



MBHASHE LOCAL MUNICIPALITY

**DRAFT ANNUAL REPORT
2020/21 FY**

2020/21 FINANCIAL YEAR

CHAPTER 1

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

IT IS MY PLEASURE TO PRESENT THE 2019/20 ANNUAL REPORT OF THE MBHASHE LOCAL MUNICIPALITY.

STRATEGIC ALIGNMENT TO PROVINCIAL AND GROWTH AND DEVELOPMENT STRATEGY

In compliance with Section 127 of the MFMA Act no 56 of 2003 and as an expression of commitment to public participation, service delivery, clean accountable government, the council presents this annual report to its stakeholders because when we work together we can do so much more.

The municipality defined its vision in the 2017 – 2022 IDP as being the municipality that strives to “excel in promoting social cohesion, stimulate economic growth and sustainable development”. The institution has always endeavors to ensure that this vision acts a moral compass in our actions to better the lives of our communities and to ensure that the vision finds expression in the key strategic objectives we developed that are expressed in the Key Performance Areas in our IDP.

These strategic objectives are expressed succinctly in line with 5 key performance areas in the development of the IDP of municipalities, Municipalities have been affected by a shortage of technical skills resulting in difficulties in the delivery of their mandates. On Municipal Transformation and organizational development the institution has committed itself to provide and enhance skills, attract and retain the human capital in order to ensure effective and efficient service delivery. The institution seeks to seize opportunities of the 4th Industrial Revolution in an attempt towards effective delivery by developing integrated, stable and responsive ICT infrastructure. Above all to ensure the monitoring and evaluation of the IDP in order to improve the institutional performance.

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The second key performance area which captures key objectives of the institution is Service Delivery and Infrastructure Development. Development of infrastructure is a catalyst in the overall development. The historical perspective of the development of our communities demands that the municipality needs to develop new infrastructure due to the skewed development in the past which favoured the urban and privileged communities. The council therefore committed to build new infrastructure, maintain the existing and upgrade given the available resources at a particular juncture. The services that the institution needs to provide have to be provided in an effective and affordable manner to the community.

The communities in our municipality have a huge dependency on social grants and are facing escalating unemployment figures especially on the young people and women. This has caused the municipality to focus in promoting agrarian reforms and increase food security measures by emerging farmers. This is done by providing support to the emerging farmers in the primary production, providing capacity through trainings and availing information that would be of assistance for the start and sustenance of their initiatives. Primary production alone would not alleviate poverty, reduce unemployment and closing of the gaps on the levels of inequality. The municipality needs to promote use of agricultural value chain and stimulate local economic development in deprived communities by encouraging value chain and value addition through support given to emergent enterprises. These mobilize and promote investment in Mbhashe.

Financial Viability. The crimes of financial management and compliance with legislature provisions and regulations have proven to be a serious challenge in municipalities. The key objectives of the municipality around this is to ensure sound financial management through accountability, compliance with budget and reporting regulations, cost effective supply chain management and maximization of revenue collection. The basis for these objectives is that any effort to deliver services to our communities will be in vain if it is not anchored in them.

The last KPA is on Good Governance and Public Participation. The introduction of “Batho Pele” People first principles by the democratic government in 1997 and the Back to Basic document by the department of Cooperative Governance and Traditional Affairs later on demonstrated the commitment by government and also mandating it encourage public participation of communities in municipal affairs. It is for that reason that the municipality in setting up its key objectives sought to ensure that it promotes clean and accountable government, by setting up appropriate structures and mechanisms to promote clean governance and accountability compliance with pieces of legislations, promoting and stakeholder participation and effective communication.

CORRECTIVE ACTIONS TAKEN TO ENSURE THAT STRATEGIC OBJECTIVES AS STIPULATED IN THE IDP WERE ACHIEVED

The year 2019/20 has been a very challenging year. Mbhashe Municipality has had to contend with significant service delivery pressures, and due to the National Pandemic (Covid 19) which was declared a National disaster that also affected the municipality as a result most of the set performance indicators could not be achieved which affected the set

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Objectives that were enshrined in the municipal IDP document, this then led to the shifting of the goal post to try and manage the situation without losing the focus and the mandate of the municipality in terms of Service delivery. Governance was also affected severely during this time as public participation was limited and during the levels (level 5) of the Covid pandemic it was prohibited altogether, and from all these challenges emanated from the pandemic posed a threat on the municipal allocated budget as we saw a slow spending due to the delayed service delivery projects in terms of implementation.

Despite these challenges and significant financial constraints to tackle our service delivery backlogs, Mbhashe Municipality has persevered, focusing on service transformation strategies that enhance the effectiveness and efficiency of service delivery provision in the area, to improve the status of its citizens. We have intensified our drive to mitigate against service pressures, and strengthen the service delivery platform.

Many service delivery milestones have been achieved, many challenges have been met, none of which are beyond resolution, synergies have been increased, and frictions have happened. Mbhashe has been shown again and again to be a strategic Municipal Area in the district as the municipality managed to rope in partnerships and mobilizing funding to tackle the service delivery backlog.

METHODS USED/IMPLEMENTED TO IMPROVE PUBLIC PARTICIPATION AND ACCOUNTABILITY

In all the work of the financial year under review we were guided by policies, IDP, the bylaws, the laws, and the constitution. Most importantly the financial resources which fuel the activities of the municipality were in accordance with the Municipal Finance Management Act.

In terms of the above act, council after considering the attached report and the reports of the Auditor General, presented the Annual Report for the financial year 2019-20 to its stakeholders, even though this exercise was done on virtual platforms due to the Covid 19 Pandemic, the municipality did this as an act of accountability, an act of compliance and act of inviting you further to journey with us in delivering services, ensuring public participation, ensuring accountable clean caring government.

Mbhashe' s investment, over time, in key institutional achievements in terms of leadership and governance, service delivery models, infrastructure and information systems, has been

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central to our current successes. These successes include but are not limited to, the maintenance of 320,7km of gravel roads with Storm Water in (W 13, 15, 16, 17, 18, 19, 20, 26, 28 & 32, 24,11,25,29,22,21,31, 12, 8, 6, 5, 1, 9, 7, 3) to ensure that they of good quality, safe & trafficable as per applicable standards and a total of 13.5 kms of gravel road constructed in Ward (26,3 & 27), 12 storm water culverts installed and 8 channels upgraded, 100% of surface road maintained, 55 street lights upgraded at Gatyana, 100% of street lights and highmast lights maintained, 2 Community Halls were completed (Mdwaka and Madwaleni). Let's further make a round of applause to the 4177.5m² of paving that was done during the year. The construction of one Motorist Bridge at (Qinqana) was another milestone we are proud of.

On electricity the municipality achieved 1000 connections of non- grid in addition to previous years of 6610 and as well as 4200 grid (INCLUDE ESKOM CONNECTION).

A universal access with regard to waste management services has been achieved in the year under review. All our landfill sites are licensed.

Another area where the Municipality has proactively enhanced public value, is in the public private partnerships space. The last year has seen rapid expansion in partnerships, which has improved service delivery services to the population. It is a space in which we hope to see further advancement as it has huge potential to further develop the accessibility of service delivery in the area.

The major issue according to the IDP is the poor levels of infrastructure, poverty and general under-development, which manifest itself through poverty and unemployment. It is therefore common cause that there is a major focus on Local Economic Development, infrastructure development, particularly access roads and community facilities.

In terms of the Local Economic Development, the strategic focus areas are Agriculture, Tourism, Small Medium and Micro Enterprise support, Forestry and Mining.

It has been indicated from time to time that tourism is one of the major economic drivers in the area of Mbhashe, hence also the focus on tourism. Mbhashe has had its heritage affirmed by many national leaders and external stakeholders. We have enjoyed many high level visits, and has sometimes leveraged these and at other times has lost opportunities. Emerging famers were provided with (Crop production in 18 wards and stock remedy in 31 wards) , 40 SMME' s supported with tools of trade/ trainings, Tourism operators were

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exposed and trained , 1 heritage property upgraded at ward 21 and 5 properties maintained as per approved concept plan at King Hintsa, Esinqumeni Caves, Miller Mission, Sarhili and Fort Malan Memorial. There has been a creation of 627 employment through EPWP during the year.

The Service Delivery and Budget Implementation Plan (SDBIP) set priorities for the financial year under review; it also set revenue and expenditure targets for the period under review. Priorities were set in terms of what was identified as key issues in the Integrated Development Plan. As envisaged in the SDBIP, the priorities that were agreed on were also budgeted for the budget that was dully adopted by the Municipality. We are particularly proud of the unqualified audit for the last 04 years. During the year under review, the municipality under spent as we were sitting at 53% at year end of the allocated INEP grant which was reduced after re-gazetting. During the year under review we managed to spend the total infrastructure budget for the creation of new infrastructure. It is a concern that has to be dealt with in the following year. However, the expenditure on MIG was 100%.

STATEMENT OF CORRECTIVE ACTIONS WHEREBY SERVICE DELIVERY CAN BE IMPROVED

It is however important to indicate that the Supply Chain Management processes have to be better managed. There has been a general improved financial management during the year. As the Municipality clearly depends on grants, we have to think of better ways of improving revenue. The revenue base is small but we have to maximize collection from the very small base. We have made use of services of a debt collector to ensure that we are able to collect what is due to the municipality to enhance existing revenue base.

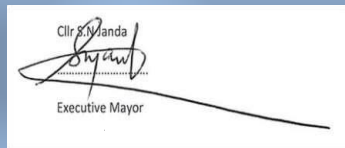
We have also expedited implementation of service delivery projects after adjusted levels of the Corona virus.

As we walk the journey of service delivery, public participation accountable caring government. Any victories reflected here still demand that we do not falter, that we do not linger; we realize that there is a long way to go. That working together we can do more, working against each other we can do nothing. There is more that binds us than separating us.

I thank all traditional leaders, Speaker, Councilors, Executive management, Staff and Stakeholders of Mbhashe Municipality for the work they have done in making it possible to

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report the successes and challenges we report on against the predetermined plan and budget. Working together we can do more.



SAMKELO JANDA

T1.0.1

COMPONENT B: EXECUTIVE SUMMARY

MUNICIPAL MANAGER'S OVERVIEW

The year of reporting covers the period 01 July 2020 until 30 June 2021. In terms of legislation, the Municipal Manager is designated as the Accounting Officer, and he /she must perform his/her functions in good faith, act with fidelity, honesty, integrity and in the best interest of the municipality. The Accounting Officer as the head of Administration must oversee the execution and implementation of all council policies. It give me pleasure to reflect on the challenges and achievements of the municipality for the year.

The five-year term of office of the current Council will terminate when the IEC declares the new councillors as elected. The services in the annual report were aligned to the indicators stated in the five-year IDP and the priorities of the Council.

A lot of work has been done to ensure that the Indicators are SMART and the Service Delivery and Budget Implementation Plan (SDBIP) hence, the overall Institutional performance of **94%** was achieved. A lot has improved because all vacant positions in the senior management level were filled.

The municipality as a primary point of service delivery is faced with tremendous responsibility of ensuring good quality of life to the community of Mbashe at large through provision of basic services.

The main Service Delivery focus during the financial year was on the following areas:

- Implementation and Monitoring of roads Maintenance Plan with use of in-house construction plant in each unit

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- Construction of new gravel roads
- Construction of four new access roads
- The construction of ward 25 sport field
- Construction of phase two of the municipal offices.
- The construction of one community hall at ward 21

The performance of the municipality has been measured against the targets set out in the IDP on a quarterly basis in a form of Service Delivery and Budget Implementation Plan. The municipality is also proud of cascading down the PMS from Senior Management level to lower levels within the institution even though it has its teething problems that are being addressed.

The following plans and strategies were developed and some reviewed in 2020-2021 financial year:

- Integrated Waste Management Plan
- Local Economic Development Strategy
- Spatial Development Plan
- Coastal Management Plan
- Integrated Community Safety Plan
- Communication Strategy
- Disposal of Municipal Land Policy
- Roads Maintenance Policy
- Roads Maintenance Plan
- Institutional Development Policy

In order to attend to the challenge of poor revenue collection which is bedeviling all rural municipalities, Mphashe LM has reviewed its Credit Control and Debt Management Policy and still utilizing the services of the service provider for debt collection which was appointed in the previous year. This resulted in an increase in collection albeit the resistance from Rate Payers which is being managed.

There has also been an improvement in the following areas:

- The municipality for the fourth time has received the Unqualified Audit opinion
- Alignment of the IDP Scorecard and SDBIP with the assistance of the District Municipality and Provincial COGTA
- Training of MPAC organized by municipality and other spheres of government to sharpen its oversight skills.
- Functionality of both the audit Committee and Risk Committee

All the above confirms the municipality's commitment to improve the good governance and provision of quality services.

Mr. M NAKO

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MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Mbhashe Local Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 32 wards, 63 Councilors and 12 Traditional leaders after local government elections. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean. Mbhashe Local Municipality (MLM) occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (after the last national elections). There are three main urban centres, namely Dutywa, Gatyana (Gatyana) and Xhorha (Xhora). Dutywa is the administrative head centre of the municipality. Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa, Gatyana (Gatyana) and Xhora (Xhorha). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

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. When compared to other regions, Mbhashe Local Municipality accounts for a total population of 269,000, or 31.2% of the total population in Amathole District Municipality ranking as the most populous local municipality in 2016. The ranking in terms of the size of Mbhashe compared to the other regions remained the same between 2006 and 2016. In terms of its share Mbhashe Local Municipality was slightly larger in 2016 (31.2%) compared to what it was in 2006 (30.3%). When looking at the average annual growth rate, it is noted that Mbhashe ranked second (relative to its peers in terms of growth) with an average annual growth rate of -0.1% between 2006 and 2016.

POPULATION PROJECTIONS

Based on the present age-gender structure and the present fertility, mortality and migration rates, Mbhashe's population is projected to grow at an average annual rate of 0.7% from 269 000 in 2016 to 80 000 in 2021.

Based on the figure above, it can be deduced that the Mbhashe population is largely youthful with about 44% being children (ages 1 -14) of school going ages while another 29% can be regarded as youth falling between ages 15 and 35. A total of 78% of the population of Mbhashe is composed of youth between the ages of 0-34. It is imperative for Mbhashe to

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prioritize a substantial amount of those programmes that talks to the Youth development. Social Needs and Special Programmes should champion this exercise.

On the gender analysis, it has been established that, by and large, there is a fair balance between the males and females, standing at 55% and 45%, respectively. The majority 98% of local inhabitants are African with the balance shared between formerly classified White, Coloured and Indian people. According to Community Survey 2007 an estimated population of over 95% reside in rural (communal-traditional and village areas) and peri-urban (sprawl and informal settlements) areas. Mbhashe can be regarded as a rural municipality.

POPULATION BY POPULATION GROUP, GENDER AND AGE

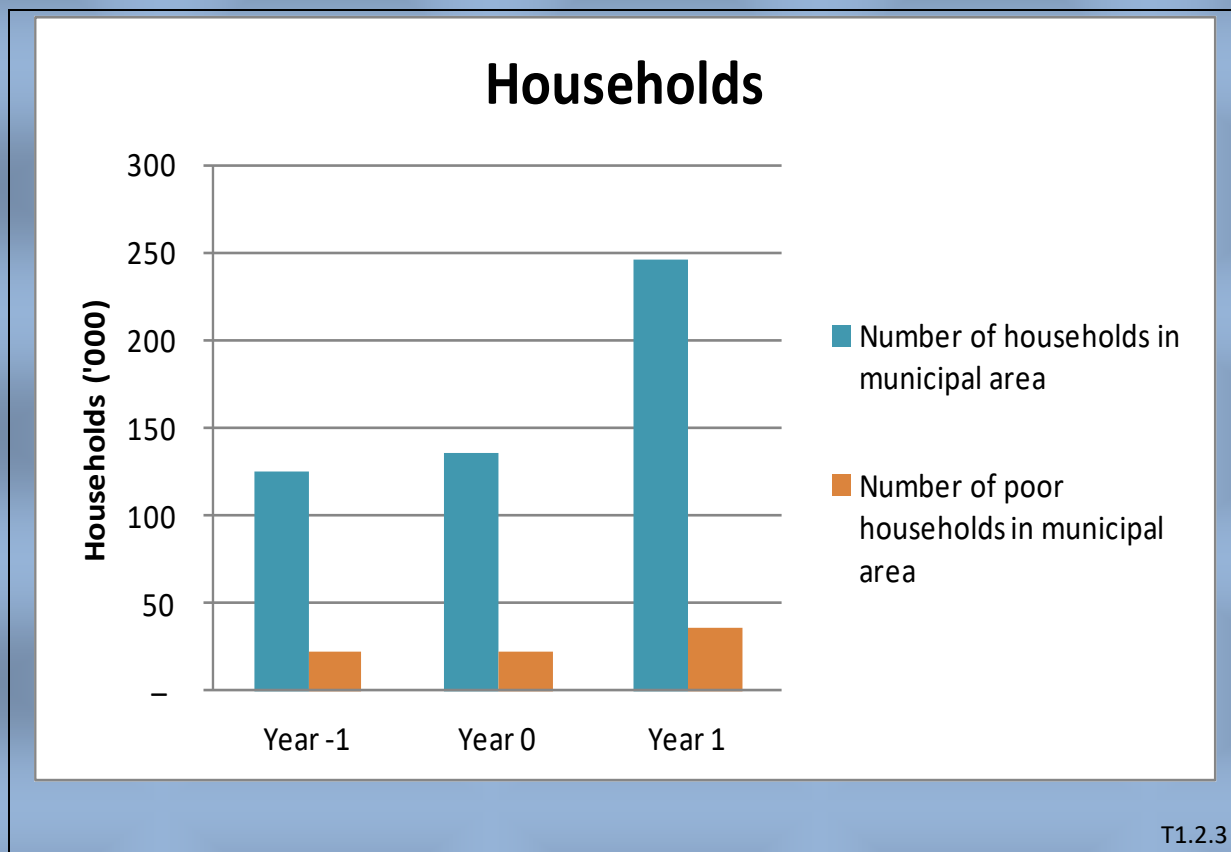
The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, 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.

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Population Details									
									Population '000
Age	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 – 19	68	64	132	68	64	132	68	64	132
Age: 20 – 29	17	19	36	17	19	36	17	19	36
Age: 30 – 49	15	25	40	15	25	40	15	25	40
Age: 50 – 64	10	16	26	10	16	26	10	16	26
Age: 65+	8	13	21	8	13	21	8	13	21

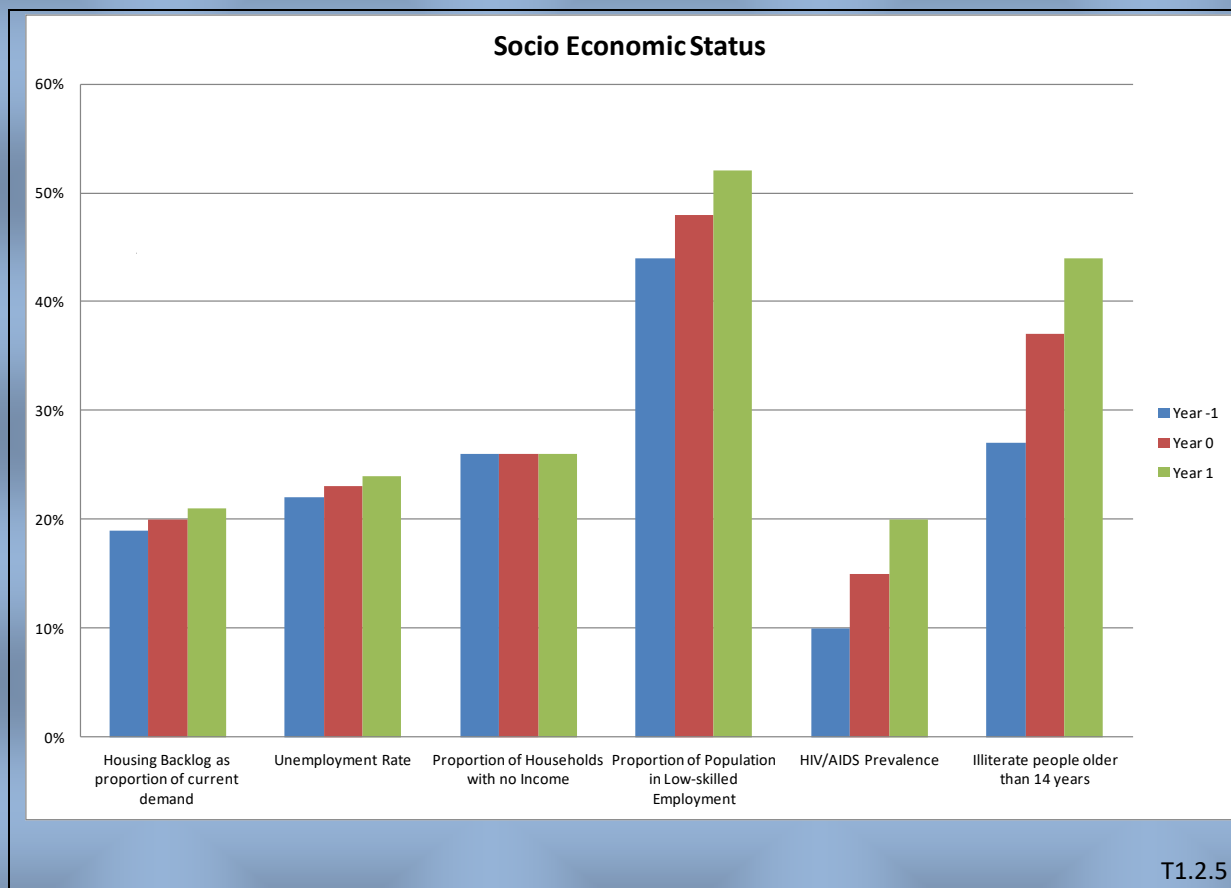
Source: Statistics SA T1.2.2

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Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
Year -1	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
Year 0	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
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OVERVIEW OF POPULATION WITHIN MBHASHE

SETTLEMENT TYPE	HOUSEHOLDS	POPULATION
TOWNS		
Dutywa	1730	12099
Gatyana	1123	3 444
Xhora	758	2 780
Sub-total	4369	18323
URBAN POPULATION		

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Urban	215 30	6.2
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RURAL POPULATION		
Rural	239 045	93.8
Sub-total	250 115	100
INFORMAL SETTLEMENTS		
Dutywa (GPO)	222	557
Dutywa (Zone 14)	459	1900
Gatyana (Police camp)	217	590
Agriculture	131	207
EmaBhaceni9	57	103
Sub-total	1086	3357

SETTLEMENT TYPE	HOUSEHOLDS	POPULATION
TOWNSHIPS		
Dutywa Ext 3	107	107
Dutywa Ext 7	344	344
Mzamomhle Towns	1038	1038
Xhora Ext 5	104	104
Xhora Ext 6	537	537
Gatyane Ext 4	244	244

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Gatyane Ext 5	498	498
Sub-total	2 872	2 872
		T1.2.6

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NATURAL RESOURCES	
Major Natural Resource	Relevance to Community
Arable lands	High quality of soils suitable for crop production and animal farming
Forest assets or existing vast tracts of land for future forestation	Existence of high demand for wood products with longer return on investments
Fisheries and Marine	Proven untapped potential for aqua-culture business
Coastline natural beauty	Undeveloped tourism offerings at coastline can be used to solicit good revenue
Heritage tourism	Heritage tourism can also bring more revenue in community through the established routes as such Phalo routes.
Mining	Many communities in Mbhashe are endowed with mining opportunities such as granite and sand, however these communities are not licenced to mine. Such opportunities need to be explored
T1.2.7	

COMMENT ON BACKGROUND DATA:

The primary sector agricultural activities taking place in Mbhashe Municipality is mainly focused on very low base crop production and livestock farming at subsistence can be improved. The sector is underdeveloped and not diversified and had a subdued contribution to both the GDP and the GVA. Small-scale and subsistence farmers in the Municipality are not producing at optimal levels, due to a number of constraining factors. It is, therefore, important that emerging farmers are supported in expanding their farming activities into viable and sustainable enterprises that will not only increase the income generated and jobs created by these activities, but will also grow sufficiently to form the basis of further beneficiation opportunities. The farming activities must also include the aqua-culture farming, forestry and animal farming.

The development of the Tourism industry at Mbhashe LM is based on giving people a reason to come, a reason to stop, a reason to stay and a reason to spend. This means that any destination should first comprise a unique and specific asset, that people should be made aware of this asset in order to attract them to the destination, that they should be provided with a range of additional attractions and activities to ensure that they stay in the area for longer, which will then ensure that their money is spent at the location. Thus the

CHAPTER 1

municipality's strategic thrust is therefore, aimed at stimulating the development of the Tourism industry in Mbhashe Municipality, by taking full advantage of the unique cultural, coastal, historical and natural assets found in the Municipality. The purpose is therefore to ensure that these tourism attractions and activities are effectively developed and marketed, in order to establish Mbhashe Municipality as a unique and worthwhile tourism destination.

T1.2.8

1.3 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

In terms of service delivery, Mbhashe Local Municipality managed to achieve the total number of 19 Key Performance Indicators. On roads the Municipality constructed 23 kms of new Roads and maintained 418.9 Kms of gravel roads. Vinindwa bridge in Ward 5 Dutywa has been completed in 2020/21 financial year. Community facilities: 1 Community Hall in Dutch ward 21 has been completed. Manganyela community hall in ward 20 is in construction and one sport facility in construction stage expected to be completed in 2021/22 financial year. Sports Facilities Ward 1 and Ward 13 multiyear projects are planned to be constructed in 2021/22 financial year. The main challenge that is facing the Municipality with, is the steep terrain within the Municipal jurisdiction which results to the high unit cost and limit the number of kilometers constructed in each financial year. The steep terrain also results to short life span of the roads on both construction and maintenance.

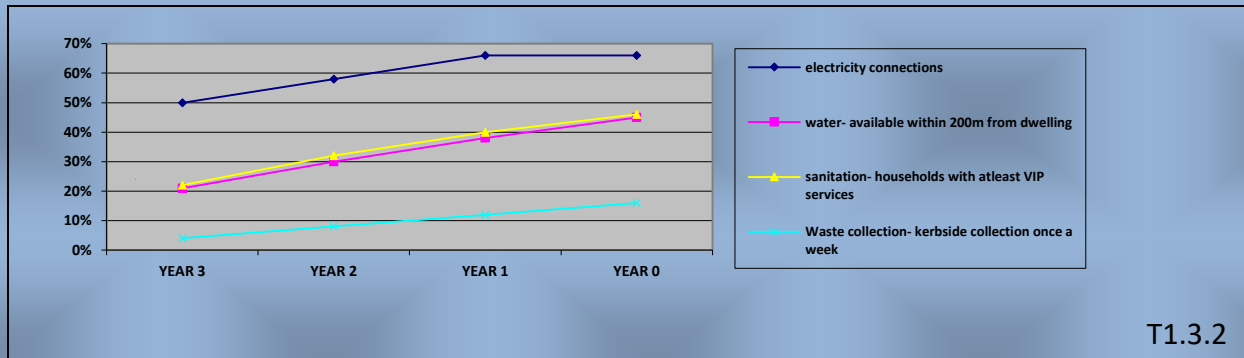
The Municipality is faced with huge backlogs on roads due to the vastness of the area. The MIG funds can only cater for at least 4 gravel roads whilst the Municipal has 32 wards. As a remedial action the Municipality planned to lobby for funding in other sector departments. On other project there are delays on project approvals, as COGTA needs environmental authorization prior the approvals. The same challenge experienced on roads is also applicable on electrification. The Municipality does not generate much revenue as it made up by rural areas, only depending on Grant funding from National Treasury hence it has advertise for expression of interest for Service Provider to apply for funding on behalf of the Municipality also lobby funding from other sector department to address the huge backlog. The Municipality must Implement a legacy project that can generate revenue in order to support the small grant funding that the Municipality is receiving from National Treasury, by having those project the Municipality will cover a lot ward (communities) with basic service delivery without solely depending on grant funding, also collect in areas where the Municipality is not collecting and suppose to collect and to those that are owing the Municipality.

ELECTRICITY - On Electricity the municipality achieved 360 connections of grid and 658 connections are in construction expected to be completed 2021/22 financial year. There is a backlog of 6266 households inclusive of extension and infills.

WASTE MANAGEMENT - Mbhashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution. Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Gatyana and Xhorha. The waste management services has been extended to all 32 wards of the municipality through rural waste programme.

CHAPTER 1

T 1.3.1



T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The Municipality has completed 1 planned Community Hall (ward 21), currently constructing 1 sport facility (Ward 25), 1 community hall (ward 20), 418.9km roads maintained, 23km access roads constructed, 24 stormwater channel and culverts and Vinindwa bridge structure in ward 5 has been completed, 6000m² of paving has been done at Gatyana, Xhora and Dutywa towns. In terms of waste collection, the municipality is serving all wards including rural areas. Amathole managed to fast track rural sanitation in terms of VIP and providing water supply within 200m from each household, however there is still huge backlog for water. From the above diagram, 100% of the population of Mbhashe has access to the basic waste management services.

T1.3.3

1.4 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality continues to closely monitor its financial health status as we are not out of the woods yet. Over the past couple of years, the municipality has done very well in terms of recovering from the financial distress situation it once found itself in. During the year under review the municipality embarked on various initiatives to try and improve financial management. These included using the additional of R 50m that was received in order to curb the impact of the COVID-19 as efficiently as possible. The municipality's cash balances improved from last year's R 110m to R 172m during the year under review.

CHAPTER 1

The municipality ensured that it settles most of its outstanding creditors at year-end in order to avoid using the 2021/22 budget paying suppliers that were committed in 2020/21 financial year.

Outstanding debt and revenue collection is another concern for the municipality just as it is for all other municipalities, therefore one of our main priorities was to focus on debt collection and maximizing revenue collection. To enhance our debt collection processes the municipality utilizes its internal staff and is in the process of appointing a debt collector again to enhance this process. This has yielded positive results in the past as the municipality had managed to collect around 60% of its current debt. The challenge has always been around collecting the long outstanding debt and therefore the focus on the debt collector will be on the long outstanding debt in order to maintain its current financial status. However, the municipality is still in a sound financial position and can be considered as a going concern, as its current assets exceeded its current liabilities at year end. A conservative approach has been adopted of ensuring that only when funds are received can they be fully committed in term of budget as past trends show that own revenue collection is never realised at 100%.

T1.4.1

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	341,682,000	393,652,366	393,652,366
Taxes, Levies and tariffs	10,000,000	8,000,000	7,202,710
Other	32,270,000	30,270,000	18,322,000
Sub Total	383,952,000	431,922,366	419,177,076
Less: Expenditure	435,152,000	483,122,366	362,722,452
Net Total*	-51,200,000	-51,200,000	56,454,624

Operating Ratios	
Detail	%
Employee Cost	41%
Repairs & Maintenance	8%
Finance Charges & Impairment	6%

CHAPTER 1

COMMENT ON OPERATING RATIOS:

Employee Costs

The employee costs are 41% of the total operating budget. This was outside the acceptable norm of 25% to 40% guideline set out by National Treasury. The municipality reviews the Organogram on a yearly basis and in the next coming year measures are afoot to bring this percentage down within the norm. The latest organogram has been reviewed and many position have not been reprioritised Benefits over and above those that are in the collective agreement will be cut. The municipality is in the process of conducting a work study to ensure that the structure is in-line with the objectives set and the functions the municipality is required by legislation to perform.

Repairs and Maintenance

The Repairs and Maintenance were 8% of the total budget but 4% of the total asset base. This is below the recommended norm of 8% as per the National Treasury circular. This area causes for concern because the municipality needs to put aside adequate resources to maintain its assets. This therefore means that the municipality needs to allocate more funds for Repairs and Maintenance in the next financial years. The nature of the assets that are built using the grants (MIG), is mainly gravel roads which their lifespan is relatively shorter, this then requires a change of course to more durable infrastructure assets if the municipality needs to make an impact on the service delivery backlogs it is currently faced with.

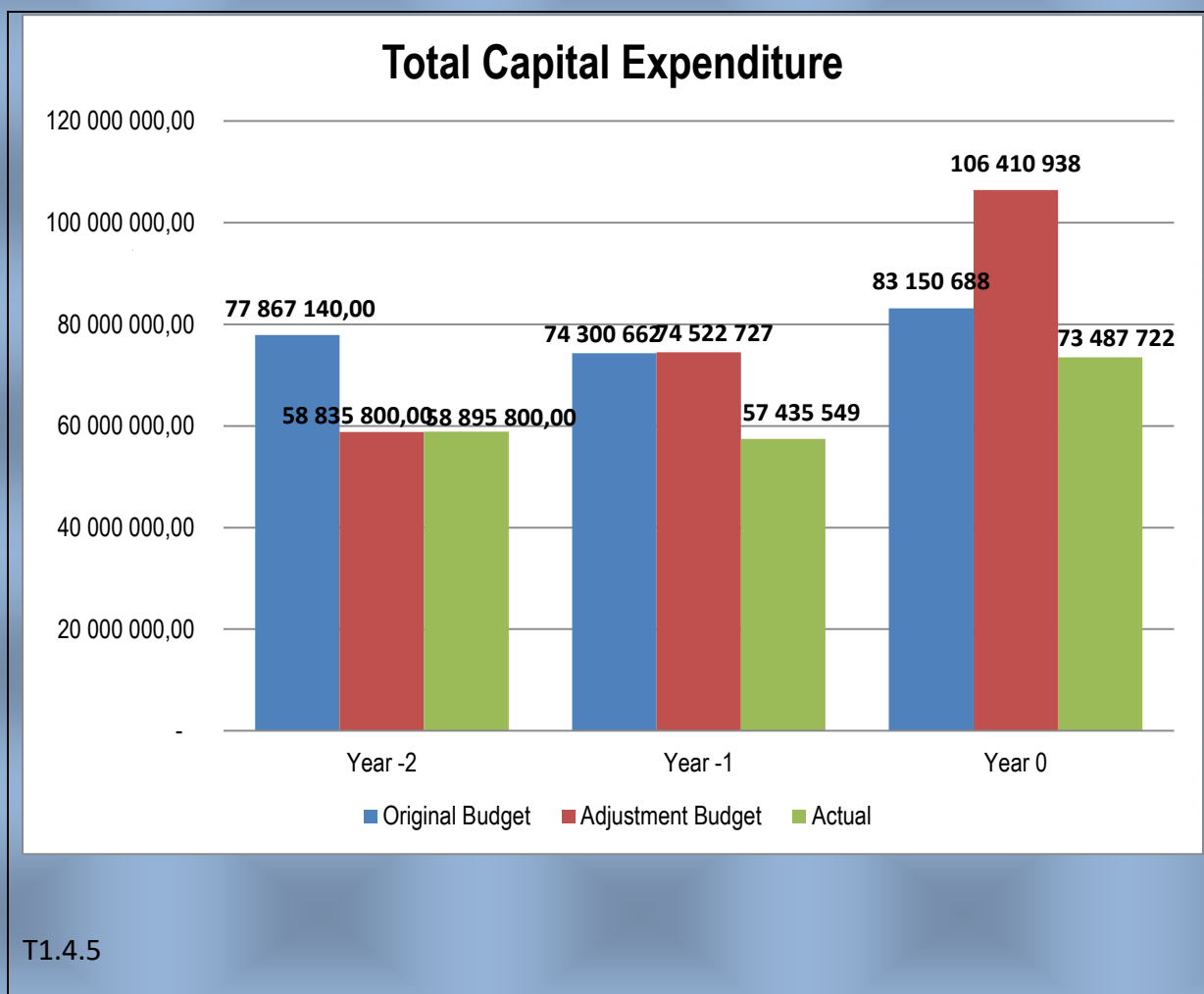
Non- cash items

The municipality has made provision for depreciation and doubtful debts as it is a requirement, furthermore, these provisions are cash backed to the tune of R15m. This is good practice as the municipality does not only have surplus in its budget.

T1.4.3

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	77,867,140.00	74,300,662	83,150,688
Adjustment Budget	58,835,800.00	74,522,727	106,410,938
Actual	58,895,800.00	57,435,549	73,487,722
			T1.4.4

CHAPTER 1



COMMENT ON CAPITAL EXPENDITURE:

The original capital budget for the 2020/21 amounted to R 83 150 688 and during the adjustment budget the capital budget was increased to R 106 410 938 which is equal to 28% increase. This was informed by the additional allocation of the equitable share allocated to all municipalities to make up for the revenues that could be lost as a result of the impact of COVID-19 pandemic. The municipality managed to spend R 73 487 722 which translates to 69% of the adjusted budgeted CAPEX (Equitable share and grants funded) as at year end. This Covid 19 has had a negative impact on the turn around and availability of major supplies such cement, steel etc.

T 1.4.5.1

CHAPTER 1

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Mbhashe Local Municipality has embarked on a number of projects and programmes to improve its performance. Its organisational structure is reviewed annually to ensure that it remains relevant to the strategic objectives of the municipality as reflected in the Integrated Development Plan.

The municipality has organisational structure, reviewed in May 2021. An organizational structure review will ensure that the municipality continues to deliver on its constitutional mandate and remains aligned with the IDP. The organisational performance at organisational level is managed and evaluated through the Service Delivery and Budget Implementation Plan (SDBIP) top layer, down to the departmental layer through departmental SDBIP. Performance Management has cascaded down from TG 18 up to TG 10. The National Treasury has identified officials in municipalities who must have the prescribed minimum competency qualifications. This is aimed at ensuring sound financial management in the local government sector.

The municipality has a workforce of approximately 279 permanent employees. The municipality has managed to place 23 Interns. All Senior Managerial positions in terms of Section 56 have been filled.

T1.3.1

1.6 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 1

The municipality has received an unqualified audit opinion with matters of emphasis in 2019/20 financial year. The emphasis of matters raised by Auditor general relate to:

- i. Restatement of corresponding figures in the AFS;
- ii. Impairment loss on consumer debtors

The municipality will develop an audit action plan in order to address the findings especially the recurring findings by the AG. This will be taken to council for adoption and be monitored on a regular basis for implementation. Relevant stakeholders will be consulted on the developed audit action plan so as to track the attainability of actions to address the issues raised. A detailed report will be attached in Chapter 6 of the annual report as required.

T 1.4.1

CHAPTER 1

1.7 STATUTORY ANNUAL REPORT PROCESS

MUNICIPAL ANNUAL REPORT PROCESS ACTION PLAN FOR FY 2020/21				
Nr	Description of activity	Timeframe	Actual Date	Responsible Person/ Department
1	Prepare Annual Report information as per the National Treasury format including the Annual Performance Report	12 July – 15 July 2021		Operations and All Senior Managers
2	Tabling of the draft Annual Report to the Management team	19-Jul-2021		Senior Manager Operations
3	Tabling of the Annual Report Process Plan to Audit Performance Committee	20-Jul-2021		Municipal Manager
4	Tabling of the Annual Report to the Mayoral Committee	12-Aug-2021		Municipal Manager
5.	Tabling of the draft Annual Report to Audit and Performance Committee	18-Aug-2021		Municipal Manager
6.	Tabling of the un-audited Annual report to Council. The Annual Report submitted complies with the requirements of Section 121(3)(a-k).	25-Aug-2021		Executive Mayor
7.	Council to submit un-audited Annual report to MPAC for verifying of councils' directive on service delivery & senior managers (Section 56) performance against signed performance agreements	26-Aug-2021		Municipal Manager
8.	Submission of un-audited Annual Report to Auditor-General including the Annual Financial Statements and Annual Performance Report	30-Aug-2021		Municipal Manager
9	Public participation process for Annual Report in terms of Section 130 of MFMA	21, 26 & 27 October 2021		MPAC
	Tabling of Final Draft Annual Report to MAYCO	23 Nov 2021		MM
9	Municipality considers AG's report on the audit of the Annual Report and complies with Section 126 (5)	30 Nov 20		Municipal Manager

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10	Convening of the MPAC to consider the Annual Report. This must be concluded within 7 days of receipt of AGs report.	3-Dec-2021		MPAC/Speaker's Office
11	Executive Mayor tables audited Annual Report and financial statements to Council	8 Dec 2021		Executive Mayor
12	MPAC tables the Oversight report to the Council	8 Dec 2021		Executive Mayor
13	Adoption of the Oversight Report by Council in terms of Section 129 of the MFMA	8 Dec 2021		MM/Speaker's Office
14	Publicizing of the Annual Report for public comments in terms of Section 127 (5) (a) of the MFMA (after adoption by Council)	18 Dec 2021		Senior Manager Operations
15	Publicizing of the Oversight Report as per Section 21(a) of the Municipal Systems Act and Section 75 of MFMA	18 Dec 2021		Senior Manager Operations
16	Submission and circulation of the Annual Report, Annual Financial Statements and Oversight Report to Provincial Legislature in terms of Section 132 (1 & 2) of the MFMA	18 Dec 2021		Municipal Manager

T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

There has been an improvement in the Annual report process for the year under review whilst the municipality has been working under constraint due to COVID 19. The municipality has set up business processes that will ensure that quarterly performance reports culminate into the annual report process.

In addition, an Annual performance report has been developed which also assesses the performance of service providers for the year under review.

The annual report of 2020/21 has been compiled in accordance with requirements of section 121 of the MFMA, 56 of 2003 and section 46 of MSA, 32 of 2000 as well as the format prescribed by National Treasury and the purpose of the report is

- to provide feedback on the activities of the municipality
- to provide a report on performance in the service delivery and budget implementation for the year end and,
- to promote accountability to the community for the decisions made from July 2020 to June 2021.

CHAPTER 1

This Annual Report has been developed according to the provisions of circular 63 of the MFMA which indicates that real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget and SDBIP, in year reports, Annual Financial Statements, Annual Performance Report and the Annual Report.

T1.7.1.1

CHAPTER 3

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Mbhashe Local Municipality is constituted in terms of Section 12 read with Section 18 of the local government Municipal Structures Act no 117 of 1998 and consists of 63 Councillors (Female 30 and Males 33) and 12 Traditional Leaders (9 Males, 3 Females). The Municipality is categorized as an Executive committee type of a Municipality. The political arm of the municipality includes the Executive Mayor, members of the Mayoral Committee, the Council Speaker and the Council's Chief Whip of the Council.

In its most abstract sense, governance is a theoretical concept referring to the actions and processes by which stable practices and organization arise and persists. These actions and processes may operate in formal and informal organization of any size; and they function for any purpose, good or evil, for profit or loss.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Municipal Manager is the head of the administration. Senior Manager Development Planning advises Municipal Manager on matters of town planning, housing and Local Economic Development and matters of land use management. Senior Manager Corporate Services advises MM on Human Resource issues, HR management, ICT, document management and Council Support services, Chief Financial Officer advises the municipal manager on financial management, supply chain management, financial reporting and asset management. Senior Manager Infrastructure advises MM on roads and storm water, electrification. Senior Manager Community Services advises MM on road safety and security services, waste management, free basic services, disaster management and EPWP works program. Senior Manager Operations advises MM on issues of governance, Integrated Development and in the development of all strategic documents and on internal planning issues.

Political governance in our municipality consists of the set of processes, customs, policies, laws and institution affecting the way people direct, administer or control and organisation. It also includes the relationships amongst the many players involved and the organisational goals. The principle players include the communities, management and Councillors. Other stakeholders include employees, service providers, customers, businesses, political parties, community organisations and regulators. The Council operates on an Executive Type.

CHAPTER 3

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Political governance in our municipality consists of the set of processes, customs, policies, laws and institution affecting the way people direct, administer or control and organisation. It also includes the relationships amongst the many players involved and the organisational goals.

POLITICAL STRUCTURE

1. EXECUTIVE MAYOR: Cllr. Samkelo Nicholas Janda (ANC)



1. SPEAKER: Cllr. Babalwa Majavu (ANC)



3. CHIEF WHIP: Cllr. Mandla Sibingibingi (ANC)



CHAPTER 3

4. MPAC CHAIRPERSON: Cllr. Siphiso David Kalityi (ANC)



stakeholders include employees, service providers, customers, businesses, political parties, community organisations and regulators.

The Council operates on an Executive Type.

T2.1.1

The following Support Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Executive Mayor:-

MAYORAL COMMITTEE

- | | |
|--|-------|
| 5. Cllr. N Mlandu - No Portfolio | (ANC) |
| 6. Cllr. N Mkhedamo Portfolio Head - SPU | (ANC) |
| 7. Cllr. M. Mbomvu Portfolio Head - Community Services | (ANC) |
| 8. Cllr. M Mcotho Portfolio Head - Infrastructure Services | (ANC) |
| 9. Cllr. X.O Willie Portfolio Head - Budget and Treasury | (ANC) |
| 10. Cllr. N. Ngomthi Portfolio Head - Corporate Services | (ANC) |

COUNCILLORS

Mbhashe Municipality comprises of a total of 63 Councillors of which 32 are Ward Councillors and the other 31 are Proportional Representative (PR) Councillors. The Council also has 12 Traditional leaders. Council continues to operate on an Executive Committee System. Out of 32 wards 30 wards are ANC controlled whilst the 2 wards are controlled by Independent Councillors. As at end of June 2021 the municipality had 63 Councillors.

T2.1.2

PARTY NAME	NUMBER OF SEATS (Wards + PR)		
	WARD	PR	TOTAL
African National Congress	30	17	47
Congress of the People	0	1	1

CHAPTER 3

United Democratic Movement	0	9	9
Democratic Alliance	0	2	2
Economic Freedom Fighters	0	2	2
Independent Councillors	2	0	2
TOTAL	32	31	63

POLITICAL DECISION-TAKING

The municipality has processes that take decisions up to the Council. The items that need decision start from management, standing committees, Mayoral Committee and then to the Council. Each of the Committees deliberate on matters that fall within the specific terms of reference of that particular Committee as stipulated in the delegation framework, who, in-turn make recommendations to the Executive Mayor who works with the Mayoral Committee for approval, or where necessary for endorsement by the Mayoral Committee for final approval by the full Council. Any matter that has financial implications has to be discussed by the management before it is recommended by the Executive Mayor and approved by the Council.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

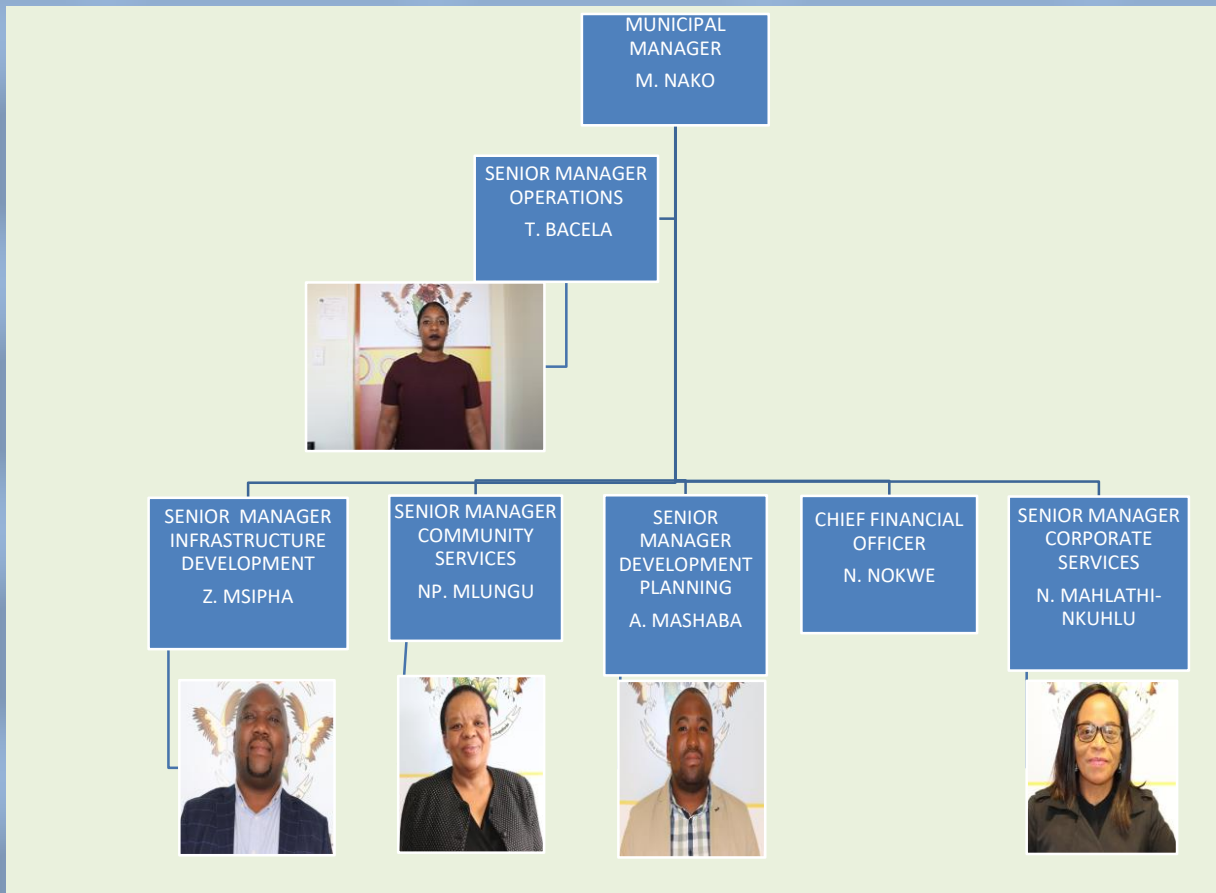
Municipal Manager is the head of the administration. Senior Manager Development Planning advises Municipal Manager on matters of town planning, housing and Local Economic Development and matters of land use management. Senior Manager Corporate Services advises MM on Human Resource issues, HR management, ICT, document management and Council Support services, Chief Financial Officer advises the municipal manager on financial management, supply chain management, financial reporting and asset management. Senior Manager Infrastructure advises MM on roads and storm water, electrification. Senior Manager Community Services advises MM on road safety and security services, waste management, free basic services, disaster management and EPWP works program. Senior Manager Operations advises MM on issues of governance, Integrated Development and in the development of all strategic documents and on internal planning issues.

T2.2.1

CHAPTER 3

CHAPTER 3

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE STRUCTURE



The above diagram depicts the senior management structure of Mbashe and all posts were filled as at the end of the year 30 June 2021.

The administration is led by the Municipal Manager and 6 Senior Managers that are directly accountable to him

The municipality has 6 departments which are reporting according to the 5 Key Performance Areas of Local Government which are as follows:

- Service Delivery & Infrastructure Development - departments that are contributing are Infrastructure, Community Services and Developmental Planning
- Local Economic Development - Development Planning that reports
- Municipal Financial Viability - Budget and Treasury Office, Community Services, Infrastructure and Corporate Services that reports,
- Municipal Transformation & Institutional Development - Corporate Services and Operations
- Good Governance & Public Participation – All departments are reporting

CHAPTER 3

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Mbhashe Local Municipality remains totally committed to good governance. The organization is structured in such a way that the eight major characteristics required for good governance are enshrined in its operations. This ensures that a municipality is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of the law. The municipality also takes the issue of corruption seriously and is trying to minimize it by strengthening its systems. Through IGR structures the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. IGR is also responsive to the present and future needs of society, through planning processes that start at community level. Above all, the commitment from the leadership both political and administrative is essential to maintain good governance.

The system that the municipality followed included processes through which the municipality's objectives are set and pursued in the context of social, regulatory, political, technological, economical and market environment. These included mechanisms to monitor the actions, policies and decisions of the municipality and its service providers. These practices then are affected by the attempts to align the interest of all stakeholders, including national & provincial government, district municipality, businesses, non-governmental organization, community based organization and communities.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in the SALGA National Members Assemble, with a constitutional mandate to bring development and opportunities to the people of South Africa. This forum is being held each and every financial year to check the status and progress of the resolutions which were taken during the conference. The municipality also attends other structures such as programs and forums of the province i.e. SALGA working groups, EPWP Provincial Steering Committee, Provincial Waste Forum and COGTA EC MIG Forum etc.

The municipality has a functional Intergovernmental Relations forum and has also adopted an IGR cluster approach. Due to non-attendance of members in the IGR Clusters, the Municipality together with SALGA and COGTA have further reviewed the IGR Framework to come up with effective ways of encouraging members to attend the IGR Clusters. All IGR meeting in the financial year 2020/21 were convened virtually due to the COVID-19 Pandemic

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

CHAPTER 3

The municipality is participating in the Eastern Cape Provincial Political and Technical MUNIMEC. This platform in our view is a relevant space to engage and unlock challenges facing municipalities in the province.

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have an entity, but has good relations with an entity under the district which is Amathole District Development Agency, trading as ASPIRE.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

There are forums that were established by the district municipality and Mbhashe local municipality participates in the forums of the district municipality such as DIMAFO which is attended by Local Municipality Executive Mayors, Municipal Managers, state owned enterprises and government departments that are within Amathole District. This forum assists municipalities to have a common understanding and be able to discuss developmental issues that affect the district at large. There are other forums at the district level such as support team where all municipalities tend to be part of.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has a relationship with its citizens that can take many forms. In some cases the municipality has a legislative requirement to involve communities in its decision making. A majority of municipal records and reports must also be accessible and available to the public. These reports provide information about the services and activities of the municipality. The municipality has been affected on its public participation processes, where programmes due to COVID-19 as public participation were done virtually instead of normal process in the year under review, however there are many community-based meetings that were held using different approaches. The public participations done has assisted the municipality largely in

CHAPTER 3

ensuring that there is an understanding by communities on programmes and decision making process in the municipal environment.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Mbhashe local municipality has a comprehensive 5 year communication strategy developed in 2017/18 financial year which is reviewed annually. The municipality's website is effective and is updated on a regular-bases.

Public Participation and Communication

Public participation is a principle that is accepted by all spheres of government in South Africa. Participation is one of the cornerstones of our democracy and has equal benefits for politicians, public servants, civil society and communities:

- Consultation will help government make more appropriate decisions based on the real needs of people
- The more informed people are, the better they will understand what government is trying to do and what the budget and resources limitations are
- Public representation can only claim to be accountable if they have regular interactions with the people they represent and if they consult and report back on key government decisions.

Government cannot address all the development needs on its own and partnerships are needed with communities

CHAPTER 3

Imbizo's and public meetings are important methods used for consultation with the public and imbizo's are meant to encourage participation and allows the public from a particular area to interact directly with the executive. Mayoral Committee conducts 3 community Imbizo's annually in the 3 units of the municipality, to give feedback to communities where government departments are expected to attend.

Public meeting and report-back meetings

Public representatives often use public meetings to inform the public on issues or consult them around specific development or other programmes. Public meetings are also to report back on government programmes. Public servants maybe asked to participate in these meetings to provide technical support and information and hear the public's views and concerns.

T2.4.1

WARD COMMITTEES

Ward committees are from different sectors in communities. Ten members are elected in each ward to assist and advise the ward councillor and increase community participation. They can be very useful in spreading information, assessing needs, building partnerships, consulting the community and picking up local problems of service delivery.

In the year 2020/21, the municipality had Ward Committees in all 32 Mbhashe wards.

Ward Councillors

Ward councillors are the representatives of specific geographical areas and are ideally placed to be the link between the people and the municipality. They should bring people's needs and problems to the municipality and consult and inform the community around municipal services and programmes. For the year under review the municipality had 32 ward Councillors.

Community Development Workers (CDWs)

Community development workers are deployed by government to work in communities to make sure that people can access government services. They have to give advice, help people with problems, assess needs and work with local organisation to build partnership with government.

They usually know the community well, have good contact with organisations and can help to do consultation, do research, spread information and monitor implementation. CDWs are working closely with ward councillor and ward committees.

CHAPTER 3

However the challenge that is facing the Mphashe area is that in eighteen (18) wards (6 Elliotdale, 6 Willowvale and 6 in Idutywa) there are no CDW's due to death or resignation and the Department of Local Government is taking a snail pace in filling the vacant positions since 2010. This also impacts negatively in the implementation of "Operation Masiphathisane" which is another platform that was created by government to bring services to the people and to enhance participation, and the absence of the CDWs in other wards handicaps this initiative as CDWs are expected to be the secretaries in the war room meetings also known as Operation Masiphathisane.

There is another platform for public participation that is used by the municipality which is called IDP Rep Forums. The municipality also deals with public requests and complaints through a manual petition system and customer care service where there is a unit within the municipality to deal and manage the complaints from communities.

T2.4.2

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
MPAC ROADSHOWS	October				Tabling of Draft Annual Report	No MPAC roadshow were held due to Regulations for Covid 19

CHAPTER 3

IDP & BUDGET REP FORUM						
IDP/BUDGET ROADSHOWS	2020/11/24/25 & 27	12	07	200	Presentation of Quarter 1 performance and situational analysis	Feedback was given in Roadshows held in May 2021
	2021/05/11	06	09	250	Draft IDP & Budget 2021/22	
	2021/05/12	04	10	230		
	2021/05/13	02				
T2.4.3						

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Mbhashe municipality has made every effort to ensure maximum participation by members of the local community in the development of the IDP. The representative forum meetings in November 2020, and May 2021 were held per unit and all the relevant stakeholders for that unit were invited. The communities are afforded an opportunity to engage with the information presented by the municipality and their comments or inputs are being consolidated into a final report. These public meetings involve interaction with communities at ward levels and interactions with the reference groups which represents various stakeholders of the municipalities.

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A number of developmental challenges were raised during these interactions. These issues have in turn been aligned with key development thrust of the municipality. The key development thrusts include:

- Construction of roads and road maintenance.
- Unemployment
- Poverty eradication, rural and economic development and job creation
- Financial sustainability (e.g. revenue enhancement)
- Spatial development and the built environment
- Human settlement
- Public transport
- Environmental Management and climate change
- Social and community services

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 and 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

T2.5.1

CHAPTER 3

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance broadly refers to the mechanisms, processes and relations by which corporations are controlled and directed. Governance structures identify the distribution of rights and responsibilities among different participants in the corporation, and include the rules and procedures for making decisions in corporate affairs.

Corporate governance includes the processes through which corporations/organizations objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies and decisions of corporations and their agents. Corporate governance practices are affected by attempts to align the interests of stakeholders.

For good governance practices these committees need support in relation to the following:

- Integrated reporting and levels of independent assurance
- How the combined assurance framework addresses all significant risks; and
- The practicalities of how the risk committee works with the audit committee
- In our endeavour to practice good governance, the municipality strives to implement the following principles in all its activities:
 - Rights and equitable treatment of shareholders-interest of other stakeholders
 - Role and responsibilities of the various committee's members
 - Integrity and ethical behavior
 - Disclosure and transparency

CHAPTER 3

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Section 62 (1)©(i) and 95 ©(i) of the Municipal Finance Management Act (Act 56 of 2003) requires the Accounting Officers to ensure that their municipalities and municipal entities have and maintain effective, efficient and transparent systems of risk management.

Risk management is the systematic and formalized process to identify, assess, manage and monitor risks. The unit has the responsibility of coordinating and supporting the overall institutional risk management process. The process of identifying, assessing and managing risk remains the responsibility of management.

Risk Management is functional at Mbhashe Local Municipality and is based on the legislative mandates of Risk Management Policy, Fraud and Anti – Corruption Policy in order to derive the benefits that would enhance the effectiveness and efficiency of the institution in meeting its obligation. The following risk documents are available:

- Risk Implementation Plan
- Strategic Risk register
- Operational Risk register
- ICT Risk register
- Fraud Risk register
- COVID-19 Risk register

Due to internal outbreak of COVID-19 Pandemic where most of the operations in business and municipal environment were affected, Mbhashe municipality was forced to re-evaluate the existing strategies and plans of risk management in consideration of the Pandemic

The Regulations issued in terms of section 27(2) of the Disaster Management Act, 2002 (Regulations) and the COVID-19 Direction on Health and Safety in the Workplace issued by the Department of Employment and Labour (Directive) set out specific measures that employers are required to take to protect their employees in the workplace from COVID-19.

Every employer that is permitted to operate will need to adhere to the sector-specific guidelines that apply to their business in addition to the measures set out in the Directive and the Regulations. Employers are required to develop and implement a COVID-19 Risk Management Plan to address any challenges experienced during COVID -19 period

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- (i) In compliance with the above regulations; the municipality has developed a Disaster Risk management Plan at a first or strategic level. The plan covers and considers the internal and external factors that could have impact of the municipality during COVID-19 period
- (ii) Risk coordinating unit developed an operational Risk Management trying to address the disaster due to COVID-19 Pandemic
- (iii) The plan was developed to highlight all those key risk areas in the operations of the municipality that would have negative impact in the achievement of the municipal objective
- (iv) Management or HOD's were requested to populate the plan by inserting their proposed mitigation plans so as to minimise the identified risks.
- (v) Table below highlight number of risk relating to COVID 19 that were identified by the management with action plans to address those risks:

Departments	Total number of risk identified relating to COVID 19
Community Services	8
Operations	7
BTO	14
Corporate Services including ICT	8
Infrastructure	5
Planning and Development	7

The municipality has also developed an operational COVID-19 Checklist. Purpose of the checklist is to emphasize and ensure that, at least all those requirements as per the issued Disaster Management regulations are being adhered by the municipality.

CHAPTER 3

Risk management policy requires that our institution should have a risk implementation plan that would outline plans regarding activities of risk management. Risk implementation plan is in place which incorporates all activities regarding strategic, operational and fraud risks. The risk implementation plan together with the risk terms of reference was presented to all relevant committees, i.e., senior management structure, risk management committee and audit committee during the start of the financial year. The risk management implementation plan together with risk terms of reference for Mbhashe Local Municipality was prepared to give effect to the implementation of the risk management policy, fraud and anti-corruption policy and sets out all risk management activities planned for the 2020-21 fiscal year.

Operationally each department has a risk champion. There are also consultative sessions take place where departments are reporting on progress of risk registers. Operational risk registers are updated and reported quarterly to the risk management committee and later to the audit committee. Risk management has been institutionalized by the municipality and there is KPIs developed in the SDBIP for all HOD's. Departmental risk sessions are convened on a monthly basis for the purposes of updating the risk register and following up on the planned mitigations. As a form of progress during updating the risk register, mitigations that were implemented were made part of current business process. Departments identified emerging risks which were presented to the audit committee and during the technical strategic planning sessions. The emerging risks will be considered during the risks assessment session. Accounting Officer together with Senior Management resolved to appoint the external risk chairperson for a period of 12 months which is reviewed annually

Reference to the approved Risk Management Terms of Reference, all the planned four risk committee meetings were held successfully and all the reports were further presented to the Audit Committee Structure. Mbhashe Local Municipality has managed to hold its risk management committee meetings where other two meetings were held virtual due to the COVID-19 effect

Combined risk assurance takes place by conducting the following activities:-

- Reporting risk to senior management & extended management meeting
- Reporting risk management by MM in terms of the approved SDBIP.
- Auditing of risk registers
- Interaction with ADM, SALGA and Treasury
- Reporting of risk management activities and progress to the audit committee.

Mbhashe Local Municipality conducted risk assessment during fourth quarter of the previous financial year as per approved SDBIP and risk implementation plan for it to be implemented in the current financial year. The overall purpose of risk assessment is to help the institution to identify and prioritize the most important risks as the institution is not expected to have the capacity to deal with all risks in an equal manner. Inherent risks were assessed to establish level of exposure and residual risks assessment to determine the actual remaining levels of risk. Assessment tables were checked wherein each risk is evaluated in terms of potential impact. Risks which are irrelevant were removed from each

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department, some of the matters have been removed and transferred to other departments.

The top strategic risks as identified by the senior management, covered in the strategic risk register are as follows:

- (i) Inadequate ICT management
- (ii) Inadequate human resource capacity
- (iii) Community unrest
- (iv) Withholding of Grant
- (v) Unfavorable local economic conditions
- (vi) Inability to attract investors
- (vii) Fraud and corruption
- (viii) Negative audit outcomes
- (ix) Financial Distress
- (x) Inadequate asset Management
- (xi) Inadequate political Oversight
- (xii) Inadequate integrated Planning
- (xiii) High Exposure to Litigations
- (xiv) Unstructured land development

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Fraud risk registers were updated per department, quarterly during the 1st, 2nd, 3rd & 4th quarter and all registers were assessed. Anti-Fraud and Anti-Corruption policy has been developed and adopted by Council during 2020-21 FY. The Anti-Fraud and Anti-Corruption policy requires the institution to have an Anti- Fraud and Corruption Hotline that will be procured during 2021/22 FY. The Terms of Reference for the Fraud and Corruption hotline are finalized. There is also a regulatory universe which has a list of acts/legislations, policies and by-laws. Mbashe Local Municipality has managed to conduct Anti-fraud awareness during 2020/21 financial year in five departments which is Community Services, Infrastructure, BTO, LED and Operations.

T2.7.1

CHAPTER 3

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management Policy reviewed during the 2020/21 financial year and was submitted for approval to Council in May 2021. SCM policy is currently fully aligned with the latest regulations, few amendments to the SCM Policy was mainly to address the issue of deviations i.e. payments to educational institutions (in terms of the bursary policy), licensing of vehicles payments of subscriptions to professional bodies (SALGA, IMFO, IIA etc) these were previously done through deviation and now have been included in the policy.

Furthermore, three other policies dealing with SCM were submitted for review with no proposed changes and the policies are as follows: Commodity Based Procurement Policy, SCM Turnaround Policy and Standard on Infrastructure Procurement and Delivery Management.

The Municipality appointed CCG systems in line with the RT25 tender issued by National treasury for a financial accounting system that is mSCOA compliant system. Sage Evolution Advance procurement is a module used to procure goods and services needed by the municipality integrated with other modules.

Between R30 000 and R200 000 a 7 day notice procurement process is followed with adverts placed in the website as well as Municipal notice board in all three units (Dutywa, Xhorha and Gatyana). Upon closing, a register with all the relevant information is kept at the SCM office. The bids are then evaluated and a report is compiled where recommendations are captured and approved.

Open tenders with the value of R200 000 and above follow the Bid Committee System namely; Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. Committee members are appointed in writing by the Municipal Manager in line with the relevant legislation. The Municipal Manager has strengthened the functioning of the bid committees by including members of management across all three committees. Furthermore, regular trainings were provided by treasury to ensure that members understand their roles and responsibilities thus achieving full efficiency.

The latest PPPF Act thresholds is adhered to. BBBEE Act and point's allocation are applied throughout the municipal procurement. The 80/20 split applied to all contract values below R50 million and 90/10 to all above R50 million, in line with the latest Preferential Procurement Regulations.

Contract Management

Contracts are monitored by SCM through maintenance of a contract register. End user departments in particular Infrastructure department with huge contract needs to ensure that contract management is practiced. There is still room for improvement in so far as contract management is concerned. Buy-in from departments is also being sought to ensure that all employees play a role in monitoring contracts. A comprehensive contract register is in place and is monitored on a monthly basis to track spending and performance on each contract. BTO has been engaging its service providers as part of contract management through engagements.

Code of Ethics

All Supply Chain Management practitioners, and members of the three Bid Committees, are required to sign a Code of Ethics as approved by Council annually. The code is based on the Code of Ethics issued

CHAPTER 3

by National Treasury. In all Bid Committee meetings members are required to declare their interests as part of the standing items in the agenda for each sitting. New Bid Committee members were appointed by the Municipal Manager to serve in various committee in the 2020/2021 financial year.

Training and Competency

In accordance with the requirements of Section 8 of the SCM Regulations, as well as Section 83 of the MFMA, all SCM Practitioners must have attained minimum level competencies in line with the relevant gazette. Continuous training of staff to meet this requirements is on-going, however majority of the members have achieved this requirement. This has been implemented beyond SCM officials, senior management and interns but extended to senior official in other departments across the municipality. All of the four (04) SCM permanent staff have met the competency requirements.

General SCM Matters

Supply Chain Management office was adequately staffed, but the SCM manager position was vacated in October and for the better part of the year has remained as such as efforts to fill it proved fruitless because the replacement only lasted for a month. There were other resignations during the financial year which resulted to immense pressure in the section. The SCM unit is responsible for the best procurement approach in compliance with the primary aim of ensuring that irregular expenditure resulting from that is avoided. This section on a monthly basis reports on Irregular expenditure procurement and expenditure. So far there has been no new Irregular Expenditure incurred other than the one recurring from previous irregular contracts. This is one of the steps to achieving a clean audit.

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council. Section 117 of the MFMA states that: "No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer." The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of:

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: "The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management." The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management and Supply Chain Management Practitioners.

Supply Chain Management is centralized and situated in the Budget and Treasury Department with 5 permanent staff members, all five of them have completed the minimum competency requirements.

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T2.8.1

2.9 BY-LAWS

By-laws Introduced during Year 1					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication

Note: See MSA section 13. T2.9.1

COMMENT ON BY-LAWS:

By-laws were adopted by council, however public participation still has to be done before the final approval and gazetting of By-laws. The municipality is in the process of requesting DEDEAT to assist in gazetting By-laws

T2.9.1.1

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	
The annual report (Year 0) published/to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	Yes	

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All long-term borrowing contracts (Year 0)	No	n/a
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 0	No	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i></p>		
		T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, annual report, the annual budget, adjustments budgets and budget related documents and policies. There is a service provider supporting the municipality in updating and maintenance of website.

T2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

A Public Satisfaction Survey was conducted in May 2016 and a report thereof is available.

T2.11.1

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COMMENT ON SATISFACTION LEVELS:

A Public Satisfaction Survey was conducted in May 2016 and a report thereof is available.

T2.11.2.2

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Mbhashe Local Municipality has some key service achievements that came to completion during the year 2020/21 namely, the provision of 23 kms of Roads and Storm Water control facilities (ward 17 ,07 , 25 and 28) that are of a good quality, safe & trafficable as per applicable standards, total of 418.9 kms Roads were maintained, 1 community hall (Ward 21) have been completed and 1 Community Hall (Ward 20) is in construction stage , 6000m² of paving has been done , 1 sport facility in construction stage (ward 25), and 360 households have been installed electricity through INEP.

There is a universal access with regard to waste management services has been achieved in the year under review. All our waste disposal sites are licensed.

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

Housing Basic service is the most key focus function of the municipality for coordination of Human Settlements projects. Mbhashe LM basic services is provided by three internal departments, namely, Infrastructure Services, Community Services and Planning & Development. Focus areas for basic services are as follows: municipal roads and storm water, infrastructure community services (community halls etc), electrification (community lights & households connection), solid waste, traffic, environmental management, libraries (agent for DSRAC), disaster management function, land use management, building regulations and human settlements. Water and Sanitation services are rendered by Amathole DM which is the Water Service Authority (WSA) and also Water Services Provider (WSP).

The provision and maintenance of road cuts across the functional areas of the Department of Transport DOT, ADM and Mbhashe LM. Mbhashe LM managed to construct 23 KM of new roads and maintained 413.9 KM of gravel roads. This was achieved with MIG and In-house construction/maintenance teams on each unit.

In terms of electricity distribution, Eskom is the licensed distributor of electricity in the whole of Mbhashe Municipal Area.

In addition to other service delivery issues is the housing. The housing delivery process is very slow because the municipality does not have the developer status. All project implementation responsibilities are done by the Department of Human Settlement. The municipality's housing sub-section is coordinated by the housing officer reporting to the Land and Housing manager.

Although the Census 2011 information identifies Mbhashe LM is providing the waste management services to 60124 of the total Mbhashe households. Full coverage of the area, including the rural areas,

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at an acceptable level of service (for seven days a week in the case of urban areas and the surrounding low cost and informal settlements; two days a week in the case of rural areas), has been achieved. This arrangement far surpasses the national norm of a minimum of once a week.

The main challenge is with the compliance and operation of landfill sites. Currently, Dutywa and Gatyana sites are licensed for closure. Both Gatyana and Dutywa disposal sites have been fenced in preparation for their rehabilitation. A service provider has been tasked with the rehabilitation and ultimate closure of the two sites, designs have been completed. **The Dutywa Waste Transfer Station project that was constructed by ADM has since been transferred to Mphashe LM for completion and has been completed in 2020/21 financial year.**

3.1. WATER PROVISION

Amathole is Water Service Provider (WSP)

3.2 WASTE WATER (SANITATION) PROVISION

Amathole is responsible for sanitation.

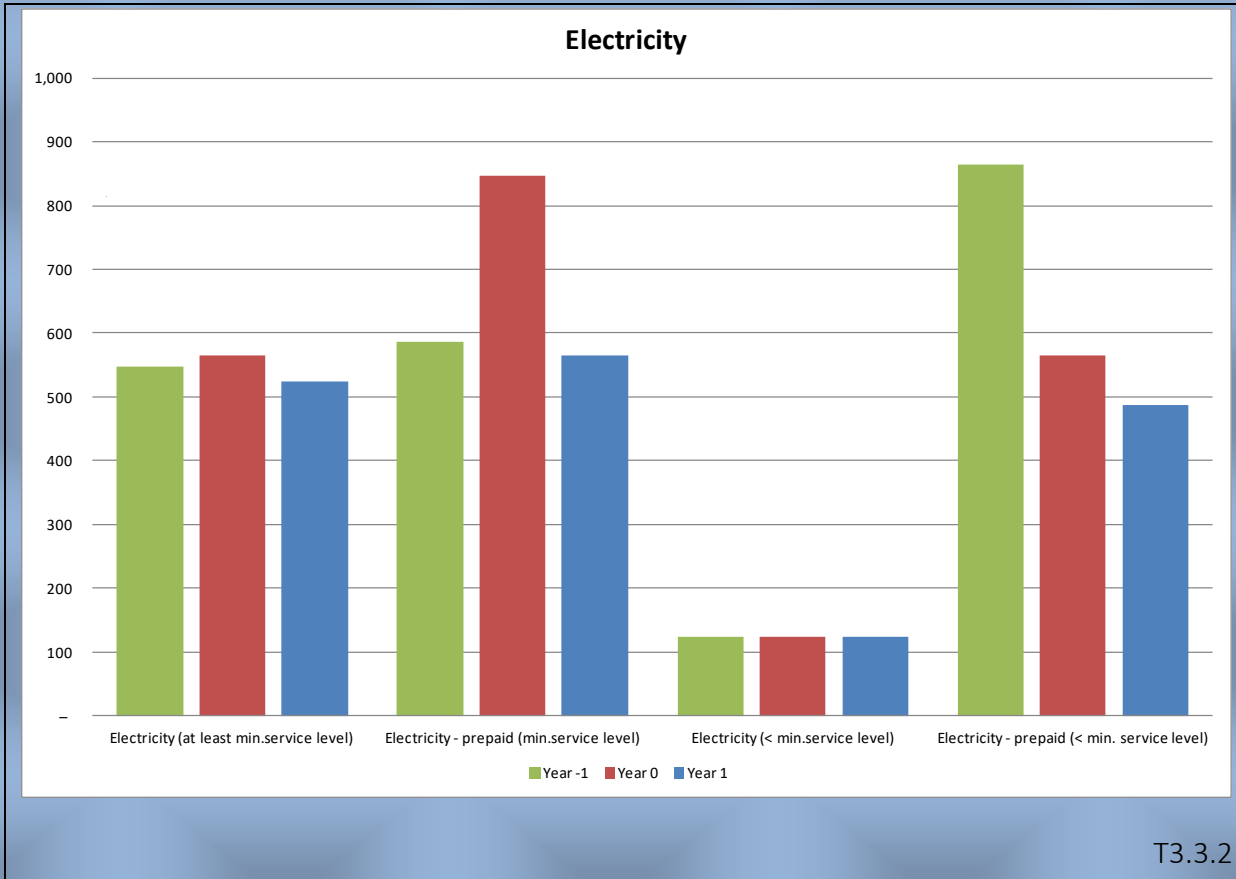
3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

ESKOM is the licensed distributor of electricity in the whole area of Mphashe LM. Mphashe Local Municipality, therefore, is not a licensed distributor of electricity; Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification is being received by Mphashe LM for Shixini and Ntsimbakazi Electrification Programme. As at the end of 2020/21 financial year 360 households has been completed and 658 households are currently in construction expected to be completed in 2021/22 financial year. There is no indicative budget for future plans. In 2020/21 financial year the municipality was allocated with an amount of R6 492 000.00 for electrification of 360 households at Mphashe Electrification Programme. According to Eskom the total number of backlog in the whole of Mphashe Area is 6266 households, this is inclusive of historic backlog, household extensions and infills. The most electrification backlog as per Eskom electrification report is in Xhorha.

T3.3.1

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Electricity Services Delivery Levels				
Description	Year-3	Year-2	Year-1	Year-0
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	44661	48861	48861	53858
Electricity - prepaid (min.service level)	44661	48861	48861	53858
Minimum Service Level and Above sub-total	89322	97722	97722	107716
Minimum Service Level and Above Percentage	74%	81%	81%	90%
Energy: (below minimum level)				
Electricity (< min.service level)	15463	11263	11263	6266
Electricity - prepaid (< min. service level)	0	0	0	0

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Other energy sources	15463	11263	11263	0.00
Below Minimum Service Level sub-total	15463.00	11263	11263	6266
Below Minimum Service Level Percentage	26%	19%	19%	10%
Total number of households	60124	60124	60124	60124

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households below minimum service level	25%	25%	25%	25%	25%	25%
Informal Settlements						
Total households	100,000	100,000	100,000	100,000	100,000	100,000
Households ts below minimum service level	25,000	25,000	25,000	25,000	25,000	25,000
Proportion of households ts below minimum service level	25%	25%	25%	25%	25%	25%
						T3.3.4

ELECTRICITY SERVICE POLICY OBJECTIVES TAKEN FROM IDP

CHAPTER 3

SERVICE OBJECTIVES	OUTLINE SERVICE TARGETS	YEAR 0		YEAR 1		YEAR 2		YEAR 4	
SERVICE INDICATORS (i)	(ii)	TARGET	ACTUAL	TARGET	ACTUAL	CURRENT YEAR	CURRENT YEAR		
		PREVIOUS YEAR (iii)	(iv)	PREVIOUS YEAR (v)					
To develop, maintain and upgrade quality infrastructure by 2022	Number of households assisted with provision of grid or alternative energy at (ward 24,27)			360	360	360 households assisted with grid or alternative energy at (ward 24,27)	360 households assisted with grid or alternative energy at (ward 24,27)		
	Number of households assisted with provision of grid or alternative energy at (ward 14,27)			658	204	658 households assisted with provision of grid or alternative energy at (ward 14,27)	658 households assisted with provision of grid or alternative energy at (ward 14,27)		

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Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	3	3	3		0%
4 – 6					
7 – 9					
10 - 12	3	3	3		0%
13 - 15					
16 - 18					
19 - 20					
Total					

T3.3.6

Financial Performance Year 1: Electricity Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.3.7

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Capital Expenditure Year 1: Electricity Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.3.8	

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

ESKOM is the licensed distributor of electricity in the whole area of Mphashe LM, therefore the Municipality is not a licensed distributor of electricity. Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification is being received by Mphashe LM for Shixini and Ntsimbakazi Electrification Programme. As at the end of 2020/21 financial year 360 households has been completed and 658 households are currently in construction expected to be completed in 2021/22 financial year. There is no indicative budget for future plans. In 2020/21 financial year the municipality was allocated with an amount of R6 492 000.00 for electrification of 360 households at Mphashe Electrification Programme. According to Eskom the total number of backlog in the whole of Mphashe Area is 6266 households, this is inclusive of historic backlog, household extensions and infills. The most electrification backlog as per Eskom electrification report is in Xhorha. According to Eskom projections the backlog will be completed in 2022/23 financial year.

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

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Mbhashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution.

Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Gatyana and Xhorha. The waste management services has been extended to all 32 wards of the municipality through rural waste programme.

T3.4.1

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal (Minimum level)				
Minimum service level & above subtotal	2199	22199	60124	60124
Minimum service level & above percentage	4	37	100	100
Solid waste removal (below minimum level)				
Removed less frequently than one week	0	0	0	0
Using communal refuse dump site	42624	27674	27674	27674
Other rubbish disposal	15301	10251	10251	10251
No rubbish disposal	3	3	3	0
Below minimum service level subtotal	57925	37925	0	0
Below minimum service level percentage	96	63	0	0
Total number of households	60124	60124	60124	60124

Description	Year -3	Year -2	Year -1	Year 0
	Actual no.	Actual no	Actual no	Actual no
Total households	60124	60124	60124	60124
Households below minimum service level	57925	37925	0	0
Proportion of households below minimum service level	96%	63%	0%	0%

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Employees: Solid Waste Disposal and other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	60	61	58	3	5%
4 – 6	22	23	22	1	4%
7 – 9	22	22	21	1	4%
10 – 12	4	5	4	1	20%
13 – 15	1	1	1	0	0%
16 – 18					0%
19 – 20	1	1	1	0	0%
Total	110	113	107	6	5%

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Waste Management Service Policy Objectives Taken From IDP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2017/18		2018/19			2019/20	
		Target	Actual	Target		Actual	Target	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)
By providing waste management services in an environmental friendly and sustainable manner to all households of Mbhashe.								
To provide effective and affordable services to the community where these are a direct function of the Municipality by 2022	No of households receiving waste service	60124	60124	60124	60124	60124	60124	60124
	No of landfill sites managed according to permit conditions	3	0	3	3	0	3	0

Financial Performance Year 0: Solid Waste Management Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	43,217.27	1,200,000.00	1,200,000.00	685,460.00	43%	
Expenditure:						
Employees	7,314,922.50	12,989,942.00	12,989,942.00	12,504,170.00	4%	
Repairs and Maintenance	1,111,627.46	564,276.00	2,333,399.00	2,254,122.00	3%	
Other	2,512,488.91	6,850,267.00	8,105,217.00	7,181,808.00	11%	
Total Operational Expenditure	10,939,038.87	20,404,485.00	23,428,558.00	21,940,100.00	6%	
Net Operational Expenditure	-	-19,204,485.00	-22,228,558.00	-	4%	

CHAPTER 3

Employees: Solid Waste Disposal and other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	60	61	58	3	5%
4 – 6	22	23	22	1	4%
7 – 9	22	22	21	1	4%
10 – 12	4	5	4	1	20%
13 – 15	1	1	1	0	0%
16 – 18					0%
19 – 20	1	1	1	0	0%
Total	110	113	107	6	5%

Financial Performance Year 1: Solid Waste Management Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	43,217.27	1,200,000.00	1,200,000.00	685,460.00	43%
Expenditure:					
Employees	7,314,922.50	12,989,942.00	12,989,942.00	12,504,170.00	4%
Repairs and Maintenance	1,111,627.46	564,276.00	2,333,399.00	2,254,122.00	3%
Other	2,512,488.91	6,850,267.00	8,105,217.00	7,181,808.00	11%
Total Operational Expenditure	10,939,038.87	20,404,485.00	23,428,558.00	21,940,100.00	6%
Net Operational Expenditure	-	-19,204,485.00	-22,228,558.00	-	4%
	10,895,821.60			21,254,640.00	

CHAPTER 3

Capital Expenditure Year 1: Waste Management Services				
Capital Projects	Year 0			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All	-	-	-	
	-			
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

A universal access with regard to waste management services has been achieved in the year under review. All our waste disposal sites are licensed

T3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

The largest percentage of households (97%) in Mbhashe LM presently resides in rural areas. A fairly large percentage of the housing demand is therefore vested in rural areas. These areas are typically characterised by tenure issues viz. urban areas versus rural areas. It is therefore critical to gain an understanding of the nature of the housing need in these areas including tenure system, infrastructure, and service provision and dwelling types

CHAPTER 3

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	4374	1147	28%
Year -2	4374	1147	28%
Year -1			
Year 0	25562	24135	41.1%

Source:2016 community survey

T 3.5.2

CHAPTER 3

Housing Service Policy Objectives taken from IDP						
Service Objectives / Service Indicators	Service targets	2018/19		2019/2020		2020/21
		Target	Actual	Target	Actual	Target
Facilitate development of sustainable and viable human settlements by 2022						
By facilitating the Provision of services to informal settlements	No. of houses built	-	-	-	125	125
To facilitate provision of adequate housing to indigent families by 2022 (rural)						
Facilitate housing provision	No. of houses built	-	-	-	125	125
To reduce the number of people living in squatter settlements						
Building formal houses for people living in squatters	No. of shacks removed	-	0	340	-	-
To facilitate provision of adequate housing to indigent households by 2022						
Review HOUSING SECTOR PLANS	An approved reviewed Housing Sector Plans	-	-	-	-	-
						T3.5.3

CHAPTER 3

EMPLOYEES: HOUSING SERVICES					
Job level	2019/20	2020/21			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	1	1	1	0	0%
13 – 15					
16 – 18					
Total	1	1	1	0	0%

Financial Performance Year 1: Housing Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%

CHAPTER 3

Expenditure:					
Employees	-	R1 000 000	R0	R0	0%
Repairs and Maintenance	2 550 462.67				
Other	1 405 246.19	-	-	-	-
Total Operational Expenditure	6 365 610.25	-	-	-	-
Net Operational Expenditure	10 321 319.11	R1 000 000	R0	R0	0%

CHAPTER 3

Capital Expenditure Year 1: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	-
	-		-		-

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Whilst Housing is not the municipality's function; the municipality facilitates and plans for housing development. In the 2020/2021 financial year; the municipality has managed to facilitate construction of 350 houses at Xhorha and Dutywa

Beside the provision of housing as outlined above, the municipality has facilitated the provision of housing for the destitute and the provision of emergency housing for those affected by disaster. In the 2020/2021 financial year, about 100 and 30 destitute houses (houses in different stages of construction) are constructed in Dutywa and Xhorha respectively.

CHAPTER 3

However the main challenges remain the land claims, land invasion, poorly built houses in the Xhorha and Gatyana.

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Mbhashe Municipality's intervention to adopt and implement the Free Basic Alternative Program goes a long way to ensuring that a better life for all is a foreseeable reality and specifically to improve its capacity towards service delivery to its citizens.

The municipality has provided the following services under its indigent support program:

1. Refuse removal
2. Solar alternative energy
3. Water and Sanitation – provided by Amathole District Municipality.

The Free Basic Services objectives are to provide indigent households with access to basic services. This support is funded through equitable share received from National Treasury.

There has been assistance in non-electrified areas by providing them with free basic alternative energy in the form of solar panels.

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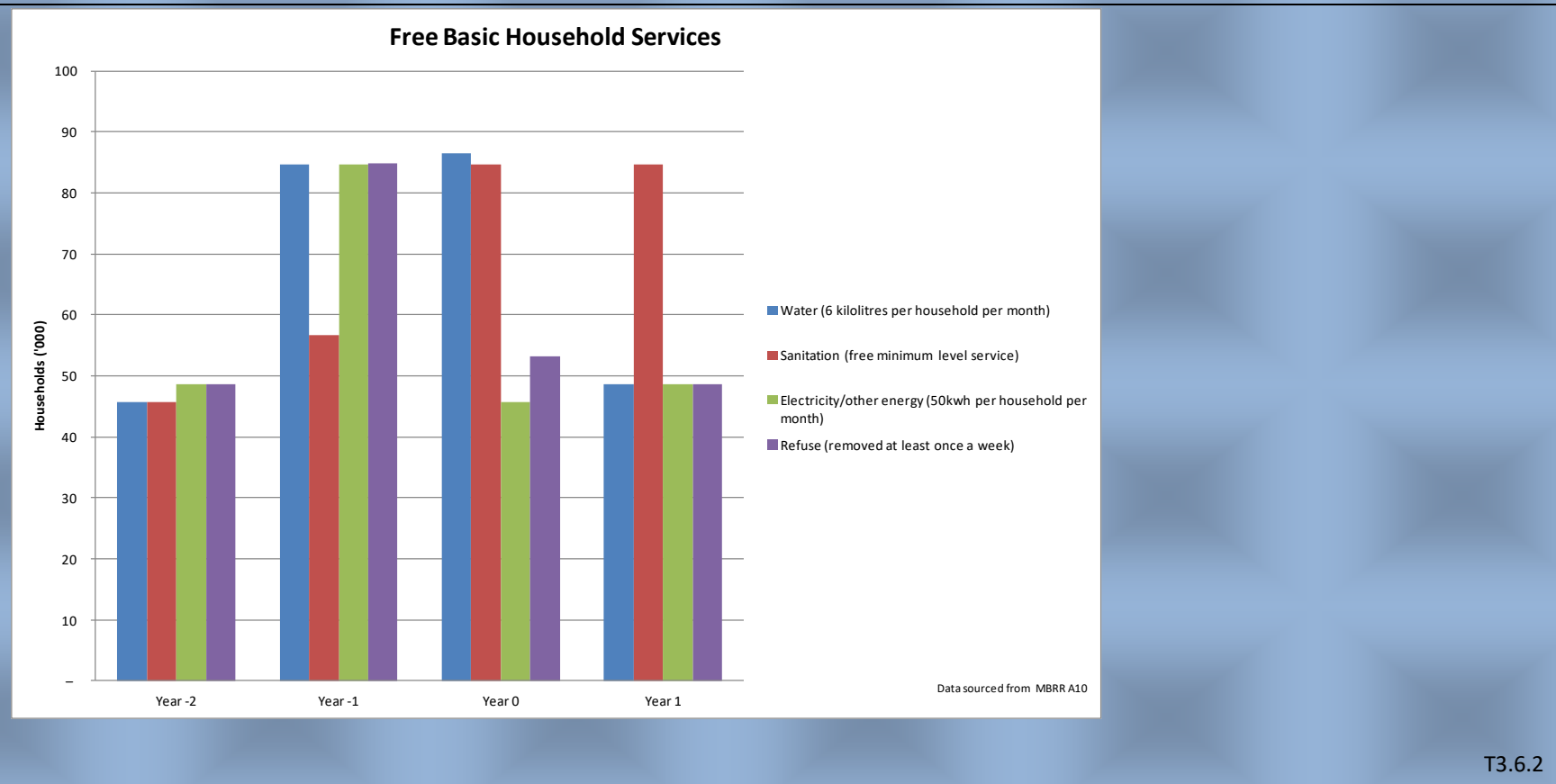
The municipality has also provided free refuse removal services to all communities of Mbhashe at no cost. This intervention is aimed at promoting a clean environment. The municipality is also providing monthly free electricity tokens of 50kws for indigent household through Eskom Free Basic Account. This service has been affected by the updating and reviewal of the Indigent Register and updating of the Eskom contract. Monthly free electricity tokens will be rolled out for all ward beneficiaries during 2019/20 FY.

CHAPTER 3

The municipality has established a free basic services unit. The municipality has an indigent register which is updated on a yearly basis whenever there are changes in the housing needs register.

The municipality is on track to fully comply with provisions of the equitable share allocation, which dictates that the municipality must fully support indigent residents within its jurisdiction

T3.6.1



T3.6.2

CHAPTER 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	27 724	27 724		0%	0	0%	2 864	10%	0	0%
Year -1	27 724	27 724		0%	0	0%	2 864	10%	0	0%
Year 0	27 724	27 724		0%	0	0%	2 864	10%	20 000	72%

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water					
Waste Water (Sanitation)					
Electricity	8 739 829.21	15 081 000.00	15 081 000.00	7 992 782.00	53%
Waste Management (Solid Waste)	3 840 000.00	1 400 000.00	1 400 000.00	822 602.00	59%
Total	12 219 829.21	16 481 000.00	16 481 000.00	8 815 384.00	53%

CHAPTER 3

Free Basic Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	Year 3			
		Target	Actual	Target		Actual	Target			
Service Indicators	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
		*Previous Year			*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
To alleviate poverty to improve quality of household life.										
By investing and advising on poor households to participate in indigent support program	Free Basic Services		1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register	1 Updated Indigent Register
Utilizing equitable share to provide		100% spent on equitable share towards	100% spent on equitable share towards	100% spent on equitable share towards	N/A	N/A				

CHAPTER 3

free basic services		free basic services	free basic services	free basic services					
Supply & delivery of free basic energy and services	Number of indigent households provided with free basic services	27 724	25 943	27 724	5 000	69 067	66 124	67 124	67 124

CHAPTER 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Municipality through Rural Waste Removal project has assisted over 60 124 rural households in total during the 2019/2020 financial year.

Furthermore, the municipality assisted the youth co-operatives who were appointed through the DOE programme by funding the maintenance costs for the installed solar panels for 1800 households. Report on solar panels maintenance .location:

1.Siyibane 55 households maintained 9.Outstanding 46 and we are waiting for the project to kick off.

2.Kreqweeni 13 households maintained 5 and there are 8 which were damaged.

3.Chaphaza :25 households maintained 22

4.Msikithi 69 households 6 were maintained and 63 waiting for project continuity.

T3.6.6

COMPONENT B: ROAD TRANSPORT

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

INTRODUCTION TO ROAD TRANSPORT

The provision and maintenance of roads cuts across the functional areas of the National Department of Transport (NDOT), Department of Transport Eastern Cape (DOT), Amathole District Municipality (ADM) and Mbhashe Local Municipality (MLM).

NDOT, DOT and the District Municipalities established Roads Classification for all the LMAs funded through the Rural Road Asset Management System (RRAMS) grant, commenced late in 2011. Under this project DOT appointed service provider Engineering Advice and Services (EAS) to revisit and update the centreline data set, using aerial photography in order to include all possible access roads. ADM formed part of RAMS program covering all its Local Municipalities where Mbhashe Municipality also participated.

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

The provision and maintenance of roads cuts across the functional areas of the National Department of Transport (NDOT), Department of Transport Eastern Cape (DOT), Amathole District Municipality (ADM) and Mbhashe Local Municipality (MLM).

CHAPTER 3

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The DOT has thus mapped and classified all un-proclaimed gravel roads, earth roads and tracks that appear to serve a public purpose. This includes formal streets within urban and peri-urban areas as well as tracks and roads within informal settlements, peri-urban and rural areas. These roads have all been divided into links (intersection to intersection), assigned reference numbers and where available, road names. All this data is stored on a consolidated GIS database.

The finalised road classification data for provincial and municipal road networks has now been made available to the National Department of Transport, the Eastern Cape Department of Transport and all Local and District Municipalities by the provision of maps. The Department published a full list of provincial roads in terms of Section 2 of the Eastern Cape Roads Act (Act 3 of 2003).

Rural Road Asset Management System (RRAMS) indicates that the total length of road network in the entire Mbashe Municipal area was 2875.14km km however currently the updated total number is 2898.14km. The total length for National Roads is 40.60 km, total length for Provincial Roads is 776.53km of which 684.93km is unsurfaced, and the total length for Municipal Access Roads is 2102km

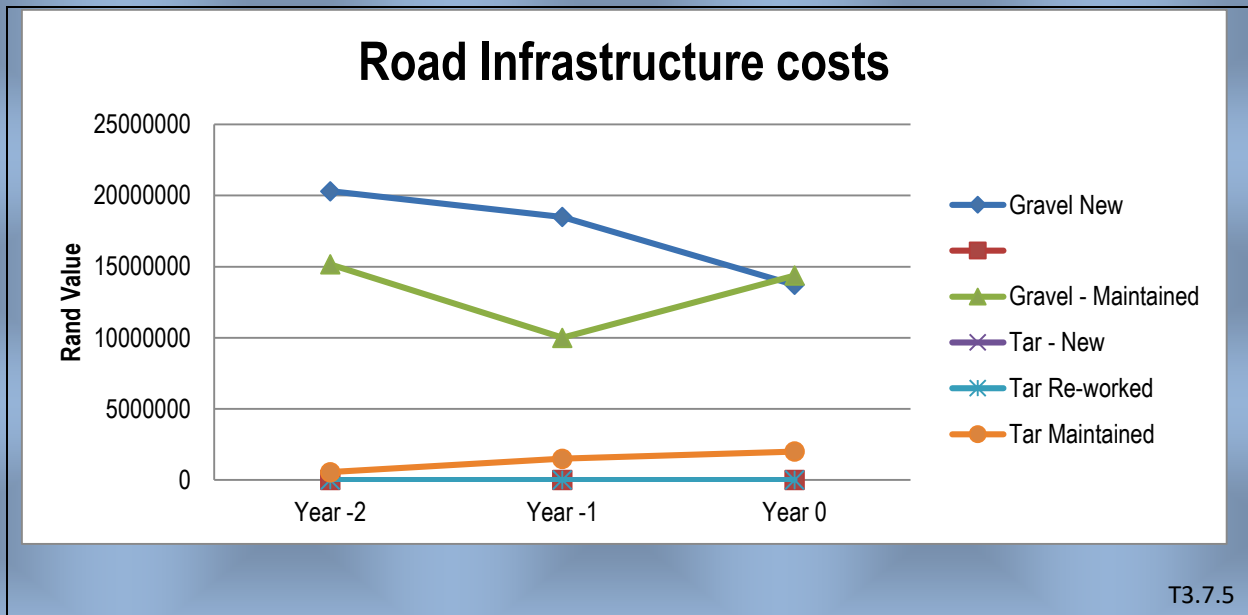
T3.7.1

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	196	30	0	315	
Year -1	211	15	0	300	
Year 0	234	23	0	418,9	
					T 3.7.2

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year -2	114	0	0	0	0	
Year -1	114	0	0	0	13	
Year 0	114	0	0	0	24	
						T 3.7.3

CHAPTER 3

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	20301553	0	15164680	0	0	550000	
Year -1	18495418	0	10000000	0	0	1500000	
Year 0	13728769,71	0	14379295	0	0	2000000	
						T 3.7.4	



CHAPTER 3

Roads Service Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	2018/19		2019/20		2020/21
		Target	Actual	Target	Actual	
<i>Service Indicators</i>		*Previous Year	*Current Year	*Current Year		*Following Year
(i)	(ii)	(v)	(viii)	(ix)		(x)
To develop, maintain and upgrade quality infrastructure through integrated planning, taking short, medium and long term needs into consideration, and fulfilling these within the parameters of sound financial management by 2022						
Construct 220km km of new gravel roads	No. of kms of roads constructed	40	20	20	18.5	23
Maintenance of 769km of existing gravel road network	No. of kms of roads maintained	300	317.2	300	320.7	413.9
By paving internal streets sidewalks in all three towns	No. of m ² paved with interlocking blocks	8000	8361.5	8000	8000	6000
By upgrading stormwater channel in urban areas	No.km upgraded	20	20	20	20	40
By doing skills audit and enhance operators with limited skills by providing accredited trainings	No. of accredited qualifications	23	0			23

T3.7.6

CHAPTER 3

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	26	26	26	0	0%
7 – 9	0	0	0	0	0%
10 – 12	6	6	6	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	27	27	27	0	0%
					T3.7.7

Financial Performance Year 1: Road Services					
R'000					
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue					0%
Expenditure:					
Employees	15 614 696	20 717 165	20 717 165		90%
Repairs and Maintenance	11 121 488	14 379 295	0	14 379 295	0%
Construction	18 618 459	0	0	0	0%
Total Operational Expenditure	45 354 643	53 545 903	53 545 903		85%
Net Operational Expenditure	- 45 354 643	- 53 545 903	- 53 545 903		%
					T3.7.8

CHAPTER 3

Capital Expenditure Year 1: Roads Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total project value
18/19	R 9 838 161.50	-	R9 838 161.50	-	R9 838 161.50
19/20	R 10 453 358.63	-	R10 453 358.63	-	R10 453 358.63
20/21	R 14 000 646.46	-	R13 728 769.71	-	R13 728 769.71
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.7.9

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The provision and maintenance of roads cuts across the functional areas of the Department of Transport, the Amathole District Municipality and the Mbashe Local Municipality. Municipality managed to construct 23 km through MIG and maintained 413.9 km using operational budget.

T3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

Mbashe Local Municipal is providing almost all the licensing activities, starting from Learners Licence service and Drivers Licences, Registering Authority (RA). All these activities are currently happening at Dutywa but an application for satellite office at Xhora for learners licence has been done to the Provincial department of transport.

Mbashe Local Municipality does not provide the bus service.

CHAPTER 3

CHAPTER 3

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

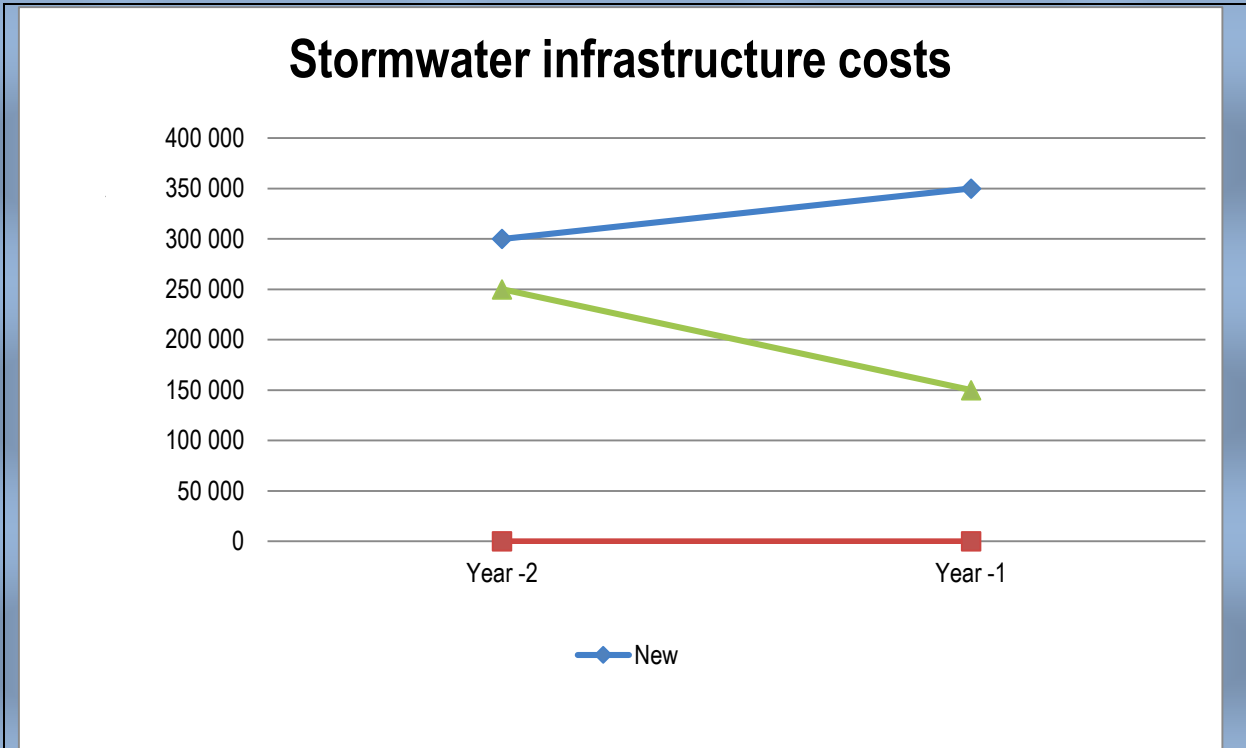
The Municipality does not have proper storm water drainage in towns and throughout the Mbashe area. The Municipality committed budget for paving and to upgrade storm water drainage through the usage of SMMEs. There is a challenge of bridges in the rural areas along the coast but there is limited budget, however the Municipality is gradually addressing the challenge.

T3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	361	50	50	95
Year -1	384	15	0	8
Year 0	416	12	12	8
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	300 000	0	250 000	
Year -1	350 000	0	150 000	
Year 0	300 000	200 000	100 000	
			T 3.9.3	

CHAPTER 3



T3.9.4

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.9.6

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

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

T3.9.7

CHAPTER 3

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

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

All storm water culverts are installed at all three units as per the annual targets and based on the available budget.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality's planning section deals with issues of land use management i.e. rezoning, sub-divisions, consent uses, departures, Lease Diagrams and consolidations. It also deals with spatial planning and land administration.

Challenges with regards to planning include the following:

- Non-compliance with land uses and building controls regulations.
- Land invasions and land claims
- Continuous mushrooming of informal settlements
- Illegal development occurring in environmental sensitive areas
- Non-adherence to lease agreements
- Delays in property transfers
- Settlements built in agricultural viable land

CHAPTER 3

However the town planning unit has put in place mechanisms to deal with non-compliance. The project on land audit for the three towns, Idutywa, Willowvale and Elliotdale has been done in the 2020/21 financial year as a mechanism to identify and rectify all non-conforming land uses. This project will also help to minimize the illegal use zones as per individual erven.

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

The legal mechanisms available to manage land use within the municipal jurisdiction include the following:

- The newly promulgated Spatial Planning and Land Use Management Act No 16 of 2013 (intended for urban and rural areas). There is however more detailed consideration required to make this implementable in rural parts of the study area.
- Associated Legislation applicable to activities linked to land use management, including NEMA, National Heritage Resources Act, the Wild Coast Decree and Coastal Management Act.
- Traditional administration systems that continuous to control land allocation and resource utilisation in parts of the study area
- The Interim Protection of Informal Land Rights Act, 1996 (IPILRA)

In terms of the MSA, SDF's should include "basic guidelines for a land use management system for the Municipality".

A Municipal Land Use Management System, in its broad sense, refers to all actions and mechanisms required by a Municipality to effectively manage land and land use within its area of jurisdiction. Key elements of a comprehensive Land Use Management System can include Spatial Development Frameworks, Land Use Schemes, Planning and Development Policies, Overlay Schemes, Environmental Management Plans, Transportation Development Frameworks, etc. Effective implementation of the LSDF is dependent on the effectiveness of the Municipality's Land Use Management System and implementation of the Package of Plans.

CHAPTER 3

Successful Spatial Planning, Land Use Management and Land Development are dependent on the establishment of an effective link between Integrated Development Planning, Spatial Development Frameworks and Development Management Mechanisms (Land Use Schemes).

Land Use Management Principles

The White Paper on Spatial Planning and Land Use Management defines land use management to include the following activities / components:

- The regulation of land use changes such as, for example, the rezoning of a property from Residential to Commercial use.
- The regulation of Greenfields land development, i.e. the development of previously undeveloped land.
- The regulation of the subdivision and consolidation of land parcels.
- The regulation of the regularisation and upgrading process of informal settlements, neglected city centres and other areas requiring such processes.
- The facilitation of land development through the more active participation of the Municipality in the land development process, especially through public private partnerships.

T3.10.1

<i>Applications for Land Use Development</i>						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year 2019/20	Year 2020/21	Year 2019/20	Year 2020/21	Year 2019/20	Year 2020/21
Planning application received	02	01	12	10		
Determination made in year of receipt	0	0	10	08		
Determination made in the following year	0	0	02	02		
Applications withdrawn	0	0	0	0		
Applications outstanding at year end	0	0	0	0		

CHAPTER 3

Local Economic Policy objectives taken from IDP 2020/21									
Service objectives	KPI	2016/17		2017/18		2018/19		2020/21	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Agricultural development and food security									
By promoting agrarian reform and increase food security to farming households	Number of wards with agricultural profiles conducted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of village associations assisted with maize production inputs.	40	40	40	40	40	40	40	33
	Number of farming projects assisted with fencing inputs	13	13	13	13	6	6	N/A	N/A

CHAPTER 3

	Number of nurseries supported							N/A	N/A
	Number of village farming associations assisted with stock remedy	31	31	31	31	31	31	32	31
	Number of village feedlots assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of dipping tanks renovated	5	5	5	5	5	5	N/A	N/A
	Number of shearing sheds built or renovated	5	5	5	5	5	5	1	1
	Number of boreholes renovated and drilled	N/A	N/A	N/A	N/A	4	4	N/A	N/A
To ensure use of agricultural value chain to stimulate local economic development in deprived areas									
By providing support for farming value chain activities	By providing support for farming	By providing support	By providing support	By providing support for	By providing support	By providing support	By providing support	By providing support for	By providing support for farming value chain activities

CHAPTER 3

	value chain activities	rt for farming value chain activities	support for farming value chain activities	farming value chain activities	rt for farming value chain activities	for farming value chain activities	for farming value chain activities	farming value chain activities	
	Number of information days held	16	16	16	16	16	16	10	11
To reduce poverty and unemployment through viable and sustainable job creation strategies									
By facilitating multiplier effects from EPWP projects	Number of people employed through EPWP	2000	2000	2000	695	2540	725	100	90
By developing an exit strategy (intervention plan) through SMME/Co-operative	Development of SMME support policy	NA	N/A	N/A	N/A	N/A	N/A	1	1
To encourage investment through viable investment and retention strategies									
By encouraging investment through viable investment and retention strategies	Economic Summit & Retention strategy	N/A	N/A	Economic summit and retention strategy	Concept	Approved concept and marketing plan	Approved concept document and marketing plan	4 investment opportunities profiled	4 investment opportunities profiled

CHAPTER 3

By ensuring reduction of employment rate through development and capacitation of enterprises	Number of hawker stalls installed	N/A	N/A	N/A	N/A	60	35	15	15
By promoting entrepreneurial access to markets	Number of SMME's linked to formal markets	5	5	4	5	5	5	6	8
	Number of co-ops funded, trained and assisted	5	5	5	5	5	5	35	60
	LED AND SMME SPENDING	N/A	NA	N/A	NA	N/A	NA	5%	5%
	Spending towards local SMME's	N/A	NA	N/A	NA	N/A	NA	10%	90%
By capacitating and assisting informal traders	Number of informal traders supported	4	5	4	6	120	120	45	115
Ensure community access to market through their skills and capacity development	No. of craft projects assisted	15	12	10	12	10	10	10	15
Unlocking marine and coastal tourism opportunities									

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Ocean Economy	Number of ocean marine economic initiatives supported	2	2	2	2	2	2	2	2
To position and promote Mbhashe as a tourist destination of choice									
Tourism Events	Number of events hosted and participated on	8	8	4	4	4	4	4	7
Tourism and Environmental signage	Number of tourists destination with clear signage	3	3	3	2	1	1	5	5
Beach Upgrade	Number of tourism infrastructure projects facilitated and supported	2	2	2	2	1	1	2	2
By supporting tourism operators	Number of tourism operators supported	5	5	5	5	5	5	8	10
Renovation of heritage sites	Number of heritage properties developed	5	5	5	5	5	5	4	5
Film Industry Support	Number of programs supported	N/A	N/A	N/A	N/A	1	1	1	1
Forest rehabilitation	Number of plantations	N/A	N/A	N/A	N/A	1	1	1	1

CHAPTER 3

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CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.10.4

CHAPTER 3

Financial Performance Year 1: Planning Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.10.5

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

~~Delete Directive note once comment's completed~~ - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.10.7

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3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Mbhashe Local Municipality's economic size is estimated to be 684 million. The economy grew by 14% over the period 1995 to 2008. Mbhashe Local Municipality's Integrated Development Plan (IDP) lists Agriculture, tourism, construction, manufacturing sector and retail as areas that have economic potential for this region. Social service and small enterprise development are other contributors to the Mbhashe Local Municipality's Gross Domestic Product (GDP). However the existing potential in these comparative and competitive advantages has yet to be realised.

More needs to be Development (LED) 2015 and the spatial Development Framework (SDF) (2015) are the blueprint to guide economic growth and development within Mbhashe Municipal jurisdiction. One of the LED strategic pillar programme is the commitment to support and development, thus contributing to creation of job opportunities for the unemployed. The national government's programme calls for job opportunities, reduce invested in unleashing this potential for Local Economic Development (LED) benefits. LED strategy need to be reviewed as there are new developments for Local Economic development. The advert was issued during 2020/21 financial year to develop the LED strategy.

In the wake of the current negative economic climate in South Africa, of the 53 million population of this country 5.1m people are unemployed, and 2.4m are discouraged from looking for a job. Given the current constraints on the public sector amid this economic uncertainty, the importance of SMMEs and Cooperatives has never been greater, the small business sector in South Africa has the potential to make a significant contribution to economic growth, employment and development

Chapter 3 of the Mbhashe LM's Integrated Development Plan (2020/21) refers to four (4) areas of investment opportunities which is the agriculture development, the enterprise development and the tourism development. These are based on the current economic situation Mbhashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does takes place, these matters are considered to be supportive elements that will not, of their own, result in the development of the economic base and have, therefore, not been included in the three main economic areas of focus.

T3.11.1

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

Economic Employment by Sector			
	Jobs		
Sector	Year -1 No.	Year 0 No.	Year 1 No.
Agric, forestry and fishing	20,000	25,000	30,000
Mining and quarrying	400,000	435,000	372,000
Manufacturing	320,000	300,000	270,000
Wholesale and retail trade	190,000	200,000	210,000
Finance, property, etc.	275,000	255,000	235,000
Govt, community and social services	300,000	310,000	320,000
Infrastructure services	400,000	430,000	450,000
Total	1905000	1955000	1887000
T3.11.3			

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COMMENT ON LOCAL JOB OPPORTUNITIES:

The key Strategic Thrusts as per the Mbashe LM IDP (2020/21), which form the basis of this strategy are:-

- Strategic Thrust 1: Agriculture Development.
- Strategic Thrust 2: Enterprise Development.
- Strategic Thrust 3: Tourism Development.

The municipality has implemented various programmes to advance economic development especially in the Agriculture, Enterprise and Tourism economic sectors as LED strategy implementation mechanism.

Agriculture Development:

Performance Overview on Key Strategy Drivers:

The Municipality on its Local Economic Development Unit is entrusted in driving agricultural programmes within the Municipal area. This focus of the unit is to ensure that agricultural development is carried out effectively in all 32 wards within Mbashe Municipality. The wards comprise of both the community based projects and LED projects that are vehicle to drive development and improve the socio economy of people.

The Municipality identified High Value Crop as the biggest contributor to the agricultural industry as a whole. The Mbashe LED strategy 2015 is focusing more on creating an enabling conducive environment through developing programmes to support viable and bankable project in order to create economic opportunities that will intern contribute to local economy. This is in line with the national, provincial economic development plan that identifies Agriculture, Enterprise Development as the key economic sector for growth and sustainable jobs.

- **Agricultural Infrastructure Assessment:** LED agricultural infrastructure was conducted on ward 2-32 to check the status of the LED agricultural infrastructure (dipping tanks, shearing sheds and cropping fields) To check the status of the Agricultural infrastructure like dipping tanks, shearing sheds, Ensure that the design and implementation of any intervention talks to the society of the community, Ensure community engagement and acceptance towards the planned program of work, Decide on what to measure in order to determine impact. The assessment will assist on what has been done on the ground taking into account the condition of structures and the period of existence of such structures. The number of structure in the ward is also vital to avoid duplication of or benefit of the same ward at the expense of other wards. The assessment that was conducted reveals that almost all existing structures on ground need to be repaired and renovated as Cattle and Sheep Dip tanks and shearing sheds contribute the highest agricultural structures that need attention mainly because they are incomplete and on poor conditions.

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According to the survey that was conducted to assess the existence of agricultural infrastructure on the ground. The survey revealed that most of the Cattle dip tank need to be repaired because are old and the poles are fallen down in all Wards from ward 2 to 32. There is new shearing shed which was constructed by the municipality during 2019/20 financial year for wool production in ward 26 and Bulungula lemon grass project in ward 19. The assessment reveals that most of the cattle dip tanks are old now need to be repaired. Database will be a good approach to deal with the number of supported wards.

Sheep farming (Shearing Sheds)

There are approximately 44 shearing sheds mostly in the Dutywa area where there are plenty of sheep (250 000 as recorded by Stats-SA 2015). However, there's a huge backlog in the shearing sheds construction as many communities are in demand. The construction and renovation of shearing sheds is done under the programme of "livestock improvement programme". Municipality constructed Ngqatyana shearing shed at Ngqatyana in ward 26 which amounted to R 599 999.11 for construction.

Farmer information days

Information days take various forms i.e. Animal health sessions (nutrition, diseases, treatment and pregnancies, trials (post mortem, cropping trials and artificial insemination), fruit production, agricultural expo, and wool management, as well as workshops on various items such as poultry farming, wool sorting, Vegetable production, marketing strategies and business plans.

There are 12 Agricultural information days that were conducted by the (LED Agricultural office) partnered with the DADAR in 2020/21 financial year as per assessment that was done in the first quarter. All The information days were conducted successfully. The Nopoto Wool sorting workshop was conducted at Nopoto location in Dutywa under ward 12 on 21 October 2020. The workshop was conducted by the National Wool Growers Association to equip Dutywa farmers from ward 2, 3, 7, 8, 9 and 12 on sorting and classifying the wool for marketing purposes. The municipality provided catering for 65 people who attended the workshop, Laphumilanga Agricultural co-operative information day and truck handover ceremony was conducted on 23 October 2020 at Ngonyama in Dutywa under ward 2. The information day was organized by the Municipality, DRDAR, Social Development, Premiers office to equip Ngonyama farmers and surrounding areas on Marketing of the vegetable products and Eastern Cape premier and Mbhashe Mayor handed over the truck to the project members during the event. Gqatyana/Gqubhuzeni Wool production workshop was conducted on 27 October 2020 at Gqatyana in Elliotdale under ward 26. The information day was conducted by National Wool Growers to equip Elliotdale farmers from ward 13, 16, 20, and 26 on sorting and classifying the wool for marketing purposes. The municipality provided catering for 65 people who attended the workshop. Mqhele and Thafalehashe wool production workshop was conducted at Mqhele on 28 October 2020 in Elliotdale under ward 28. The information day was conducted by National Wool Growers to equip Elliotdale farmers from ward 18, 19 and 28 on sorting and classifying of the wool for marketing purposes. Hadi vegetable production was conducted on 26 November 2020 at Hadi location in Willowvale under ward 23 for Vegetable production. The information day was conducted by Mtiza farmer co-op Agricultural specialist to equip Hadi farmers on vegetable production. Mbomela vegetable production workshop was conducted on 19 February 2021 at Mbomela community hall in Dutywa under ward 10 for Vegetable

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production. The information day was conducted by Mtiza farmer co-op Agricultural specialist to equip ward 100 farmers on vegetable production. Mpozolo Poultry production workshop was conducted at Mpozolo location in Willowvale on the 25 February 2021 in ward 21. The workshop was conducted by the poultry specialist from Mtiza farmer coop. The municipality assisted with catering for 50 people who attended the workshop. Sholorha Poultry production workshop was conducted at Sholorha location in Elliotdale on the 18 March 2021 in ward 15. The workshop was conducted by the poultry specialist from Mtiza farmer coop. The municipality assisted with catering for 40 people who attended the workshop. Livestock diseases and management workshop was conducted at Qwaninga location in Willowvale on 23 March 2021. The workshop was conducted by Talitha Pharma. The aim of the workshop was to enhance the standard of ward 23 livestock farmers to ensure relevant skills that would enable them to carry on with activities on Livestock production. The workshop was on Livestock Management and diseases focusing on the following How to raise Livestock production, how to manage livestock pastures, Vaccination of livestock, finding out if you are a livestock entrepreneur, How to vaccinate livestock. It will equip farmers in order to produce good quality product and marketed livestock. Municipality provided with catering for 60 livestock emerging farmers. It was attended by Ward committees, Dipping tank committees, Farmers, DRDAR. Municipality assisted with catering for 60 people who attended the workshop.

Qatywa Livestock Diseases and Management was conducted on 28 April 2021 at Qatywa community hall in Elliotdale under ward 32 for Livestock production. The workshop was conducted by Talitha Pharma. The aim of the workshop was to enhance the standard of ward 32 livestock farmers to ensure relevant skills that would enable them to carry on with activities on Livestock production. The workshop was on Livestock Management and diseases focusing on the following How to raise Livestock production, How to manage livestock pastures, Vaccination of livestock, Finding out if you are a livestock entrepreneur, How to vaccinate livestock. It will equipped farmers in order to produce good quality product and marketed livestock. Municipality provided with catering for 100 livestock emerging farmers. It was attended by Ward committees, Dipping tank committees, Farmers, DRDAR. Municipality assisted with catering for 100 people who attended the workshop. Qombe Maize production information day held on 12 May 2021 at Qombe field crops under 8 in Dutywa. The intention for conducting information day was to strengthen Agricultural Development, building stronger Agricultural movement and to share market information and access of finance. The main objectives of this workshop is as follows:- To Stimulate opportunities for the co-operative and farmers, exchange best practices, promoting economic development through Agriculture in the local municipal communities, and also Marketing of products (buying and selling). The purpose of the Agricultural information day was to enhance the standard of farmers to ensure relevant skills that would enable them to carry on with activities on Agricultural production. The information day will be focusing on how to grow vegetable production in order to produce a good quality product and increase yields.

Municipality requested Panner who is the seeds producer to do presentation on Maize cultivars and East London Company which manufacture weed chemicals for maize production. Gangatha Maize production information day held on 26 May 2021 at Gangatha cropping fields under 30 at Willowvale. The intention for conducting information day was to strengthen Agricultural Development, building stronger Agricultural movement and to share market information and access of finance. The main objectives of this workshop is as follows:- To Stimulate opportunities for the co-operative and farmers, exchange best practices, promoting economic development through Agriculture in the local municipal communities, and also Marketing of products (buying and selling).The purpose of the Agricultural information days were to enhance the standard of farmers to ensure relevant skills that would enable them to carry on with activities on Agricultural production. The information day will be focusing on how to grow vegetable production in order to produce a good quality product and increase yields.

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Livestock improvement programme (supply and delivered of stock remedy)

Mbhashe Local Municipality was identified as one area within Amathole District Municipality that was extremely affected by drought negatively impacting on livestock farming and water dam levels running dry. Furthermore, stock remedy of Ivermectin 1% (500 ml) (TALIMAX 500 ML) was supplied and delivered to 31 wards (ward 2-32) which amounted to R801 090.00. There were 2 064 TALIMAX 500 ML. the office manage to supplied and delivered the stock remedy to 31 wards on 24 to 31 May 2021 each ward received 66 Ivermectin 1% (500 ml) (TALIMAX 500 ML and 18 Ivermectin 1% (500 ml) (TALIMAX 500 ML support during horse racing at ward 22 which is antiparasitic injection for cattle and sheep, which is effective against Sheep scab, Round worms, Nasal worm, Screw worm and Blue tick. There are capacity building that were conducted during 2020/21 financial year for livestock improvement.

Mbhashe maize production support programme

Maize seeds was supplied and delivered to 33 Dutywa projects with 258 bags of Yellow maize 5R-590R 80K which covered 645 ha, 16 Willowvale projects with 184 bags Yellow maize 6R-710BR 80K Willowvale which covered 460 ha and 10 Elliotdale projects 282 bags of Yellow maize PAN 14 (25 kg) which covered 423 ha as per the assessment that was conducted during the first quarter by LED standing committee and Department of Rural Development & Agrarian Reform. The maize seeds amounted to R2 389 308.16 for supply and delivery of maize seeds for 2020/21 FY.

The maize seeds was supplied and delivered on 9, 10 and 11 December 2020 to ward 2 at Sheshegu, Masidlesonke, Ndakeni, Lusizini and Madikisini- Qora, in ward 3 Zimpuku, Mpepheni, Gwadana and Tyholomi, in ward 4 Sinqumeni, Xeni, Ngxara and Colosa in ward 5 at Bolotwa and Vinidwa in ward 6 at NQabane and Iota in ward 8 at Sundwane Ntilini, Xobo, Qombe and Chachazela, in ward 9 at Sizini and Bongweni in ward 10 Willowzambe and Taleni, in ward 11 at Dadamba, Nqadu Komkhulu and Nqadu Chithindlala, in ward 12 at Mnandi and Xobojiyana in ward 13 at Chihana, in ward 14 at Fort Borker and Mahlezana, in ward 15 at Xuba, in ward 17 at Stonedrift and Ntlantsana, in ward 20 at Manganyelwa and Hobeni, in ward 22 at Gandla and Mahasana, in ward 23 at Ngcizela and Qwaninga, in ward 26 at Ntlonyana, in ward 27 at Fort Malan, in ward 28 at Mqhele and Kwalini Bafazi, in ward 29 at Mevana, in ward 30 at Ntlabane, Gangatha, Tswelelitye, Mandluntsha and Weza, in ward 31 Mqonci, Zundwane, Sikhobeni and Mbewuleni and in ward 32 at Madwaleni. Elliotdale Ward 16, 18, and 19 did not received maize seeds as they did not apply for maize production support program because there are no maize projects due to the bad slope.

Willowvale Ward 21, 24 and 25 did not received the maize seeds because they were not recommended by LED standing committee because they use gardens to plant the maize. They do not plant field crops. They use their gardens for maize production while the support is focusing on field crops. LED unit (Agricultural office) managed to supplied and delivered the Maize seeds to 59 maize emerging farmers of Mbhashe municipality as per the SDBIP and cropping assessment that was conducted during the first quarter partnered with the Department of Rural Development and Agrarian Reform. Each unit received the maize seeds that suitable in their area. The farmers planted the maize in December 2020 and January 2021 due to the delay of the supply of maize and drought. The farmers harvested their produce on May and June 2020.

High value projects

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Another important milestone is the municipal concentration on High Value Products such; as Paprika and Sorghum, Macadamia, Moringa and Lemon Grass and Haw-Haw Tea. The municipality through its support programmes supported Ligwa Moringa Farming and Bulungula Lemon Grass Essential.

In partnership with Ligwa Community Trust, and Mbhashe Municipality entered into a strategic partnership agreement to exploit comparative advantage and providing support financial and no-financial to the Moringa farming initiative. Both parties reviewed the agreement during 2019/20 financial year whereby Municipality procure for the project all the building materials, Production inputs and working tools for the project as per the implementation plan that was developed and signed by both parties

2 HVP Funded in 2020/21 financial year by Mbhashe LM as follows:

Ligwa Moringa project

An amount of R625 000.00 was Budgeted to Ligwa Moringa project, the project is a rural community development initiative which is situated between the town of Willowvale and Qora Mount under the Leadership of Chief Msondezi Singcawu. The community is blessed with hundreds of hectares of reasonable fertile soils which are located between the Qora and Shixini rivers as well as abundant of water resources from these rivers. According to the Municipal records, the community consists of 12 villages with a population of 8000, the youth makes up 65% and 54% of the total are females. Unemployment in the area is chronic with the youth and women being largely affected.

The Moringa tree is doing real good in South Africa, bringing sustainable business as well as uplifting the health and feeding of communities. The Moringa tree, also known as the horseradish tree is being called the miracle or magic tree. The trees are planted using 20 ha from the area of Bhojini at Ligwa. The main objectives of Ligwa Moringa project (High value crop) To produce good quality high value crops, To create long-term permanent employment, To create stakeholder wealth opportunities for employee advancement, To promote skills transfers to previously disadvantaged individuals, Encourage rural economic transformation and To fight poverty and create job opportunities during planting, weeding and harvesting season.

The project is functional, the building materials to build a store room, drying room and production inputs were supplied and delivered to Ligwa Moringa project to build store and drying room for storing production inputs and working tools. 5 people were contracted to build the store room structure, the wall is completed successfully. The Production input (1000 diesel drum square plastic IBC tank in steel cage, 160 MM inlet with lid on top and 50/80mm valve at bottom with 1000L of diesel) was delivered on 20 August 2020 for irrigation purposes, On 29 September 2020 Municipality contracted 7 casual workers to build the drying and store room of Ligwa Moringa project.

Bulungula Essential Oil and Projects Primary Cooperative

Bulungula Essential Oil and Projects Primary Cooperative which is situated at Elliotdale Town under Amathole District Municipality in Mbhashe Local Municipality at Xhora Mouth A/A under ward 19. It is located approximately 50 km away from Elliotdale town on the way to Bulungula River. Xhora mouth is made up of

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four villages which are as follows: Nqileni, Kwafolokwe, Mgojeni and Tshezi this project is under two villages (Kwafolokwe and Enqileni) but has intentions to expand from other remaining two villages. It forms one of different projects which were initiated by Bulungula incubator and it is involved in producing and processing of Lemon grass under organic production. The produce is sold at Cape Natural tea products as dried herbage and is used to process lemon grass and rooibos tea. They use surplus herbage to make cosmetics product such as soaps, olive oil, bath salts, sugar scrubs and sold at L.G buyers, Cintsa, and other Bed and breakfast around Elliotdale. The essential oil project was initially started with 8 members who has since now increased to 10 members

For 2020/21 financial year R200 000 was allocated for Bulungula Essential Oils and Lemon Grass Coop for the lemon grass seedlings. Municipality assisted the co-operative to do soil preparation (Ripping, Ploughing and Discing) in an area of 5 ha for the plantation of lemon Grass seedlings.

Sorghum production

Sorghum is another High Value Project which is regarded as one of the products that can help grow the economy of the region. This pilot program of the Sorghum won the support from several government departments and parastatals and the private sector like Anglo American. The council resolved to support the High Value crop (Sorghum production) with funding of R625 000.00 each year for a period of 3 years for the period of three years for Soil preparation (Ploughing and Disc), Production inputs (Sorghum seeds, Chemicals, Fertilizer, Deiseal ect), Irrigation Equipment, Storage facilities (Container), Labour for planting, weed control, Harvesting and Security, Garden tools, Protective clothing, Branding and Signage and Capacity Building at Chachazela in ward 8 and Mangwevini in ward 12.

Mangwevini Pilot Project in ward 12

During the 2017/18 season LMH rolled out a pilot project in the Eastern Cape wherein just under a 100ha of sorghum was planted using the land aggregation methodology. This small-scale preliminary study was conducted in order to evaluate the feasibility, time, cost, adverse events, and improve upon the study design of aggregated farming prior to rolling out the full-scale project. As part of the pilot, LMH was able to take virgin lands and convert them into productive land parcels that yielded a crop which was then sold to UNB. A total of 20 young, women were employed and trained before, during and after the planting season.

In partnership with Mangwevini Community, and Mbashe Municipality entered into a strategic partnership agreement to exploit comparative advantage and providing support financial and no-financial to the Sorghum production initiative. There were 17 casual workers worked at Magwevini during 2017/18 financial year for 4 months (January to April). During midyear 2020/21 adjustment budget Municipality did an adjustment budget in order to be able to pay 17 casual workers for weed control and Harvesting of Sorghum production which amounted to R136 000.00 on payment of casual workers for weed control and harvesting of Sorghum production as per Adjustment budget. All the casual workers were paid their money for the weed and harvesting of Sorghum production.

Chachazela Project in ward 8

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During the 2018/19 season Sorghum farmers planted sorghum in Chachazela. The Chachazela sorghum cooperative (CSC) is the second recipient of in Mbashe sorghum aggregation project. It is also based in Dutywa and according to Stats SA, Mbashe municipality's last measured economic growth rate is -0.35%, the dependency rate for this region is 85.5% and the unemployment rate is 42% with youth unemployment sitting at 54%. The beneficiaries for CSC are 200 smallholder farmers and each farmer own an average of 4.69 hectares of land. Majority of the participants are women and although the youth participation is low (0.06%), farmers plan on using the successes from the 2018/19 season as a base to attract more young people and women into the program.

Enterprise Development:

Performance Overview on Key Strategy Drivers

- **Training and development programme:**

30 Dutywa SMMEs were trained on tender advice from the 27-29 October 2020 at TRC hall in Dutywa.

30 Informal Traders (hawkers and farmers) were trained on Informal and Micro Enterprise Development on the 26 February 2021 at Town hall in Dutywa.

30 caterers were trained on Environmental Health (hygiene and cleaning) from the 11-13 May 2021 at Council Chambers in Dutywa.

30 Willowvale SMMEs were trained on tender advice from the 23-25 June 2021 at Indoor Sport Center in Willowvale.

Participants got certificates competence on Environmental Health training (hygiene and cleaning) and they got certificates of attendance on other trainings.

- **SMMEs assistance and Co-operative support:**

Mbashe Local Municipality 2020/21 Departmental SDBIP proposed to provide and support 50 SMMEs/Cooperatives during quarter one to four.

The first activity entailed the identification of SMMEs / Primary Cooperatives and the emerging local entrepreneurs across all economic sectors that form part of the targeted for development support programme. SMMEs/Cooperatives and local entrepreneurs that were previously not part of the LED data base, but could benefit from the project were also considered in the identification process, as we have called them to register on our data base.

The second activity entitled the advert that was issued for SMMEs/Cooperatives to apply for support with the following requirements:

The applicants must be a South African citizen that is 18 years and older in possession of the following requirements: Registration Certificate, Certified ID Copies of Applicant(s) (not later than 3 months), Business Plan, Company Profile, 3 Months Bank Statement of the business, Proof of address (not later than 3 months), Motivational Letter outlining why your business must be supported/funded, Letter from Ward Cllr (stamped) confirming the existing of the business in a ward, Quotation of Items/Equipment to be supported, Proof of land ownership/ lease agreement, Completed Application Form,

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The third activity entitled the assessment visit to SMMEs/Cooperatives that will be assisted with tools of trade by Mphashe Municipality. The purpose of this assessment visit was to check the status of SMMEs/Cooperatives and objectively understand their problems, challenges and their needs.

NB: -We have only considered applicants from business operating and resident within the municipality, applicants from outside will not be considered, Contractors were required to submit their updated CIDB, NHBRC certificate when submitting, If the above listed documents were not available, the application was not accepted, Designated Groups were also encouraged to apply.

There were 47 SMMEs/Cooperatives approved for funding in 2020/21 financial year. 15 SMMEs/Co-operatives supported with tools of trade out of 45, the rest will be assisted in 2020/21 financial year. 8 from Dutywa (Ward 1x2, 2, 8, 4, 9), 7 form Gatyana (Ward 14, 23, 24, 25x3), 0 form Xhorha.

- **Informal trader support:**

LED has been continuously giving support to the informal economy in the form of financial and non-financial assistance to hawkers/Informal traders. 10 Informal Tardaders 5 from Dutywa, 5 from Gatyane supported with Trading Equipment. We issued 486 Hawkers license to Mphashe hawkers (Gatyana, Dutywa, Xhora)

SMME Roadshows

According to Mphashe Local Municipality 2020-21 Annual Institutional SDBIP proposed to host three (4) SMME Roadshows during quarter 1-4 (: July 2020-March 2021).

The SMMEs Roadshow Concept Document was development based on **Four (4) themes: Access to information and services; Access to Funding Opportunities, Access to Markets and access to Procurement Opportunities.**

SMMEs Roadshows were successfully hosted by LED as follows:

SMME Roadshow was successfully hosted on the 26 September 2019 at Dutywa TRC Hall with attendance of SMMEs, Cooperatives, and Informal traders with partnership with Business Forum on Accessing Information on Access to funding opportunities and Access to Markets, and services offered for SMMEs.

SMME Roadshow was successfully hosted on the 24 November 2020 at Indoor Sport Center in Willowvale, with attendance of the Local SMMEs specifically Youth in Business on Accessing Information on funding opportunities and Access to Markets, and services offered for SMMEs.

SMME Roadshow was successfully hosted on the 10 February 2021 at Lower Desi Hall in Elliotdale, with attendance of the Local SMMEs specifically Youth in Business on Accessing Information on funding opportunities and Access to Markets, and services offered for SMMEs.

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SMME Roadshow was successfully hosted on the 27 May 2021 at Dutywa TRC Hall with attendance of SMMEs, Cooperatives, and Informal traders with partnership with Business Forum on Accessing Information on Access to funding opportunities and Access to Markets, and services offered for SMMEs.

STAKEHOLDERS THAT WERE INVITED

Small Enterprise Finance Agency (SEFA)

Eastern Cape Development Corporation (ECDC)

Department of Small Business Development (DSDB via zoom)

Department of Trade and Industry (DTI)

Small Enterprise Development Agency (SEDA)

DEDEAT LRED/Isiqalo Youth Fund Unit

W&RSeta

DRDLR Enterprise Unit

Local institutions within Mbashe area (Dept. of Social Development, DSRAC, DRDAR etc)

SARS

Incubation programmes:

Mbashe Local Municipality established three Incubation programmes to develop and promote local SMMEs which are:

1. Infrastructure Incubation- 22 SMMEs appointed.
2. Planning and Development (supply and delivery) - 13 SMMEs appointed.
3. Planning and Development (maintenance) – 1 SMME appointed.

The total Amount spent to SMMEs during 2020/21 FY is R122 743 678.08

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The Amount budgeted for SMMEs during 2020/21 FY is R69 292 847.00 which is 30% of the actual budget.

Therefore the actual percentage spent to SMMEs= R122 743 678.08/ R69 292 847.00 X100=177%, due to the above mentioned incubation programmes that are there to develop and promote local SMMEs.

Tourism Development:

Performance Overview on Key Strategy Drivers

- Product owners or Tourism Operators assisted: Craft development by providing capacity building to crafters was undertaken to ensure that they participate in the mainstream economy through workshops on tendering and other aspects of financial management. Furthermore, 6 crafters were assisted with machinery and equipment in the form of sewing materials (2 Dutywa, 2 Gatyana and 2 Xhora). Qatywa Community Trust was assisted with training at Xhoara-Qatywa-Ward 32). Mpame/Mncwasa (Elliotdale-Ward 19) and Tenza (Willowvale-Ward 22) Marine Economy projects were assisted with fishing equipment and they are fully operating and involved in marine activities.

- Internal and external mega events: In order to maximise and increase visitors within Mbashe as a preferred destination of choice, hence, Mbashe Local Municipality provided support to local events which are intended to increase visitors, increase spending and revenue, ensuring geographical spread of tourism spin-offs and cutting seasonal tourism issues. The internal event that were held in the financial year 2020/2021 was Mbashe Horse Racing Event that was held at Tenza Gatyana (Ward 22).

The external events that was planned but not attended due to Covid 19 pandemic through national tradeshows in the financial year 2020/21 were Tourism Indaba in Durban and Grahamstown National Arts Festival in Grahamstown.

- Heritage tourism: LED has been providing hand on approach by ensuring preservation of heritage sites/ resources at Mbashe Municipality which are then made available as tourist products for consumption and research. Furthermore, 3 heritage properties have been maintained (Fort Marlan Memorial, King Hintsa s' Grave and King Sarhili s' Grave) following heritage prescripts and legislation thus ensuring its original appeal and universal value is sustainable preserved. These include the ones linked to liberation heritage i.e. Mazizi Maqhekeza, Fort Malan Memorial where the designs were completed. Liberation heritage routes were identified and linked along Mbashe.

The municipality has implemented many programmes to advance economic development especially in the Agriculture and Tourism sectors e.g. the Council has adopted a Memorandum of Understanding between the Municipality and Eastern Cape Rural Development Agency (ECRDA) whereby there will be a development of Acquire culture Incubation program along the coast that will boost the local economy of Mbashe.

Life Guards Support

CHAPTER 3

Mbhashe Municipality employed 28 Seasonal Life Guards during Easter Holidays for a period of 10 Days (from 1st to 10th April 2021).

Three day training was provided to 28 Life Guards (two days was for the theory and day training was practical).

Tourism Operators

Six Mbhashe Crafters (2 Elliotdale, 2 Willowvale and 2 Dutywa) were assisted with the Craft Material as tools of trade/operation.

Marine Economy Projects

Two Marine economic initiatives or projects (Mncwasa in Ward 19 Elliotdale and Tenza in Ward 22 in Willowvale) were assisted with fishing equipment in order to perform marine activities.

Status of the Advert for Support

The advert was issued inviting all Tourism Operators and Events Companies to submit their proposals for funding but due to Covid 19 most of the events did not take place and also the money was not enough to assist all of them (Only Bunono Album Launch that was assisted)

Coastal Tourism Hiking Trail

As part of promoting and marketing of Mbhashe Coastline, Mbhashe Municipality embarked on 3 day coastal hiking trail that was held from Tenza Beach to Dwesa Nature Reserve and the purpose of was to explore our beautiful coastline and boost the local economy through using of Mbhashe tourism amenities.

Investment Booklet & DVD

Mbhashe Investment LED Booklet and DVD was reviewed as part of packaging all investment opportunities in order to attract the investors to come and invest at Mbhashe so that the local economy can be boosted.

Marine Tilapia industry incubator in Mbhashe

The municipality partnered with the ECRDA which is a schedule 3 (c) entity in terms of the Public Finance Management Act (PFMA).

The Agency was appointed the Thapi Aqua-Kulcha (pty) Ltd which is based in 20 Blackburn road at East London to set up what will be known as a Marine Tilapia Industry Incubator, which will anchor the development of a series of aquaculture clusters and related value-chain activity along the coastline of the Mbhashe. The initiative is one of the flagships of the Eastern Cape Provincial Oceans Economy Strategy. The site was identified at ward 23 in Qora for Mbhashe Tilapia industry incubator.

CHAPTER 3

Municipality with ECRDA convened meetings with Mbashe traditional leaders to update them about the program and the requirements that need to be attached in proposals that is submitted by ECRDA to the Presidency office for Mbashe Tilapia incubator. The meetings were hosted as follow on 22 June 2021 the meeting was hosted at Elliotdale cluster in Elliotdale town hall, on 23 April 2021 was hosted in Dutywa cluster on Mbashe Council chamber and on the same day in the afternoon the meeting was hosted at Willowvale cluster in indoor sport centre.

Mbashe traditional leaders were needed to sign an agreement with ECRDA whereby they accept the program. The agreements were signed and sent to ECRDA for the submission of the proposal. Traditional leaders were told that they must be prepared to avail the land for Tilapia farming as there will be a need of producing feeds to feed the Mbashe tilapia farming

T3.11.4

CHAPTER 3

JOB CREATION THROUGH EPWP PROJECTS		
Details	EPWP Projects	Number of jobs created through EPWP projects
FY 2020/21	Recycling	4
	Rural Waste Programme	370
	Gatyana Squatter Camp	2
	Waste Pickers	10
	Pound Assistants	16
	Street Cleaning	60
	Administrative Assistants	0
	Libraries	4
	Electrical Assistants	4
	Waste Transporters	31
	Off- loaders	31
	Land fill sites	0
	EPWP Coordination	14
	Infrastructure – MIG	186
	Nobonke rehab	04

CHAPTER 3

Weekend workers	23
Free Basic Services	04
Truck drivers and handyman	06
Parks, cemeteries gardens and Beautification	12
Peace officers	04
Tea makers	02
Alien clearing	13
Life Guards	30
Ablution facilities	01
Walter Sisulu	04
Traffic trainees	20
Sinqumeni caves	N/A
King Hintsa grave	N/A
King Sarhili grave	N/A
Fort malan memorial	N/A
Miller mission grave	N/A
Weza bush clearing	15
TOTAL	723

CHAPTER 3

Local Economic Policy objectives taken from IDP 2019/20											
Service objectives	KPI	2016/17		2017/18		2018/19		2019/20		2020/21	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Agricultural development and food security											
By promoting agrarian reform and increase food security to farming households	Number of wards with agricultural profiles conducted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Number of village associations assisted with maize production inputs.	40	40	40	40	40	40	40	33	31	59
	Number of farming projects assisted with fencing inputs	13	13	13	13	6	6	N/A	N/A	N/A	N/A
	Number of nurseries supported							N/A	N/A	N/A	N/A
	Number of village farming	31	31	31	31	31	31	32	31	31	31

CHAPTER 3

associations assisted with stock remedy												
Number of village feedlots assisted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of dipping tanks renovated	5	5	5	5	5	5	5	N/A	N/A	N/A	N/A	N/A
Number of shearing sheds built or renovated	5	5	5	5	5	5	5	1	1	N/A	N/A	N/A
Number of boreholes renovated and drilled	N/A	N/A	N/A	N/A	N/A	4	4	N/A	N/A	N/A	N/A	N/A

To ensure use of agricultural value chain to stimulate local economic development in deprived areas

By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities	By providing support for farming value chain activities
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CHAPTER 3

			n acti vities									
	Number of information days held	16	16	16	16	16	16	10	11	10	12	
To reduce poverty and unemployment through viable and sustainable job creation strategies												
By facilitating multiplier effects from EPWP projects	Number of people employed through EPWP	2000	2000	2000	695	2540	725	100	90			
By developing an exit strategy (intervention plan) through SMME/Co-operative	Development of SMME support policy	N/A	N/A	N/A	N/A	N/A	N/A	1	1	N/A	N/A	
To encourage investment through viable investment and retention strategies												
By encouraging investment through viable investment and retention strategies	Economic Summit & Retention strategy	N/A	N/A	Economic summit and retention strategy	Concept	Approved concept and marketing plan	Approved concept document and marketing plan	4 investment opportunities profiled	4 investment opportunities profiled	4 investment opportunities profiled	4 investment opportunities profiled	
By ensuring reduction of employment rate through development and capacitation of enterprises	Number of hawker stalls installed	N/A	N/A	N/A	N/A	60	35	15	15	10	10	

CHAPTER 3

By promoting entrepreneurial access to markets	Number of SMME's linked to formal markets	5	5	4	5	5	5	6	8	50	135
	Number of co-ops funded, trained and assisted	5	5	5	5	5	5	35	60	10	15
	LED AND SMME SPENDING	N/A	NA	N/A	NA	N/A	NA	5%	5%	5%	5%
	Spending towards local SMME's	N/A	NA	N/A	NA	N/A	NA	10%	90%	10%	80%
By capacitating and assisting informal traders	Number of informal traders supported	4	5	4	6	120	120	45	115	50	115
Ensure community access to market through their skills and capacity development	No. of craft projects assisted	15	12	10	12	10	10	10	15	4	4
Unlocking marine and coastal tourism opportunities											
Ocean Economy	Number of ocean marine economic initiatives supported	2	2	2	2	2	2	2	2	2	2
To position and promote Mbashe as a tourist destination of choice											

CHAPTER 3

Tourism Events	Number of events hosted and participated on	8	8	4	4	4	4	4	7	4	1
Tourism and Environmental signage	Number of tourists destination with clear signage	3	3	3	2	1	1	5	5	5	5
Beach Upgrade	Number of tourism infrastructure projects facilitated and supported	2	2	2	2	1	1	2	2	2	2
By supporting tourism operators	Number of tourism operators supported	5	5	5	5	5	5	8	10	6	6
Renovation of heritage sites	Number of heritage properties developed	5	5	5	5	5	5	4	5	3	3
Film Industry Support	Number of programs supported	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Forest rehabilitation	Number of plantations rehabilitated	N/A	N/A	N/A	N/A	1	1	1	1	N/A	N/A

CHAPTER 3

ECONOMIC ACTIVITY BY SECTOR

COMMENT ON LOCAL JOB OPPORTUNITIES

EMPLOYEES: Local Economic Development Services

Job level	2019/20	2020/21			
	No. of employees	No. of posts	No. of employees	Vacancies	Vacancies (as a % of total posts)
0 – 3					
4 – 6					
7 – 9					
10 – 12	3	3	3	0	0%
13 – 15	1	1	1	1	100%
16 – 18					
19 – 20					
Total	4	4	4	1	25%

Financial Performance Year 0: Local Economic Development Services

R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	2,347,181	2,967,719	2,967,719	904,773	31%
Repairs and Maintenance	-				
Other	13 252 614	11,666,450	11,666,450	8,996,870	78%
Total Operational Expenditure	15,599,795	14,634,169	14,634,169	9,901,643	68%
Net Operational Expenditure	(15,599,795)	(14,634,169)	(14,634,169)	(9,901,643)	(68%)

CHAPTER 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

There are community halls that were maintained and renovated by the municipality throughout Mphashe municipality and SMMEs which benefited through Mphashe supply and delivery incubator.

T3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

Mphashe has a competence for amenities and community facilities like halls, pounds, cemeteries, sports fields, ablution facilities, beaches, Early Childhood Development Centers, parks & public places and municipal offices.

Halls: - The municipality has been constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. Manganyela Community Hall Ward 20 is on construction will be completed 2021/22 FY and Dutch community hall Ward 21 has been completed during 2020/21 FY. These facilities are constructed through the use of MIG and once finished, they are owned, operated and maintained by the municipality. In all our units, there are halls (Town Hall, TRC halls and Multi-Purpose Centres).

Sports fields: - As is the case with the halls, these facilities are scattered throughout the Municipality, with some located in urban centres, whilst others are placed at ward centres. These facilities are poorly managed with no personnel attached to them.

Cemeteries: - Cemeteries are a competence of Mphashe municipality and our role is largely to plan, and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Cemeteries are currently categorized into urban and rural (communal and private). Historically, the Municipality is largely responsible for the management and operation of the urban cemeteries, whilst the rural communal cemeteries are the responsibility of the communities concerned. The private cemeteries in the homesteads become the responsibility of the family concerned. Currently all the urban cemeteries are fenced.

Beaches: - Mphashe is well endowed with a beautiful and wild coastline that covers certain parts of Gatyana and Xhorha. Certain parts of the coastline are used by the public for leisure, especially during Easter and summer holidays. As a result of that, there are some leisure facilities in the form of public toilets, showers, signage, braai areas and others that are managed and maintained from time to time.

Child care facilities: - The municipality constructed two ECDC's (Mngeka ECDC ward 10 & Botwe ECDC ward 11) to assist with the provision of shelter for pre grade R learners.

T3.52.0

CHAPTER 3

3.52 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.52.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

T3.52.2

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.52.4

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

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

T3.52.5

CHAPTER 3

Capital Expenditure Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.52.7

CHAPTER 3

3.55 CEMETORIES AND CREMATORIOUS

INTRODUCTION TO CEMETORIES & CREMATORIOUS

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.55.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIOUS

T3.55.2

CHAPTER 3

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.55.4

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

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

T3.55.5

CHAPTER 3

Capital Expenditure Year 1: Cemeteries and Crematoriums						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.55.6	

COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIALS OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.55.7

CHAPTER 3

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.56.1

SERVICE STATISTICS FOR CHILD CARE

T3.56.2

CHAPTER 3

CHAPTER 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

- In order to enforce the framework of Section 24 of the Constitution is the **National Environmental Management Act (Act 107 of 1998)**, which stipulates that everyone has the right:
 - to an environment that is not harmful to their health or well-being; and
 - to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that
 - prevent pollution and ecological degradation;
 - promote conservation; and
 - Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.

Mbhashe LM, has an Environmental Management Unit established under Community Services. The purpose of this unit is to oversee that Environmental Protection is practiced and Environmental Compliance is adhered to. This assist in equipping the municipality in promoting sustainability in all its practices.

- Removal of Alien Species
- Tree Planting in Community Halls
- Implementation of Coastal Management Plan
- Environmental Awareness Programs.

Removal of Alien Species

The municipality has conducted an Alien Eradication Project in 13 wards of Mbhashe Local Municipality, this programme was topped up by the funding from the Department of Economic Development, Environmental Affairs and Tourism by R 4 Million. This program has created jobs for 279 participants in all 13 wards.

Males (156)

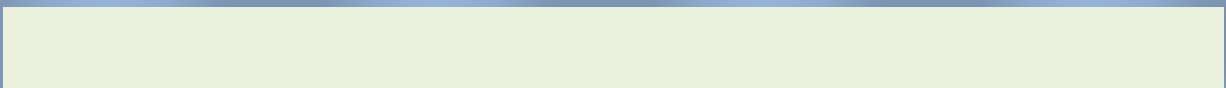
Females (123)

Youth (96)

Disabled (0)

Tree Planting in Community Halls

This financial year the greening programme has been focused on Community Halls around the Mbhashe region. Twenty two community halls have been planted, with indigenous species. This is one of the community halls planted.



CHAPTER 3

Implementation of Coastal Management Plan

The Blue Flag Status is one of the programs used to promote the Coastal Management. Blue Flag Programme is piloted in three sites within the municipality, Tenza, Qatywa and Xhora Mouth. However, Qatywa has been identified for the Green Coast Project since it does not succeed in the Blue Flag Criteria. Water Tests and Blue Flag Awareness's has been done under the theme of Coastal Safety and Pollution.

T3.59.0

3.59 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Delete Directive note once comment is complete – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.59.1

SERVICE STATISTICS FOR POLLUTION CONTROL

The types of pollution that are under the control of the unit ranges from river clean-up to coastal clean-up. An Air Quality Management Plan is still to be developed for issues pertaining air pollution, currently there is a climate change strategy that outlines the issues talking to air pollution e.g. Transport pollution & Car Emissions. Mbashe also have rural waste which is a form of controlling waste pollution around A nuisance By-law is in place to tackle noise pollution

T3.59.2

CHAPTER 3

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.59.4

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

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

T3.59.5

CHAPTER 3

Capital Expenditure Year 1: Pollution Control						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.59.6	

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.59.7

CHAPTER 3

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

There is overwhelming evidence that climate change will lead to a loss in Biodiversity. The predicted changes in the natural environment for South Africa include a reduction in the ranges of species by up to 80% as well as 30% of endemic species being increasingly vulnerable to extinction.

Projected changes to the Biomes within the Mbashe Municipality.

The three Biomes in Mbashe are Indian Ocean Coastal Belt, Grassland and Savanna (Mucina and Rutherford, 2010). Due to increasing temperatures and changes in trends of precipitation resulting from climate change, species richness may be reduced. In addition, the Grassland Biome is likely to be reduced in spatial extent, while the spatial area of the Desert Biome is predicted to increase (UNEP, 2011). The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of trees and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Possible responses to mitigate against the effects on the biodiversity and tourism sector:-

I. Awareness regarding the worth of utilising biodiversity to help in societal adaptation to the effects of climate change, needs to be increased

II. The establishment and expansion of protected areas needs to happen, as well as the creation of partnership to allow the effective management of areas which are not formally protected particularly those in the Grassland Biome.

T3.60.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

T3.60.2

CHAPTER 3

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.60.4

Financial Performance 2008/09: Bio-Diversity; Landscape and Other					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

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

T3.60.5

CHAPTER 3

Financial Performance Year 0: Environmental Management					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	
Expenditure:					
Employees	330,964	473,494	473,494	416,250	88%
Repairs and Maintenance					
Other	666,847	2,250,962	2,250,962	1,517,527	68%
Total Operational Expenditure	997,811	2,724,456	2,724,456	1,933,777	71%
Net Operational Expenditure	(997,811)	(2,724,456)	(2,724,456)	(1,933,777)	(71%)

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.60.7

CHAPTER 3

COMPONENT F: HEALTH

This component is provided by Department of Health.

3.62 CLINICS

This component is provided by Department of Health.

CHAPTER 3

CHAPTER 3

3.63 AMBULANCE SERVICES

The component is provided by Department of Health

CHAPTER 3

3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

The component is provided by Department of Health.

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The Law Enforcement section was established in 2016 with the purpose of enforcing the municipal by laws in all units of Mbhashe, the section is now fully functional. Our Law enforcement officers deal with the enforcement of By-laws and Traffic officers deal with the enforcement of road traffic act and criminal procedure act.T3.65.0

3.65 POLICE

This component is provided by Department of Correctional Services.

CHAPTER 3

CHAPTER 3

3.66 FIRE

This component is provided by the Department of Fire Services.

CHAPTER 3

CHAPTER 3

3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

This Disaster Management is performed in accordance with the legislative requirements in the Disaster Management Act. In terms of Section 46 the municipality co-ordinates its activities with those of the –

- (a) National Disaster Management Centre;
- (b) The Eastern Cape Provincial Disaster Management Centre; and
- (c) Amathole District Municipality's Disaster Management Centre

The Mbashe Local Municipality adopted the Disaster Management Plan during 2018/19 FY. The plan stipulates that the municipality is responsible for executing some obligations with regards to disaster in terms of the Disaster Management Act.

The Disaster Management Plan of the Local Municipality reflects:

- I. Compliance with the provisions of the Disaster Management Act.
- II. Alignment and integration with the current Integrated Development Plan (IDP).
- III. Assessment of risk and vulnerability of its communities and anticipate and prioritize disasters that are likely to occur in the municipality.
- IV. Place emphasis on measures that reduce risk and vulnerability of disaster-prone areas, communities and households.
- V. Identify areas, communities and households that are vulnerable and at risk.
- VI. Respect and use the indigenous knowledge relating to disaster management.
- VII. Promote disaster management research.
- VIII. Identify and address the weakness in capacity of the municipality to deal with possible disasters.
- IX. Facilitate maximum emergency preparedness

The following risks are identified as priority risks at Mbashe that will be addressed by risk reduction and preparedness planning as contained in the plan.

In the year 2019/20, the municipality also reviewed the Disaster Policy. The policy states different stakeholders involved in the disaster mitigation.

Mbashe Local Municipality uses the services of the Amathole District Municipality in the fire services; this is in terms of the assigned powers by the MEC for Local Government.

In the year 2019/20, the municipality was able to respond positively to all reported disasters in the area. In all these disasters; the municipality was the first point of call and response rate was high as officials and councilors were seen in the disaster struck areas within 24 hours. For most of the time; groceries were supplied where to all those affected by fire and storm where groceries were affected.

CHAPTER 3

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

T3.67.2

CHAPTER 3

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.67.4

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

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

T3.67.5

CHAPTER 3

Capital Expenditure Year 1: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.67.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.67.7

CHAPTER 3

COMPONENT H: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

The sport facilities are being maintained and supplied with Nets and Poles for Netball and soccer. We have parks at Xhorha and Dutywa and they are maintained on continuous basis. During 2019/2020, soccer and netball poles were installed in wards surrounding Xhora and Gatyana.

T3.68.0

3.68 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

T3.68.1

CHAPTER 3

CHAPTER 3

COMPONENT 1: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipality has the political stability which enables Council to oversight through its section 79 and 80 committees. The Mbashe municipality has two management teams a political and an administrative team. The political leadership is made up of Councillors and Traditional Leaders. The political leadership makes strategic and policy decisions. The administration is headed by the Municipal Manager assisted by senior managers in ensuring that the decisions taken by the council are implemented.

T3.69.1

CHAPTER 3

Financial Performance Year 1: The Executive and Council					R'000
Details	Year 0	Year 1			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.69.5

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Council Meetings

The Municipal Structures Act requires that council should meet at least once a quarter. Mbhashe Municipality has in the previous year exceeded this required. All the issues that hinges on the legislative provisions were performed to the full expectations of oversight structures.

Attendance to Council Meetings

Mbhashe Municipality boasts a very high record of attendance for all the council meetings convened for the year under review with most of the instances wherein councillors were unable to attend, apologies were tendered and approved.

All Party Whippery

Council has also provided for mechanisms for political entities to council to be able to find one another on an extended avenue made available through the office of the Chief Whip

Section 80 Committees

Section 80 committees are performing their functions very well. Their work assists council in dealing with the details in respect of the matters that are to be table before council for consideration, thus making the business of council less cumbersome.

Section 79 Committees

The Municipal Public Accounts Committee has been fully constituted and members were given the requisite training.

T3.69.7

CHAPTER 3

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by financial service during the year.

T3.70.1

Debt Recovery									R' 000
Details of the types of account raised and recovered	Year 0		Year 1			Year 2			
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %	
Property Rates									
Electricity - B									
Electricity - C									
Water - B									
Water - C									
Sanitation									
Refuse									
Other									
<i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i>									T3.70.2

Concerning T3.70.2

Delete Directive note once table is complete – The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1

CHAPTER 3

CHAPTER 3

CHAPTER 3

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.70.4

Financial Performance Year 1: Financial Services						R'000
Details	Year 0	Year 1				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
Total Operational Expenditure	195	732	750	744	2%	
Net Operational Expenditure	75	607	650	649	6%	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.70.5	

CHAPTER 3

Capital Expenditure Year 1: Financial Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.70.6	

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Management Services rendered by Mbashe aim to achieve the following:

1. Manage training and development initiatives
2. Recruit and hire new employees
3. Track and analyze employee performance and be able to provide feedback and guidance to the employee
4. Facilitate and moderate the employee-employer relationship.
5. Manage organizational and company culture for the successful functioning of each organization.
6. Create a safe and inclusive work environment
7. Oversee and manage benefits and compensation
8. Handle conflicts, disciplinary actions, and terminations

T3.71.1

CHAPTER 3

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

As per approved structure, as at 30 June 2020 there are 10 and two (2) are vacant

T3.71.2

Human Resource Services Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1
		Target	Actual	Target		Actual	Target
		*Previous Year		*Previous Year	*Current Year		*Current Year
Service Indicators		(iii)	(iv)	(v)	(vi)	(vii)	(viii)

To provide and enhance skills among the Councillors, Traditional Leaders, Ward Committees and Employees to ensure effective service delivery by 2022

<p><i>By up skilling employees and Councillors through formal and informal qualifications as per WSP and other funders (SETA, SALGA, TVET)</i></p>		<p>5 training interventions implemented as per approved WSP</p>	<p>5 training interventions implemented as per approved WSP</p>	<p>Computer Course (61) Occupational health and safety (15) Waste management (50) Supervisory management skills(28) Project Management (25) Hygiene cleaning(10)</p>		<p>Computer Course (61) Occupational health and safety (15) Waste management (50) Supervisory management skills(28) Project Management (25) Hygiene cleaning(10) Team Building(100) SAMTRAC(1) Municipal governance (3) Anti-fraud and corruption (44)</p>		
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CHAPTER 3

				<p>Team Building(100)</p> <p>SAMTRAC (1)</p> <p>Municipal governance (3)</p> <p>Antifraud and corruption(44)</p>		
		5 formal qualifications		<p>5 qualifications implemented for officials</p>	<p>8 qualifications implemented for officials(LLB(2), ND in Public administration & Management (1) ,Degree in Public Administration(6), and Honours in Public Administration(5)</p> <p>Post Grad in Public Admin(1)</p> <p>Diploma IN Metropolitan and traffic policing (1)</p> <p>Peace officers(4)</p> <p>Examiner of driving licence(6)</p>	<p>8 qualifications implemented for officials(LLB(2), ND in Public administration & Management (1) ,Degree in Public Administration(6), and Honours in Public Administration(5)</p> <p>Post Grad in Public Admin(1)</p> <p>Diploma IN Metropolitan and traffic policing (1)</p> <p>Peace officers(4)</p> <p>Examiner of driving licence(6)</p>

CHAPTER 3

						and traffic policing (1) Peace officers(4) Examiner of driving licence(6)		
				21 Unemployed Community programme	21 Unemploye d Community programm e	21 unemployed graduates were enrolled in an internship programme and placed in various departments	25 unemployed graduates participated in the programme	

CHAPTER 3

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	0
4 – 6	2	2	2	0	0
7 – 9	1	1	1	0	0
10 – 12	5	5	5	2	2
13 – 15	0	0	0	0	0
16 – 18	1	1	1	0	0
19 – 20	1	1	1	0	0
Total	10	10	10	2	2

R'000					
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	178 286.08	100 000.00	100 000.00	47 874.41	
Expenditure:					
Employees	3 021 874.90	5 390 943.00	5 390 943.00	3 570 204.61	
Repairs and Maintenance	5 473.76	6 135.00	6 135.00	7 242.42	
Other	1 879 200.68	3 820 779.00	3 942 579.00	5 594 714.60	
Total Operational Expenditure	4 906 549.34	9 217 857.00	9 339 657.00	9 172 161.63	
Net Operational Expenditure	-4 728 263.26	-9 117 857.00	-9 239 657.00	-9 124 287.22	

Capital Expenditure Year 0: Human Resources					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value

CHAPTER 3

Total All	800,000	800,000	582,676	27%	800,000
Computers and Printers	50,000	50,000	24,370	51%	50,000
Office Furniture & Equipment	50,000	50,000	1,320	97%	50,000
Vehicles	700,000	700,000	556,986	20%	70,000

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Assessment of employees on Individual PMS is conducted. During the feedback sessions, the employee and supervisor discusses the employee's progress towards goal completion and any support needed. Mbashe LM recruited 279 employees through recruitment and selection processes. Employee development is a universally recognized as a strategic tool for an organization's continuing growth, productivity. As Corporate Services, we have managed to submit Work Place Skills Plan to LGSETA for 2021/22. The development plan is align with the organization's goals, showing skills that the employee requires and how they can go about acquiring them. Employees at all levels embarked at training in different training skills program. Council approved the Employment Equity Plan in December 2019 and Employment Equity report submitted to the Department of Labour.

T3.71.7

CHAPTER 3

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Information and Communication Technology to make sure alignment of ICT strategy with a well-defined business strategy that is supported by clearly documenting business processes and translates the business vision, the municipal structure and behaviour of the municipality including its information systems into a strategic roadmap. Ensuring that ICT delivers against the strategy through clearly defined expectations and measurement. Directing ICT strategy to balance investments between systems that support the enterprise as-is, as well as transform ICT capabilities to enable the business to grow and support new programs and/or directives. Making deliberate decisions about the focus of ICT resources, including personnel, contracted services, hardware, software assets and and ICT risks are mitigated.

Implement ICT service strategy which is a plan of action to create an information technology capability for maximum, and sustainable value for an organization which helps to create shareholder value, that is, it helps maximize return on IT investments. Oversee the stability of business systems and network infrastructure within the organization, which require constant performance monitoring. Set institution-wide standards for software configurations and implementation guidelines in line with Policies and Procedure Manuals. Ensure maximized uptime, performance optimization, and full utilization of ICT resources and implementation of security measures & electronic data operations. Co-ordinates tasks/activities associated with the provision of End User support and analyses, diagnoses and resolves software/ hardware related problems.

Everything implemented is in line with Fourth Industrial Revolution and comply with all legislation and ICT governance.

T3.72.1

SERVICE STATISTICS FOR ICT SERVICES

T3.72.2

CHAPTER 3

ICT Service Policy Objectives Taken From IDP								
Service Objectives	Service Objectives	2017/18		2018/19				2019/20
		Target	Actual	Target		Actual	Target	
Service Indicators	Service Indicators	*Previous Year		*Previous Year	*Current Year	*Previous Year		*Previous Year
(i)	(i)	(iii)	(iv)	(v)	(vi)	(iii)	(iv)	(v)
To ensure an integrated, stable and responsive ICT infrastructure driving 4IR by June 2022.								
Review ICT policies	Reviewed ICT policies							11
Review ICT Governance Framework	Reviewed ICT governance framework							1
Review ICT Governance Charter	Review ICT Governance Frameworks							1
Review Disaster Recovery – Business Continuity Plan	Reviewed Disaster Recovery – Business Continuity Plan							1
Review ICT Strategic Plan- ICT Master Plan	Reviewed ICT Master Plan							1
Review ICT Service Strategy	Reviewed ICT Service Strategy							1
New ICT Acceptance Use Policy	Developed ICT Acceptance Use Policy							1

CHAPTER 3

CHAPTER 3

Employees: ICT Services					
JOB LEVEL	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	10	10	10	0	0%
4-6	10	10	10	2	20%
7-9	1	1	1	1	100%
10-12	3	3	3	0	0%
13-15	0	0	0	0	0%
16-18	1	1	1	0	0%
19-20	0	0	0	0	0%
Total	25	25	25	13	52%

Capital Expenditure Year 0: ICT Services						R'
Capital Projects	Year 0					Total Proj. Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	2 150 000	2 200 000	804 383			2 200 000
Network Infrastructure on Municipal offices	R 150 000.00	R 147 419.00	R 136 149.00	R 11 269.94		
VPN (Virtual Private Network), WiFi (Wireless Fidelity) and VoIP (Voice Over Internet Protocol)	R 2 000 000.00	R 2 000 000.00	R 437 706.65	R 1 562 293.35		
Maintenance of ICT Equipment						
Website management	R 50 000.00	R 120 000.00	R 94 260.00	-R 44 260.00		
Computers	R 500 000.00	R 500 000.00	R 442 180.19	R 51 773.29		
Disaster Recovery site establishment	R 2 500 000.00	R 2 500 000.00	R 250 013.24	R 2 194 396.76		

CHAPTER 3

ICT License Renewal	R 300 000.00	R 300 000.00	R 114 323.08	R 182 095.08
Council Chamber Recording System	R 1 000 000.00	R 1 000 000.00	R 660 945.61	R 277 791.39
Registry Management	R 200 000.00	R 200 000.00	R 173 082.61	R 26 917.00
Printers	R 1 500 000.00	R 1 500 000.00	R 485 426.42	R 1 008 133.58
Traffic Management System	R 400 000.00	R 400 000.00	R0	R 400 000.00

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Information Communication Technology section made sure that they manage the stability of business systems and network infrastructure within the organization, which required constant performance monitoring.

The municipality is still busy with processes to upgrade Virtual Private Network and Internet connection that gives access to municipal systems and network in all municipal offices, Voice over Internet Protocol Telephone system across municipal offices to enhance communication internal and with outside stakeholders and also including WiFi connection for Mbashe employees and citizens at last using municipal buildings as hot spot.

Municipal financial system, HR and Payroll systems are mSCOA compliant as per National treasury requirements, New network cabling infrastructure for satellite offices, Upgraded municipal website with constant maintenance,

Reviewed Disaster recovery- Business Continuity Plan, ICT Governance Framework, ICT Governance charter, ICT Policies and Procedure manuals. Developed new ICT Master Plan and ICT Service Strategy to enhance ICT services to municipal ICT end users.

ICT Steering Committee TOR reviewed and new appointments made and was established to enhance ICT performance. System trainings attended by ICT employees to enhance their skills. 2 Vacant positions will enhance ICT services across all sites once they are filled.

Upgraded server room infrastructure and it complies with standards. Upgraded email solution to meet all current municipal needs and to comply with Governance.

T3.72.7

CHAPTER 3

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Property in this context refers to land and buildings (immovable properties). Owners of the immovable property in the municipality are the following:-

- 1) Communal under traditional leadership
- 2) Privately owned properties
- 3) Government owned properties (DRDLR and Department of Public Works)
- 4) Municipal owned properties

The municipal valuation roll is used as database where all properties registered on the deeds office are kept. The latest valuation was updated in 2020 and supplementary valuation rolls done in every year thereafter. The municipal valuation roll for the third cycle was supposed to start beginning of July 2019 for implementation but there were issues with rate payers and the municipality was unable to implement as per the approved valuation project plans and we have applied for condemnation from MEC.

The municipality also leases land to individuals and SMMEs with the purpose of uplifting and promoting private sector investment. In 2020/21 financial year, the municipality has improved in the internal controls with regard to leases. The lease policy has been adopted by council; more lease agreements have been signed and the collection rate on leases has improved. The municipality has lease register that is updated on a yearly basis. A land audit has been done to verify all properties within the Mbashe LM jurisdiction. T3.73.1

SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.2

CHAPTER 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)		*Previous Year (v)	*Current Year (vi)		*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									T3.73.3

CHAPTER 4

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

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

**Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.73.4

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

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

T3.73.5

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Municipal properties include community facilities, social facilities, residential and investment properties. The municipality budgets and maintains the properties every financial year to keep them in a good condition.

Investment properties contribute on revenue collection through rentals from various leased properties. In the 2020/21 financial year there was a verification of all existing leases which resulted in identification of previously unaccounted leases which resulted in an increase of 41 to 100 leases which include billboards, vacant land and municipal owned buildings. The leasing of properties has a potential to increase revenue for the municipality. Delete

CHAPTER 4

T3.73.7

COMPONENT J: MISCELLANEOUS

MUNICIPALITY DOES NOT HAVE AIRPORT, ABATTOIRS, MUNICIPAL COURTS AND FORESTRY.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

SECTION A1: SERVICE DELIVERY PERFORMANCE FOR 2020/21

A1.1: SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE RESULTS

SECTION A1: SERVICE DELIVERY PERFORMANCE FOR 2020/21

A1.1: SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE RESULTS

DETAILED PERFORMANCE

Unacceptable	1	66% and below
KPI not fully effective	2	67% - 99%
KPI Fully effective	3	100-132%
Significantly above expectations	4	133% - 159%
KPI's outstanding	5	160%

CHAPTER 4

SUMMARY OF PERFORMANCE PER KEY PERFORMANCE AREAS (KPAs)

KEY PERFORMANCE AREAS	TOTAL NO OF KPA'S	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	% Achieved 2020/21 FY	% Achieved 2019/20 FY	VARIANCE
MTI	17	1	0	12	2	2	94%	25%	69%
SDI	29	3	7	16	3	0	90%	74%	16%
LED	20	2	0	16	1	1	90%	80%	10%
MFV	14	0	1	11	0	2	100%	57%	43%
GGP	40	1	3	34	1	1	98%	62%	36%
TOTAL NO OF KPA'S	120	7	11	89	7	6	94%	61%	33%

CHAPTER 4

8. SUMMARY OF PERFORMANCE PER KPI'S

DEPARTMENTS	TOTAL KPI	RATING 1	RATING 2	RATING 3	RATING 4	RATING 5	% Achieved 2020/21 FY	% Achieved 2019/20 FY	VARIANCE
Corporate Services	22	0	0	18	2	2	100%	14%	86%
Infrastructure	30	5	5	16	3	1	83%	68%	15%
Community Services	13	0	1	12	0	0	100%	40%	60%
Developmental Planning	42	2	1	37	1	1	95%	75%	20%
BTO	15	1	0	11	1	2	93%	86%	7%
Operations	25	1	1	22	1	0	96%	70%	26%
Total No of KPI's	147	9	8	116	8	6	94%	59%	35%

CHAPTER 4

CHAPTER 1

DETAILED PERFORMANCE INFORMATION 2020/21 FINANCIAL YEAR

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
KPA 1: MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT												
To provide and enhance skills among the Councilors, Traditional Leaders, Ward Committees, unemployed youth and Employees to ensure effective service delivery by 2022	By up skilling employees and Councilors through formal and informal qualifications as per WSP and other funders (SETA, SALGA, TVET)	Study Assistance	Number of formal /informal qualifications registered as per approved skills development plan (WSP,SETA, SALGA and TVET)	MTI 1.1	5 formal qualifications and 7 informal qualifications registered as per approved skills development plan (WSP,SETA, SALGA and TVET) R370 000	8 Proof of registration for formal qualifications as follows: C. Cakata, M. Mgweba, L. Mrhwebi, M. Ziwani, V. Nqanda, B. Hanise, S. Ntshinga, D. Sihlahla, N. Tshemese	10 Formal and 8 Informal however it should be noted that sign language and computer training was not done as per the approved SDBIP.	4	4	1. There were additional funds received from TETA seta hence there were more formal qualifications. 2. The sign language and computer training was not done due to non-responsiveness of service providers.	The sign language and computer training will be done in the 4 th quarter of 2021/22 FY.	SM Corporate Services

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Unemployed youth, women and other groups.	Number of learners participating in internship and learnership programs (Youth, women and people living with disability)	MTI 1.2	21 learners participating in internship and learnership programs (Youth, women and people living with disability) R997 500	23 learners participating in internship program as illustrated in the report signed by SM and list of learners generated from the system.	21	3	3	N/A	N/A	SM Corporate Services
To attract, retain human capital of Mphashe that will ensure effective and efficient service delivery by 2022	By reviewing organizational structure	Organogram Review	Number of Organogram submitted to Council	MTI 2.1	1 Organogram submitted to Council R0	Input report for the number of new posts that should be included in the organogram signed by SM	1	3	3	N/A	N/A	SM Corporate Services
	By maintaining	Recruitment and Selection	Number of employees	MTI 2.2	26 employees recruited in	3 Appointment	36	5	5	The council resolved to internalize	N/A	SM Corporate Services

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	a low vacancy rate		recruited in 2020/21		2020/21 FY R400 000	letters as follows: Agricultural officer dated 18/09/2019, PMU Technician dated 18/09/2019 and Executive Secretary to SM Operations dated 3 July 2019				security so 25 security officers were appointed.		
	By organizing/coordinating assistance programs for Councilors, Traditional Leaders and Employees.	Wellness programmes organized/coordinated	Number of wellness programs organized/coordinated	MTI 2.3	1 Wellness programs organized/coordinated R325 000	2 wellness programs organized as follows: Report signed by SM and attendance register dated	2	5	5	The municipality planned to have one wellness programme on GBV, we discovered that there's dire need for building sound relations within the	N/A	SM Corporate Services

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						23/07/2019 and Report signed by SM with attendance register dated 12/12/2019				employees as they were poor. So team building sessions were organized as part of wellness programmes.		
To ensure monitoring and evaluation of IDP to improve institutional performance by 2022	By coordinating performance reporting, monitoring and evaluation	Performance Management	Number of consolidated institutional reports on Individual performance submitted to Senior Management	MTI 3.1	4 consolidated Institutional Reports on individual performance submitted to Senior Management RO	3 reports illustrating that assessment was not done and all the necessary documents were submitted to departments but there were no submissions made to HR	4	3	3	N/A	N/A	SM Corporate Services

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By improving performance through monitoring and evaluation of reports	Institutional Performance Management	Number of quarterly organizational performance assessment reports submitted to Council	MTI 3.2	6 quarterly organizational performance assessment reports submitted to Council R0	6 performance reports submitted to Council as follows: 4 th Q performance report 2018/19 FY, APR 2018/19 FY, 1 st Q, 2 nd -Q, 3 rd Q and Mid-year 2019/20 FY and Council agendas dated as follows: 29/01/2020, 31/07 2019, 28/08/2019, 30/10/2019.	6	3	3	N/A	N/A	SM Operations

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By developing annual report	Annual Report development	Turnaround time for the submission of 2019/20 final and audited annual report submitted to AG, Provincial Treasury, National Treasury, COGTA and Provincial Legislature	MTI 3.3	2019/20 Annual report submitted to AG by 31 August 2020 and to Provincial Treasury, National Treasury, COGTA and Provincial Legislature R122 500	2018/19 Annual report	2019/20 Annual Report	3	3	N/A	N/A	SM Operations
To create conducive working environment for employees by 2022	By complying with labour related Legislations	Compliance with Legislation	Turnaround time to submit compliance reports (COIDA, Employment Equity, WSP) to Department of Labour & LGSETA	MTI 4.1	Submission of 3 compliance reports (COIDA, Employment Equity and WSP) to Department of Labour and LGSETA (EE-	1 st , 2 nd and 3 rd quarter reports signed by SM however during Q4 the target was not met as the compliance	3	3	3	N/A	N/A	SM Corporate Services

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					Plan by 31st March 2021) and WSP by 31st May 2021 LGSETA (COIDA by 30th June 2021) R1 500 000	reports were not submitted to Department of Labour.						
	By maintaining Municipal facilities	Maintenance of municipal facilities	Number of municipal facilities maintained (Dutywa TRC, Dutywa Town Hall, Executive House, Dutywa Main building, Staff accommodation, Gatyana municipal facilities, Xhorha municipal facilities,	MTI 4.2	10 municipal facilities maintained (Dutywa TRC, Dutywa Town Hall, Executive House, Dutywa Main building, Staff accommodation, Gatyana municipal facilities, Xhorha municipal	3 Municipal facilities maintained as follows: Workshop door lock set which was damaged with pictures of its maintenance, Willowvale municipal building a door which was painted,	8	2	2	Craft center and Dutywa workshop was not done, the purchase orders were issued to the service provider to commence with duties but could not complete the work before the end of the financial year.	Craft Center and workshop at Dutywa will be achieved in the 1 st quarter of 2021/22 FY.	SM Developmental Planning

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Workshop offices, customer care building and craft center)		facilities, Workshop offices, customer care building and craft center) R2 300 000	replacement of skirting and door locks with pictures and at TRC hall fixing of door with pictures.						
		Drawing plans for all municipal buildings	Number of developed and approved Municipal drawings for the Willowvale and Xhora Offices	MTI 4.3	2 developed and approved municipal drawings for the Willowvale and Xhora Offices R150 000	Report signed by SM illustrating that drawings were referred back to the consultant to amend certain areas and therefore they were not approved. Copy of Municipal drawing	2	3	3	N/A	N/A	SM Developmental Planning

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Installation of generators	Number of generators installed at (Xhorha, Gatyana and TESKO)	MTI 4.4	3 generators installed at (Xhorha, Gatyana and TESKO) R400 000	Variance form signed by SM	0	1	1	The project was advertised and there was no responsive bidder. However the order was eventually issued but the service provider indicated that generators are in demand and cannot get them on time.	The target will be achieved in the 3 rd quarter of 2021/22 FY.	SM Developmental Planning
	By providing alternative water supply to municipal facilities	Water supply	Number of municipal facilities provided with water tanks at (Dutywa Town Hall-2, Gatyana -1 and Xhora -1 municipal facility, Staff accommodation	MTI 4.5	6 municipal facilities provided with 7 water tanks at (Dutywa Town Hall-2, Gatyana -1 and Xhora -1 municipal facility, Staff accommodation	0	6	3	3	N/A	N/A	SM Developmental Planning

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			-1, TESKO-1 and White House -1)		on-1, TESKO-1 and White House -1) R1 500 000							
To ensure an integrated, stable and responsive ICT infrastructure by 2022	By ensuring Business Continuity through disaster recovery	Disaster Recovery site establishment	Number of backup reports on the functionality of disaster recovery	MTI 5.1	4 backup reports on the functionality of disaster recovery R3 950 000	Advert for the tender dated 12 June 2020 and BAC report.	4	3	3	N/A	N/A	SM Corporate Services
			% recovery of backed up information	MTI 5.1.1	100% recovery of backed up information	Advert for the tender dated 12 June 2020	100%	3	3	N/A	N/A	SM Corporate Services
To ensure maximum use of Registry in records management by 2022	Reviewal of the Institutional File Plan	Registry management	Number of reviewed and amended File Plan	MTI 6.1	1 Reviewed and amended File Plan R210 000	N/A	1	3	3	N/A	N/A	SM: Corporate Services

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure Disposal of Ephemeral records by 2022	Application for disposal authority	Disposal of Records	Number of submitted disposal request to Provincial Archives for approval	MTI 6.2	3 disposal request submitted to Provincial Archives for approval R0	N/A	3	3	3	N/A	N/A	SM: Corporate Services
KPA 2: SERVICE DELIVERY AND INFRASTRUCTURE 40%												
To develop, maintain and upgrade quality infrastructure by 2022	By constructing new access roads to key basic services and amenities.	Construction of new gravel roads	Number of kms of new gravel roads constructed in each ward (2,4,12,14)	SD 1.1	5 kms of new gravel roads constructed in each ward (2,4,12,14) R13156673	13.5km	5km constructed at ward 14 and earthworks, roadbed and wearing course completed at ward 2,4 & 12	2	2	Ward 2, 4, & 12 were not done due to Delays in re-advertisement of projects	The projects will be completed on 1 st quarter of 2021/22	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Completion of existing gravel roads (Multi year project from 19/20)	Number of km's of gravel roads completed in ward 26	SD 1.1.1	2km's of gravel road completed in ward 26 R5063739	14.7km and Practical Completion certificate for W16	5km	3	3	The scope of work that were left for 2km was clear and grub, tipping and processing of pavement layers and finishes, 2 km of gravel road took long to be completed because of the bridge which was waiting EIA approval. Municipality was instructed by the DEDEA not work 1km of each side of the river until the EIA approval. The plant machinery could not cross the river as there was no access, bridge had to be	N/A	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										constructed first, then construct the remaining 2km. each side of the road (1km)		
		Completion of existing gravel roads (Multi year project 20/21)	Number of km's of gravel roads completed in each ward (wards - 17,7,25,28)	SD 1.1.2	5km's of gravel roads completed in each ward (17,7,25,28) R12820397	N/A	19.5km's Ward 7-5km Ward 17-5km Ward 28-5km Ward 25-4.5km	2	2	At ward 25 there were 4.5km's done versus 5km's that was planned.	The 0.5km's will not be done because the assessment that was done showed that the road is 4.5km's.	SM: Infrastructure
		Construction of bridges	Number of Bridges constructed at ward 19 Xhora Mouth	SD 1.1.3	1 Bridge constructed at Ward 19 Xhora Mouth R 2400000	N/A	Site establishment @100%, Ductile Iron Piling-100%, Pilling-100%, Pill Caping-100%, Steel reinforcement for abutments-	2	2	The appointed Service provider could not come to SA due to Covid-19.	The installation of bridge will be done in the 1 st quarter of 2021/22 FY.	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
							100%, Concrete works-100%					
	By maintaining gravel roads and storm water facilities	Gravel road maintenance	Number of kms of gravel roads with storm water facilities maintained in each unit (Gatyana, Xhorha and Dutywa)	SD 1.2	100 kms of gravel roads with storm water facilities maintained in each Unit (Gatyana, Xhorha and Dutywa) R 14379295	320,7km	Dutywa-166.7km's Gatyana-144.4km's Xhorha-102.8km's	4	4	Infrastructure services utilized backup services contract to hire machines to assist in-house teams to attend to infrastructure heavy maintenance as to cover more scope of works with quality	N/A	SM: Infrastructure
	By upgrading of storm water culverts and channels	Installation of storm water facilities	Number of storm water culverts and channels upgraded in each unit (Gatyana,	SD 1.3	3 storm water culverts in each unit and 2 channels upgraded in each unit	5km	Gatyana-21 Xhorha- 9 Dutywa-10	4	4	There were more resources available through hiring of an extra machinery to assist	N/A	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Xhorha and Dutywa)		(Gatyana Xhorha and Dutywa) R 600000					intrenching for pipes culverts and material was all delivered as planned hence there is more work done		
	By maintaining surfaced roads	Surface roads maintenance	% of surfaced road maintained as per the assessment report (wards 1,13,25)	SD 1.4	100% of surfaced road maintained as per the assessment report (wards 1,13,25) R 2000000	20	100%	3	3	N/A	N/A	SM: Infrastructure
	By paving square meters in identified areas	Paving	Number of square meters of roads paved at (wards 1,13,25)	SD 1.5	4000m2 of roads paved at (wards 1,13,25) R 4200000	11,7km	Ward 13-1000m2 Ward 25-1000m2 Ward 1-4000m2	4	4	More contractors were sourced from panel to construct paving and also additional budget was	N/A	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
										allocated for paving.		
	By providing grid or non-grid energy to qualifying households	Shixini and Ntsimbakazi electrification projects	Number of households assisted with provision of grid or alternative energy at (ward 24,27)	SD 1.6	360 households assisted with grid or alternative energy at (ward 24,27) R 6480000	360	360	3	3	N/A	N/A	SM: Infrastructure
		Continuation of 19/20 projects	Number of households assisted with provision of grid or alternative energy at (ward 14,27)	SD 1.6.1	658 households assisted with provision of grid or alternative energy at (ward 14,27) R 10877974	N/A	208	1	1	Service provider not adhering to set the timeframes on the project plan	Municipality has committed all the outstanding material from suppliers and revised the plan of the contractor to complete the project before August 2021	SM: Infrastructure
	By upgrading street lights in all towns	Upgrading of street lights in Xhorha	Number of street lights upgraded	SD 1.7	40 street lights upgraded in	68	0	1	1	The project was delayed due to non-responsive of bidders	Revise program of works and fast track construction and project will be	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			in Xhorha		Xhorha R 1840000						completed in 2 nd quarter of 2021/22	
	By maintaining street lights in all towns	Maintenance of street lights	% of street lights maintained as per the assessment report (Wards 1,13,25)	SD 1.8	100% street lights maintained as per the assessment report Wards 1,13,25) R 2000000	100%	100%	3	3	N/A	N/A	SM: Infrastructure
	By constructing sport facilities	Construction (Continuation) of sports facilities at ward 25	Number of Sport facilities constructed in ward 25	SD 1.9	1 Sport facility constructed ward 25 R6 345 387.18	0 (Grand stand is @55%, Parameter drain channel 90%, guard house & ticket facility 100%, parking area 100%, storm water drainage 75%, netball court 15%,	Site establishment, site clearance at 100%, grand stand 82% perimeter drain 95%, guard house & ticket facility 98.5%, netball court 70%, tennis court 70%,	2	2	Delays due to late delivery of material	The target will be achieved by end of 2 nd Quarter 2021/22 financial year	SM: Infrastructure

CHAPTER 4

STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						tennis court 20%, grass soccer pitch 75% and with pictures).	grass soccer pitch 70%, athletic 73%)					
		Construction of sport facilities ward 13	Number of Terms of Reference developed for ward 13 sport facility	SD 1.9.1	Developed TOR for ward 13 sport facility R3273926	Technical report signed by consultant (Iqhayiya design workshop) and SM	1	3	3	N/A	N/A	SM: Infrastructure
		Construction of sport facilities ward 1	Number of Terms of Reference developed for ward 1 sport facility	SD 1.9.2	Developed TOR for ward 1 sport facility R 2996104	N/A	1	3	3	N/A	N/A	SM: Infrastructure
	By constructing community halls	Construction of Dutch community halls ward 21	Number of community hall completed in ward 21	SD 1.10	1 Community hall completed in ward 21 R 1577587	1 steel structure installed	1	3	3	N/A	N/A	SM: Infrastructure

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		Construction of Manganyela community halls ward 20	Number of steel structure installed at ward 20 community hall	SD 1.10.1	1 steel structure installed at ward 20 community hall R 3493136.12	N/A	1	3	3	N/A	N/A	SM: Infrastructure
	By maintaining community halls	Maintenance of community halls	Number of community halls maintained as per the assessment report at ward 1, 25 & 13	SD 1.11	34 community halls maintained as per assessment report at ward 1, 25 & 13 R3500000	2	30	2	2	Other Service providers did not execute the work within the set time frame as a result orders were cancelled siting financial capital to start the projects.	The target will be achieved in the 4 th quarter of 2021/22 FY after budget adjustment has been done.	SM: Developmental Planning
	By Constructing municipal offices	Construction of municipal offices	Number of municipal offices constructed at ward 1	SD 1.12	1 municipal office constructed at ward 1 R9 481 320.00	1	Foundation & superstructure @ 100%, Floor Covering @75% and	2	2	Outstanding are finishing's (Windows, doors, partitioning, carpentry,	The outstanding work will be completed by first quarter of 2021/22 FY	SM: Infrastructure

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							Plastering @99%			plumbing and electricity)		
	By Maintaining public ablutions	Maintenance of public ablution facilities	Number of ablution facilities maintained in each unit (Dutywa, Gatyana and Xhorha)	SD 1.13	1 ablution facility maintained in each unit (Dutywa, Gatyana and Xhorha) R350000	1 (ablution facility done at Dutywa).	3	3	3	N/A	N/A	SM Developmental Planning
	By constructing /maintaining ECDCs	Construction of ECDC's	Number of ECDCs constructed at Ward 11 Botwe and ward 10 Mngeka	SD 1.14	2 ECDCs Constructed at Ward 11 Botwe and ward 10 Mngeka R 1767203	1	2	3	3	N/A	N/A	SM Infrastructure
		Maintenance of ECDC's	Number of ECDCs maintained in Xhora, Gatyana and Dutywa	SD 1.14. 1	1 ECDC maintained in each unit Xhorha, Gatyana &	1	1	1	1	One ECDC maintained which is Ngxakaxa ECDC. The other two ECDC's were not done due to	The costing of the two outstanding ECDC's will be done in the 4 th quarter.	SM Infrastructure

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					Dutywa R55 734.00					budget constraints.		
	By constructing transfer station	Dutywa transfer station	Number of transfer stations constructed at Ward 9	SD 1.15	Practical completion certificate for ward 9 transfer station R 2721645	1	1	3	3	N/A	N/A	SM: Infrastructure
	By upgrading landfill site	Upgrade of Xhorha landfill site	Number of site establishment completed at Xhorha ward 13	SD 1.16	1 Site Establishment completed at Xhorha ward 13 R1 197 762.40	1	Cell preparation and drainage	1	1	Contract of the contractor was terminated due to poor performance. Also it was advised by the department of Environmental Affairs that the rehabilitation is premature.	The response from the department of Environmental Affairs will determine what needs to be done.	SM: Infrastructure

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	By accessing the economic infrastructure	LED Infrastructure	Number of reports conducted on the assessment for LED Infrastructure ward 2-32	SD 1.17	4 reports conducted on the assessment for LED Infrastructure ward 2-32	4	4	3	3	N/A	N/A	SM: Developmental Planning
To provide effective and affordable services to the community by 2022	By providing quality waste management services	Waste management services	Number of households serviced	SD 2.1	60124 households serviced R2700000	60124	60124	3	3	N/A	N/A	SM Community Services
	By providing quality sea rescue services during peak season (October to April)	Mbhashe rescue services	Number of beaches provided with life rescue services during peak seasons at ward 19 (2), 20 (2), 21(2), 22,29, 32(2)	SD 2.2	10 beaches provided with life rescue services during peak seasons (Wards 19 (2), 20 (2), 21(2), 22,29, 32(2) R300000	1	9	2	2	Ward 29 beach (Dwesa) was not provided with life rescue services due to COVID 19 as it is in a protected area (Nature Reserve)	There is no remedial action needed as the target is seasonal.	SM: Developmental Planning

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To facilitate the development of sustainable and viable human settlements by 2022	By facilitating the provision of appropriate houses to destitute households	Facilitation of informal settlements	Number of informal settlements upgraded at Dutywa (W9) and Gatyana (W25)	SD 3.1	2 Informal settlements upgraded at Dutywa (W9) and Gatyana (W25) R1000000	2	2	3	3	N/A	N/A	SM Developmental Planning
	By developing layout plans for the purpose of an intergraded Human Settlement Development	Township establishment	Number of layout plans developed at Ward 1,25	SD 3.2	2 layout plans developed at (ward 1 & 25) R1000000	2	2	3	3	N/A	N/A	SM Developmental Planning
KPA 3: LOCAL ECONOMIC DEVELOPMENT 20%												
To promote agrarian reform and	By providing assistance to emerging	Crop production, stock	Number of programs implemented to	LED 1.1	2 programs implemented to assist	44	2	3	3	N/A	N/A	SM Developmental Planning

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increase food security to emerging farmers by 2022	farmers in primary production	improvement, Shearing Shed and fencing material	assist emerging farmers (Crop production and stock remedy) at (Ward 2 - 32)		emerging farmers (Crop production and stock remedy) ward 2-32 R3 200 000							ntal planning
	By capacitating farmers to meet quality and safety requirements	Agricultural information days	Number of agricultural information days held for farmers in three units (Gatyana, Dutywa, Xhorha)	LED 1.2	10 agricultural information days held for farmers at Gatyana, Dutywa, Xhorha R200 000	10	12	3	3	There were more requests received from farmers associations hence there were two additional information days done. Also financial support was from sector departments hence it was easy to do some of information days.	N/A	SM Developmental planning

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To ensure use of agricultural value chain to stimulate local economic development in deprived areas by 2022	By encouraging value chain and value addition through support given to emergent enterprises and high value crops	High Value Crops (Ligwa Moringa)	Number of High Value Crop enterprises supported with agricultural inputs and tools of trade as per approved business plan(Ligwa Moringa))	LED 2.1	1 High Value Crop enterprise supported with agricultural inputs and tools of trade as per approved business plan(Ligwa Moringa) R250 000	1	1	3	3	N/A	N/A	Developmental planning
To reduce poverty and unemployment through viable and sustainable job creation strategies by 2022	By facilitating short term employment through EPWP projects implementation	EPWP	Number of participants on short term employment opportunities (EPWP and CWP)	LED 3.1	700 participants on short term employment opportunities (EPWP) R4147000	892	763	3	3	N/A	N/A	SM Community Services

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	By facilitating the short and long term employment as per the economic sectors (agriculture, tourism, community services and infrastructure	Job creation	Number of participants on the short term employment initiatives as per the economic sectors (agriculture, tourism, community services and infrastructure	LED 3.2	20 short term and 5 long term employment opportunities created as per the economic sectors in agric, tourism, community services and infrastructure R0	N/A	7 short term and 13 long	3	3	N/A	N/A	SM Developmental Planning
To encourage investment through viable investment strategies by 2022	By promoting investment	Investment brochure	Number of marketing tools for profiling agricultural, tourism and marine, mining, and land development opportunities	LED 4.1	2 marketing tools developed for profiling agricultural, tourism and marine investment opportunities R100 000	Investment broacher for agricultural tourism and CD for investment opportunities	2	3	3	N/A	N/A	SM Developmental Planning

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			investment opportunities									
To develop and capacitate enterprises by 2022	By assisting with development of economic infrastructure	hawker stalls	Number of hawker stalls installed at Dutywa, Xhorha and Gatyana	LED 5.1	60 hawker stalls installed at Dutywa, Xhorha and Gatyana R150 000	0	0	1	1	Hawker stalls were not delivered by 30 th of June 2021 hence there was no installation done.	The municipality is engaging with the service provider to deliver and installation will be done in the 2 nd quarter of 2021/22	SM Infrastructure & SM Developmental planning
	By facilitating rehabilitation of municipal or state properties	Municipal assets	Number of municipal properties assessed in each ward 1,13 & 25	LED 5.2	1 municipal property assessed in each ward (1,13 & 25)		3	3	3	N/A	N/A	SM Developmental Planning
		State properties	Number of state properties acquired in each unit in Dutywa, Xhora and Gatyana	LED 5.3	1 state property acquired in each unit in Dutywa,		3	3	3	N/A	N/A	SM Developmental Planning

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					Xhora and Gatyana							
	Capacitation and support of all forms of SMME's	SMMES support	Number of SMME's supported with tools of trade/trainings as per approved concept plan (Dutywa, Gatyana and Xhorha)	LED 5.4	50 SMME' s supported with tools of trade/trainings as per approved concept plan (Dutywa, Gatyana and Xhorha) R800 000	40	50	3	3	N/A	N/A	SM Developmental Planning
	Support of local SMMES through procurement		% of the Mbhashe budget to be allocated to SMMES	LED 5.5	30% of the Mbhashe budget to be allocated to SMMES R69292847	100%	(R82 461 056.3/R69292 847 x 100=119%)	5	5	There were more opportunities for local SMMES due to incubation programmes which are Supply and delivery incubation, facilities incubation and infrastructure	N/A	SM Developmental Planning

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										incubation that are there to promote our local SMMEs.		
	By conducting and hosting roadshows		Number of roadshows conducted for SMMEs as per approved concept plan in (Dutywa, Xhorha, Gatyana)	LED 5.6	4 roadshow conducted as per approved concept plan in (Dutywa-2, Xhorha-1 & Gatyana-1) R0	3	4	3	3	N/A	N/A	SM Developmental Planning
To unlock opportunities and transform marine economic sector by 2022	By supporting marine economic activities.	Mncwasa and Tenza Fisheries	Number of marine economic initiatives supported as per approved concept at Mpame, Tenza and Tenza	LED 6.1	3 marine economic initiatives supported as per approved concept document(Mncwasa, Tenza and Mpame) R150 000	2	3	3	3	N/A	N/A	SM Developmental Planning

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To position and promote Mbashe as a tourist destination of choice by 2022	By using different marketing tools to market Mbashe as tourism destination	Tourism internal and External events	Number of events hosted and participated on (Horse racing, Tenza Beach Festival, Boxing tournament and Tourism Indaba)	LED 7.1	3 events hosted and participated on (Horse racing, Boxing event and Tenza branding event) R700 000	1	1	1	1	Tenza and Boxing event could not be done due to COVID19 restrictions.	These projects are continuous as they are planned in the 2021/22 FY.	SM Developmental Planning
	By supporting tourism programmes	Testing of water to maintain the status of three blue flag beaches	Number of tourism beaches where water testing will be conducted to maintain Blue Flag status (Tenza and Qatywa)	LED 7.2	2 tourism beaches where water testing will be conducted to maintain Blue Flag status (Tenza and Qatywa) R130 000	0	2	3	3	N/A	N/A	SM Community Services
		Partnership with stakeholder	Number of partnerships entered into with the	LED 7.3	4 partnerships entered into with the	N/A	4	3	3	N/A	N/A	SM Developmental Planning

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			municipality (DSRAC, ECPTA, Nelson Mandela Museum, National Heritage Council)		municipality DSRAC, ECPTA, Nelson Mandela Museum, National Heritage Council R0							
		Tourism organization	Number of Local Tourism organizations to be established (LTO)	LED 7.4	1 Local Tourism organisation (LTO) established R0		1	3	3	N/A	N/A	SM Developmental Planning
		Tourism operator support	Number of tourism operators supported with training/ funding (Financial/non financial) as per approved	LED 7.5	3 tourism operators supported with training/ funding (Financial/non financial) as per approved concept	3	5	4	4	More material received from DSRAC and also the municipality procured more material to support tourism operators hence	N/A	SM Developmental Planning

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			concept document		document R0					the target was over achieved		
To develop and maintain heritage properties/resources to attract tourists by 2022	By developing heritage sites	Development of Heritage sites	Mobilizing funds for the development of Mazizi Maqhekeza Resource Centre	LED 8.1	Mobilizing funds for the development of Mazizi Maqhekeza Resource Centre R200 000	1	Assessment report signed by SM, Application letter for funding of Mazizi Maqhekeza.	3	3	N/A	N/A	SM Developmental Planning
	By maintaining heritage sites	Maintenance of Heritage sites	Number of heritage properties maintained as per approved concept plan at King Hintsa, Sarhili and Fort Malan Memorial	LED 8.2	3 properties maintained as per approved concept plan at King Hintsa, Sarhili and Fort Malan Memorial R300 000	5	3	3	3	N/A	N/A	SM Developmental Planning
KPA 4: MUNICIPAL FINANCIAL VIABILITY 10%												

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To ensure compliance with budget and reporting regulations by 2022	By Budgeting according to IDP priorities	mSCOA Implementation	% alignment of 2020/21 Budget to approved IDP	MFV 1.1	100% alignment of 2020/21 Budget to the approved IDP	2020/21 final budget taken to Council on the 29 th of May 2020 and council resolution	100%	3	3	N/A	N/A	CFO
	By ensuring budget process and format is in compliance with budget & reporting regulations.		Number of financial reports submitted (Data Strings , C Schedule, 52d and Grant Reports) submitted to Mayor (C Schedule, 52d & Grant Reports) and Treasury (Data Strings, C Schedule, 52d and Grant Reports) on the 10th working	MFV 1.2	72 financial reports (Data Strings , C Schedule, 52d and Grant Reports) submitted to Mayor (C Schedule, 52d & Grant Reports) and Treasury (Data Strings, C Schedule, 52d and Grant Reports) on	37	72	3	3	N/A	N/A	CFO

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			day of each month		the 10th working day of each month							
	By ensuring effective compliance through credible financial planning, management and reporting.	Municipal Viability	Financial Viability as expressed by Cost Coverage Ratio (B+C)÷D B represents all available cash at a particular time C represents investments D represents monthly fixed operating expenditure" Financial Viability as expressed by	MFV 1.3	1:1	6:25:1	4.63:1	5	5	During the year under review, the municipality received an additional allocation for equitable share. This was added on top of the originally gazetted allocation and therefore the municipality was able to have excess funds and these were invested with banking institutions that could offer the best interest rate. The municipality was able to use some	N/A	CFO

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			<p>Cost Coverage Ratio (B+C)÷D</p> <p>B represents all available cash at a particular time</p> <p>C represents investments</p> <p>D represents monthly fixed operating expenditure</p>							<p>of this additional funding to curb the impact of the COVID-19 on its revenue collection performance. In addition the municipality could not implement all its projects during the year and as a result any unspent funds remained invested in call accounts. This is not a good indication in terms of meeting the planned targets but in terms of finances it means that the municipality was able to monitor its spending and cash flow management</p>		

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To achieve sound financial management through accountability and transparency by 2022	By compiling AFS that fairly present the financial position, financial performance and cash flows	Annual Financial Statements	Number of recurring material audit queries raised by AG on the 2019/20 Annual Financial Statements.	MFV 2.1	Zero recurring material audit queries raised by AG on the 2019/20 Annual Financial Statements	AG report indicating on note 28 that there have been creditors that were not paid within 30 days and a recurring audit material finding with regards to irregular expenditure.	AG report illustrating under section 2 of the audit report that there has been no occurred findings in prior years.	3	3	N/A	N/A	CFO
To ensure maximization of revenue collection by 2022	By ensuring that all valued properties are billed timeously	General Valuation Roll	% of billable properties included in the municipal billing system as per the	MFV 3.1	100% of billable properties included in the municipal billing system as per the	Report signed by SM on general valuation roll that has been advertised for the	100%	3	3	N/A	N/A	CFO

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			supplementary Valuation Roll		general Valuation Roll	compilation of general valuation roll for 2019/20. GVR work plan, List of transfers of properties with title deed, proof of payments and proof of update in the billing system. Valuation Roll						
	By fully implementing the credit control policy	Collection on Billed Revenue	% of billed income collected	MFV 3.2	80 % of billed income collected R0	137%	121% (R6 000 000 /R7 239 498.08x100)	5	5	In anticipation of the negative impact, the COVID-19 would have had on the municipality's revenue collection as well as on its ratepayers, the municipality	N/A	CFO

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										adjusted its targets for the year under review to more realistic projections and also used its additional equitable share allocation to serve as a buffer against the impact of COVID-19. The municipality also intensified its collection strategies especially against the government departments and other customers such as residential and businesses. This yielded positive results as shown by the performance on this target.		

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To alleviate poverty through provision of quality and sustainable services by 2022	By investigating and advising on poor households to participate in indigent support program	Free Basic Services	Number of indigent registers updated	MFV 4.1	1 Updated Indigent Register R 1460 000	2019/20 Indigent register	1	3	3	N/A	N/A	SM Community Services
	By utilizing equitable share to provide free basic services.		% spent on equitable share on free basic services	MFV 4.2	100% spent on equitable share towards free basic services	0	100%	3	3	N/A	N/A	SM Community Services
Efficient, cost-effective and transparent Supply Chain	By complying with Supply Chain Regulations	Expenditure & Payroll	% incurred of irregular expenditure on	MFV 5.1	0% of new irregular expenditure incurred on	Irregular compliance check list stating that	0%	3	3	N/A	N/A	CFO

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Management systems by 2022	and National Treasury guidelines on procurement processes	Management	new procurement		new procurement	there is no irregular incurred						
			% expenditure of capital budget on received conditional Grants	MFV 5.2	100% expenditure of operational budget on received conditional Grants	Municipal Infrastructure grant spent 100% (R59 992 000/ R59 992 000 x100) and 53% spent on INEP (R15 081 000 /R7 992 782 x100. FMG grant expenditure report illustrating that 100% has been spent, proof of submission to NT (1 770 030/1	MIG 96% INEP rollover- 87% INEP- 86% EPWP 100% FMG 100% and overall expenditure is 94%	2	2	Non-responsive of service providers resulted into late appointment of service provider hence 4% on MIG was not spent. INEP Rollover- Late delivery of material because of demand from suppliers as there is COVID19 hence 13% was not spent. INEP-Current allocation. The 12% that has not been spent is for	4% of MIG will be spent in the 1 st quarter of 2021/22 FY and 13% of INEP rollover will be spent in the 1 st quarter and INEP will also be spent in the 1 st quarter.	Chief Financial Officer, Senior Manager: Infrastructure

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						770 030x100 = 100%				Eskom outage (Energize).		
	By ensuring timeous payment of creditors in compliance with the MFMA		Turnaround time taken for paying creditors	MFV 5.3	30 days' time taken for paying creditors	Cash flow report signed by SM, Register of unauthorized, irregular, fruitless and wasteful expenditure illustrating that there were interest paid by the municipality on overdue accounts	30 days	3	3	N/A	N/A	CFO
	Implementation of the Workplace Skills Plan	Expenditure Management	% spent on allocated WSP grant	MFV 5.4	100% spent on allocated WSP grant	Report signed by SM illustrating that budget was not	(R59 9011/R60 000 x100=100%)	3	3	N/A	N/A	SM Corporate Services

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						spent due to COVID 19						
To manage, control and maintain all assets of the municipality by 2022	By allocating budget provision for repairs and maintenance of assets to be in line with National Treasury norms		% of the operational budget allocated for repairs and maintenance	MFV 6.1	8% of the operational budget allocated for repairs and maintenance	Budget VS actual report on operational budget that has been allocated for repairs and maintenance. (Budgeted amount- 6 740 000, Actual spent- R3 670 796.16, Committed- R91 535.85) which is 8% of the operational budget.	8%	3	3	N/A	N/A	CFO

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	By regular updating the existing Asset Management System		Updating of GRAP compliant asset register	MFV 6.2	Updated GRAP Compliant Asset Register R3100000	Updated GRAP compliant asset register	Updated GRAP compliant asset register	3	3	N/A	N/A	CFO
KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION 20%												
To ensure clean and accountable governance in the municipality by 2022	By identifying, assessing managing and monitoring fraud and risk exposure to the institution	Strategic and Operational Risk registers	Number of updated registers (Fraud, Risk, ICT and Strategic) submitted to the Risk management committee	GGP 1.1	9 updated quarterly risk registers (fraud , ICT , operational risk registers (6) and 1 Strategic Risk register submitted to the Risk management Committee)	9	9 updated risk registers as follows: ICT, Operational, Fraud and Strategic. Signed Risk Management Report signed by IA Manager	3	3	N/A	N/A	ALL SM's

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By conducting the development of Audit Action Plan	Audit action plan	Number of reports submitted to Audit Committee for progress on implementation of Audit Action Plan	GGP 1.2	4 reports submitted to Audit Committee and council on implementation of Audit Action Plan	2018/19 Audit Action Plan	4	3	3	N/A	N/A	All SM's
	By conducting anti-fraud awareness to employees	Fraud awareness campaign	Number of anti-fraud and corruption awareness workshop conducted per department	GGP 1.3	3 anti-fraud and corruption awareness workshop conducted per department	N/A	3	3	3	N/A	N/A	SM Operations
	By developing municipal litigation register.	Legal cases	Number of updated reports on legal matters (litigations) and their status with financial implications	GGP 1.4	4 updated reports on legal matters (litigations) and their status with financial	Litigation report for 1 st quarter 2019 signed by SM and litigation register for	4	3	3	N/A	N/A	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			and legal opinion		implications and legal opinion	1 st , 2 nd , 3 rd & 4 th quarter						
	By conducting audits as per approved Internal Audit Annual Plan	Audit Assignments	Number of audit reports produced as per approved Internal Audit Plan submitted to the Audit committee	GGP 1.5	16 audit reports produced as per approved Internal Audit Plan submitted to the Audit committee	14	16	3	3	N/A	N/A	SM Operations
		Conducting of Audit and Risk Committee meetings	Number of Audit and risk Committee meetings coordinated in 2020/21 F/Y (Ordinary, Performance and Risk)	GGP 1.6	8 Audit and risk Committee meetings coordinated in 2020/21 F/Y (Ordinary, Performance and Risk)	Minutes of performance AC and attendance register dated 14/02/2020, AC minutes and attendance register dated 24/07/2019,	8	3	3	N/A	N/A	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
						AC minutes and attendance register dated 23/10/2019, AC minutes and attendance register dated 4/10/2019, Special AC and attendance register dated 26/08/2019 & AC meeting with attendance register dated 4/10/2019						

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	By coordinating the sitting of council oversight structures	Convening of oversight structures meetings	Number of meetings held by council structures in 2020/21	GGP 1.7	51 meetings held by council structures in 2020/21	51 meetings held	63	3	3	N/A	N/A	SM Corporate
		Implementation of council resolution	% Implementation of all council resolutions due for the period under review	GGP 1.8	100% Implementation of all council resolutions due for the period under review	Report on the implementation of council resolutions signed by SM and 2019/20 resolution register	100%	3	3	N/A	N/A	SM Corporate Services
	By ensuring effective functionality of satellite units.	Management of satellite units	Number of reports on service delivery and operational issues in the Satellite Offices(Gatyana and Xhorha) submitted to Management	GGP 1.9	8 reports on service delivery and operational issues reported in the Satellite Offices (Gatyana and Xhorha)	8	8	3	3	N/A	N/A	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					submitted to Management							
To ensure compliance with legislation as per section 11 (3) (a) of Municipal Systems Act	By developing and reviewing Institutional policies, strategies, plans and by-laws	Development of Policies	Number of policies Developed	GGP 2.1	2 policies developed (Street Trading Policy) and Wellness policy	Outdoor policy, LED funding policy, Mbhashe contractor development programme policy	2	3	3	N/A	N/A	SM: Corporate Services and SM: Developmental Planning
		Workshops on Policies	Number of workshops conducted on all approved municipal policies/ Code of Conduct/ By-laws	GGP 2.2	8 workshops conducted on all approved municipal policies/ Code of Conduct/ By-laws	N/A	8	3	3	N/A	N/A	SM Corporate Services
		Development of strategies and plans	Number of strategies/plans developed	GGP 2.3	4 strategies/plans developed (Five year IA strategic	Variance form indicating that only draft	3	2	2	Revenue Enhancement Strategy was not tabled in Council	The strategy has since been taken to Council on 26 th of July 2021.	SM: Corporate Services, SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					plan, Revenue Enhancement Strategy, Wellness strategy and Training and Development Strategy.	strategies were taken to council in March				during May 2021.		, CFO and SM Infrastructure
		Reviewal of policies	Number of reviewed policies	GGP 2.4	85 reviewed policies	0	85	3	3	N/A	N/A	ALL SM's
		Reviewal of strategies and plans	Number of reviewed strategies/Plans	GGP 2.5	6 reviewed strategies/Plans	0	6	3	3	N/A	N/A	SM: Operations, SM: Developmental Planning & SM: Community Services
Ensure that all municipal	By continually	Lease register	Number of property lease	GGP 3.1	1 property lease register	1	1	3	3	N/A	N/A	SM Developme

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
properties are properly registered and effectively used by 2022.	updating lease register		registers updated		updated R0							ntal Planning
		Lease contract reviews	Number of reports on the reviewal of all existing leases	GGP 3.2	4 reports on the reviewal of all existing leases	6	4	3	3	N/A	N/A	SM Developmental Planning
	By monitoring lease contracts entered into	Lease contracts	Number of reports generated on municipal lease contracts	GGP 3.3	4 reports generated on municipal lease contracts	4	4	3	3	N/A	N/A	SM Developmental Planning
To ensure adherence to sound environmental practices and to protect environmentally sensitive areas by 2022.	By Implementing climate change mitigation strategy	Climate change mitigation measures	Number of programs implemented towards climate change and mitigation measures	GGP 4.1	4 programs implemented towards climate change and mitigation measures	0	4	3	3	N/A	N/A	SM Community Services
	By implementing the coastal	Coastal Management Plan	Number of programs implemented as per coastal	GGP 4.2	3 Programs implemented as per the Coastal	0	2	2	2	Non-cooperation of community members hence	Awareness of rehabilitation on degraded areas has been done on the	SM Community Services

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR CATEGORY NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	management plan		management plan		management plan					the target was not achieved	20 th of July 2021 in Tenza, Mahasana.	
To ensure compliance with National Building Regulations (NBR) and any compliance legislation by 2022	By complying and monitoring National Building regulations and standards	Building Controls	Turnaround time taken to approve submitted building plans within 30 days	GGP 5.1	30 days turnaround time taken to approve submitted building plans	90 days	30 days	3	3	N/A	N/A	Developmental Planning
			Number of reports on routine inspections of properties as per the check list	GGP 5.2	4 reports on routine inspections of properties as per the check list		4	3	3	N/A	N/A	Developmental Planning
Ensure maximum and adequate land use management practices by 2022	By Developing coherent spatial plans	LSDF's Dutywa and Xhorha	Number of draft LSDFs developed for Ward 20 and 23	LED 6.1	2 draft LSDF'S developed for ward 20 & 23	LSDF for W23 and W20	2	3	3	N/A	N/A	SM Developmental planning
	By Surveying properties	Surveying at Ward 1, 13, 25	Number of surveyed	GGP 6.2	10 surveyed properties in	10 surveyed properties as follows: Erf	10	3	3	N/A	N/A	SM Developmental planning

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			properties in Ward 1,13,25		ward 1,13 & 25	129, 4773, remainder Erf 4773, 4773, 4773, Erf 1, Erf 1, Erf 65 and Erf 65 & Erf 129						ntal planning
	By conducting land audit	Land Audit	Number of reports on land audits conducted (urban)	GGP 6.3	1 report on Land Audit conducted (urban)	0	1	3	3	N/A	N/A	SM Developmental planning
To strengthen and ensure coordination of integrated and joint planning with spheres of government by 2022	By strengthening the functionality of IGR	Co-ordination of IGR meetings	Number of IGR meetings coordinated	GGP 7.1	4 IGR meetings coordinated R50 000	2	4	3	3	N/A	N/A	SM Operations
To mainstream special programs into the	By implementing	Programmes for Designated groups as	Number of programs implemented for designated	GGP 8.1	7 programs implemented for designated	10	10	4	4	N/A	N/A	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
municipality by 2022.	g SPU strategy	per SPU Strategy	groups (Youth, Older persons, Disability and Women)		groups (4 Youth, 1 Older persons, 1 Disability and 1 Women)							
		Commemoration of calendar	Number of calendar days commemorated (International Day for Persons with Disability, 16 Days of Activism, World Aids)	GGP 8.4	3 calendar day commemorated (International Day for Persons with Disability, 16 Days of Activism, World Aids)	3	1	1	1	The world AIDS day and International day was not done due to lockdown announced by President and also Calendar of events are conducted only on the specific days/dates as per the calendar and are once off events held annually.	They will be conducted on their specific days as per calendar during 2021/22 FY.	SM Operations
	By implementing annual	Programmes as per HIV/Aids,	Number of programmes as per HIV/AIDS,	GGP 8.5	1 program as per HIV/AIDS, STI and TB	2	1	3	3	N/A	N/A	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
	plans of designated groups in line with HIV/AIDS, STI and TB Strategy implementation plan	STI & TB Strategy Implementation Plan	STI and TB strategy Implementation plan		strategy Implementation plan							
To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on governance matters by 2022	By coordinating development and alignment of IDP	Development of IDP	Date on which the 2021/22 reviewed IDP is submitted to Council for approval	GGP 9.1	2021/2022 IDP submitted to Council for approval by 31st May 2021	2020/21 Approved IDP	2021/22 IDP	3	3	N/A	N/A	SM Operations
	By coordinating the development and alignment of SDBIP with IDP	Development of SDBIP	Number of days by which the 2021/22 SDBIP is submitted to the Mayor for approval	GGP 9.2	2021/22 SDBIP submitted to the Mayor for approval within 28th days after	2020/1 approved SDBIP	Approved 2021/22 SDBIP	3	3	N/A	N/A	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
					approval of the budget							
To enhance and promote communication in all municipal activities	By implementing communication strategy and communication plan	Implementation of communication plan as per communication strategy	Number of programs implemented as per communication plan	GGP 10.1	24 programs implemented as per the communication plan	32	24	3	3	N/A	N/A	SM Operations
		Development of newsletter	Number of developed newsletter	GGP 10.2	4 News Letters developed	4	43	3	3	N/A	N/A	SM Operations
	By enhancing promotion of access to information be it personal or institutional	Access to information	Turnaround time to respond on requested access to information by internal and external stakeholders	GGP 10.3	Response on requested access to information be within 30 days	1	Signed Report by SM, register of access to municipal information and proof of correspondence	3	3	N/A	N/A	SM Corporate

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
			Number of procedure manuals developed to address POPI & PAIA Act	GGP 10.4	1 procedure manual developed		1	3	3	N/A	N/A	SM Corporate Services
	By managing customer queries	Customer Care Management	Turnaround time taken to attend and refer queries from communities	GGP 10.5	Queries from communities to be attended and referred to within 72 hours	N/A	4	3	3	N/A	N/A	SM Operations
	By improving branding and signage of municipal properties	Branding of Municipal facilities	Number of municipal facilities branded (New building, Pound, Xhorha park homes, Gatyana offices and Main building)	GGP 10.6	5 Municipal Facilities branded (New building, Pound, Xhorha park homes, Gatyana offices and main building)	0	4	2	2	Branding on the new building has not been done, because the building is not complete.	The target will be achieved in the second quarter.	SM Operations

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NO	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
To ensure that all stakeholders participate in the affairs of the municipality by 2022	By strengthening of community participation	Ward Committee reports	Number of status quo reports on functionality of Ward Committees.	GGP 11.1	4 status quo reports on functionality of Ward Committees	0	4	3	3	N/A	N/A	SM Operations
		Public Participation Programmes/Meetings	Number of Public Participation programmes coordinated	GGP 11.2	8 Public Participation Programmes coordinated	2	8	3	3	N/A	N/A	SM Operations
		Establishment of PSCs	Number of PSC meetings convened/ established	GGP 11.3	36 PSC meetings convened/ established	25	50	5	5	More contractors were sourced from panel to construct paving and maintenance of roads and there was an additional allocation of budget to do paving.	N/A	SM: Community services, SM: Infrastructure & SM: Developmental Planning

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STRATEGIC OBJECTIVE	STRATEGY	PROJECT	INDICATOR	INDICATOR NUMBER	ANNUAL TARGET & ANNUAL BUDGET	2019/20 ACTUAL PERFORMANCE	2020/21 ACTUAL PERFORMANCE	DEPARTMENTAL RATING	PMS RATING	REASONS FOR DEVIATION	REMEDIAL ACTION	RESPONSIBILITY
		Fora Meetings	Number of fora meetings (Community Safety, LCF and Transport) held in 2020/21	GGP 11.4	12 fora meetings (Community Safety, LCF and Transport) held in 2020/21	12	12	3	3	N/A	N/A	Senior Manager: Infrastructure and Senior Manager: Community Services & SM: Operations

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PERFORMANCE OF SERVICE PROVIDERS DURING THE 2020/21 FINANCIAL YEAR

INTRODUCTION

Municipalities are required to assess the performance of service providers appointed in each financial year. In this regard, an internal performance assessment was conducted by Section 56 managers on various projects targeted for the 2020/21 financial year. Service Providers and Contractors are rated on the following categories:

Below Standard - The Contractor/Service Provider did not meet the basic requirements as spelt out in the tender or contract. This may result in the contract being cancelled and/or the retention fee being withheld from the contractor. The Contractor may be asked to rectify the problem or the contract may be cancelled and another Contractor/Service Provider may be appointed to complete the contract/ project.

Acceptable performance - The Contractor/Service Provider completed the project and met the basic requirements of the tender/contract. The standard of work was good enough, passable or adequate in terms of the requirements by the MLM.

Excellent performance- The Contractor/Service Provider completed the work above the standard required. The requirements of the tender were achieved above the expectation of the MLM. There is a high quality of work and outstanding results were achieved.

ANALYSIS OF THE SUPPLY CHAIN MANAGEMENT BID PROCESS WITHIN MLM

Number of Bids on Contract Register	Number of Awards made	Number of completed projects	Number of Bids in Tendering Process	Number of projects still in progress	Cancelled Projects
273	42	120	0	151	2

The purpose of this analysis is to determine the percentage of bids awarded as at the end financial year. This assessment is used to measure the effectiveness of the MLM's Supply Chain processes.

Results of performance assessment of service providers

Below Standard – 1 %

Of all the projects awarded, as at 30 June 2021 in terms of performance levels the following summary reflects the number of projects rated as below standard.

Acceptable performance – 55 %

Of all the projects awarded as at **30 June 2021** in terms of performance levels the following summary reflects the number of projects rated as acceptable.

Excellent performance – 85.87%

Of all the projects awarded, as at **30 June 2021** in terms of performance levels the following summary reflects the number of projects rated as excellent.

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A copy of the Contract Register for the 2020/21 financial year is attached hereto as **Annexure “A”**

Below Standard – 3.26%

Below				
Name of Service provider	Project Name	MBD Number	Award date	Reason
COALITION TRADING 1203 CC	UPGRADE OF ELLIOTDALE LANDFILL SITE	MBH/INFRA/0017/2019-20	03/02/2020	Poor performance
MBOKOTHO INVESTMENTS CCT/A ZIM CONSTRUCTION	CONSTRUCTION OF SINGENI TO LOWER FALAKAHLA ACCESS ROAD	MBH/MIG/00011/2020-21	24/02/2021	Underpricing
VUSAKEN CC	ELECRIFICATION OF NTSIMBAKAZI/SHIXINI ON TURNKEY FOR A PERIOD OF TWO AND HALF YEARS	MBH/INFP/0016/2019-20	03/02/2020	Poor performance

Acceptable performance - 10.87%

Of all the projects awarded as at year ending **30 June 2021** in terms of performance levels the following summary reflects the number of projects rated as acceptable.

Acceptable				
Name of Service provider	Project Name	MBD Number	Award date	Reason
CCG SYSTEMS (PTY) LTD	DELIVERY, INSTALLATION AND COMMISSIONING OF FINANCIAL MANAGEMENT SYSTEM & MSCOA IMPLEMENTATION	MBH/BTO/0037/2016-17	04/04/2017	They respond promptly in issues raised
IQHAYIYA DESIGN WORKSHOP ARCHITECS	Panel of professional services for Civil, building and environmental(Construction of ward 25 sport field)	MBH/PSP/0015/2014-15	23/09/2015	They respond promptly in issues raised
INFINITY AFRICA/Z3 CONSULTING ENGINEERS	Building of Municipal office of Infrastructure(Consultant)	MBH/PSP0015/2014/15	03-Feb-15	They respond promptly in issues raised
COUNTERPOINT TRADING 420 cc	BUILDING OF MUNICIPAL OFFICES (CONSTRUCTION)	MBH/INFR/0031/2015-16	05-Sep-16	They complete the project within the specified time
Counterpoint Trading 420 cc	Ward 25 Sport Facility	MBH/MIG/0009/2017-18	23-Nov-17	They complete the project within the specified time
Loyiso Consultants	Panel of professional services (Civil, building and environmental)	MBH/PSP/005/2017-18	30/05/2018	They respond promptly in issues raised
Ikamvalethu Business Enterprise	Panel of Contractors for a period of three (03) years- MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	They complete the project within the specified time
Bright Ideas Project 2029	Panel of Contractors for a period of three (03) years- MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	They complete the project within the specified time
Umkhiwa Construction cc	Panel of Contractors for a period of three (03) years- MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	They complete the project within the specified time
Kwandie Trading	Panel of Contractors for a period of three (03) years- MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	They complete the project within the specified time

Of all the projects awarded, as at **30 June 2021** in terms of performance levels the following summary reflects the number of projects rated as excellent.

Excellent performance – 85.87%

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Excellent		MBD Number	Award date	
Name of Service provider	Project Name			Reason
Morar and Incorporated	Panel of Internal Auditors for a period of three (03) years	MBH/MM/0006/2017-18	21/02/2018	Perform exceedingly well
HTB Consulting	Panel of Internal Auditors for a period of three (03) years	MBH/MM/0006/2017-18	21/02/2018	Perform exceedingly well
Pricewaterhousecoopers Inc	Panel of Internal Auditors for a period of three (03) years	MBH/MM/0006/2017-18	21/02/2018	Perform exceedingly well
Umnotho Consulting	Panel of Internal Auditors for a period of three (03) years	MBH/MM/0006/2017-18	21/02/2018	Perform exceedingly well
Aurecon	Panel of professional services (Civil, building and environmental)	MBH/PSP/0015/2014-15	31/01/2018	Perform exceedingly well
Kukho Consulting Engineers	Panel of professional services (Civil, building and environmental)	MBH/PSP/005/2017-18	30/05/2018	Perform exceedingly well
Leko Engineering Services	Panel of professional services (Civil, building and environmental)	MBH/PSP/005/2017-18	30/05/2018	Perform exceedingly well
Heed SA (PTY) LTD	Supply, Installation of tyre repair Machinery and Delivery of new tyres for a period of three (03) years	MBH/INFRA/0011/2017-18	11/06/2018	Perform exceedingly well
Sontsele Project Management	Panel of Professional Services (Civil, Building and Environmental) for a period of three (03) years- (Environmental Services)	MBH/PSP/0005/2017-18	17/07/2018	Perform exceedingly well
Indwe Risk Services	Provision of Insurance Services for a period of three (03) years	MBH/BTO/0032/2017-18	23/07/2018	Perform exceedingly well
Sizane Consulting	Compilation and Maintenance of General Valuation roll as well as other Valuation Services for a period of 2019-2023	MBH/BTO/0029/2017-18	18/07/2018	Perform exceedingly well
Themba Lesizwe Holdings (Pty) Ltd	Service and Repairs of Earthmoving Machinery for a period of three years	MBH/INFRA/0013/2017-18	15/11/2018	Perform exceedingly well
Themba Lesizwe Holdings (Pty) Ltd	Hiring of back up construction machinery for a period of three (03) years	MBH/INFRA/0012/2017-18	15/11/2018	Perform exceedingly well
Ukubonisana Trading and Projects	Supply and Delivery of Storm Water pipes culverts for a period of three (03) years	MBH/INFRA/0006/2018-19	23/01/2019	Perform exceedingly well
Trackos Projects (Pty) Ltd	Upgrade and Maintenance of Data Centre for a period of three (03) years	MBH/CS/0017/2018-19	15/02/2019	Perform exceedingly well

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Banacure Nashua London	T/A East	Proposal for the Supply, Delivery, Install and Maintain printing Solution, Shredder, and Document Management solution for a period of three (03) years	MBH/CS/0005/2018-19	15/02/2019	Perform exceedingly well
Lithaba Travels		Provision of Travel and Accommodation Management Services for a period of three (03) years	MBH/BTO/0026/2018-19	06/09/2019	Perform exceedingly well
Heed SA (PTY) LTD		Supply and Delivery of Infrastructure Material for a period of two (02) years	MBH/INFRA/0020/2018-19	07/10/2019	Perform exceedingly well
Willskosa		Panel of Contractors for a period of three (03) years-MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	Perform exceedingly well
Umkhiwa Construction cc		Panel of Contractors for a period of three (03) years-MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	Perform exceedingly well
Kwandie Trading		Panel of Contractors for a period of three (03) years-MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	Perform exceedingly well
S A U Contractors		Panel of Contractors for a period of three (03) years-MLM Incubator programme	MBH/INFRA/0013/2019-20	09/10/2019	Perform exceedingly well
Siwecon Serve		Panel of Contractors for a period of three (03) years-MLM Incubator programme	MBH/INFRA/0013/2019-20	30/10/2019	Perform exceedingly well
Mazembe Holdings		Panel of Contractors for a period of three (03) years-MLM Incubator programme	MBH/INFRA/0013/2019-20	30/10/2019	Perform exceedingly well
MOZI AUCTIONEERS		PROVISION OF AUCTION SERVICE FOR A PERIOD OF THREE YEARS	MBH/BTO/0028/2018-19	03/02/2020	Perform exceedingly well
HEED SA (PTY) LTD		SUPPLY AND DELIVERY OF 50 TON LOW-ED TRAILER	MBH/INFRA/0007/2019-20	03/02/2020	Perform exceedingly well
HEED SA (PTY) LTD		SUPPLY AND DELIVERY OF SOLAR PANELS, BATTERIES AND CHARGE CONTROLS	MBH/INFRA/0024/2019-20	03/02/2020	Perform exceedingly well
MAGWA FAMILY HOLDINGS		PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
MKOKO TRANSPORT (PTY) LTD		PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
TEMBALABANTU SECURITY CLEANING AND GENERAL TRADING		PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well

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KAIZER LUTHANDO (PTY) LTD	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
VALOSTAR 149	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
DWAZZ TRADING & PROJECTS	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
IXESIBE BUILDING CONSTRUCTION	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
MBAZLAZ TRADING	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
ELCOC (PTY) LTD	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
ZIMSOPHI TRADING ENTERPRISE	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
ZAMAJOLA CIVILS AND PROJECTS (PTY) LTD	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
STM-LINE TRADING (PTY) LTD	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
XELENGA CONSTRUCTION	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
SANDHURST VISTA TRADING (PTY) LTD	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
ILUNGA LEGWARA TRADING ENTERPRISE	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
FOR THE COMMUNITY TRADING ENTERPRISE (PTY) LTD	PANEL OF CONTRACTORS FOR A PERIOD OF THREE YEARS	MBH/INFRA/0013/2019-20	03/02/2020	Perform exceedingly well
LHILHIZ TRADING	SUPPLY AND DELIVERY OF CLEANING MATERIAL FOR PERIOD OF TWO YEARS	MBH/CS/0029/2019-20	03/02/2020	Perform exceedingly well
VITSHA TRADING	CONSTRUCTION OF DUTCH COMMUNITY HALL	MBH/MIG/0018/2019-20	03/02/2020	Perform exceedingly well
AZIZI PLANT HIRE AND CONSTRUCTION	CONSTRUCTION OF MBELO ACCESS ROAD	MBH/MIG/002/2019-20	17/02/2020	Perform exceedingly well
PMB PROJECTS 06	CONSTRUCTION OF TOWN TO NTLULABHOKHWE ACCESS ROAD	MBH/MIG/0004/2019-20	17/02/2020	Perform exceedingly well

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DINTWA TRADING CC	CONSTRUCTION OF NOHESHA MATHYAMENI	MBH/MIG/0003/2019-20	17/02/2020	Perform exceedingly well
MELOKUHLE MANAGEMENT	PROPOSAL FOR SOURCING OF FUNDS FOR IMPLEMENTATION OF MLM UNFUNDED PROJECTS	MBH/BTO/0019/2019-19	24/02/2020	Perform exceedingly well
MZANTSI STARS	PROPOSAL FOR SOURCING OF FUNDS FOR IMPLEMENTATION OF MLM UNFUNDED PROJECTS	MBH/BTO/0019/2019-19	24/02/2020	Perform exceedingly well
FIRST RAND BANK LIMITED	PROVISION OF BANKING SERVICES FOR A PERIOD OF 5 YEARS	MBH/BTO/0023/2019-20	30/04/2020	Perform exceedingly well
CLP TRADE/ENVIROTECH	CONSTRUCTION OF MQHELE TO MRABE ACCESS ROAD	MBH/MIG/0001/2019-20	30/06/2020	Perform exceedingly well
MBETE GLOBAL INVESTMENT	SUPPLY AND DELIVERY OF FUEL FOR A PERIOD OF 3 YEARS	MBH/BTO/0025/2019-20	07/08/2020	Perform exceedingly well
WORTHY TRADE 91	PROPOSAL FOR CELLPHONE CONTRACT FOR COUNCILLORS AND EMPLOYEES FOR A PERIOD OF 2 YEARS	MBH/CS/0016/2019-20	07/08/2020	Perform exceedingly well
SNR ELECTRICAL CC	SUPPLY AND DELIVERY OF ELECTRICAL MATERIAL AND BACKUP SERVICES FOR A PERIOD OF 3 YEARS	MBH/INFRA/0024/2019-20	17/09/2020	Perform exceedingly well
A2A Kopano Incorporated	COMPILATION AND MAINTENANCE OF MOVABLE AND IMMOVABLE ASSEST REGISTER FOR A PERIOD OF THREE YEARS	MBH/BTO/0026/2017-2018	17/09/2020	Perform exceedingly well
GOLDEN SECURITY SERVICES CC	PROVISION OF SECURITY SERVICES FOR A PERIOD OF TWO(02) YEARS	MBH/CS0029/2018-2019	23/09/2020	Perform exceedingly well
NGXAKAXA COMMUNITY ENTERPRISE	INCUBATION PROGRAM FOR THE MAINTENANCE OF MUNICIPAL FACILITIES FOR A PERIOD OF TWO(02) YEARS	MBH/P&D/0003/2020-21	15/10/2020	Perform exceedingly well
SIYA AND AYA ENGINEERING (PTY) LTD	MBHASHE ELECTRIFICATION PROJECTS ON TURNKEY FOR A PERIOD OF ONE (01) YEAR	MBH/INFR/0028/2019-20	05/11/2020	Perform exceedingly well
AZIZI PLANT HIRE AND CONSTRUCTION	CONSTRUCTION OF BIKANE ACCES ROAD	MBH/MIG/0010/2020-21	10/11/2020	Perform exceedingly well
DLUSH CONSTRUCTION (PTY) LTD	INCUBATION OROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO(02) YEARS	MBH/P&D/0006/2020-21	18/11/2020	Perform exceedingly well

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NGAZIBINI GROUP	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	18/11/2020	Perform exceedingly well
MALISWANA TRADING CC	CONSTRUCTION OF MUNYU TO GXARHA ACCESS ROAD	MBH/MIG/0008/2020-21	24/02/2021	Perform exceedingly well
KOPANONG INVESTMENT PROJECTS	CONSTRUCTION OF LUSIZINI TO ZIMPUKU ACCESS ROAD	MBH/MIG/0009/2020-21	25/02/2021	Perform exceedingly well
ZKS AND NAM GENERAL TRADING	CONSTRUCTION OF MANGANYELA COMMUNITY HALL	MBH/MIG/0007/2020-21	17/02/2021	Perform exceedingly well
Rio Ridge 1111 cc	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	09/03/2021	Perform exceedingly well
Lilo Eli Construction	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	09/03/2021	Perform exceedingly well
Tyaty Trading and Project	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	09/03/2021	Perform exceedingly well
Bunono & sobz Trading	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	08/03/2021	Perform exceedingly well
Ukwenza Ayikokwethu	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	25/03/2025	Perform exceedingly well
Zamatita Projects	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	11/03/2021	Perform exceedingly well
Kukhumusa Pty Ltd	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	09/03/2021	Perform exceedingly well
Majitech Pty Ltd	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	09/03/2021	Perform exceedingly well
Ithembaliyaphilisa trading Projects	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	09/03/2021	Perform exceedingly well
Xego Lembuzi	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	11/03/2021	Perform exceedingly well
songolomso construction	INCUBATION PROGRAM FOR SUPPLY AND DELIVERY FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0006/2020-21	11/03/2021	Perform exceedingly well

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Likamva Geomatics (Pty) Ltd	PANEL OF LAND SUREYORS FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0001/2020-21	12/03/2021	Perform exceedingly well
MNT Geomatics	PANEL OF LAND SUREYORS FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0001/2020-21	12/03/2021	Perform exceedingly well
MNT Geomatics	PANEL OF TOWN PLANNERS FOR A PERIOD OF TWO (02) YEARS	MBH/P&D/0001/2020-21	12/03/2021	Perform exceedingly well

CHAPTER 4

CHAPTER 4 –ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The organizational Development is a key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy. Organizational Development as a function is placed under Corporate Services Department

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Mbhashe Local Municipality employed 279 officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

TOTALS, TURNOVER AND VACANCIES

Employees Description	Year -1		Year 0		
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Electricity	7	7	6	1	14%
Solid Waste Management	111	111	105	6	5%
Housing	2	2	2	0	0%
Infrastructure	41	41	38	3	7%

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Local Economic Development	15	15	10	5	33%
ICT	5	5	3	2	40%
Archives	20	20	19	1	5%
Human Resource Services	10	10	8	2	20%
BTO Services	26	26	20	6	23%
Police	18	18	9	9	50%
Law Enforcement	14	14	14	0	0%
Licensing Services	11	11	10	1	1%
Municipal Managers Office	38	38	35	3	8%
Total	318	318	279	39	12%

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	5	0	0%
Traffic and Law Enforcement officers	32	9	25%
Fire fighters	0	0	0%
Middle management: Levels 13-15 (excluding Finance Posts)	4	0	0%
Middle management: Levels 13-15 (Finance posts)	2	1	50%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	56	4	7%
Highly skilled supervision: levels 9-12 (Finance posts)	11	2	18%
Total	112	16	14%

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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2	10	10	0%
Year -1	10	21	48%
Year 0	14	7	50%

Employees					
Description	Year 0	Year 1			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	26 485	26 485	23 572	23 572	%
Waste Water (Sanitation)	8 541	8 541	8 285	8 285	%
Electricity	12 355	12 355	10 254	10 254	%
Waste Management	14 232	14 232	13 235	13 235	%
Housing	6 542	6 542	5 496	5 496	%
Waste Water (Stormwater Drainage)	5 643	5 643	5 530	5 530	%
Roads	5 643	5 643	5 530	5 530	%
Transport	5 322	5 322	4 470	4 470	%
Planning	1 254	1 254	1 003	1 003	%
Local Economic Development	2 516	2 516	2 063	2 063	%
Planning (Strategic & Regulatory)	12 546	12 546	10 413	10 413	%
Local Economic Development	2 355	2 355	2 190	2 190	%
Community & Social Services	4 565	4 565	3 698	3 698	%
Environmental Protection	5 649	5 649	4 971	4 971	%
Health	5 649	5 649	4 971	4 971	%
Security and Safety	5 649	5 649	4 971	4 971	%
Sport and Recreation	5 649	5 649	4 971	4 971	%
Corporate Policy Offices and Other	5 649	5 649	4 971	4 971	%
Totals	113 645	113 645	100 709	100 709	—

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.

T4.1.1

CHAPTER 4

Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0.00
CFO	1	1	100.00
Other S57 Managers (excluding Finance Posts)	10	1	10.00
Other S57 Managers (Finance posts)	3	1	33.33
Police officers			
Fire fighters			
Senior management: Levels 13-15 (excluding Finance Posts)	25	5	20.00
Senior management: Levels 13-15 (Finance posts)	6	2	33.33
Highly skilled supervision: levels 9-12 (excluding Finance posts)	35	8	22.86
Highly skilled supervision: levels 9-12 (Finance posts)	8	1	12.50
Total	89	19	21.35
<i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>			T4.1.2

COMMENT ON VACANCIES AND TURNOVER:

Mbhashe Local Municipality has managed to recruit 14 employees in the 2020/21 financial year. Resignation (5), Retirement (0), Disciplinary (0), Incapacity (0), Deceased (1), End of contract (1).

For 2021/22, Mbhashe Local Municipality will draft Succession and Retention policy and submit for approval

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Section 67 of the Municipal Structures Act 2000 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. Workforce management is a core function of each line manager at Mbhashe Local Municipality.

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In order to ensure reasonable standardization and consistency in the handling of the workforce, staff policies and procedures are developed and workshops for employees are held. These policies & procedures are reviewed as the need arises or annually.

Conditions of service of senior managers are regulated and promulgated by the Minister of Cooperative Governance. All employees below section 56 level are negotiated for at a central level by the National and Provincial Divisions of the South African Local Government Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU i.e Local Labour Forum.

T4.2.0

4.2 POLICIES

POLICIES**HR Policies and Plans**

	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1.	Recruitment and Selection Policy	100%	100%	03/08/2020
2.	Subsistence and travelling Policy	100%	100%	03/08/2020
3.	Vehicle Usage Policy	100%	100%	03/08/2020
4.	Study Assistance Policy	100%	100%	03/08/2020
5.	Career Path and Succession Planning Policy	100%	100%	03/08/2020
6.	Employment Equity Plan	100%	100%	03/08/2020
7.	Employment Equity Policy	100%	100%	03/08/2020
8.	Acting Allowance Policy	100%	100%	03/08/2020
9.	Transfer and Demotion Policy	100%	100%	03/08/2020
10.	Training and Development Policy	100%	100%	03/08/2020
11.	Abscondment Policy	100%	100%	03/08/2020
12.	Placement policy	100%	100%	03/08/2020
13.	Residential policy	100%	100%	03/08/2020
14.	Occupational Health and Safety policy	100%	100%	03/08/2020
15.	Sexual Harassment policy	100%	100%	03/08/2020
16.	Workplace on HIV and AIDS	100%	100%	03/08/2020
17.	Sports and Recreation policy	100%	100%	03/08/2020
18.	Smoking Policy	100%	100%	03/08/2020

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19.	Whistle Blowing policy	100%	100%	03/08/2020
20.	Councilor and Employee Assistance	100%	100%	03/08/2020
21.	Attendance and punctuality	100%	100%	03/08/2020
22.	Bursary policy for non-employees	100%	100%	03/08/2020
23.	Bereavement policy	100%	100%	03/08/2020
24.	Disability policy	100%	100%	03/08/2020
25.	Employee Induction policy	100%	100%	03/08/2020
26.	Incapacity policy	100%	100%	03/08/2020
27.	Job Evaluation policy	100%	100%	03/08/2020
28.	Exit Management policy	100%	100%	03/08/2020
29.	Dress policy	100%	100%	03/08/2020
30.	Leave Policy	100%	100%	03/08/2020
31.	Internship Policy	100%	100%	03/08/2020
32.	Individual PMS Policy	100%	100%	03/08/2020
33.	Overtime Policy	100%	100%	03/08/2020
				T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

During the period under review, thirty- three (33) policies have been reviewed. This was done through a transparent and consultative process, involving Councillors through a workshop and Labour through the Local Labour Forum. The reviewed and newly developed policies went to council for adoption before implementation. Corporate Services policies were only adopted independently. The delay was due to consultation process with registered trade unions. A request was made with Mphashe Local Council.

T4.2.1.1

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4.3 INJURIES, SICKNESS AND SUSPENSIONS

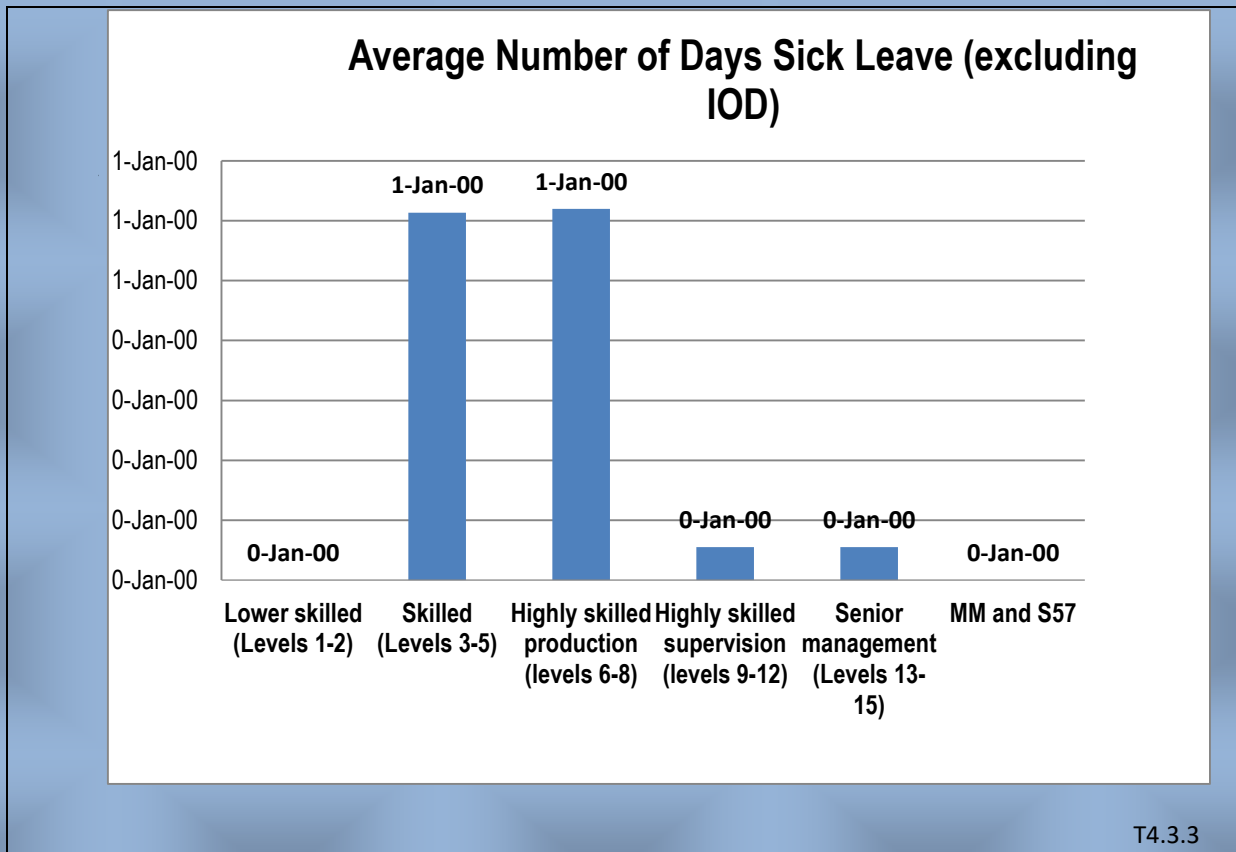
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	60	5	8.33%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8.33%	12	60

T4.3.1

Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	0	0	0	0		0
Skilled (Levels 3-5)	256					
Highly skilled production (levels 6-8)	204					
Highly skilled supervision (levels 9-12)	238					
Senior management (Levels 13-15)	37					
Middle Management (16-18)	6					
MM and S56	59					
Total	1251	0%	97	269	118	0

T4.3.2

CHAPTER 4



COMMENT ON INJURY AND SICK LEAVE:

There were 7 reported injuries in the workplace and 5 are EPWP employees. OHS committee is in place to monitor and advice on health and safety remedial actions.

T4.3.4

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Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
4 Traffic Officers	Fraud and Corruption	18 December 2019	Pending finalization, due to National Lockdown	N/A
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
N/A	N/A	N/A	N/A
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Four officials were placed on suspension in the year under review and process is still ongoing.

T4.3.7

CHAPTER 4

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

In terms of regulation 8 of the Local Government: Municipality Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers. All Senior Managers appointed in terms of Section 56 of the MSA are on fixed-term performance contracts.

All Senior Managers have signed Performance Agreements. Performance assessments have been conducted but no performance rewards were paid. The individual performance management system has been cascaded down to the second reporting line of managers and officers reporting to them. Currently no performance bonus paid. This will be implemented once the organization achieves the necessary performance management maturity level.

The individual performance management system has been cascaded down to the second reporting line of managers and officers reporting to them. Currently no performance bonus paid. This will be implemented once the organization achieves the necessary performance management maturity level.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a Municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

One of the key programmes was the implementation of the Workplace skills Plan wherein employees and unemployed youth were trained and acquired skills. A plan was developed and submitted to the Local Government SETA. Some capacity building programmes were implemented in the year for both officials and councillors. Unemployed graduates were taken in as Learners in departments to assist them with workplace exposure. In line with the Council's Bursary scheme, a considerable number of employees were offered bursaries to further enhance themselves. One of the challenges the municipality is facing is to get responsive training provider which makes it difficult to train both employees and Councillors.

T4.5.0

CHAPTER 4

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4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix											
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1								
			Learnerships			Skills programmes & other short courses			Other forms of training		
			Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female		5							0	1
	Male		5							1	2
Councillors, senior officials and managers	Female		2							3	3
	Male		3							4	4
Technicians and associate professionals*	Female		4							2	2
	Male		8							8	9
Professionals	Female		8							6	6
	Male		6							2	2
Sub total	Female		19							11	12
	Male		22							15	17
Total		0		0	0		0	0		26	29

*Registered with professional Associate Body e.g CA (SA)

Skills Matrix												
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0									
			Learnerships			Skills programmes & other short courses			Other forms of training			
			Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year - 1	Actual: End of Year 0	Year 0 Target	
MM and s57	Female	3	0	0	0	0	0	0	0	3	0	0
	Male	4	0	0	0	0	0	0	0	4	0	0

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Councillors,	Female	33	1	1	0	0	0	0	0	0	0
	Male	42	2	2	0	1	1	0	0	0	0
Managers	Female	4	0	0	0	0	0	0	4	4	0
	Male	11	0	0	0	0	0	0	11	11	0
Technicians, foreman, artisans, inspectors & drivers	Female	27	0	0	0	0	17	0	0	0	0
	Male	7	0	0	0	0	7	0	0	0	0
Professionals	Female	19	0	0	0	7	15	0	3	3	0
	Male	9	0	0	0	4	9	0	4	0	0
Clericals	Female	25	0	0	0	5	7	0	13	2	0
	Male	7	0	0	0	3	4	0	0	4	0
Community service workers	Female	15	0	0	0	0	0	0	0	0	0
	Male	27	0	0	0	0	0	0	0	0	0
Operators	Female	19	0	0	0	0	0	0	0	0	0
	Male	42	0	0	0	0	25	0	0	0	0
Elementary workers	Female	19	0	0	0	0	0	0	0	2	0
	Male	60	0	0	0	0	60	0	0	0	0
Sub total	Female	168	0	0	0	0	0	0	0	0	0
	Male	186	0	0	0	0	0	0	0	0	0
Total		354	0	0	0	0	0	0	0	0	0

Total number trained for councillors= 4

Total number of trained staff =233

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Financial Competency Development: Progress Report*					
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	C Total of pe ag co Re (R 14
Financial Officials					
<i>Accounting officer</i>	1	0	1	0	
<i>Chief financial officer</i>	1	0	1	0	
<i>Senior managers</i>	5	0	5	0	
<i>Any other financial officials</i>	1	0	1	0	
Supply Chain Management Officials	0	0	0	0	
<i>Heads of supply chain management units</i>	0	0	0	0	
<i>Supply chain management senior managers</i>	0	0	0	0	
TOTAL	8	0	0	0	

Reporting on Training Expenditure for 01 May 2020 – 30 April 2021

Reporting on Training Experience				
Funding source	Building Spent- Employed	Budget Unemployed – Unemployed	Committee Spent – EMPLOYED	Committed Spent- Unemployed
Mandatory Grant Funds	R100 000	0	0	0
Outstanding Mandatory Grant	0	0	0	0

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funds from previous year				
Discretionary Grants funds	0	0	0	0
Additional funding (Municipality/entity, donor funds, other government funds e.t.c.	R499 991,29	0	0	0
Total	R599991,29	0	0	0

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

The municipality faced a challenge of not getting responsive training bidders after having advertised several times. This situation affected negatively on the planned training interventions and fewer numbers on training were achieved. The municipality has however continued with attempts of appointing training service providers. The municipality was awarded a bursary scheme from TETA SETA for seventeen employees. Employees were made aware of the process of applying for the grant until the selection stage. There are 11 employees benefiting from the grant in various formal qualifications and institutions of higher learning (1employee registered with University of South Africa and 10 employees with Fort Hare University).

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality has ensured that the workforce expenditure is kept within the accepted proportions in relation to capital expenditure. Grants meant for service delivery are not used for operational expenditure.

T4.6.0

CHAPTER 4

4.6 EMPLOYEE EXPENDITURE

WORKFORCE EXPENDITURE TRENDS (R. 000)	
Financial year	Amount
Year 0	
Year -1	R112 994 309
Year -2	R 111 772 808
Year -3	R 801 972

NUMBER OF EMPLOYEES WHOS SALARIES WERE INCREASED DUE TO THE POSITIONS BEING UPGRADED

None

EMPLOYEES WHOS SALARIES LEVEL EXCEED THE GRADE DETERMINE BY JOB EVALUATION

In process of verification

DISCLOSURE OF FINANCIAL INTEREST BY EMPLOYEES

All section 56 managers, all Bid Committee members, Employees and SCM officials have declared their financial interest.

WORKFORCE/PERSONNEL EXPENDITURE FOR FINANCIAL YEAR 2019/2020

R 146 340 581

COMMENT ON WORKFORCE EXPENDITURE:

Delete Directive note once comment is complete – Explain the spending pattern in the context of the actual and two previous years plus the budget year. Refer to implications for workforce ratio in Chapter 5. Comment on factors influencing workforce expenditure during the year.

T4.6.1.1

CHAPTER 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		0
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the</i>		T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				T4.6.3

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

Delete Directive note once comment is complete – Comment on T4.6.2 as appropriate and give further explanations as necessary with respect to T4.6.3 and T4.6.4.

T4.6.5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

CHAPTER 4

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

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

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

The purpose of the Statement of Financial Performance is to give an account of the results of Mbashe Local Municipality's operations. These transactions result from the operating budget and can be expressed as being a surplus or deficit. The purpose of the Statement of Financial Position is to give an account of Assets and Liabilities at the end of the financial year. Net assets reflect the difference between the assets and liabilities.

The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

There are three main categories:

Net cash resulting from operating activities – this section shows the result of the operations of Mbashe Local Municipality in cash terms. It includes the rendering of municipal services, purchasing of goods kept in stores, debtors and creditors transactions and interest paid and received.

Net cash resulting from investing activities – this section shows the result from amounts invested (either assets through the capital budget or as cash investments) as well as investments withdrawn.

Net cash resulting from financing activities – this section shows the result from financing activities, being mainly external loans taken up or redeemed. A healthy financial situation is one where the municipality has a net cash surplus resulting from operations as main source of revenue rather than from financing activities. A second important measure is to look for a correlation between cash generated from financing activities and investing activities which shows that funds borrowed, were invested in capital infrastructure and not used for operations. A very serious situation would be where there is a net cash deficit from operations, no or limited cash invested, but cash received from financing activities. That would be indicative of a municipality utilising borrowings to fund operations instead of infrastructure assets.

T5.0.1

CHAPTER 4

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003).

The purpose of the Statement of Financial Performance is to give an account of the results of Mbashe Local Municipality's operations. These transactions result from the operating budget and can be expressed as being a surplus or deficit. The purpose of the Statement of Financial Position is to give an account of Assets and Liabilities at the end of the financial year. Net assets reflect the difference between the assets and liabilities.

The cash flow statement shows the net cash result. Technically, the statement starts with the accounting surplus as per the Statement of Financial Performance which gets adjusted for all non-cash transactions. All other cash transactions not resulting from the Statement of Financial Performance are recorded. These items can be referenced back to both the capital budget as well as the items reported as part of the quarterly Section 11-withdrawals reports, submitted to Council.

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T5.1.0

CHAPTER 4

STATEMENTS OF FINANCIAL PERFORMANCE

CHAPTER 4

MBHASHE LOCAL MUNICIPALITY (EC121)			
Annual Financial Statements for the year ended 30 June 2020			
Statement of Financial Position as at 30 June 2020			
Figures in Rand	Note(s)	2020	2019
Assets			
Current Assets			
Receivables from exchange transactions	8	1,576,449	392,534
Receivables from non-exchange transactions	9	2,403	978
VAT receivable	10	8,030,911	4,055,890
Consumer debtors	11	7,105,235	11,529,232
Cash and cash equivalents	12	111,716,738	17,288,543
		128,431,736	33,267,177
Non-Current Assets			
Investment property	2	33,511,900	33,511,900
Property, plant and equipment	3	571,929,113	567,550,217
Intangible assets	4	896,046	1,313,182
Heritage assets	5	11	11
		606,337,070	602,375,310
Total Assets		734,768,806	635,642,487
Liabilities			
Current Liabilities			
Payables from exchange transactions	15	45,382,607	20,201,692
Employee benefit obligation	7	1,009,000	631,185
Unspent conditional grants and receipts	13	8,643,121	5,624,274
		55,034,728	26,457,150
Non-Current Liabilities			
Employee benefit obligation	7	4,538,000	4,288,244
Provisions	14	18,562,890	11,371,056
		23,100,890	15,659,300
Total Liabilities		78,135,618	42,116,451
Net Assets		656,633,188	593,526,036
Accumulated surplus		656,633,188	593,526,036

CHAPTER 4

MBHASHE LOCAL MUNICIPALITY (EC121)			
Annual Financial Statements for the year ended 30 June 2020			
Statement of Financial Performance			
Figures in Rand	Note(s)	2020	2019
Revenue			
Service charges	17	309,216	912,221
Rental of facilities and equipment	18	1,773,886	2,380,605
Interest received (trading)	16	1,169,345	1,923,504
Other income	20	1,489,802	3,312,542
Interest earned	21	5,823,200	3,252,067
Assessment rates	22	12,760,143	11,396,251
Licence and permits		1,228,229	735,331
Grants and subsidies	23	331,324,041	311,575,340
Fines and penalties		2,102,954	2,272,080
Total revenue		357,980,816	337,759,941
Expenditure			
Employee related costs	24	(124,137,214)	(117,612,653)
Remuneration of Councillors	25	(22,203,367)	(21,145,732)
Depreciation and amortisation	26	(54,075,880)	(55,549,543)
Impairment loss/ Reversal of impairments		(93,548)	-
Finance costs	27	(300,777)	(849,412)
Debt Impairment	28	(2,888,615)	(557,855)
Administrative and other expenditure	29	(91,169,037)	(99,476,393)
Total expenditure		(294,868,438)	(295,191,588)
Operating surplus		63,112,378	42,568,353
Profit/(Loss) on disposal of assets		(5,226)	(49,392)
Surplusfortheyear		63,107,152	42,518,961

CHAPTER 4

MBHASHE LOCAL MUNICIPALITY (EC 121)		
Annual Financial Statements for the year ended 30 June 2020		
Statement of Changes in Net Assets		
Figures in Rand	Accumulated Surplus	Total net assets
Balance as previously reported	555,970,058	555,970,058
Other prior year adjustments	(4,365,816)	(4,365,816)
Balance at 01 July 2018 as restated*	551,643,601	551,643,601
Changes in net assets		
Surplus/(Deficit) for the year	42,322,255	42,322,255
Effect of prior year adjustment	(439,820)	(439,820)
Total Changes	41,882,435	41,882,435
Opening balance as previously reported	593,926,497	593,926,497
Other prior year adjustments	(400,461)	(400,461)
Balance at 01 July 2019 as restated*	593,526,036	593,526,036
Changes in net assets		
Surplus/(Deficit) for the year	63,107,152	63,107,152
Total Changes	63,107,152	63,107,152
Balance at 30 June 2020	656,633,188	656,633,188

CHAPTER 4

MBHASHE LOCAL MUNICIPALITY (EC 121)			
Annual Financial Statements for the year ended 30 June 2020			
Cash Flow Statement			
Figures in Rand	Note(s)	2020	2019
Cash Flows from Operating Activities			
Receipts			
Sale of goods and services		11,913,865	8,189,585
Grants		334,342,888	317,199,614
Interest income		5,823,200	3,252,067
Other receipts		4,820,984	5,741,259
		356,900,937	334,382,525
Payments			
Employee Costs		(145,713,010)	(139,237,617)
Suppliers		(58,337,561)	(114,160,246)
Finance Costs		(300,777)	(849,412)
		(204,351,348)	(254,247,275)
Net cash flows from operating activities	31	152,549,589	80,135,250
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(58,121,394)	(68,935,066)
Net increase/(decrease) in cash and cash equivalents		94,428,195	11,200,184
Cash and cash equivalents at the beginning of the year		17,288,543	6,088,359
Cash and cash equivalents at the end of the year	12	111,716,738	17,288,543

CHAPTER 4

COMMENT ON FINANCIAL PERFORMANCE:

The municipality recorded under spending due to amongst thing, COVID-19 restrictions, slow recruitment processes on filling of posts, poor spending patterns on internally funded projects. T5.1.3

5.2 GRANTS

GRANTS						
R' 000						
Description	Year -1	Year 0		Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	256,864,000.00	269,595,000.00	346,848,000.00	346,848,000.00	-29%	0%
Equitable share	249,464,000.00	263,748,000.00	341,001,000.00	341,001,000.00	-29%	0%
Municipal Systems Improvement	-	-	-	-		
	5,630,000.00	4,147,000.00	4,147,000.00	4,147,000.00	0%	0%
Department of Water Affairs	-	-	-	-		
Levy replacement	-	-	-	-		
Other transfers/grants [FMG]	1,770,000.00	1,700,000.00	1,700,000.00	1,700,000.00	0%	0%
Provincial Government:	500,000.00	500,000.00	500,000.00	46,641.22	91%	91%
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation	500,000.00	500,000.00	500,000.00	46,641.22	9%	
				-	0	0%
Other transfers/grants [FMG]	-	-	-	-		
District Municipality:	-	-	-	-		
<i>[insert description]</i>						
Other grant providers:	75,073,000.00	72,537,000.00	66,537,000.00	64,517,814.30		
Integrated National Electrification Programme [INEP]	15,081,000.00	12,942,000.00	6,942,000.00	5,653,814.30	81%	
Municipal Infrastructure Grant (MIG)	59,992,000.00	59,595,000.00	59,595,000.00	58,864,000.00	99%	
Total Operating Transfers and Grants	332,437,000.00	342,632,000.00	413,885,000.00	411,412,455.52	120%	1%

T5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS

The gazetted grants were all received during the year under review except for MIG of which only **R 731 000.00** was not received. The gazetted grants were not fully spent during the period under review and a roll-overs on grant funding will be applied for.

T5.2.2

CHAPTER 4

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

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

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

T5.2.4

ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Asset management is crucial for the sustainability of the Municipality as it is not possible to render any services without properly maintained assets. From the capital budget, it can be noted that the objective is to upgrade and maintain assets on a continuous basis. The condition of assets should be such that they can provide minimum level of service if not they should be replaced. Increased investment in sustainable infrastructure, particularly roads network is necessary and maintenance thereof to keep it at a good state.

T5.3.1

CHAPTER 4

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Asset 2				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

Asset 3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	Year -2	Year -1	Year 0	Year 1
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

T5.3.2

CHAPTER 4

COMMENT ON ASSET MANAGEMENT:

Delete Directive note once comment's completed – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19(2) (a) & (b) and MSA section 74(2)(d),(e)&(i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T5.3.3

Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	23,384,644.26	23,384,644.26	19,302,119.56	17%

T5.3.4

Repair and Maintenance Expenditure: Year 1				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	125	129	128	-2.40%

T5.3.4

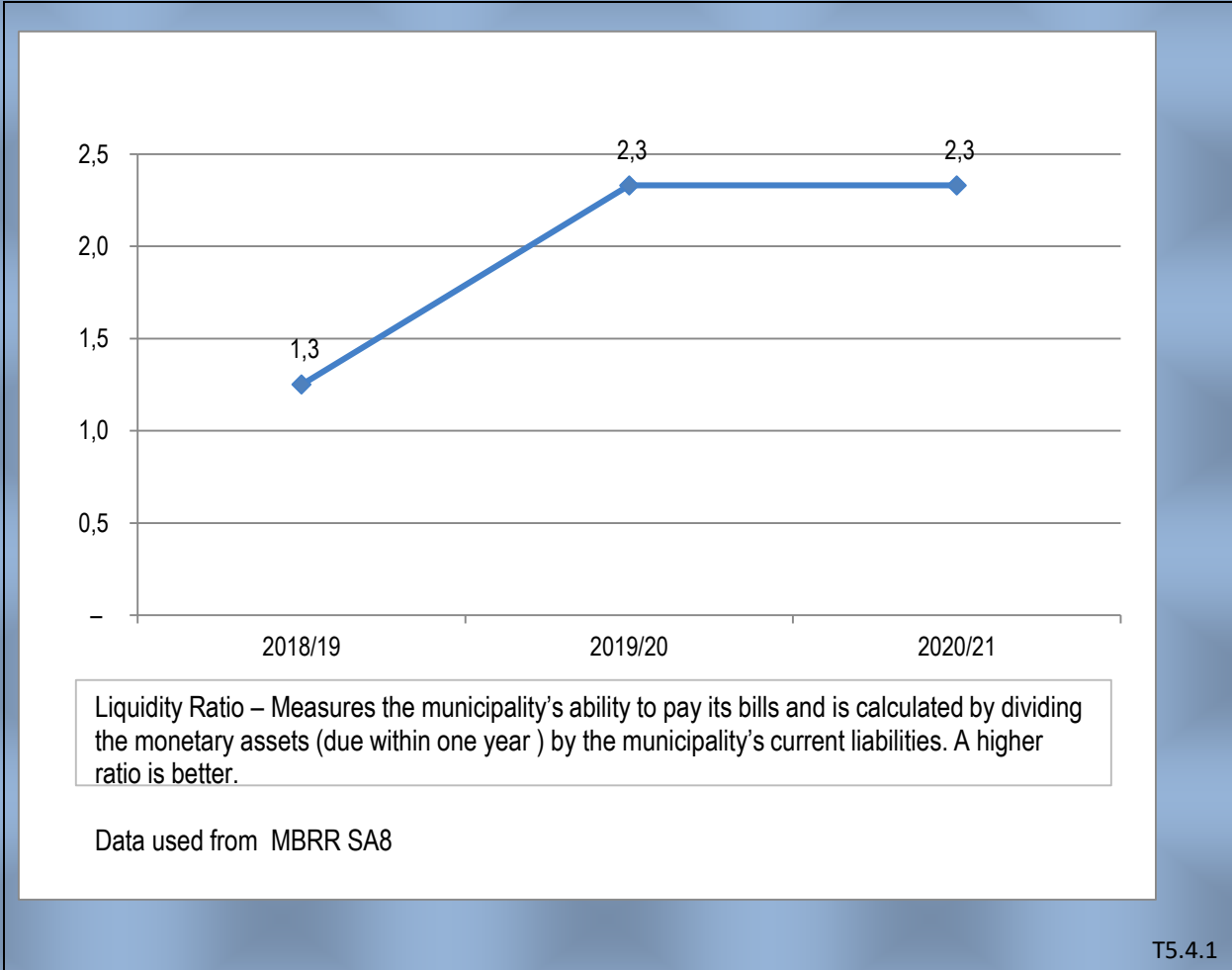
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Repairs and Maintenance budget for the municipality is lower than the 8% norm of the asset value as prescribed by the National Treasury, however the municipality was able to spend 81% of its Repairs and Maintenance budget for the financial year ended 30 June 2021. In addressing the budget issues the municipality will strive to increase this percentage in the next coming financial years.

T5.3.4.1

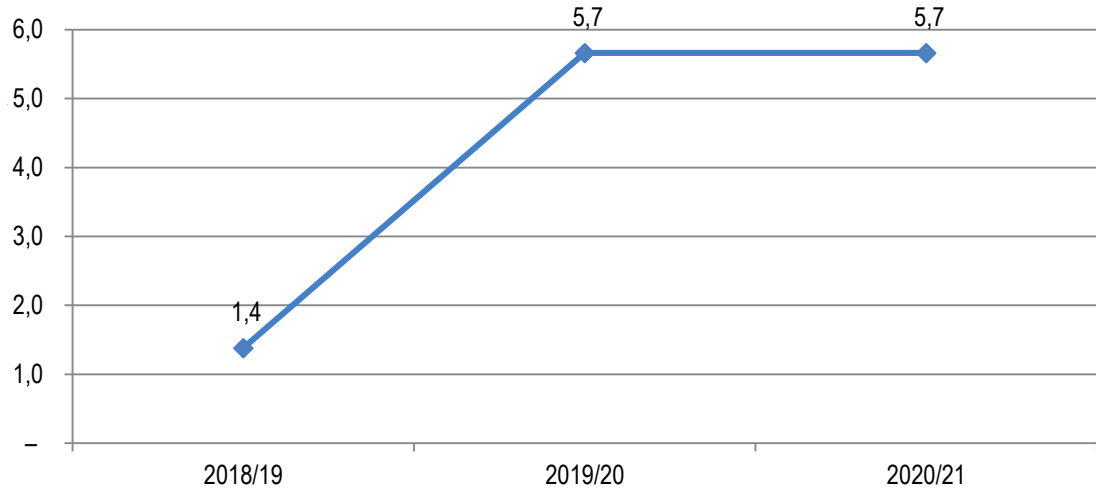
CHAPTER 4

.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



CHAPTER 4

Cost Coverage

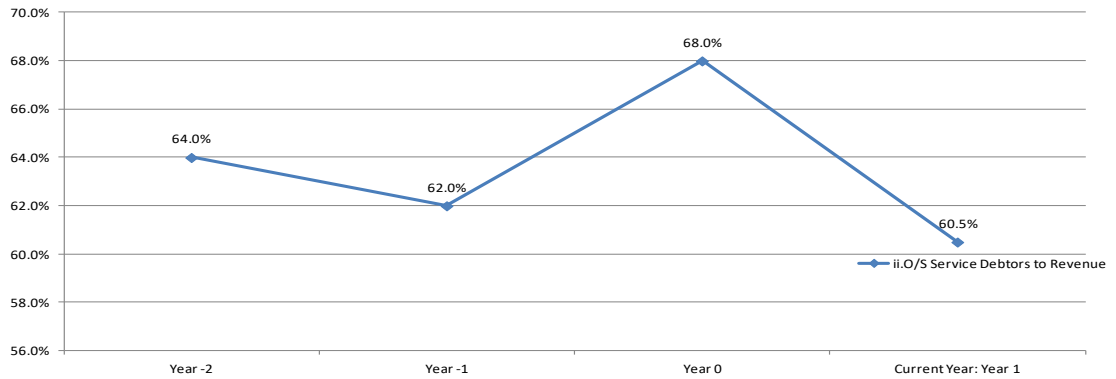


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T5.4.2

Total Outstanding Service Debtors



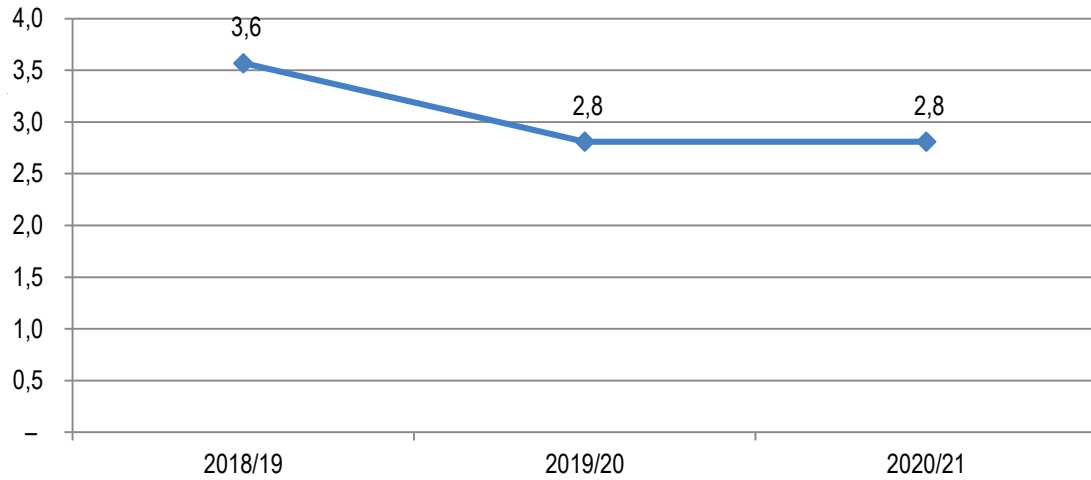
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

Data used from MBRR SA8

T5.4.3

CHAPTER 4

Debt Coverage

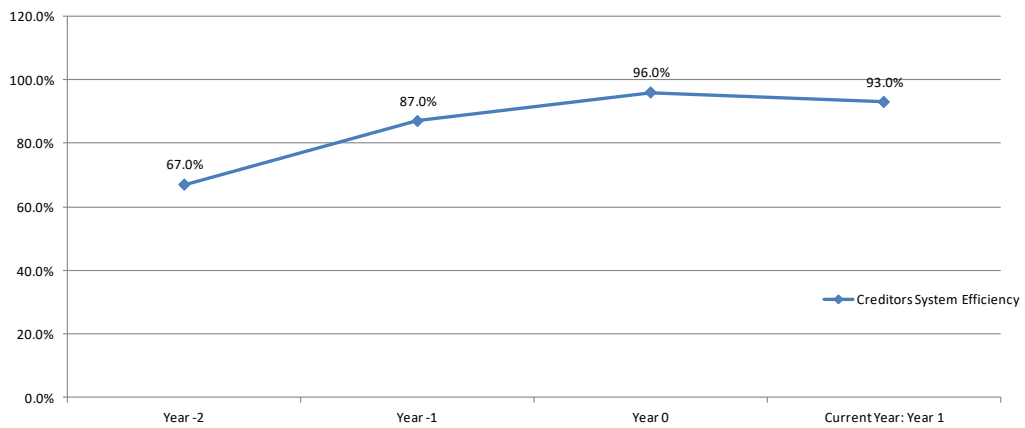


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T5.4.4

Creditors System Efficiency



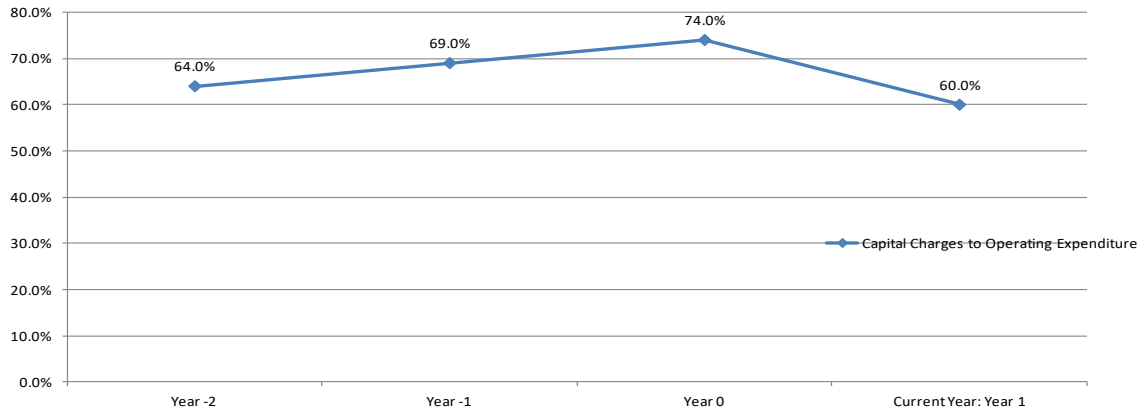
Creditor System Efficiency– The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

CHAPTER 4

Capital Charges to Operating Expenditure

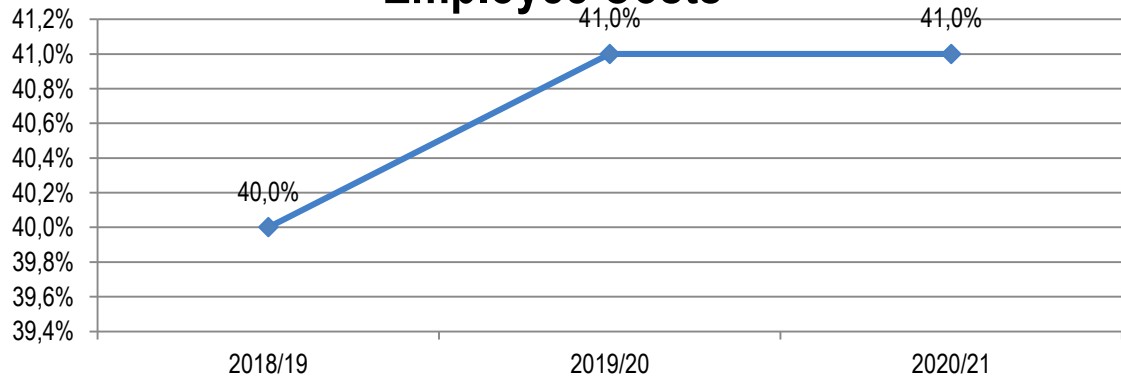


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T5.4.6

Employee Costs

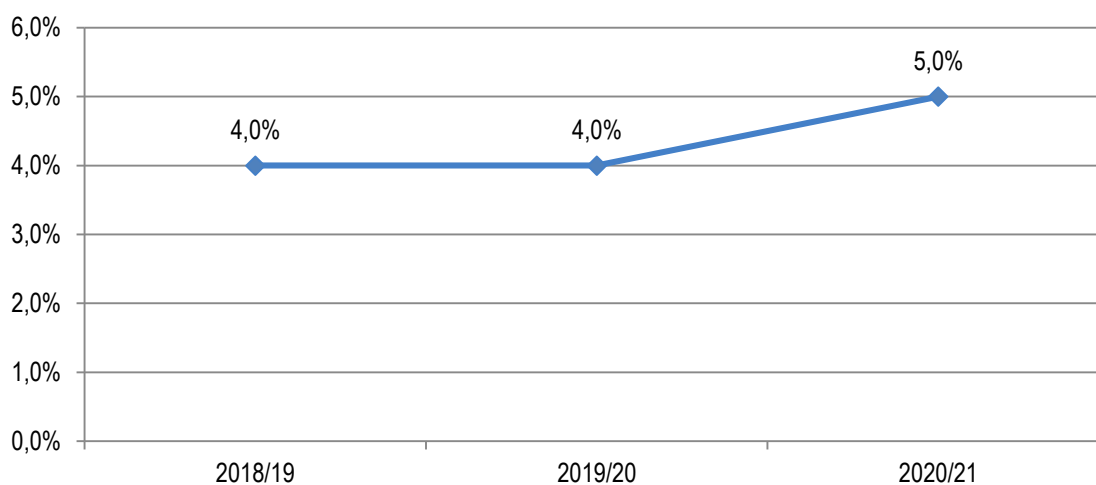


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

T5.4.7

CHAPTER 4

Repairs & Maintenance



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

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio

This ratio provides an indication of the municipality's ability to pay its short term debts in the short-term (viability of an entity). These ratios focus on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals). In the current year, the municipality's ratio has increased from 1.3 to 2.3, which is even above the norm. This is a good indicator for the municipality's financial health status.

Cost coverage

The cost coverage is calculated as available cash plus investments divide by monthly fixed operational expenditure. The municipal budget reporting regulations table for 2020/21 shows the coverage ratio at 5.7, this indicates that the municipality had sufficient reserves to meet its fixed monthly operational costs for the 5 months ahead that clearly indicates the improved liquidity status.

Debt coverage

The municipality has a low debt coverage rate of 0.9, which indicates that it does not generate sufficient own revenue to cover its own operational costs.

Creditor's system efficiency

CHAPTER 4

The municipality is developing systems in place to ensure that the creditors are paid within 30 days on receipt of valid invoice. This has led to a 90% improvement in the payment rate and the reduction in the creditors balance at year end.

Employee costs

The rate of 41% is higher than the norm of 40%, because the municipality had filled most of its vacant positions that were budgeted for. The municipality reviewed its structure, however not all the posts were filled but it reduced its percentage to 40% in the 2021/22 budget.

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

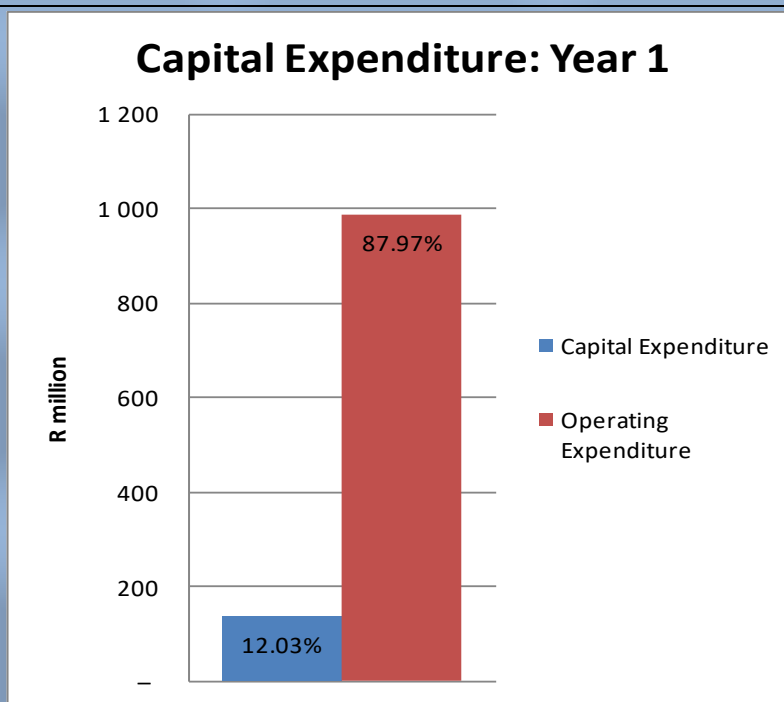
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Delete Directive note once comment's completed – Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

T5.5.0

5.5 CAPITAL EXPENDITURE

CHAPTER 4



T5.5.1

SOURCES OF FINANCE

Capital Expenditure-Funding Sources Year-1 to Year 0							
Details		Year -1	Year 0			Year 0	
		Actual	Original Budget(OB)	Adjustments Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance							
	External Loans	-	-	-	-	0%	0%
	Public contributions and donations	-	-	-	-	0%	0%
	Grants and subsidies	61,985,800	62,877,846	63,057,845	68,935,067	0%	-10%
Total		61,985,800	62,877,846	63,057,845	68,935,067	(0.00)	(0.10)
Percentage of finance							
	External Loans	-	-	-	-	0%	0%
	Public contributions and donations	-	-	-	-	0%	0%
	Grants and subsidies	100%	100%	100%	100%	100%	100%
	Other	0%	0%	0%	0%	0%	0%
Capital Expenditure							
	Water and Sanitation	-	-	-	-		
	Electricity	-	-	-	-		
	Housing	-	-	-	-		
	Roads and Streets	61,985,800	62,877,846	63,057,845	68,935,067	0%	-10%
Total		61,985,800	62,877,846	63,057,845	68,935,067	0%	-10%
Percentage of expenditure							
	Water and Sanitation	0%	0%	0%	0%	0%	0%
	Electricity	0%	0%	0%	0%	0%	0%
	Housing	0%	0%	0%	0%	0%	0%
	Roads and Streets	100%	100%	100%	100%	100%	100%

CHAPTER 4

T5.6.1

COMMENT ON SOURCES OF FUNDING:

Delete Directive note once comment is complete – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

T5.6.1.1

CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -	26 000 000	26 500 000	25 700 000	1%	-2%
B -	19 500 000	19 750 000	19 900 000	-2%	-1%
C -	15 700 000	15 700 000	15 500 000	1%	0%
D -	12 000 000	11 800 000	11 700 000	3%	2%
E -	11 500 000	11 000 000	11 250 000	2%	4%

* Projects with the highest capital expenditure in Year 1

CHAPTER 4

Name of Project - A	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - B	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - C	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - D	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - E	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	
	T5.7.1

COMMENT ON CAPITAL PROJECTS:

Delete Directive note once comment is complete - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 1. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

CHAPTER 4

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is complete – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T5.8.1

Service Backlogs as at Year 1				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*

T5.8.2

CHAPTER 4

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Road transport				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.8.3

COMMENT ON BACKLOGS:

Delete Directive note once comment's completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

CHAPTER 4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality's consistent strong liquidity profile over the past few years reflects a viable administrative system geared towards fiscal discipline despite challenges associated with the collection of revenues. The municipality prepares highly informative and comprehensive annual financial statements, including a balance sheet that is independently audited by the Auditor General. The municipality received an unqualified audit opinion for the financial year ended 30 June 2021. There were no material qualifications that affect the cash flow of the municipality.

T5.9.0

—

CHAPTER 4

Cash Flow Outcomes				
R'000				
Description	Year 0	Current Year: Year 1		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other				
Government - operating				
Government - capital				
Interest				
Dividends				
Payments				
Suppliers and employees				
Finance charges				
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-	-	-	-
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year end:				-

Source: MBRR SA7

T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

CHAPTER 4

Delete Directive note once comment is completed - Supply a brief summary about the cash flow status of the municipality. Explain variances from Original and Adjustment Budget to Actual. Include information on operating activities and what effect they had on cash flow and on cash backing of surpluses. Information regarding cash flow may be sourced from **Table A7 of the MBRR**.

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality did not have borrowings in the 2020/21 financial year

T5.10.1

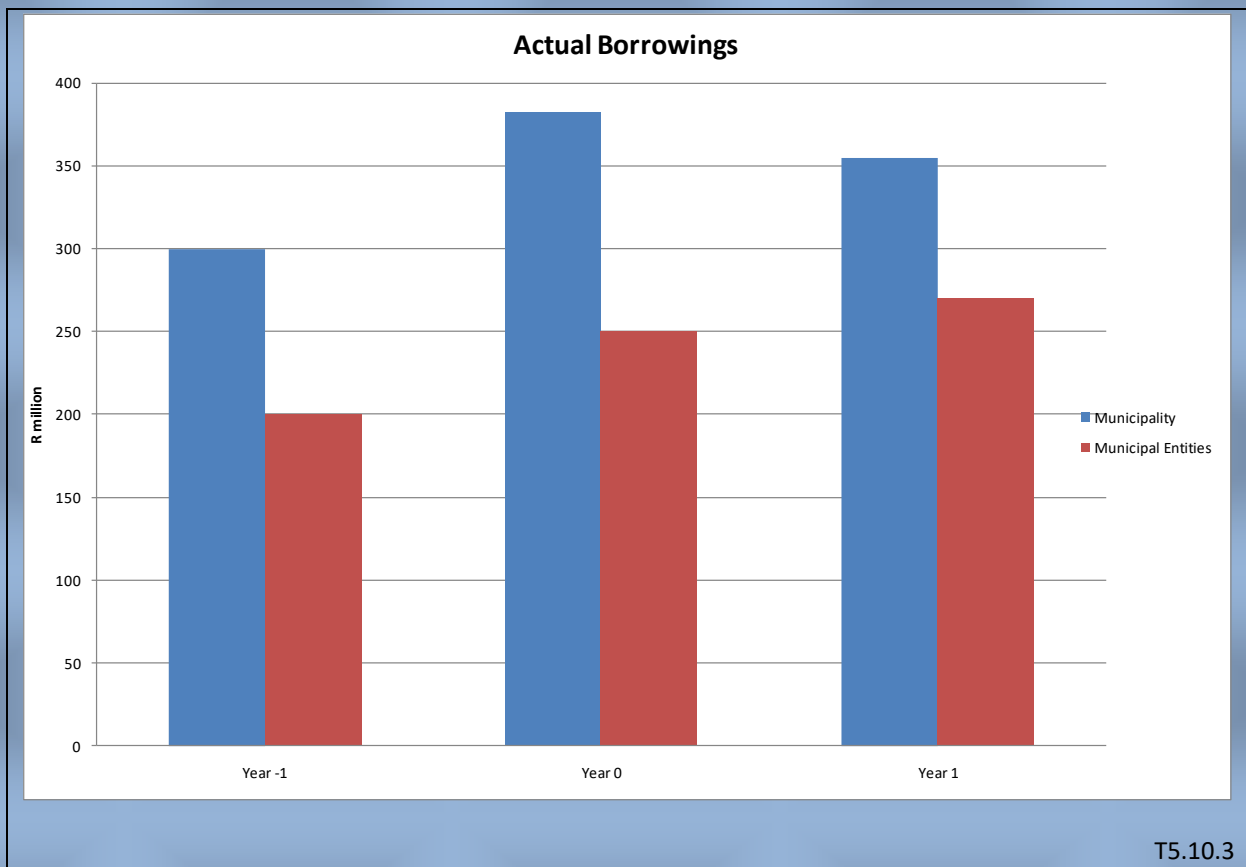
Investment profile

The municipality has short term investments with different banks. This is under cash and cash equivalents under the AFS note 5.

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank	17 306 047	110 451 585	172 981 077
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit – Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Municipal Bonds			
Other			
Municipality sub-total	0	0	0
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			

CHAPTER 4

Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit – Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	0	0	0
<i>T 5.10.4</i>			



CHAPTER 4

CHAPTER 4

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality did not have any Public Private Partnerships during the 2019/20 financial year T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council.

Section 117 of the MFMA states that: “No councilor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer.” The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: “The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management.” The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management and Supply Chain Management Practitioners.

Supply Chain Management is centralized and situated in the Budget and Treasury Department with 5 permanent staff members, 1 of them has completed the minimum competency requirements, whilst 4 are in the final stages of meeting these competencies. T5.12.1

CHAPTER 4

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

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

The municipality is yet to achieve full compliance with GRAP but notable strides have been made as captured in the Audit Action Plan. Material misstatements were identified by the Auditor-General that were subsequently corrected, leading to the Annual Financial Statements receiving an unqualified audit opinion with emphasis of matter.

T5.13.1

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

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

Delete Directive note once comment's completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Report of the auditor-general to Eastern Cape Provincial Legislature and the council on Mbashe Local Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mbashe Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mbashe Local Municipality as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standard of GRAP) and the requirements of the Municipal Finance Management Act of South Africa (Act No. 56 of 2003)(MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No.1 of 2018)(Dora).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Emphasis of matter

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

Restatement of corresponding figures

6. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2019 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2020.

CHAPTER 6

Impairment loss – Consumer debtors

7. As disclosed in note 11 to the financial statements, material impairments of R22 million (2019: R19,9 million) were incurred as a result of a provision for impairment of irrecoverable consumer debtors from exchange and non-exchange transactions.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of accounting officer for the financial statements

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

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2020:

Development priority	Pages in the annual performance report
KPA 2: Basic services and infrastructure development	x – x

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following development priority:
 - KPA: Basic services and infrastructure development

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year.

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

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 2 – Basic services and infrastructure development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

23. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and Annual Report

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, which resulted in the financial statements receiving an unqualified audit opinion.

Expenditure management

25. Reasonable steps were not taken to prevent irregular expenditure amounting to R41 million as disclosed in note 41 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with BAC composition identified in the previous years for recurring contracts.

Strategic planning and performance

26. The performance management system and related controls were not maintained as it did not describe how the performance measurement processes should be managed, as required by municipal planning and performance management reg 7(1).

Other information

27. The accounting officer is responsible for the other information. The other information comprises of the information included in the annual report which includes the councillor's report and the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in the auditor's report.

6.2 AUDITOR GENERAL REPORT YEAR 1

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on it.
29. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. I may have to retract this auditor's report and reissue and amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted the findings on the annual performance report and the findings on compliance with legislation included in this report.
 - Leadership did not exercise adequate oversight responsibility regarding performance reporting as supporting documentation for the actual performance targets were inadequate. Action plans in place were not adequately monitored to ensure that they are implemented to address internal control deficiencies.
 - The municipality did not have an effective records management system in place to enable reliable reporting on financial and performance information. In addition weaknesses were identified on design and implementation of controls on IT Governance.

Other reports

32. I draw attention to the following engagements conducted by various parties that have or could potentially have an impact on the Municipality's financial statements, reported performance information and compliance with applicable legislation and other related matters. The reports noted do not form part of the opinion on the financial statements or findings on the reported performance information or compliance with legislation.

CHAPTER 6

33. The municipality was under investigation by the Special Investigations Unit on its affairs in contracting and procuring of motor vehicles and equipment during 2015, as per Proclamation No.9 of 2018 issued by the President of the Republic of South Africa, the final report has been issued in August 2019.

Auditor-General

East London

28 February 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

Delete Directive note once comment is complete - Attach report

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Delete Directive note once comment's completed - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on YEAR 0 if it provides useful context.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S (delete '/...' if not applicable)**.

Signed (Chief financial Officer)..... Dated

T6.2.5

CHAPTER 6

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

CHAPTER 6

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

CHAPTER 6

Performance Indicator	<p>Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)</p>
Performance Information	<p>Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.</p>
Performance Standards:	<p>The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.</p>
Performance Targets:	<p>The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.</p>
Service Delivery Budget Implementation Plan	<p>Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.</p>
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

CHAPTER 6

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Nr	Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
					Nr	Nr
1.	Rulumeni P	P/T	Basic Service Delivery standing Committee	ANC	96%	2%
2.	Kwedinana V.N	P/T	Good Governance & Public Participation	ANC	98%	2%
3.	Sangqu L.L	P/T	Basic Service Delivery	ANC	98%	2%
4.	Kalityi S.D	F/T	MPAC	ANC	100%	-
5.	Sogayise N.O	P/T	Good Governance & Public Participation & Ethics	ANC	94%	6%
6.	Mamba P	P/T	Good Governance & Public Participation	ANC	100%	-
7.	Nqwena N	P/T	MPAC	ANC	97%	3%
8.	Mwahla S	PT	LED	ANC	97%	3%
9.	Jamnda B	P/T	Municipal Transformation & Institution	ANC	98%	2%
10.	Soshankane L.M	P/T	Good Governance & Public Participation and Whips Committee	ANC	99%	1%
11.	Mbane N.E	P/T	Municipal Financial Viability	ANC	95%	5%
12.	Peter M	P/T	Rules Committee Whips, Training Committee	ANC	99%	1%
13.	Bungu P	P/T	LED	ANC	96%	4%
14.	Tshika T	P/T	Rules Committee & Ethics	INDP	95%	5%

15.	Mantshingilane S	P/T	Municipal Financial Viability	ANC	97%	3%
16.	Namba W	P/T	MPAC	ANC	97%	3%
17.	Makeleni P	P/T	MPAC	ANC	98%	2%
18.	Mahobe L	P/T	Local Economic Development	ANC	94%	6%
19.	Sicengu S.D	P/T		ANC	-	
20.	Sitwayi T.S	P/T	MPAC	ANC	99%	1%
21.	Mrobo S	P/T	MPAC	ANC	99%	2%
22.	Ndinisa S	P/T	Basic Service Delivery	ANC	98%	2%
23.	Mantshiyose L	P/T	Local Economic Development	ANC	98%	2%
24.	Matiwane V	P/T	MPAC	ANC	97%	3%
25.	Magatya N	P/T	MPAC	Independent	97%	3%
26.	Sirunu Ntanga N.B	P/T	Municipal Transformation & Institution and Women's Caucus	ANC	99%	0%
27.	Mboxela N.N	P/T	Municipal Transformation & Institution	ANC	97%	3%
28.	Tyali N.A	P/T	Local Labour Forum Whips, Municipal Financial Viability	ANC	98%	2%
29.	Mayiji P.	P/t	Service Delivery and Infrastructure	ANC	95%	5%
30.	Kondile P.	P/T	Local Economic Development and whips	ANC	99%	1%
31.	Ncethani .N	P/T	MPAC	ANC	99%	1%
32.	Genyane C	P/T	MAYCO, Local Economic Development and Good Governance & Public Participation	ANC	96%	4%
33.	Majavu B /Speaker	F/T	Rules	ANC	100%	-
34.	Sibingibingi M	F/T	Whips	ANC	100%	-

35.	Mkhedamo N.W	F/T	MAYCO	ANC	98%	2%
36.	Baleni X.	P/T	MPAC	ANC	97%	3%
37.	Mlandu N.M	P/T	MAYCO and Municipal Transformation & Institutional Development	ANC	99%	1%
38.	JIYA MW	P/T	Service Delivery and Infrastructure	ANC	94%	6%
39.	Ganda. N	P/T	Women's	ANC	100%	-
40.	Siswana. B	P/T	Municipal Transformation & Institutional Development	ANC	96%	4%
41.	Willie X.O	F/T	Municipal Financial Viability	ANC	96%	4%
42.	Nkomonye. N	P/T	MAYCO and Good Governance &Public Participation	ANC	100%	-
43.	Ngomthi. N.N	F/T	Municipal Transformation & Institutional Development and MAYCO	ANC	99%	1%
44.	Makapela M.K	P/T	Ethics & Members Interest and Rules Committee and Local Economic Development	ANC	98%	2%
45.	Tyodana X.M	P/T	Women's Caucus and Municipal Transformation & Institutional Development	ANC	96%	4%
46.	Janda S.N- Executive Mayor	P/T	Mayoral Committee	ANC	99%	1%
47.	Mcotsho M.M	F/T	Service Delivery and Infrastructure and Local Labour Forum	ANC	97%	3%
48.	Livi S C	F/T	MPAC	ANC	98%	2%
49.	Mbomvu M	F/T	Service Delivery and Infrastructure MAYCO and	ANC	100%	-

			Municipal Financial Viability			
50.	Mhlathi Y	F/T	Whips , Good Governance & Public Participation	ANC	94%	6%
51.	Tetyana M	P/T	Developmental Planning	UDM	95%	5%
52.	Tyelinganye N	P/T	Basic Service Delivery	UDM	94%	6%
53.	Takani M	P/T	Basic Service Delivery	UDM	96%	4%
54.	Mahlathi N	P/T	Municipal Financial Viability	UDM	95%	5%
55.	Matiti L	P/T	Basic Service Delivery	UDM	95%	5%
56.	Solontsi M W	P/T	Good Governance & Public Participation and Rules	UDM	93%	7%
57.	Msindwana/Gabada	P/T	MPAC	UDM	91%	9%
58.	Ndlodaka N	P/T	Municipal Transformation & Institutional Dev. And Whips	UDM	97%	3%
59.	Goniwe-Mafanya T	P/T	Municipal Financial Viability and Local Labour Forum	DA	95%	5%
60.	Tshaka M	P/T	Local Economic Development and Basic Service Delivery	DA	95%	5%
61.	Mdikinda S	P/T	Municipal Financial Viability and Whips	EFF	99%	1%
62.	Tafeni/Bomvu T	P/T	Municipal Financial Viability	EFF	95%	5%
63.	Mtyapi T	P/T	Local Economic Development, Whips and Rules	COPE	50%	50%
Traditional Leaders serving in the municipal council						
1	Ntlokondala S	P/T	Local Economic Development	Chief	97%	3%
2.	Mtwesi L	P/T	Basic Service Delivery	Chief	100%	-
3.	Nyendane S	P/T	Municipal Transformation & Institutional Development	Chief	99%	1%

4.	Sofika N	P/T	Good Governance & Public Participation	Chief	98%	2%
5.	Ngubechanti N	P/T	Municipal Transformation & Institutional Development	Chief	95%	5%
6.	Dudumayo A	P/T	Municipal Financial Viability	Chief	99%	1%
7.	Fudumele P	P/T	Good Governance & Public Participation	Chief	96%	4%
8.	Zenani N	P/T	Good Governance & Public Participation	Chief	96%	4%
9.	Ndim F.F	P/T	Basic Service Delivery	Chief	99%	1%
10.	Salakuphathwa M W	P/T	Local Economic Development	Chief	93%	7%
11.	Masiko M.N	P/T	Municipal Financial Viability	Chief	97%	3%
12.	Sigcawu N A	P/T	MPAC	Chieftains	99%	1%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<p>1. With due regard to the extent of the functions and powers of the municipality, the need for the delegation of those functions and powers in order to ensure efficiency and effectiveness in performance and the available financial and administrative resources of the municipality to support a committee, the Council may, in terms of Section 80 of the Structures Act- establish one or more Committees</p> <p>Standing Committees: Municipal</p> <ul style="list-style-type: none"> • Transformation and Institutional Development • Basic Service Delivery • Municipal Financial Viability • Local Economic Development • Good Governance and Public Participation 	<p>The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)</p>
<p>2.The Rules Committee</p>	<ul style="list-style-type: none"> • The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998) • To develop, formulate and adopt policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders and practices;
<p>3. MPAC</p>	<ul style="list-style-type: none"> • The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998) • To perform an oversight function on behalf of council, including, but not limited to, overseeing expenditure of public funds and the utilization of Council resources;
<p>4. Women’s Caucus</p>	<ul style="list-style-type: none"> • Working towards profile building of women’s councilors for effective capacity building.

	<ul style="list-style-type: none"> • Ensure gender mainstreaming and equity within municipal processes. • Re-affirm and strengthen partnership and networks that support women in local government and other spheres of government and civic society. • Act as an advisory and consultative body for all women councilors raising and representing their interests within Municipal Council structures.
5. Public Participation Committee	<ul style="list-style-type: none"> • To encourage active involvement of communities and community organizations in the affairs of the municipality; • To ensure the consideration, monitoring and tracking of petitions lodged to the municipality; • To ensure that timeous feedback is given to Petitioners; • To ensure adherence to Community Complaints and Petitions Handling Policy; Public Participation Policy; Public Participation Strategy and communication strategy are in place
6. Training & Equity Committee	The purpose of the committee is necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers in terms of Section 79 of the Municipal Structures Act (Act No 117 of 1998)
7. Whippy Committee	To discuss and process matters relating to political management of the institution
8. Local Labour Forum	The purpose of the committee is to strengthen the working relations between the employer and the employee
9. Audit Committee	The purpose of the committee is to function in line with section 166 of the Municipal Finance Management Act 56 of 2003
10. Risk Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
11. IGR Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
12. IDP, Budget & PMS Technical Steering Committee	The purpose of the committee to provide technical support towards assisting the Mayoral Committee in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
13. IDP, Budget & PMS Steering Committee	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)
14. IDP, Budget & PMS Rep Forum	The purpose of the committees is to assist the executive committee or Executive Mayor in terms of Section 80 of the Municipal Structures Act (Act No 117 of 1998)

CHAPTER 6

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Operations	Thabisa Goniwe-Mafanya), Nomakhulu Dingane, Anele Mtyhida.
Developmental Planning	Lithalobom Qunta:
Infrastructure Services	Chuma Lusanda Makonza, Thulani Masangwana
Corporate Services	Nonzwakazi Hanise, Siyamthanda Mashologu, Sisa Baliso
Financial Services	Vuyo Jam Jam
Community Services	Lungisa Bongo, Isaac Xolile Siguye

CHAPTER 6

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

CHAPTER 6

CHAPTER 6

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of quarterly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1	CLLR RULUMENI JOSEPH NOLUVUYO JONGA NOMADIYA NAMA BULELWA ALBERTINA MNIKI NOMFUSI WUNGU KHULULWA MABHELE LULEKA MARGARET MAKWE BABALWA NTOMBOKUQALA GQAGQA PHINDIWE KWATSHA DUNYISWA	Yes	2	None	none
Ward 2	CLLR KWEDINANA MFIHLO NOMKHAWULELO PORTIA MATSHEKEXANA NQGOLA NOSIMPIWE NQWILISO MANDILAKHE MDAYIDAYI NOLIVO JAZA SINDISWA TUTU NTOMBIFIKILE VICTORIA THOBILE MATHOLE NOLUSAPHO MAPHINI	Yes	12	4	none
Ward 3	CLLR SANQGU NKOHLA NOMFEZEKO NCISE NOMAPELO LUCIA MGUSHELO YONELA NOBHALISA NONDUMISO NOLANDILE MTSOLONGO NDZANDZEKA NOLUDWE ROJI THABISA MADLELANA NTOMBIZODWA RAFU NOMFUNDISWA ZODWA MADLALENA	Yes	12	4	none
Ward 4	CLLR KALITYI PANDLE KHETHISWA GXOTANI ZUKISA ZWEMU AKHONA NONKWALI GCWANINI JOSEPH	Yes	12	4	none

	SABA FUNEKA NGCANGCA NOZUKILE THOBEKA MFANYANGA				
Ward 5	CLLR SOGAYISE DAMBA SIFANELE DAYIMANI BAMBELELA MAJACA NONTOBOKO POTELWA MBONGENI MAXWELL MZINGELWA TAMSANQA SIKWEYIYA NQABA MATHEBULA SURPRISE ERICKSON GAQA ZIPHILELE CEFA ANDISWA MNGAMBI NZONDELELO	Yes	12	4	None
Ward 6	CLLR MAMBA SIYABONGA ABRAM GLEN NOKWAKHA QUMBELO SIVUYILE RATAZA NOKHANYO NKUNZI SIBUSISO ZATU BUKELWA MTSHOTSHISA MATEMBA NDINAYO KHANYISANI NCAPAYI PRINCESS VOTISWA MKHONO NGIXI HENDRICK	Yes	12	4	None
Ward 7	CLLR NQWENA DILAYI ANDISWA NDINISA NDUMISO JEVU NOMFUNDO VERONICA SIYO NOLUKHOLO BHIDI XOLISA MKROKRELWA NOBESUTHU NGCWEMBE NOKUTHULA VUYOKAZI MAQHUDE NOKELE NO-SECOND DOMAKOSI PRINCESS JOSEPH PHELANDABA	Yes	12	4	0
Ward 8	CLLR MWAHLA NGXOKO NOWINETI MAVUBENGWANA CALVIN TYHOPHO SIGIDI SIZIWE MAGCWEKA SIPHAKAPHAKA MLENZANA MTHWESI DYUBELE VUYELWA NONKWENKWE ZOLA NDABAKANYISE NOTHAYIMILE	Yes	0	4	0

	MENZIWA SIYABULELA SIGIDI MPUTUMI				
Ward 9	CLLR JAMNDA MATOMANE TANDIWE SIGWAYI KUNGEKA DANGAZELE GAMALAKHE MONWABISI MBEKI CZARINA NOLITHA MDLETYE NTOMBIZANELE MNCI NOKWANDISA PAPA NOLITA MXOKOZELI THANDUMZI FINCA NGENISWA ZOLEKA BONGIWE	Yes	None	0	None
Ward 10	CLLR SOSHANKANE COKI NTOMBIYAKHE MBAWU NOMAKWAYI GEMBULA LEJINA RWAYI SIYABULELA NAMA BUKIWE SIXHINTI NZAME WILLIAM BOMELA NOMZI MALGAS THANDEKILE MLENGA MADODANDILE MALASHE MANDISA	Yes	12	4	None
Ward 11	CLLR MBANE NTANTISO NOMBULELO BEAUTY NGOLOTHI NONYUSILE MNGESI SYDNEY SIBONGILE KRISHE NOLUSAPHO NELISWA DELANI MLUNGISI TOTO BANTUBONKE MJIWU ANELISA SITYATA NOKHANYISO FLORENCE NKOMONYE BONGIWE RITA DEBESE ELLIOT NOGCOLOZA	Yes	0	4	
Ward 12	CLLR PETER NZANZEKA SICELI MAYETI THANDEKA NKEBESE NTOMBOXOLO HAGILE SHEILLA NOMZAMO LANDU FUZIWE KEBETU NGXOBOLOLO HERMAN NGENELWA NOKONWABA LETESE LINDIWE FANI PRINCESS NONDWE NZANZEKA SICELI SIGINGXINGXI GUZU	Yes	12	4	none

Ward 13	CLLR BUNGU MLAULI NTOBEKO WESLEY PAJI WELLINGTON MSWELANTO WILLIAM FUNDA NCEDO LUBUZO BUSISWA DWAKASA ONDELA MGUSHELO SIHLE YAYO NONEZILE MVUYO NONDLALISO MNTUWONKE NOWETHU	yes	0	0	0
Ward 14	CLLR TSHIKA GWADA ZIBEKILE QOTYANA MZWABANTU DASE NOBUHLE EMERENTIA MTSHAZI NOMALIZO MALGAS THOKOZILE SYLVIA CILO MONGEZI MAFENUKA MTOBELI MPOZOLO NONTASAS MHLONYANE NOMENDU MARGARET	yes	0	2	0
Ward 15	CLLR MANTSHINGILANE .NOBANGELA NO-ALONI .DAMANETHI XOLILE .FANISO MNTUNAYE NQABENI VICTOR .JOKO LUMANYANO .BLAYI NOMSOBO .GONQO MZAWUPHELI .NONKATHA LINDEKA .MDABUKA SIYABULELA .MAPHI DAN	Yes	0	1	0
Ward 16	CLLR NAMBA .BOMVU NOMVELWANO .ISAACS LEONARD .DLANDLU NOPHATHILE DINGEKHAYA THEMBEKA .BHUNGENI LINDIWE .MKHOHLISWA SIKHINCI .NGWENYA WELCOME .THETHWA NOSAKHELE .NOMPHO NELISWA .MANDLAKAPHELI SIWOWO	yes	0	1	0
Ward 17	CLLR MAKELENI .THEMBAKAZI FETUMANE .NAMEKO NOMACHULE NZUTA THOBEKA .GAYIYA NOZUKO .NQININGALO VELA VELA .NKALWENI SIBONILE .NTSHONTSHO NOSIPHO .MGXABAYI XOLISWA .RHODOLE MANQOBO	yes	0	4	0

	.MDYOBHE LIZIWE				
Ward 18	CLLR MAHOBE .GWEBITYALA SIKHOSANA.LOLIWE NOMANESI .BALINDLELA NOTHEMBA .BALIKHULU NOBONGILE .QAKATANA NQOZANA .ZUNGUZANE ALBERT QUMBA .MAHLUNGU MXOLISI .FUNDA NKOSINATHI XINGILE NOPOSILE . BUZMAN MDYOSI	yes	0	1	0
Ward 19	CLLR BANJWA TONGWANA MONWABISI .MATYALA JUDA .MKHEFU MBUYISELI .SONWABO MERCY .MTSHISWA BUZIWE .MBANGASINI NTSIKELELO .NYALIVANI THEMBILE	Yes	0	1	0
Ward 20	CLLR SITWAYI .MAJAMBE NOKHOLEKILE .MAKHWEZI NOSIVIWE .FUKU MBUKELI .MTHI XOLISWA .NCATSHA XOLELWA .MABHENU NYAMEKA .SUNDUZA MLULAMI .MDANDA DUMISANI .XAMBA SIDIMA .XELINTO BHOSWANA	yes	0	4	0
Ward 21	CLLR MROBO JAMA S. MACAMBA MENGEZI NGQENGQA CATHERINE NOMAKA SOTYATYA LABOURMAN SOBANTU GENUKA NOMATSHAKA XUBUZANE NOLUSANO MAGXWALISA T NOTHOBI.MIRRIAM. SOLONTSI JABE NOPHETHILE	yes	0	1	0

Ward 22	CLLR NDINISA NDESI BULELWA ELSIE DELIHLAZO ZIZO MPOTYA ZIBONELE NKOHLA NOZIPHIWO YOLI NONKQUBELA NTUNJA KHAYALETHU SIDLANGA NOMPILO MTHINI BEAUTY NANI THANDILE MATYENI P.	Yes	12	4	0
Ward 23	CLLR MANTSHIYOSE NKOPHE N NTLOMELWANA VUYISWA ZWENI NTOMBOXOLO CHRISTINA KOKISI J MARANJANA NO-OLERT NOLUTHANDO MEJE NTOMBOKUQALA KHUMELWANO LULAMILE KONDILE LWANGU SIPHOKAZI	Yes	12	4	0
Ward 24	CLLR MATIWANE DLONGWANA NOZUKO VIGINIA XALA NOWEZILE THEODORAH VUNGUVUNGU NOPAKAMISA KHAPHUSHI L. MKIVA NONCEBA SIKOBI N SIDIYA J. KALIMASHE NOZINZILE RACHEL NDLEBE N. SOLONTSI NOMSA	Yes	12	4	0
Ward 25	CLLR MAGATYA ZITHO KHENNETH KASA NOLUDWE NGOBO AKHONA NGWACA NOTWOCENT PATRICIA XAPA MNYAMEZELI MNWANA ZIMKHITHA NOMBEWU Z MDLULWA N MPENGESI T. MBIKO NONYAMEKO	Yes	12	4	0

ward 26	CLLR SIRUNU .BALINDABA JOKER .GENYANE WILSON .MXHANYWA THEMBINKOSI .VELAPHI STEVEN .NYATHELA NTOMBIZANELE .MHLABENI NOMASIMPHIWE .GENUKILE NELLY .LENTAKA SANDISWA .MZWEMBILA PHATISWA	Yes	0	3	0
Ward 27	CLLR MBOXELA MGEDLE NOTHEMBA GOBI JONA NOMTHANDAZO MATU KWEDINANA QUNTA TAMELLA LWAZI, DAKA MQINYANA NONKOSIKO QAVANE SKOKI MHAGA SVUYILE SAMBANA S. MALANGENI M.	Yes	0	4	0
Ward 28	CLLR TYALI .PHUMZILE MSARO .ZIBELE MAKWHENKWE .ZODWA MANYUBE .NOWEBILE MAPUTUMA .KWAYIYO MENDWANA .THATYIWE NOTHEKO GQUTANE .LIZIWE NDLELANI .NOLUTHANDO JAYI-JAYI .LINDILE NOMEWUSE .LINDELWA KHEYIZANA	yes	0	4	0
Ward 29	CLLR MAYIJI BUSISIWE SININA MAHOBE N JAZA VUYOKAZI SOMATIKA ORIANDA NOLUNDI BEKAMEVA N NQULWANA N MTYIDA THEMBINKOSI NDEVU WILLIAM MZIWONKE NCUMEZA PILISA NTLOKO TRYPHINA NOSANGO	yes	0	4	0
Ward 30	CLLR KONDILE MZIKABAWO. AMON. MHAGA MKHATSHANE N MVAMBO M. YELANI Y DENISI NONDLEKO MNUKWA NOMAZIZI	Yes	0	3	0

	XOLA NTOMBEKAYA LILLIAN SGOBONGO ZOLEKA VIVIAN SAMBONA QAVANE.				
Ward 31	<p>CLLR NCETHANI</p> <p>MAKAPELA MZIWETEMBA DONALD LUDONGA LINDELA ZOLWANDLE MONWABISI NOBUNTU MQOMBOTHU SIKITI NOXOLO MHLANGA NOKWAKHA NONDIPHE ZOKUFA LABHATALA MIRRIAM TUTU NOSIPHO</p> <p>CLLR GENYANE</p>	Yes	12	2	None
Ward 32	<p>NONTUTHUZELO (DESHI) JWARA (SECRETARY) NOSAKHELE NOGINGXA PATRICK DIKILOKHWE (DEPUTY CHAIR) NOZUKILE SILOKO NOKUBONGA NDAYINJANI THETHANI MBOFITHI MENTE NOSAKHELE ZANDILE QHIJANA LUNGILE TOYIYA THANDIWE MABOVANA</p>	Yes	0	4	0

CHAPTER 6

APPENDIX F – WARD INFORMATION

Ward title: Ward Name Number			
No	Project Name and Details	Capital Projects : Seven Largest in year 0	
		Start Date	End Date
1.	Municipal Offices	01 August 2018	March 2021
2.	Ward 25 Sportfield	12 December 2017	10 March 2021
3.	Tayi-Qwili Access road	23/03/2019	30 June 2020
4.	Lencane to New Town access road	26/10/2018	22/02/2019
5.	Mbewuleni access road	03/09/2018	28/06/2019
6.	Mngazana access road	16/10/2019	19/06/2020
7.	Mdwaka community hall	8/01/2019	3/12/2019
8.	Mbelo access road	5/03/2020	19/08/2020
9.	Nohesha to Matyhameni Access road	02/03/2020	25/08/2020

BASIC SERVICES PROVISION					
DETAILS	WATER	SANITATION	ELECTRICITY	REFUSE	HOUSING
Households with minimum service delivery	ADM	ADM	48724	22199	20091
Households without minimum service delivery	ADM	ADM	11400	37925	40033
Total House holds			60124	60124	60124
TOP FOUR SERVICE DELIVERY PRIORITIES PER WARD					
NO	Priority Name and Details	Progress During Year 0			
1	Municipal Roads Constructed	18.8km			
2	Municipal Roads Maintained	320km			
3	Electrification (Grid Connections)	2519 Connections			
4	Community Services infrastructure	2 community Halls			
1	Municipal Roads Constructed	18.8km			



MBHASHE LOCAL MUNICIPALITY

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

All correspondence to be directed to the office of the municipal manager

454 Streatfield Street, Dutywa, Eastern Cape Province

Tel: 047 489 5864/34 • Email: info@mbhashemun.gov.za

CONSOLIDATED REPORT OF THE

AUDIT COMMITTEE TO THE COUNCIL OF MBHASHE MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2020

Date of Committee	Committee recommendations year 1	Recommendations adopted(enter yes) if not adopted(provide explanation)
27 July 2020	Management to put other mechanisms in place to prepare for COVID-19 and to ensure that at least performance of the municipality is improved	Yes
	Management to ensure that there is 100% expenditure on conditional grants	Yes
15 September 2020	On the audited Annual Performance Information, Evidence(POE) to be further verified by Internal Audit before the document is submitted to AGSA	Yes
	Annual approval of the Internal Audit Plan	Yes
	Full set of the AFS to be made available and submitted to the AC by the 21 October 2020	Yes
21 October 2020	IA to ensure that minutes of the previous meeting are circulated to all members and senior management at least seven days before the next meeting	Yes
	CFO to ensure that all the reviews highlighted by the Internal audit during the reviews of the AFS are being taken in considerations before submitting AFS to AGSA	Yes
	MM and CFO to ensure that all the recommendations as per the Internal audit report in regards to Cash Management are being implemented	Yes
27 th October 2020	Internal audit to be part of management	Yes



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	meetings/discussions until the final set of financial statements are submitted on the 31 October 2020	
27 th October 2020	Management to support and provide management comments to the report of internal audit	Yes
26 April 2021	Municipality to consider the internal audit report more especially the issues highlighted during project verification	Yes
	Internal audit to continue performing the physical verification of the projects	Yes
	Inclusion of the column for root cause in the developed Audit Implementation Plan	Yes

1. LEGISLATIVE MANDATE

The Audit Committee is constituted in terms of sections 166(2) and 166 (6) (b) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) and Section 94 (7) of the Companies Act, No. 71 of 2008, as amended for Municipal Entities (Entities).

The Audit Committee is an independent advisory body which **must** advise the Council of Mbashe local Municipality (Council), Accounting Officers, and the management staff of the Mbashe Municipality (Municipality). It advises on matters relating to:

- Internal Financial Control;
 - Internal Audit;
 - Risk Management Processes;
 - Financial Reporting;
-
- Performance Management;



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- Governance;
- Compliance with Laws and Regulations; and
- Any other issues referred by the Municipality or its Entities.

2. TERMS OF REFERENCE /AUDIT COMMITTEE CHARTER

The Audit Committee has adopted formal terms of reference, *hereafter referred to as the Audit and Performance Audit Committee Charter*. The Charter is presented at a formal meeting, deliberated upon and recommended for final approval by Council. The Audit Committee has executed its duties in accordance with the Charter during the financial year ended **30 June 2021**.

3. COMPOSITION AND MEETINGS

(a) In compliance with circular 65 of the MFMA, Mbashe audit committee consists of at least three members as required. During council policy review, charter of the municipality **was amended during 2019-20 financial to reflect the following as per the reviews conducted**

POLICY GAP IDENTIFIED	PROPOSED RECOMMENDATION/ ADDITIONS/AMMENDMENT
Duplication of items under the committee mandate	Proposal to delete the sentence reflected as: <ul style="list-style-type: none"> • “ specific duties of the committee” since this line is already covered under the general responsibilities
Omission of certain procedure from the responsibilities relating to internal auditing	Proposal to include one sentence on the responsibilities relating to internal auditing as follows: <ul style="list-style-type: none"> • Approval the decision of the appointment, replacement or dismissal of the Internal Audit Manager



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POLICY GAP IDENTIFIED	PROPOSED RECOMMENDATION/ ADDITIONS/AMMENDMENT
inadequate information relating to compliance management	<p>Proposal to edit the existing sentence so as to make it more meaningful as follows:</p> <p>Previous sentence:</p> <p>“Consider the impact of new legislation on the affairs of the Municipality”</p> <p>Proposal or amended sentence:</p> <p>Consider the impact of new legislation on the affairs of the Municipality by advising the council on the implications and the implementation of the new legislation.</p>

As per the schedule or plan, the following were applicable in the mandate of the committee:

- (1) Responsibilities related to management and internal control
- (2) Responsibilities related to the Internal Audit function
- (3) Responsibilities related to External Audit performed by the Auditor-General
- (4) Performance management and performance evaluation
- (5) Risk management
- (6) Compliance management
- (7) Review Annual Financial Statements
- (8) Special investigations and
- (9) Other responsibilities

OUTBREAK COVID-19 AND ITS IMPACT TO THE SOUTH AFRICAN ECONOMY AND BUDGET VS AC ROLES AND RESPONSIBILITIES:

Beside the issue of international disaster outbreak which was announced by South African President during March 2020, audit Committee of Mbhashe Municipality managed to execute their duties successfully as they are reflected in the Terms of Reference.



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National Treasury

has issued several circulars or exemption responding to the international outbreak of COVID-19 as announced by the South African President during March 2020.

Most issues highlighted by circulars was the common elements impacting directly to the declining growth trend in economy of South Africa being:

- Bad/negative financial conditions of South Africa.
- Issue of job losses
- Poor education outcomes
- Low level of labour intensive growth

Latest exemption or instruction issued during 5th of August which gave instruction or exemption to sections 126(1) and (2); 127(1) and (2); 129(i) and 133(2) of the local government Municipal Finance Management Act.

Noting all the circulars of the COVID-19 pandemic, Mbashe Audit Committee Members, managed to execute their roles and responsibilities as follows

- (i) The Audit Committee met at least more than 4 times to deal with matters relating to the financial year of which amongst to those was to review the Annual Financial Statements of the municipality before they are submitted to AGSA for annual audit.
- (ii) Last two of the AC meetings were held virtually so as to comply with the COVID 19 regulations
- (iii) Members managed to assist the municipality by identifying at least all the material issues that the municipality need to correct and adjust before the financial statements are submitted to Auditor General.
- (iv) Monitoring of the Disaster risk management report that responding to all COVID-19 risks/issues
- (v) For all the planned meeting for 2020-21 financial year, Managers together with Senior Management attended Committee meetings by invitation. Also our stakeholders like Auditor General, Provincial Treasury and COGTA have standing invitees to our meetings.
- (vi) Enterprise Risk Management Units and External and Internal Auditors have unrestricted access to the Audit Committee. The effectiveness of the Audit Committee as a whole and that of its individual members is assessed on an annual basis.



MBHASHE LOCAL MUNICIPALITY

(vii) During
June
2021
contract
of two

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members got expired, i.e., Mr. Mxunyelwa and Mr. Deliwe and were replaced by Mr. Nombembe and Ms. Mponco. These new members will start to execute their duties for the new financial year of 2021-22 financial year

(viii) All the members managed to attend all six planned meetings including outgoing members (Mr. Mxunyelwa and Mr. Mawonga)

(a) The schedule of meetings and record of attendance by members is indicated below:

(i) Schedule of Audit Committee Meetings relating to financial year 01 July 2020 to 31 June 2021 and attendance of audit committee members.

SCHEDULE OF MEETINGS ATTENDED BY THE AUDIT COMMITTEE MEMBERS

Name	Surname	Financial year	Total audit committee meetings	Total number of meetings attended
Mr. Samkelo	Mxunyelwa	2020-21	6	6
Mr. Mawonga	Deliwe	2020-21	6	6
Ms T.	Ntshanga	2020-21	6	6



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4. STATUTORY DUTIES ASSOCIATED WITH AUDIT COMMITTEE MEMBERS

Mbhashe audit committee members in the execution of its statutory duties during the past financial year, members believed that:

- (i) the appointment of the AGSA, complies with the requirements of the MFMA, the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA) and Public Audit Act of South Africa, 2004 (Act No. 25 of 2004 (PAA);
- (ii) In compliance with the act, audit committee managed to review annual external audit plan and the budgeted fee to be paid to the AGSA;
- (iii) Members considered management reports submitted by the Municipality to each meeting of the Audit Committee;
- (iv) Members reviewed the quality, adequacy, accuracy and reliability of financial information;
- (v) Members reviewed and discussed the audited Annual Financial Statements with the Auditor-General;
- (vi) Responded to any issues raised by Internal Audit and AGSA during the year;
- (vii) Reviewed factors impacting on the financial sustainability of both the Municipality
- (viii) Made submissions to the Executive Committee (MAYCO), and the Municipal Public Accounts Committee (MPAC), on any matters which in the opinion of the Audit Committee needed to be brought to the attention of the oversight structures, emanating from its quarterly meetings.

5. RISK MANAGEMENT AND GOVERNANCE

The Audit Committee has received assurance from Enterprise Risk and Advisory, Internal Audit, Performance Management, Provincial Treasury and the AGSA and satisfied itself that the following areas have been appropriately addressed with respect to the Municipality:

- (i) Internal financial controls;
- (ii) Compliance requirements;
- (iii) Financial reporting risks;
- (iv) Fraud risks as it relates to financial reporting;
- (v) IT Governance risks; and Legal Matters.

The Audit Committee believes that there is still room for improvement with regard to management, implementation and monitoring of the risk management to the municipality also in consideration of the risk associated with COVID19.



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The following main activities

were undertaken by the Audit Committee during the year:

- (i) Reviewed the quarterly management risk reports
- (ii) Progress on implementation of mitigations for strategic risks;
- (iii) Emerging and materialised risk identified;
- (iv) Other significant changes on the risks profile;

5.2 Recommendations:-

The Audit Committee recommends urgent intervention on:

- (I) The alignment of strategic municipal processes to ensure that the annual development of risk profile takes place during Strategic Planning, and is approved simultaneously with the Budget and Service Delivery and Budget Implementation Plan by MAYCO and Council.
- (II) The appointment of the Compliance Officer/Risk Officer by the municipality in order to ensure custody on the management of compliance risk and adherence to applicable laws and regulations.
- (III) The demonstration of active risk owner participation at operational levels and ongoing accountability for the management of risks at various risk governance structures.
- (IV) The development of risk appetite and tolerance levels is critical in yielding the value add and to drive focus to exposure areas that are outside defined risk acceptable levels for the municipality.
- (V) Define, quantify and implement risk appetite which will be supported by vigorous analysis, expert judgment and consistent with materiality and significance framework.

6. EFFECTIVENESS OF INTERNAL CONTROLS

During its meetings, as per its mandate reflected in the audit committee charter, the Audit Committee has managed to make the following reviews:

- (i) Reviewed adequacy and effectiveness of the Municipality's system of internal financial control, including receiving assurance reports from Management, Internal and External Audit, Legal and Compliance
- (ii) Reviewed the Municipality's approach on its exposure to the business and financial risks and whether processes are in place to safeguard the assets;
- (iii) Reviewed significant issues raised by the Internal and External Auditors;
- (iv) Reviewed whether the financial systems can be relied upon in the preparation and presentation of financial statements;
- ~~(v) Reviewed policies and procedures adopted for the prevention and detection of fraud;~~
- (vi) Reviewed significant legal exposures and pending cases;



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- (vii) Reviewed residual risks arising from Enterprise Risk Management risk registers and controls implemented to mitigate risk.
- (viii) Based on the processes and assurances obtained, we believe that the internal controls are effective in most areas, significant areas requiring improvements are addressed in the recommendations included in this report.
- (ix) The Audit Committee remains concerned about the long outstanding issue of filling the post for senior Internal Auditor and the position of the Risk or Compliance Officer.

7. STATUTORY COMPLIANCE

The Audit Committee Reviewed the effectiveness of the system for monitoring compliance with laws and regulations at the Municipality.

Has satisfied itself with the policies and processes implemented to provide the required assurance.

Audit Committee noted that the Municipality has developed a new Compliance Framework or policy that is under the Legal and Compliance Office. The policy or framework will work as a tool to ensure that all the relevant compliance issues including policies and procedures are available to the municipality and also to ensure that all those compliance policies are implemented and monitored regularly.

The framework has just adopted by the council in the year under review, major follow ups will be made in the next coming financial.

8. PERFORMANCE INFORMATION AND EVALUATION

The Audit Committee has reviewed performance information provided by the Municipality as well as Internal Audit reports at quarterly meetings throughout the year. Whilst the Audit Committee is satisfied with the information provided, it is important that the Key Performance Indicators (KPI's) are comprehensive and relevant to ensure that the Municipality is able to effectively measure and monitor the performance of the Municipality and to implement measures to improve performance where required.

NB: The alignment of the results from key performance Indicators with what can attest to as service delivery remains a challenge where in the year under review there was a challenge of land claims which



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emanates from
the previous

years. This had a negative impact in the service delivery as a result some of the projects were delayed/not implemented.

Also it has been observed in a number of cases whereby even the Auditor General of South Africa highlighted the issue of reliability in the information (POE) submitted for audit purposes.

8.1 Recommendations

The following recommendations were suggested to the management for consideration to improve performance to the municipality:

- (i) Constantly review of the performance management framework or policy that will be aligned with the IDP/SDBIP of the municipality for effective achievement of the municipality
- (ii) Development of the remedial action plans as to respond to the all targets reported as not achieved for the year
- (iii) Improve the performance of the municipality more especial on the service delivery targets since they are the core business of the municipality
- (iv) The trend analysis reflects "stressed plans" which consistently failed on achievement of KPIs. Management has been requested to investigate the root causes for non- achievement.
- (v) Proper monitoring and appropriate remedial action is advised.
- (vi) The Audit Committee also raised concerns with the performance against targets set for service delivery programmes and advises that proactive measures be taken to remedy the situation including monitoring and reporting on the impact of the non-achievement of performance targets on the organizational risk profile.

9. EXTERNAL AUDIT (AGSA)

The Audit Committee reviewed the scope of the External Audit to ensure the critical areas within the Municipality are covered:

- (i) Reviewed the AGSA's report on issues arising out of the external audit and concurred with the clean audits/clean administration and unqualified with others matters for the Municipality; and
- (ii) On a continuous basis, monitored the continued relationship between AGSA, the Municipality and the Internal Audit Unit so as to not duplicate procedures.



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NB: Based on processes followed and assurances received from the AGSA, nothing has come to the attention of the Audit Committee with regards to any matter impacting on the independence of the External Auditors.

10. INTERNAL AUDIT

The Audit Committee has managed execute the following in regards to the internal audit unit:

- (i) Reviewed and approved the Internal Audit Plan and applicable policies like Internal Charter; Internal Audit Framework and Methodology
- (ii) Exercised its statutory duty of oversight over the internal audit function;
- (iii) Evaluated the independence, effectiveness and performance of the Internal Audit Unit in the fulfilment of its mandate;
- (iv) Satisfied itself that the Internal Audit function has the necessary resources, budget and authority to enable it to discharge its duties;
- (v) Reviewed and approved the Internal Audit Plan; and
- (vi) Encouraged co-operation between External and Internal Audit work.

A summary of the outstanding findings of all internal audits carried out by the unit during the year was reported quarterly. A consolidated report in as form of Internal Audit Tracker was presented to the management and to also to Audit Committee for consideration.

Audit Committee has noted that, there are still an element of not implementing hundred percent on the recommendations of the Internal Audit. The responses from the Management of the Municipality and its Entities to the internal audit findings were reviewed and where necessary corrective action was recommended and implementation monitored.

10.1 Recommendations:

The following are recommended to the management:

- (i) At least all the recommendations made by the internal audit should be implemented by the management so as to avoid unnecessary findings raised by auditor general (AGSA)
 - (ii) Resolution and or recommendations by the audit committee members through a resolution register should be implemented
-



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- (iii) Management should ensure that, there are no repeating findings from the AGSA, so therefore the Audit Implementation Plan should be continuously monitored
- (iv) Appointment of the Senior Internal Auditor to improve staff and skill in the unit should be considered
- (v) Reasonable budget for the unit that will cover the issue of trainings

CHAPTER 6

14. APPRECIATION

The Audit Committee would like to express its gratitude to the Council, Accounting Officers for their co-operation and assistance during the year.

A handwritten signature in black ink on a white rectangular background. The signature is cursive and appears to read 'S. Mxunyelwa'.

Mr. S. Mxunyelwa

Chairperson:

Audit Committee Chairperson

CHAPTER 6

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

NOT APPLICABLE

CHAPTER 6

CHAPTER 6

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE

CHAPTER 6

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

CLLR T MTYAPI	None
SD KALITYI	Yes
B SISWANA	Yes
B JAMNDA	Yes
XO WILLIE	None
M PETER	Yes
T TSHIKA	Yes
M MBOMVU	Yes
T MAFANYA	None
N MAGATYA	None
NN NDLODAKA	None
M TETYANA	None
M TAKANI	Yes
XP BALENI	Yes
X TYODANA	None
MM MCOTSHO	Yes
N NCETANI	Yes
NM MLANDU	Yes
S NDINISA	Yes
P RULUMENI	Yes
V MATIWANE	Yes
CLLR X GABADA	Yes



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ST SITWAYI	Yes
MK MAKAPELA	None
S MWAHLA	Yes
NB SIRUNU NTANGA	Yes
SC LIVI	Yes
B MAJAVU	None
L MATITI	Yes
SN JANDA	Yes
CLLR T BOMVU	Yes
N TYELINGANYE	Yes
S MANTSHINGILANE	Yes
S MDIKINDA	Yes
NM MKHEDAMO	Yes
M TSHAKA	Yes
PP KONDILE	Yes
C GENYANE	Yes
N GANDA	Yes
P BUNGU	Yes
M SIBINGIBINGI	Yes
CLLR Y MHLATHI	Yes
L MAHOBE	Yes



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SD SICENGU	Yes
NE MBANE	Yes
P MAMBA	Yes
NO SOGAYISE	Yes
W NAMBA	Yes
N MAHLATHI	None
LL SANGQU	Yes
NN NGOMTHI	Yes
L MANTSHIYOSE	Yes
N NKOMONYE	Yes
N NQWENA	Yes
WM SOLONTSI	None
S MROBO	Yes
VN KWEDINANA	Yes
LM SOSHANKANE	Yes
NN MBOXELA	Yes
N NYALAMBISA	None
	Yes
NA TYALI	
P MAKELENI	Yes

CHAPTER 6

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	Year -1	Current Year 0			Year 0 % Variance	
	Actual Year -1	Original Budget	Adjusted Budget	YearTD actual	Original Budget	Adjusted Budget
R thousands						
Revenue by Vote						
Vote 1 - Finance & Admin	251,781,833	273,254,000	273,274,000	296,598,239	-9%	-9%
Vote 2 - Executive & Council	-	-	-	-	-	-
Vote 3 - Community and Social Services	703,074	6,630,000	6,630,000	6,580,000	1%	1%
Vote 4 - Internal Audit	-	-	-	-	-	-
Vote 5 - Water Management	-	-	-	-	-	-
Vote 6 - Waste Water Management	-	-	-	-	-	-
Vote 7 - Waste Management	706,315	1,000,000	1,000,000	100,000	90%	90%
Vote 8 - Energy Sources	8,946,000	15,081,000	15,081,000	15,081,000	0%	0%
Vote 9 - Planning and Development	2,270,898	6,600,000	6,600,000	5,980,000	9%	9%
Vote 10 - Sports & Recreation	-	-	-	-	-	-
Vote 11 - Road Transport	72,328,441	62,992,000	62,992,000	64,764,650	-3%	-3%
Vote 12 - Health	3,465	-	-	400	-	-
Vote 13 - Housing	-	5,284,162	5,284,162	5,284,162	0%	0%
Vote 14 - Public Safety	1,019,915	2,500,000	2,500,000	2,499,250	0%	0%
Total Revenue by Vote	337,759,941	373,341,162	373,361,162	396,887,701	-6%	-6%

ANNEXURE K2: REVENUE COLLECTION PERFORMANCE BY SOURCE

EC121 Mbashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		12,760	9,500	7,500	556	11,630	7,500	4,130	55%	7,500
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		309	500	500	285	3,490	500	2,990	598%	500
Rental of facilities and equipment		1,653	1,850	1,850	111	1,620	1,850	(230)	-12%	1,850
Interest earned - external investments		5,743	3,500	4,000	1,256	5,717	4,000	1,717	43%	4,000
Interest earned - outstanding debtors		1,169	-	-	282	3,031	-	3,031	#DIV/0!	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,103	1,500	500	6	2,249	500	1,749	350%	500
Licences and permits		2,024	1,200	200	272	2,417	200	2,217	1109%	200
Agency services		(786)	900	400	-	(940)	400	(1,340)	-335%	400
Transfers and subsidies		262,714	282,087	334,788	3,589	332,692	334,788	(2,096)	-1%	334,788
Other revenue		8,550	11,320	16,320	2,357	4,227	16,320	(12,093)	-74%	16,320
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		296,239	312,357	366,058	8,715	366,135	366,058	76	0%	366,058

CHAPTER 6

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG							R' 00
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Equitable Share	249 464 000	341 100 000	341 100 000	0%	0%	Payment of salaries and other municipal operation	
<i>Other Specify:</i>				0%	0%		
<i>Finance Management Grant</i>	1 700 000	1 700 000	1 700 000	0%	0%	Capacity Building for Finance Officials and appointment of Interns and systems enhancement	
<i>EPWP Incentive</i>	4 147 000	4 147 000	4 147 000	0%	0%	Capacity Building and employment growth	
Libraries	500 000	500 000	500 000	0%	0%	Library operations	
Electrification	12 492 000	6 492 000	6 492 000	0%	0%	Electrification of municipalities	
Total	281 729 162	354 389 000	354 389 000				

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

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

TL.1

CHAPTER 6

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

Applicable

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

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

CHAPTER 6

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

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

Table continued next page

CHAPTER 6

<i>Table continued from previous page</i>							
Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year 0	Year 1		Actual Expenditure	Planned Capital		
	Actual	Original Budget	Adjustment Budget		FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							
Other							
Other assets	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
Agricultural assets	-	-		-	-	-	-
<i>List sub-class</i>							
Biological assets	-	-		-	-	-	-
<i>List sub-class</i>							
Intangibles	-	-		-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	-	-		-	-	-	-
Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
<i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)</i>							T M.2

CHAPTER 6

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Not Applicable

CHAPTER 6

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 0			R' 000
Capital Project	Ward(s) affected		Works completed (Yes/No)
Water			
"Project A"			
"Project B"			
Sanitation/Sewerage			
Electricity		23	No (under construction)
		27	No (under construction)
		14	No (under construction)
		23	No (under construction)
		27	No (under construction)
Housing			
Destitute housing	2,3,4,5,6,7,8,9,10,32		Yes
Destitute housing			Yes
Refuse removal	Wards	All	Yes
Storm water		01	Yes
		02	Yes
		13	Yes
		03	Yes
		15	Yes
		31	Yes
		30	Yes

CHAPTER 6

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not Applicable

CHAPTER 6

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
None		
Housing:		
Low Cost Houses in Gatyana	90 houses	Unhappiness and crime associated with unfinished houses
Xhorha rectification	292 houses	
Licensing and Testing Centre:		
Dutywa	1	Loss of revenue by the municipality.
Reservoirs		
None		
Schools (Primary and High):		
None		
Sports Fields:		
Gatyana	1(Still under construction	Delayed youth development

CHAPTER 6

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

None

CHAPTER 6

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

RE: REQUEST FOR THE CONSIDERATION OF KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT

The following is the list of indicators that were agreed upon and on how the performance information should be populated:-

	Indicator name	Total number of people (planned for) during the year under review	Achievement during the level year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	284	273	96%	
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	7	6	85%	
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	7	7	100%	
4	Percentage of Managers in Technical Services with a professional qualification	2	2	100%	
5	Level of PMS effectiveness in the DM – (DM to report)				



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	Indicator name	Total number of people (planned for) during the year under review	Achievement during the year under review	level year	Achievement percentage during the year	Comments on the gap
6	Level of effectiveness of PMS in the LM – (LM to report)	The Municipality does have the Performance Management Framework in the financial year. After the consultation process the municipal council adopted the PMS framework in July 2017. The performance agreements were signed by all section 56 managers. The municipality implemented the PMS framework and the PMS reports were done for the year as prescribed by the legislation.				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	275	275		100%	
8	Percentage of councillors who attended a skill development training within the current 5 year term	75	74		98,6%	
9	Percentage of staff complement with disability	5	1		20%	
10	Percentage of female employees	275	129		46,9%	
11	Percentage of employees that are aged 35 or younger	275	123		44.7%	
12	Adoption and implementation of HRD Plan including WSP	30 April 2017	WSP 30 April 2017		100%	



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CONCERNING TS

Delete this
with reporting

Appendix if all returns have been made in accordance
requirements.

Delete Directive note before publication

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	Not a WSA nor WSP				
2	Percentage of indigent households with access to free basic potable water	Not a WSA nor WSP				
3	Percentage of clinics with access to potable water	Not a WSA nor WSP				
4	Percentage of schools with access to potable water	Not a WSA nor WSP				
5	Percentage of households in formal settlements using buckets	Not a WSA nor WSP				



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Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	60124	6266	360	360	100%
2	Percentage of indigent households with access to basic electricity services					
3	Percentage of indigent households with access to free alternative energy sources	60124	8276	1000	1000	100%



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Annual sanitation

performance as per key performance indicators in services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	Not a WSA nor WSP				
2	Percentage of indigent households with access to free basic sanitation services	Not a WSA nor WSP				
3	Percentage of clinics with access to sanitation services	Not a WSA nor WSP				
4	Percentage of schools with access to sanitation services	Not a WSA nor WSP				



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Annual

road maintenance services

performance as per key performance indicators in

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	58858	58858	17 133	17 133	100%
2	Percentage of road infrastructure requiring upgrade	58858	58858	0	0	0%
3	Percentage of planned new road infrastructure actually constructed	58858	58858	0	0	0%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	58858	57684	1174	1174	100%

Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
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1	Percentage of households with access to refuse removal services	60124	60124	60124	60124	100%
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	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	910	None	None	None	0%
2	Percentage of informal settlements that have been provided with basic services	910	None	None	None	0%
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	Not known	N/A	N/A		0%



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4	Existence of an effective indigent policy	The municipality is in the process of updating the Indigent Register.
5	Existence of an approved SDF	2019/20 approved reviewed SDF
6	Existence of Land Use Management System (LUMS)	Zoning Plans, Transkei Town Planning Scheme and SPLUMA currently in use.

CHAPTER: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK- (KPA 3)

Annual performance as per key performance indicators in LED



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	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	None	N/A	N/A
2	Percentage of LED Budget spent on LED related activities.	R5.5m	R4.7m	85%
3	Existence of LED strategy	Yes		
4	Number of LED stakeholder forum meetings held	3	3	100%
5	Plans to stimulate second economy	Yes	Yes	50%
6	Percentage of SMME that have benefited from a SMME support program	35	35 SMMEs	100%
7	Number of job opportunities created through EPWP	1540	1540	100%



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	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
8	Number of job opportunities created through PPP	None	55	100%

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	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	38%	R 121 256 718	53%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	46%	R 103 474 974	34%



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		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	2%	R 7 001 817	3%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	23%	R 27 381 100	8%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	100%	R 8 420 772	41%
6	Percentage of MIG budget appropriately spent	100%	100%	100%



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7	Percentage of MSIG budget appropriately spent	100%	100%	100%
8	AG Audit opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
9	Functionality of the Audit Committee	Effective	Effective	Effective
10	Submission of AFS after the end of financial year	31 August 2017	31 August 2017	31 August 2017

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	100%	100%	100%
2	% of ward committees that are functional	95%	95%	95%
3	Existence of an effective system to monitor CDWs	The Municipality does not have the effective system to monitor the CDW as they are not directly reporting to the		



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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
		municipality, however there are sessions that are being held on a quarterly basis between the CDW, Ward Committees, Ward Councillors and COGTA public participation unit. This engagement session is trying to assist the municipality in bridging the gap between the municipality functioning and CDW reporting.		
4	Existence of an IGR strategy	The municipality developed an IGR Framework that was adopted by Council in July 2020 that is fully implemented and used as the Terms of Reference for the IGR Forum.		
5	Effective of IGR structural meetings	The IGR structural meetings are effective. The municipality included all the scheduled dates of the IGR in the calendar of events of the municipality which was adopted by Council in July 2019. The sector departments are invited on time and some departments are consistently present in the meetings. The municipality also developed clusters aligned to the 5 KPAs which are reporting directly to the full IGR. However, there are still departments who are constantly not present, this has been uplifted to the District IGR and DIMAFO.		
6	Existence of an effective communication strategy	The municipality does have the communication strategy which was used in the financial year of 2019/20 FY. The reviewed communication strategy was adopted by council in July 2020. The municipality is intending to review the communication strategy on a yearly basis.		



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No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
7	Number of mayoral imbizos conducted	32 wards	3 (in all 3 units, all 32 wards participated)	100%
8	Existence of a fraud prevention mechanism	The municipality has developed a fraud prevention plan in the financial year under review. Risk Management committee is in place, and is chaired by the independent person.		

CHAPTER 6

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

CHAPTER 6

VOLUME II: ANNUAL FINANCIAL STATEMENTS

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