



2021/ 2022 FY

DRAFT ANNUAL

REPORT

Volume I

Chapter 1

CONTENTS

CONTENTS.....	2
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	7
COMPONENT A: MAYOR’S FOREWORD	7
COMPONENT B: EXECUTIVE SUMMARY	9
1.1. MUNICIPAL MANAGER’S OVERVIEW	92
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	11
1.2.1 MUNICIPAL POPULATION AND ENVIRONMENTAL OVERVIEW	11
1.3. SERVICE DELIVERY OVERVIEW	15
1.4. FINANCIAL HEALTH OVERVIEW	16
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	18
1.6. AUDITOR GENERAL REPORT	18
1.7. STATUTORY ANNUAL REPORT PROCESS	19
CHAPTER 2 – GOVERNANCE	21
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	21
2.1 POLITICAL GOVERNANCE	21
2.2 ADMINISTRATIVE GOVERNANCE	28
COMPONENT B: INTERGOVERNMENTAL RELATIONS	31
2.3 INTERGOVERNMENTAL RELATIONS	31
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	33
2.4 PUBLIC MEETINGS.....	33
2.5 IDP PARTICIPATION AND ALIGNMENT	347
COMPONENT D: CORPORATE GOVERNANCE	347
2.6 RISK MANAGEMENT	358
2.7 ANTI-CORRUPTION AND FRAUD.....	40
2.8 SUPPLY CHAIN MANAGEMENT	40
2.9 BY-LAWS	41
2.10 WEBSITES	402
	403

Chapter 1

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....	414
COMPONENT A: BASIC SERVICES	414
3.1. WATER PROVISION	425
3.2. WASTE WATER (SANITATION) PROVISION.....	436
3.3. ELECTRICITY	447
3.4. WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING).....	53
3.5. HOUSING	60
3.6. FREE BASIC SERVICES AND INDIGENT SUPPORT	62
COMPONENT B: ROAD TRANSPORT	642
3.7. ROADS.....	642
3.8. TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	708
3.9. WASTE WATER (STORMWATER DRAINAGE).....	80
COMPONENT C: PLANNING AND DEVELOPMENT	722
3.10. PLANNING.....	732
3.11. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).....	777
COMPONENT D: COMMUNITY & SOCIAL SERVICES.....	886
3.12. LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)	886
3.13. CEMETORIES AND CREMATORIIUMS	100
3.14. CHILD CARE; AGED CARE; SOCIAL PROGRAMMES	953
COMPONENT E: ENVIRONMENTAL PROTECTION.....	976
3.15. POLLUTION CONTROL.....	98
3.16. BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)	998
COMPONENT F: HEALTH.....	100
3.17. CLINICS	100
3.18. AMBULANCE SERVICES	1013
3.19. HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.....	1025
COMPONENT G: SECURITY AND SAFETY.....	1036

Chapter 1

3.20 POLICE	1036
3.21 FIRE	1047
3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	105
COMPONENT H: SPORT AND RECREATION.....	1069
3.23 SPORT AND RECREATION.....	1069
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	1072
3.24 EXECUTIVE AND COUNCIL	1072
3.25 FINANCIAL SERVICES	Error! Bookmark not defined.
3.26 HUMAN RESOURCE SERVICES.....	1183
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	1248
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	12741
COMPONENT J: MISCELLANEOUS	130
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD	1317
KPA 1: Service Delivery and Infrastructure Provision.....	Error! Bookmark not defined.7
KPA 2: Local Economic Development	Error! Bookmark not defined.4
KPA 3: Financial Viability and Management.....	Error! Bookmark not defined.7
KPA 4: Institutional Development and Transformation	Error! Bookmark not defined.7
KPA 5: Good Governance and Public Participation.....	174
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE	17290
(PERFORMANCE REPORT PART II).....	17290
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL.....	17290
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	17290
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	1743
4.2 POLICIES.....	1753
4.3 INJURIES, SICKNESS AND SUSPENSIONS	1826
4.4 PERFORMANCE REWARDS.....	1848
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	1848
4.5 SKILLS DEVELOPMENT AND TRAINING.....	200

Chapter 1

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.....	1894
4.6 EMPLOYEE EXPENDITURE.....	1894
CHAPTER 5 – FINANCIAL PERFORMANCE	1915
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	1916
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	1926
5.2 GRANTS	1940
5.3 ASSET MANAGEMENT	19511
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	1973
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	2018
5.5 CAPITAL EXPENDITURE	2028
5.6 SOURCES OF FINANCE	2038
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	20420
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	20420
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	2062
5.9 CASH FLOW	2082
5.10 BORROWING AND INVESTMENTS.....	2094
5.11 PUBLIC PRIVATE PARTNERSHIPS	2127
COMPONENT D: OTHER FINANCIAL MATTERS	2127
5.12 SUPPLY CHAIN MANAGEMENT	2127
5.13 GRAP COMPLIANCE	2138
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	2149
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS Year -17/18 FY	2149
6.1 AUDITOR GENERAL REPORTS Year -1 (Previous year).....	21430
COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR).... Error! Bookmark not defined. 30	
6.2 AUDITOR GENERAL REPORT YEAR 0	Error! Bookmark not defined. 30
GLOSSARY	244
APPENDICES	2474

Chapter 1

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE	247
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES.....	247
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	249
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	250
APPENDIX E – WARD REPORTING.....	252
APPENDIX F – WARD INFORMATION.....	253
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0	254
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	255
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	257
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	258
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	258
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	258
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	259
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	260
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	261
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	261
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	262
APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0	263
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0	264
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.....	264
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	264
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	265
APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	266
ANNEXURE A- ANNUAL FINANCIAL STATEMENTS.....	267

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD



Cllr Ngenisile W. Tekile

Our municipality is mandated to provide an account on work undertaken within the 2020/2021 financial year to our communities through this annual report. This report reflects on our commitment to fulfil our constitutional mandate as stipulated in chapter 7 of the Constitution. It takes stock of our successes, limitations and equally providing a solid foundation for the forthcoming financial year.

This is a period we collectively intensified our fight against Covid-19 through the vaccination program in our clinics and hospital. Working side by side with community stakeholders we promoted Covid-19 vaccination programs, we must thus commend those that participated and continue to participate in the Covid-19 vaccination program.

Our path to recovery equally meant that we had to redouble our efforts in stimulating our local economic development endeavors. Amongst our local economic development strategy pillars is enterprise development through our roadshows informal businesses highlighted a request for small business support.

In partnership with the Department of Small Business Development we have responded through providing assistance through the Township and Rural Enterprise Program (TREP) that outreach program was held in Qumrha Great Hall, Mooiplaas Resource Centre and Chintsa Community Hall. The municipality has also provided support to three co-operatives in the form of production inputs worth R150 000 in an effort of ensuring the respective co-opts thrive and equally inspire others to develop their enterprises. We continue to ensure through our MIG projects subcontracting is provided to our local SMME’s a decision which is proving beneficial for the development of the sector.

Chapter 1

In our collective efforts of responding to infrastructure Ward Needs through our MIG projects we undertook construction of the Siviwe to Komga main road, Cefane Internal Streets, Morgans Bay Internal Streets, Siviwe to Zone 10 bridge and Lusizini Community Hall. These projects seek to change the face of our communities, equally transferring skills and creating employment opportunities. Let us express a word of gratitude to members of the Project Steering Committee's for their participation in the various projects.

It is also pleasing to report that work regarding the Small Town Revitization Project which is funded by the Office of the Premier is progressing well. This project will add impetus in our efforts of changing the face of our communities in particular in our coastal belt, improved road infrastructure will also strengthen economic opportunities for our communities.

The progress we have achieved is drawn from the developmental aspirations of our communities which are relayed through various community forums. When we resolved to strengthen our public participation mechanisms we were in pursuit of putting the voices of our communities first. It is our communities that must dictate the development of their municipality ours is to listen and implement within the available budget. We therefore welcome your participation in our roadshows where you commended work done and equally offered constructive criticism which helps us to build.

It was disappointing to report about the audit outcome of the previous financial year which was a disclaimer in 2018/19 however we committed to our communities that we shall turn around the gloomy picture and we are pleased to report that systems we have put in place are yielding the desired outcomes as the Office of the Auditor General has accorded the municipality a qualified audit come 2019/20. We are proud to report that our tireless efforts paid off in improving our audit outcomes into unqualified audit opinion for 2020/2021, we have since instructed management to up their efforts of achieving clean audit as part of promoting clean governance and delivery of basic services.

Our commitment to change the image of our municipality for the better has been borne out of envisaged prosperity for our communities and you have demonstrated that our collective efforts in the form of our communities, council and our administration are bound to achieve our set out objectives. We once again express our gratitude for your continued support in the affairs of our municipality.

Yours in good governance,

Cllr. NW Tekile
Mayor

31/03/2022

T 1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW



I am honored to present this Final Annual Report for the year ending June 2021. The report covers the annual performance of Great Kei Municipality for the year ending as at 30 June 2021. The 2021/2022 Financial Year marks the end of the Council Term from 2016 – 2021 5year term and the beginning of the new 5year term from 2022 – 2027 from 1st November 2021.

The report will reflect on how the municipality has performed in the 2020/2021 financial year, and how GKM responded to its mandate as a sphere of government charged with the responsibility to deliver services to communities in a sustainable manner so that ultimately we improve the quality of life for our citizens. In this report account will be given to the progress made by the municipality in its endeavour to fulfil its strategic objectives as expressed in its IDP, Budget and SDBIP for 2020/2021

In the year under review we encountered a number of challenges including the economic down turn that engulfed our country as a result of the covid-19 pandemic. Our municipality, was not immune from the national as well international economic challenges as numbers of unemployment continue to grow resulting to severe job losses which in turn affected our revenue. Impoverishment grew at an alarming rate and this affected negatively the budget of the municipality.

Notwithstanding all the above stated challenges the we are delighted that as the municipality in the previous financial years has managed to get a Qualified Audit Opinion, with our resolve to stabilize the financial management and introduced financial controls which had resulted into us receiving Unqualified Audit Opinion for 2020/2021 financial year. Owing to advent of the Covid-19 Pandemic, the partial relaxation of the Lockdown Regulations which resulted to some delays in the implementation of our SDBIP Targets for the year under review.

Chapter 1

These achievements would not be realized had the municipality not received continuous support from Sector departments viz. Office of the Premier, Dept of Roads & Transport, Dept of Sports, Sports, Recreation, Arts and Culture, Department of Cooperative Government and Traditional Affairs (Cogta) as well as Department of Treasure and lastly our District Municipality (ADM) just to mention a few.

It should be noted that a substantial amount of work had been accomplished by the municipality but a lot more is still needs to be done in order to improve the standard of living for our citizens. The municipality continues to explore its potential on identified revenue streams as that will improve financial position of the municipality including appointments to critical posts, dealing with the new General Supplementary Valuation Roll, Rates Incentive Discount Payment User-Scheme, disconnection of electricity services and tighten the belt on non-essentials.

On behalf of administration, I would like to express the words of gratitude to the municipal political leadership for their continued support, and decisiveness, collective staff for their focus and resilience despite current economic challenges, which has paid off with the Unqualified Audit Opinion.

I wish to end with a saying that “ Indlela eya emthunzini iqala elangeni”

I thank you

**The Municipal Manager
Lawrence N Mambila**

**31/03/2022
Date**

T

1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 MUNICIPAL POPULATION AND ENVIRONMENTAL OVERVIEW

The Great Kei Municipality (GKM) is located within the Eastern Cape Province and covers an area of 1 421 square kilometers (km²). The Municipality's Headquarters are in Qumrha; and satellite offices in Haga with 5 employees; Kei Mouth with 5 employees and Chintsa with 5 employees. Municipal Services offered in Satellite offices are as follows:

- a) Refuse Removal
- b) Grass Cutting and Clearing of Bushes
- c) Roads Maintenance services

The GKM is bounded in the East by the Great Kei River and Mnquma Local Municipality, by the coastline between Kwelera and Kei Mouth in the South East, by the Buffalo City Municipality in the West and the Amahlathi Municipality, which is situated to the North.

Population of the municipality is distributed into seven wards, which are the amalgamation of previously different communities and municipal entities, including Qumrha, Kei Mouth, Morgan Bay, Haga-Haga, Chintsa East, Chintsa West and Mooiplaas.

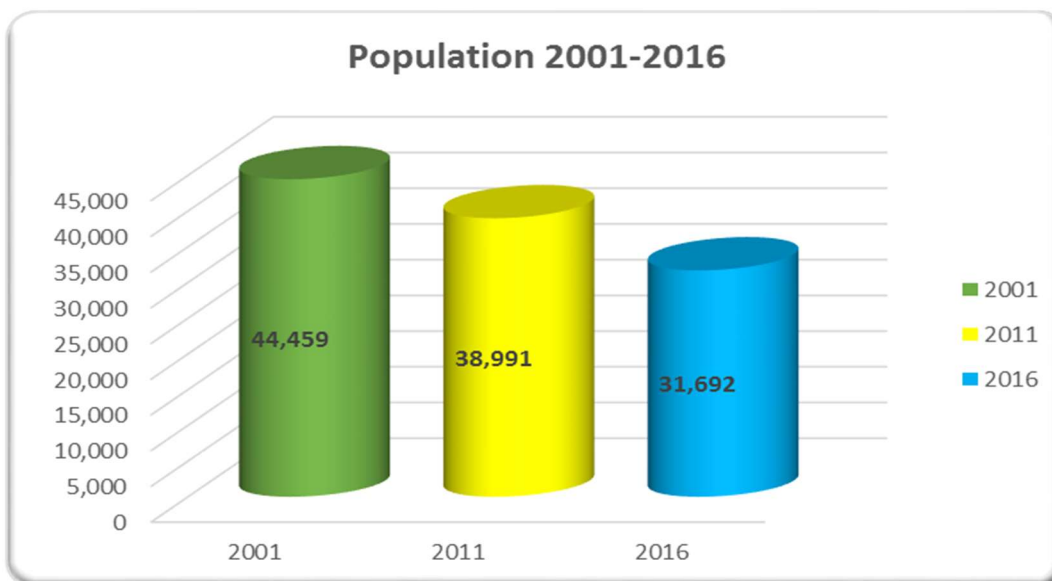
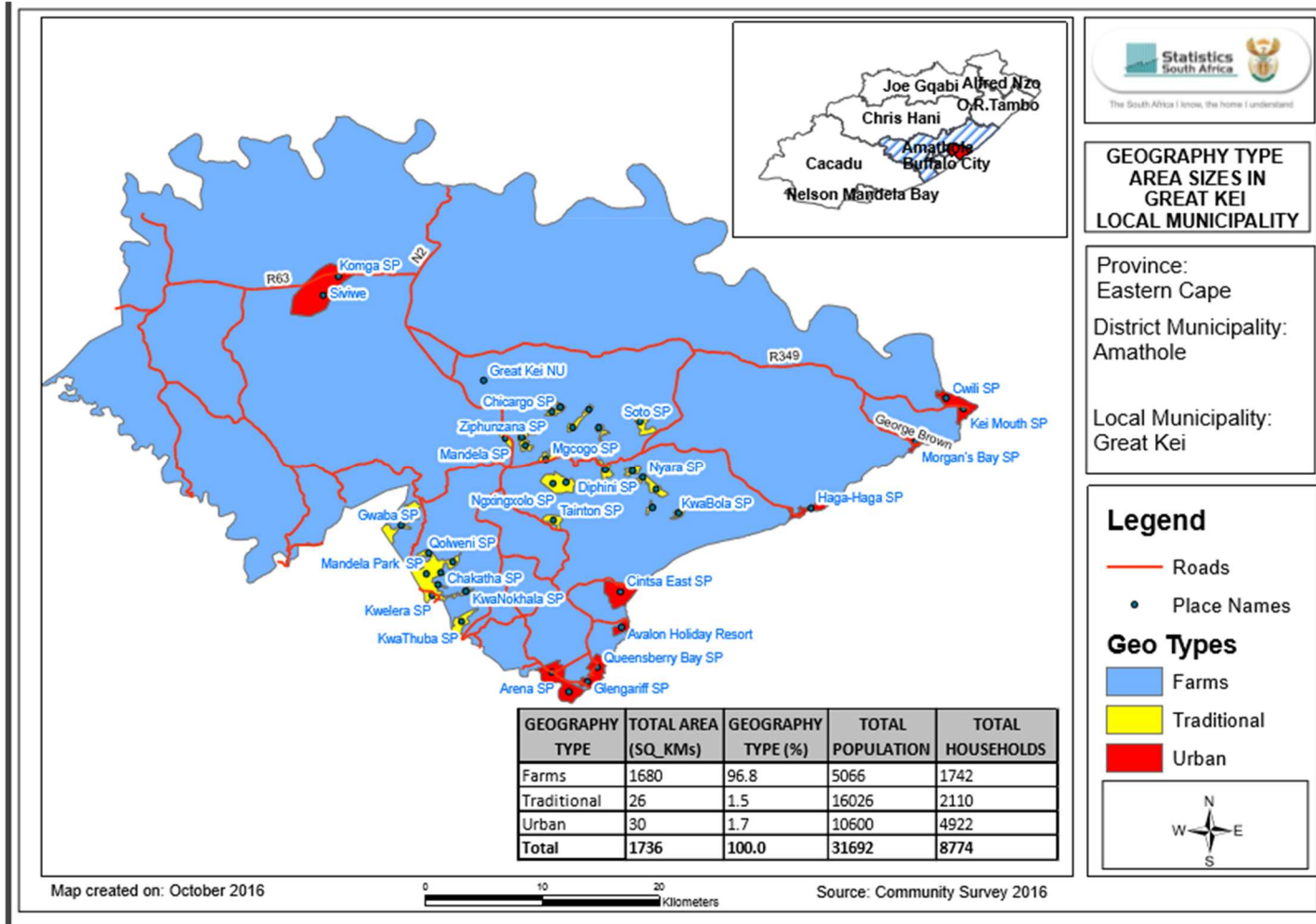
Regional access is obtained through the district via the N2 National Route from East London to Butterworth with a provincial main road N6 connection between Qumrha and Stutterheim and the connection between Qumrha and King William's town and Bhisho is via the R63.

A graphical representation of the Great Kei Local Municipality is illustrated by in Figure 1 below

Figure 1- Map of Great Kei Local Municipal Area:

The below figure 3 , extracted from Statistic South Africa illustrates the spreading of the Great Kei Municipality, which is proportionally distributed according to the 7 wards. Over the years there has been a significant decline of the population, where in 2001 the overall population was 44 459, but significantly declined to 38 991 in 2011. The redetermination of wards has further caused another decline in population to be 31 692 as of August 2016.

Chapter 1



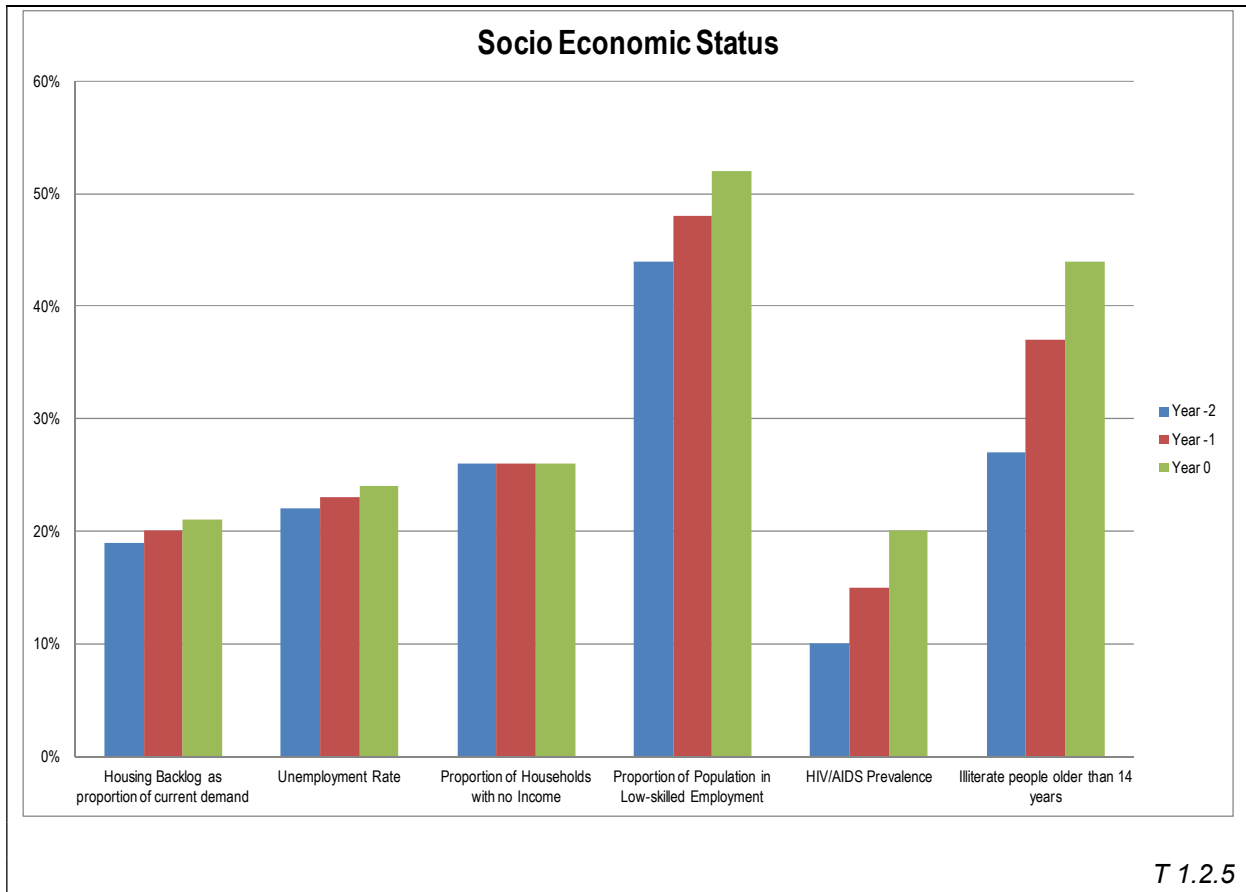
Chapter 1

2: Population in 2001 and 2016:

Population Details			
Age	2011		
	Male %	Female %	Total %
Age: 0-4	5.6	5.5	11.1
Age: 5-9	4.9	4.5	9.4
Age: 10-19	9.4	8.6	18.0
Age: 20-29	8.2	7.4	15.6
Age: 30-39	5.6	6.4	12.0
Age: 40-49	4.9	5.7	10.6
Age: 50-59	2.3	2.3	4.6
Age: 60-69	2.3	2.3	4.6
Age: 70+	2.3	4.1	6.4
Source: Stats SA			T1.2.2

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	19%	22%	26%	44%	10%	27%
Year -1	20%	23%	26%	48%	15%	37%
Year 0	21%	24%	26%	52%	20%	44%
						T 1.2.4

Chapter 1



Natural resources		
Major natural resources	Relevance to the community	
Sand	The municipality has a small mining sector based on sand mining. The construction, trade and transport sectors have had positive growth this could have a positive effect on the local municipality as these sectors employ semi-skilled workers.	
Granite	Mining activity is centered on granite mining which is being undertaken by Milo Granite (Pty) Ltd. The firm has identified a commercial mining opportunity for the exploitation of granite dimension stone 2 km outside of Qumrha, on the road past the Qumrha Industrial areas, on the farm Castleton. The business is involved with the mining of granite and the supply of the granite blocks to the national and international markets. This initiative has already had some positive results as a number of employment opportunities have happened. More beneficiation on value chain processes shall occur in the form of more employment opportunities as well business opportunities for the local community.	
		<i>T 1.2.7</i>

Chapter 1

COMMENT ON BACKGROUND DATA:

Refer to the table above

T 1.2.8

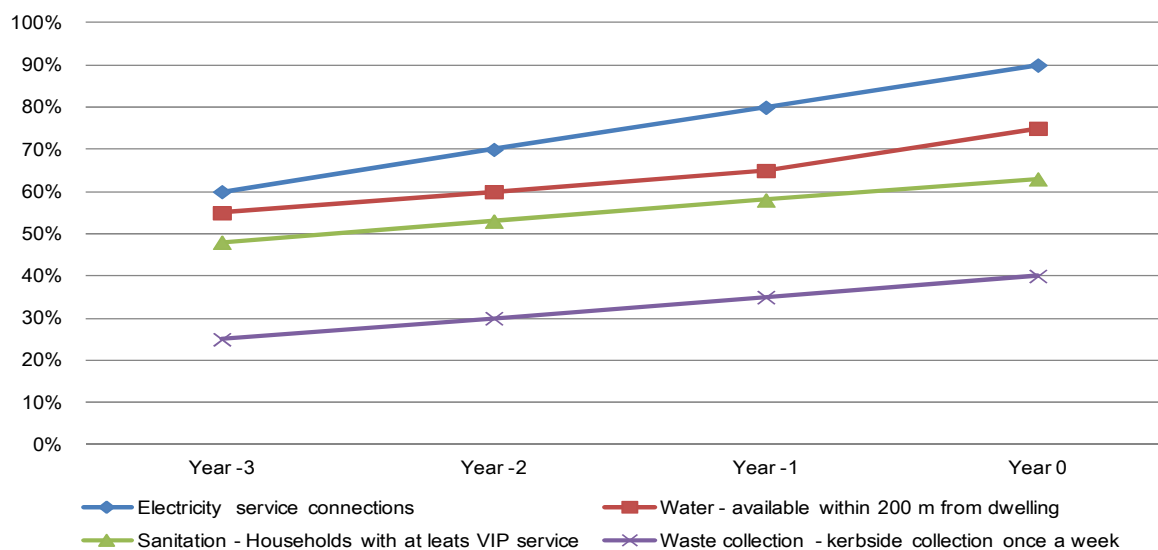
1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The municipality had seventeen (17) targets, out of these nine (8) achieved and nine (9) not achieved due to number of reasons. The indigent policy is implemented to all registered indigents. For a detailed performance report refer to Component K.

T 1.3.1

Proportion of households with access to basic services



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

T 1.3.3

Chapter 1

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

Great Kei Municipality is a Grade 2 municipality and for the current year has been experiencing financial problems in terms of meeting its financial obligation. The municipal revenue base consists of rates and services as well as grants and subsidies from National Treasury. The revenue collection levels have improved due to strategies that were implemented by the municipality. The municipality has received a qualified audit opinion during the 2020/2021 financial and this is an improvement as compared to the 2019/2020 financial year, which the institution received a qualified of an opinion. The municipality is continuously implementing its financial recovery plan in order to try and improve its financial status. The municipality has also strengthened its internal controls and close monitoring of cash flow projections on a monthly basis.

T 1.4.1

R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	60,145	73,019	81,348
Taxes, Levies and tariffs	45,574	47,774	45,457
Other	8,081	10,231	13,081
Sub Total	113,800	131,023	139,886
Less: Expenditure	103,222	107,351	131,487
Net Total*	10,578	23,673	8,400
* Note: surplus/(defecit)			T 1.4.2

Operating Ratios	
Detail	%
Employee Cost	42%
Repairs & Maintenance	2%
Finance Charges & Impairment	1%
	T 1.4.3

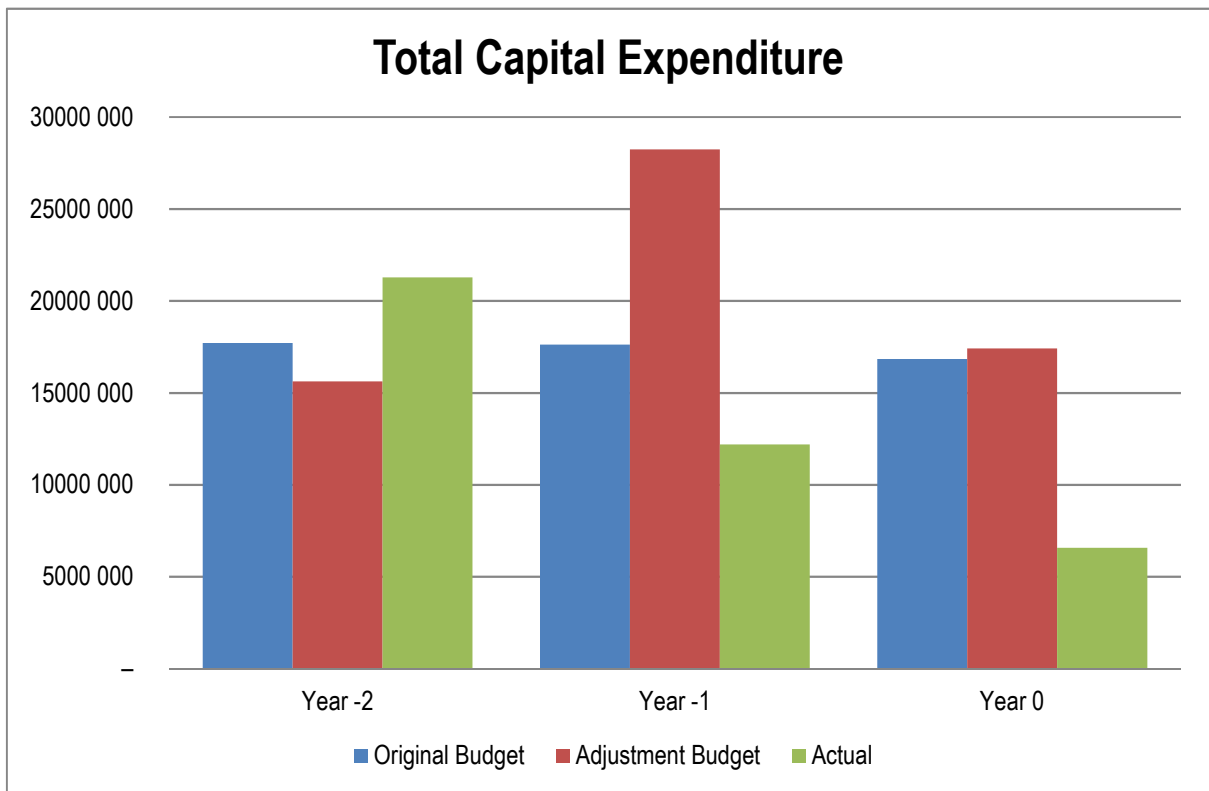
COMMENT ON OPERATING RATIOS:

The overall percentage salary bill of the Municipality is 42% for the current financial year. This is due to high salary bill compared to other operating expenditure and this percentage is slightly above the Treasury norms. Repairs and maintenance is below the norm due of limited funds and this causes the assets to depreciate in value at a faster rate because these are not repaired.

T 1.4.3

Chapter 1

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	17,627	16,841	9,537
Adjustment Budget	17,627	17,410	16,364
Actual	11,198	5,265	14,367
			T 1.4.4



T 1.4.5

Chapter 1

COMMENT ON CAPITAL EXPENDITURE:

The Municipality has spent 100% of its MIG capital budget for 2020/2021. The Municipality had no rollover for MIG, the rollover application for INEP and EPWP was not approved by National Treasury.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Refer to Chapter 4 of the report

T 1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The municipality received unqualified audit opinion in 2016/17 FY and Unqualified Audit opinion 2017/18. However there was a regression in 2018/19 to a Disclaimer Audit opinion which was due to a number of challenges within the institution. Through hard work and dedication the audit opinion again improved to a Qualified Audit opinion in 2019/20 FY. In 202/21 FY the audit once again improved to an Unqualified Audit Opinion in 2020/2021 F. For comprehensive Auditor General's report see the report on Chapter 6 of this document

Our internal audit is registered with the national institute of auditors and the municipality has set aside a budget to pay for registration and that forum is assisting in terms of providing updates in the internal audit unit. The support that we are getting from national forums is mostly on capacity building not necessary injection of financial resources

T 1.6.1

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September – October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
		<i>T 1.7.1</i>

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

The GKM annual report is aligned to the annual report process as regulated in circular 63 of MFMA. The process started in the beginning of July 2018, this was to allow more time for the departments to report accurate and credible information. The document is also aligned with the IDP, Budget and Performance Management System. The annual performance report of the municipality also forms part of the annual report as legislated.

Link between IDP, PMS and Budget

Developed municipal objectives of the IDP had been translated into service delivery targets for the municipality and departmental senior managers cascaded those objectives down to lower level. The municipality then developed SDBIP as a monitoring tool of the objectives set out in the IDP. After the situational analysis the municipality prioritized according to the budget it had. Annual budget of a municipality is output-driven and that the intended outcomes are in line with the service delivery objectives outlined in the IDP. Thus, a sound municipal budget is one which sensibly allocates realistically expected resources to the achievement of defined objectives identified as priorities in the approved IDP. The operating and capital budgets must be aligned with the objectives and strategies contained in the IDP.

The GKM has fully complied with all the required time frames of the annual report.

T 1.7.1.1

Chapter 3

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

A successful political-administrative interface within the public service is at the core of good public sector governance and effectiveness, which in turn is critical for improved public service delivery and the achievement of national development goals. Great Kei Municipality was established in accordance to section (12) of the local government Structures Act 117 of 1998, and as category B Municipality. Great Kei Council is a plenary executive system combined with a ward participatory system as provided in the section (9) of the same act.

In essence Great Kei has got a political arm championed by the Speaker who is also a Mayor and the administrative arm where the Municipal Manager is the head.

The GKM is committed to good governance and clean administration. This was evident in both 2015/16, 2016/17 and 2017/18 audit outcomes where the municipality achieved unqualified audit opinion for the third consecutive times since its inception. The municipality also received an award in good governance/ clean administration for 2015/16 and 2016/17 financial years consecutively.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The GKM political and administration governance has been fairly stable with some challenges that emerged towards the end of the financial year thus resulting into a protracted strike by employees. There are cordial relations between the council and the administration. The Oversight committees are functional and sit as documented in the council calendar and process plan.

The municipality adheres to its council calendar and all the plans of the council

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Great Kei Municipality is a Plenary Type Municipality. The legislative arm of Council is headed by the Speaker who is also a Mayor of Council, who presides over Council meetings. The Speaker is responsible for coordinating and managing the functioning and development of Section 79 committees and Councillor Affairs. In addition, the Speaker fulfils the role of building democracy; and managing community participation in local government, particularly through the ward committees, by ensuring that

Chapter 3

they function effectively. The Speaker has to ensure public consultation, involvement and participation in the affairs of the Municipality. The Speaker has been supported by the Chief Whip of Council, Cllr. Ndileka Khantshashe, whose role has been to maintain cohesion and unity within the governing party and to build relationships with other political parties represented in Council.








Other tasks included:

- Ensuring that each of the political parties are properly represented on the various committees;
- Maintaining sound relations between the various political parties; and
- Attending to disputes between political parties.






The Chief Whip was further responsible for enhancing the maintenance of sound relations and speedy resolution of disputes among various represented political parties.

Great Kei Municipality does have both the Audit Committee and the Oversight Committee that that provides opinions and recommendations on financial processes and performance and provides comments to the Oversight Committee (or some other stated committee) on the Annual Report. However Great Kei Municipal Oversight committee is made up of only Councillors, with the specific purpose of providing Great Kei Council with comments and recommendations on the Annual Report.

T 2.1.1

COUNCIL				
Name of councilor	Capacity	Gender	Political Party	Ward/ PR
N.W. TEKILE	SPEAKER/MAYOR	MALE		3
N. KANTSHASHE-TILDINI	WARD COUNCILLOR [CHIEF WHIP]	FEMALE		5
ZOLA TSHALI	WARD COUNCILLOR	MALE		7
WEAVER Sinqana	WARD COUNCILLOR	MALE		6
MZAMO NJEKANYE	WARD COUNCILOR	MALE		4
NTOMBIZANELE PRINCESS MGEMA	PR COUNCILOR	FEMALE		7
NOMONDE DYANI	PR COUNCILLOR	FEMALE		3

Chapter 3

COUNCIL				
Name of councilor	Capacity	Gender	Political Party	Ward/ PR
L.MHLONTLO	WARD COUNCILLOR	FEMALE		3
LUNGA PLIKA	PARTY REPRESENTATIVE	MALE		5
SHARNE MURIEL JACOBS	PARTY REPRESENTATIVE	FEMALE		1
BEV WOOD	WARD COUNCILLOR	FEMALE		1
T NDOLOSE	PARTY REPRESENTATIVE	MALE		7
Z NZUZO	WARD COUNCILLOR	MALE	Independent	2
				T2.1.2

Chapter 3

A Picture of Great Kei Municipality Councillors for 2017/18 FY

POLITICAL DECISION-TAKING

Great Kei Municipality is the category B and a plenary executive system combined with ward participatory system, as provided for in the Local Government Municipal Structures Act No.117 of 1998, Section 9. Therefore all political decision are collectively taken by Council which has a both legislative and executive authority for this type of Municipality. The percentage of implemented Council Resolution is (93%), against 99 decisions taken and other were partially achieved and around issues:

Roads and Storm-water
Electricity
Housing

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The role of public administration in governance is a continuing topic of discussion and debate. The current worldwide reassessment of the functions of the State and of public officials (politicians) and civil servants arises from two major sources, one is globalization and its impacts on what governments must do to adapt and respond to rapidly changing international economic, social, political and technological trends; the other is increasing dissatisfaction among citizens in many countries, including South Africa with the functions of government and the services that public administrations provide.

The Municipal Council of Great Kei Municipality is obliged by relevant Local government prescripts to appoint a person as a Municipal Manager in terms of Section 54A of the Municipal Systems Act 32 of 2000, this person is of course the head of administration and the Accounting Officer. The role of the Municipal Manager is primarily threefold in nature, namely:--

- Performs procedural duties as re-political structure, such as to call first council meeting after the end of council terms, as the Municipal Electoral Officer with IEC.

Chapter 3

- Heads the Administration by also ensuring that the administration of the affairs of the municipality are governed by the democratic values and principles enshrined in the Constitution of the Republic of South Africa.
- The Accounting Officer (Municipal Manager) is accountable to Council, in that one should ensure that Great Kei Municipality is broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

Great Kei Municipality has four Directorate and the Office of the accounting officer that being the following:

- Corporate Services Directorate
- Budget and Treasury Office
- Strategic Services/ Municipal Manager's Office
- Technical & Community Services

The only Directorates that are headed by Directors or Senior Managers directly accountable to the Municipal Manager are the CFO and Director Strategic Services who has been on precautionary suspension since 2019. Each Director has his or her performance agreement entered into with the Municipal Manager. These contact provides terms of how these Managers work with the Accounting Officer.

T 2.2.1

Chapter 3

PHOTO	TOP ADMINISTRATIVE STRUCTURE	FUNCTION/S
	MUNICIPAL MANAGER Mr. Lawrence Mambila	The Municipal Manager is a key role player in the functioning of the municipality. She acts not only as a communication channel between The Council and community, but also as an accounting officer and head of Administration of the municipality.
	CFO : Mr. Ayanda Lwana	<ul style="list-style-type: none"> ▪ Budget & Treasury ▪ Supply Chain Management ▪ Revenue Management ▪ Creditors & Expenditure ▪ Valuation ▪ Asset Management
	DIRECTOR: STRATEGIC SERVICES Director: Mzimasi Mtalo [On Precautionary Suspension]	<ul style="list-style-type: none"> ✓ Develops strategic objectives for the directorate ✓ Co-ordinate IDP and PMS within the municipality ✓ Compiles budget and inputs into the revenue ✓ Facilitate development and monitoring of IDP and PMS
Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.		
T2.2.2		

Chapter 3

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of chapter 4 of Local Government: Municipal Systems Act, No.32 of 2000, (1) a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose-encourage, and create conditions for, the local community to participate in the affairs of the municipality.

The IDP, PMS and Budget preparation process requires an extensive consultation and participation of communities, all role players and key stakeholders in order to achieve shared understanding of the municipal development and alignment. Although municipalities are expected to establish participation structures, it will however be critical to consider utilizing existing arrangements, and adapt them if necessary, and avoid duplication of mechanisms.

The GKM has effective and efficient operational structures such as, IDP, PMS and Budget Representative Forum, IDP, PMS and Budget Steering Committee, Wart-Committees, IGR Structures.

GKM has since established the IGR Clusters such as the following:

- Good Governance & Public Participation Cluster
- LED Cluster
- Infrastructure & Service Delivery Cluster
- Institutional Transformation & Organizational Development
- Financial Viability Cluster

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality is participating into National Intergovernmental Structures, through national institute of auditors and COGTA programs such as capacity building workshops organized by COGTA. The benefit to that effect is major when it comes to capacity building of municipal officials as it is general knowledge that Great Kei is lacking in other areas of skills.

Our internal audit is registered with the national institute of auditors and the municipality has set aside a budget to pay for registration and that forum is assisting in terms of providing updates in the internal audit unit. The support that we are getting from national forums is mostly on capacity building not necessary injection of financial resources.

T 2.3.1

Chapter 3

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial Intergovernmental Structures are key in terms of assisting the municipality general and in particular on service delivery issues and other related issues raised through Presidential Hotline.

The municipality is participating in Provincial Munich and Provincial IDP Assessments. The municipality is also participating in provincial communication structure.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Amatole District Municipality established its municipal entity, ASPIRE, with a purpose to lobby funding and facilitate economic development within its jurisdiction. This entity is playing a critical role on matters of local development within the municipality i.e. local tourism and Local economic development.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality is participating in District IDP/PMS and Budget Representatives Forums also the municipality form part of the District IDP planning and coordination forum which normally seats once a quarter.

Great Kei is also participating in a District Mayoral DIMAFO and MuniMEC which are also seating once a quarter, there is also District Communication forum and District IGR (Intergovernmental Forum) which also seats once a quarter organized by a district municipality. There is also a district Chief Financial Officers forum which also assist in addressing issues of audit by Auditor General and other finance related matters such as GRAP compliance and MFMA calendar implementation and compliance. We participate in many District Forums such as District Communication Forum, District Engineering Forum, District IDP Forum, District Speakers Forum, District LED Forum, Finance Forum, MM's Forum etc.

There is also a district agricultural stakeholder forum and other related forums of the district. These district forums assist in terms of alignment of programs which ultimately deter duplication of services. These forums also assist in information sharing and capacity building.

T 2.3.4

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that compliments formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

The preparation, implementation and review of the IDP;
Establishment, implementation and review of the performance management system;
Monitoring and review of the performance, including the outcomes and impact of such Performance; and the preparation of the municipal budget

During the 2020/2021 financial year communities were engaged through road shows/ mayor's programs, IDP/PMS and budget representative forum meetings and ward meetings. Ward Based Development Planning and WARROOMS

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

GKM has established a Communication Unit which is not fully fledged because it has only the Communication Officer and an Intern. The Unit is responsible for the production of Local Newsletters, publication of Municipal Notices etc. GKM has an adopted Communication Policy and Strategy in place.

The public communication is taking place with stakeholders through the municipal communication policy. In terms of the IDP/PMS and Budget forums stakeholders are partaking including sector departments.

The following are the stakeholders which form part of our communication and participation forums.

- Councilors;
- Ward Committees;
- WARROOMS
- GKM Local Home Affairs Stakeholder Forum
- GKM Disability Forum
- GKM Youth Council

Chapter 3

- GKM Sport Council
- GKM Agricultural Forum
- GKM LED Forum
- GKM IDP/PMS and Budget Rep Forum
- GKM IGR Forum
- GKM SPU Forum
- Community Development Workers
- Community - based organizations;
- Community Safety Forum
- Advocates for unorganized groups
- Civil society
- Business People
- Organized Labor
- Sector Departments

Furthermore following is the procedure of communication and consultation.

Participation Procedure

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Representative Forum to verify and add data
- District Municipality's Representative Forum to ensure that local priorities are adequately reflected in the District's IDP
- Use Ward Councilors to call meetings to keep communities informed about the IDP progress (including Ward Committees and CDWs)
- Publish annual reports on municipal progress
- Advertise in local newspapers
- Making the IDP document available to all units and public places for public comments
- Making use of municipal website.

Appropriate Language Use

English interpreted in Xhosa is used as a medium of communication during presentations. However in community meetings languages that are spoken in that community will also being used.

T 2.4.1

Chapter 3

WARD COMMITTEES

Establishment of Ward committees

Great Kei Municipality established ward committee and their operational plans to promote public participation as mandated by Local Government: Municipal Structures Act, No 117 of 1998 and Local Government: Municipal Systems Act, No 32 of 2000. GKM Policy on the Establishment of Ward Committees, Public Participation & Petitions Policy. Ward committees were elected during 2016/17 financial year and signed Code of Conduct for Ward Committees, which serves as a guiding tool on how they should conduct themselves. Subsequent to the resignation of 3 Ward Councilors in 2018 which led to the dissolution of 30 Ward Committees and the Election of new 30 Ward Committees for Ward 4, 6 & 7 and all 30 Ward Committees have been successfully elected.

COMMUNITY DEVELOPMENT WORKERS

Great Kei Municipality has 7 Wards and out of the 7 only 4 Wards have CDW's, and these being Ward 2, 4, 5 & 6. There are 3 Ward still with outstanding CDW's, these being Ward 1, 3 and 7. CDW's are located in the Office of the Mayor reporting to the Manager Office of the Mayor under Public Participation Unit. Hereunder are the current CDW's:

NAME	SURNAME	WARD NUMBER
Ms Zoliswa	Booi	2
Mr Mbulelo	Stompi	4
Ms Sindiswa	Tshijila	5
Ms Thozama	Nodada	6[She also service Ward 7]

Ward committees are there to assist and support Ward Councilors by submitting the needs and priorities of the ward and provide feedback to communities for the issues affecting their wards. They submit reports on monthly basis to the municipality through Ward Councilors for all the issues raised from ward committee meetings. Ward committee meetings are attended by Community Development Workers in order to refer other issues to relevant spheres of government.

Critical issues raised from Great Kei Municipal wards;

Access roads and internal street.

Construction of RDP houses for all wards.

Water and Sanitation e.g. Toilets that were not finished by ADM, portable toilets at Morgan's Bay, challenge of water at Qumrha.

Indigent register and alternative fuel for farm dwellers.

Job creation and skills development.

Accountability

Chapter 3

Ward committees are organizing community meetings and report to Ward Councilors for feedback on matters affecting communities, do door to door campaigns and arrange interactions and meetings with communities on quarterly basis.

T 2.4.2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Effective public participation in the affairs of the municipality
 Structured accountability
 Effective intergovernmental relations
 Transparent and democratic processes of the municipality to the community
 Compliance with the law

T 2.4.3.1

Public Meetings - 2020/21						
Nature and purpose of the meeting	Date of the event	Number of participating Municipal Councilors	Number of participating Municipal Administration	Number of Communities Attending	Issue addressed (yes / no)	Date and manner of feedback given to communities
Special Council	2020 July 20	12	5	0	YES	Due to Covid19 used media platforms
Special Council	2020 August 31	11	3	0	YES	Due to Covid19 used media platforms
Ordinary council	2020 September 30	11	4	0	YES	Due to Covid19 used media platforms
Special council	22 October 23	10	4	0	YES	Due to Covid19 used media platforms
Special Council	2020 October 29	12	4	0	YES	Due to Covid19 used media platforms
Special Council	2020 November 06	12	6	0	YES	Due to Covid19 used media platforms Items
Ordinary council	2020 December 10	12	5	0	YES	Due to Covid19 used media platforms

Chapter 3

Special Council	2021 January 19	12	6	0	YES	Due to Covid19 used media platforms
Ordinary Council	2021 January 28	11	5	0	YES	Due to Covid19 used media platforms
Special Council	2021 February 11	12	4	0	YES	Due to Covid19 used media platforms
Special Council	2021 February 25	12	5	0	YES	Due to Covid19 used media platforms
Ordinary council	2021 March 30	13	7	39	YES	Due to Covid19 used media platforms
Special Council	2021 May 27	09	8	47	YES	Due to Covid19 used media platforms
Ordinary Council	2021 June 24	13	4	0	YES	Due to Covid19 used media platforms
Special Council	2021 June 29	13	4	0	YES	Due to Covid19 used media platforms
						T.2.4.3

Chapter 3

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The Cooperative Governance and Intergovernmental Relations is one of the core mandates, which Great Kei is expected to exercise in collaboration with other stakeholders. Great Kei is complying with the principles of Cooperative Governance and Intergovernmental Relations through IDP forums and IGR forum that is sitting quarterly through the assistance of the District Municipality.

There are contributions that are taking place with relates to service delivery in particular service delivery areas which do not fall within the municipal mandate and those that fall within the municipal mandate but the municipality doesn't have adequate financial resources to respond to those areas raised by the communities.

T 2.6.0

Chapter 3

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Role of Risk Management

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality are pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk management ensures that management has a process in place to both set objectives and align the objectives with GKM's mission and vision and is consistent with GKM's risk tolerance. The setting of these objectives is usually completed during the, "Strategic planning and Budgetary process." GKM objectives can be viewed in the context of five categories:

1. Strategic Objectives- relating to high-level goals, aligned with and supporting GKM's mission and vision;
2. Operations- relating to effectiveness and efficiency of GKM's operations, including performance and service delivery goals. They vary based on management's choices about structure and performance;
3. Reporting- relating to the effectiveness of GKM's reporting. They include internal and external reporting and may involve financial or non-financial information;
4. Compliance- relating to GKM's compliance with applicable laws and regulations;
5. Safeguarding of assets- relating to prevention of loss of a GKM's assets or resources, whether through theft, waste or inefficiency. Where the safeguarding concept applies to the prevention or timely detection of unauthorized acquisition, use, or disposition of GKM's assets.

Internal audit role in risk management

The Internal Auditor's role in risk management includes: -
focusing on the significant risks, as identified by management, and auditing the risk management processes across the Municipality; providing assurance on the management of risk; providing active support and involvement in the risk management process; facilitating risk identification / assessment and educating line staff in risk management in internal control and the recommendations to improve them; to assess risk management matters of significant importance reported by the internal auditor; and to assess and confirm the policies, strategy and procedures for identifying areas of risk and the measures implemented to ensure adequate control of and security at such areas.

T 2.6.1

Chapter 3

The table below indicates the top five risks within the Municipality as identified by management:

Risk Category	Risk Description	Root Causes
Service Delivery	Poor road infrastructure	<ul style="list-style-type: none"> ▪ Constructing new infrastructure without maintaining the old one due to financial constraints. ▪ Aging Infrastructure ▪ Dilapidated Infrastructure
Service Delivery	Inadequate maintenance and construction of the planned number of Public Amenities	<ul style="list-style-type: none"> ▪ Public amenities not constructed as per the approved IDP ▪ Public Amenities not maintained timeously
Service Delivery	Inability to respond to the increasing electricity needs of customers	<ul style="list-style-type: none"> ▪ The current electrical infrastructure of the municipality does not allow for expansion. ▪ Municipality having limited access points for customers to access electricity ▪ Increasing distribution losses(technical and non-technical) due to dilapidated Infrastructure such that the municipality is spending more than what is getting from the customers
Service Delivery	Lack of adequate infrastructure and facilities to provide efficient waste management services as per the NEMWA	<ul style="list-style-type: none"> ▪ Landfill sites that does not meet the minimus standards stipulated in NEMWA ▪ Lack of resources to provide waste management services
	Inability to develop Land Use Management Systems and non-implementation of Spatial Development Framework	<ul style="list-style-type: none"> ▪ Transgression of National Building Regulations and Municipal By-laws ▪ Inability to implement housing sector Plan ▪ Land Use Transgressions, SPLUMA, land use scheme and the SDF.
Financial Viability	Lack of financial sustainability-going concern	<ul style="list-style-type: none"> ▪ The process of collecting revenue is very slow ▪ Nonpayment of creditors within prescribed time ▪ Incurring of Fruitless and wasteful Expenditure ▪ Dilapidated ICT infrastructure ▪ Noncompliance with Supply Chain Management regulations ▪ Inability to fully implement approved audit action
Good Governance	Inadequate Municipal Systems	<ul style="list-style-type: none"> ▪ Inability to meet community needs ▪ Inability to receive sufficient equitable share

Chapter 3

	to communicate and enhance Public Participation	▪ 3. Historically Disadvantaged programs to addressing the needs of the indigent people (SPU)
	Ineffective coordination of integrated planning	▪ Inability to have a credible IDP
	Ineffective compliance management	▪ Legal matters not dealt with within the prescribed timeframes

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1)(m)(l) identifies supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

The strategies listed below have been adopted and are implemented by Council:

1. Anti-fraud and prevention strategies
2. Fraud Prevention Plan
3. Code of Ethics for Municipal Employees
4. Fraud Prevention Policy
5. Whistleblowing Policy

On the year under review there were no Fraud & Corruption Workshops held for both Councillors and employees, this is due to Covid 19 regulations.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Chapter 3

The objective of Supply Chain Management is to procure goods and services. The Great Kei Municipality Supply Chain Management is centralized for all the municipal procurement services. As per the SCM standards and norms, all SCM committees are in place and functional. The organizational structure has made provisions for separation of duties. Contracts Management Unit is located within the SCM unit. On average, procurement processes takes about 38 day's turnover for competitive bidding, for informal tender process an average time takes about 12 days and for three quotations it takes about a week.

The accounting officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids which consists of:

- Bid Specification Committee
- Bid Evaluation Committee
- Bid Adjudication

The supply chain processes are guided by the SCM policy of the municipality which is reviewed annually.

Challenges

Lack of professional skills within the Great Kei area
 Quoting above /below market related prices
 Remedial action

Workshops were conducted for suppliers for SMMEs and supplier days were conducted as well for all GKM suppliers. The Municipality has provided computer and access to internet to and assists suppliers to register on CSD.

T 2.8.

2.9 BY-LAWS

BY-LAWS EXISTED SINCE 2015/16 FINANCIAL YEAR					
Newly Developed	Revised	Public participation Conducted Prior to Adoption of By-Laws (Yes / No)	Date of Public participation	By-laws Gazetted (yes/no)	Date of Publication
Liquor trading by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
Street Trading by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
Prevention of nuisance by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to advertising signs	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to public open space	Not yet	Yes but not yet gazetted	September 2015	No	N/A

Chapter 3

By-law relating to use and hire of municipal buildings	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to neglected buildings & Premises	Not yet	Yes but not yet gazetted	September 2015	No	N/A
Waste Management by-law	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law relating to Cemeteries & Crematoria	Not yet	Yes but not yet gazetted	September 2015	No	N/A
By-law on Spatial Land Use Management	Not yet	Gazetted	September 2015	No	N/A
Rates Policy by-law.	Not yet	Approve in June 2017	May 2018	No	N/A
Credit Control and Debt Collection by-law.	Not yet	Approved in June 2017/18	May 2018	No	N/A
Tariff Policy by-law.	Not yet	Approved in June 2017/18	May 2018	No	N/A
Indigent Policy by-law.	Not yet	Approved in June 2017/18	May 2018	No	N/A
Rates Policy by-law.	Not yet	Approved in August 20/2021	August 2021	No	N/A
T 2.9.1					

COMMENT ON BY-LAWS:

The Great Kei Municipality is a plenary type council and has got thirteen (13) and seven (7) wards respectively. Therefore the Public Participation process was conducted on all wards. However some by-laws have not yet been gazetted, though the institution has requested both Amatole District Municipality and EC Cota to assist financially to have the by-laws Gazetted

In the light of its size, the Municipality would work in conjunction with the relevant law enforcement agencies, such as SAPS, Traffic Law Services, to enforce the By-Laws once are gazetted.

T 2.9.1.1

Chapter 3

2.10 WEBSITES

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	2020/21 FY
All current budget-related policies	Yes	
The previous annual report (Year -1)	Yes	18/19
The annual report (Year 0) published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	2020/21
All service delivery agreements (Year 0)	N/A	N/A
All long-term borrowing contracts (Year 0)	Yes	N/A
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	2020/21
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	N/A	N/A
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	N/A
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	2020/21
		<i>T 2.10.1</i>

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Documents are loaded on the Municipal website as and when a need arises. Currently the municipality does not have personal computers that are accessible to the public however our libraries do have the personal computers accessible to the public. The Municipality is in a process of procuring the services and as well reconstructing our website for ease use by the public.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

Public satisfaction survey was internally done during the 18 / 19 Financial Year by Municipality, through its Corporate Services Directorate. However the Senior Management saw gaps in the study hence it did not cover the entire Great Kei. For this reason GKM decided to re-commission the study but now to cover the whole GKM Jurisdiction, and if needs, be source external expertise for its credibility

T 2.11.1

2

Chapter 3

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

INTRODUCTION

Out of 89 targets set 60 have been achieved and 38 not achieved. And the overall percentage achievement is 67%.

For the detailed report refer to chapter 3 component K of this report.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM did lay bulk water pipeline from the reservoir to the area and planning Construction of Water Reticulation to 1140 Erven and also the upgrading of bulk water supply for Great Kei Local Municipality.

b. Levels and standards in water services:

An increase in the water services provision was noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

The GKM is responsible for access roads, roads maintenance, electricity distribution in Qumran and its townships, housing facilitation and solid waste management

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Water services

a. Water services delivery strategy and main role-players:

The ADM is the Water Services Authority and a Water Services Provider, thus the Great Kei Local Municipality participates in the development of Water Services Plan to inform planning and funding requirements. The ADM lay bulk water pipeline from the reservoir to the area and planning Construction of Water Reticulation to 1140 Erven and also the upgrading of bulk water supply for Great Kei Local Municipality.

b. Levels and standards in water services:

An increase in the water services provision is noticed between 2001 and 2011 where in 2001 only 8.4 % households had an access to piped water services whilst in 2011 about 13.7 % households have access to piped water services.

T 3.1.1

T 3.1.2.1

COMMENT ON WATER USE BY SECTOR:

This is a district function though it is performed local and at all times the local report and collaborate with the district on matters relating to water services. The Amatole District Municipality in the case of Great Kei performs this function.

T 3.1.2.2

This is not the GKM function but for ADM

T 3.1.5

Chapter 3

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

This is not the GKM function but ADM

T 3.1.10

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Sanitation services is the function of Amatole District Municipality. Only 9.4 % of the total population has access to flushed toilet services though, which is an increase from 2001, where only 8.9 % of the population had access to the service. **(Census 2011)**

T 3.2.1

This not the GKM function. It is the ADM funtion

T 3.2.2

This is not the GKM function. It is the ADM function

T 3.2.5

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

This is not the GKM function. It is the ADM function

T 3.2.10

Chapter 3

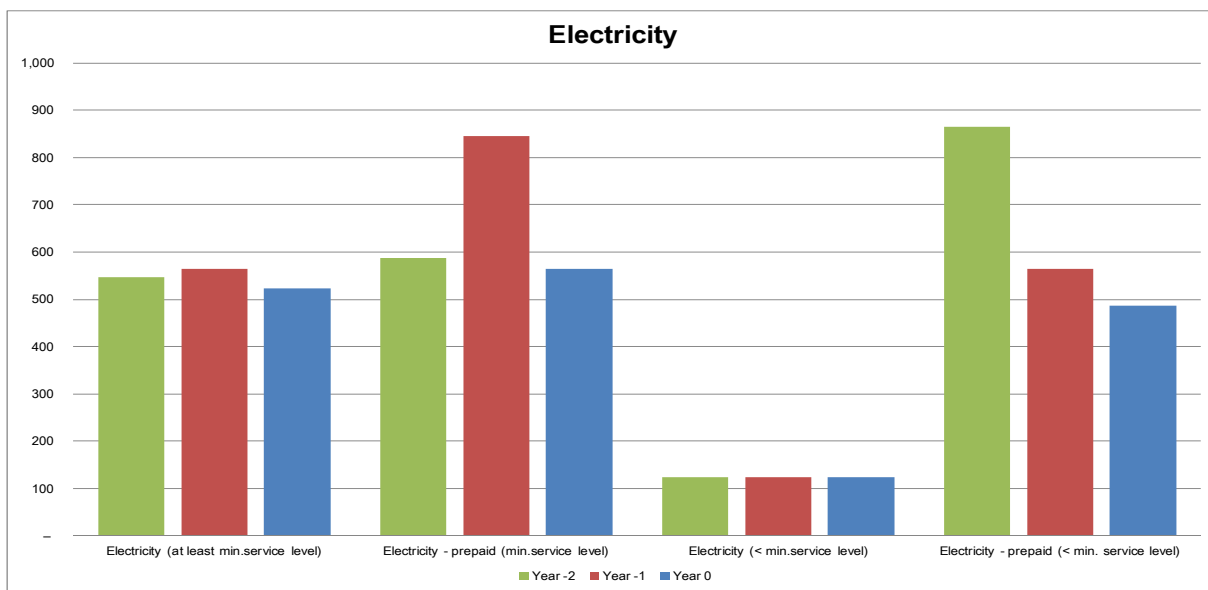
3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. Great Kei Municipality has got new housing development, Zone 10 in Komga, which is being implemented by Provincial Department of Human Settlement. This development consists of 1140 housing units with the first 570 being at inductory and showhouse stage. This development will required to be electrified once the top structure is completed. The Municipality has already started with the pre-planning stages towards electrifying this area by increasing the Notified Maximum Demand from 1,8 MVA to 2,3 MVA. Also the upgrading of Komga Intake Switching Room is at planning stages where a dedicated feeder pannel for Zone 10 settlement will be added. In areas where Eskom is the distributor in terms of NERSA license, the Great Kei Municipality is therefore playing a facilitation role in terms applying for funding for areas that still need to be electrified.

The municipality also focused on the upgrade of Electrical infrastructure and bulk supply lines which have been funded into phases. Upgrading of Qumrha Bulk Supply Lines Phase III was completed as at end June 2016 and planning for next phases is also underway. However this phase has not addressed the dire need of refurbishment in these areas due to limited funding and low revenue collection . In the MTREF starting from 18/19 financial year the Department of Energy approved two(2) projects for the gazzetted R6million. However a total of R4million was reallocated at the due to late start of the projects, owing to the instablility with the municiplaity. The munnicipality managed to increase the Notified Maximum Demand and as well part of the scope for the upgrading of Komga Intake Switching Room & Substations.

T 3.3.1



T 3.3.2

Chapter 3

Electricity Service Delivery Levels				
				Households
Description	Year -3 - 2017	Year -2 - 2018	Year -1 - 2019	Year -0 - 2020/2021
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Energy: (above minimum level)</u>				
Electricity (at least in-service level)	2,258	2,260	2,260	2260
Electricity - prepaid (in-service level)	2,141	2,141	2,141	2141
Minimum Service Level and Above sub-total	4	4	4	4
Minimum Service Level and Above Percentage	50.0%	50.0%	3.4%	3.4%
<u>Energy: (below minimum level)</u>				
Electricity (< in-service level)	2,258	2,260	123,544	123.544
Electricity - prepaid (< min. service level)	2,141	2,141	2,141	2.141
Other energy sources	-	-	-	
Below Minimum Service Level sub-total	4	4	126	126
Below Minimum Service Level Percentage	50.0%	50.0%	96.6%	97%
Total number of households	9	9	130	
				T 3.3.3

Households - Electricity Service Delivery Levels below the minimum						
						Households
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	2,254	2,258	2,260	1,300,000	1,751,000	2,260
Households below minimum service level	50	50	50	50	50	50
Proportion of households below minimum service level	2%	2%	2%	0%	0%	2%
Informal Settlements						
Total households	2,254	2,258	2,260	1,300,000	1,751,000	2,260
Households below minimum service level	50	50	50	50	50	50
Proportion of households below minimum service level	2%	2%	2%	0%	0%	2%
						T 3.3.4

Chapter 3

Electricity Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		2020/21	
		Target	Actual	Target		Actual	Actual		Target	
	Key Performance Indicator	*Previous Year-2017/18	*Current Year-2017/18	*Previous Year-2018/19	*Current Year-2018/19	2020/21	*Current Year	*Current Year 2020/21	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
Service Objective xxx										
To increase access of electricity to Great Kei Communities by 2022	Increase of Notified Maximum Demand & Upgrading of Komga Intake Switching Room	Chintza East area 17 phase I Reticulation project completed	Achieved	Chintz East area 17 phase I Reticulation project completed	Chintz East area 17 phase II Reticulation project completed	Achieved	Increase of the NMD		Achieved	Increase of the NMD to 2,8 MVA
							Upgrading of Komga Switching Room		Achieved	Zone 10 Reticulation
	Number of reticulation projects completed (Output)	Electrical master plan developed and approved by council (Input)	Achieved	Electricity operations and maintenance plan developed and approved by Council	One (1) application submitted to DoE	Achieved				
										T 3.3.5

Chapter 3

Employees: Electricity Services					
Job Level	Year 2019/2020	Year 2020/21			
	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	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

T
3.3.6

Financial Performance Year 0: Electricity Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6 161	7 434	11 662	6 161	-21%
Expenditure:					
Employees	1 430	1 279	1 279	1 156	-11%
Repairs and Maintenance	20 232	1 014	1 014	856	-19%
Other	29 564	11 475	11 859	10 755	-7%
Total Operational Expenditure	31 013 889	13 769	14 153	12 778	-8%
Net Operational Expenditure	24 852 461	6 334	2 491	6616	-4%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					<i>T 3.3.7</i>

Chapter 3

Capital Expenditure Year 0: Electricity Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1 763	1 763	345	-410%	
Project A - Electrification	1 763	1 763	345	-410%	280
Project B	0	0	0	0%	150
Project C	0	0	0	0%	320
Project D	0	0	0	0%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

According to Statistics 2011, a total population of 80.2 % has access to electricity services; however there is still a need to reach universal access. Great Kei Municipality has got new residential establishemnt at planning stage which will require to be electrified. Some of these residential development fall within Eskom Area of supply in terms of NERSA distribution. Great Kei Municipality is therefore playing a facilitation role in terms applying for funding of areas but also with intent of proclaiming these areas as part of its licesnsed distribution area. These areas include Chintsa Area 17 with a total of 429 planned housing units that has been completed in the 2017/18 FY, Kei Mouth, Haga-Haga and Morgans Bay. This will enhance revenue collection of the Municipality.

The municipality also focused on the upgrade of Electrical infrastructure and bulk supply lines which has been funded into phases. Upgrading of Komga Bulk Supply Lines Phase III was complted as at end June 2016. However this phase has not addressed the dire need of refurbishment in this areas due to limited funding. In the MTEF starting from 16/17 financial DoE has gazetted funding for Electrification of the Chintsa East Area 17 and Komga zone 10 to provide services in these areas. On completion of Electrifying Chintsa East Area 17, and this is area is currently managed by Eskom owing capacity challenges to area.

The Development Bank of Southern Africa (DBSA) offered the municipality the services of an Electrical Engineer for monitoring the implementation of projects. The municipality has entered into an agreement with DBSA on the services of the electrical engineer who also has a responsibility to mobilse resources to upgrade our electricity infrastructure.

T 3.3.9

Chapter 3

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

INTRODUCTION TO WASTE MANAGEMENT

Solid Waste Management within Great Kei is characterised by a predominantly privately managed dump system upon individual sites (i.e. backyards) rural villages and farms. Urban centres and some villages receive a weekly local authority waste collection services.

There are is only one Compactor trucks i.e. one compactor refuse truck and one Cage truck (tipper truck UD95 Nissan 8 tons),

Qumrha landfill site is licensed towards closure and also two transfer stations are licensed. The site in Qumrha is fenced off. The site has a wet land area because of the old quarry cells that was dug to excavate the gravel.

Two (2) transfer stations are in Chintsa and Kei Mouth.

The Kei Mouth transfer station is currently not operational owing to lack of resources and capacity of the institution to run it. Waste from Kei Mouth, Morgan's Bay and Chintsa East is being collected and transported to Qumrha landfill site. Transfer station at Chintsa operates as a holding centre before waste is transported to Qumrha landfill site. **Level and standards in waste management services.**

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bakkie is used to collect refuse in such areas.

Major challenges in waste management services and remedial actions.

Challenges in waste management include budgetary constraints and human resources. Because of financial constraints it is not possible to have machine working in our landfill site full time. The volumes of waste received at the landfill site are being reported on the South African Waste Information system. Only one (1) refuse trucks that is used to collect refuse and it becomes a challenge when it is in for repairs or service.

In order to address the above it is recommended that:

Additional fleet cars were donated by BCM to GKM through a SLA between the two Municipalities.

T 3.4.1

Chapter 3

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households
	Actual	Actual	Actual	Year 0
	No.	No.	No.	Actual
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	4	4	4	4
Minimum Service Level and Above sub-total	4	4	4	4
Minimum Service Level and Above percentage	100.0%	100.0%	100.0%	100.0%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below Minimum Service Level sub-total				
Below Minimum Service Level percentage				
Total number of households	4	4	4	4
				T 3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	4	4	4	4	4	4
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	10%	10%	10%	9%	9%	9%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T 3.4.3

Chapter 3

Waste Management Service Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21			
		Target	Actual	Target		Actual	Actual		Target	
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year	*Current Year	2020/2021	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)		(x)
Service Objective xxx										
To ensure improved solid waste management by June 2022	Number of clean-up and waste disposal campaigns conducted (Output)	Waste By-Laws reviewed and approved by council	Achieved	Waste By-Laws reviewed and approved by council	8 awareness campaigns	6 awareness campaigns				
	Number of reports on closure of landfill site (Input)	2 Progress reports on closure of landfill site	2 reports	2 Progress reports on closure of landfill site	4 progress reports on closure of landfill sites	Achieved				
										T 3.4.4

Chapter 3

Employees: Solid Waste Services

Job Level	Year 1 2019/20	Year 0 2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	30	35	30	5	14%
4 - 6					
7 - 9	5	7	5	2	0%
10 - 12	4	6	4	2	33%
13 - 15					0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	40	49	40	9	47%

T3.4.5

Employees: Waste Disposal and Other Services

Job Level	Year 1 2019/20	Year 0 2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	31	29	31	100%
4 - 6	3	4	4	4	100%
7 - 9	6	2	2	2	100%
10 - 12	7	5	5	5	100%
13 - 15	9	2	1	2	100%

T3.4.6

Employees: Waste Disposal and Other Services

Job Level	Year -1-2019/20	Year 0-2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	31	29	31	100%
4 - 6	3	4	4	4	100%
7 - 9	6	2	2	2	100%
10 - 12	7	5	5	5	100%
13 - 15	9	2	1	2	100%

T3.4.6

Chapter 3

Financial Performance Year 0: Solid Waste Management Services						
R'000						
Details	Year -	Year 0				
	1	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6 197	10 333	10 333		10 876	5%
Expenditure:						
Employees	9 687	10 291	10 291		12 341	17%
Repairs and Maintenance	677	422	422		357	-18%
Other	0	6 146	6 146		565	-988%
Total Operational Expenditure	10 364	16 858	16 858		13 263	-27%
Net Operational Expenditure	4 166	6 525	6 525		2 387	-127%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.4.7

Financial Performance Year 0: Waste Disposal and Other Services						
R'000						
Details	Year -	Year 0				
	1	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0	0
Expenditure:						
Employees	0	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0	0
Net Operational Expenditure	0	0	0	0	0	0
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T 3.4.8

Chapter 3

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	0	330	-	0%	
Project A	0	330	-	0%	280
Project B	0	0	0	0%	150
Project C	0	0	0	0%	320
Project D	0	0	0	0%	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

T 3.4.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Kei Mouth transfer station is currently not operational owing to lack of resources and capacity of the institution to run it. Waste from Kei Mouth, Morgan's Bay and Chintsa is being collected and transported to Qumrha landfill site. Transfer station at Chintsa operates as a holding centre before waste is transported to Qumrha landfill site. A Feasibility Study for a Waste Recycling Project is still underway done by Sibanye Stillwater for an amount of R300 000.

Level and standards in waste management services.

Great Kei Municipality is rendering once a week refuse collection from businesses and urban settlements. Villages of Great Kei Municipality are not receiving refuse collection because of budgetary constraints. In areas where access by big refuse compactor truck is not possible a tractor or small bakkie is used to collect refuse in such area.

T 3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

Human Settlements

The Municipality has an existing Housing Sector Plan (2011-2016). The Department of Human Settlement appointed a Service Provider to review the Sector Plan in line with municipal IDP. The key focus areas of the review are as follows:

- Situational Analysis Review
- Feasibility Studies of all planned projects
- Development of the Draft Housing Sector Plan
- Presentation of the Housing Sector Plan to Stakeholders and Final Adoption.

The Great Kei Municipality has a diverse housing need relating to the fact that many families live in traditional dwellings in Mooiplaas and farm dwellers (see bar chart below). The coastal towns of Kei Mouth, Morgan's Bay, Haga, Marsh Strand, Crossways, Bulugha, Glen Muir and Chintsa East have a need to provide serviced sites and low cost housing for the workers who would like to live in these centres. There is also potential for development of holiday homes and tourism related accommodation. The Municipality applied to the provincial housing department (PDoHS) for the following projects: Qumrha Zone 10 Settlement 1140 units, Qumrha Phase (2) 400 units, Haga 300 units, Cefane/ Taiton 350 units and Chintsa East Area (17) 465 units.

Figure: Housing Type

Source Department of Housing & Local Government, 1997

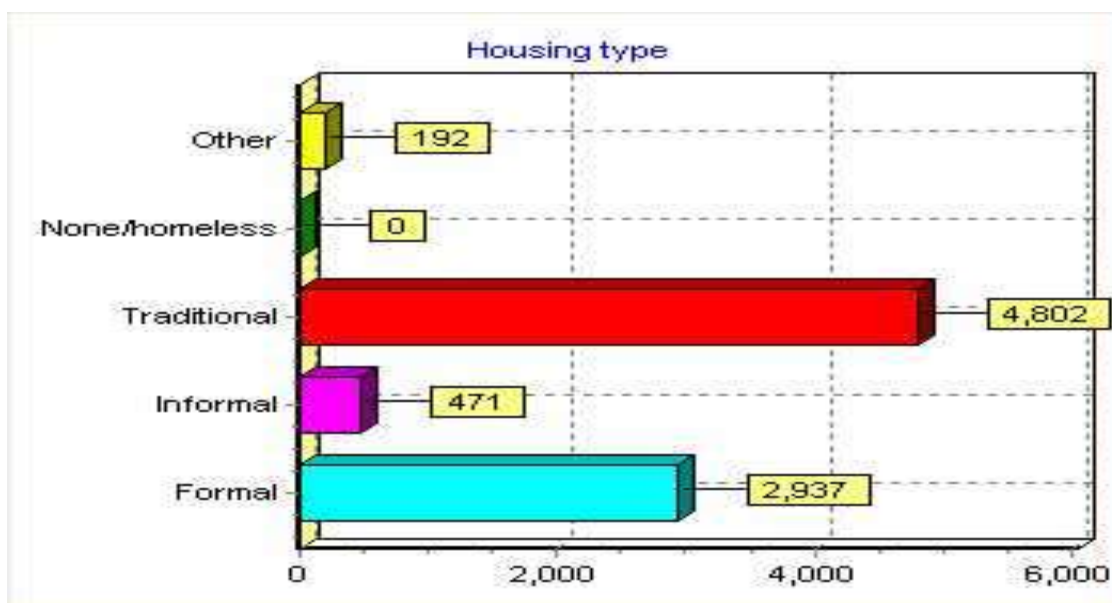


Table: Housing Type

Chapter 3

Traditional	Informal	Formal	Other
57%	6%	35%	2%

Most households live in traditional structures (57 percent) with 35 percent of households living in formal structures (refer to Table 14). The total housing need for low-income families at Qumrha was estimated by the Council at 3 000 houses with serviced sites. The settlements at Draaibosch and Mooiplaas also required formalization of tenure and infrastructure. The municipality has to plan for the extension of services inclusive of housing for Chintsa East, Kei Mouth and Qumrha.

H (b) Formal Housing

Private developers are involved in the provision of most formal housing within the urban areas; however people in the lower income groups were marginalized by this as they could not afford the types of housing being provided. This led to a high demand for rented accommodation, resulting in overcrowding and increased numbers of backyard dwellers. A high demand for serviced sites and housing thus existed.

The Provincial Housing Board subsidy projects have the opportunity of making inroads into the affordable and low cost housing need. However, under allocation of funding together with the slow rate of delivery placed a number of new housing projects on the waiting list had a negative impact on the project.

During the IDP/ Budget Review 2005/ 2006 an allocation of 6000 Units was identified and it was broken down into allocation by Wards as follows, 1000 Housing Units per Ward. Due to the problem with the existing housing projects a Directive from the Office of The MEC, Housing, that priority must be given to blocked, stopped, and incomplete projects.

Developments are that, the Icwili Phase I (255) housing project has been unblocked and therefore 84 houses will be built an additional 19 houses completed. With regard to Chintsa East housing project, bulk infrastructure is the problem and the Municipality was advised to talk to ADM for temporary provision of these services whilst waiting for the completion of Bulk Water Scheme project.

The Municipality forged relations with Afesis Corplan and the Provincial Department of Human Settlements. Afesis Corplan promoted a concept known as LAND - FIRST in an attempt to discourage expansion of shack - dwellers resulting from uncontrolled land invasions. The approach emphasizes the notion of being pro-active as government of the people by providing surveyed sites to all home seekers, provide basic servicers and guarantee the occupant to be the owner of that piece of land through certificate of ownership. The GKM identified Kei Mouth – Icwili as a pilot project. The municipality consulted the immediate community who agreed to the program/project. The municipality was awaiting approval from the office Surveyor General.

The Municipality and the Provincial Department of Human Settlement agreed to work together. The main purpose was for the Department to provide technical support to the municipality by developing business

Chapter 3

plans for capacity enhancement in performing the housing function including management of housing projects.

Table 15: Current Housing Access

Proposed Housing Needs

GKM Rural Areas	6000
Morgan's Bay	200
Kei Mouth (Icwili)	250
Chintsa East	500
Qumrha Zone 10	1140
Qumrha Phase 1	96
Qumrha Phase 2	400
Haga-Haga	300
Cefani	250
Taiton	350

TOTAL	9489
--------------	-------------

Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. This led to an increase in the urban population density through further fragmentation of urban land for human settlements, including the establishment of backyard dwellers. The number of informal settlements was growing because existing accommodation could not meet the demand for housing. There was an increasing demand by the lower income groups for land and services for housing.

It was envisaged that the Reviewed Housing Sector Plan would address the following challenges identified:

- Screening of Beneficiaries
- Land Availability and Land Ownership
- Bulk Infrastructure
- Environmental Studies such as Geotechnical Surveys etc.

T 3.5.1

Chapter 3

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	11500	8965	78.0%
Year -2	11500	8965	78.0%
Year -1	11500	8965	78.0%
Year 0	11500	8965	78.0%
			T 3.5.2

Chapter 3

Housing Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target	Actual		Target		
	Key Performance Indicator	*Previous Year-2017/18	2017/18	*Previous Year-2018/19	*Current Year-2018/19	2018/19	*Current Year 2019/20	Actual	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To Provide access to sustainable human settlements within the GKM Area by June 2022	Number of reports on the implementation of Housing Sector Plan (Input)	2 implementation reports	1 report	2 Implementation reports	Target removed in the year under review	N/A		xxxxxx	xxxxxx
	Number of beneficiaries submitted to <u>dpt of Human Settlements</u> for houses approval (Output)	800 beneficiaries approved	Approved list of 1140 beneficiaries	1140 beneficiaries approved	200 beneficiaries submitted to <u>dpt of Human Settlements</u> for houses approval	856 beneficiaries submitted to DHS			
									T3.5.3

Employees: Housing 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	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

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

T 3.5.4

Chapter 3

Financial Performance Year 0: Housing Services						R'000
Details	Year -1	Year 0				
	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 T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.5.5	

Chapter 3

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	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>					T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The Municipality and the Provincial Department of Human Settlement agreed to work together. The main purpose was for the Department to provide technical support to the municipality by developing business plans for capacity enhancement in performing the housing function including management of housing projects.

Informal Housing

The in-migration of people to urban centres is manifest in informal settlements developing in the periphery of towns and small centres. This led to an increase in the urban population density through further fragmentation of urban land for human settlements, including the establishment of backyard dwellers. The number of informal settlements was growing because existing accommodation could not meet the demand for housing. There was an increasing demand by the lower income groups for land and services for housing.

It was envisaged that the Reviewed Housing Sector Plan would address the following challenges identified:

- Screening of Beneficiaries
- Land Availability and Land Ownership
- Bulk Infrastructure
- Environmental Studies such as Geotechnical Surveys etc.

T 3.5.7

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

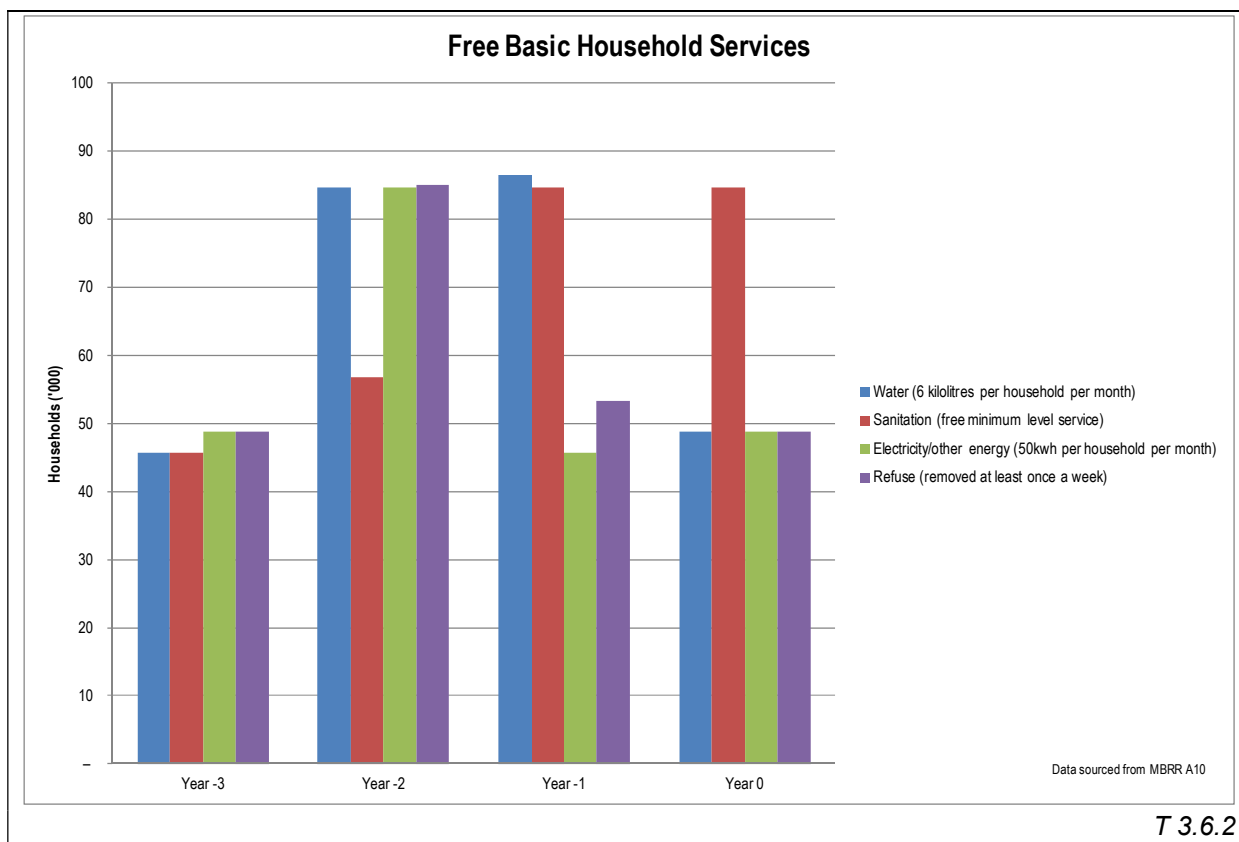
INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an approved indigent policy that is reviewed annually and aligned with Eastern Cape Provincial Framework and other pieces of Legislation.

The objective of the policy is to ensure the following

- Provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;
- Establishment of a framework for the identification and management of indigent households including a socio-economic analysis where necessary and an exit strategy; The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; and Co-operative governance with other spheres of government

T 3.6.1



Chapter 3

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%	
Year -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%
										T 3.6.3

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

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target	Actual	Target	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure availability , review and implementation of Indigent Policy and by June 2022	% of indigent beneficiaries receiving free basic services (Output)	Updated and approved Indigent Register	Indigent Policy and Indigent Register approved by council	100% Achieved	100%	58% Not Achieved	xxxx LIHs	xxxx LIHs	xxxx LIHs
									T 3.6.5

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

In support of the indigent community the municipality has an approved indigent policy. The municipality currently provides free basic electricity of 50 KW per household, refuse removal, 20 litres paraffin per household for alternative energy and various rebates on property rates.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and storm water drainage.

INTRODUCTION TO ROAD TRANSPORT

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

The only funding source available for construction/upgrading of gravel and surfaced roads is the Municipal Infrastructure Grant. This funding only cover few kilometres owing to the construction of other services i.e. Sports-field, community halls and day care centres. The municipality utilises contractors for construction, consultants for design & internal project management unit to oversee the monitoring and implementation of all project. Four projects (two Mzwini Community Hall and 3 internal streets-Tianton, Cwili and Taiwan) were designed and managed by professional consultants.

Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

Great Kei Municipality has limited financial and plant resource for the road maintenance activities. This objective has been achieved by balancing of resources, activities and forecast planning. Sector departments have been engaged through service level agreements where the view of sharing resources has been developed to serve as support initiative to the municipality. The municipality has received an amount of R1 000 000 from the Department of Public Works towards implementation of EPWP projects within the municipality. The objective of this funding is to provide jobs for the unemployed youth, women & disabled. The fund also assist in poverty alleviation, maintenance of infrastructure in all sectors within the municipality i.e. Infrastructure Sector, Social Sector and Environmental Sector. On infrastructure sector the project for road maintenance is prioritised as it addresses challenges faced by maintenance unit on surfaced roads and non-surfaced. In terms of the adopted EPWP policy, which is reviewed annually, the Mayor/Speaker is the champion of the EPWP and this means the Mayor/Speaker is the overseer of all operations within this fund allocation. The municipality facilitate the recruitment and employment of people from the wards to implement these roads activities (patch gravelling, pothole patching and cleaning of stormwater drains). The Department of Roads and Public Works is responsible for maintenance of the Districts Roads and during this financial year the access road to from Mzwini, via

Chapter 3

Mangqukela. Also the road from Nomaquntsu to Bhola was ripped, re-compacted and maintained as its condition required such maintenance. The municipality on its side has maintained a total of 8.3km that was done dry blading and this includes Draaisbosch and Ntushuntushu areas.

Major challenges in road maintenance services

The municipality has a low revenue collection and deprives the Infrastructure Division for budgeting of Road Maintenance. Most of access roads are in a bad state and they have reached their design period. This makes them difficult to be maintained on annual basis. The shortage of yellow plant is a major challenge because without it maintenance becomes very difficult. A set of yellow plant can be able to save lifespan of many roads as maintenance can be able to planned and executed effectively.

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments. Most roads leading to coastal areas which are regarded as tourist destination are usually surfaced.

The road network within the Great Kei Municipality consists of 730 kilometres of surfaced and unpaved road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

The Great Kei Municipality is thus directly responsible for 22 kilometres of surfaced and 487 kilometres of unpaved road.

Small Town Revitalization – Roads

The Office of the Premier has approved an amount of R60m for the surfacing of 3,7 km in Kei Mouth and 3.7km Chintsa East.

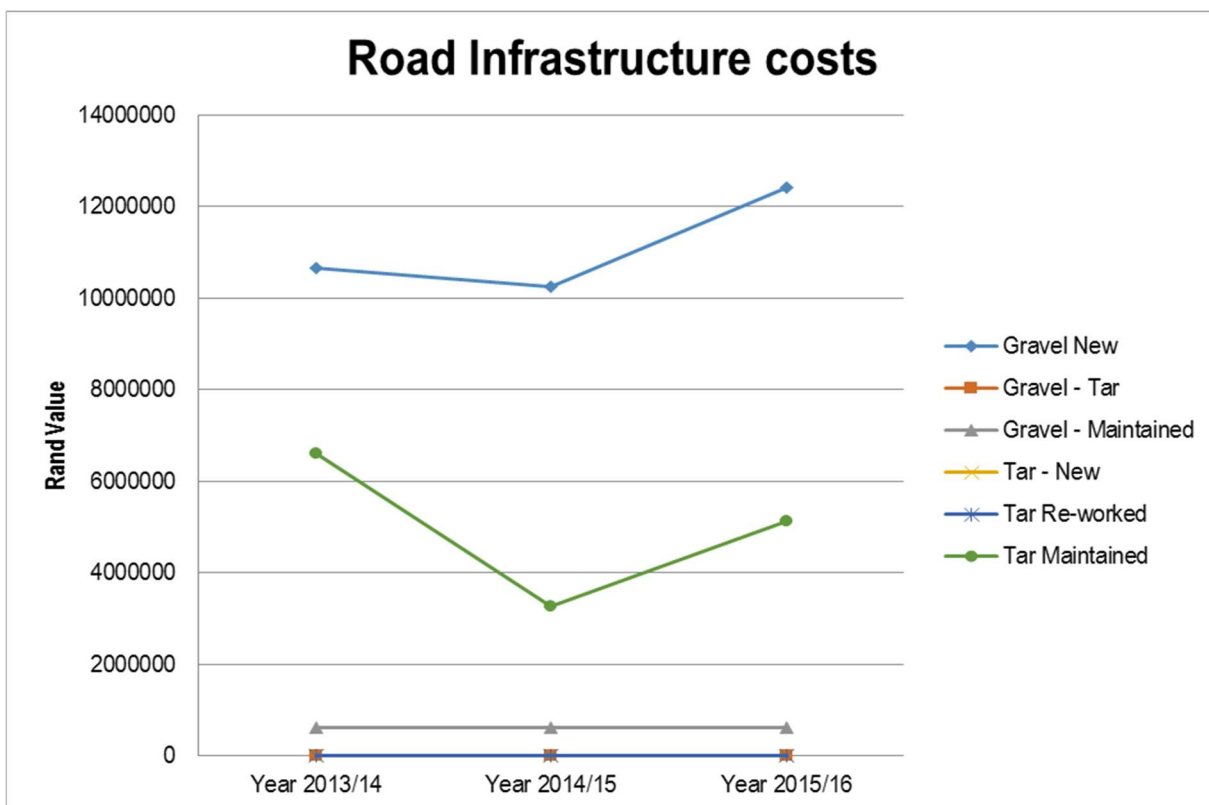
T 3.7.1

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
Year -2	145	15	10	100
Year -1	160	20	12	120
Year 0	166	25	14	140

Chapter 3

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	85	10	23	18	100
Year -1	98	14	25	15	120
Year 0	114	20	30	25	140
					T 3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	450000	1700000	250000	1950000	1050000	400000
Year -1	475000	1800000	260000	2020000	1220000	500000
Year 0	490000	1900000	280000	2300000	1300000	550000
						T 3.7.4



T 3.7.5

Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year- 2018/19	2018/19	*Previous Year- 2019/20	*Current Year- 2019/20	2019/20	*Current Year	*Current Year	*Following Year
Service Objective									
To Ensure accessible roads within the Great Kei Local Municipal Area by 2022	Number of kms of gravel roads to be constructed through MIG (Outcome)	7 kms of gravel roads to be constructed at Bhola Village and Old Location	4.7km gravel road to be constructed	5,7 kms achieved	5km of gravel roads to be constructed in 2018/19 in Icwili, Taiton & Taiwan			Achieved 8,3 kms constructed	9km's to be constructed at Chintsa East, Elityeni & Komga-Siviwe
	Number of kms of gravel roads to be maintained of gravel roads to be rehabilitated/ Re-graveled (Outcome)	2km gravel road to be maintained in 2017/18 FY	6 kms of gravel roads to be constructed at Qumrha town	2.1 kms achieved					
									T 3.7.6

Chapter 3

Employees: Road Services							
Task Grade	Year 2018/19	Year 2019/20				Year 2020/2021	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.	%	No	
0 - 3	0	0	0	0	0%	0	0
4 - 6	0	0	0	0	0%	0	0
7 - 9	1	3	1	2	67%	1	2
10 - 12	0	0	0	0	0%	0	0
13 - 15	1	1	1	1	100%	1	1
16 - 18	1	1	1	0	0%	1	0
19 - 20	1	1	1	0	0%	1	0
Total	4	6	4	3	67%	4	3
					T3.7.7		

Financial Performance Year 0: Road Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13023	12634	12634	12632	0%
Expenditure:					
Employees	8957	9804	9574	9785	0%
Repairs and Maintenance	2051	557	670	557	0%
Other	39	1784	1355	1136	-57%
Total Operational Expenditure	11047	12145	11599	11478	-6%
Net Operational Expenditure	-1976	-489	-1035	-1154	58%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

Chapter 3

Capital Expenditure Year 2019/20: Road Services					
R' 000					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	11 116 000	11 116 000	9 585 900.46	-14%	11 116 000
Icwili Internal Streets	1 919 460	1 881 518.70	1 823 999.40	-5%	1 965 938.77
Taiton Internal Streets	1 888 375	2 001 764.94	1 993 249.40	-5%	2 093 525.28
Taiwan Internal Streets	1 888 375	2 126 529.42	2 048 137.67	+8%	2 224 940.13
Mzwini Community Hall	2 400 000	2 680 381.84	2 558 938.98	+6%	2 805 015.45
Construction of Komga Agri-Park	1 000 000	654 957.32	195 960.00	-410%	195 960.00
Closure of Komga Landfill Site	1 000 000	900 000.00	317 811.70	-214%	384 425.45
Magrangxeni Internal Streets	463 990	315 047.78	237 751.71	-95%	237 751.71
PMU Operations	555 800	555 800	555 800	0	555 800
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<i>T 3.7.9</i>

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Road construction

The only funding source available for construction/upgrading of gravel and surfaced roads is the Municipal Infrastructure Grant. This funding only cover few kilometres owing to the construction of other services i.e. Sports-field, community halls and day care centres. The municipality utilises contractors for construction, consultants for design & internal project management unit to oversee the monitoring and implementation of all projects. Four projects (one community hall and three internal streets –Icwili, Taiwan/Nyarha and Taiton) were designed by consultants and level 2 monitoring was done by consultants with the assistance of the in-house project management unit.

Road maintenance services delivery strategy and main role-players (partnership with Roads & Public Works)

GKM with the limited resources continue doing road maintenance but need some support from other Sector departments from government. Currently the municipality has been utilising one grader to maintain all municipal roads though consistent mechanical challenges hampered the objective. The municipality received an amount of R1 000 00 from the Department of Public Works. This funding is used for the maintenance of gravel and tar roads in the entire municipal area. The municipality employs

Chapter 3

people from the wards to maintain these roads (patch gravelling, pothole patching and cleaning drains). The Department of Roads and Public Works is responsible for maintenance of the Districts Roads.

Major challenges in road maintenance services

The municipality has a low revenue collection and that deprives the Infrastructure Division to budget extensively for road maintenance. Most of access roads are in dire condition and have reached their life span. This makes it difficult to be maintained on annual basis due to budget limitation.

Limited capital funding to consider other Village Internal roads, the only source of funding available is MIG.

Road construction and improvement is considered as the prime infrastructural component to the municipality that would assist in bringing about improved access for tourism, health facilities and agricultural developments.

The road network within the Great Kei Municipality consists of 729, 55 kilometres of surfaced and gravel road. Unpaved roads are defined as gravel roads as well as non-gravelled roads and tracks i.e. identified access or minor roads that have not been upgraded in any way. The responsibility for capital expenditure and maintenance rests with various authorities including the Great Kei Municipality.

The Table below schedules the various categories of road, the length of road and the authority responsible for capital expenditure and maintenance.

The Great Kei Municipality is thus directly responsible for 21, 30 kilometres of surfaced and 486, 18 kilometres of unpaved road.

T 3.7.10

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

This is not GKM function.

T 3.8.1

This is not the GKM function.

T 3.8.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

This is not the GKM function.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The stormwater management is embedded under road construction, maintenance of Roads & Stormwater. Similarly to road maintenance this activity is not effectively realized due to funds limitation. However the Infrastructure Division has managed to solicit service providers with the Jetting Machines for unblocking of stormwater. This was done in Komga where, approximately a total of 300m consisting of 300mm diameter, 600mm diameter and 900mm diameter in old location were unblocked during the year at hand. In the coastal areas a length of 150m have been unblocked in Kei Mouth and in Morgan Bay respectively. In line with the stormwater management, a number of number of manhole covers were erected in the Komga Town and the township.

T 3.9.1

T 3.9.4

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The GKM performs the function of road services

T3.9.9

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The opportunities of GKM as outlined by the Great Kei Spatial Development Framework are:

There is potential for renewable energy through wind farming, this means that wind farming is a variable source of energy that continues to attract investment and infrastructure development. This kind of farming is expanding in the GKM area given that there is currently an expression of interest and application for the installation of similar project around Haga-haga area

Stock farming is still one of the major contributions to the municipality's GDP and skills development and emerging farmer support programmes need to be focused on in order to sustain and grow the industry. The Municipality forms part of the wild coast meander tourism route along the coast and wildlife tourism in the north of the Municipality has great potential for growth and has been identified as a critical area for development by the Municipalities development perspective.

The course of urban development and urban growth in the last twenty years has been taking an increasingly green outlook in terms of how a town should look in its growth process hence the expansion of the main town urban agriculture has been proposed as a sustainable source of food and income for the municipality in close proximity to accommodation, facilities and other scale economies According to the Land Audit exercise that has been developed by the Municipality in 2017/18, key strategic areas have been identified for potential development and growth of the Municipality, these include areas owned by the Municipality and the Department of Public Works in Kei Mouth, areas owned by the Municipality and its District Municipality (ADM) in Haga Haga, and various other land parcels that are municipal owned in Qumrha.

These identified land parcels open up opportunities for Great Kei Municipality within the economic and socio -economics sectors.

The Land audit will therefore guide the Municipality in ensuring the efficient use of available resources in order to ensure that the municipality increases its financial capacity thus having a ripple effect throughout the institution.

T 3.10

Chapter 3

3.10 PLANNING

INTRODUCTION TO PLANNING

Main Elements of Planning Strategies:

The achievement achieved by Planning in year 2018/2019 are, employing permanent officials that will oversee all planning and building control within GKM.

The setting up of procedures that will ensure implementation and smooth processing of development applications.

The handing over of all development applications and building plans from the previous consultant to the relevant officials to ensure filling and processing of applications. The appointment of an Authorised Officer in terms of the Spatial Planning and Land Use Management Act 16 of 2013 will ensure that applications are processed speedily and in time.

The development of SPLUMA procedures are also to ensure efficiency and a speedy processing of development applications, this will also enhance the area of Great Kei Municipality in a planned and well-coordinated manner.

The Challenges experienced are:

Missing applications due to lack of steady officials in the Municipality, contributing to missing information. Shortage of Human Resources to ensure that the functions of the office are carried out within the desired turnaround time.

Backlog of applications still requires more human resources in order to be completed.

There are existing contraventions with regards to both building control and municipal planning and these are being dealt with by the relevant officials according to relevant pieces of legislations.

Site visits are not thoroughly conducted due to vehicle shortage issues experienced, however site inspections are done when an opportunity presents itself.

There is still a need to man the office with more human capacity in order to respond to the rate of development that is being experienced by the municipality, both building control, planning and human settlements.

There is an inability to update the human settlements Housing Needs register, although there are data capturers who have been trained to undertake this exercise, there is still an issue of network problems and tools of trade to ensure proper capturing.

Those that had issues with contravention notices and have not responded, the issues were forwarded to the Municipalities legal team.

The 3 service delivery priorities with regards to planning and building control are:

Ensuring efficient land use management.

This has been insured though the employment of permanent human resource capacity to oversee land use management.

Chapter 3

Adopting and implementing the Great Kei Municipalities Spatial Development Framework.

Implementation of the adopted Great Kei Municipality Spatial Development Framework

Ensuring sustainable development for the inhabitants of GKM.

Ensuring that development is encouraged to increase employment opportunities for the lives of those that live in GKM.

Measures to ensure and improve performance.

The divisional scorecard has been developed and implemented for reporting on year 0, and year 1s report is articulated above.

This is managed through monthly reports that are converted into quarterly reports into Annual Reports.

T 3.10.1

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year 1 - 2018/19	Year 0- 2018/2019	Year 1 - 2019/20	Year 0- 2019/2020	Year 1 - 2020/21	Year 0- 2020/2021
Planning application received	0	0	4	3	0	5
Determination made in year of receipt	0	0	0	3	0	4
Determination made in following year	0	0	4	0	0	1
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	1
						T 3.10.2

T 3.10.1

Chapter 3

Planning Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	2020/21	
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2018/19	2018/19	*Previous Year-2019/20	*Current Year-	2019/20	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure that building regulations are adhered to by June 2022	100% approval of submitted building plans and land use applications within 3 months (Output)	100% approval of submitted plans within 3 months	Achieved	100% approval of submitted plans within 3 months	100% approval of submitted building plans and land use applications within 3 months	Achieved	100% approval of submitted plans within 3 months	100% approval of submitted building plans and land use applications within 3 months	Achieved
To ensure alignment of SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use Management Systems	Final Land Audit report completed and adopted by council (Input)	SDF reviewed and approved with compliance report by council	Not achieved	SDF reviewed and approved with compliance report by council	Final Land Audit report completed and adopted by council (Input)	Achieved	Final Land Audit report completed and adopted by council (Input)	Final Land Audit report completed and adopted by council (Input)	Not Achieved
									T 3.10.3

Employees: Planning Services					
Job Level	Year 2019/20	Year 2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%

Chapter 3

8	1	1	1	1	0%
11	1	1	1	1	0%
12	1	1	1	1	0%
14	1	1	1	1	0%
Total	4	4	4	4	0%

T 3.10.4

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	2102	9545	9469	3089	-209%
Repairs and Maintenance	0	0	0	0	0%
Other	5 246	1486	2082	2437	39%
Total Operational Expenditure	2107542	11031	11551	5526	100%
Net Operational Expenditure	2107542	11031	11551	5526	-100%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.10.5

Capital Expenditure Year 0: Planning Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Office Furniture	0	0	0	#DIV/0!	280
Computer Equipment	0	0	0	#DIV/0!	150
Project C	0	0	0	#DIV/0!	320
Project D	0	0	0	#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.10.6

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

T 3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

The Great Kei Local Municipality agreed to position LED as its strategic development area and core development niche focussing on investment potential which would unleash tourism in the Coast in particular.

Having agreed to the above statement the Great Kei Municipality developed and adopted an LED Strategy in 2014, and LED Strategy has been approved for implementation by Council on the 30th June 2020. The LED Strategy covers the following economic sectors that were identified:

The sectors which have been identified include:

- Tourism
- Government and Community Services
- Agriculture and Aquaculture
- Trade
- Mining
- Renewable Energy
- Co-operatives

1.1 Tourism

The Great Kei Local Municipality is positioning itself as a popular tourist destination of choice. The main types of tourism undertaken includes adventure, nature based, sport and MICE. The heritage tourism is a niche market which has yet to be fully developed. Tourism products are highly concentrated along the coast with very few in the interior. Thus Heritage tourism offers an opportunity to develop the tourism and trade sector in the interior.

The area is marketed under the Wild Coast Jikaleza Route which represents product owners of Sunrise on Sea, Chefane, Chintsa and Kwelera. The Great Kei falls under the ECPTA's Wild Coast marketing destination.

1.2 Agriculture

The agricultural sector in the local municipality is a prominent economic sector. The sector however is following the provincial trend and has been in a slight decline over the past few years. This has been attributed to a decline in production as a result of less commercial farming activity in the municipality. Many commercial farmers have sold or consolidated their farms. Farms sold in land reform processes have yet to achieve similar levels of productivity. The consolidation of farms has also resulted in a decline in employment in the sector.

The municipality has both commercial, communal and emerging farmers. There are approximately 78 farmers in the Great Kei of which 45 are emerging farmers. Farming activity has been reduced in the peri-urban areas due to stock theft and vandalism. The agriculture activity which takes place includes livestock farming, game farming, crop production, vegetable production and to a lesser extent poultry production. The livestock farming, which is the most dominant activity, is of beef, sheep and goat. The crop production is of maize which 12% includes green mealies, dry maize and fodder for commercial dairies.

Chapter 3

The vegetable production takes place in homestead gardens in villages and small irrigation projects. This is usually on a subsistence level. There is no formal produce market. Farmers source their inputs from a co-op in Komga and other supplies in East London. The farm sizes vary from 50 ha to more than 1 000 ha, however the average size of a farm is between 200 ha and 500 ha. There are about 88 farms in total.

1.3 Trade

The trade sector in the Great Kei showed positive growth as from 2013 and continues to grow till today. The sector is one of bigger employers within the local sphere, and has employed +20% of the total labour force.

1.4 Mining

The mining sector in the Great Kei Municipality is relatively small. Mining activity is centred on granite mining which is being undertaken by Milo Granite (Pty) Ltd. The firm has identified a commercial mining opportunity for the exploitation of granite dimension stone 2 km outside of Qumrha, on the road past the Qumrha Industrial areas, on the farm Castleton. The business is involved with the mining of granite and the supply of the granite blocks to the national and international markets. An additional value add operation will be located in the Qumrha Industrial area. On average the annual turnover over a period of 5 years is expected to be R 25 million.

1.5 Renewable Energy

Renewable energy is generated from natural resources such as sunlight, wind, rain, tides and geothermal heat which are all renewable. One of the noteworthy advantages of renewable energy is its sustainable nature which means it will never be exhausted.

Various LED projects had been funded by Department of Environmental Affairs, Department of Rural Development and Agrarian Reform and Department of Social Development. The municipality has been involved with facilitating of funding for SMMEs and the co-ordinating of their training.

Future plans: To develop Tourism Sector Plan, Business retention and expansion strategy. The LED unit of the municipality which adhocly is staffed by one official at the moment has a huge responsibility for local economic development. Local economic development is viewed as core in turning around the revenue and current financial position of the municipality.

Challenges: The Great Kei Municipality is operating with limited professionals, managerial and technical capacity in terms of human resources. The role of LED as a cross cutting function need to be recognised further by all departments. The implementation of LED strategy is concentrated on strategic partners and the implementation of district wide and provincial and national programmes.

T 3.11.1

Chapter 3

Economic Activity by Sector			
	R '000		
Sector	2018/19	2019/20	2020/21
Agric, forestry and fishing	0	150 000	150 000
Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0
Finance, property, etc.	0	0	0
Govt, community and social services	0	0	0
Infrastructure services	0	0	0
Total	0	150000	150 000
			T 3.11.2

Economic Activity by Sector			
Sector	2018/2019	2019/20	2020/21
Agric, forestry and fishing	8%	6%	
Mining and quarrying	14%	17%	
Manufacturing	7%	8%	
Wholesale and retail trade	15%	15%	
Finance, property, etc.	17%	11%	
Govt, community and social services	18%	21%	
Infrastructure services	10%	9%	
Total	89%	96%	
			T 3.11.2

Economic Employment by Sector			
Sector	2017/2018	2018/19	Jobs 2020/21
	No.	No.	No.
Agric, forestry and fishing	6%	6%	6%
Mining and quarrying	6%	6%	6%
Manufacturing	9%	9%	9%
Wholesale and retail trade	24%	24%	24%
Finance, property, etc.	21%	21%	21%
Govt, community and social services	18%	18%	18%
Infrastructure services	7%	7%	7%
Total	91%	91%	91%
			T 3.11.3

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

Project Title: Tourism Master Plan for the Great Kei LM

As one of the leading sectors in the economy, the tourism sector of Great Kei has no sector specific planning document. A tourism master plan is essential to improve the existing functioning of the sector and to address components that are integral to the efficient functioning of the tourism industry as a whole. Therefore, in addition to focusing on product development and transformation, the systems approach addresses components that are essential to the effective performance of the tourism

Sector as a whole namely:

- Marketing and branding
- Infrastructure development
- Human resource development
- Product development

Project Title: Support and Training for Emerging Farmers

Emerging farmers require support and training in order to become commercially viable. Emerging farmers in the municipality receive minimal support, which means that their life span in the sector is short lived. This support includes training, market access or facilitating commercial support or Department of Agriculture extension support.

Project Title: Establish extent of mining industry and its opportunities in The municipality

Granite mining offers a new economic prospect for the municipality, however the full extent of granite mining applications is unknown. This has a potential to reduce the levels poverty as numerous jobs would be created for local people. It shall as well contribute indirectly and directly to the municipal revenue.

Project Title: Support to LTO

Currently the Local Tourism Organisation (LTO) of the municipality, located in the Wild Coast Jikeleza Route, is privately funded by the members of the association. This organisation is currently marketing the municipality, and opportunities exist for it to extend its marketing. It however requires assistance from the Great Kei Local Municipality, in financial and institutional support for its activities.

Project Title: Mentorship, training and support programme to emerging Black owned tourism operators.

There is a shortage of black owned tourism operators in the Great Kei LM. As the number of co-operatives involved in tourism increase, there is hope that they will be in a position to formalise and develop into sustainable businesses. There is a need to mentor, train and support up and coming tourism operators. This project involves the development of a support programme for emerging tourism operators which could include aspects of the following, depending on the extent of the programme:

- Facilitate training workshops on tour guiding, business skills and first aid
- Assist with mentorship opportunities between national or local established operators
- Assistance with marketing through agreement with LTO for subsidised annual membership

Project Title: Support and Training for Emerging Farmers

Emerging farmers require support and training in order to become commercially viable. Emerging farmers in the municipality receive minimal support, which means that their life span in the sector is short

Chapter 3

lived. This support includes training, market access or facilitating commercial support or Department of Agriculture extension support. It is anticipated that this project might involve the Great Kei Municipality facilitating interventions by the Department of Agriculture.

Project Title: Promotion of Business Chamber

The promotion of organised business involves the establishment of a business chamber for the Municipal area or at least for one of the towns. This allows the ease of participation and gaining of inputs from the business group. They are then able to lobby for business issues on a single platform.

Not only in terms of support and training but also its role to businesses. By promoting the chamber this should ensure more visibility and accessibility to business people.

Increased employment opportunities

This goal recognises the need to increase the local employment opportunities in the Great Kei LM. Out-migration of the municipality's young and potential productive labour force is a negative trend for the area. Through the creation of employment and self-employment opportunities, the municipality can retain its most productive segment of its population and this will be essential in developing the Great Kei LM. The goal will be achieved through cross cutting measures which include:

Small business development, agriculture promotion, tourism and a conducive environment for business growth. The pillars and projects which are concerned with the two objectives are:

Tourism Development:

- Mentorship, training and support programme to emerging black owned tourism operators
- Cultural village development

Institutional Support and Capacity Development:

- Fill vacant key positions

Agriculture and Agri-processing Development:

- Community aquaculture projects
- Develop niche products such as epi-culture
- Support and training for emerging farmers
- Provision of infrastructure for emerging and subsistence farmers

Enterprise Development Assistance:

- Promotion of business chamber
- Support to existing co-operative

T 3.11.4

Chapter 3

Jobs created (excluding EPWP projects)				
Total jobs created/ top 3 initiatives	No. Jobs created	Jobs lost	Net jobs created in a year	Method of validating jobs created/ lost
2015/16	745	0	745	None
2016/17	659	0	659	None
2017/18	659	0	659	None
2018/2019	569	0	569	None
2020/2021	799	0	799	None
				T 3.11.5

Jobs created through EPWP projects		
Details	No. EPWP Projects	No. Jobs created through EPWP Projects
2017/18	1	87
2018/19	1	87
2019/20	11	69
2020/21	72	112
		T 3.11.6

Details	No. Jobs created through CWP Projects
2019/20	615
2020/21	615

Chapter 3

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2019/20	2020/21	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To create opportunities for sustainable development within the GKM area by June 2022	LED Strategy reviewed and approved by council (Input)	LED Strategy reviewed and approved by council	Achieved	LED Strategy reviewed and approved by council	LED Strategy reviewed and approved by council	Achieved	N/A	N/A	N/A
	LED01: By identifying and twinning with municipality/s/ organizations with similar areas of cooperation	Signed MOU	Signed MOU	Signed Twining MOU	Signed Twining MOU	Achieved	MOU with Sibanye still water implemented	Not Achieved Sibanye Still Water still awaiting approval of replacement of project from DMR	4 Standing Committee Reports
	Number of funding applications submitted to potential funders						3 applications submitted to	Achieved	4 Standing Committee Reports

Chapter 3

							potential funders for implementation of Small Town Revitalisation Strategy	GKM identified as one of beneficiaries of the STR program by OTP	
To create job opportunities through EPWP program by June 2022	Number of jobs created through municipality's local economic development initiatives including capital projects (EPWP, CWP) (Output)	400 jobs created	100 Jobs created through EPWP programs and Projects	400 jobs created	550 Jobs created	Achieved	550 jobs created through reregistration of participants	Achieved 615 jobs created	550 jobs created
To promote the tourism potential of GKM by June 2022	Oceans Economy Business Plan developed and approved by Council (Input)	1 business plan developed for Ngxingxolo Cultural Village	Achieved	1 business plan developed for Ngxingxolo Cultural Village	3 applications	Not Achieved	4 Applications for Green Coast Status submitted	Not achieved	3 application submitted
To promote the agrarian economy in support of the disadvantaged communal farmers by June 2022	Lobby for support for the development of Agri-park (Input)	1 communal farmer supported on Maize ploughing programmer	Achieved	1 communal farmer supported on Maize ploughing program	4 Agric Forum Meetings	Achieved	4 Agricultural Forum Meetings held	Achieved 4 Agricultural forum	4 Agricultural Forum Meetings

Chapter 3

								meetings held	
opportunities by June 2022	Number of cooperatives supported						3 Cooperatives supported	Achieved Hlathi Agricultural Cooperative, Sthungu Agricultural Cooperative and Morgan Bay Multipurpose Cooperative supported with production inputs	3 Cooperative Support
	Number of Business Forum meetings held						4 Business forum	4 Business Forum	4 Business forum meetings

Chapter 3

							meetings	meetings held	
To create a conducive environment for SMME's and Co-operatives to access economic opportunities by June 2022	SMME Policy developed and approved by council (Input)	5 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building	Achieved	5 SMME's Funded by <u>Potential Funders</u> and 6 Capacity building	8 SMME's supported	Achieved	80 SMME's supported	Achieved 120 SMME's supported	

Chapter 3

Employees: LED					
Job level	Year-2016/17	Year-2020/21			
	Employee no	Vacancies	Employees no	Vacancies (fulltime)	Vacancies (as a % of total posts)
0-20	1	1	2	2	0%
					T 3.11.8

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	23	0	0	875	100%
Expenditure:					
Employees	2897	5886	4959	3687	-60%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	1022	1680	1600	817	-106%
Total Operational Expenditure	3919	7566	6559	4504	-68%
Net Operational Expenditure	3896	7566	6559	3629	-108%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.11.9

Capital Expenditure Year 0: Economic Development Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	70	70	0	0%	
Computer, Furniture & Equipment	70	70	0	0%	
	0	0	0	0%	
	0	0	0	0%	
	0	0	0	0%	
					T 3.11.10

Chapter 3

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Refer to component K of the report.

T 3.11.11

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.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The municipality through a variety of community and social programs responds to all the needs affecting our people within its jurisdiction. To that extent the municipality has developed and adopted the Special Programs Unit plan which seeks to regularise the mainstreaming of special grouping into all sectors existing and emerging within our space.

Furthermore the municipality has developed and adopted an indigent policy which also seeks to regularise the provision of services to indigent communities.

T 3.52

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

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

During 2020/21 financial year two multi-purpose centres (Lusizini Community Hall at Nyarha, the Youth Development Centre at Qumrha and for the Cwili Sportsfield people at Cwili Township) were constructed. With respect to libraries the municipality continue to receive the subsidy from the Department of Sport, Recreation, Arts and Culture owing to the fact that this is a Provincial function in terms of Schedule 4, Part B of the Constitution of the Republic of South Africa. The municipality is performing this function on behalf of the Department and our partnership is regulated by an agreement. The funding provided by the department affords for operational costs for this function.

T3.12.1

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

T 3.12.2

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target	Actual	Target	Target	Target	Target
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2018/19	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To ensure access to public amenities by 2022	Number of community Halls constructed at Bholo Village, Sithungu and Silatsha Community (Outcome)	Construction of 3 community halls and 2 day care centres	Achieved	Construction of 3 community halls and 2 day care centres	2 multi-purpose centers at Sotho and Qumrha (adult and disability centres)	Achieved	1 multi-purpose center to be constructed (1 community hall-Mzwini)	Achieved Mzwini community Hall constructed	1 Icwili Sportsfield and 1 youth centre (ward 6)
	Number of Day Care Centers constructed (output)	Construction of 1 day care centres	Not Achieved	Construction of 2 day care centres	4 public amenities to be maintained	Achieved			
									T 3.12.3

Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities;					
Job Level	Year 2019/20	Year 2020/21			
	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	1	2	1	1	50%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
Total	2	3	2	1	50%

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	616	808	808	724	-12%
Expenditure:					
Employees	1424	1815	1530	1297	-40%
Repairs and Maintenance	0	0	0	0	#DIV/0!

Chapter 3

Other	962	713	1063	118	-504%
Total Operational Expenditure	2386	2528	2593	1415	-79%
Net Operational Expenditure	1770	1720	1785	691	-149%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.12.5

Chapter 3

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To improve management of cemeteries by June 2022	Number of reports on Implementation of Cemetery Management Plan (Input)	Final draft integrated cemetery management plan approved by council	Achieved	Final draft integrated cemetery management plan approved by council	4 reports on Implementation of Cemetery Management Plan	Not Achieved		19 Cemetery Sites	
									T 3.13.3

Chapter 3

Employees: Cemeteries and Crematoriums

Job Level/Task grade	Year - 2019/20	Year 2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	0	0	0		0%
T 3.13.4					

Financial Performance Year 0: Cemeteries and Crematoriums

R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2455	2	3	2	0%
Expenditure:					
Employees	458	466	466	253	-84%
Repairs and Maintenance	0	0	0	0	0%
Other	28	53	53	0	0%
Total Operational Expenditure	486	519	519	253	-105%
Net Operational Expenditure	-1969	517	516	251	-106%
T 3.13.5					

Capital Expenditure Year 0: Cemeteries and Crematoriums

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	250	250	55	-355%	
Fencing of cemeteries	250	250	55	-355%	280
Project B	0	0	0	0%	150
Project C	0	0	0	0%	320
Project D	0	0	0	0%	90
T 3.13.6					

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

Refer to component K of the report.

T 3.13.7

Chapter 3

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Refer to component K of the report.

T 3.14.1

SERVICE STATISTICS FOR CHILD CARE

This is not the GKM function.

T 3.14.2

Chapter 3

Financial Performance Year 0: Child Care; Aged Care; Social Programs

R'000					
Details	Year -1	Year 0		Actual	Variance to Budget
	Actual	Original Budget	Adjustment Budget		
Total Operational Revenue	39	56	50	41	-37%
Expenditure:					
Employees	0	0	0	0	0%
Repairs and Maintenance : Old Age Home	22	100	100	12	-733%
Other	0	0	0	0	0%
Total Operational Expenditure	22	100	100	12	-733%
Net Operational Expenditure	-17	44	50	-29	252%
					T 3.14.5

Capital Expenditure Year 0: Child Care; Aged Care; Social Programs

R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
					T 3.14.6

Chapter 3

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Refer to component K of the report.

T 3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

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

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection is performed by public amenities section under community service department.

ENVIRONMENTAL ANALYSIS

Great Kei Local Municipality adopted an Integrated Environmental Waste Management Plan commissioned by the Department of Environmental Affairs in 2011/2012 financial year and it is currently being reviewed, in line with GKLM Waste Management By-Laws.

There is a need for vigorous efforts to take these factors into consideration by ensuring adherence to current environmental legislation. The Qumrha landfill site is currently licensed towards closure, the two transfer stations are also have valid operating permits. Specific environmental issues affecting the local municipality and requiring attention at present include but not limited: the environmental unit has been developed.

- Recycling is also suggested to deal with the waste as well as add value to the current unemployment levels.
- Soil erosion across the area, through a practical rehabilitation plan. Productive land is being lost every year as topsoil is eroded, reducing grazing area and crop production potential.
- Invasive plants and noxious weeds need control as they overtake land which could be used for more productive and sustainable purposes.

CLIMATE CHANGE

The Great Kei Municipality Spatial Development Framework proposes that GKM should approach spatial planning with climate change in mind. The following recommendations were proposed to advance the thinking:

- Greenhouse gases are thought to contribute to global climate change, and these gases include carbon dioxide, carbon monoxide and methane. Carbon dioxide and carbon monoxide are released from inter alia vehicle tailpipes and during the burning of fuel-wood. Methane is released by domestic livestock and waste disposal sites. However, it is important to note that the subtropical thicket found within the GKM is very efficient at capturing carbon and hence at offsetting the effects of the greenhouse gas emissions.

Great Kei Coastal Zone

Since it is particularly the coastal areas that are under pressure for the development in Great Kei, it is therefore important to define the Great Kei Coastal Zone:-

Chapter 3

- The coastal zone in GKM is considered to extend from the edge of the territorial waters (12 nautical miles) on the seaward side, including the seashore (coastal public property); stretching between the high and low water spring tide marks, and extending inland for 1km from the inland boundary of the coastal public property in areas not zoned as residential, commercial, industrial or multiple-use or within 100m of the high water mark within these zoned areas.
- The coastal zone includes estuaries which are defined as that part of a river near mouth which is influenced by tides and in which marine and mixing of marine and fresh waters occur, extending up to the uppermost region of the system which is influenced by the tidal cycle. And includes the terrestrial/riparian area of the estuary up to the 10m contour for wide valleys or the crest of the ridge in deeply incised river valleys.

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The municipality is utilising the ADM's air pollution policy as our municipality falls under its jurisdiction

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

Only the ADM statistics may reveal district pollution control that exists

T 3.15.2

Chapter 3

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

The ADM may be the only institution able to provide performance of pollution control as this is currently performed at this level owing to capacity

T 3.15.7

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

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The municipality through its public amenities plan maintains all its public spaces and a unit that focuses on grass cutting, beautification and cleaning.

T 3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

On a weekly basis the unit do grass cutting and beautify and do landscaping on identified areas

T 3.16.2

Chapter 3

Employees: Bio-Diversity (Working for water and Working on Wetlands)					
Job Level/ Task grade	Year-2019/20	Year- 2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
					T 3.16.4

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

This is not the GKM function.

T 3.16.7

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

This is not municipal mandate it resides with Department of Health.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

This is not the GKM function.

T 3.17.1

Concerning T 3.17.2

This is not the GKM function.

T 3.17.2.1

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

Chapter 3

This is not the GKM function.

T 3.17.7

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

This is not the GKM function.

T 3.18.1

Concerning T 3.18.2

This is not the GKM function.

T 3.18.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

This is not the GKM function.

T 3.18.7

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

**INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND
INSPECTIONS, ETC**

This is not the GKM function.

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, etc.

This is not the GKM function.

T 3.19.2

Chapter 3

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 Safety and Security section consists of Traffic Services and Security Services which were located in the Budget and Treasury Office in the previous financial year but have since been moved to Community Services as it belonged to in terms of institutional organogram. Traffic department offers the following services: motor vehicle registrations and licensing, driving licence testing, learners license testing, traffic law enforcement. Traffic Services is currently operating with four traffic officers and three cashiers. The traffic services is short staffed and in need for additional traffic officers for its operations to run smoothly without the intervention of the Department of transport. Security services is running with eleven (11) permanent securities 1 senior security. The main function of this section is to safeguard the assets on the municipality and the demand is increasing due to the increasing crime rate and shortage of security equipment.

T 3.20

3.20 POLICE

INTRODUCTION TO POLICE

This is not the GKM function.

T 3.20.1

This is not the GKM function.

T 3.20.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

This is not the GKM function.

T 3.20.7

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

This is not the GKM function as it devolved to District Municipality

T 3.21.1

Concerning T3.21.2

This is not the GKM function.

T

3.21.2.1

Chapter 3

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

This is not the GKM function.

T 3.21.7

3.22 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

The municipality has developed public nuisance by-law which still need to be promulgated. Public hearings were conducted , the municipality is busy soliciting funding for the promulgation of the by-laws.

T 3.22.1

N/A

T 3.22.2

Chapter 3

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

This function has not been performed yet owing to promulgation of the by-law

T 3.22.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

This is not the GKM function.

T 3.23

3.23 SPORT AND RECREATION

This is not the GKM function.

T 3.23.1

Chapter 3

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

This is not the GKM function.

T 3.23.6

COMPONENT I: 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.

Great Kei Municipality administration comprises of four (4) Directorates, that being Technical and Community Services, Budget and Treasury Office, Strategic Services and Corporate Services Department. The Corporate Services Department being responsible for support services which include the Human Resources function with all its responsibilities and Administration & Council Support.

T 3.24

3.24 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO EXECUTIVE AND COUNCIL

Refer to Component K of the report T

3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T 3.69.2

Chapter 3

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2017/18	*Current Year-2017/18	2018/19	*Current Year	*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure effective functioning of Council and its committees by June 2022	Number of Council and standing committee meetings set in line with 2015/16 council calendar (Output)	4 Ordinary Council meetings. 20 Standing Committee meetings	8 Ordinary & 3 Special Council meetings . 30 Standing Committees	4 Ordinary Council meetings. 20 Standing Committee meetings	4 Ordinary Council meetings. 20 Standing Committee held	4 Ordinary & 7 Special Council meetings 20 Standing Committees	4 Ordinary Council meetings. 20 Standing Committee held	4 Ordinary Council meetings 20 Standing Committee held	4 Ordinary Council meetings 20 Standing Committee held
To ensure effective functioning of Oversight Committees by June 2022	MPAC meetings held before the sitting of Council (Output)	4 meetings	14 Meetings	4 meetings	4 MPAC	17 MPAC meetings held	4 meetings	4 meetings	4 meetings
									T 3.24.3

Chapter 3

Employees: The Executive and Council					
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	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.24.4

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year -	Year 0			
	1	Actual	Original Budget	Adjustment Budget	Actual
Total Operational Revenue	104	0	65	331	100%
Expenditure:					
Employees	6093	6543	6685	6690	2%
Repairs and Maintenance	0	50	50	4	-1150%
Other	1329	1463	1317	1051	-39%
Total Operational Expenditure	7422	8056	8052	7745	-4%
Net Operational Expenditure	7318	8056	7987	7414	-9%

Chapter 3

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.	T 3.24.5
---	----------

Capital Expenditure Year 0: The Executive and Council					
					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	0	0	0	#DIV/0!	
Computer Equipment	0	0	0	#DIV/0!	0
Office Furniture	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0

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

T 3.24.6

Chapter 3

Debt Recovery							
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	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 %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
	R' 000						
Property Rates	12 000	30%	19 965 255	16 270 310	81%	17 246 528.60	81%
Electricity - B							
Electricity - C	3 821	33%	2 798 873	2 041 879	71%	2 164 391.74	71%
Water - B							
Water - C							
Sanitation							
Refuse	12 000	10%	4 317 157	2 557 841	51%	2 711 311.46	51%
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>							T 3.25.2

Employees: The Executive and Council					
Job Level	Year 2017/18		Year 2016/17		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	6	6	6	0	0%
10 - 12	2	2	2	0	0%
Total	8	8	8	0	0%

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year-2020/21	*Current Year-2020/21	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure proper management of GKM assets by 2022	Asset policy and updated asset register approved by council (Input)	Asset policy and updated asset register approved by council.	Achieved	Asset policy and updated asset register approved by council.	Asset policy and updated asset register approved by council.	Achieved	Asset policy and updated asset register approved by council.	Achieved	Asset policy and updated asset register approved by council.
To ensure adherence to Supply Chain Management Regulations by June 2022.	SCM policy reviewed and approved by council (Input)	SCM policy reviewed and approved by council	Achieved	SCM policy reviewed and approved by council	SCM policy reviewed and approved by council	Achieved	SCM policy reviewed and approved by council	Achieved	SCM policy reviewed and approved by council
	Suppliers Day held (Output)	1 Suppliers day held	Achieved	1 Suppliers day held	1 Suppliers day held	Achieved	1 Suppliers day held	Achieved	1 Suppliers day held

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
	% of tenders concluded in accordance with (tender validity timeframe) (Output)	100%	100% Achieved	100%	100%	100% Achieved	100%	100% Achieved	100%
To have effective and efficient expenditure management processes and systems by 2022	% of MIG Funding expenditure (Output)	100%	100% Achieved	100%	100%	97% Achieved			
	Irregular, Fruitless and Wasteful and Unauthorized Expenditure report (Input)	0%	0%	0%	0%	0%			
	Creditors payment period (Output)	30 days	24% of creditors paid within 30 days	30 days	30 days	11.4% of creditors were paid within 30 days			
To strengthen reporting mechanisms in line with Municipal Finance Management	Compliance reports submitted as per MFMA (Input)	Submission of compliance reports within specified time frame	Achieved	Submission of compliance reports within specified time frame	Submission of compliance reports within specified time frame	Achieved			

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
Act and Treasury Regulations by June 2022	Number of Municipal standard charts of accounts compliance repots to Council (Input)	New indicator	New indicator	New indicator	4 mSCOA compliance reports	Achieved			
To adhere to all budget regulations and budget reforms by June 2022	Annual approved budget by council for 2017/18	Annual approved budget by council for 2016/17	Achieved	Annual approved budget by council for 2016/17	Annual approved budget by council for 2017/18	Achieved			
To ensure that the municipality has effective revenue collection system consistent with Section 95 of the MSA and municipality's credit and debt control policy (Section 64 MFMA) by 2022.	% increase in actual revenue collection (Output)	Increase of revenue collection by 5%	77%	Increase of revenue collection by 5%	8% increase	65% collection			

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
To ensure availability , review and implementation of Indigent Policy and by June 2022	% of indigent beneficiaries receiving free basic services (Output)	Indigent Policy and Indigent Register approved by council	Achieved	Indigent Policy and Indigent Register approved by council	100%	100% achieved			
To ensure improvement of audit outcomes by 2022.	Improvement in Audit Opinion (Outcome)	Improvement in Audit opinion (Unqualified)	2014/15Qualified Audit Opinion	Improvement in Audit opinion (Unqualified)	Improvement in Audit opinion (Unqualified)	Unqualified			
To ensure management of organizational and mitigation of risks by June 2022	% implementation of action plan to mitigate identified risks (Output)	100% of identified risks mitigated	100% Achieved	100% of identified risks mitigated	100% of identified risks mitigated	Achieved			
To enhance the enforcement of National Road Traffic Act 93 of 1996 and by-laws by 2022	Number of Motor Vehicle registrations, bookings and renewals of drivers licenses (Output)	1.900 learners' license and 900 driver's license. 3. 120 drivers renewal	1. Learners license-1084 and Driver's license-1666 Drivers renewals-339	1.900 learners' license and 900 driver's license. 3. 120 drivers renewal	1.900 learners' license 2. 900 driver's license. 3. 120 drivers renewal 4. 180 fines issued	1. Learners' license-1212 2. Driver's license-2444 3. Drivers renewal-959 4. Fines issued- 181			
									T 3.25.3

Chapter 3

Chapter 3

Financial Performance Year 0: Financial Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	71 309	71 558 784	80 438	66 416	-8%	
Expenditure:						
Employees	14 699	9 691 395	11 517	11 517	16%	
Repairs and Maintenance	40				0%	
Other	32 497	27 497 779	27 156	75 553	64%	
Total Operational Expenditure	47 236	37 159 174	38 673	87 069	57%	
Net Operational Expenditure	-24 073	-34 399 610	(41 765)	-20 654	-267%	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						
T 3.25.5						

Capital Expenditure Year 0: Financial Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	578	578	469	0%		
Office furniture	578	578	469	0%	0	
	0	0	0	0%	0	
	0	0	0	0%	0	
	0	0	0	0%	90	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>						
T 3.25.6						

Chapter 3

Employees: Financial Services					
Job Level	Year 2019/20	Year 2020/21			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 6	3	3	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12	8	10	8	2	50%
13- 15	0	0	0	0	0%
16- 18	5	5	5	0	0%
Total	17	19	17	2	50%

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Refer to Component K of the report

T 3.25.7

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

According to the 2019/20 organogram the municipality has managed to fill 95% of vacant funded positions which includes middle management and specialists in various fields. That is evident in the audit opinion achieved by the municipality (unqualified).

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2019/20		Year 2020/21		Year 1	2020/21		
		Target	Actual	Target	Actual		Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure review of municipality's organizational Structure and ensure alignment with the IDP Strategies, Objectives and available resources by June 2022.	2017/18 Organization structure reviewed and approved by council (Input)	2016/17 Organization structure reviewed and approved by council	Achieved	2016/17 Organization structure reviewed and approved by council	2017/18 Organization structure reviewed and approved by council	Achieved	Review and presented organizational structure to the relevant stakeholders (Management and Labour unions) and to the Standing Committee	Reviewed and organizational structure presented to all relevant structures and subcommittees	Copy of the attendance registers and the Signed copy of the reviewed organizational structure adopted by the Council
	The average length of time it takes to fill a post (Output)	Recruitment Plan approved by Council	Achieved	Recruitment Plan approved by Council	3 months for positions below S54 and S56	Achieved			Copy of the approved quarterly reports for 3 months for positions below S54 and S56 submitted to the Standing Committee and the Council

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2019/20		Year 2020/21		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
To ensure the development, review, implementation and monitoring of WSP for Municipal Staff and Councilors by June 2022.	Workplace Skills Plan reviewed and approved by council (Input)	Workplace Skills Plan developed and adopted	Achieved	Workplace Skills Plan developed and adopted	Workplace Skills Plan reviewed and approved by council	Achieved	That the Annual Training Report and Workplace Skills Plan be submitted to the LGSETA for the financial year 2021/22	That the Annual Training Report and the WSP be submitted to the LGSETA by the 30 April 2022	Annual Training Report and Workplace Skills Plan submitted to the LGSETA
To contribute in enhancing capacity of oversight structures of the municipality (MPAC, AC) by June 2022	% of staff actually trained as per the WSP (Output)	50%	76%	50%	100%	Not Achieved	1 x capacity programme for oversight structure – MPAC	1 x Capacity building programme for oversight structure- MPAC	Report on 1 x Capacity building programme for oversight structure- MPAC
	Number of trainings on Oversight members (Output)	2 trainings	Achieved	2 trainings	3 trainings	3 trainings		That 1 x oversight training be held for all Councilors by June 2022	Attendance register/ report on 1 x oversight training Councilors

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2019/20		Year 2020/21		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
To ensure compliance with applicable legislation, regulations, policies and procedures by June 2022	Number of Municipal Policies reviewed and approved by council (Input)	Number of Policies reviewed and adopted.	Achieved	Number of policies reviewed and adopted	All municipal policies reviewed and approved by council	Achieved	All municipal policies reviewed and approved by council	All municipal policies reviewed and approved by council	All municipal policies reviewed and approved by council
	The average length of time it takes to fill a post (Output)	Recruitment Plan approved by Council	Achieved	Recruitment Plan approved by Council	3 months for positions below S54 and S56	Achieved			
To ensure the development, review, Implementation and monitoring of WSP for Municipal Staff and Councilors by June 2022.	Workplace Skills Plan reviewed and approved by council (Input)	Workplace Skills Plan developed and adopted	Achieved	Workplace Skills Plan developed and adopted	Workplace Skills Plan reviewed and approved by council	Achieved			
To contribute in enhancing capacity of oversight structures of	% of staff actually trained as per the WSP (Output)	50%	76%	50%	100%	68%			

Chapter 3

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2019/20		Year 2020/21		Year 1	2020/21		
		Target	Actual	Target		Actual	Target		
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
the municipality (MPAC, AC) by June 2022	Number of trainings on Oversight members (Output)	2 trainings	Achieved	2 trainings	3 trainings	2 trainings			
To ensure compliance with applicable legislation, regulations, policies and procedures by June 2022	Number of Municipal Policies reviewed and approved by council (Input)	Number of Policies reviewed and adopted.	Achieved	Number of policies reviewed and adopted	All municipal policies reviewed and approved by council	Achieved	All municipal policies reviewed and approved by council	All municipal policies reviewed and approved by council	All municipal policies reviewed and approved by council
									T 3.25.3

Chapter 3

Employees: Human Resource Services					
Job Level	2017/18	Posts	2016/17	Vacancies (fulltime Equivalents)	Vacancies (as a % of Total posts)
	Employees		Employees		
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. Senior management) then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.26.4

Financial Performance Year 0: Human Resource Services					
Details	R'000				
	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	106 900	200 000	200 000	32 200	-521%
Expenditure:					
Employees	6 557 615	6 385 137	5 845 136	6 468 313	1%
Repairs and Maintenance	-	-	-	-	0%
Other	2 297 902	120 870	660 871	4 101 505	97%
Total Operational Expenditure	8 855 517	6 506 007	6 506 007	10 569 818	38%
Net Operational Expenditure	8 748 617	6 306 007	6 306 007	10 537 618	40%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.26.5

Capital Expenditure Year 0: Human Resource Services					
Capital Projects	R' 000				
	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A - Office Furniture	0	0	0	#DIV/0!	0

Chapter 3

Project B - Equipment	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0

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

T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

For the past 5 years the municipality has managed to train the councillors in Municipal Governance and in oversight training for councillors, Interns on Municipal Finance Management Internship Programme, SCM staff on a Learnership in Supply Chain managers and the Unemployed group in a Housing Learnership Project.

T 3.26.7

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT section has managed to develop ICT Master Plan and Policy to guide and regulate ICT day to day programmes. These policies have been approved by council.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

T 3.27.2

Chapter 3

ICT Services Policy Objectives Taken From IDP

Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target	Actual	Target	Target		
	Key Performance Indicator	*Previous Year- 2016/17	2016/17	*Previous Year- 2016/17	*Current Year- 2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Ensure effective and efficient Information and communication technology systems by June 2022	ICT policies approved by council (Input)	ICT policies approved by council	Achieved	ICT policies approved by council	ICT policies reviewed and approved by council	Achieved	ICT policies approved by council	ICT policies reviewed and approved by council	Achieved
	IT Masterplan approved by council (Input)	IT Masterplan approved by council	Achieved	IT Masterplan approved by council	IT Masterplan reviewed and approved by council	Achieved	IT Masterplan approved by council	IT Masterplan reviewed and approved by council	Achieved
									T 3.27.3

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	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

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

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.	%
10 - 12	2	3	2	1	33%
Total	2	3	2	1	33%

Financial Performance Year 0: ICT Services						R'000
Details	Year - 1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	0	0	0	0	#DIV/0!	
Expenditure:						
Employees	0	0	0	0	#DIV/0!	
Repairs and Maintenance	0	0	0	0	#DIV/0!	
Other	0	0	0	0	#DIV/0!	
Total Operational Expenditure	0	0	0	0	#DIV/0!	
Net Operational Expenditure	0	0	0	0	#DIV/0!	
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						
T 3.27.5						

3.27.5 and 3.27.6 the financial information for ICT services is not separated from BTO's Office.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

Refer to Component K of the report.

T3.27.7

3.28 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

Refer to Component K of the report

T3.28.1

Chapter 3

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

T 3.28.2

Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21		
		Target	Actual	Target	Actual	Target	Target	Target	Target
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
To ensure management of organizational and mitigation of risks by June 2022	Number of reports on the implementation of Anti-Fraud and anti-corruption plan (Input)	4 reports	Achieved	4 reports	4 reports	Achieved	4 Report	Achieved	
	Risk and fraud management policy reviewed and approved by council (Input)	Risk and fraud management policy reviewed and approved by council	Achieved	Risk and fraud management policy reviewed and approved by council	Risk and fraud management policy reviewed and approved by council	Achieved			
	Number of RIMCO meetings held (Output)	4 meetings	4 meetings	4 meetings	4 RIMCO meetings	4 meetings			
Ensure effective and efficient resolution of legal cases by 2017	Report on number of litigation received (Input)	4 reports	Achieved	4 reports	4 reports	Achieved			

Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP										
Service Objectives	Outline Service Targets	Year -1		Year 0		Year 1	2020/21			
		Target	Actual	Target	Actual	Target	Target			
	Key Performance Indicator	*Previous Year-2016/17	2016/17	*Previous Year-2016/17	*Current Year-2017/18	2017/18	*Current Year 2020/21	*Current Year 2020/21	*Following Year	
									T 3.28.3	

Employees: Property; Legal and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 - 9	3	3	3	0	0%
10 - 12	1	2	1	1	50%
16 - 18	1	2	1	1	50%
Total	5	7	5	2	29%

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

Refer to Component K of the report

T 3.28.7

COMPONENT J: MISCELLANEOUS

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

INTRODUCTION TO MISCELLANEOUS

This is not GKM function

T 3.29.0

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

KPA 1: SERVICE DELIVERY AND INFRASTRUCTURE PROVISION.

IDP Objective	IDP strategy	KPI Number	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Snapshot	Portfolio of Evidence	Variance	Corrective Measure	Responsible
				Plan	Actual	Plan	Actual					
To ensure accessible roads within the Great Kei Local Municipal Area by June 2022	SD01: By constructing and <u>maintaining</u> gravel roads	SD01-01	Number of kms to be constructed through MIG (Output)	5km of gravel roads to be constructed in 2018/19	Achieved 10,3 kms constructed	9,3km of gravel roads to be constructed in 2019/20 at Komga-Siviwe, Chintsa East & Elityeni Internal Streets.	Not Achieved (Only Completed 3,5km gravel constructed in Elityeni, 97% of Construction progress on Chintsa East Internal Streets as at June 2020 and 31% of Construction progress on Komga to Siviwe as at June 2020.	⚠	Contractor Appointment letters. Practical and Certificates of completion	Delays in progress caused by the national corona virus lockdown. Service providers have not been able to resume works on site till end of financial year.	Rollover application for funds unspent & targets not met.	Infras. & Comm Serv/Infras & Comm Serv
		SD01-02	Number of square meters to be maintained through pothole patching and blading	350 square meters maintained per maintenance plan	286 square meters maintained	500 square meters maintained per maintenance plan	368 square meters maintained.	⚠	Order for Material. Progress Reports.	Target could not be achieved Due National Lockdown caused by COVID 19	The target is a continuous maintenance of the existing roads and therefore	

Chapter 3

			utilizing EPWP & internal funding (Output)						pandemic	it will be rollover to the next financial year 2020/21.	
To ensure provision of public amenities by June 2022.	SD02: By Constructing and maintaining public amenities.	SD02-01	Number of public amenities constructed (Output)	1 multi-purpose center constructed (1 community hall-Mzwini)	Achieved Mzwini community Hall constructed	Number of public amenities constructed (Output)	Not achieved (69% of Construction progress on Cwili Sports Field as at June 2020.	↓	Contractor appointment letters, Practical and Certificates of completion.	Delays in progress caused by the national coronavirus lockdown. Service providers have not been able to resume works on site till end of financial year.	Rollover application for funds unspent & targets not met.
			1 Icwili Sports field and 1 youth Centre (ward 6)			1 Icwili Sportfield and 1 youth Centre (ward 6)	26% of Construction progress on youth Centre as at 30 June 2020				
To increase access to electricity in Great Kei Communities by 2022	SD03: Solicit funding from DOE and potential funders	SD03-01	Number of funding applications submitted to department of energy	1 Application submitted to DoE	Achieved	1 Application submitted to DOE	Achieved (9 Applications submitted)	↕	Proof of submission & Gazette.	None	None
	SD04: By Upgrading and maintaining the electrical network	SD04-01	Number of MVA Units (Komga reticulation project) (Output)	Increase of Notified Maximum Demand and Upgrading of Komga intake switching rooms	Achieved	Increase of the NMD in Komga up to 2.8 MVA (Komga reticulation project) (Output)	Achieved	↕	Contract Agreement	None	None

Infras. & Comm. Serv.

Infras. & Comm. Serv./Infras. & Comm. Serv.

Chapter 3

		SD04-02	Completed Komga Intake Switching Room & Substation – Phase II (Output)	New indicator	New indicator	Upgrading of Komga Intake Switching Room & Substation – Phase II (Output)	Not achieved	⚠	1. Appointment letter 2. Completion Certificate.	Target could not be achieved due to National Lockdown during Q4 period.	Will apply for Rollover to be implemented during the 2020/21.	Infras. & Comm. Serv.
To ensure alignment of SDF with the IDP by June 2022 to ensure progressive Spatial Planning & Land Use Management Systems	SD06: By ensuring Controlled development within Great Kei LM	SD06-01	Reports on the land audit report implementation plan (Input)	<u>Land Use Scheme developed</u>	Not achieved	Report of the land audit report implementation plan	(Achieved) Municipal Commonage has been surveyed as per the submitted subdivision plans.	👍	Quarterly Reports submitted to the standing committee for noting on progress	None	None	DTS & CS
		SD06-02	% submitted on development applications processed (Input)	Processing 100% of submitted plans	Achieved	Processing 100% of submitted development plans	Not achieved (Turnaround time and COVID-19 restrictions)	⚠	Quarterly Reports submitted to the standing committee for noting on progress	Target could not be achieved due to National Lockdown, inability to be in the office in order to process applications.	A report to standing committee developed to report on this matter, and a strategy to attend to the backlog has been developed.	Infras. & Comm. Serv.
To ensure that National Building Regulations are adhered to by 2022	SD07: By implementing National Building regulations within the GKM area	SD07-01	% of submitted building plans processed within 3 months (Input)	Percentage of approval of building plans within 3 months	Achieved	Percentage approval of building of plans within 3 months	Not achieved (Turnaround time and COVID-19 restrictions)	⚠	Quarterly Reports submitted to the standing committee for noting on progress	Target could not be achieved due to National Lockdown, inability to be in the office in order to process applications.	A report to standing committee was developed to report on this matter, and a strategy to attend to the backlog has been developed.	Infras. & Comm. Serv.

Chapter 3

<p>To facilitate the provision of sustainable human settlement within GKM by June 2022</p>	<p>SD08: By Facilitating access to Housing as per the Great Kei Housing Sector Plan</p>	<p>SD08-01 Number of beneficiaries captured in the National Housing Needs Register (Input)</p>	<p>570 Zone 10 Beneficiaries captured in the NHNR</p>	<p>Not achieved</p>	<p>600 Beneficiaries captured in the NHNR</p>	<p>Not achieved (None submitted)</p>	<p>⬇</p>	<p><u>Consolidated</u> report on Beneficiaries captured in the NHNR presented to <u>Council</u>.</p>	<p>Lack of dedicated human capital to ensure the efficient running of this unit and to implement its mandate.</p>	<p>The position of a housing coordinator has been advertised and interviews have been conducted, awaiting the appointment.</p>	<p>Infras. & Comm. Serv.</p>
<p>To ensure a safe and secure environment by June 2022</p>	<p>SD10: By Coordinating sitting of community safety forum.</p>	<p>SD10-01 Number of Community Safety Forum meetings (Output)</p>	<p>4 GKM local community Safety meetings per year</p>	<p>2 community Safety meetings held</p>	<p>4 Community Safety Forums meetings</p>	<p>Partially Achieved 3 Community Safety Forums meetings.</p>	<p>⬇</p>	<p>Invites. Agenda. Attendance registers</p>	<p>Meeting could not seat due to Covid-19</p>	<p>Meetings of Community Safety Forum will seat jointly with Covid-19 joint operations committee meetings</p>	<p>Infras. & Comm. Serv.</p>
	<p>SD11: By Developing and implementing of the GKM Disaster Management plan</p>	<p>SD11-01 Approved GKM Disaster Management plan developed and approved by Council (Input)</p>	<p>GKM Disaster Management plan developed</p>	<p>Achieved. Plan developed</p>	<p>Approved GKM Disaster Management plan developed and approved by Council</p>	<p>Achieved</p>	<p>⬆</p>	<p>Copy of a plan. Council resolutions</p>	<p>None</p>	<p>None</p>	<p>Infras. & Comm. Serv.</p>
<p>To ensure improved solid waste management by June 2022</p>	<p>SD12: By implementing integrated Waste Management Plan in line with NEMWA</p>	<p>SD09-01 40 additional households with access to refuse removal (Output)</p>	<p>4335 households with access to weekly refuse removal</p>	<p>Not Achieved</p>	<p>40 additional households with access to refuse removal (Output)</p>	<p>Not Achieved</p>	<p>⬇</p>	<p>Erf numbers or site numbers submitted to revenue</p>	<p>None</p>	<p>None</p>	<p>Infras. & Comm. Serv.</p>

Chapter 3

<p>To Co-ordinate improvement of Municipal Environmental Management by 2022</p>	<p>SD13: By developing and implementing integrated environmental management plan in line with NEMA</p>	<p>SD13-01</p>	<p>Integrated environmental management plan developed and approved council (Input)</p>	<p><u>Draft IEMP developed</u></p>	<p>Not achieved</p>	<p>Integrated environmental management plan developed and approved council</p>	<p>Not achieved (Only draft plan developed as at 30 June 2020)</p>	<p>⚠</p>	<p>Copy of approved IEMP. Council resolutions</p>	<p>Draft IEMP could not be tabled to the management due to the covid-19 lockdown</p>	<p>Draft IEMP to be tabled in Q1 of 2020/21 FY.</p>	<p>Infras. & Comm Serv</p>
	<p>SD14: By implementing town beautification program</p>	<p>SD14-01</p>	<p>Number of programs conducted</p>	<p>N/A</p>	<p>N/A</p>	<p>Number of Two town beautification program conducted (Kei Mouth & Komga)</p>	<p>Not achieved (None implemented)</p>	<p>⚠</p>	<p>Quarterly reports to Standing Committee</p>	<p>Target could not be reached due lack of budget to purchase plants and flowers.</p>	<p>To source plants and flowers from DEDEA through Good Green deeds programme for implementation of the target in Q1 of 2020/21 FY.</p>	<p>Infras. & Comm</p>
<p>To improve management of cemeteries by June 2022</p>	<p>SD15: By implementing Cemetery management plan</p>	<p>SD15-01</p>	<p>Number of cemetery sites allocated</p>	<p>Data Cemetery in Komga & Kei Mount consolidated and developed</p>	<p>Not achieved</p>	<p>60 Cemetery sites allocated</p>	<p>Not achieved (4 Applications allocated)</p>	<p>⚠</p>	<p><u>Copy of allocated cemetery sites register.</u> Proof of payment receipts</p>	<p>No sites were allocated at Kei Mouth and Komga towns.</p>	<p>Target to be revisited.</p>	<p>Infras. & Comm Serv</p>
<p>To safeguard municipal assets by June 2022.</p>	<p>SD16: By securing all municipal assets through implementing of safety and security measures</p>	<p>SD16-01</p>	<p>Number Access control reports provided in municipal main offices</p>	<p>Implement all access control programmes (visitors control, vehicle control and routine control)</p>	<p>Not achieved</p>	<p>Implement all access control programmes (visitors control, vehicle control and routine control) (3 Municipal Offices</p>	<p>Achieved</p>	<p>👍</p>	<p>Security reports to the Standing Committee</p>	<p>None</p>	<p>None</p>	<p>Infras. & Comm</p>

Chapter 3

KPA 2: LOCAL ECONOMIC DEVELOPMENT

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To create opportunities for sustainable development within the GKM area by June 2022	LED01: By identifying and twinning with municipalities and organisations with similar areas of cooperation and development.	1 MOU with Sibanye Still Water implemented (Input)	1 MOU signed and implemented	Draft MoU	MOU with Sibanye still water implemented	Target removed due to financial support withdrawal by Sibanye Still-water	Quarterly reports on MOU implementation	Target removed due to financial support withdrawal by Sibanye Still-water	Target removed due to financial support withdrawal by Sibanye Still-water
		LED Strategy reviewed and approved by council (Input)	2 reports on implementation of LED Strategy	Achieved	LED Strategy reviewed and approved by council	Achieved	Copy of strategy. Council resolutions	None	None
		Number of Agricultural Forum Meetings held (Output)	4 Agricultural Forum Meetings	4 Agricultural Forum Meetings	4 Agricultural Forum Meetings	Achieved .4 Agricultural Forum Meetings	Invites. minutes & attendance registers	None	None

Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
	<u>LED02: By implementing Small Town Revitalization Strategy</u>	Number of projects on STR implemented (Output)	2018 Small Town Revitalization Strategy approved by Council	Achieved	Subdivision and rezoning of land	Not achieved	Signed report	The resolution for Council Owned land to be subdivided and rezoned was only adopted by Council on the 28 th May 2020	Subdivision of four municipal farms is in progress

Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To create job opportunities through <u>EPWP, CWP, MIG & other sectoral programmes</u> by June 2022	LED03: Support initiatives geared towards mass job creation and sustainable livelihoods	Number of job opportunities created through EPWP & MIG projects (output)	220 jobs created	Not achieved - 174 job opportunities were created	140 jobs created	118 jobs were created.	Proof of job creation.	Late Implementation of Komga to Siviwe Road Project due to SANRAL approval letter. Delays in progress caused by the national corona virus lockdown. Service providers have not been able to resume works on site till end of financial year.	Targets to be moved to the next SDBIP for 2020/21.
		Number of job opportunities created through CWP projects (output)	550 jobs created	556 jobs created	550 CWP jobs created	Achieved -585 jobs created	Proof of job creation	None	None

Chapter 3





IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To promote the tourism potential of GKM by June 2022	LED04:Lobby funding for high impact projects	Number of funding applications submitted to potential funders (Input)	3 Projects on STR advertised & adjudicated	Not achieved	3 applications submitted	Not achieved - 1 funding/partnership application submitted to Wildlife & Environmental Society of South Africa (WESSA).	Proof of funding applications submitted	Target could not be achieved due to shortage of staff.	Target deferred to next FY-2020/21.
To promote the agrarian economy in support of the disadvantaged communal farmers by June 2022	LED05:-By supporting and monitoring Agrarian and Farming Production and Programmes in partnership with DRDAR	Lobby for funding for Construction of Komga Agri-park	Komga Agri-park business plan developed and approved by Council	Achieved	Lobby for funding for construction of Komga Agri-park	Target differed to next financial year due to budget constraints.	Monthly reports. Practical completion certificate.	Target differed to next financial year due to budget constraints.	Target differed to next financial year due to budget constraints.

Chapter 3





IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To create a conducive environment for SMME's and Co-operatives to access economic opportunities by June 2022	LED6: Lobby technical support and funding from potential funders to support SMME's & Co-operatives	Number of SMME's supported (Output)	4 SMME's supported	13 SMME's supported	8 SMME's supported	Achieved - 194 SMMEs supported through facilitating funding applications, issuing of business permits, registration, business plan development and workshops.	Report on SMME's supported to the Standing Committee	None	None

Chapter 3



KPA 3: FINANCIAL VIABILITY AND MANAGEMENT

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To ensure proper management and maintenance of GKM assets by June 2022	FM01: By maintaining a GRAP compliant asset register.	Asset policy and updated asset register approved by Council (Input)	Asset policy and updated asset register approved by Council	Achieved	Asset policy and updated asset register approved by Council	Achieved	 Copy of approved policy. Council resolutions	None	None
To ensure proper management and maintenance of GKM assets by June 2022	FM01: By maintaining a GRAP compliant asset register.	SCM policy reviewed and approved by council (Input)	SCM policy reviewed and approved by council	Achieved	SCM policy reviewed and approved by council	Achieved	 Copy of approved policy. Council resolutions	None	None
		Suppliers Day held (Output)	1 Suppliers Day held	Achieved	1 Suppliers Day held	Achieved	 Attendance Register and Copy of advert	None	None
		% of tenders concluded in accordance with (tender validity timeframe) (Output)	100%	100% achieved	100%	100% achieved	 Copy of advert and appointment letters.	None	None





Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
		Procurement plans signed off by the Accounting Officer	Signed procurement plans by the accounting officer	Archived	Procurement plans signed off by the Accounting Officer.	Achieved	 Signed procurement plans	None	None
		Number of SCM implementation reports (Input)	Four reports on the implementation of the SCM policy.	Achieved 4 reports	Four reports on implementation of the SCM policy.	Achieved	 Quarterly reports to the standing committee	None	None
Expenditure management processes and systems by 2022	FM03: By Implementing expenditure management in terms of Section 65 and 66 of MFMA	Creditors payment period (Output)	30 days	Not achieved	30 days	Not achieved	 Monthly creditors payment reports	The Municipality is unable to pay its Creditors within 30 Days due to financial constraints.	Financial Recovery Plan.
		Payments of salaries and allowances as per the prescribed time.	Payment of salaries on deadline	Achieved	Payment of salaries on deadline.	Achieved	 Section 66 reports	None	None




Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
		Irregular, Fruitless and Wasteful and Unauthorized Expenditure report (Input)	0%	Not achieved	0%	Not achieved	 Irregular, fruitless and wasteful, unauthorized expenditure reports	Management is currently financially distressed.	Continuous engagement with creditors on new payment arrangements.
		% of MIG Funding expenditure (Output)	100%	Partially Achieved (96%)	100%	Partially Achieved (65%)	 MIG expenditure reports to Council	Delays in progress caused by the national COVID-19 lockdown. Service providers have not been able to resume works on site till end of financial year.	Rollover application for funds unspent & targets not met.


Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To Maintain effective and efficient Information and technology systems by June 2022	FM04: By Upgrading and maintenance of ICT infrastructure and systems	ICT policies and governance framework reviewed and approved by council (Input)	ICT policies reviewed and approved by council.	Achieved	ICT policies reviewed and approved by council.	Achieved	 Council Resolutions, copy of ICT policy	None	None
		IT Masterplan reviewed approved by council (Input)	Implementation of IT Masterplan	Not achieved	IT Masterplan reviewed approved by council	Achieved	 Council resolutions. Copy of approved IT Masterplan	None	None
		IT Masterplan Implementation	New indicator	New indicator	IT Masterplan Implementation	Achieved	 Quarterly reports to the Standing Committee	None	None
To Maintain budgeting and reporting mechanisms in line with Municipal Finance Management Act, VAT Act,	FM05: Comply with all Statutory reporting requirements and financial reforms.	Compliance reports submitted as per MFMA and VAT Act. (Input)	Submission of compliance reports within specified time frame	Achieved	Submission of compliance reports within specified time frame	Achieved	 Proof of submissions and copies of reports.	None	None


Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
Treasury regulations and Budget reforms by June 2022	FM06: By planning and preparation of municipal budget in line with MFMA Regulations	Annual approved budget by council for 2018-2022	Annual approved budget by council for 2019/20	Achieved	Annual approved budget by council for 2019/20	Achieved	 Copy of approved budget and council resolutions.	None	None
	FM07: Implementation of mSCOA Reform by 2022	Number of mSCOA project updates	Full mSCOA implementation	Not achieved	Full mSCOA implementation	Achieved	 mSCOA reports to council.	None	None
To maintain and improve effective revenue collection system consistent with Section 95 of the MSA and enforce the municipality's credit and debt control policy (Section 64 MFMA) by June 2022.	FM08: Data cleansing and accurate billing of all GKM services and enforcing disconnection of electricity, effect legal action on non-payment of municipal services billed	% increase in actual revenue collection (Output)	5% increase	Not achieved	6% increase as from the baseline as at 30 June 2019	Not achieved	 Revenue Collection report	Due to COVID-19 pandemic, level of collection reduced.	Bad debt write off will be implemented in the Q1 of 2020/21 so that a realistic debt can be collected by the Municipality.


Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
	<u>FM09: By developing and implementing revenue turn-around strategy</u>	GKM Total debt reduced	100% beneficiary subsidization of the customers that have claimed	Not achieved	R10 million reduction of the Total debt owed by ratepayers	Not achieved	 Debt by type report, List of disconnections	This was due to the system not functioning in the 1 st and 2 nd Quarter and only could bill and send statements to debtors on 3 rd and 4 th Quarter. Also COVID-19 Pandemic has negatively impacted the cash flows and payments from debtors	A provision for bad debt calculation to be submitted to the council in 2020/2021 financial year. Implementation of COVID-19 relief plans to be submitted to the council for approval.



Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
		Revenue turn-around strategy developed and approved by council (input indicator)	New indicator	New indicator	Revenue turn-around strategy developed and approved by council	Not achieved	 Revenue turn-around strategy. Council resolutions	Due to COVID-19 pandemic, the strategy development process was put on hold and other measures of revenue strategies were manually implemented	A virtual Meeting in Q1 of 2020/21 will commence to kick off the development of Revenue Strategy.



Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
		Update of the General Valuation Roll through a supplementary roll annually	New indicator	New indicator	Conduct a yearly supplementary roll to update General Valuation Roll	Not achieved	 Deeds Download, Rates Reconciliation	Due to COVID-19, there was skeleton staff to implement the transfers and deeds office was closed.	Recruitment of a Casual Worker to assist the Valuation office is in process and Budget of equipment in 2020/21 has been catered for.




Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure	
			Plan	Actual	Plan	Actual				
	FM10: Review and implement the indigent policy and maintain an updated indigent register.	Review and updated indigent register	New indicator	New indicator	100% beneficiary subsidization of the customers that have claimed	Not achieved		Monthly Indigent registration report	Sebata Indigent Beneficiaries receive subsidy . Eskom beneficiaries are not receiving subsidy due to non-payment of old invoice.	Negotiation by the Institution and Eskom are currently in progress.
To ensure improvement of audit outcomes through reduction of audit findings by June 2022.	FM11: By developing , Implementing and monitoring of Audit Action Plan, policies and procedures .	% of audit findings addressed	Reduction of all audit findings	Not achieved. Out of 49 findings 38 were addressed & 11 not yet addressed	100% Reduction of audit findings	77.5% Reduction of Audit Findings		Audit action plan & report. Council items.	Due to financial constraints and lack of human resources.	Implementation of the Financial Recovery plan and implementation of the organizational design from Cogta

Chapter 3



IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To ensure management of organizational and mitigation of risks by June 2022	FM12: Develop, monitor and review of strategic risks registers	% implementation of action plan to mitigate identified risks (Output)	100 % of identified risks lessened	Not achieved	% of identified risks lessened	Not achieved	 Updated risk register.	Due to COVID-19 pandemic - Processes were interrupted with regards to updating of Risk Register.	Planned date for Risk Management Committee Meeting is 22/07/20 where a complete updated register will be submitted & reviewed.
To enhance the enforcement of National Road Traffic Act 93 of 1996 and by-	FM13: By enforcing and monitoring of road traffic rules	Number of Motor Vehicle registrations (Output)	400 Motor Vehicle registrations	Achieved 4388	2000 Motor Vehicle registrations	Achieved 2942	 Quarterly eNatis reports to the Standing Committee.	None	None

Chapter 3




IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure	
			Plan	Actual	Plan	Actual				
laws by June 2022.		Number of Learners license bookings (Output)	600 learners' license	Achieved 802	600 learners' license	Partially achieved 523		Quarterly eNatis reports to the Standing Committee.	Due to National Lockdown 4 th quarter target could not be achieved.	Targets to be moved to the next SDBIP for 2020/21.
		Number of renewals (drivers & PDP) (Output)	120 Motor Vehicle renewals	Achieved 1706	600 motor vehicle renewals	Partially achieved 589		Quarterly eNatis reports to the Standing Committee.	Due to National Lockdown 4 th quarter target could not be achieved.	Targets to be moved to the next SDBIP for 2020/21.
		Number of drivers licenses (Output)	600 driver's license.	Achieved 1829	800 driver's license.	Achieved 1344		Quarterly eNatis reports to the Standing Committee.	None	None

Chapter 3




KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To ensure the development and implementation of a strategic Corporate and HRM plan with a strategic Model to drive the implementation and alignment with the IDP by June 2022	ID01: By designing, implementing and monitoring, all the strategies to achieve the Corporate and HR areas of focus.	Strategic Corporate & Human Resource Management Plan developed & approved by council (Input)	Strategic Corporate & Human Resource Management Plan developed	Draft Plan has been developed	Strategic Corporate & Human Resource Management Plan developed & approved by council	Not achieved	 Adopted Strategic Corporate & Human Resource Management Plan. Council resolutions.	Due to Lockdown the workshop could not be conducted and the report could not be confirmed before submitted to Council.	Scheduled for Q1 of 2020/21.
To ensure compliance with the Employment Equity Act by June 2022	ID02: By ensuring targets on EEP are met.	% of Employment equity Plan target implemented (Output)	5 % EE targets implemented	Achieved	2% EE targets implemented. Target adjusted due to budget constraints	Not achieved	 Progress reports on EE targets. Proof of submission of EEA forms to DoL.	Target not achieved due to financial constraints.	To review target for 2020/21 as the municipality is unable to fill vacant positions.



Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To ensure the municipal controlled environment and stability through proper adherence to attendance and leave management June 2022	ID03: By developing, implementing & monitoring the tools for time and attendance	Number of time and attendance reconciliations reports compiled and submitted to Management (Input)	4 quarterly Reports	Achieved 4 quarterly Reports	4 quarterly Reports	Achieved 4 quarterly Reports	 4 Quarterly reports submitted to the Standing Committee	None	None
To ensure review of municipality's Organizational Structure and alignment with the IDP Strategies, Objectives and available resources by June 2022	ID04: By Annually reviewing the GKM Organogram in order to address the <u>community</u> needs and functions of the Municipality.	Organizational structure reviewed and approved by council (Input)	2018/19 Organization structure reviewed and approved by council	Achieved	2020/21 Organization structure reviewed and approved by council	Not Achieved	 Adopted and signed Organizational Structure. Council resolutions.	Due to Lockdown no workshops conducted.	Workshop has been scheduled for Q1 of 2020/21
		The average length of time it takes to fill a vacant post (output)	3 months positions below Sec 56	Achieved	3 months positions below Sec 56	Not achieved	 Recruitment reports to the standing committees	Due to lockdown the municipality had to re-advertise the two posts that were advertised.	Positions have been re-advertised the target will be achieved in Q1 of 2020/21




Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To ensure the development, review, implementation and monitoring of WSP for Councilors, Employees and Unemployed by June 2022.	ID05: By ensuring the implementation and monitoring of WSP (including learnerships, internships, and graduate training programmes).	2019/20 Workplace Skills Plan reviewed and approved by LLF (Input)	2019/20 Workplace Skills Plan reviewed and approved by LLF	Achieved	2019/20 Workplace Skills Plan reviewed and approved by LLF	Achieved	 LLF Resolution. Proof of submission of Workplace Skills	None	None
		Number of capacity programs coordinated for Councilors and Staff (Output)	3 capacity building Programs	Achieved	4 capacity building Programs	Achieved 11 capacity building programs	 4 Standing Committee Reports on implemented programmes	None	None
To ensure compliance with applicable legislation, regulations, policies, procedures	ID06: By coordinating the development, review and	Municipal Policies reviewed and approved by council (Input)	All municipal Policies reviewed and approved by council	Achieved	All municipal Policies reviewed and approved by council	Reviewed Budget Related Policies submitted to Council.	 Policies; Council resolutions.	None	None



Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
and promulgation of By-laws by June 2022	implementation of all municipal policies, by-laws and procedure manuals in line with applicable legislation (including compliance audits)	Number of By – Laws <u>submitted to council</u>	By – Laws submitted to council	Only Rates By-Law submitted to Council	5 By – Laws submitted to council	Not achieved	 Council Resolution Approving By-Laws	By-laws formulation processes calls for Public Participation and during the period under review the Country was on locked down COVID-19.	Advertisement on the newspaper, when the By-law processes are opened for public comments to be submitted electronically.
To ensure effective functioning of Council and its committees by June 2022	ID07: By ensuring that the Council and its sub-committees seat in accordance with the approved Council calendar.	Number of Council and standing committee meetings set in line with council calendar (Output)	4 Ordinary Council seatings. 20 Standing Committee held	4 Ordinary Council seatings. 14 Special Council seatings. 20 Standing Committee held.	4 Ordinary Council seatings. 20 Standing Committee held	Achieved 13 Special Council seatings . 3 Ordinary seatings . 20 Standing Committee held.	 Copy of Council Minutes & attendance Registers for all Committees	None	None

Chapter 3





IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
	ID08: By ensuring safe keeping of the Council resolution register	Number of Council resolution registers <u>dispatched and implemented</u>	4 Registers <u>dispatched and implemented</u>	Achieved	4 Registers <u>dispatched and implemented</u>	Achieved	 Council Resolution Noting Updated Council Resolutions	None	None
To promote sound labor relations and ensuring compliance with relevant labour legislations by June 2022.	ID09: By implementing disciplinary codes and adhering to the applicable labour related legislations.	Number of workshops conducted on Code of Conduct & Disciplinary Codes (Output)	4 workshops	Not achieved. Workshop held on the 12-13 June 2019	4 workshops	Achieved 3 workshops	 Progress reports; attendance registers	Due to Lockdown no workshops conducted.	Workshops will be conducted in Q1 of 2020/21
To ensure availability of competent, healthy and motivated workforce by June 2022.	ID10: By implementing and reviewing of Employee Wellness programs	Number of Employee Wellness programs conducted (Input)	4 Employee Wellness programs conducted	Achieved	4 Employee Wellness programs conducted	Achieved. 5 programs conducted.	 Progress reports and attendance registers	None	None

Chapter 3




IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To ensure compliance with Health and Safety Regulation by June 2022	ID11: By implementing and monitoring of health and safety policy and regulations.	Number of Health and Safety Inspections conducted (output)	4 Inspections and reports	1 inspections achieved	4 Inspections and reports	Achieved 4 inspections	 4 Inspection reports. Attendance registers	None	None
To promote holistic customer reception management and provision of auxiliary services to the entire institution	ID12: By conducting Institutional surveys, designing and presenting reports with recommendation to Council	Number of satisfaction customer surveys conducted and submitted to Council	1 customer survey report submitted to Council	Draft Survey Report is in place and only presented to Management	1 Customer satisfaction survey report to Council	Not achieved	 Customer satisfaction survey report to Council	All Council & Management gatherings were suspended by the Circular from National COGTA, during the period Under review.	To re-analyze data & present Draft Customer Survey Report to GKM Management in the 1 st Q 2020/21.

Chapter 3



KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To promote effective participation of community members in the affairs of governance by June 2022	GG01: <u>By implementing a functional public participation strategy and plan</u>	Number of Ward Committee Meetings held	4 meetings	Achieved	4 meetings	Achieved	 Signed minutes & attendance registers.	None	None
		Number Mayoral Imbizos held	4 meeting	Achieved Roadshows held on 9, 10, 11 and 12 April 2019.	4 meeting	Achieved	 Signed minutes & attendance registers.	None	None
To promote effective communication with all stakeholders by June 2022	GG02: <u>By implementing a functional communication strategy and plan</u>	Number of reports on the implementation of Marketing and Communications Strategy	4 reports on implementation of Marketing & Communications Strategy	3 reports	4 reports on implementation of Marketing & Communications Strategy	Achieved 4 reports in different programs.	 Signed Standing Committee reports.	None	None
		GKM protocol and Etiquette policy developed and approved by council (Input)	Protocol & Etiquette policy developed and approved by council	Draft policy developed	Protocol & Etiquette policy developed and approved by council	Partially achieved	 Copy of approved policy by council. Council resolutions	Due to Covid-19 the municipality could not proceed with the development of the policy.	To proceed with development and consultation processes in the 1 st quarter 2020/21.



Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To strengthen relations between the municipality, government departments and parastatals and to ensure integrated planning by June 2022	GG03: By facilitating IGR sittings to promote effective and efficient integrated planning and development	Number of IGR meetings held (Output)	4 IGR meetings	Achieved 17/08/2018 04/12/2018 15/03/2019 27/06/2019	4 meetings	Not achieved 2 meetings held. 17 th of July 2019 and 28 th November 2019.	 Signed minutes & attendance registers.	Due to Covid-19 Quarter 3 & 4 IGR Meetings could not be conducted	Targets to be moved to the next SDBIP for 2020/21.
To ensure the development, implementation and review of integrated development planning by June 2022	GG04: By facilitating development and review of IDP through implementation of IDP process plan	IDP reviewed, implemented and approved by council	IDP reviewed, implemented and approved by council	Achieved	IDP reviewed, implemented and approved by council	Achieved	 Copy of approved IDP. Council resolution	None	None
To ensure the institutionalization of Performance Management by June 2022	GG05: Develop and review Institutional Strategic Score Card and cascading of Performance Management System	SDBIP developed and approved within 28 days after the approval of IDP and Budget	SDBIP developed and approved within 28 days after the approval of IDP and Budget	Achieved	SDBIP developed and approved within 28 days after the approval of IDP and Budget	Achieved	 Signed 2020/21 SDBIP	None	None




Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
	GG06: Monitor and measure institutional performance quarterly	Number mid-year ,annual performance reports and annual reports developed and approved by council	1-mid-year report 1-annual performance report and annual report developed and approved by council	Achieved	1-mid-year report 1-annual performance report and annual report developed and approved by council	Achieved	 Signed quarterly reports. Council resolution.	None	None
		Number of reports on performance of service providers	4 quarterly reports	4 quarterly reports	4 quarterly reports	Achieved	 Quarterly reports to the standing committee	None	None



Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure	
			Plan	Actual	Plan	Actual				
		Number of S54 S56/7 performance assessments conducted (Input)	N/A	N/A	Appointment of performance assessment panel members and conduct assessment.	Partially achieved		Performance assessment report submitted to council. Council resolutions.	The 2018/19 and 2019/20 performance assessment session was planned for 24/03/2020 but later deferred until further notice due to COVID-19 outbreak.	To be facilitated during 1 st quarter 2020/2021 FY.
To ensure effective functioning of Oversight Committees by June 2022	GG07 Provide administrative support to oversight committees (<u>Audit committee</u>)	Number of Audit Committee Meetings held (Output)	4 AC meetings	2 AC meetings	4 AC meetings	Not achieved. 2 meeting held on the 04 th December 2019 and 10 th June 2020.		Signed minutes and attendance registers	Resignation of the Audit Committee Chairpersons and delays in the appointment of the third member of the audit Committee	Both members have since been appointed.

Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To provide independent professional advice on governance issues, risk management and internal controls	GG08: Independent review on the reported performance information and other municipal activities	Number of Internal audit reports to Audit Committee	4 reports	3 reports	4 reports	Not achieved 1 report.	 Signed reports to AC committee	Lack of resources in the Internal Audit Unit to perform all the audits as planned.	Additional Resources have been requested.
	GG09: Review and adopt Internal Audit and Audit Committee Charters	Internal Audit and Audit Committee charters approved by Council (Input)	Approved Internal Audit and Audit Committee charters by Council	Not achieved	Internal Audit and Audit Committee charters approved by Council	Achieved	 Copy of approved charter and council resolutions	None	None
To ensure compliance with the legislation by 2022	GG10: By ensuring that all legal matters are dealt within prescribed legislations	Number of reports on litigation ,legislative and compliance matter(Input)	4 reports	Achieved	4 reports	Achieved	 Signed litigation reports	None	None

Chapter 3

IDP Objective	IDP strategy	Key Performance Indicator	Previous Year Review (2018/19 FY)		Year Under Review (2020/21 FY)		Portfolio of Evidence	Variance	Corrective Measure
			Plan	Actual	Plan	Actual			
To develop a functional and responsive administration by 2022	GG11: <u>By implementing strategic and operational risk strategy</u>	Strategic risk register and operational risk developed and implemented	Strategic risk register and operational risk developed and implemented	Not achieved	Strategic risk register and operational risk developed and implemented	Not achieved	 Risk reports to council	Due to COVID-19 pandemic - processes were interrupted with regards to updating of Risk Register.	Planned date for Risk Management Committee Meeting is 22/07/20 where a complete updated register will be submitted & reviewed.
To accelerate empowerment of historically disadvantaged groups by June 2022	GG12: <u>Review and implement special programs strategy and plan</u>	<u>SPU strategy reviewed and implemented</u>	4 Reports on the implementation of SPU Plan	Achieved	SPU strategy reviewed and 2 reports	Not achieved	 Signed quarterly reports. Copy of strategy. Council resolutions	Due to Covid-19 the municipality could not proceed with the review of the strategy.	To proceed with review and consultation processes in the 1 st quarter 2020/21.

Chapter 3

LGTS KEY PERFORMANCE INDICATORS IN THE ANNUAL REPORT

KPA 1: Organisational Transformation and Institutional Development

Annual performance as per key performance indicators in municipal transformation and organizational development

No	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	22	4	18 %	Budget constraints
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	5	4	80 %	N/A
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	0	0	NIL	N/A
4	Percentage of Managers in Technical Services with a professional qualification	3	2	80 %	N/A
5	Level of PMS effectiveness in the DM – (DM to report)	The PMS is cascaded to lower levels, implemented from high level management down to levels below. Directors report on quarterly basis through various structures and middle managers report on monthly bases.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	61	32	52%	Limited budget available

Chapter 3

8	Percentage of Councilors who attended a skill development training within the current 5 year term	13	1	8 %	Financial Constraints
9	Percentage of staff complement with disability	2	2	100 %	Only 1 employee disclosed his status during financial year 17/18
10	Percentage of female employees		77	51%	
11	Percentage of employees that are aged 35 or younger		31	20%	
12	Adoption and implementation of HRD Plan including WSP	50%	10 %	20 %	The WSP was adopted and submitted to the LGSETA and a council resolution confirming the submission is available. Due to financial constraints we are unable to implement WSP

KPA 2:

Chapter 3

KPA 2: Basic Service delivery performance highlights

Annual performance as per key performance indicators in water services

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

Annual performance as per key performance indicators in Electricity services

No	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	3,000.00	73	17	17	100%
2	Percentage of indigent households with access to basic electricity services	568	TBD	600	568	95%
3	Percentage of indigent households with access to free alternative energy sources	420	TBD	420	277	65%

Annual performance as per key performance indicators in sanitation services

No	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

Chapter 3

1	Percentage of households with access to sanitation services	ADM				
2	Percentage of indigent households with access to free basic sanitation services	ADM				
3	Percentage of clinics with access to sanitation services	ADM				
4	Percentage of schools with access to sanitation services	ADM				

Annual performance as per key performance indicators in road maintenance services

No	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	394 km	316 km	7 kms of gravel roads to be constructed at Bhola Village and Old Location	7 kms achieved	100%
2	Percentage of road infrastructure requiring upgrade	142km	132	10	10	100%
3	Percentage of planned new road infrastructure actually constructed	174 km	164	10	10	100%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	394km	316km	24km	24km	100%

Annual performance as per key performance indicators in waste management services

No	Indicator name	Total number of household/customer	Estimated backlogs	Target set for the f.	Number of HH/customer reached	Percentage of achievement
----	----------------	------------------------------------	--------------------	-----------------------	-------------------------------	---------------------------

Chapter 3

		r expected to benefit	(actual numbers)	year under review		t during the year
1.	Percentage of households with access to refuse removal services	12340	8177	60	4163	100%
2.	Existence of waste management plan	Our IWMP is under review				

Annual performance as per key performance indicators in housing and town planning services

No	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	9386	9386	1640	0	0
2	Percentage of informal settlements that have been provided with basic services	0	1640	0	0	0
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	35	0	0	0	0
4	Existence of an effective indigent policy	The Indigent Policy has been reviewed and adopted, Indigent Registration is ongoing. Currently the Indigent Register has about 3600 beneficiaries.				
5	Existence of an approved SDF	The Great Kei Local Municipality Council (GKM) adopted a Spatial Development Framework (SDF) during the 2005/2006 Financial Year. It is against this background that the SDF shall be reviewed with the assistance of Amathole District Municipality (ADM) and the Department of Human Settlements (DoHS), for alignment with 2017/2022 Integrated Development Plan (IDP).				
6	Existence of Land Use Management System (LUMS)	Land Use Management By-laws in place.				

Chapter 3

KPA 3: MUNICIPAL LOCAL ECONOMIC DEVELOPMENT FRAMEWORK

Annual performance as per key performance indicators in LED

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED unit	Yes	The LED Manager was appointed to run the unit	100% prior achievement
2	Percentage of LED Budget spent on LED related activities.	550 000.00	550 000.00	100%
3	Existence of LED strategy	GKM adopted its LED Strategy in September 2014 and has been reviewed		
4	Number of LED stakeholder forum meetings held	4	4	100%
5	Plans to stimulate second economy	Development of Small Town Revitalization Strategy	Small Town Revitalization Strategy has been developed and approved by Council in June 2018.	-
6	Percentage of SMME that have benefited from a SMME support program	4	4	100%
7	Number of job opportunities created through EPWP	200	205-EPWP jobs	100%
8	Number of job opportunities created through PPP (CWP)	200	550	100%

Chapter 3

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Annual performance as per key performance indicators in financial viability

No	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	R36 149 000	R 34,372,078	95%
		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	(38,6%) (R46 501 000)	R 42,570,086	91%
		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	(45%) (R96 301 000)	R 14,625,097	15%
		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	(38%) (49 108 612)	R 31,664,024	64,5%
		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	73% (48 000 000)	R 17,030,141	35% Increase
6	Percentage of MIG budget appropriately spent	R 36,149,000	R 31,225,856	86%

Chapter 3

7	Percentage of MSIG budget appropriately spent	N/A	N/A	N/A
8	AG Audit opinion	Qualified Audit Opinion	Qualified Audit Opinion	Qualified Audit Opinion
9	Functionality of the Audit Committee	Functional	Functional	Functional
10	Submission of AFS after the end of financial year	31-Aug-20	31-Aug-20	31-Aug-20

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	70	70	100%
2	% of ward committees that are functional	70	70	100%
3	Existence of an effective system to monitor CDWs	The 4 CDWs.		
4	Existence of an IGR strategy			
5	Effective of IGR structural meetings	IGR meetings seat 4 times a year (quarterly)		
6	Existence of an effective communication strategy	Communication strategy was developed I 2014 and approved in March 2016 and is reviewed on annual basis.		
7	Number of mayoral imbizo's conducted	4	4	100%
8	Existence of a fraud prevention mechanism	The municipality developed and adopted its reviewed fraud and prevention strategy/policy in 2017. The municipality has a complaints/ suggestion box in all offices.		

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The objective of Organisational Development is that of ensuring capacity building of employees.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year – 1	Year 0- 2016/17			
	Employees	Approve d Posts	Employees	Vacancies	Vacancie s
	No.	No.	No.	No.	%
Electricity	2	5		3	
Waste Management	46	61		15	
Planning and Human Settlement Housing	4	9		5	
PMU and Roads	5	20		15	
Local Economic Development	0	5		5	
Environmental & Amenities	1	11		10	
Security and Safety	17	8		9	
Corporate Services	17	26		9	
Budget and Treasury Office	27	38		11	
Municipal Manager & Strategic Services	20	41		21	
TOTALS	139	224		142	

T4.1.1

Chapter 4

VACANCY RATE: YEAR 2017/18			
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	1	100 %
CFO	1	0	0 %
Other S56 Managers (excluding Finance Posts)	3	0	0 %
Highly skilled Middle Management: level 15 - 17 (excluding Finance posts)	9	3	33 %
Middle Management: level 13 - 17 (Finance posts)	6	1	17 %
Total	20	9	45 %

T4.1.2

Turn-over Rate				
Details	Total No. of Employees	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year	Turn-over Rate*
Year -2 – 2015/16	151	16	12	8 %
Year-1-2016/17	147	58	11	7 %
Year- 2017/18				

T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Refer to T 4.1.2

Whilst all policies and procedures are in place and being reviewed annually, the financial challenges facing the municipality causes anxiety and brings insecurity to employees thus it is difficult to fill all the existing vacancies in particular with competent and skilful personnel. To those who are within the institution feel in-secured thus turnover though it is not at a high rate

T 4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

HR policies have been developed and are reviewed on annual basis (e.g. Recruitment & Selection, Employee Assistance Policy, Retention & Attraction etc. Refer to T4.2.1

T 4.2.0

Chapter 4

4.2 POLICIES

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
1.	Acting Allowance Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
2.	Employee Assistance Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
3.	Telephone Usage Policy for Councillors and Employees	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
4.	Placement, Promotion, Demotion and Transfer Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
5.	Recruitment and Selection Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
6.	Travel and Subsistence Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
7.	Bereavement Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
8.	Code of Conduct for Staff Members	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

Chapter 4

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
9.	Employment Equity Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
10.	Training and Development Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
11.	Leave Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
12.	Overtime Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
13.	Rental / Housing Allowance Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
14.	Health and Safety Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
15.	Car Allowance Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
16.	Danger Allowance Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

Chapter 4

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
17.	Retention and Attraction Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
18.	Performance Management Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
19.	Remuneration Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
20.	Exit Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
21.	Use of Consultants	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
22.	SCM policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
23.	Asset management policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
24.	Fleet management policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

Chapter 4

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
25.	Credit control and debt management policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
26.	Tariffs policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
27.	Indigent policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
28.	Petty cash policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
29.	Cash and investment policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
30.	Budget process policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
31.	Virement policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
32.	Inventory Management	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

Chapter 4

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
33.	Fruitless and wasteful ,unauthorised and irregular expenditure policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
34.	IT Security Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
35.	3G Card and Cell phone Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
36.	Telephone Management Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
37.	Rates Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
38.	Backup policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
39.	Employment Equity Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
40.	Training and Development Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

Chapter 4

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
41.	Exit Policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
42.	Use of Consultants	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
43.	SCM policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
44.	Asset management policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
45.	Fleet management policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
46.	Credit control and debt management policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
47.	Tariffs policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
48.	Indigent policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

Chapter 4

Municipal Policies and Plans				
T4.2.1				
No	Name of policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
49.	Petty cash policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
50.	Cash and investment policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
51.	Budget process policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
52.	Virement policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
53.	Inventory Management	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY
54.	Backup policy	100%	100%	Policies last adopted on the 27 June 2017 for the 17/18 FY

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The financial health position of the municipality has to a certain extent brought administrative instability as number of employees feel in-secured.

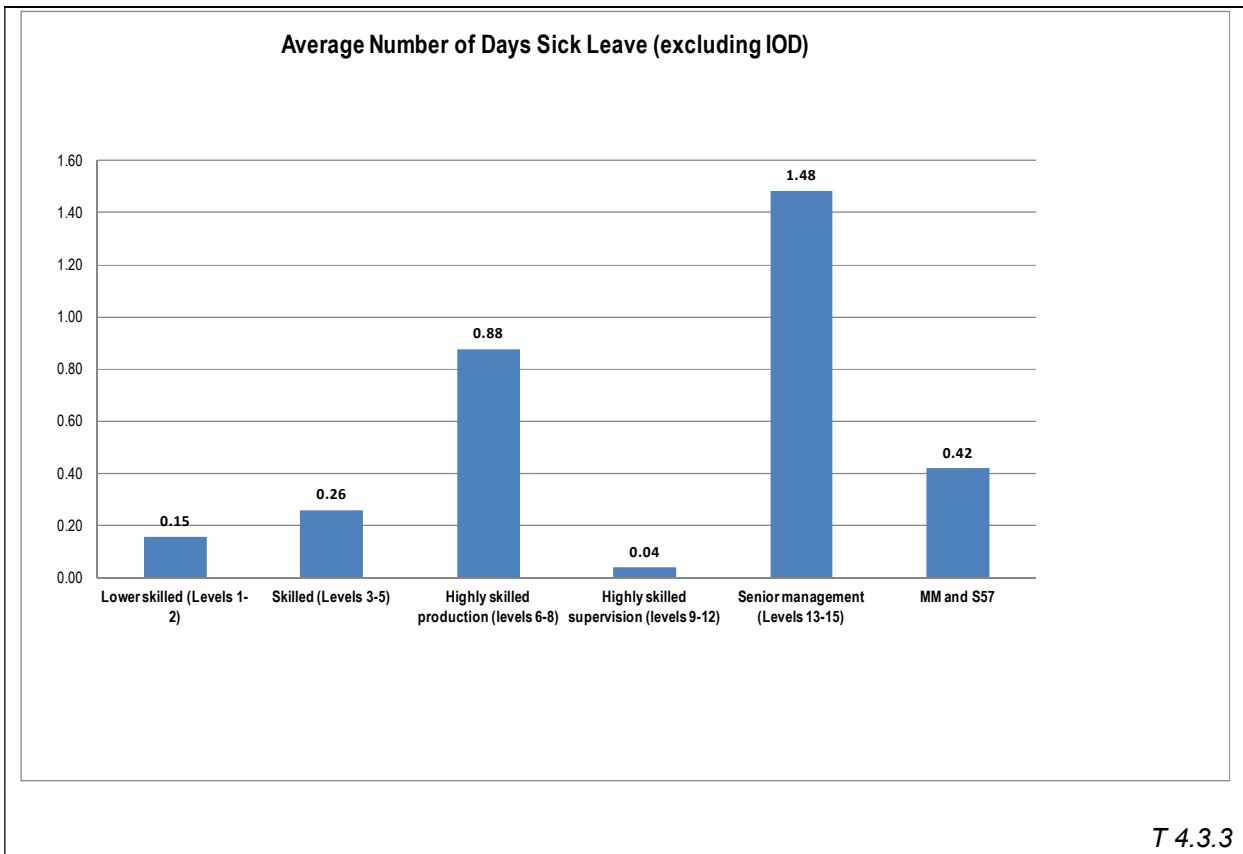
T 4.2.1.1

Chapter 4

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)				
SALARY BAND	TOTAL SICK LEAVE DAYS	PROPORTION OF SICK LEAVE WITHOUT MEDICAL CERTIFICATION	EMPLOYEES USING SICK LEAVE	ESTIMATED COST
LOWER SKILLED (LEVELS 1 – 5)	386	0 %	31	150 926. 00
SKILLED (LEVEL 6-8)	414	0 %	39	278 208. 00
SUPERVISOR (LEVEL 9 – 12)	394	0 %	32	425 126. 00
MIDDLE MANAGER (LEVEL 13 – 17)	69	0 %	13	128 478. 00
MM AND SECTION 56 MANAGERS	11	0 %	3	31 139. 90
TOTALS	1274	0 %	118	1 013 877. 90
				T4.3.2

Chapter 4



COMMENT ON INJURY AND SICK LEAVE:

Refer to T4.3.2

T 4.3.4

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
Practitioner	Misconduct	2018/03/09	Upliftment of Suspension	N/A
Clerical	Misconduct	2018/03/01	Contract Expired	N/A
				<i>T 4.3.5</i>

Chapter 4

4.4 PERFORMANCE REWARDS

4.4 PERFORMANCE REWARDS				
PERFORMANCE REWARDS BY GENDER				
DESIGNATIONS	GENDER	TOTAL NUMBER OF EMPLOYEES IN GROUP	NUMBER OF BENEFICIARIES	EXPENDITURE ON REWARDS – YEAR 1
MM and Section 56 Managers	3 x Males	32	0	
	0 Females	0	0	
Total		4	0	

COMMENT ON PERFORMANCE REWARDS:

For the year under review there have been no performance rewards awarded to Section 56 Managers owing to the fact that they joined the municipality in the middle of the financial year and financial position of the municipality further limits managers to exercise that benefit.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

To address workforce capacity development, the municipality has developed the following policies:

- Training and development policy
- Promotion, demotion and transfer policy
- Retention and attraction policy
- Performance management policy

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2016/17	Number of skilled employees required and actual as at 30 June Year 2016/17											
			Learnerships			Skills programs & other short courses			Other forms of training/Workshops			Total		
			No.	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target	Actual: 2015/16	Actual: 2016/17	Year 2016/17 Target	Actual: 2015/16	Actual: 2016/17
MM and s57	Female	1		0	0		0	0		0	0		0	0
	Male	2		0	0		0	1		1	1		1	2
Councillors, senior officials and managers	Female	14		3	4		0	9		9	9		12	22
	Male	11		4	4		0	7		5	5		9	16
Technicians and associate professionals*	Female	4		0	0		0	2		0	0		0	2
	Male	6		0	1		2	1		0	0		2	2
Professionals	Female	18		3	3		4	4		4	4		11	11
	Male	10		0	0		2	6		1	1		3	7
Clerk's	Female	25		7	7		6	11		8	4		21	22
	Male	11		0	0		0	1		0	0		0	1

Chapter 4

Service and Sales Workers	Female	7		0	0		0	5		8	0		8	5
	Male	12		0	0		0	0		0	0		0	0
Skilled Workers	Female	0		0	0		0	0		0	0		0	0
	Male	2		0	0		0	0		0	0		0	0
Plant and Machinery	Female	0		0	0		0	0		0	0		0	0
	Male	9		0	0		0	0		0	0		0	0
Elementary Occupation	Female	18		7	9		0	0		0	0		0	9
	Male	19		7	11		0	0		0	0		7	11
Sub total	Female	87		20	23		4	31		26	17		50	71
	Male	82		11	16		4	16		7	7		22	39
Total		169	0	31	49	0	8	47	0	32	24	0	71	114
*Registered with professional Associate Body e.g. CA (SA)														T 4.5.1

Chapter 4

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))	Consolidate d: Total of A and B	Consolidate d: Competenc y assessment s completed for A and B (Regulation 14(4)(b) and (d))	Consolidate d: Total number of officials whose performanc e agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidate d: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	31	0	31	16	0	16
<i>Accounting officer</i>	1	0	1	1	1	1
<i>CFO</i>	1	0	1	1	1	1
<i>Senior managers</i>	1	0	1	1	1	1
<i>Any other financial officials</i>	16	0	16	16	0	16
SCM Officials	5	0	5	4	0	4
<i>Heads of SCM units</i>	1	0	1	1	1	1
<i>SCM senior managers</i>	1	0	1	1	1	1
TOTAL	23	0	23	23	3	23
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Skills Development Expenditure

Chapter 4

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 2016/17								
			Learnerships		Skills programs & other short courses		Other forms of training		Total		
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1	R600 000.00								
	Male	2									
Legislators, senior officials and managers	Female	14			R 47 880.00						R 47 880.00
	Male	11			R 158 880.00						R 158 880.00
Professionals	Female	18			R33 223.00						R33 223.00
	Male	10					R7 625.00				R7 625.00
Technicians and associate professionals	Female	4									
	Male	6					R34 067.36				R34 067.36
Clerks	Female	25			R 199 728.00		R26 875.00				R26 875.00
	Male	11									
Service and sales workers	Female	25									
	Male	11									
Service and sales workers	Female	7									
	Male	12									
Skilled workers	Female	0									
	Male	2									
Elementary occupations	Female	18									
	Male	19									

Chapter 4

Sub total	Fem ale	87		R81 103.00		R3450 0.00				
	Male	82		R 158 880.00	Nil	R34 067.36	Nil	Nil		308 550.36
Total		169	R600 000.00	R39 983.00	0	R68 567.36	0	0		
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*	R 308 550.36
										T4.5.3

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

The Municipality is mandated by Training and Development Act to submit Annual Training report to develop and submit the Workplace skills Plan (WSP) to Local Government SETA by 30th of April each year. After submission of WSP and Annual Training Plan the Municipality is entitled to claim mandatory grant as the levy paying organisation and the grant is used for training of Councillors and Employees. Over and above that there is an amount that is budgeted by the municipality for trainings for each financial year.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

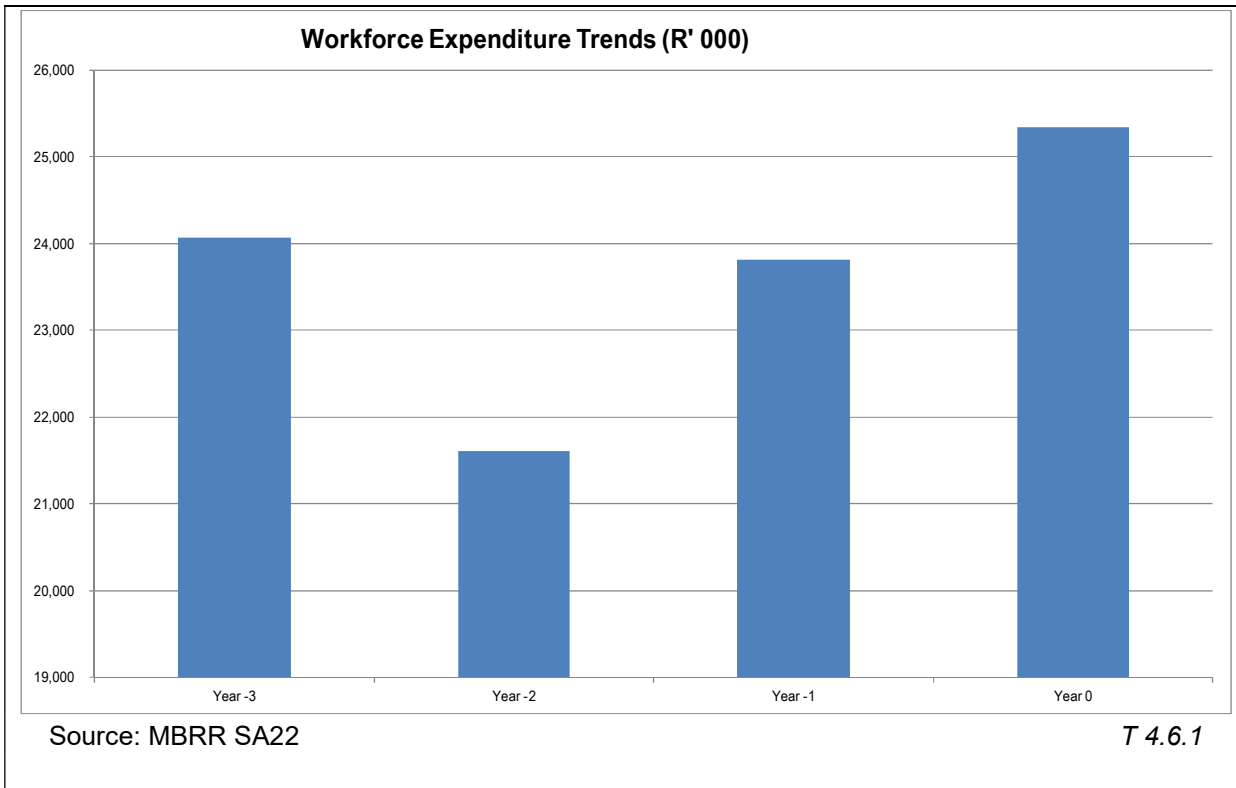
INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality's budget on employee related costs is based on the funded organogram which is linked to task grades. The municipality therefore spend according to the budgeted work force and monthly reports are submitted to check if there are any huge budget variances. The municipality has from previous years implemented competitive salaries which has attracted more skilled and talented staff and in turn increased the salary bill.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Chapter 4



COMMENT ON WORKFORCE EXPENDITURE:

The municipality spend according to the approved budget. The work force spending varies from one year to the next due to the increase in the budget for employee related costs. The increase is influenced by negotiations in the Bargaining Council; HR Related policies and/or inflation rate.

T 4.6.1.1

DISCLOSURES OF FINANCIAL INTERESTS

Refer AFS

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

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

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

The municipality make use of consultants for certain services where the municipality does not have the expertise or capacity to perform that service. The use of consultants is very limited as the municipality has taken an approach of capacitating its staff and reduce the use of consultants. The consultants used in the current year were mainly in the following areas: *professional services for construction of roads, maintenance of the Infrastructure Asset Register.*

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

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

The annual financial statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 0											Year -1			
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	27 806	-	27 806	-		27 806	25 215		(2 591)	90,68	-9,32				22 371
Service charges	17 767	2 200	19 967	-		19 967	20 242		275	101,38	1,55				11 803
Investment revenue	500	-	500	-		500	458		(42)	91,65	-8,35				456
Transfers recognised - operational	49 497	6 729	56 226	-		56 226	64 702		8 476	115,07	17,12				47 781
Other own revenue	7 581	2 150	9 731	-		9 731	12 622		2 891	129,71	38,14				6 168
Total Revenue (excluding capital transfers and contributions)	103 152	11 079	114 231			114 231	123 240		9 009	107,89	8,73				88 580
Employee costs	46 843	20	46 863	-		46 863	46 417		(446)	99,05	-0,95				49 358
Remuneration of councillors	4 509	542	5 051	-		5 051	4 588		(463)	110,1	-10,26				4 587
Debt impairment	13 000	-	13 000			13 000	29 107		16 107	-	-				17 147
Depreciation & asset impairment	14 000	-	14 000			14 000	11 653		(2 347)	-	83,24				21 710
Finance charges	500	-	500	-		500	2 731		2 231	546,2	546,2				2 989
Materials and bulk purchases	9 416	(141)	9 276	-		9 276	10 765		1 490	116,06	114,32				9 575
Transfers and grants	-	-	-	-		-	-		0	0	0				-
Other expenditure	14 954	3 708	18 662	-		18 662	22 161		3 499	118,75	23,40				21 189
Total Expenditure	103 222	4 129	107 351			107 351	127 422		20 071	118,70	19,44				126 553
Surplus/(Deficit)	(70)	6 950	6 880			6 880	(4 182)		(11 062)	-160,78	15791,39				(37 974)
Transfers recognised - capital	17 116	238	17 354	-		17 354	11 853		(5 501)	68,30	69,25				16 028
Contributions recognised - capital & contributed assets	-	-	-			-	-								-
Surplus/(Deficit) after capital transfers & contributions															
Share of surplus/ (deficit) of associate															
Surplus/(Deficit) for the year	17 046	7 188	24 234			24 234	7 671		(16 563)	-68,35	45,00				(21 946)
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital	9 259	5 343	14 602	-		14 602	14 402		(200)	-1,37	155,55				6 234
Public contributions & donations	-	-	-	-		-	-		0	0	0				-
Borrowing	-	-	-	-		-	-		0	0	0				-
Internally generated funds	278	1 484	1 762	-		1 762	35		(1 727)	1,99	-620,72				969
Total sources of capital funds	9 537	6 827	16 364			16 364	14 437		(1 928)	88,22	151,38				7 203
Cash flows															
Net cash from (used) operating	97 417	(69 632)	27 785	-		27 785	13 701		(14 084)	49,31	-14,46				11 224
Net cash from (used) investing	9 537	6 827	16 364	-		16 364	(14 367)		(30 731)	-87,79	-322,23				(13 641)
Net cash from (used) financing	(14 140)	4 533	(9 606)	-		(9 606)	6 110		15 716	-63,60	-111,15				-
Cash/cash equivalents at the year end	92 814	(58 271)	34 543			34 543	5 444		(29 099)	15,76	-31,35				2 156

T 5.1.1

Chapter 5

Financial Performance of Operational Services							R '000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	-	-	-	-	0,00%	0,00%	
Waste Water (Sanitation)	-	-	-	-	0,00%	0,00%	
Electricity	31 014	12 035	14 153	12 778	5,81%	-10,76%	
Waste Management	10 364	16 108	16 858	13 263	-21,45%	-27,11%	
Housing	-	-	-	-	0,00%	0,00%	
Component A: sub-total	41 378	28 143	31 011	26 040	-8,08%	-19,09%	
Waste Water (Stormwater Drainage)	-	-	-	-	0,00%	0,00%	
Roads	6 162	5 800	7 680	3 874	-49,74%	-98,27%	
Transport	-	-	-	-	0,00%	0,00%	
Component B: sub-total	6 162	5 800	7 680	3 874	-49,74%	-98,27%	
Planning(MM)	-	6 876	5 923	3 398	-102,35%	-74,30%	
Local Economic Development	2 108	11 027	11 551	5 526	-99,55%	-109,04%	
Component B: sub-total	2 108	17 903	17 474	8 924	-100,62%	-95,81%	
Planning (Strategic & Regulatory)	-	-	-	-	0,00%	0,00%	
Local Economic Development	-	-	-	-	0,00%	0,00%	
Component C: sub-total	-	-	-	-	0,00%	0,00%	
Community & Social Services	-	-	-	-	#DIV/0!	#DIV/0!	
Environmental Protection	-	-	-	-	0,00%	0,00%	
Health	-	-	-	-	0,00%	0,00%	
Security and Safety	-	-	-	-	0,00%	0,00%	
Sport and Recreation	-	-	-	-	0,00%	0,00%	
Corporate Policy Offices and Other	8 856	6 506	6 506	10 570	38,45%	38,45%	
Component D: sub-total	8 856	6 506	6 506	10 570	38,45%	38,45%	
Total Expenditure	58 503	58 353	62 671	49 408	-18,10%	-26,84%	
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2	

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is completed – Comment on variances above 10%.

T5.1.3

Chapter 5

5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0		Year 0 Variance			
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	55 290	59 695	72 569	71 433			
Equitable share	42 659	45 063	51 792	51 375	114	99,19	
Municipal Infrastructure Grant	7 224	11 208	15 325	15 099	0	0	
Finance Management	2 286	2 400	2 400	2 400	100	100,00	
EPWP Incentive	1 188	1 024	1 024	1 012	99	98,79	
Integrated National Electrification Program	1 932	-	2 028	1 548	0	76,33	
Provincial Government:	-	450	500	500			
Treasury Grant	-	-	-	-			
IEC Grant	-	-	-	-			
Sports and Recreation	-	450	500	500	111	100	
District Municipality:	-	-	-	-			
<i>[insert description]</i>							
Other grant providers:	1 648	-	-	9 416	-		
Office of the Premier				2 727			
<i>Cogta Grant</i>	1 231	-	-	6 689			
<i>Covid Relief</i>	417	-	-	-			
Total Operating Transfers and Grants	56 938	60 145	73 069	81 348			
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>							
						T 5.2.1	

Chapter 5

COMMENT ON OPERATING TRANSFERS AND GRANTS:

There are no major variances of subsidies and conditional grants received. All grants were fully received as per Gazetted Allocations. The variance is additional funding received from Office of the Premier and Cogta in assisting the municipality to fund its major creditors. Grants were fully spent except for INEP and EPWP of which application for rollover was submitted to NT but was not approved.

T 5.2.2

T 5.2.3 N/A

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Additional grants were received from Cogta and Office of the Premier.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality has an asset policy that is to facilitate the effective management control and maintenance. The following are the key objectives of the policy:

- Ensure the accurate recording of asset information
- The accurate recording of asset movement
- Excising strict physical control over all the assets
- Provide correct and meaningful information
- Ensure that insurance is provided for all assets
- Ensure maintenance of Council assets
- Also makes provisions for asset disposals

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 0

Asset 1	
Name	High Mast Lights
Description	
Asset Type	Public Lighting Electricity

Chapter 5

Key Staff Involved	Manager Infrastructure			
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
				587,473.63
Capital Implications				
Future Purpose of Asset	Public Lighting in Siviwe Location			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 2				
Name	Access Road to Zone 10			
Description	Gravel Road			
Asset Type	Access Road			
Key Staff Involved	Manager Infrastructure			
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
				1,362,882.00
Capital Implications				
Future Purpose of Asset	Linking of Zone 10 community to services			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
Asset 3				
Name	Refuse Truck			
Description	Cage Truck			
Asset Type	Transport Assets			
Key Staff Involved	Manager Community Services			
Staff Responsibilities				
Asset Value	Year -3	Year -2	Year -1	Year 0
				511,276.00
Capital Implications				
Future Purpose of Asset	Refuse Collection			
Describe Key Issues				
Policies in Place to Manage Asset	Yes			
				T 5.3.2

Chapter 5

COMMENT ON ASSET MANAGEMENT:

Delete Directive note once comment is 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**

T 5.3.3

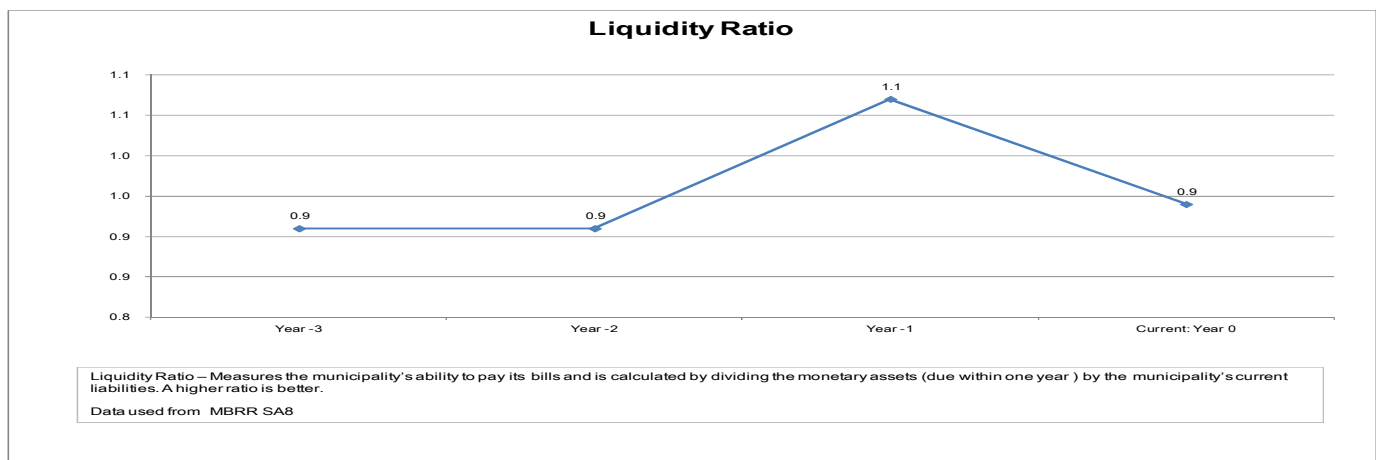
Repair and Maintenance Expenditure: Year 0				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	1 096	1 899	357	67%
T 5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality has budgeted for Repairs and Maintenance at less than 8% of the PPE which is not in line with National Treasury Norms due to cash flow constraints. The actual expenditure 67% of the budgeted amount which is based on what the municipality can afford. The municipality has also used the EPWP casuals to carry out some of the repairs required for roads.

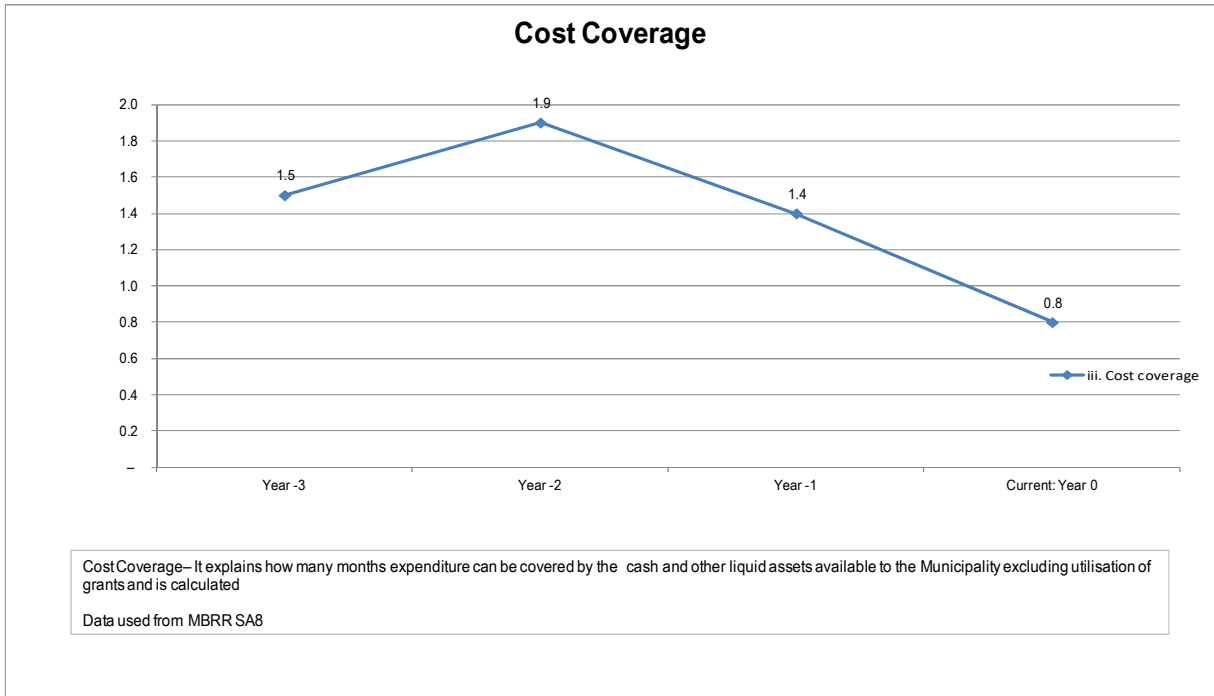
T 5.3.4.1

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

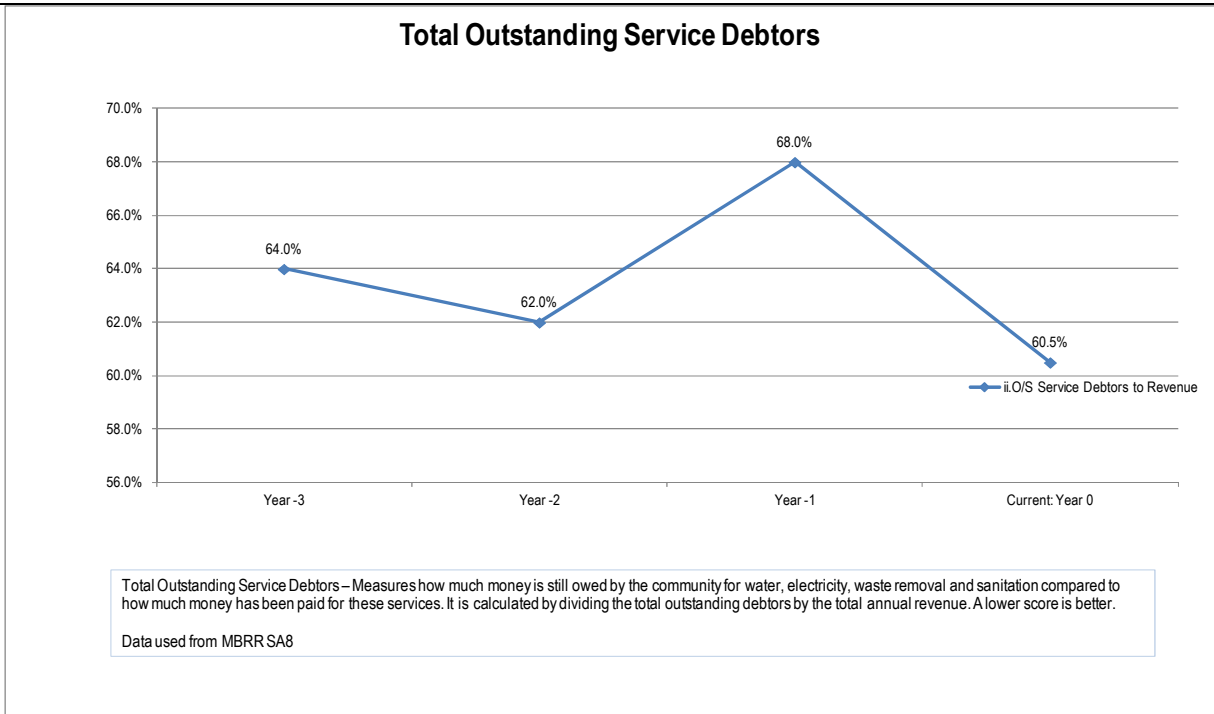


Chapter 5

T 5.4.1



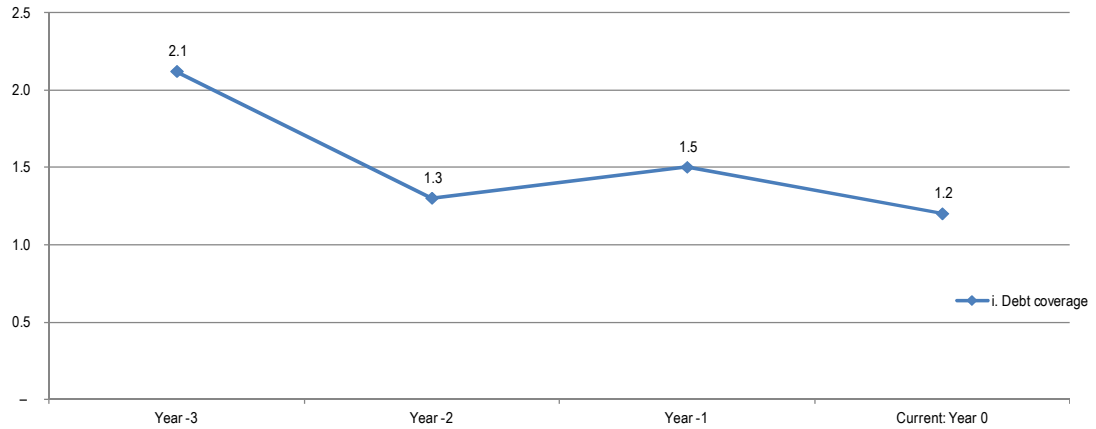
T 5.4.2



Chapter 5

T 5.4.3

Debt Coverage

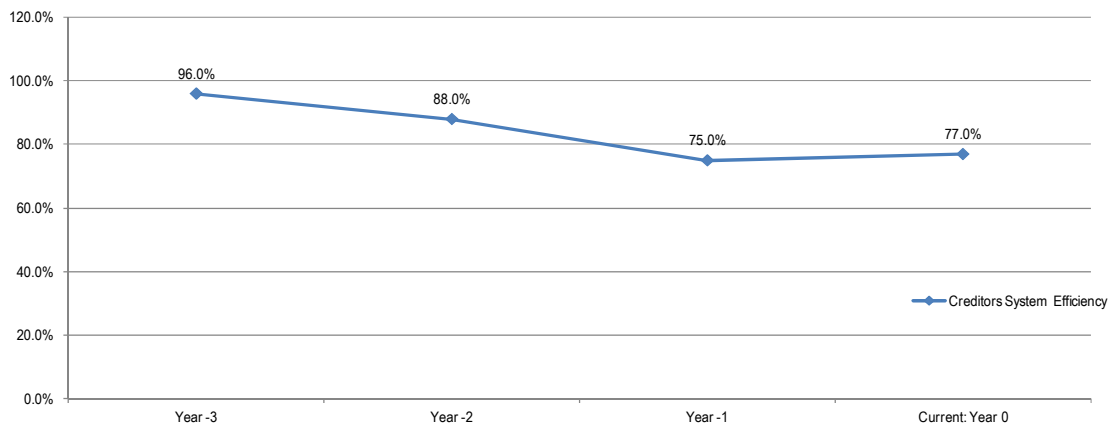


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Creditors System Efficiency



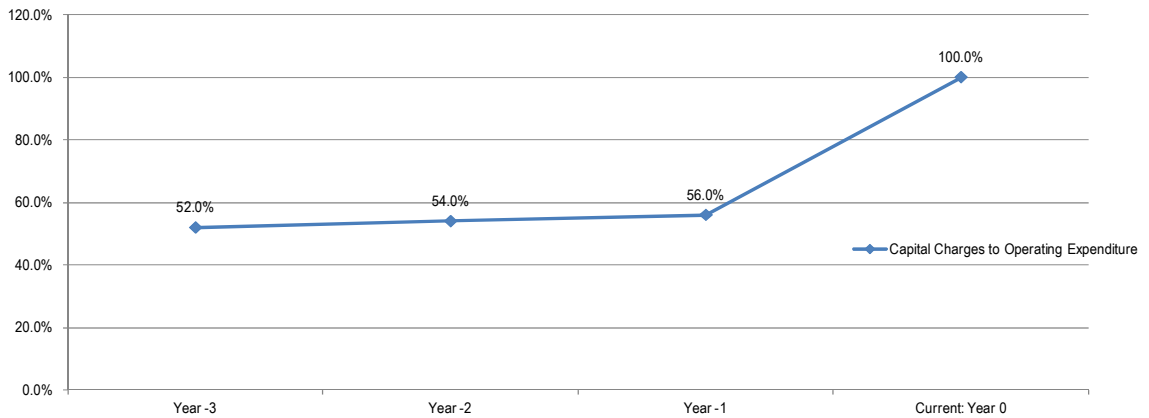
Creditor System Efficiency– The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

Chapter 5

T 5.4.5

Capital Charges to Operating Expenditure

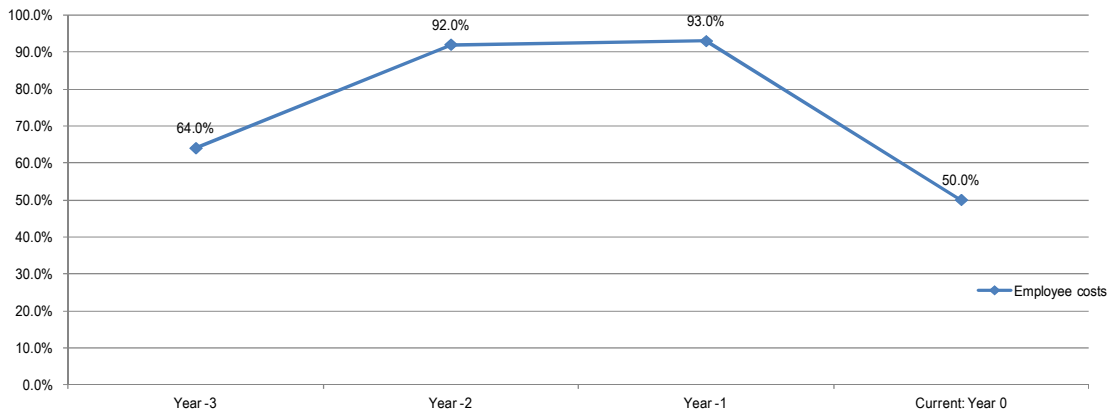


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6

Employee Costs

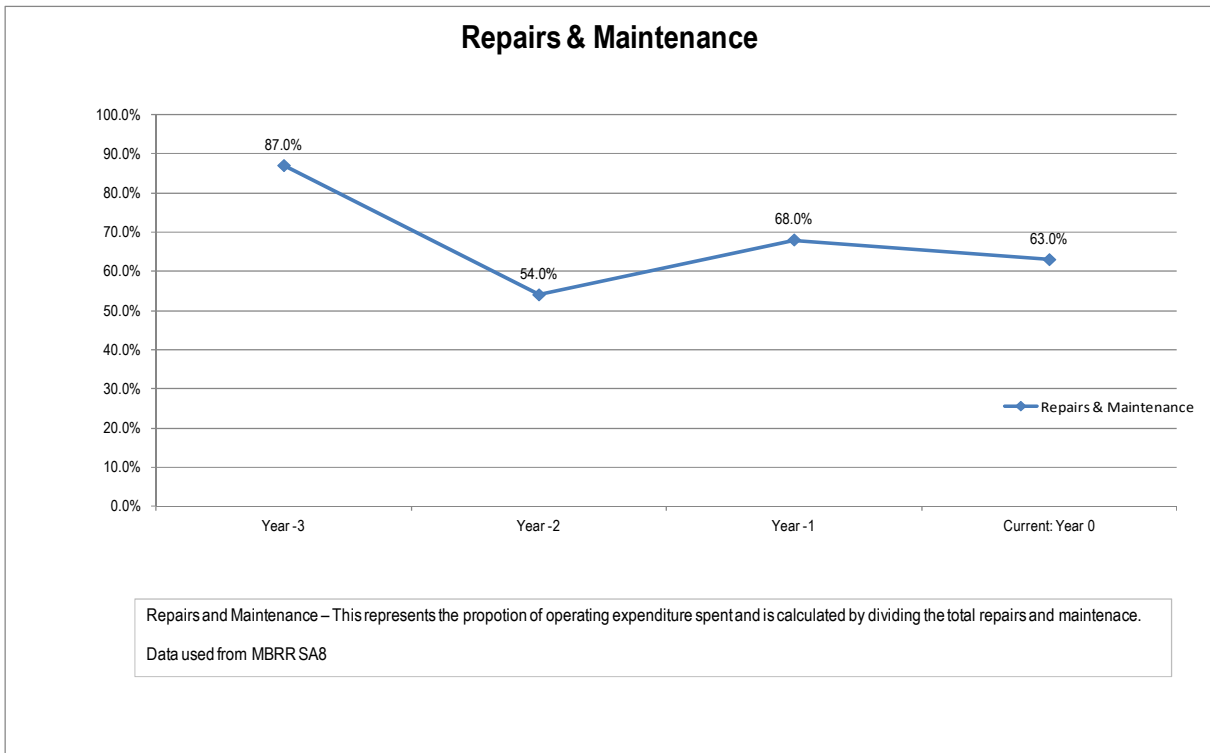


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

Chapter 5



T 5.4.8

COMMENT ON FINANCIAL RATIOS:

The financial health of the municipality has showed steady progress over the past years however is still struggling on cash flow due to historical debts. Various revenue strategies have been used including the implementation of financial recovery plan, credit control policy, in spite of all this the municipality is still struggling financially. The liquidity ratio of the municipality is now 0.9 which means the municipality is has improved in servicing its debts compared to the previous years. The number of days for debtors has not changed due to high rate of debtors not paying their accounts on time. The portion of revenue used to fund employee costs has reduced by 1% compared to last year because vacant funded positions were not filled and employees who have resigned were not replaced due to financial constraints.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

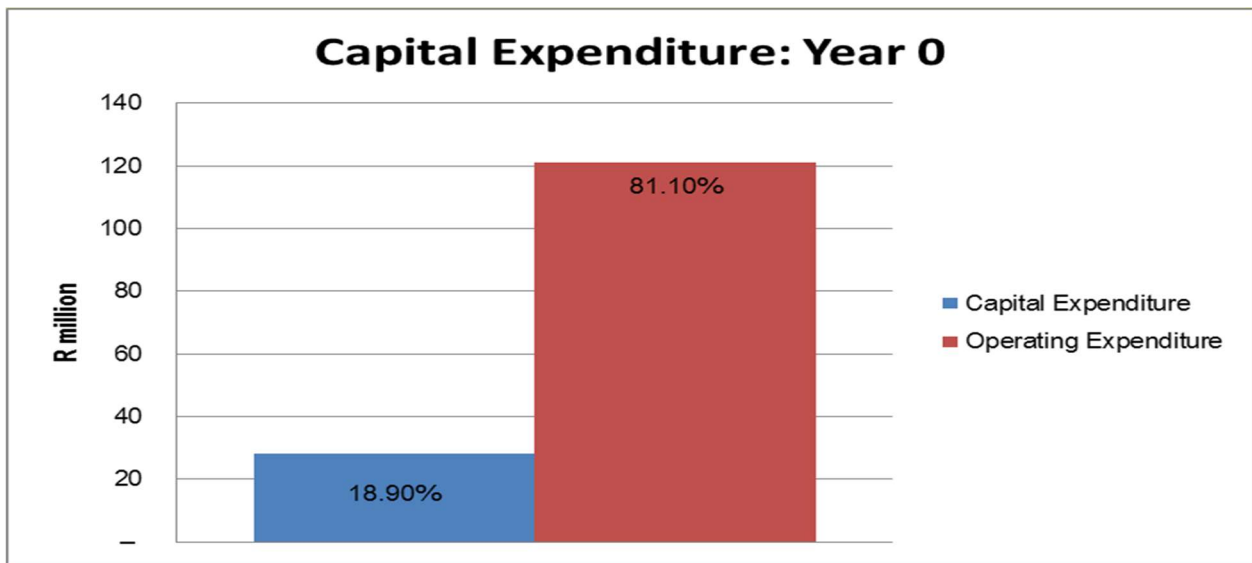
Chapter 5

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The budget for capital expenditure is mostly funded by the Municipal Infrastructure Grant. The municipality has limited budget from its own revenue to fund capital projects because of other operation requirements that are increasing. The capital projects are as per the approved IDP

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.1

Chapter 5

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							R' 000
Details	Year -1	Year 0					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
External loans	0	0	0	0	0.00%	0.00%	
Public contributions and donations	0	0	0	0	0.00%	0.00%	
Grants and subsidies	13473	17,207	16,798	11,490	-2.38%	-33.22%	
Other	168	420	9,687	0	2206.32%	-100.00%	
Total	13641	17,627	26,485	11,490	2203.95%	-133.22%	
Percentage of finance							
External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Grants and subsidies	98.8%	97.6%	63.4%	100.0%	-0.1%	24.9%	
Other	1.2%	2.4%	36.6%	0.0%	100.1%	75.1%	
Capital expenditure							
Water and sanitation					0.00%	0.00%	
Electricity	4005	6,000	2,000	2,000	-66.67%	-66.67%	
Housing	0	0	0	0	0.00%	0.00%	
Roads and storm water	0	0	0	0	0.00%	0.00%	
Other	0	0	0	9,490	0.00%	0.00%	
Total	4005	6,000	2,000	11,490	-66.67%	-66.67%	
Percentage of expenditure							
Water and sanitation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Electricity	100.0%	100.0%	100.0%	17.4%	100.0%	100.0%	
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Roads and storm water	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other	0.0%	0.0%	0.0%	82.6%	0.0%	0.0%	

T 5.6.1

COMMENT ON SOURCES OF FUNDING:

Capital projects were funded through conditional grant, all expenditure is according to the grant conditions. The allocations was fully spent with the exception of projects funded form Integrated National Electrification Grants and only small percentage relating to retention monies not yet due that was not paid by the end of the financial year. Graph 5.5.1 depicts that the municipality spends most of its budget on operational expenditure compared to capital expenditure with the employee related cost as cost driver.

T 5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 7 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Bridge from Siviwe	1 504 855	1 504 855	640 085	57%	0%
B - Cefane Internal Street	2 013 529	2 013 529	1 682 237	16%	0%
C - Lusizini Community Hall	2 173 913	2 090 790	1 300 511	40%	4%
D - Komga to Siviwe	2 057 391	2 057 391	1 805 384	12%	0%
E - Morgan's Bay internal Street	1 509 095	1 509 095	60 175	96%	0%
F - Professional Fees	0	217 391	402 907	0%	0%
G - Rollover Projects	0	4 028 672	1 771 334	0%	0%

COMMENT ON CAPITAL PROJECTS:

Refer to Chapter 3

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is completed – 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.

T 5.8.1

Service Backlogs as at 30 June Year 0				
	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.

T 5.8.2

Chapter 5

Capital Expenditure Year 2019/20: Road Services

T 5.8.3.

3 Year Plan

2019/2020 Financial Year: R 11,253,000.00

<u>PROJECT NAME</u>	<u>WARD</u>	<u>Location</u>	<u>KM</u>	<u>FUNDE R</u>	<u>BUDGET</u>	<u>STATUS</u>	<u>Achieved /Not Achieved</u>	<u>Reasons for variance</u>	<u>Correctiv e measures</u>
Constructio n of Komga to Siviwe Street	7	Komga	2,8k m	MIG	R 3 700 000,00	Registered	Not Achieved. Contractor commenced with works on site on the 27th May 2020. The roadbed & wearing course partially completed. Storm-water facilities partially completed. Project targets for Q4 not achieved	Late appointment of service provider. Progress has been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4.	Complete projects in Q1 of the 2020/21 FY.
Chintsa East Internal Streets	1	Komga	3km	MIG	R 2 520 000,00	Registered	Not Achieved. Contractor has completed all major works progress as at end of the FY is 92%. Outstanding snags on the project deems it as incomplete.	Project has encountered delays due to adverse weather conditions such as rainfall which delayed works on site. Progress has also been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4	Complete projects in Q1 of the 2020/21 FY.
Ward 4 Elityeni Internal Streets	4	Komga	3,5k m	MIG	R 2 745 000,00	Registered	Achieved	None	None
Icwili Sportsfield	5	Komga		MIG	R 3 277 500,00	Registered	Not Achieved. Earthworks have been completed, Netball court has been completed, Combo pitch had been 80% completed, Change rooms are 90% completed, Fencing is 90% completed and other minor	Project has encountered delays due to adverse weather conditions such as rainfall which delayed works on site. Progress has also been hindered by the COVID-19 National	Complete projects in Q1 of the 2020/21 FY.

Chapter 5

							works have not been completed which on an overall scale the project has not been completed as at the end of the FY.	Lockdown. There has been little to no construction works in Q4.	
Ward 6 Youth Centre	6	Komga		MIG	R 2 700 000,00	Registered	Not Achieved. Substructure which entails construction for the foundations has been partially completed at 65%. The superstructure has not been completed & is at 45%. Fencing is 20%. Therefore overall the project is not completed as at the end of the FY.	Project has encountered delays due to adverse weather conditions such as rainfall which delayed works on site. Progress has also been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4	Complete projects in Q1 of the 2020/21 FY.

COMMENT ON BACKLOGS:

Delete Directive note once comment is completed - Comment on how MIG grants have been utilized 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.

T 5.8.4

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The Municipality is aware of its cash flow challenges and in that has put in place some control measures in the form setting realistic monthly cash flow projections to ensure that there is a proper monitoring between inflow and outflow of cash in the municipal main bank account. A payment plan is in place to

Chapter 5

manage the payment of creditors and the deployment of robust debt collection processes. The Municipality has required services of a debt collector which has contributed in the improvement of collection rate. A financial recovery plan has also been developed and implemented within the municipality as means of improving municipal cash flow.

The Municipality is grant dependent with the Equitable Share making up its biggest revenue source on the budget. With the decrease in grants on the outer years this then impels the municipality to identify new revenue sources and increase revenue collection strategies so as to meet its operational demands. Cost cutting measures were also applied within the municipality to assist in reducing spending on nice to haves and focus on service delivery based projects.

T 5.9

Chapter 5

Cash Flow Outcomes				
				R'000
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	43,040	50,521	50,521	16,623
Government - operating	44,478	45,547	45,547	57,387
Government - capital	14,699	17,116	17,116	11,853
Interest	111	2,329	2,329	12,932
Dividends	-	-	-	-
Payments				
Suppliers and employees	(76,492)	(96,840)	(96,840)	(71,459)
Finance charges	(3,076)	(247)	(247)	(2,038)
Transfers and Grants	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	22,760	18,426	18,426	25,299
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	(21,277)	(17,627)	(28,245)	(11,198)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(21,277)	(17,627)	(28,245)	(11,198)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	(672)	(418)	(418)	(847)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(672)	(418)	(418)	(847)
NET INCREASE/ (DECREASE) IN CASH HELD	812	381	(10,236)	13,254
Cash/cash equivalents at the year begin:	(262)	550	550	550
Cash/cash equivalents at the year end:	550	931	(9,686)	13,804
Source: MBRR A7				T 5.9.1

5.9 CASH FLOW

COMMENT ON CASH FLOW OUTCOMES:

The cash flow outcome reflects that all grants and subsidies budgeted for in the current year were received in full with the exception of INEP which was reduced by R4 million, further to that Cogta has paid R1,4 million against Bulk Electricity debt. A 33% has been received from rates and other services offered within the municipality further to that this percentage has reduced by 60% compared to 2017/18 financial year, this is also as a result of errors in the financial system. The municipality had an overdraft

Chapter 5

facility of R8 million which it has been able to repay within the financial year, however payment of salaries and creditors on time remain a huge challenge due to financial challenges and low rate of collection. The municipality has developed and implemented a financial recovery plan to assist improve its financial crisis. **Table A7 of the MBRR.**

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

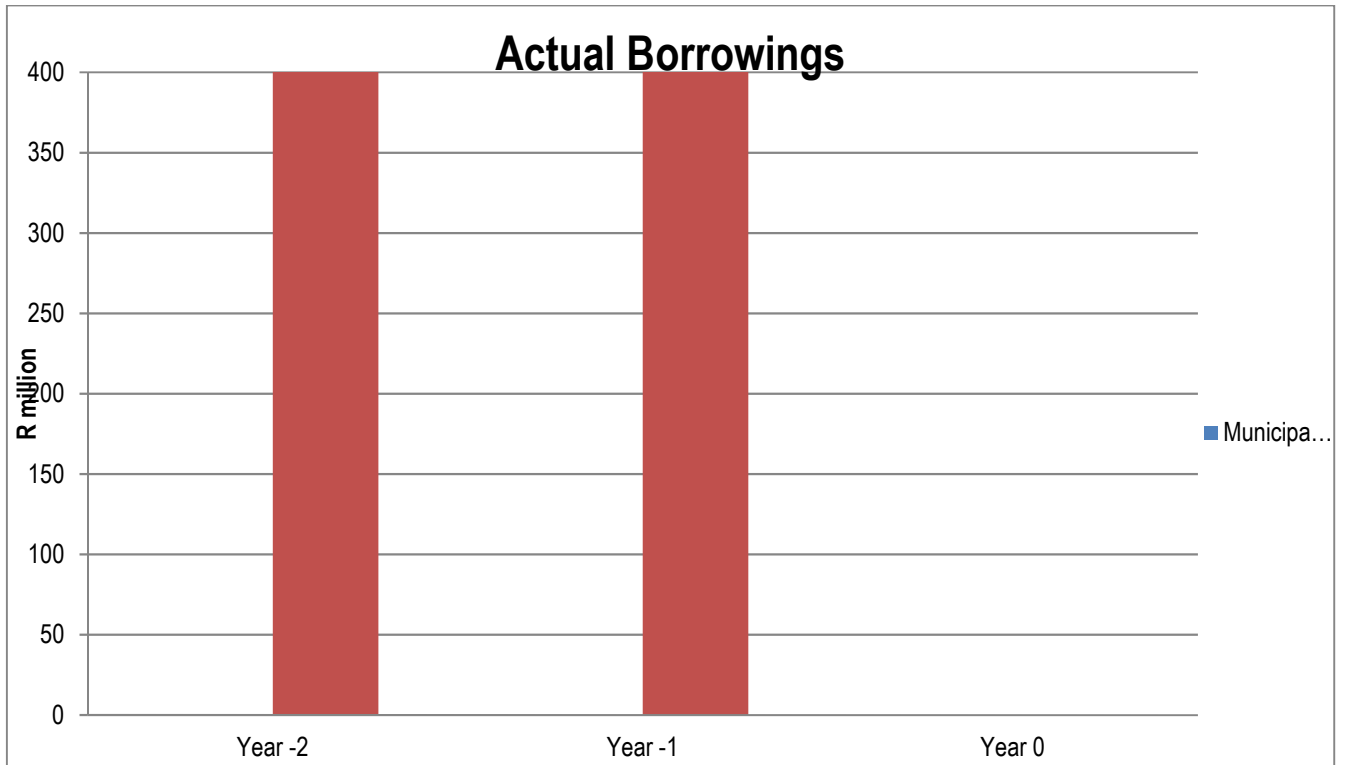
INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality had secured one long-term loan with DBSA which is paid quarterly. The loan term expired in current year and this loan was paid in full in March 2019. There were no additional loans in the year under review. The municipality has investments in the form of call deposits which consist of government grants and subsidies not yet used and we also keep our surpluses. All these accounts are with Standard Bank the municipality's primary banker. The funds are readily available for use.

T 5.10.1

Actual Borrowings: Year -2 to Year 0			
	R' 000		
Instrument	Year -2	Year -1	Year 0
Municipality			
Long-Term Loans (annuity/reducing balance)	1971	804	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	1 971	804	0

Chapter 5



T 5.10.3

Municipal and Entity Investments			
R' 000			
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	20104	-5	5511
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	20104	-5	5511

Chapter 5

Municipal and Entity Investments			
			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	331	1071	20104
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	331	1071	20104

Chapter 5

COMMENT ON BORROWING AND INVESTMENTS:

The municipality has no reserves in place but only investments in the form of call deposit which yield interest on monthly basis.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

There were no PPP agreements undertaken during the 2017/18 financial year.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management unit is in full operation, and consists of qualified individuals. Administratively it reports to the Chief Financial Officer. All functions contained under the legislative mandate of the Supply Chain Management are fully implemented considering, the number of employees in that section; the SCM Unit consists of Supply Chain Manager, Accountant - Assets, Accountant SCM, Assistant Accountant – SCM and Stores Clerk. The SCM Manager, Accountant SCM and Assistant Accountant SCM are compliant with MFMA minimum competency levels for SCM officials, There were no material findings reported for SCM in the 2017/18 financial year.

T 5.12.1

Chapter 5

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.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The municipality has prepared Financial Statements in compliance with MFMA sec 122 and submitted to Auditor General on the 01 September 2019. The financial standing of the municipality has reversed in the 2018/19 year. This was evident by regression on the opinion for this current year to a Disclaimer. The Municipality has implemented a financial system which is MSCOA compliant for the first time in this current year. The Municipality has developed an Audit Action plan in order to address this and a draft plan of action has been developed for a backlog on the processing of 2020/21 transactions. For 2020/2021 GKM has receive Qualified Audit Opinion.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -1

6.1 AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year -1	
Status of audit report:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA.	Municipality will compile and implement financial recovery plan to improve its cash flow and payment of creditors within 30 days.
reasonable steps were not taken to ensure that fruitless and Wasteful, irregular and unauthorised expenditure is not incurred as required by section62(1)(d)of the MFMA	municipality will strengthen its controls and processes, take all reasonable steps to comply with section 62(1)(d) of the MFMA
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of sec122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure, disclosures items were identified by the auditors in the submitted financial statements.	The municipality will compile a plan with timeframes to guide the preparation of the AFS and will submit the AFS for external reviews.

Auditor-General Report on Service Delivery Performance: Year - 1	
Status of audit report**:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Allegations were not always investigated as required by section 53 of the disciplinary regulations for senior managers and 171(4) of the MFMA	The municipality will adhere to the disciplinary regulations for senior managers.
Allegations of financial misconduct laid against officials were not investigated in accordance with the requirements of sections 54 of the municipal regulations on financial misconduct procedures and criminal proceedings	The municipality has established the disciplinary committee as required by section 54 and will proceed according to the requirements of the act.

Chapter 6

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

Auditor-General Report on Financial Performance Year 0*

Status of audit report:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days as required by section 65(2) of the MFMA.	Municipality will compile and implement financial recovery plan to improve its cash flow and payment of creditors within 30 days.
reasonable steps were not taken to ensure that fruitless and Wasteful of R1,7 million, and is in contravention with section 62 (1)(d) of MFMA.	municipality will strengthen its controls and processes, take all reasonable steps to comply with section 62(1)(d) of the MFMA
Accounts for municipal tax and charges for municipal services were not prepared on a monthly basis as required by S64(2) © of MFMA and interest was not charged for all accounts in arrrers	Municipality has plans in place to ensure billing is done every month, and to ensure if billing is on time interest is charged
The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of sec122 of the MFMA. Material misstatements of current assets, liabilities, revenue, expenditure, disclosures items were identified by the auditors in the submitted financial statements.	The municipality will compile a plan with timeframes to guide the preparation of the AFS and will submit the AFS for external reviews.

Auditor-General Report on Internal Controls: Year 0*

Status of audit report**:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Leadership did not exercise oversight on performance and compliance reporting	Tightening of oversight committees by sitting as per council calendar dates set and training to be provided
Daily and monthly reconciliations were not performed due to ineffective in the implementation of the accounting financial system	Action Plan to speed up processing of transaction for current year has been developed to ensure monthly reconciliations are done
Audit committee did not review the annual financial statements and annual performance report as they were not submitted to audit committee for review	Audit committee will ensure sittings as per council calendar to ensure all reports are reviewed.
Internal audit unit lacked capacity as internal audit unit was under capacitated for year under review	An incumbent has been employed at internal audit unit as well as assistance from ADM's internal audit unit is provided

Chapter 6

AUDIT ACTION PLAN

Impact	A.G. recommendation	Management Action	POE	Due date	Responsible person	Department	Sub-department
Non-submission of requested information is a limitation of scope on the audit. The planned timelines may not be met due to the non-submission of requested information. The non-submission of information will result in a limitation of scope in testing the requirements of the MFMA and could result to a material non-compliance which will be reported in the audit report.	<p>Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit.</p> <p>Proper record keeping should be implemented throughout the year to ensure that information supporting financial, performance reporting and compliance is easily retrieved and submitted to the auditors before or on the due date of the request for information.</p> <p>Where information is not available, management should indicate as such as part of the RFI response and provide a management representation for the said non-submission.</p>	<ol style="list-style-type: none"> 1. Advert inviting the public for representation to be submitted to the A.G 2. Advert proving the report was submitted to council 3. Evidence that oversight report was made public 	<ol style="list-style-type: none"> 1. Advert inviting the public for comments 2. Proof of publicizing Oversight report 	31/01/2020	Juju	Strategic	MM' office
This results in non-compliance with section 65 of the MFMA.	The budget and expenditure section should put into place practices that ensure there is enough funds to pay suppliers within 30 days from invoice. Where applicable, Treasury should be approached to assist with financial needs of the municipality.	Report on Financial recovery Plan	<ol style="list-style-type: none"> 1. Financial recovery plan 2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.) 	On- going (30 June 2020)	Lwana	BTO	Budget and reporting
This results in non-compliance with section 65 of the MFMA.	Management should ensure that laws and regulations applicable to the municipality are complied with. Where applicable, Treasury should be approached to assist with financial needs of the municipality.	Prepare a budget that's in line with the expected collection rate with cost containment as major consideration Develop and implement cash flow management strategies with creditor payment plans as part of the strategies Implement revenue enhancement plans Regularly review cash flow requirements and adjust cash low projections and procurement plans where necessary	<ol style="list-style-type: none"> 1. Financial recovery plan 2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.) 	On- going (30 June 2020)	Lwana	BTO	Budget and reporting

Chapter 6

<p>The impact of the finding is as follow: Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95. Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45. Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p>	<p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p>	<ol style="list-style-type: none"> 1. Constitute MPAC to relook at items of irregular expenditure that were not appropriately written off as per S32 of MFMA 2. Request training from Provincial Treasury on S32 and minute writing 	<ol style="list-style-type: none"> 1. Item to Council to constitute a committee to investigate the items 2. Training attendance register 	<ol style="list-style-type: none"> 1. 27/02/2020 2. 14/02/2020 	<p>Lwana</p>	<p>MM's office</p>	<p>CFO</p>
--	---	---	--	--	--------------	--------------------	------------

Chapter 6

<p>The impact of the finding is as follow: Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95. Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45. Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p>	<p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p>	<p>1. Constitute MPAC to relook at items of irregular expenditure that were not appropriately written off as per S32 of MFMA 2. Request training from Provincial Treasury on S32 and minute writing</p>	<p>1. Item to Council to constitute a committee to investigate the items 2. Training attendance register</p>	<p>1. 27/02/2020 2. 14/02/2020</p>	<p>Lwana</p>	<p>MM's office</p>	<p>CFO</p>
--	---	--	---	---	--------------	--------------------	------------

Chapter 6

<p>The impact of the finding is as follow: Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95. Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45. Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p>	<p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p>	<p>1. Constitute MPAC to relook at items of unauthorised expenditure that were not appropriately written off as per S32 of MFMA 2. Request training from Provincial Treasury on S32 and minute writing</p>	<p>1. Item to Council to constitute a committee to investigate the items 2. Training attendance register</p>	<p>1. 27/02/2020 2. 14/02/2020</p>	<p>Lwana</p>	<p>MM's office</p>	<p>CFO</p>
--	---	---	---	---	--------------	--------------------	------------

Chapter 6

<p>The impact of the finding is as follows: Fruitless: FWE disclosure note is understated by a factual misstatement amounting to R699 061.95. Irregular: IE disclosure note is understated by a factual misstatement amounting to R10 764 979.45. Unauthorized: UE disclosure note is understated by a factual misstatement amounting to R10 087 563.53.</p>	<p>Management should adequately review the minutes of the council to ensure that deliberations of the council are correctly captured as the minutes represent an official document that records the proceedings of the municipal council. Any errors/ omissions noted in the council minutes should be brought to the attention of the council prior confirmation and approval by the Speaker/ Mayor.</p> <p>MPAC should ensure that all prior years' irregular and unauthorized expenditure is thoroughly investigated in terms of the requirements of MFMA section 32. Comprehensive report/ minutes should be prepared by the council committee, clearly indicating steps taken, in terms of investigation, for each individual case pertaining to irregular and unauthorized expenditure investigated. The committee should ensure that the total recommended for write off agrees to the cases investigated.</p>	<ol style="list-style-type: none"> 1. Constitute MPAC to relook at items of unauthorised expenditure that were not appropriately written off as per S32 of MFMA 2. Request training from Provincial Treasury on S32 and minute writing 	<ol style="list-style-type: none"> 1. Item to Council to constitute a committee to investigate the items 2. Training attendance register 	<ol style="list-style-type: none"> 1. 27/02/2020 2. 14/02/2020 	Lwana	MM's office	CFO
<p>This will lead to non-compliance with section 64(2)(c) and (g) of MFMA and interest income may be understated in the financial statements. The non-compliance is material; as a result, it will be reported in the auditor's report.</p>	<p>Management agrees with finding. Management had a problem with the Financial Management System and there was a delay with the Billing. The municipality was at fault with billing the accounts late, we could not charge interest as penalty of late payment to customers because the Municipality is at fault.</p>	<ol style="list-style-type: none"> 1. Correction of the debtor module on the system to ensure it works as intended 2. Timeously billing consumers 3. Monthly debtor's reconciliations and reviews 4. Passing billing correction journals timeously 	<p>none - interest on debtors will not be charged</p>	<p>On-going (30/06/2020)</p>	Fikeni	BTO	Revenue

Chapter 6

<p>The non-submission of underlying schedules will result in an inability to audit the following sections of the financial statements and subsequently a scope limitation on the audit of the financial statements of the municipality:</p> <ul style="list-style-type: none"> · Receivables from exchange transactions · Receivables from non-exchange transactions · Provision for impairment · Payables from exchange transactions · Annual Performance Report <p>If this information is not provided it</p>	<p>Management should ensure that a thorough review of the working paper file accompanying the AFS is performed. The review will ensure that omission of any underlying schedules supporting information presented in the financial statements and the annual performance report is detected and corrected in a timely manner prior submission of AFS to the Auditor General.</p>	<p>1. Prepare supporting schedules for all balances, disclosures and class of transactions</p>	<p>1. Supporting schedules for all balances, disclosures and class of transactions</p>	<p>On- going</p>	<p>All sections</p>	<p>MM's office</p>	<p>MM's office</p>
--	--	--	--	------------------	---------------------	--------------------	--------------------

Chapter 6

<p>The annual financial statements are not fairly presented in accordance with requirements of GRAP</p> <p>1. The misstatements identified are material and if not corrected they might result in a modification of the audit opinion.</p>	<p>A detailed review should be performed on the AFS by management, internal audit and the audit committee before the AFS are submitted to the Auditor General for audit. The review will enable the assurance providers to identify any errors and/or omissions on the financial statements which should be corrected timeously. AFS should be adjusted to ensure fair presentation and compliance with GRAP standards.</p>	<p>1. Investigate all error and restate prior year figures</p>	<p>1. Prior year restatement file (Restatement journals, supporting schedules and calculations)</p>	<p>30/05/2020</p>	<p>Nomaphelo</p>	<p>BTO</p>	<p>Budget and reporting</p>
--	---	--	---	-------------------	------------------	------------	-----------------------------

Chapter 6

<p>The financial statement items as detailed in the above tables do not materially agree with the general ledger and trial balance, as a result we are unable to audit these financial statement items as we cannot confirm that the accounting records presented are those that were used to prepare the financial statements. Management should amend or reconcile the financial statement items to agree with the general ledger and trial balance within 5 working days as agreed in terms of the engagement letter. If the amendment or reconciliation is not done, this will result in a limitation on the audit and the differences between the underlying accounting records (general ledger and trial balance) and the financial statement items will be regarded as a misstatement. This could result in a modification of the audit opinion.</p>	<p>As part of the review process, management, internal audit and audit committee should ensure that the underlying accounting records (general ledger and trial balance) agree to the annual financial statements. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit.</p>	<ol style="list-style-type: none"> 1. Correction of the incorrect migration done by Sebata 2. Review and and confirmation of taken balances from Venus 2. Performance of monthly general and subledger reconciliations and correction of balances 4. Comparison of GL/TB to restated AFS 5. Preparation of a restatement file with all supporting documentation for changes made to prior year figures 	<ol style="list-style-type: none"> 1. Prior year restatement file (Restatement journals, supporting schedules and calculations) 	30/05/2020	Lwana	BTO	BTO
<p>Indicators and targets are not well defined, as a result performance information presented in the APR is not useful. This results in limitation of scope in respect of auditing reliability of performance information. This will be reported in the management report and audit report.</p>	<p>Management should ensure that indicators are clear and unambiguous and data is collected consistently. Management should ensure that targets are specific and measurable. It is recommended that management should develop and make use of technical indicator descriptions which will assist in clearing any ambiguity in indicators.</p>	<p>Review of the APR to ensure the following:</p> <ol style="list-style-type: none"> 1. Ensure that indicators are clear and unambiguous and data is collected consistently. 2. Ensure that targets are specific and measurable. 3. develop and make use of technical indicator descriptions which will assist in clearing any ambiguity in indicators. 	<ol style="list-style-type: none"> 1. Quarterly reports and APR 2. Technical Indicator description document 	30/06/2020	Juju	Strategic	Strategic

Chapter 6

<p>This result in a limitation of scope in testing the accuracy and validity of information reported in the APR. This will be reported in the management and audit report.</p>	<p>Management should ensure that reported information is supported by complete and valid documentation. As part of the review procedures, information presented in the APR should be agreed to supporting documents to ensure accuracy.</p>	<ol style="list-style-type: none"> 1. Prepare POE's for all reported information on a monthly basis 2. Review the POE's for completeness, accuracy and validity on a monthly basis 3. Submit performance information to Internal Audit for review on a monthly basis 	<p>POE file with correct and complete and valid information</p>	<p>On- going (30/06/2020)</p>	<p>Juju</p>	<p>Strategic</p>	<p>Strategic</p>
--	---	---	---	-------------------------------	-------------	------------------	------------------

Chapter 6

<p>Non-submission of requested information is a limitation of scope on the audit. The planned timelines may not be met due to the non-submission of requested information.</p> <p>Item 1 and 2: Property Rates Revenue</p> <p>The non-submission of information will result in an inability to audit the property rates revenue amount presented in the annual financial statements and subsequently a scope limitation. If this information is not provided it will be regarded as a limitation on the audit which could result in a modification of the audit opinion.</p>	<p>Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit.</p> <p>Proper record keeping should be implemented throughout the year to ensure that information supporting financial, performance reporting and compliance is easily retrieved and submitted to the auditors before or on the due date of the request for information.</p> <p>Where information is not available, management should indicate as such as part of the RFI response and provide a management representation for the said non-submission.</p>	<p>1. Prepare/ extract billing reports and schedules on a monthly basis, that support transaction on the GL</p> <p>2. Prepare subledger vs General Ledger monthly reconciliations</p>	<p>1. Billing reports</p> <p>2. GI vs subledger reconciliations</p>	<p>On- going (30/06/2020)</p>	<p>Fikeni</p>	<p>BTO</p>	<p>Revenue</p>
--	--	---	---	-------------------------------	---------------	------------	----------------

Chapter 6

<p>Impact of the above is as follow: 1 Commitments disclosure note is understated by a factual misstatement amounting to R3 274 296.63. 2 Commitments disclosure note is understated by a projected misstatement amounting to R2 160 033.14</p>	<p>Management should ensure that all pertinent documents i.e. contracts, variation orders and payment certificates are made available to the relevant official compiling commitments register. Negative commitments should be corrected as they distort the true value of the commitments</p>	<p>1. Review of the Commitments register, specifically to confirm if the formula for calculating commitments is correct, on a monthly basis 2. As part of the review, verify the inputs against supporting documentation 3. Adjust the commitments register and the disclosure note</p>	<p>1. Corrected commitments register 2. Restated disclosure Note</p>	<p>On- going (30/06/2020)</p>	<p>Simayile</p>	<p>BTO</p>	<p>SCm and assets</p>
<p>Contingent liabilities are understated by a factual misstatement amounting to R100 000.</p>	<p>As part of the review process, management, internal audit and audit committee should ensure that the underlying schedules agree to the annual financial statements. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit.</p>	<p>1. Send out Legal confirmations to all legal representatives of the municipality 2. As part of AFS review, agree all cases disclosed against legal confirmations for completeness and accuracy</p>	<p>1. Legal confirmations 2. Restated disclosure note</p>	<p>30/05/2020</p>	<p>Dumalisile</p>	<p>Corporate Services</p>	<p>Corporate Services</p>
<p>Contingent liabilities are understated by a factual misstatement amounting to R200 000</p>	<p>As part of the review process, management, internal audit and audit committee should ensure that the underlying schedules agree to the annual financial statements. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit.</p>	<p>1. Send out Legal confirmations to all legal representatives of the municipality 2. As part of AFS review, agree all cases disclosed against legal confirmations for completeness and accuracy</p>	<p>1. Legal confirmations 2. Restated disclosure note</p>	<p>30/05/2020</p>	<p>Dumalisile</p>	<p>Corporate Services</p>	<p>Corporate Services</p>
<p>This will lead to a limitation of scope in the audit of contingent liabilities as we are unable to confirm the existence and valuation of the contingent liability disclosed. Factual limitation misstatement is R39 764.</p>	<p>Management should ensure that suppliers are paid on time or that a payment arrangement is made with the suppliers to ensure that the municipality maintains a good working relationship with its service providers.</p>	<p>Prepare a budget that's in line with the expected collection rate with cost containment as major consideration Develop and implement cash flow management strategies with creditor payment plans as part of the strategies Implement revenue enhancement plans Regularly review cash flow requirements and adjust cash low projections and</p>	<p>1. Financial recovery plan 2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.)</p>	<p>On- going (30/06/2020)</p>	<p>All sections</p>	<p>MM's office</p>	<p>MM's office</p>

Chapter 6

		procurement plans where necessary					
Security of the municipal information might be compromised	Management should prioritize the development of the processes which will ensure that confidentiality of the information is maintained and integrity of information is protected	1. Implementation of the Patch Management policy that has been approved by council for the 2019/20 financial year.	Audit trail	On- going (30/06/2020)	Ludidi	bto	I.T

Chapter 6

<p>Non-submission of requested information is a limitation of scope on the audit. The inefficiencies caused by non-submission of requested information may result in additional audit fees; in addition, the planned time lines may not be achieved due to the non-submission of requested information.</p>	<p>Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. Proper record keeping should be implemented throughout the year to ensure that information supporting financial and performance reporting is easily retrieved and submitted to the auditors before or on the due date of the request for information. Where information is not available, management should indicate as such as part of the RFI response and provide a management representation for the said non-submission.</p>	<p>Implementation of a proper records management system</p>	<p>Minutes and attendance registers of committees</p>	<p>On- going (30/06/2020)</p>	<p>All sections</p>	<p>MM's office</p>	<p>MM's office</p>
---	--	---	---	-------------------------------	---------------------	--------------------	--------------------



Chapter 6

This could lead to policies in word documents being altered without any appropriate approval. The administrative internal control deficiency should be addressed by management.	Management should ensure that all policies, framework, code of conduct, strategies and plans are signed by a designated official as evidence of approval of the final version of the policy.	After policies are approved by council, the delegated official to sign all policies	Approved policies signed by a delegated official	30/06/2020	Douglas	Corporate Services	Records and administration
This will result in non-compliance with the Municipal Regulations on financial misconduct procedures and criminal proceedings.	Management should ensure that laws and regulations applicable to the municipality are complied with.	1. Development of the Disciplinary Board's terms of reference 2. Appointment of a Disciplinary Board	1. Terms of reference 2. Appointment letters	30/06/2020	Dumalisile	Corporate Services	Corporate Services
There is a risk of completeness of unauthorized expenditure disclosure note.	Management should review the budget versus actual expenditure on a continuous basis e.g. monthly to ensure that expenditure is properly managed and thus any difficulties with the system would also be identified on time to ensure that mitigating measures are put in place, for example, formulating an excel spreadsheet as a tool for monitoring spending.	1. Process all transactions for the FY 2018/19 2. Prepare a budget vs actual report for the year 3. Restate the disclosure note	1. G.L with all transactions for FY 2018/19 2. Budget vs Actual report (unauthorized expenditure workings) 3. Restated disclosure note	30/06/2020	Nomaphelo	BTO	Budget and reporting
This results in internal control deficiency. Risks affecting the municipality might not be identified and mitigated timeously and this might lead to annual financial statements being misstated.	Management should ensure that laws and regulations applicable to the municipality are complied with. A fraud prevention plan should be developed and tabled to council for adoption.	1. Develop a fraud prevention plan 2. Plan submitted to council for approval 3. Workshops conducted for employees to raise awareness about the plan frequently (quarterly)	1. Fraud prevention plan 2. Council minutes where the plan was submitted 3. Attendance registers for workshops conducted	30/06/2020	MM	MM's office	MM' office
Leave balances at year end may not be accurate and this might result in leave accrual being misstated	It is recommended that a thorough reconciliation of the leave book to the attendance register be performed on a continuous basis. Any differences should be investigated and corrected in a timely manner. Independent checks of leave captured on system should be done and reconciled to manual leave forms to ensure that leave is captured correctly and to the correct leave type.	1. Perform a reconciliation between the leave book and the attendance register (monthly basis) 2. Identify and correct any differences noted (monthly) 3. Request Internal Audit to perform a leave audit at year end (100% test)	1. Reconciliation between leave book and attendance register 2. Internal Audit report on leave audit	30/06/2020	Dumalisile	Corporate Services	Corporate Services

Chapter 6

This results in limitation of scope.	Monthly payroll reconciliations between the payroll system and the accounting system should be performed and reviewed to ensure accuracy and completeness of amounts reported upon in the annual financial statements.	1. Perform monthly reconciliations between payroll system and the GL (monthly basis)	Payroll reconciliations	30/05/2020	Sontshaka	BTO	Expenditure
This is an administrative internal control deficiency which should be addressed by management.	It is recommended that controls that will improve accuracy of the data input captured onto the system be implemented.	1. Review Supplier information on the Sebata System for accuracy and completeness on a monthly basis (before payment is processed for the supplier)	Supplier Database	Ongoing	Simayile	BTO	SCm and assets
There is a risk that errors relating to creditors might not be detected and corrected timeously and this might result in payables balance being misstated.	Management should prepare reconciliation of trade payables on monthly basis.	1. Perform monthly reconciliations between Creditor's ageing and supplier statements 2. Perform monthly reconciliations between Creditor's ageing and General Ledger	Creditors reconciliations	30/05/2020	Sontshaka	BTO	Expenditure
The above result to an internal control deficiency. 1. The non-performance of external assessment constitutes non-adherence to the requirements of IIA standards. 2. Deficient internal controls and risks affecting the municipality may not be identified and dealt with in a timely manner. This may result in misstatements in the municipality's financial and performance reports.	1 Internal audit should implement proper record keeping in a timely manner to ensure that relevant information is readily accessible. 2 Management should ensure that adequate support is made available to allow internal audit to perform all its planned audits.	1. Going forward the section will ensure that Quality Assurance Reviews are conducted however this review will be conducted in three year time as the files and documents for the last three year cannot be retrieved. 2. The 2019 internal audit plan cannot be implemented retrospectively, therefore, the 2020 internal audit plan will be implemented throughout the year. 3 Proper records keeping system will be implemented throughout the year	1. Report on quality assurance of the internal audit 2. Internal audit reports issued in the current financial year 3. Internal audit files, working papers, correspondence tc	on-going (30/06/2022)	Sonjica	MM's office	Internal audit
Cash and cash equivalents and revenue may be misstated as errors might not be identified and corrected on time.	Management should ensure that adequate controls over cash receipts are implemented throughout the financial period	1. Perform bank reconciliations for each bank account (on a monthly basis) 2. Investigate differences identified and correct where necessary	Monthly Bank reconciliations	30/05/2020	Sontshaka	BTO	Expenditure

Chapter 6

This is an administrative internal control deficiency.	Internal audit should ensure that final approved charters are submitted to the audit committee chairperson for signature.	1. Submission of all charters to audit committee chairperson for signature	Internal audit charters signed by the chairperson of the Audit Committee	30/05/2020	Sonjica	MM's office	Internal audit
This may result in misappropriation of municipal cash resources thereby resulting in understatement of revenue.	Management should ensure that adequate controls over cash receipts are implemented throughout the financial period.	Assign the receipt, recording and banking of monies to three different officials	1. System privileges 2. Bank deposit slips	on-going (30/06/2020)	Fikeni	BTO	Revenue
This may result in revenue from property rates being understated due to new properties and any property improvements not being taken into account in the billing.	Management should formulate strategic solutions to resolve the financial constraints encountered by the municipality. The municipality should ensure that a supplementary valuation roll is performed at least annually as required by section 77 of the Municipal Property Rates Act so as to ensure the accuracy of the annual financial statements.	1. Development of a financial recovery plan 2 Monitoring of the implementation of the recovery plan 3. Implementation of a supplementary valuation roll	1. Financial recovery plan 2. Report on implementation of financial recovery plan (management meeting minutes where update was provided etc.) 3. Supplementary valuation rolls on the Sebata billing module	on-going (30/06/2020)	Fikeni	BTO	Revenue
Unspent conditional grants liability may be misstated.	Management should ensure that there is adequate review of the reconciliations and AFS by a senior official.	1. Perform reconciliation of AFS to supporting schedules	1. Afs leads agreed to TB/GL and supporting documentation	on-going (30/06/2020)	Nomaphelo	BTO	Budget and reporting
Non-submission of requested information is a limitation of scope on the audit. The planned timelines may not be met due to the non-submission of requested information. The non-submission of information will result in a control deficiency.	Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit.	1. Submit the fraud risk assessment representation letter	1. Fraud risk representation letter	30/05/2020	Sonjica	MM's office	Internal audit
Amounts may not be correctly allocated resulting in cash and cash equivalents being misstated.	Management should ensure that unresolved differences noted in the bank reconciliation are investigated and resolved timeously.	1. Thorough review of Bank reconciliations to ensure all differences are followed up and resolved	1. Reviewed bank reconciliations with no unresolved differences	30/05/2020	Sontshaka	BTO	Expenditure

Chapter 6

<p>Annual financial statements are not complete.</p>	<p>Management should compile a schedule of calculations of distribution losses in excel format on a monthly basis. This calculation should be reviewed and signed as evidence thereof by a senior official. A manual file of these monthly schedules should be maintained to ensure that the risk of loss of data is mitigated.</p>	<ol style="list-style-type: none"> 1. Calculate distribution losses on a monthly basis 2. Revenue manager to review the 3. Update disclosure note on AFS 	<ol style="list-style-type: none"> 1. Distribution loss calculation reviewed by revenue manager 2. AFS disclosure note 	<p>30/05/2020</p>	<p>Fikeni</p>	<p>BTO</p>	<p>Revenue</p>
--	---	---	--	-------------------	---------------	------------	----------------

Chapter 6

<p>This will result in non-compliance with s166 of the MFMA.</p>	<p>It remains critical that leadership recognise the audit committee as a key partner in the accountability chain, and to capacitate the Audit Committee to ensure that the Committee can fulfil its mandate effectively.</p>	<p>1. The Audit Committee has been capacitated by appointing a new member, increasing the number of members to 3.</p>	<p>1. Number of audit committee members (appointment letters, meeting attendance registers) 2. Minutes of the Audit Committee 3. Minutes of the Council Meetings</p>	<p>30/05/2020</p>	<p>Sonjica</p>	<p>MM's office</p>	<p>Internal audit</p>
--	---	---	--	-------------------	----------------	--------------------	-----------------------

Chapter 6

This constitutes non-compliance with the Disciplinary Regulations for Senior Managers.	Management should ensure that applicable laws and regulations are complied with.	1. Submit proof of notification of the MEC	1. Correspondence with the MEC	30/05/2020	MM	MM's office	MM' office
Limitation of scope in testing the requirements of the legislation which can result to a material non-compliance. a) Non-compliance with MSA 29(1)(b)(ii) and 34(b). b) Non-compliance with section 25(4)(b) of the Municipal Systems Act 32 of 2000 (MSA) c) Non-compliance with MFMA	(a) & (c) Minutes and attendance registers of the representation forum should be prepared and kept in a safe place for all meetings or events held. b) Management should publicize a summary of the final adopted IDP on a public platform such as a newspaper. d) Management should prepare an actual vs budget at least on a monthly basis.	Provision of the following documents: a) Minutes and attendance register of the representation forum for 2018/19 IDP review. b) Evidence that summaries of the plan were publicized. c) Minutes and attendance register of the representation forum in the proposed budgeting process for 2018/19. d) Monthly reports for actual vs budget which indicate budget monitoring measures and processes implemented.	a) Minutes and attendance register of the representation forum for 2018/19 IDP review. b) Evidence that summaries of the plan were publicized. c) Minutes and attendance register of the representation forum in the proposed budgeting process for 2018/19. d) Monthly reports for actual vs budget which indicate budget monitoring measures and processes implemented.	30/05/2020	juju	Strategic	Strategic
Non-compliance with the Municipal budget and reporting regulations 18(1) and (2).	The approved annual budget should be published on the municipal website as well as the relevant local newspaper to ensure compliance with the requirements of the Municipal Budget and Reporting Regulations.	Provide proof that the budget was published on the municipal website	Audit trail	30/05/2020	Nomaphelo	BTO	Budget and reporting
This results in non-compliance with section 32(4) of the MFMA.	Management should inform, in writing, the MEC for local government and the Auditor General of any fruitless and wasteful expenditure incurred by the municipality. The reporting should be done whether or not the expenditure is written off.	1. A.G. and MEC for local government to be informed of Fruitless and wasteful expenditure incurred by the municipality	Correspondence to A.G and MEC	30/05/2020	Sontshaka	BTO	Expenditure

Chapter 6

Fruitless and wasteful expenditure is understated by a factual misstatement amounting to R52509.26	Management should ensure that all fruitless and wasteful expenditure is disclosed. Management should consider adjusting the annual financial statements.	AFS were adjusted for this error	Adjusted AFS F&W register	30/05/2020	Sontshaka	BTO	Expenditure
FWE disclosed in the annual financial statements is overstated by a factual misstatement amounting to R37 205.65.	Annual financial statements should be reviewed and reconciled to underlying schedules prior to submission. Management should consider adjusting the annual financial statements with the factual misstatement.	AFS were adjusted for this error	Adjusted AFS F&W register	30/05/2020	Sontshaka	BTO	Expenditure
Fruitless and wasteful expenditure disclosure note in the annual financial statements is understated by a projected misstatement amounting to R787 236.18.	Management should perform a thorough review of the register for completeness. The supporting documentation (statements, invoices etc.) should be submitted, together with the register, to the reviewer. Any omissions should be corrected in a timely manner before any disclosures are made in the AFS.	1. Perform a thorough review of Fruitless and Wasteful expenditure register on a monthly basis, agreeing movements to supporting documentation 2. Correct the F& W register and restate the disclosure Note	1. Adjusted F& W register 2. Adjusted AFS disclosure note	30/05/2020	Sontshaka	BTO	Expenditure
1. Irregular expenditure is understated by a factual misstatement amounting to R1733.45. 2. Irregular expenditure disclosure is not complete	As part of the review process, management, internal audit and audit committee should ensure that reported information agrees to the underlying supporting documents. Any errors and/ or omissions detected during the review process should be corrected in a timely manner before AFS are submitted to the Auditor General for audit.	1. Perform a thorough review of Irregular expenditure register on a monthly basis, agreeing movements to supporting documentation 2. Correct the Irregular expenditure register and restate the disclosure Note	1. Adjusted Irregular expenditure register 2. Adjusted AFS disclosure note	30/05/2020	Simayile	BTO	SCm and assets

Chapter 6

The non-submission of information will result in an inability to audit the indigent debtors and subsequently a scope limitation. If this information is not provided it will be regarded as a limitation on the audit and it will be reported in the management report.	Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. Proper record keeping should be implemented throughout the year to ensure that information supporting financial, performance reporting and compliance is easily retrieved and submitted to the auditors before or on the due date of the request for information.	Submit indigent register 2018/19	Indigent register 2018/19	30/06/2020	Fikeni	BTO	Revenue
Ward committees were not operational throughout the financial period, in addition ward committees were not established for all the wards in the municipality This is a focus area for 2018/19, thus finding will be reported in management report	It is recommended that council ensure that ward committee members are capacitated and fully functional and effective throughout the year.	1. Capacitation of ward committee members through trainings/workshops 2. Ward committee report's submission to be monitored by council support	1. Training attendance registers 2. Ward committee reports and correspondence	On- going (30/06/2020)	Mr Xotyeni	Corporate Services	Records and administration
This is a control deficiency which will be reported in the management report only.	Management should ensure that during the development of the audit action plan all findings raised in the prior year audit are included in the plan; and a detailed action to address the findings should be documented.	1. Development of an audit action plan with all findings	1. Audit action plan	31/01/2020	All sections	MM's office	MM's office
This is a control deficiency as the roads maintenance plan need further detail of the roads to be prioritized. The control deficiency will be reported in the management report only.	Management should ensure that the Roads Maintenance Plan includes details of roads prioritized in each ward and that the priority list reconciles with the RMP.	1. An expansion of the prioritization list by including details of the specific roads that are prioritized in addition to the ward information	1. A detailed prioritization list	30/05/2020	mapasa	Community and technical services	Technical services

Chapter 6

<p>The above result in internal control deficiency.</p>	<p>Management should ensure that contracts for services that relate to continued needs of the municipality include a clause for transfer of skills to employees to enable employees to perform the functions upon the termination of consultant's services. Management should ensure that contracts are thoroughly reviewed to ensure that, where applicable, the terms and conditions as stipulated in the GCC are considered and applied.</p>	<ol style="list-style-type: none"> 1. Request a skills transfer plan from Sebata 2. Implementation of the skills transfer plan and its monitoring 	<ol style="list-style-type: none"> 1. Sebata skills transfer plan 2. Attendance registers of trainings held and other evidence of skills transfer (in the case of hand holding, signed weekly reports of consultants detailing the skills transferred) 	<p>On- going (30/06/2020)</p>	<p>Simayile</p>	<p>BTO</p>	<p>SCm and assets</p>
---	---	---	--	-----------------------------------	-----------------	------------	-----------------------

Chapter 6

<p>This is an internal control deficiency which will be reported in the management report.</p>	<p>Municipal council should ensure that ward committee members are capacitated to enable the committee to be fully functional and effective in performing its assigned duties. The committee should ensure that a list of basic concerns identified through engagements with communities is compiled which should be taken into account when developing ward level improvement plans in order for the municipality to adequately address the basic concerns of the communities it serves.</p>	<p>1. Capacitation of ward committee members through trainings/workshops 2. Lists of basic concerns to be submitted by ward committees through their reports</p>	<p>1. attendance registers 2. ward committee member's reports</p>	<p>On- going (30/06/2020)</p>	<p>Douglas</p>	<p>Corporate Services</p>	<p>Corporate Services</p>
--	---	--	---	-------------------------------	----------------	---------------------------	---------------------------

Chapter 6

<p>The annual financial statements are not fairly presented in accordance with requirements of GRAP1.</p>	<p>A detailed review should be performed on the AFS by management, internal audit and the audit committee before the AFS are submitted to the Auditor General for audit. The review will enable the assurance providers to identify any errors and/or omissions on the financial statements which should be corrected timeously. AFS should be adjusted to ensure fair presentation.</p>	<p>AFS were adjusted for this error</p>	<p>Adjusted AFS</p>	<p>30/05/2020</p>	<p>Nomaphelo</p>	<p>BTO</p>	<p>Budget and reporting</p>
---	--	---	---------------------	-------------------	------------------	------------	-----------------------------

Chapter 6

Annual financial statements are not fairly presented as required by GRAP 1.	Management should ensure that the prior period errors are properly accounted for in the annual financial statements. AG will make a follow up of any corrections during the quarterly reviews to ensure that comparatives are correctly adjusted.	1. Include all uncorrected misstatements from the prior year as part prior year restatements	1. Restated AFS 2. Restatement files	30/05/2020	Nomaphelo	BTO	Budget and reporting
Indicators and targets per the APR are not consistent with indicators and targets per the approved annual planning document (SDBIP), as a result performance information is not useful. This will be reported in the management report and audit report.	Responsible heads of the various directorates should ensure that accurate and complete reports are submitted to the PMU section on time to allow adequate review of information submitted by the section. Any errors identified through the review process should be attended to and corrected before submission of the APR to the Auditor General for audit.	Ensure that the following on the APR are agreed to the final SDBIP: 1. Indicators and targets	Adjusted APR	30/05/2020	Juju	Strategic	Strategic
Reported achievement is not consistent with reported indicator per the APR, as a result performance information is not useful. This will be reported in the management report and audit report.	Responsible heads of the various directorates should ensure that accurate and complete reports are submitted to the PMU section on time to allow adequate review of information submitted by the section. Any errors identified through the review process should be attended to and corrected before submission of the APR to the Auditor General for audit.	Adjust APR to ensure that reported achievement is consistent with reported indicator	Adjusted APR	30/05/2020	Juju	Strategic	Strategic
Information reported in the APR is not accurate as the actual performance is understated by 2km. The misstatement is material and if APR is not adjusted it will be reported in the audit report.	Management should ensure that the kms reported in the APR agree with the kms reflected in the signed completion certificate. As part of the review procedures, information presented in the APR should be agreed to supporting documents to ensure accuracy.	Adjust APR to reflect the kms on the signed completion certificate	Adjusted APR	30/05/2020	Juju	Strategic	Strategic

Chapter 6

<p>This amounts to limitation of scope on the audit and will be reported in the management and audit report.</p>	<p>Management should ensure that documentation in support of the information disclosed in the APR is maintained and easily retrieved to support audit trail. Management should ensure that audit related requests and queries are responded to in a timely manner to prevent a limitation of scope on the audit. Proper record keeping should be implemented throughout the year to ensure that information supporting financial and performance reporting is easily retrieved and submitted to the auditors.</p>	<p>1. Submission of supporting documentation for the corrective measure</p>	<p>POE</p>	<p>30/05/2020</p>	<p>Juju</p>	<p>Strategic</p>	<p>Strategic</p>
<p>Non-compliance with requirements of SCM Regulations which result in irregular expenditure. The municipality did not incur any expenditure in respect of the above awards during 2018/19, therefore, there is no irregular expenditure to be disclosed in the current year. However, future expenditure on the contract will be deemed irregular and should be disclosed as such.</p>	<p>Management should ensure that applicable laws and regulations are complied with.</p>	<p>Submit the following evidence 1. There is no evidence that the municipality obtained the following documents prior making the awards to Sizanane Consulting: · Confirmation that the service provider's tax matters were declared to be in order by SARS. · Declaration of interest completed and signed by the service provider. · Demonstration of the benefits and discounts of participating in the contract. · That Sizanane Consulting consented to the procurement in writing.</p>	<p>1. evidence that the municipality obtained the following documents prior making the awards to Sizanane Consulting: · Confirmation that the service provider's tax matters were declared to be in order by SARS. · Declaration of interest completed and signed by the service provider. · Demonstration of the benefits and discounts of participating in the contract. · That Sizanane Consulting consented to the procurement in writing.</p>	<p>30/05/2020</p>	<p>Simayile</p>	<p>BTO</p>	<p>SCm and assets</p>

Chapter 6

<p>This is non-compliance with Supply Chain Management regulation 45 and annual financial statements are not complete as the required disclosure is not made.</p>	<p>Management should ensure that awards made to a supplier who is a spouse, child or parent of a person in the service of the state are disclosed in the notes to the annual financial statements. A register of suppliers who have are spouses, children or parents of a person in service of the state as noted during the bid evaluation and adjudication should be maintained. This register should be reviewed by the Finance Department during the AFS preparation period to ensure that the necessary disclosures are made.</p>	<p>AFS were adjusted for this error</p>	<p>Adjusted AFS</p>	<p>30/05/2020</p>	<p>Simayile</p>	<p>BTO</p>	<p>SCm and assets</p>
<p>Financial statements are not complete as the required disclosures are not made.</p>	<p>Management should ensure that annual financial statements are prepared on time to enable the reviewers of AFS to perform a thorough review that will identify errors and omissions. Any information omitted should be corrected timeously.</p>	<p>AFS were adjusted for this error</p>	<p>Adjusted AFS</p>	<p>30/05/2020</p>	<p>Simayile</p>	<p>BTO</p>	<p>SCm and assets</p>
<p>This is a control deficiency which needs to be addressed. There is a risk that any reporting in the annual performance report in respect of targets relating to indigents is not accurate as the number included in the indigent register is overstated.</p>	<p>Management should have processes in place to ensure that the indigent register is accurate, these include a thorough review of the register. Should any duplicates be identified they should be corrected in a timely manner to mitigate the risk of reporting inaccurate information.</p>	<p>Indigent Co-ordinator to check the government website for indigent applicants whether they are registered</p>	<p>Indigent register 2018/19</p>	<p>30/06/2020</p>	<p>Fikeni</p>	<p>BTO</p>	<p>Revenue</p>
		<p>1. Reconciliation between RMP and fixed asset register 2. Employment of in-house engineers responsible for infrastructure projects</p>	<p>1. Reconciliation between RMP and FAR 2. Appointment letter of PMU manager</p>	<p>30/05/2020</p>	<p>Simayile</p>	<p>BTO</p>	<p>SCm and assets</p>

T 6.2.3

Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

The municipality is satisfied with the audit results as they reflect the efforts that have been put towards the administration of the municipality. This is a huge achievement for the Great Kei municipality and community but is not the final destination. The municipality still aims at improving its administration and attain a clean audit providing service delivery that is of quality and adds value to the lives of the Great Kei Community. The municipality has noted Auditor General's comments on the financial health of its position and commits to work tirelessly to turn the situation to better.

T 6.2.4

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.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

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.
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 performance indicators	Key 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 “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.

GLOSSARY

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.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.

GLOSSARY

Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <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>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councilors, Committees and Council Attendance					
Council Members	Full Time / Part Time	Committee Allocated	Ward and / Party Representative	Percentage of Council Meeting Attendance	Percentage of apologies for non-attendance
N.W. TEKILE	FT	Rules & Oversight Committee	ANC	100%	0%
L.MTHLONTLO	PT	Corporate Services Committee	ANC	100%	0%
N.DYANI	PT	Good Governance & Public Participation	ANC	100%	0%
Z. NZUZO	PT	Local Economic Development	INDEPENDENT	100%	0%
L. PLIKA	PT	Service Delivery & Infrastructure Development	ANC	100%	0%
N. KHANTSHASHE-TILDINI	PT	Financial Viability & Sustainability	ANC	100%	0%

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and purposes of Committee	
Municipal Committee	Purpose of the Committee
Rules & Oversight Committee	Manage the drafting of the council rules and oversee the process of implementation thereof;
Corporate Services Committee	To look in matter of institutional welfare and provide advice on staff, council support issues
Good Governance & Public Participation	To holistically ensure matters affecting previously disadvantaged groups of people are attended to and encourages community participation in municipal businesses
Local Economic Development	Encourages local business support and tourism development with the Municipal jurisdiction
Service Delivery & Infrastructure Development	Oversee the delivery of services through infrastructural projects and initiation

APPENDICES

Financial Viability & Sustainability	Oversee the financial viability of the institution and ensuring that the Municipality is liquid financially
Municipal Public Accounts Committee	
Audit Committee	Provides Oversight on municipality's financial performance working with the institution's administration and making recommendations to council
Risk Management Committee	Assess and analyze institutional threats and provides mitigating measure thereof



APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Office: Municipal Manager	Mr Lawrence N. Mambila
	Mr. A. Xotyeni [Manager Office of the Mayor]
Directorate	Director / Manager (Title and Name)
Strategic Services	Mr. Mtalo Mzimasi: Director [On Precautionary Suspension]
	Mr. L. Juju : IDP / PMS Manager
	Mr. L. Mkonjiswa Manger LED (Acting)
Corporate Services Directorate	Mrs. Nokubulela Mpontshane: Acting Director
	Mr. B.T Douglas : Admin & Council Support Manager
	Ms. P Dumalisile: Human Resources Manager
Community Services	MS Olwethu Kwababana: Director
	Mr. R Mnkile: Solid Waste Manager
	Mr. V. Makhwayiba Manager Traffic Services
Technical Services	Mr. M. Mapasa : Manager Infrastructure
	Ms. K. Mkhabile : Manager PMU
	Mr. S. Sicwebu : Town Planner
Budget and Treasury Office	Ms Nomaphelo Sana: Acting CFO
	Ms. T. Sikolo Manager Budget & Treasury [Employment Contract expired]
	Ms. Y. Simayile Supply Chain & Asset Manager
	Ms. T. Sontshaka Expenditure & Payroll Manager
	Ms. N. Sana Manager Budget & Reporting
	Ms. F. Fikeni Revenue & Debt Manager
	Mr. S. Gajana IT Manager (Acting) [Resigned]
	Mr. P. Ludidi IT Manager [Acting]

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	No
Child care facilities	Yes	No
Electricity and gas reticulation	Yes	No
Firefighting services	No	No
Local tourism	Yes	No
Municipal airports	No	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	No
Storm water management systems in built-up areas	Yes	No

APPENDICES

Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Ye	No
Cleansing	No	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	No	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	No
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	No	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	No	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No

APPENDICES

Street lighting	Yes	No
Traffic and parking	Yes	No
* If municipality: indicate (yes or No); * If entity: Provide name of entity		<i>T D</i>

APPENDIX E – WARD REPORTING

Functionality of Great Municipal Ward Committees

Ward Number	Name of ward Councilor	Committee established Yes/No	Number of monthly ward committee meetings	Number of submission reports	Number of quarterly public meetings
1	Cllr. Beverly Wood	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
2	Cllr. Zolani Nzuzo	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
3	Cllr. Lwandisa Mhlontlo	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
4	Cllr. Mzamo Njekanye	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
5	Cllr. Ndileka Kantshashe-Tildini	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
6	Cllr. Weaver Sinqana	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
7	Cllr. Zola Tshali	Yes	1 monthly meetings	12 monthly reports	4 Quarterly meetings
					<i>TE</i>

APPENDICES

APPENDIX F – WARD INFORMATION

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					X
Households without minimum service delivery					
Total Households*					
Houses completed in year	X				
Shortfall in Housing units	X				
<i>*Including informal settlements</i>					<i>T F.2</i>

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Refer to *TE*

T F.3

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2020/21 FY	Recommendations adopted Yes/No
30 July 2020	<ul style="list-style-type: none"> It was resolved that the Internal Audit should include the audit of fuel on municipality vehicles in the Annual Audit Plan. 	Yes
	<ul style="list-style-type: none"> It was resolved that Cogta and Provincial Treasury must be part of the discussions when the municipality is making payment arrangements with its creditors. 	Yes
	<ul style="list-style-type: none"> It was resolved that Provincial Treasury, Audit Committee and Internal Audit should do a joint review of the AFS and not wait for the date of submission of AFS to the Audit Committee 	Yes
	<ul style="list-style-type: none"> It was resolved that the Committee should get the results of the engagement session between Treasury, the Municipality and Sebata to address the issue of the Asset Module and Payroll Module 	No
	<ul style="list-style-type: none"> It was resolved that the Internal Audit need to check controls in the traffic department 	Yes
	<ul style="list-style-type: none"> It was resolved that the municipality need to consider putting cameras in the offices where the money is kept. 	Yes
	<ul style="list-style-type: none"> It was resolved that the Performance Management Unit and Internal Audit Unit need to do a sample particularly in Technical Services KPA and review it and to ensure that the report is supported by POE. 	Yes
	<ul style="list-style-type: none"> It was resolved that the municipality need to look at the SDBIP for 2020/21 to ensure that indicators, targets and achievements are recorded correctly. 	No

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

For more detail refer to attached AFS

5. PERFORMANCE OF CAPITAL PROJECTS

3 Year Plan									
2020/2021 Financial Year: R 11,253,000.00									
<u>PROJECT NAME</u>	<u>WARD</u>	<u>Location</u>	<u>KM</u>	<u>FUNDER</u>	<u>BUDGET</u>	<u>STATUS</u>	<u>Achieved /Not Achieved</u>	<u>Reasons for variance</u>	<u>Corrective measures</u>
Construction of Komga to Siviwe Street	7	Komga	2,8km	MIG	R 3 700 000,00	Registered	Not Achieved. Contractor commenced with works on site on the 27th May 2020. The roadbed & wearing course partially completed. Storm-water facilities partially completed. Project targets for Q4 not achieved	Late appointment of service provider. Progress has been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4.	Complete projects in Q1 of the 2020/21 FY.
Chintsa East Internal Streets	1	Komga	3km	MIG	R 2 520 000,00	Registered	Not Achieved. Contractor has completed all major works progress as at end of the FY is 92%. Outstanding snags on the project deems it as incomplete.	Project has encountered delays due to adverse weather conditions such as rainfall which delayed works on site. Progress has also been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4	Complete projects in Q1 of the 2020/21 FY.

APPENDICES

Ward 4 Elityeni Internal Streets	4	Komga	3,5km	MIG	R 2 745 000,00	Registered	Achieved	None	None
Icwili Sportsfield	5	Komga		MIG	R 3 277 500,00	Registered	Not Achieved. Earthworks have been completed, Netball court has been completed, Combo pitch had been 80% completed, Change rooms are 90% completed, Fencing is 90% completed and other minor works have not been completed which on an overall scale the project has not been completed as at the end of the FY.	Project has encountered delays due to adverse weather conditions such as rainfall which delayed works on site. Progress has also been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4.	Complete projects in Q1 of the 2020/21 FY.
Ward 6 Youth Centre	6	Komga		MIG	R 2 700 000,00	Registered	Not Achieved. Substructure which entails construction for the foundations has been partially completed at 65%. The superstructure has not been completed & is at 45%. Fencing is 20%. Therefore overall the project is not completed as at the end of the FY.	Project has encountered delays due to adverse weather conditions such as rainfall which delayed works on site. Progress has also been hindered by the COVID-19 National Lockdown. There has been little to no construction works in Q4	Complete projects in Q1 of the 2020/21 FY.

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Refer to AFS

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Refer to AFS

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0		Year 0 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Council	104		65	331	#DIV/0!	509%
Financial Management	73 046	91 694	82 926	71 309	78%	86%
Human Resources	72	100	100	12	12%	12%
Admin & Community Services	0	0	0	0	0%	0%
Refuse	9 260	5 656	9 952	9 886	175%	99%
Caravan Park	0	0	0	0	0%	0%
Cemeteries	0	0	0	0	0%	0%
Libraries	0	0	0	0	0%	0%
Amenities	616	808	808	724	90%	90%
Traffic	1 517	1 691	1 591	1 140	67%	72%
Roads	13 023	12 634	12 634	12 632	100%	100%
Town Planning	159	600	100	203	34%	203%
Electricity	10 672	11 575	11 501	10 660	92%	93%
IDP & LED	23	0	0	8	0%	0%
Total Revenue by Vote	108 492	124 758	119 677	106 905	1	1
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						
						T K.1

APPENDICES

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	22 787	17 000	24 516	21 583	21%	-14%
Property rates - penalties & collection charges	47	-	-	-	0%	0%
Service Charges - electricity revenue	6 381	7 575	7 501	6 945	-9%	-8%
Service Charges - water revenue	-	-	-	-	0%	0%
Service Charges - sanitation revenue	-	-	-	-	0%	0%
Service Charges - refuse revenue	9 258	5 656	9 952	9 886	43%	-1%
Service Charges - other	-	-	-	-	0%	0%
Rentals of facilities and equipment	287	250	315	529	53%	40%
Interest earned - external investments	319	518	214	111	-367%	-93%
Interest earned - outstanding debtors	6 304	5 814	6 917	5 286	-10%	-31%
Dividends received	-	-	-	-	0%	0%
Fines	105	3	3	19	86%	86%
Licenses and permits	1 412	1 488	1 488	1 122	-33%	-33%
Agency services	-	200	0	-	0%	0%
Transfers recognized - operational	44 804	39 036	38 966	44 478	12%	12%
Other revenue	808	31 635	14 121	958	-3202%	-1374%
Gains on disposal of PPE		212	212	1 284	0%	0%
Environmental Protection	-	-	-	-	0%	0%
Total Revenue (excluding capital transfers and contributions)	92 511	109 387	104 206	92 199	-18.64%	-13.02%
<i>Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						<i>T K.2</i>

APPENDICES

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	0	0	0	0%	0%	
Public Transport Infrastructure and Systems Grant	930000	930000	930000	0%	0%	
<i>Municipal Sysytems Improvement Grant</i>	930000	930000	930000	0%	0%	
Other Specify:	3875000	3875000	3870368	0%	0%	
<i>Finance Management Grant</i>	1875000	1875000	1875000	0%	0%	
<i>Extendend Public Work Programme Gant</i>	1000000	1000000	1000000	0%	0%	
<i>Intergrated Electrification Grant</i>	1000000	1000000	995368	0%	0%	
Total	4805000	4805000	4800368	0%	0%	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Refer to annual financial statements.

TL.1

APPENDICES

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

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Program*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	5 782	9 644	9 644	8 599	13 677	14 132	14 519
Infrastructure: Road transport - Total	3 109	5 644	5 644	5 878	6 677	6 732	7 119
<i>Roads, Pavements & Bridges</i>	3 109	5 644	5 644	5 878	6 677	6 732	7 119
Infrastructure: Electricity - Total	2 673	4 000	4 000	2 721	6 000	6 400	6 400
<i>Generation</i>							
<i>Transmission & Reticulation</i>	2 673	4 000	4 000	2 721	6 000	6 400	6 400
<i>Street Lighting</i>							
Infrastructure: Other - Total		–		–	1 000	1 000	1 000
<i>Waste Management</i>		0	0		1 000 000	1 000 000	1 000 000
Community - Total	7 690	5 200	5 200	4 906	3 700	3 700	3 700
<i>Parks & gardens</i>					1 000 000	1 000 000	1 000 000
<i>Sports fields & stadia</i>							
<i>Swimming pools</i>							
<i>Community halls</i>	4 028	–	–	84	2 700 000	2 700 000	2 700 000
<i>Libraries</i>							
<i>Recreational facilities</i>	3 662	5 200	5 200	4 821	0	0	0

Capital Expenditure - New Assets Program*							
R '000							
Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	0	–		7 603	–	–	–

APPENDICES

Buildings				7 603 344			
Other	36						
Other assets	97	2 870	770	168	250	264	278
General vehicles		1 300					
Specialised vehicles							
Plant & equipment	11			58			
Computers hardware/equipment	- 0	1 370	750	110	90	95	100
Furniture and other office equipment	86	200	20	-	160	169	178
Intangibles	35	-		-	-	-	-
Computers - software & programming	35						
Other (<i>list sub-class</i>)							
Total Capital Expenditure on new assets	13 640	17 714	15 614	21 277	17 627	18 096	18 497

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

NOT APPLICABLE

\

APPENDICES

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0

Capital Programme by Project: Year 0					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water					
"Project A"	0	0	0	0%	0%
Sanitation/Sewerage					
"Project A"	0	0	0	0%	0%
Electricity					
Bulk Electricity Upgrade	1000	1000	995	-1%	-1%
"Project B"	0	0	0	0%	0%
Housing					
"Project A"	0	0	0	0%	0%
Refuse removal					
Landfill Site Repairs	250000	203244	224560	0%	0%
"Project B"	0	0	0	0%	0%
Stormwater					
A - Roads Construction	12535	13794	9485	-45%	-32%
"Project B"	0	0	0	0%	0%
Economic development					
LED Agriculture	150000	120000	111188	-8%	-35%
LED Tourism	200000	250000	229558	-9%	13%
Sports, Arts & Culture					
Library project	410000	410000	100269	-309%	-309%
"Project B"	0	0	0	0%	0%
Environment					
"Project A"	0	0	0	0%	0%
Health					
"Project A"	0	0	0	0%	0%
Safety and Security					
"Project A"	0	0	0	0%	0%
ICT and Other					
IT Related Projects	1000000	600000	266794	-125%	-275%
Software Licencing	400000	344311	344310	0%	-16%
					T N

APPENDICES

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

APPENDICES

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

APPENDICES

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Municipality's focus is on roads, electricity and public facilities. As per the performance report attached in this Annual Report, significant progress has been made. However, availability of budget to implement major projects remains a challenge. More funding will be required to meet municipality's service delivery objective.	10,3 kms of gravel roads constructed at Icwili Village, Taiton & Taiwan 1 community Halls constructed at Mzwini Villlage in Mooiplas
Output: Implementation of the Community Work Programme	The municipality has created 550 CWP jobs for the 2020/2021 financial year.	550 jobs created
Output: Deepen democracy through a refined Ward Committee model	The Municipality is committed to deepening democracy within implementation of various programmes. These include implementation of Mayor's community participation programme, various stakeholder and community participation fora. Community based programmes are implemented at ward level.	Significant progress achieved
Output: Administrative and financial capability	The municipal audit has significantly improved over the past years. The 2019/20 -Qualified and 2020/21 financial year audit report was unqualified. A clean audit is now the focus of the municipality.	Unqualified audit opinion

T S

VOLUME II

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.