R. Tambo being the most populous region in the Eastern Cape Province for 2018. The ranking in terms of the size of Alfred Nzo compared to the other regions remained the same between 2008 and 2018. In terms of its share the Alfred Nzo District Municipality was very similar in 2018 (12.1%) compared to what it was in 2008 (12.1%). When looking at the average annual growth rate, it is noted that Alfred Nzo ranked fifth (relative to its peers in terms of growth) with an average annual growth rate of 0.9% between 2008 and 2018.

TABLE 2. TOTAL POPULATION - LOCAL MUNICIPALITIES OF ALFRED NZO DISTRICT MUNICIPALITY, 2008, 2013 AND 2018 [NUMBERS PERCENTAGE]

	2008	2013	2018	Average Annual growth
Matatiele	200,000	211,000	224,000	1.12%
Umzimvubu	198,000	196,000	201,000	0.12%
Mbizana	271,000	295,000	318,000	1.61%
Ntabankulu	128,000	126,000	128,000	-0.03%
Alfred Nzo	797,940	828,037	870,367	0.87%

Source: IHS Markit Regional eXplorer version 1803

The Mbizana Local Municipality increased the most, in terms of population, with an average annual growth rate of 1.6%, the Matatiele Local Municipality had the second highest growth in terms of its population, with an average annual growth rate of 1.1%. The Ntabankulu Local Municipality had the lowest average annual growth rate of -0.03% relative to the other within the Alfred Nzo District Municipality.

3.1.3 Population projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Alfred Nzo's population is projected to grow at an average annual rate of 0.9% from 870 000 in 2018 to 909 000 in 2023.

TABLE 3. POPULATION PROJECTIONS - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2018-2023 [NUMBERS PERCENTAGE]

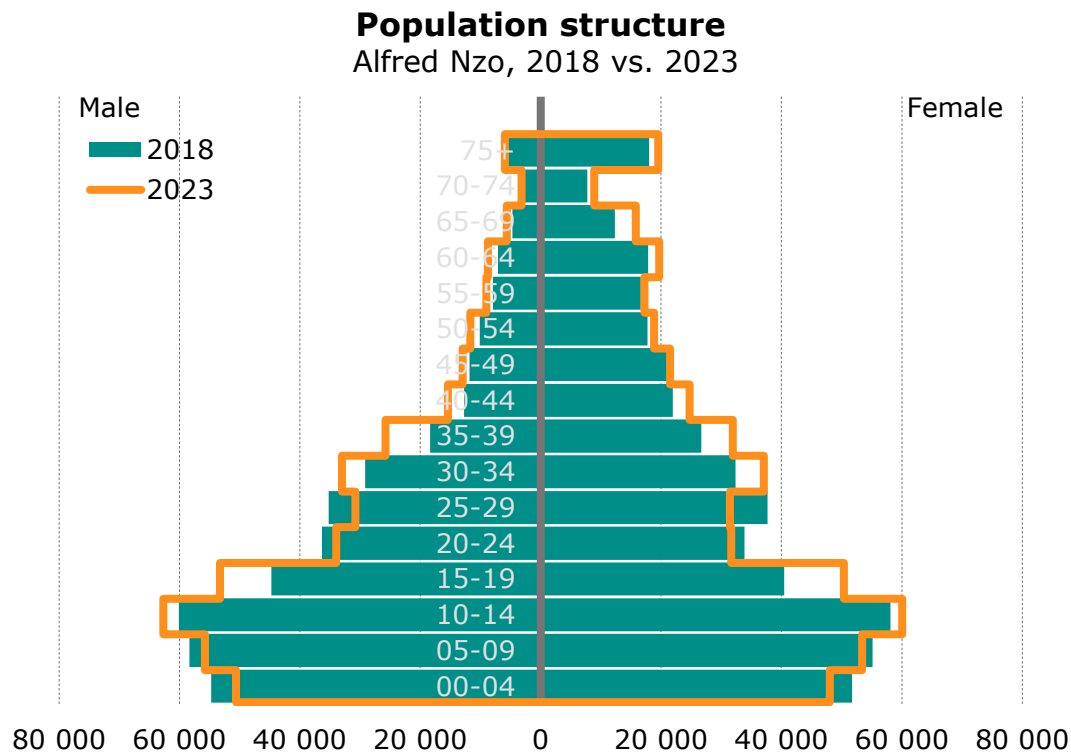
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2018	870,000	7,220,000	58,100,000	12.1%	1.50%
2019	879,000	7,290,000	59,000,000	12.0%	1.49%
2020	886,000	7,360,000	59,800,000	12.0%	1.48%
2021	894,000	7,430,000	60,600,000	12.0%	1.47%
2022	901,000	7,500,000	61,500,000	12.0%	1.47%
2023	909,000	7,570,000	62,300,000	12.0%	1.46%
Average Annual growth					
2018-2023	0.87%	0.93%	1.38%		

Source: IHS Markit Regional eXplorer version 1803

The population projection of Alfred Nzo District Municipality shows an estimated average annual growth rate of 0.9% between 2018 and 2023. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 0.9% and 1.4%

respectively. The Eastern Cape Province is estimated to have average growth rate of 0.9% which is higher than the Alfred Nzo District Municipality. The South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is higher than that of Alfred Nzo's growth rate.

CHART 1. POPULATION PYRAMID - ALFRED NZO DISTRICT MUNICIPALITY, 2018 VS. 2023 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

The population pyramid reflects a projected change in the structure of the population from 2018 and 2023. The differences can be explained as follows:

- In 2018, there is a significantly larger share of young working age people between 20 and 34 (23.5%), compared to what is estimated in 2023 (21.8%). This age category of young working age population will decrease over time.
- The fertility rate in 2023 is estimated to be significantly higher compared to that experienced in 2018.
- The share of children between the ages of 0 to 14 years is projected to be significant smaller (36.4%) in 2023 when compared to 2018 (38.8%).

In 2018, the female population for the 20 to 34 years age group amounts to 11.9% of the total female population while the male population group for the same age amounts to 11.6% of the total male population. In 2023, the male working age population at 10.8% does not exceed that of the

female population working age population at 11.0%, although both are at a lower level compared to 2018.

3.1.3.1 POPULATION BY POPULATION GROUP, GENDER AND AGE

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

TABLE 4. POPULATION BY GENDER - ALFRED NZO AND THE REST OF EASTERN CAPE PROVINCE, 2018 [NUMBER].

	Male	Female	Total
Alfred Nzo	401,000	470,000	870,000
Nelson Mandela Bay	639,000	681,000	1,320,000
Buffalo City	424,000	460,000	884,000
Sarah Baartman	259,000	262,000	520,000
Amatole	416,000	464,000	880,000
Chris Hani	414,000	452,000	866,000
Joe Gqabi	183,000	200,000	383,000
O.R.Tambo	699,000	800,000	1,500,000
Eastern Cape	3,430,000	3,790,000	7,220,000

Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District Municipality's male/female split in population was 85.3 males per 100 females in 2018. The Alfred Nzo District Municipality has significantly more females (53.96%) than males, when compared to a typical stable population. This is most probably an area with high male out migration to look for work elsewhere. In total there were 470 000 (53.96%) females and 401 000 (46.04%) males. This is different from the Eastern Cape Province as a whole where the female population counted 3.79 million which constitutes 52.45% of the total population of 7.22 million.

TABLE 5. POPULATION BY POPULATION GROUP, GENDER AND AGE - ALFRED NZO DISTRICT MUNICIPALITY, 2018 [NUMBER].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	51,400	54,400	68	92	183	192	82	71
05-09	54,800	58,000	87	75	198	215	73	61
10-14	57,800	59,700	98	93	145	211	75	64
15-19	40,100	44,400	99	66	191	200	64	101
20-24	33,600	36,000	77	64	134	130	56	104
25-29	37,400	34,900	60	47	179	191	73	113
30-34	32,200	28,900	51	52	123	103	49	124
35-39	26,400	18,100	71	38	106	101	41	108
40-44	21,800	12,400	91	74	99	106	31	94
45-49	21,200	11,600	67	78	89	80	27	43
50-54	17,600	9,890	57	91	74	78	23	32
55-59	16,400	7,740	67	57	123	107	14	23
60-64	17,700	6,920	48	38	56	65	20	34
65-69	12,200	4,600	67	56	35	35	23	23
70-74	7,690	3,550	32	50	35	10	5	4
75+	17,900	5,680	60	43	71	34	22	9
Total	466,000	397,000	1,100	1,020	1,840	1,860	677	1,010

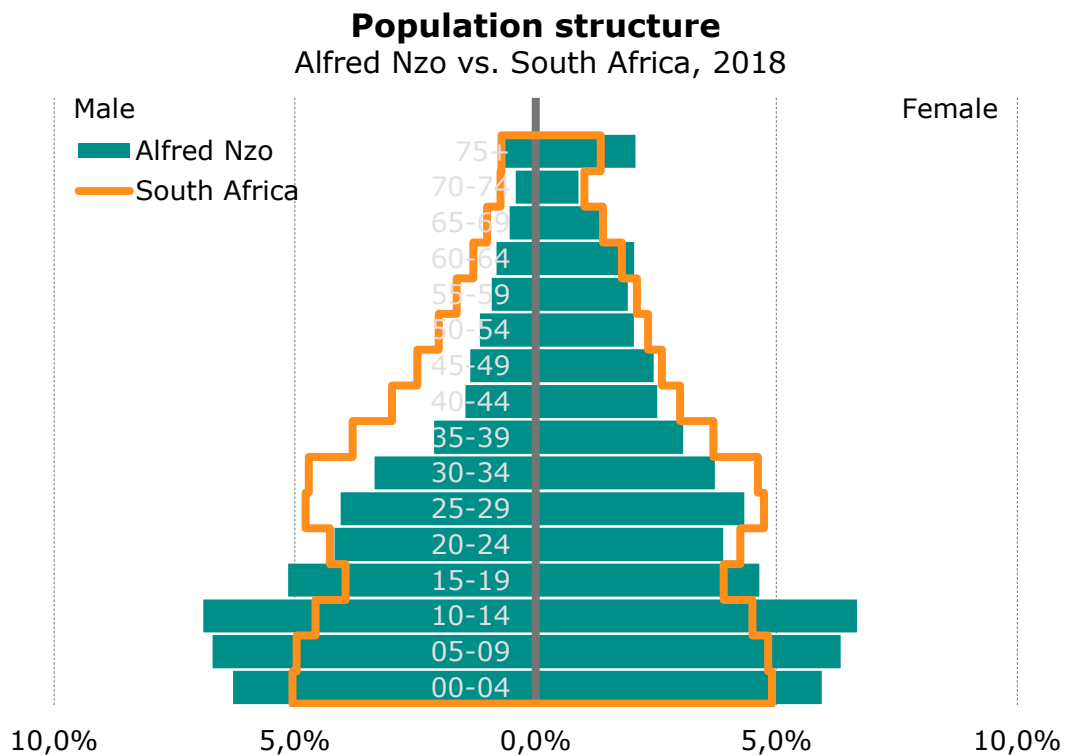
Source: IHS Markit Regional eXplorer version 1803

In 2018, the Alfred Nzo District Municipality's population consisted of 99.14% African (863 000), 0.24% White (2 110), 0.42% Coloured (3 700) and 0.19% Asian (1 690) people.

The largest share of population is within the babies and kids (0-14 years) age category with a total number of 338 000 or 38.8% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 24.6%, followed by the teenagers and youth (15-24 years) age category with 155 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 52 200 people, as reflected in the population pyramids below.

With the African population group representing 99.1% of the Alfred Nzo District Municipality's total population, the overall population pyramid for the region will mostly reflect that of the African population group. The chart below compares Alfred Nzo's population structure of 2018 to that of South Africa.

CHART 2. POPULATION PYRAMID - ALFRED NZO DISTRICT MUNICIPALITY VS. SOUTH AFRICA, 2018 [PERCENTAGE]

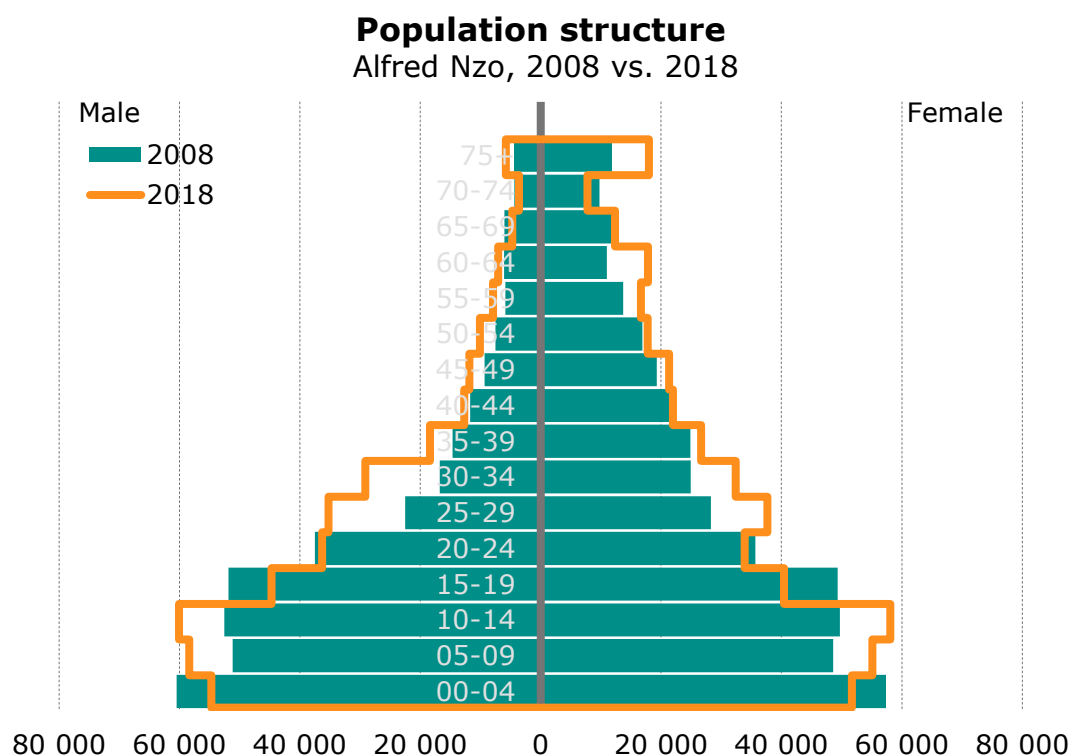


Source: IHS Markit Regional eXplorer version 1803

By comparing the population pyramid of the Alfred Nzo District Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (23.5%) - in Alfred Nzo, compared to the national picture (27.4%).
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.
- Fertility in Alfred Nzo is significantly higher compared to South Africa as a whole.
- Spatial policies changed since 1994.
- The share of children between the ages of 0 to 14 years is significantly larger (38.8%) in Alfred Nzo compared to South Africa (28.8%). Demand for expenditure on schooling as percentage of total budget within Alfred Nzo District Municipality will therefore be higher than that of South Africa.

CHART 3. POPULATION PYRAMID - ALFRED NZO DISTRICT MUNICIPALITY, 2008 VS. 2018
[PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

When comparing the 2008 population pyramid with the 2018 pyramid for the Alfred Nzo District Municipality, some interesting differences are visible:

- In 2008, there were a significant smaller share of young working age people - aged 20 to 34 (20.8%) - compared to 2018 (23.5%).
- Fertility in 2008 was significantly higher compared to that of 2018.
- The share of children between the ages of 0 to 14 years is significantly larger in 2008 (40.1%) compared to 2018 (38.8%).
- Life expectancy is increasing.

In 2018, the female population for the 20 to 34 years age group amounted to 11.1% of the total female population while the male population group for the same age amounted to 9.6% of the total male population. In 2008 the male working age population at 11.6% did not exceeds that of the female population working age population at 11.9%.

3.1.4 Number Of Households By Population Group

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

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2018, the Alfred Nzo District Municipality comprised of 198 000 households. This equates to an average annual growth rate of 1.41% in the number of households from 2008 to 2018. With an average annual growth rate of 0.87% in the total population, the average household size in the Alfred Nzo District Municipality is by implication decreasing. This is confirmed by the data where the average household size in 2008 decreased from approximately 4.6 individuals per household to 4.4 persons per household in 2018.

TABLE 6. NUMBER OF HOUSEHOLDS - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBER PERCENTAGE]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2008	172,000	1,650,000	13,500,000	10.4%	1.27%
2009	177,000	1,690,000	13,900,000	10.4%	1.27%
2010	177,000	1,710,000	14,100,000	10.4%	1.26%
2011	177,000	1,730,000	14,400,000	10.3%	1.23%
2012	179,000	1,750,000	14,700,000	10.3%	1.22%
2013	180,000	1,760,000	15,000,000	10.2%	1.20%
2014	181,000	1,780,000	15,300,000	10.2%	1.19%
2015	184,000	1,810,000	15,700,000	10.2%	1.17%
2016	188,000	1,850,000	16,100,000	10.2%	1.17%
2017	193,000	1,900,000	16,400,000	10.2%	1.18%
2018	198,000	1,940,000	16,700,000	10.2%	1.19%
Average Annual growth					
2008-2018	1.41%	1.64%	2.13%		

Source: IHS Markit Regional eXplorer version 1803

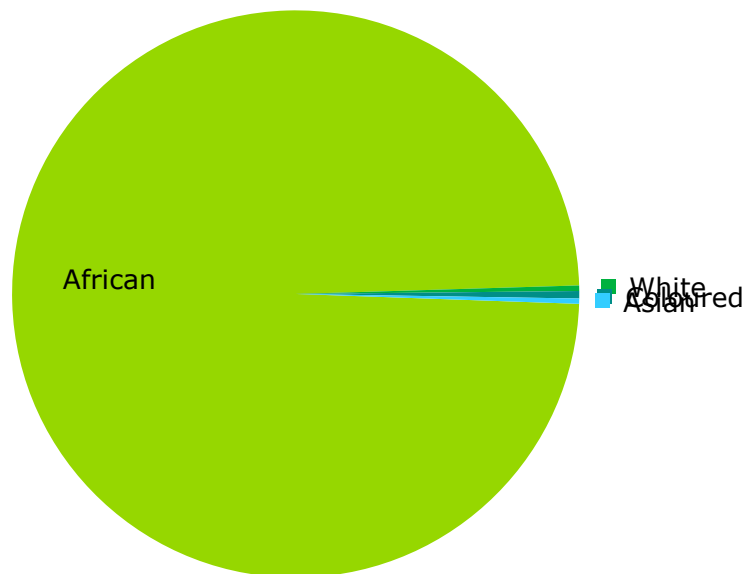
Relative to the province, the Alfred Nzo District Municipality had a lower average annual growth rate of 1.41% from 2008 to 2018. In contrast, the South Africa had a total of 16.7 million households, with a growth rate of 2.13%, thus growing at a higher rate than the Alfred Nzo.

The composition of the households by population group consists of 99.0% which is ascribed to the African population group with the largest amount of households by population group. The Coloured population group had a total composition of 0.4% (ranking second). The White population group

had a total composition of 0.3% of the total households. The smallest population group by households is the Asian population group with only 0.3% in 2018.

CHART 4. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]

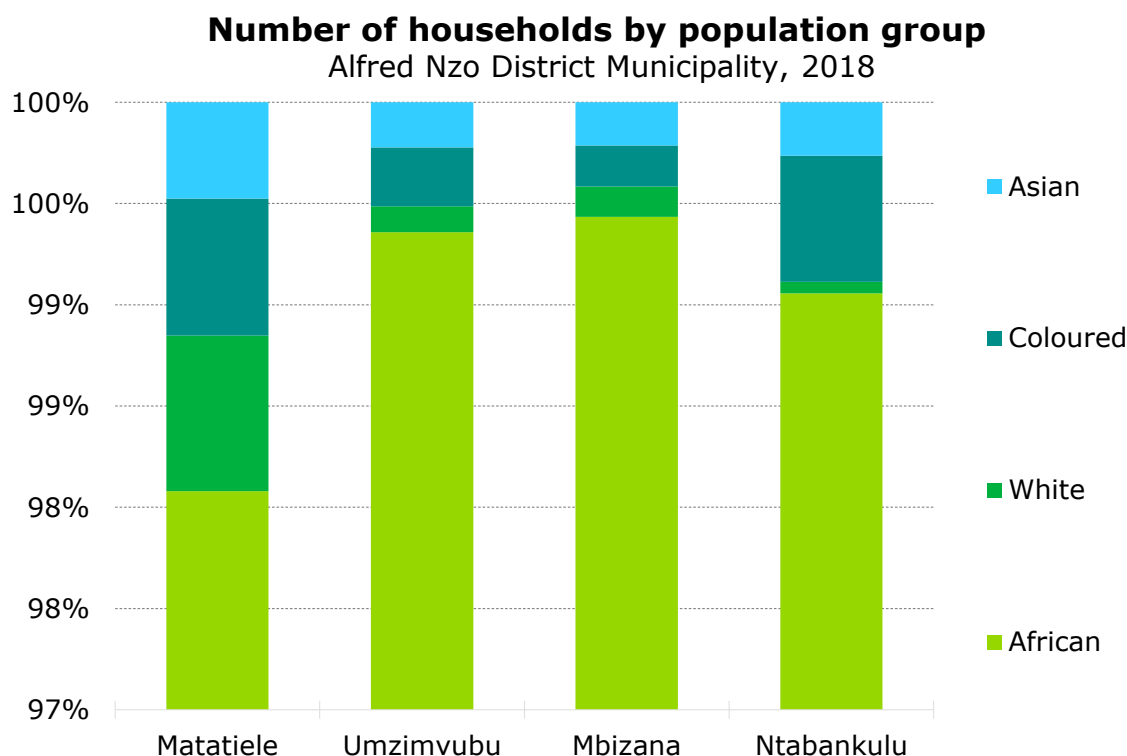
Number of Households by Population group
Alfred Nzo, 2018



Source: IHS Markit Regional eXplorer version 1803

The growth in the number of African headed households was on average 1.41% per annum between 2008 and 2018, which translates in the number of households increasing by 25 600 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2008 and 2018 at 11.10%. The average annual growth rate in the number of households for all the other population groups has increased with 1.40%.

CHART 5. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - LOCAL MUNICIPALITIES OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

3.1.5 HIV+ and AIDS estimates

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

HIV+ and AIDS estimates are defined as follows:

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

TABLE 7. NUMBER OF HIV+ PEOPLE - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBER AND PERCENTAGE]

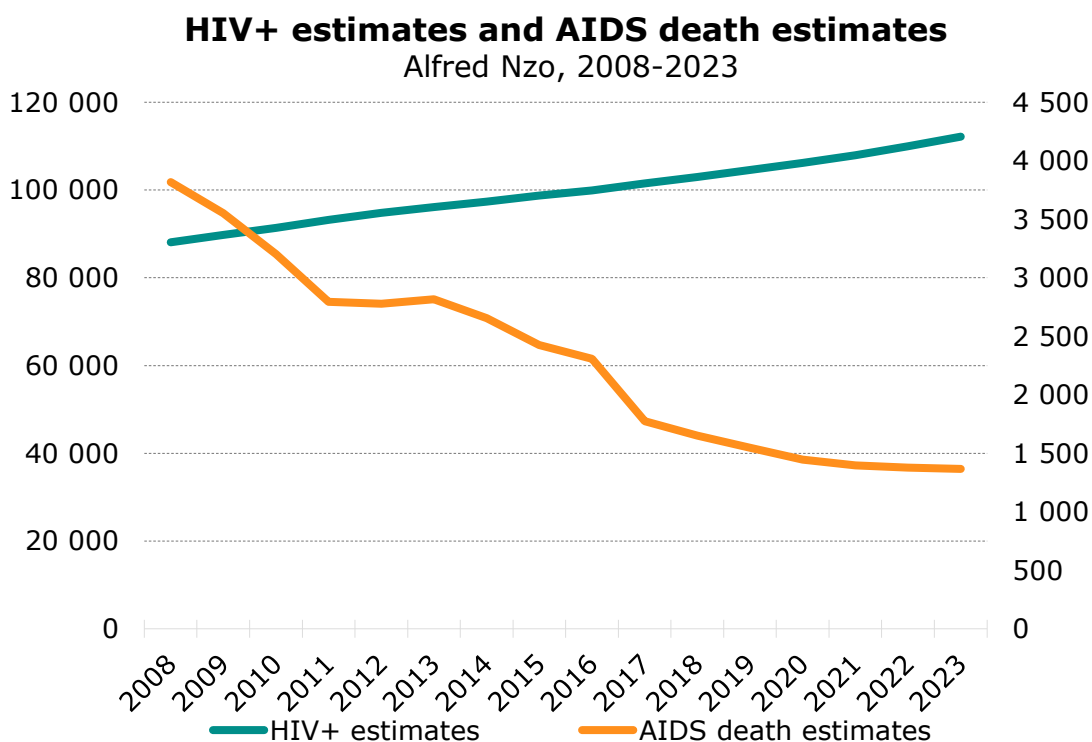
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2008	88,100	753,000	6,040,000	11.7%	1.46%
2009	89,700	769,000	6,190,000	11.7%	1.45%
2010	91,300	785,000	6,340,000	11.6%	1.44%
2011	93,200	803,000	6,520,000	11.6%	1.43%
2012	94,800	819,000	6,680,000	11.6%	1.42%
2013	96,100	833,000	6,820,000	11.5%	1.41%
2014	97,400	847,000	6,960,000	11.5%	1.40%
2015	98,700	861,000	7,110,000	11.5%	1.39%
2016	99,900	874,000	7,250,000	11.4%	1.38%
2017	101,000	890,000	7,420,000	11.4%	1.37%
2018	103,000	906,000	7,600,000	11.4%	1.36%
Average Annual growth					
2008-2018	1.58%	1.87%	2.32%		

Source: IHS Markit Regional eXplorer version 1803

In 2018, 103 000 people in the Alfred Nzo District Municipality were infected with HIV. This reflects an increase at an average annual rate of 1.58% since 2008, and in 2018 represented 11.83% of the district municipality's total population. The Eastern Cape Province had an average annual growth rate of 1.87% from 2008 to 2018 in the number of people infected with HIV, which is higher than that of the Alfred Nzo District Municipality. When looking at the South Africa as a whole it can be seen that the number of people that are infected increased from 2008 to 2018 with an average annual growth rate of 2.32%.

The lifespan of people that are HIV+ could be prolonged with modern ARV treatments. In the absence of any treatment, people diagnosed with HIV can live for 10 years and longer before they reach the final AIDS stage of the disease.

CHART 6. AIDS PROFILE AND FORECAST - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2023
[NUMBERS]



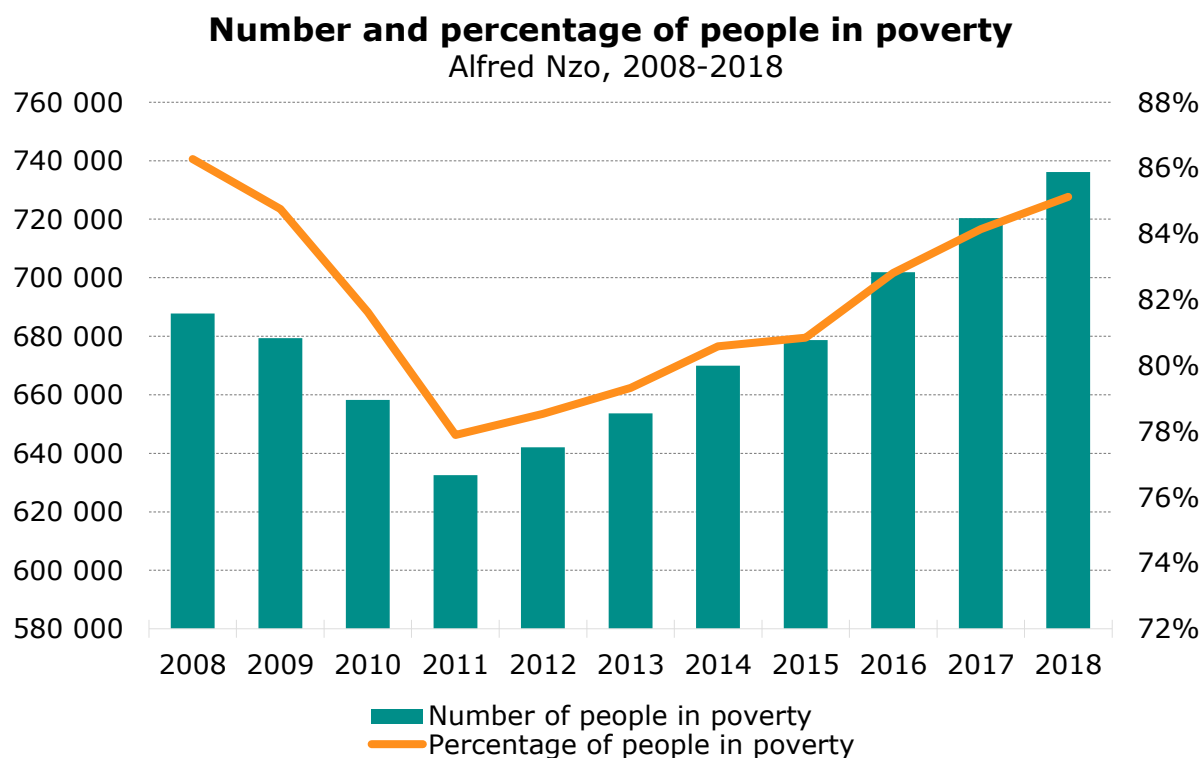
Source: IHS Markit Regional eXplorer version 1803

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 3820 in 2008 and 1650 for 2018. This number denotes an decrease from 2008 to 2018 with a high average annual rate of -8.04% (or -2170 people). For the year 2018, they represented 0.19% of the total population of the entire district municipality.

3.1.6 Poverty

The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

CHART 7. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [NUMBER PERCENTAGE]



In 2018, there were 736 000 people living in poverty, using the upper poverty line definition, across Alfred Nzo District Municipality - this is 7.02% higher than the 688 000 in 2008. The percentage of people living in poverty has decreased from 86.27% in 2008 to 85.12% in 2018, which indicates a decrease of 1.15 percentage points.

TABLE 8. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - ALFRED NZO, 2008-2018 [PERCENTAGE]

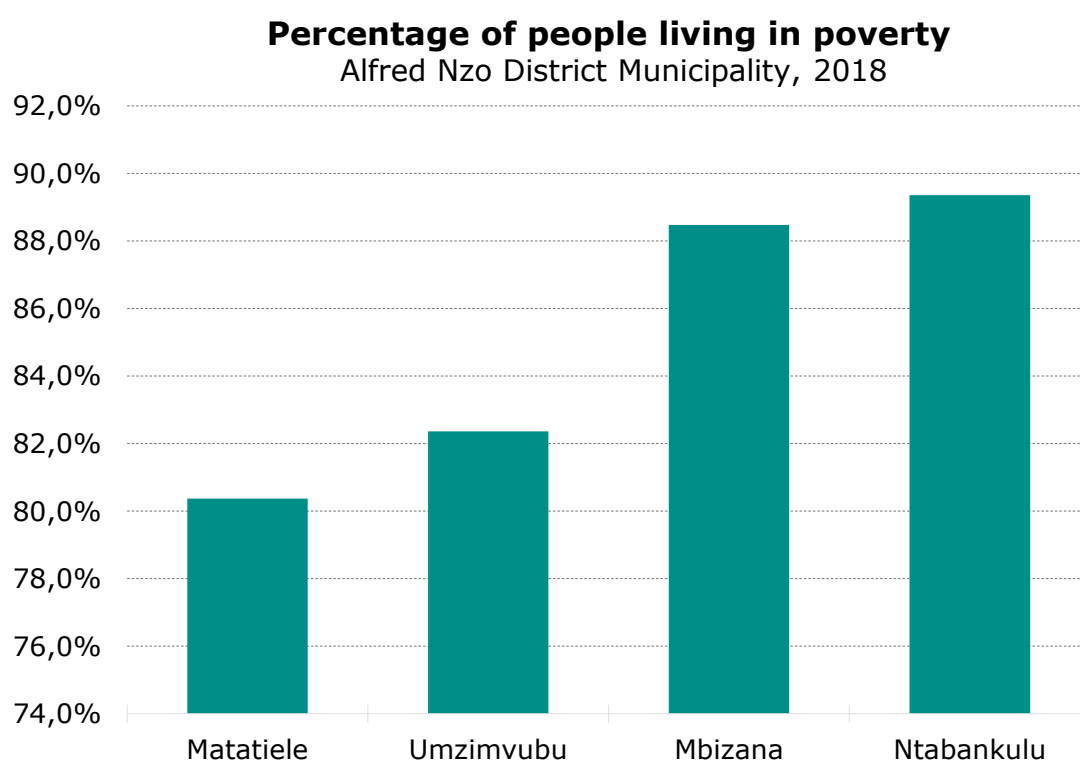
	African	White	Coloured	Asian
2008	86.6%	3.5%	57.7%	22.9%
2009	85.1%	4.5%	54.0%	22.9%
2010	82.0%	3.8%	50.7%	19.0%
2011	78.3%	2.9%	47.8%	13.8%
2012	78.9%	3.1%	49.8%	14.4%
2013	79.7%	3.2%	51.8%	14.9%
2014	81.0%	4.2%	54.3%	15.0%
2015	81.3%	6.6%	55.6%	14.9%
2016	83.2%	10.4%	57.6%	19.5%
2017	84.5%	13.4%	59.1%	23.1%
2018	85.5%	14.4%	59.6%	26.1%

Source: IHS Markit Regional eXplorer version 1803

In 2018, the population group with the highest percentage of people living in poverty was the African population group with a total of 86.6% people living in poverty, using the upper poverty line

definition. The proportion of the African population group, living in poverty, decreased by 1.13 percentage points, as can be seen by the change from 86.64% in 2008 to 85.52% in 2018. In 2018 14.40% of the White population group lived in poverty, as compared to the 3.51% in 2008. The Coloured and the Asian population group saw a decrease in the percentage of people living in poverty, with a decrease of -1.9 and -3.19 percentage points respectively.

CHART 8. PERCENTAGE OF PEOPLE LIVING IN POVERTY - LOCAL MUNICIPALITIES AND THE REST OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

In terms of the percentage of people living in poverty for each of the regions within the Alfred Nzo District Municipality, Ntabankulu Local Municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 89.4%. The lowest percentage of people living in poverty can be observed in the Matatiele Local Municipality with a total of 80.4% living in poverty, using the upper poverty line definition.

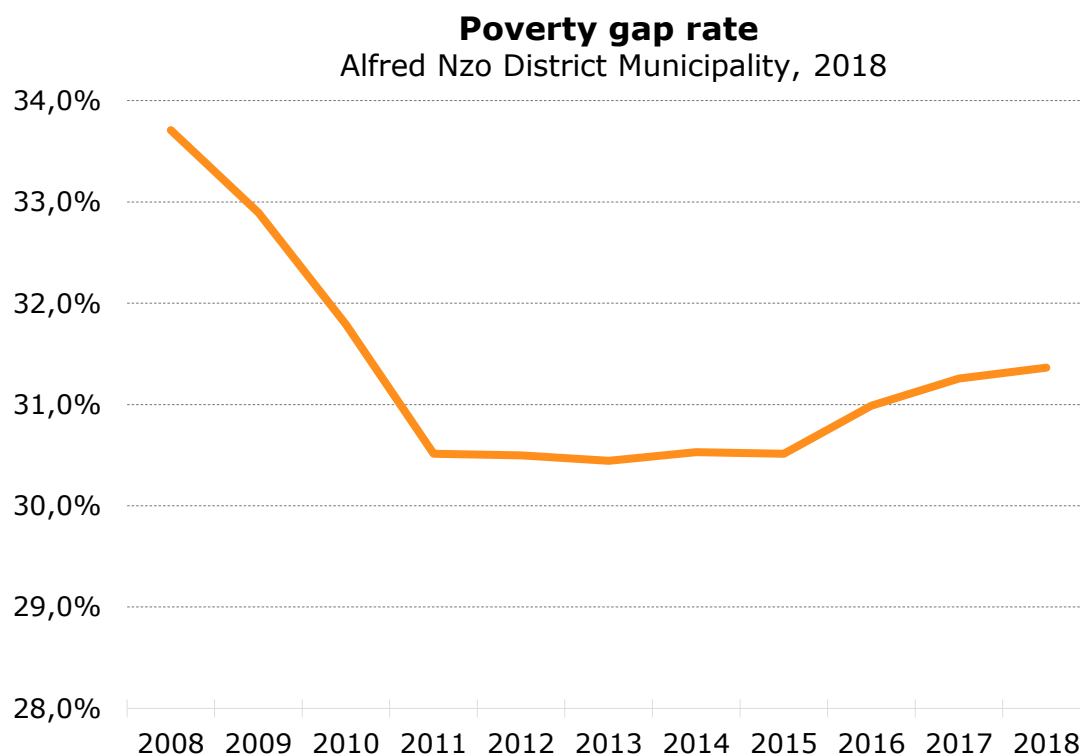
3.1.7 Poverty Gap Rate

The poverty gap is used as an indicator to measure the depth of poverty. The gap measures the average distance of the population from the poverty line and is expressed as a percentage of the upper bound poverty line, as defined by StatsSA. The Poverty Gap deals with a major shortcoming of the poverty rate, which does not give any indication of the depth, of poverty. The upper poverty

line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other.

It is estimated that the poverty gap rate in Alfred Nzo District Municipality amounted to 31.4% in 2018 - the rate needed to bring all poor households up to the poverty line and out of poverty.

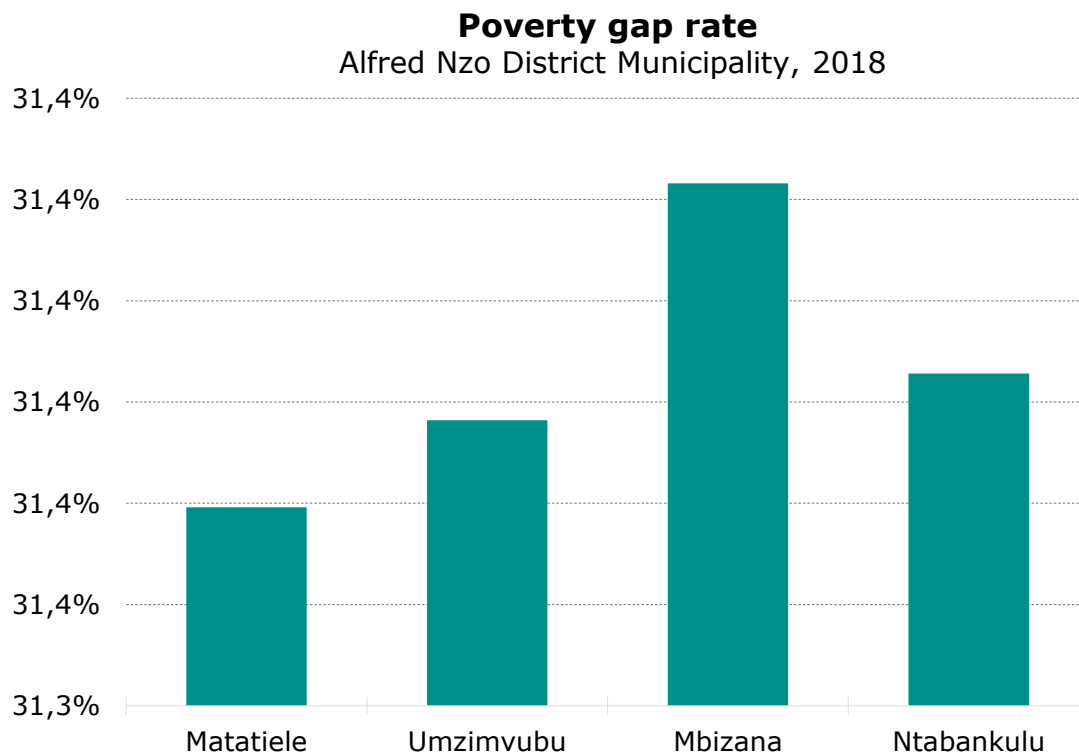
CHART 9. POVERTY GAP RATE BY POPULATION GROUP - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

In 2018, the poverty gap rate was 31.4% and in 2008 the poverty gap rate was 33.7%, it can be seen that the poverty gap rate decreased from 2008 to 2018, which means that there were improvements in terms of the depth of the poverty within Alfred Nzo District Municipality.

CHART 10. POVERTY GAP RATE - LOCAL MUNICIPALITIES AND THE REST OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

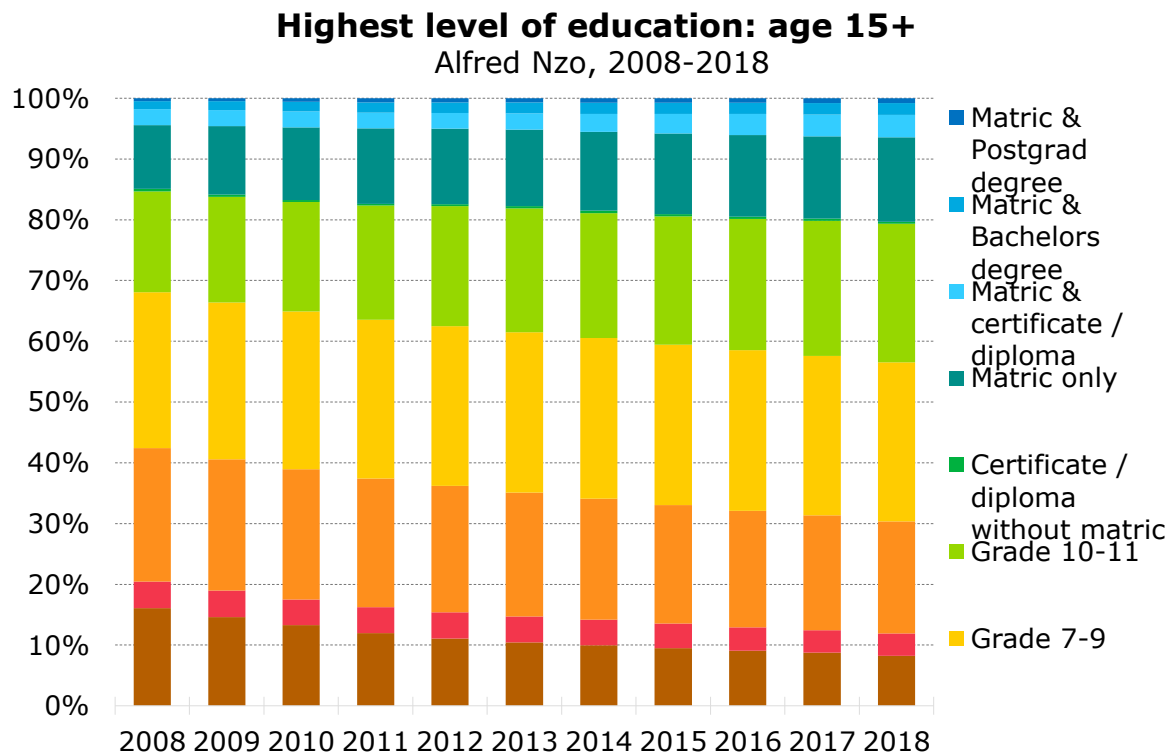
In terms of the poverty gap rate for each of the regions within the Alfred Nzo District Municipality, Mbizana Local Municipality had the highest poverty gap rate, with a rand value of 31.4%. The lowest poverty gap rate can be observed in the Matatiele Local Municipality with a total of 31.4%.

3.1.8 Education

Educating is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

The education measure represents the highest level of education of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

CHART 11. HIGHEST LEVEL OF EDUCATION: AGE 15+ - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

Within Alfred Nzo District Municipality, the number of people without any schooling decreased from 2008 to 2018 with an average annual rate of -4.92%, while the number of people within the 'matric only' category, increased from 39,300 to 61,600. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 4.95%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 5.86%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

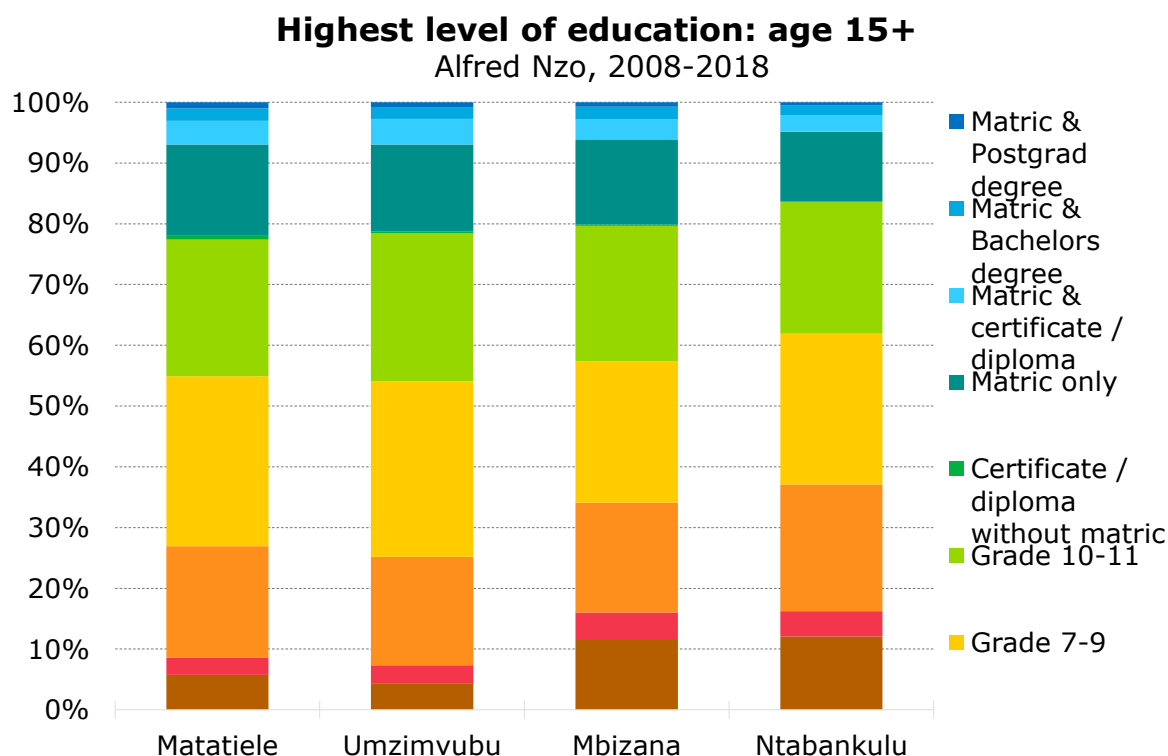
TABLE 9. HIGHEST LEVEL OF EDUCATION: AGE 15+ - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2018 [NUMBERS]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
No schooling	36,500	301,000	2,180,000	12.1%	1.68%
Grade 0-2	16,200	123,000	669,000	13.1%	2.42%
Grade 3-6	81,900	568,000	3,080,000	14.4%	2.66%
Grade 7-9	116,000	980,000	6,100,000	11.8%	1.90%
Grade 10-11	101,000	1,070,000	8,840,000	9.4%	1.14%
Certificate / diploma without matric	1,520	14,300	180,000	10.6%	0.84%
Matric only	61,600	942,000	11,000,000	6.5%	0.56%
Matric certificate / diploma	16,200	230,000	2,270,000	7.0%	0.71%
Matric Bachelors degree	8,740	135,000	1,680,000	6.5%	0.52%
Matric Postgrad degree	3,480	58,600	788,000	5.9%	0.44%

Source: IHS Markit Regional eXplorer version 1803

The number of people without any schooling in Alfred Nzo District Municipality accounts for 12.14% of the number of people without schooling in the province and a total share of 1.68% of the national. In 2018, the number of people in Alfred Nzo District Municipality with a matric only was 61,600 which is a share of 6.54% of the province's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 6.47% of the province and 0.52% of the national.

CHART 12. HIGHEST LEVEL OF EDUCATION: AGE 15+, LOCAL MUNICIPALITIES OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

3.1.9 Functional literacy

For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

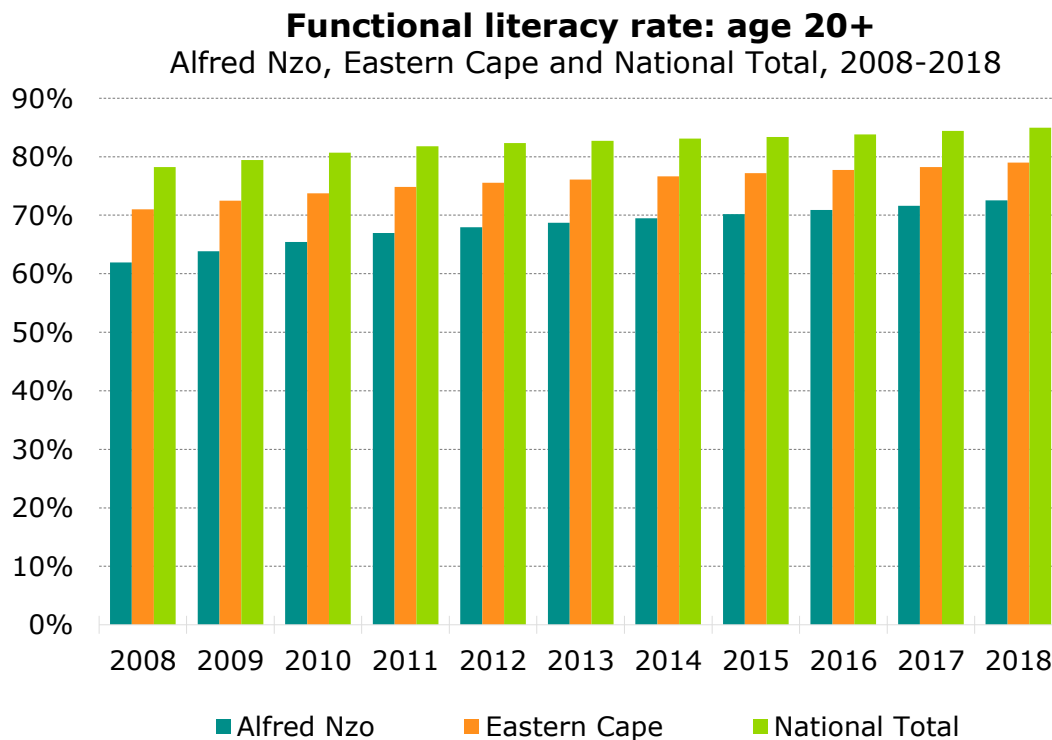
TABLE 10. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [NUMBER PERCENTAGE]

	Illiterate	Literate	%
2008	181,670	295,815	62.0%
2009	175,385	309,425	63.8%
2010	169,807	321,509	65.4%
2011	164,058	332,502	67.0%
2012	160,451	339,799	67.9%
2013	157,188	345,456	68.7%
2014	154,638	351,836	69.5%
2015	152,310	358,673	70.2%
2016	149,939	365,631	70.9%
2017	147,934	372,874	71.6%
2018	144,779	383,020	72.6%
Average Annual growth			
2008-2018	-2.24%	2.62%	1.59%

Source: IHS Markit Regional eXplorer version 1803

A total of 383 000 individuals in Alfred Nzo District Municipality were considered functionally literate in 2018, while 145 000 people were considered to be illiterate. Expressed as a rate, this amounts to 72.57% of the population, which is an increase of 0.11 percentage points since 2008 (61.95%). The number of illiterate individuals decreased on average by -2.24% annually from 2008 to 2018, with the number of functional literate people increasing at 2.62% annually.

CHART 13. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [PERCENTAGE]

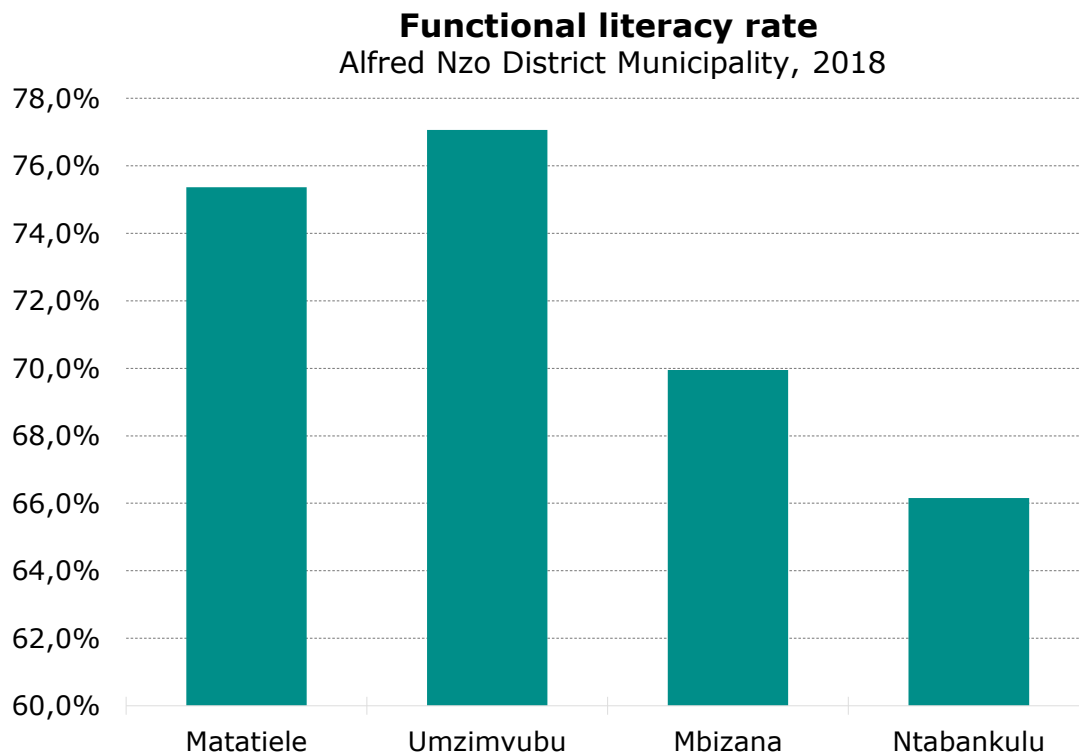


Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District Municipality's functional literacy rate of 72.57% in 2018 is lower than that of Eastern Cape at 79.02%. When comparing to National Total as whole, which has a functional literacy rate of 84.96%, it can be seen that the functional literacy rate is higher than that of the Alfred Nzo District Municipality.

A higher literacy rate is often associated with higher levels of urbanization, for instance where access to schools is less of a problem, and where there are economies of scale. From a spatial breakdown of the literacy rates in South Africa, it is perceived that the districts with larger cities normally have higher literacy rates.

CHART 14. LITERACY RATE - LOCAL MUNICIPALITIES AND THE REST OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

In terms of the literacy rate for each of the regions within the Alfred Nzo District Municipality, Umzimvubu Local Municipality had the highest literacy rate, with a total of 77.1%. The lowest literacy rate can be observed in the Ntabankulu Local Municipality with a total of 66.2%.

3.1.10 Alfred Nzo Socio Economic Performance and Development

The key levers of Alfred Nzo economy rests on primary, secondary and tertiary economic sector. Agriculture sector is a leading economic pillar in the primary sector with mining sector (sabunga, crushed stone and sand) reaching its highest point of growth of 10.1% in 2017. The largest contributor to the economy of Alfred Nzo District is Matatiele local municipality. The secondary sector with specific reference to community services sector is the biggest contributor to this district economy. Alfred Nzo District is ranked seventh (7th) in terms of regional contribution to the Provincial GDP.

With a GDP of R 15.3 billion in 2018 (up from R 7.6 billion in 2008), the Alfred Nzo District Municipality contributed 4.06% to the Eastern Cape Province GDP of R 377 billion in 2018 increasing in the share of the Eastern Cape from 4.37% in 2008.

The Alfred Nzo District Municipality contributes 0.31% to the GDP of South Africa which had a total GDP of R 4.87 trillion in 2018 (as measured in nominal or current prices). It's contribution to the national economy stayed similar in importance from 2008 when it contributed 0.32% to South Africa, but it is lower than the peak of 0.33% in 2010

3.2 Economy

The economic state of Alfred Nzo District Municipality is put in perspective by comparing it on a spatial level with its neighbouring district municipalities, Eastern Cape Province and South Africa. The section will also allude to the economic composition and contribution of the regions within Alfred Nzo District Municipality.

The Alfred Nzo District Municipality does not function in isolation from Eastern Cape, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

3.2.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

TABLE 11. GROSS DOMESTIC PRODUCT (GDP) - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [R BILLIONS, CURRENT PRICES]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2008	7.6	174.1	2,369.1	4.4%	0.32%
2009	8.3	191.2	2,507.7	4.4%	0.33%
2010	9.2	211.6	2,748.0	4.3%	0.33%
2011	9.7	226.1	3,023.7	4.3%	0.32%
2012	10.8	252.2	3,253.9	4.3%	0.33%
2013	11.5	273.3	3,540.0	4.2%	0.33%
2014	12.2	293.6	3,805.3	4.2%	0.32%
2015	13.1	316.3	4,049.9	4.1%	0.32%
2016	13.8	334.5	4,359.1	4.1%	0.32%
2017	14.7	358.6	4,653.6	4.1%	0.32%
2018	15.3	376.8	4,873.9	4.1%	0.31%

Source: IHS Markit Regional eXplorer version 1803

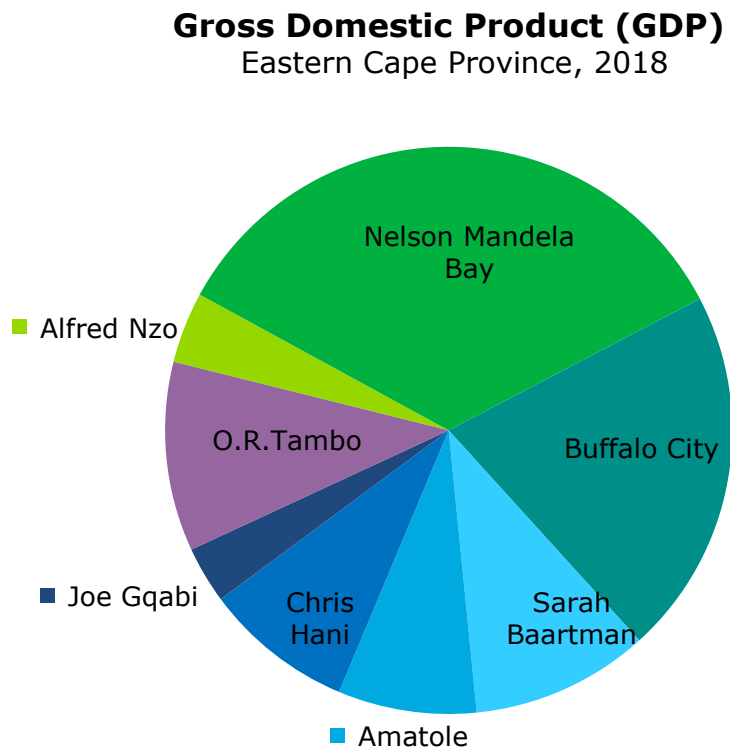
TABLE 12. GROSS DOMESTIC PRODUCT (GDP) - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

	Alfred Nzo	Eastern Cape	National Total
2008	5.4%	3.2%	3.2%
2009	-2.5%	-1.0%	-1.5%
2010	-1.2%	2.4%	3.0%
2011	2.3%	3.7%	3.3%
2012	0.4%	2.0%	2.2%
2013	-0.4%	1.4%	2.5%
2014	0.1%	1.3%	1.8%
2015	0.2%	0.8%	1.2%
2016	0.4%	0.7%	0.4%
2017	0.1%	0.6%	1.4%
2018	-0.1%	0.8%	0.8%
Average Annual growth 2008-2018	-0.07%	1.26%	1.50%

Source: IHS Markit Regional eXplorer version 1803

In 2018, the Alfred Nzo District Municipality achieved an annual growth rate of -0.12% which is a significant lower GDP growth than the Eastern Cape Province's 0.78%, and is lower than that of South Africa, where the 2018 GDP growth rate was 0.79%. Similar to the short-term growth rate of 2018, the longer-term average growth rate for Alfred Nzo (-0.07%) is also significant lower than that of South Africa (1.50%). The economic growth in Alfred Nzo peaked in 2008 at 5.37%.

CHART 15. GROSS DOMESTIC PRODUCT (GDP) - ALFRED NZO DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

The Alfred Nzo District Municipality had a total GDP of R 15.3 billion and in terms of total contribution towards Eastern Cape Province the Alfred Nzo District Municipality ranked seventh relative to all the regional economies to total Eastern Cape Province GDP. This ranking in terms of size compared to other regions of Alfred Nzo remained the same since 2008. In terms of its share, it was in 2018 (4.1%) slightly smaller compared to what it was in 2008 (4.4%). For the period 2008 to 2018, the average annual growth rate of -0.1% of Alfred Nzo was the lowest relative to its peers in terms of growth in constant 2010 prices.

TABLE 13. GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF ALFRED NZO DISTRICT MUNICIPALITY, 2008 TO 2018, SHARE AND GROWTH

	2018 (Current prices)	Share of district municipality	2008 (Constant prices)	2018 (Constant prices)	Average Annual growth
Matatiele	5.25	34.30%	2.84	3.28	1.43%
Umzimvubu	3.91	25.57%	2.68	2.40	-1.11%
Mbizana	4.67	30.49%	3.00	2.86	-0.46%
Ntabankulu	1.47	9.63%	0.99	0.91	-0.84%
Alfred Nzo	15.30		9.52	9.45	

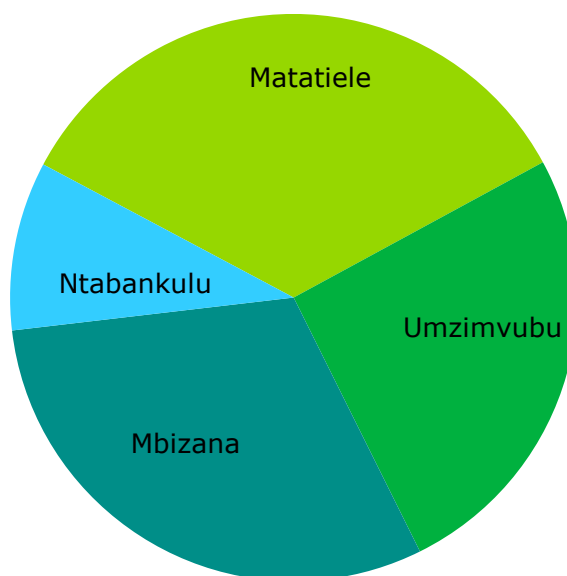
Source: IHS Markit Regional eXplorer version 1803

Matatiele had the highest average annual economic growth, averaging 1.43% between 2008 and 2018, when compared to the rest of the regions within the Alfred Nzo District Municipality. The

Mbizana Local Municipality had the second highest average annual growth rate of -0.46%. Umzimvubu Local Municipality had the lowest average annual growth rate of -1.11% between 2008 and 2018.

GDP CONTRIBUTION - LOCAL MUNICIPALITIES OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [CURRENT PRICES, PERCENTAGE]

Gross Domestic Product (GDP) Alfred Nzo District Municipality, 2018



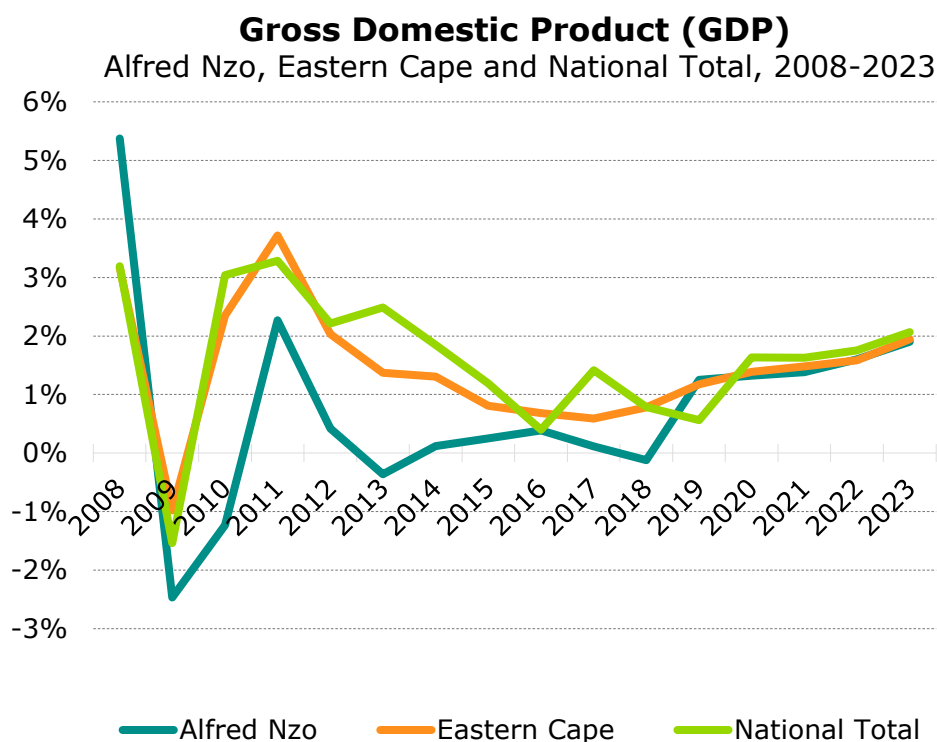
Source: IHS Markit Regional eXplorer version 1803

The greatest contributor to the Alfred Nzo District Municipality economy is the Matatiele Local Municipality with a share of 34.30% or R 5.25 billion, increasing from R 2.29 billion in 2008. The economy with the lowest contribution is the Ntabankulu Local Municipality with R 1.47 billion growing from R 799 million in 2008.

2.2. Economic Growth Forecast

It is expected that Alfred Nzo District Municipality will grow at an average annual rate of 1.49% from 2018 to 2023. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.51% and 1.53% respectively.

GROSS DOMESTIC PRODUCT (GDP) - ALFRED NZO, EASTERN CAPE AND
NATIONAL TOTAL, 2008-2023 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010
PRICES]



Source: IHS Markit Regional eXplorer version 1803

In 2023, Alfred Nzo's forecasted GDP will be an estimated R 10.2 billion (constant 2010 prices) or 4.0% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Alfred Nzo District Municipality will remain the same between 2018 and 2023, with a contribution to the Eastern Cape Province GDP of 4.0% in 2023 compared to the 4.0% in 2018. At a 1.49% average annual GDP growth rate between 2018 and 2023, Alfred Nzo ranked the third compared to the other regional economies.

TABLE 14. GROSS DOMESTIC PRODUCT (GDP) - LOCAL MUNICIPALITIES OF ALFRED NZO
DISTRICT MUNICIPALITY, 2018 TO 2023, SHARE AND GROWTH

	2023 (Current prices)	Share of district municipality	2018 (Constant prices)	2023 (Constant prices)	Average Annual growth
Matatiele	7.29	34.35%	3.28	3.53	1.52%
Umzimvubu	5.48	25.83%	2.40	2.61	1.70%
Mbizana	6.34	29.91%	2.86	3.02	1.08%
Ntabankulu	2.10	9.91%	0.91	1.01	2.11%
Alfred Nzo	21.21		9.45	10.18	

Source: IHS Markit Regional eXplorer version 1803

When looking at the regions within the Alfred Nzo District Municipality it is expected that from 2018 to 2023 the Ntabankulu Local Municipality will achieve the highest average annual growth rate of 2.11%. The region that is expected to achieve the second highest average annual growth rate is that of Umzimvubu Local Municipality, averaging 1.70% between 2018 and 2023. On the other hand the region that performed the poorest relative to the other regions within Alfred Nzo District Municipality was the Mbizana Local Municipality with an average annual growth rate of 1.08%.

2.3. Gross Value Added by Region (GVA-R)

The Alfred Nzo District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Alfred Nzo District Municipality.

TABLE 15. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - ALFRED NZO DISTRICT MUNICIPALITY, 2018 [R BILLIONS, CURRENT PRICES]

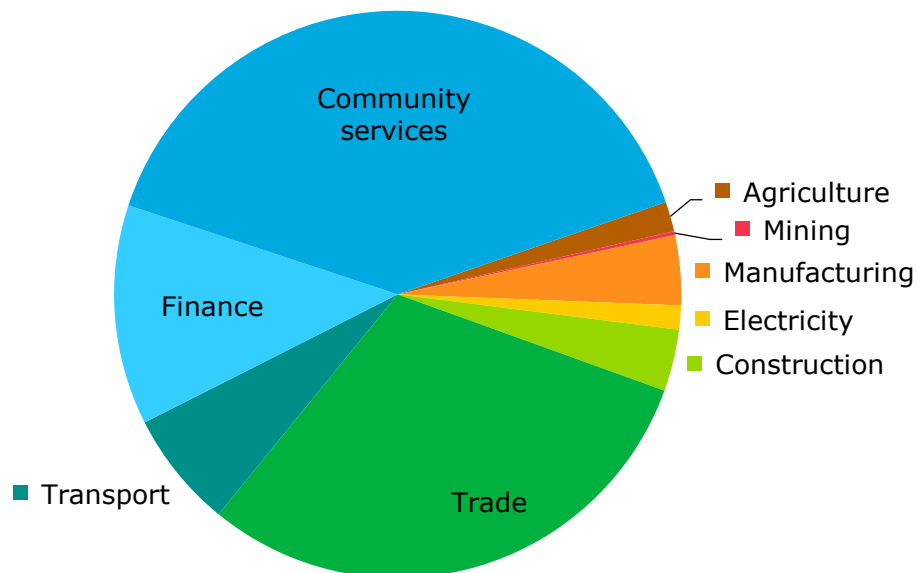
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
Agriculture	0.2	6.7	106.1	3.5%	0.22%
Mining	0.0	0.4	350.9	6.8%	0.01%
Manufacturing	0.6	43.6	572.9	1.3%	0.10%
Electricity	0.2	9.0	166.0	2.1%	0.11%
Construction	0.5	13.3	170.3	3.7%	0.29%
Trade	4.2	67.9	652.7	6.2%	0.65%
Transport	0.9	30.3	426.7	3.1%	0.22%
Finance	1.7	61.4	854.4	2.8%	0.20%
Community services	5.5	102.7	1,041.3	5.4%	0.53%
Total Industries	13.9	335.3	4,341.3	4.2%	0.32%

Source: IHS Markit Regional eXplorer version 1803

In 2018, the community services sector is the largest within Alfred Nzo District Municipality accounting for R 5.52 billion or 39.6% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Alfred Nzo District Municipality is the trade sector at 30.4%, followed by the finance sector with 12.5%. The sector that contributes the least to the economy of Alfred Nzo District Municipality is the mining sector with a contribution of R 30.1 million or 0.22% of the total GVA.

GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE COMPOSITION]

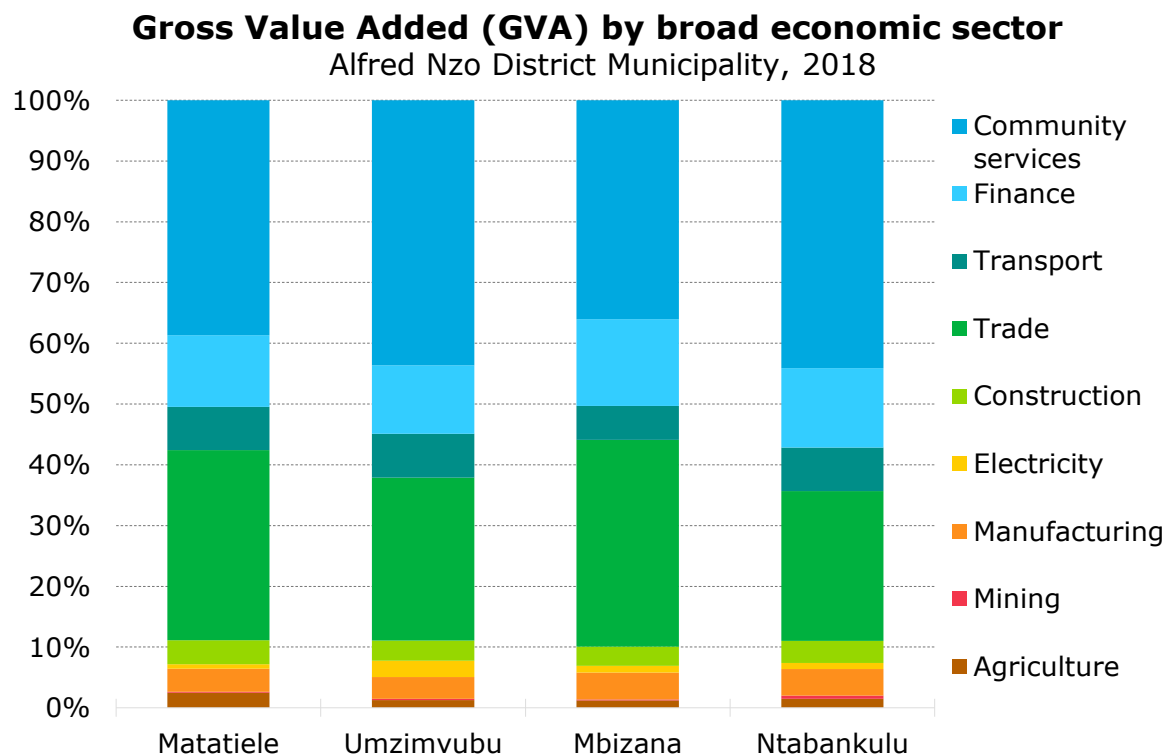
Gross Value Added (GVA) by broad economic sector
Alfred Nzo District Municipality, 2018



Source: IHS Markit Regional eXplorer version 1803

The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within the district municipality, the Matatiele Local Municipality made the largest contribution to the community services sector at 33.77% of the district municipality. As a whole, the Matatiele Local Municipality contributed R 4.82 billion or 34.61% to the GVA of the Alfred Nzo District Municipality, making it the largest contributor to the overall GVA of the Alfred Nzo District Municipality.

GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - LOCAL MUNICIPALITIES OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE COMPOSITION]



Source: IHS Markit Regional eXplorer version 1803

2.4. Historical Economic Growth

For the period 2018 and 2008, the GVA in the finance sector had the highest average annual growth rate in Alfred Nzo at 1.62%. The industry with the second highest average annual growth rate is the construction sector averaging at 0.50% per year. The mining sector had an average annual growth rate of -1.75%, while the electricity sector had the lowest average annual growth of -7.61%. Overall a negative growth existed for all the industries in 2018 with an annual growth rate of -0.09% since 2017.

TABLE 16. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - ALFRED NZO DISTRICT MUNICIPALITY, 2008, 2013 AND 2018 [R MILLIONS, 2010 CONSTANT PRICES]

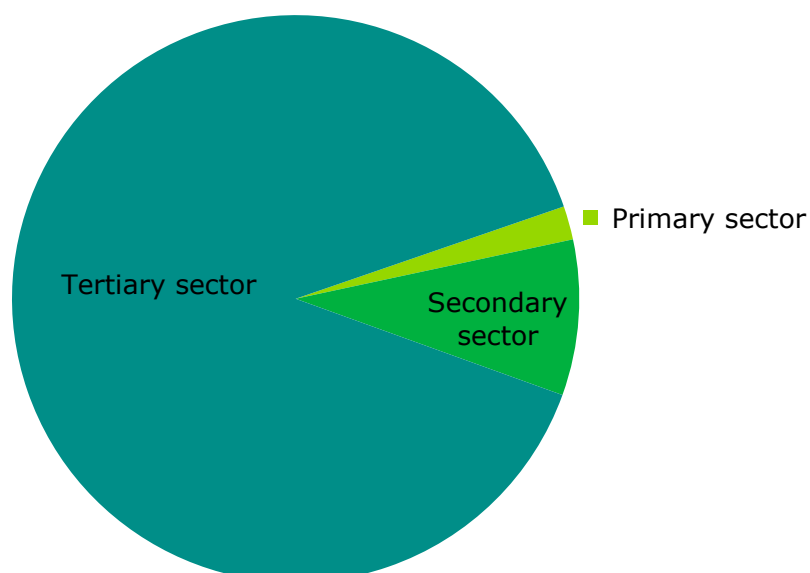
	2008	2013	2018	Average Annual growth
Agriculture	139.8	150.5	125.6	-1.07%
Mining	48.6	38.5	40.8	-1.75%
Manufacturing	394.1	350.0	338.2	-1.52%
Electricity	112.3	72.0	50.9	-7.61%
Construction	286.9	306.5	301.4	0.50%
Trade	2,560.9	2,603.2	2,603.1	0.16%
Transport	550.2	511.9	521.7	-0.53%
Finance	1,062.3	1,145.0	1,247.9	1.62%
Community services	3,638.1	3,503.8	3,492.7	-0.41%
Total Industries	8,793.1	8,681.4	8,722.3	-0.08%

Source: IHS Markit Regional eXplorer version 1803

The tertiary sector contributes the most to the Gross Value Added within the Alfred Nzo District Municipality at 89.2%. This is significantly higher than the national economy (68.5%). The secondary sector contributed a total of 8.9% (ranking second), while the primary sector contributed the least at 1.9%.

GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - ALFRED NZO DISTRICT MUNICIPALITY, 2018 [PERCENTAGE]

Gross Value Added (GVA) by aggregate sector
Alfred Nzo District Municipality, 2018



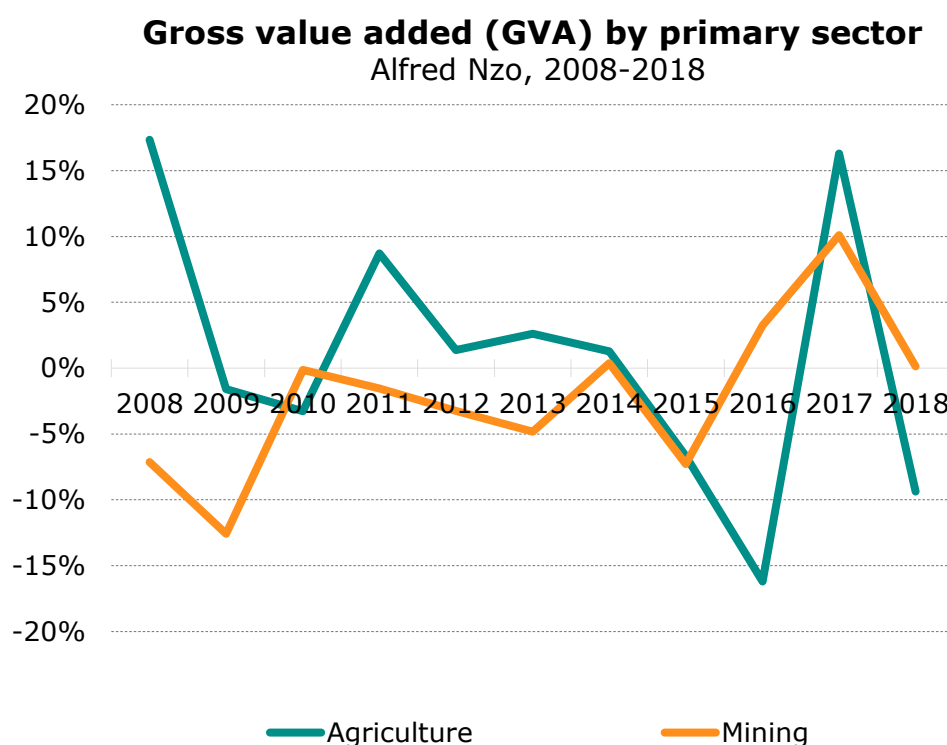
Source: IHS Markit Regional eXplorer version 1803

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

2.5. Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Alfred Nzo District Municipality from 2008 to 2018.

GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - ALFRED NZO, 2008-2018
[ANNUAL PERCENTAGE CHANGE]



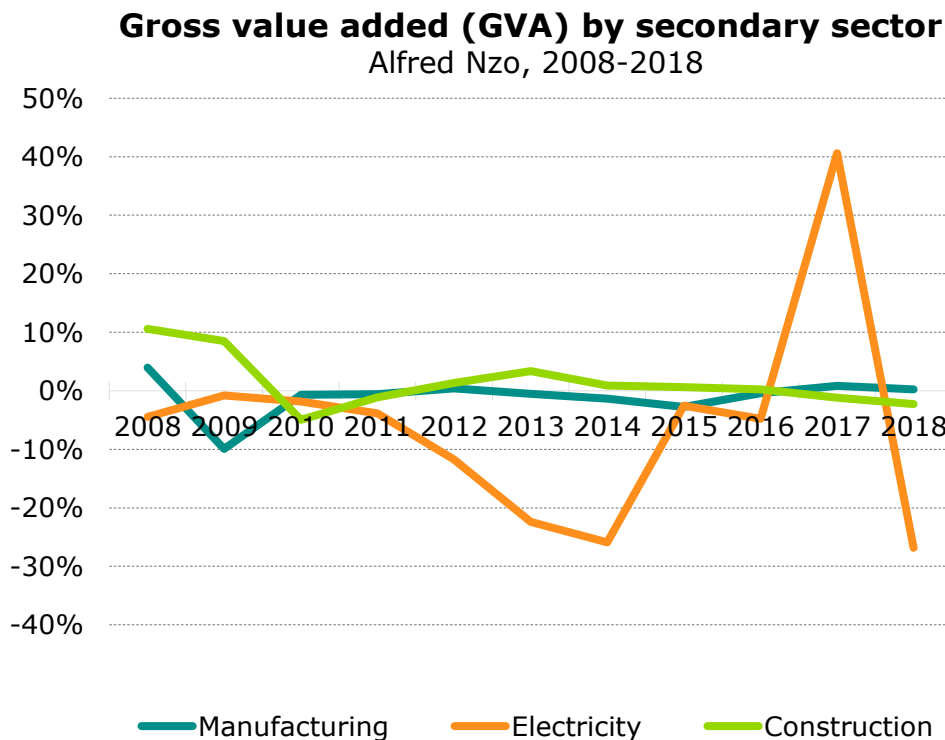
Source: IHS Markit Regional eXplorer version 1803

Between 2008 and 2018, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 17.4%. The mining sector reached its highest point of growth of 10.1% in 2017. The agricultural sector experienced the lowest growth for the period during 2016 at -16.2%, while the mining sector reaching its lowest point of growth in 2009 at -12.6%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

2.6. Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Alfred Nzo District Municipality from 2008 to 2018.

GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - ALFRED NZO, 2008-2018
[ANNUAL PERCENTAGE CHANGE]



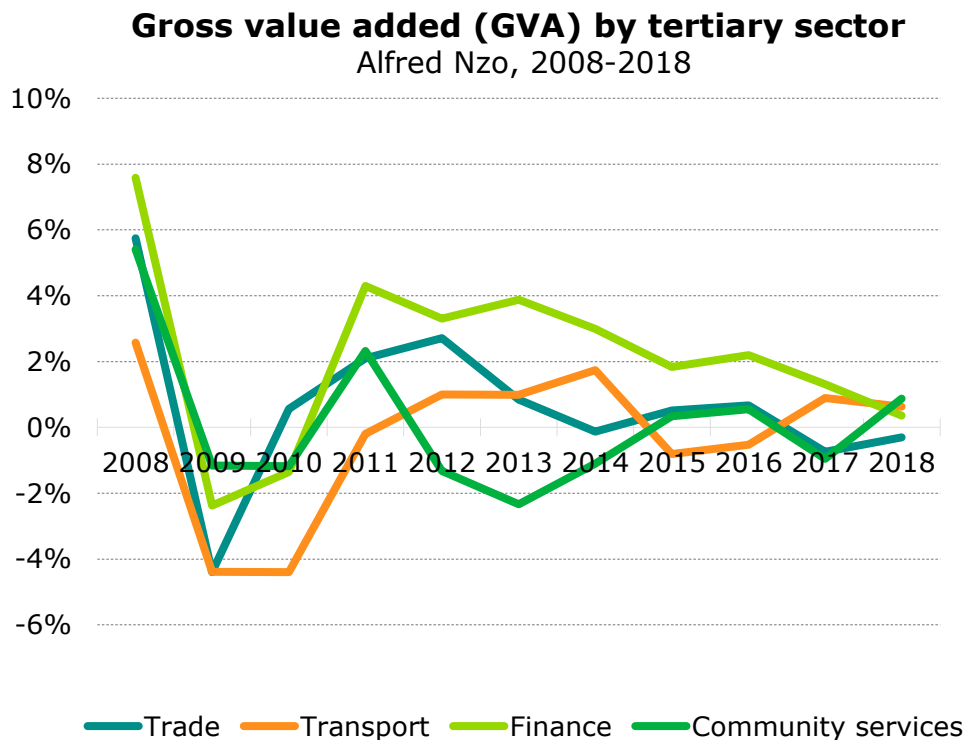
Source: IHS Markit Regional eXplorer version 1803

Between 2008 and 2018, the manufacturing sector experienced the highest positive growth in 2008 with a growth rate of 4.0%. It is evident for the construction sector that the highest positive growth rate also existed in 2008 and it experienced a growth rate of 10.6% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -9.9%, while construction sector reached its lowest point of growth in 2010 a with -5.0% growth rate. The electricity sector experienced the highest growth in 2017 at 40.6%, while it recorded the lowest growth of -26.8% in 2018.

2.7. Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Alfred Nzo District Municipality from 2008 to 2018.

GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - ALFRED NZO, 2008-2018
[ANNUAL PERCENTAGE CHANGE]



Source: IHS Markit Regional eXplorer version 1803

The trade sector experienced the highest positive growth in 2008 with a growth rate of 5.7%. It is evident for the transport sector that the highest positive growth rate also existed in 2008 at 2.6% which is lower than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2008 when it grew by 7.6% and recorded the lowest growth rate in 2009 at -2.4%. The Trade sector also had the lowest growth rate in 2009 at -4.4%. The community services sector, which largely consists of government, experienced its highest positive growth in 2008 with 5.4% and the lowest growth rate in 2013 with -2.3%.

2.8. Sector Growth Forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

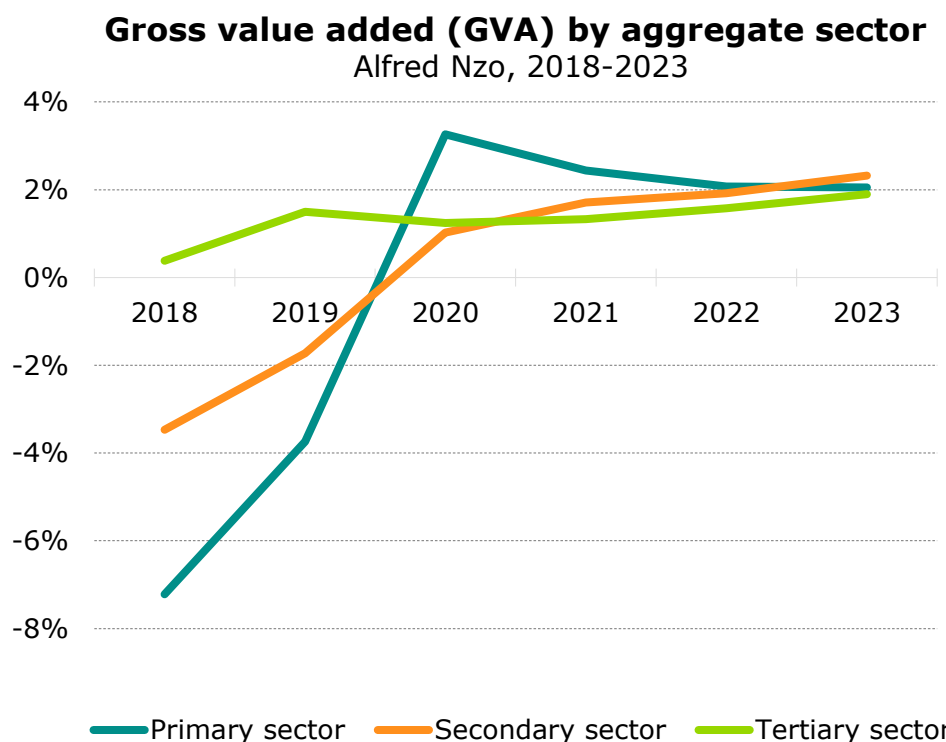
TABLE 17. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - ALFRED NZO DISTRICT MUNICIPALITY, 2018-2023 [R MILLIONS, CONSTANT 2010 PRICES]

	2018	2019	2020	2021	2022	2023	Average Annual growth
Agriculture	125.6	122.4	128.5	132.5	135.7	138.8	2.01%
Mining	40.8	37.7	36.9	36.9	37.2	37.7	-1.56%
Manufacturing	338.2	340.6	347.0	352.7	358.2	365.1	1.54%
Electricity	50.9	47.4	48.9	50.0	51.4	52.6	0.67%
Construction	301.4	290.5	289.6	294.6	301.0	309.4	0.52%
Trade	2,603.1	2,628.7	2,684.3	2,756.5	2,815.8	2,881.2	2.05%
Transport	521.7	527.1	541.9	555.3	570.7	587.7	2.41%
Finance	1,247.9	1,273.6	1,309.5	1,345.1	1,385.1	1,429.1	2.75%
Community services	3,492.7	3,553.7	3,546.7	3,533.3	3,547.5	3,578.9	0.49%
Total Industries	8,722.3	8,821.9	8,933.3	9,056.8	9,202.7	9,380.5	1.47%

Source: IHS Markit Regional eXplorer version 1803

The finance sector is expected to grow fastest at an average of 2.75% annually from R 1.25 billion in Alfred Nzo District Municipality to R 1.43 billion in 2023. The community services sector is estimated to be the largest sector within the Alfred Nzo District Municipality in 2023, with a total share of 38.2% of the total GVA (as measured in current prices), growing at an average annual rate of 0.5%. The sector that is estimated to grow the slowest is the mining sector with an average annual growth rate of -1.56%.

GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - ALFRED NZO
DISTRICT MUNICIPALITY, 2018-2023 [ANNUAL GROWTH RATE, CONSTANT 2010
PRICES]



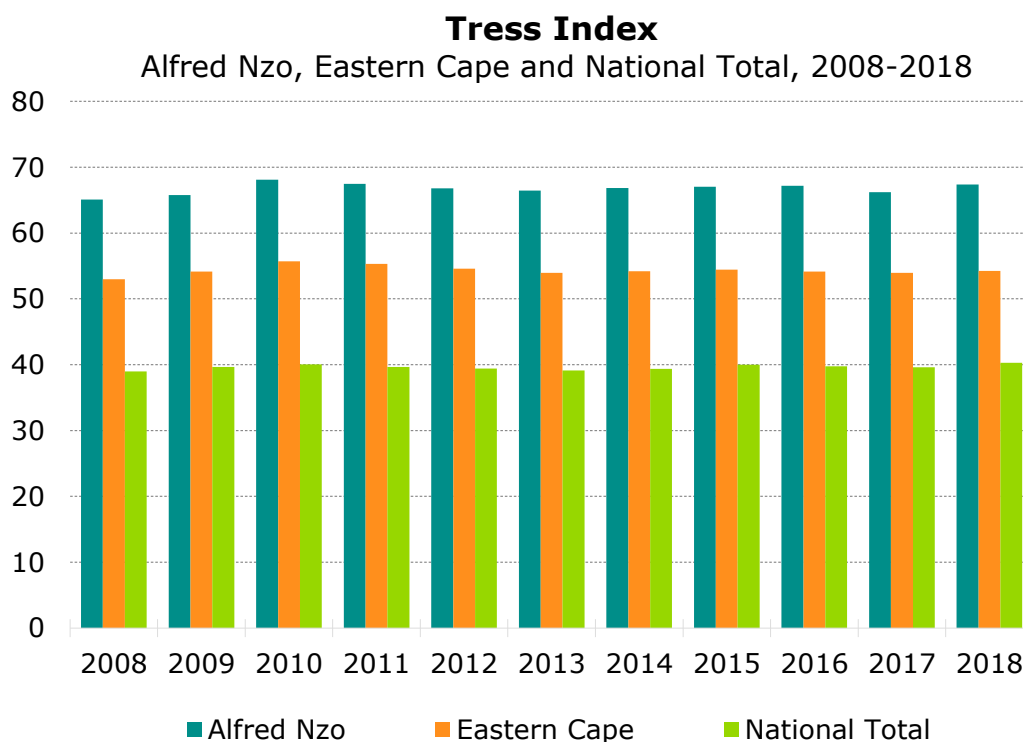
Source: IHS Markit Regional eXplorer version 1803

The Primary sector is expected to grow at an average annual rate of 1.19% between 2018 and 2023, with the Secondary sector growing at 1.04% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.51% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

2.9. Tress Index

TRESS INDEX - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018
[NUMBER]



Source: IHS Markit Regional eXplorer version 1803

In 2018, Alfred Nzo's Tress Index was estimated at 67.4 which are higher than the 54.2 of the province and higher than the 54.2 of the South Africa as a whole. This implies that - on average - Alfred Nzo District Municipality is less diversified in terms of its economic activity spread than the national's economy.

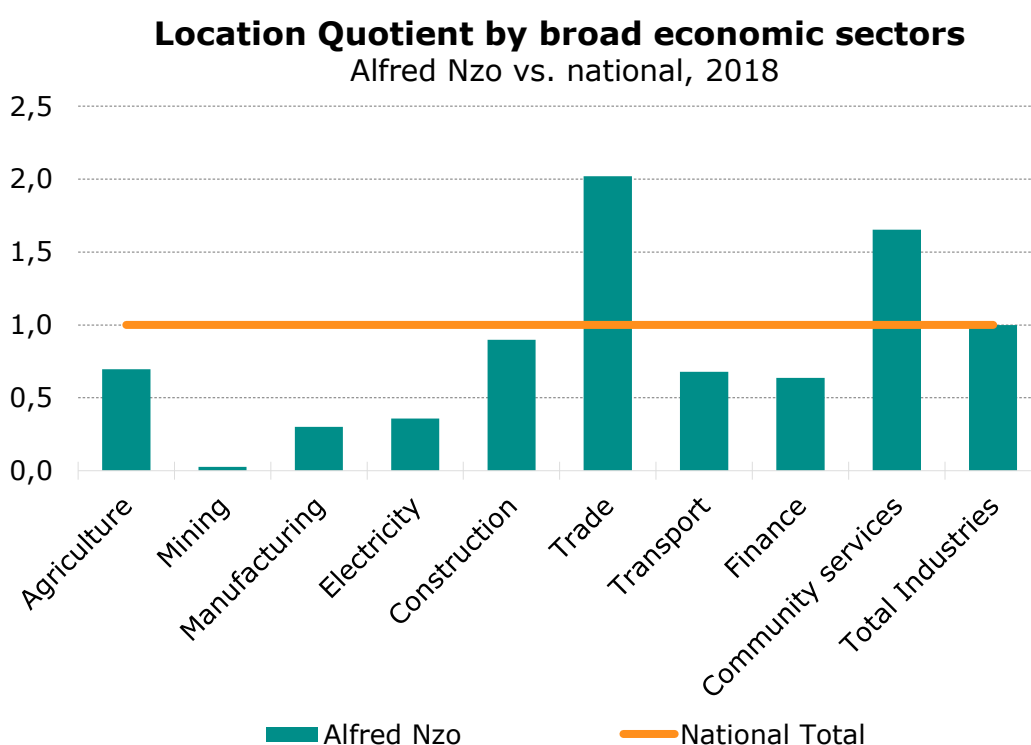
The Alfred Nzo District Municipality has a concentrated trade sector.

The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only - for instance - employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).

2.10. Location Quotient

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - ALFRED NZO DISTRICT MUNICIPALITY AND SOUTH AFRICA, 2018 [NUMBER]



Source: IHS Markit Regional eXplorer version 1803

For 2018 Alfred Nzo District Municipality has a very large comparative advantage in the trade sector. The community services sector also has a very large comparative advantage. The Alfred Nzo District Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very large comparative disadvantage. In general mining is a very concentrated economic sector. Unfortunately the Alfred Nzo District Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0268.

2.11. Labour

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

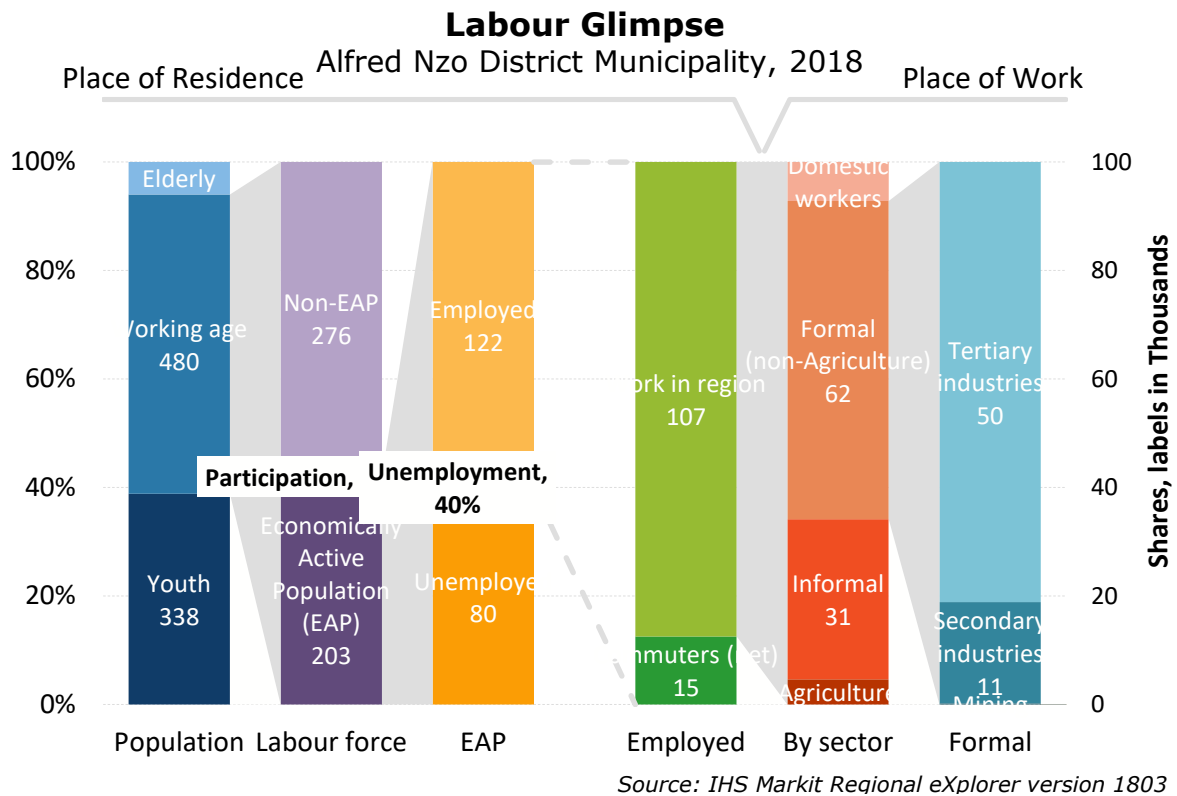
TABLE 18. WORKING AGE POPULATION IN ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008 AND 2018 [NUMBER]

	Alfred Nzo		Eastern Cape		National Total	
	2008	2018	2008	2018	2008	2018
15-19	101,000	85,200	727,000	573,000	5,300,000	4,570,000
20-24	73,200	70,200	633,000	590,000	5,230,000	4,960,000
25-29	50,800	72,900	500,000	679,000	4,390,000	5,530,000
30-34	41,700	61,500	436,000	601,000	3,690,000	5,420,000
35-39	39,500	45,000	415,000	470,000	3,230,000	4,360,000
40-44	33,600	34,700	369,000	398,000	2,790,000	3,480,000
45-49	28,600	33,200	317,000	367,000	2,440,000	2,950,000
50-54	24,400	27,900	258,000	317,000	2,040,000	2,530,000
55-59	19,600	24,600	201,000	277,000	1,660,000	2,180,000
60-64	17,100	24,900	175,000	229,000	1,310,000	1,790,000
Total	429,665	480,056	4,030,080	4,500,170	32,070,524	37,757,662

Source: IHS Markit Regional eXplorer version 1803

The working age population in Alfred Nzo in 2018 was 480 000, increasing at an average annual rate of 1.12% since 2008. For the same period the working age population for Eastern Cape Province increased at 1.11% annually, while that of South Africa increased at 1.65% annually.

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



Reading the chart from the left-most bar, breaking down the total population of the Alfred Nzo District Municipality (870 000) into working age and non-working age, the number of people that are of working age is about 480 000. As per definition, those that are of age 0 - 19 (youth) or age 65 and up (pensioners) are part of the non-working age population. Out of the working age group, 42.3% are participating in the labour force, meaning 203 000 residents of the district municipality forms currently part of the economically active population (EAP). Comparing this with the non-economically active population (NEAP) of the district municipality: fulltime students at tertiary institutions, disabled people, and those choosing not to work, sum to 277 000 people. Out of the economically active population, there are 80 800 that are unemployed, or when expressed as a percentage, an unemployment rate of 39.7%. Up to here all the statistics are measured at the place of residence.

On the far right we have the formal non-Agriculture jobs in Alfred Nzo, broken down by the primary (mining), secondary and tertiary industries. The majority of the formal employment lies in the Tertiary industry, with 51 000 jobs. When including the informal, agricultural and domestic workers, we have a total number of 107 000 jobs in the area. Formal jobs make up 58.7% of all jobs in the Alfred Nzo District Municipality. The difference between the employment measured at the place of work, and the people employed living in the area can be explained by the net commuters that work outside of the district municipality.

In theory, a higher or increasing population dividend is supposed to provide additional stimulus to economic growth. People of working age tend to uphold higher consumption patterns (Final Consumption Expenditure, FCE), and a more dense concentration of working age people is supposed to decrease dependency ratios - given that the additional labour which is offered to the market, is absorbed.

2.12. Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

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

TABLE 19. ECONOMICALLY ACTIVE POPULATION (EAP) - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBER, PERCENTAGE]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2008	165,000	1,880,000	18,400,000	8.8%	0.89%
2009	159,000	1,840,000	18,400,000	8.6%	0.86%
2010	151,000	1,780,000	18,200,000	8.5%	0.83%
2011	148,000	1,790,000	18,500,000	8.3%	0.80%
2012	152,000	1,830,000	18,900,000	8.3%	0.81%
2013	160,000	1,900,000	19,500,000	8.4%	0.82%
2014	170,000	1,990,000	20,300,000	8.5%	0.84%
2015	177,000	2,060,000	21,000,000	8.6%	0.84%
2016	187,000	2,140,000	21,600,000	8.7%	0.86%
2017	198,000	2,230,000	22,100,000	8.9%	0.89%
2018	203,000	2,280,000	22,400,000	8.9%	0.91%
Average Annual growth					
2008-2018	2.13%	1.96%	1.98%		

Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District Municipality's EAP was 203 000 in 2018, which is 23.36% of its total population of 870 000, and roughly 8.92% of the total EAP of the Eastern Cape Province. From 2008 to 2018, the average annual increase in the EAP in the Alfred Nzo District Municipality was 2.13%, which is 0.172 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

TABLE 20.EAP AS % OF TOTAL POPULATION - ALFRED NZO AND THE REST OF EASTERN CAPE, 2008, 2013, 2018 [PERCENTAGE]

	2008	2013	2018
Alfred Nzo	20.6%	19.3%	23.4%
Nelson Mandela Bay	39.0%	38.6%	38.3%
Buffalo City	38.6%	38.4%	43.8%
Sarah Baartman	32.3%	32.5%	37.7%
Amatole	23.3%	20.4%	25.2%
Chris Hani	26.2%	25.3%	30.3%
Joe Gqabi	30.2%	30.0%	35.2%
O.R.Tambo	21.7%	20.2%	24.5%

Source: IHS Markit Regional eXplorer version 1803

In 2008, 20.6% of the total population in Alfred Nzo District Municipality were classified as economically active which increased to 23.4% in 2018. Compared to the other regions in Eastern Cape Province, Buffalo City Metropolitan Municipality had the highest EAP as a percentage of the total population within its own region relative to the other regions. On the other hand, Alfred Nzo District Municipality had the lowest EAP with 23.4% people classified as economically active population in 2018.

2.13. Labour Force Participation Rate

The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Alfred Nzo, Eastern Cape and National Total as a whole.

TABLE 21.THE LABOUR FORCE PARTICIPATION RATE - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [PERCENTAGE]

	Alfred Nzo	Eastern Cape	National Total
2008	38.3%	46.6%	57.4%
2009	36.3%	45.0%	56.3%
2010	34.0%	43.0%	54.6%
2011	33.0%	42.8%	54.4%
2012	33.5%	43.2%	54.7%
2013	35.0%	44.5%	55.7%
2014	36.9%	46.3%	57.1%
2015	38.2%	47.4%	58.1%
2016	39.8%	48.7%	58.9%
2017	41.8%	50.3%	59.5%
2018	42.3%	50.6%	59.3%

Source: IHS Markit Regional eXplorer version 1803

The Alfred Nzo District Municipality's labour force participation rate increased from 38.33% to 42.35% which is an increase of 4 percentage points. The Eastern Cape Province increased from 46.57% to 50.63%, South Africa increased from 57.43% to 59.34% from 2008 to 2018. The Alfred Nzo District Municipality labour force participation rate exhibited a lower percentage point change compared to the Eastern Cape Province from 2008 to 2018. The Alfred Nzo District Municipality had a lower labour force participation rate when compared to South Africa in 2018.

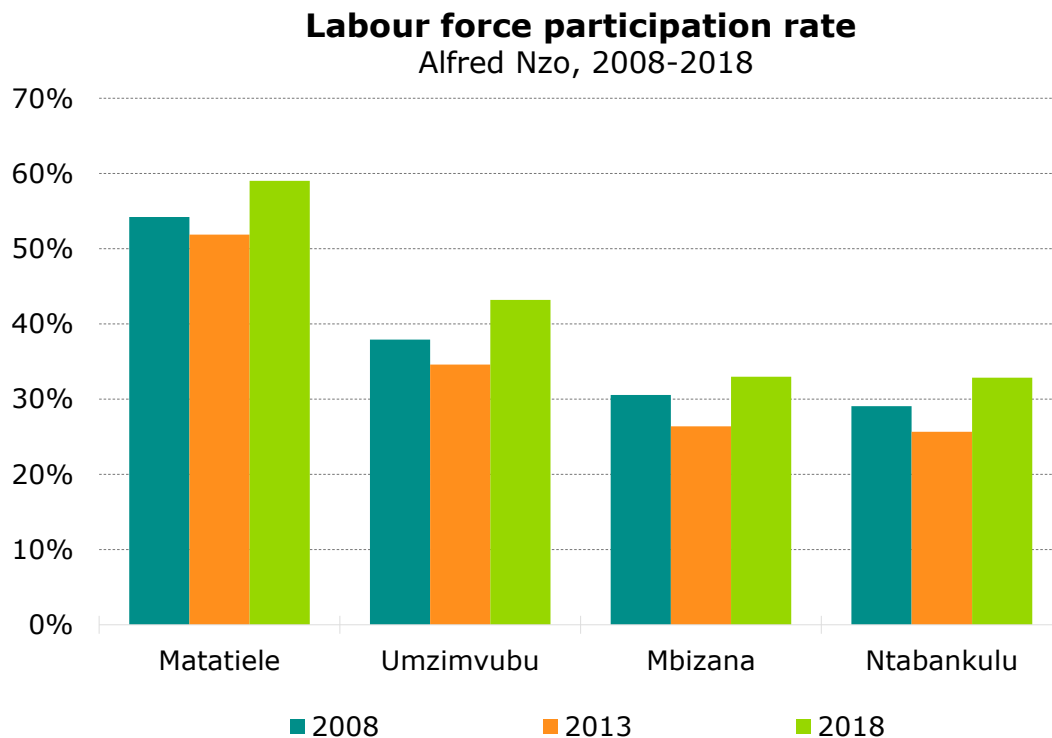
THE LABOUR FORCE PARTICIPATION AND UNEMPLOYMENT RATES - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

In 2018 the labour force participation rate for Alfred Nzo was at 42.3% which is slightly higher when compared to the 38.3% in 2008. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2008, the unemployment rate for Alfred Nzo was 27.1% and increased overtime to 39.7% in 2018. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Alfred Nzo District Municipality.

THE LABOUR FORCE PARTICIPATION RATE - LOCAL MUNICIPALITIES AND THE REST
OF ALFRED NZO DISTRICT MUNICIPALITY, 2013 AND 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

Matatiele Local Municipality had the highest labour force participation rate with 59.0% in 2018 increasing from 54.2% in 2008. Ntabankulu Local Municipality had the lowest labour force participation rate of 32.8% in 2018, this increased from 29.1% in 2008.

2.14. Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Analysis of total employment consists of two parts: employment in the formal sector, and employment in the informal sector.

TABLE 22.TOTAL EMPLOYMENT - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBERS]

	Alfred Nzo	Eastern Cape	National Total
2008	109,000	1,380,000	14,100,000
2009	104,000	1,350,000	14,000,000
2010	96,300	1,300,000	13,700,000
2011	93,300	1,300,000	13,900,000
2012	91,000	1,290,000	14,200,000
2013	93,900	1,320,000	14,600,000
2014	100,000	1,390,000	15,200,000
2015	105,000	1,440,000	15,700,000
2016	108,000	1,470,000	15,900,000
2017	108,000	1,480,000	16,100,000
2018	107,000	1,470,000	16,300,000
Average Annual growth			
2008-2018	-0.16%	0.61%	1.46%

Source: IHS Markit Regional eXplorer version 1803

In 2018, Alfred Nzo employed 107 000 people which is 7.29% of the total employment in Eastern Cape Province (1.47 million), 0.66% of total employment in South Africa (16.3 million). Employment within Alfred Nzo decreased annually at an average rate of -0.16% from 2008 to 2018.

TABLE 23. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - ALFRED NZO AND THE REST OF EASTERN CAPE, 2018 [NUMBERS]

	Alfred Nzo	Nelson Mandela Bay	Buffalo City	Sarah Baartman	Amatole	Chris Hani	Joe Gqabi	O.R.Tambo	Total Eastern Cape
Agriculture	4,970	7,680	19,600	25,100	10,100	13,000	9,760	7,130	97,363
Mining	126	198	188	32	104	168	122	332	1,271
Manufacturing	4,290	59,300	21,200	14,200	8,210	7,810	4,620	7,600	127,200
Electricity	145	246	2,230	126	211	246	130	316	3,649
Construction	17,800	25,000	22,300	13,800	15,700	20,100	12,400	24,700	151,747
Trade	24,700	76,400	60,000	31,000	38,000	35,200	19,800	54,600	339,711
Transport	4,860	21,700	10,800	6,470	6,680	5,880	3,580	10,500	70,442
Finance	10,700	48,200	31,300	12,900	16,800	16,200	7,740	27,300	171,213
Community services	31,900	70,900	64,600	24,600	47,200	52,300	25,000	74,100	390,540
Households	7,710	24,500	21,500	12,900	12,300	13,700	8,880	15,700	117,119
Total	107,000	334,000	254,000	141,000	155,000	165,000	92,000	222,000	1,470,256

Source: IHS Markit Regional eXplorer version 1803

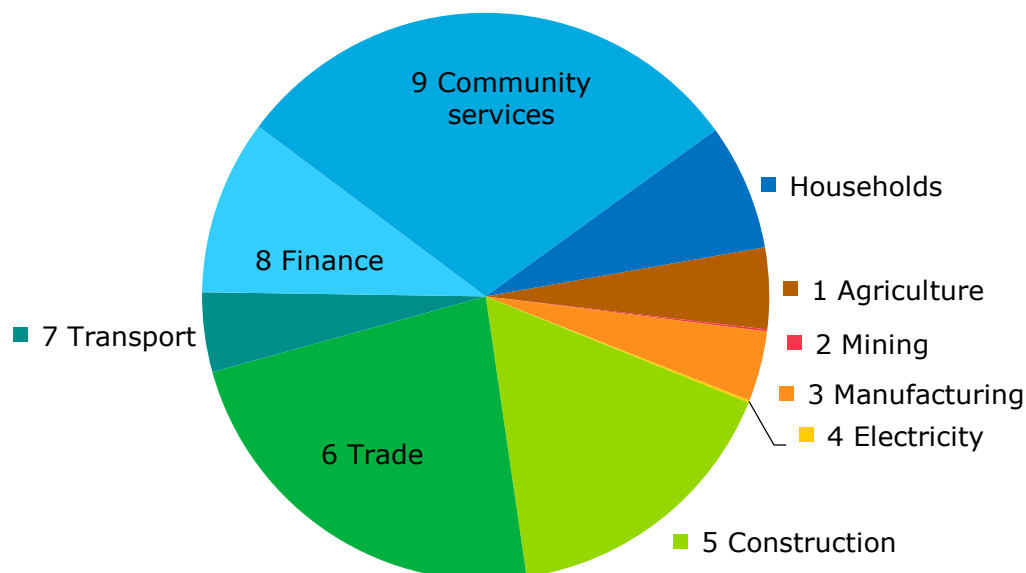
Alfred Nzo District Municipality employs a total number of 107 000 people within its district municipality. The district municipality that employs the highest number of people relative to the other regions within Eastern Cape Province is Nelson Mandela Bay district municipality with a total number of 334 000. The district municipality that employs the lowest number of people relative to the other regions within Eastern Cape Province is Joe Gqabi district municipality with a total number of 92 000 employed people.

In Alfred Nzo District Municipality the economic sectors that recorded the largest number of employment in 2018 were the community services sector with a total of 31 900 employed people or 29.8% of total employment in the district municipality. The trade sector with a total of 24 700 (23.0%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 126 (0.1%) is the sector that employs the least number of people in Alfred Nzo District Municipality, followed by the electricity sector with 145 (0.1%) people employed.

TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - ALFRED NZO DISTRICT
MUNICIPALITY, 2018 [PERCENTAGE]

Total Employment Composition

Alfred Nzo, 2018



Source: IHS Markit Regional eXplorer version 1803

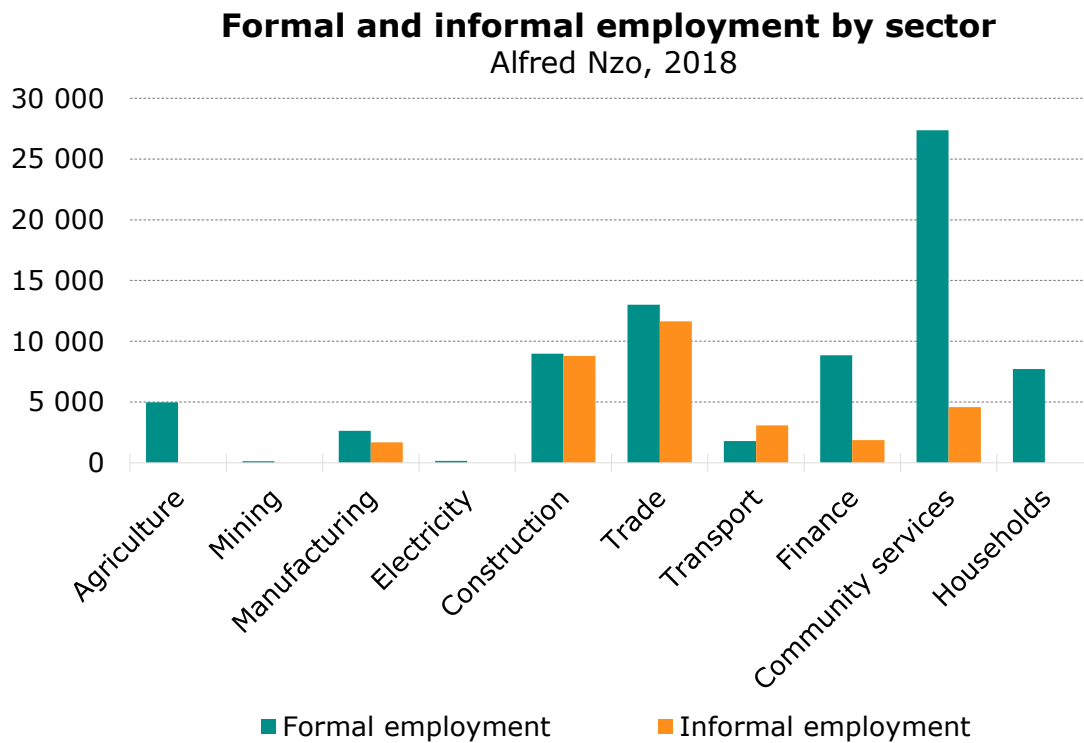
2.15. Formal and Informal Employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Alfred Nzo District Municipality counted 75 500 in 2018, which is about 70.49% of total employment, while the number of people employed in the informal sector counted 31 600 or 29.51% of the total employment. Informal employment in Alfred Nzo decreased from 32 600 in 2008 to an estimated 31 600 in 2018.

FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR -
ALFRED NZO DISTRICT MUNICIPALITY, 2018 [NUMBERS]



Source: IHS Markit Regional eXplorer version 1803

Some of the economic sectors have little or no informal employment:

Mining industry, due to well-regulated mining safety policies, and the strict registration of a mine, has little or no informal employment. The Electricity sector is also well regulated, making it difficult to get information on informal employment. Domestic Workers and employment in the Agriculture sector is typically counted under a separate heading.

In 2018 the Trade sector recorded the highest number of informally employed, with a total of 11 600 employees or 36.83% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 670 and only contributes 5.28% to total informal employment.

TABLE 24. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR -
ALFRED NZO DISTRICT MUNICIPALITY, 2018 [NUMBERS]

	Formal employment	Informal employment
Agriculture	4,970	N/A
Mining	126	N/A
Manufacturing	2,620	1,670
Electricity	145	N/A
Construction	8,970	8,790
Trade	13,000	11,600
Transport	1,780	3,080
Finance	8,840	1,870
Community services	27,400	4,570
Households	7,710	N/A

Source: IHS Markit Regional eXplorer version 1803

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

2.16. Unemployment

The analysis of the unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

The choice of definition for what constitutes being unemployed has a large impact on the final estimates for all measured labour force variables. The following definition was adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982): The "unemployed" comprise all persons above a specified age who during the reference period were:

"Without work", i.e. not in paid employment or self-employment;

"Currently available for work", i.e. were available for paid employment or self-employment during the reference period; and

"Seeking work", i.e. had taken specific steps in a specified reference period to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; seeking assistance of friends or relatives; looking for land.

TABLE 25.UNEMPLOYMENT (OFFICIAL DEFINITION) - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [NUMBER PERCENTAGE]

	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
2008	44,600	499,000	4,340,000	8.9%	1.03%
2009	44,700	494,000	4,370,000	9.0%	1.02%
2010	44,800	493,000	4,510,000	9.1%	1.00%
2011	45,000	500,000	4,600,000	9.0%	0.98%
2012	48,300	524,000	4,730,000	9.2%	1.02%
2013	52,500	559,000	4,900,000	9.4%	1.07%
2014	55,600	585,000	5,110,000	9.5%	1.09%
2015	57,600	602,000	5,350,000	9.6%	1.08%
2016	63,600	653,000	5,710,000	9.7%	1.11%
2017	74,100	736,000	6,020,000	10.1%	1.23%
2018	80,800	786,000	6,120,000	10.3%	1.32%
Average Annual growth					
2008-2018	6.13%	4.66%	3.48%		

Source: IHS Markit Regional eXplorer version 1803

In 2018, there were a total number of 80 800 people unemployed in Alfred Nzo, which is an increase of 36 200 from 44 600 in 2008. The total number of unemployed people within Alfred Nzo constitutes 10.28% of the total number of unemployed people in Eastern Cape Province. The Alfred Nzo District Municipality experienced an average annual increase of 6.13% in the number of unemployed people, which is worse than that of the Eastern Cape Province which had an average annual increase in unemployment of 4.66%.

TABLE 26.UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018 [PERCENTAGE]

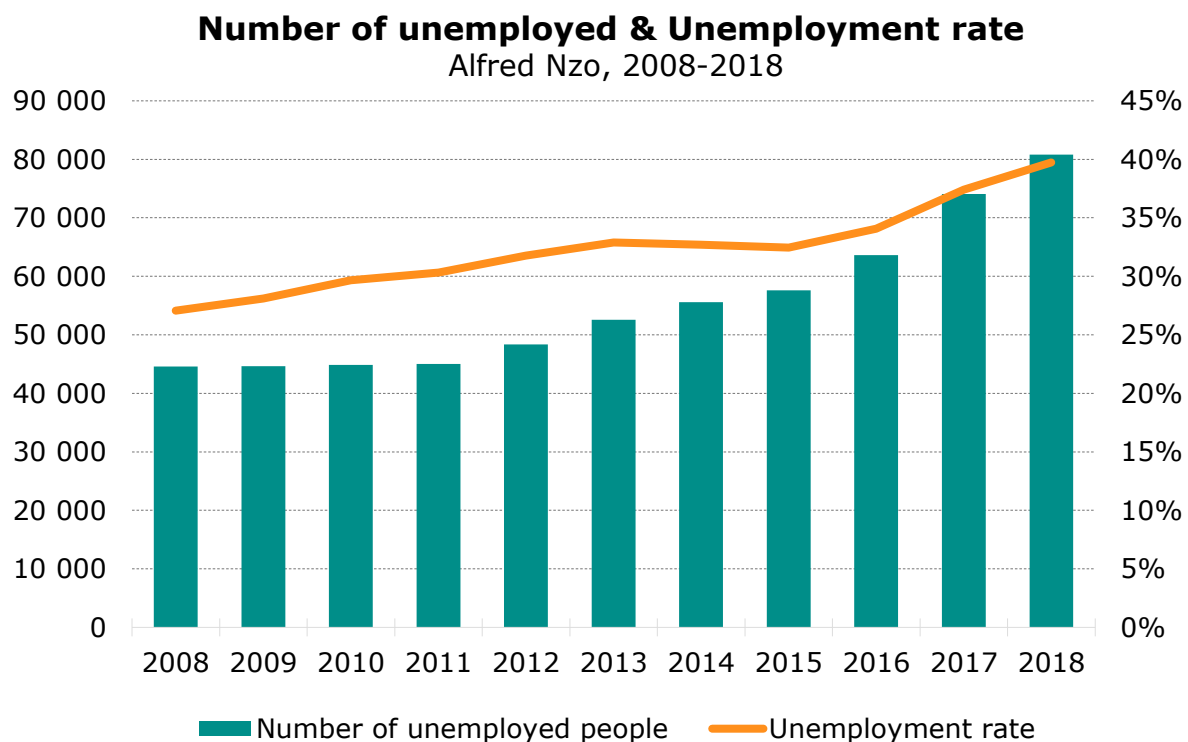
	Alfred Nzo	Eastern Cape	National Total
2008	27.1%	26.6%	23.6%
2009	28.1%	26.9%	23.8%
2010	29.7%	27.7%	24.8%
2011	30.3%	27.9%	24.9%
2012	31.8%	28.7%	25.0%
2013	32.9%	29.4%	25.1%
2014	32.7%	29.4%	25.1%
2015	32.5%	29.2%	25.5%
2016	34.1%	30.5%	26.4%
2017	37.4%	32.9%	27.2%
2018	39.7%	34.5%	27.3%

Source: IHS Markit Regional eXplorer version 1803

In 2018, the unemployment rate in Alfred Nzo District Municipality (based on the official definition of unemployment) was 39.73%, which is an increase of 12.7 percentage points. The unemployment rate in Alfred Nzo District Municipality is higher than that of Eastern Cape. The unemployment rate

for South Africa was 27.31% in 2018, which is a increase of -3.72 percentage points from 23.59% in 2008.

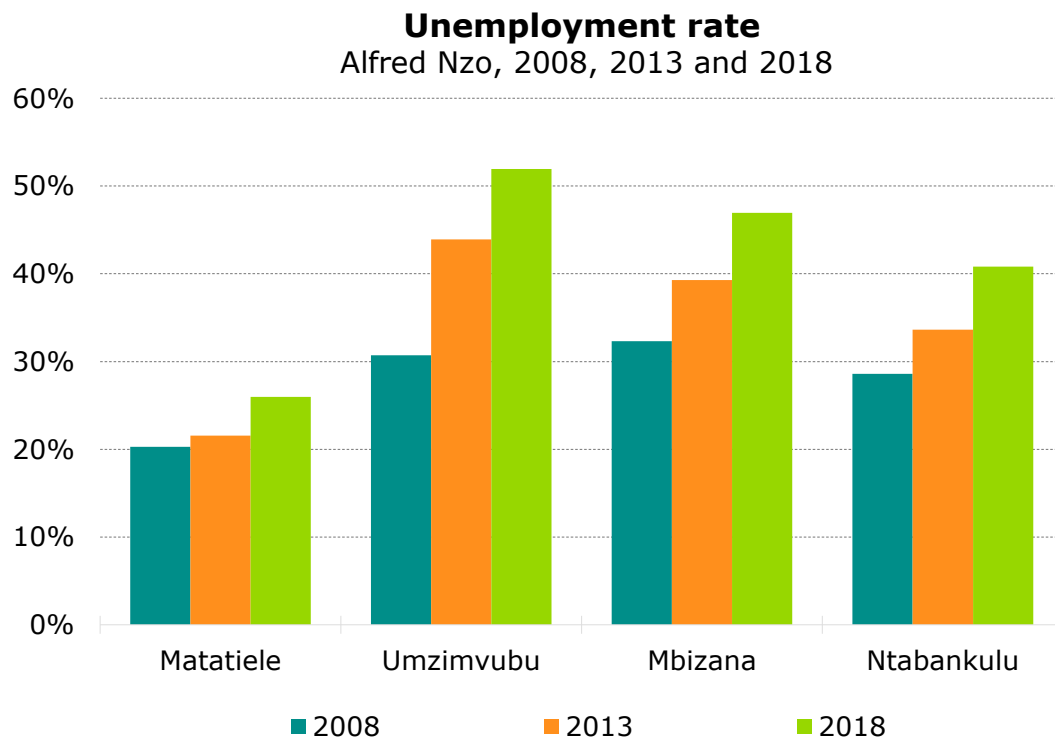
UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [NUMBER PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

When comparing unemployment rates among regions within Alfred Nzo District Municipality, Umzimvubu Local Municipality has indicated the highest unemployment rate of 51.9%, which has increased from 30.7% in 2008. It can be seen that the Matatiele Local Municipality had the lowest unemployment rate of 26.0% in 2018, which increased from 20.3% in 2008.

UNEMPLOYMENT RATE - LOCAL MUNICIPALITIES AND THE REST OF ALFRED NZO DISTRICT
MUNICIPALITY, 2008, 2013 AND 2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

2.17. Income and Expenditure

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

2.18. Number of Households by Income category

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. These income brackets do not take into account inflation creep: over time, movement of households "up" the brackets is natural, even if they are not earning any more in real terms.

TABLE 27. HOUSEHOLDS BY INCOME CATEGORY - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2018 [NUMBER PERCENTAGE]

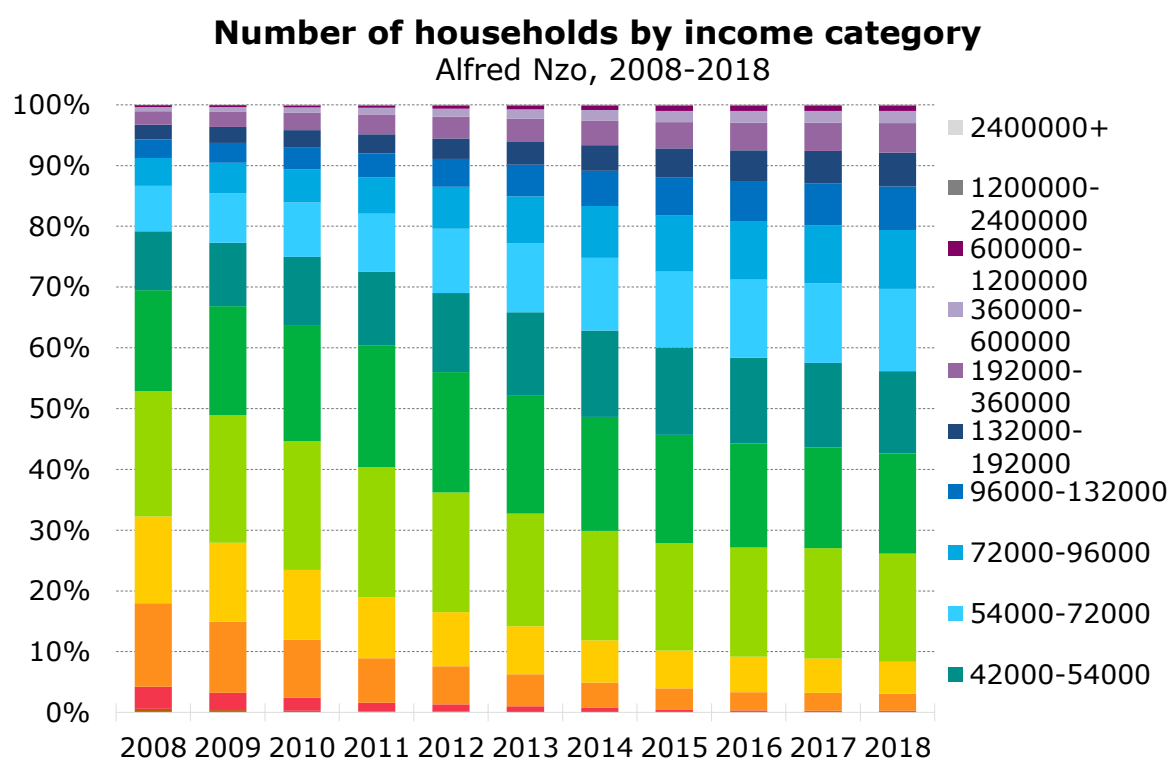
	Alfred Nzo	Eastern Cape	National Total	Alfred Nzo as % of province	Alfred Nzo as % of national
0-2400	25	232	1,700	11.0%	1.50%
2400-6000	510	4,650	32,900	11.0%	1.55%
6000-12000	5,270	43,900	318,000	12.0%	1.66%
12000-18000	10,000	85,500	627,000	11.7%	1.60%
18000-30000	33,700	262,000	1,770,000	12.9%	1.90%
30000-42000	31,300	261,000	1,790,000	12.0%	1.75%
42000-54000	25,700	216,000	1,590,000	11.9%	1.62%
54000-72000	25,600	228,000	1,730,000	11.2%	1.48%
72000-96000	18,400	191,000	1,580,000	9.6%	1.17%
96000-132000	13,600	163,000	1,500,000	8.4%	0.91%
132000-192000	10,500	144,000	1,440,000	7.3%	0.73%
192000-360000	9,230	162,000	1,870,000	5.7%	0.49%
360000-600000	3,740	93,700	1,220,000	4.0%	0.31%
600000-1200000	1,700	63,400	892,000	2.7%	0.19%
1200000-2400000	247	19,800	290,000	1.2%	0.09%
2400000+	10	2,950	46,700	0.4%	0.02%
Total	190,000	1,940,000	16,700,000	9.8%	1.13%

Source: IHS Markit Regional eXplorer version 1803

It was estimated that in 2018 26.13% of all the households in the Alfred Nzo District Municipality, were living on R30,000 or less per annum. In comparison with 2008's 52.88%, the number is about half. The 18000-30000 income category has the highest number of households with a total number

of 33 700, followed by the 30000-42000 income category with 31 300 households. Only 10 households fall within the 2400000+ income category.

HOUSEHOLDS BY INCOME BRACKET - ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [PERCENTAGE]



Source: IHS Markit Regional eXplorer version 1803

For the period 2008 to 2018 the number of households earning more than R30,000 per annum has increased from 47.12% to 73.87%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased by a significant amount.

2.19. Annual total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

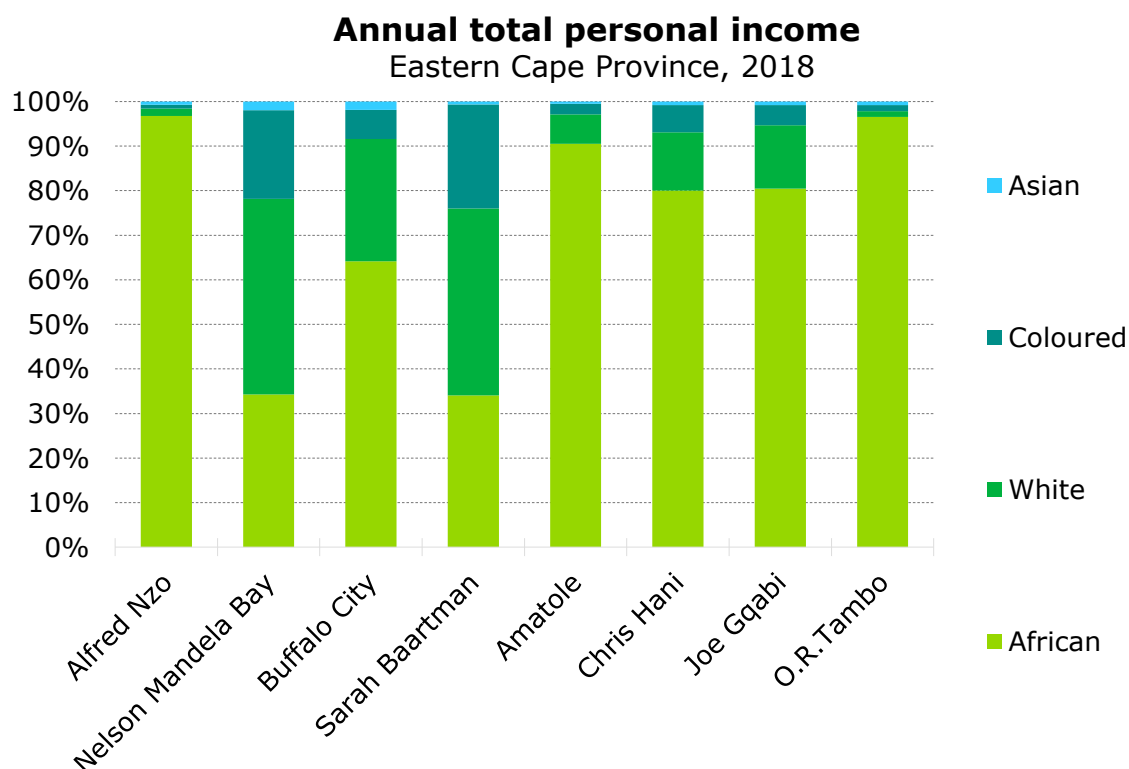
TABLE 28. ANNUAL TOTAL PERSONAL INCOME - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL [CURRENT PRICES, R BILLIONS]

	Alfred Nzo	Eastern Cape	National Total
2008	8.5	134.0	1,587.9
2009	9.1	143.3	1,695.1
2010	9.6	154.1	1,843.3
2011	10.4	168.2	2,033.0
2012	11.3	187.7	2,226.5
2013	12.1	205.1	2,412.1
2014	12.9	220.4	2,590.6
2015	13.8	240.1	2,794.9
2016	14.6	256.3	2,990.4
2017	15.4	275.6	3,227.9
2018	16.1	291.9	3,420.9
Average Annual growth			
2008-2018	6.57%	8.09%	7.98%

Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District Municipality recorded an average annual growth rate of 6.57% (from R 8.52 billion to R 16.1 billion) from 2008 to 2018, which is less than both Eastern Cape's (8.09%) as well as South Africa's (7.98%) average annual growth rates.

ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - ALFRED NZO AND THE REST OF EASTERN CAPE [CURRENT PRICES, R BILLIONS]



Source: IHS Markit Regional eXplorer version 1803

The total personal income of Alfred Nzo District Municipality amounted to approximately R 16.1 billion in 2018. The African population group earned R 15.6 billion, or 96.79% of total personal income, while the White population group earned R 258 million, or 1.61% of the total personal income. The Coloured and the Asian population groups only had a share of 0.91% and 0.70% of total personal income respectively.

TABLE 29. ANNUAL TOTAL PERSONAL INCOME - MATATIELE, UMZIMVUBU, MBIZANA AND NTABANKULU LOCAL MUNICIPALITIES [CURRENT PRICES, R BILLIONS]

	Matatiele	Umzimvubu	Mbizana	Ntabankulu
2008	2.51	2.41	2.43	1.17
2009	2.69	2.56	2.61	1.22
2010	2.87	2.70	2.78	1.27
2011	3.10	2.91	3.00	1.36
2012	3.44	3.14	3.29	1.46
2013	3.73	3.32	3.53	1.54
2014	4.01	3.48	3.76	1.61
2015	4.35	3.70	4.04	1.70
2016	4.64	3.89	4.30	1.78
2017	4.96	4.06	4.57	1.85
2018	5.19	4.20	4.79	1.92
Average Annual growth				
2008-2018	7.52%	5.70%	7.03%	5.10%

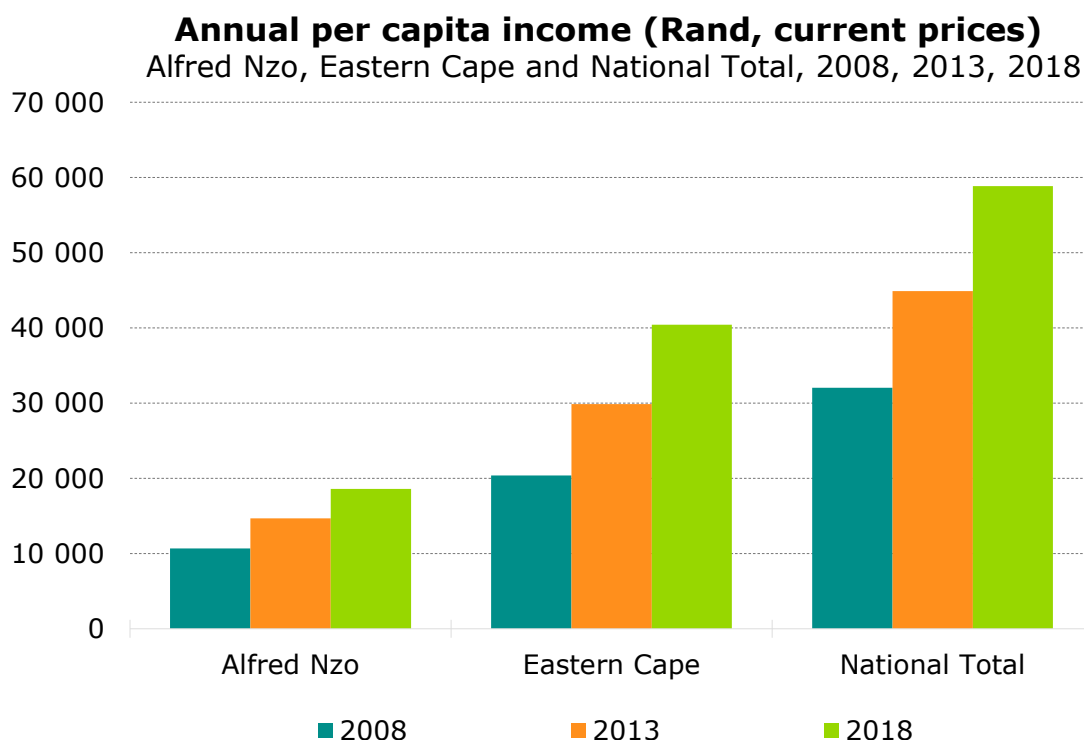
Source: IHS Markit Regional eXplorer version 1803

When looking at the annual total personal income for the regions within Eastern Cape Province it can be seen that the Matatiele Local Municipality had the highest total personal income with R 5.19 billion which increased from R 2.51 billion recorded in 2008. It can be seen that the Ntabankulu Local Municipality had the lowest total personal income of R 1.92 billion in 2018, this increased from R 1.17 billion in 2008.

2.20. Annual per Capita Income

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

PER CAPITA INCOME - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2018 [RAND, CURRENT PRICES]



Source: IHS Markit Regional eXplorer version 1803

The per capita income in Alfred Nzo District Municipality is R 18,600 and is lower than both the National Total (R 58,800) and of the Eastern Cape Province (R 40,400) per capita income.

TABLE 30. PER CAPITA INCOME BY POPULATION GROUP - ALFRED NZO AND THE REST OF EASTERN CAPE PROVINCE, 2018 [RAND, CURRENT PRICES]

	African	White	Coloured	Asian
Alfred Nzo	18,200	125,000	40,000	67,700
Nelson Mandela Bay	38,000	240,000	59,900	135,000
Buffalo City	45,900	251,000	69,800	140,000
Sarah Baartman	34,500	234,000	39,700	91,700
Amatole	25,200	197,000	41,100	75,600
Chris Hani	27,800	222,000	48,800	88,700
Joe Gqabi	28,000	212,000	43,600	N/A
O.R.Tambo	22,400	156,000	62,400	72,400

Source: IHS Markit Regional eXplorer version 1803

Nelson Mandela Bay Metropolitan Municipality has the highest per capita income with a total of R 69,700. Buffalo City Metropolitan Municipality had the second highest per capita income at R 61,900, whereas Alfred Nzo District Municipality had the lowest per capita income at R 18,600. In Alfred Nzo District Municipality, the White population group has the highest per capita income, with R 125,000, relative to the other population groups. The population group with the second

highest per capita income within Alfred Nzo District Municipality is the Asian population group (R 67,700), where the Coloured and the African population groups had a per capita income of R 40,000 and R 18,200 respectively.

2.21. Index of Buying Power

The analysis of Index of Buying Power (IBP) is a measure of a region's overall capacity to absorb products and/or services. The index is useful when comparing two regions in terms of their capacity to buy products. Values range from 0 to 1 (where the national index equals 1), and can be interpreted as the percentage of national buying power attributable to the specific region. Regions' buying power usually depends on three factors: the size of the population; the ability of the population to spend (measured by total income); and the willingness of the population to spend (measured by total retail sales).

TABLE 31. INDEX OF BUYING POWER - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2018 [NUMBER]

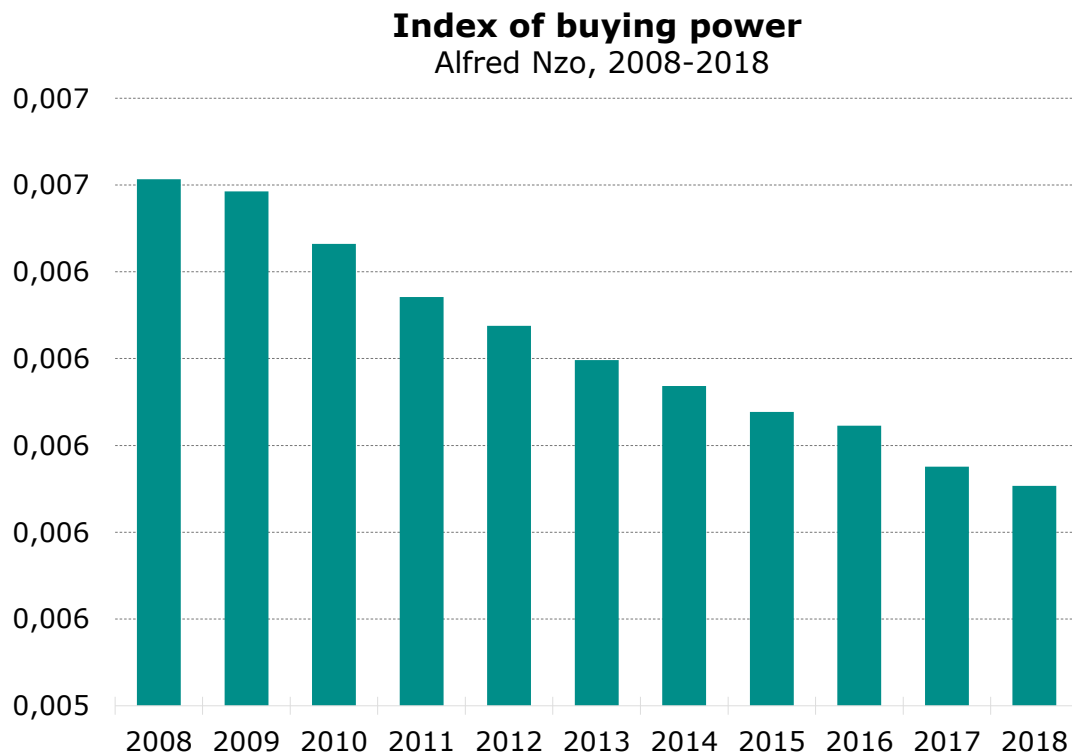
	Alfred Nzo	Eastern Cape	National Total
Population	864,749	7,222,764	58,125,712
Population - share of national total	1.5%	12.4%	100.0%
Income	16,092	291,870	3,420,872
Income - share of national total	0.5%	8.5%	100.0%
Retail	5,622,650	89,503,454	1,056,444,000
Retail - share of national total	0.5%	8.5%	100.0%
Index	0.01	0.09	1.00

Source: IHS Markit Regional eXplorer version 1803

Alfred Nzo District Municipality has a 1.5% share of the national population, 0.5% share of the total national income and a 0.5% share in the total national retail, this all equates to an IBP index value of 0.0059 relative to South Africa as a whole. Eastern Cape has an IBP of 0.089. , were South Africa has and IBP index value of 1 relative to South Africa as a whole.

The considerable low index of buying power of the Alfred Nzo District Municipality suggests that the district municipality has access to only a small percentage of the goods and services available in all of the Eastern Cape Province. Its residents are most likely spending some of their income in neighbouring areas.

INDEX OF BUYING POWER ALFRED NZO DISTRICT MUNICIPALITY, 2008-2018 [INDEX VALUE]



Source: IHS Markit Regional eXplorer version 1803

Between 2008 and 2018, the index of buying power within Alfred Nzo District Municipality increased to its highest level in 2008 (0.006613) from its lowest in 2018 (0.005907). The buying power within Alfred Nzo District Municipality is relatively small compared to other regions and it decreased at an average annual growth rate of -1.12%.

2.22. Development

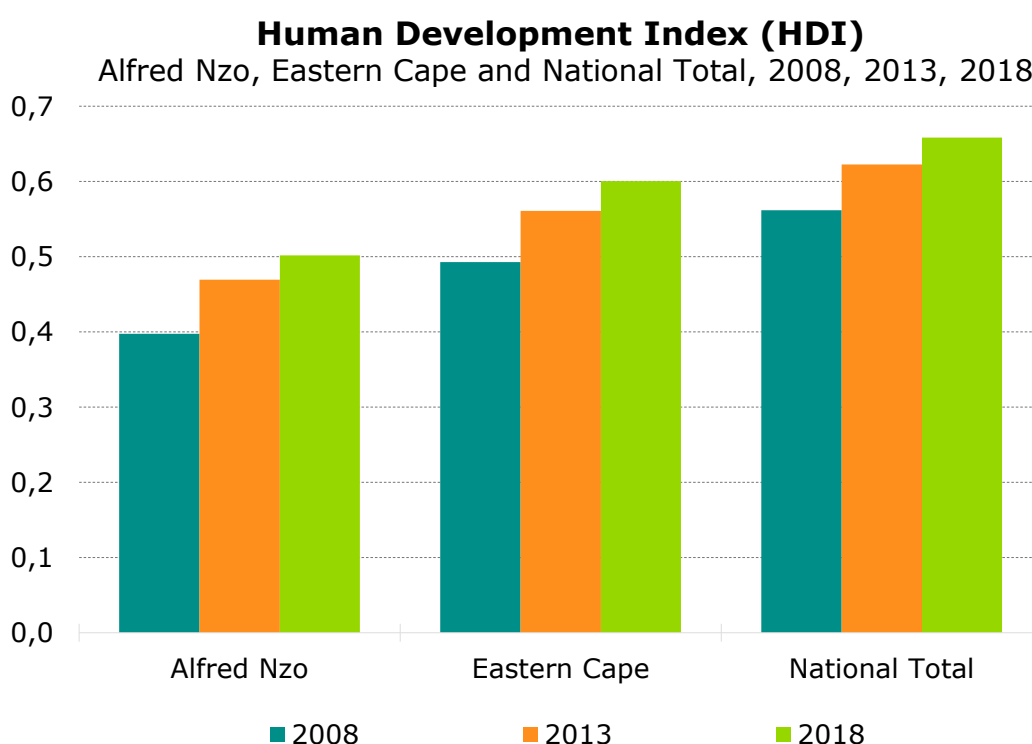
Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

2.23. Human Development Index (HDI)

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

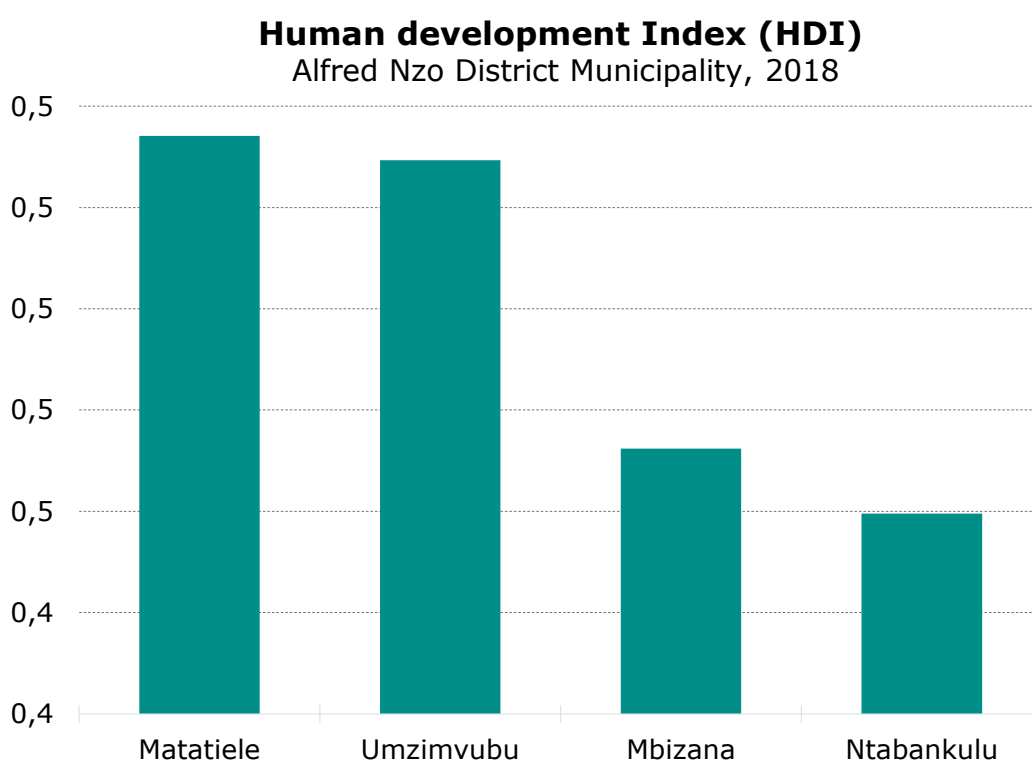
HUMAN DEVELOPMENT INDEX (HDI) - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL,
2008, 2013, 2018 [NUMBER]



Source: IHS Markit Regional eXplorer version 1803

In 2018 Alfred Nzo District Municipality had an HDI of 0.502 compared to the Eastern Cape with a HDI of 0.6 and 0.658 of National Total as a whole. Seeing that South Africa recorded a higher HDI in 2018 when compared to Alfred Nzo District Municipality which translates to worse human development for Alfred Nzo District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.60% and this increase is lower than that of Alfred Nzo District Municipality (2.36%).

HUMAN DEVELOPMENT INDEX (HDI) - LOCAL MUNICIPALITIES AND THE REST OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [NUMBER]



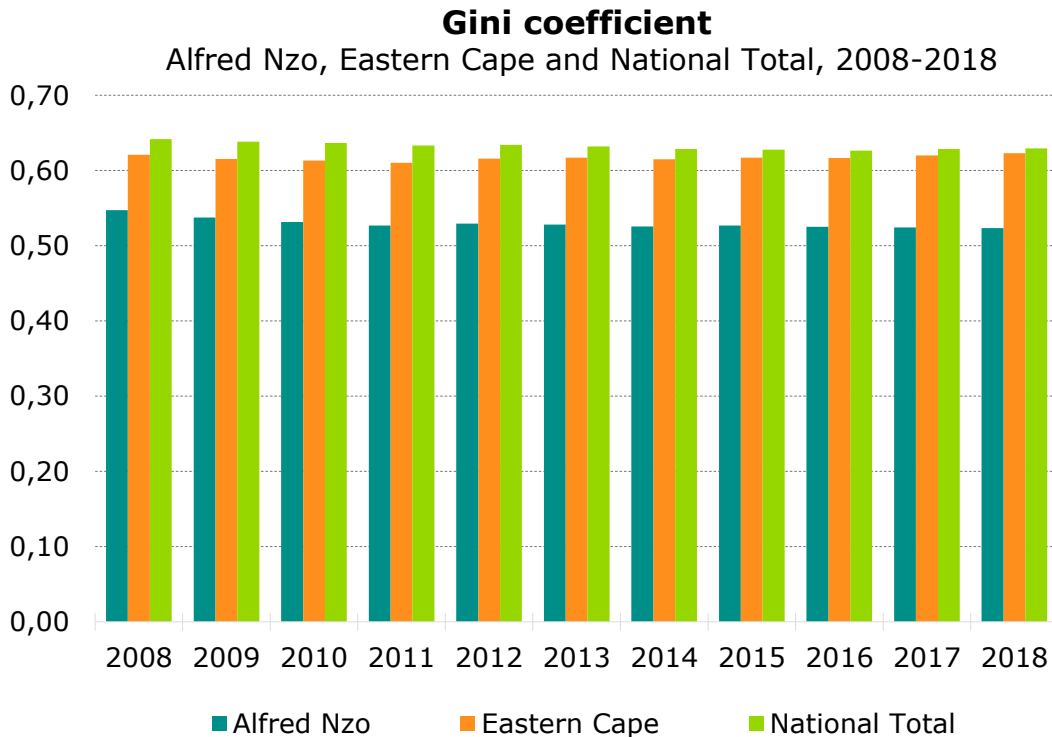
Source: IHS Markit Regional eXplorer version 1803

In terms of the HDI for each the regions within the Alfred Nzo District Municipality, Matatiele Local Municipality has the highest HDI, with an index value of 0.534. The lowest can be observed in the Ntabankulu Local Municipality with an index value of 0.46.

2.24. Gini Coefficient

The analysis of Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

GINI COEFFICIENT - ALFRED NZO, EASTERN CAPE AND NATIONAL TOTAL, 2008-2018
[NUMBER]



Source: IHS Markit Regional eXplorer version 1803

In 2018, the Gini coefficient in Alfred Nzo District Municipality was at 0.523, which reflects a decrease in the number over the ten-year period from 2008 to 2018. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.623 and 0.629 respectively) when compared to Alfred Nzo District Municipality.

TABLE 32. GINI COEFFICIENT BY POPULATION GROUP - ALFRED NZO, 2008, 2018
[NUMBER]

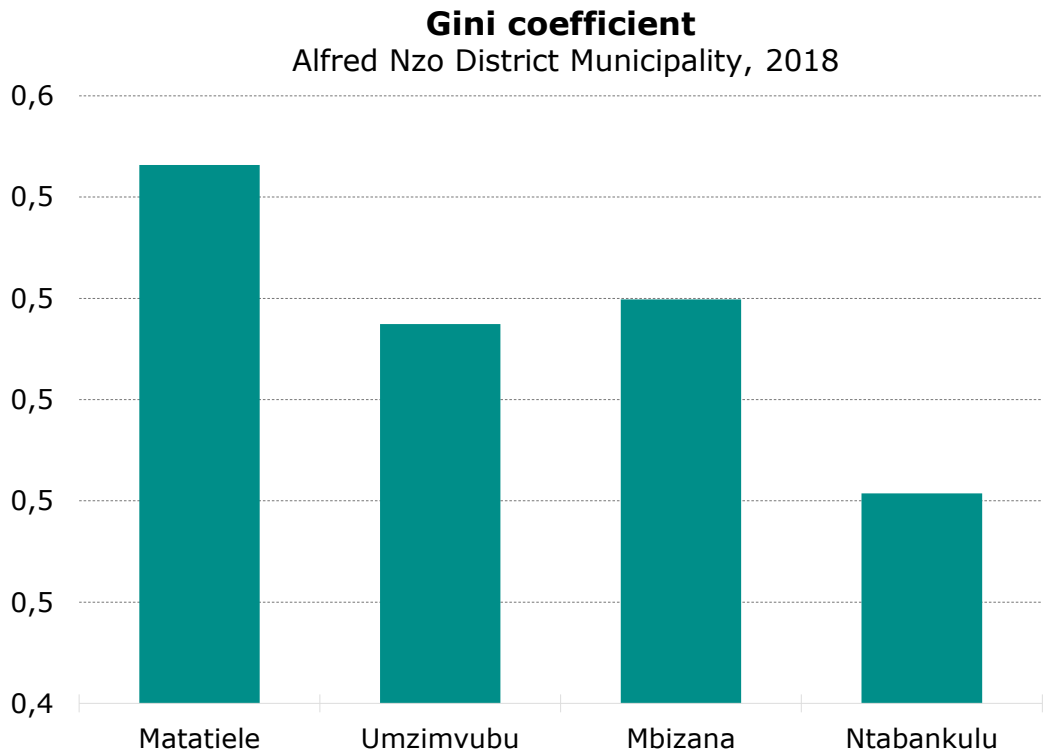
	African	White	Coloured
2008	0.54	0.47	0.56
2018	0.52	0.44	0.56
Average Annual growth			
2008-2018	-0.42%	-0.71%	-0.01%

Source: IHS Markit Regional eXplorer version 1803

When segmenting the Alfred Nzo District Municipality into population groups, it can be seen that the Gini coefficient for the Coloured population group decreased the least amongst the population groups with an average annual growth rate of -0.01%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -0.71%. This implies

that all the population groups have improved in terms of income equality within its own population group over the period.

GINI COEFFICIENT - LOCAL MUNICIPALITIES AND THE REST OF ALFRED NZO DISTRICT MUNICIPALITY, 2018 [NUMBER]



Source: IHS Markit Regional eXplorer version 1803

In terms of the Gini coefficient for each of the regions within the Alfred Nzo District Municipality, Matatiele Local Municipality has the highest Gini coefficient, with an index value of 0.546. The lowest Gini coefficient can be observed in the Ntabankulu Local Municipality with an index value of 0.481.

Section D: Proposed Catalytic Projects

The District has the following infrastructure catalytic projects.

4.1. Water Projects

Part of the **strategic projects that seeks to address water shortages** in the Districts is Umzimvubu Dam. More investment is needed to deliver clean drinking water in Alfred Nzo District.

Umzimvubu Local Municipality Water Projects

Up to **R181 million** has been spent on big water projects in 2018/19 financial year for the:

- Construction of Cabaza Water Scheme phase 2
- Construction of kwaBhaca Regional Bulk Water Supply
- Construction of Mt Ayliff Peri-Urban Stands Water and Sewer Systems
- Construction of Ntibane Water Supply Scheme phase 2
- Construction of water scheme in Silvercity, Lutshikini-Mhlotsheni, Mdakeni, Mangqamzeni, Qwidlana, Umzimvubu ward 13, Umzimvubu ward 14 and Sugarbush.
- For the development of ground water in Galili, Ngwengweni, Dambeni, Nkanji, Msukeni, Ndarhala and Munyeni (Sirhoqobeni).

Through these projects **21 506 households** will benefit. These projects are a continuation from the previous financial year.

Mbizana Local Municipality Water Projects

The Ludeke dam in Mbizana region ease the burden as it is a source of raw bulk water supply. In ensuring that people benefit from this bulk water supply, a total amount of **R111 million** have been spent thus far to facilitate water provision for the Mbizana residents. Amongst projects that have been pursued includes:

- Construction of Greater Mbizana Water Supply Project, zone 0 contract 1a, 1b and 1c in both ward 4 and 27.
- Completion of Greater Mbizana Water Supply Project Phase 1a in ward 5 and reticulation in Nkantolo Village
- Construction of Greater Mbizana Water Supply Project contract 2a, 2b and 2c in ward 4 and 31
- Borehole development in Dayimane, Makhosonke and Ntsimbini.

Ngamakhaya ayi-3701 azakuxhamula kwezinzame ndizibalulileyo zokufakela amanzi kulommandla wase-Mbizana. Kusekuninzi ekumele kwenziwe kulommandla wase-Mbizana nje ngokuba ingu-**26.4 percent** osele exhamlile ekufamaneni amanzi kumasipala wase-Mbizana.

Matatiele Local Municipality Water Projects

An amount of up to **R93 million** has been spent on water projects within the greater Matatiele region in this financial year (2019/20) for the:

- Construction of Matatiele Regional Bulk Water Supply
- Construction of Fobane Sub-Regional Water Supply Scheme, Phase 2
- Construction of water supply in Matatiele ward 5 and 15.
- Construction of Matatiele Ward 7 Water Supply Scheme Phase 2
- Construction of water supply projects in Bulfontein, Ned Farm, Mgubho, Hillside and Maphokong.

Through these projects, **6 451 households** will benefit. Great strides have been made in ensuring that Matatiele residents have access to clean water as the Matatiele Local Municipality currently have **71.1 percent** water access to date.

Ntabankulu Local Municipality Water Projects

Some of the areas within the district have less water acquifer's and areas where bulk water supply cannot be built due to non-continuity of water flows. This region is an example. Despite such a barrier we have managed to spend a total amount of **R68 million** on water projects in this financial year for the:

- Construction of Nyokweni-Bomvini Regional Water Supply Scheme
- Construction of Ntabankulu Ward 12 and 14 Water Supply Projects
- Completion of water scheme development in Mowa 2, Vulindlela and Qhiphu 2
- Construction of Mbongweni water scheme development.

Through these projects **10 150 households** will benefit. I must say that there is a huge backlog when it comes to water access as the municipality currently having **27.7 percent** water access to the residents of Ntabankulu.

4.2. Sanitation Projects

The **sanitation projects** in the Districts requires capital injection and the following catalytic projects are planned and currently implemented.

- Completion of ANDM VIP Sanitation Project in Matatiele at a value of up to **R11 million**. Up to **3398 households** benefited in ward 4, 5, 7, 10, 13, 24 and 22.
- Construction of Ntabankulu 471 RDP Sewer and Reticulation, and Ntabankulu Waste Water Treatment Works. These projects are ongoing and an additional funding will be provided to ensure that they are fully complete.
- Construction of Umzimvubu Ward 24 VIP Sanitation allocated an amount of **R8 million**. Up to **650 households** will benefit in Luyengweni and Lower Mnyamana villages.

4.3. Catalytic Agriculture Projects

The Agri-Park Project is budgeted an amount of **R2 million** by the District to support implementation of the Agri-Park programme in the District.

4.4. Education Programmes and Projects

The District has launched the Grade 12 2nd Chance of Programme spear-headed by our Honourable Education Minister, Engela Motshega, to offer opportunity to those who did not pass National Senior Certificate. More capital investments are required to fund training and education of youth in FET Colleges.

4.5. District Budgets and Finance

ANDM requests a total budget for the upcoming financial year, 2021/22, of **R_____**, reflecting 6.1 percent increase compared to the adjusted budget of **R_____**. Operating Expenditure for the 2020/21 financial year have increased by **R_____** which translate to a percentage increase of **7%** from 2019/20 adjusted budget. The capital expenditure is **R_____** for 2020/21 increased by **5%** from the 2019/20 adjustment Budget with total Operating Surplus of **R_____**.

The 2019/2020 capital projects are:

- Construction of VIP Toilets in Matatiele LM, Mbizana LM, Umzimvubu LM and Ntabankulu LM: **R_____**.
- Upgrading of Mbizana Town Sewer: **R_____**
- Ntabankulu Sewer Upgrade: **R_____**

3.3. Diagnostic Review

3.3.1. Natural conditions

The Alfred Nzo District (AND) is a mountainous region stretching from the tops of the southern Drakensberg escarpment in the northwest (over 2,000 metres above sea-level and forming the border with Lesotho) down to the Wild Coast, about 120 kilometres away in the south-east. The AND has about 30 km of coastline. Bordered by the Mtamvuna river (and KZN) in the northeast and the Tina river in the southwest, the AND has an area of 10,734 square km (the smallest area among the Eastern Cape's six rural districts).

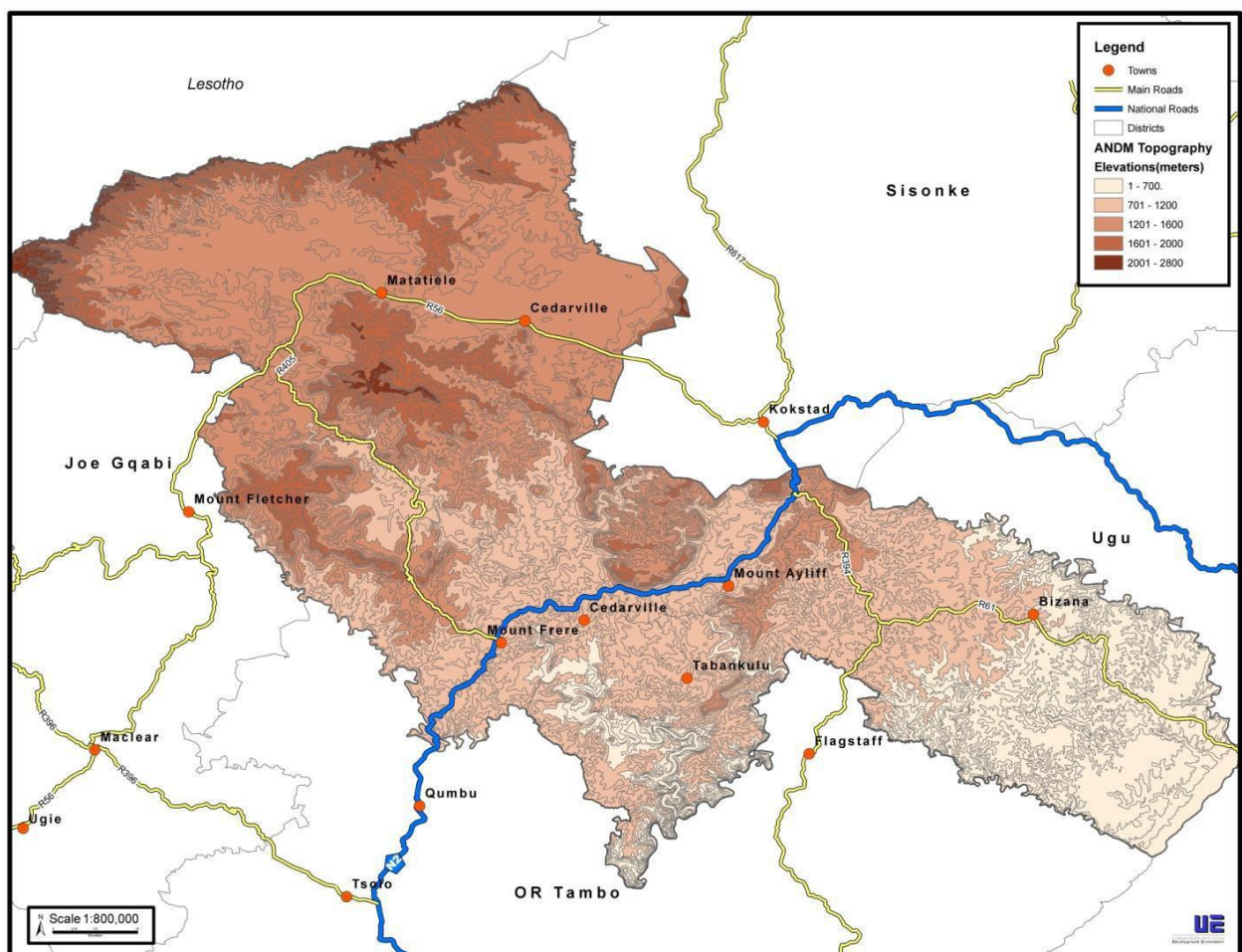
There is large climatic variation in the AND, from Alpine in the high mountain areas to subtropical in the coastal belt. Rainfall is generally quite high (900 to 1500 mm/year) particularly under the escarpment and near the coast. Most of the AND falls within the upper Mzimvubu river catchment area or basin, and the district has deep and steep-sided river valleys of the Mzimvubu itself and three of its four main tributaries (the Tina, Kinira and Mzintlava rivers):

- The Tina river passes just to the east of Mount Fletcher
- The Mzimvubu passes just to the west of both Cedarville and Mount Frere
- The Kinira joins the Mzimvubu to the northwest of Mount Frere
- The Mzintlava passes just to the east of Mount Ayliff, and then flows down to Flagstaff.

There are extensive wetlands at the base of the escarpment.

The vegetation of the AND is mostly grassland with pockets of indigenous forest. About 5% of the district's land area (or 50,000 ha) is judged to have high-potential for arable farming.¹

ANDM is very scenic



(Note: Please disregard the location of Cedarville in this UrbanEcon map)

3.3.1.1 ENVIRONMENTAL ASSESSMENT

TOPOGRAPHY

The Alfred Nzo District has a fragmented topography and comprises a plateau which falls within the Umzimvubu River Basin, which ranges from 800 to 1400 meters above sea level and a high plateau leading to the Drakensberg Mountains which ranges between 1500 and 2200 meters above sea level. The terrain is therefore mountainous with steep valleys. The northern areas below the escarpment have extensive palustrine wetlands (wetlands that are not connected to any river), and the extreme south is undulating and consist of coastal belt. The diversity of topography create many different opportunities for a great diversity of ecosystems and their resident plant and animal species. The topography, however, also poses a multitude of challenges to development as accessibility is limited and settlement has taken place in a dispersed and haphazard manner.

CLIMATE

The steep altitudinal gradients from the coast to the escarpment, gives rise to strong climatic changes across the ANDM. The area falls within the summer rainfall area (October to March) with climate ranging from very pleasant warm summers to mild to cold winters with snow in high lying areas. The District experiences climatic extremes in the form of storms, tornadoes and floods which have resulted in soil erosion and deep crevices. The average minimum temperature ranges from 7 to 10 degrees centigrade in winter and 18 to 24 degrees centigrade in summer.

ENVIRONMENTAL MANAGEMENT FRAMEWORK

Alfred Nzo District Municipality, during the 2011- 2012 financial year (January, 2012), updated the districts' Environmental Management information through the development of the district-wide Environmental Management Framework (EMF) to include Mbizana and Ntabankulu Local Municipalities. The two local municipalities were previously under O.R Tambo District and were incorporated into Alfred Nzo following the amendment of municipal and ward boundaries in terms of Section 22 of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 Of 1998). The Environmental Management Framework (EMF) provides the end user with instruments for use in the diagnosis and procedures for environmental management in ANDM. It also provides guidance and indicate what the responsibilities of the different bodies are in ensuring compliance with the national environmental management laws. The EMF was adopted by the ANDM Council in December 2013.

AIR QUALITY MANAGEMENT

Legislation requires that each municipality develops an Air Quality Management Plan (AQMP). The AND has not developed this plan. The DEDEAT will be assisting the ANDM to develop the AQMP during this current financial year. There are no major industries within the ANDM but there are potential sources such as sawmills, sugarcane, dust roads, transport and landfill sites that are not operated according to license conditions.

CLIMATE CHANGE VULNERABILITY ASSESSMENT

Alfred Nzo District Municipality, through the support received from Conservation South Africa, undertook a scientific study during the 2014-2015 financial year (March 2015) to examine the vulnerability and resilience of the district as a whole to climate change impacts. The study was carried out focusing on three (3) concepts, that is:

- Areas of Supporting Climate Change Resilience
- Ecosystem-based Adaptation, and
- Ecological Infrastructure

This process was informed and guided by the Lets Respond - Toolkit Guide (A Guide to Integrating Climate Change Risks and Opportunities into Municipal Planning, 2012) developed jointly by the Departments of Environmental Affairs (DEA) and Cooperative Governance and Traditional Affairs (CoGTA) and in collaboration with South African Local Government Association (SALGA). Each local Municipality within Alfred Nzo district was studied in depth in terms of climate change resilience and mitigation and adaptation measures that can be adopted were presented.

The study revealed that in the medium term (50 year), the average temperature can be expected to rise by 1.7°C across the district while in the long term (100 year) the average temperature is expected to rise by 3.7°C. The coastal area within the district (Mbizana LM), as is the pattern across South Africa, will tend to have slightly smaller predicted increases than inland areas such as Matatiele LM. The coastal versus inland difference is more marked in the longer term, with Mbizana increasing in temperature by an average of 3.5°C and Matatiele by 4°C. In terms of rainfall change, it is worth noting that the study revealed that the Alfred Nzo district is one of the least impacted districts in the country. In the medium term, small decreases in rainfall are predicted across most of the district, with the main changes being small spring and summer decreases, and similarly, small autumn and winter increases. The winter increases will not be sufficient to offset the summer rainfall decreases. In the longer term, the initial changes in rainfall changes are in fact largely reversed with very small 5.4mm increase predicted across the district.

Alfred Nzo district is made up of three (3) biomes, namely, Grasslands, Savannah and Coastal Belt. Each biome has a characteristic climate envelope or a range and pattern of temperature and rainfall

values within which it occurs. The study has revealed that conditions associated with the Coastal Belt Biome will gradually push inland in the short term and continue with this trend in the longer term. Areas with a climate envelope characteristic of Savannah persist in the medium term and longer term and push dramatically inland into areas previously experiencing a Grassland associated climate envelope. It is likely that this change is largely associated with raised winter temperatures which all tree seedlings establish in areas where frost would previously have excluded them. Areas with a climate envelope characteristic of the Grassland Biome will be the most impacted by climate change in the Alfred Nzo district, according to the study. In the medium term, large portions of the grassland climate envelope are likely to be lost, while in the longer term, areas with these climate characteristics are likely to be restricted to the higher altitude areas only.

CLIMATE CHANGE RESPONSE STRATEGY

Climate change is among the most pervasive threats to people and biodiversity today. Without action it will devastate human livelihoods, cause the extinction of countless species, and destroy some of the world's most precious ecosystems. Climate change predictions reveal that the Alfred Nzo district will be experience additional stress on the Grassland, Savanna, and Coastal ecosystems which are already under pressure within the district. The Alfred Nzo District is largely a rural region with low levels of development. The communities that live here face significant socio-economic challenges and are often directly dependent on the natural environment for their livelihoods. The district municipality developed a Climate Change Response Strategy during the 2014-2015 financial year and adopted by the ANDM council in October 2015.

The ANDM hosted various stakeholders including municipal mayors and councillors from the district and all local municipalities, traditional authority, relevant sector departments and relevant environmental NGOs during three (3) climate change summit held in April 2014, August 2015 and April 2018. School and communities are continuously engaged on climate change awareness programmes and capacity building.

ALFRED NZO DM-HAMELN-PYRMONT PARTNERSHIP

The Alfred Nzo District is largely rural with its communities facing significant socio-economic challenges and as such are often directly dependant on the natural environment for their livelihoods. The ANDM, being a rural district highly dependent on availability of good quality natural resources for day to day living, needs a system that will guide the sustainable management of the resources such as grasslands, forests, soils, water, and fisheries. Heavy reliance of most communities within the district on the natural environment for their livelihoods increases the level of vulnerability to the effects of climate change. Extensive external support is therefore required to assist such rural municipality to respond to mitigation and adaptation strategies already identified for the district. The ANDM has thus forged partnership with the Hameln-Pyrmont municipality in Germany which main

purpose is to provide support and/or assistance to ANDM on climate change related matters. Funding matters also forms part of this partnership but this will be in a form of proposals, business plans etc.

Climate Partnership objectives

The project aims at strengthening partnerships between German municipalities and municipalities in the Global South to jointly address issues of climate change mitigation and adaptation. It also helps mobilise the comprehensive expertise available within the partner municipalities. Through this project, climate change mitigation and adaptation will be systematically integrated into the work of the municipal partnerships.

Deliverables

ANDM has signed the Memorandum of Understanding detailing objectives and key points of the climate partnership.

ANDM has committed to the long-term cooperation with the Hameln-Pyrmont municipality in the field of climate change mitigation and adaptation

ANDM will design a concrete programme of action for climate change mitigation and adaptation with the partner municipality (Hameln-Pyrmont)

ANDM through Climate Change Committee will identify stakeholders who will add value to the partnership

INTEGRATED WASTE MANAGEMENT

The Alfred Nzo District Municipality (ANDM) developed an Integrated Waste Management Plan (IWMP) during the 2014-2015 financial year (June 2015) and was adopted by council (in 2017). The plan has not yet been approved by DEDEAT MEC .It is essentially a strategic planning document including background information on the current waste situation in the entire ANDM. It also outlines the objectives and strategies to improve the waste management systems. The primary objective of Integrated Waste Management Planning is to integrate and optimise waste management, in order to maximise efficiency and minimise the associated environmental impacts and financial costs, and to improve the quality of life of all South Africans including those in the Alfred Nzo District.

Current Waste Categories and Characteristics

General – plastics, paper, glass, food-waste, garden refuse and building rubble etc.

Industrial – used oils from vehicle workshops, tyres, blood and manure from abattoirs, sawmills, etc.

Commercial - cardboards, plastic, paper, glass, used oil from fast-food retailers

Medical – empty medicine vials, syringes, etc. from clinics, GPs, pharmacies, funeral parlours
Hazardous – diapers, sanitary towels

Waste Management and General Hygiene

Collection of waste is the responsibility of local municipalities and the Alfred Nzo District Municipality monitors proper management of waste to the final disposal through the municipal health services.

Waste Recycling or Minimization

There is generally informal recycling initiatives conducted within the entire AND. In order to formalize these structures, the DEDEAT issues a registration certificate according to the National Waste Management Norms and Standards. The AND needs to assist these informal recyclers to form cooperatives.

Landfill Sites

There is a total of five (5) landfill sites within Alfred Nzo District. These include two (2) at Umzimvubu LM; one (1) at Matatiele LM; one (1) at Mbizana LM and one (1) Ntabankulu LM. All are operational except at Mbizana LM which is still under construction.

Waste Management By-Laws

Local Municipalities are responsible for the development of waste management by-laws. Alfred Nzo District ensures development and enforcement of these by-laws.

3.3.2. Socio-economic snapshot

The economy of AND is dominated by the public sector, accounting directly for 46% of the municipal economy², compared to 15% for SA as a whole. The business sector is mainly trade and other services, while the productive economy (agriculture, manufacturing and construction etc) is very small. The AND economy is consumptive rather than productive. The total value-added of the AND economy is about R50 billion a year. Formal employment is about 50,000 jobs and there are also about 27,000 informal jobs. Matatiele LM has the largest economy and Ntabankulu has the smallest.

About 90% of households in AND are poor, unemployment is rife (particularly among the youth), and business employment is extremely small in relation to the working age population (and probably not showing much growth). Most households rely on social grants and remittances to avoid extreme hunger. In 2016 the South African Institute of Race Relations published a study (based on StatsSA's 2016 Community Survey) that calculated a "deprivation and comfort index" for 8 metropolitan and 44 district councils and found the AND to be the worst off.³

² See ECSECC review 2017

AND had lowest proportion of households with access to piped water inside their home or yard at 16%

AND had the lowest employment rate at 53% (Johannesburg had the highest at 73%)

AND also scores worst at income: 90% of the households get less than R1600 per month.

A question was introduced in the Community Survey 2016 that asked households what they considered to be the main problem or difficulty they were facing in their municipality presently. In addition to collecting data about the actual services and the quality of services that households have access to, asking households what they perceive as their main challenge or difficulty provides policymakers and planners with key data on how households understand or feel about their environment and the services in their municipality. Alongside the statistics of household services, employment and crime statistics, the results from this question could be useful to assess needs and analyse trends. Overall in South Africa, households listed (1) lack of a safe and reliable water supply, (2) lack of or inadequate employment opportunities, (3) the cost of electricity, (4) inadequate housing and (5) violence and crime as the main challenges that they presently faced in their municipality. The table below shows how perceptions vary between AND, EC and SA:

TABLE 33. LEADING CHALLENGES FACING THE MUNICIPALITY PRESENTLY AS PERCEIVED BY HOUSEHOLDS:

	Alfred Nzo District	Eastern Cape	South Africa
Lack of safe and reliable water supply	1	1	1
Lack of reliable electricity supply	2	Data not available	Data not available
Inadequate housing	3	2	4
Inadequate roads	4	4	Data not available
Lack of/inadequate employment opportunities	5	3	2
Inadequate sanitation	7	5	Data not available
Cost of electricity	8	Data not available	3

Rankings for AND as opposed to the rest of the province show that infrastructure backlogs are perceived as key priorities in the district. These perceptions of households are relevant to framing the Apex Priorities of Alfred Nzo District Council for the next five years (see Chapter 6 below). AND contains some valuable natural assets. For example, fertile lands, warm temperatures, fairly good soils and frost-free conditions (in some areas). The Wild Coast is considered the most spectacular eco-tourism destination in SA.⁴ Agriculture and tourism have long been identified as high-potential sectors to drive development, but despite several public sector interventions these sectors have not yet taken off.

3.3.3. People and human settlements

According to the Community Survey (2016) about 868,000 people live in the Alfred Nzo District (AND). Between 2011 and 2016 AND's population grew faster than the Eastern Cape provincial total, and the population of Mbizana grew particularly fast:

TABLE 34.

	% change of population between 2011 and 2016
Ntabankulu	3.9
Umzimvubu	4.2
Matatiele	7.7
Mbizana	13.5
Alfred Nzo	8.3
Eastern Cape	6.6

The people of AND include Bhaca, Sotho and Mpondo. Traditional leaders are represented on the AND Municipal Council. There are broadly three types of human settlements in AND:

- Low-density rural villages (average size about 700 people; villages are often contiguous)
- Small towns
- Higher density peri-urban settlements around the small towns

There is evidence of de-population of deeper rural areas (e.g. the Mzimvubu population fell by 5% between 2001 and 2011 according to census data) and fast growth of peri-urban settlements.

TABLE 35.

Local Municipality	Population (000s)	Area (square km)	Population density (people/sqkm)	Small towns	Other nodes
Matatiele	219	4352	49.6	Matatiele/ Maluti Cedarville	Queen's Mercy, Ematolweni, Thaba Chicha, Ndaleni
Mzimvubu	200	2507	78.9	Mount Ayliff Mount Frere	Gancele junction, Phakade junction, Phuthi junction
Mzimvubu	200	2507	78.9	Mount Ayliff Mount Frere	Gancele junction, Phakade junction, Phuthi junction
Mbizana	320	2415	123.5	Bizana	Mzamba Kubha junction, Mpunfu (new N2), Ndlovu
TOTAL	848	10734	80.1		

Note: Population data from Community Survey 2016 (StatsSA)

⁴ Ibid

From this table it is observed that:

Matatiele LM has the second largest population and the largest land area, and

Ntabankulu LM has the smallest population and land area.

Mbizana has the largest population and the densest population, and Matatiele is the least dense

All six of the small towns are on a main road, except Ntabankulu

The main problem with peri-urbanisation processes is that they can occur in unplanned and haphazard ways. Economic growth is largely an urban phenomenon and more dynamic small towns will improve the development prospects of the overall district.

Possible priorities include the following:

Strong urban planning of the five small towns (and their peripheries) is required.

Increased focus of public investment and development initiatives in small town development, and ensuring that they become competitive and investment attractive areas.

High population densities and high population growth in Mbizana suggests that, for example, Mzamba is a growth node and requires a special focus, particularly in view of the new Wild Coast N2.

Municipalities must acquire more well-located land that can be made available for investors (see section 3.3.12 below on construction and property development).

3.3.4. Roads and transport network

The main roads in the District are:

The N2

The R56, and

The R61

The new Wild Coast N2 is being planned from Mzamba to the new Mtentu bridge 30 km to the south.

Other roads include:

Three gravel roads from N2 to R56 (ending at Cedarville and Ematolweni, the R405)

Gravel back road from Mount Ayliff to Mount Frere passing through Sphambukeni and Cancele junctions.

N2 (from Phuthi junction) to Ntabankulu (and south to Lusikisiki)

N2 (Mount Ayliff) to R61

R626 from N2 (Phakade junction) to R61 (Kubha junction), and on to Flagstaff

Matatiele to Qacha's Nek (Lesotho)

Matatiele to Queen's Mercy, Malekgonyane (Ongeluksnek) and Thaba Chicha

To upgrade the district's road network there needs to be ongoing engagement among ANDM, the LMs, DRPW and SANRAL to ensure:

Upgrade roads in the new emerging peri-urbanization zones.

Maintain priority road network (preventative)

Use employment-intensive methods as much as possible

Use transport nodes to develop commercial precincts (taxi ranks, hawkers facilities, shops etc)

3.3.5. Water, sanitation and electricity

The Alfred Nzo District mainly lies in the Mzimvubu catchment area, which has relatively high annual rainfall and consequent high annual surface water run-off (river flows). This catchment has the highest un-used water potential yield in SA. This potential has been studied over many years but the water resource remains under-utilised for a number of reasons:

Absence of large-scale and local urban/industrial demand

Absence of large-scale irrigation potential (topography and soils)

High cost of water transfer to water scarce regions (such as Gauteng) due to high pipeline and pumping costs

Presently there is one large dam in AND (the new Ludeke dam in Mbizana) and several small dams. Most of water supply for towns and rural areas comes from standalone schemes using streams, springs and boreholes. There are very large water backlogs, particularly in Mbizana. The following data is from Community Survey 2016:

Area	% households without access to piped water	% households without access to sanitation
Alfred Nzo District	54.1	5.7
Matatiele	31.2	6.7
Umzimvubu	46.7	6.4
Mbizana	77.8	5.6
Ntabankulu	63.3	2.5

AND Municipality is both the Water Service Authority (WSA, with full regulation and oversight functions) and the Water Service Provider (WSP, with full delivery functions). ANDM is engaged in major delivery of water supply projects to address backlogs, which are estimated to require R_____ to eradicate, at an average cost per household of R_____. The total capex budget in 2019/20 is R_____. Average household costs are high due to the dispersed nature of human settlements and difficult topography.

The District has four water supply intervention areas (WSIAs):

WSIA name	Bulk pipelines (km)	Reticulation pipelines (km)	Yard connections (000s)	Cost (R billion)
Kinira River Dam (Matatiele)	310	496	37	5.1
Mkhemane River Dam (Umzimvubu)	916	1603	35	5.9
Nkanji Dam (Ntabankulu)	478	836	22	4.5
Ludeke Dam (Mbizana)	968	1694	45	5.4

Water issues to be addressed during this IDP are the following:

Optimal implementation for the WSIA programme and raising of grant funds.

Ensure that roll-out of WSIA responds to population dynamics (peri-urbanisation trend)

Ensure ANDM meets DWS regulatory requirements as a WSA (in terms of the Regulatory Performance Management System, RPMS). ANDM's status as WSA is under threat.

Under-capacity, ageing and poor operations and maintenance of WTWs and WWTWs (poor blue drop and green drop scores).

Implement water conservation and demand management strategy

All households outside towns are considered indigent in terms of free basic services.

Expedite training of WSP personnel through SETA programmes.

Maintenance of existing stand-alone village water schemes

Waterborne sewerage is being provided in Maluti Township (Matatiele) at a cost of R40 million.

Other priorities include:

Complete VIP toilet provision programme

Eskom to complete household electrification programme (100,000 households)

Municipal waste services to be delivered at least in towns and other tourism and transport nodes (use EPWP where feasible).

3.3.6. Health

National health insurance is a health financing system that is aimed at providing universal health coverage, render quality and affordable services to all citizens regardless of their financial and socio-economic status but according to their health needs. In addition, it is aiming to respect the human rights and ensure justice as outlined in section 27 bill of rights of the South African constitution. NHI is the most extensive health policy initiative proposed by the South African Democratic Government since 1994 that will end the two-tiered health system (private and public healthcare sectors); thus ensure financial solidarity among all SA citizens regardless of their financial status, colour, race and ethnicity. The core strategy behind this system is in ensuring an efficient, effective and quality driven health service delivery through the Primary Health Care approach.

Alfred Nzo District is devoted to ensuring that the NHI plan is seen as a symbiosis of all the existing National and Provincial Department of Health and the District commitments and plans for the betterment of the lives of its population. This plan focusses on improving the effectiveness and efficiencies within all levels of district health services of the Alfred Nzo District. Its fundamental focus is on strengthening the health services (leadership and governance), supply chain and health information management. Furthermore, other predominant targets are ensuring accessibility of services through Re-engineering of Primary Health Care (RPHC), increasing of accessibility to pharmaceutical services through the Central Chronic Medication Dispensation and Distribution (CCMDD) as well as the implementation of Stock Visibility System (SVS) by all facilities. Finally, it recognises the significance of quality health services to communities through the implementation of Ideal Clinic Realisation and Maintenance (ICSM) and National Core Standards (NCS) in order to meet the requirements of the Office of Health Standards Compliance (OHSC).

NHI Programme was provincially introduced in Alfred Nzo from April 2015. Currently, the Provincial funded program is aimed:

- To increase access to the communities as the basic human right

- To improve efficiencies through disease prevention
- To offer comprehensive services to communities
- To balance the allocation of resources across the district
- To ensure effectiveness and appropriateness

Key deliverables are:

- Strengthened District Management and governance
- Strengthened RPHC
- Increased accessibility of pharmaceutical services
- Compliance to the office of health standards
- Strengthen District planning, monitoring, and evaluation

Discussion:

The focus of the district is to ensure the strengthening Re-engineering of Primary Health Care (RPHC), a fundamental component of the National Health Insurance (NHI) program; increase Districts Clinical Specialist Teams (DCST); Ward-based Outreach Teams (WBOTs); contracting of General Practitioners (GPs); use of the Integrated School Health Programme (ISHP); as well as the Centralized Chronic Medicine Dispensing and Distribution (CCMDD). RPHC is one of the key policy developments which is aligned with the objectives of the 10 Point Plan i.e. to overhaul the health care system and improve its management. It is based on the 14 national outcomes and the Negotiated Service Delivery Agreement (NSDA) to achieve “a long and healthy life for all South Africans”

Total number of facilities 81

Clinics	72
CHCs	02
Specialized (TB) hospitals	01
District hospitals	06

Strengthening of District Management systems:

The District effected the following appointments to strengthen District Management and Scarce Human Resources during 2019/20 financial year.

Occupation	Number of Appointments
Elementary Occupations	98

Assistant manager nursing specialty	01 (Tayler Bequest Hospital)
Clinical associates	06
Medical managers	01 (Maluti CHC)
Clinical nurse practitioner	12
Dentists	05
Family physician (DCST)	01
Advanced midwife (DCST)	01
CEOs	02 (Khotsong and Madzikane hospitals)
Pharmacy manager	01 Madzikane Ka Zulu
PHC operational managers	09
Medical officers	11
Pharmacists	08
Professional nurse general (hospitals and clinics)	111 (Includes project litigation)
Professional nurse specialty (hospitals and clinics)	19 (Includes project litigation)
Radiographer	07

The District has also through the NHI budget contracted Sixty (60) cleaners for PHC facilities from January 2020 to June 2020.

Ward Based Outreach Teams (WBOTs):

The Municipal Ward-based Primary Health Care Outreach Teams (WBPHCOTs) form a pivotal part of South Africa's PHC re-engineering strategy. The outreach teams consist of Community Health Workers (CHWs), led by a nurse and are linked to a PHC facility. The district is continuing with household registration and actively participating in "WAR Rooms".

CHWs assess the health status of individuals in the households. They provide health promotion education, identify those in need of preventive, curative or rehabilitative services, and health-related counseling, and refer those in need of services to the relevant PHC facility.

The district has contracted 40 ENAs as team leaders and 32 PNs to pursue outreach services. There are 26 Municipal Ward-based Primary Health Care Outreach Teams (WBPHCOTs) within the District.

There is a total of 22 602 household registration visits done from April 2020-March 2020. The school learners screened through ISHP from April 2020 to February 2020 are 15 430.

Social Responsibility Programs:

There are two antipoverty sites (Mbizana ward 14 and Mount Frere ward 14). The total number of clients seen within anti-poverty sites is 5915 (Adults: 4602 and Children: 1313)

District Clinical Special Teams (DCSTs):

The district has Four (4) DCST specialists' posts out of the seven that are filled which advance primary health nurse, advance midwife, is advanced pediatric nurse and Family Physician doctor. However, the district has also three specialists (Paediatrician, Obstetrics & Gynaecology and Anaesthetist) that have been appointed for St Patrick's hospital in 2016/17 for the reduction of maternal and child mortalities within the District.

Ideal Clinic Realisation Maintenance (ICRM)

The District has achieved ideal clinics status on the following clinics since 2015/16 financial year until to date.

Name of the facility	Sub-District	Status
Matatiele community	Maluti	Platinum
Shepherds-hope	Maluti	Silver
Mkhemane	Umzimvubu	Gold
Mhlotsheni	Umzimvubu	Silver
Dundee	Umzimvubu	Silver
St Patricks gateway	Umzimvubu	Bronze
Tsawana	Umzimvubu	Bronze

National Core Standards and PEC Results for Hospitals:

Improvements in National Core Standards is observed on the extreme and vital measure as per requirement. According to the results out of Six (6) District Hospitals, four (4) achieved 70% and above; Namely, St Patricks achieved the total score of 78%, Sipetu 72%, Mt Ayliff 71% and Tayler Bequest 70%.

Access to pharmaceutical services:

CENTRALISED CHRONIC MEDICINES AND DISPENSING AND DISTRIBUTION

The district has sixty-six (66) active facilities and 21 adherence clubs offering on CCMDD services. The total registered clients are 21 506 from 29 December 2017 until 30th March 2018.

Maluti has registered 61 53 and Umzimvubu registered 15 353 clients. The total number of delivered medicines parcels is 127 476.

Stock visibility system:

There is 90% availability of nmeduicaine within PHC facilities.

Antiretroviral treatment availability is 95%

Anti-TB treatment availability is 91%

Children Vaccines availability is 89%

E-Health Strategy

The Health Patient Registration System (HPRS) has been developed and set up to provide a Patient Registry and Master Patient Index (MPI) service using the South African Identification number and all other legal personal identification numbers (e.g. the passport number) as the primary patient identifier, making it possible to track patients at all levels of care for improving quality and continuity of care. The establishment of a National MPI is a key building block for the migration to NHI and the development is supported by the South African eHealth Strategy (2012).

Alfred Nzo District has registered a total number of PHC facilities capturing clients through the HPRS system. The District has registered 262 272 clients on the system from December 2016 until 30th March 2018. A total of 60 facilities are registering patients online and offline; 433 computers were delivered and installed to PHC facilities for this purpose.

Local Municipality	Registered Clients
Matatiele	73 298
Ntabankulu	31 705
Umzimvubu	65 519
Mbizana	91 749
Total registration for the District: 262 272	

All 81 facilities in the district are fully utilizing Web-DHIS for statistical data management since February 2017. There are 73 facilities (90%) are implementing TIER.net for HIV and 25 facilities are implementing ETR for TB data management.

Infrastructure:**Health Facility Improvement Plans:****A: Hospitals****a) Hospital revitalization:**

Madzikane Ka-Zulu Memorial and St Patrick's hospitals have fully revitalized.

b) Under Construction:

Sipetu hospital is currently in two construction phases (2nd Main hospital & 3rd staff residence building). Khotsong hospital on the 3rd phase (construction of the main hospital buildings).

a) Planned

There are three hospitals in the planning stage for renovations and refurbishment (Tayler Bequest, Mt Ayliff, and Greenville). They are expected to be on tender during the 2020-2021 financial year.

B: PHC Facilities

Upgrade Program PHC:

Maluti Health Center is currently in phase one (Fencing completed) whilst Ntabankulu Health Center is still in the planning stage and it is expected to be out on tender during the 2019-2020 financial year.

Clinics on upgrade program:

Two clinics (Meje and Nyaniso) are currently being upgraded from 8 Hour to 24-hour services. They have both completed the first phase of construction.

a) Clinics on upgrade from mud structures to the formal structure:

The district has three clinics on the upgrading plan namely, Lugangeni, Tela, and Dutyini. Zulu clinic is also earmarked for an upgrade.

b) Newly built clinics:

There is one donated clinic at Umzivubu sub-district, Mpindweni clinic which on the last phase of construction (construction of nurses' home).

C: Municipal services:

a) Electricity Connectivity

The district has progressed with the installation of electricity in facilities and the distribution is as follows:

Local Municipality	With Electricity	Without Electricity
Matatiele	16	04
Mbizana	16	06
Ntabankulu	09	02
Umzimvubu	18	03

Total	59	15
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b) Domestic waste management

The District is through the NHI budget managing/ collecting domestic waste from all PHC facilities to comply with National Environmental Waste Management Act of 2008. The service has started in January 2018. Medical waste is collected from all facilities by Compass Waste to comply with National Environmental Waste Management Act of 2008.

NHI Budget:

Financial

A total budget of R 7 000 000.00 has been allocated for the district meant for only good and services. The budget was utilized to improve services and a lot of medical equipment has been procured and distributed to PHC facilities. The medical equipment procured is amounting to R930 125, 94, Medical stationary of R 2 700 000.00, domestic waste contract amounting to R154 273 and cleaning services contracts amounting to R 886 319.

2020-2021 NHI Budget

A total budget of R 5 772 941. 00 which includes of goods & services and capital is allocated for this program. Capital budget allocation is R1 915 750.00 and goods & services allocation is R 3 857 191.00.

3.3.7. Education and training

AND has 274 primary schools, 482 combined schools and 77 secondary schools (823 schools in total). There is also a TVET college (Ingwe College). There are three campuses of Ingwe TVET College in the district: Mount Frere, Bizana (Siteto campus) and Matatiele/Maluti. Project Isizwe has provided free wi-fi access for Mount Frere TVET campus and surrounding communities.

Some schools are overcrowded and need more classrooms, others are under-utilised. ASIDI has been building new schools in the district. GTAC is conducting a study to inform the school rationalization process. The district has low literacy rate (50%). A high % of the population is without schooling; and a low % of the population has higher education.

Generally the quality of education and training is not good and should be improved. This is an essential condition for the future growth and development of the area. Indeed, education and training are a development priority of ANDM. DRDLR launched the National Rural Youth Services Corps (NARYSEC) in 2010 to train unemployed youth in skills relevant to CRDP projects.

Future priorities include:

Improve the quality of education in AND and reduce classroom backlogs.

Ingwe TVET College to provide skills, particularly for infrastructure, construction and maintenance and modern farming practices. Ideally the college offerings should be extended and a full range of relevant curricula should be offered (in view of the very youthful population of AND)

Development partnerships between Ingwe TVET college and, for example, SANRAL, War on Leaks, Youth Farming Initiatives etc

Mobilise resources for the TVET expansion and upgrading through relevant SETAs, mining companies etc

Ideally NARYSEC should also be scaled-up in AND

Focus on improving the skills pipeline for growth sectors and major projects and specifically SETA resource mobilization and curriculum development.

ANDM should engage with DRPW to scale-up the Accelerated Professional and Trade Competencies (APTCoD) in the district.

3.3.8. Agriculture

Agriculture is currently the main economic activity in the district; it is one of the most prominent sectors that possess a lot of potential for development. Currently, it has a limited base for economic expansion due to the fact that majority of farming in the district is traditional subsistence farming. Commercial farming is only limited to the Cedarville area within the Matatiele Local Municipality (north east of the District). It is however worth noting that although confronted with these challenges, ANDM has favorable climatic conditions and is highly endowed in the availability of arable land suitable for development of the agricultural sector. As such the agricultural sector in ANDM has been identified as a priority sector for development.

In an effort to change the current status quo of the agricultural industry in the district, government has introduced a number of programmes in support of small holder farmers with the intended objective of developing them into sustainable commercial farmers and also creating value chains in the process, thereby establishing an Agricultural Industry in the district.

It is in this regard that the District is in the process of implementing an Agri-Parks programme which aims to bring about rural economic transformation and sustainable economic growth in the district. In an effort to change the current status quo of the agricultural industry in the district, government has introduced a number of programmes in support of small holder farmers with the intended objective of developing them into sustainable commercial farmers also creating value chains in the process,

thereby establishing an Agricultural Industry in the district. Past experiences serve as evidence to us that by providing subsistence farmers with the necessary support, there is great potential for graduating from subsistence to commercial farming.

In-line with the national priorities thereof, towards the development of the Agricultural sector, the Alfred Nzo District is in the process of implementing an Agri-Parks (APs) programme which aims to bring about rural transformation and sustainable economic growth in the District. One of the key objectives of the Agri-Park Programme is to “Promote the skills of and support to small-holder farmers through the provision of capacity building, mentorship, farm infrastructure, extension services, production inputs and mechanisation inputs”.

These APs are aimed at creating an enabling environment for economic development and job creation, with a focus on value chains for dominant products. An Agri-Park (AP) will typically comprise of the following three basic units; a Farmer Production Support Unit(s) (FPSU), a central Agri-Hub (AH) & a Rural-urban Market Centre (RUMC). The ANDM Agri-Parks Business Plan (CSIR, 2016) plans for a central agri-hub to be located in Cedarville, with Farmer Production Support Units (FPSU) in each LM area. The FPSUs supply raw materials to be processed at the Agri-Hub:

Cedarville agri-hub: Products to include animal feed, maize meal, mutton, scoured wool, prepacked potatoes, fresh and frozen vegetables.

Mount Frere FPSU: feedlot and woolshearing

Matatiele FPSU: maize support and silos; feedlot and woolshearing

Mount Ayliff, Mbizana and Ntabankulu FPSUs: vegetables

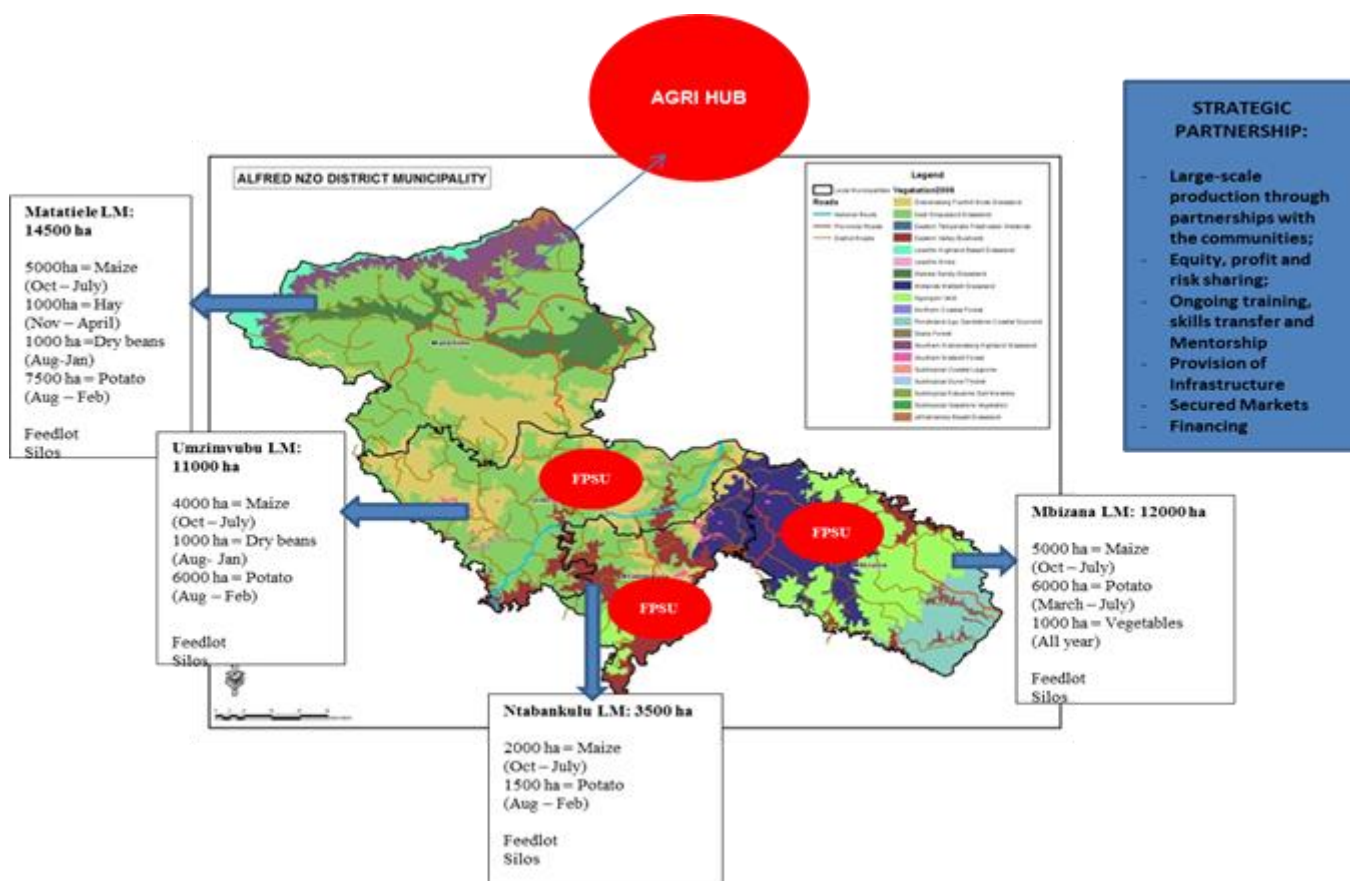
As part of the Agri-Park Implementation, the District has thus adopted a model that seeks to enhance the district primary production with the intended objective of elevating the district farmers from subsistence farming to Semi-Commercial and eventually Commercial farming.

For sustainable Agricultural Production in ANDM, an “Agri-production model” as illustrated below has been developed and tested through a pilot programme, which entails:

- Crop production and mechanisation, possible partnership with private sector and the Departments of Rural Development & Agrarian Reform (DRDAR) and Land Reform (DRDLR) for risk sharing
- Capacity building and mentorship targeting partnerships with Setas and Seda for training and support
- Provision of infrastructure (fencing initially); through application to the MIG funding

- Facilitation of access to markets,
- Funding support through the Cooperative Incentive Scheme (CIS) with an opportunity for more funding if coops are clustered.

Agri-Production in ANDM – A five to ten-year perspective



The model, as cited in the diagram above envisages that in the next five to ten years, ANDM farmers will be in a position to operate as commercial farmers through these programmes by aggressively capacitating and providing ongoing mentorship and thus deriving income, creating jobs and sustainable living for all.

The expansion of the programme will be facilitated through application of the same model or a combination of strategies implemented on larger and increasing scale in partnership with other role players in the industry. ANDM holds a strong view that a solidified establishment of the primary sector will act as a catalyst for the development of a value chain and an agricultural industry.

As stated in the diagram, and subject to detailed verification, ANDM aims to plough a total of 41000 ha which is a conservative target from that one which was initially identified in the ANDM Grain Master Plan of 80 000. Furthermore, against the current trend of ploughing 1 crop a year, ANDM wishes to

initiate crop rotation in order to intensify production and place emphasis on the commercialisation aspect of the programme.

The target commodities include maize, hay, dry beans and potato subject to the suitability of land in each local municipal area. Furthermore, it must be noted that production on the ground for each year may include other commodities not necessarily stated in the production expansion model.

In addition to the Agri-Parks Programme, the following are the *Agricultural programmes that are available in the District*;

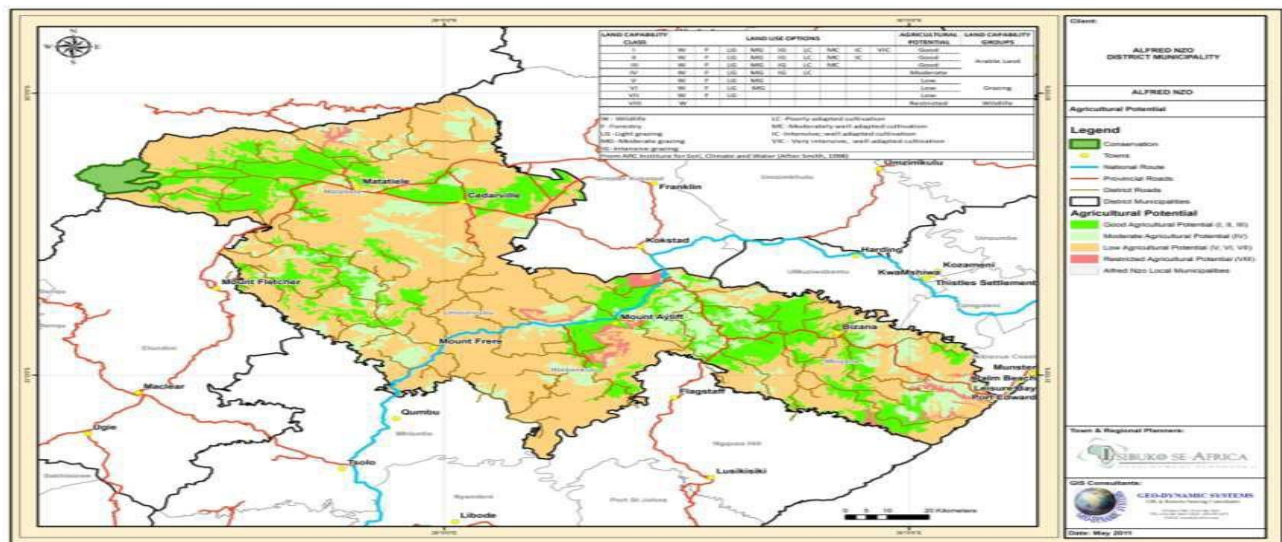
- Siyazondla Homestead Food Production (Green revolution)
- Cropping Programmes
- Land Care Programme
 - Communal Soil Conservation Scheme
 - Resource Planning Programme
 - Natural Resources
- Comprehensive Agriculture Support Programme (CASP)
- Livestock Production Improvement Programme
- Micro-Economies (Business Plan development, Coop Registration, Marketing)
- Veterinary Services
- Umzimvubu Agricultural Show
- Farmer Mentorship (Livestock & Cropping)
- Extension and Advisory services
- Household Food Security programme
- Farmer Development Programmes
- Small Scale Fishing Support Programmes

School Nutrition Programme

These programmes are complementary to the Agri-Parks Programme, and not treated in isolation.

In response to various challenges and obstacles in the sector, ANDM has thus adopted a Public-Private strategic partnerships approach with existing industry role players in order to accelerate transformation and commercialisation of the Agricultural sector in the District. These partnerships will be centered around the following areas; Mechanisation, Training and Mentorship, Provision of the required infrastructure to support the programme such as fencing, access roads, storage facilities and Access to markets. As such ANDM still needs enhanced agricultural interventions that can create and support profitable smallholder enterprises (through, for example, CPPP's, contract farming arrangements/outgrower schemes, and collection/aggregation systems).

Map 1: Overview of Agricultural Potential Land



⁷ See DRDAR's "EC Agricultural Economic Transformation Strategy, 2020-2021"

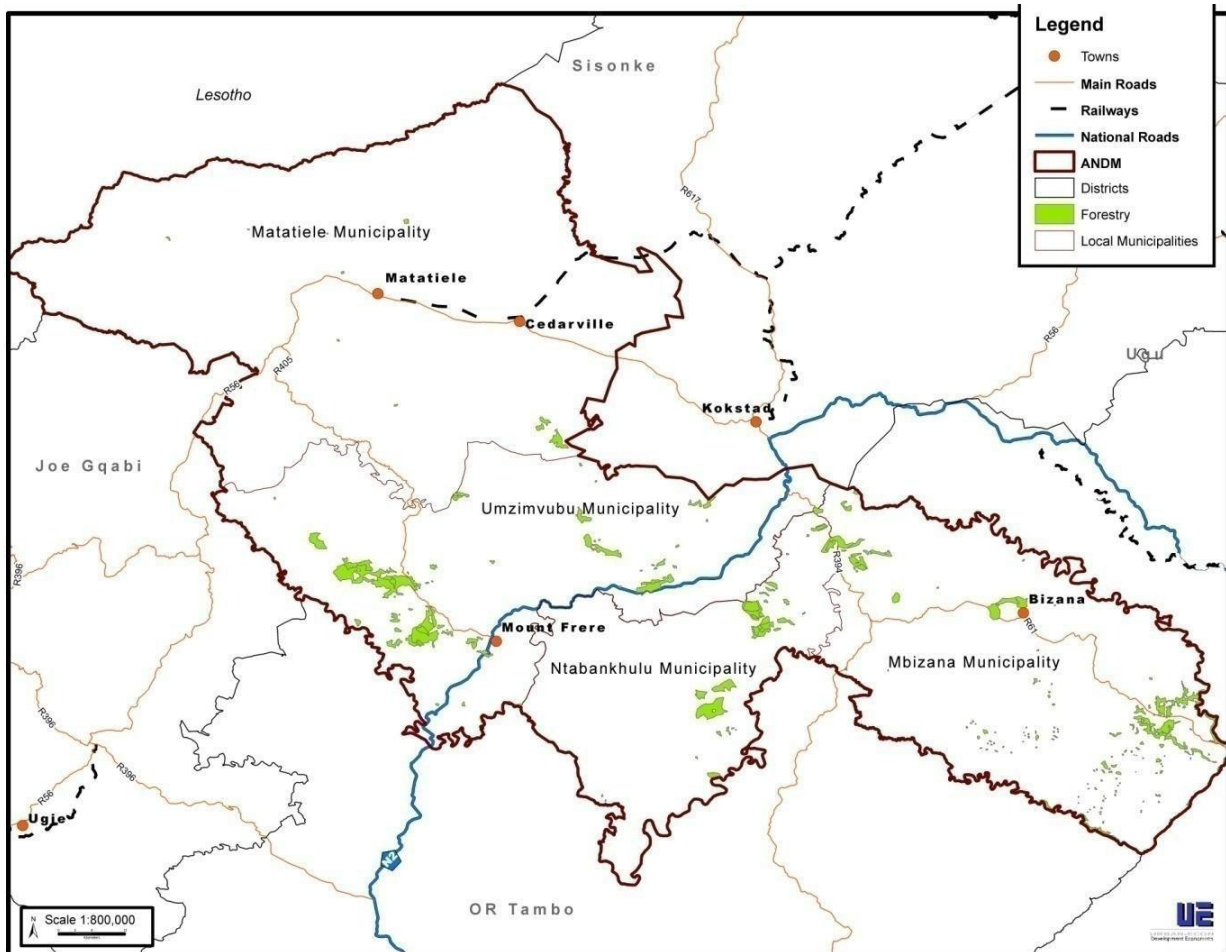
⁸ Irrigable land parcels are less than 50 ha each.

3.3.9. Forestry

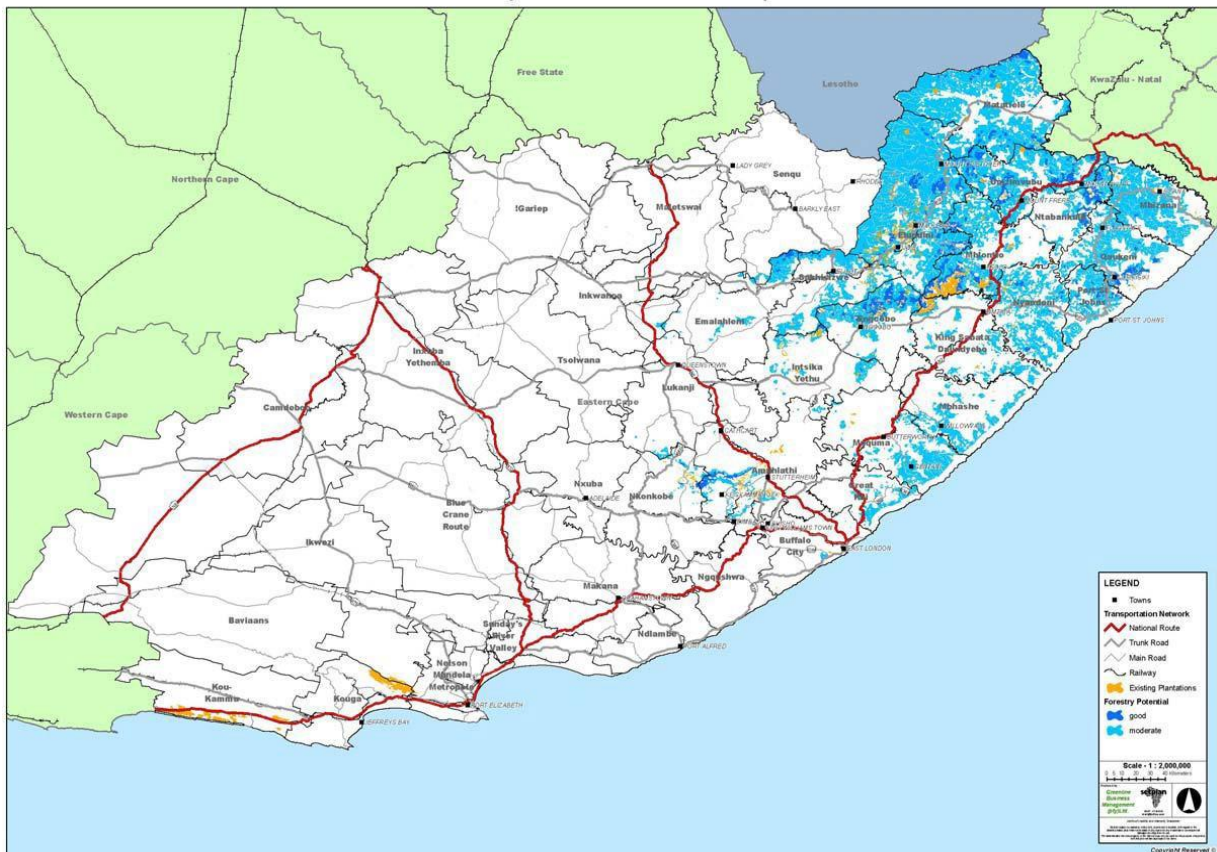
The following data is extracted from EC Forestry Sector Profile (DWAF, 2007):

	Mbizana	Ntabankulu	Umzimvubu	Matatiele	TOTAL
Commercial plantations (ha)	0	1051	3149	0	4200
Woodlots (ha)	951	92	285	408	1736
Indigenous (ha)	3719	3353	4597	1684	13353

Afforestation potential (moderate)(ha)	119710	35713	131288	250928	537639
Afforestation potential (good)(ha)	2590	13467	27746	18310	62113
Number of Sawmillers	0	0	4		4



Forestry Sector Profile - Eastern Cape



There are two recent ECRDA/Jobs Fund/Sappi Community Forestry projects in Mbizana: Sinawo and Izinini. Sinawo Forestry is located on land previously used by North Pondoland Sugar. There are two main issues with community forestry. Firstly, the economic returns to communities are fairly small and long-term, particularly when there are hundreds of household beneficiaries. Secondly, afforestation takes land away from other land uses (such as grazing and even arable farming) that may offer better economic returns.

Future community forestry projects should therefore be approached with due caution. But AND has very substantial afforestation potential (56% of the total land area of the district) which if realized would provide direct employment opportunities and (in time) downstream opportunities. Community forestry projects demonstrate that CPPP's can work. CPPP's should be more prevalent in more employment-intensive sectors (such as irrigated agriculture/horticulture). Future priorities include:

- Identify communities wishing to enter into community forestry arrangements
- Explore partnerships with Sappi and Hans Merensky.

3.3.10. Commerce and industry

AND has no major commercial centres and inputs are bought from Kokstad, Port Shepstone and Mthatha. (Mount Frere is nearer to Kokstad than Mthatha, 87km versus 104km, but Mthatha-Mount Frere is the busiest taxi route in the EC). But AND has a busy commercial sector, with shops in the main towns, rural service centres/transport nodes and some villages. There are new enterprises such as 100% black- owned Matatiele Grainco providing mechanization and transport services to the farming sector.

The manufacturing sector is extremely small, consisting of:

- Activities in old Transido complexes
- Concrete block-makers
- Sawmillers (one medium and three small in Mzimvubu)
- Sanami: SEDA Alfred Nzo Agro-Manufacturing Incubator at Mount Ayliff (See sanami.co.za)
- Crafts enterprises

Priorities include:

- Commercial property developments (see 2.11 below)
- Upgrade of Transido complexes
- Attraction of new incubators
- Agro-industrial development
- Crafts development

3.3.11 Tourism

The district has an active tourism economy, including:

Wild Coast Sun (golf course and R80 million Wild Waves Water Park) 750 ha

- B&Bs

- Tour operators, such as Mzamba Tours and Itembalampondo Tours
- Craft Route: Matatiele to Mount Frere
- Mehlooding Hiking Trail
- Mbizana birthplaces of OR Tambo and Winnie Mandela
- Ntabankulu Cultural Village
- Events such as Ntabankulu Pondo Festival and Matatiele Jazz Festival (including pop-up fashion shows)

The district has very good potential to grow the tourism economy and multiply tourism- based enterprises (including crafts) particularly in view of the new Wild Coast N2 and ANDM's useful framing concept of "Beach to Berg". Potential exists around ecotourism, cultural and heritage tourism.

All local municipalities have a tourism office, but there is an absence of an active "Beach to Berg" website. The B2B website should include:

- Attractions (with detailed write-ups)
- Events
- Accommodation
- Routes and maps
- Photos (there are two good ANDM tourism brochures with excellent photos)
- Community-based ecotourism operators

Priorities for the development of the sector include:

- Set-up active Beach to Berg (B2B) website
- Improve infrastructure and signage of B2B route
- Plan tourism-related property developments (see next section)

3.3.12. Construction and Property development

The employment-intensive construction industry presently accounts for about 10% of jobs in the district and there is good potential to grow this sector (in terms of employment and growth of local emerging contractors) based on public sector infrastructure contracts and private sector property developments. However, there are a number of obstacles to sector development that must be addressed. There are many opportunities for private property developments in AND. Examples include:

- Coastal developments associated with the new N2 (such as OR Tambo Theme Park at Mzamba)
- Inland tourism projects (such as Matatiele waterfront)
- New commercial developments, such as shopping complexes
- Small town developments (such as new Mount Ayliff precinct)
- Transport nodes/precincts: such as at Pakade junction and Phuti junction
- Middle-income housing
- Hawkers facilities and taxi ranks (including public toilets)

The sector's development is being held back by a number of issues, including:

- Land issues (see below)
- Opportunities for local emerging contractors in public sector infrastructure contracts
- Training opportunities for TVET students in infrastructure contracts.
- Need for a Contractors Development Programme (planned by ANDM)

Private sector property development requires long-term legal security of land rights. These are often not readily available, due to the following issues:

- Land claims. There are 146 claims in the district, and only one resolved (in Matatiele LM). The towns of Mt Ayliff and Mt Frere are under claim.
- There are many parcels of state-registered land in the district, but these parcels are not

available for development. There is need for a State Land Audit (with DRDLR) so that titles can be sold or long-term leased.

- Much of the district is under communal tenure. For parcels of prime development land
- Communities should be able to get formal rights so that long-term investment partnerships can be created with the private sector.
- High-priority development precincts should be identified and land titles acquired.

Future priorities include:

- Resolve land claims speedily (with assistance from the Land Claims Commission)
- ANDM to do a state land audit and get access to state land for property development.
- ☐ ANDM to support communities to acquire titles over communal land for development. DRDLR can assist with this.
- Identify and prioritise land precincts to be titled for private investment (such as
- Coastal tourism nodes; transport nodes; along development corridors and possibly high-potential agricultural zones). This will be in preparation for a proposed AND Land Assembly.
- Ensure public sector contracts provide business and training opportunities for local people.
- Implement ANDM Contractors Development Programme.
- Detailed planning around Wild Coast N2 and coastal development.

3.3.13. SMMEs

Small enterprises are found in all the sectors reviewed above, with great variation in incomes and formality. They include street traders, shopkeepers, commercial smallholders, taxi operators, motor repairs/panel-beaters, building contractors and block-makers, Transido complex enterprises, B&B operators and professionals (such as lawyers and medical practitioners) etc. AND has an emerging culture of enterprise and entrepreneurship. It is important to note that communities can be enterprising, using such techniques as asset-based community development (ABCD). It is clear that SMME development has most potential for development around four value-chains already discussed:

- Sawmillers and other downstream wood-using enterprises
- Emerging small commercial farmers (and downstream activities)
- Construction and builders
- Tourism-related enterprises (including crafters)

Small enterprises are supported by SEDA and ECDC and will benefit from the successful implementation of sector strategies, including, for example, infrastructure for street traders, new commercial developments and incubators.

Possible future priorities include:

- ANDM must identify all existing SMEs in the four priority value chains and facilitate partnerships to remove obstacles to value-chain development and support enterprise start-ups and growth.
- Use e-connecting and e-learning to form local groups of people that share development interests, and are experimenting with the possible
- Techniques of ABCD should be more widely known and practised
- Virtual and physical (combined) enterprise incubators should be more ubiquitous than at present.

3.3.14. Environmental protection

AND faces a number of environmental issues that could jeopardise future development efforts, particularly tourism development and agricultural development.

The environmental issues to be addressed include:

- Land degradation caused by livestock over-grazing, indicating the need for land rehabilitation projects (and fencing)
- Human settlement encroachment on agricultural land.
- Untreated sewage flowing into rivers
- Illegal building on the Wild Coast. DEDEAT's Wild Coast Nature Conservation Plan
- and the nodal development approach need to be strictly enforced.
- Absence of solid waste disposal and recycling systems

- Scaling-up environmental EPWP.

Existing conservation areas include:

- Pondoland Centre of Endemism
- Maluti Drakensberg Transfrontier Conservation Area
- Matatiele Nature Reserve
- Ongeluksnek Nature Reserve.

There is a severe threat to Wild Coast conservation from the new N2 (Mzamba to Mtentu). But there are also great development opportunities. This issue requires special attention.

3.3.15. Public sector

The public sector is the dominant player in the socioeconomic development of the AND and potentially a key enabler of economic growth. The public sector in AND includes:

- ANDM
- The four LMs
- Schools and health facilities
- Police and magistrates courts
- Ingwe TVET college
- Other activities by provincial and national sector departments and agencies, such as DRDLR, DRDAR, ECRDA, DEDEAT, ECDC, SEDA, SANRAL, Public Works etc

To achieve its developmental mandate the public sector must have strong leadership and much improved management capabilities. NDP and ECPDP have proposals on how this can be achieved.

Economic governance leadership in the AND should have:

- Good knowledge of the economic issues facing AND
- A good understanding of the needs of stakeholders
- A clear development vision and agenda

- An ability to communicate these persuasively to relevant stakeholders.
- An ability to leverage resources from state sector departments and state-owned entities (such as IDC and PIC).

Tourism activities within the District are currently fragmented, therefore the District undertook development of the Beach to Berg (B2B) Corridor Development Plan as an output of the Tourism Sector Plan and 2012 SDF. The B2B development plan is a framework for implementing a collection of initiatives or programs consolidated into one umbrella to grow regional development and assist in economic development of the region through tourism. The following are the main elements of the Beach to Berg project:

<p style="text-align: center;">Beach to Berg</p> <p style="text-align: center;"><i>Borderlands of Eastern Cape, KZN and Lesotho</i></p> <p style="text-align: center;"><i>The Mzimvubu and its tributaries, the Tina, Kinira and Mzintlava</i></p> <p style="text-align: center;"><i>rivers Place of deep river pools and occult snakes, mamlambo</i></p> <p style="text-align: center;"><i>and inkanyapa From Nomansland, East Griqualand and</i></p> <p style="text-align: center;"><i>Amadiba's coastal edge</i></p> <p style="text-align: center;"><i>To postcolonial precincts and harmonious productive</i></p> <p style="text-align: center;"><i>partnerships</i></p> <p style="text-align: center;"><i>The shared home of Oliver Tambo, Winnie Mandela</i></p> <p style="text-align: center;"><i>And other fallen heroes</i></p>

3.3.16. THE ANDM SWOT ANALYSIS

Strength	Weakness
<ul style="list-style-type: none"> • Location of the district: well located on the major economic corridors. • Revenue Enhancements. • Improved rates and tax collections. • Orderly planning. • Tourism opportunities, especially between Mbizana and Matatiele • Large traces of virgin land • N2 highway that traverses Mount Ayliff and Mount Frere • ANDM is a gateway between KwaZulu-Natal and Eastern Cape • Water sources e.g. Mntavuna, Mthentu and Umzimvubu rivers • Topography/landscape in relation to tourism attraction • Natural environment • Favourable land for agriculture • Good climate for grain production • Geographically denser compared to other comparable District municipalities in the province. 	<ul style="list-style-type: none"> • Investors are afraid and not willing to invest in places such as Mbizana due to political instability and adequate infrastructure. • Most towns within the district lack integration or linkages between each other. • Lack of controls in land development. • Lack of understanding between politicians and traditional authorities. • No proper economic relation between towns in the district. • Shortage of skills and personnel within the district. • Inadequate implementation of LUMS could hamper provision of infrastructure and services to the entire area. • Poor management of border gates in Matatiele Local Municipality. • Poor spatial development vision for the whole district (long term basis). • Poor institutional arrangements for implementing strategies and policies. • Lack of funding. • Uneven terrain (mountainous). • No future development zones within the district.

Strength	Weakness
	<ul style="list-style-type: none"> • Mostly rural (less revenue collection) • Fragmented tourism clusters • Unused arable land • Disintegration of the ANDM towns • Land claims on the ANDM urban commonages (delaying development)
Opportunities	Threats
<ul style="list-style-type: none"> • There is potential for the district to attract investors, provided there are clear LUMS frameworks. • Alfred Nzo District Municipality is closest to neighbouring, well-resourced Kwazulu-Natal, in terms of economic development and trade. • Opportunities are open for agricultural activity, especially commercial farming within Matatiele Local Municipality, and also, large forestry potential exists. • Proposed N2 toll road. • Tourism opportunities for Matatiele Local Municipality i.e. Drakensburg Mountain as a tourist attraction and events such as the Masibuyelembo and Matat Festivals which give the district an exposure to regional and provincial Tourists. 	<ul style="list-style-type: none"> • Lack of clear LUMS could harm development in the district. • It is envisaged that investors might lose interest in the district because of the proposed N2 route to the coastal area that links Durban to East London. • High level of nepotism, sabotage, corruption, fraud and unresolved land claims. • Disaster prone and environmental degradation. • The only sub-regional node is Kokstad, which is in Kwazulu-Natal. • No designation for land sheet traders. • Poor storm water management. • N2 wild coast (most vehicles passer-by are envisaged to use the new N2 route, which will not pass any of the ANDM towns. The proposed route will cover only a 30 km stretch compared to the 100km stretch passing the district currently

Strength	Weakness
<ul style="list-style-type: none"> • Alfred Nzo District Municipality's central locality between Kwazulu-Natal, Lesotho, Free State and Eastern Cape. • Fishery opportunity in Mbizana. • N2 wild coast route. • The integration of Ocean's economy and the Wild Coast highway. • Rich in heritage (home to several liberation movement stalwarts) • Relocation of Alfred Nzo Regional Sector Government Department offices which could result to a construction boom at eMaxesibeni. • Forestry 	<p>and this will have a negative impact on the economy of these towns)</p> <ul style="list-style-type: none"> • Poor Road conditions, particularly on the N2 between Ngcweleni Bridge and KwaBhaca CBD, and R56 between Kokstad and Matatiele • Vehicular accidents caused by livestock. • Frequent service delivery Protests, risk to the existing infrastructure. • Economic leakage

To enable performance in these six areas ANDM employs about 500 people. About half of employees are skilled (managerial, professional and technical) and the other half are semi- skilled or unskilled. The average employee compensation was R 480 000 in 2020-21.

Segment staff compensation

ANDM continues to be almost entirely dependent on income from grants. Own revenue (mainly from water and sanitation service charges) accounts for only 5.2% of total income.¹⁰ Conditional grants (mainly MIG and MWIG) accounted for 42.13% of total income and equitable share at accounted for 46.1% of total income. Essentially equitable share covers Opex and conditional grants cover capex. Total expenditure in 2020/21 was roughly equally split between Opex and capex. Most of the capex budget goes to extending bulk water supply throughout the district

DC44 Alfred Nzo - Supporting Table SA18

Transfers and grant receipts

Description	R e f	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
RECEIPTS: <u>- Operating Transfers and Grants</u>	1, 2									

National Government:	592,770	534,453	581,036	623,175	696,357	696,357	645,048	669,483	672,251
Local Government									
Equitable Share	437,586	510,344	556,720	598,038	673,097	673,097	618,487	653,836	655,844
Finance Management	1,795	1,865	1,865	1,700	1,700	1,700	1,950	1,950	1,950
Municipal Systems Improvement							3,031	5,741	5,994
Energy Efficiency and Demand Management	5,000	6,000	6,000	5,000	5,000	5,000	4,000	–	–
EPWP Incentive	10,280	10,844	9,174	8,751	8,751	8,751	9,740	–	–
Water Services Operating Subsidy	110,000								
Infrastructure Skills Development Grant	5,394	5,400	5,400	5,500	5,500	5,500	5,500	5,500	6,000

Municipal Human Settlement Capacity Grant [Schedule 5B]	22,715								
Municipal Disaster Grant			1,877	1,877					
Road Asset Management Systems Grant [Schedule 5B]				2,309	2,309	2,309	2,340	2,456	2,463
Provincial Government:	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	17,826	17,826	-	-	-
<i>Capacity Building and Other</i>					17,826	17,826			

Other grant providers:	633	374	566	–	12,791	12,791	–	–	–
<i>Agriculture I Sector Education and Training Authority Constructi on, Education and Training SETA Developm ent Bank of South Africa Education, Training and Developm ent Practices SETA Fibre Processing and Manufactu ring SETA</i>	(2)				729	729			
	634	374	403		435	435			
					1,000	1,000			

<i>National Skills Fund Unspecified Wholesale and Retail Sector SETA</i>				163		9,402	9,402			
						1,224	1,224			
Total Operating Transfers and Grants	5	593,403	534,827	581,602	623,175	726,974	726,974	645,048	669,483	672,251
<u>Capital Transfers and Grants</u>										
National Government:		429,843	503,271	436,127	597,284	584,784	584,784	539,778	558,125	602,591
Municipal Infrastructure Grant (MIG)		373,989	347,914	305,129	373,334	373,334	373,334	398,778	433,122	453,622
Regional Bulk Infrastructure			43,067	44,003	105,000	92,500	92,500	31,000	25,003	43,969

Water Services Infrastructure Grant		110,000	84,570	118,950	118,950	118,950	110,000	100,000	105,000
Regional Bulk Infrastructure Grant [Schedule 5B]	53,569								
Rural Household Infrastructure Grant [Schedule 5B]	0								
Rural Road Asset Management Systems Grant		2,290	2,426						
Public Transport Infrastructure Grant [Schedule 5B]	2,285								

Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
<i>Capacity Building and Other</i>										
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>Agricultural Sector Ed</i>										
Total Capital Transfers and Grants	5	429,843	503,271	436,127	597,284	584,784	584,784	539,778	558,125	602,591
TOTAL RECEIPTS OF		1,023,246	1,038,098	1,017,729	1,220,459	1,311,758	1,311,758	1,184,826	1,227,608	1,27

TRANSFERS & GRANTS										4,842
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Assets.

ANDM has assets worth **R 5 502 608 101** at end June 2020, in the form of land and buildings, water and sanitation infrastructure (although much is old and requiring maintenance and rehabilitation), motor vehicles and current assets such as cash, investments and debtors (accounts receivable for water and sanitation services). There are personnel at a middle level management appointed to manage offices in line with their line functions of responsibility. The District municipality has satellite offices in all four local municipalities.

The following table outlines the audited depreciated values of the ANDM asset portfolio:

Asset type	Audited depreciated value at end June 2020
Land and Buildings	R 56 353 471
Infrastructure (water and infrastructure)	R 2 300 883 484
Other property, plant and equipment	R 95 618 931
Assets under construction	R 2 389 245 816
Current assets	R 660 506 399
TOTAL ASSETS	R 5 502 608 101

Financial Viability and Financial Management

Financial viability at a district municipality level demands:

- Optimal financial management (outcomes based budgeting)
- Effective systems (financial, technological and human)
- Ability to generate own revenue.

Sound financial management practices are essential to the long-term sustainability of

municipalities. They underpin the process of democratic accountability. Weak or opaque financial management results in the misdirection of resources and increases the risk of corruption. The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management in South Africa so as to lay a sound financial base for the sustainable delivery of services. Municipal financial management involves managing a range of interrelated components: planning and budgeting, revenue, cash and expenditure management, procurement, asset management, reporting and oversight. Each component contributes to ensuring that expenditure is developmental, effective and efficient and that municipalities can be held accountable.

With good Performance Based Management there is a close alignment of planned expenditure to programme and project inputs and outputs. This applies to both capital and operational programmes and projects. It can also apply to the support service for the projects and programmes as well as for the Municipality as a whole.

The Budget provides the baseline for the allocation of resources. To make implementation happen effectively the managed disbursements of these financial resources is required.

A sound Financial Management System that supports priority delivery by controlling the efficient channelling of finances. The financial management system must interact to ensure that resources are used:

- In the right amount;
- At the right time; and
- In the right way,
- In order to produce the outputs envisaged within the priority objectives and prioritised projects of the IDP.

Budget Summary

The total budget for the financial year 2021-2022 is R1.336 Billion.

Income Allocations and Sources

The Alfred Nzo Municipality derives its income from several sources:

National:

- Equitable share
- Finance Management Grant
- Regional Bulk Infrastructure Grant
- Municipal Infrastructure Grant Funding
- WSIG - Water and sanitation backlog funding (DWA)
- Road Asset Management Grant - RAMS
- Expanded Public Works Programme - EPWP
- Infrastructure Skills Development Grant – ISDG
- Municipal Systems Improvement Grant

Own income:

- Water and Sanitation service fees
- Interest from investments

The Municipality has a low income base and is heavily dependent on National and Provincial Grants. This trend exhibits little expectation that the Municipality will reduce its dependency from these sources of funding in the near future.

Revenue Adequacy and Certainty

It is essential that the municipality has access to adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. It is furthermore necessary that there is a reasonable degree of uncertainty with regard to source, amount and timing of revenue. Whilst the country is also under siege due to COVID-19, municipalities are and will be negatively impacted the most. Key factors to the predicament are the issues of, but not limited to:

1. Increased poverty due to loss of jobs
2. Non-payment for services, increasing the municipality's debtor's book

The Division of Revenue has laid out the level of funding from National Government for the next three years.

Cash/Liquidity Position

Cash management is vital for the short and long term survival and good management of any organisation. The appropriate benchmarks which can assist in assessing the financial health of the municipality are:

- The current ratio, which expresses the current assets as a proportion to current liabilities. "Current" refers to those assets which could be converted into cash within 12 months and those liabilities which will be settled within 12 months. ANDM's ratio is 0.2 and is seen as undesirable in the medium term.
- Debtor collection measures which have an impact on the liquidity of the municipality. Currently the municipality takes 180 days to recover its debts.

DC44 Alfred Nzo Supporting Table SA10 Funding measurement

Total Operating Revenue			664,607	611,869	653,211	793,413	854,540	855,210	562,214	804,070	834,709	844,747
Total Operating Expenditure			518,855	571,318	616,206	771,022	855,669	855,669	419,194	784,235	806,118	810,680
Operating Performance Surplus/(Deficit)			145,753	40,550	37,004	22,391	(1,129)	(459)	143,019	19,834	28,591	34,068
Cash and Cash Equivalents (30 June 2012)										745,196		
Revenue												
% Increase in Total Operating Revenue				(7.9%)	6.8%	21.5%	7.7%	0.1%	(34.3%)	(5.9%)	3.8%	1.2%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				0.9%	(31.5%)	103.5%	(20.6%)	1.7%	(44.5%)	(4.4%)	3.0%	4.4%
Expenditure												
% Increase in Total Operating Expenditure				10.1%	7.9%	25.1%	11.0%	0.0%	(51.0%)	(8.3%)	2.8%	0.6%
% Increase in Employee Costs				7.9%	12.0%	11.4%	(2.5%)	0.0%	(41.5%)	7.6%	4.2%	4.4%
% Increase in Electricity Bulk Purchases				11.8%	(3.2%)	(10.7%)	0.0%	0.0%	(22.8%)	3.9%	4.2%	4.4%
Average Cost Per Budgeted Employee Position (Remuneration)					0	726913.6372			0			
Average Cost Per Councillor (Remuneration)					0	0			0			
R&M % of PPE			0.2%	1.0%	1.0%	1.1%	2.4%	2.4%	1.5%		1.4%	1.3%
Asset Renewal and R&M as a % of PPE			22.0%	25.0%	40.0%	12.0%	17.0%	17.0%	(171.0%)	(964.0%)	(952.0%)	
Debt Impairment % of Total Billable Revenue			0.7%	21.7%	10.5%	49.8%	58.5%	57.5%	0.0%	39.4%	39.9%	39.9%
Capital Revenue												
Internally Funded & Other (R'000)			-	3,117	12,923	44,027	67,414	67,414	5,103	51,830	54,007	56,383
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			616,821	565,489	850,903	569,917	510,653	510,653	225,220	499,900	516,493	559,085
Internally Generated funds % of Non Grant Funding			0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			100.0%	99.5%	98.5%	92.8%	88.3%	88.3%	97.8%	90.6%	90.5%	90.8%
Capital Expenditure												
Total Capital Programme (R'000)			662,211	723,939	1,075,494	613,944	578,066	578,066	231,568	551,730	570,499	615,468
Asset Renewal			409,931	423,714	690,194	175,434	174,946	174,946	174,946	204,634	219,619	230,502
Asset Renewal % of Total Capital Expenditure			66.5%	74.5%	79.9%	28.6%	30.3%	30.3%	76.0%	37.1%	38.5%	37.5%
Cash												
Cash Receipts % of Rate Payer & Other			54.8%	959.8%	190.2%	100.3%	61.8%	61.4%	42.1%	60.2%	60.4%	60.4%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			16,605	1,129,536	489,929	364,725	466,391	466,012	540,761	561,106	693,867	836,378
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	39.9%	0.1%	0.1%	0.0%		0.1%	0.1%	0.2%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			664,607	611,869	653,211	793,413	854,540	855,210	562,214	804,070	834,709	844,747
Total Operating Expenditure			518,855	571,318	616,206	771,022	855,669	855,669	419,194	784,235	806,118	810,680
Surplus/(Deficit) Budgeted Operating Statement			145,753	40,550	37,004	22,391	(1,129)	(459)	143,019	19,834	28,591	34,068
Surplus/(Deficit) Considering Reserves and Cash Backing			16,605	1,129,536	489,929	364,725	466,391	466,012	540,761	561,106	693,867	836,378
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

DC44 Alfred Nzo - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2021/22												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Cash Receipts By Source															
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	1,748	20,973	21,854	22,815
Service charges - sanitation revenue	179	179	179	179	179	179	179	179	179	179	179	179	2,145	2,236	2,334
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	2,509	2,509	2,509	2,509	2,509	2,509	2,509	2,509	2,509	2,509	2,509	2,509	30,108	31,373	32,753
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	53,754	53,754	53,754	53,754	53,754	53,754	53,754	53,754	53,754	53,754	53,754	53,754	645,048	669,483	672,251
Other revenue	4,542	4,542	4,542	4,542	4,542	4,542	4,542	4,542	4,542	4,542	4,542	4,542	54,503	56,792	59,291
Cash Receipts by Source	62,731	62,731	62,731	62,731	62,731	62,731	62,731	62,731	62,731	62,731	62,731	62,731	752,777	781,737	789,444
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	44,982	44,982	44,982	44,982	44,982	44,982	44,982	44,982	44,982	44,982	44,982	44,982	539,778	558,125	602,591
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	107,713	107,713	107,713	107,713	107,713	107,713	107,713	107,713	107,713	107,713	107,713	107,713	1,292,555	1,339,862	1,392,035
Cash Payments by Type															
Employee related costs	21,798	21,798	21,798	21,798	21,798	21,798	21,798	21,798	21,798	21,798	21,798	21,798	261,578	345,657	360,885
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912	406,943	234,805	214,055
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	60	60	60	60	60	60	60	60	60	60	60	60	715	105,825	110,637
Cash Payments by Type	55,770	55,770	55,770	55,770	55,770	55,770	55,770	55,770	55,770	55,770	55,770	55,769	669,235	686,288	685,577
Other Cash Flows/Payments by Type															
Capital assets	45,978	45,978	45,978	45,978	45,978	45,978	45,978	45,978	45,978	45,978	45,978	45,978	551,730	570,499	615,468
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	101,747	101,747	101,747	101,747	101,747	101,747	101,747	101,747	101,747	101,747	101,747	101,747	1,220,966	1,256,787	1,301,046
NET INCREASE/(DECREASE) IN CASH HELD	5,966	5,966	5,966	5,966	5,966	5,966	5,966	5,966	5,966	5,966	5,966	5,966	71,590	83,074	90,989
Cash/cash equivalents at the monthly/year begin:	673,606	679,572	685,538	691,503	697,469	703,435	709,401	715,367	721,332	727,298	733,264	739,230	673,606	745,196	828,270
Cash/cash equivalents at the monthly/year end:	679,572	685,538	691,503	697,469	703,435	709,401	715,367	721,332	727,298	733,264	739,230	745,196	745,196	828,270	919,259

Financial Sustainability

The municipality needs to ensure that the budget is balanced (income covers expenditure). As there are limits on revenue, it is necessary to ensure that services are provided at levels that are affordable, and that the full costs of service delivery are recovered. However, to ensure that households which are too poor to pay for even a proportion of service costs, at least have access to basic services, there is a need for subsidisation of these households.

Effective and Efficient use of Resources

In an environment of limited resources, it is essential that the municipality makes maximum use of the resources at its disposal by using them in an effective and efficient manner. Efficiency in

operations and Investment will increase poor people's access to basic services.

Accountability, Transparency and Good Governances

The municipality is accountable to the resources they use, for what they do with the resources provided to them. The budgeting process and other financial decisions should be open to public scrutiny and participation.

Implementation of Credit Control policy

This policy and relevant procedures details all areas of credit control, collection of amounts billed to customers, procedures for non-payment etc.

Payments Strategy

This strategy aims at implementing innovative cost effective processes to encourage consumers to pay their accounts in full on time each month.

Implementation of an Indigent policy

This policy defines the qualification criteria for an Indigent, the level of free basic services that will be enjoyed by Indigent households, penalties for abuse etc.

Indigent Management:

The District Municipality does not have its own Indigent register, it is working together with the local municipalities to compile the register. There is no verification system that is used to verify the information on the register. The Indigent register is reviewed annually to maintain its credibility.

There is a steering committee (consisting of Traditional leader, Councilor, Ward Committees, ANDM FBS Co-ordinator and Co-ordinator from the local municipality) that sit to verify the indigents.

List of Indigents are sent to the Revenue section for verification. Reports are prepared and sent to Cogta on a monthly basis for the update of status qou.

Provision of Free Basic Services

Provision is made on the budget for the provision of free basic water services from the equitable share. A certain percentage of the equitable share is used for this purpose at this stage, which is mainly attributable to the fact that households in rural areas that do have access to water supplied by the Municipality are not being charged for their consumption as there are no water meters in many rural areas since water provision is at RDP standards. The municipality is also struggling to put systems in place that will enable to bill for consumption as a result almost all the people that have access to water are receiving water for free.

DC44 Alfred Nzo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

DC44 Alired N26 - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)												
Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source												
Property rates	2		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2		–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2		32,466	32,550	22,180	44,955	35,470	35,805	19,372	34,728	35,949	37,531
Service charges - sanitation revenue	2		3,232	3,472	2,486	5,233	4,358	4,693	3,090	3,348	3,252	3,395
Service charges - refuse revenue	2		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			349	370	207	57	5	5	–	–	–	–
Interest earned - external investments			25,264	38,857	45,362	31,304	28,870	28,870	15,402	30,108	31,373	32,753
Interest earned - outstanding debtors			–	–	–	–	–	–	–	–	–	–
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits			–	–	–	–	–	–	–	–	–	–
Licences and permits			–	–	–	–	–	–	–	–	–	–
Agency services			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies			593,403	534,827	581,602	623,175	696,792	696,792	523,671	645,048	669,483	672,251
Other revenue	2		9,367	3,034	1,503	88,690	89,045	89,045	678	90,838	94,653	98,818
Gains			528	(1,240)	(130)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			664,607	611,869	653,211	793,413	854,540	855,210	562,214	804,070	834,709	844,747
Expenditure By Type												
Employee related costs	2		226,240	244,076	273,453	304,577	296,944	296,944	173,859	319,436	332,740	347,399
Remuneration of councillors			9,803	10,359	11,565	11,970	11,702	11,702	7,164	12,396	12,917	13,485
Debt impairment	3		244	7,815	2,593	25,000	23,300	23,300	–	15,000	15,630	16,318
Depreciation & asset impairment	2		73,084	77,302	80,254	100,000	100,000	100,000	54,493	100,000	104,200	108,785
Finance charges			1,723	739	359	–	–	–	3	–	–	–
Bulk purchases - electricity	2		7,973	8,911	8,624	7,700	7,700	7,700	5,942	8,000	8,336	8,703
Inventory consumed	8		–	2,942	–	23,479	26,672	26,672	–	25,158	26,218	27,366
Contracted services			123,197	118,565	142,841	186,748	269,849	269,849	109,721	200,857	198,478	176,134
Transfers and subsidies			751	17,754	18,707	20,815	21,045	21,045	17,437	21,050	21,934	22,899
Other expenditure	4, 5		71,736	82,857	77,857	90,734	98,456	98,456	50,574	82,338	85,665	89,590
Losses			4,102	–	(47)	–	–	–	–	–	–	–
Total Expenditure			518,855	571,318	616,206	771,022	855,669	855,669	419,194	784,235	806,118	810,680
Surplus/(Deficit)			145,753	40,550	37,004	22,391	(1,129)	(459)	143,019	19,834	28,591	34,068
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			376,274	503,271	436,127	597,284	584,784	584,784	249,869	539,778	558,125	602,591
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)			53,569	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Share of surplus/ (deficit) of associate			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659

Billing and Payment of water and sanitation levies

Over 9000 urban households (5% of all households in the district) are billed for water and sanitation levies. Rural areas that do have access to water supplied by ANDM are not metered or charged for their consumption, which implies that a considerable amount of purified water is unaccounted for.

ANDM is in the process of cleansing and reviewing its database of households who are being serviced. Collection rates are poor and this is compounded by the high poverty levels and low affordability levels of our communities.

ANDM is constantly striving to provide services to its community which requires substantial capital investment, especially in terms of infrastructural assets. In order to maintain service delivery it is imperative that these assets be maintained in proper working order which requires investment in terms of maintenance and repair costs. According to the National Treasury, municipalities should be budgeting between 8% and 15% of their operating expenditure for repairs and maintenance.

Revenue Enhancement Strategy

ANDM is faced with the dilemma of revenue management in terms of being able to account for what has been sold, versus what has been supplied. One primary objective of ANDM, is to ensure that every consumer gets billed accurately and fairly.

We have developed metering systems to allow ANDM to improve revenue management, combined with switch-off mechanisms which ultimately results in better returns. We understand that communication is an integral key to revenue enhancement and customer satisfaction. Thus, our aim is to meet (and surpass) our customers' expectations by providing them with transparency and control when it comes to their utility metering.

All households utilising water must be billed for the consumption used. Therefore all consumers must be metered and accurate readings be taken on a monthly basis. In cases where the meters are not accessible or not working, estimation is levied on such accounts. Accounts must be printed and distributed to ensure that consumers are aware of their monthly usage.

Faulty meters must be identified and reports be forwarded to ANDM (IDMS) for replacement. Water leakages should be attended to immediately and be minimized. When the customer is converted from credit to prepaid meter and there is an outstanding amount on the account, a percentage of arrears should be recovered from prepaid purchases. The ANDM is using MUNSOFT as its billing system to ensure that accurate billing is accomplished. The municipality has installed prepaid water meters in Matatiele and Cedarville: a total of 1 894 prepaid water meters were installed in Matatiele. The following areas in Matatiele had meters installed: Itsokelele, Njongo Village, Dark City, North End and Harry Gwala. The municipality will install meters in Mountain View, Mbizana and town area. Alfred Nzo District Municipality has also installed credit or convertible water meters at Mount Ayliff, Mount Frere, Mbizana and Ntabankulu. ANDM will be converting credit meters to prepaid water meters for Mbizana, Ntabankulu Mount Ayliff and Mount Frere.

Revenue management in improving service delivery

Improved service delivery in revenue management demands that the following are in place:

- Dispensing free basic services accurately with audit trail;
- Accurate and complete customer readings;
- Measures for avoidance of theft;
- Automatic meter reading;
- Systems available 24 hours per day close to the customer;
- Systems in close proximity to the customer;
- Direct online vending of water, with no human intervention on transactions, as the alternate goal
- Automatic connection and disconnection of meters;
- Accurate logging of complaints, faults on the customer relations management system;
- Effective and efficient delivery of services i.e. timeous correction of faults when the class has been logged;
- Accurate, valid and complete records kept on the document management system;
- Easy access to information when required;
- Accurate, valid and complete financial records kept on the financial system (billing) to ensure correct bills are sent to the correct customers and payments/receipts are attached to the correct customers;
- Accurate, valid and complete records kept on the geographical information and easy access to ensure that when the call/complaint/fault has been logged, the geographical information system can point the directions as to where exactly the area is with a

problem;

- Accurate, valid and complete performance information kept on the performance management system to ensure improved performance monitoring; and profiling of load data per customer.

Assets and Liabilities management

The municipality continues to maintain a fixed assets register that is GRAP compliant. The major benefit of having an asset register is to ensure that ANDM keeps track of all its assets, provides a fair estimate of their worth and provides an estimate of the aging of the assets. A conditional assessment of the assets is done atleast annually. This provides the basis of information to help plan future asset investments and also informs the Municipality's maintenance plan. The municipality continues to budget for the repairing and maintenance of old infrastructure.

**DC44 Alfred Nzo -
Table A9
Consolidated Asset
Management**

Description R thousa nd	R e f	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
CAPITAL EXPEN										

DITUR E <u>Total</u>										
<u>New Assets</u>	1	1	5	9	0	1	1	6	0	6
Water Supply Infrastr ucture Sanitati on Infrastr ucture		175,24 6	218,08 8	288,24 8	351,75 3	315,18 3	315,18 3	285,90 4	286,25 5	317,46 3
		1,886	1,886	1,886	60,830	60,830	60,830	32,742	34,980	36,554
Infrastr ucture		177,13 2	219,97 4	290,13 5	412,58 3	376,01 4	376,01 4	318,64 6	321,23 5	354,01 7
Commu nity Facilitie s Sport and Recreat ion Facilitie s		—	—	—	4,000	4,000	4,000	1,500	1,563	1,632
		—	—	14	—	—	—	180	188	196
Comm unity Assets		—	—	14	4,000	4,000	4,000	1,680	1,751	1,828
Invest ment		—	—	—	—	—	—	—	—	—

properties									
Operational Buildings	1,478	(276)	59	4,700	4,500	4,500	12,000	12,504	13,054
Housing	—	—	—	—	—	—	—	—	—
Other Assets	1,478	(276)	59	4,700	4,500	4,500	12,000	12,504	13,054
Servitudes	—	—	160	—	—	—	—	—	—
Licences and Rights	954	954	954	—	—	—	—	—	—
Intangible Assets	954	954	1,114	—	—	—	—	—	—
Computer Equipment	1,962	5,104	7,725	4,377	4,157	4,157	4,020	4,189	4,373
Furniture and Office Equipment	(3,295)	293	1,669	2,700	4,200	4,200	3,650	3,803	3,971
Machinery and Equipment	72,361	72,488	72,970	2,150	1,550	1,550	2,100	2,188	2,284

Transport Assets		1,688	1,688	11,614	8,000	8,700	8,700	5,000	5,210	5,439
<u>Total Renewal of Existing Assets</u>	2	77,882	83,812	83,845	44,227	36,727	36,727	66,551	69,472	72,595
<i>Water Supply Infrastructure Sanitation Infrastructure</i>		79,932	79,932	79,932	44,177	36,677	36,677	66,501	69,420	72,541
Infrastructure Revenue Generating Non-revenue Generating Investment		(0)	5,635	5,635	—	—	—	—	—	—
		79,932	85,567	85,567	44,177	36,677	36,677	66,501	69,420	72,541
		(1,803)	(1,803)	(1,803)	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		(1,803)	(1,803)	(1,803)	—	—	—	—	—	—

properties									
Licences and Rights	(298)	(298)	(298)	–	–	–	–	–	–
Intangible Assets	(298)	(298)	(298)	–	–	–	–	–	–
Computer Equipment	51	346	379	50	50	50	50	52	54
Total Upgrading of Existing Assets	332,049	339,902	606,349	131,207	138,219	138,219	138,083	150,147	157,907
Water Supply Infrastructure Sanitation	460,392	469,402	469,539	84,528	89,472	89,472	111,772	119,681	126,072
Infrastructure Solid Waste Infrastructure	(180,996)	(182,174)	84,191	42,128	43,340	43,340	24,532	28,611	29,899
	51,784	51,784	51,784	–	–	–	–	–	–

Infrastr ucture Operati onal Building s Other Assets Servitu des Licence s and Rights Intangi ble Assets Furnitu re and Office Equip ment Machin ery and Equip ment <u>Total</u> <u>Capital</u> <u>Expend</u> <u>iture</u>		331,18 1	339,01 3	605,51 4	126,65 7	132,81 2	132,81 2	136,30 3	148,29 2	155,97 0
		868	868	868	2,850	2,850	2,850	1,200	1,250	1,305
		868	868	868	2,850	2,850	2,850	1,200	1,250	1,305
		—	—	(55)	—	—	—	—	—	—
		—	22	22	—	—	—	—	—	—
		—	22	(33)	—	—	—	—	—	—
		—	—	—	—	1,000	1,000	500	521	544
		—	—	—	1,700	1,557	1,557	80	83	87
		662,21	723,93	1,075,4	613,94	578,06	578,06	551,73	570,49	615,46
	4	1	9	94	4	6	6	0	9	8

<i>Water Supply</i>									
<i>Infrastructure</i>	715,570	767,422	837,719	480,458	441,332	441,332	464,177	475,356	516,075
<i>Sanitation</i>									
<i>Infrastructure</i>	(179,109)	(174,653)	91,712	102,959	104,170	104,170	57,274	63,591	66,453
<i>Solid Waste Infrastructure</i>	51,784	51,784	51,784	–	–	–	–	–	–
Infrastructure	588,245	644,554	981,216	583,417	545,503	545,503	521,450	538,948	582,528
Community Facilities	–	–	–	4,000	4,000	4,000	1,500	1,563	1,632
Sport and Recreation Facilities	–	–	14	–	–	–	180	188	196
Community Assets	–	–	14	4,000	4,000	4,000	1,680	1,751	1,828
Heritage Assets	–	–	–	–	–	–	–	–	–

Revenue Generating	(1,803)	(1,803)	(1,803)	–	–	–	–	–	–
Investment properties	(1,803)	(1,803)	(1,803)	–	–	–	–	–	–
Operational Buildings	2,346	592	927	7,550	7,350	7,350	13,200	13,754	14,360
Housing	–	–	–	–	–	–	–	–	–
Other Assets	2,346	592	927	7,550	7,350	7,350	13,200	13,754	14,360
Servitudes	–	–	105	–	–	–	–	–	–
Licences and Rights	656	678	678	–	–	–	–	–	–
Intangible Assets	656	678	783	–	–	–	–	–	–
Computer Equipment	2,013	5,450	8,105	4,427	4,207	4,207	4,070	4,241	4,428
Furniture and Office	(3,295)	293	1,669	2,700	5,200	5,200	4,150	4,324	4,515

Equip ment Machin ery and Equip ment Transp ort Assets		72,361	72,488	72,970	3,850	3,107	3,107	2,180	2,272	2,372
		1,688	1,688	11,614	8,000	8,700	8,700	5,000	5,210	5,439
TOTAL CAPIT AL EXPEN DITUR E -										
Asset class		662,21 1	723,93 9	1,075,4 94	613,94 4	578,06 6	578,06 6	551,73 0	570,49 9	615,46 8
ASSET REGIS TER SUMM ARY - PPE (WDV)	5	1,862,0 91	1,873,4 87	1,850,4 63	1,946,2 53	1,743,5 64	1,743,5 64	(16,375)	(30,946)	(32,860)
<i>Roads Infrastr ucture</i>		—	0	0	(283)	(283)	(283)	—	—	—
<i>Water Supply</i>		1,341,6 54	1,302,0 91	1,275,6 12	1,331,4 83	1,147,2 99	1,147,2 99	(34,487)	(48,749)	(50,372)

<i>Infrastr</i>									
<i>ucture</i>									
<i>Sanitati</i>									
<i>on</i>									
<i>Infrastr</i>	434,94	493,25	492,51	517,03	494,68	494,68	—	—	—
<i>ucture</i>	9	8	6	9	3	3	—	—	—
Infrastr	1,776,6	1,795,3	1,768,1	1,848,2	1,641,6	1,641,6	(34,487	(48,749	(50,372
ucture	03	49	28	39	99	99)))
Comm									
unity									
Assets	36,867	36,867	34,994	42,624	40,449	40,449	1,680	1,751	1,828
Heritag									
e									
Assets	131	131	131	137	131	131	131	131	131
Invest									
ment									
propert									
ies	(1,803)	(1,803)	(1,803)	(1,890)	1,803	1,803	1,803	1,803	1,803
Other									
Assets	314	(3,310)	(2,975)	3,048	(497)	(497)	8,650	9,013	9,410
Intangi									
ble									
Assets	2,842	2,758	2,181	2,456	1,661	1,661	743	(213)	(1,212)

Computer Equipment		1,357	4,220	6,875	6,634	9,242	9,242	4,070	4,241	4,428
Furniture and Office Equipment		22,143	22,385	15,634	23,679	18,256	18,256	4,150	4,324	4,515
Machinery and Equipment		(284)	(1,397)	(915)	2,385	2,131	2,131	(8,115)	(8,456)	(8,828)
Transport Assets		23,457	17,822	27,747	18,453	28,223	28,223	5,000	5,210	5,439
Land		465	465	465	487	465	465	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,862,091	1,873,487	1,850,463	1,946,253	1,743,564	1,743,564	(16,375)	(30,946)	(32,860)
EXPENDITURE		8,252	116,299	123,361	151,124	213,296	213,296	175,570	183,001	190,973

OTHER ITEMS										
<u>Depreciation</u>	7	–	77,302	80,254	100,000	100,000	100,000	100,000	104,200	108,785
<u>Repairs and Maintenance</u>										
<u>by Asset Class</u>	3	8,252	38,998	43,108	51,124	113,296	113,296	75,570	78,801	82,188
<i>Roads Infrastructure</i>		–	–	2,110	2,309	2,309	2,309	2,340	2,456	2,463
<i>Water Supply Infrastructure</i>		1,519	34,951	34,715	34,350	92,452	92,452	57,439	59,891	62,547
<i>Sanitation Infrastructure</i>		–	(678)	–	–	2,500	2,500	–	–	–
<i>Coastal Infrastructure</i>		–	–	164	4,000	5,400	5,400	5,500	5,731	5,983
<i>Information and Communication</i>		–	–	–	–	300	300	–	–	–

<i>Infrastructure</i>									
Infrastructure	1,519	34,273	36,988	40,659	102,961	102,961	65,279	68,078	70,993
Community Facilities	–	–	–	281	281	281	450	469	490
Community Assets	–	–	–	281	281	281	450	469	490
Operational Buildings	283	1,331	2,198	4,700	3,200	3,200	2,800	2,918	3,046
Other Assets	283	1,331	2,198	4,700	3,200	3,200	2,800	2,918	3,046
Licences and Rights	–	491	–	–	–	–	500	521	544
Intangible Assets	–	491	–	–	–	–	500	521	544
Computer Equipment	154	553	210	100	–	–	–	–	–
Furniture and Office	–	–	613	600	1,100	1,100	1,500	1,563	1,632

Equip ment Machin ery and Equip ment Transp ort Assets		– 6,296	– 2,349	– 3,099	30 4,755	– 5,755	– 5,755	– 5,041	– 5,252	– 5,484
TOTAL EXPEN DITUR E OTHER ITEMS		8,252	116,29 9	123,36 1	151,12 4	213,29 6	213,29 6	175,57 0	183,00 1	190,97 3
<i>Renew al and upgrad ing of Existin g Assets as % of total capex Renew al and upgrad ing of</i>		61.9%	58.5%	64.2%	28.6%	30.3%	30.3%	37.1%	38.5%	37.5%
		0.0%	548.1%	860.0%	175.4%	174.9%	174.9%	204.6%	210.8%	211.9%

Existing Assets as % of depreciation R&M as a % of PPE Renewal and upgrading and R&M as a % of PPE									
	0.2%	1.0%	1.0%	1.1%	2.4%	2.4%	1.5%	1.4%	1.3%
	22.0%	25.0%	40.0%	12.0%	17.0%	17.0%	- 1711.0 %	- 964.0%	- 952.0%

Infrastructure Assets

The district is a water scarce area and has a backlog in provision of water resources. ANDM still continues to focus on development of new infrastructure. Although maintenance of infrastructure assets is not at a rate desirable rate, the Municipality continues to maintain the existing infrastructure in order to ensure a reliable provision of services. The water and Sanitation departments are now focusing on growing its 'asset management maturity' with the implementation of a strategic municipal asset management program. The primary focus of this process is to prolong the immediate serviceability of the affected assets so that we can prolong their life time.

A major threat to ANDM is ageing infrastructure and the deterioration of assets. To address this problem, the Municipality is embarking on an asset replacement program. The first phase of the

project is to develop a detailed well informed asset management strategy and asset replacement plan.

Municipal Fleet

ANDM's fleet is being replaced on a phased basis. For the municipality to ensure that its fleet continues to deliver services in an efficient way, a fleet management system has been acquired. The system ensures that the use of the fleet is monitored to ensure that services are indeed delivered to where they are needed. The municipality continues to investigate ways of ensuring that the municipal fleet is managed and used where they are necessary. As part of cost cutting measures, the municipality continues to monitor the use of fuel and other fleet related costs. Cases of abuse or fraud are investigated and necessary action taken against culprits.

Standard Chart of Accounts

The Local Government Municipal Finance Management Act, 2003 determines measures for the local sphere of government (Municipalities) designed to ensure transparency and expenditure control. National Treasury is responsible for enforcing compliance and is required to compile national accounts incorporating all three spheres of government.

Uniform expenditure classifications have already been established and implemented for both national and provincial government departments. The SCOA regulations seek to implement the same uniform classifications at local government level. These enable National Treasury to provide consolidated local government information for incorporation into national accounts.

Currently each municipality manages and reports on its financial affairs in accordance with its own organizational structure (chart of accounts) and this results in disjunctures amongst municipalities and entities as to how they classify revenue and expenditure as well as reporting thereof. This compromises transparency, reliability and accuracy in planning and reporting processes and limits the ability of national government to integrate information and formulate coherent policies in response to the objectives of local government.

Expenditure management

The municipality pays most of creditors within the prescribed period of 30 days in accordance with section 65(2) (e) of the MFMA. The municipality has implemented controls to ensure that monthly creditors' reconciliation is performed and reviewed by the manager, expenditure, and that an invoice register is maintained in order to comply with the 30 day requirement. ANDM is currently in the process of implementing a document management system in order to ensure that all expenditure records and documents are secured and available when requested.

Supply-chain Management

Alfred Nzo District Municipality's supply chain management policy is implemented in a way that is fair, equitable, transparent, competitive and cost-effective. ANDM has a fully functional Supply Chain Management Unit which serves as an advisor for all procurement in the municipality in terms of its Supply Chain Management policy. Three bid committee systems (Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee) as prescribed by the MFMA are in place, with proper delegations and terms of reference for each committee. Procurement of goods and services in excess of R200 000 is done through the Bid Committee system. A quotations committee was also established for the procurement of goods and services above R30,000 and below R 200,000.

The Contract Management currently is still controlled under SCM, wherein the section has to ensure that it maintains a contract register on a monthly basis to be in line with the procurement plan. The service providers are also evaluated on the performance of the services that they have provided the municipality with and provided with a certificate after the completion of the service. A new contract management module is being implemented by the municipality. This will ensure that all contract records are kept safe and also automate the monitoring of contracts.

Elimination of unnecessary expenditure

The aim is to ensure that departments spend budget efficiently, effectively and economically.

Payroll management

Alfred Nzo District Municipality reports to the council monthly on all expenditure incurred by the municipality on councilors and staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- Salaries and wages;
- Contributions for pensions and medical aid;
- Travel, motor car, accommodation, subsistence and other allowances;
- Housing benefits and allowances;
- Overtime payments;
- Loans and advances; and
- Any other type of benefit or allowance related to staff and Councillors.

DC44 Alfred Nzo - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Revenue By Source												
Property rates	2		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2		–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2		32,466	32,550	22,180	44,955	35,470	35,805	19,372	34,728	35,949	37,531
Service charges - sanitation revenue	2		3,232	3,472	2,486	5,233	4,358	4,693	3,090	3,348	3,252	3,395
Service charges - refuse revenue	2		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			349	370	207	57	5	5	–	–	–	–
Interest earned - external investments			25,264	38,857	45,362	31,304	28,870	28,870	15,402	30,108	31,373	32,753
Interest earned - outstanding debtors			–	–	–	–	–	–	–	–	–	–
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits			–	–	–	–	–	–	–	–	–	–
Licences and permits			–	–	–	–	–	–	–	–	–	–
Agency services			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies			593,403	534,827	581,602	623,175	696,792	696,792	523,671	645,048	669,483	672,251
Other revenue	2		9,367	3,034	1,503	88,690	89,045	89,045	678	90,838	94,653	98,818
Gains			528	(1,240)	(130)	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			664,607	611,869	653,211	793,413	854,540	855,210	562,214	804,070	834,709	844,747
Expenditure By Type												
Employee related costs	2		226,240	244,076	273,453	304,577	296,944	296,944	173,859	319,436	332,740	347,399
Remuneration of councillors			9,803	10,359	11,565	11,970	11,702	11,702	7,164	12,396	12,917	13,485
Debt impairment	3		244	7,815	2,593	25,000	23,300	23,300	–	15,000	15,630	16,318
Depreciation & asset impairment	2		73,084	77,302	80,254	100,000	100,000	100,000	54,493	100,000	104,200	108,785
Finance charges			1,723	739	359	–	–	–	3	–	–	–
Bulk purchases - electricity	2		7,973	8,911	8,624	7,700	7,700	7,700	5,942	8,000	8,336	8,703
Inventory consumed	8		–	2,942	–	23,479	26,672	26,672	–	25,158	26,218	27,366
Contracted services			123,197	118,565	142,841	186,748	269,849	269,849	109,721	200,857	198,478	176,134
Transfers and subsidies			751	17,754	18,707	20,815	21,045	21,045	17,437	21,050	21,934	22,899
Other expenditure	4, 5		71,736	82,857	77,857	90,734	98,456	98,456	50,574	82,338	85,665	89,590
Losses			4,102	–	(47)	–	–	–	–	–	–	–
Total Expenditure			518,855	571,318	616,206	771,022	855,669	855,669	419,194	784,235	806,118	810,680
Surplus/(Deficit)			145,753	40,550	37,004	22,391	(1,129)	(459)	143,019	19,834	28,591	34,068
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			376,274	503,271	436,127	597,284	584,784	584,784	249,869	539,778	558,125	602,591
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)			–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)			53,569	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Share of surplus/ (deficit) of associate			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659

DC44 Alfred Nzo - Supporting Table SA22

Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousa nd	R e f	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
<u>- Councillors (Political Office Bearers plus Other)</u>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		5,648	5,944	6,745	—	6,511	6,511	6,918	7,209	7,526

Pension and UIF Contributions	731	816	808	–	879	879	934	973	1,016
Medical Aid Contributions	298	264	212	–	241	241	256	267	278
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	505	504	511	–	513	513	545	567	592
Housing Allowances	937	1,093	1,249	–	1,406	1,406	1,494	1,557	1,625
Other benefits and allowances	1,684	1,738	2,040	–	2,152	2,152	2,249	2,344	2,447
Sub Total - Councilors	9,803	10,359	11,565	–	11,702	11,702	12,396	12,917	13,485

% increase	4		5.7%	11.6%	(100.0 %)	–	–	5.9%	4.2%	4.4%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages Pension and UIF Contributions Medical Aid Contributions Overtime Performance Bonus Motor Vehicle	3	3,486	2,108	744	–	4,867	4,867	5,065	5,278	5,508
		(168)	3	2	–	1,116	1,116	1,293	1,347	1,406
		(9)	–	–	–	512	512	719	750	782
		–	–	–	–	–	–	–	–	–
		364	135	79	–	314	314	422	440	459
		686	490	282	–	944	944	1,194	1,244	1,299

Allowance									
Cellphone									
Allowance									
Housing	3	—	—	—	—	—	—	—	—
Allowances	3	387	—	—	—	322	322	342	356
Other benefits and allowances	3	0	0	0	—	608	608	643	670
Payments in lieu of leave		2,531	385	—	—	—	—	—	—
Long service awards		(326)	897	(486)	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—
Sub Total - Senior		6,950	4,019	621	—	8,684	8,684	9,679	10,085
									10,525

Managers of Municipality										
% increase	4		(42.2%)	(84.5%)	(100.0 %)	–	–	11.5%	4.2%	4.4%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages Pension and UIF Contributions Medical Aid Contributions Overtime Performance Bonus		147,065	158,930	176,337	–	186,842	186,842	202,829	211,383	220,705
		16,327	17,447	19,769	–	25,387	25,387	27,638	28,799	30,067
		7,865	8,638	9,804	–	14,219	14,219	15,123	15,758	16,452
		–	–	–	–	–	–	–	–	–
		8,774	9,702	11,071	–	11,825	11,825	12,655	13,039	13,613

Motor Vehicle Allowance	3	14,008	15,420	16,568	—	17,453	17,453	18,631	19,414	20,268
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	7,399	7,268	7,100	—	6,764	6,764	7,076	7,373	7,697
Other benefits and allowances	3	14,938	16,730	20,861	—	22,729	22,729	23,561	24,550	25,630
Payments in lieu of leave		1,648	4,370	9,219	—	2,442	2,442	1,710	1,782	1,860
Long service awards		1,266	1,551	2,102	—	599	599	535	557	582
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—

Sub Total - Other Municipal Staff % increase	4	219,291	240,056	272,832	– (100.0%)	288,260	288,260	309,758	322,655	336,875
Total Parent Municipality		236,044	254,435	285,018	–	308,646	308,646	331,833	345,657	360,885
TOTAL SALAR Y, ALLO WANC ES & BENEF ITS		236,044	254,435	285,018	–	308,646	308,646	331,833	345,657	360,885
% increase	4		7.8%	12.0%	(100.0%)	–	–	7.5%	4.2%	4.4%

TOTAL MANA GERS AND STAFF	5 , 7	226,24 0	244,07 6	273,45 3	–	296,94 4	296,94 4	319,43 6	332,74 0	347,39 9
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Key financial issues

The key issues can be summarized as follows:

- Efficient, effective and economical supply chain management
- Implementation of eProcurement: Quote Management System, ISO 9001 accreditation, Procurement scheduling and Contract management
- Improved alignment of the budget to the IDP – budgeting in terms of IDP priorities
- Budgeting for sustainability and timeous updated Medium Term Expenditure
- Framework
- Reduced debts through effective credit control and debt management
- Development and implementation of a new billing system in line with IDP
- Access to alternate sources of funding: PPPs (public-private partnerships), development levy, business tax, etc.
- Maximising of revenue from Council properties
- Securing of properties and property rights necessary for capital projects
- Effective asset management
- Efficient fleet management to improve service delivery
- Investment and cash flow management

- Cash receipts control and management
- Training of staff on Credit Control & Debt Collection Policy
- Timeous production of Generally Recognised Accounting Practices (GRAP) compliant financial statements
- Timeous payment of creditors in terms of SCM procedures
- Asset and liability insurance cover
- Deadline monitoring
- Risk management
- Effective and efficient processes

4.6. Governance

The Municipal Council consists of 40 Councilors of whom 11 are full-time Councilors, including the Speaker and Chief Whip of the Council. The Council is led by the Speaker, the Executive Mayor, the eight full-time Mayoral Committee Members and councilors. The council has traditional leaders that participate in terms of section 81 of the Municipal Structures Act. There has been a delegation of powers from Council to the Executive Mayor and the Executive Mayor in turn has delegated some of these powers to Mayoral Committee Members. The Mayoral Committee, led by the Executive Mayor, functions through the following S80 and S79 of the Municipal Structures Act committees which assist in decision making and ensure that there is a political environment that is conducive for service delivery:

Committees and Functions:

Structure	Key Areas of Responsibility
Human Resources	Human resources; General administration; Information and Communication technology
Finance Standing Committee	Budget; Expenditure; Income; Supply chain management;
Infrastructure Development & Municipal Services	Project Management Water services Authority; Water services provision; Infrastructure provisioning
Community Development Services	Sports and Recreation Heritage and Culture Disaster management Fire & Rescue Municipal Health Services ISD & Customer Care
LED, Developmental Planning	Integrated Development Plan. Local Economic Development
Office of the Municipal Manager Communications	Communication of municipal programmes Media Engagements Media Liaison
SPII	Events Management Development of Municipal Publications Youth Development & Transformation Disability Programmes Children's care and Support Programmes Gender Development and Transformation HIV and AIDS; TB; Awareness; Care and Support; Older Persons
IGR	Intergovernmental Relations, Stakeholder management, Protocol & Municipal Relations and agreements
Risk Management	Integrated Risk Management Sound Good Governance
Public Participation	Direct interaction between the council and communities Oversight of council business
Internal Audit	Internal Audit Services: Internal Controls Risk Management, Governance

The following departments support the above structures:

- Infrastructure Development and Municipal Services
- Community Development Services
- Planning and Local Economic Development
- Budget and Treasury Office
- Corporate Services Department

The Municipality has a functional Audit Committee. In order to enhance its effectiveness, an Audit

Committee Charter has been developed and adopted by Council to guide the functionality of the Committee. Alfred Nzo District Municipality has managed to improve its audit opinion to a qualified Audit Opinion in 2017/18 FY. The summary overview of the Audit Outcome of the District Municipality and Local Municipalities is as follows:

ANDM Audit Outcomes

Municipality	Financial Year	Audit Report
ANDM	2014/2015	Qualified
	2015/2016	Qualified
	2016/2017	Qualified
	2017/2018	Unqualified
	2018/2019	Unqualified
	2019/2020	Unqualified
Matatiele	2014/2015	Unqualified
	2015/2016	Unqualified
	2016/2017	Qualified
	2017/2018	Qualified
Umzimvubu	2014/2015	Unqualified
	2015/2016	Unqualified
	2016/2017	Qualified
	2017/2018	Qualified
	2018/2019	Qualified
	2019/2020	Qualified
Ntabankulu	2014/2015	Disclaimer
	2015/2016	Qualified
	2016/2017	Unqualified
	2017/2018	Unqualified
Mbizana	2014/2015	Disclaimer
	2015/2016	Unqualified
	2016/2017	Unqualified
	2017/2018	Unqualified

The municipality has further developed an Audit Action Plan aimed at addressing audit queries. This was adopted by Council and will assist the municipality in achieving better audit outcomes.

Intergovernmental Relations (IGR)

During the current financial year the functionality of IGR Structures within the municipality have improved significantly, with CoGTA support, through the implementation of the Back to Basics Programme and the introduction of an Integrated Service Delivery Model by the Office of the Premier. The structures are composed of the District Mayors Forum (DIMAFO), the District Speakers' Forum, the IDP/IGR Representative Forum (IDRF), IDP Steering Committee (HODs for both municipalities & sector departments), and the Municipal Manager Forum, Technical IGR Support Forum, District Planners Forum (Planners & IDP Managers/Coordinators) and sub-forums as per the implemented District IGR Framework. Staff shortage is however hindering progress in the implementation of the District IGR Framework which operates with only two staff members.

Partnerships and Strategic Relationships

The Municipality has made a concerted effort to develop its capacity through the formation of strategic partnerships and relationships. It has concluded partnerships with the following institutions:

Partnerships and Strategic Relationships

The Municipality has made a concerted effort to develop its capacity through the formation of strategic partnerships and relationships. It has concluded partnerships with the following institutions:

- City of Lusaka
- O. R. Tambo District Municipality
- The Development Bank of Southern Africa (DBSA)
- Swedish Government (Ohstresund Municipality)
- Thina Sinako (European Union)
- Coega
- DME
- NYDA

- ANDA

The Municipality has a Communication Strategy which is in line with the National and Provincial Communication Strategies. The GCIS has allocated one staff member to provide communication support to the municipalities as well as other organs of the state in the district.

The District Municipality considers communication and public participation to be very important and has consequently established a Customer Care Centre to improve lines of communication between the municipality and its communities.

The communication unit works in close liaison with local municipalities. It utilizes various means of communication, including the Alfred Nzo newsletter, brochures, bulletins, community radio stations, newspapers, some television stations, and national newspapers.

To support the process, the municipality established the District Communicators Forum (DCF) that sits quarterly to discuss matters relating to communication.

The district further communicates with communities through community development workers and ward councilors who are based within local municipalities.

Alfred Nzo District Municipality developed and adopted a Public Participation Strategy to guide the implementation of mechanisms through which the public may participate in the municipality's programme of action. The strategy further promotes a culture of openness, transparency and accountability on the part of the council, its political structures and its administration, by allowing citizens to exercise their right to public participation.

Institutional Guidelines:

These focus on managerial reform aiming at:

- Objectives and results orientated management
- Effectiveness and efficiency orientated management
- Service and client oriented management
- Performance based contracts
- Service orientated codes of conduct.

4.7. Service Delivery and Operational Modelling

Flowing from the foregoing situational analysis which characterizes the socio-economic and institutional strengths, weaknesses, opportunities and challenges, that confront Alfred Nzo; and given the emerging Strategic Agenda, it's Vision-Mission-Goals and the Strategies below in the next chapters. Alfred Nzo District Municipality must develop an appropriate Services Delivery and Operating Model; that assures:

- Alignment between mandate and strategy
- Internal vertical and horizontal coordination and integration;
- Appropriate centrality of the core business of the District
- Identification of key enablers to support the service model
- appropriate grouping of functions along the core services, support services and orientation towards service users.

4.7.1. Institutional diagnosis and Reengineering

Background and Purpose

The preceding section sights the financial position of the Alfred Nzo District Municipality. The municipality acknowledges that it is currently in a serious financial crisis and thereby unable to meet it's financial and service delivery obligations. On the 10-11 May 2017, the Executive Mayor of the ANDM then convened a session, "aimed at turning around the municipality's financial challenges, so that the municipality can continue with its constitutional mandate of fast tracking services provisions to its citizens".

The session observed that the financial challenges faced by the municipality, if not addressed, will result in the municipality being, by default, in contravention of Section 65(2) (e) of the MFMA. It is within this background that the municipality is seeking solutions to the financial crisis in terms of section 135(3) (a) of the MFMA.

Should the Municipality not be in a position to fulfil its mandate, some strategic implications for ANDM may include:

- Limited ability to address the developmental agenda as articulated in national and provincial strategic documents i.e. NDP, Nine-Point Plan, etc.
- A lessened capacity to fulfill the service delivery mandate in particular as relates to water

services provisioning and authority.

- The current status has already led to a need to reconsider and as result undertake the reprioritization of the municipal strategic agenda
- The current financial status of ANDM may deprive the municipality of potential investment opportunities.
- Possible community unrest as a result of poor service delivery.

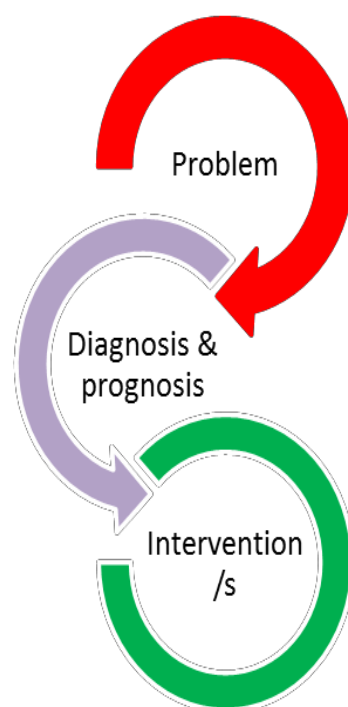
From a service delivery perspective, this has a number of implications for ANDM and its Communities. Having noted the above, the Turnaround session was identified as one of its objective the need to solicit and initiate a Section 154 support: “Section 154(1) of the Constitution of the Republic of South Africa, 1996, states that, “the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.”

The session of the 10th -11th of May 2017 also identified from discussions of 4 groups or commissions, the need to provide special attention on the institutional capabilities, foundational issues (policies, standard operating procedures, process-flows and systems), as these were seen as contributors to the current state and challenges.

The purpose of this section is therefore to give an overview of the current financial situation,

Perform a prognosis and sight the proposed recommendations going forward. To map the process going forward, work-streams on Financial Management, Infrastructure Development and Municipal Services (IDMS), Institutional Transformation as well as Legal and Contracts deliberated on challenges that possibly led to the current financial position. Short, medium and long term recommendations have been sighted as possible solutions to assist the Municipality.

The following diagram illustrates the approach taken during the 10 - 11 May 2017 Session:



Challenges and Recommendations

FINANCIAL VIABILITY

The municipality is currently experiencing various major financial challenges and thereby unable to meet its financial and service delivery obligations. The municipality is therefore by default in contravention of Section 65(2)(e) which states 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*”.

It is within this background that the municipality is seeking solutions to the financial crisis in terms of section 135(3) (a) of the MFMA. The approach is therefore to analyse the financial current situation, perform a prognosis and come up with solutions going forward.

The following are some challenges identified and proposed recommendations:

	<input type="checkbox"/> Develop strategies to address price fixing by service providers <ul style="list-style-type: none"> o Set price ceilings that cannot be exceeded by service providers
	LONG TERM <input type="checkbox"/> Get information on Indigent Registers from all LMs, submit to
CHALLENGE	2. NON-ADHERENCE TO POLICIES, LEGISLATION AND PROCEDURES (Governance issues)
ROOT CAUSES	<input type="checkbox"/> Non implementation of policies in place <input type="checkbox"/> Culture of non-adherence to policies, legislation and procedures that are in place

CHALLENGE	1. CASH FLOW
ROOT CAUSES	<ul style="list-style-type: none"> <input type="checkbox"/> High Commitments vs Income <input type="checkbox"/> Accrual that were not paid for from the previous Financial Years <input type="checkbox"/> Lack of Coordination between IDMS and Finance Departments with regard to Grant allocations <input type="checkbox"/> Multi-year commitments by IDMS, thus not appearing on DORA <input type="checkbox"/> High Expenditure on operational activities (ie cost drivers; overtime, S&T, Standby allowances, security costs, etc)
RISKS	<ul style="list-style-type: none"> <input type="checkbox"/> Non-compliance with Legislation <input type="checkbox"/> Service delivery is compromised
ACTIVITIES/SOLUTIONS	<p>SHORT TERM</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review the 2020-2021 IDP and Draft Budget in order to finalise Budget and address Cash Flow <ul style="list-style-type: none"> o IDP: to identify the sources of funding for a specific financial year o No allocations for non-core functions within ANDM <input type="checkbox"/> Example: MIG allocations must be complied with and clearly specified in the IDP & Budget. <input type="checkbox"/> Stop Procurement <input type="checkbox"/> Appointed Service Providers to forward Invoices, then do the following: <ul style="list-style-type: none"> o Consider current contracts/invoices; undertake analysis to determine amount needed to pay off current invoices; Negotiate terms of payment with Service Providers o Stop/postpone Equitable Share project activities until <p>MEDIUM TERM</p> <ul style="list-style-type: none"> <input type="checkbox"/> Form a team of Management and Council to undertake collection of revenue owed to ANDM <input type="checkbox"/> Together with IDMS and LMs, create consolidated Indigent Register for Alfred Nzo and follow processes to ensure that it is included in the Final Budget (ie advertise for Indigents to come
RISKS	FRAUD, CORRUPTION, NON-COMPLIANCE. FRUITLESS AND WASTEFUL

ACTIVITIES/SOLUTIONS	SHORT TERM
	<input type="checkbox"/> Procedure Manual Reviewal <input type="checkbox"/> Delegation of powers with time lines <input type="checkbox"/> Amend / Review policies eg. Virement Policy: ensure it is clearly articulated in terms of figures/amounts and must be adhered to in projects implementation. Must be thoroughly motivated <input type="checkbox"/> Centralise receipt of invoices by making use of the “Invoice Box” at
	ANDM
	MEDIUM TERM
	LONG TERM
CHALLENGE	3. LOW REVENUE BASE
ROOT CAUSE	<input type="checkbox"/> Lack Of Asset Management Plan <input type="checkbox"/> No O&M Plan linked to Local Municipalities <input type="checkbox"/> Poor quality and unavailability of water has a direct impact on revenue collection <ul style="list-style-type: none"> o Rate payers will not pay for poor water quality, and billing will not be accurate if there are instances where
RISKS	<input type="checkbox"/> Non billing of new developed areas
	SHORT TERM
	<input type="checkbox"/> Prioritise O&M and Asset Management Plan linked to LM spatial planning <input type="checkbox"/> Invest in Infrastructure; ie functional running meters that will provide accurate readings, which will in turn provide accurate

	<input type="checkbox"/> Develop strategies to address price fixing by service providers <ul style="list-style-type: none"> o Set price ceilings that cannot be exceeded by service providers
	LONG TERM
	<input type="checkbox"/> Get information on Indigent Registers from all LMs, submit to
CHALLENGE	2. NON-ADHERENCE TO POLICIES, LEGISLATION AND PROCEDURES
ROOT CAUSES	<input type="checkbox"/> Non implementation of policies in place <input type="checkbox"/> Culture of non-adherence to policies, legislation and procedures that are in place

RISKS	FRAUD, CORRUPTION, NON-COMPLIANCE. FRUITLESS AND WASTEFUL
	SHORT TERM <ul style="list-style-type: none"> <input type="checkbox"/> Procedure Manual Reviewal <input type="checkbox"/> Delegation of powers with time lines <input type="checkbox"/> Amend / Review policies eg. Virement Policy: ensure it is clearly articulated in terms of figures/amounts and must be adhered to in projects implementation. Must be thoroughly motivated
	MEDIUM TERM
ACTIVITIES/SOLUTION	LONG TERM
CHALLENGE	3. LOW REVENUE BASE
ROOT CAUSE	<ul style="list-style-type: none"> <input type="checkbox"/> Lack Of Asset Management Plan <input type="checkbox"/> No O&M Plan linked to Local Municipalities <input type="checkbox"/> Poor quality and unavailability of water has a direct impact on revenue collection <ul style="list-style-type: none"> o Rate payers will not pay for poor water quality, and billing will not be accurate if there are instances where
RISKS	<input type="checkbox"/> Non billing of new developed areas
	SHORT TERM <ul style="list-style-type: none"> <input type="checkbox"/> Prioritise O&M and Asset Management Plan linked to LM spatial planning <input type="checkbox"/> Invest in Infrastructure; ie functional running meters that will provide accurate readings which will in turn provide accurate

RISKS	<input type="checkbox"/> No segregation of duties <input type="checkbox"/> No isolation of responsibilities <input type="checkbox"/> Rolling of cash
SOLUTIONS	SHORT TERM: Prioritise key and high risk positions MEDIUM TERM LONG TERM
CHALLENGE	8. GRANT DEPENDENCY
ROOT CAUSE	<input type="checkbox"/> Low revenue base <input type="checkbox"/> Most indigents in ANDM population
RISK	
ACTIVITIES/SOLUTION	

CHALLENGE	9. HIGH SALARIES
ROOT CAUSE	Hiring for the sake of hiring
RISKS	
ACTIVITIES/SOLUTION	ANDM to thoroughly review the Organogram

Annexure 1: ANDM Financial Plan

1. PURPOSE

- The purpose of this document is to outline the comprehensive multi-year financial plan that will ensure long-term financial sustainability for the municipality.
- A multi-year financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base. It will also enable the municipality to move towards self-sufficiency in meeting the growing demands of service delivery.

2. BACKGROUND

- A financial plan is prepared for a period of at least three years, however it is preferred that it should be for over a period of five or more years
- A multi-year financial plan is prepared to ensure financial sustainability of the municipality, paying particular attention to the municipality's infrastructure requirements.
- It is also an important component of the municipality's Integrated Development Plan.
- A prudent multi-year financial plan identifies and prioritizes expected needs based on the municipality's Five-year Integrated Development Plan and details estimated amounts of funding from various sources
- The multi-year financial plan will also ensure that the municipality has greater financial health and sustainability, making it easier to collaborate on projects with other levels of government and various public and private stakeholders. This will further enhance the ability of the municipality to have access to more financing, funding and grants.

3. FINANCIAL STRATEGY FRAMEWORK

- Alfred Nzo District Municipality is a developing and growing municipality striving for service delivery excellence. Therefore many challenges are faced with regards to financial planning and are ever changing due to the dynamic setting of local government
- The priority for the municipality, from the financial perspective is to ensure viability and sustainability of the municipality. The multi-year financial plan and related strategies will therefore need to address a number of key areas in order to achieve this priority. These strategies are detailed below:

3.1 Revenue Enhancement Strategy

- To seek alternative sources of funding;
- Expand income base through implementation of new valuation roll;
- The ability of the community to pay for services;
- Identification and pursuance of government grants;
- Tightening credit control measures and debt collection targets;
- Improve customer relations and promote a culture of payment;
- Realistic revenue estimates;
- The impact of inflation, the municipal cost index and other cost increases; and
- The creation of an environment which enhances growth, development and service delivery.

3.2 Asset Management Strategy

- The implementation of a GRAP compliant asset management system;
- Adequate budget provision for asset maintenance over their economic lifespan;
- Maintenance of asset according to an infrastructural asset maintenance plan;
- Maintain a system of internal control of assets to safeguard assets; and

- Ensure all assets owned and/or controlled except specific exclusions are covered by insurance.

3.3 Financial Management Strategies

- To maintain an effective system of expenditure control including procedures for the approval, authorization, withdrawal and payment of funds;
- Preparation of the risk register and application of risk control;
- Implement controls, procedures, policies and by-laws to regulate fair, just and transparent transactions;
- Training and development of senior financial staff to comply with prescribed minimum competency levels;
- Implement GRAP standards as gazette by National Treasury; and
- Prepare annual financial statements timeously and review performance and achievements for past financial years.

Herewith is the Annual Financial Statements preparation plan for 2021/2022.

ALFRED NZO LOCAL MUNICIPALITY								
FINANCIAL YEAR ENDING 30 June 2021								
PLANNING FOR PREPARATION OF AFS								
Section	No.	Task Description	Finance Department Section	Responsible Person Municipal	Deadlines for Task Completion (Mid year AFS)	Deadlines for 3rd Quarter	Deadline for Task completion	Frequency

						er AF S	n (Fin al AFS)	
1. Bank and Cash	1	Review/Prepare	Revenue	Thob	28/02/	31/	20	Mont
	.	Monthly and Year-	Managem	eka	2021	05/	July	hly
	1	end bank	ent	Maz		20	202	& yr-
		reconciliations on all		wane		21	1	end
		bank and call						
		accounts						
	1	All reconciling items	Revenue	Thob	28/02/	31/	20	Mont
	.	on recons to be	Managem	eka	2021	05/	July	hly
	2	cleared - Monthly	ent	Maz		20	202	
				wane		21	1	
		GRANTS - To create					23	Onc
		correct segments					May	e off
							202	
							1	
	1	Ensure that past 12	Revenue	Thob	28/02/	31/	20	Mont
	.	months bank	Managem	eka	2021	05/	July	hly
	3	reconciliations have	ent	Maz		20	202	
		been signed by the		wane		21	1	
		compiler and the						
		verifier and						
		supporting						
		documents are on file						
	1	Obtain the petty cash	Revenue	Thob	28/02/	31/	20	Mont
	.	register and agree to	Managem	eka	2021	05/	July	hly
	4	the TB. • Ensure that	ent	Maz		20	202	
		cashiers floats		wane		21	1	
		(particulars listed for						
		audited purposes) as						
		well as petty cash						
		float (cash balances)						
		are paid back on 30						

	June or reconcile and prepare a list that is compared with the closing balance as per General ledger							
1	Obtain a listing of long outstanding/stale cheques. • Reverse all stale cheques (outstanding cheques older than 6 months).	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Monthly	
5								
1	Agree the bank charges per the TB/GL to supporting documentation	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Monthly	
6								
1	A list of the bank and investment accounts in the name of the municipality, as well as contact details. Proof of bank account details being submitted to National Treasury and the Auditor General of South Africa	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Year end	
7								
	Cashbook transactions - DBSA							
1	Prepare the disclosure note for Bank and cash	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Year end	
8								

2. Consumer Receivable & Other Debtors	1	Send out Revenue	Thob	28/02/	01	Year	
	.	confirmation from the Managem	eka	2021	July	end	
	9	bank to support all ent	Maz		202		
		securities and	wane		1		
		collateral					
		Address Audit					
		Queries					
	1	No evidence of Revenue	Thob	28/02/	31/	20	Mont
	.	review of bank Managem	eka	2021	05/	July	hly
	1	reconciliations. ent	Maz		20	202	
	0		wane		21	1	
<u>Indigent debtors:</u>							
2. Consumer Receivable & Other Debtors	.						
	1						
	2	Obtain approved Debtors &	Thob		31/	31	
	.	indigent debtor policy Billing	eka	28/02/	05/	July	Onc
	1	of the municipality	Maz	2021	20	202	e
	.		wane		21	1	
	1						
	2	Obtain Indigent Debtors &	Thob		31/	31	Mont
	.	Register Billing	eka	28/02/	05/	July	hly
	1		Maz	2021	20	202	& yr-
2. Consumer Receivable & Other Debtors	.		wane		21	1	end
	2						
	2	Compare indigent Debtors &	Thob		31/	31	Mont
	.	debtors per the age Billing	eka	28/02/	05/	July	hly
	1	analysis/ MunSoft	Maz	2021	20	202	& yr-
	.	System to the	wane		21	1	end
	3	Indigent register					
	2	Review transactions Debtors &	Thob		31/	31	Mont
	.	processed for Billing	eka	28/02/	05/	July	hly
	1	Indigent debtors	Maz	2021	20	202	& yr-
	.		wane		21	1	end
	4						

2	Get supporting documents and application forms for the new applications	Debtors & Billing	Thobeka	28/02/2021	31/05/2021	31/05/2021	Mont hly & yr-end
1			Mazwane		2021	2021	
5							
	<u>Consumer Debtors & other debtors</u>					31 Jul y 2018	
				22/02/2018	05/2018		
	Perform reconciliation between the GL receivables account and the age analysis and clear all reconciling items	Debtors & Billing	Thobeka	28/02/2021	31/05/2021	31/05/2021	Mont hly
2			Mazwane		2021	2021	
2							
1							
	- Ensure that the age analysis/ balance list reconcile to control account within General ledger.	Debtors & Billing	Thobeka	28/02/2021	31/05/2021	31/05/2021	Mont hly
			Mazwane		2021	2021	
	- Obtain the listing for debtors with credit balances - (Trace and populate with debtors account numbers	Debtors & Billing	Thobeka	28/02/2021	31/05/2021	31/05/2021	Year end
			Mazwane		2021	2021	
	- Investigate debtors with credit balances to confirm the validity	Debtors & Billing	Thobeka	28/02/2021	31/05/2021	31/05/2021	Year end
			Mazwane		2021	2021	
	- Communicate these debtors for clearing and Include amounts paid by debtors in	Debtors & Billing	Thobeka	28/02/2021	31/05/2021	31/05/2021	Year end
			Mazwane		2021	2021	

	advance as trade and other payables. (Current liabilities)							
2	Sundry Receivables	Debtors &	Thob		31/	31		
.	reconciliations	Billing	eka	28/02/	05/	July	Mont	
2			Maz	2021	20	202	hly	
.			wane		21	1		
2								
2	In instances were	Debtors &	Thob		31/	31		
.	interest is not	Billing	eka	28/02/	05/	July	n/a	
2	charged on overdue		Maz	2021	20	202		
.	debtors consider the		wane		21	1		
3	provisions of GRAP							
	par 15							
2	Ensure the existence	Debtors &						
.	of Consumer	Billing						
2	Receivables		Thob		31/	31		
.	assertion is met-		eka	28/02/	05/	July	Mont	
2	(Receipts from		Maz	2021	20	202	hly	
.	debtors, non paying		wane		21	1		
4	debtors reviewed							
	and agreements)							
2	Calculation of the	Debtors &	Thob		31/	31		
.	provision for	Billing	eka	28/02/	05/	July	Quar	
2	impairment		Maz	2021	20	202	terly	
.			wane		21	1		
5								
2	Prepare the journals	Debtors &	Thob		31/	31		
.	to account for the	Billing	eka	28/02/	05/	July	Quar	
2	impairment		Maz	2021	20	202	terly	
.			wane		21	1		
7								
	Perform the	Debtors &	Thob		31/	31		
	Impairment	Billing	eka	28/02/	05/	July	Quar	
	calculation -		Maz	2021	20	202	terly	
			wane		21	1		

	Impairment losses recognised							
2	Prepare the Debtors	Debtors &	Thob		31/	31		
.	age analysis by Billing		eka	28/02/	05/	July	Quar	
2	Service		Maz	2021	20	202	terly	
.			wane		21	1		
8								
2	Prepare the Debtors	Debtors &	Thob		31/	31		
.	age analysis by Billing		eka	28/02/	05/	July	Quar	
2	Debtor		Maz	2021	20	202	terly	
.	type/Customer		wane		21	1		
9	classification							
2	Prepare the Debtors	Debtors &	Thob		31/	31		
.	age analysis for Billing		eka	28/02/	05/	July	Quar	
1	loan/Rental accounts		Maz	2021	20	202	terly	
0	- Other debtors		wane		21	1		
2	Compile a Debtors &		Thob		31/	31		
.	reconciliation of the Billing		eka	28/02/	05/	July	Quar	
1	impairment provision		Maz	2021	20	202	terly	
1	per debtor category reflecting:		wane		21	1		
	Balance at beginning of the year	Debtors & Billing	Thob eka Maz wane	 28/02/ 2021	 31/ 05/ 20 21	 31 July 202 1	 Quar terly	
	Perform the Impairment calculation - Impairment losses recognised	Debtors & Billing	Thob eka Maz wane	 28/02/ 2021	 31/ 05/ 20 21	 31 July 202 1	 Quar terly	
	Amounts written off as uncollectable	Debtors & Billing	Thob eka Maz wane	 28/02/ 2021	 31/ 05/ 20 21	 31 July 202 1	 Quar terly	
	Balance at the end of the year.	Debtors & Billing	Thob eka	28/02/ 2021	31/ 05/	31 July	Quar terly	

				Maz		20	202	
				wane		21	1	
2	Identify impaired sundry debtors, especially 3 years and older (prescribed) and provide additional bad debt provision.	Debtors & Billing	Thob			31/	31	
1			eka	28/02/	05/	July	Quar	
2			Maz	2021	20	202	terly	
			wane		21	1		
2	Bad debts written off in 2021 (listing and council approval item)	Debtors & Billing	Thob			31/	31	Prior
1			eka	28/02/	05/	July	year	
3			Maz	2021	20	202	end	
			wane		21	1		
	Bad debts written off (new date) (listing and council approval item)	Debtors & Billing	Thob			31/	31	
			eka	28/02/	05/	July	Quar	
			Maz	2021	20	202	terly	
			wane		21	1		
2	- Recommendation to be made for write off - with justification	Debtors & Billing	Thob					
1			eka					
4			Maz			31/	31	
			wane	28/02/	05/	July	Quar	
			N.	2021	20	202	terly	
			Mba		21	1		
			na & Khon aye					
2	Agreements for long term debtors - where these have not been included under	Debtors & Billing	Thob			31/	31	
1			eka	28/02/	05/	July	Quar	
5	Sundry debtors write off		Maz	2021	20	202	terly	
			wane		21	1		
2	Prepare debtors note per the provisions of GRAP and MFMA	Debtors & Billing	Thob			31/	31	
1			eka	28/02/	05/	July	Quar	
5			Maz	2021	20	202	terly	
			wane		21	1		

3.Suspense		Determine which Budget & Treasury Office					
		suspense accounts	Khon	31/	31		
	3	and that the balances	aye	28/02/	05/	July	Mont
	.	on these votes are 0	Sibut	2021	20	202	hly
	1	or are accounted for.	a		21	1	
		This is normally					
		salary control					
		accounts, etc					
		Investigate all Budget & Treasury Office					
		balances or					
3.Suspense		miscellaneous					
		entries in the General					
		ledger accounts that	Khon	31/	31		
	3	need to be	aye	28/02/	05/	July	Mont
	.	reallocated (maybe	Sibut	2021	20	202	hly
	2	to revenue or	a		21	1	
		expenditure votes					
		that will affect the					
		end of the year					
		statement of					
3.Suspense		performance results)					
		Clear Salaries Budget & Treasury Office					
		control accounts and					
		prepare					
	3	reconciliations	Khon	31/	31		
	.	between VIP/ Pay	aye	28/02/	05/	July	Mont
	3	day and Expenditure	Sibut	2021	20	202	hly
		votes to proof correct	a		21	1	
		allocation during					
		interface					
3.Suspense		Reconcile the VAT Budget & Treasury Office					
	3	control accounts	Khon	31/	31		
	.	(Input and output)	aye	28/02/	05/	July	Mont
			Sibut	2021	20	202	hly
	4	and create debtor or	a		21	1	
		liability provision.					

4. Inventory	3	Reconcile salary Budget & payments to bank (Treasury Khon	31/ 31				
	5	Staff payments and Office aye 28/02/ 05/ July Mont					
		third parties) to Sibut 2021 20 202 hly					
		VIP/Pay day and a 21 1					
		suspense account					
		Review the Budget & reconciliations on Treasury					
	3	Suspense accounts Office Khon	31/ 31				
		for the period. aye 28/02/ 05/ July Mont					
	6	General ledger votes Sibut 2021 20 202 hly					
		that cannot be closed a 21 1					
4. Inventory	4	Invite the Auditor Supply	31	14			
		General for the Chain and	-	Jun			
	1	inventory count. And Asset Xola	28/02/ 05	202	Ann		
		perform the count. Managem Stem	2021 -	1	ually		
		ent ela	20	8			
	4	Ensure controls are Supply	31/ 31				
		in place for the Chain and Xola	28/02/ 05/ Mar				
	2	receipts and issue of Asset Stem	2021 20	202	Mont		
		stock Managem ela	21	1	hly		
		ent					
4. Inventory	4	Compare stock Supply					
		quantities per the Chain and					
		valuation report to Asset					
	4	the count sheets & or Managem	31/ 07				
		the stores system. ent Xola	28/02/ 05/ July Ann				
	3	Investigate Stem	2021 20	202	ually		
		differences and ela	21	1			
		ensure they are					
		accounted for					
		correctly					

	4	Determine and list obsolete stock (impaired inventory included)	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	07 July 2021	Monthly
	4	Prepare a list of shortages with value and report to Council before or on the 31 July for possible write off.	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	07 July 2021	Annually
	4	Test the valuation of stock for compliance with the accounting policy and GRAP	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	07 July 2021	Quarterly
	4	Include in the Council report a list of impaired stock and the obsolete stock with reference to the department it affects, quantity and value to be sold in a future auction.	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	07 July 2021	Annually
5. Assets (PPE, HA, IP, IA)	5	Infrastructure Assets	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 March 2021	Year end
	5	- Appointment of the Engineers	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	15 July 2021	Quarterly
	2	Obtain the final complete asset registers that agrees to the GL	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	15 July 2021	Quarterly

	- Physical verification of assets	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 June 2021	Quarterly
	- Update of the FAR and GL with disposals and additions	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 July 2021	Quarterly
	- Calculate Depreciation	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 July 2021	Quarterly
	- Compile list of impaired assets	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 July 2021	Quarterly
	- Review useful life of assets		Xola Stem ela	28/02/2021	31/05/2021	30 July 2021	
5 . 3	Prepare the disclosure note for PPE.	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 July 2021	Quarterly
5 . 4	Reconcile Appendix B to the notes disclosed in the AFS	Supply Chain and Asset Management	Xola Stem ela	28/02/2021	31/05/2021	30 July 2021	Quarterly

		Follow-up on the Supply						
	5	correction of prior	Chain and	Xola		31/	30	
	.	year audit findings.	Asset	Stem	28/02/	05/	July	Quar
	5		Managem	ela	2021	20	202	terly
			ent			21	1	
6. Provisions	6	Obtain the listing of	Expenditur	Khon		31/	14	
	.	all provisions	e	aye	28/02/	05/	July	Quar
	1	applicable at the	Managem	Sibut	2021	20	202	tely
		municipality	ent	a		21	1	
		Establish the	Expenditur					
		assumptions and	e					
		information required	Managem					
		for the calculation of	ent					
	6	the provision.		Khon		31/	14	
	.	Calculate based on		aye	28/02/	05/	July	Quar
6. Provisions	2	the available		Sibut	2021	20	202	terly
		information. If an		a		21	1	
		expert is required						
		obtain the provision						
		calculations						
	6	Prior year adjustment		Khon			31	
	.	-		aye			May	
	3			Sibut			202	
				a			1	
	6	Prepare the journals	Expenditur	Khon		31/	14	
7. Rental of Facilities and equipment	.	and disclosure note	e	aye	28/02/	05/	July	Post
	4	for the provisions	Managem	Sibut	2021	20	202	year
			ent	a		21	1	end
	7	Obtain al lease	Revenue	Thob		31/	15	
	.	agreements relating	Managem	eka	28/02/	05/	July	Mont
	1	to rental income	ent	Maz	2021	20	202	hly
				wane		21	1	

		Review the lease agreement check terms and conditions and ensure rental income is accounted for per GRAP provisions on an accrual basis.	Revenue Managem ent	Thob eka Maz wane	31/ 28/02/ 2021	31 05/ 20	May 202	Mont hly
		Ensure the rental register and lease agreements are available to support rental income. Reconcile these supporting to the general ledger and sundry debtor/bank.	Revenue Managem ent	Thob eka Maz wane	31/ 28/02/ 2021	15 05/ 20	July 202	Quar terly
	8 . 1	Obtain the confirmation from the banks relating to the investments	Revenue Managem ent	Thob eka Maz wane	31/ 28/02/ 2021	20 05/ 20	July 202	Post Year End
	8 . 2	Prepare the journals for the adjustment of the investments and interest earned	Revenue Managem ent	Thob eka Maz wane	31/ 28/02/ 2021	31 05/ 20	May 202	Post Year End
	8 . 3	Prepare AFS disclosure note	Revenue Managem ent	Thob eka Maz wane	31/ 28/02/ 2021	20 05/ 20	July 202	Post Year End
8. Investments								
9. Accounts Payable	9 . 1	Obtain/Prepare listing of creditors	Expenditur e Managem ent	Khon aye Sibut a	31/ 28/02/ 2021	30 05/ 20	July 202	Quar terly

9	Prepare a	Expenditur	Khon	31/	30		
.	reconciliation of the	e	aye	28/02/	05/	July	Quar
2	GL to the creditors	Managem	Sibut	2021	20	202	terly
	age analysis.	ent	a		21	1	
9	Agree balance of	Expenditur	Khon	31/	30		
.	Creditors	e	aye	28/02/	05/	July	Quar
3	Reconciliations to the	Managem	Sibut	2021	20	202	terly
	Creditors age-	ent	a		21	1	
	analysis						
9	Obtain the accruals	Expenditur	Khon	31/	30		
.	listing and compare	e	aye	28/02/	05/	July	Quar
4	to PY	Managem	Sibut	2021	20	202	terly
		ent	a		21	1	
9	Reverse PY accruals	Expenditur	Khon	31/	30		
.	where appropriate	e	aye	28/02/	05/	July	Quar
5		Managem	Sibut	2021	20	202	terly
		ent	a		21	1	
9	Inspect all payments	Expenditur	Khon	31/	30		
.	made after year end	e	aye	28/02/	05/	July	Quar
6		Managem	Sibut	2021	20	202	terly
		ent	a		21	1	
9	Ensure that all	Expenditur	Khon	31/	30		
.	invoices paid after	e	aye	28/02/	05/	July	Quar
7	year end are fully	Managem	Sibut	2021	20	202	terly
	accrued.	ent	a		21	1	
9	Prepare an accruals	Expenditur	Khon	31/	30		
.	list which agrees to	e	aye	28/02/	05/	July	Quar
8	the GL.	Managem	Sibut	2021	20	202	terly
		ent	a		21	1	
<u>Retentions</u>					30		
					Jul		
					y		
					201		
					8		

9	Obtain the PMU						
.	Retentions listing for	N		31/	30		
6	the PY and agree to	Mba	28/02/	05/	July	Quar	
.	the TB	na	2021	20	202	terly	
1				21	1		
	Ensure all retentions PMU						
	released have been	N		31/	30		
	reversed from the	Mba	28/02/	05/	July	Quar	
	retentions vote	na	2021	20	202	terly	
				21	1		
	Obtain the all the PMU						
	payment certificates	N		31/	30		
	for the current period	Mba	28/02/	05/	July	Quar	
		na	2021	20	202	terly	
				21	1		
	Propose journals to PMU						
	account for the	N		31/	30		
	retention movement	Mba	28/02/	05/	July	Quar	
		na	2021	20	202	terly	
				21	1		
	Prepare retentions PMU						
	listing that agrees to	N		31/	30		
	GL	Mba	28/02/	05/	July	Quar	
		na	2021	20	202	terly	
				21	1		
	Verify status of PMU						
	retentions older than	N		31/	30		
	two years	Mba	28/02/	05/	July	Quar	
		na	2021	20	202	terly	
				21	1		
	Ensure all the PMU						
	supporting	N		31/	30		
	documents are on file	Mba	28/02/	05/	July	Quar	
		na	2021	20	202	terly	
				21	1		
9	Obtain & Review Expenditur	N		31/	30		
.	Audit fees e	Mba	28/02/	05/	July	Quar	
7	reconciliation & Managem	na	2021	20	202	terly	
	Disclosure Note ent			21	1		

9	Ensure supporting documentation is available for all payables balances	Expenditure Management	N Mba na	28/02/2021	31/05/2021	30 July 2021	Quarterly
8	Perform a search for unrecorded liabilities- Assure Completeness	Expenditure Management	Khon aye Sibut a	28/02/2021	31/05/2021	31 March 2021	Quarterly
	Prior year adjustment - Journals						
	- SIU invoices - capture and report unauthorised to the Council C119		Khon aye Sibut a			31 May 2021	
	- Liquidators to be contacted - Nombini to follow up		N Mba na			31 May 2021	
9	Prepare the disclosure note for all Payables	Expenditure Management	Khon aye Sibut a	28/02/2021	31/05/2021	30 July 2021	Quarterly
9	<u>Address</u>	<u>Audit</u>					
0	<u>Queries</u>						
9	Trade and other payables: Creditors paid after 30 days from receiving invoice	Expenditure Management	Khon aye Sibut a	28/02/2021	31/05/2021	30 July 2021	Monthly

10. Loans Payable	101	Obtain the list of long term loans	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
	102	Obtain the statements from DBSA	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Year end
	103	Perform the calculation for amortisation tables	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
	104	Recalculate interest and agree with GL	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
	105	Prepare the summary of movements of loans for Annexure A to AFS	Asset Management	Xola Stemela	28/02/2012	31/05/2021	30 June 2021	Monthly
11. VAT	111	Obtain the monthly VAT returns submitted	Expenditure Management	Khonaye Sibut a	28/02/2021	31/05/2021	31 - 20 July 2021	Monthly
	112	Review the VAT reconciliation	Expenditure Management	Khonaye Sibut a	28/02/2021	31/05/2021	31/05/2021	Monthly

	1	Reconcile the VAT	Expenditur	Khon		31/	20	
	1	201 return to the GL	e	aye	28/02/	05/	July	Mont
	.		Managem	Sibut	2021	20	202	hly
	3		ent	a		21	1	
		Prepare 3rd Quarter	Expenditur				15	
		Reconciliation	e	Khon			Jun	
			Managem	aye			e	Mont
			ent	Sibut			202	hly
				a			1	
	1	Prepare the	Expenditur	Khon		31/	20	
	1	additional MFMA	e	aye	28/02/	05/	July	Year
	.	disclosure note	Managem	Sibut	2021	20	202	end
	4		ent	a		21	1	
		Obtain request for	Budget &			31		
	1	information from	Treasury	Khon		-	31	
	2	actuary and assist in	Office	aye	28/02/	05	May	Year
	.	providing requested		Sibut	2021	-	202	end
	1	information		a		20	1	
						8		
	1	Liase with actuarial	Budget &	Khon		31/	31	
	2	company to	Treasury	aye	28/02/	05/	May	Year
	.	commence with the	Office	Sibut	2021	20	202	end
	2	valuation		a		21	1	
	1	Monitor progress and	Budget &	Khon		31/	28	
	2	ensure that the	Treasury	aye	28/02/	05/	July	Year
	.	information supplied	Office	Sibut	2021	20	202	end
	3	is accurate and		a		21	1	
		complete						
	1	Prepare the journals	Budget &	Khon		31/	28	
	2	to account for the	Treasury	aye	28/02/	05/	July	Year
	.	DBO balances	Office	Sibut	2021	20	202	end
	4			a		21	1	

	1	Prepare the Budget & Khon		31/	28		
	2	disclosure note for Treasury	aye	28/02/	05/	July	Year
	.	the AFS Office	Sibut	2021	20	202	end
	5		a		21	1	
14. Accumulated Surplus		Prepare disclosure Budget &					
	1	for correcting the Treasury	Max		31/	30	
	4	misstatements Office	oli	28/02/	05/	July	Quar
	.	between Revaluation	Nku	2021	20	202	terly
	1	Reserve and	me		21	1	
		Accumulated					
		Surplus					
	1	Obtain and review Budget &	Max		31/	30	
	4	the funds register Treasury	oli	28/02/	05/	July	Quar
	.	Office	Nku	2021	20	202	terly
15. Grants	2		me		21	1	
		Reverse through a					
		journal the credit	Khon			31	
		notes processed on	aye			May	
		Accumulated	Sibut			202	
		Surplus	a			1	
	1	Prepare journals for Budget &	Max		31/	30	
	4	movements in the Treasury	oli	28/02/	05/	July	Quar
	.	reserves to ensure Office	Nku	2021	20	202	terly
	3	that the GL agrees to	me		21	1	
15. Grants		the register					
	1	Review the Grant Debtors &	Max		31/	30	
	5	register and ensure Billing	oli	28/02/	05/	July	Mont
	.	all transactions are	Nku	2021	20	202	hly
	1	recorded in the GL	me		21	1	
		Inspect all supporting					
	1	invoices to ensure					
	5	that they comply with					
	.	the conditions of the					
	2	grants					

	Where conditions							
1	have been met							
5	ensure that the							
.	revenue is							
3	recognised							
	accordingly.							
1	Reconcile the grants	Debtors &	Max		31/	30		
5	per the register to the	Billing	oli	28/02/	05/	July	Mont	
.	DoRA		Nku	2021	20	202	hly	
4			me		21	1		
1	Prepare the	Debtors &	Max		31/	30		
5	disclosure note for	Billing	oli	28/02/	05/	July	Year	
.	grants and subsidies		Nku	2021	20	202	end	
5	paid		me		21	1		
	GRANTS - To create		Max					
	correct segments		oli					
			Nku					
			me/					
			Thob					
			eka					
			Maz					
			wane					
1	Prepare the	Debtors &	Max		31/	30		
5	disclosure note for	Billing	oli	28/02/	05/	July	Year	
.	the AFS		Nku	2021	20	202	end	
6			me		21	1		
1	Prepare an Annexure	Debtors &	Max		31/	30		
5	for Grants to be	Billing	oli	28/02/	05/	July	Year	
.	included in AFS		Nku	2021	20	202	end	
7			me		21	1		
16. Revenue	1	All meters to be read	Debtors &	Thob		31/	30	
	6	and captured	Billing	eka	28/02/	05/	July	Onc
	.		Maz	2021	20	202	e	
	1		wane		21	1		

1	Ensure Revenue is	Debtors &	Thob		31/	30		
6	recognised and	Billing	eka	28/02/	05/	July	Mont	
.	measured per the		Maz	2021	20	202	hly	
2	provisions of GRAP		wane		21	1		
	Review the report for	Debtors &						
1	meters not read in	Billing	Thob		31/	30		
6	the last 3 months and		eka	28/02/	05/	July	Mont	
.	obtain appropriate		Maz	2021	20	202	hly	
3	reasons. (Analyse		wane		21	1		
	the exception report)							
1	Analyse and clear all	Debtors &	Thob		31/	30		
6	the exceptions from	Billing	eka	28/02/	05/	July	After	
.	the exception report		Maz	2021	20	202	year	
4			wane		21	1	end	
	- Readings where the	Debtors &	Thob		31/	30		
	consumers are	Billing	eka	28/02/	05/	July	After	
	charged fixed rates		Maz	2021	20	202	year	
			wane		21	1	end	
	Calculate the	Debtors &						
1	revenue for the	Billing	Thob		31/			
6	period between cut-		eka	28/02/	05/		After	
.	off and year end and		Maz	2021	20	n/a	year	
5	process the journal		wane		21		end	
	(cut-off)							
1	Prepare the schedule	Debtors &	Thob		31/	30		
6	for Other Income	Billing	eka	28/02/	05/	July	Mont	
.			Maz	2021	20	202	hly	
6			wane		21	1		
1	Perform monthly	Debtors &	Thob		31/	30		
6	analysis of income	Billing	eka	28/02/	05/	July	After	
.	per category and		Maz	2021	20	202	year	
7	obtain reasons		wane		21	1	end	
1	Prepare all the	Debtors &	Thob		31/	30		
6	revenue disclosure	Billing	eka	28/02/	05/	July	After	
.	notes per the AFS		Maz	2021	20	202	year	
8			wane		21	1	end	

17. Interest Received - Investment	1	Prepare the schedule	Debtors &	Thob		31/	15	
	7	for interest income based on	Billing	eka	28/02/	05/	July	Mont
	.	Investments,		Maz	2021	20	202	hly
	1	debtors, etc		wane		21	1	
	1	Prepare the	Debtors &	Thob		31/	15	
	7	disclosure note for	Billing	eka	28/02/	05/	July	Quar
	.	the AFS		Maz	2021	20	202	terly
	2			wane		21	1	
18. Operating Leases Income and Expense	1	Prepare/update the	Supply	Khon		31/	30	
	8	operating lease	Chain and	aye	28/02/	05/	July	Quar
	.	register (based on	Asset	Sibut	2021	20	202	terly
	1	the contract register)	Managem	a		21	1	
			ent					
	1	Prepare a schedule	Supply	Khon		31/	30	
	8	for the straight lining	Chain and	aye	28/02/	05/	July	Quar
	.	of leases where	Asset	Sibut	2021	20	202	terly
	2	applicable	Managem	a		21	1	
			ent					
	1	Perform the	Supply	Khon		31/	30	
	8	calculation and	Chain and	aye	28/02/	05/	July	Quar
	.	prepare the journal	Asset	Sibut	2021	20	202	terly
	3	entries where	Managem	a		21	1	
		necessary (straight lining)	ent					
	1	Prepare the	Supply	Khon		31/	30	
	8	commitment	Chain and	aye	28/02/	05/	July	Quar
	.	disclosure necessary	Asset	Sibut	2021	20	202	terly
	4	for the AFS:	Managem	a		21	1	
		- Less than one year	ent					
		- Between one and						
		five years						
		- More than five						
		years						

19. Expenditure	1	Obtain the municipal	Expenditur	Khon	31/	30	At
	9	SCOA and review for	e	aye	28/02/	05/	the
	.	GRAP compliance	Managem	Sibut	2021	20	begi
	1		ent	a	21	202	nnin
						1	g of
							the
							year
	1	Review the R&M	Expenditur	Khon	31/	30	
	9	accounts for possible	e	aye	28/02/	05/	Mont
	.	capital expenditure	Managem	Sibut	2021	20	hly
	2	expensed	ent	a	21	202	
						1	
	1		Expenditur	Khon	31/	30	
	9	Prepare the	e	aye	28/02/	05/	Quar
	.	disclosure note for	Managem	Sibut	2021	20	terly
	3	General expenses	ent	a	21	1	
19. Expenditure	1	Review the current	Expenditur	Khon	31/	30	
	9	classification of	e	aye	28/02/	05/	Quar
	.	general expenditure	Managem	Sibut	2021	20	terly
	4	for appropriate	ent	a	21	1	
		classification					
	1		Expenditur	Khon	31/	30	
	9	Prepare the	e	aye	28/02/	05/	Quar
	.	disclosure note for	Managem	Sibut	2021	20	terly
	5	audit fees	ent	a	21	1	
	1	Prepare the	Expenditur	Khon	31/	30	
	9	disclosure note for	e	aye	28/02/	05/	Quar
	.	contracted services	Managem	Sibut	2021	20	terly
	6	in the AFS	ent	a	21	1	
	1	Prepare the					
	9	disclosure for		Khon	31/	30	
	.	contributions to	Expenditur	aye	28/02/	05/	Quar
19. Expenditure	7	organised local	e	Sibut	2021	20	terly
		government	Managem	a	21	1	
		(SALGA)	ent				
19. Expenditure		Create segments -					

		Perform analytical						
	1	review on all	Khon		31/	30		
	9	expenditure items	Expenditur	aye	28/02/	05/	July	Quar
	.	and follow up on all	e	Sibut	2021	20	202	terly
	8	material	Managem	a		21	1	
		discrepancies	ent					
	1	<u>Address</u>	<u>Audit</u>					
	9	<u>Queries</u>						
	.							
	9							
		Payments to						
		suppliers not made						
		within 30 days						
		Repairs and						
		maintenance- cut off						
		Repairs and						
		maintenance-						
		incorrect						
		classification.						
		General expenditure						
		- incorrect						
		classification						
	2	Document a detailed	Expenditur			31/	15	
	0	breakdown of	e	Sihle	28/02/	05/	July	Mont
	.	interest paid	Managem	Khuz	2021	20	202	hly
	1		ent	o		21	1	
	2	Obtain detailed	Expenditur			31/	15	
	0	support for all	e	Sihle	28/02/	05/	July	Mont
	.	interest paid	Managem	Khuz	2021	20	202	hly
	2		ent	o		21	1	
	2	Prepare the	Expenditur			31/	30	
	0	disclosure for interest	e	Sihle	28/02/	05/	July	Mont
	.	cost for the AFS	Managem	Khuz	2021	20	202	hly
	3		ent	o		21	1	
20. Finance cost								

21. Payroll & Leave	2	Obtain VIP reports	Expenditur	Khon		31/	30	After year end
	1		e	aye	28/02/	05/	July	
	.		Managem	Sibut	2021	20	202	
	1		ent	a		21	1	
		Review Councillors' Remuneration	Expenditur					
	2	calculations and	Managem	Khon		31/	30	After year end
	1	ensure that they are	ent	aye	28/02/	05/	July	
	.	in line with		Sibut	2021	20	202	
	2	Remuneration of Public Office Bearers Act		a		21	1	
	2	Perform the	Expenditur	Khon		31/	30	After year end
	1	calculation for the	e	aye	28/02/	05/	July	
	.	leave provision	Managem	Sibut	2021	20	202	
	3		ent	a		21	1	
	2	Perform the	Expenditur	Khon		31/	30	After year end
	1	calculation for the	e	aye	28/02/	05/	July	
	.	employee related	Managem	Sibut	2021	20	202	
	4	costs provisions	ent	a		21	1	
		Prepare the reconciliation	Expenditur					
	2	between VIP and	Managem	Khon		31/	30	After year end
	1	Munsoft from 01 July	ent	aye	28/02/	05/	July	
	.	2018 to 30 June		Sibut	2021	20	202	
	5	2021 for both employees and councillors		a		21	1	
	2	Obtain the monthly	Expenditur	Khon		31/	30	Mont hly
	1	EMP201 submitted	e	aye	28/02/	05/	July	
	.	(reconciliation to GL & payroll report)	Managem	Sibut	2021	20	202	
	6		ent	a		21	1	
	2	Obtain Personnel list	Expenditur	Khon		31/	30	Year end
	1	with post levels	e	aye	28/02/	05/	July	
	.		Managem	Sibut	2021	20	202	
	7		ent	a		21	1	

	2	Prepare the Expenditur	Khon		31/	30	
	1	disclosure note for e	aye	28/02/	05/	July	Year
	.	management Managem	Sibut	2021	20	202	end
	8	remuneration ent	a		21	1	
	2	Prepare the Expenditur	Khon		31/	30	
	1	disclosure note for e	aye	28/02/	05/	July	Year
	.	councillor Managem	Sibut	2021	20	202	end
	9	remuneration - all ent	a		21	1	
		councillors					
	2	Obtain Letter from Expenditur	Khon		31/	30	
	1	the local bargaining e	aye	28/02/	05/	July	Year
	.	forum that approves Managem	Sibut	2021	20	202	end
	1	general salary ent	a		21	1	
	0	increases					
	2	Obtain Government Expenditur	Khon		31/	30	
	1	Gazette for e	aye	28/02/	05/	July	Year
	.	determination of Managem	Sibut	2021	20	202	end
	1	Councillor's ent	a		21	1	
	1	remuneration					
	2	Obtain Support for Expenditur	Khon		31/	30	
	1	additional MFMA e	aye	28/02/	05/	July	Mont
	.	disclosures, PAYE, Managem	Sibut	2021	20	202	hly
	1	UIF, etc.Prepare the ent	a		21	1	
	2	disclosure note					
	2	<u>Address</u>	<u>Audit</u>				
	1	<u>Queries</u>					
	.						
	1						
	3						
		Employees leave not					
		approved in time					
22.	2	Compile a register for Supply	Nom		31/	30	
Commitments	2	capital commitments Chain and	bini	28/02/	05/	July	Mont
	.	Asset	Mba	2021	20	202	hly
	1		na		21	1	

			Managem					
			ent					
2	Agree	contract	Supply					
2	amounts	to	Chain and	Nom		31/	30	
.	contract/appointment		Asset	bini	28/02/	05/	July	Mont
1	letters		Managem	Mba	2021	20	202	hly
.			ent	na		21	1	
1								
2	Agree	expenses to	Supply					
2	the ledger		Chain and	Nom		31/	30	
.			Asset	bini	28/02/	05/	July	Mont
1			Managem	Mba	2021	20	202	hly
.			ent	na		21	1	
2								
2	Ensure	all	Supply					
2	contracts	are	Chain and	Nom		31/	30	
.	included	in the	Asset	bini	28/02/	05/	July	Mont
1	register		Managem	Mba	2021	20	202	hly
.			ent	na		21	1	
3								
2	Ensure	all WIP	Supply					
2	projects	are on the	Chain and	Nom		31/	30	
.	register		Asset	bini	28/02/	05/	July	Mont
1			Managem	Mba	2021	20	202	hly
.			ent	na		21	1	
4								
2	Compare	the	Supply					
2	Commitment	register	Chain and	Nom		31/	30	
.	to the	contract	Asset	bini	28/02/	05/	July	Mont
1	register &	WIP	Managem	Mba	2021	20	202	hly
.	register		ent	na		21	1	
5								
2	Ensure	the	Supply					
2	completeness	of	Chain and	Nom		31/	30	
.	Commitment	register	Asset	bini	28/02/	05/	July	Mont
2	by performing	a	Managem	Mba	2021	20	202	hly
2	reconciliation		ent	na		21	1	

	between	WIP						
	register	and						
	Commitment register							
2	Prepare	the	Supply			31/	30	
2	disclosure note for	Chain and	Nom			05/	July	Quar
.	the AFS	Asset	bini	28/02/	2021	20	202	terly
3		Managem	Mba			21	1	
		ent	na					
	<u>Address</u>	<u>Audit</u>						
	<u>Queries</u>							
2	Commitments	not	Supply					
2	calculated		Chain and	Nom		31/	30	
.	accurately		Asset	bini	28/02/	05/	July	Quar
3			Managem	Mba	2021	20	202	terly
.			ent	na		21	1	
1								
2	Commitments	were	Supply					
2	not	calculated	Chain and	Nom		31/	30	
.	correctly		Asset	bini	28/02/	05/	July	Mont
3			Managem	Mba	2021	20	202	hly
.			ent	na		21	1	
2								
2	Commitments	not	Supply					
2	included	on	Chain and	Nom		31/	30	
.	register		Asset	bini	28/02/	05/	July	Quar
3			Managem	Mba	2021	20	202	terly
.			ent	na		21	1	
3								
2	Supporting		Supply					
2	documents	for	Chain and	Nom		31/	30	
.	expenditure	not	Asset	bini	28/02/	05/	July	Quar
3	submitted.		Managem	Mba	2021	20	202	terly
.			ent	na		21	1	
4								

23. Guarantees & Contingent Liabilities	2	Obtain schedule with	Budget &					
	3	investigations,	Treasury	Max		31/	30	
	3	litigations and claims	Office	oli	28/02/	05/	July	Quar
	.	by the municipality or		Nku	2021	20	202	terly
	1	against the		me		21	1	
		municipality						
	2	Obtain & Review	Budget &	Max		31/	30	
	3	schedule with	Treasury	oli	28/02/	05/	July	Mont
	.	contingent liabilities	Office	Nku	2021	20	202	hly
	2			me		21	1	
	2	Obtain a list of	Budget &	Max		31/	30	
	3	financial guarantees	Treasury	oli	28/02/	05/	July	Quar
	.	on behalf of	Office	Nku	2021	20	202	terly
	3	employees		me		21	1	
	2	E mailed the	Budget &	Max	To be	31/	30	Befo
	3	confirmation	Treasury	oli	done	05/	July	re
	.	template to the	Office	Nku	at	20	202	Year
	4	Municipal Lawyers		me	year	21	1	end
		representative			end			
	2	Names and contact	Budget &	Max		31/	30	Befo
	3	details of legal	Treasury	oli	28/02/	05/	Jun	re
	.	representatives in	Office	Nku	2021	20	e	Year
	5	order to obtain legal		me		21	202	end
		confirmations -					1	
		Must sit with Mr Kohli	Budget &	Sihle			31	
		and update the	Treasury	Khuz			May	
		register	Office	o			202	
							1	
		To send ANDM staff	Budget &				30	
		to go and confirm	Treasury	Sihle			Jun	
		with lawyers using	Office	Khuz			e	
		the AG template		o			202	
							1	
	2	Obtain legal	Budget &	Sihle	To be		30	Befo
	3	confirmations	Treasury	Khuz	done	31/	Jun	re
			Office	o	at	05/	e	

						year	20	202	Year
	6					end	21	1	end
	2	Prepare disclosure	Budget &	Max			31/	30	
	3	note for the AFS	Treasury	oli	28/02/	05/	July	Quar	
			Office	Nku	2021	20	202	terly	
	7			me		21	1		
<p><u>Address Audit</u></p> <p><u>Queries</u></p> <p>No attorney</p> <p>confirmations</p> <p>received.</p>									
	2	Prepare	the	Budget &	Max		31/	30	
	4	disclosure note for	Treasury	oli	28/02/	05/	July	Year	
		the AFS	Office	Nku	2021	20	202	end	
	1			me		21	1		
		Prepare working	Budget &						
	2	paper to update	Treasury	Max		31/	30		
	4	disclosures directly	Office	oli	28/02/	05/	July	Year	
		from the TB/AFS and		Nku	2021	20	202	end	
		use as reference		me		21	1		
	2	when updating the							
		AFS							
24. Financial Instruments disclosures	2	Review	the	Budget &	Max		31/	30	
	4	appropriate	Treasury	oli	28/02/	05/	July	Year	
		classification of	Office	Nku	2021	20	202	end	
	3	financial assets and		me		21	1		
		liabilities							
	2	Review	the	Budget &	Max		31/	30	
	4	appropriate	Treasury	oli	28/02/	05/	July	Year	
		accounting policies	Office	Nku	2021	20	202	end	
		for financial assets		me		21	1		
	4	and liabilities							

25. Related parties GRAP 20	2	Facilitate the annual	Supply	Max		31/	30	Year end
	5	declarations for key	Chain and	oli	28/02/	05/	July	
	.	management	Asset	Nku	2021	20	202	
	1	personnel (interests)	Managem	me		21	1	
			ent					
		ANDA - Item					31	
		description to be					May	
		corrected					202	
							1	
26. Unauthorised expenditure	2	Prepare the	Supply	Max		31/	30	Monthly
	5	councillors debt	Chain and	oli	28/02/	05/	July	
	.	balances per month	Asset	Nku	2021	20	202	
	2	for disclosure	Managem	me		21	1	
		purposes	ent					
	2	Prepare the	Supply	Max		31/	30	
	5	disclosure note for	Chain and	oli	28/02/	05/	July	
	.	related parties	Asset	Nku	2021	20	202	
	3		Managem	me		21	1	
			ent					
26. Unauthorised expenditure	2	Prepare the schedule	Budget &	Max		31/	28	Monthly
	6	for expenditure per	Treasury	oli	28/02/	05/	July	
	.	directorates in order to	Office	Nku	2021	20	202	
	1	identify any		me		21	1	
		unauthorised						
		expenditure						
	2	Obtain the approval	Budget &	Max		31/	30	
	6	for expenditure that	Treasury	oli	28/02/	05/	Jun	
	.	has been written off,	Office	Nku	2021	20	e	
	2	if any		me		21	202	
26. Unauthorised expenditure							1	Quarterly
		Submit item to		Max				
		Council - SIU		oli				
				Nku				
				me				
		Previous years		Max			03	
		unauthorised -		oli			Jun	
		Report		Nku			e	

				me /		202	
				CFO		1	
2	Prepare	the Budget &	Max		31/	28	
6	disclosure note in the	Treasury	oli	28/02/	05/	July	Quar
.	AFS	Office	Nku	2021	20	202	terly
3			me		21	1	
2	<u>Address</u>	<u>Audit</u>					
6	<u>Queries</u>						
.							
4							
2	Unauthorised	Budget &					
6	expenditure:	Treasury	Max		31/	28	
.	Understatement of	Office	oli	28/02/	05/	July	Quar
4	unauthorised		Nku	2021	20	202	terly
.	expenditure (Ex.112)		me		21	1	
1							
2	Unauthorised						
6	Expenditure:		Max		31/	28	
.	Adjustments made to	Budget &	oli	28/02/	05/	July	Year
4	the final AFS without	Treasury	Nku	2021	20	202	end
.	sufficient appropriate	Office	me		21	1	
2	audit evidence						
	provided (Ex.196)						
27. Fruitless and Wasteful	2	Prepare the register	Expenditur	Khon	31/	30	
	7	of fruitless and	e	aye	28/02/	05/	Jun
	.	wasteful expenditure	Managem	Sibut	2021	20	e
	1	for the 2018/19	ent	a		21	202
		period					1
	2	Obtain the approval	Expenditur	Khon	31/	28	
	7	for expenditure that	e	aye	28/02/	05/	July
	.	has been written off,	Managem	Sibut	2021	20	202
	2	if any	ent	a		21	1
	2	Prepare the	Expenditur	Khon	31/	28	
	7	disclosure note in the	e	aye	28/02/	05/	July
	.	AFS	Managem	Sibut	2021	20	202
	3		ent	a		21	1

<u>Address</u>		<u>Audit</u>					
<u>Queries</u>							
2	Consequence	Expenditur					
7	Management: No	e	Khon	31/	28		
.	investigations	Managem	aye	28/02/	05/	July	Mont
3	conducted	ent	Sibut	2021	20	202	hly
.			a		21	1	
1							
	Prior year adjustment		Khon		31		
	- Remove all those		aye		May		
	actings		Sibut		202		
			a		1		
	Luya to compile the		N.				
	list of all accounts		Mba				
	and their interest		na /				
	(Eskom) & Telkom &		Sihle				
	Payovers Must verify		Khuz				
	first		o				
			Khon				
			aye				
			Sibut				
			a				
2	Procurement:	Expenditur					
7	Tenders advertised	e	Khon	31/	28		
.	for less than required	Managem	aye	28/02/	05/	July	Mont
3	no. of days.	ent	Sibut	2021	20	202	hly
.			a		21	1	
2							
2	Fruitless and	Expenditur					
7	wasteful	e	Khon	31/	28		
.	expenditure: Officials	Managem	aye	28/02/	05/	July	Mont
3	being members of	ent	Sibut	2021	20	202	hly
.	bid committee as well		a		21	1	
3	as adjudicating						
	committee.						

28. Irregular expenditure	2	Prepare the register	Supply			31/	28	
	8	of irregular	Chain and	Nolw	28/02/	05/	July	Mont
	.	expenditure for the	Asset	azi	2021	20	202	hly
	1	period	Managem	Cezu		21	1	
			ent					
	2	Obtain the approval	Supply			31/	28	
	8	for expenditure that	Chain and	Nolw	28/02/	05/	July	Quar
	.	has been written off,	Asset	azi	2021	20	202	terly
	2	if any	Managem	Cezu		21	1	
			ent					
		Prior year - Write an		Nolw			31	
		item for Council		azi			May	
				Cezu			202	
							1	
	2	Prepare the	Supply			31/	28	
	8	disclosure note in the	Chain and	Nolw	28/02/	05/	July	Quar
	.	AFS	Asset	azi	2021	20	202	terly
	3		Managem	Cezu		21	1	
			ent					
	2	<u>Address</u>	<u>Audit</u>					
	8	<u>Queries</u>						
	.							
	4							
	2	No investigation of	Supply					
	8	irregular	Chain and			31/	28	
	.	expenditure.	Asset	Nolw	28/02/	05/	July	Quar
	4		Managem	azi	2021	20	202	terly
	.		ent	Cezu		21	1	
	1							
		Incomplete irregular						
		expenditure register.						
		No calculation of						
		points performed.						

29. Deviations	2	Prepare the register of deviations for the 2021 financial year (Irregular Expenditure)	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	07 July 2021	Monthly
	2	Obtain the approval for expenditure that has been condoned, if any	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	07 July 2021	Quarterly
	2	Prepare the disclosure note in the AFS	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	07 July 2021	Quarterly
30. GRAP 24 / Budget disclosures	3	Obtain the budget and adjustment budget	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Monthly
	3	Prepare the reconciliation between the approved budget and the adjustment budget, with related explanations for significant variances	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	3	Obtain reasons for significant variances between adjustment budget and actual figures	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	3	Prepare Appendix D	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	0							
	4							

	(council, exco, mng, etc)					20	202	
						21	1	
3	Consolidate all audit	Budget &				31/	15	
2	working paper files	Treasury	Sihle	22/02/	05/	July	Quar	
.	for each account	Office	Khuz	2021	20	202	terly	
2	balance in the AFS		o		21	1		
3	Obtain specimen	Budget &				31/	15	
2	signatures - Mayor,	Treasury	Sihle	22/02/	05/	July	Quar	
.	Mun Manager, CFO	Office	Khuz	2021	20	202	terly	
3			o		21	1		
3	Obtain Integrated	Budget &						
3	Development Plan	Treasury				31/	15	
2	(IDP) + Budget +	Office	Sihle	22/02/	05/	July	Quar	
.	Tariff + Council Items		Khuz	2021	20	202	terly	
4	& Resolutions (Draft		o		21	1		
	&Final)							
3	Advertisement of IDP	Budget &				31/	15	
2	+ Budget +Tariffs	Treasury	Sihle	22/02/	05/	July	Quar	
.		Office	Khuz	2021	20	202	terly	
5			o		21	1		
3	Adjustment Budget +	Budget &				31/	15	
2	Item + Resolution	Treasury	Sihle	22/02/	05/	July	Quar	
.		Office	Khuz	2021	20	202	terly	
6			o		21	1		
3	Approved SDBIP	Budget &				31/	15	
2		Treasury	Sihle	22/02/	05/	July	Quar	
.		Office	Khuz	2021	20	202	terly	
7			o		21	1		
3	Performance	Budget &				31/	15	
2	Agreements	Treasury	Sihle	22/02/	05/	July	Quar	
.	(Municipal Manager,	Office	Khuz	2021	20	202	terly	
8	CFO & Sen.		o		21	1		
	Managers)							
3	Draft Preliminary	Budget &						
2	Annual Report	Treasury	Sihle	22/02/	31/	15	Quar	
		Office	Khuz	2021	05/	July	terly	
			o					

.						20	202	
9						21	1	
	The council Budget &							
	resolution where the Treasury							
	budget for the Office							
3	financial year was					31/	15	
2	approved to ensure	Sihle				05/	July	Quar
.	that the tariff	Khuz	22/02/			20	202	terly
1	structure for the year	o	2021			21	1	
0	under review was							
	approved by council							
	in terms of Section							
	75A of the Municipal							
	Systems Act							
3	The newspaper Budget &					31/	15	
2	advert containing the Treasury	Sihle				05/	July	Quar
.	following in respect Office	Khuz	22/02/			20	202	terly
1	of the approval of	o	2021			21	1	
1	tariffs—							
	(i) that a resolution as Budget &					31/	15	
	contemplated in Treasury	Sihle				05/	July	Quar
	subsection (2) has Office	Khuz	22/02/			20	202	terly
	been passed by the	o	2021			21	1	
	council;							
	(ii) that a copy of the Budget &							
	resolution is Treasury							
	available for public Office							
	inspection during							
	office hours at the	Sihle				31/	15	
	main administrative	Khuz	22/02/			05/	July	Quar
	office of the	o	2021			20	202	terly
	municipality and at					21	1	
	the other places							
	specified in the							
	notice;							

	(iii) the date on which the determination will come into operation	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly
3 2 . 1 2	Letter to the MEC of DLG that the above notice has been published	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly
3 2 . 1 3	Obtain Performance reports	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly
3 2 . 1 4	Organisational chart / organogram	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly
3 2 . 1 5	Declarations of conflict of interests register for both councillors and management, with system process documentation of how this feeds into the AFS.	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly
3 2 . 1 6	Ensure all sections have filed supporting documentation in file	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly
3 2 . 1	Obtain the latest policy and by-laws documents	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2022	Quarterly

	1					20	202	
	7					21	1	
	3	Obtain the Risk Budget &				31/	15	
	2	register	Treasury	Sihle	22/02/	05/	July	Quar
	.		Office	Khuz	2021	20	202	terly
	1			o		21	1	
	8							
	3	Obtain Internal audit Budget &			22/02/	31/	15	
	2	plan and reports	Treasury	Sihle	2021	05/	July	Quar
	.		Office	Khuz		20	202	terly
	1			o		21	1	
	9							
33. AFS	3	Complete the Budget &				15/	20	
	3	disclosure checklist Treasury	Sihle		07/03/	06/	Aug	Quar
	.	and prepare related Office	Khuz		2021	20	ust	terly
	1	identified disclosures		o		21	202	
							1	
	3	Review accounting Budget &				15/	20	
	3	policies for alignment Treasury	Sihle		07/03/	06/	Aug	Quar
	.	to GRAP	Office	Khuz	2021	20	ust	terly
	2			o		21	202	
							1	
	3	Prepare the prior Budget &				15/	20	
	3	period reconciliation Treasury	Sihle		07/03/	06/	Aug	Quar
	.	working paper	Office	Khuz	2021	20	ust	terly
	3			o		21	202	
							1	
	3	Prepare Note 2 - Budget &				15/	20	
	3	New standards and Treasury	Sihle		07/03/	06/	Aug	Quar
	.	interpretations	Office	Khuz	2021	20	ust	terly
	4			o		21	202	
							1	
	3	Prepare financial Budget &				15/	20	
	3	sustainability Treasury	Sihle		07/03/	06/	Aug	Quar
	.	calculations and Office	Khuz		2021	20	ust	terly
	5	disclosure note		o		21	202	
							1	

3	Review the council	Budget &			15/	20	
3	minutes to identify	Treasury	Sihle	07/03/	06/	Aug	Quar
.	any events after the	Office	Khuz	2021	20	ust	terly
6	reporting date		o		21	202	
						1	
3	Prepare	Risk	Budget &		15/	20	
3	management		Treasury	Sihle	07/03/	Aug	Quar
.	disclosures:		Office	Khuz	2021	ust	terly
6				o	20	202	
					21	1	
3	(i) Capital	risk	Budget &		15/	20	
3	management		Treasury	Sihle	07/03/	Aug	Quar
.			Office	Khuz	2021	ust	terly
6				o	20	202	
.					21	1	
1							
3	(ii) Financial	risk	Budget &		15/	20	
3	management		Treasury	Sihle	07/03/	Aug	Quar
.	objectives		Office	Khuz	2021	ust	terly
6				o	20	202	
.					21	1	
2							
3	(iii) Significant		Budget &		15/	20	
3	accounting policies		Treasury	Sihle	07/03/	Aug	Quar
.			Office	Khuz	2021	ust	terly
6				o	20	202	
.					21	1	
3							
3	(iv) Market	risk	Budget &		15/	20	
3	exposure per the		Treasury	Sihle	07/03/	Aug	Quar
.	following component		Office	Khuz	2021	ust	terly
6	thereof:			o	20	202	
.					21	1	
4							
3	- Foreign currency		Budget &	Sihle	07/03/	20	Quar
3	risk		Treasury	Khuz	2021	Aug	terly
.			Office	o	06/	ust	

6					20	202	
.					21	1	
5							
3	- Fair value	Budget &				20	
3	interest rate risk	Treasury			15/	20	
.		Office	Sihle	07/03/	06/	Aug	Quar
6			Khuz	2021	20	ust	terly
.			o		21	202	
6						1	
3	- Price risk	Budget &				20	
3		Treasury			15/	20	
.		Office	Sihle	07/03/	06/	Aug	Quar
6			Khuz	2021	20	ust	terly
.			o		21	202	
7						1	
3	(v) Interest rate risk	Budget &				20	
3		Treasury			15/	20	
.		Office	Sihle	07/03/	06/	Aug	Quar
6			Khuz	2021	20	ust	terly
.			o		21	202	
8						1	
3	Review the following	Budget &				20	
3	Annexures to ensure	Treasury			15/	20	
.	that it agrees with the	Office	Sihle	07/03/	06/	Aug	Quar
7	AFS		Khuz	2021	20	ust	terly
			o		21	202	
						1	
3	Appendix A	Budget &				20	
3		Treasury			15/	20	
.		Office	Sihle	07/03/	06/	Aug	Quar
7			Khuz	2021	20	ust	terly
.			o		21	202	
1						1	
3	Appendix B	Budget &				20	
3		Treasury			15/	20	
.		Office	Sihle	07/03/	06/	Aug	Quar
7			Khuz	2021	20	ust	terly
			o		21	202	
						1	

	2									
	3	Appendix C		Budget &				20		
	3			Treasury			15/	20		
	.			Office	Sihle	07/03/	06/	Aug		Quar
	7				Khuz	2021	20	ust		terly
	.				o		21	202		
	3							1		
	3	Appendix D		Budget &				20		
	3			Treasury			15/	20		
	.			Office	Sihle	07/03/	06/	Aug		Quar
	7				Khuz	2021	20	ust		terly
	.				o		21	202		
	4							1		
	3	Appendix E(1) and		Budget &				20		
	3	E92)		Treasury			15/	20		
	.			Office	Sihle	07/03/	06/	Aug		Quar
	7				Khuz	2021	20	ust		terly
	.				o		21	202		
	5							1		
	3	Appendix F		Budget &				20		
	3			Treasury			15/	20		
	.			Office	Sihle	07/03/	06/	Aug		Quar
	7				Khuz	2021	20	ust		terly
	.				o		21	202		
	6							1		
	3	Appendix G1-5		Budget &				20		
	3			Treasury			15/	20		
	.			Office	Sihle	07/03/	06/	Aug		Quar
	7				Khuz	2021	20	ust		terly
	.				o		21	202		
	7							1		
34. Cash Flow	3	Prepare Cash Flow	Budget &	Max			15/	30		
	4	statement and	Treasury	oli	07/03/	06/	July	Quar		
	.	supporting	Office	Nku	2021	20	202	terly		
	1	schedules for the		me		21	1			

		2021 AFS and submit to AG							
	3	Prepare Cash Flow Budget &	Max		15/	30			
	4	statement for the Treasury	oli	07/03/	06/	July	Quar		
	.	2021 AFS with all Office	Nku	2021	20	202	terly		
	2	supporting schedules	me		21	1			
35. Review of AFS	3	Complete the NT Budget &			15/	18			
	5	disclosure checklist Treasury	Inter	07/03/	06/	Aug	Quar		
	.		nal	2021	20	ust	terly		
	1		Audit		21	202			
						1			
	3	External review of Budget &			15/	18			
	5	AFS through Treasury	Inter	07/03/	06/	Aug	Quar		
	.	completion of the NT Office	nal	2021	20	ust	terly		
	2	disclosure checklist Audit			21	202			
36. Audit committee	3	Submit the Budget &			15/	18			
	5	disclosure checklist Treasury	Inter	07/03/	06/	Aug	Quar		
	.	to NT signed off by Office	nal	2021	20	ust	terly		
	3	the CFO Audit			21	202			
						1			
	3	Approval of the AFS Budget &			30/	18			
	6	Treasury U		07/03/	06/	Aug	Quar		
	.	Office	Mahl	2021	20	ust	terly		
	1		asela		21	202			
36. Audit committee						1			
	3	Management & Budget &			30/	21			
	6	Review and Treasury	Inter	07/03/	06/	Aug	Quar		
	.	recommendation Office	nal	2021	20	ust	terly		
	2		Audit		21	202			
						1			
	3	Internal Audit - Budget &			30/				
	6	Review and Treasury	Inter	07/03/	06/	22	Quar		
	.	Recommendation Office	nal	2021	20	Aug	terly		
36. Audit committee	3		Audit		21	ust			

							202	
							1	
							25	
3	Audit	Committee	Budget &			30/	Aug	Quar
6	Meeting	- Review	Treasury	Inter	07/03/	06/	ust	terly
.	and recommendation		Office	nal	2021	20	202	
4				Audit		21	1	

3.4. OPERATIONAL FINANCING STRATEGIES

- Effective cash flow management to ensure continuous, sufficient and sustainable cash position;
- Enhance budgetary controls and financial reporting;
- Direct available financial resources towards meeting the projects as identified in the IDP; and
- To improve Supply Chain Management processes in line with regulations.

3.5. CAPITAL FINANCING STRATEGIES

- Ensure service delivery needs are in line with multi-year financial plan;
- Careful consideration/prioritization on utilizing available resources in line with the IDP;
- Analyse feasibility and impact on operating budget before capital projects are approved;
- Determine affordable limits for borrowing;
- Source external funding in accordance with affordability;
- Improve capital budget spending; and
- Maximizing of infrastructural development through the utilisation of all available resource.

3.6. Cost-Effective Strategy

- Invest surplus cash not immediately required at the best available rates;
- Restrict capital and operating expenditure increases in relation to the inflation rate taking into consideration the macro economic growth limit guideline and municipal cost increases.
- To remain as far as possible within the following selected key budget assumptions:
- Provision of bad debts of at least 2%;
- Overall cost escalation to be linked to the average inflation rate;
- Tariff increases to be in line with inflation plus municipal growth except when regulated;
- Maintenance of assets of at least 3% of total operating expenditure;
- Capital cost to be in line with the acceptable norm of 18%;
- Outstanding external debt not to be more than 50% of total operating revenue less government grants; and
- Utilisation of Equitable Share for indigent support through Free Basic Services

3.7. Measurable Performance Objectives for Revenue

- To maintain the debtors to revenue ratio below 10%;
- To maintain a debtors payment rate of above 85%;
- To ensure that the debtors return remain under 60 days; and
- To keep the capital cost on the Operating Budget less than 18%.

3.8. Financial Management Policies

The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget related policies:

- **Tariff Policy** – the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000;
- **Indigent Support Policy** – to provide access to and regulate free basic services to all indigents;
- **Budget Policy** – this policy set out the principles which must be followed in preparing a Medium-Term Revenue and Expenditure Framework Budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.
- **Asset Management Policy** – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment;
- **Accounting Policy** – the policy prescribes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognized Accounting Practices and Accounting Standards;
- **Supply Chain Management Policy** – this policy is developed in terms of Section 11 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services
- **Subsistence and Travel Policy** – this policy regulates the reimbursement of travelling and subsistence cost to officials and councillors attending official business
- **Credit Control and Debt Collection Policy** – this policy provides for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.
- **Investment and Cash Management Policy** – this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible.
- **Short-term Insurance Policy** – the objective of the policy is to ensure the safeguarding of Council's assets

4. REVENUE FRAMEWORK

In order to serve the community and to render the services needed, revenue generation is fundamental to financial sustainability of every municipality

The reality is that we are faced with developmental backlogs and poverty, challenging our revenue generation capacity. The requests always exceed the available funds. This becomes more obvious when compiling the municipality's annual budget

Municipalities must table a balanced and more credible budget, based on realistic estimation of revenue that is consistent with their budgetary resources and collection experience

The revenue strategy is a function of key components such as:

- Growth in town and economic development;
- Revenue enhancement;
- Achievement of above 90% annualized collection rate for consumer revenue;
- National Treasury guidelines;
- Approval of full cost recovery of specific department;
- Determining tariff escalation rate by establishing/calculating revenue requirement; and
- Ensuring ability to extent new services and recovering of costs thereof

The South African economy is taken an economic downturn and it will take some time for municipal revenues to increase through local economic growth.

5. GRANT FUNDING

The Division of Revenue Act contains allocations from National and Provincial, which allocations are recognized as government grants and factored as follows over the medium term.

The Equitable share allocation to the local sphere of government is an important supplement to existing municipal revenue and takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities.

Municipal Infrastructure Grant allocation which caters for the infrastructure backlogs within Alfred Nzo District Municipality.

Other Provincial, COGTA and any other grants in kind allocations which cater for specific projects for that particular year.

When these funds are received from Treasury the Municipality opens a separate bank account for each Grant so that when the funds are spent they are transferred from the relevant bank account to the main bank account.

The municipality managed to spend 100% on all the grants that were allocated to it, except to mention a R15m for MIG that has been taken by the National Treasury due to non-spending. The municipality is required by the MFMA to report on those grants on a monthly, quarterly and yearly basis according to DORA requirements in terms of data strings, S71, S52, Section 72 etc.

DC44 Alfred Nzo - Supporting Table SA18

Transfers and grant receipts

Description	R e f	2017 /18	2018 /19	2019 /20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audi ted Outc ome	Audi ted Outc ome	Audi ted Outc ome	Origi nal Bud get	Adju sted Bud get	Full Year Fore cast	Bud get Year 2021 /22	Bud get Year +1 2022 /23	Bud get Year +2 2023 /24
RECEIPTS:	1									
-	2									
<u>Operating Transfers and Grants</u>										
National Government:		592, 770	534, 453	581, 036	623, 175	696, 357	696, 357	645, 048	669, 483	672, 251
Local Government Equitable Share		437, 586	510, 344	556, 720	598, 038	673, 097	673, 097	618, 487	653, 836	655, 844

Finance Management	1,795	1,865	1,865	1,700	1,700	1,700	1,950	1,950	1,950
Municipal Systems Improvement							3,031	5,741	5,994
Energy Efficiency and Demand Management	5,000	6,000	6,000	5,000	5,000	5,000	4,000	–	–
EPWP Incentive	10,280	10,844	9,174	8,751	8,751	8,751	9,740	–	–
Water Services Operating Subsidy	110,000								
Infrastructure Skills Development Grant	5,394	5,400	5,400	5,500	5,500	5,500	5,500	5,500	6,000
Municipal Human Settlement Capacity Grant [Schedule 5B]	22,715								
Municipal Disaster Grant			1,877	1,877					
Road Asset Management Systems Grant [Schedule 5B]				2,309	2,309	2,309	2,340	2,456	2,463
Provincial Government:	–	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	17,826	17,826	–	–	–

Capacity Building and Other						17,826	17,826			
Other grant providers:		633	374	566	–	12,791	12,791	–	–	–
Agricultural Sector Education and Training Authority						729	729			
Construction, Education and Training SETA										
Development Bank of South Africa		(2)								
Education, Training and Development Practices SETA		634	374	403		435	435			
Fibre Processing and Manufacturing SETA						1,000	1,000			
National Skills Fund						9,402	9,402			
Unspecified				163						
Wholesale and Retail Sector SETA						1,224	1,224			
Total Operating Transfers and Grants	5	593,403	534,827	581,602	623,175	726,974	726,974	645,048	669,483	672,251
Capital Transfers and Grants										

National Government:	429,843	503,271	436,127	597,284	584,784	584,784	539,778	558,125	602,591
Municipal Infrastructure Grant (MIG)	373,989	347,914	305,129	373,334	373,334	373,334	398,778	433,122	453,622
Regional Infrastructure Bulk		43,067	44,003	105,000	92,500	92,500	31,000	25,003	43,969
Water Services Infrastructure Grant		110,000	84,570	118,950	118,950	118,950	110,000	100,000	105,000
Regional Infrastructure Bulk Grant [Schedule 5B]	53,569								
Rural Household Infrastructure Grant [Schedule 5B]	0								
Rural Road Asset Management Systems Grant		2,290	2,426						
Public Transport Infrastructure Grant [Schedule 5B]	2,285								
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
<i>Capacity Building and Other</i>									

Other grant providers:		-	-	-	-	-	-	-	-	-
<i>Agricultural Sector Ed</i>										
Total Capital Transfers and Grants	5	429,843	503,271	436,127	597,284	584,784	584,784	539,778	558,125	602,591
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1,023,246	1,038,098	1,017,729	1,220,459	1,311,758	1,311,758	1,184,826	1,227,608	1,274,842

6. TARIFF SETTING

Alfred Nzo District Municipality derives its revenue from the provision of services such as water and sanitation. A considerable portion of the revenue is also derived from grants by national governments as well as other minor charges such as tender documents, interests from investments and clearance certificate charges.

As in the past, increase cost primarily driven by the Consumer Price Index (CPIX), dictates an increase in the tariffs charged to the consumers. It therefore follows that all the tariffs will have to be increased by a percentage in line with the forecasted CPIX estimated at 6% for the 2021/2122 and 4.4% for 2022/2023.

It is realised that the ability of the community to pay for services rendered is also under tremendous pressure and that the economic outlook for the near future require everybody to make sacrifices.

7. DEBTORS

Debtors with the age of ninety days (90) plus constitute more **than 60%** of the total debtors book.

The credit control and debt collection policy has been reviewed to address indigents, pensioners and child headed households. It further addresses the debts of customers who have now been converted to pre-paid water wherein in **20%** of the prepaid water purchase will be allocated to the old debt and 80% towards the purchase of water.

The debtor's book constitutes **20%** of the total municipal operating budget.

Collection rate was 60% in the 2020/2021 as at Feb 2021.

DC44 Alfred Nzo - Table A1

Consolidated Budget

Summary

Description	2017 /18	2018 /19	2019 /20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
	Audi ted Outc ome	Audi ted Outc ome	Audi ted Outc ome	Origi nal Bud get	Adju sted Bud get	Full Year Fore cast	Pre- audit outc ome	Bud get Year 2021 /22	Bud get Year +1 2022 /23	Bud get Year +2 2023 /24
R thousands										
<u>Financial Performance</u>										
Property rates	—	—	—	—	—	—	—	—	—	—
Service charges	35,6 98	36,0 22	24,6 65	50,1 87	39,8 28	40,4 98	22,4 62	38,0 76	39,2 01	40,9 26
Investment revenue	25,2 64	38,8 57	45,3 62	31,3 04	28,8 70	28,8 70	15,4 02	30,1 08	31,3 73	32,7 53
Transfers recognised - operational	593, 403	534, 827	581, 602	623, 175	696, 792	696, 792	523, 671	645, 048	669, 483	672, 251
Other own revenue	10,2 43	2,16 3	1,58 1	88,7 47	89,0 50	89,0 50	678	90,8 38	94,6 53	98,8 18
Total Revenue (excluding capital transfers and contributions)	664, 607	611, 869	653, 211	793, 413	854, 540	855, 210	562, 214	804, 070	834, 709	844, 747

Employee costs	226,240	244,076	273,453	304,577	296,944	296,944	173,859	319,436	332,740	347,399
Remuneration of councillors	9,803	10,359	11,565	11,970	11,702	11,702	7,164	12,396	12,917	13,485
Depreciation & asset impairment	73,084	77,302	80,254	100,000	100,000	100,000	54,493	100,000	104,200	108,785
Finance charges	1,723	739	359	–	–	–	3	–	–	–
Inventory consumed and bulk purchases	7,973	11,852	8,624	31,179	34,372	34,372	5,942	33,158	34,554	36,069
Transfers and grants	751	17,754	18,707	20,815	21,045	21,045	17,437	21,050	21,934	22,899
Other expenditure	199,279	209,237	223,244	302,481	391,605	391,605	160,295	298,195	299,773	282,042
Total Expenditure	518,855	571,318	616,206	771,022	855,669	855,669	419,194	784,235	806,118	810,680
Surplus/(Deficit)	145,753	40,550	37,004	22,391	(1,129)	(459)	143,019	19,834	28,591	34,068
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	376,274	503,271	436,127	597,284	584,784	584,784	249,869	539,778	558,125	602,591

Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	53,569	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	575,596	543,822		619,675	583,655	584,325	392,888	559,612	586,716	636,659
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	575,596	543,822	—	619,675	583,655	584,325	392,888	559,612	586,716	636,659
<u>Capital expenditure & funds sources</u>										

			1,07							
Capital expenditure	662,211	723,939	5,494	613,944	578,066	578,066	231,568	551,730	570,499	615,468
Transfers recognised capital	- 616,821	565,489	850,903	569,917	510,653	510,653	225,220	499,900	516,493	559,085
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	3,117	12,923	44,027	67,414	67,414	5,103	51,830	54,007	56,383
Total sources of capital funds	616,821	568,606	863,826	613,944	578,066	578,066	230,322	551,730	570,499	615,468
<u>Financial position</u>										
Total current assets	176,901	401,523	693,052	525,423	801,067	801,067	993,245	930,246	1,025,393	1,128,992
Total non current assets	3,607,766	3,936,152	4,240,338	4,646,125	4,733,769	4,733,769	4,421,529	5,185,472	5,651,772	6,158,455
Total current liabilities	155,704	159,942	300,860	174,591	302,830	302,830	400,775	277,672	251,454	224,088
Total non current liabilities	13,505	14,345	9,836	15,033	9,836	9,836	9,829	9,836	9,836	9,836
Community wealth/Equity	3,051,556	3,629,625	4,163,333	4,981,923	5,222,170	5,222,170	4,622,693	5,828,211	6,415,875	7,053,524

<u>Cash flows</u>										
Net cash from (used) operating	838,146	1,630,009	1,854,230	738,372	94,564	94,564	838,230	623,320	653,574	706,458
Net cash from (used) investing	7,335	6,791	17,695	613,944	67,414	67,414	9,727	(551,730)	(570,499)	(615,468)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	861,991	1,740,386	2,162,444	1,656,781	748,720	748,720	1,435,129	745,196	828,270	919,259
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	103,574	290,519	586,742	435,565	673,606	673,606	871,624	745,196	828,270	919,259
Application of cash and investments	86,970	(839,016)	96,813	70,840	207,215	207,594	330,863	184,090	134,403	82,882
Balance - surplus (shortfall)	16,605	1,129,536	489,929	364,725	466,391	466,012	540,761	561,106	693,867	836,378
<u>Asset management</u>										
Asset register summary (WDV)	1,862,091	1,873,487	1,850,463	1,946,253	1,743,564	1,743,564	1,743,564	(16,375)	(30,946)	(32,860)

Depreciation Renewal and Upgrading of Existing Assets	– 409,931	77,302 423,714	80,254 690,194	100,000 175,434	100,000 174,946	100,000 174,946	100,000 174,946	100,000 204,634	104,200 219,619	108,785 230,502
Repairs and Maintenance	8,252	38,998	43,108	51,124	113,296	113,296	113,296	75,570	78,801	82,188
<u>Free services</u>										
Cost of Free Basic Services provided	–	–	222,214	370	670	–	455	455	948	990
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
<u>Households below minimum service level</u>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewe rage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

**DC44 Alfred Nzo - Table A4 Consolidated Budgeted
Financial Performance (revenue and expenditure)**

Description	R e f	2017 /18	2018 /19	2019 /20	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework
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R thousand	1	Audi ted Outc ome	Audi ted Outc ome	Audi ted Outc ome	Orig inal Bud get	Adju sted Bud get	Full Year Fore cast	Pre- audi t outc ome	Bud get Year 2021 /22	Bud get Year +1 2022 /23	Bud get Year +2 2023 /24
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	32,4 66	32,5 50	22,1 80	44,9 55	35,4 70	35,8 05	19,3 72	34,7 28	35,9 49	37,5 31
Service charges - sanitation revenue	2	3,23 2	3,47 2	2,48 6	5,23 3	4,35 8	4,69 3	3,09 0	3,34 8	3,25 2	3,39 5
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		349	370	207	57	5	5	–	–	–	–
Interest earned - external investments		25,2 64	38,8 57	45,3 62	31,3 04	28,8 70	28,8 70	15,4 02	30,1 08	31,3 73	32,7 53
Interest earned - outstanding debtors		–	–	–	–	–	–	–	–	–	–

Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—
Licences and permits		—	—	—	—	—	—	—	—	—	—
Agency services		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies		593,403	534,827	581,602	623,175	696,792	696,792	523,671	645,048	669,483	672,251
Other revenue	2	9,367	3,034	1,503	88,690	89,045	89,045	678	90,838	94,653	98,818
Gains		528	(1,240)	(130)	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		664,607	611,869	653,211	793,413	854,540	855,210	562,214	804,070	834,709	844,747
<u>Expenditure By Type</u>	-										
Employee related costs	2	226,240	244,076	273,453	304,577	296,944	296,944	173,859	319,436	332,740	347,399
Remuneration of councillors		9,803	10,359	11,565	11,970	11,702	11,702	7,164	12,396	12,917	13,485
Debt impairment	3	244	7,815	2,593	25,000	23,300	23,300	—	15,000	15,630	16,318

Depreciation & asset impairment	2	73,084	77,302	80,254	100,000	100,000	100,000	54,493	100,000	104,200	108,785
Finance charges		1,723	739	359	–	–	–	3	–	–	–
Bulk purchases - electricity	2	7,973	8,911	8,624	7,700	7,700	7,700	5,942	8,000	8,336	8,703
Inventory consumed	8	–	2,942	–	23,479	26,672	26,672	–	25,158	26,218	27,366
Contracted services		123,197	118,565	142,841	186,748	269,849	269,849	109,721	200,857	198,478	176,134
Transfers and subsidies	4	751	17,754	18,707	20,815	21,045	21,045	17,437	21,050	21,934	22,899
Other expenditure	5	71,736	82,857	77,857	90,734	98,456	98,456	50,574	82,338	85,665	89,590
Losses		4,102	–	(47)	–	–	–	–	–	–	–
Total Expenditure		518,855	571,318	616,206	771,022	855,669	855,669	419,194	784,235	806,118	810,680
Surplus/(Deficit)		145,753	40,550	37,004	22,391	(1,129)	(459)	143,019	19,834	28,591	34,068
Transfers and subsidies - capital (monetary allocations) (National /		376,274	503,271	436,127	597,284	584,784	584,784	249,869	539,778	558,125	602,591

Provincial and District)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		53,569	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Taxation		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Attributable to minorities		—	—	—	—	—	—	—	—	—	—

Surplus/(Deficit) attributable to municipality		575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659
Share of surplus/ (deficit) of associate	7	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year		575,596	543,822	473,131	619,675	583,655	584,325	392,888	559,612	586,716	636,659

8. CONCLUSION

The continued improvement and development of an effective financial planning process aids the actualization of fulfilling the municipality's facilitating role to capacitate the community to build a better future for all. The Financial planning imperatives contribute to ensuring that the Municipality remains financially viable and that municipal services are provided economically to all communities. The Multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing will certainly ensure the sustainability of the Municipality over the medium-to long-term.

5. Strategic Framework: Vision, Mission, Values, Goals and Strategies

5.1. Introduction

This Chapter introduces ANDM's Vision and Mission which give direction to the developmental agenda of the Municipality.

The broader developmental agenda of ANDM consists of short, medium and long term development goals. The District Municipality is committed to the objectives of local government which are enshrined in section 152 (1) of the Constitution of the Republic of South Africa, 1996 namely:

- a) To provide democratic and accountable government for local communities; b) To ensure the provision of services to communities in a sustainable manner; c) To promote social and economic development;
- d) To promote a safe and healthy environment; and
- e) To encourage the involvement of communities and community organisations in the matters of local government.

Our development strategies therefore aim to ensure we deliver on the expected outcomes of the developmental mandate of the local sphere of government.

5.2. Vision

A vision statement provides strategic direction and describes what our elected leadership and those it represents, want the Municipality to achieve in the future. Our commitment to undertake the comprehensive development of this, the poorest district in South Africa, is comprehensively expressed in the following Vision, namely:

"A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and socio-economic opportunities."

5.3. Mission

Our mission statement describes the municipality's purpose and answers the questions: "What business are we in?" and "What is our business for?" The Mission of this Municipality is:

"To be a responsive and capable institution that effectively delivers basic services and innovative development programmes with a strong orientation to rural development in partnership with its communities and other social partners"

5.4. Values

The agreed values of the District Municipality are as follows:

- Transparency
- Honesty and Integrity

- Accountability
- Professionalism
- Fairness
- Openness and Responsiveness
- Diversity

5.5. Strategic Goals

At a strategic session held in March 2020, Alfred Nzo District Municipality identified the following major thematic areas to give direction to the work of the organization:

Inclusive Growth and Development

- Local Economic Development

Effective Public Participation

- Batho-Pele
- Partnerships for Development
- Networks

Basic Services Delivery and Community Empowerment

- Back-to-Basics Programme
- Provision of equitable access to government assets
- Customer Relations and Care
- Service Excellence

Good Governance

- Oversight and Strategic Leadership
- Political Stability
- Compliance,
- Clean Administration,
- Equity

A capable Institution

- Institutional Development
- Exploit appropriate technology
- Financial Viability
- Effective assets & resource management

Springing from these thematic areas, the ANDM IDP includes the following **Strategic Goal Statements** which are aligned with the national KPAs.

1. Inclusive Growth and Development
2. Basic Services Delivery and Community Empowerment
3. Effective Public Participation, Good Governance and Partnerships
4. A capable and financially viable institution

These goals seek to ensure a strategic alignment at the highest level of the organization but do not necessarily translate directly into distinct departmental responsibilities.

This alignment with national KPAs is illustrated in table below:

Table 1: National KPA/ANDM Strategic Goals Alignment, KPIs and 5 Year Targets

National KPAs:	ANDM Strategic Goals:	KPI	Five Year Targets (2017 – 2022)				
			Year 1 2017/18	Year 2 2018- 2019	Year 3 2019/2 0	Year 4 2020/2 1	Year 5 2021/22
KPA1: Municipal Transformation and Organisational development (improvement of internal efficiencies and effectiveness)	A capable and financially viable institution (4)	Progress report on improvement of internal efficiency and effectiveness (institutional transformation plan report: e.g. filling of top six post, performance management, training, labour relations etc.)	1	1	1	1	1
KPA2: Basic-Service Delivery (particularly water and sanitation. ANDM is both WSA and WSP for the district)	Basic Services Delivery and Community Empowerment (2)	Number of fundable consolidated infrastructure plans	1	1	1	1	1
KPA3: Local Economic Development (to expand the local economy and increase employment and reduce poverty)	Inclusive Growth and Development (1)	• Minimum number of district fundable economic catalytic projects	5	5	5	5	5
		• Number of Small Towns with implementation of the Small Towns revitalisation programme	5	5	5	5	5
KPA4: Financial viability and financial management (improve ANDM's performance in this area)	A capable and financially viable institution (4)	• Audit opinion (QA = Qualified Audit; UQA = Unqualified Audit; CA = Clean Audit)	UQA	UQA	CA	CA	CA
		• A Progress Report on Implementation of the Financial Management Plan	1	1	1	1	1

KPA5: Good governance and public participation (deepen democracy)	Effective Public Participation, Good Governance and Partnerships (3)	• Progress Report on the Functionality of council meetings, oversight structures, section 79 committee, audit committees, District IGS forums	1	1	1	1	1
		• A Progress Report on various Good Governance initiatives (anti-corruption, compliance with legislation and by-laws & service delivery protests)	1	1	1	1	1
KPA6: Cross-cutting issues (integrated development and strong partnerships)	Effective Public Participation, Good Governance and Partnerships (3)	• Minimum number of multi-stakeholder partnership (e.g. SANRAL, DBSA, IDC, PIC; CoGTA, Prov. Treasury OTP, ECSECC etc)	10	10	10	10	10

The above ANDM strategic goals are described in further detail below:

5.5.1. Inclusive Growth and Development

In order to grow the local economy of AND, the Municipality has to create an enabling environment which will support local economic development, agriculture and forestry, construction and tourism and attract investment into the area. This will stimulate economic activity and result in job creation to alleviate poverty. In order for the economy to grow, it is essential that the correct infrastructure is in place to accommodate current and new business and agricultural activities. Therefore infrastructure investment has to be a primary focus for the next 10 to 15 years. This can link to the already significant N2 road building programme. The leading sectors such as agriculture and small business need to be stimulated to ensure that the key towns in the district become regional services hubs. Sector strategies need to be effectively implemented in partnership with a range of stakeholders to ensure economic stimulation. Due to the importance of the local educational facilities such as Ingwe TVET, education needs to be seen as a priority in terms of future growth potential of the district. ANDM should aim to set the pace in transformation of under-developed former Bantustan areas.

5.5.2. Basic Service Delivery and Community Empowerment

To deliver quality services in AND it is essential that all residents have access to basic services (water, sanitation) provided by local government. While access to basic services by all citizens should be 100%, the district is particularly disadvantaged (fewer than 10% of residents currently have access to municipal water) and this may take some time. Delivery of quality, affordable housing also needs to be improved. The Council needs to make land available for town development and proper development controls must be in place, particularly in rapidly growing areas along new roads.

5.5.3. Effective Public Participation, Good Governance and Partnerships

ANDM must ensure that all members of the public and organised business, agriculture and other organisations have the opportunity to participate in our decision making processes. It is of utmost importance that a culture of participation is nurtured. A proper and responsive customer care system must be put in place. Public and private sector organisations must play a more active role in the decision making process and proper platforms established to allow public participation at various levels of government. We should strive to develop all our public facilities such as community halls and multi-purpose centres as "one-stop shops" where communities can be linked to government programmes.

The Municipality must ensure that good governance is key and free of corruption to ensure services are delivered as effectively and efficiently as possible. The District should be managed as transparently as possible: our Communications Unit must ensure a

regular flow of information to the public on municipal activities. This relates directly to the way in which municipal income and grants are spent. It is essential that good financial practices are adhered to in order to ensure value for money and inhibit corruption, as will be indicated by clean audits from the Auditor General. Financial sustainability also needs to incorporate financial planning for future revenue streams and ways to increase business activity without increasing the service charge burden which deters economic growth. Strategic planning needs to be done in order to find the correct ways to attract and retain business and stimulate agriculture.

5.5.4. A Capable and Financially Viable Institution

National government has determined that all municipalities must enforce competency standards for managers and appoint persons with the requisite skills, expertise and qualifications. All staff are required to sign performance agreements. Performance management systems must be managed and implemented. Municipal management is obliged to conduct regular engagements with labour to ensure sound labour relations.

We aim to ensure that our municipal organisation is productive and rooted in skilled officials and adequate human resource capacity in all departments. The focus will be on performance per department in line with specific performance indicators linked to the IDP, to ensure maximum efficiency and efficient service delivery. Transparent reporting on departmental progress will ensure that the public is able to monitor and evaluate the progress being made on IDP projects and programmes.

The above strategic goals are set to ensure that the vision and mission are realised. In order to ensure that ANDM becomes the developmental municipality we all strive for, each of the five goals needs to be linked to key implementation priorities. The following section will discuss each of the five strategic goals and the implementation priorities which are linked to community needs and our most urgent priorities

6. ANDM Strategies and Projects

6.1. Organising Framework for five year IDP Strategies

The strategies of the five year IDP are organised in terms of the following six factors:

1. Growth and Development
2. Spatial Planning
3. Service Delivery
4. Financial Viability
5. Good Governance
6. Municipal Transformation

These six factors are broadly aligned and articulate with the National Local Government KPAs. Each factor is translated into various areas of focus which constitute strategic priorities for that factor. In turn the areas of focus are articulated into strategies, with strategies translated into costed projects.

The strategies fall into three broad categories:

- Strategies that are *process and operational activities*. These are input activities to outcomes-focused IDP Strategies;
- Strategies where there are *blockages in implementation*. These are not new strategies but rather require unlocking the blockages. These should be formulated clearly either as *outcomes-focused IDP strategies* or *operational strategies*;
- Strategies that can be firmed up with proper formulations to constitute *outcomes-focused IDP strategies*

6.2. 2020-2021 IDP Strategies, Projects and Budgets

mSCOA is a Municipal Standard Chart of Accounts. It is a multi-dimensional recording and reporting system across seven segments:

- Function or sub-function (GFS votes structure)
- Item (asset, liability, revenue, expenditure, etcetera)
- Funding source (rates, services charges, grants, loans, etcetera)
- Project (capital, operating, repair & maintenance, programme, etcetera)

- Costing (activity based recoveries, internal billing & departmental charges)
- Regional indicator (jurisdictional area, town, suburb, ward, etcetera)
- Municipal Standard Classification (own cost centres votes structure)

mSCOA is regulated through the mSCOA Regulations and is compulsory as from 1 July 2017.

Key requirements include:

- Need to table mSCOA Regulations at Council
- Need to table a mSCOA Project Plan at Council
- Need to have an mSCOA Project Implementation and ITC Risk Register in place (or late billing will lead to no payments and cash flow problems, no service delivery)
- A non-compatible mSCOA payroll system will lead to payment of salaries out of time, etc
- mSCOA compliant financial systems need to be implemented
- An in-house mSCOA champion should be appointed
- Need to appoint an mSCOA Steering Committee and Project Management Team
- Need to establish mSCOA Project Management Office
- Need to engage with provincial mSCOA forums to ensure common understanding

Council must take note of the promulgated mSCOA Regulations and of the mSCOA Project Implementation Plan and avail sufficient resources for the implementation of the project. The Executive Mayor must provide political guidance over the fiscal and financial affairs, budget process and priorities of the municipality (mSCOA is a serious budget reform issue). The Executive Mayor must monitor and oversee the Municipal Manager and Chief Financial Officer in exercising their responsibilities in terms of the MFMA (MFMA legislation directs the mSCOA Regulations). The Executive Mayor needs to oversee the implementation of the mSCOA Project Implementation Plan and the related Risks Register and ensure that the current financial system becomes mSCOA compliant; that an in-house mSCOA Champion is appointed by the Municipal Manager; that the mSCOA Steering Committee and Project Management Team are in place; and that an mSCOA Project Management Office has been established by the Municipal Manager.

The MTREF (Medium Term Revenue and Expenditure Framework) is a financial plan to enable the municipality to achieve its vision and mission through the IDP Strategy which is informed by the development agenda and community/stakeholder inputs. The financial plan is for three years, based on a fixed first year and indicative further two years budget allocations. It also includes details of the previous three years and current year's financial position.

Possible priorities arising from the District Diagnostic Review (above) to be incorporated into ANDM strategies and projects:

Strong urban planning of the five small towns (and their peripheries) is required.

- Increased focus of public investment and development initiatives in small town development, and ensuring that they become competitive and investment attractive areas.
- High population densities and high population growth in Mbizana suggests that, for example, Mzamba is a growth node and requires a special focus, particularly in view of the new Wild Coast N2.
- Municipalities must acquire more well-located land that can be made available for investors (see section on construction and property development).

To upgrade the district's road network there needs to be ongoing engagement among

ANDM, the LMs, DRPW and SANRAL to ensure:

- Upgrade of roads in the new emerging peri-urbanization zones.
- Maintenance of a priority road network (preventative)
- Use of employment-intensive methods as much as possible
- Use of transport nodes to develop commercial precincts (taxi ranks, hawkers facilities, shops etc)

Water and sanitation issues to be addressed are the following:

- Optimal implementation for the WSIA programme and raising of grant funds.
- Ensure that roll-out of WSIA responds to population dynamics (peri-urbanisation trend)
- Ensure ANDM meets DWS regulatory requirements as a WSA (in terms of the Regulatory Performance Management System, RPMS). ANDM's status as WSA is under threat.

- Under-capacity, ageing and poor operations and maintenance of WTWs and
- WWTWs (poor blue drop and green drop scores).
- Implementation of water conservation and demand management strategy
- Review of a situation where all households outside towns are considered indigent in terms of free basic services.
- Expedited training of WSP personnel through SETA programmes.
- Maintenance of existing stand-alone village water schemes
- Completion of VIP toilet provision programme
- Eskom to complete household electrification programme (100,000 households)
- Municipal waste services to be delivered at least in towns and other tourism and transport nodes (use EPWP where feasible).

Future **health** priorities:

- Programmes to improve child nutrition (early childhood development)
- Achieving national norms regarding facilities and service standards, particularly in the growing and denser peri-urban areas.

Education and training priorities:

- Improve the quality of education in AND and reduce classroom backlogs.
- Ingwe TVET college to provide skills, particularly for infrastructure, construction and maintenance and modern farming practices. Ideally the college offerings should be extended and a full range of relevant curricula should be offered (in view of the very youthful population of AND)
- Development partnerships between Ingwe TVET college and, for example, SANRAL, War on Leaks, Youth Farming Initiatives etc
- Mobilise resources for the TVET expansion and upgrading through relevant SETAs, mining companies etc
- Ideally NARYSEC should also be scaled-up in AND
- Focus on improving the skills pipeline for growth sectors and major projects and specifically SETA resource mobilization and curriculum development.

- ANDM should engage with DRPW to scale-up the Accelerated Professional and Trade Competencies (APTCoD) in the district.

Agriculture priorities:

- A prospectus for partners and investors should be prepared around an AND-based "Isitiya Youth Farming Initiative". This should be a broad-based programme to unlock the potentials listed and involve a wide-range of partners.
- There should be a conference around "AND Agricultural Development Partnerships"
- That would show-case the various potentials.
- AND needs better agricultural interventions that can create and support profitable smallholder enterprises (through, for example, CPPP's, contract farming arrangements/outgrower schemes, and collection/aggregation systems).

Forestry priorities:

- Identify communities wishing to enter into community forestry arrangements
- Explore partnerships with Sappi and Hans Merensky.

Priorities for **commerce and industry**:

- Commercial and tourism property developments
- Set-up active Beach to Berg (B2B) website
- Improve infrastructure and signage of B2B route
- Plan tourism-related property developments
- Upgrade of Transido complexes
- Attraction of new incubators
- Agro-industrial development
- Crafts development

Priorities for **construction and property development**:

- Resolve land claims speedily (with assistance from the Land Claims Commission)
- ANDM to do a state land audit and get access to state land for property development.
- ANDM to support communities to acquire titles over communal land for development. DRDLR can assist with this.
- Identify and prioritise land precincts to be titled for private investment (such as coastal tourism nodes; transport nodes; along development corridors and possibly high-potential agricultural zones). This will be in preparation for a proposed AND Land Assembly.
- Ensure public sector contracts provide business and training opportunities for local people.
- Implement ANDM Contractors Development Programme.
- Detailed planning around Wild Coast N2 and coastal development.

SMME priorities:

- ANDM must identify all existing SMEs in the four priority value chains and facilitate partnerships to remove obstacles to value-chain development and support enterprise start-ups and growth.
- Use e-connecting and e-learning to form local groups of people that share development interests, and are experimenting with the possible.
- Techniques of ABCD should be more widely known and practised
- Virtual and physical (combined) enterprise incubators should be more ubiquitous than at present.

Priorities for **Municipal leadership**:

To achieve its developmental mandate the public sector must have strong leadership and much improved management capabilities. The NDP and ECPDP have proposals on how this can be achieved.

Municipal leadership in the AND should develop:

- Improved knowledge of the economic issues facing AND
- An improved understanding of the needs of all stakeholders
- A clear development vision and agenda for the District

- An ability to communicate these persuasively to relevant stakeholders.
- An ability to leverage resources from state sector departments and state-owned entities (such as IDC and PIC).

6.3. Projects

Below are the basic performance and 5 year budget information for the various projects of the relevant Departments/ Units. More detailed performance information (key performance indicators, annual, quarterly targets, etc) is contained in Annexure 6 to this IDP. The high level 5 year KPIs and Targets appear in paragraph 5.5 above.

6.3.1. Infrastructure Development and Municipal Services (IDMS)

6.3.1.1 WCDM Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.1.1.1	Basic Service Delivery	Improve quality of Municipal Infrastructure and enhance revenue collection	Bulk, commercial and domestic water meter supply	WCDM	Equitable Share	Whole Municipality	Y	3 138 000.00	-
6.3.1.1.2	Basic Service Delivery	Ensure reduction of water losses for ANDM.	District wide telemetry	WCDM	Equitable Share	Whole Municipality	Y	2 615 000.00	-

6.3.1.1.3	Basic Service Delivery	Ensure No Drop compliance for ANDM	Bulk & domestic Water Meters Replacement and Repairs	WCDM	Equitable Share	Whole Municipality	Y	3 138 000.00	3 282 348.00
6.3.1.1.4	Basic Service Delivery	Ensure monitoring of reservoir levels for improved early warning system for ANDM	Telemetry repairs	WCDM	Equitable Share	Whole Municipality	Y	2 615 000.00	2 735 290.00
6.3.1.1.5	Basic Service Delivery	Ensure monitoring of reservoir levels for improved early warning system for ANDM	WCDM Materials and Supply	WCDM	Equitable Share	Whole Municipality	Y	313 800.00	328 234.80
6.3.1.1.6	Basic Service Delivery	Ensure monitoring of reservoir levels for improved early warning system for ANDM	Awareness Campaigns	WCDM	Equitable Share	Whole Municipality	Y	2 500 000.00	3 000 000.00
6.3.1.1.7	Basic Service Delivery	Ensure monitoring of reservoir levels for improved early warning system for ANDM	Field Equipment	WCDM	Equitable Share	Whole Municipality	Y	1 569 000.00	1 641 174.00

6.3.1.2 Project Management Unit (PMU)

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.1.2.1	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Matatiele LM	PMU	MIG	Alfred Nzo	N	-	-
6.3.1.2.2	Basic Service Delivery	Improve the quality of municipal infrastructure services	Fobane Sub-Regional Water Supply Scheme - Phase 2	PMU	MIG	Alfred Nzo	N	28 000 000.00	50 000 000.00
6.3.1.2.3	Basic Service Delivery	Improve the quality of municipal infrastructure services	Matatiele Ward 15 Water Supply (Incorporating parts of Ward 16)	PMU	MIG	Alfred Nzo	N	20 000 000.00	26 899 213.00

6.3.1.2.4	Basic Service Delivery	Improve the quality of municipal infrastructure services	Matatiele Ward 5 Water Supply Scheme (Project Amendment)	PMU	MIG	Alfred Nzo	N	20 000 000.00	35 000 000.00
6.3.1.2.5	Basic Service Delivery	Improve the quality of municipal infrastructure services	Matatiele Ward 18 & 22 Water supply - Revised Scope & Costs	PMU	MIG	Matatiele	Y	16 000 000.00	35 000 000.00
6.3.1.2.6	Basic Service Delivery	Improve the quality of municipal infrastructure services	Matatiele WWTW (new)	PMU	MIG	Alfred Nzo	Y	-	6 000 000.00
6.3.1.2.7	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Mbizana LM	PMU	MIG	Alfred Nzo	Y	-	-
6.3.1.2.8	Basic Service Delivery	Improve the quality of municipal infrastructure services	Servicing Mbizana Town Area with Sewerage	PMU	MIG	Alfred Nzo	Y	64 741 833.00	80 000 000.00
6.3.1.2.9	Basic Service Delivery	Improve the quality of municipal infrastructure services	Greater Mbizana Water Supply-Phase 1A Reticulation System (Supply Zones A, C, E & O) Project Adjustment	PMU	MIG	Alfred Nzo	Y	75 521 654.00	95 000 000.00

6.3.1.2.10	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mbizana Ward 10,12,13 and 15 WS	PMU	MIG	Alfred Nzo	Y	-	60 000 000.00
6.3.1.2.11	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mbizana Ward 29 and 30 WS	PMU	MIG	Alfred Nzo	Y	-	15 000 000.00
6.3.1.2.12	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mbizana Ward 21,23&24 WS	PMU	MIG	Alfred Nzo	Y	-	5 000 000.00
6.3.1.2.13	Basic Service Delivery	Improve the quality of municipal infrastructure services	Ntabankulu Wards 12 Water Supply Scheme - Implementation Phase (Amendment)	PMU	MIG	Alfred Nzo	Y	33 701 651.00	-
6.3.1.2.14	Basic Service Delivery	Improve the quality of municipal infrastructure services	Ntabankulu Wards 14 Water Supply Scheme - Implementation Phase (Amendment)	PMU	MIG	Alfred Nzo	Y	33 545 349.00	-
6.3.1.2.15	Basic Service Delivery	Improve the quality of municipal infrastructure services	Nyokweni/Bomvini Regional Water Supply Scheme : Phase 2 Amendment	PMU	MIG	Alfred Nzo	Y	20 000 000.00	39 466 687.08

6.3.1.2.16	Basic Service Delivery	Improve the quality of municipal infrastructure services	Ntabankulu 1,5 & 6 WS	PMU	MIG	Alfred Nzo	Y	-	30 000 000.00
6.3.1.2.17	Basic Service Delivery	Improve the quality of municipal infrastructure services	Ntabankulu 3 & 4 WS	PMU	MIG	Alfred Nzo		-	20 000 000.00
6.3.1.2.18	Basic Service Delivery	Improve the quality of municipal infrastructure services	Construction of VIP Toilets in Umzimvubu LM : Ward 19	PMU	MIG	Alfred Nzo	Y	-	-
6.3.1.2.19	Basic Service Delivery	Improve the quality of municipal infrastructure services	Cabazana Bulk Water Supply	PMU	MIG	Alfred Nzo	Y	48 322 891.00	30 000 000.00
6.3.1.2.20	Basic Service Delivery	Improve the quality of municipal infrastructure services	Umzimvubu LM : Cabazana Bulk Water Supply : Sections 1 & 2 Water Reticulation	PMU	MIG	Alfred Nzo	Y	48 322 891.00	30 000 000.00
6.3.1.2.21	Basic Service Delivery	Improve the quality of municipal infrastructure services	Ntibane Water Supply Scheme and Surrounding Villages – Manqilweni & Mgungundlovu Implementation”	PMU	MIG	Alfred Nzo	Y	27 531 721.00	20 000 000.00

6.3.1.2.22	Basic Service Delivery	Improve the quality of municipal infrastructure services	Umzimvubu Ward 13 WS	PMU	MIG	Alfred Nzo	Y	-	-
6.3.1.2.23	Basic Service Delivery	Improve the quality of municipal infrastructure services	Umzimvubu Ward 3 & 17 WS	PMU	MIG	Alfred Nzo	Y		
6.3.1.2.24	Basic Service Delivery	Improve the quality of municipal infrastructure services	Umzimvubu Ward 20 & 21 WS	PMU	MIG	Alfred Nzo	Y		

6.3.1.3 Water Services Provision (WSP)

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.1.3.1	Basic Service Delivery	Improve expenditure management and controls	Rehabilitation of Mbizana Sewer Ponds	WSP	Equitable share	Mbizana	Y	1 569 000.00	1 641 174.00

6.3.1.3.2	Basic Service Delivery	Optimize systems, administration and operating procedures	Rehabilitation of Ntabankulu Sewer Ponds	WSP	Equitable	Ntabankulu	N	0-0	0-
6.3.1.3.3	Basic Service Delivery	Improve disaster management and prevention	Refurbishment of Ntabankulu Rural Water Schemes	WSP	Equitable Share	All LMs	N	0	0
6.3.1.3.4	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment of Mzimvubu Rural Water Schemes	WSP	Equitable Share	Matatiele	Y	0	0
6.3.1.3.5	Basic Service Delivery	Improve expenditure management and controls	Refurbishment of Mbizana Rural Water Schemes	WSP	Equitable Share	All LMs	Y	0	0
6.3.1.3.6	Basic Service Delivery	Improve the quality and flow of water and sanitation	Refurbishment of Matatiele Rural Water Schemes	WSP	Equitable Share	Matatiele	Y	1 569 0000	1 641 174
6.3.1.3.7	Basic Service Delivery	Improve the quality and flow of water and sanitation	Infrastructure Maintenance Plan	WSP	Equitable Share	Matatiele	Y		

6.3.1.3.8	Basic Service Delivery	Improve the quality and flow of water and sanitation	Maintenance of Ntabankulu Rural Water Schemes	WSP	Equitable Share	Ntabankulu	Y	4 602 400	4 814 110.40
6.3.1.3.9	Basic Service Delivery	Improve the quality and flow of water and sanitation	Maintenance of Mzimvubu Rural Water Schemes	WSP	Equitable Share	Umzimvubu	Y	10 460 000	10 941 160
6.3.1.3.10	Basic Service Delivery	Improve the quality of municipal infrastructure services	Maintenance of Mbizana Rural Water Schemes	WSP	Equitable Share	Mbizana	Y	4 654 700	4 868 816.20
6.3.1.3.11	Basic Service Delivery	Improve the quality of municipal infrastructure services	Maintenance of Matatiele Rural Water Schemes	WSP	Equitable Share	Matatiele	Y	10 460 000	10 941 160
6.3.1.3.12	Basic Service Delivery	Improve the quality of municipal infrastructure services	Drought Relief	WSP	Equitable Share	Mbizana	Y	1 569 000	1 641 174
6.3.1.3.13	Basic Service Delivery	Improve the quality of municipal infrastructure services	Refurbishment of Matatiele WTW	WSP	Equitable Share	Ntabankulu	Y	1 046 000	1 094 116

6.3.1.3.14	Basic Service Delivery	Improve the quality of municipal infrastructure services	Conversion of diesel to electricity pumps	WSP	Equitable Share	All LMS	Y	1 046 000	0
6.3.1.3.15	Basic Service Delivery	Improve the quality of municipal infrastructure services	Mnceba Water Scheme	WSP	Equitable Share	Umzimvubu	Y	1 569 000	1 641 174
6.3.1.3.16	Basic Service Delivery	Improve the quality of municipal infrastructure services	Bulk Water Purchase	WSP	Equitable Share	ANDM (All LMs)	Y	8 470 000	9 317 000
6.3.1.3.17	Basic Service Delivery	Improve the quality of municipal infrastructure services	Purification Chemicals (Water & Wastewater)	WSP	Equitable Share	ANDM (All LMs)	Y	4 707 000	4 923 522
6.3.1.3.18	Basic Service Delivery	Improve the quality of municipal infrastructure services	Electricity	WSP	Equitable Share	ANDM (All LMs)	Y	12 849 515	16 578 592.69
6.3.1.3.19	Basic Service Delivery	Improve the quality of municipal infrastructure services	Fuel	WSP	Equitable Share	ANDM (All LMs)	Y	4 445 500	4 649 993

6.3.1.3.20	Basic Service Delivery	Improve the quality of municipal infrastructure services	Materials and supplies	WSP	Equitable Share	ANDM (All LMs)	Y	0	0
6.3.1.3.21	Basic Service Delivery	Improve the quality of municipal infrastructure services	Materials and supplies	WSP	Equitable Share	ANDM (All LMs)	Y	0	0
6.3.1.3.22	Basic Service Delivery	Improve the quality of municipal infrastructure services	Tools & Equipment	WSP	Equitable Share	ANDM (All LMs)	Y	1 046 000	1 094 116

6.3.2. Budget & Treasury Office

6.3.2.1. Asset & Liabilities Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.2.1.1	Financial Viability	Update of Fixed Assets Register	Update Of Fixed Asset Register	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 3 242 500.00	R 3 391 750.60

6.3.2.1.2	Financial Viability	Safeguarding and Maintenance of Assets	Vehicle Maintenance External	Budget & Treasury	Equitable Share	Whole Municipality	Y	R4 184 000.00	R4 376 464.00
6.3.2.1.3	Financial Viability	Safeguarding and Maintenance of Assets	Insurance	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 3 138 000.00	R 3 282 348.00
6.3.2.1.4	Financial Viability	Safeguarding and Maintenance of Assets	Fleet Management System	Budget & Treasury	Equitable Share	Whole Municipality	Y	R679 900.00	R711 175.40
6.3.2.1.5	Financial Viability	Safeguarding and Maintenance of Assets	Vehicles	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 8 368 000.00	R 0
6.3.2.1.6	Financial Viability	Stores Construction	Construction of Stores	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 2 092 000.00	R -
6.3.2.1.7	Financial Viability	Stores Construction	Furniture and Equipment BTO	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 2 615 000.00	R2 735 290.00
6.3.2.1.8	Financial Viability	Safeguarding and Maintenance of Assets	Licence Vehicle	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 1 569 000.00	R1 641 174.00

6.3.2.1.9	Financial Viability	Safeguarding Municipal employees	Protective Clothing	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 1 589 920.00	R1 663 056.32
6.3.2.1.10	Financial Viability	Safeguarding and Maintenance of Assets	Asset Management System	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 1 046 000.00	R1 094 116.00

6.3.2.2 Budget & Reporting

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.2.2.1	Financial Viability	Prepare accurate and reliable Annual Financial Statements	Preparation of AFS (Consultancy)	Budget & Treasury	Equitable Share	Whole Municipality		R8 432 000.00	R8 895 760.00
6.3.2.2.2	Financial Viability	Implement mSCOA budgeting and reporting	Reporting – Compliance with MFMA	Budget & Treasury	Equitable Share	Whole Municipality		R0.00	R0.00
6.3.2.2.3	Financial Viability	Implement mSCOA budgeting and reporting	Budget Implementation and Monitoring	Budget & Treasury	Equitable Share	Whole Municipality		R0.00	R0.00

6.3.2.2.4	Financial Viability	Develop and Implement credible and sustainable budget	Co-ordinate Compliant Budget and submit to stakeholders	Budget & Treasury	Equitable Share	Whole Municipality		R0.00	R0.00
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6.3.2.3 Expenditure

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.2.3.1	Financial Viability	Strengthen Governance and reduce risk	VAT Recovery	Budget & Treasury	Reserves	Whole of Municipality	Y	R15 690 000.00	R0
6.3.2.3.2	Financial Viability	Payment of Creditors within 30 Days	Creditors Management	Budget & Treasury	Equitable Share	Whole of municipality	Y	R0.00	R0.00

6.3.2.3.3	Financial Viability	Improve expenditure management and controls	Payroll Management	Budget & Treasury	Equitable Share	Whole of municipality	Y	R523 000.00	R547 058.00
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6.3.2.4 Capital Expenditure

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.2.4.1	Financial Viability	Payment of Creditors within 30 Days	Creditors Management	Budget & Treasury	Capital Grants	Whole of municipality	Y	R0.00	R0.00
6.3.2.4.2	Financial Viability	Improve and maintain expenditure management and controls	Capital project expenditure management, controls and Reporting	Budget & Treasury	Capital Grants	Whole of municipality	Y	R0.00	R0.00

6.3.2.5 Financial Information System Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.2.5.1	Financial Viability	Comply with National Treasury mSCOA regulation	Roll out of mSCOA modules on Financial Information Systems	Budget & Treasury	Equitable Share	Whole Municipality	Y	R1 987 400.00	R 0.00

6.3.2.5.2	Financial Viability	Strengthen and implement a seamless integrated 3rd party financial management system.	Financial Management System support and maintenance (SLA)	Budget & Treasury	Equitable Share	Whole Municipality	Y	R0.00	R0.00
6.3.2.5.3	Financial Viability	Ensure adherence to policies and legislation	Review and enforcement of Roles and Responsibilities	Budget & Treasury	N/A	Whole Municipality	Y	R0.00	R0.00
6.3.2.5.4	Financial Viability	Ensure Financial System is up and running and service providers adhere to SLA requirements	Annual renewal of Licences and SLA monitoring	Budget & Treasury	Equitable Share	Whole Municipality	Y	R1 359 800,00	R1 422 350.80
6.3.2.5.5	Financial Viability	Ensure effective and efficient financial management	Incident Management Monitoring System	Budget & Treasury	N/A	Whole Municipality	Y	R0.00	R0.00

6.3.2.6 Revenue

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village	Multi-Year Project (Y/N)	2021/2022	2022/2023
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						and or coordinates)			
6.3.2.6.1	Financial Viability	Implement Revenue Enhancement Strategy, Tariff policy and by laws, Credit and Debt by laws	Revenue Enhancement Strategy	Budget & Treasury	Equitable Share	Whole Municipality	Y	R2 824 200.00	R2 954 113.20
6.3.2.6.2	Financial Viability	Implement Credit and Debt Collection policy and By laws	Revenue Collection Data Cleansing	Budget & Treasury	Own Revenue	Whole Municipality	Y	R1 569 000.01	R1 641 174.00
6.3.2.6.3	Financial Viability	Safeguarding of Satellite offices	Rent and Leases	Budget & Treasury	Own Revenue	Whole Municipality	Y	R2 615 000.00	R2 735 290.00
6.3.2.6.4	Financial Viability	Develop and implement Cash and Investment policy	Cash and Investment management (Part 1A, Part 2B, 3C, Part 4D)	Budget & Treasury	N/A	Whole Municipality	Y	R0.00	R0.00
6.3.2.6.5	Financial Viability	Develop and Implement Credit Control ,Tariff policy and Model	Construction of Revenue office	Budget & Treasury	N/A	Whole Municipality	Y	R2 615 000.00	R-
6.3.2.6.6	Financial Viability	To improve ANDM audit opinion	Preparation of lead schedules for AFS	Budget & Treasury	N/A	Whole Municipality	Y	-	-
6.3.2.6.7	Financial Viability	Implement Indigent Policy	Indigent Management	Budget & Treasury	N/A	Whole Municipality	Y	R3 138 000.00	R3 282 348.00

6.3.2.7 Supply Chain Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.2.7.1	Financial Viability	Maximize economies of scale and value for money by complying with SCM policies.	SCM Management Projects	Budget & Treasury	Equitable Share	Whole Municipality	Y	R 0	R 0
6.3.2.7.2	Financial Viability	Maximize economies of scale and value for money by complying with SCM policies.	Management of procurement plan	Budget & Treasury	Equitable Share	Whole Municipality	Y	R0	R0
6.3.2.7.3	Financial Viability	Maximize economies of scale and value for money by complying with SCM policies.	Contract Management System	Budget & Treasury	Equitable Share	Whole Municipality	Y	R500 000.00	R547 058.00

6.3.3 CORPORATE SERVICES

6.3.3.1 Admin Support

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.3.1.1	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	RECORDS MANAGEMENT	AS	ES	Alfred Nzo District			
6.3.3.1.2	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	SECURITY SERVICES	AS	ES	Alfred Nzo District			
6.3.3.1.3	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	SECURITY INFRASTRUCTURE PROV C	AS	ES	Alfred Nzo District			
6.3.3.1.4	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	FACILITIES MANAGEMENT AND MAINTENANCE	AS	ES	Alfred Nzo District			

6.3.3.1.5	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	MAINTENANCE COPIERS	AS	ES	Alfred Nzo District			
New	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	MAINTENANCE COPIERS OPERATIONS	AS	ES	Alfred Nzo District			
6.3.3.1.6	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	CLEANING MATERIALS	AS	ES	Alfred Nzo District			
6.3.3.1.7	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	CLEANING EQUIPMENT	AS	ES	Alfred Nzo District			
New	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	PHYSICAL ACCESS CONTROL	AS	ES	Alfred Nzo District			

6.3.3.2 Human Resources Development

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.3.2.1	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	EMPLOYMENT EQUITY PLAN	HRD	ES	Alfred Nzo District			
6.3.3.2.2	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	SKILLS PROGRAMME	HRD	ES/LGSETA	Alfred Nzo District			
6.3.3.2.3	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	EXTERNAL BURSARY SCHEME	HRD	Equitable Share	Alfred Nzo District			

6.3.3.2.4	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	CAREER EXPO DISTRICT	HRD	Equitable share/TETA/LGSETA	Alfred Nzo District			
6.3.3.2.5	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	ISDG INTERNSHIP	HRD	Equitable Share/ISDG	Alfred Nzo District			
6.3.3.2.6	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	ISDG Expenditure	HRD	ISDG grant	Alfred Nzo District			
6.3.3.2.7	Municipal Transformation and Organizational development	Promote municipal transformation and organisational development	STUDY ASSISTANCE PROGRAM	HRD	ES	Alfred Nzo District			

6.3.3.3 Human Resource Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.3.3.1	Municipal Transformation and OD	Develop Employee Wellness Programmes to improve productivity of staff.	PROTECTIVE CLOTHING	HRM	ES	Alfred Nzo District			
6.3.3.3.2	Municipal Transformation and Organizational development	Optimise systems, administration and operating procedures	OCCUPATIONAL HEALTH AND SAFETY	HRM	ES	Alfred Nzo District			

6.3.3.3.3	Municipal Transformation and Organizational development	Develop Employee Wellness Programmes to improve productivity of staff.	EMPLOYEE WELLNESS PROGRAMME	HRM	ES	Alfred Nzo District			
6.3.3.3.4	Municipal Transformation and Organizational development	Optimise systems, administration and operating procedures	POLICY DEVELOPMENT	HRM	ES	Alfred Nzo District			
6.3.3.3.5	Municipal Transformation and Organizational development	Develop and implement Succession Planning policy	RETENTION AND SUCCESSION PLANNING OF STAFF	HRM	ES	Alfred Nzo District			
6.3.3.3.6	Municipal Transformation and Organizational development	Increase performance and efficiency levels	MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM	HRM	ES	Alfred Nzo District			

6.3.3.3.7	Municipal Transformation and Organizational development	Ensure alignment of departmental functions with functional structure to optimise human resources deployment across the institution.	QUALITY ASSURANCE ORANOGRAM	HRM	ES	Alfred Nzo District			
6.3.3.3.8	Municipal Transformation and Organizational development	Enhanced and harmonised labour relations environment	LEGAL FEES	HRM	ES	Alfred Nzo District			
6.3.3.3.9	Municipal Transformation and Organizational development	Improve implementation of induction or Socialisation model.	INDUCTION PROGRAMME	HRM	ES	Alfred Nzo District			
6.3.3.3.10	Municipal Transformation and Organizational development	Increase performance and efficiency levels	JOB EVALUATION	HRM	ES	Alfred Nzo District			
6.3.3.3.11	Municipal Transformation and Organizational development	Strengthen Governance and reduce risk	DATA CLEANSING	HRM	ES	Alfred Nzo District			

6.3.3.3.12	Municipal Transformation and Organizational development	Increase performance and efficiency levels	END YEAR FUNCTION	HRM	ES	Alfred Nzo District			
6.3.3.3.13	Municipal Transformation and Organizational development	Improve organisation, capacity, knowledge and transformation	ANDM Job Descriptions	HRM	ES	Alfred Nzo District			
6.3.3.3.14	Municipal Transformation and Organizational development		Leave Reconciliation	HRM	ES	Alfred Nzo District			

6.3.3.4 ICT

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinate)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.3.4.1	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT LICENSES	ICT	ES	ANDM	Y		

New	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	IMPLEMENTATION OF MCGICTPF PHASE 3	ICT	ES	Mount Frere	N		
						Bizana			
						Matatiele			
						Ntabankulu			
6.3.3.4.3	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT INFRASTRUCTURE RISK ASSESSMENT	ICT	ES	Mount Ayliff	N		
						Matatiele			
						Bizana			
6.3.3.4.4	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	DISTRICT WIDE CONNECTIVITY BACKBONE	ICT	ES	Mount Frere	Y		
						Bizana			
						Matatiele			
						Ntabankulu			
6.3.3.4.5	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ESTABLISHMENT OF ICT COMMUNITY CENTRE	ICT	Equitable Share	Alfred Nzo District	N		
6.3.3.4.6	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	NETWORK ACCESS POINTS	ICT	Equitable Share	Alfred Nzo District			

6.3.3.4.7	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	TOOLS OF TRADE	ICT	ES	Alfred Nzo District			
6.3.3.4.8	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	FIRE RATED WALL	ICT	ES	Alfred Nzo District	Y		
6.3.3.4.9	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	ICT HARDWARE EQUIPMENT	ICT	ES	Alfred Nzo District	Y		
6.3.3.4.10	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	NETWORK LINK TO ANDM STORES(MT AYLIFF & MALUTI)	ICT	ES	Alfred Nzo District			
6.3.3.4.11	Municipal Transformation and Organizational Development	Optimise systems, administration and operating procedures	CABLING OF WTW	ICT	ES	Alfred Nzo District	Y		
6.3.3.4.12	Municipal Transformation and Organizational Development	Strengthen Governance and reduce risk	WI-FI INSTALLATION NTABANKULU LM	ICT	ES	Alfred Nzo District	N		

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6.3.3.5 LEGAL SERVICES

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.3.5.1	Strengthen Governance and Reduce Risk	Ensure the full implementation of ANDM Litigation Strategy	Legal Support and Representation	OMM	Equitable Share	Whole of municipality			
6.3.3.5.2	Strengthen Governance and Reduce Risk	Ensure a fully functional Alfred Nzo District Legal Services' Forum	Alfred Nzo District Legal Services' Forum	OMM	N/A	Local Municipalities			

6.3.4. Community Development Services

6.3.4.1 Thusong Services Centre

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.4.1.1	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Construction of 1 Thusong Centre	Thusong Unit	External Funding	Mbizana LM	Y	R0.00	R0.00
6.3.4.1.2	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Nophoyi ICT Center Materials and Supplies	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00
6.3.4.1.3	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Thabachicha wind breakers	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00
6.3.4.1.4	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Nophoyi Guard room	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00
6.3.4.1.5	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Thabachicha guard rooms	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00

6.3.4.1.6	Basic Service Delivery	Improve quality of Municipal Infrastructure Services	Eskom application fees	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00
6.3.4.1.7	Good Governance and Public Participation	Improve quality of Municipal Infrastructure Services	Development of Thusong policy	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00
6.3.4.1.8	Good Governance and Public Participation	Improve quality of Municipal Infrastructure Services	Thusong annual Indaba and awards	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	Y	R104 600.00	R109 411.60
6.3.4.1.9	Good Governance and Public Participation	Improve quality of Municipal Infrastructure Services	Alfred Nzo month materials and supplies in Thabachicha	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	N	R0.00	R0.00
6.3.4.1.10	Good Governance and Public Participation	Improve quality of Municipal Infrastructure Services	Integrated services materials and supplies	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	Y	R52 300.00	R54 705.80
6.3.4.1.11	Good Governance and Public Participation	Improve quality of Municipal Infrastructure Services	Thusong annual week	Thusong Unit	Equitable share	Umzimvubu and Matatiele LM's	Y	R52 300.00	R54 705.80

6.3.4.2 Fire & Rescue Services

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.4.2.1	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Swift Water Rescue, High Angle & firefighting Equipment	Fire & Rescue Services	Equitable share	Whole Municipality	N	R523 000.00	R547 058.00
6.3.4.2.2	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Fire Safety Equipment	Fire & Rescue Services	Equitable share	Whole Municipality	N	R104 600.00	R409 411.60
6.3.4.2.3	Municipal Transformation & Organisational Development	Strengthen Good Governance & Reduce Risk	Repairs - Emergency communication control center	Fire & Rescue services	Equitable Share	Whole Municipality	Y	R262 198.26	R274 259.38
6.3.4.2.4	Municipal Transformation & Organisational Development	Strengthen Good Governance & Reduce Risk	Tools and Machinery	Fire & Rescue services	Equitable Share	Whole Municipality	Y	R533 460.00	R557 999.16

6.3.4.2.5	Municipal Transformation & Organisational Development	Strengthen Good Governance & Reduce Risk	Vehicle Maintenance External	Fire & Rescue services	Equitable Share	Whole Municipality	Y	R789 520.80	R825 838.76
6.3.4.2.6	Good Governance & Public Participation	Strengthen good governance and reduce risk	Fire and Rescue - Swift Water Rescue Programme (Internal Capacity Building)	Fire & Rescue services	Equitable Share	Whole Municipality	Y	R209 200.00	R218 823.20
6.3.4.2.7	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Fire & Rescue - Community Emergency Response teams	Fire & Rescue Services	Equitable share	Whole Municipality	Y	R73 220.00	R76 588.12
6.3.4.2.8	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Fire & Rescue By laws	Fire & Rescue Services	Equitable share	Whole Municipality	N	R146 440.00	R153 176.24
6.3.4.2.9	Good Governance & Public Participation	Strengthen Good Governance & Reduce Risk	Fire and Life Safety Awareness Campaigns and Public Education	Fire & Rescue Services	Equitable share	Whole Municipality	Y	R52 300.00	R54 705.80
6.3.4.2.10	Good Governance & Public Participation	Strengthen good governance and reduce risk	Fire and Rescue Services Registration Fees, Seminars ,Workshops & Conferences	Fire & Rescue Services	Equitable share	Whole Municipality	Y	R94 140.00	R98 470.44

6.3.4.3 Disaster Management Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.4.3.1	Basic Service Delivery	Improve community and social safety of the district, decentralisation of services to improve access of services to community of Mbizana	Construction of Bizana Disaster Management Centre	Disaster Management	Equitable share	Mbizana LM (Ward 1)	Y	R4 184 000.00	R4 376 464.00
6.3.4.3.2	Service Delivery	Promote the earnings potential of ANDM Communities and strengthen resilience	Disaster Management Programme - volunteer programme	Disaster Management	Equitable share	Whole Municipality	Y	R836 800.00	R0.00
6.3.4.3.3	Good Governance & Public Participation	Promote public participation and good meaningful governance	Professional Registration Fees (Registration to DMISA)	Disaster Management	Equitable share	Whole Municipality	Y	R10 460.00	R10 941.16

6.3.4.3.4	Basic Service Delivery	Reduce impact of disaster risk occurrences by providing municipal disaster risk management services	District Disaster Management Commemoration Day	Disaster Management	Equitable share & DOHS	Whole Municipality	Y	R209 200.00	R218 823.20
6.3.4.3.5	Good Governance & Public Participation	Strengthen good governance and reduce risk	Disaster Management Awareness and Capacity Building	Disaster Management	Equitable share	Whole Municipality	Y	R104 600.00	R109 411.60
6.3.4.3.6	Good Governance & Public Participation	Strengthen good governance and reduce risk by Inculcating the culture of Disaster Prevention.	District Disaster Management Programme - Response and Recovery	Disaster Management	Equitable share	Whole Municipality	Y	R523 000.00	R0.00
6.3.4.3.7	Good Governance & Public Participation	Strengthen good governance and reduce risk by Inculcating the culture of Disaster Prevention.	Procurement of Early warning system	Disaster Management	Equitable share	Whole Municipality	Y	R523 000.00	R0.00
6.3.4.3.8	Good Governance & Public Participation	Strengthen good governance and reduce risk by Inculcating the culture of Disaster Prevention.	Scientific risk profile	Disaster Management	Equitable share	Whole Municipality	Y	R313 800.00	328 234.20

6.3.4.3.9	Good Governance & Public Participation	Strengthen good governance and reduce risk by Inculcating the culture of Disaster Prevention.	Disaster Management Grant Relief (PPE, Decontamination and Mobile Toilets)	Disaster Management	Equitable share	Whole Municipality	Y	R0.00	R0.00
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6.3.4.4 Customer Care Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
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6.3.4.4.1	Basic Service Delivery	Promote Public participation and Good Meaningful Governance	Strengthening of District Customer Care Services	Customer care	Equitable Share	All LMs	Y	R0.00	R0.00
6.3.4.4.2	Good governance and Public Participation	Promote Public participation and Good Meaningful Governance	Batho Pele Championship programme	Customer care	Equitable Share	All LMs	Y	R41 840.00	R43 764.64
6.3.4.4.3	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Capacity building of Customer Care Unit	Customer care	Equitable Share	All LMs	Y	R62 760.00	R65 646.96
6.3.4.4.4	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Honouring the Public service month	Customer Care	Equitable Share	All LMs	Y	R52 300.00	R54 705.80
6.3.4.4.5	Good Governance and Public Participation	Improve Community safety and ensure Social Crime and Prevention	Customer Care Day	Customer care	Equitable Share	All LMs	Y	R104 600.00	R109 411.80

6.3.4.4.6	Good Governance and Public Participation	Improve Community safety and ensure Social Crime and Prevention	Crime prevention	Customer care	Equitable Share	All LMs	Y	R180 497.76	R188 800.66
6.3.4.4.7	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Upgrade of the Reception and Customer Care Area	Customer Care	Equitable Share	ANDM	Y	R366 100.00	R382 940.60

6.3.4.5. Municipal Health Services

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.4.5.1	Service Delivery	Improve community and environmental health & safety	MHS Air quality monitoring	MHS	Equitable Share	Whole municipality	Y	R125 520.00	R131 293.92
6.3.4.5.2	Service Delivery	Improve community and environmental health & safety	Samples and Specimens (Air Quality, Dust & Noise)	MHS	Equitable Share	Whole municipality	Y	R554 380.00	R579 881.48
6.3.4.5.4	Service Delivery	Improve community and environmental health & safety	SAIEH World Congress	MHS	Equitable Share	Whole municipality	Y	R104 600.00	R109 411.60
6.3.4.5.5	Service Delivery	Improve community & environmental health & safety	Raids/ Blitz on industry	MHS	Equitable Share	Whole municipality	Y	R0.00	R0.00

6.3.4.5.6	Organizational development	Improve organizational capacity, knowledge & transformation	Advisory Commitment in Institutions of Higher Learning	MHS	Equitable Share	Whole municipality	Y	R31 380.00	R32 823.48
6.3.4.5.7	Service Delivery	Improve community and environmental health & safety	Commemoration of WEHD	MHS	Equitable Share	Whole Municipality	Y	R115 060.00	R120 352.76
6.3.4.5.8	Service Delivery	Improve community and environmental health & safety	SALGA Sessions	MHS	Equitable Share	Whole Municipality	Y	R47 070.00	R49 235.22
6.3.4.5.9	Service Delivery	Improve community and environmental health & safety	MHS By-Laws review	MHS	Equitable Share	Whole Municipality	Y	R104 600.00	R109 411.60
6.3.4.5.10	Service Delivery	Improve community and environmental health & safety	MHS HPCSA Board	MHS	Equitable Share	Whole Municipality	Y	R75 985.62	R79 480.96
6.3.4.5.11	Service Delivery	Improve community and environmental health & safety	Corporate Identity (PPE, PPC)	MHS	Equitable Share	Whole Municipality	Y	R0.00	R0.00

6.3.4.5.12	Service Delivery	Improve community and environmental health & safety	Air Quality Monitoring Stations (Matatiele and Mbizana)	MHS	Equitable Share	Whole Municipality	Y	R2 092 000.00	R2 188 232.00
6.3.4.5.13	Service Delivery	Improve community and environmental health & safety	MHS Stationery for certificates	MHS	Equitable Share	Whole Municipality	Y	R31 313.80	R32 823.48
6.3.4.5.13	Service Delivery	Improve community and environmental health & safety	MHS Food equipment (bunson burner, food thermometer, oil tester)	MHS	Equitable Share	Whole Municipality	Y	R31 313.80	R32 823.48
6.3.4.5.13	Service Delivery	Improve community and environmental health & safety	MHS Contamination protectors (Hair nets & Gloves)	MHS	Equitable Share	Whole Municipality	Y	R20 920.00	R21 882.32
6.3.4.5.13	Service Delivery	Improve community and environmental health & safety	Laboratory Analysis	MHS	Equitable Share	Whole Municipality	Y	R209 200.00	R218 823.20

6.3.4.6 Creative Arts and Heritage Development (CAHD)

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.4.6.1	Good Governance and Public Participation	Promote public participation and good meaningful governance	District initiation programmes	CAHD	Equitable Share	Whole of municipality	Y	R162 130.00	R169 587.98
6.3.4.6.2	Good Governance and Public Participation	Promote public participation and good meaningful governance	Choral Music Festival	CAHD	Equitable Share	Whole of municipality	Y	R104 600.00	R109 411.60
6.3.4.6.3	Good Governance and Public Participation	Promote public participation and good meaningful governance	Traditional Leaders celebrations	SACRH	Equitable Share	Whole of municipality	Y	R52 300.00	R54 705.80
6.3.4.6.4	Good Governance and Public Participation	Promote public participation and good meaningful governance	Scathamiya Festival	CAHD	Equitable Share	Whole of municipality	Y	R104 600.00	R109 411.60

6.3.4.6.5	Good Governance and Public Participation	Promote public participation and good meaningful governance	Annual Alfred Nzo cultural music festival	CAHD	Equitable Share	Whole of municipality	Y	R104 600.00	R109 411.60
6.3.4.6.6	Good Governance and Public Participation	Promote public participation and good meaningful governance	Makhanda Arts Festival	CAHD	Equitable Share	Whole of municipality	Y	R135 980.00	R142 235.08
6.3.4.6.7	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Development of local Artist	CAHD	Equitable Share	Whole of municipality	Y	R183 050.00	R191 470.30
6.3.4.6.10	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	Alfred Nzo Memorial Lecture	CAHD	Equitable Share	Whole of municipality	Y	R502 080.00	R525 175.68
6.3.4.6.11	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	District Heritage site Project	CAHD	Equitable Share	Whole of municipality	Y	R52 300.00	R54 705.80
6.3.4.6.12	Good Governance and Public Participation	Promote Public participation and Good Meaningful Governance	OR Tambo legacy project	CAHD	Equitable Share	Whole of municipality	Y	R104 600.00	R109 411.60
6.3.4.6.13	Good Governance and Public Participation	Promote public participation and good meaningful governance	“Yazi ngamaqhawe akho” Radio Programme	CAHD	Equitable Share	Whole of municipality	Y	R83 680.00	R87 529.28

6.3.4.6.14	Good Governance and Public Participation	Promote public participation and good meaningful governance	Alfred Nzo Fallen Heroes document	CAHD	Equitable Share	Whole of municipality	Y	R209 200.00	R218 823.20
6.3.4.6.15	Good Governance and Public Participation	Promote public participation and good meaningful governance	Heritage Month celebrations	CAHD	Equitable Share	Whole of municipality	Y	R73 220.00	R76 588.12
6.3.4.6.16	Good Governance and Public Participation	Promote public participation and good meaningful governance	Nonkulwana Monument	CAHD	Equitable Share	Whole of municipality	Y	R209 200.00	R218 823.20
6.3.4.6.17	Good Governance and Public Participation	Promote public participation and good meaningful governance	Museums - Showcasing Yazi ngamaQhawe in Khananda	CAHD	Equitable Share	Whole of municipality	Y	R209 200.00	R218 823.20

6.3.5. Office of the Municipal Manager

6.3.5.1. Office of the Executive Mayor

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2020/2021	2021/2022
6.3.5.1.1	Good Governance and Public Participation	To provide support to community members and non-profit organisations in times of dire need	Mayoral Intervention Programs	EX	Equitable Share	Whole Municipality		R920 000.00	R962 822.08
6.3.5.1.2	Good Governance and Public Participation	To Promote Public participation and Good Meaningful Governance	Mayoral Imbizo	EX	Equitable Share	Whole Municipality		R334 720.00	R350 117.12
6.3.5.1.3	Good Governance	To Coordinate section 79 committee sittings to adhere to the legislative prescripts.	Mayoral Committee meetings	EX	Equitable Share	Whole Municipality		R0.00	R0.00

6.3.5.1.4	Promote earning capacity of ANDM Communities	To promote and increase earning capacity among the people of the ANDM	EPWP Projects	EX	Equitable Share	Whole Municipality		R0.00	R0.00
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6.3.5.2 IDP and PMS Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2020/2021	2021/2022
6.3.5.2.1	Good Governance and Public Participation	Improve Municipal planning and spatial development	IDP	OMM	Equitable Share	Whole of Municipalities	Y	R282 420.00	R295 411.32

6.3.5.2.2	Good Governance and Public Participation	Increase performance and efficiency levels	Monitoring & Evaluation Strategy / IDP & OPMS Monitoring	OMM	Equitable Share	Whole Municipalities	Y	R428 000.00	R448 587.56
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6.3.5.3 Special Programmes Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
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6.3.5.3.1	Good Governance and Public Participation	To identify skills , coordinate youth empowerment for economic growth and development expand, encourage youth through training and education in collaboration with other stakeholders	Youth Development and Transformation Programme	SPU	Equitable Share	Whole of municipality	Y	R351 456.00	R367 622.98
6.3.5.3.2	Good Governance and Public Participation	To sensitize communities about HIV and AIDS epidemic and its impact in the socio economic development of the individual, families and community at large	HIV and AIDS; TB Awareness Programmes	SPU	Equitable Share	Whole Municipality	Y	R0.00	R0.00

6.3.5.3.3	Good Governance and Public Participation	To support functioning of all HIV and AIDS council structures through coordination of programmes	HIV and AIDS; TB Co-ordination Care and Support Programmes	SPU	Equitable Share	Whole of Municipality	Y	R0.00	R0.00
6.3.5.3.4	Good Governance and Public Participation	To coordinate response to gender inequalities through empowerment, mainstreaming, awareness and consultation of men and women	District Gender Programme	SPU	Equitable Share	Whole of Municipality	Y	R0.00	R0.00

6.3.5.3.5	Good Governance and Public Participation	To facilitate the creation of an environment that will be conducive for growth and development of children by coordinating government departments and civil society with the district	Co-ordination of District Children's Development Programmes, Care and Support	SPU	Equitable Share	Whole of Municipality	Y	R0.00	R0.00
6.3.5.3.6	Good Governance and Public Participation	To create an environment that is free of barriers , prejudice and stereotypes in-order to maximize access of people with disabilities to basic services	District Disability Programmes, care, support and implementation	SPU	Equitable Share	Whole of Municipality	Y	R0.00	R0.00

6.3.5.3.7	Good Governance and Public Participation	To coordinate and facilitate the integration and mainstreaming of Older Persons programmes to keep societal norms and values and to maintain their respect and dignity	Older Person's Care and Support Programmes	SPU	Equitable Share	Whole of Municipality	Y	R0.00	R0.00
6.3.5.3.9	Good Governance and Public Participation	To unleash the potential of human mind through learning	Mayoral Education Bursary Programme	SPU	Equitable Share	Whole of Municipality	Y	R0.00	R0.00
6.3.5.3.10	Good Governance and Public Participation	To promote access of young to basic services	Youth Office	SPU	Capital Budget	Whole of Municipality	Y	R0.00	R0.00

6.3.5.4 Communications Unit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2021/2022
6.3.5.4.1	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Audio visuals and equipment	Communications	Equitable Share	Whole of municipality		R313 800.00	R325 234.80
6.3.5.4.2	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Translation	Communications	Equitable Share	Whole Municipality		R62 760.00	R65 646.96
6.3.5.4.3	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Branding and Marketing	Communications	Equitable Share	Whole Municipality		R261 500.00	R273 520.00

6.3.5.4.4	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Community Outreaches	Communications	Equitable Share	Whole Municipality		R53 300.00	R54 705.80
6.3.5.4.5	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Legacy & Heritage programmes	Communications	Equitable Share	Whole Municipality		104 600.00	R109 411.60
6.3.5.4.6	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Newsletter and leaflet production	Communications	Equitable Share	Whole Municipality		R224 890.00	R235 234.94
6.3.5.4.7	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Publicity Cost	Communications	Equitable Share	Whole Municipality		R1 046 000.00	R1 094 116.00

6.3.5.4.8	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Signage	Communications	Equitable Share	Whole Municipality		R104 600.00	R109 411.60
6.3.5.4.9	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Audio and visuals equipment (Capex)	Communications	Equitable Share	Whole Municipality		R156 900.00	R164 117.40
6.3.5.4.10	Good Governance and Public Participation	Promote Public participation through implementation of the communication strategy	Newspaper periodicals	Communications	Equitable Share	Whole Municipality		R52 300.00	R54 705.80

6.3.5.5 Internal Audit

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2020/2021	2021/2022
6.3.5.5.1	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Develop Strategic Internal Audit Plan	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R0.00	R0.00
		Improve audit opinion through monitoring of governance, risk management and internal control processes.							
6.3.5.5.2	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Shared-Services Oversight and Internal Assurance Services	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R209 200.00	R218 823.20

6.3.5.5.2	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Forensic Assignments	Internal Audit	Equitable Share	ANDM- Mount Ayliff	Y	R418 400.00	R437 616.00
6.3.5.5.3	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	Follow up on Implementation of Management Action Plan	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R0.00	R0.00
6.3.5.5.4	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Specialised Internal Audits (ict included)	Internal Audit	Equitable Share	ANDM- Mount Ayliff	Y	R418 400.00	R437 646.40
6.3.5.5.5	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	Performing Mandatory Internal Audit Assignments	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R0.00	R0.00

6.3.5.5.6	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Implementation of Risk Based Internal Audits	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R209 200.00	R218 823.20
6.3.5.5.7	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	mSCOA Implementation Reviews	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R0.00	R0.00
6.3.5.5.8	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	ICT Reviews	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R0.00	R0.00
6.3.5.5.9	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	External Audit processes	Internal Audit	Equitable Share	ANDM- Mount Ayliff	N	R0.00	R0.00

6.3.5.5.10	Governance	Ensure full implementation of Audit Action Plan, Internal Controls and risk mitigating factors.	Revised Internal Audit Methodology	Internal Audit	Equitable Share	ANDM- Mount Ayliff		R0.00	R0.00
6.3.5.5.11	Governance	Improve audit opinion through monitoring of governance, risk management and internal control processes.	Effective Audit Committee	Internal Audit	Equitable Share	ANDM- Mount Ayliff	Y	R418 400.00	R437 646.40

6.3.5.6 Inter-governmental Relations

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.5.6.1	Good Governance and Public Participation	Strengthen Intergovernmental Relations	Intergovernmental relations and Stakeholders management	OMM	Equitable Share	Whole Municipality	Y	R0.00	R0.00
6.3.5.6.3	Good Governance and Public Participation	Strengthen Municipal Relations	Municipal & international relations	OMM	Equitable Share	Whole Municipality	Y	R83 680.00	R87 529.28
6.3.5.6.4	Good Governance and Public Participation	Strengthen Municipal Relations	Protocol Services	OMM	Equitable Share	Whole Municipality	Y	R62 760.00	R65 646.96

6.3.5.7 Water Service Authority

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.5.7.1	Basic Service Delivery	Promoting equitable access to water services	Water quality monitoring	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R585 760.00	R612 704.96
6.3.5.7.2	Basic Service Delivery	Promoting equitable access to water services	Matatiele & Belfort wtw process audit	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R209 200.00	R218 823.20
6.3.5.7.3	Basic Service delivery	Promoting equitable access to water services	Ntabankulu & Nomlacu wtw process audit	WSA	Equitable Share	Umzimvubu and Matatiele	Y	R209 200.00	R218 823.20

6.3.5.7.4	Basic Service delivery	Promoting equitable access to water services	Mt Frere & Mt Ayliff wtw process audit	WSA	Equitable Share	Whole of municipality	Y	R209 200.00	R218 823.20
6.3.5.7.5	Basic Service delivery	Promoting equitable access to water services	SANS 241 Audit	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R209 200.00	R218 823.20
6.3.5.7.6	Basic Service delivery	Promoting equitable access to water services	Water safety plan : HIRA	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R418 400.00	R437 646.40
6.3.5.7.7	Basic Service delivery	Promoting equitable access to water services	Waste water risk abatement plan: HIRA	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R209 200.00	R218 823.20

6.3.5.7.8	Basic Service delivery	Promote and maintain potable water standards	Matatiele WWTW&Cedarville Ponds Process Audit	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R209 200.00	R218 823.20
6.3.5.7.9	Basic Service delivery	Promote and maintain potable water standards	Mt Ayliff &Ntabankulu WWTW	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R209 200.00	R218 823.20
6.3.5.7.11	Basic Service delivery	Promote and maintain potable water standards	Mt Frere WWTW & Mbizana Ponds	WSA	Equitable Share	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R209 200.00	R218 823.20
6.3.5.7.12	Basic Service delivery	Improve the quality of municipal infrastructure services	Community Based Natural Resource Management	WSA	RBIG	Matatiele	Y	R418 400.00	R437 646.40
6.3.5.7.13	Basic Service delivery	Improve the quality of	District Integrated plan	WSA	RBIG	Ntabankulu LM	Y	R0.00	R0.00

		municipal services							
6.3.5.7.14	Basic service delivery	Improve the quality of Municipal services	Electricity Sector Plan	WSA	RBIG	Umzimvubu LM	Y	R0.00	R0.00
6.3.5.7.15	Basic Service delivery	Improve the quality of municipal infrastructure services	Backlog eradication strategy	WSA	Department of Roads and Transport	Umzimvubu, Ntabankulu, Matatiele and Bizana	Y	R0.00	R0.00
6.3.5.7.16	Basic Service delivery	Improve the quality of municipal infrastructure services	Free Basic services	WSA	MIG	Mbizana LM	Y	R177 820.00	R185 999.72
6.3.5.7.17	Basic Service delivery	Improve the quality of municipal infrastructure services	Verification of Application and Report	WSA	MIG	Ntabankulu LM	Y	R209 200.00	R218 823.20

6.3.5.7.18	Basic Service delivery	Improve the quality of municipal infrastructure services	Validation of RDP Households	WSA	MIG	Umzimvubu LM	Y	R0.00	R0.00
6.3.5.7.19	Basic Service delivery	Improve the quality of municipal infrastructure services	Water Born Disease	WSA	MIG	Mbizana LM	Y	R240 580.00	R251 646.68
6.3.5.7.20	Basic Service delivery	Improve the quality of municipal infrastructure services	Climate Change	WSA	MIG	Mbizana LM	Y	R0.00	R0.00
6.3.5.7.21	Basic Service Delivery	Improve the quality of municipal infrastructure services	Sludge Management Plan Mt Ayliff and Matattiele WWTW	WSA	Equitable share	Whole of the municipality	Y	R0.00	R0.00
6.3.5.7.22	Basic Service Delivery	Improve the quality of municipal infrastructure services	Integrated Waste Mangement Plan	WSA	Equitable share	Whole of the municipality	Y	R0.00	R0.00

6.3.5.7.23	Basic Service Delivery	Improve the quality of municipal infrastructure services	WSA Standard Designs	WSA	Equitable share	Whole of the municipality	Y	R0.00	R0.00
6.3.5.7.24	Basic Service Delivery	Improve the quality of municipal infrastructure services	Water Service Development Plan	WSA	MIG	Whole of the municipality	N	R0.00	R0.00
6.3.5.7.25	Basic Service Delivery	Improve the quality of municipal infrastructure services	Water and Sanitation ByLaws	WSA	DEA	Umzimvubu LM (Ndakeni ward 8)	Y	R0.00	R0.00
6.3.5.7.26	Basic Service Delivery	Improve the quality of municipal infrastructure services	Energy Efficient Grant	WSA	DEA	Matatiele LM (Mvenyane ward 21)	Y	R5 000 000.00	R5 000 000.00
6.3.5.7.27	Basic Service Delivery	Improve the quality of municipal infrastructure services	RAMS	WSA	Equitable Share	Alfred Nzo	Y	R0.00	R0.00

6.3.5.8 Risk Management

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.5.8.1	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Review and implement fraud prevention plan	Risk Management	Equitable Share	Whole of municipality	Y	168 640.00	177 915.20
6.3.5.8.2	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Review ICT and Fraud Risk Register	Risk Management	Equitable Share	Whole Municipality	Y	167 428.80	176 804.81

6.3.5.8.3	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Conduct strategic and operational risk assessment	Risk Management	Equitable Share	Whole Municipality	Y	158 100.00	166 795.50
6.3.5.8.4	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Maintain Effectiveness of Risk Management Committee	Risk Management	Equitable Share	Whole Municipality	Y	R105 400	R111 197
6.3.5.8.5	Strengthen Governance and Reduce Risk	Ensure full implementation of ANDM Risk Management Strategy	Review , update and monitor District Wide Compliance Checklist	Risk Management	Equitable Share	Whole Municipality	Y	0.00	0.00
6.3.5.8.6	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Establish the Fraud and Ethics Hotline	Risk Management	Equitable Share	Whole Municipality	N – yearly maintenance	R158 100	R166 795.5
6.3.5.8.7	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Risk Management Support to ANDA	Risk Management	Equitable Share	Whole Municipality	Y	R158 100	R166 795.5

6.3.5.8.8	Strengthen Governance and Reduce Risk	Ensure full implementation of the anti-corruption strategy and fraud prevention plan	Review of Risk Management Policy and Framework	Risk Management	Equitable Share	Whole Municipality	Y	R158 100	R166 795.5
	Strengthen Governance and Reduce Risk	Ensure compliance with laws and regulations	Develop framework for compliance monitoring and reporting (new project)	Risk Management	Equitable Share	Whole Municipality	Y	R0.00	R0.00

6.3.5.9 Office of the Speaker

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.5.9.1	Good Governance and Public Participation	Promote culture of community participation	Public Participation	Office of the Speaker	Equitable Share	Whole of municipality		R527 000.00	R555 985.00
6.3.5.9.2	Good Governance and Public Participation	Instil the ethical behaviour using acceptable moral conduct	Moral Regeneration Movement (MRM)	Office of the Speaker	Equitable Share	Whole Municipality		R295 120.00	R311 351.60

6.3.5.9.3	Good Governance and Public Participation	Promote spirit of Ubuntu across various races	Africa Month Programme	Office of the Speaker	Equitable Share	Whole of Municipality		R73 780.00	R77 837.90
6.3.5.9.4	Good Governance and Public Participation	Introduce structured programmes to develop capacity of councillors in line with circular on Upper Limits	Capacity Building Programme for Councillors (Training Programmes)	Office of the Speaker	Equitable Share	Whole of Municipality		R210 800.00	R222 394.00
6.3.5.9.5	Good Governance and Public Participation	Promote intergovernmental relations amongst the Speakers of the district	District Speakers Forum	Office of the Speaker	Equitable Share	Whole of Municipality		R52 700.00	R55 598.50
6.3.5.9.6	Good Governance and Public Participation	Ensure effective Oversight function is exercised on the Executive and Administration	Municipal Public Accounts Committee (MPAC)	Office of the Speaker	Equitable Share	Whole of Municipality		R47 430.00	R50 038.65

6.3.5.9.7	Good Governance and Public Participation	Create a platform for the communities to engage with the municipality and present a chance for the Executive Mayor to present the State of the District	Open Council Day (State of the District Address)	Office of the Speaker	Equitable Share	Hosting local municipality in the district		R1 054 000.00	R1 111 970.00
6.3.5.9.8	Good Governance and Public Participation	Ensure the municipal Council has comprehensive and legally valid Rules and Orders regulating all statutory meetings that are gazetted	Printing of Council Rules and Orders	Office of the Speaker	Equitable Share	Whole of Municipality		R105 400.00	R111 197.00
6.3.5.9.9	Good Governance and Public Participation	Promote engagements across whips of various political parties represented in Council	Whippery Programmes	Office of the Chief Whip	Equitable Share	Whole of Municipality		R94 860.00	R100 077.30
6.3.5.9.10	Good Governance and Public Participation	Promote accountability to constituencies by councillors through constant and regular meetings	Constituency Work	Office of the Chief Whip	Equitable Share	Whole of Municipality		R105 400.00	R111 197.00

6.3.5.9.11	Good Governance and Public Participation	Ensure adequate preparation for Council meetings by convening caucus meetings of various political parties	Council Caucus	Office of the Chief Whip	Equitable Share	Whole of Municipality		R26 350.00	R27 799.25
6.3.5.9.12	Good Governance and Public Participation	Develop capacity of councillors on various topics through workshops	Council Study Groups	Office of the Chief Whip	Equitable Share	Whole of Municipality		R105 400.00	R111 197.00
6.3.5.9.13	Good Governance and Public Participation	Promote women engagement to provide advocacy and setting women's agenda	Women's Caucus	Office Of The Speaker	Equitable Share	Whole of Municipality		R56 180.00	R59550.08
6.3.5.9.14	Good Governance and Public Participation	Provide Support and provide accountabilityfor Local Municipalities through Coordination Of Quarterly Reports for all four local muns	Local Municipality Support	Office Of The Speaker	Equitable Share	Whole Of Municipality		R0.00	R0.00
6.3.5.9.5	Good Governance & Public Participation	Provide Support to the District Initiation Forum	Uniform & Protective Clothing	Office Of The Speaker	Equitable Share	Whole of Municipality		R100 000	R100 000

6.3.6. Department: Planning and Economic Development

6.3.6.1 Local Economic Development

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.1.1	Local Economic Development	Establish strategic partnerships with the Government, Private sector and NGOs for successful coordinated implementation of agricultural development programmes	Agri-Parks Programme	LED	Equitable Share	Whole of Municipality	Y	-	-
6.3.6.1.2	Local Economic Development	Develop strategies which seek to prioritize local economic development within the District	Institutional Arrangements	LED/PLANNING	Equitable Share	Whole of Municipality	Y	-	-

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.1.3	Local Economic Development	Formulate strategies for mobilization of development finance and grants for implementation of catalytic projects in the project	Resource Mobilisation (SMME'S)	LED	Equitable Share	Whole of municipality	Y	-	-
6.3.6.1.4	Local Economic Development	Develop Value Chain for key sectors in the District in order to take advantage of key opportunities for local beneficiation and empowerment	Resident Fashion Designer Programme	LED	Equitable Share	Whole Municipality	Y	-	-

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.1.5	Local Economic Development	Develop Value Chain for key sectors in the District in order to take advantage of key opportunities for local beneficiation and empowerment	Zone Centre Development Programme	LED	Equitable Share	Whole of municipality	Y	-	-
6.3.6.1.6	Local Economic Development	Develop strategies which seek to prioritize local economic development within the District	Vuka Alfred Nzo	LED	Equitable Share	Whole Municipality	Y	-	-

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.1.7	Local Economic Development	Develop the value chain for key sectors in the District in order to take advantage of key opportunities for local beneficiation and empowerment	Manufacturing Development Programme: Mbizana Manufacturing Hubs	LED	National Treasury: GBS Grant (Mbizana LM)	Mbizana Local Municipality	Y	-	-

6.3.6.2 Spatial Planning

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.2.1	Spatial Planning	Enhance the implementation of SPLUMA in ANDM	SPLUMA Implementation (District Municipal Planning Tribunal)	Planning	Equitable Share	Umzimvubu, Ntabankulu & Mbizana Municipality	Y	-	-
6.3.6.2.2	Spatial Planning	Implement measures to improve coordination and alignment between the District Municipality and Local Municipalities	District Planners' Forum	Planning	None	Whole of Municipality	Y	-	-
6.3.6.2.3	Spatial Planning	Enhance the implementation of SPLUMA	Land Audit: Ntabankulu	Planning	Equitable Share	Ntabankulu	N		

6.3.6.3 Geographical Information System (GIS)

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.3.1	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Data Maintenance – Rural Sanitation	Spatial Planning & Land Use Management	Equitable Share	Matatiele and Umzimvubu	Y	-	-
6.3.6.3.2	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Data Maintenance – water Infrastructure	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	Y	-	-

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.3.3	GIS	Strengthen and consolidate spatial information management for the District Municipality and Local Municipalities	GIS Data Maintenance – Disaster Mapping	Spatial Planning and land use management	Equitable Share	Matatiele Local Municipality	Y	-	-
6.3.6.3.4	GIS	Strengthen and consolidate spatial information management the District Municipality and Local Municipalities	GIS Data Maintenance – Agri Park Mapping	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	Y	-	-

Reference	Priority Area (KPA)	Strategy /Objective	IDP Project Name	Function	Funding Source	Location of the project (which Local municipality, ward, village and or coordinates)	Multi-Year Project (Y/N)	2021/2022	2022/2023
6.3.6.3.5	GIS	Strengthen and consolidate spatial information management for the District Municipality and Local Municipalities	GIS Data Maintenance – Social Infrastructure and settlement name update	Spatial Planning and land use management	Equitable Share	Umzimvubu Local Municipality	Y	-	-
6.3.6.3.6	GIS	Implement measures to improve coordination and alignment between the District Municipality and Local Municipalities	GIS Shared Service Implementation	Spatial Planning & Land Use Management	Equitable Share	Whole of Municipality	Y	-	-

6.4. PROJECTS FOR LOCAL MUNICIPALITIES AND SECTOR DEPARTMENTS

6.4.1. LOCAL MUNICIPALITIES

6.4.1.1. UMZIMVUBU LOCAL MUNICIPALITY

ULM INFRASTRUCTURE DELIVERY PROJECTS

Ward No	MIG Projects	Maintenance	Infra budget	MIG Budget
1	Phepheni Community Hall			R2 000 000
1	Phepeni Sport facility			R10 000 000
2		Ngwegweni AR Maintenance	R1 250 000	
3		Sinethemba AR Maintenance	R1 300 000	
4		Singeni AR Maintenance	R1 500 000	
5	Mapheleni AR			R 2 600 000
6		Natala AR Maintenance	R1 500 000	
7	Mount Ayliff Multi-Purpose Centre - Sport Precinct		R3 500 000,00	
7		Santombe AR Maintenance	R1 500 000	
8		Luxwesa AR Maintenance	R1 000 000	
9	Lusuthu Community Hall			R2 300 000
10	Ntsimangweni Community			R 2 300 000

Ward No	MIG Projects	Maintenance	Infra budget	MIG Budget
	Hall			
11	Mzinto Community Hall			R2 000 000
12		Xhameni AR Maintenance	R1 250 000	
13	Bumnandi - Mxhinweni AR Maintenance			R4 500 000
13	Completion of Tyinirha bridge			R918 856,15
14		Niyona AR Maintenance	R1 250 000	
15		Zwelitsha - Mhlokwana AR Maintenance	R1 450 000	
16		Baphathe - Rholihlahla AR Maintenance	R1 600 000	
17	Lubhacweni Paving Phase 1			R5 400 000
17		Baca AR Maintenance	R1 100 000	
18	Surfacing of Mount Frere Streets Phase 7			R11 191 143.85
18	Upgrading of Mount Frere Landfill Site			R5 700 000
19		Maribela - Mntwana AR Maintenance	R1 400 000	
20		Timber AR Maintenance	R1 300 000	

Ward No	MIG Projects	Maintenance	Infra budget	MIG Budget
21		Dangwana JSS – Mhlanganisweni AR Maintenance	R1 500 000	
22		Sibhodobhodo via Sodladla AR Maintenance	R2 100 000	
23		Nkungwini - Nompilwana AR Maintenance	R1 250 000	
23	Mahobe AR Bridge			R5 000 000
24		Mvumelwana AR Maintenace	R1 600 000	
24	Tshisane AR Bridge			R5 000 000
25		Baphathe - Mthonjeni AR Maintenance	R1 400 000	
26		Trustini - Mmangundixhwalile AR Maintenance	R1 250 000	
27		Sibhozweni AR Maintenance	R1 250 000	
	MIG TOP SLICE			
TOTAL			R28 800 000	R58 910 000.00
OTHER MUNICIPAL PRIORITIZED PROJECTS				
PROJECT NAME	WARD	SOURCE OF FUNDING	SCOPE OF WORK	
Upgrading of EmaXesibeni Cemetery	7	Small Towns Revitalization	R6 759 371,00	

Ward No	MIG Projects	Maintenance	Infra budget	MIG Budget
Upgrading of EmaXesibeni Town Streets-Phase 1	7	Small Towns Revitalization	R15 660 000,00	
Design and construction of Emaxesibeni transport hub	7	Small Towns Revitalization	R7 580 629,00	
TOTAL			R30 000 000.00	

ULM APPROVED INEP

Project Name	Ward	Number of Connections	Allocated Fund
Ntlabeni(Sidikidini)	13	135	R3 037 500.00
Mpondomise Ridge	23	200	R4 500 000.00
Mmangweni (Ntlangano and Phantsikwentaba)	22	200	R4 500 000.00
Sithane	14	113	R2 542 500.00
Eskom fees			R126 000.00
TOTAL		648	R14 706 000.00

6.4.1.2. MATATIELE LOCAL MUNICIPALITY

6.4.1.3. NTABANKULU LOCAL MUNICIPALITY

6.4.1.4. MBIZANA LOCAL MUNICIPALITY

7. Spatial Development Framework

7.1. Executive Summary

Spatial planning in the Alfred Nzo District Municipality occurs within the national and provincial policy directives, and sets the agenda for planning at a local level. The national policy framework includes the Constitution of the Republic of South Africa, various pieces of legislation that give effect to the intentions of the Constitution in respect of spatial planning, and the associated policies that outline the spatial transformation and development agenda. Provincial policy includes the Eastern Cape Provincial Growth and Development Strategy and the accompanying Spatial Development Plan.

As such, the ANDM SDF, which is currently under review in 2018-2019 financial year aligns with these policy directives and enables the municipality to contribute to the attainment of the spatial development targets and objectives outlined in these policies. It also deals directly with the spatial issues facing the district.

Be that as it may, the aforementioned policy directives and legislation have evolved over the years. Thus, even though the previous SDF's were informed by the above policies, they were not SPLUMA compliant and this necessitates the current review of the ANDM SDF regardless of the fact that there exists a 2015 ANDM SDF which was to be SPLUMA compliant, but was never adopted. The ANDM SDF was developed in accordance with the requirements of the Department of Rural Development and Land Reform guidelines for the development of SDF's.

7.2. Spatial Planning Mandate

Since the beginning of the new democratic era in South Africa, the notion of spatial planning has become an integral part of the development planning and transformation discourse. The Constitution (Schedule 4 Part B) bestows this responsibility to local sphere of government. In the interim, municipalities give effect to this mandate through the Development Facilitation Act, Act No. 67 of 1995 and the Municipal Systems Act, Act No. 32 of 2000. The latter requires a municipality to prepare and adopt an SDF as part of its IDP.

On 6 May 2011 the Department of Rural Development and Land Reform published the Draft Spatial Planning and Land Use Management Bill (SPLUMB) for public comments. Once passed into law, the proposed legislation will replace the Development Facilitation Act No 67 of 1995, Removal of Restrictions Act No 84 of 1967, the Physical Planning Act No 88 of 1967 and other laws. The Bill provides, inter alia, for a uniform, effective, efficient and integrated regulatory framework for spatial planning,

land use and land use management in a manner that promotes the principles of co-operative government and public interest. It provides for and determines development principles, compulsory norms and standards for land use management, and promotes sustainable and efficient use of land.

As prescribed in the bill, the ANDM SDF gives effect to the development principles enshrined in the bill, and presents both a narrative and visual representation of a five year spatial development plan. It assumes a long term vision and identifies significant structuring elements of spatial development.

7.3. National Development Plan (NDP)

The National Planning Commission (NPC) has been established and tasked inter alia with the formulation of a long term strategic plan for South Africa. The plan will articulate a long term vision and a plan for its implementation. It will shape government's service delivery and development programmes, and guide spatial transformation.

In the interim, the national government has adopted various sector based policy frameworks. The majority of these have serious implications for spatial planning at a local level. In view of the rural nature and underdevelopment that characterises the ANDM, only the following are considered:

- The New Growth Path.
- Comprehensive Rural Development Strategy and the associated programme.
- The Comprehensive Plan for the Development of Sustainable Human Settlements.

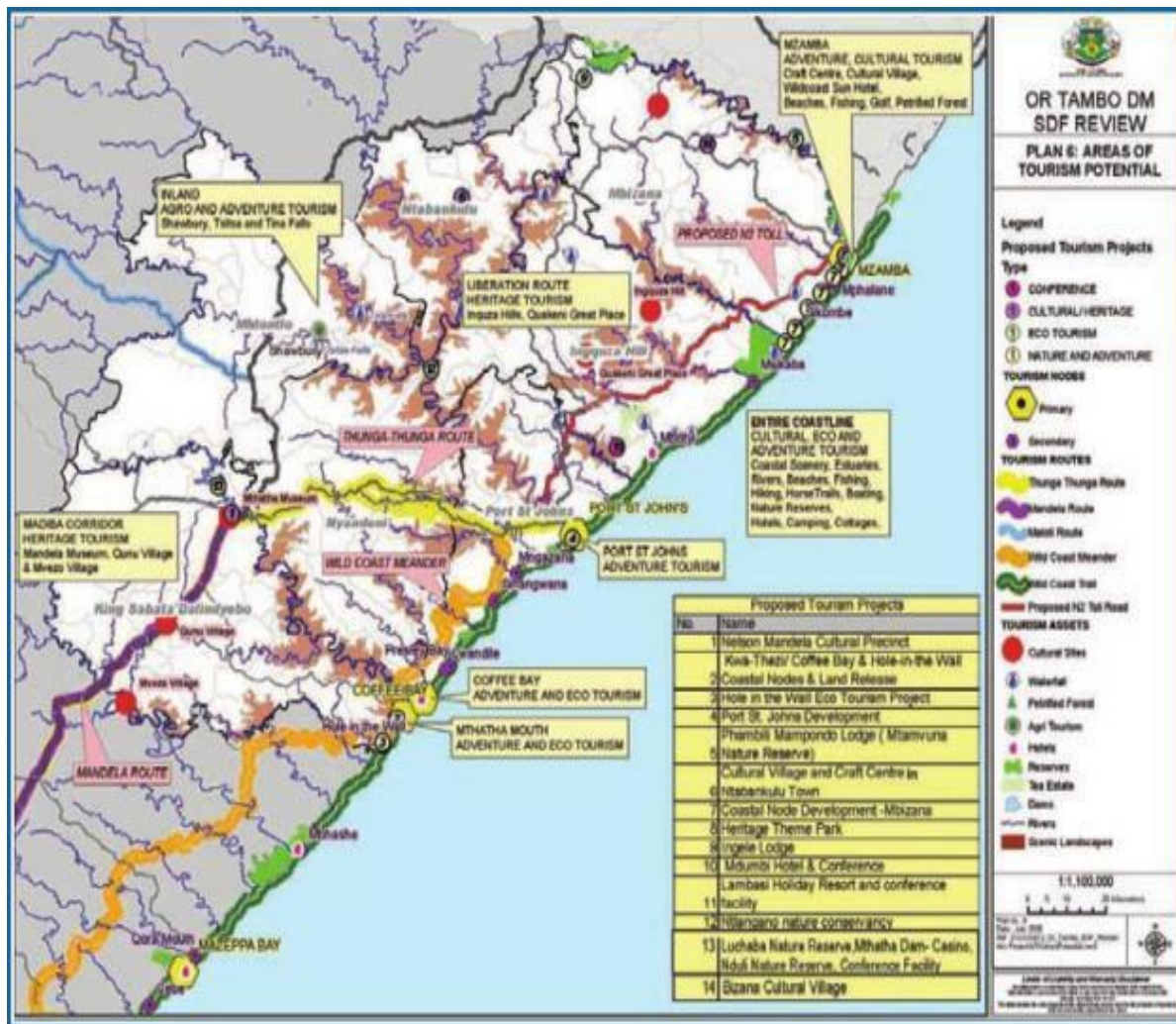
7.4. Environmental Management

The Environmental Management Plan for Alfred Nzo District fulfils, in part, the requirements of the National Environmental Management Act (NEMA) of 1998. It was prepared as a means to promote sound environmental management and promote sustainable land use practices within the district. It provides a comprehensive picture of the status of the environment, and outlines a strategic direction for environmentally sustainable development and effective management of the natural resources.

It adopts a long-term vision, but also identifies short to medium term actions that need to be addressed as part of the IDP process. These include capacity building and training, catchment management, protected areas, climate change and vulnerability mapping, and waste management. It also identifies priority environmental areas (PEAs) such as follows:

- Mount Fletcher-Maluti Drakensburg Escarpment.
- Ongeluksnek-Matatiele Ridge Corridor.
- Western Tswereke Catchment
- Semongkong ridgeline
- Matatiele - Cedarville Ridge Corridor

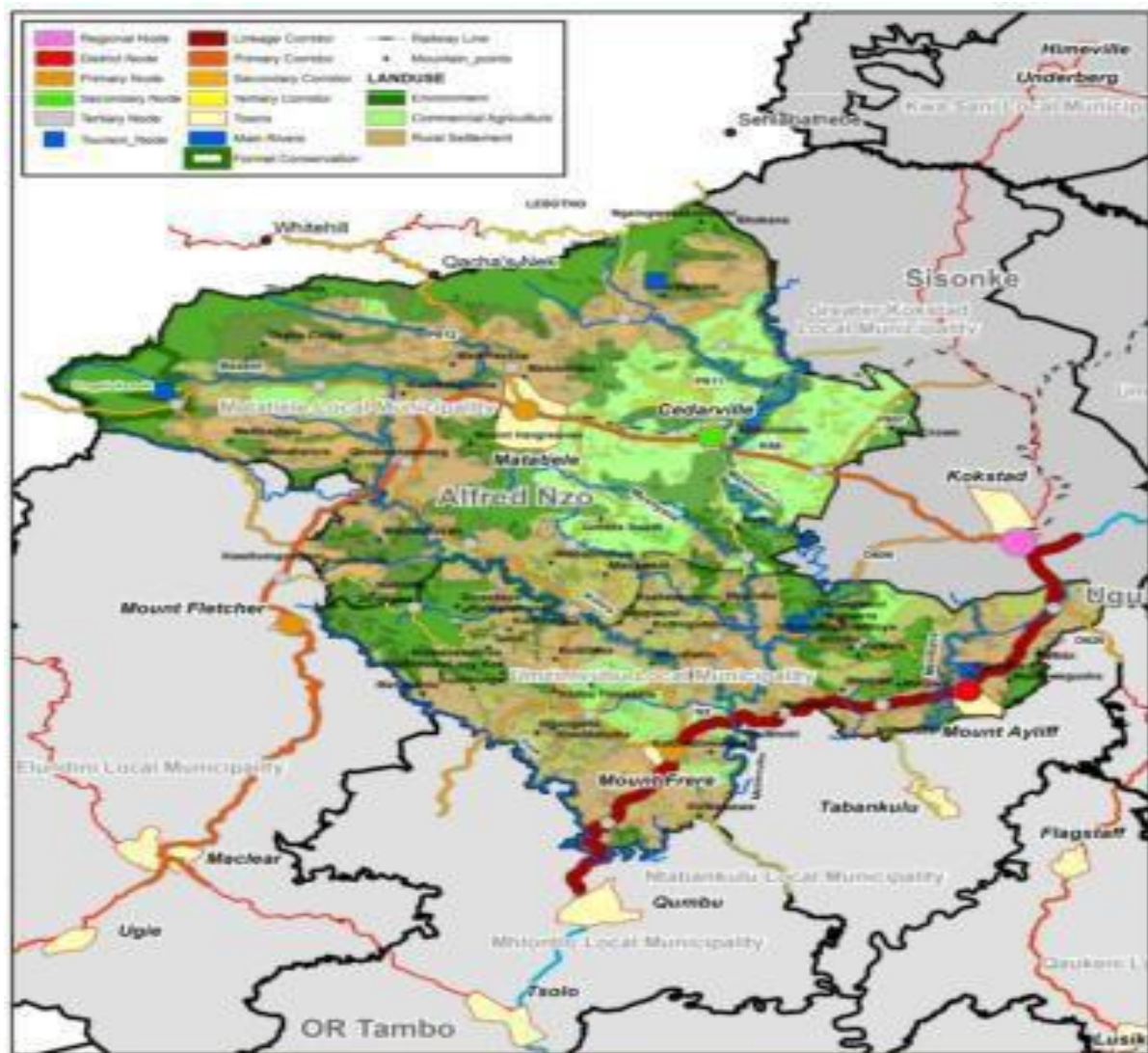
Map 1: Tourism Potential



7.5. Spatial Planning

Spatial planning is a shared function between the district and the local municipalities with the former focusing mainly on cross- border issues, bulk infrastructure and regional economic development. Both the current ANDM SDF (November 2011) and the OR Tambo DM SDF provide an overview of the districts spatial development trends and patterns, and outlines strategies for spatial transformation at a district level. They adopted a service centre (service node hierarchy) approach and accordingly identify primary, secondary and tertiary nodes. Mt Ayliff is the only primary node, while Matatiele, Mt Frere and Ntabankulu and Mbizana all serve as secondary nodes. Tertiary nodes include Maluti, Cedarville, Mzimba and others. This recognises the role of these towns as service centres and commercial hubs for a large part of the district, and a strategic link with towns outside the district. The N2 which runs in a north-south direction linking the Eastern Cape and KwaZulu- Natal provinces serves as the primary corridor and main access route to the district while R56 and R61 are identified as secondary corridor.

Map 2:



In addition, they identify the following key areas for intervention:

- Improved access and service delivery to urban and rural areas;
- Facilitating efficient agricultural development;
- Developing the tourism potential and managing the environmental resources; and
- Developing a hierarchy of service nodes.

All four local municipalities have developed and adopted SDFs as a component of their IDPs. This review will consider each of these SDFs and provides a framework for alignment.

7.6. Regional Access

The geographic location of Alfred Nzo District Municipality along the border of Eastern Cape and KwaZulu-Natal Provinces establishes the area as gateway (entry and exit) point to KwaZulu-Natal from the Eastern Cape and vice versa. The N2 national corridor runs in a north-south direction and serves as the main access route to the District. Other important access and trade routes include R61 linking Mbizana and Port Edward, and R56 which runs along the northern and western boundaries linking Matatiele with Kokstad to the east and Mt Fletcher to the south respectively. The ANDM forms part of the Eastern Region in terms of the ECPSDP. This region includes the majority of the former Transkei, smaller towns (Mt Frere, Mt Ayliff, Maluti, Mbizana, etc) and the surrounding dispersed rural settlements which occur alongside various environmental corridors. The distance from the ANDM to the major economic hubs within both provinces suggests that Kokstad, Port Shepstone and Pietermaritzburg are the main areas that service the district with major commercial facilities. These economic hubs are all located in KwaZulu-Natal Province, and Mthatha in the Eastern Cape are within a 300km radius. East London and Port Elizabeth are located beyond the said radius.

The position and role of the ANDM in the regional space economy is tightly interlinked with both the provinces with the area having strong functional linkages with KZN town such as Kokstad and Port Shepstone. Despite this strategic location of the area in relation to the N2, Alfred Nzo has remained a peripheral economy to these two provinces. The key challenge is to capitalize on its regional accessibility, location in relation to Drakensberg, Coastline, Lesotho and a huge rural (rural settlement and commercial agriculture) catchment/threshold.

7.7. Land Use Patterns

Current land use patterns has evolved in response to the settlement patterns, rural character of the district, applicable planning policies and land use management practices i.e. formal and customary. The broad categories of land uses that exist within the area are:

- Urban Settlements – these are the small towns with an agglomeration and variety of social and economic uses;
- Rural Settlements – which primarily include rural villages with social facilities, subsistence agriculture but limited economic uses;
- Commercial agriculture – these are mainly the privately owned farms around Cedarville and Ongeluknek Nature Reserve; and
- Conservation areas – which include the protected nature reserves such as Ongeluknek and Mkhambathi Nature Reserve.

A substantial area of arable land has been left fallow. This could be ascribed to a number of factors including availability of resources to produce food, degradation and loss of productive potential. Most of the hill slopes are used for grazing of livestock with the result that most of these slopes have limited vegetation cover (ADM Enviro Status Quo Report, June 2003:1).

7.8. Land Ownership Patterns

Land ownership within Alfred Nzo District Municipal Area is dominated by state land which functions as the rural villages and accommodates the majority of the population. There are few privately owned farms within Matatiele and Umzimvubu Municipal Area. The majority of the land is registered in the name of the state and used for a different uses. The following categories of state land could be identified:

State land – the majority of the land parcels within the municipal area are held in trust by the Minister of Rural Development and Land Reform (Formerly the Minister of Land Affairs). Some state land (former commercial farms) is surveyed and registered, but much, especially communal land, has only recently been surveyed and is still unregistered in the Deeds Registry (PSDP, Vol 1: 60).

There are numerous parcels of state land located throughout the local municipal areas. They include the Nature Reserves, land parcels upon which various facilities have been constructed, for example, government and municipal offices, police stations, schools, clinics and utilities (such as water works and sewerage treatment works).

7.9. Communal Land

Communal land is held in trust by the Minister of Rural Development and Land Reform and formerly registered in the name of the state, it is occupied by individuals members of the respective communities under Permission to Occupy (PTO) and/or customary tenure commonly referred to as beneficial occupation rights. Individual's rights on the land are protected in terms of the Interim Protection of Informal Land Rights Act, Act No. 31 of 1996 also known as IPILRA.

7.10. Land Tenure Upgrading

The land tenure upgrading project has been initiated in Maluti, which is a former R293 township that is situated within the administrative boundaries of Matatiele Municipality. This upgrading of land tenure rights in Maluti occurs at two levels such as follows

Upgrading of Deeds of Grant, which the apartheid government issued to black people in urban areas in the past. A review of the land ownership database in Maluti suggests that an overwhelming majority of residents still hold the land in terms of Deeds of Grant. The extent to which the same applies in Itsokolele Township needs to be confirmed.

Upgrading of land tenure rights that pertain to communal land in the rural hinterland. These include Permission to Occupy (PTOs) and beneficial occupation rights. The declaration of the Communal Land Rights Act, Act No. 11 of 2004 (CLaRA), unconstitutional means that the status quo will remain in the rural areas until a new land rights legislation is enacted. This has denied local communities an opportunity to benefit from localised spatial planning and exercise their rights in terms of security of tenure (CLaRA provided a continuum of tenure security from communal through to titling paradigm).

7.11. Bulk Infrastructure (Water and Sanitation)

The provision of bulk services is very important for the sustainability of settlements and economic growth, such that economic development is heavily dependent on the availability of good infrastructure in order to be unlocked. Local government has a responsibility as well, to ensure that communities have access to basic services. Bulk infrastructure delivery is therefore a legal mandate as well as an economic instrument to unleash the growth of the area. Sector plans have been prepared for some of the services. These include the Water Services Development Plan and Integrated Development Plan. The recommendations thereof have implications for the SDF especially for alignment and integration purposes.

7.12. Sanitation

The Water Services Development Plans indicated that there is a huge sanitation backlog within Alfred Nzo, particularly within Ntabankulu where the town does not have a waterborne sewerage. Also some rural villages within various parts of the municipal area have poor access to sanitation. Packaging of sanitation programs should be based on settlement clusters and be integrated with the drive towards the transformation of rural villages into sustainable human settlements. The following spatial planning standards should be applied in all sanitation projects:

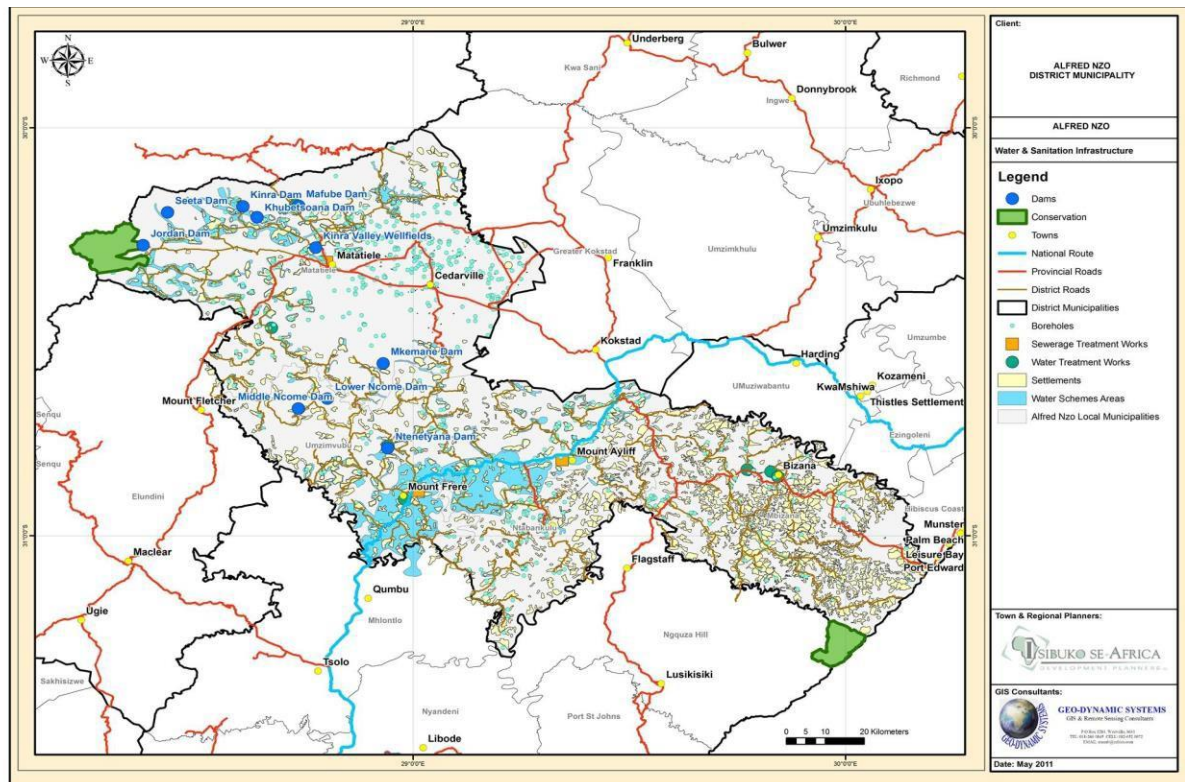
- Giving priority to settlements located within priority environmental areas.
- Providing settlements located within a 100m of wetlands with lined ventilated pit latrines at the minimum.
- Providing urban (Ntabankulu) and other peri-urban settlements with water borne sewerage.

7.13. Water

Like many areas in South Africa, Alfred Nzo Municipality has inherited the historical legacy of a large backlog of water services infrastructure. This situation is clearly intolerable and therefore the efficient and adequate supply of water services for domestic consumption and for economic development is one of the most important challenges facing Alfred Nzo District Municipality, in its capacity as the Water Services Authority for its area of jurisdiction. ANDM has identifies the following as critical and strategic water supply areas:

- Additional sustainable water source for Matatiele and Maluti towns.
- Bulk water supply system where rural schemes can just be “plugged in”.
- Bulk water supply to Cedarville.
- Raw water supply for Agricultural irrigation (Ongeluksnek, Matatiele, Cedarville, and some other areas).
- Implementation Readiness Study for Regional Bulk Water Supply Infrastructure in the Matatiele and Umzimvubu Municipality areas recommended the following bulk water schemes for Matatiele:
- M1 - Kinira River Dam.

Map 3:



7.14. Spatial Economy

This section provides an analysis of where population and economic activities and related opportunities are located within the Alfred Nzo District Municipality. It compares the structure of the district economy, with those of other districts economic performances within the Eastern Cape Province. The main aim is to identify those sectors of the economy with which the Alfred Nzo District has an inherent comparative advantage relative to spatial characteristics and economic infrastructure so as to enhance the process of translating the comparative advantage to competitive advantage for the district and province's benefits.

7.15. Impact of Boundary Re-demarcation

Alfred Nzo has over the years evolved drastically in terms of geographical space and population composition. During the early 2000s, the district comprised of Umzimvubu and UMzimkhulu Local Municipalities. Both these municipalities were very fragmented such that they did not even share the boundaries, which allowed for wall-to-wall municipal planning. After the 2006 local government elections, Alfred Nzo District administrative boundary was changed to include Matatiele. UMzimkhulu Local Municipality was transferred to KwaZulu-Natal Province. Both these municipalities shared the administrative boundaries and therefore mark an improvement in the spatial configuration of the district for planning and administrative purposes.

The recent demarcation following 2011 local government elections has resulted in Alfred Nzo District obtaining two additional local municipalities (i.e. Ntabankulu and Mbizana). This will further strengthen the role of co-ordinated spatial planning amongst the four

municipalities that were previously administered by two different districts.

7.16. Under-Developed Urban Centres

Urban towns (Mount Ayliff, Matatiele, Mount Frere, Mbizana and Ntabankulu) play a significant role within the municipal area. These serve as the administrative, service and main economic centres with a threshold that covers the full extent of the municipal area and beyond. Although these towns exist with a range of commercial activities, they are currently poorly developed and structured. They are characterised by an unstructured linear form, land use separation and sprawling residential expansion. These towns should be planned as rural towns and be structured and managed to enable them to perform their functions efficiently and effectively.

7.17. Spatial Planning Principles

Alfred Nzo District Municipality's SDF is underpinned by normative principles reflected in various policy documents and pieces of legislation including the Development Facilitation Act (DFA), National Environmental Management Act (NEMA) and Provincial Spatial Development Plan. The following principles have been extracted from these sources and are considered appropriate to guide the preparation, review and implementation of Alfred Nzo Municipality SDF.

7.18. Spatial Framework

Alfred Nzo District Spatial Framework provides guidelines and directives for development in respect of the following key concerns:

- Spatial transformation and restructuring;
- Environmental management;
- Protection of high value agricultural land;
- Rural Development and Agrarian Reform;
- Economic Development and Land Use Management.

7.19. Spatial Restructuring

The following are the key elements of a spatial restructuring programme for Alfred Nzo District Municipality:

- Hierarchy of Nodes
- Hierarchy of corridors.
- Settlement clusters.

7.20. Primary Node

Mount Ayliff is one of the main urban centres within Alfred Nzo District. It is strategically located at the central parts of the district and it plays an important role as a regional centre for district. It has a good potential as a primary node for investment promotion and centre of supply of services in the district. It forms part of the provincial spatial systems and is identified in the PSDP as one of the economic hubs. This node has administrative, social, and economic potential and there is provision of concentration of different activities of services. As a regional node, the following activities should be strengthened in Mount Ayliff Town:

- Development of commercial activities serving the entire district municipal area and the surrounding areas (region).
- Location of district and sub-district offices of various government departments and service delivery agencies.
- Location of facilities and services for an effective administration.
- Industrial development, focusing mainly on the processing of raw materials produced within the sub-region.
- Location of public facilities serving the whole sub-region and beyond. These may include district hospital, sports facilities and transportation facilities.

7.21. Secondary Nodes

There are three secondary nodes that have been identified within the district and these are:

- Matatiele;
- Mount Frere; and
- Mbizana

These nodes currently function as the main urban centres for the local municipalities that they serve. Similar to the primary node, these areas are well located within the main transportation routes that connect nodes with various settlements within each local municipality. As a sub-regional node the following activities should be strengthened in these secondary nodes:

- Development of commercial activities serving the whole local municipal areas and the surrounding areas (sub-region).
- Light Industrial development, focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – agri-processing

centre.

- Location of public facilities serving the local municipalities. These may include sports and transportation facilities.
- Location of facilities and services for an effective administration and local governance of the municipalities.

7.22. Tertiary Nodes

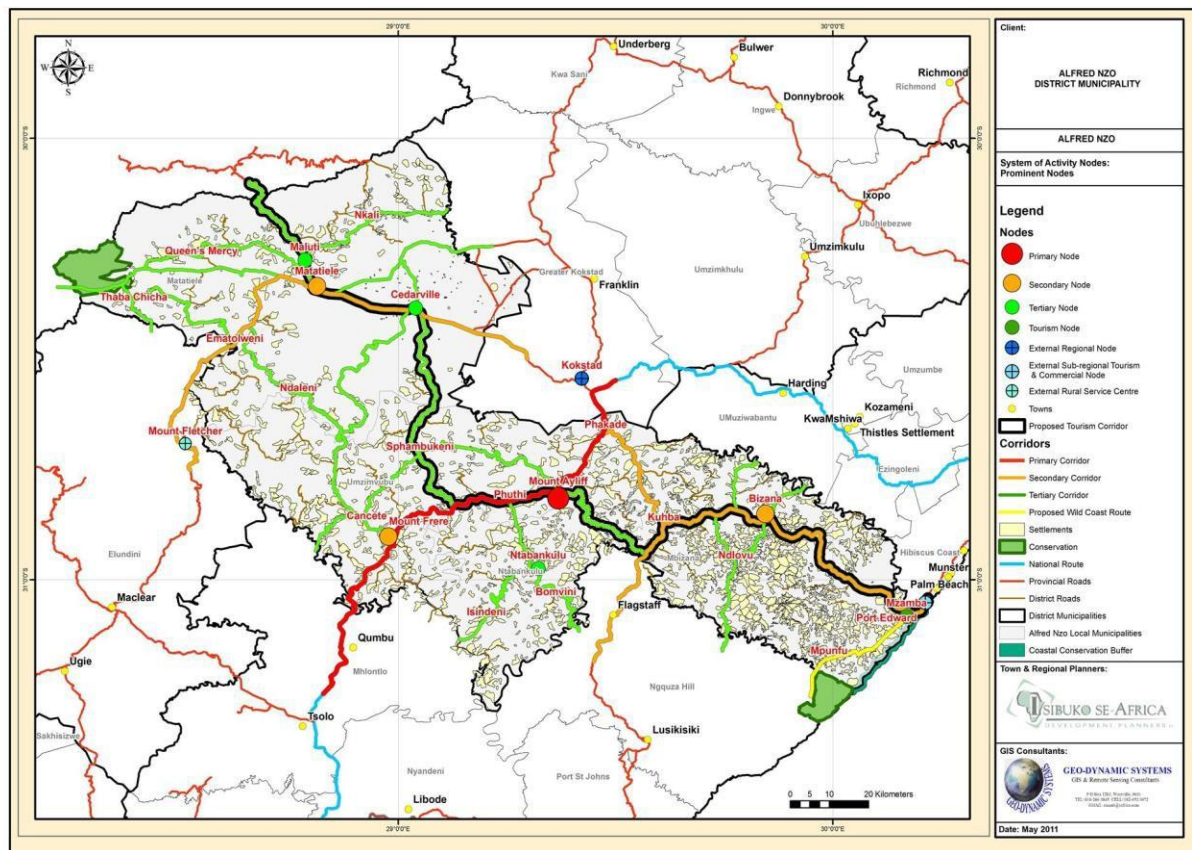
While the primary and secondary nodes serve as regional and sub-regional centres, at least four other areas present an opportunity for the development of tertiary nodes with much less threshold/sphere of influence, namely:

- Maluti;
- Cedarville;
- Mzamba.

Three main factors have influenced the selection of these areas:

- Location in relation to major access routes. Secondary nodes are located either along a primary or secondary corridor, or at the intersection of the primary and secondary corridors.
- Location in relation to large rural or urban settlements, which provides a threshold for services, rendered from these areas.
- Development potential based on the above two factors, and broad overview of the historical development of the areas as well as the current level of development.

Map 4:



7.23. Hierarchy of development corridors

Development corridors in Alfred Nzo District Municipality occur at different scales depending on function and categorization of the transportation route that forms the basis of the corridor. They carry the flows of people and trade between two points (origin and destination) and encourages nodal development at strategic point.

7.24. Primary Corridor

The N2 is identified in the NSDP as a national corridor, and is recognised as such (strategic transport route) in the PSDP. It runs in a north to south direction almost dividing Alfred Nzo District Municipality into half and link the area with KwaZulu-Natal towards the north as well as Eastern Cape towards the south. The N2 is a high speed limited access road providing access and inter-nodal connections at a national and provincial level. At a regional and local level, it presents an opportunity for the integration of Alfred Nzo to the national and provincial trade routes. It is a tourist route to the major tourist destinations in Eastern Cape. Development along this route should occur as follows:

- Facilitate the establishment of mixed land use activity nodes at the intersection of the N2 and the regional or provincial routes. Activities that may locate in these areas include logistics, warehousing, light industry and commercial facilities.
- In the short to medium term, high value agricultural land located along the corridor should be protected, but in the long term, strategically located areas abutting onto the mixed land use nodes should be opened for development as mixed land use precincts.

7.25. Secondary Corridors

R56 and R61 are the provincial routes that link Alfred Nzo with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, these routes serve as the main link between the Eastern Cape Province and KwaZulu-Natal Province. These are identified in the Provincial Spatial Development Plan (PSDP) - Eastern Cape as some of the Strategic Transport Routes

R56 is a multi-sectoral corridor as it facilitates access to agricultural zones in the Cedarville- Matatiele Area, tourism zones in the Ongeluksnek area and commerce and industry in Matatiele. It forms the basis for a road system that connects different parts of the municipal area. Due to the current settlement patterns and population distribution, R61 has attracted a lot of settlement and establishment of business uses dependent on accessibility and population concentrations. The on-going densification along this route is resulting in R61 fulfilling the role of a residential access road.

Development along R61 and R56 Development Corridor should follow the following guidelines:

R61 and R56 are regional limited access and high speed public transport routes, as such direct access onto this road should be subject to the provincial road transport regulations.

Higher order land uses should be accommodated in the nodes, but lower order land uses could develop in a linear fashion subject to alternative access opportunities;

A 15m buffer should be observed from the boundary of the road reserve. This has implications for settlements that have encroached onto the buffer areas.

7.26. Tertiary Corridors

There are a number of existing roads that have potential to develop as tertiary development corridors. These create opportunities to unlock new development areas through the use of a network of tertiary corridors. The key existing tertiary corridors include:

- The road from Matatiele to Lesotho through Maluti is one of the roads that carry huge volumes of vehicular and trade related traffic. It also provides access to a large number of peri- urban and rural settlements located just outside of Maluti.

Road to Ongeluksnek which branches nearly 15km outside of Matatiele. This road provides access to a tourist destination (tourism node) and block of high potential agricultural land located in the area. It also requires substantial upgrading and maintenance.

Proposed Maluti – Kingscote link road. This road will run along the foothills of the Drakensburg Range and thus provide strategic linkages and unlock tourism development potential of this area.

Road linking Matatiele and Ongeluksnek;

Road linking Swartburg with both Matatiele and Cedarville; Road from Ntabankulu to N2 (leading to Mount Frere); Road from Ntabankulu to Isilindini;

Mzamba-Mtentu Road; and

Other district roads providing access to clusters of rural service nodes and settlements.

ALFRED NZO DISTRICT MUNICIPALITY

BERG & BEACH: STRATEGIC INTERVENTION

Legend

- Local Municipalities
- Towns
- Proposed Tourism Corridor
- Nature Based Tourism Beach Leisure Hub
- Nature Based Tourism Berg Leisure Hub

Roads

- National Route
- Provincial Roads
- District Roads
- Settlements
- Forest Conservation
- Coastal Conservation Buffer

Drakensberg

Coastline

SIBUKU SE AFRICA DEVELOPMENT PLANNERS

0 10 20 30 Kilometers

7.27. Proposed Wild Coast Toll Route

There is a proposed national route (i.e. wild coast toll route) which will be positioned from Mbizana (Mzamba) to Lusikisiki. According to the discussion with South African Roads Agency Limited (SANRAL) this toll road will not replace the existing N2 such that both routes will be under the authority of the Department of Transport. However the description of the existing N2 may change.



7.28. High Level LED Strategy

DISTRICT LOCAL ECONOMIC DEVELOPMENT STRATEGY

Local Economic Development (LED) aims to induce economic development and growth in a locality with the objective of creating jobs and improving the quality of life by realising a locality's full comparative advantage. It requires collaboration between the municipality and stakeholders to identify resources; understand needs and formulate plans to make the district economy fully functional, investor friendly and competitively productive. Thus, LED recognises that people, business and governments at local levels are best able to restructure economic situations that will stimulate growth required to create jobs and to reduce poverty. It combines different approaches to local development into one integrated concept thereby cross-cutting many different portfolios.

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) mandates local government to promote social and economic development in areas of their jurisdiction. It thus requires the municipality to structure and manage its administration, budgeting and planning processes in a manner that gives priority to the basic needs of the community and promotes the social and economic development of its area. This mandate is outlined further in the White Paper on Local Government (March 1998) which introduces the notion of 'developmental local government', and identifies local economic development as one of the critical outcomes and key performance areas for this sphere of government. The mandate is executed, among others, in terms of the Local Government: Municipal Systems Act (MSA), 2000 (Act No. 32 of 2000), which provides for the principles, mechanisms and processes necessary to enable a municipality to fulfill its developmental obligations. Section 25 (1) of the MSA requires a municipality to adopt a single, inclusive and strategic plan for the development of its area of jurisdiction. Accordingly, the ANDM Integrated Development Plan (IDP) identifies, inter alia, LED as one of the key performance areas and a strategic intervention for promoting socio-economic development, alleviating poverty and improving the quality of life.

The National Development Plan (NDP), Vision 2030, offers a long-term perspective with regard to development of the South African economy. It defines a desired destination and identifies the role different sectors of society need to play in reaching that goal. The Eastern Cape Provincial Development Plan (EC-PDP), which is based on the NDP, seeks to outline a development path for the province. Vision 2030 sets the development agenda and priorities for the next 15 years (2015-2030), building on the Provincial Growth and Development Plan (PGDP) of 2004-2014. The plan proposes key programmes and projects for implementation up to 2030 and suggests arrangements for implementation of the plan, tracking and accountability. In addition to this, government provides clear frameworks at a national and provincial level toward the achievement of economic development targets for the country. As such, the development of the LED Strategy for ANDM takes into cognisance these and their implications for local economic development.

The reviewed LED strategy constitutes a key component of the ANDM IDP (2017 – 2022), sets a clear strategic agenda for LED in the IDP and is intended to comply with the Constitutional and legislative obligations.

ALFRED NZO DISTRICT MUNICIPALITY STRATEGIC AGENDA

In line with the new term for Council in ANDM, the municipal vision, mission and strategic goals have been reviewed.

VISION

A District whose communities are self-sustaining and enjoy a good quality life, equitable access to basic services and socio-economic opportunities

MISSION

To be a responsive and capable institution that effectively delivers basic services and innovative development programmes with a strong orientation to rural development in partnership with its communities and other social partners

STRATEGIC GOALS (2017 – 2022)

1. Inclusive Growth and Development
2. Basic Services Delivery and Community Empowerment
3. Effective Public Participation, Good Governance and Partnerships
4. A Capable and Financially Viable Institution

ANDM is also in the process of developing the District Development Plan (DDP) Vision 2035. The DDP identifies 5 High level Strategic goals, sighting that by 2035, ANDM should have:

1. Much improved public infrastructure
2. Better quality public services
3. A growing economy with lower unemployment and higher living standards
4. A sustainable, well-conserved & -protected natural environment
5. Public sector organisational strengthening to drive the DDP

LED in ANDM is primarily responding to Goal 3 of the ANDM DDP:

Goal 3: A growing economy with lower unemployment and higher living standards

Regional Context



The Alfred Nzo District is located along the border of Eastern Cape and KwaZulu-Natal (KZN) Provinces, and forms a gateway (entry and exit) point to KZN from the Eastern Cape and vice versa. The N2 national corridor runs in a north-south direction and serves as the main access route to the District. In the regional space economy, ANDM is tightly interlinked with both KZN and Eastern Cape provinces and has strong functional linkages with KZN towns, such as Kokstad and Port Shepstone. Despite this strategic location of the area in relation to the N2, Alfred Nzo has remained a peripheral economy to these two provinces. The key challenge is to capitalize on its regional accessibility, location in relation to Drakensberg, Coastline, Lesotho and a huge rural (rural settlement and commercial agriculture) catchment/threshold.

Subsequently to this, there is a proposed national route, namely the Wild Coast Toll Route or N2 Wild Coast Corridor which is planned to be positioned from Mbizana (Mzamba) to Lusikisiki. According to the South African Roads Agency Limited (SANRAL) this toll road will not replace the existing N2 such that both routes will be under the authority of the Department of Transport. However the description of the existing N2 may change.

MAP 1: Proposed N2 Wild Coast Corridor



Source: ANDM IDP 2017 – 2022

Regional economic context

GDP in Alfred Nzo has grown dramatically between 2003 and 2007, where it reached a peak of 6.7% growth in 2007. High performance was offset by the recession in 2008/2009. Since then, growth in the district has stagnated above 2 percent. Overall, the district has performed above the province (ANDM IDP 2017 – 2022, 29).

Table 1: Key economic indicators: Alfred Nzo, 2015 (R millions at constant 2010 prices)

	Real GVA at basic prices	Real compensation of employees	Real Gross Operating Surplus	Real Output at basic prices
ANDM	9, 812	5, 595	4, 017	18, 671
ULM	2, 728	1, 640	1, 041	5, 096
MLM	3, 524	1,909	1, 536	6, 787
MbLM	2, 663	1,508	1, 098	5, 139
NLM	897	538	342	1, 650
EC	210, 006	118, 328	87, 165	469,860

Source: ANDM IDP 2017 – 2022

To summarise the above table of key economic indicators, it can be sighted that:

- *In 2015, the total production (Output) of goods and services in Alfred Nzo was R18 671 million.*
- *The input cost (Intermediate consumption expenditure) used to produce those goods and services was R8 859 million.*
- *The difference between Output and input (Also called Gross Value Added) was R9 812 million.*
- *57% of GVA was used as Compensation of Employees (CoE) and 41% as Gross Operating Surplus (GOS).*
- *The input cost accounts for 47% of total production output and the GVA for 53%.*

The sector employing the majority of people in ANDM was the agricultural sector, followed by the services sector. However, Alfred Nzo is once again the smallest employer in the province.

Population dynamics

The population dynamics and access to basic services of a district are of paramount importance in addressing developmental needs in society, and the developmental state within the District. The population growth, ageing population, migration and urbanization present both important developmental challenges and opportunities that have direct and indirect implications for social, economic and environmental development. These dynamics in the population structure affect macro-economic factors such as consumption, production, employment, income distribution and poverty. The changes in the population structure also influence universal access to social services such as health, education, sanitation, water, food and energy. Proper planning for population dynamics will therefore ensure that the wellbeing of both the current and the future generation is promoted with the motive of advancing sustainable development. In analyzing the population dynamics it is essential to look at factors such as urbanization, migration, fertility, mortality, life expectancy as well as the age structure of the population. These factors will give an indication with regard to the estimated number of people who are dependent on government for transfers as well as the number of people who are economically active. These factors also play an essential role in the efficient allocation of resources at all spheres of government.

Table 2: ANDM Demographic patterns

Demographics 2011			2016	
Alfred Nzo	Numbers	%	Numbers	%
Population	801,344	100.0	867,864	100.0
Black African	794,382	99.1	862,589	99.4
Coloured	3,307	0.4	3,647	0.4
Indian or Asian	1,132	0.1	598	0.1
White	1,898	0.2	1,030	0.1
Population by home language				
Afrikaans	6,716	0.8	1,757	0.2
English	18,090	2.3	3,427	0.4
IsiXhosa	673,519	84.6	752,214	88.8
IsiZulu	9,954	1.2	5,631	0.7
Sesotho	69,811	8.8	81,265	9.6
Other	18,237	2.3	2,507	0.3
Number of households	187,18	4.3	195,975	4.4
Households size				
Gender				
Male	366,488	45.7	397,206	45.8
Female	434,857	54.3	470,658	54.2
Population by age				
0 - 14	327,704	40.9	345,624	39.8
15 - 34	264,442	33.0	340,753	39.3
35 - 64	159,685	19.9	113,039	13.0
65 +	49,514	6.2	68,448	7.9

Source: Stats SA (Census 2011 and 2016 Community Survey)

ANDM has a population of approximately 867 864; which is distributed unevenly amongst the four local municipalities.

The total population in Alfred Nzo district municipality has increased by 8.3% from 801 344 people in 2011 (census) to 867 864 people in 2016 (community survey).

This puts pressure on government to provide service delivery, and put economic and physical infrastructure in place to sustain this population. Local economic development initiatives therefore become crucial in their role towards striving for a self-sustaining population. The population growth, ageing population, migration and urbanisation present both important developmental challenges and opportunities that have direct and indirect implications for social, economic and environmental development. These dynamics in the population structure affect macro-economic factors such as consumption, production, employment, income distribution and poverty. The changes in the population structure influence universal access to social services such as health, education, sanitation, water, food and energy.

In terms of population density in the District, there are broadly three types of human settlements in the area:

Low-density rural villages (average size about 700 people; villages are often contiguous):

- Small towns
- Higher density peri-urban settlements around the small towns.

As per the IDP, there is evidence of de-population of deeper rural areas (e.g. the Umzimvubu population fell by 5% between 2001 and 2011 according to census data) and fast growth of peri-urban settlements. It has also been observed that out of the six towns in the area:

- Matatiele Local Municipality has the second largest population and the largest land area;
- Ntabankulu Local Municipality has the smallest population and land area;
- Mbizana Local Municipality has the largest population and the densest population, and Matatiele is the least dense;
- All six of the small towns are on a main road, except Ntabankulu.

Population densities are important indicators for areas in need of economic intervention. The relatively large youthful population coupled with the aged population leads to high levels of dependency. These high dependency levels lead to an increased burden on the productive part of the population to support the economically dependent (youth and aged). In addition, the youth requires special attention in the form of proper educational facilities and the stimulation of the economy to provide job opportunities that will keep them within the district. Youth that leave the district after school results in a loss of capital investment that was made into them.

In addition, employment and economic opportunities are required to provide entrepreneurs and graduates with an opportunity to start a business or employment to stay in the area. The small middle-aged cohort is an indication of this age group migrating or moving out of the district. They represent the experienced workforce, and their absence result in a loss of an experienced labour force. Low levels of education and half of the population being functionally illiterate implies low skills levels. This suggests that skilled workers have to be drawn into the district from other areas. It also has implications on the quality of life and the ability of people to acquire further skills and training.

Socio-economic

An important feature in the District is the high number of people that are not economically active and the high levels of unemployment. This is consistent with high levels of poverty and low levels of development (HDI).

In the Alfred Nzo context, LED and economic growth holistically should as a final outcome should be inclusive and cause an improvement in the overall quality of life. Inclusive growth should therefore focus on value adding sectors with great potential to create jobs and stimulate growth, e.g. Agriculture, Tourism and Manufacturing.

The District is characterised by a weak enabling environment. This refers to the availability

of service delivery and infrastructure. This factor is critical to attract investment opportunities to the area and should receive urgent attention.

District economic profile

Dominant sectors in ANDM in terms of GVA are the government service sector (35%), the finance services sector (15%) and the trade sector (20%). Government services are also dominating the employment per sector, accounting for 27%. This is followed by the trade sector (15%) and agriculture (12%). The agricultural sector's contribution to the district economy is not in line with its contribution to employment, suggesting that this sector creates employments, but has low levels of productivity. Matatiele is the best performing local municipality in terms of its contribution to GDP.

ECONOMIC SECTORS

Agriculture and Agro-Processing

The contribution of agriculture to the district economy has shown steady growth between the period 1995 and 2010. This is despite the fact that it only contributed 3% to the district economy in 2009. Regardless of the sector experiencing a steady growth between the period of 2012 and 2014, the sector however experienced a downturn growth in 2015 and 2016 which resulted to a decrease and fall of GDP contribution to the district economy from 3% to 1% in relation to two different periods (1995 to 2010 and 2012 to 2016). This may be associated with the drought that the country experienced in 2015.

Agriculture has development potential, but specific focus and interventions are required to overcome some of the challenges faced by this sector. This is a key sector for support by government, which could contribute to the value chain. An effective value chain will have multiplier effect on the ANDM if successfully exploited.

Agriculture in ANDM has thus been prioritised through the implementation of intensified primary production to support agro-processing.

To achieve radical economic transformation, ANDM wishes to implement agricultural development in an all-inclusive manner, by applying the basic principles of local economic development which entail Public-Private Partnerships (PPPs).

By pulling resources from various role players in agriculture, ANDM wishes to renew the capacity of the people of Alfred Nzo through employing mechanisms to support subsistence farmers to operate as small-scale commercial farmers.

It is envisaged that through the implementation of the partnership model, ANDM farmers will in the next five to ten years be in a position to operate as commercial farmers through these programmes; aggressively capacitating and providing ongoing mentorship and thus deriving income, jobs and fruitful and sustainable living for all.

Forestry

Forestry is an important economic sector in the South African economy, and equally so in Alfred Nzo. Forests play a vital role in the lives of all the people both through economic growth and provision of livelihoods. Forestry is also identified as a growth sector. Currently, the demand for forest and related products is said to have exceeded supply. This is good news especially for a province such as Eastern Cape generally and the Alfred Nzo District in particular which is said to be characterized by high suitable ecosystems.

The forestry sector in the Eastern Cape makes a significant contribution to the rural economy and local employment. Due to biophysical characteristics, there are substantial areas which are suitable for commercial afforestation, creating an opportunity for more than doubling the current plantation area. The Eastern Cape is also noted as having the largest number of small scale sawmills.

To determine the full potential of the Forestry sector and the associated value chains, ANDM will develop a Forestry Sector Plan for the District; as a guide towards developing the sector, the potential jobs to be created and undertake the full value-chain analysis.

Tourism and Heritage

Tourism activities in the District are still limited to certain areas, despite the fact that the District has abundant natural beauty and a diverse array of cultural groups which have strong potential for eco, adventure and cultural tourism. The structure and spatial analysis of tourism within the district shows the following:

Tourism within the district can be divided into, transit and business tourism, on the one hand, and nature based (eco-related tourism) on the other;

Concentration of tourism related activities in Mzamba Tourist region located within the Mbizana Local Municipality as well as Matatiele area which is linked to the uKhahlamba-Drakensberg World Heritage Site.

One of the main challenges facing the industry is lack of tourism infrastructure and rural infrastructure not being conducive for tourism development.

In 2014, ANDM embarked on a process of developing the Beach to Berg Corridor Development Plan (B2B CDP); which clusters the District's tourism offering into one umbrella. The plan was developed as an output of the District Spatial Development Framework and Tourism Sector Plan which place strong emphasis on the development of a route for ANDM.

The District is thus employing a phased approach towards the implementation of the B2B CDP which entails the key component of developing the Infrastructure Work Schedules for all attractions identified in the Local Municipalities.

The Ocean Economy

ANDM is endowed with a 30km Coastline (known as the Wild Coast) along Mbizana Local Municipality, a coastline presenting abundant opportunities for the development of the aquaculture, marine and coastal tourism. The district also has a number of dams that possess an opportunity for tourism development (i.e Ntenetyana Dam located at Umzimvubu Local Municipality). These opportunities have therefore qualified ANDM to form part of the Operation Phakisa: Oceans Economy programme.

Oceans Economy labs were established to oversee the implementation of the programme. These are collaboration sessions, which consists of a number of stakeholders involved in the ocean economy programme (i.e government, labour, business, academia and other sectors). The results of the labs are detailed (3 foot) plans with ambitious targets as well as public commitment on the implementation of the plan by all stakeholders.

Five priority areas have been identified. By focusing on these priority growth areas, the Oceans Economy will unlock the economic potential of Alfred Nzo District's ocean and dams, providing significant contribution to GVA growth and job creation potential. These priority areas include: Aquaculture (and Small Crafts Harbours); Off-Shore Oil & Gas Exploration; Maritime Transport & Manufacturing; Marine Protection Services & Ocean Governance; and Coastal & Marine Tourism. Initiatives identified by ANDM place specific focus on Aquaculture and Coastal & Marine Tourism.

Manufacturing

This sector is presently very small in the District due to a limited and less developed of the primary sector that resulted to the provision of inadequate supply or support to secondary sector. The manufacturing sector does however have expansion potential including;

- There are many small-scale garment manufacturers (e.g. occupying old Transido workshop premises) that would benefit from stronger business support. The existing crafts sub sector is insignificant. Craft workers would benefit from more support with product development and marketing, and from growth of the tourism industry in the District.
- ANDM is therefore in the process of implementing the Resident Fashion Designer & Seamstress Incubation Programme; to enhance the skills base of crafters through specialized training, mentorship and essentially access to markets.
- ANDM has Zone Centre facilities through Umzimvubu and Matatiele Local Municipalities. These facilities were established by ANDM to support contractors in the manufacturing of building material.
- ANDM therefore plans to resuscitate the Zone Centres, identify SMMEs to run the facilities and allocate mentors who will provide support until they can run the facilities independently.
- ANDM also has potential to develop Timber-using industries; however this still needs to be probed further through the development of the Forestry Sector Plan.

Other Sectors

Other sectors that play a significant role in the ANDM economy include Government services and the Trade & Financial sectors.

Government Services

Government services are the largest contributor to the economy and employment in ANDM. It is thus an important contributor and driver of the local economy as it contributes 35% to the R-GDP, and 27% to employment. Both contribution to R-GDP and employment when compare to previous statistics have dropped from 36% and 27% respectively.

Trade and Financial sector

The trade and financial sector are key economic sectors that contribute 20% and 15% to district economy, and 24% and 13.92% respectively to employment. Important sub-sectors to these include community, social and personal services, financial intermediation, real estate and business services as well as wholesale and retail trade. The formal sector is more concentrated in urbanised areas (towns), such as Matatiele, Bizana, Mt Frere, Mt Ayliff and Ntabankulu. These towns provide access to wholesalers, general dealers and semi-specialist stores.

The business sector in ANDM is relatively small and the demand for professional services (e.g. accounting, legal services etc.) is low. The majority of business services are available in Mbizana. The trend within the district is to make use of the variety of services available in Mthatha and Kokstad, which can be accessed when necessary. Financial services (banking services) are available in all four municipalities. However, larger towns such as Bizana and Mt Frere have greater representation of banks than for example, Ntabankulu.

Institutional environment

The institutional environment for LED includes certain governance and administrative systems, as well as procedures, LED capacity and LED support. In respect of governance, ANDM has a Standing Portfolio Committee for LED as a sub-committee of council, as well as an LED Forum, which serves as platforms for interaction on LED issues and sharing of knowledge.

Some of the systems and procedures supporting LED include certain by-laws.

Supply Chain Management, includes a system that seeks to promote and support local business in respectof the supply of a range of goods and services.

Monitoring and Evaluation takes place through the municipality's developed and adopted Performance Management System.

A system for the collection and maintenance of economic data can provide important information on the district.

LED is also supported in the district through support agencies, such as Alfred Nzo development Agency (ANDA) and various government departments that support certain LED.

Actual performance of ANDM

The majority of projects are concentrated in the Business support and enterprise development sector (28%); Agricultural sector (25%), Infrastructure projects (22%). Perceptions that were raised during the development of the 2012 LED Strategy include:

- The more projects 'on-the-go' the better. As such, there are many small low impact initiatives with low momentum for change.
- This then suggested a traditional approach to LED, focusing on poverty alleviation through the implementation of small projects.

These perceptions have however slowly evolved over time; as LED operations and programmes have since been designed to encourage main-stream economic activities, as well as encouraging commercialisation of traditional, subsistence business practices such as farming.

Structural problems with LED that were identified during the development of the 2012 LED Strategy include:

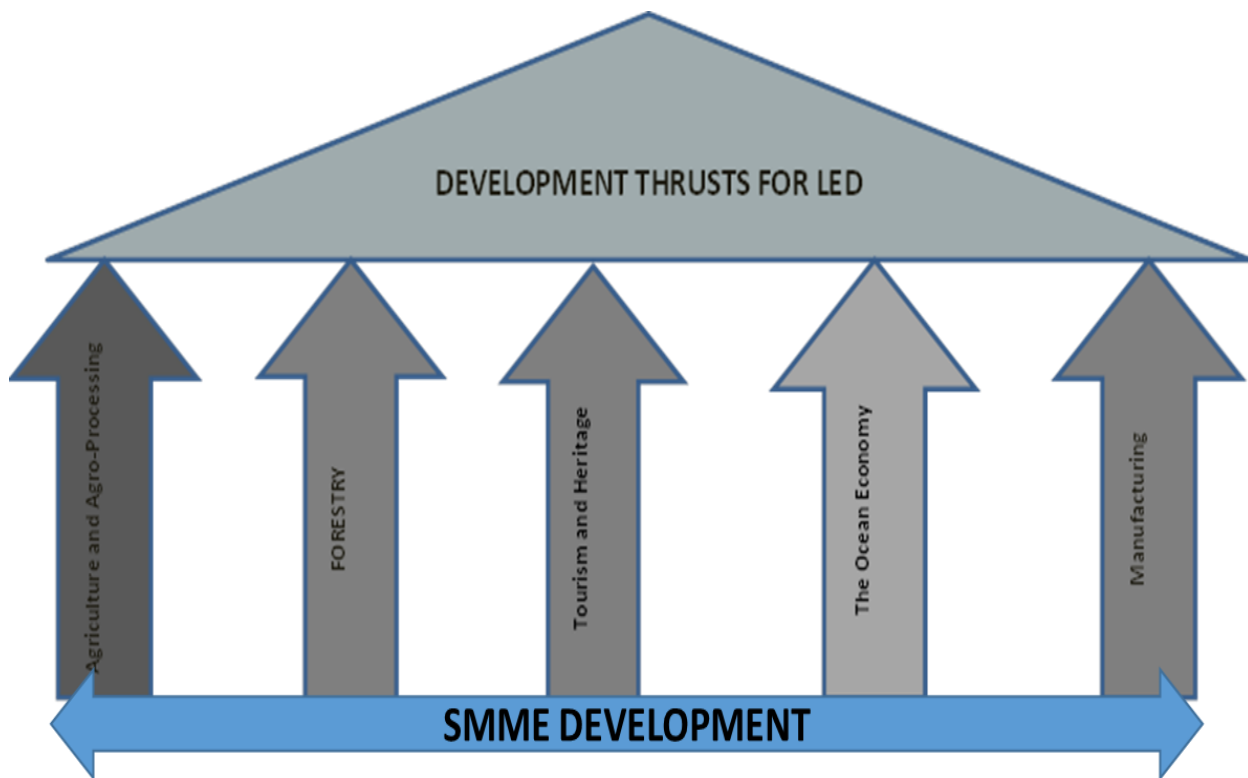
LED Policy is non-existent and should address 1) the utilisation of budgets for leveraging from government; parastatals; private sector (CSI); donor agencies and other development agencies; 2) Allocation of human resources towards LED planning; leveraging of resources and implementation; 3) Prioritisation of projects; 4) LED approach over the short, medium and long-term.

Some of these challenges have since been addressed, through the development a Policy that speaks to funding for LED initiatives, beneficiaries and local municipalities. Even though this has not yet been fully addressed, human resources have since been allocated for LED planning, resource mobilisation and implementation. Overall, the development of the 2012 LED Strategy has assisted in shaping LED in ANDM, where projects have since been crafted as guided by the strategic framework and pillars that were identified for LED in the District.

LED Strategy, programmes and implementation

Development thrusts for LED as identified in the Reviewed LED Strategy have been summarised in the figure below:

Figure 1: Development Thrusts for LED



8. ANDM Sector Plans

8.1. Introduction

The municipality has a number of sector plans in principle, which are viewed as the component parts of the IDP. These plans are used in conjunction with the IDP, hence serving as plans guiding specific functions of the municipality. The municipal departments and other stakeholders such as sector / government departments, in their key major functions develop plans for addressing specific pressing development matters, hence referred to as sector plans. In essence, the key relevant sector plans will be listed below and briefly described in showing the update of their development status hence can be acquired from the municipality on request. The following is a list of relevant sector plans and policies referred to as annexures to the IDP document:

8.2. List of Sector Plans and Policies Update

NO	POLICY	PROGRESS/COMMENT
001	Fraud Prevention Plan	New policy
002	Fraud Prevention Strategy	Requires annual review
003	Risk Management Policy and Framework	Requires annual review
004	Risk Management Strategy	Requires annual review
005	Risk Management Committee Charter	Requires annual review
006	Communication Policy	Requires annual review
007	Communication Strategy	Annual review of the communication strategy action plan
008	District Wide IGR Framework	New Policy
009	Municipal Relations ad Agreements Policy	New Policy
0010	SPU Strategy	Review the document to align with IDP, Provincial and National Strategy
0011	Youth Policy	Review the whole policy through consultation with youth stakeholders. The draft policy will be used as the bases of discussion
0012	HIV and Aids Policy and TB	Requires annual review
0013	Gender Policy	Requires Annual Review
0014	Children's Policy	Requires Annual Review
0015	Disability Policy	5 year review
0016	Older Person's Policy	5 year review
0017	Audit Committee Charter	Requires annual review
0018	Internal Audit Charter	Requires annual review
0019	Internal Audit Methodology	Requires annual review
0020	Delegations Framework	Requires annual review
0021	Delegation Register	Requires annual review
	Unauthorised, irregular and fruitless and wasteful expenditure policy	Requires annual review
0022	Public Participation and Petitions Policy	Requires annual review

NO	POLICY	PROGRESS/COMMENT
0023	Council Rules and Orders	Requires annual review
0024	Office Bearers Vehicle Policy	Requires annual review
0025	Travelling Allowance for Councillors	Requires annual review
0026	Norms and Standards (MPAC)	Requires annual review
0027	Terms of Reference (Roles and responsibilities)	Requires annual review
0028	Mayoral Handbook	Requires annual review
0029	PMS Framework	Requires annual review
0030	Human Resources Manual	Requires annual review
0031	By Laws on Powers, privileges, immunities of Municipal Council	Requires annual review
0032	<u>Municipal meetings and meetings procedures</u>	New Policy
0033	<u>Municipal By-law development policy</u>	New policy

Apart from legislative requirements, the following are policies and procedures developed to guide all activities and procedures of the municipality. These policies are developed to ensure effective and efficient service delivery and use of municipal assets. They are:-

Human Resources	Reviewal date
13th cheque policy	31 May 2020
Acting allowance policies and procedures Manual	31 May 2020
Code of conduct policy	31 May 2020
Records Management policy	31 May 2020
Compensation for occupational diseases and injuries policies and procedures manual	31 May 2020
occupational health and safety policy	31 May 2020
Consuming of alcohol or any abusive drugs-substance policy	31 May 2020
Death of staff member policy	31 May 2020
Promotion policy	31 May 2020
Sexual harassment policy	31 May 2020
Smoking policy	31 May 2020
Unauthorized absence policy	31 May 2020
Retention policy	31 May 2020

Employee assistance programme policy	31 May 2020
Gift, favors or reward policy	31 May 2020
Hours of work policy	31 May 2020
Housing rental policy	31 May 2020
Implementation of new policies & procedures	31 May 2020
SMME Policy	31 May 2020
Tourism Policy	31 May 2020
Local and Regional Economic Development Strategy (LRED)	31 May 2020
Spatial Developmenty Framework	31 May 2020
Financial Management	31 May 2020
Accounting policies	31 May 2020
Capital replacement reserve policy	31 May 2020
Fleet management policy	31 May 2020
Fixed asset management policy	31 May 2020
Investment and cash management policy	31 May 2020
Auxiliary and Information Technology	31 May 2020

Email and Internet User Policy	31 May 2020
ICT Framework	31 May 2020
Telephone and cell phone policy	31 May 2020

Apart from municipal policies adopted, the municipality has a functional LLF in place, and all employer/employee relations are maintained through this platform. As a result, there had been no strikes by employees since 2016.

8.5. Annexure 1: ANDM Financial Plan

8. PURPOSE

- The purpose of this document is to outline the comprehensive multi-year financial plan that will ensure long-term financial sustainability for the municipality.
- A multi-year financial plan is essential to ensure that the municipality continues to implement its mandate effectively without impairing its capital base. It will also enable the municipality to move towards self-sufficiency in meeting the growing demands of service delivery.

9. BACKGROUND

- A financial plan is prepared for a period of at least three years, however it is preferred that it should be for over a period of five or more years

- A multi-year financial plan is prepared to ensure financial sustainability of the municipality, paying particular attention to the municipality's infrastructure requirements.
- It is also an important component of the municipality's Integrated Development Plan.
- A prudent multi-year financial plan identifies and prioritizes expected needs based on the municipality's Five-year Integrated Development Plan and details estimated amounts of funding from various sources
- The multi-year financial plan will also ensure that the municipality has greater financial health and sustainability, making it easier to collaborate on projects with other levels of government and various public and private stakeholders. This will further enhance the ability of the municipality to have access to more financing, funding and grants.

10. FINANCIAL STRATEGY FRAMEWORK

- Alfred Nzo District Municipality is a developing and growing municipality striving for service delivery excellence. Therefore many challenges are faced with regards to financial planning and are ever changing due to the dynamic setting of local government
- The priority for the municipality, from the financial perspective is to ensure viability and sustainability of the municipality. The multi-year financial plan and related strategies will therefore need to address a number of key areas in order to achieve this priority. These strategies are detailed below:

3.1 Revenue Enhancement Strategy

- To seek alternative sources of funding;

- Expand income base through implementation of new valuation roll;
- The ability of the community to pay for services;
- Identification and pursuance of government grants;
- Tightening credit control measures and debt collection targets;
- Improve customer relations and promote a culture of payment;
- Realistic revenue estimates;
- The impact of inflation, the municipal cost index and other cost increases; and
- The creation of an environment which enhances growth, development and service delivery.

3.2 Asset Management Strategy

- The implementation of a GRAP compliant asset management system;
- Adequate budget provision for asset maintenance over their economic lifespan;
- Maintenance of asset according to an infrastructural asset maintenance plan;
- Maintain a system of internal control of assets to safeguard assets; and
- Ensure all assets owned and/or controlled except specific exclusions are covered by insurance.

3.3 Financial Management Strategies

- To maintain an effective system of expenditure control including procedures for the approval, authorization, withdrawal and payment of funds;
- Preparation of the risk register and application of risk control;
- Implement controls, procedures, policies and by-laws to regulate fair, just and transparent transactions;
- Training and development of senior financial staff to comply with prescribed minimum competency levels;
- Implement GRAP standards as gazette by National Treasury; and
- Prepare annual financial statements timeously and review performance and achievements for past financial years.

Herewith is the Annual Financial Statements preparation plan for 2020/2021.

ALFRED NZO LOCAL MUNICIPALITY								
FINANCIAL YEAR ENDING 30 June 2021								
PLANNING FOR PREPARATION OF AFS								
Section	No.	Task Description	Finance Department Section	Responsible Person Municipal	Deadlines for Task Completion (Mid year AFS)	Deadline for 3rd Quarter AFS	Deadline for Task completion (Final AFS)	Frequency
1. Bank and Cash	1.	Review/Prepare Monthly and Year-end bank reconciliations on all bank and call accounts	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Monthly & yr-end

	1. 2	All reconciling items on recons to be cleared - Monthly	Revenue Management	Thobeka Mazwane	28/02/2021 1	31/05/2021	20 July 2021	Monthly
		GRANTS - To create correct segments					23 May 2021	Once off
	1. 3	Ensure that past 12 months bank reconciliations have been signed by the compiler and the verifier and supporting documents are on file	Revenue Management	Thobeka Mazwane	28/02/2021 1	31/05/2021	20 July 2021	Monthly
	1. 4	Obtain the petty cash register and agree to the TB. • Ensure that cashiers floats (particulars listed for audited purposes) as well as petty cash float (cash balances) are paid back on 30 June or reconcile and prepare a list that is compared with the closing balance as per General ledger	Revenue Management	Thobeka Mazwane	28/02/2021 1	31/05/2021	20 July 2021	Monthly
	1. 5	Obtain a listing of long outstanding/stale cheques. • Reverse all stale cheques (outstanding cheques older than 6 months).	Revenue Management	Thobeka Mazwane	28/02/2021 1	31/05/2021	20 July 2021	Monthly
	1. 6	Agree the bank charges per the TB/GL to supporting documentation	Revenue Management	Thobeka Mazwane	28/02/2021 1	31/05/2021	20 July 2021	Monthly

	1.7	A list of the bank and investment accounts in the name of the municipality, as well as contact details. Proof of bank account details being submitted to National Treasury and the Auditor General of South Africa	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Year end
	Cashbook transactions - DBSA							
	1.8	Prepare the disclosure note for Bank and cash	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Year end
	1.9	Send out confirmation from the bank to support all securities and collateral Address Audit Queries	Revenue Management	Thobeka Mazwane	28/02/2021		01 July 2021	Year end
	1.10	No evidence of review of bank reconciliations.	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Monthly
	2.1	<u>Indigent debtors:</u>						
	2.1.1	Obtain approved indigent debtor policy of the municipality	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Once
	2.1.2	Obtain Indigent Register	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly & yr-end
	2.1.3	Compare indigent debtors per the age analysis/ MunSoft System to the Indigent register	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly & yr-end
2. Consumer Receivable & Other Debtors								

2. 1. 4	Review transactions processed for Indigent debtors	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly & yr-end
2. 1. 5	Get supporting documents and application forms for the new applications	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly & yr-end
	<u>Consumer Debtors & other debtors</u>			22/02/2018	31/05/2018	31 July 2018	
2. 2. 1	Perform reconciliation between the GL receivables account and the age analysis and clear all reconciling items	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly
	- Ensure that the age analysis/ balance list reconcile to control account within General ledger.	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly
	- Obtain the listing for debtors with credit balances - (Trace and populate with debtors account numbers	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Year end
	- Investigate debtors with credit balances to confirm the validity	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Year end
	- Communicate these debtors for clearing and Include amounts paid by debtors in advance as trade and other payables. (Current liabilities)	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Year end
2. 2. 2	Sundry Receivables reconciliations	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly
2. 2. 3	In instances where interest is not charged on overdue debtors consider the provisions of GRAP par 15	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	n/a

2.	Ensure the existence of Consumer Receivables assertion is met- (Receipts from debtors, non paying debtors reviewed and agreements)	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Monthly
2.	Calculation of the provision for impairment	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.	Prepare the journals to account for the impairment	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.	Perform the Impairment calculation - Impairment losses recognised	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.	Prepare the Debtors age analysis by Service	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.	Prepare the Debtors age analysis by Debtor type/Customer classification	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.	Prepare the Debtors age analysis for loan/Rental accounts - Other debtors	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.	Compile a reconciliation of the impairment provision per debtor category reflecting:	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
	Balance at beginning of the year	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
	Perform the Impairment calculation - Impairment losses recognised	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
	Amounts written off as uncollectable	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly

	Balance at the end of the year.	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.12	Identify impaired sundry debtors, especially 3 years and older (prescribed) and provide additional bad debt provision.	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.13	Bad debts written off in 2021 (listing and council approval item)	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Prior year end
	Bad debts written off (new date) (listing and council approval item)	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.14	- Recommendation to be made for write off - with justification	Debtors & Billing	Thobeka Mazwane N. Mbana & Khonaye	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.15	Agreements for long term debtors - where these have not been included under Sundry debtors write off	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly
2.15	Prepare debtors note per the provisions of GRAP and MFMA	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	31 July 2021	Quarterly

3.Suspense	3.1	Determine which vote numbers are suspense accounts and that the balances on these votes are 0 or are accounted for. This is normally salary control accounts, etc	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 July 2021	Monthly
	3.2	Investigate all balances or miscellaneous entries in the General ledger accounts that need to be reallocated (maybe to revenue or expenditure votes that will affect the end of the year statement of performance results)	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 July 2021	Monthly
	3.3	Clear Salaries control accounts and prepare reconciliations between VIP/ Pay day and Expenditure votes to proof correct allocation during interface	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 July 2021	Monthly
	3.4	Reconcile the VAT control accounts (Input and output) and create debtor or liability provision.	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 July 2021	Monthly
	3.5	Reconcile salary payments to bank (Staff payments and third parties) to VIP/Pay day and suspense account	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 July 2021	Monthly
	3.6	Review the reconciliations on Suspense accounts for the period. General ledger votes that cannot be closed must be properly motivated with working papers.	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 July 2021	Monthly

4. Inventory	4.1	Invite the Auditor General for the inventory count. And perform the count.	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31-05-208	14 June 2021	Annually
	4.2	Ensure controls are in place for the receipts and issue of stock	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	31 March 2021	Monthly
	4.3	Compare stock quantities per the valuation report to the count sheets & or the stores system. Investigate differences and ensure they are accounted for correctly	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	07 July 2021	Annually
	4.4	Determine and list obsolete stock (impaired inventory included)	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	07 July 2021	Monthly
	4.5	Prepare a list of shortages with value and report to Council before or on the 31 July for possible write off.	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	07 July 2021	Annually
	4.6	Test the valuation of stock for compliance with the accounting policy and GRAP	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	07 July 2021	Quarterly
	4.7	Include in the Council report a list of impaired stock and the obsolete stock with reference to the department it affects, quantity and value to be sold in a future auction.	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	07 July 2021	Annually
5. Assets (PPE, HA, IP, IA)	5.1	Infrastructure Assets - Appointment of the Engineers	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 March 2021	Year end

	5.2	Obtain the final complete asset registers that agrees to the GL	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	15 July 2021	Quarterly
		- Physical verification of assets	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Quarterly
		- Update of the FAR and GL with disposals and additions	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 July 2021	Quarterly
		- Calculate Depreciation	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 July 2021	Quarterly
		- Compile list of impaired assets	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 July 2021	Quarterly
		- Review useful life of assets		Xola Stemela	28/02/2021	31/05/2021	30 July 2021	
	5.3	Prepare the disclosure note for PPE.	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 July 2021	Quarterly
	5.4	Reconcile Appendix B to the notes disclosed in the AFS	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 July 2021	Quarterly
	5.5	Follow-up on the correction of prior year audit findings.	Supply Chain and Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 July 2021	Quarterly
6. Provisions	6.1	Obtain the listing of all provisions applicable at the municipality	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	14 July 2021	Quarterly

	6.2	Establish the assumptions and information required for the calculation of the provision. Calculate based on the available information. If an expert is required obtain the provision calculations	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	14 July 2021	Quarterly
	6.3	Prior year adjustment -		Khonaye Sibuta			31 May 2021	
	6.4	Prepare the journals and disclosure note for the provisions	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	14 July 2021	Post year end
7. Rental of Facilities and equipment	7.1	Obtain all lease agreements relating to rental income	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	15 July 2021	Monthly
	7.2	Review the lease agreement check terms and conditions and ensure rental income is accounted for per GRAP provisions on an accrual basis.	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	31 May 2021	Monthly
	7.3	Ensure the rental register and lease agreements are available to support rental income. Reconcile these supporting to the general ledger and sundry debtor/bank.	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	15 July 2021	Quarterly
8. Investments	8.1	Obtain the confirmation from the banks relating to the investments	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Post Year End
	8.2	Prepare the journals for the adjustment of the investments and interest earned	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	31 May 2021	Post Year End
	8.3	Prepare AFS disclosure note	Revenue Management	Thobeka Mazwane	28/02/2021	31/05/2021	20 July 2021	Post Year End

9. Accounts Payable	9.1	Obtain/Prepare listing of creditors	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.2	Prepare a reconciliation of the GL to the creditors age analysis.	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.3	Agree balance of Creditors Reconciliations to the Creditors age-analysis	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.4	Obtain the accruals listing and compare to PY	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.5	Reverse PY accruals where appropriate	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.6	Inspect all payments made after year end	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.7	Ensure that all invoices paid after year end are fully accrued.	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9.8	Prepare an accruals list which agrees to the GL.	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
<u>Retentions</u>							30 July 2018	
	9.6.1	Obtain the Retentions listing for the PY and agree to the TB	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly

	Ensure all retentions released have been reversed from the retentions vote	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	Obtain the all the payment certificates for the current period	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	Propose journals to account for the retention movement	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	Prepare retentions listing that agrees to GL	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	Verify status of retentions older than two years	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	Ensure all the supporting documents are on file	PMU	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
9.7	Obtain & Review Audit fees reconciliation & Disclosure Note	Expenditure Management	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
9.8	Ensure supporting documentation is available for all payables balances	Expenditure Management	N Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	Perform a search for unrecorded liabilities- Assure Completeness	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	31 March 2021	Quarterly
	Prior year adjustment - Journals						
	- SIU invoices - capture and report unauthorised to the Council C119		Khonaye Sibuta			31 May 2021	
	- Liquidators to be contacted - Nombini to follow up		N Mbana			31 May 2021	

	9. 90	Prepare the disclosure note for all Payables	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	9. 10	<u>Address Audit Queries</u>						
	9. 10 .1	Trade and other payables: Creditors paid after 30 days from receiving invoice	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Monthly
10. Loans Payable	10 .1	Obtain the list of long term loans	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
	10 .2	Obtain the statements from DBSA	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Year end
	10 .3	Perform the calculation for amortisation tables	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
	10 .4	Recalculate interest and agree with GL	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
	10 .5	Prepare the summary of movements of loans for Annexure A to AFS	Asset Management	Xola Stemela	28/02/2021	31/05/2021	30 June 2021	Monthly
11. VAT	11 .1	Obtain the monthly VAT returns submitted	Expenditure Management	Khonaye Sibuta	28/02/2021	31-05-2021	20 July 2021	Monthly
	11 .2	Review the VAT reconciliation	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	20 July 2021	Monthly
	11 .3	Reconcile the VAT 201 return to the GL	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	20 July 2021	Monthly

		Prepare 3rd Quarter Reconciliation	Expenditure Management	Khonaye Sibuta			15 June 2021	Monthly
	11.4	Prepare the additional MFMA disclosure note	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	20 July 2021	Year end
12. Defined Benefit Obligation & Long service Awards	12.1	Obtain request for information from actuary and assist in providing requested information	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31-05-2021	31 May 2021	Year end
	12.2	Liase with actuarial company to commence with the valuation	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	31 May 2021	Year end
	12.3	Monitor progress and ensure that the information supplied is accurate and complete	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	28 July 2021	Year end
	12.4	Prepare the journals to account for the DBO balances	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	28 July 2021	Year end
	12.5	Prepare the disclosure note for the AFS	Budget & Treasury Office	Khonaye Sibuta	28/02/2021	31/05/2021	28 July 2021	Year end
14. Accumulated Surplus	14.1	Prepare disclosure for correcting the misstatements between Revaluation Reserve and Accumulated Surplus	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	14.2	Obtain and review the funds register	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
		Reverse through a journal the credit notes processed on Accumulated Surplus		Khonaye Sibuta			31 May 2021	

	14.3	Prepare journals for movements in the reserves to ensure that the GL agrees to the register	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
15. Grants	15.1	Review the Grant register and ensure all transactions are recorded in the GL	Debtors & Billing	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Monthly
	15.2	Inspect all supporting invoices to ensure that they comply with the conditions of the grants						
	15.3	Where conditions have been met ensure that the revenue is recognised accordingly.						
	15.4	Reconcile the grants per the register to the DoRA	Debtors & Billing	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Monthly
	15.5	Prepare the disclosure note for grants and subsidies paid	Debtors & Billing	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Year end
		GRANTS - To create correct segments		Maxoli Nkume/Thobeka Mazwane				
	15.6	Prepare the disclosure note for the AFS	Debtors & Billing	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Year end
	15.7	Prepare an Annexure for Grants to be included in AFS	Debtors & Billing	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Year end

16. Revenue	16.1	All meters to be read and captured	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	Once
	16.2	Ensure Revenue is recognised and measured per the provisions of GRAP	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	Monthly
	16.3	Review the report for meters not read in the last 3 months and obtain appropriate reasons. (Analyse the exception report)	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	Monthly
	16.4	Analyse and clear all the exceptions from the exception report	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	After year end
		- Readings where the consumers are charged fixed rates	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	After year end
	16.5	Calculate the revenue for the period between cut-off and year end and process the journal (cut-off)	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	n/a	After year end
	16.6	Prepare the schedule for Other Income	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	Monthly
	16.7	Perform monthly analysis of income per category and obtain reasons	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	After year end
	16.8	Prepare all the revenue disclosure notes per the AFS	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	30 July 2021	After year end
17. Interest Received - Investment	17.1	Prepare the schedule for interest income based on Investments, debtors, etc	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	15 July 2021	Monthly

	17.2	Prepare the disclosure note for the AFS	Debtors & Billing	Thobeka Mazwane	28/02/2021	31/05/2021	15 July 2021	Quarterly
18. Operating Leases Income and Expense	18.1	Prepare/update the operating lease register (based on the contract register)	Supply Chain and Asset Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	18.2	Prepare a schedule for the straight lining of leases where applicable	Supply Chain and Asset Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	18.3	Perform the calculation and prepare the journal entries where necessary (straight lining)	Supply Chain and Asset Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	18.4	Prepare the commitment disclosure necessary for the AFS: - Less than one year - Between one and five years - More than five years	Supply Chain and Asset Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
19. Expenditure	19.1	Obtain the municipal SCOA and review for GRAP compliance	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 June 2021	At the beginning of the year
	19.2	Review the R&M accounts for possible capital expenditure expensed	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 June 2021	Monthly
	19.3	Prepare the disclosure note for General expenses	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	19.4	Review the current classification of general expenditure for appropriate classification	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly

	19.5	Prepare the disclosure note for audit fees	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	19.6	Prepare the disclosure note for contracted services in the AFS	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	19.7	Prepare the disclosure for contributions to organised local government (SALGA) Create segments -	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	19.8	Perform analytical review on all expenditure items and follow up on all material discrepancies	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Quarterly
	19.9	<u>Address Audit Queries</u> Payments to suppliers not made within 30 days Repairs and maintenance- cut off Repairs and maintenance- incorrect classification. General expenditure - incorrect classification						
20. Finance cost	20.1	Document a detailed breakdown of interest paid	Expenditure Management	Sihle Khuzo	28/02/2021	31/05/2021	15 July 2021	Monthly
	20.2	Obtain detailed support for all interest paid	Expenditure Management	Sihle Khuzo	28/02/2021	31/05/2021	15 July 2021	Monthly
	20.3	Prepare the disclosure for interest cost for the AFS	Expenditure Management	Sihle Khuzo	28/02/2021	31/05/2021	30 July 2021	Monthly

21.	.1	Obtain VIP reports	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	After year end
	.2	Review Councillors' Remuneration calculations and ensure that they are in line with Remuneration of Public Office Bearers Act	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	After year end
	.3	Perform the calculation for the leave provision	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	After year end
	.4	Perform the calculation for the employee related costs provisions	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	After year end
	.5	Prepare the reconciliation between VIP and Munsoft from 01 July 2018 to 30 June 2021 for both employees and councillors	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	After year end
	.6	Obtain the monthly EMP201 submitted (reconciliation to GL & payroll report)	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Monthly
	.7	Obtain Personnel list with post levels	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Year end
	.8	Prepare the disclosure note for management remuneration	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Year end
	.9	Prepare the disclosure note for councillor remuneration - all councillors	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Year end
	.10	Obtain Letter from the local bargaining forum that approves general salary increases	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Year end

22. Commitments	21.1.1	Obtain Government Gazette for determination of Councillor's remuneration	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Year end
	21.1.2	Obtain Support for additional MFMA disclosures, PAYE, UIF, etc. Prepare the disclosure note	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	30 July 2021	Monthly
	21.1.3	<u>Address Audit Queries</u>						
		Employees leave not approved in time						
	22.1	Compile a register for capital commitments	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.1.1	Agree contract amounts to contract/appointment letters	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.1.2	Agree expenses to the ledger	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.1.3	Ensure all contracts are included in the register	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.1.4	Ensure all WIP projects are on the register	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.1.5	Compare the Commitment register to the contract register & WIP register	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.2	Ensure the completeness of Commitment register by performing a reconciliation between WIP register and Commitment register	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly

	22.3	Prepare the disclosure note for the AFS	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
		<u>Address Audit Queries</u>						
	22.3.1	Commitments not calculated accurately	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	22.3.2	Commitments were not calculated correctly	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Monthly
	22.3.3	Commitments not included on the register	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
	22.3.4	Supporting documents for expenditure not submitted.	Supply Chain and Asset Management	Nombini Mbana	28/02/2021	31/05/2021	30 July 2021	Quarterly
23. Guarantees & Contingent Liabilities	23.1	Obtain schedule with investigations, litigations and claims by the municipality or against the municipality	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	23.2	Obtain & Review schedule with contingent liabilities	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Monthly
	23.3	Obtain a list of financial guarantees on behalf of employees	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	23.4	E mailed the confirmation template to the Municipal Lawyers representative	Budget & Treasury Office	Maxoli Nkume	To be done at year end	31/05/2021	30 July 2021	Before Year end
	23.5	Names and contact details of legal representatives in order to obtain legal confirmations -	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 June 2021	Before Year end

		Must sit with Mr Kohli and update the register	Budget & Treasury Office	Sihle Khuzo		31 May 2021	
		To send ANDM staff to go and confirm with lawyers using the AG template	Budget & Treasury Office	Sihle Khuzo		30 June 2021	
	23.6	Obtain legal confirmations	Budget & Treasury Office	Sihle Khuzo	To be done at year end	31/05/2021	30 June 2021 Before Year end
	23.7	Prepare disclosure note for the AFS	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021 Quarterly
<u>Address Audit Queries</u> No attorney confirmations received.							
24. Financial Instruments disclosures	24.1	Prepare the disclosure note for the AFS	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021 Year end
	24.2	Prepare working paper to update disclosures directly from the TB/AFS and use as reference when updating the AFS	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021 Year end
	24.3	Review the appropriate classification of financial assets and liabilities	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021 Year end
	24.4	Review the appropriate accounting policies for financial assets and liabilities	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021 Year end

25. Related parties GRAP 20	25 .1	Facilitate the annual declarations for key management personnel (interests) ANDA - Item description to be corrected	Supply Chain and Asset Management	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Year end
	25 .2	Prepare the councillors debt balances per month for disclosure purposes	Supply Chain and Asset Management	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Monthly
	25 .3	Prepare the disclosure note for related parties	Supply Chain and Asset Management	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Year end
26. Unauthorised expenditure	26 .1	Prepare the schedule for expenditure per directorate in order to identify any unauthorised expenditure	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	28 July 2021	Monthly
	26 .2	Obtain the approval for expenditure that has been written off, if any Submit item to Council - SIU	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 June 2021	Quarterly
		Previous years unauthorised - Report		Maxoli Nkume Maxoli Nkume / CFO			03 June 2021	
	26 .3	Prepare the disclosure note in the AFS	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	28 July 2021	Quarterly
	26 .4	<u>Address Audit Queries</u>						
	26 .4.1	Unauthorised expenditure: Understatement of unauthorised expenditure (Ex.112)	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	28 July 2021	Quarterly

	26	Unauthorised Expenditure: Adjustments made to the final AFS without sufficient appropriate audit evidence provided (Ex.196)	Budget & Treasury Office	Maxoli Nkume	28/02/202 1	31/0 5/20 21	28 July 2021	Year end
27. Fruitless and Wasteful	27 .1	Prepare the register of fruitless and wasteful expenditure for the 2018/19 period	Expenditure Management	Khonaye Sibuta	28/02/202 1	31/0 5/20 21	30 June 2021	Monthly
	27 .2	Obtain the approval for expenditure that has been written off, if any	Expenditure Management	Khonaye Sibuta	28/02/202 1	31/0 5/20 21	28 July 2021	Quarterl y
	27 .3	Prepare the disclosure note in the AFS	Expenditure Management	Khonaye Sibuta	28/02/202 1	31/0 5/20 21	28 July 2021	Quarterl y
		<u>Address Audit Queries</u>						
	27 .3. 1	Consequence Management: No investigations conducted	Expenditure Management	Khonaye Sibuta	28/02/202 1	31/0 5/20 21	28 July 2021	Monthly
		Prior year adjustment - Remove all those actings		Khonaye Sibuta			31 May 2021	
		Luya to compile the list of all accounts and their interest (Eskom) & Telkom & Payovers Must verify first		N. Mbana / Sihle Khuzo Khonaye Sibuta				
	27 .3. 2	Procurement: Tenders advertised for less than required no. of days.	Expenditure Management	Khonaye Sibuta	28/02/202 1	31/0 5/20 21	28 July 2021	Monthly

	27.3.3	Fruitless and wasteful expenditure: Officials being members of bid committee as well as adjudicating committee.	Expenditure Management	Khonaye Sibuta	28/02/2021	31/05/2021	28 July 2021	Monthly
28. Irregular expenditure	28.1	Prepare the register of irregular expenditure for the period	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	28 July 2021	Monthly
	28.2	Obtain the approval for expenditure that has been written off, if any	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	28 July 2021	Quarterly
		Prior year - Write an item for Council		Nolwazi Cezu			31 May 2021	
	28.3	Prepare the disclosure note in the AFS	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	28 July 2021	Quarterly
	28.4	<u>Address Audit Queries</u>						
	28.4.1	No investigation of irregular expenditure.	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	28 July 2021	Quarterly
		Incomplete irregular expenditure register. No calculation of points performed.						
29. Deviations	29.1	Prepare the register of deviations for the 2021 financial year (Irregular Expenditure)	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	07 July 2021	Monthly
	29.2	Obtain the approval for expenditure that has been condoned, if any	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	07 July 2021	Quarterly

	29 .3	Prepare the disclosure note in the AFS	Supply Chain and Asset Management	Nolwazi Cezu	28/02/2021	31/05/2021	07 July 2021	Quarterly
30. GRAP 24 / Budget disclosures	30 .1	Obtain the budget and adjustment budget	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Monthly
	30 .2	Prepare the reconciliation between the approved budget and the adjustment budget, with related explanations for significant variances	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	30 .3	Obtain reasons for significant variances between adjustment budget and actual figures	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	30 .4	Prepare Appendix D	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	30 .5	Prepare Appendix E(1) and E(2)	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
	30 .6	Obtain the schedules for completion of Annexure G1-5	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
		<u>Address Audit Queries</u>						
	30 .6.1	The Municipality overspend on some of their expenditure line items	Budget & Treasury Office	Maxoli Nkume	28/02/2021	31/05/2021	30 July 2021	Quarterly
31. Opening balances	31 .1	Ensure that the opening balances on the system agree to the closing balances of the AFS	Budget & Treasury Office	Sihle Khuzo	28/02/2021	31/05/2021	15 June 2021	Annually beginning of the year

	31 .2	Prepare a file for all prior year adjustments	Budget & Treasury Office	Sihle Khuzo	28/02/2021	31/05/2021	15 June 2021	Quarterly
32. Audit file	32 .1	Obtain all minutes of meetings (council, Mayoral committees, portfolio committees mng, etc)	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
		Obtain minutes of the meetings - After reporting date (council, exco, mng, etc)	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .2	Consolidate all audit working paper files for each account balance in the AFS	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .3	Obtain specimen signatures - Mayor, Mun Manager, CFO	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .4	Obtain Integrated Development Plan (IDP) + Budget + Tariff + Council Items & Resolutions (Draft & Final)	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .5	Advertisement of IDP + Budget + Tariffs	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .6	Adjustment Budget + Item + Resolution	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .7	Approved SDBIP	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .8	Performance Agreements (Municipal Manager, CFO & Sen. Managers)	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32 .9	Draft Preliminary Annual Report	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly

32.10	The council resolution where the budget for the financial year was approved to ensure that the tariff structure for the year under review was approved by council in terms of Section 75A of the Municipal Systems Act	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
32.11	The newspaper advert containing the following in respect of the approval of tariffs—	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	(i) that a resolution as contemplated in subsection (2) has been passed by the council;	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	(ii) that a copy of the resolution is available for public inspection during office hours at the main administrative office of the municipality and at the other places specified in the notice;	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	(iii) the date on which the determination will come into operation	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
32.12	Letter to the MEC of DLG that the above notice has been published	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
32.13	Obtain Performance reports	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
32.14	Organisational chart / organogram	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly

33. AFS	32.15	Declarations of conflict of interests register for both councillors and management, with system process documentation of how this feeds into the AFS.	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32.16	Ensure all sections have filed supporting documentation in file	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32.17	Obtain the latest policy and by-laws documents	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32.18	Obtain the Risk register	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	32.19	Obtain Internal audit plan and reports	Budget & Treasury Office	Sihle Khuzo	22/02/2021	31/05/2021	15 July 2021	Quarterly
	33.1	Complete the disclosure checklist and prepare related identified disclosures	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
	33.2	Review accounting policies for alignment to GRAP	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
	33.3	Prepare the prior period reconciliation working paper	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
	33.4	Prepare Note 2 - New standards and interpretations	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
	33.5	Prepare financial sustainability calculations and disclosure note	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
	33.6	Review the council minutes to identify any events after the reporting date	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly

33 .6	Prepare Risk management disclosures:	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 1	(i) Capital risk management	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 2	(ii) Financial risk management objectives	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 3	(iii) Significant accounting policies	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 4	(iv) Market risk exposure per the following component thereof:	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 5	- Foreign currency risk	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 6	- Fair value interest rate risk	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 7	- Price risk	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .6. 8	(v) Interest rate risk	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .7	Review the following Annexures to ensure that it agrees with the AFS	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .7. 1	Appendix A	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly
33 .7. 2	Appendix B	Budget & Treasury Office	Sihle Khuzo	07/03/2021	15/06/2021	20 August 2021	Quarterly

	33 .7. 3	Appendix C	Budget & Treasury Office	Sihle Khuzo	07/03/202 1	15/0 6/20 21	20 August 2021	Quarterl y
	33 .7. 4	Appendix D	Budget & Treasury Office	Sihle Khuzo	07/03/202 1	15/0 6/20 21	20 August 2021	Quarterl y
	33 .7. 5	Appendix E(1) and E92)	Budget & Treasury Office	Sihle Khuzo	07/03/202 1	15/0 6/20 21	20 August 2021	Quarterl y
	33 .7. 6	Appendix F	Budget & Treasury Office	Sihle Khuzo	07/03/202 1	15/0 6/20 21	20 August 2021	Quarterl y
	33 .7. 7	Appendix G1-5	Budget & Treasury Office	Sihle Khuzo	07/03/202 1	15/0 6/20 21	20 August 2021	Quarterl y
34. Cash Flow	34 .1	Prepare Cash Flow statement and supporting schedules for the 2021 AFS and submit to AG	Budget & Treasury Office	Maxoli Nkume	07/03/202 1	15/0 6/20 21	30 July 2021	Quarterl y
	34 .2	Prepare Cash Flow statement for the 2021 AFS with all supporting schedules	Budget & Treasury Office	Maxoli Nkume	07/03/202 1	15/0 6/20 21	30 July 2021	Quarterl y
35. Review of AFS	35 .1	Complete the NT disclosure checklist	Budget & Treasury Office	Internal Audit	07/03/202 1	15/0 6/20 21	18 August 2021	Quarterl y
	35 .2	External review of AFS through completion of the NT disclosure checklist	Budget & Treasury Office	Internal Audit	07/03/202 1	15/0 6/20 21	18 August 2021	Quarterl y
	35 .3	Submit the disclosure checklist to NT signed off by the CFO	Budget & Treasury Office	Internal Audit	07/03/202 1	15/0 6/20 21	18 August 2021	Quarterl y
36. Audit committee	36 .1	Approval of the AFS	Budget & Treasury Office	U Mahlasela	07/03/202 1	30/0 6/20 21	18 August 2021	Quarterl y

36 .2	Management & Review and recommendation	Budget & Treasury Office	Internal Audit	07/03/2021	30/06/2021	21 August 2021	Quarterly
36 .3	Internal Audit - Review and Recommendation	Budget & Treasury Office	Internal Audit	07/03/2021	30/06/2021	22 August 2021	Quarterly
36 .4	Audit Committee Meeting - Review and recommendation	Budget & Treasury Office	Internal Audit	07/03/2021	30/06/2021	25 August 2021	Quarterly

3.4. OPERATIONAL FINANCING STRATEGIES

- Effective cash flow management to ensure continuous, sufficient and sustainable cash position;
- Enhance budgetary controls and financial reporting;
- Direct available financial resources towards meeting the projects as identified in the IDP; and
- To improve Supply Chain Management processes in line with regulations.

10.5. CAPITAL FINANCING STRATEGIES

- Ensure service delivery needs are in line with multi-year financial plan;
- Careful consideration/prioritization on utilizing available resources in line with the IDP;
- Analyse feasibility and impact on operating budget before capital projects are approved;

- Determine affordable limits for borrowing;
- Source external funding in accordance with affordability;
- Improve capital budget spending; and
- Maximizing of infrastructural development through the utilisation of all available resource.

10.6. Cost-Effective Strategy

- Invest surplus cash not immediately required at the best available rates;
- Restrict capital and operating expenditure increases in relation to the inflation rate taking into consideration the macro economic growth limit guideline and municipal cost increases.
- To remain as far as possible within the following selected key budget assumptions:
- Provision of bad debts of at least 2%;
- Overall cost escalation to be linked to the average inflation rate;
- Tariff increases to be in line with inflation plus municipal growth except when regulated;
- Maintenance of assets of at least 3% of total operating expenditure;
- Capital cost to be in line with the acceptable norm of 18%;
- Outstanding external debt not to be more than 50% of total operating revenue less government grants; and
- Utilisation of Equitable Share for indigent support through Free Basic Services

10.7. Measurable Performance Objectives for Revenue

- To maintain the debtors to revenue ratio below 10%;
- To maintain a debtors payment rate of above 85%;
- To ensure that the debtors return remain under 60 days; and
- To keep the capital cost on the Operating Budget less than 18%.

10.8. Financial Management Policies

The purpose of financial policies is to provide a sound environment to manage the financial affairs of the municipality. The following are key budget related policies:

- **Tariff Policy** – the policy prescribes the procedures for calculating tariffs. This policy is required in terms of Section 74 of the Local Government Municipal System Act, Act 32 of 2000;
- **Indigent Support Policy** – to provide access to and regulate free basic services to all indigents;
- **Budget Policy** – this policy set out the principles which must be followed in preparing a Medium-Term Revenue and

Expenditure Framework Budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies.

- **Asset Management Policy** – the objective of the policy is to prescribe the accounting and administrative procedures relating to property, plant and equipment;
- **Accounting Policy** – the policy prescribes the basis of presentation of the Annual Financial Statements in accordance with the Generally Recognized Accounting Practices and Accounting Standards;
- **Supply Chain Management Policy** – this policy is developed in terms of Section 11 of the Municipal Finance Management Act, Act 56 of 2003. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procuring of goods and services, disposing of goods and selecting of contractors in the provision of municipal services
- **Subsistence and Travel Policy** – this policy regulates the reimbursement of travelling and subsistence cost to officials and councillors attending official business
- **Credit Control and Debt Collection Policy** – this policy provides for credit and debt collection procedures and mechanisms to ensure that all consumers pay for the services that are supplied.
- **Investment and Cash Management Policy** – this policy was compiled in accordance with the Municipal Investment Regulation R308 and ensures that cash resources are managed in the most efficient and effective manner possible.
- **Short-term Insurance Policy** – the objective of the policy is to ensure the safeguarding of Council's assets

11. REVENUE FRAMEWORK

In order to serve the community and to render the services needed, revenue generation is fundamental to financial sustainability of every municipality

The reality is that we are faced with developmental backlogs and poverty, challenging our revenue generation capacity. The requests always exceed the available funds. This becomes more obvious when compiling the municipality's annual budget

Municipalities must table a balanced and more credible budget, based on realistic estimation of revenue that is consistent with their budgetary resources and collection experience

The revenue strategy is a function of key components such as:

- Growth in town and economic development;
- Revenue enhancement;
- Achievement of above 90% annualized collection rate for consumer revenue;
- National Treasury guidelines;
- Approval of full cost recovery of specific department;
- Determining tariff escalation rate by establishing/calculating revenue requirement; and
- Ensuring ability to extent new services and recovering of costs thereof

The South African economy is taken an economic downturn and it will take some time for municipal revenues to increase through local economic growth.

12. GRANT FUNDING

The Division of Revenue Act contains allocations from National and Provincial, which allocations are recognized as government grants and factored as follows over the medium term.

The Equitable share allocation to the local sphere of government is an important supplement to existing municipal revenue and takes account of the fiscal capacity, fiscal efficiency, developmental needs, extent of poverty and backlogs in municipalities.

Municipal Infrastructure Grant allocation which caters for the infrastructure backlogs within Alfred Nzo District Municipality.

Other Provincial, COGTA and any other grants in kind allocations which cater for specific projects for that particular year.

When these funds are received from Treasury the Municipality opens a separate bank account for each Grant so that when the funds are spent they are transferred from the relevant bank account to the main bank account.

The municipality managed to spend 100% on all the grants that were allocated to it, except to mention a R20m that was taken by the National Treasury due to projects that were not registered on the MIS. The municipality is required by the MFMA to report on those grants on a monthly, quarterly and yearly basis according to DORA requirements in terms of S71, S52, Section 72 etc.

13. TARIFF SETTING

Alfred Nzo District Municipality derives its revenue from the provision of services such as water and sanitation. A considerable portion of the revenue is also derived from grants by national governments as well as other minor charges such as tender documents, interests from investments and clearance certificate charges.

As in the past, increase cost primarily driven by the Consumer Price Index (CPIX), dictates an increase in the tariffs charged to the consumers. It therefore follows that all the tariffs will have to be increased by a percentage in line with the forecasted CPIX estimated at 6% for the 2019/2020 and 5.1% for 2020/2021.

It is realised that the ability of the community to pay for services rendered is also under tremendous pressure and that the economic outlook for the near future require everybody to make sacrifices.

14. DEBTORS

Debtors with the age of ninety days (90) plus constitute more than 60% of the total debtors book.

The credit control and debt collection policy has been reviewed to address indigents, pensioners and child headed households. It further addresses the debts of customers who have now been converted to pre-paid water wherein in 20% of the prepaid water purchase will be allocated to the old debt and 80% towards the purchase of water.

The debtor's book constitutes 20% of the total municipal operating budget.

Collection rate was 80% in the 2019/2020 as at Feb 2020.

DC44 Alfred Nzo - Table A1 Consolidated Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
<u>Financial Performance</u>										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	25,668	14,746	35,698	39,172	39,174	39,174	39,174	57,142	60,228	63,480
Investment revenue	11,871	17,978	25,365	17,079	17,079	17,079	17,079	29,700	31,304	32,994
Transfers recognised - operational	480,062	413,439	469,574	536,743	534,453	534,453	534,453	579,159	611,710	659,107
Other own revenue	5,392	2,989	10,196	71,092	91,098	91,098	91,098	92,787	97,937	103,096
Total Revenue (excluding capital transfers and contributions)	522,994	449,151	540,833	664,086	681,804	681,804	681,804	758,788	801,179	858,677
Employee costs	198,473	230,624	236,934	271,303	237,275	237,275	237,275	273,958	271,976	268,982

Remuneration of councillors	8,688	8,805	9,803	10,293	12,305	12,305	12,305	11,713	12,345	13,012
Depreciation & asset impairment	58,862	66,514	73,449	70,000	90,000	90,000	90,000	90,000	95,000	100,000
Finance charges	6,529	2,520	1,744	808	808	808	808	500	527	555
Materials and bulk purchases	48,215	76,721	41,405	57,889	18,709	18,709	18,709	18,967	19,992	21,072
Transfers and grants	43,906	84,708	375	20,000	21,000	21,000	21,000	21,500	22,661	23,885
Other expenditure	190,742	204,672	141,533	205,189	275,906	275,906	275,906	314,782	322,245	339,689
Total Expenditure	555,416	674,564	505,243	635,482	656,003	656,003	656,003	731,420	744,746	767,195
Surplus/(Deficit)	(32,422)	(225,413)	35,590	28,603	25,801	25,801	25,801	27,368	56,433	91,483
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	422,206	545,966	560,273	544,914	527,204	527,204	527,204	560,434	580,917	659,779
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	389,785	320,553	595,863	573,517	553,005	553,005	553,005	587,802	637,350	751,262
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	389,785	320,553	595,863	573,517	553,005	553,005	553,005	587,802	637,350	751,262
Capital expenditure & funds sources										

Capital expenditure	488,088	433,316	488,789	566,304	547,952	547,952	547,952	579,459	600,970	680,915
Transfers recognised - capital	488,088	433,316	488,789	566,304	547,952	547,952	547,952	525,284	543,868	620,730
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	—	—	—	—	—	—	—	54,176	57,101	60,185
Total sources of capital funds	488,088	433,316	488,789	566,304	547,952	547,952	547,952	579,459	600,970	680,915
<u>Financial position</u>										
Total current assets	66,313	57,554	179,505	70,526	5,053	15,573,723	584,172	8,343	36,380	70,347
Total non current assets	2,851,896	3,187,311	3,599,005	4,129,265	547,952	69,840,948	3,824,148	579,459	600,970	680,915
Total current liabilities	171,336	194,878	132,421	189,247	—	—	—	—	—	—
Total non current liabilities	22,159	13,495	13,330	—	—	—	—	—	—	—
Community wealth/Equity	2,724,714	3,036,491	3,632,759	4,010,544	553,005	76,853,451	4,186,923	587,802	637,350	751,262
<u>Cash flows</u>										
Net cash from (used) operating	1,431,741	391,072	563,339	669,017	643,005	643,005	643,005	658,759	712,279	830,107

Net cash from (used) investing	(467,003)	(407,354)	(477,757)	(566,304)	(547,952)	(547,952)	(547,952)	(579,459)	(600,970)	(680,915)
Net cash from (used) financing	9,377	(10,453)	(662)	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	1,047,936	10,519	95,439	139,083	137,124	137,124	137,124	174,680	285,989	435,181
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	36,369	10,519	95,380	36,369	5,053	12,887,495	417,235	(10,700)	16,309	49,192
Application of cash and investments	153,604	156,938	101,885	150,495	—	(2,496,108)	(157,588)	(16,624)	(17,524)	(18,468)
Balance - surplus (shortfall)	(117,235)	(146,419)	(6,505)	(114,126)	5,053	15,383,603	574,823	5,924	33,833	67,660
<u>Asset management</u>										
Asset register summary (WDV)	2,873,479	3,180,451	3,591,686	3,398,545	—	—	—	300,234	318,535	346,437
Depreciation	58,862	66,514	73,449	70,000	90,000	—	—	90,000	95,000	100,000
Renewal and Upgrading of Existing Assets	—	—	—	—	224,596	—	—	25,907	29,315	33,901
Repairs and Maintenance	—	—	—	48,200	58,580	—	—	54,270	57,202	60,291
<u>Free services</u>										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—

Revenue cost of free services provided <u>Households below minimum service level</u>	–	–	–	–	–	–	–	–	–	–
Water:	–	24	–	224	228	228	235	235	–	–
Sanitation/sewerage:	–	28	–	–	–	–	28	28	–	–
Energy:	–	4,161	–	–	–	–	6	6	–	–
Refuse:	–	226	–	–	–	–	226	226	–	–

DC44 Alfred Nzo - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Re f	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcom e	Audited Outcom e	Audited Outcom e	Original Budget	Adjuste d Budget	Full Year Foreca st	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22

RECEIPTS:	1, 2								
<u>Operating Transfers and Grants</u>									
National Government:	–	406,401	592,770	601,453	534,453	439,689	579,159	611,710	659,107
Local Government Equitable Share	–	383,112	437,586	510,344	510,344	417,555	556,720	597,920	643,853
Finance Management	–	–	–	–	–	–	1,865	1,790	2,054
Energy Efficiency and Demand Management	–	–	–	–	–	–	6,000	6,000	7,000
EPWP Incentive	–	–	–	–	–	–	9,174	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
ISDG	–	23,289	155,184	91,109	24,109	22,134	5,400	6,000	6,200
Provincial Government:	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
ISDG	–	–	–	–	–	–	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
<i>[insert description]</i>	–	–	–	–	–	–	–	–	–

		–	–	–	–	–	–	–	–	–
Other grant providers:		–	(1,266)	633	–	–	–	2,426	2,566	2,707
<i>RAMS</i>		–	–	–	–	–	–	2,426	2,566	2,707
		–	(1,266)	633	–	–	–	–	–	–
Total Operating Transfers and Grants	5	–	405,134	593,403	601,453	534,453	439,689	581,585	614,276	661,814
<u>Capital Transfers and Grants</u>										
National Government:		–	51,105	2,285	–	–	–	558,008	578,351	657,072
Municipal Infrastructure Grant (MIG)		–	51,105	2,285	–	–	–	376,009	398,401	430,616
Regional Bulk Infrastructure		–	–	–	–	–	–	91,999	85,000	85,743
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
WSIG		–	–	–	–	–	–	90,000	94,950	140,713
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	490,374	373,989	480,204	527,204	446,730	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	490,374	373,989	480,204	527,204	446,730	–	–	–

Other grant providers:		-	-	-	-	-	-	-	-	-
RAMS		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	541,478	376,274	480,204	527,204	446,730	558,008	578,351	657,072
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	946,613	969,677	1,081,657	1,061,657	886,419	1,139,593	1,192,627	1,318,886

DC44 Alfred Nzo - Table A4 Consolidated Budgeted Financial Performance
(revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	23,156	12,524	35,698	35,001	35,001	35,001	35,001	51,725	54,518	57,462
Service charges - sanitation revenue	2	2,512	2,222	-	4,171	4,173	4,173	4,173	5,418	5,710	6,019
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-

Rental of facilities and equipment		234	532	429	440	440	440	440	586	618	651
Interest earned - external investments		11,871	17,978	25,365	17,079	17,079	17,079	17,079	29,700	31,304	32,994
Interest earned - outstanding debtors		—	—	—	—	—	—	—	—	—	—
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—
Licences and permits		—	—	—	—	—	—	—	—	—	—
Agency services		20	26	174	—	—	—	—	—	—	—
Transfers and subsidies		480,062	413,439	469,574	536,743	534,453	534,453	534,453	579,159	611,710	659,107
Other revenue	2	5,138	2,207	9,594	70,653	90,659	90,659	90,659	92,201	97,319	102,445
Gains on disposal of PPE		—	224	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		522,994	449,151	540,833	664,086	681,804	681,804	681,804	758,788	801,179	858,677
Expenditure By Type											
Employee related costs	2	198,473	230,624	236,934	271,303	237,275	237,275	237,275	273,958	271,976	268,982
Remuneration of councillors		8,688	8,805	9,803	10,293	12,305	12,305	12,305	11,713	12,345	13,012
Debt impairment	3	22,129	6,087	244	25,500	25,500	25,500	25,500	30,000	31,620	33,327
Depreciation & asset impairment	2	58,862	66,514	73,449	70,000	90,000	90,000	90,000	90,000	95,000	100,000
Finance charges		6,529	2,520	1,744	808	808	808	808	500	527	555

Bulk purchases	2	5,350	6,480	7,966	6,000	6,000	6,000	6,000	6,000	6,324	6,665
Other materials	8	42,865	70,241	33,439	51,889	12,709	12,709	12,709	12,967	13,668	14,406
Contracted services		31,034	49,546	44,046	108,547	250,406	250,406	250,406	205,466	208,052	219,223
Transfers and subsidies		43,906	84,708	375	20,000	21,000	21,000	21,000	21,500	22,661	23,885
Other expenditure	4, 5	133,172	147,922	93,668	71,142	—	—	—	79,315	82,573	87,139
Loss on disposal of PPE		4,408	1,117	3,575	—	—	—	—	—	—	—
Total Expenditure		555,416	674,564	505,243	635,482	656,003	656,003	656,003	731,420	744,746	767,195
Surplus/(Deficit)		(32,422)	(225,413)	35,590	28,603	25,801	25,801	25,801	27,368	56,433	91,483
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		422,206	545,966	560,273	544,914	527,204	527,204	527,204	560,434	580,917	659,779
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		389,785	320,553	595,863	573,517	553,005	553,005	553,005	587,802	637,350	751,262

Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		389,785	320,553	595,863	573,517	553,005	553,005	553,005	587,802	637,350	751,262
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		389,785	320,553	595,863	573,517	553,005	553,005	553,005	587,802	637,350	751,262
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		389,785	320,553	595,863	573,517	553,005	553,005	553,005	587,802	637,350	751,262

8. CONCLUSION

The continued improvement and development of an effective financial planning process aids the actualization of fulfilling the municipality's facilitating role to capacitate the community to build a better future for all. The Financial planning imperatives contribute to ensuring that the Municipality remains financially viable and that municipal services are provided economically to all communities. The Multi-year Financial Plan contains realistic and credible revenue and expenditure forecasts which should provide a sound basis for improved financial management and institutional development as well as service delivery improvements and implementation. The strategy towards cash backing will certainly ensure the sustainability of the Municipality over the medium-to long-term.

Revised Alfred Nzo AFS Plan 2021 – See separate Excel Spreadsheets

Municipal Annual Budgets and MTREF & Supporting tables - – See separate Excel Spreadsheets

ANNEXURE 2: ANDM PMS

SECTION A: ORGANISATIONAL PMS

1. Introduction

This performance management framework document of Alfred Nzo District Municipality (ANDM) sets out the Performance Management System of the District undergirded by the District IDP and its annual SDBIP of the District.

The performance management framework covers, what it is, why there is performance management, who is involved in the performance management system, how the system is organised and how and when it is implemented.

The primary mandatory components of the performance management framework herein are the Organisational level Performance Management, Departmental performance management and individual performance management.

The performance management system process is enjoined in the IDP process plan as depicted in the process under the section on implementation.

PMS defined & rationale for the performance management framework

What Is Performance Management, Monitoring and Evaluation and the Annual IDP Review? Performance management is defined as:

“A strategic approach to management, which equips leaders, managers, employees and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets of efficiency, effectiveness and impact.”

The municipality shall develop a performance management system based on the prescripts contained in the legal framework for the performance management system.

The municipality shall set targets and monitor and review the performance of the municipality based on the indicators linked to the Integrated Development Plan (IDP). Performance management consists of these two inseparable, integral components, namely:

- Organisational performance management: to determine whether a municipality is achieving its strategic goals; and
- Employee performance management: to determine how well employees perform their duties towards the achievement of the municipality's objectives

Performance Management is an ongoing communication process that involves both the Manager/Supervisor and the Supervisee in:

- Identifying and describing essential job functions and relating them to the strategy (IDP) and Budget of the Municipality;
- Developing realistic and appropriate performance standards;
- Giving and receiving feedback about performance;
- Undertaking constructive and objective performance appraisals ; and
- Identifying and planning education and development opportunities; to sustain, improve or build
- On employee work performance.

Why Performance Management System; the purpose of the IDP Plan is to ensure that the resources available to the ANDM are directed at the delivery of projects and programmes that meet agreed development priorities.

As AND Municipality starts the implementation of the IDP plan it is important to check that:

- the delivery is happening in the planned manner;
- the Municipality is using its resources most efficiently;
- it is producing the quality of delivery envisaged; and
- the delivery is having the planned effect on the lives of the people in the Municipality.

To achieve this it is necessary to monitor and evaluate, measure and review the performance of ANDM against indicators and targets set in the IDP and SDBIP. Performance management will assist Municipalities:

- to make immediate, appropriate changes in delivery and management of
- resources;
- identify and overcome major or systemic blockages; and
- guide future planning on developmental objectives and resource use,
- Achieving this requires pro-active development of a performance management system and undertaking an annual review of the IDP.

Applicable legislation for the pms framework

The local government: municipal planning and performance management regulations, 2001.

Section 7(2) of the Regulations requires that the Municipality, in developing its Performance Management System, must ensure that the system:

- Complies with all the requirements set out in the Municipal Systems Act;
- Demonstrates how it is to operate and be managed from the planning stage up to the stages of performance review and reporting;
- Clarifies the roles and responsibilities of each role player, including the local community, in the functioning of the system;
- Clarifies the processes of implementing the system within the framework of the Integrated Development Planning process;
- Determines the frequency of reporting and the lines of accountability for performance;
- Relates to the Municipality's Employee Performance Management processes.
- Furthermore, Section 43 of the Regulations prescribes the seven general key performance indicators (Section 3.3.4 of this policy).

2. Municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006

These regulations articulate issues of employment contracts, performance contracts and performance appraisal of

Municipal Managers and Managers directly accountable to them.

Chapter 3 of the regulations allude to the following regulation clauses as purpose of performance agreement:

The purpose of the agreement is to:

- Comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Act as well as the employment contract entered into between the parties;
- specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- specify accountabilities as set out in a performance plan, which forms an annexure to the performance agreement;
- monitor and measure performance against set targeted outputs;
- use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- in the event of outstanding performance, to appropriately reward the employee; and
- Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. Municipal Systems Act (Act No 32 of 2000)

In terms of this Act (Chapter 6, Sections 38 – 49) all municipalities are required among other things to:

- Develop a PMS, monitor and review performance based on the indicators linked to the IDP;
- Involve the community in the development of key performance indicators; and reviewing municipal performance.
- Publish an annual report on performance for councillors, staff, the Municipal and other spheres of government;

Section 57 of chapter 7 (MSA) of this chapter requires the Municipal Manager and those officials reporting directly to the Municipal Manager (section 57 employees) to sign annual performance agreements.

4. Municipal Finance Management Act (2003)

Section 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of services and the execution of its annual budget and which must include (as part of the top layer) the following:

a) Projections for each month of-

- (i) revenue to be collected, by source; and
- (ii) operational and capital expenditure, by vote

b) Service delivery targets and performance indicators for each quarter.

According to Section 53(1) (c) ii of the MFMA (Act 56 of 2003) "the Mayor of the municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget"

The Mayor is to receive the draft SDBIP 14 days after approval of budget and therefore the final SDBIP approved 14 days after receiving the first draft of the SDBIP.

5. RSA Constitution, 103, of 1996

The overarching legislative mandate of the PMSF is to achieve the objects of Section 152 of the Constitution which are:

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

6. Objectives and guiding principles of the performance management framework

The main Goal of Performance Management is to ensure that the municipality as a **system** and its **subsystems** work together in and **integrated** fashion for accomplishing optimum results; and facilitate increased accountability.

The PMS provides a mechanism for ensuring increased accountability between:

- The citizens of the AND Municipality and the municipal council;
- The political and administrative components of the municipality and;
- The Office of the Municipal Manager and each municipal department.

The PMS also provides a platform for learning and improvement. It enables ANDM to assess which approaches and methods are having the desired impact and this way enable ANDM to make the necessary improvements that will lead to more effective service delivery.

This PMSF provides managers and supervisors at all levels; the municipal manager, portfolio committees and the council with early warning of performance targets that are not going to be reached and thus adversely affecting the implementation of the IDP.

The PMS should provide suitable management information that will allow for efficient, effective and informed decision making, particularly on the allocation of resources.

This Performance Management Framework is to clarify the processes of implementing the performance management system within the framework of the Integrated Development Planning process. To demonstrate how the system will be conducted, organized, operated and managed from the planning stage up to the performance review. It will determine the roles and responsibilities and the frequency of reporting for Organisational Performance

Management System and Individual Performance Management System.

This framework aims to:

- Clarify the processes of implementing the performance management system within the framework of the Integrated Development Planning (IDP) Process.
- Clarify definitions and standards for performance management.
- Ensure compliance with the South African Legal framework.
- Demonstrate how the system will be conducted, organized, operated and managed from the planning stage up to the stages of performance review.
- Define roles and responsibilities.
- Determine the frequency of reporting.
- Promote accountability and transparency of performance management within the Alfred Nzo District Municipality.

Prior to implementing a PMS, an approved organisational structure that is aligned to the IDP be put in place. This structure should indicate roles, responsibilities, powers and functions for the implementation of the IDP.

7. Who uses the PMS and How: Roles & Responsibilities

A range of different ANDM stakeholders use the Performance Management System for different reasons. Understanding these is important as it affects the type of information required and the form in which it is prepared.

The table on the next page outlines some of the key usages.

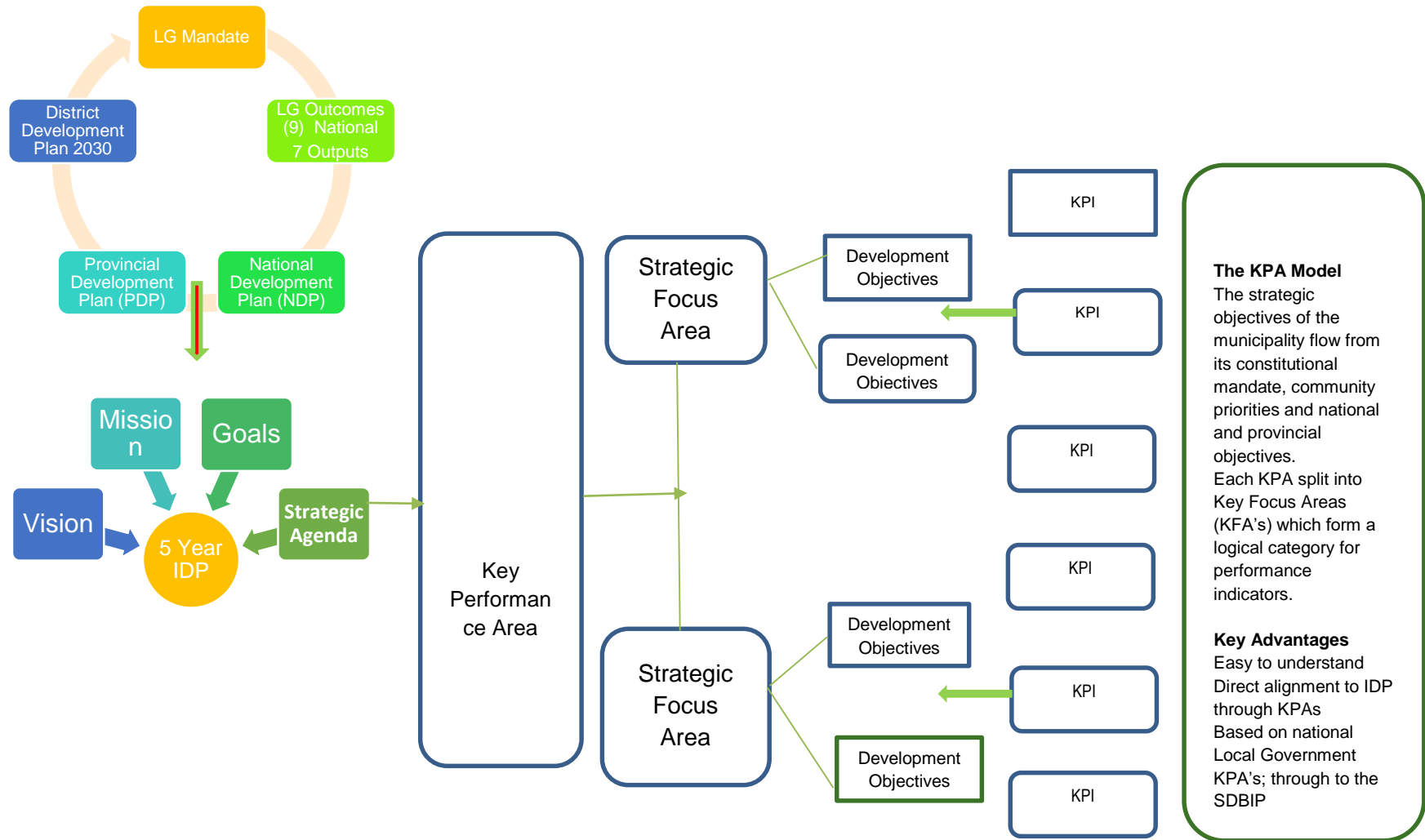
ANDM Council	<p>Assess whether it is meeting its developmental objectives and whether these are having an impact on the lives of the people in the Municipality.</p> <p>Help define ways of improving its resource usage and impact on the developmental needs of the people in the Municipality.</p> <p>Assist in evaluating progress made by the Municipality against key performance indicators.</p>
Executive Mayor and Mayco	<p>Strategic monitoring of progress and effectiveness of the implementation of the IDP Plan.</p> <p>Review the effectiveness of service delivery strategies used by the Council and inform recommendation on best methods including partnerships for service delivery.</p>
Municipal Manager	<p>Strategic and operational control of the delivery of the IDP & SDBIP.</p> <p>Use the information and analysis to advise the Council on the best action for the Municipality to take to realise its development objectives.</p>
Senior Management Team	<p>Keep an up to date understanding of implementation.</p> <p>Understand reasons for problems and blockages</p> <p>Inform ways of tackling day-to-day and systemic blockages to implementation.</p> <p>Conduct regular reviews of performance.</p>
Financial Team	<p>Monitors how effectively the financial resources are used to implement the IDP.</p> <p>Controls the flows of money to maximise its contribution to the implementation.</p>

Programme Managers	Monitors and evaluate the delivery of range of projects or parts of projects to understand how the implementation can best achieve the defined programme objectives.
Sectoral Managers	Understand and assess how his sectoral resources are performing in implementing the IDP plan. Evaluate/Measure performance in terms of agreed indicators and targets.
Project Managers	Monitor and evaluate the proper allocation of resources to achieve the project delivery in the most efficient way within the defined timeframe.
Consultation For a like IDP Rep Forum	Monitoring and evaluation and review information to provide the opportunity for them and the groupings they represent to assess the extent to which the Municipality is delivering its IDP plan. Assess better ways of mobilising their “constituencies” to appropriately involve themselves in delivery.
Local Residents	Receive information on the progress in the delivery of the IDP Plan. Hold Municipalities accountable for their performance against key performance indicators and targets.
National and Provincial Government	Understand the extent to which the Municipality is contributing to meeting National and Provincial development priorities. How effectively the Municipality is using financial and other resources provided to it by other spheres of government. Assess the overall state of local government.

Grant Funders	Monitoring and evaluation as to whether their financial contributions are used effectively and appropriately to meet the Municipality's development objectives and their conditions as funders.
Auditors	Understand the policy bases of performance management in ANDM for performance audits

SECTION B: ORGANISATIONAL PERFORMANCE MANAGEMENT MODEL & APPROACH

The PMS is modelled on the overall Integrated Development Planning system and ethos which brings all plans from national and provincial to converge within district and local plans in a specific local space for implementation. The diagram below depicts the overall model of the PMS:



The Balanced Scorecard approach will be used based on the **KPAs** and the **strategic objectives** as they appear in the reviewed IDP. It will also link the IDP objectives to operational plans and ensuring that there is a balance of outcome, output and input indicators in the organizational and departmental SDBIPs. The KPIs and performance targets will be developed for each of the strategic focus areas and high level objectives. Baseline information for the previous financial year will also be used to determine where the municipality is in terms of achieving its previous plans, and to determine what should be done to improve on the past performance. The Balanced Scorecard approach will be customised as follows:

Service Delivery Perspective: (outcome/impact)

KPA: Basic Service Delivery & Local Economic Development

This looks at whether the services provided meet the needs of the customers in terms of value added to customers, time, quality, service costs and outcomes. Outcomes are "what we wish to achieve and the impact are the results of achieving specific outcomes"

Financial Perspective: (efficiency & effectiveness)

KPA: Financial viability management

This looks at the efficiency and effectiveness of managing operations and costs, sustainability and revenue growth.

Internal Business Processes: (outputs)

KPA: Good governance and public participation

It refers to activities and processes done by the organization to deliver services, it looks at both short term and long term objectives. How well the municipality is running and whether the services rendered conform to customer needs. They are "what we produce or deliver."

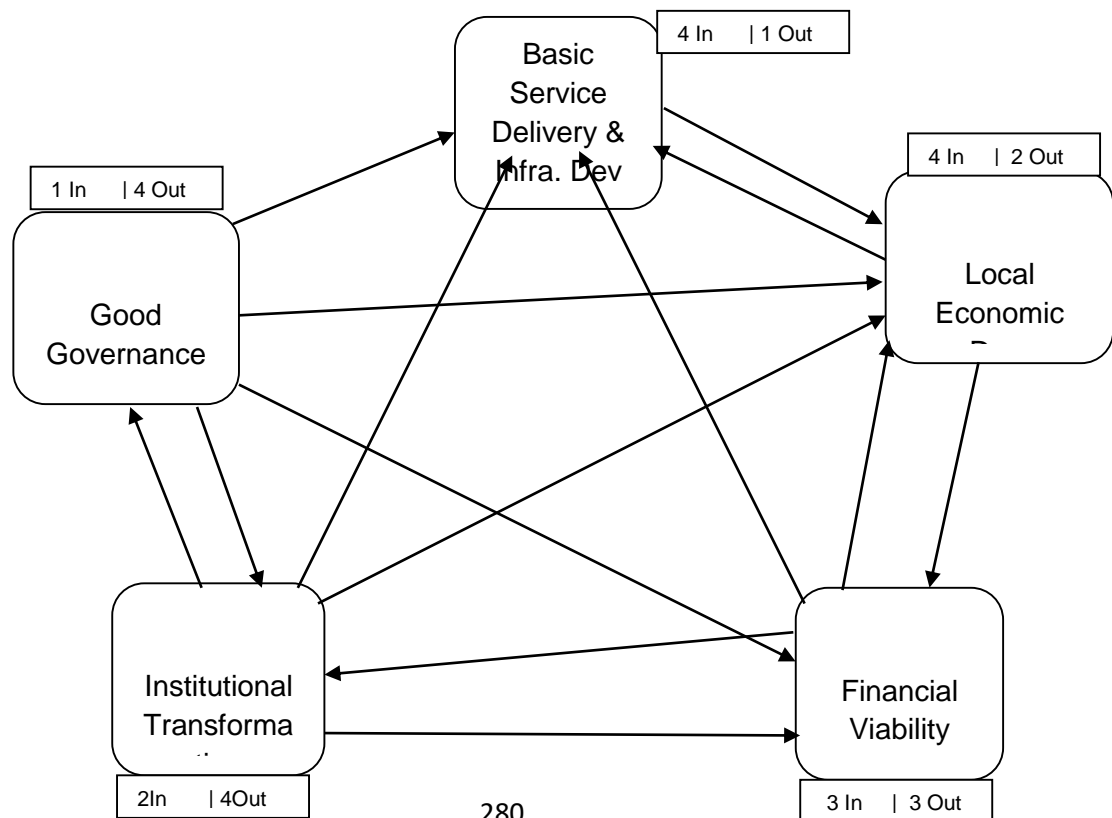
Learning and Growth Perspective: (inputs)

KPA: Institutional transformation and organisational development

It looks at human capacity, systems, organizational climate and culture. It emphasizes skills and capabilities required to improve performance. Inputs contribute to the production and delivery of outputs. They are “what we use to do the work.” Taking from the National Government guide on the scorecard AND municipality through the Strategic Planning process and into the IDP Strategic Agenda articulation developed the following Scorecard:

KEY PERFORMANCE AREA	WEIGHT (%)
Basic Service Delivery and Infrastructure Development	40
Local Economic Development	30
Financial Viability	15
Good Governance and public Participation	5
Institutional Transformation	10

The scorecard is informed by the logic that achieving the strategic agenda will be through appreciating which are the drivers and outcomes between the KPAs, as illustrated below:



1. The Performance Management Cycle

PERFORMANCE PLANNING: This ensures that the strategic direction of the municipality informs and aligns the IDP with all planning activities and resources, like the development of departmental SDBIPs, development of Performance Contracts for Section 54 and 56 employees and the Performance Plans of all employees. The key performance areas and key performance indicators are aligned to the IDP and the national requirements and the targets are set at this stage.

The overall cycle includes four phases illustrated in the figure below:



2. Performance, measurement, review and analysis

This is an ongoing process to determine whether performance targets are met, exceeded or not met. Projections can also be made during the year as to whether the final targets will be met by comparing achievements to the past deliverables. This also analysis why there is under-performance or over performance in a particular area. Where targets have not been met, reasons are examined and corrective actions recommended. Evidence to support the status is also reviewed. This is where indicators are also reviewed to determine if they are feasible and measure the key areas appropriately.

Performance review sessions- the cycle for performance runs throughout the year. Monitoring is a process of consistently measuring performance and providing ongoing feedback to the employee or group of employees on their own progress towards reaching the set objectives.

Accountability to the Councillors of the Portfolio / Standing Committees takes place every month, hence the monthly Portfolio / Standing Committee meetings. This is where the quarterly KPAs are worked on and accounted upon monthly and the next month's plan is agreed upon and where the Councillors give input on the next month's programme and projects. This should be seriously considered as the platform in which the Councillors exercise their oversight role.

It is therefore imperative that the time is invested in the process for the:

- Self-assessment by the employee;
- Assessment by the employee's manager
- Joint discussion between the employee and the responsible manager; and\reaching consensus on the outcomes, detecting problems and jointly devising solutions.
- The performance reviews will take place as follows:
- All Departments to submit their Quarterly Reports to the relevant department
- On the 10th day after the end of the Quarter.
- The consolidated quarterly review report will be presented to Portfolio / Standing Committees on the 15th after the end of the quarter.

The Consolidated Review Report and Performance Analysis Report will be presented to Top Management and the Extended Top Management on the 20th after the end of the quarter. The Quarterly Review Meeting will then take place on the 24th after the end of the quarter when all inputs from various committees have been incorporated into the review reports. Departments will be requested to provide evidence of their performance against targets as and when required, as this information may be requested by Internal Audit from time to time as a means of verification of what has been reported in the quarterly reports.

3. Performance reporting

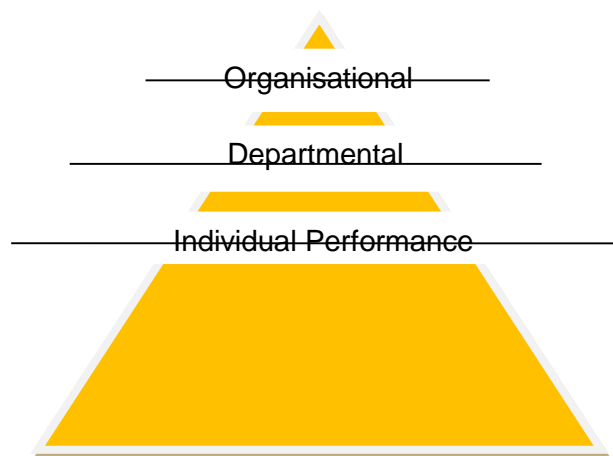
Sections report weekly to the Managers. These reports are consolidated into monthly reports where line managers report to their Executive / Senior

Managers. The monthly reports will be presented and discussed at the Extended Top Management on monthly basis. These departmental reports will then be consolidated into quarterly reports by respective departments. The quarterly reports are sent to the Portfolio / Standing Committees and the Internal Audit prior it being sent to Council and the Performance Audit Committee. Quarterly reports are consolidated and reporting is done twice a year to management and communities in the form of an Annual Report at the end of the Financial Year.

4. Organisation of performance management

Although organizational and individual performance management are linked, as the latter cannot be meaningfully developed without the former, it is important to manage these two fields of performance management as two separate systems. Once organizational objectives (Integrated Development Plan) and targets have been set for the Municipality, municipal departments and sections, it is possible to cascade them down to individuals within the sections through the use of individual performance plans. In turn, the achievement of individual, section and municipal department objective, contribute towards the achieving the overall objectives of the Integrated Development Plan.

Performance Management is organised into three layers of organisational performance, Departmental Performance, which can be subdivided into units, and the third layer is the individual performance management:



5. Departmental performance management system

Each Department shall draw up its annual departmental performance management framework based on the Integrated Development Plan, Performance Management Framework, Strategic Plan and Service delivery and budget implementation plan (SDBIP).

The Departmental performance management system shall be driven and championed by the Head of the Department.

The Departmental performance management system shall set an enabling performance environment for the efficient and effective utilization of employees within the Municipality.

The Departmental key performance areas, objectives, indicators targets and results shall be formulated by the Executive Manager or through a Departmental workshop. The Municipality shall set aside an annual funding for departmental workshops to take place immediately after the adoption of the budget and the IDP for formulation of annual departmental performance plans.

The effective management of performance at a unit and individual levels shall be the responsibility of the head of the department or unit.

The Head of the unit shall ensure that employees complete tasks assigned to them within the context of a performance management system.

6. Individual performance management system

The substantive details of the individual performance management system are discussed under section c below.

SECTION C: INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

1. Performance appraisal

The individual performance management system will be largely informed by and based on the organizational and Departmental performance management system. Appointment of individual managers shall be based on performance contract so as to enhance the culture of accountability and performance within the Municipality. The practice of appointing

managers on performance contract shall be extended up to Post level 3 or equivalent level employees. Annual performance contracts or accountability agreements or undertakings /promises shall be concluded and signed between the person responsible for managing the performance of a particular employee and that employee

Performance of Section 57 employees shall be strictly managed according to the 2006 performance management regulations issued by the Department of Provincial and Local Government. Performance standards and measures for each employee shall be set according to the pre-determined performance values and criteria for the Unit and the post. Performance management shall be pursued in order to identify performance gaps, deficiencies, and good performance for the purpose of making interventions and awarding rewards where necessary.

Employees shall be informed both verbally and in writing of what is expected of them in their jobs.

The employees shall be assessed according to the competency model which entails job knowledge, skills, attributes and set performance standards, objectives and targets. Critical training needs will also be established through this process. Employees will be entitled to receive regular feedback on their performance from their superiors.

In return, employees have a moral duty and obligation to perform their duties in terms of the set performance standards and job description without failure.

Rendering of services by employees in the most efficient, economical and effective manner will lead to judicious delivery of the right quality and quantity of output at the correct time.

Individual performance assessments shall be done quarterly in respect of all employees. Performance assessment shall be based on a set of performance standards, objectives and targets. The Municipality shall establish a Performance Management System (PMS) Unit within the Corporate Services Department to drive the individual performance management programme of the Municipality.

The PMS unit shall be responsible for co-ordination of individual performance management from probation stage of personnel utilization through the entire life cycle of personnel utilization within the institution. The PMS unit shall be responsible for recording the proceedings of performance assessment sessions at all times.

The PMS unit shall be the custodian and a place/point of reference for all working/current records of individual performance management subject to compliance with the requirements of the Municipal records and information management policy.

The PMS unit shall be responsible for managing and co-ordinating performance management in respect of provision of outstanding performance awards and payment of performance bonuses to respective employees.

The PMS unit shall be responsible for institution of poor performance counselling proceedings as may be required in terms of feedback from various service users from time to time.

The institution of disciplinary proceedings arising from poor work performance will be exclusive reserve of the Labour Relations Unit within the Corporate Services Department of the Municipality.

2. Performance review for managers reporting to executive managers

Managers will submit their performance reports based on their performance plans to the Executive Manager at the end of every month.

The Executive Manager will then sit with all managers at the end of the quarter on a one to one basis assessment, which will eventually inform the Executive Manager's performance.

3. Performance appraisal of managers reporting to the executive managers

The appraisal of managers reporting to the Executive Managers shall be done using the performance appraisal form every six months.

For purposes of evaluating the annual performance of managers reporting to the executive managers, an evaluation panel constituted of the following persons must be established –

Relevant Executive Manager of the department being evaluated.

Corporate Services

Planning and Economic Development / Development Planning Unit

A representative from another municipality / Department

Management of evaluation outcomes for managers reporting to executive managers

The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

Performance shall be awarded on the discretion of the evaluation panel.

Performance award for managers reporting to executive managers

Outstanding performance shall be awarded with incentives in a form of certification and monetary value.

Incentives shall be given on the basis of the result of the performance appraisal.

4. Section 54 and 56 employees

Section 54 and 56 employees are assessed on an 80:20 basis, where 80% represents the Key Performance Areas and the 20% represent the Core Competency Requirements (CCR).

A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be effected after,

The annual report for the financial year under review has been tabled and adopted by the municipal council;

An evaluation of performance in accordance with the provisions of regulation 23 and this contract; and

Approval of such evaluation by the municipal council as a reward for outstanding performance or effective performance.

5. Performance Evaluation for Section 54 and 56 employees and Managers

Reporting to the executive managers

The monitoring and performance evaluation of section 54 and 56 employees shall be done in accordance with the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, regulations of 2006, which prescribes as follows:

For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted of the following persons must be established:

- (i) Executive Mayor or Mayor;
- (ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (iii) Member of the mayoral or executive committee or in respect of a Plenary type municipality, another member of council;
- (iv) Mayor and/or municipal manager from another municipality; and
- (v) Member of a ward committee as nominated by the Executive Mayor or mayor.

For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons must be established:

- (i) Municipal Manager;
- (ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;
- (iii) Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and
- (iv) Municipal manager from another municipality.

The Manager: Human Resources shall provide secretariat services to the evaluation team referred to above.

Management of evaluation outcomes for section 54 and 56 employees Regulation 32(1) (2)(a) and (b) states that:

(1) The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

(2) A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator; provided that -

(a) A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%.

(b) A score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

The performance bonus based on affordability of the municipality shall therefore be paid to the section 54 and 56 employees after the annual report for the financial year under review has been tabled and adopted by the municipal council.

Dealing with poor performance

In the event of an employee failing to meet his/her performance objectives, the following guidelines should be followed:-

1. Poor performance and incapacity process

The onus lies with the Manager/Supervisor to ensure that the employee knows what is required;

Objectives/targets – key performance areas and deadlines should be agreed with the employee;

The employee should be given appropriate training, coaching and instructions in order to be able to meet the objectives/targets;

The employee has to have the means to perform the required objectives.

The employee must be given a reasonable time to achieve the required objectives. The employee must be given regular feedback on his/her performance.

2. Formal counselling

The employee's direct Manager/Supervisor is responsible for conducting any formal counselling sessions on poor performance; The Counselling session is an opportunity to formally plan and agree on corrective action;

Identify why the employee is failing to meet the required performance standards/objectives;

Agree on a plan to assist the employee in achieving the required standards/objectives and give the employee a fair opportunity to improve his/her performance;

Make the employee aware of the potential consequences of not complying with performance requirements;

Ensure that these meetings are documented so that procedural fairness can be proved in the event of any future disciplinary been taken.

3. Corrective formal disciplinary process

Should the employee after a reasonable period of time for improvement, continue to perform unsatisfactorily, notwithstanding appropriate evaluation, instruction, guidance and/or counselling, formal disciplinary steps may be implemented.

A formal disciplinary hearing should be held, and corrective action through series of graduated disciplinary measures should be considered, e.g. formal counselling, written warning, written final warning, and finally dismissal as a last resort.

4. Supervisors must meet regularly with employees to:

- Discuss the employee's performance objectives;
- Monitor their performance;
- Conduct formal assessment and agree on areas of improvements and what will be required to enhance that improvement. These included systematic, remedial and development support.
- The feedback must be formal and in writing

5. Disputes:

Employees must record their disagreement on the performance assessment.

Such dispute must be resolved without delay through formal structures.

Situations of poor performance, after everything possible has been done, the following may be considered:

- Mentoring of the employee;
- Placing the employee in a more appropriate job; and
- Possible dismissal of the employee.

6. Departmental Award Procedure

One week prior to the monthly departmental meeting, the Head of Department invites members of the department to nominate colleagues to contend for the performance excellence award based on the above criteria.

Nominations should be submitted through respective managers to the Head of Department.

At the departmental monthly meeting, staff members may vote for the deserving colleague of their choice. Nominated officials may vote. The Head of Department may not vote at such proceedings. Colleagues will vote through the mechanism of a secret ballot.

The Head of Department will officiate over the tallying of votes and communicate the successful departmental candidate at a departmental meeting after it has been approved by Top Management.

7. Probation management system

A newly appointed employee for a period of not less than 12 months will be required to serve a six month-probation period prior to confirmation of employment.

Probation shall apply to contract employees as well, including performance contract employees.

Employees hired for a period of less than 12 months but not less than three months, will be required to serve a probationary period of two to three months prior to confirmation of employment.

Employees hired for a period of less than three months will not be required to serve probation.

During probation, employees shall be given an opportunity to demonstrate performance up to the standards expected of them and be provided with appropriate feedback, assistance and support to achieve them.

The new employee and his or her supervisor will discuss formally or informally the required performance levels within the first month of employment in an effort to lay a sound foundation for tracking performance.

Performance of employees on probation for a six month-period shall be assessed on a bi-monthly basis.

Performance assessment of an employee on a less than six month-probation period will be conducted on a monthly basis.

The Municipal Manager shall be responsible for approval and confirmation of satisfactory completion of probation by each employee of the Municipality.

Upon successful completion of probation the employee will be issued with a letter of confirmation of employment from the Corporate Services Department.

An employee who demonstrates unsatisfactory performance at the end of his/her probationary term of six month-period may be put on an extended probation of more than three months or have his or her services terminated, should there be no hope of performance improvement.

An employee shall be afforded a poor performance/conduct hearing prior to the extension of probation or termination of services as contemplated in clause No 9.11.

An employee afforded a poor performance/conduct hearing during the probation process shall be entitled to representation by a shop steward or a fellow employee of his or her choice.

An employee put on extended probation shall be assessed on a monthly basis.

Probation monitoring shall encompass both conduct and performance of an employee.

Notwithstanding the clause No. 9.11, termination of services on grounds of

misconduct shall be preceded by institution of disciplinary proceedings, against the employee.

8. Scoring criteria:

Score sheet

ITEM			
1. CONSULTATION	Yes/No	Evidence Y/N	Score
According to your SDBIP, did you consult with the beneficiaries of your services?			
Provide evidence			
2. ACCESS			
Are your Services accessible to the beneficiaries?			
Provide evidence			
3. COURTESY			
Are you courteous towards the beneficiaries of your Services?			
Provide evidence			
4. INFORMATION			
Are you effectively providing information about your Services?			
Provide evidence			
5. OPENNESS AND TRANSPARENCY			
Are you providing Services in a manner that is open and transparent to your beneficiaries?			
Provide evidence			
6. SERVICE STANDARDS			
Has your department developed departmental service standards?			
Provide evidence			
7. REDRESS			
Are you apologizing for not meeting the standards as expected by your customers?			
Provide evidence			
8. VALUE FOR MONEY			
Are you implementing strategies to reduce cost of your services?			
Provide evidence			
9. LEADERSHIP & STRATEGIC DIRECTION			
Are you providing leadership and strategic direction in your department?			

Provide evidence			
10. INNOVATION & EXCELLENCE			
Are you encouraging innovation and rewarding excellence among the employees in your department?			
Provide evidence			
11. SERVICE DELIVERY IMPACT			
Because of all your initiatives for Service Delivery Improvement, Is there an impact on the lives of the beneficiaries of your services?			
Provide evidence			

9. Team award system

The award system that Alfred Nzo District Municipality intends to embrace is "team award system". The system aims, upon everything, to encourage team work and harmony towards the same departmental and organisational strategic objectives.

Team award is a system used to award excellent team effort/ performance towards achieving the achievement of the departmental and organisational strategic objectives and vision.

What is a team?

A team is two or more people working together for the purpose of achieving a common goal. In Alfred Nzo District Municipality's context, teams will be referred to, in relation to departmental sections / functional areas within a department.

The purpose of team performance award

The purpose of the Team Award System is to promote, recognize, and reward excellent performance in all areas of the municipality. The award system will give ANDM a chance to acknowledge excellence and innovation and reward such effort.

The Awards will be an important way to promote continuous improvement and best practice and recognise those individuals; teams; sections and departments that have contributed high standard of service to the municipality.

The best performance and service delivery expectations of the municipality are guided in the following documents, which therefore position them as the central purpose of the award system implementation;

- Service Delivery Charter
- Service Delivery Improvement Plan;
- Implementation of all Batho Pele principles.
- IDP
- Budget
- SDBIP

Procedure to nominate a team

The team award shall be conducted bi-annually, in February after the mid-year review has been undertaken and in August following the 4th quarterly review.

One week after the start of the month of February and August, the Head of Departments shall invite sectional heads to submit reports based on each departmental team's performance plan as entrance for the performance excellence award.

The Head of Department will then sit with other Head of Departments and nominates the best performed teams for each department.

At the departmental monthly meeting of February and August, the HOD will announce the best team and elaborate on their conclusion to nominate such a team.

The team award shall be financial or non-financial. If financial or leave linked, it shall be considered along the Alfred Nzo District Municipality's remuneration and/or leave policies.

Scoring criteria:

The overall score of each team will be based on three stages, **stage one**, percentage as allocated per each KPI in the team's performance plan, **stage two**, the 5 generic ratings as outlined below and **stage three** – general characteristics of the best team:

Score	Description of Performance
5	<i>Outstanding Performance</i>
4	<i>Performance significantly above expectations</i>
3	<i>Fully effective performance</i>
2	<i>Performance not fully effective</i>

1	<i>Unacceptable performance</i>
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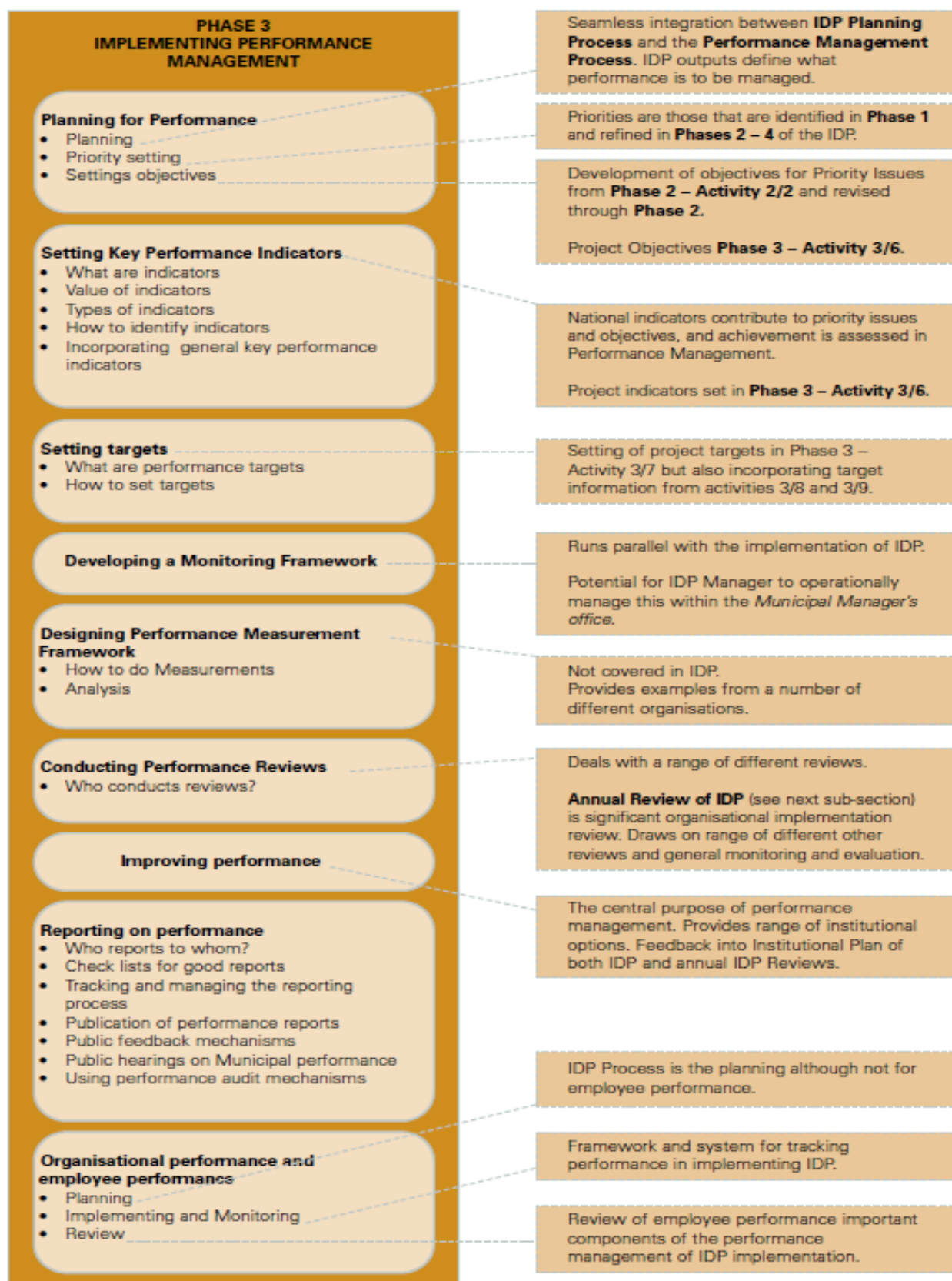
General Characteristics of a best team

SCORE	TEAM CHARACTERISTICS
2	Punctuality at work
4	Quality reports with evidence
3	Timely performance of tasks
3	Promotion of Batho Pele Principles
3	Knowledge of Alfred Nzo District Municipality's vision and mission statements
3	Team that performs beyond its scope of work
2	Promotion of team unity and co-operation
Total 20	

SECTION D: IMPLEMENTATION PROCESS

The PMS implementation process is at an organisational and departmental levels embedded in the IDP Process and at the individual levels draws from the implementation of the SDBIP as illustrated within the section on the individual Performance Management above.





Annexure 2: Disaster Management Plan

1. Municipal Disaster Management Centre

Despite the fact that municipalities were only legally obliged to commence the implementation of the Act on 01 July 2004 and that funding arrangements were not as yet defined, the Alfred Nzo District Municipality – ever mindful of the context of its disaster risk profile – did not lag behind in adopting a more proactive approach. For example, as early as the year 2002 it had, with the financial support of the Province of the Eastern Cape already established its DRM centre to address DRM needs in the District Municipality. And the centre meet the minimum requirements for disaster management centre, the Information Communication System has been installed in during 2015/16 Financial Year.

2. Municipal Disaster Management Policy Framework

ANDM has adopted Disaster Management Policy Framework and the purpose of this policy framework is to provide those with statutory DRM responsibilities (in terms of the Disaster Management Act, 2002; the National Disaster Management Framework, 2005 (NDMF); the Policy Framework of the Province of the Eastern Cape (EC PDRMPF) and other applicable legislation) within the Alfred Nzo District Municipality with a written mandate which

- Is coherent, transparent and inclusive;
- provides the criteria for the systematic management of administrative decisions;
- stakeholder participation; operational skills; and
- capacities and achieves uniformity in the: Development, Implementation, Maintenance, Monitoring and assessing of all policies, plans, strategies, programmes and projects which are aimed at achieving the vision and mission statement; goals; strategic objectives; and key performance indicators for DRM in the municipality.

This policy framework also serves to guide the development and implementation of uniform and integrated disaster risk management policy and plans in the Umzimvubu, Ntabankulu, Matatiele and Mbizana local municipalities in the Alfred Nzo District Municipality. The framework has also 15 supporting policies which serve as guide in managing disaster risk management within ANDM area of jurisdiction.

3. Municipal Disaster Management Plan

ANDM has adopted reviewed Disaster Risk Management Plan in 2014 and here are the details of the plan:

- Level of the Plan: 2
- Due for Review: 2017/18 Financial Year.

4. Municipal Disaster Management Inter-Departmental Committee

The Disaster Management Act No. 57 of 2002 (DM Act) requires municipal disaster risk management centres to promote a coordinated, integrated and uniform approach to disaster risk management, including the development and implementation of appropriate disaster risk reduction methodologies, emergency preparedness and rapid and effective disaster response and recovery, in their municipalities.

To achieve these objectives and to promote interdepartmental liaison, arrangements must be put in place to enable all the key internal role players in the administration of a municipality to participate in disaster risk management activities and to coordinate their disaster risk management responsibilities. To achieve this objective, a Municipal Interdepartmental Disaster Risk Management Committee (MIDRMC) needs to be established as currently seating on ad hoc basis.

5. Municipal Disaster Management Advisory Forum

The municipality has the Disaster Management Advisory forum in place in line with the DMA, 57 of 2002.

The DMAF has technical task teams established as per Supporting Policy:

10 of the ANDM Disaster Management Policy Framework, namely; Capacity Building Coordinating Task Team, Emergency Coordinating Task Team and Social Relief Coordinating Task Team.

Challenges and improvement measures may also be provided.

Inconsistence in members attending the DDMAF, which has been improved by appointing focal points.

6. Municipal Fire and Rescue Stations

The municipality has Fire and Rescue satellite stations in all local municipalities.

The staffing of the stations is on the four shift system although there is need for improvement in order to comply with SANS: 40090 (Community Protection against Fire).

7. Municipal Fire and Rescue Bylaws

Developed and approved municipal bylaws to regulate internal fire and rescue procedures, including fire safety and prevention policies. Fire and Rescue bylaws must be in line with the Constitution, Municipal

8. Municipal Fire and Rescue IGR Structures

The ANDM Fire and Rescue is a member and participates in the following structures:

- Fire Protection Associations
- Emergency Coordinating Technical Task Team

9. Disaster Risk Assessment

9.1 List of Priority Risks (Hazards)

The municipality has conducted risk assessment during the review of the disaster management plan in 2014 and here are the top five priority risks:

Extreme weather conditions (heavy rains, lightening, snowfall, hailstorm)

- Veld and forest fires
- Motor vehicles accidents
- Human Diseases
- Stock theft

Due to the drought phenomena that has affected the ANDM, the municipality has included drought as a risk priority.

9.2 Hazard Maps

The municipality has conducted risk mapping during 2015/16 FY in line with the major occurrences within the district. Further information was gathered on the scientific vulnerability and risk assessment as conducted in 2014.

10. Disaster Risk Reduction

The main disaster risk management center is located in Mt Ayliff and satellite offices situated per each local municipality; however, it's only Mbizana Satellite Office that is operating in a temporal structure.

11. Disaster Management Projects

NAME OF PROGRAM	TARGET AREAS	BUDGET
1.Review of the Disaster Management Plan	All ANDM local Municipalities	R420 000.00
2.Improvement in support and relief	All ANDM communities	R3 045 000.00
3.Education,training, awareness and research	Stakeholders, Practitioners, Members of the communities	R420 000.00
4.Construction of the Mbizana Disaster Management Centre	Mbizana LM	R20 000 000.00
5.Volunteer program	All ANDM local Municipalities	R850 000.00

12. Fire Services Programmes Projects

NAME OF PROGRAM	TARGET AREAS	BUDGET
1.Procurement of fire and rescue equipment	All ANDM local municipalities	R50 000
2. Fire and Rescue Services Communication Control Centre upgrade	District office	R245 600
3. Strengthening of community resilience through Public Information, Public Education; Public Relations (P.I.E.R) programs	Stakeholders, Practitioners, Members of the communities	R325 000
4. Fire and Rescue Services Policies and By- Law Enforcement	All ANDM local municipalities	R 175 000
5.Community Emergency Response Teams program	All ANDM local municipalities	R660 000
6. Fire and Rescue Internal Capacity building	District Municipality	R315 000

13. Information Management and Communication

The municipality has procured and installed a Disaster Management Information Management and Communication System in accordance with the National Disaster Management Policy Framework in 2015.

14. Early Warning Strategy

The municipality collaborates with South African Weather Services for information dissemination of early warnings.

15. Education, Training, Public Awareness and Research

In the current financial year the municipality has the following programs in place in line with enablers 1 and 2 of the ANDM Disaster Management Policy Framework: Capacity building for disaster management stakeholders.

Public awareness campaigns to enhance community resilience from disasters.

Research agenda: the municipality has forged relations with institutions of higher learning. (Currently, there is research on the functioning and impact of stakeholders in disaster risk management at Alfred Nzo District Municipality Disaster Management).

16. Funding Arrangements for Disaster Management, Fire and Rescue Services

The disaster management function is funded from the equitable share grant, section 7(2) (k) of the Act requires that the national disaster management framework makes provision for "a framework within which organs of state may fund disaster risk management with specific emphasis on preventing or reducing the risk of disasters, including grants to contribute to post-disaster recovery and rehabilitation and payment to victims of disaster and their dependents".

Annexure 3: Water Services Development Plan

Water Services Development Plan (WSDP) – IDP Water Sector Input Report

Overview

Alfred Nzo District Municipality (ANDM) is both a Water Services Authority and a Water Services Provider. Authority is therefore vested in it, in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorizations made in terms of this Act, to ensure that water resources and infrastructure are well managed and maintained in order that the service may be provided in an equitable, sustainable and efficient manner.

The primary responsibility for Water Services Authority includes:

- Ensuring access: To ensure the realisation of the right of access to water services, particularly basic water services (subject to available resources) by seeing that appropriate investments in water services infrastructure are made.
- Planning: To prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic development.
- Regulation: To regulate water services provision and Water Services Providers within the jurisdiction of the municipality and within the policy and regulatory frameworks set by Department of Water Affairs through the enactment of by-laws and the regulation of contracts.
- Provision: To ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external Water Services Providers.

Legal Requirements

The Water Services Act, 1997 (Act 108 of 1997) requires municipalities which have been authorized to render the water services provision function (Water Services Authorities) to:

- Draft a Water Services Development Plan as part of their IDP process;
- Elicit comments on the draft WSDP;
- Consider and report consideration of comments;
- Finalize and adopt the WSDP;
- Supply copies of the WSDP to the Department of Water and Sanitation, CoGTA and Neighbouring WSA's;
- Incorporate the WSDP into the IDP;
- Report on the implementation of the WSDP every year.

Overview of the population and households

The table below gives an overview of the population and households and the water and sanitation service level categories in Alfred Nzo District Municipality management area.

Water Service Overview

Settlement Type	2011*		2016		Water category										Sanitation category									
	Households	Population	Households	Population	Adequate: Formal	Adequate: Informal	Adequate: Shared Services	Water resources needs only	O&M needs only	Infrastructure needs only	Infrastructure & O&M needs	Infrastructure, O&M & Resource need	No Services: Informal	No Services: Formal	Adequate: Formal	Adequate: Informal	Adequate: Shared Services	Water resources needs only	O&M needs only	Infrastructure needs only	Infrastructure & O&M needs	Infrastructure, O&M & Resource need	No Services: Informal	No Services: Formal
URBAN																								
Formal Town and Township					Adequate		Below RDP				None		Adequate		Below RDP				None					
Umzimvubu LM	9 225	38 361	10 135	39 912	5 029		213				658		5 520		170				209					
Mount Ayliff	2 072	8 441	2 276	8 782																				
Mount Frere	7 153	29 920	7 859	31 130																				
Matatiele LM	7 410	31 486	8 517	33 916	7 403		65				856		6 637		1 602				86					
Matatiele	3 003	13 565	3 452	14 612																				
Maluti	3 926	15 997	4 513	17 232																				
Cedarville	481	1 924	553	2 072																				
Ntabankul LM	3 819	19 381	4 110	20 217	568		94				144		709		90				7					
Ntabankul	3 819	19 381	4 110	20 217																				
Mbizana LM	5 022	29 128	6 372	33 114	2 973		17				29		2 367		619				32					
Mbizana	5 022	29 128	6 372	33 114																				
Sub-Total (Urban)	25 476	118 356	29 135	127 159	15 973		389				1 687		15 233		2 481				334					
RURAL & Farming																								
Rural Small Village and Scattered					Adequate		Below RDP				None		Adequate		Below RDP				None					
Umzimvubu LM	37 623	153 208	41 334	159 403	18 556		3 715				23 357		34 621		7 932				3 078					
Matatiele LM	42 068	172 265	48 355	185 561	29 279		3 932				15 333		26 015		18 786				3 741					
Ntabankul LM	20 578	104 435	22 145	108 937	5 262		3 795				16 332		19 221		5 530				647					
Mbizana LM	43 353	252 304	55 011	286 834	9 778		1 536				47 050		46 412		8 535				3 416					
Sub-Total (Rural)	143 622	682 212	166 844	740 735	62 875		12 978				102 072		126 269		40 783				10 882					
TOTAL	169 098	800 568	195 979	867 894	78 848		13 367				103 759		141 502		43 264				11 216					

Note: * aligned with Census 2011 and Community Survey 2016 – number of households

Service Levels

Current state of access to services

Access to water and sanitation remains fairly poor. The Community Survey 2016 reveals that 40% of households had access to potable water (household connections and communal stands) above the national above minimum standards. Approximately 53% of households are reported to have no service and should receive priority through service improvement projects through addressing the infrastructure needs.

Table below give an overview of the water service delivery access profile in Alfred Nzo District Municipality's Management Area (Department of Water and Sanitation's Module 1 of the WDSP Guide Framework).

Residential water services delivery access profile: Water

Census Category	Description	DWS GDB		Community Survey 2016		Census 2011		ANDM 2018	
		Nr	%	Nr	%	Nr	%	Nr	%
WATER (ABOVE MIN LEVEL)									
Piped (tap) water inside dwelling/institution	House connections	5 465	3%	6 144	3%	9 837	6%	110 645	53%
Piped (tap) water inside yard	Yard connections	25 130	13%	25 507	13%	17 202	10%		
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	Standpipe connection	37 810	20%	47 406	24%	36 045	21%		
	< 200 m								
Sub-Total: Minimum Service Level and Above		68 405	35%	79 211	40%	63 084	37%	110 645	53%
WATER (BELOW MIN LEVEL)									
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	Standpipe connection:	13 549	7%	13 725	7%	13 344	8%	97 244	47%
	> 200 m < 500 m								
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	Standpipe connection:					5 004	3%		
	> 500 m < 1 000 m								
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	Standpipe connection:					3 528	2%		
	> 1 000 m								
No access to piped (tap) water	No services	111 828	58%	103 401	53%	84 303	50%		
Sub-Total: Below Minimum Service Level		125 377	65%	116 768	60%	106 179	63%	97 244	47%
Total number of households		193 782	100%	195 979	100%	169 263	100%	207 889	100%

Table below give an overview of the water sanitation delivery access profile in Alfred Nzo District Municipality's Management Area (Department of Water and Sanitation's Module 1 of the WDSP Guide Framework).

Residential water services delivery access profile: Sanitation

Census Category	Description	DWS GDB		Community Survey 2016		Census 2011	
		Nr	%	Nr	%	Nr	%
SANITATION (ABOVE MIN LEVEL)							
Flush toilet (connected to sewerage system)	Waterborne	8 576	4%	8 182	4%	8 712	5%
	Waterborne: Low Flush	0	0%	0	0%		0%
Flush toilet (with septic tank)	Septic tanks / Conservancy	1 155	1%	1 836	1%	2 538	1%
Chemical toilet	Non-waterborne (above min. service level)	8 298	4%	7 879	4%	9 183	5%
Pit toilet with ventilation (VIP)		132 347	68%	131 196	67%	47 742	28%
Other		0	0%	283	0%		0%
Sub-Total: Minimum Service Level and Above		150 376	77%	149 376	76%	68 175	40%
SANITATION (BELOW MIN LEVEL)							
Pit toilet without ventilation	Pit toilet	28 594	15%	29 559	6%	66 984	40%
Bucket toilet	Bucket toilet	770	0%	1 049	0%	840	0%
Other toilet provision (below min. service level)	Other	0	0%	4 778	0%	8 631	5%
No toilet provisions	No services	15 623	8%	11 217	6%	24 627	15%
Sub-Total: Below Minimum Service Level		44 987	23%	46 603	24%	101 082	60%
Total number of households		195 363	100%	195 979	100%	169 257	100%

Water Services Infrastructure Management (Infrastructure)

1. Extent of water and sanitation network

Alfred Nzo District Municipality is responsible for the operation and maintenance of all the water and sewerage infrastructure summarised in tables below **according to Alfred Nzo District Municipality's infrastructure asset register (iAR) 2016/17.**

Extent of water infrastructure – fixed point assets

Asset/Component Type	Approximate Extent	Unit
Boreholes	203	No
Bulk Mains	1 306 800	m

Distribution Network	2 931 023	m
Water Pump Stations	42	No
Springs and weirs	178	No
Storage – Water reservoirs, dams and tanks	768	No
Water purification	8	No

Source: ANDM Infrastructure Asset Register 2016/17

Extent of sanitation infrastructure – fixed point assets

Asset/Component Type	Approximate Extent	Unit
Bulk Sewers	167 985	m
Sanitation pump stations	6	No
Sewer Reticulation	7 324	m
Waste water purification	4	No

Source: ANDM Infrastructure Asset Register 2016/17

2. Value of the water and sanitation networks

The costs used in the calculations and reflected in the results for this section are based on the Current Replacement Cost (CRC). This total can be defined as the cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset. This cost includes the full cost of installation, contractor's P&G costs, design, construction supervision, and excludes VAT. These unit costs are based on Alfred Nzo's infrastructure asset register's unit rates used during cost estimation. The unit costs determined by this method are not and cannot be accurate, but are reasonable estimates.

The total replacement value of water and sanitation supply network as R 1.728 billion, and the current value at R 1.258 billion, as at 30 June 2016 according to Alfred Nzo District Municipality's iAR. The average percentage of current value/replacement value for all asset groups is about 67%, which indicates that approximately 33% of the infrastructure life has been consumed.

3. Expected renewals of the water and sanitation networks

Following is an analysis of the replacement value of assets within selected remaining useful life brackets for the potable water network. The value of each age bracket gives an indication of the extent of renewals required in that period for existing assets. The water and sanitation network's remaining useful life per asset group in terms of the replacement values. Provision of around R180 445 018, 34 will need to be made for the renewal of the Water services infrastructure assets over the next 15 years; this amounts to R12 029 667,89 per year for the next 15 years. Provision of around R15 070 624, 31 will need to be made for the renewal of the Water services infrastructure assets over the next 15 years; this amounts to R1 004 708, 29 per year for the next 15 years.

Approximately R66 235 883,06 or 3,83% of infrastructure has a remaining life of less than 5 years and this is dominated by the borehole and water supply reticulation systems with a

replacement value of R20 947 663,82 and R12 758 850,91 respectively. This is an indication that borehole maintenance and pipe replacement programmes are required, however the figures were derived from asset register assessments as a desktop study and may not reflect the condition of the network in its entirety.

4. Matatiele Local Municipality

Matatiele Town Water Supply

The town of Matatiele in Alfred Nzo District is currently supplied with potable water by a water treatment works situated above the town. The town also receives water from 12 boreholes. There is new housing development known as Harry Gwala Park. It is supplied through 5 boreholes and it can also receive water from town water supply.

The water treatment works obtains raw water from two sources, namely the 'so-called' Mountain Dam and Mountain Lake.

The water treatment works has been recently upgraded to 10 M/day however, still running at 3 M/day.

In winter, the water level in the Mountain Dam use to drop dramatically due to the leak in the dam wall. The Municipality has since repaired the leak.

Matatiele Town Wastewater System

Sewage from the town is currently treated at a wastewater works on the outskirts of the town towards Maluti. The treatment works includes screens, activated sludge and sludge ponds. This plant was old and experiencing significant operational challenges due to broken equipment and machinery. However, the ANDM has recently refurbished the works and sewerage system in the town.

Maluti Town Water Supply

The town of Maluti is currently supplied with potable water by a water treatment works situated above the town. The water treatment works obtains raw water from the Belfort Dam through a gravity 18km pipeline that run pass 13 villages.

Water from the water treatment works is distributed under gravity to a network of domestic, commercial and institutional connections in the town. The boreholes located in pump directly into the main town storage reservoir.

The Municipality supply water to the military base through 150mm diameter AC pipe to 1Mℓ reservoir at the base. Water is pumped from 1Mℓ reservoir to high level reservoir. Water from high level reservoir is reticulated to the offices and barracks. The responsibility of the Department of Public Works (DPW) resume at the high level reservoir.

Maluti Town Wastewater System

In the past the Maluti Town was served through on-site septic tanks. The Municipality has since constructed water borne system. However, there are still some parts of the town and township that are outside the serviced area that still uses septic tanks. The sewage from

water borne system and septic tanks is disposed to the existing two oxidation ponds.

Cedarville Water Supply

The town of Cedarville is currently supplied with potable water from four boreholes located within the town.

Cedarville Wastewater Treatment System

In the past the Cedarville Town was served through on-site septic tanks. The Municipality has since constructed water borne system. However, there are still some parts of the town that are outside the serviced area that still uses septic tanks. The sewage from the water borne system and septic tanks is disposed to the existing six oxidation ponds.

Standalone Rural Water Schemes in Matatiele

In addition to the larger schemes, there are numerous standalone water schemes serving other rural communities in Matatiele. A number of these schemes are fed with water by diesel-driven pumps; although a large number are also fed under gravity from springs and streams in the mountains. Rural operators are employed on a part-time basis and paid a monthly allowance.

Rural Sanitation in Matatiele

As illustrated by the Community Survey 2016 data, 25% of rural residents in Alfred Nzo District Municipality lack adequate sanitation infrastructure.

5. Mbizana Local Municipality

Overview

Water infrastructure in Mbizana is dominated by a substantial regional water supply scheme that supplies communities from Ludeke dam that has been recent constructed from Ludeke River. There is about 20 standalone water schemes that serves other communities within Mbizana LM.

Ludeke Dam has a capacity to supply an expanded regional scheme covering the whole of Mbizana Municipality.

The Ludeke Dam supply raw water through a pumping main to the new 10.5Mℓ/day Nomlacu Water Treatment Works which supply to Mbizana Town and, eventually will supply most of the communities in the municipality. Nomlacu WTP is designed in such a way that it could be easily augmented to 20Mℓ/day so that it can cater future demands. However the plant will need to be upgraded to 33Mℓ/day to meet the water requirements of the entire Mbizana LM.

Standalone Water Schemes in Mbizana

There are approximately 34 standalone water schemes serving other communities in Mbizana. The majority of schemes are fed with water by diesel-driven pumps. Rural Operators are employed on a part-time basis to assist in operation of the schemes.

Mbizana Wastewater Treatment Works

The Mbizana Wastewater Treatment Works consists of a concrete lined pond. Effluent from septic tanks is supposed to be deposited directly down concrete channels into the pond. The Municipality has upgraded the existing leaking oxidation pond.

The town of Bizana is served by a variety of septic tanks, pit latrines and conservancy tanks. Both septic tanks and conservancy tanks serve the CBD area, but the majority of residents in Bizana use septic tanks.

Rural Sanitation in Mbizana

As illustrated in the 2016 Starts SA Community Survey data in Bizana LM there approximately 48,058 household provided with VIP toilets and approximately 12,602 still lack adequate sanitation infrastructure.

6. Ntabankulu Local Municipality

Ntabankulu Town Water Supply

Ntabankulu Town Water Supply Scheme receives water from two sources, namely three boreholes and the Ntabankulu Forest Dam.

Treatment at the Ntabankulu Water Treatment Works is achieved through dosing the raw water with aluminium sulphate ("alum"), water clarification in an up-flow clarifier, filtration in an enclosed vertical, self-backwashing, filter and disinfection with HTH tablets.

Standalone Water Schemes in Ntabankulu

There are approximately 50 standalone water schemes. The majority of schemes are fed with water by electrical and diesel-driven pumps. A particular challenge in Ntabankulu is that the steep valleys mean that considerable pumping is required to bring water to the people. An example is the Dambeni Water Supply Scheme (funded by the Japanese Government), where multi-stage pumping using electrical pumps is required.

Ntabankulu Wastewater Treatment Works

The sewage treatment system at the Ntabankulu Wastewater Treatment Works is two oxidation ponds with a small septic tanker off-loading facility. There is no evidence of a discharge point. However sludge from the septic and conservancy tanks in the Central Business District is apparently often dumped at an illegal disposal site.

The Municipality has recently constructed waterborne system that disposes to the two oxidation ponds.

In addition to the town wastewater treatment works, Ntabankulu Prison in the town also has a wastewater treatment facility consisting of six ponds connected in series to receive sewage from the prison.

Rural Sanitation in Ntabankulu

As illustrated in the 2016 Starts SA Community Survey data in Bizana LM there approximately 19,287 household provided with VIP toilets and approximately 6,274 still lack adequate sanitation infrastructure.

7. Umzimvubu Local Municipality

Mount Ayliff Town Water Supply

The town of Mount Ayliff is currently supplied with potable water from a water treatment works situated above the town. This water treatment works obtains raw water from three sources, namely a pumped water supply from the Mzintlava River, new Sikroqobeni Weirs and a weir that captures spring water from the valley above the works.

Mount Frere Wastewater Treatment System

Sewage from Mount Frere is currently treated at a wastewater works on the outskirts of the town. The treatment works includes screens, activated sludge and sludge ponds and treats approximately 0.36 Ml/day of sewage.

Standalone Rural Water Schemes in Umzimvubu

In addition to the larger schemes, there are numerous standalone water schemes serving other rural communities in Umzimvubu. A number of these schemes are fed with water by electrical and diesel-driven pumps; although a large number are also fed under gravity from springs and streams in the mountains. Rural operators are employed on a part-time basis and paid a monthly allowance.

Rural Sanitation in Umzimvubu

As illustrated in the 2016 Starts SA Community Survey data in Bizana LM there approximately 19,287 household provided with VIP toilets and approximately 6,274 still lack adequate sanitation infrastructure

Water Resources

1. Groundwater

Although it is estimated that significant quantities of groundwater could be abstracted in the area, the actual use of groundwater is relatively small. This is mainly attributed to the generally well-watered nature of the area and the wide occurrence of perennial surface streams, which reduces the need for groundwater abstraction for which quality might be expensive to treat to the required standards.

2. Surface water

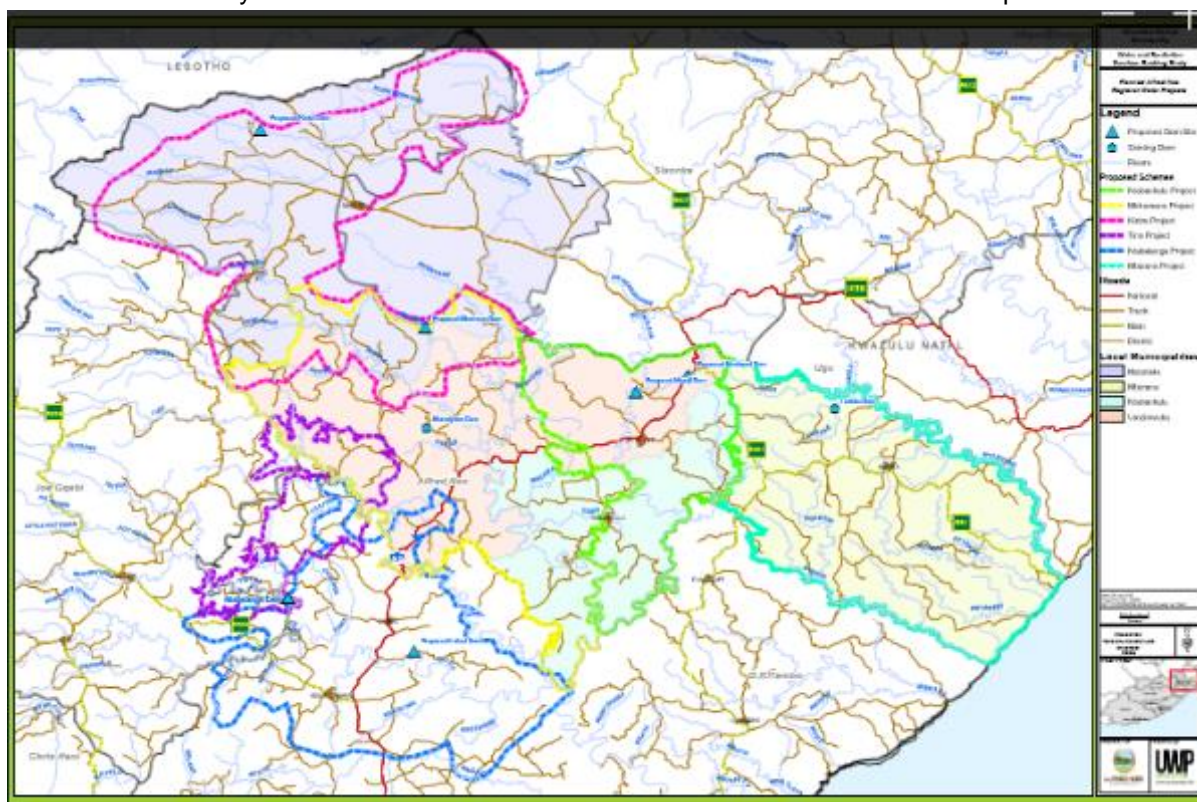
The studies (WSDP) that have been undertaken within the municipalities that form part of Alfred Nzo, indicates that the area has a substantial fair amount of water resources but the challenge is the development and maintenance of water infrastructure. One of the main surface water sources is Mzimvubu River Catchment (with its main tributaries i.e. Tsitsa, Tina and Mzintlava Rivers). This river is considered to be one of the largest but undeveloped rivers in South Africa.

There are also three dams (Belfort, Mountainous and Town Dam) and seven weirs which are located within Matatiele Municipal Area. The surface water sources that are found in Umzimvubu Municipal Area include Mzintlava River, Perennial Mountain Stream, one weir and Ntenetyana Dam. There is also a dam in Mbizana (Bizana Dam) with an effective storage capacity of 1 67 000 m³. Based on the WSDP, the Nomlacu Water Purification Works is under

construction in five phases to purify the Bizana Dam Water as well as the additional future supply from the Ludeke weir.

3. Future water requirements for ANDM

The Map below prepared by UWP summarised the possible bulk water systems to serve the entire ANDM. The summary of each scheme is as provided below:



The District has appointed three consortia namely GIBB, Knight Piesold and UWP for long term Water Resource Planning for the Umzimvubu and Ntabankulu area. Their scope include Mount Frere, Mount Ayliff and Ntabankulu Supply Zone. The projected future water demands are as summarised in the table below:

Proposed Regional Scheme	Design Demand for 2043 (Ml/day)
Mount Frere Supply Zone	19.53
Mount Ayliff Supply Zone	13.00
Ntabankulu Supply Zone	11.35
Total Ntabankulu and Umzimvubu Supply Area	43.88

4. Umzimvubu: Mount Ayliff Supply Area

This proposed regional scheme covers the eastern portion of Umzimvubu Local Municipality. The focuses are to be served by the scheme is the Mount Ayliff and the communities along the N2. The water demand for the study area amounts to 4.73 million m³/a.

Different alternatives were considered during the investigation and the following dam sites were identified:

- Sirhoqobeni

- Nkanji and
- Mvalweni

The Nkanji dam site was considered by abstracting water from Mzintlava River. In consideration of the range of abstraction rates and range of dam heights. It was confirmed that Nkanji dam at height of 40m with a continuous abstraction rate of 0.1m³/s can meet the projected demand of 4.73 million m³/a.

However in the consideration additional of water requirements for Ntabankulu Water Supply area then a 40m high dam with an abstraction of 0.3m³/s would be required. Alternatively a 60m high dam with an abstraction of 0.2 m³/s would be required to meet the demand.

5. Umzimvubu: Mount Frere Area

According to the Greater Ntabankulu Regional Water Supply RBIG Long Term Planning Report REV 6 prepared by UWP, Camdekon and Asande Projects the water requirements for Mount Frere and surroundings will be addressed as follows:

The envisaged raw water requirements from the Mkhemane dam to services the Mt Frere region assuming full development of the planned extensions to the Ntenatyan Dam system, and excluding possible supplies to the Ntabankulu region amount to 2.12 Mm³/a or 5.8 ML/day.

Alternatively should only partial development of the Ntenetyana system take place, comprising of the planned 5 meter raising to the dam, but excluding the planned ROR off-take from the Kinira river, then Ntenetayna dam system will deliver a reduced yield of 2.15Mm³/a or 5.9 ML/day to the Mt Frere growth node only.

The Mkhemane dam will then be required to deliver additional supplies to supply zones with the total raw water requirement amounting to 4.98Mm³/a or 13.63 ML/day.

6. Matatiele: Bulk water Long-term Planning

According to the Matatiele LM Bulk Water Long-Term Planning Scoping Report prepared by Consortium (Sektor Consulting Engineers (Pty) Ltd, Aurecon South Africa (Pty) Ltd and Monde Consulting Engineers & Project Managers) the future water requirements for Matatiele LM are as described below.

This planning does not only focus on the Matatiele Town growth node, but focuses on the provision of bulk water to the entire Matatiele LM (which includes the Matatiele Town growth node, Maluti and Cedarville).

The current water supply infrastructure is therefore only able to address approximately 38,7% of the current water demand and only 31,5% of the projected future water demands of the area covered by the reach of the proposed regional scheme. The resultant water deficits are therefore quite substantial.

It is to be noted that, even with the proposed wellfield development operating at full capacity and including all current water sources, there will still be a current water demand deficit of approximately 5 455 m³/day (27%) and a projected future water demand deficit of 10 026 m³/day (41%). A more sustainable bulk water source/supply is therefore essential.

In the above said report it is recommended that the development option should include the

development of the proposed Kinira River Dam as primary bulk water source with the wellfields as interim and supplementary water source.

Water Services Projects

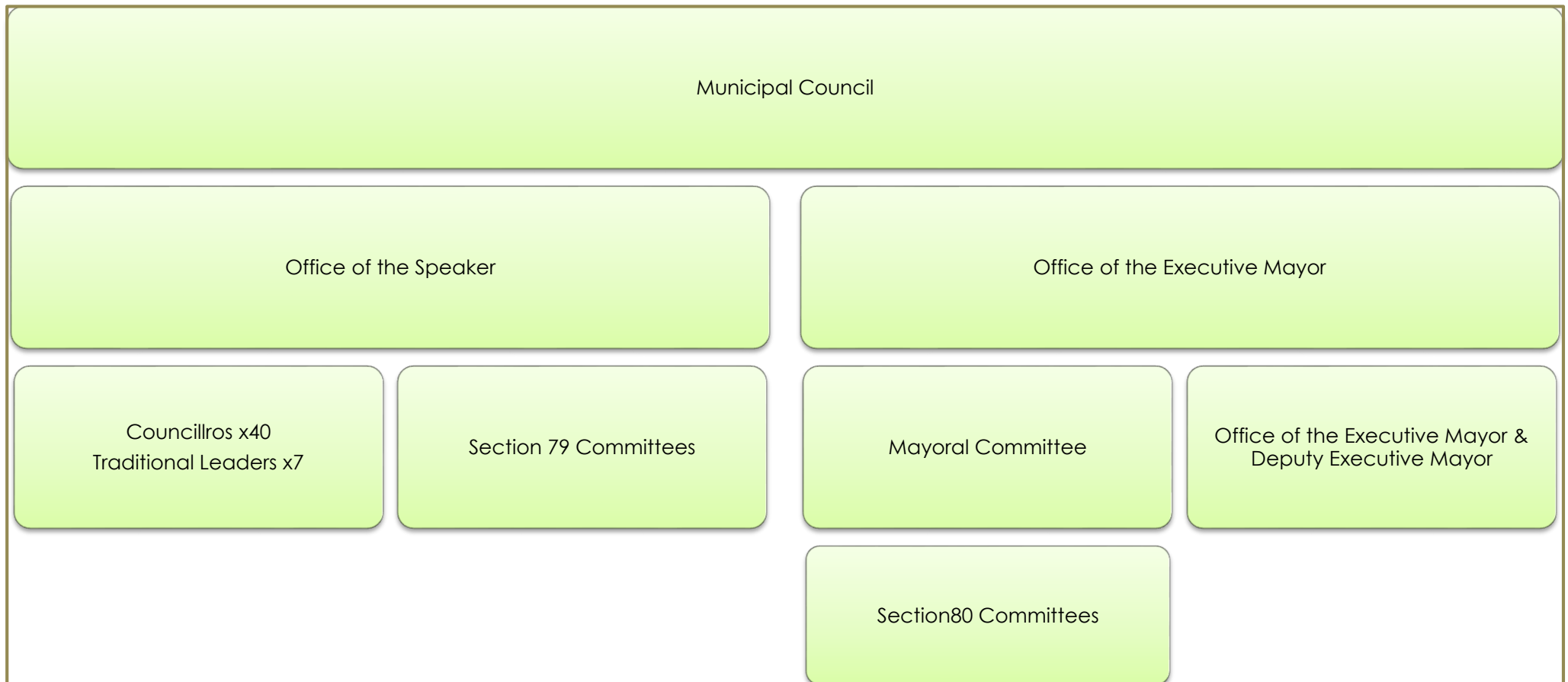
The table below outlines the allocation summary for water services projects which are funded for implementation within the next five years (FY2017/18 to 2021/22.).

Summary funding allocation for water services projects

Project Main Category	Year 1 (2017/18)	Year 2 (2018/2019)	Year 3 (2019/2020)	Year 4 (2020/2021)	Year 5 (2021/2022)	Grand Totals
Total: Combined Water & Sanitation Projects	554 967 541	706 205 736	638 792 195	685 916 176	597 744 546	3 183 626 194

Annexture 4 Organisational Structure adopted on the 31st of May 2020

POLITICAL STRUCTURE



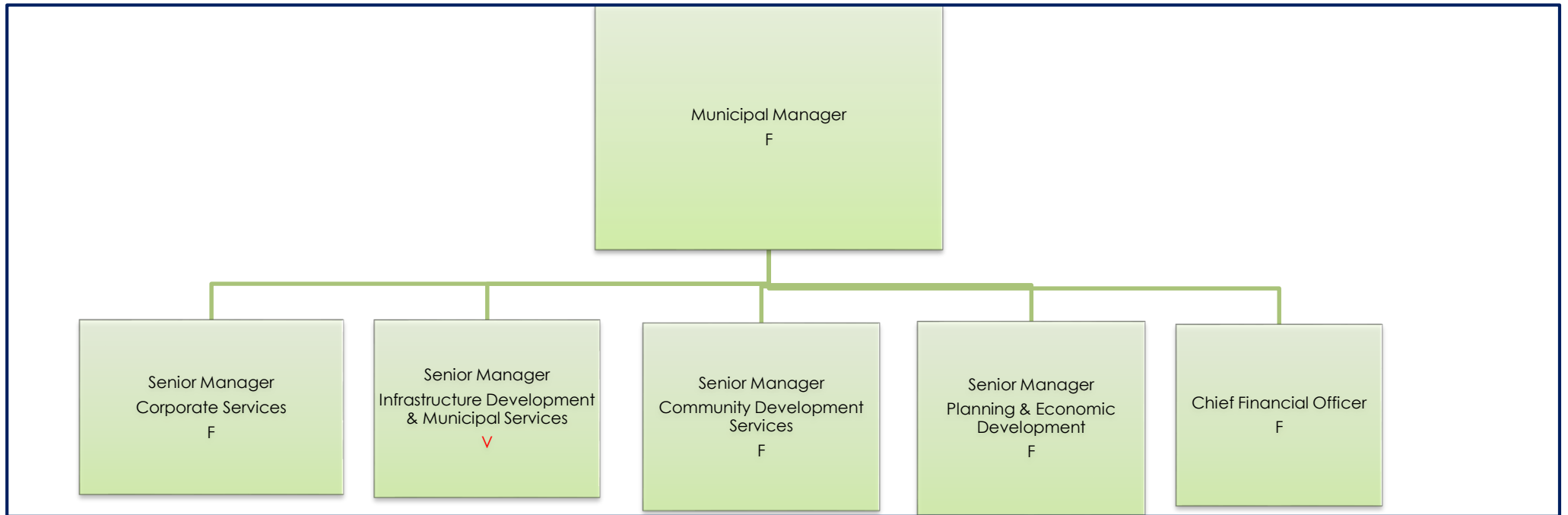
PURPOSE & FUNCTIONS

Office	Purpose	Function	Committees
Office of the Speaker	To promote council legislative authority and oversight over executive	1. Presides over meetings of council 2. Assumes responsibilities for the legislative functions of Council 3. ensures that council meetings are conducted in accordance with the rules and order 4. ensure that council conducts its business in a transparent manner	S79 COMMITTEES 1. Municipal Public Accounts 2. Rules and ethics 3. Petitions and public Participation 4. information Communication Technology Oversight committee 5. Remuneration Committee 6. Audit Committee
Office of the Executive Mayor	To promote the integrated sustainable socio-economic development and political stability	1. presides over Mayoral committee meetings 2. perform ceremonial functions 3. Performs delegated function by the council 4. provide political guideline, IDP/Budget/SDBIP and annual performance of S56 manager and financial matters of the municipality 5. submission of statutory reports to council 6. responsible for political supervision of the administration	S80 COMMITTEES 1. Budget and Treasury 2. Infrastructure Development and municipal services 3. Corporate Services 4. Community Development Services 5. Economic Development Planning and intergovernmental services 6. special programmes and communications
Office of the Chief Whip	To promote the district-wide service delivery efficiency and effectiveness	1. Political functionary placed to ensure that council interest are carried out by councillors 2. advise councillors on important issues on council agenda and party to party caucuses 3. Advise speaker in what order the important issues should be dealt with in the council 4. ensures that meeting procedures are properly followed 5. advises on quotation and sitting of council meetings and committee 6. Promotes and maintains positive party to party relations and deployment to council committees.	

2. ADMINISTRATIVE STRUCTURE

2.1 STRUCTURE

6

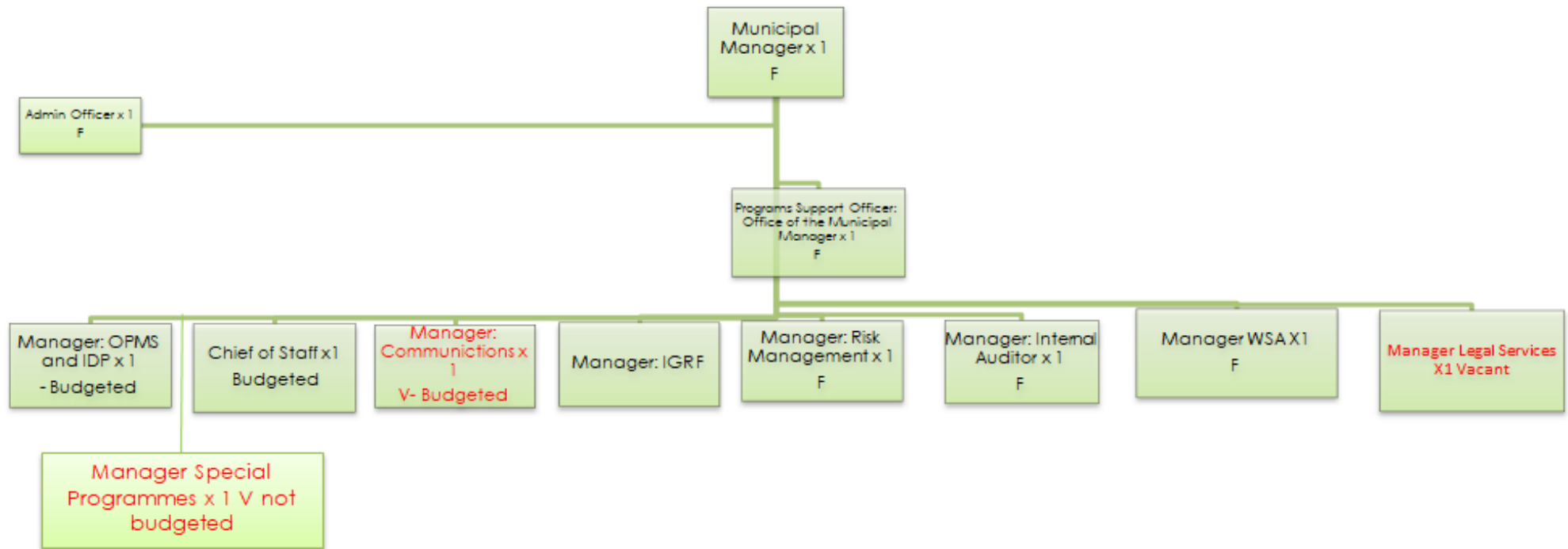


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
06	05	01

Department	Function
Office of the Municipal Manager	1. Overall Municipal Administration
Corporate Services	<ul style="list-style-type: none"> 1. Ensures Compliance with laws and agreements 2. Provides legal support and advise 3. Provide support programs to the communities in need i.e. Bursary in critical skills including engineering, medicine, finance and ICT; Experiential Training; and Internship programs 4. Ensure organisational development through Training and developments for municipal personnel 5. Provide skills development program 6. Responsible for Recruitment 7. Manages condition of services 8. Manages Payroll and Benefits 9. Responsible for Fully function of Job evaluation 10. Responsible for implementation for Performance management system 11. Responsible for employees wellbeing; health and safety 12. Responsible for Employees relations 13. Manages Municipal Administration 14. Manages institutional memory (Records) 15. Manage Cleaning of Municipal Facilities 16. Provides Information Communication Technology 17. Administers Municipal technological systems 18. Manages security access (for safety of employees) 19. Remuneration of employees and councillors 20. Responsible for implementation of Employment Equity
Infrastructure Development & Municipal Services	<ul style="list-style-type: none"> 1. Responsible for supply of water services 2. Responsible for supply of Electricity Services 3. Manages Sanitation 4. Manages Road Maintenance 5. Responsible for waste management 6. Responsible for Housing and Town Planning

Community Development Services	<ol style="list-style-type: none"> 1. Responsible for municipal Health services 2. Manages customer care 3. Manages Institutional and social development 4. Manages Sport Art and culture, Recreation, Heritage and Museum 5. Manages disaster and Risk Management 6. Manages Thusong Services Centre 7. Special program 8. Responsible for implementation for Indigent Policy
Planning & Economic Development	<ol style="list-style-type: none"> 1. Responsible for Agriculture 2. Responsible for forestry 3. Manages Geographical Institutional Spatial (GIS) system 4. Responsible for manufacturing and trade 5. Responsible for development of trade and business services
Budget & Treasury Office Chief Financial Officer	<ol style="list-style-type: none"> 1. Responsible for consolidation of financials 2. Manages leases 3. Manages Intangible and Heritage Assets 4. Ensure implementation of employee benefits 5. Collection of revenue 6. Manage Fruitless and wasteful expenditure 7. Manage Property plant and equipment 8. Long term receivable 9. Operating lease accruals 10. Manage government grants and subsidies 11. Manages financial disclosures

1.1. OFFICE OF THE MUNICIPAL MANAGER

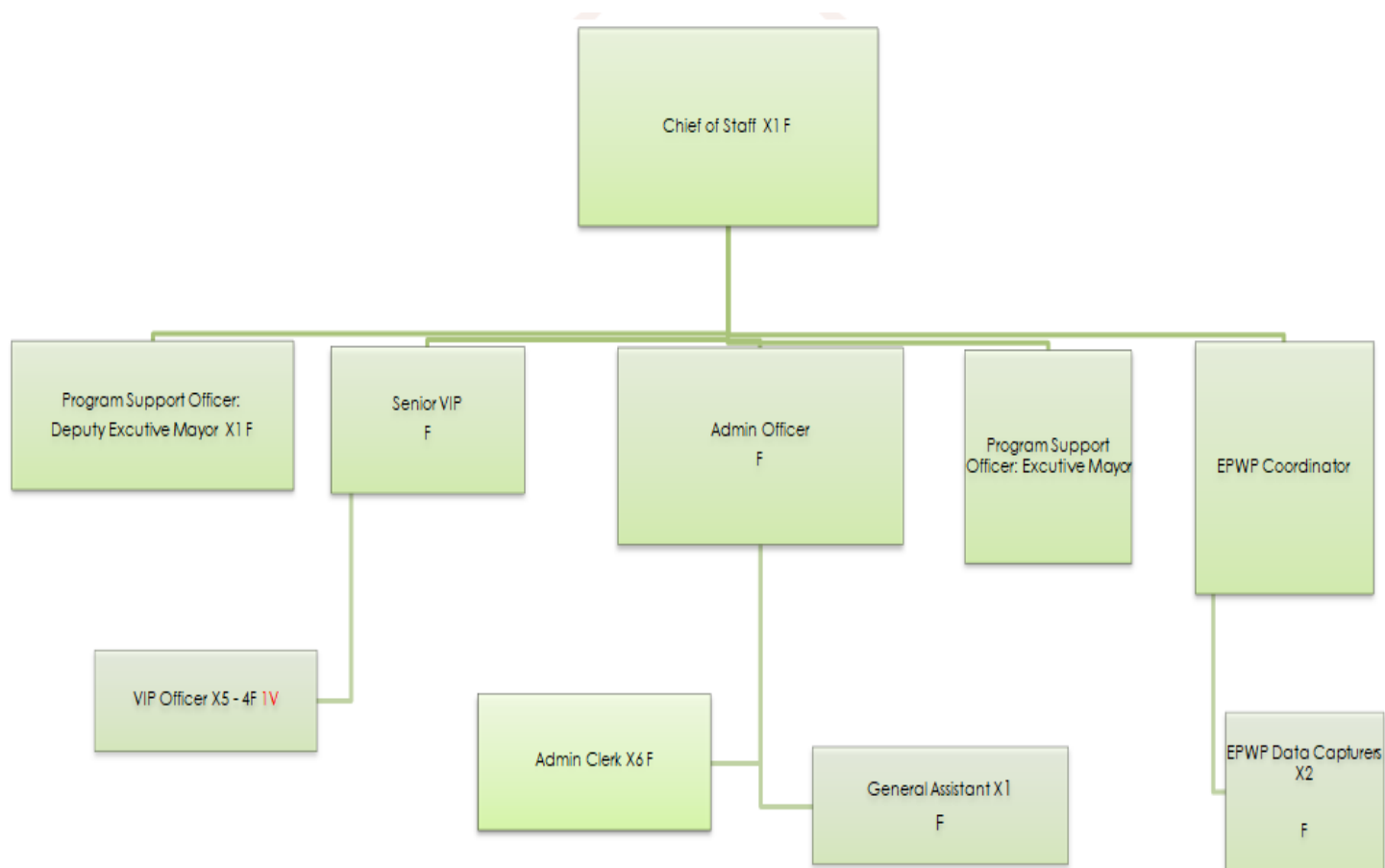


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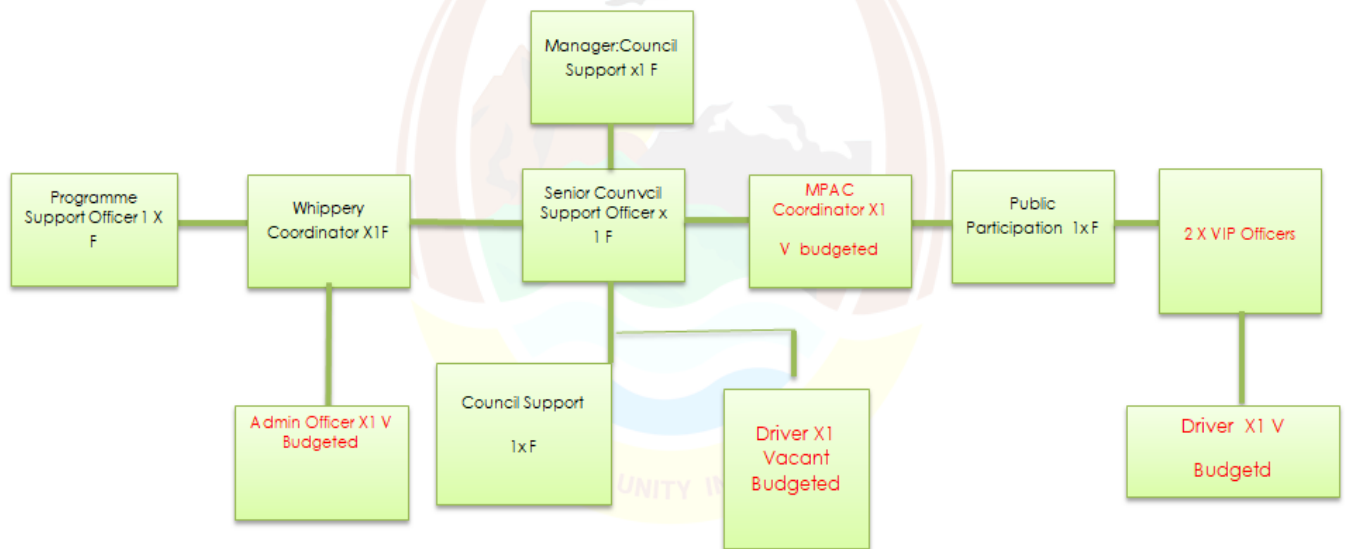
Functions

Unit	Function
Office Of The Executive Mayor	<ol style="list-style-type: none"> 1. Manage/development/implementation; review of the IDP 2. Manage/development/review of the vision and long-term strategy 3. provide institutional legal support to Council; MAYCO 4. Manage the development; implementation/review of the institutional strategic transformation agenda. 5. Responsible for all functions that have a legislative mandate in the Office of the Executive Mayor i.e. SP ; Communications and Strategic Services etc. 6. Provide strategic direction and ensure implementation of programmes. 7. Projects and provide political support in the Office of the Executive Mayor 8. The management and coordination of programmes related to the children, disabled, aged, HIV & AIDS, gender, women & other projects 9. The management and coordination of activities related to the youth 10. plans/monitors media relations programs/publicity campaigns and the execution of specific instructions and application of laid down procedures with respect to communication 11. The provision of intergovernmental (IGR) relations services
Internal Audit	<ol style="list-style-type: none"> 1. Coordinate and controls processes and procedures associated with the formulation of the Municipality's risk based Audit Plan and Program. 2. The rendering of comprehensive or compliance, financial and operations and performance and fraud-risk review audits.
Office Of The Speaker	<ol style="list-style-type: none"> 1. Management of the Offices of the Speaker and all other Councillors 2. The coordination of the Speaker's projects. 3. The provision and promotion of community participation services. 2. Coordination of the programmes in the Office of the Chief Whip and provide administrative and political support
Risk Management	<ol style="list-style-type: none"> 1. Identifies broad risk & compliance strategy & define/implements/monitors short term plans/objectives. 2. manage key processes/procedural compliance/risk applications associated with the functionality and ensuring implementation of risk management frameworks form National Treasury
WSA	<ol style="list-style-type: none"> 1. Responsible for the development of WSDP 2. Responsible for conservation and demand management 3. Responsible for feasibility studies development of all water service policies & development of all environmental plans 4. Enforcement of by-laws 5. Development of indigent register

1.1.1. OFFICE OF THE EXECUTIVE MAYOR



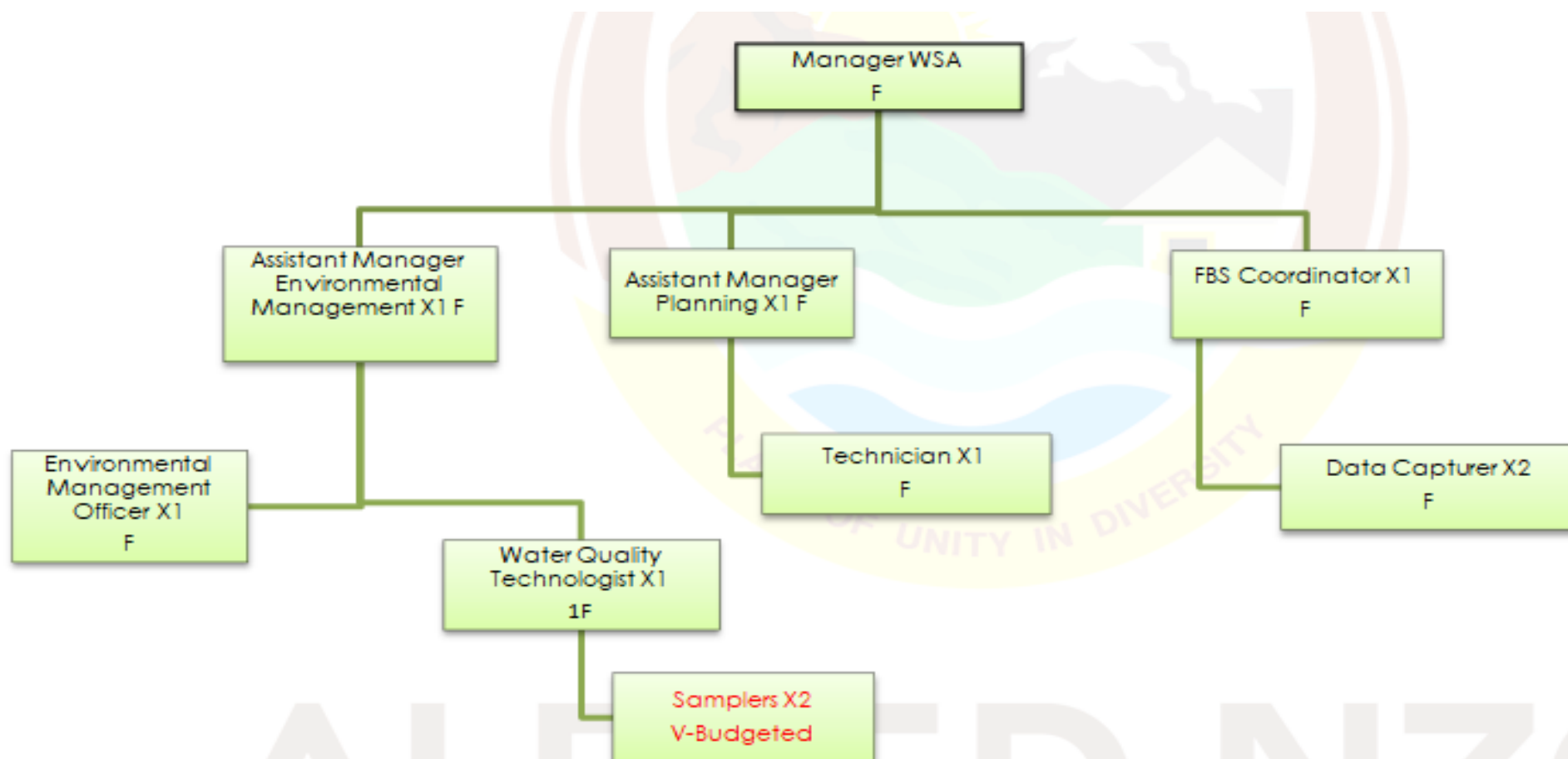
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19	18	01



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
11	05	06

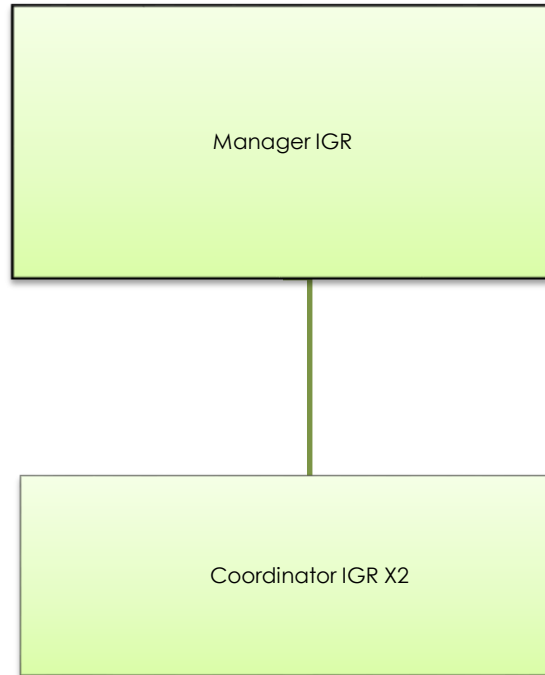
1.1.3. I MUNICIPAL MANAGER'S -WSA

MUNICIPAL MANAGER'S OFFICE – WSA



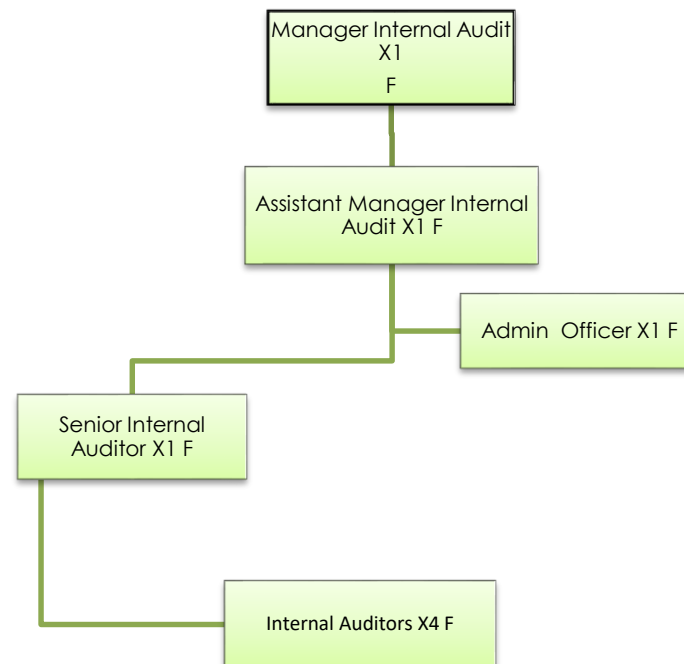
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
10	08	02

MUNICIPAL MANAGER'S OFFICE – IGR

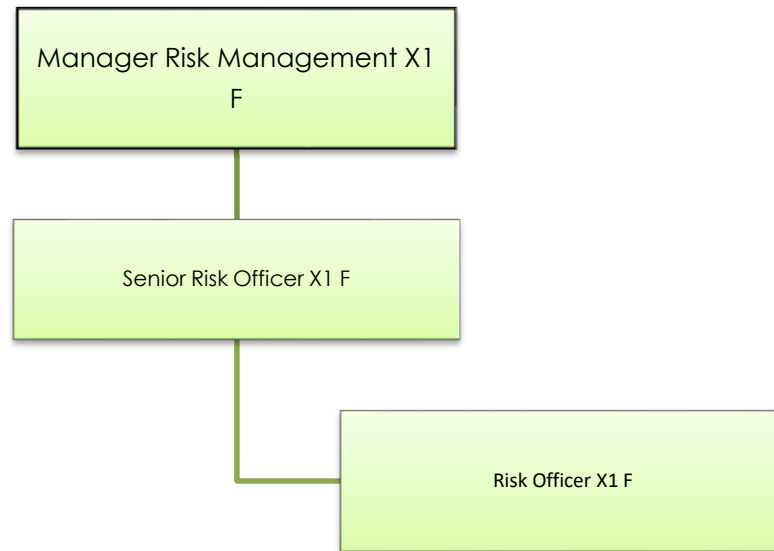


<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
03	03	0

MUNICIPAL MANAGER'S OFFICE-INTERNAL AUDIT

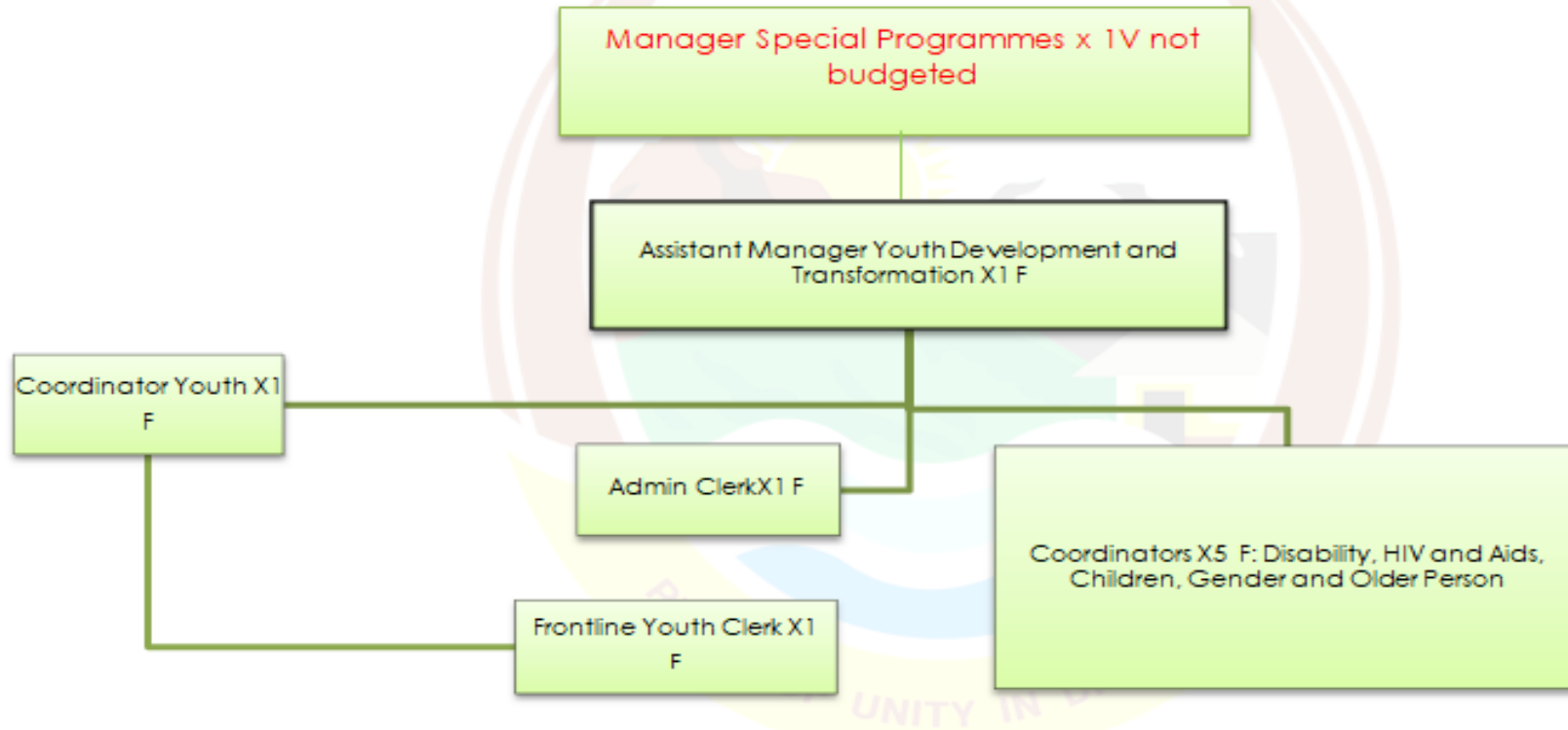


<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
07	07	0

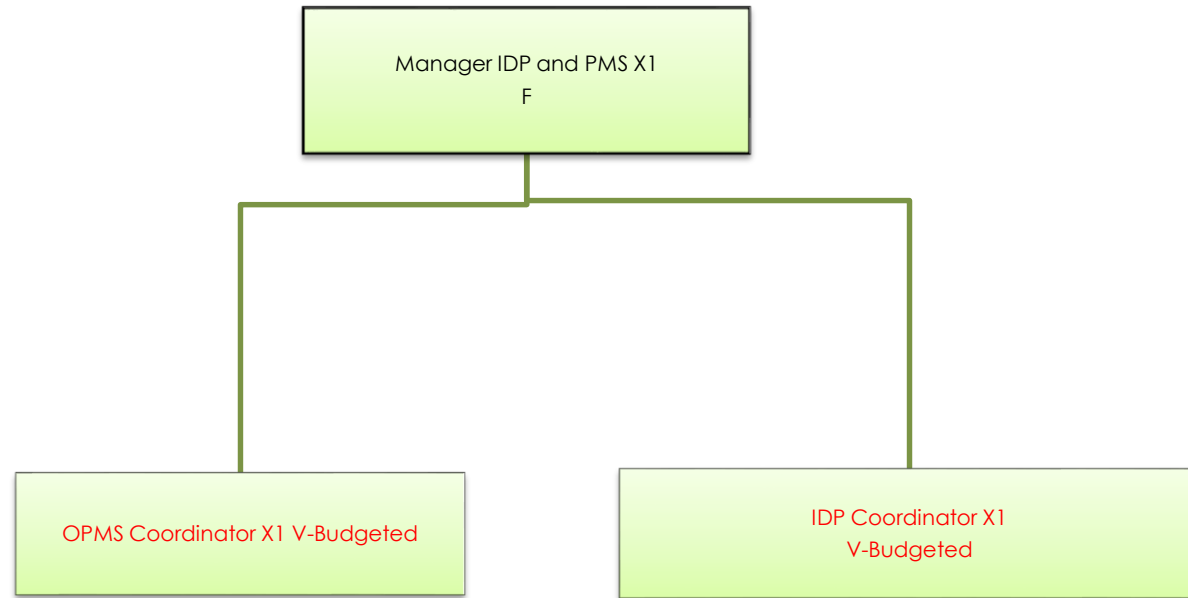


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
02	02	02

MUNICIPAL MANAGER'S OFFICE- SPECIAL PROGRAMS

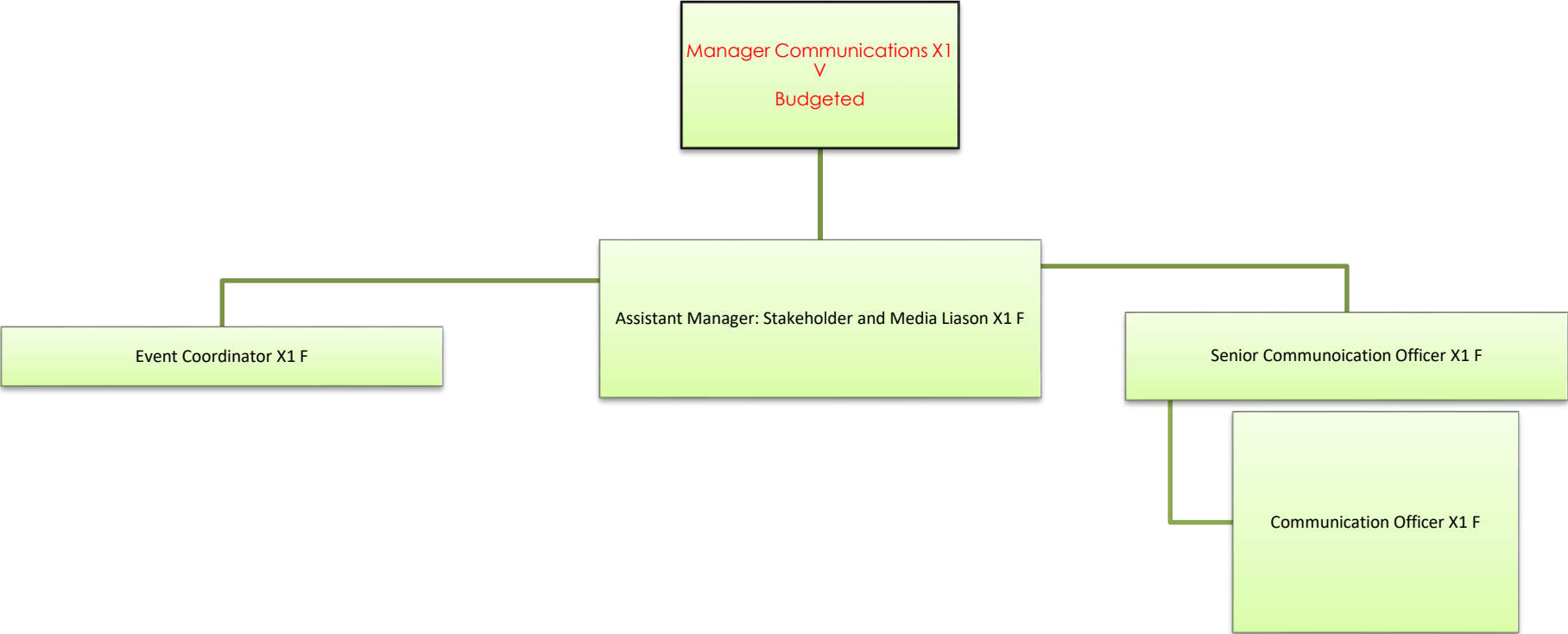


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
10	09	01

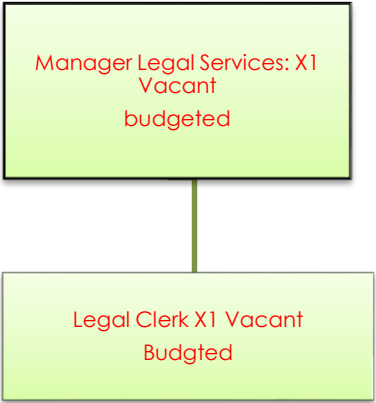


<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
03	03	00

MUNICIPAL MANAGER’S OFFICE – COMMUNICATIONS

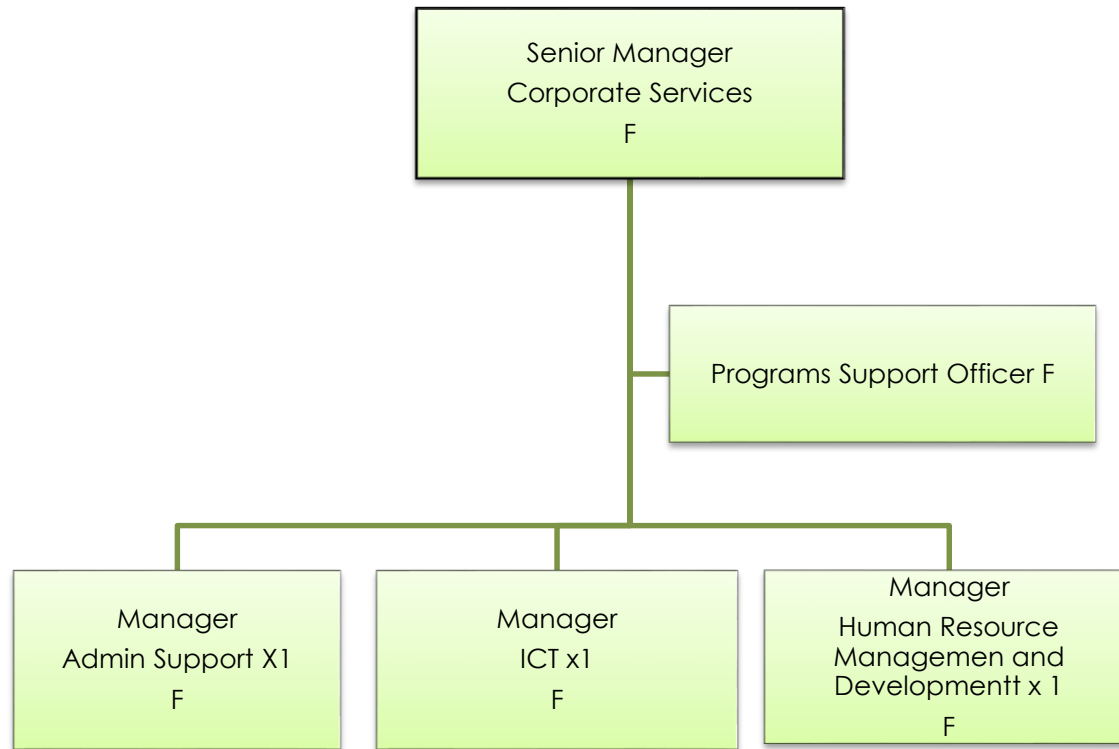


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
05	04	01



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
02	00	02

CORPORATE SERVICES

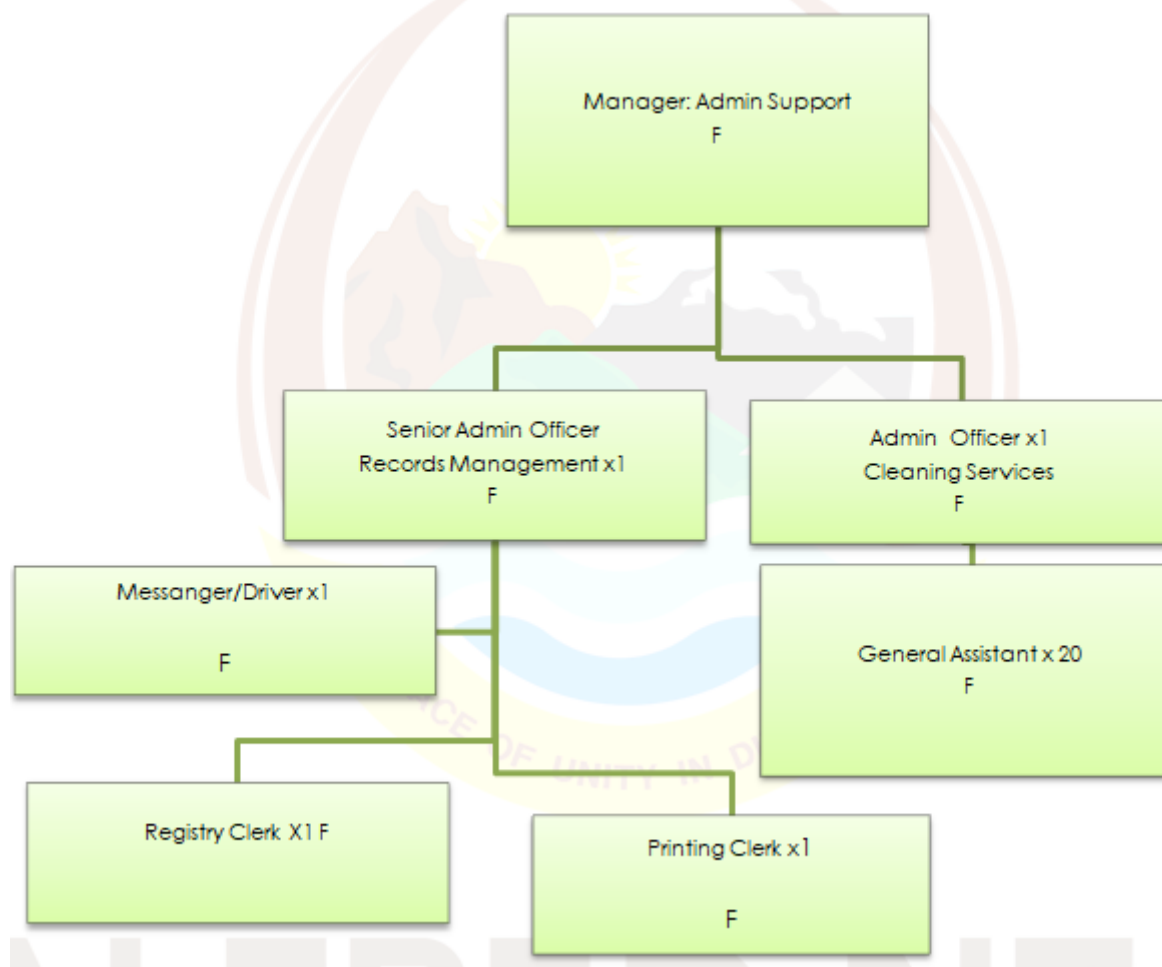


<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
05	05	00

FUNCTIONS

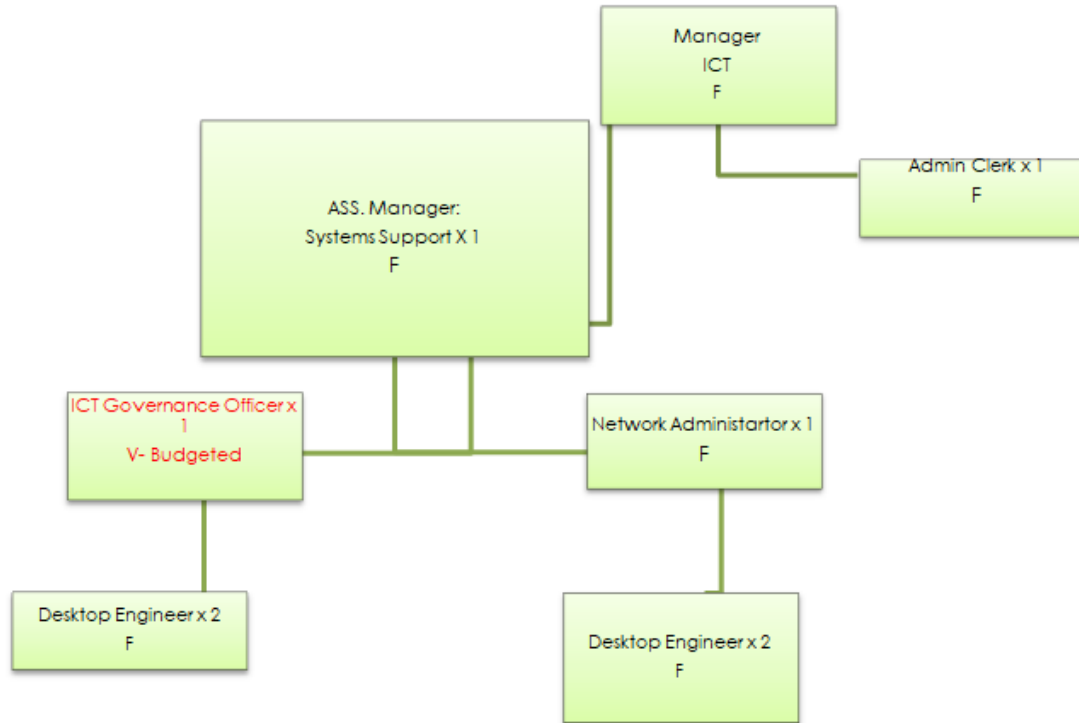
Unit	Function
Admin Support	<ol style="list-style-type: none"> 1. The provision of general administration services and records/document management 2. The provision of administration support 3. Cleaning and security services; facilities management
ICT	<ol style="list-style-type: none"> 1. The installation and configuration computer software 2. The provision of end-user support services 3. The provision of advice on system and hardware requirements 4. The management and maintenance of IT networks 5. The management of municipal data integrity and data analysis services 6. The development and maintenance of the municipal website
Human Resources Management & Development	<ol style="list-style-type: none"> 1. Provision of the Human Resources Transactional and practices services 2. Payroll administration and labour relations services 3. ensure compliance with legislation/relevant collective agreements/policies/procedures 4. Employee wellness/Performance Management /job evaluation 5. Human Resources Development

2.2.1. ADMIN SUPPORT



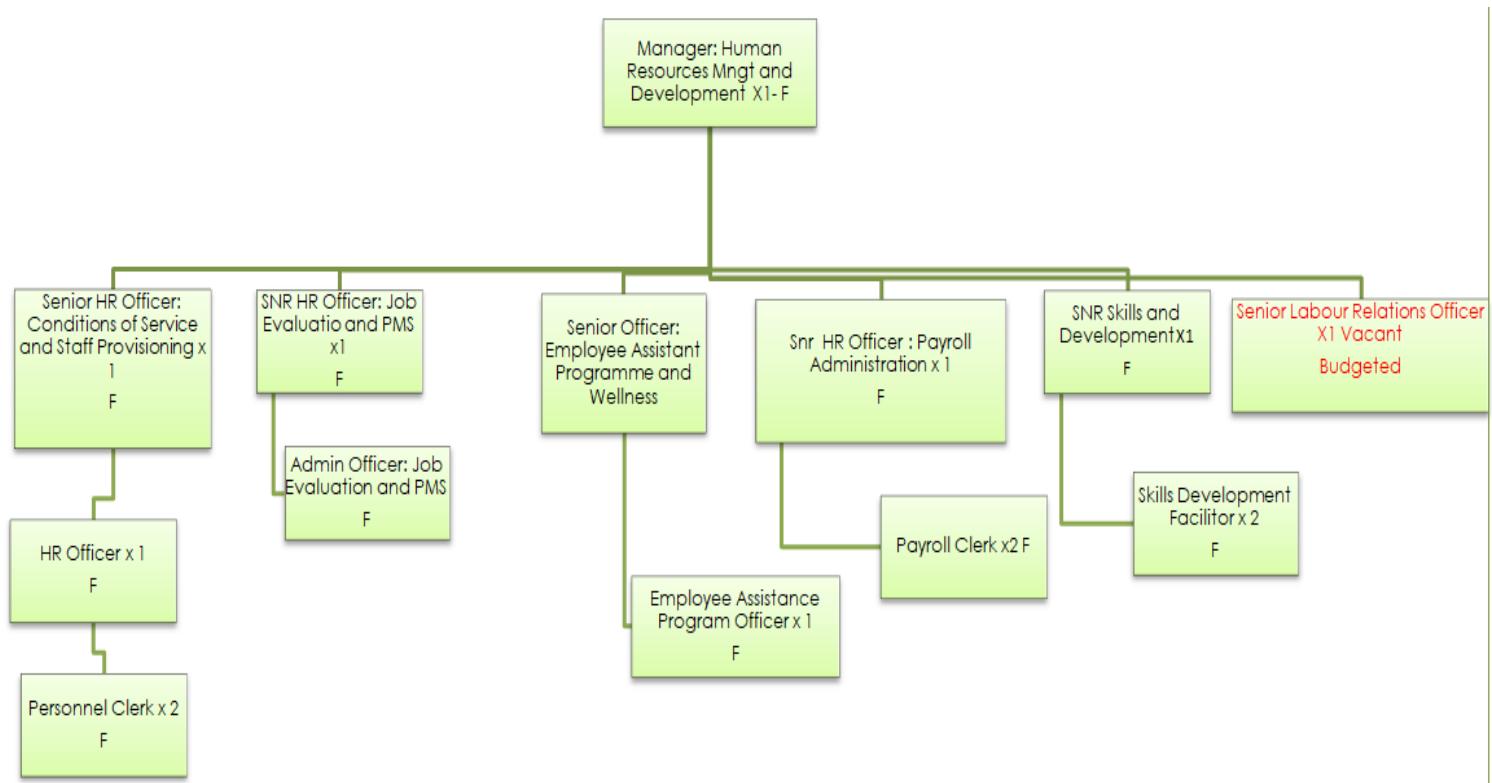
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
27	27	00

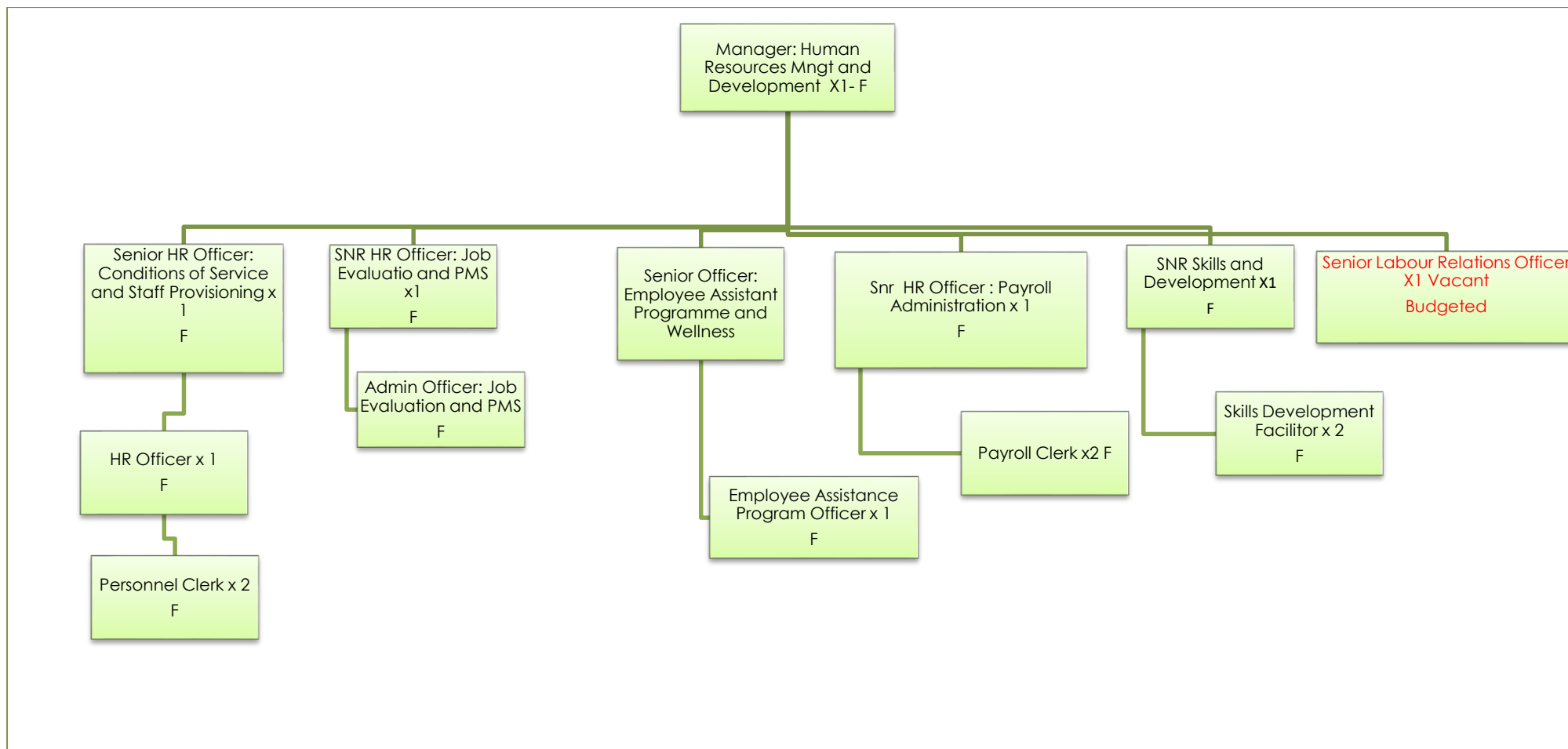
2.2.3. INFORMATION COMMUNICATION TECHNOLOGY



<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
08	07	01

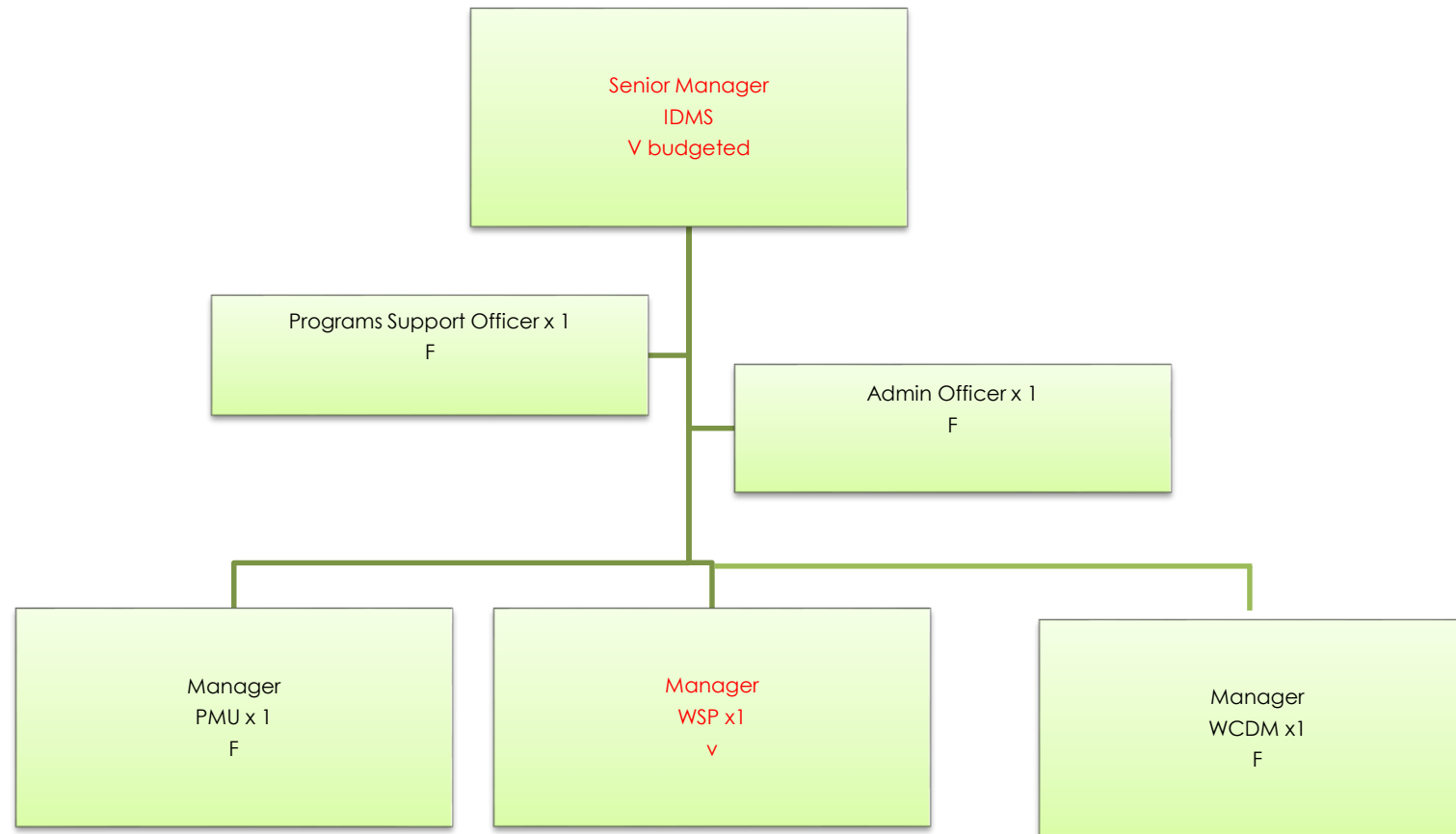
2.1.3. HUMAN RESOURCES MANAGEMENT & DEVELOPMENT





TOTAL NUMBER OF POSTS	TOTAL Posts FILLED	TOTAL Posts VACANT
16	14	02

2.3. INFRASTRUCTURE DEVELOPMENT & MUNICIPAL SERVICES

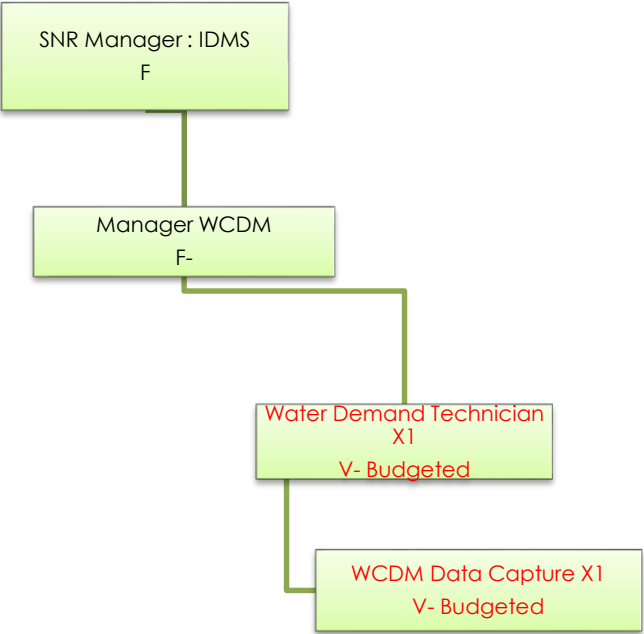


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
06	06	0

FUNCTIONS

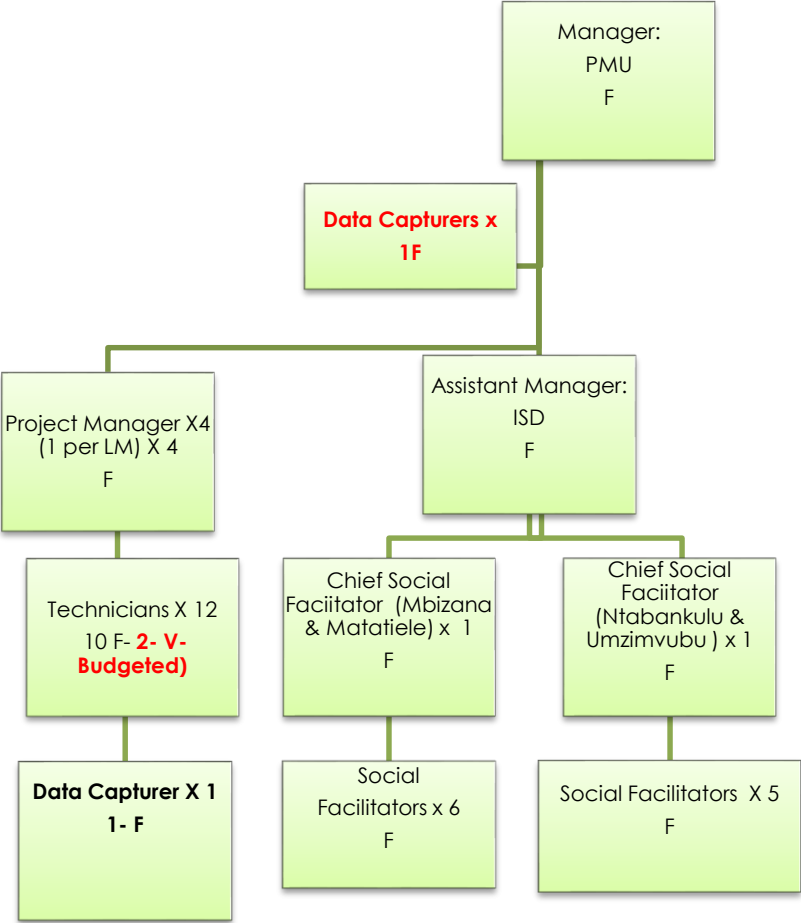
Unit	Function
PMU	<ol style="list-style-type: none"> 1. directs/controls outcomes associated with the PM Unit. 2. Controls the financial/administrative /information system requirements necessary for the coordination and control MIG funded projects and programmes
WSP	<ol style="list-style-type: none"> 1. Responsible for operations & maintenance of water services infrastructure. 2. Water & waste Water treatment. 3. Development of O and M Plans 4. Implementation of the WCDM strategy 5. Water quality management
WCDM	<ol style="list-style-type: none"> 1. Manage Water Conservation and Demand management in the District

2.3.1. WCDM



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
03	03	03

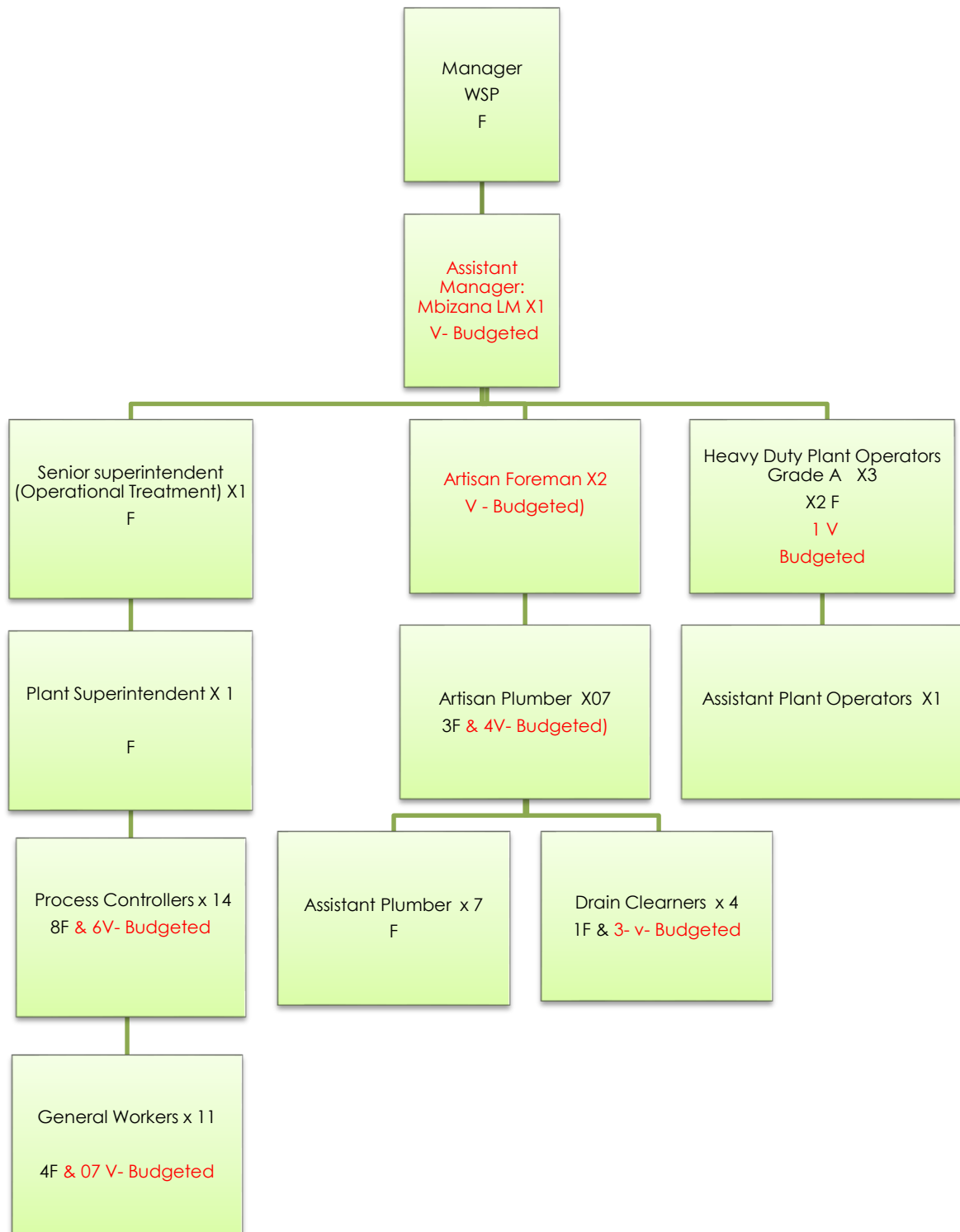
2.3.4. Project Management Unit



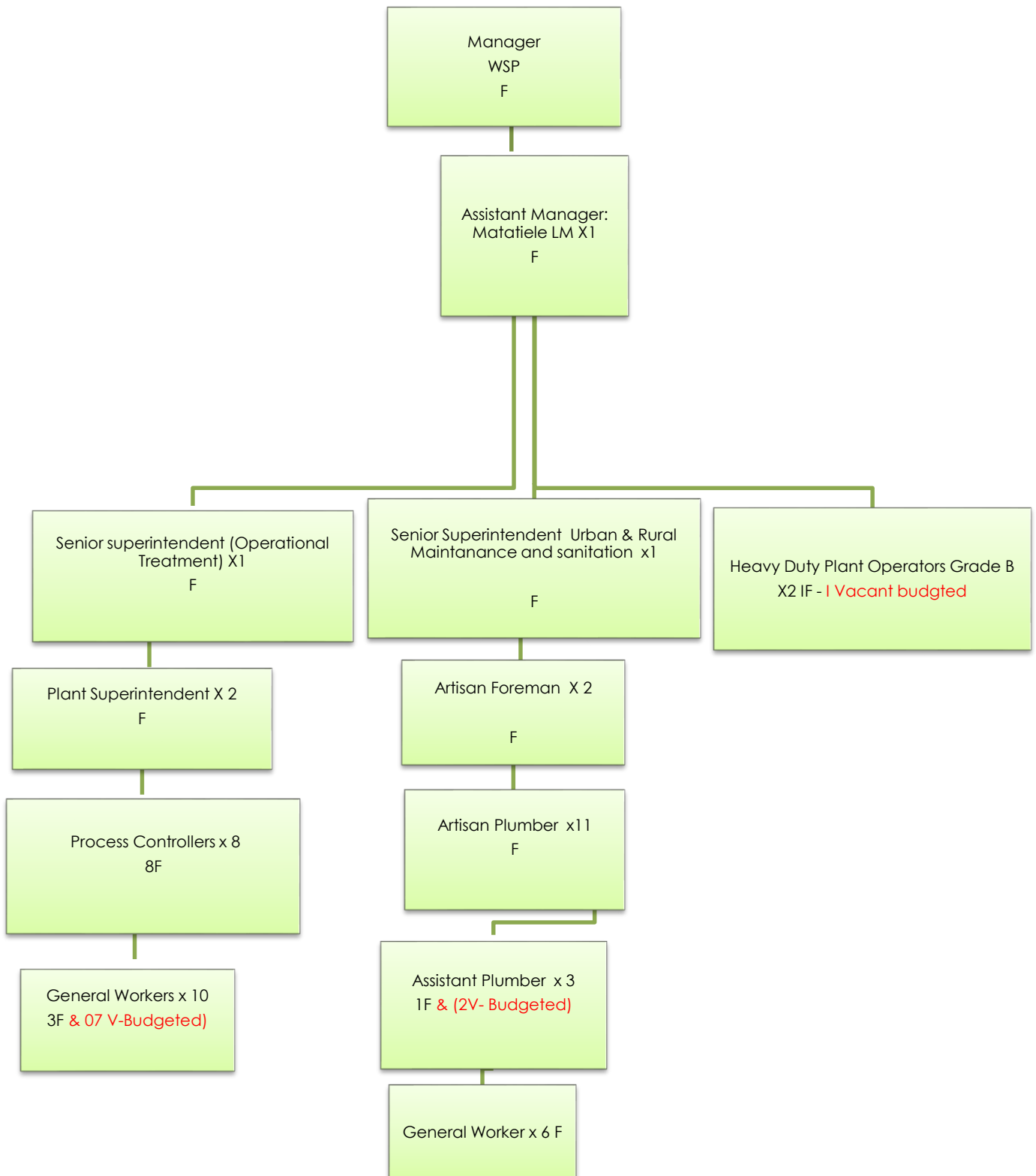
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
32	2	30

2.3.5. Water Services Provision

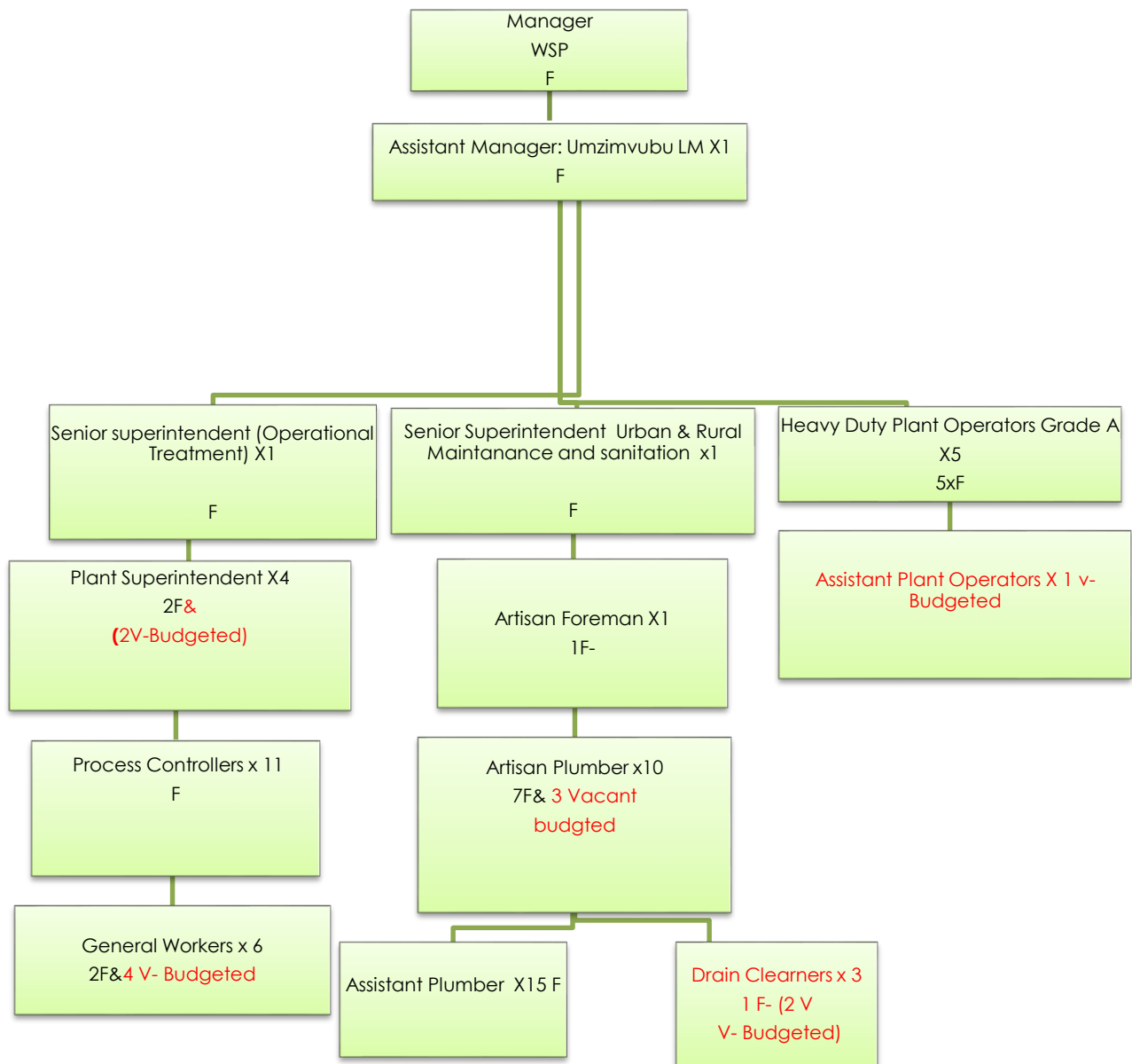
WSP MBIZANA



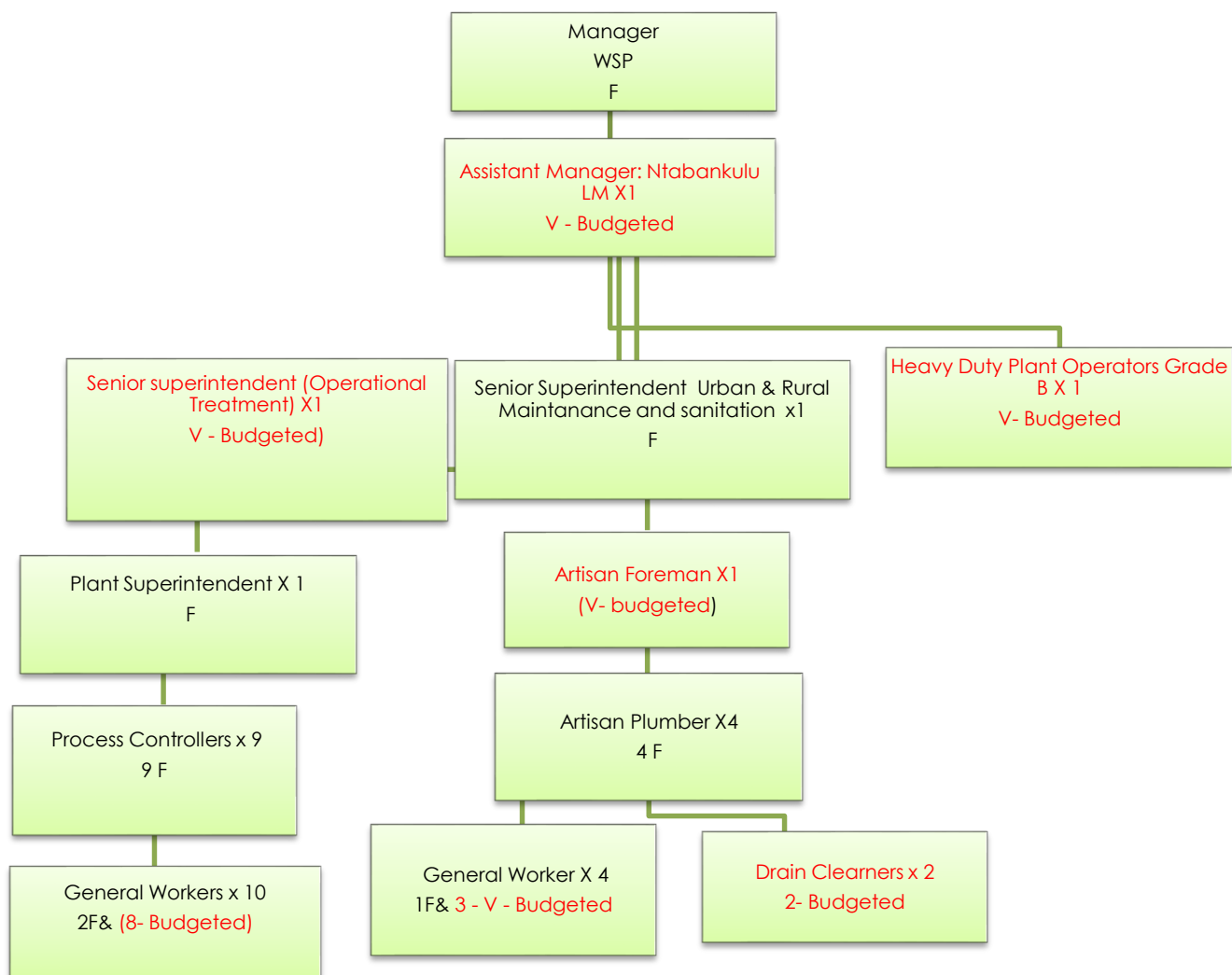
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
58		32



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
73	37	36

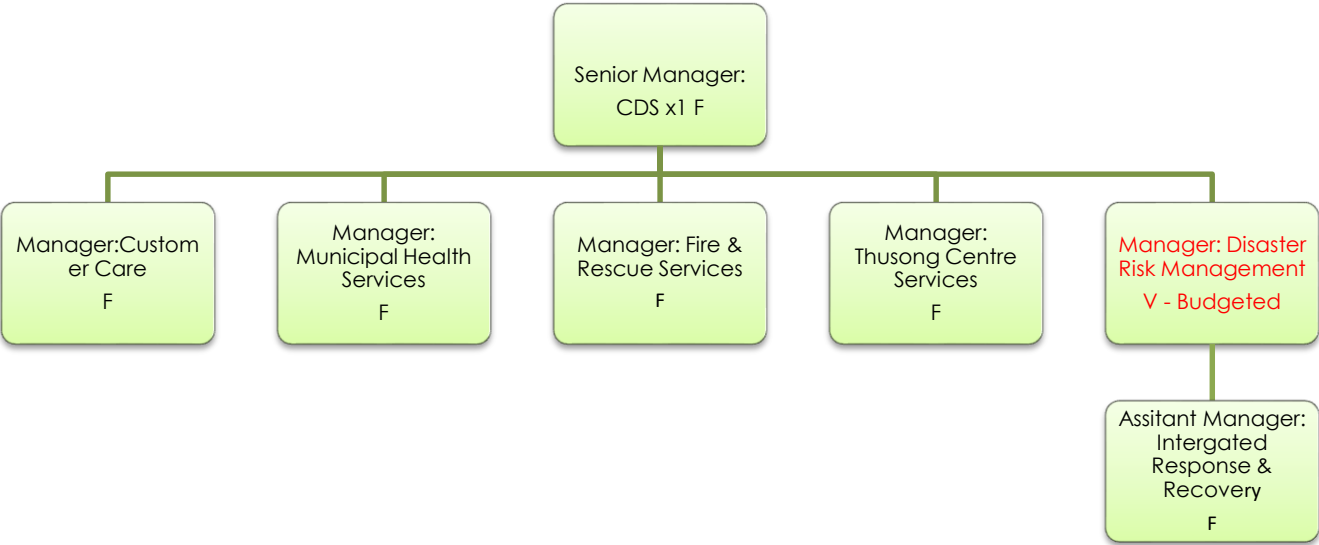


TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
68	41	27



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
35	09	26

2.4. COMMUNITY DEVELOPMENT SERVICES



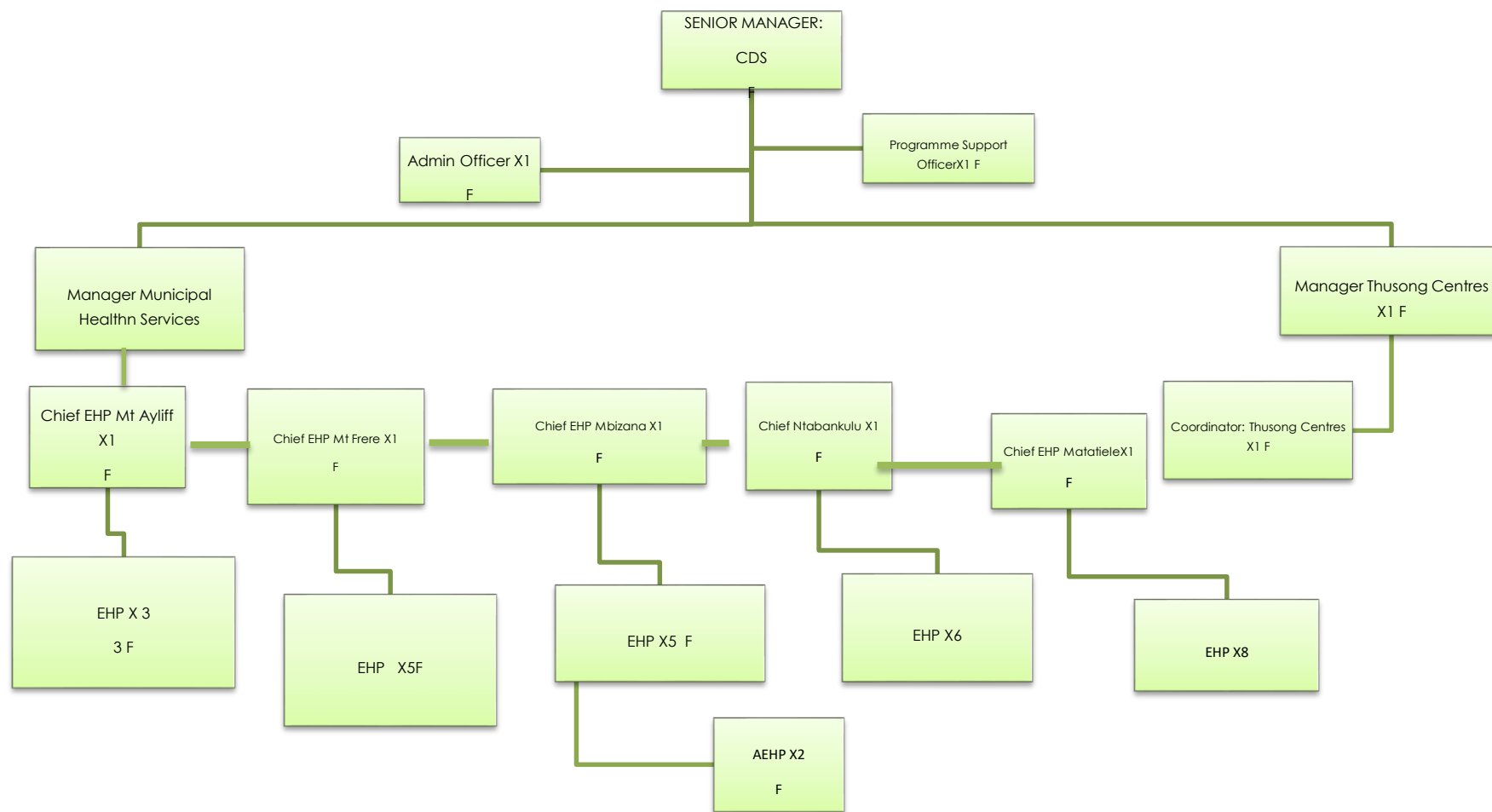
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
07	07	01

FUNCTIONS

Unit	Function
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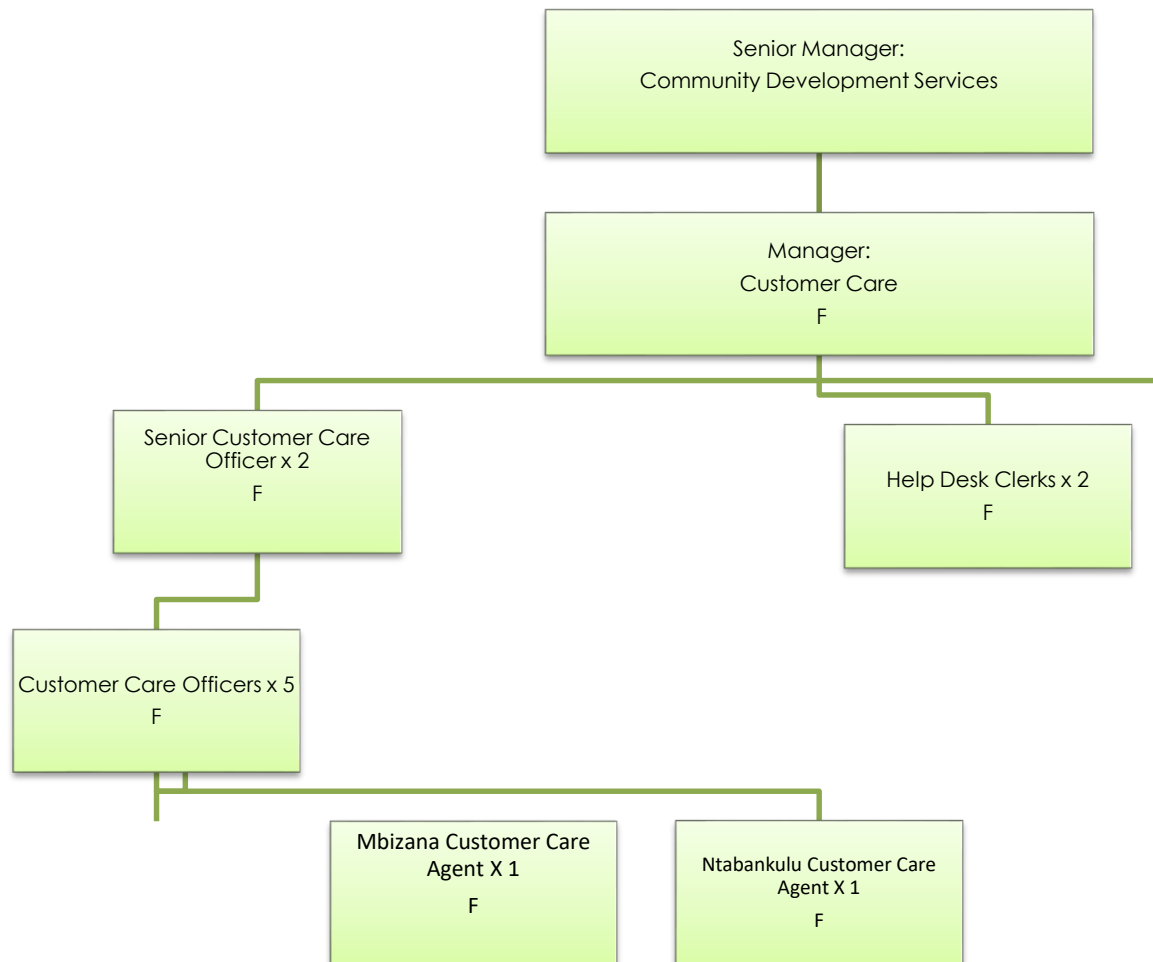
Municipal Health Services	<ol style="list-style-type: none"> 1. The identification, support and coordination of municipal health activities within the municipality 2. awareness campaigns/assessments/mitigating risk associated with Municipal health 3. By-law enforcement
Thusong Centres; Sports; Arts; Heritage & Libraries	<ol style="list-style-type: none"> 1. 1.identification; support and coordination of Thusong centres 2. Management and monitoring of the centre activities 3. The identification, support and coordination of sporting activities within the municipality
Customer Care	<ol style="list-style-type: none"> 1. to ensure maximum stakeholder participation and the development initiatives of the district 2. To build sound relations between the DM and its stakeh0olders to ensure effective and efficient service delivery.
Fire & Rescue	<ol style="list-style-type: none"> 1. Ensure the provision of fire and rescue services 2. Ensure that fire challenges are identified and reported for interventions
Disaster Risk Management Services	<ol style="list-style-type: none"> 1. Disaster management services 2. Risk reduction 3. Recovery & rehabilitation 4. Awareness & Information

2.4.1. HEALTH AND ENVIRONMENTAL SERVICES & THUSONG CENTRE



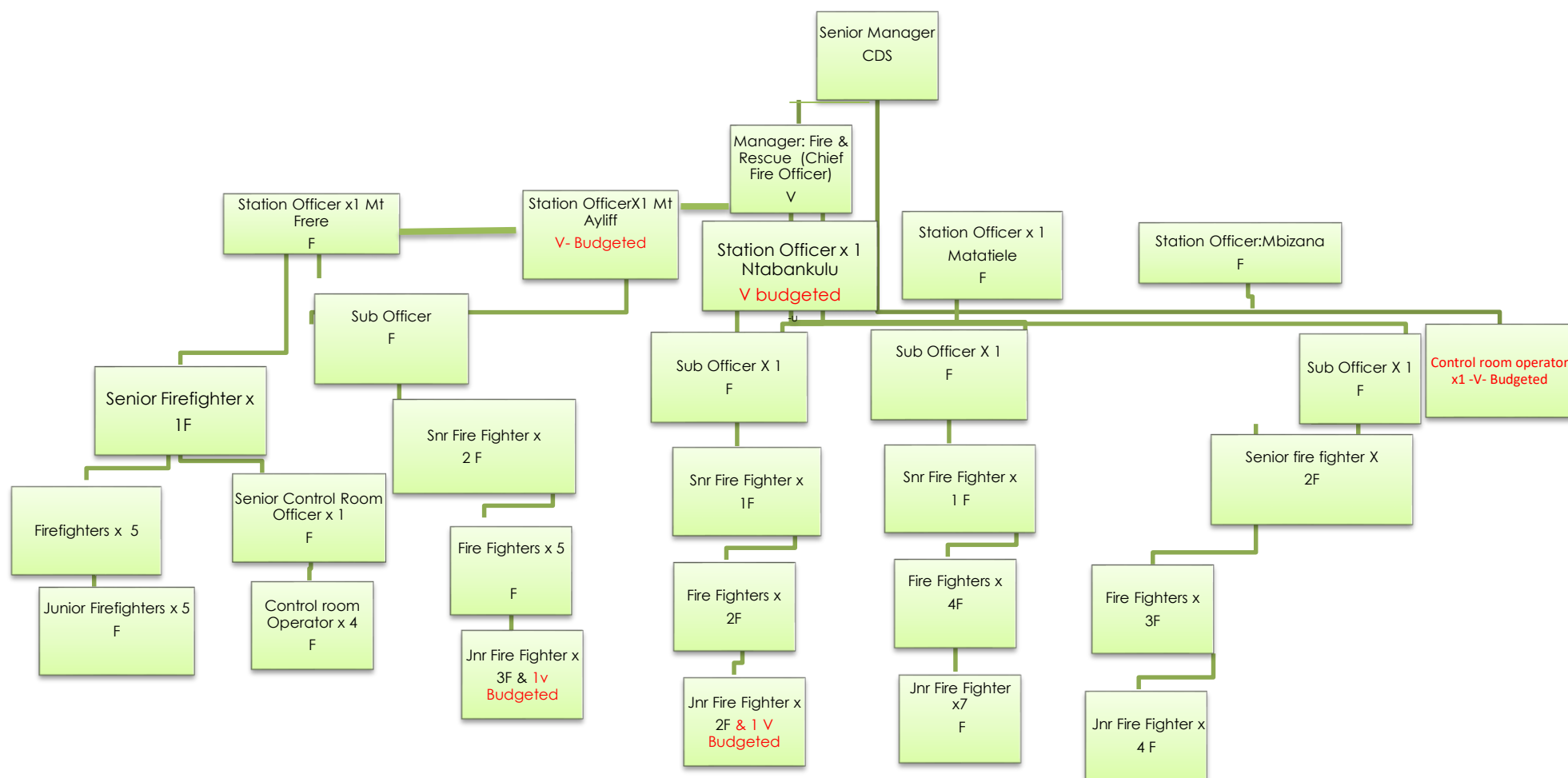
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
48	45	03

2.4.2. CUSTOMER CARE



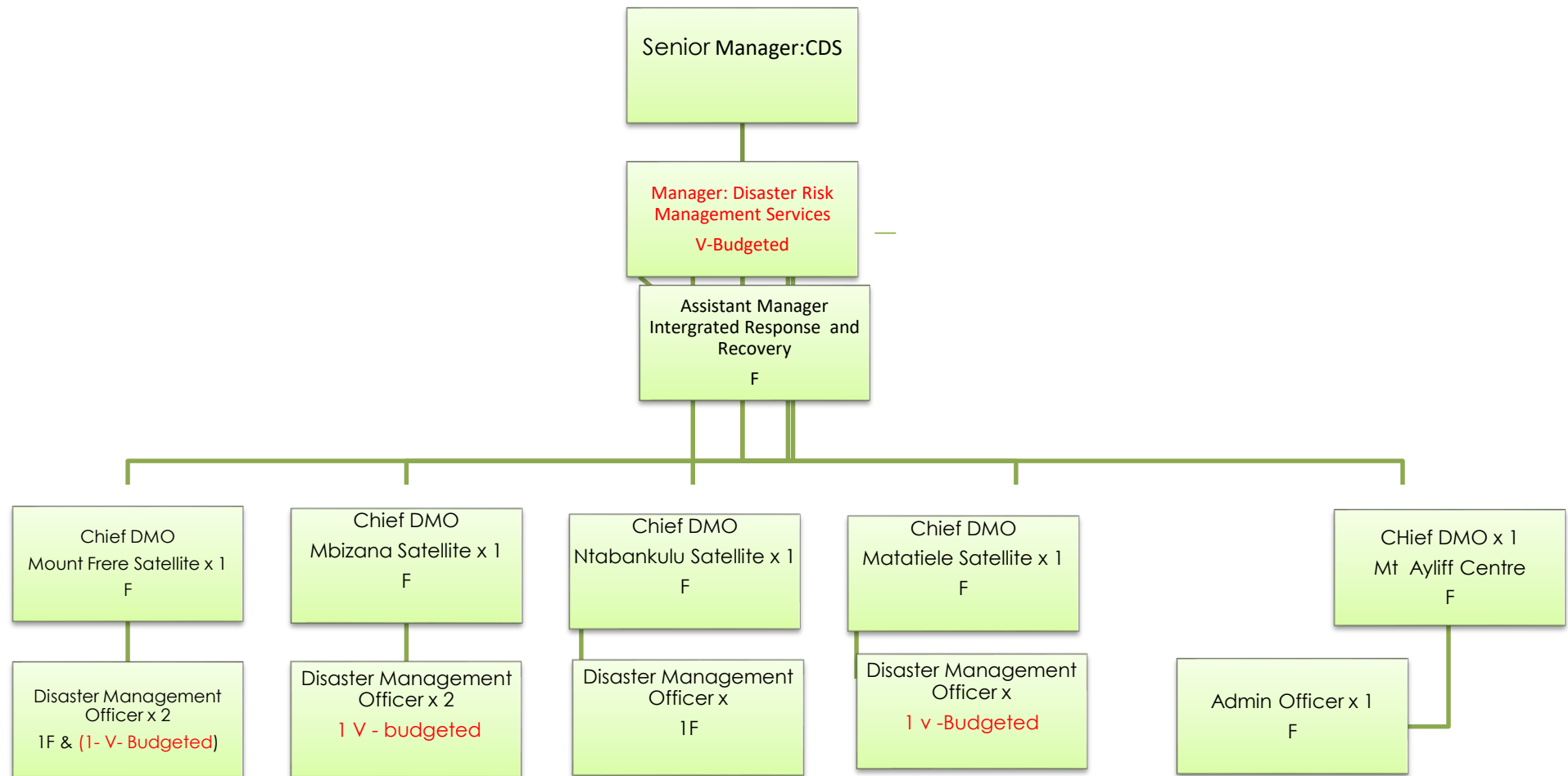
<i>TOTAL NUMBER OF POSTS</i>	<i>TOTAL POSTS FILLED</i>	<i>TOTAL POSTS VACANT</i>
12	12	0

2.4.3. FIRE & RESCUE

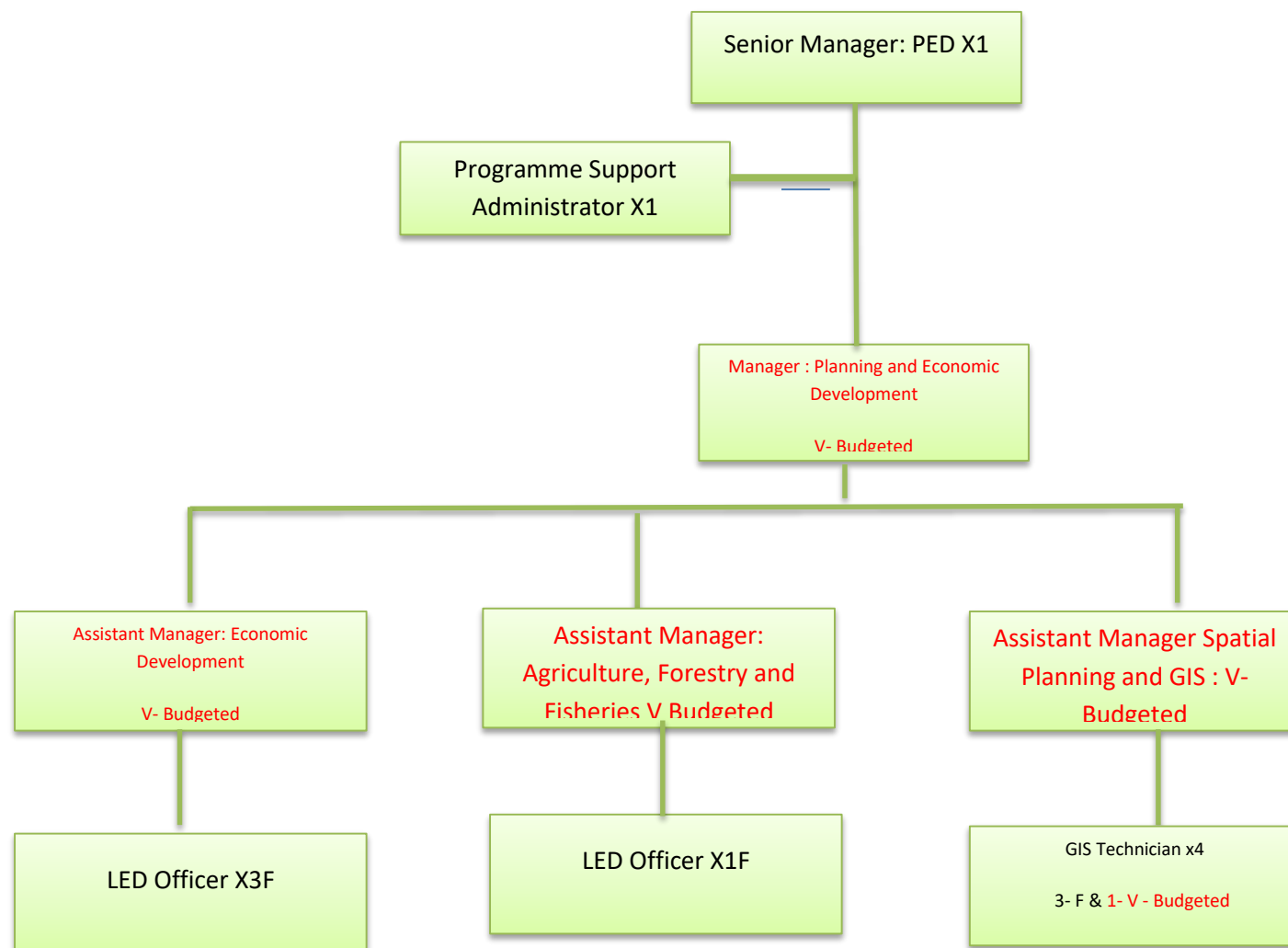


TOTAL NUMBER OF POSTS	TOTAL Posts FILLED	TOTAL Posts VACANT
63	58	05

2.4.4. DISASTER RISK MANAGEMENT SERVICES



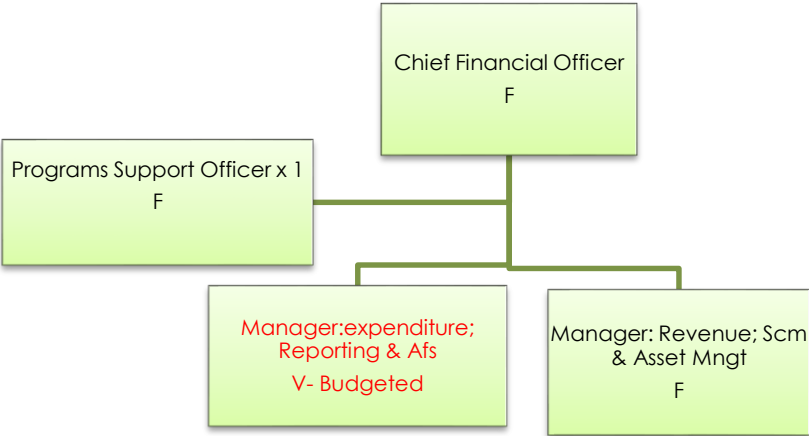
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
14	10	04



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
13	08	05

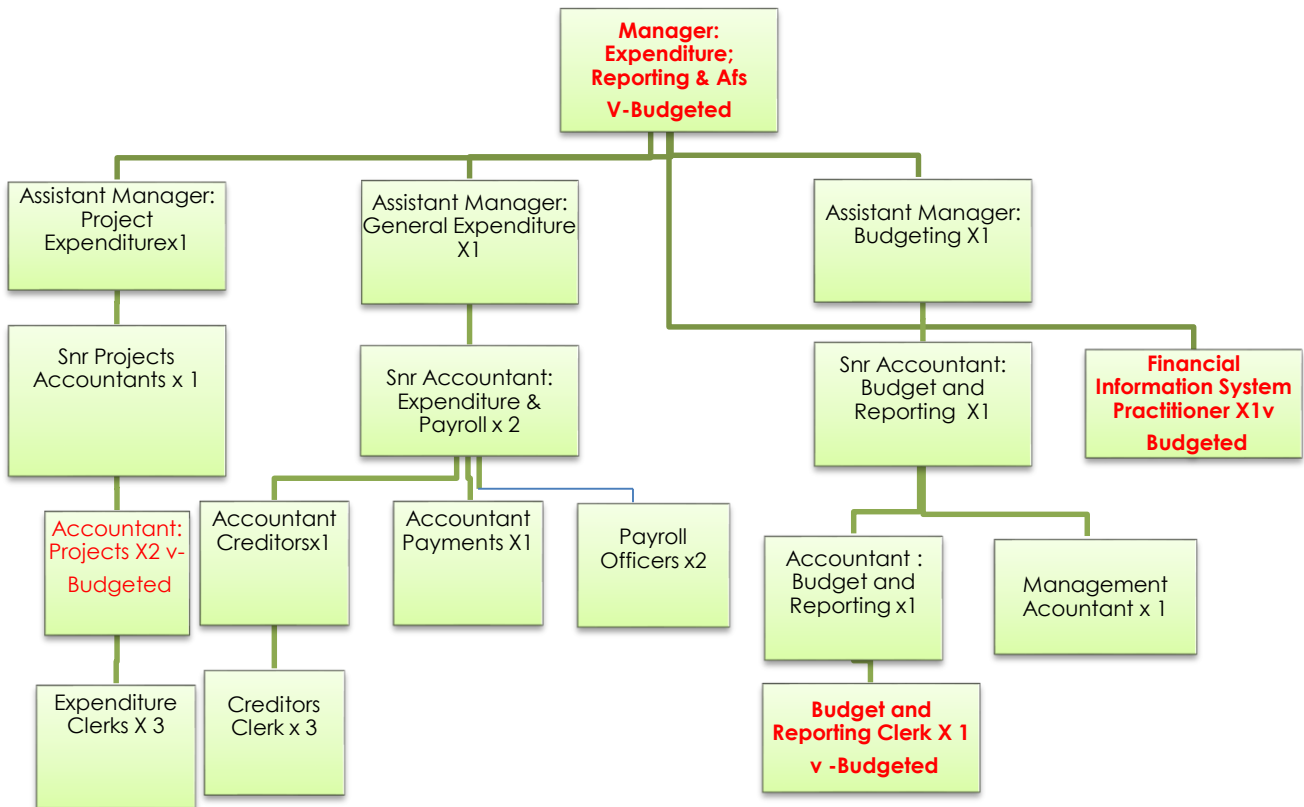
Unit	Function
Economic Planning	<ol style="list-style-type: none"> 1. The implementation, monitoring and evaluation of the municipal led strategy and projects 2. Facilitate the implementation of the municipal poverty grain production projects 3. The promotion and support of SMME's 4. The provision of tourism development services 5. The provision of hawkers administration services
Business Development	<ol style="list-style-type: none"> 1. Identifies/defines the immediate; short and long term objectives/plans and controls associated with economic development. 2. Facilitating the coordination /integration/implementation of economic regeneration programs in the targeted rural villages small towns//townships 3. Business Plans Development
IDP/OPMS	<ol style="list-style-type: none"> 1.The facilitation of the annual IDP strategic planning process 2.The development and implementation of an organisational performance management system
Development Planning; Spatial Planning & Land Use Management & GIS	<ol style="list-style-type: none"> 1. Keeping abreast with developments and legislative imperatives supporting economic development and community improvement. 2. Controls the planning/operational efficiency of specific approaches associated with the delivery of core services associated with the functionality and spatial planning and land use management 3. Performs specific applications associated with the preparation/updating/processing of data from hardcopy and digital sources for the ANDM geographical area

2.6. BUDGET & TREASURY OFFICE



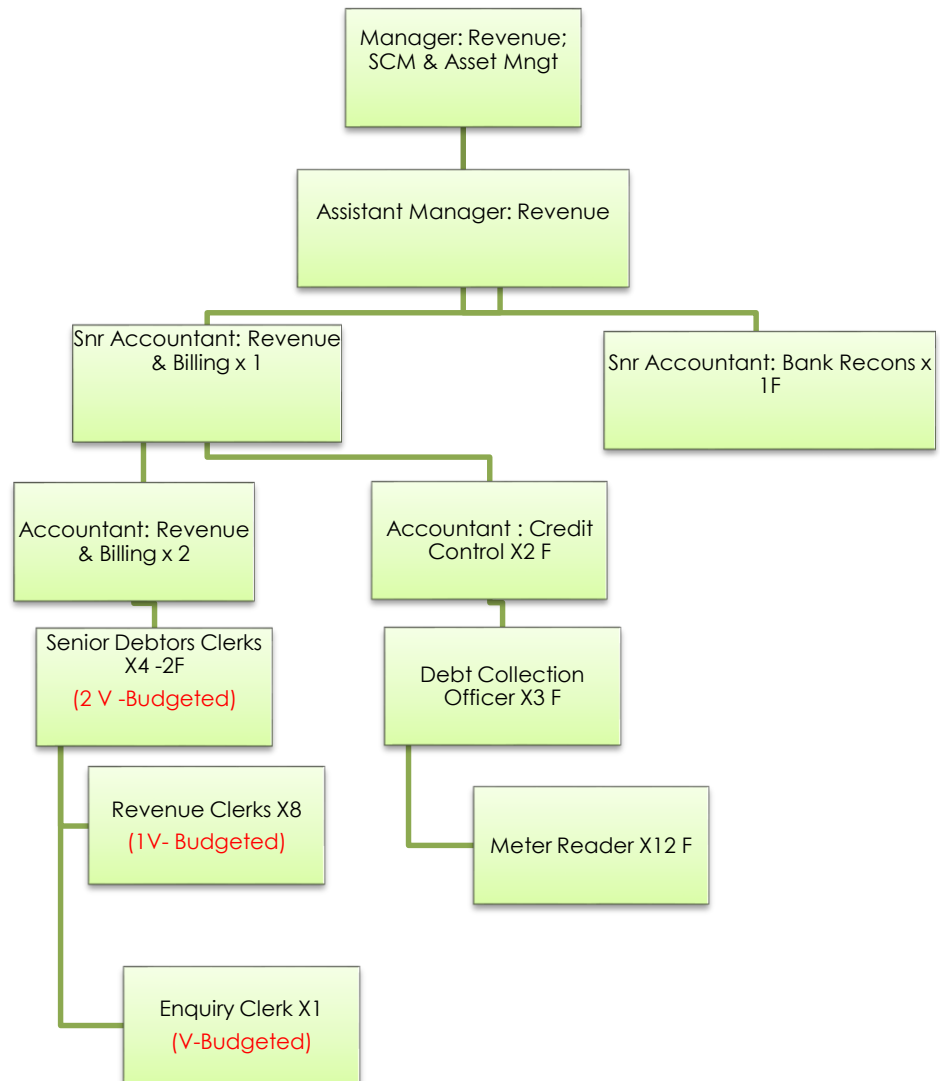
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
04	03	01

Unit	Manager	Function
Expenditure; Reporting & AFS	Manager: Expenditure; Reporting & AFS	1. Coordinates/implements sequences associated with the verification and provision of information related to the creditors accounts. 2 Prepares financial documents and reports on the creditors accounts 3. preparation of AFS
	Assistant Manager: Project Expenditure	1. Preparing & presenting reports detailing the status of expenditure and availability of funds and reporting on deviations. 2. manages the compilation of budget; prepares capital & operating estimates; midyear reviews; reallocations; additional releases; financial management/controls expenditure against the approved budget allocations
	Assistant Manager: General Expenditure	1.control and account for the expenditure of the Municipality 2. maximize the collection of VAT 3. payroll administration 4. timeous payments of all service providers within 30 days of invoicing
	Assistant Manager: Budgeting & Reporting	1. Facilitate the compilation/coordination of the annual budget. 2. Compile monthly reports and annual financial statements. 3. execute budget management duties/ cash management/ supply chain management
Revenue; SCM & Asset Management	Manager: Revenue; SCM & Asset Mngt	1. Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework. 2.prepares capital/operating estimates and controls contract expenditure against budget allocations 3. manage/monitor/control fleet and asset management in the municipality 4. manage/control revenue management
	Assistant Manager: Asset Management	1. manage/monitor/control fleet and asset management in the municipality
	Assistant Manager: Revenue	1. manage/control revenue management
	Assistant Manager: Supply Chain Management	.Promoting/developing/monitoring//directing/controlling all aspects of SCM in the Municipality to ensure compliance with the SCM Policy and Administrative Framework.



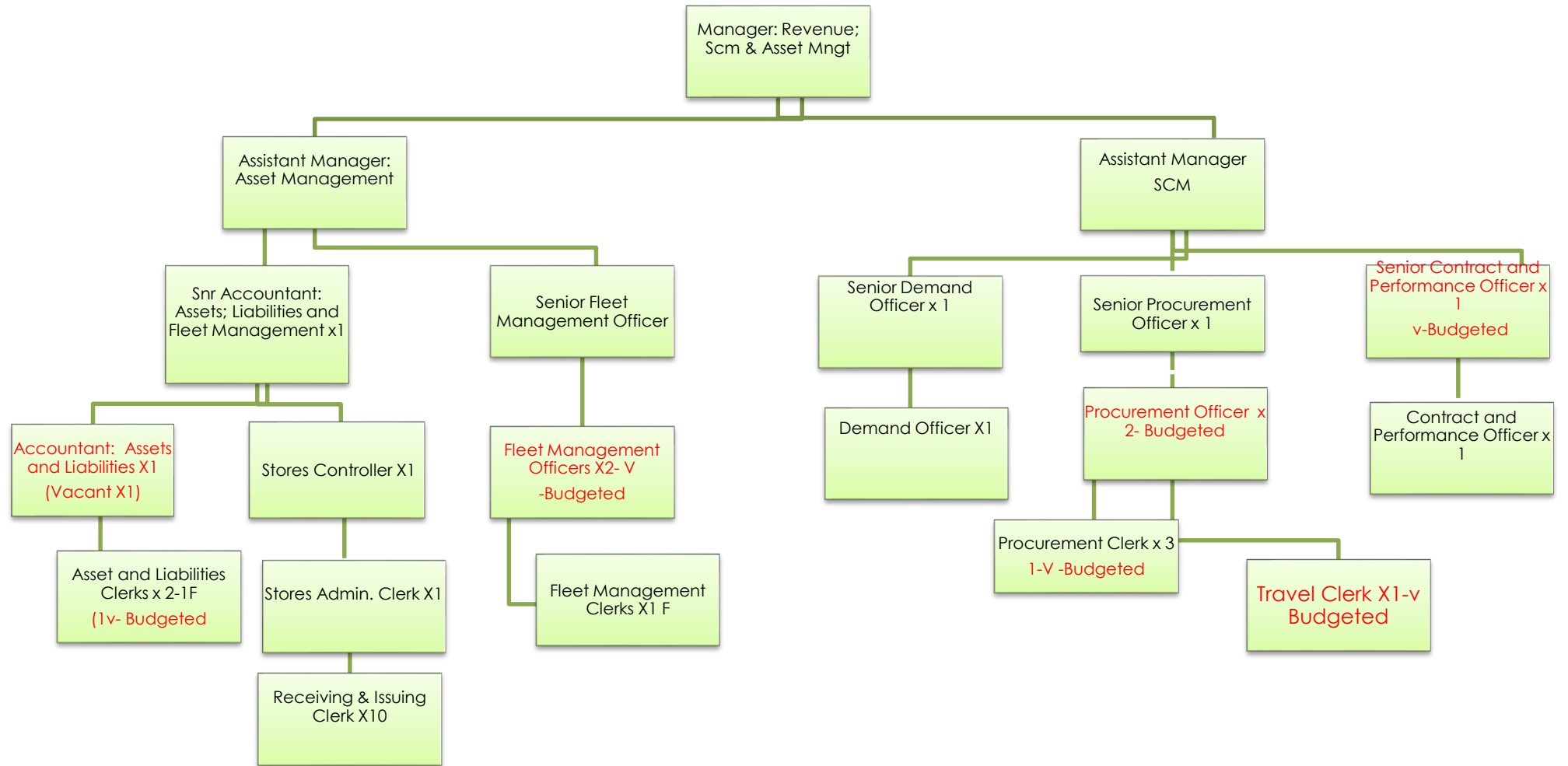
TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
24	19	04

REVENUE



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
35	33	02

2.6.2.1 SCM & ASSET MANAGEMENT



TOTAL NUMBER OF POSTS	TOTAL POSTS FILLED	TOTAL POSTS VACANT
33	24	09

3. Conclusion

Please narrate conclusion

Signed at _____ on the _____ day of _____ by

The Municipal Manager	_____ <i>(Print Name)</i>	_____ <i>(Signature)</i>
	_____	_____
SAMWU	_____ <i>(Print Name)</i>	_____ <i>(Signature)</i>
	_____	_____
IMATU	_____ <i>(Print Name)</i>	_____ <i>(Signature)</i>