



MPUMALANGA

CONSOLIDATED ANNUAL MUNICIPAL PERFORMANCE
FOR 2018/19 FINANCIAL YEAR

2018/19



co-operative governance
& traditional affairs

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



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ii. ABBREVIATIONS

5YLGSA	Five-year Local Government Strategic Agenda
AFS	Annual Financial Statements
CDW	Community Development Worker
CMIP	Consolidated Municipal Infrastructure Programme
DBSA	Development Bank of Southern Africa
DIF	District Mayors Intergovernmental Forum
DIM	District information management system
DM	District municipality
DORA	Division of Revenue Act
COGTA	Department of Cooperative Governance and Traditional Affairs
DWAF	Department of Water Affairs and Forestry
FBE	Free Basic Electricity
FBS	Free Basic Sanitation
FBW	Free Basic Water
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IGRFA	Intergovernmental Relations Framework Act
INP	Information Not Provided
ISRDP	Integrated Sustainable Rural Development Programme
KPA	Key Performance Area
KPI	Key performance indicator
LLF	Local Labour Forum
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure grant
MIIP	Municipal Infrastructure Investment Plans
MIIU	Municipal Infrastructure Investment Unit
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
NCBF	National Capacity Building Framework
NSDP	National Spatial Development Perspective
PDIs	Previously Disadvantaged Individuals
PGDS	Provincial Growth and Development strategy
PMS	Performance Management Systems
PMU	Project Management Unit
PT	Provincial Treasury
SALGA	South African Local Government Association
SAPI	South African Planning Institute
SDF	Spatial Development Framework
SEDA	Small Entrepreneurship Development Agencies
SMME	Small, Medium and Micro-enterprises
SSP	Sector Skills Plan
SPLUMA	Spatial Planning and Land Use Management Act 16 of 2013
URP	Urban Renewal Programme
WSA	Water Services Authority.

MEC'S EXECUTIVE SUMMARY



MR. MJ MSIBI (MPL)
MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

“The MIG expenditure as at the end of 2018/2019 financial year was 99%”

The Municipal Consolidated Performance report for 2018/19 financial year in Mpumalanga Province is compiled in line with the legislative obligations placed on the MEC for Local Government in Section 47 of the Municipal Systems Act 32 of 2000.

The report entails the progress and achievements by municipalities in the 2018/19 financial year. The report is a reflection of performance as contained in the reports prepared by individual municipalities in terms of Section 46 of the Municipal Systems Act and submitted to the Department.

Of the 125 senior management positions, 106 were filled. Performance agreements were signed and submitted to the Department

The MIG expenditure as at the end of 2018/2019 financial year was 99%

Through the support by CoGTA and Provincial Treasury, Nkangala District Municipality and Bushbuckridge Local Municipality improved their Audit Outcomes from the previous year. Only Nkangala and Gert Sibande Districts received clean audits

27 593 jobs were created through the Community Works Programme(CWP)

All municipalities adopted their budgets as per the legislative requirement

All municipalities approved their anti-corruption and fraud prevention plans

CoGTA and the Department of Rural Development and Land Reform continue to support municipalities with the implementation of SPLUMA

Of the 400 Ward Committees, only 267 of them were functional

There was an increase in the number of households due to mushroom of informal settlements. This has obviously put a strain on the finances and service delivery provision in the municipalities.

Notwithstanding the recorded improvement in the delivery of services, however, more needs to be done to improve the living conditions of the poor and vulnerable groups.

MR. MJ MSIBI (MPL)
MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 14 August 2020

**HOD'S EXECUTIVE
SUMMARY OF PERFORMANCE**



**MR S NGUBANE (A) HEAD:
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

The number of households with access to water has decreased from 91.98% to 90.69%, sanitation has decreased from 91.98% to 88.88%

The Municipal Consolidated Performance report for 2018/19 depicts the progress made by our municipalities in providing basic services to the poor and vulnerable. It also outline the challenges encountered by municipalities and support provided by National, Provincial governments and other stakeholders.

The report measures the progress made by Local Government in meeting its Constitutional mandate namely to:

- a) To provide democratic and accountable government for local communities;*
- b) To ensure the provision of services to communities in a sustainable manner;*
- c) To promote social and economic development;*
- d) To promote a safe and healthy environment; and*
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.*

The delivery of basic services such as water, refuse removal and electricity has improved. The number of households with access to water has decreased from 91.98% to 90.69%, sanitation has decreased from 91.98% to 88.88% and electricity from 92.14% to 90.23%, however population growth has shown that delivery of basic services has lagged over the period under review.

Although there is an improvement in the delivery of services by municipalities, there are also areas where performance has regressed and there areas need urgent intervention from the Department. The Department will continue to support municipalities to adhere to the payment plan signed with ESKOM.

There has been relatively stability in the political and administrative environment in municipalities. Section 79 & 80 committees were regularly meeting and providing feedback to the municipality and so were the ward committees.

The poor audit outcomes of our municipalities still remain a challenge. Working with Provincial Treasury we will continue to work with our municipalities to improve the audit outcomes.

The Department will continue to support Govan Mbeki and Dr JS Moroka municipalities who could not submit their Annual Reports and Annual Financial Statements to the office of the Auditor General for audit purposes.

A handwritten signature in black ink, appearing to be 'S Ngubane', written over a horizontal line.

**MR S NGUBANE
(A) HEAD: CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS**

DATE: 13/08/22

3

PART A

3. INTRODUCTION

3.1 Legislative Background

RSA Constitution, Act 108 of 1996

The Constitution of South Africa in S152(1) sets out five central objects for Local Government as outlined in subsections (a)-(e) below:

- a) To provide democratic and accountable government for local communities;*
- b) To ensure the provision of services to communities in a sustainable manner;*
- c) To promote social and economic development;*
- d) To promote a safe and healthy environment; and*
- e) To encourage the involvement of communities and community organisations in the matters of Local Government.*

Section 152, subsection (2) enjoins a municipality to strive, within its financial and administrative capacity, to achieve the objects set out in subsection (1). A municipality has thus, a constitutional duty to among others, generate revenues, build institutional and administrative capability to deploy its revenues to provide services to communities, deliver good governance, effective financial management, promote local economic development, and strengthen public participation. National and Provincial government is enjoined by the Constitution in S154 (1) by legislative or other measures, to support and strengthen the capacity of municipalities to manage their affairs, to exercise their powers and to perform their functions.

Municipal Systems Act, 2000 (Act 32 of 2000)

The Municipal Systems Act in terms of S11 (3) (i) empowers a municipality in exercising its legislative or executive authority to impose and recover rates, taxes, levies, duties, service fees and surcharges on fees, including setting and implementing tariff, rates and tax and debt collection policies. The importance of this executive authority and legislated function is to ensure a municipality generate necessary revenues for among others providing sustainable services to local communities.

In executing its functions to achieve the local objects outlined in the Constitution, a municipality is mandated in terms of Section 46 (1) to prepare for each financial year a performance report reflecting-

- (a) the performance of the municipality and of each external service provider during that financial year;*
- (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and*
- (c) Measures taken to improve performance.*

On the basis of the Annual Performance Report required in S46 (1), the MEC for local government must annually compile and submit to the Provincial Legislature and the Minister a consolidated report on the performance of municipalities in the Province as mandated in S47(1) of the MSA, 2000 (Act 32 of 2000). Subsection (2) of S47 directs that the consolidated report by the MEC must-

- a) identify municipalities that under performed during the year;*
- b) propose remedial action to be taken; and*
- c) be published in the Provincial Gazette*

Municipal Finance Management Act, 2003 (Act 56 of 2003)

Section 121 (1) of the Municipal Finance Management Act (MFMA), 2003 mandates every municipality and municipal entity must for each year prepare an annual report in accordance with this chapter. S46(2) of the Municipal Systems Act, 2000 (Act 32 of 2000) states that the annual performance report of a municipality must form part of the Annual Report prepared in terms of S121(1) of the MFMA, 2003.

Informed and empowered by the legislative provisions summarised above, the MEC for local government in Mpumalanga has prepared the consolidated S47 report on municipal performance for the 2018/19 municipal financial year.

3.2 Limitations of the Report

- Delay in the tabling and adoption of Oversight Reports due to suspension of Council sittings because of the Covid-19 pandemic.*
- Delay in the verification of information due to movement restrictions as well limited human capital in municipalities due to the Covid-19 pandemic*
- Dr JS Moroka and Govan Mbeki Local Municipalities will not wholly form part of the report because of the late submission of their Annual Reports and Annual Financial Statements to the Auditor General*
- Late submission of annual reports with information gaps making it difficult to conduct the analysis timeously affecting the ability of the department to compile the section 47 report as required by the Municipal Systems Act, 32 of 2000.*
- Not all municipalities are adequately filling in their section 46 reports*
- Correction of errors from 2017/18 households figures to correlate with STATSSA figures in four municipalities namely Thembisile Hani, Steve Tshwete, City of Mbombela and Bushbuckridge*

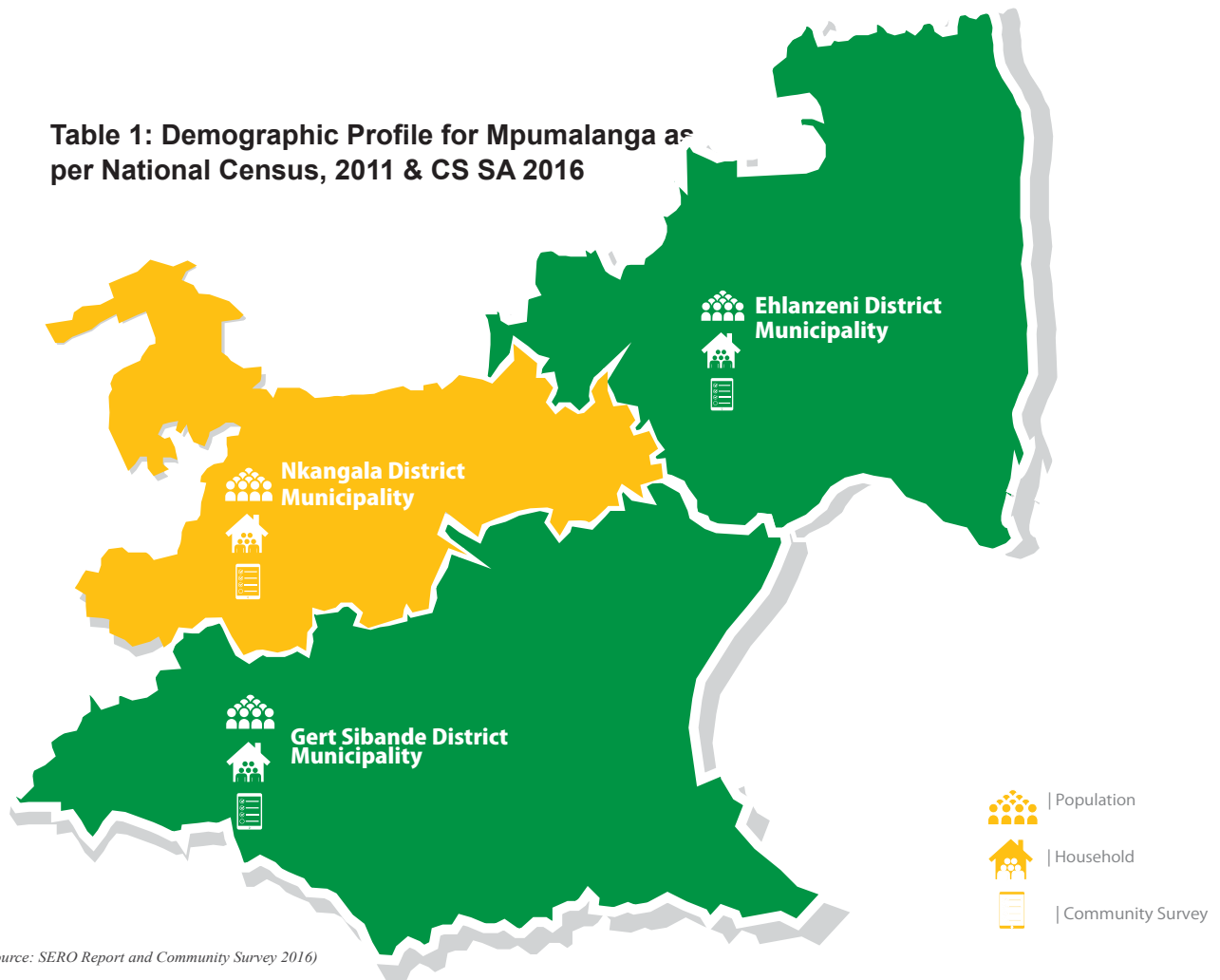
4

OVERVIEW OF THE DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILES

4.1 DEMOGRAPHIC PROFILE

Based on Statistics SA, 2011, Mpumalanga had 4 039 837 inhabitants, the 2016 General Household Survey, herein referred to as the Community Survey(CS), places the total population at 4 335 966 that are residing in Mpumalanga with just over a million households accounting for an estimated 7,8% of the country's population. Of the above population in the province, Ehlanzeni District Municipality accounts for 40, 5% at 1, 75 million people, followed by Nkangala District Municipality at 33, 3% for an estimate 1, 45 million people and lastly, the Gert Sibande District Municipality accounting for the remainder of 26, 2% of the population at 1, 1 million people. Table 1 below provides a summary of the population in the province per district including the households breakdown. Sub-sections 4.1.1 to 4.1.3 provide a local level population breakdown per district area.

Table 1: Demographic Profile for Mpumalanga as per National Census, 2011 & CS SA 2016



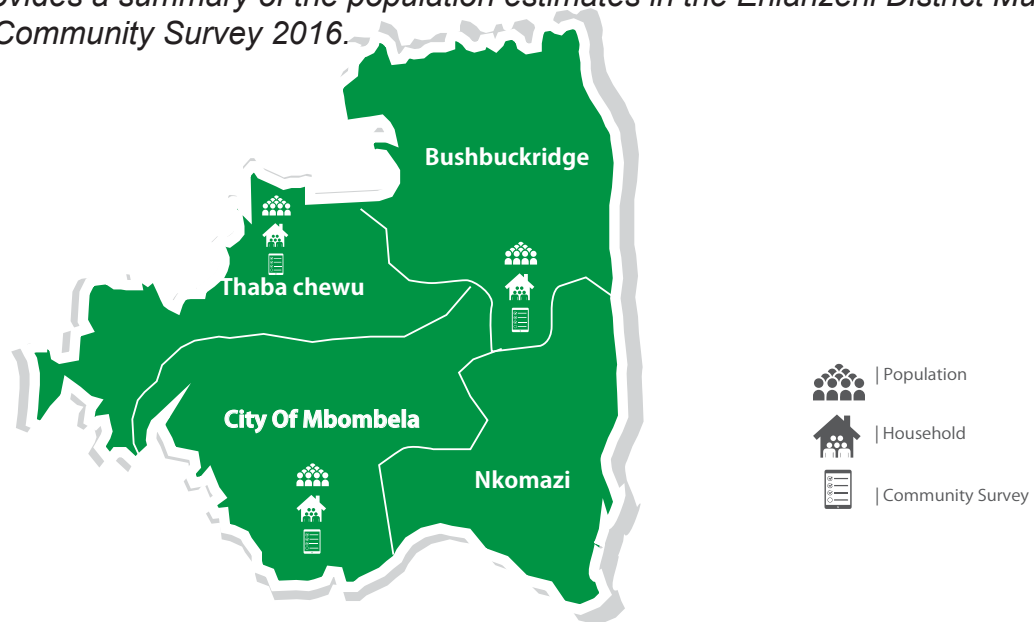
Source: SERO Report and Community Survey 2016)

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	POPULATION	%	HOUSEHOLD AS PER COMMUNITY SURVEY 2016	%
Ehlanzeni District Municipality	1 688 614	41.8	445 087	41.4	1 754 931	40.5	483 902	39.2
Nkangala District Municipality	1 308 129	32.4	356 911	33.2	1 445 624	33.3	421 143	33.9
Gert Sibande District Municipality	1 043 094	25.8	273 490	25.4	1 135 411	26.2	333 815	26.9
TOTAL	4 039 837	100	1 075 488	100	4 335 966	100	4 335 966	100

4.1.1 Ehlanzeni District Municipal Demographic Profile

Ehlanzeni District Municipality comprises of four (4) local municipalities namely, City of Mbombela, Nkomazi, Bushbuckridge and Thaba Chweu local municipalities. City of Mbombela Local Municipality accounts for the largest population estimate at 693 369 (39%) closely followed by Bushbuckridge Local Municipality with a population estimate of 548 760 (32%), Nkomazi Local Municipality at 410 907 (23%) and Thaba Chweu Local Municipality at 101 895 (5.8%) which is the smallest municipality within the District. In terms of the Community Survey 2016, the fastest and highest population growth is in City of Mbombela with 205 496 (42%) whilst Thaba Chweu accounts for the lowest within the district at 37 022 (9%).

Table 2 below provides a summary of the population estimates in the Ehlanzeni District Municipality as per the Community Survey 2016.



NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	POPULATION	%	HOUSEHOLD AS PER COMMUNITY SURVEY 2016	%
City of Mbombela Municipality	655 950	39	181 336	40	693 369	39	205 496	42
Bushbuckridge Municipality	541 248	32	134 197	30	548 760	32	137 419	28
Nkomazi Municipality	393 030	23	96 202	22	410 907	23	103 965	21
Thaba Chweu Municipality	98 387	6	33 352	8	101 895	6	37 022	29
Total	1 688 615	100	445 087	100	1 754 931	100	483 902	100

(Source: SERO Report and Community Survey 2016)

4.1.2 Nkangala District Demographic Profile

Nkangala District Municipality comprises six local municipalities namely, Emakhazeni, Steve Tshwete, Emalahleni, Victor Khanye, Thembisile Hani and Dr JS Moroka local municipalities. Emalahleni Local Municipality accounts for the largest population estimate at 455 228 (31.5%) followed by Thembisile Hani Local Municipality with a population estimate of 333 331 (23%), Steve Tshwete Local Municipality at 278 749 (19.3%), Dr JS Moroka Municipality at 246 016 (17%). Victor Khanye Local Municipality at 84 151 (5.8%) and Emakhazeni Local Municipality at 48 149 (3.3%) are the two municipalities with lowest population figures within the District. In terms of population growth figures as per the Community Survey 2016, the municipality with highest population figures within the district is Emalahleni with 150 420 (36%) and Emakhazeni accounts for the lowest figures sitting at 14 633 (3%). Table 3 below provides a summary of the population estimates in the Nkangala District Municipality as per the Community Survey, 2016.

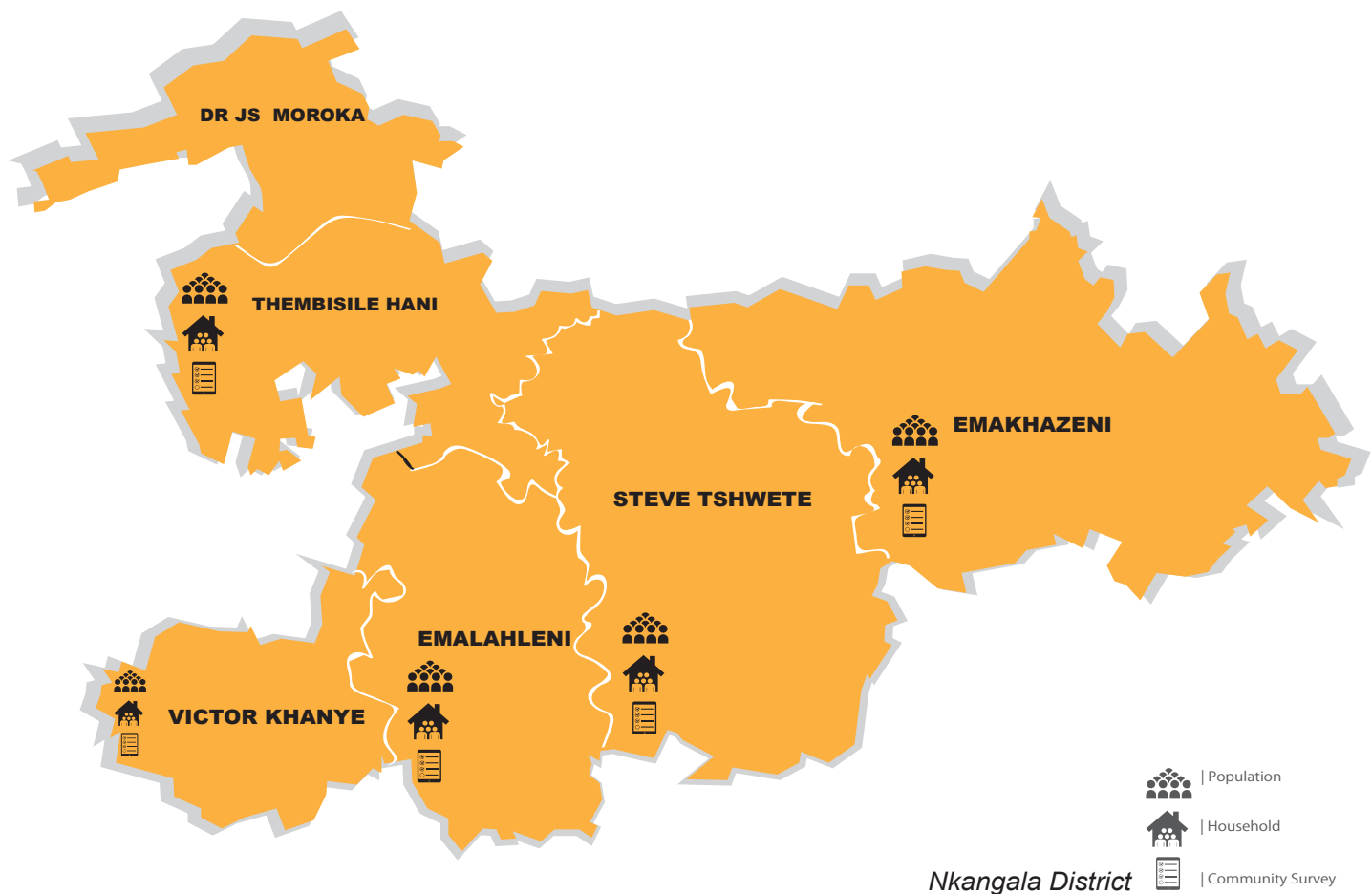


Table 3: Nkangala District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	POPULATION	%	HOUSEHOLD AS PER COMMUNITY SURVEY 2016	%
Emalahleni Municipality	395 466	30	119 874	34	455 228	31.5	150 420	36
Thembisile Hani Municipality	310 458	23.7	75 634	21	333 331	23	82 740	20
Dr JS Moroka Municipality	249 705	19	62 162	17	246 016	17	62 367	15
Steve Tshwete Municipality	229 831	17	64 971	18	278 749	19.3	86 713	21
Victor Khanye Municipality	75 452	5.8	20 548	6	84 151	5.8	24 270	6
Emakhazeni	47 216	3.6	13 722	4	48 149	3.3	14 633	3
Total	1 308 108	100	356 911	100	1445 624	100	421 143	100

(Source: SERO Report and Community Survey 2016)

4.1.3 Gert Sibande District Demographic Profile

Gert Sibande District Municipality comprises of seven local municipalities namely, Chief Albert Luthuli, Msukaligwa, Mkhondo, Lekwa, Dr. Pixley Ka Isaka Seme, Dipaleseng and Govan Mbeki local municipalities. Govan Mbeki Local Municipality accounts for the largest population estimate of 340 091 (30%) followed by Mkhondo Local Municipality with a population estimate of 189 036 (17%), Chief Albert Luthuli Local Municipality at 187 630 (16%), Msukaligwa Local Municipality at 164 608 (15%), Lekwa Local Municipality at 123 419 (11%). Dr. Pixley Ka Isaka Seme Local Municipality at 85 395 (7%) and Dipaleseng Local Municipality at 45 232 (4%) are the two municipalities with lowest figures within the District. In terms of growth as per the community survey 2016 the highest is Govan Mbeki with 108 895 (32,6%). The lowest is Dipaleseng with 14 877 (4,5%). Table 4 below provides a summary of the population estimates in the Gert Sibande District Municipality as per the Community Survey 2016.

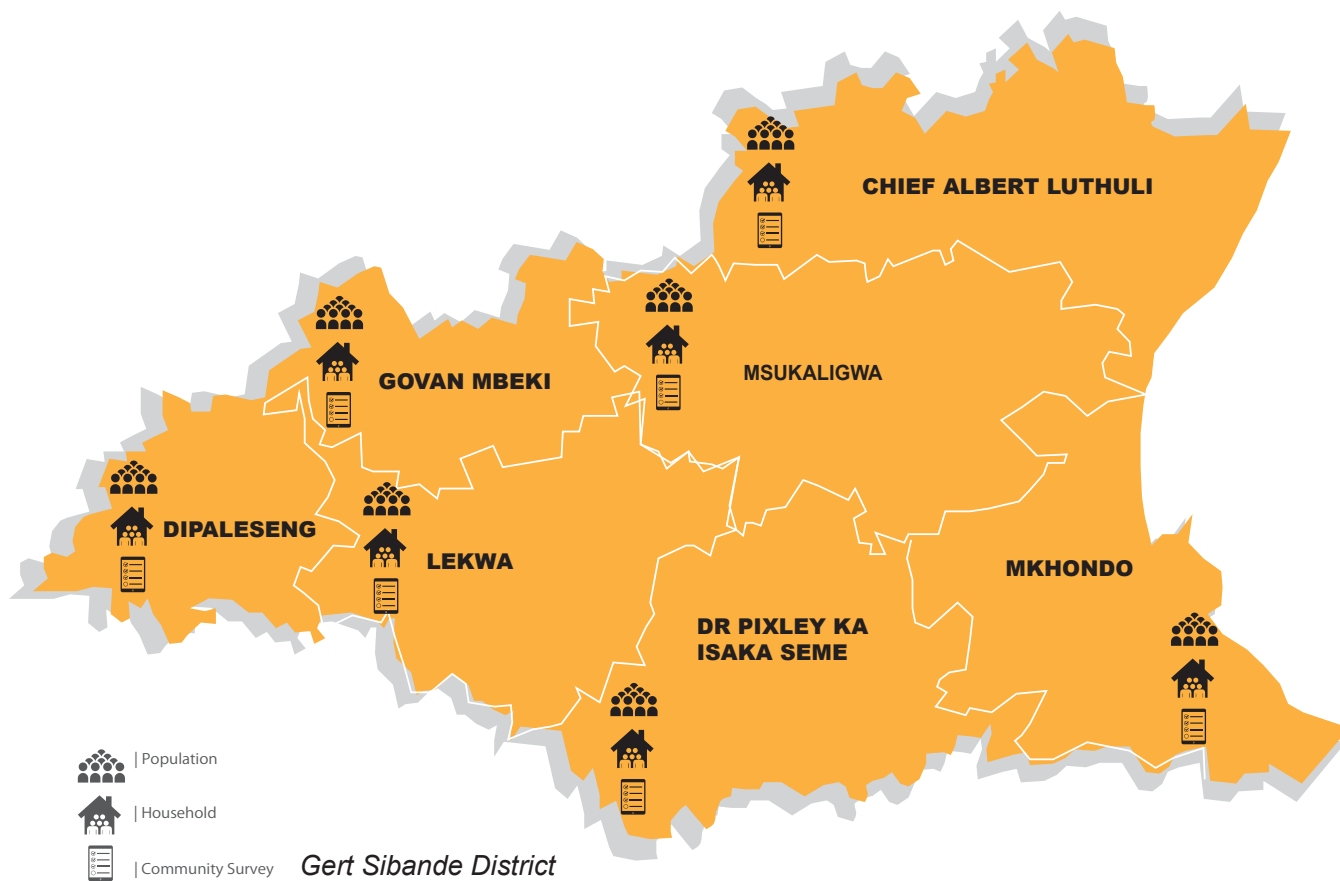


Table 4: Gert Sibande District Demographic Profile

NAME	POPULATION	%	HOUSEHOLDS AS PER STATS SA 2011	%	POPULATION	%	HOUSEHOLD AS PER COMMUNITY SURVEY 2016	%
Govan Mbeki Municipality	294 538	28	83 874	31	340 091	30	108 894	32,6
Chief Albert Luthuli	186 010	18	47 705	18	187 630	16	53 480	16
Mkhondo Municipality	171 982	17	37 433	14	189 036	17	45 595	13,6
Msukaligwa Municipality	149 377	14	40 932	15	164 608	15	51 089	15,3
Lekwa Municipality	115 662	11	31 071	11	123 419	11	37 334	11,2
Dr Pixley Ka Isaka Seme	83 235	8	19 838	7	85 395	7	22 546	6,8
Dipaleseng	42 390	4	12 637	5	45 232	4	14 877	4,5
TOTAL	1 043 194	100	273 490	100	1 135 411	100	333 815	100

(Source: SERO Report and Community Survey 2016)

4.2 SOCIO-ECONOMIC PROFILE

4.2.1 Household Income

Table 5 below provides a summary of the average household income in the province broken down per local municipality as adapted from the Statistics SA figures of 2011 National Census. Steve Tshwete Local Municipality had the highest average household income in the province at R134 026, with Bushbuckridge Local Municipality the having lowest average household income of R36 569. The household income information will not change until the next stats SA Census in 2021.

Table 5: Average Household Income per Municipality

Municipalities	Stats SA Census(2001)	Stats SA Census(2011)	Rank
Steve Tshwete	R55 369	R134 026	1
Govan Mbeki	R47 983	R125 480	2
Emalahleni	R51 130	R120 492	3
Mbombela	R37 779	R92 663	4
Lekwa	R38 113	R88 440	5
Thaba Chweu	R35 795	R82 534	6
Msukaligwa	R31 461	R82 167	7
Victor Khanye	R35 281	R80 239	8
Emakhazeni	R36 170	R72 310	9
Dr. Pixley Ka Isaka Seme	R23 399	R64 990	10
Dipaleseng	R19 454	R61 492	11
Mkhondo	R26 935	R53 398	12
Chief Albert Luthuli	R22 832	R48 790	13
Thembisile Hani	R18 229	R45 864	14
Nkomazi	R19 195	R45 731	15
Dr. JS Moroka	R17 328	R40 421	16
Bushbuckridge	R17 041	R36 569	17

(Source: Stats SA 2011)

4.2.2 Unemployment and Socio-economic challenges

Ehlanzeni District's household income of R64 403 had the lowest among the districts as well as the provincial average of R77 597 per annum. Average household income in Gert Sibande District improved from R33 662 in 2001 to R84 177 in 2011. The Gert Sibande District household income of R84 177 in 2011 was the second highest among the 3 districts and better than the provincial average of R77 597 per annum. The average household income for Nkangala District improved from R35 177 in 2001 to R89 006 in 2011 and was ranked first of the 3 districts also the highest and better than the provincial average of R77 597 per annum.

The rate of female headed households in Ehlanzeni District was at 44.1% and child headed (10-17 years) households was at 1.2% in 2011. In Gert Sibande District the rate of female headed households was at 38.8% while child headed (10-17 years) households rate was at

0.7 % in 2011. Female headed households in Nkangala District was at 36.2% and child headed (10-17years) households was at 0.3% in 2011.

Unemployment rate for females in Ehlanzeni District was recorded at 41.0% and males 28.1%, youth unemployment rate high at 44.2%. The leading industries in terms of employment in the Ehlanzeni District are - trade (23.5%), community service (21.3%) and agriculture (13.7%). Unemployment rate for females in Nkangala District was recorded at 37.7% and males 24%, youth unemployment rate high at 39.6%. The leading industries in terms of employment in the Nkangala District were - trade (20.7%), mining (18.7%) and community service (16.8%). Unemployment rate for females in Gert Sibande District was recorded at 38.4% and males 22.1%, youth unemployment rate high at 38.4%. The leading industries in terms of employment in the Gert Sibande District were - trade (18.8%), community service (17%), mining (14.5%) and agriculture (13.9%).

Ehlanzeni District had the highest poverty rate 41.3% - 705 103 poor people. The Gert Sibande District had the second highest poverty rate 37.9% - 402 278 poor people though an improving trend had been recorded since 2001 and Nkangala District had the lowest poverty rate among the 3 districts of 30.6% - 412 259 poor people.

The district's contribution to Mpumalanga economy was 31% in 2012 providing the second highest of the 3 districts, with leading industries in terms of percentage contribution to Gert Sibande's economy being manufacturing (37.3%), mining (12.9%) and community services (11.9%). The leading industries in terms of percentage contribution to Ehlanzeni District's economy were finance (21.8%), community services (24.9%) and trade (17.3%). The leading industries in terms of percentage contribution to Nkangala's economy were mining (29.5%), finance (14.4%), community services (13.6%) and manufacturing (12.5%).

PART B

5. ANALYSIS OF MUNICIPAL KEY PERFORMANCE AREAS

In line with the Constitutional objects of local government this S47 report focuses on the analysis of municipal performance with respect to each object in order to assess areas of strength in each municipality as well as areas of weaknesses. The Departmental support programmes outlined in the Integrated Municipal Support Plan will then be focused on each municipality using the differentiated approach principle.

5.1 GOOD GOVERNANCE

Municipalities have a duty in terms of S152 (1) (a) of the Constitution to provide a democratic and accountable government for local communities. The hallmark of a democratic and accountable government is good governance characterised by political and administrative stability; functional governance and oversight committees; effective systems of internal control, such as internal audit committees, risk management and audit committees, IT governance, anti-corruption measures and functional Intergovernmental relations forums amongst others. This section provides a summary of the analysis of the performance of our municipalities in terms of good governance focusing on the characteristics of good governance outlined above.

Table 6: Analysis of Municipal Performance on Good Governance: Political Stability

Districts	Municipality	Political stability	
		Troika meeting	Council sitting
EHLANZENI	Bushbuckridge	Troika was functional and meetings were convened. 40 meetings held	Council was sitting as per the adopted schedule and special sittings were held when there's a need. 15 Council meetings held
	City of Mbombela	Troika was functional and meetings were convened. 38 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 14 Council meetings were held
	Nkomazi	Troika was functional. They extend their Troika to include the Municipal Manager. 48 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 7 Council meetings were held
	Thaba Chweu	Troika is sitting but not having a good relationship amongst each other. 29 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 9 Council meetings were held
	Ehlanzeni	Troika was functional and meetings were convened. 40 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 11 Council meetings were held
	District Total	195	56
GERT SIBANDE	Chief Albert Luthuli	Troika is functional. Their meetings are extended to include both the Municipal Manager and MPAC chairperson. 28	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 12 Council meetings were held
	Dipaleseng	There is no Chief Whip but only a Party Whip. 2 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 7 Council meetings were held
	Govan Mbeki	Troika was functional and meetings were convened. 25 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 8 Council meetings were held

Districts	Municipality	Political stability	
		Troika meeting	Council sitting
	Govan Mbeki	Troika was functional and meetings were convened. 25 meetings held	there was a need.7 Council meetings were held Council was sitting as per the legislation. Special council sittings were held whenever there was a need.8 Council meetings were held
	Lekwa	Troika is not functional. The Executive Mayor and Speaker are alienating the Council Whip. Meetings are not sitting. 2 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need.2 Council meetings were held
	Mkhondo	Troika was functional and meetings were convened. 36 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need.20 Council meetings were held
	Msukaligwa	Troika was functional and meetings were convened. 38 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need.11 Council meetings were held
	Dr. Pixley Ka Isaka Seme	Troika was functional and meetings were convened. 35 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need.12 Council meetings were held
	Gert Sibande	Troika was functional and meetings were convened. 42 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need.11 Council meetings were held
	District Total	208	83
NKANG ALA	Dr. JS Moroka	Troika was functional and meetings were convened. 35 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 7 Council meetings were held

Districts	Municipality	Political stability	
		Troika meeting	Council sitting
	Emakhazeni	Troika was functional and meetings were convened. 29 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 7 Council meetings were held
	Emalahleni	Troika was functional and meetings were convened. 31 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 13 Council meetings were held
	Steve Tshwete	Troika was functional and meetings were convened. 40 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 14 Council meetings were held
	Thembisile Hani	Troika was functional and meetings were convened. 36 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 8 Council meetings were held
	Victor Khanye	Troika is struggling to sit. Executive Mayor does not attend meetings. 5 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 5 Council meetings were held
	Nkangala District	Troika was functional and meetings were convened. 36 meetings held	Council was sitting as per the legislation. Special council sittings were held whenever there was a need. 9 Council meetings were held
	District Total	212	63

(Source: Section 46 reports from municipalities)

5.1.1 Analysis of Municipal Performance on Good Governance: Political Stability

Findings

Functionality of Troika, municipal council sittings and protest per district are detailed below:

Ehlanzeni District

The findings that were made at Ehlanzeni District are that all municipal TROIKAs were functional and altogether had a total of 195 meetings. In as far as the sitting of municipal Councils is concerned, all municipalities held a total of 56 normal as well as special sittings and when required amongst them.

Gert Sibande District

The findings that were made at Gert Sibande District are that all municipal TROIKAs were functional except in Lekwa where there was no good working relation between the three political office bearers. In total municipalities in this district held 208 TROIKA meetings amongst them. In as far as the sitting of municipal Councils is concerned, all municipalities held their meetings accordingly totalling 83 normal sittings as well as special sittings amongst them as and when required.

Nkangala District

The findings that were made at Nkangala District are that all municipal TROIKAs were functional except Victor Khanye. In total municipalities in the district held 212 TROIKA meetings amongst themselves. In as far as the sitting of municipal Council is concerned, all seven (7) municipalities as required by law held their sittings accordingly totalling 63 sittings amongst themselves.



Table 7: Analysis of Municipal performance on Good Governance: Functional Oversight Committees

DISTRICTS		Functionality of Oversight Committees		
		Municipality	Municipal Public Accounts Committee (MPAC)	S79 and S80 Committees
EHLANZENI	Bushbuckridge	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	City of Mbombela	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Nkomazi	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Thaba Chweu	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Ehlanzeni	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Chief Albert Luthuli	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Dipaleseng	• Not fully Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
GERT SIBANDE	Govan Mbeki	• Functional	• Functional Section 79&80 except one Section 80 (Corporate and Planning)	• Audit Committee was functional
	Lekwa	• Functional	• Section 79 and 80 not functional	• Audit Committee was functional
	Mkhondo	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Msukaligwa	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Dr. Pixley Ka Isaka Seme	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional
	Gert Sibande	• Functional	• Section 79 and 80 committees were functional	• Audit Committee was functional

DISTRICTS	Municipality	Functionality of Oversight Committees		
		Municipal Public Accounts Committee (MPAC)	S79 and S80 Committees	Audit Committee
NKANGALA	Emalahleni	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Section 79 and 80 committees were functional 	<ul style="list-style-type: none"> Audit Committee was functional
	Emakhazeni	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Functional although Section 80 is not well composed 	<ul style="list-style-type: none"> Audit Committee was functional
	Steve Tshwete	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Section 79 and 80 committees were functional 	<ul style="list-style-type: none"> Audit Committee was functional
	Victor Khanye	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Functional Section 79 only, section 80 committees were not functional 	<ul style="list-style-type: none"> Audit Committee was functional
	Dr. JS Moroka	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Section 79 and 80 were not Functional 	<ul style="list-style-type: none"> Audit Committee was functional
	Thembisile Hani	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Section 79 and 80 committees were functional 	<ul style="list-style-type: none"> Audit Committee was functional
	Nkangala	<ul style="list-style-type: none"> Functional 	<ul style="list-style-type: none"> Section 79 and 80 committees were functional 	<ul style="list-style-type: none"> Audit Committee was functional

(Source: Section 46 reports from municipalities)

5.1.2 Functionality of Oversight Committees

Findings

All municipalities in the Province have established oversight committees e.g. Municipal Public Accounts Committees (MPACs), Section 79 & 80 committees. Victor Khanye and City of Mbombela opted to have the Sec 79 committees and MMC's. In the City of Mbombela local municipality a cluster approach is used. In Govan Mbeki municipality, all council committees were functional except for one Section 80 (Corporate Services). Municipal Public Accounts Committee in Dipaleseng had a challenge of not sitting, however, after our Department together with SALGA conducted an MPAC capacity building workshop, things improved. In Lekwa all Section 79 and 80 committees were not functional except for their Municipal Public Accounts Committee. This was due to the instability of the municipality during that financial year.

The implication of not having section 80 committees is that the office of the Executive Mayor maybe compromised, as these committees are committees of the Executive mayor and they advise the Mayor on how to best exercise his authority and perform his duties.

Municipal Troika

Findings

There was an increase in the number of municipal Troika meetings in most municipalities, except for the ones which were experiencing challenges such as instability. The increase in the numbers of Troika meetings were as a result of the initiative by the Department of developing Municipal Troika Guidelines which were aimed at assisting their functionality and also to guide them on issues like topics which should be standing items in their discussions, eg. Governance, service delivery, etc.

Challenges that were noted with the functionality of the Troika's in the Province:

- The Chief Whip's role is not well defined whereas the roles and responsibilities of the Speaker and the Executive Mayor are well defined in the Legislation.*
- In some municipalities CoGTA was not provided with TROIKA minutes due to the confidentiality of their meetings.*
- Troika in Victor Khanye and Lekwa is not functional*

MPACs

Challenges that were noted with MPACs

- Reporting lines for MPACs were not clearly defined*
- Shortage of dedicated staff members (Secretary & Researcher) to assist MPACs with administration.*
- Tools of trade for officials still a challenge*
- Accountability in some municipalities is still a challenge as some municipalities' executives are refusing to account to MPACs*
- Failure by administration to report on stipulated time.*
- Insufficient budget for training and other logistics of MPACs*

Audit Committees

Challenges that were noted with audit committees:

- Non implementation of Audit action plans and Audit Committee resolutions by municipalities*

Section 79 & 80 Committees

Challenges that were noted with Section 79 & 80 committees:

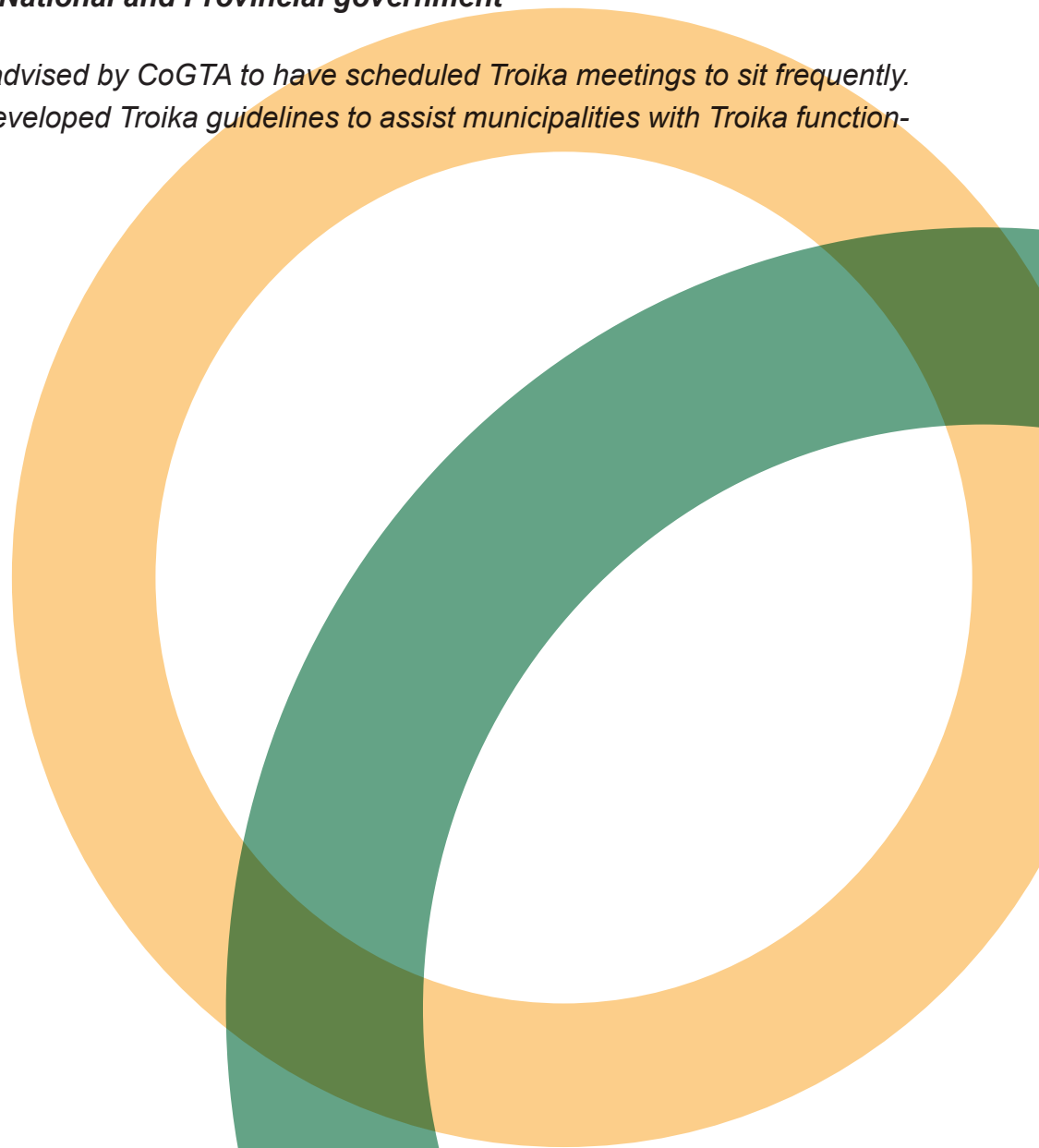
- City of Mbombela municipality preferred to use the cluster approach instead of establishing section 80 committees.*
- Victor Khanye Local municipality did not establish Section 80 committees they have the Section 79 committees and MMC's only.*
- Section 80 committees not well composed as per legislation at Emakhazeni.*

Recommendations

- *On-going training on roles and responsibilities for section 79 & 80 committees and MPAC.*
- *The role of the Chief Whip must find expression in the legislation especially in the Municipal Structures Act.*
- *MPAC to have support staff (Research and Secretary)*
- *MPAC to receive capacitation on financial issues as a priority.*
- *Emakhazeni to re-establish Section 80 committees and fix the composition issue*
- *City of Mbombela and Victor Khanye municipalities to establish Section 80 committees*
- *Municipalities to make use of the MPAC Toolkit guidelines developed by National CoGTA, National Treasury, Provincial Treasury and Provincial COGTA, AGSA and SALGA to enhance MPAC functionality*
- *Municipalities to table Audit committee recommendation to council.*
- *Troika to monitor implement Audit action plans and Audit Committee recommendations*
- *To be mandatory for Troika to have a minimum of two meetings per month*
- *Troika to adhere to Troika guidelines*
- *Troika to submit quarterly reports to the MEC*

Support Interventions by National and Provincial government

- *Municipalities were advised by CoGTA to have scheduled Troika meetings to sit frequently.*
- *Provincial COGTA developed Troika guidelines to assist municipalities with Troika functionality*



5.1.3 Anti-corruption Measures & Policies

Table 8: Anti-Corruption prevention plans implemented

District	Municipality	2016/17		2017/18		2018/19	
		Has council adopted the Anti-corruption	Has council adopted the Anti-corruption	Has council adopted the Anti-corruption	Anti-Corruption Plan Completed	Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Completed
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes, 30 MAY 2018 (BLM182/30/05/18/2017/18)	Yes
	City of Mbombela	Yes	Yes	Yes	Yes	No	Yes, as draft
	Nkomazi	Yes	Yes	Yes	Yes	No	Yes, as draft
	Thaba Chweu	Yes	Yes	Yes	Yes	No	Yes, as draft
	Ehlanzeni	Yes	Yes	Yes	Yes	No	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes, May 2018 (CL 1.077)	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes, 31 July 2018 (C120/07/18)	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	No	Yes, as draft
	Lekwa	Yes	Yes	Yes	Yes	No	Yes, as draft
	Mkhondo	Yes	Yes	Yes	Yes	Yes, 30 Aug 2017 (17/08/135A)	Yes
	Msukaligwa	Yes	Yes	No	Yes	Yes, 14 Dec 2018 (LM284/12/2018)	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	No	Yes, as draft
ANGALA	Gert Sibande	Yes	Yes	Yes	Yes	Yes, 7 Dec 2017 (C108/12/2017)	Yes
	Emalaheni	Yes	Yes	Yes	Yes	Yes, 28 June 2018 (A.104/18,A105/18,106/18)	Yes
	Emakhaseni	Yes	Yes	Yes	Yes	Yes, 28 June 2018 (32/06/2018)37/06/2018	Yes

District	Municipality	2016/17		2017/18		2018/19	
		Has council adopted the Anti-corruption	Has council adopted the Anti-corruption	Has council adopted the Anti-corruption	Anti-Corruption Plan Complied	Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Complied
	Victor Khanye	Yes	Yes	Yes	Yes	Yes,17 JULY 2018 (A006/07/2018,A005/07/2018 /A002/07/2018)	Yes
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes,16 July 2018 (R335.07.2018)	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes,28 June 2018 (TH-NDC 243/06/2018)	Yes
	Nkangala	Yes	Yes	Yes	Yes	Yes,25 April 2018 (DM-ND304/04/2018)	Yes

(Source: Section 46 reports from municipalities)

Finding

- 20 municipalities in the Province had Anti-corruption Measures, Plans developed and 13 adopted by councils for 2018/2019, except City of Mbombela, Thaba Chweu, Lekwa, Dr Pixley Ka Isaka Seme, Ehlanzeni, Nkomazi and Govan Mbeki.
- The analysis indicates that there is an improvement in terms of reviewed and adoption of Anti-Corruption Strategies and Policies in Municipalities

Challenges

- Councils did not prioritise the approval of the Risk Management related policies even though submissions were made on time
- Anti-Corruption measures are not fully effective Municipalities.
- Municipalities are silent in reporting the implementation of those approved Anti-corruption measures as well as submitting the implementation plans and reporting with progress made.

Recommendations

The following were therefore recommended:

- That all municipalities should align their current Anti-corruption plan and strategies with the reviewed Local Government Anti-corruption Strategy of 2016 which is inclusive of the Municipal Integrity Framework and complete the assessment tool.
- That all councils consider the reports as and when they are submitted and make sure that Risk Management Policies / Strategies are reviewed annually and approved together with the budget related policies.
- These municipalities who have not adopted their anti-corruption measures and plans must do so.

Support Interventions by National and Provincial government

- An Anti-Corruption Working Group which include CoGTA, Premier's office, Provincial Treasury and Special Investigation Unit (SIU) was established to coordinate anti-corruption activities including cases reported and concluded in Municipalities.
- DCoG provided workshops on Local Government Anti-Corruption Strategy to all municipalities.
- The monitoring tool has been developed to assist municipalities to align the Local Government Anti-Corruption Strategy and the Municipal Integrity Management Framework. The tool is aimed at monitoring the implementation of the Strategy and the Framework by municipalities. The tool will also assist municipalities to assess their capacity to ensure the implementation of anti-corruption measures in general.
- Municipalities were provided Feedback on the implementation of anti-corruption measures.

5.1.4 Intergovernmental Relations (IGR) during 2018/19 financial year

- *During the financial year 2018/2019, the Department convened a provincial IGR Indaba. The Indaba was convened due to a provincial analysis into the functionality of the IGR Programme that was conducted which identified inherent impediments towards the functionality of IGR programmes. These challenges included that terms of reference for the District IGR formations were not clearly defined including the composition and roles. In some municipalities the IGR function was not considered as a strategic role hence it was not located in Municipal Manager's Office. There was lack of resources to perform the IGR function, poor participation by stakeholders as such participation was still regarded as voluntary by most institutions; weak delegations to meetings; silo planning across all sectors which ended up defeating the objects of a cooperative governance culture; lack of understanding of governance systems by communities as well as lack of awareness on IGR programmes.*
- *The purpose of the 2018/2019 provincial IGR Indaba was aimed at ensuring that there is professionalization of the IGR Programme, that there is strong relationship between Traditional and Municipal Leaders, allow stakeholders an opportunity to make inputs and contributions in the development of a Provincial IGR Framework, encourage the establishment of Provincial and District IGR practitioner's forum, come out with clear terms of reference and build strong partnership amongst other sectors for the effective functionality of the IGR Programmes. The Intergovernmental Relations Framework Act 13 of 2005 provides for the establishment of functional IGR structures in Provinces and across Districts; however these structures were not functioning optimally in our Province in terms of planning, alignment and coordination of government-wide programmes.*
- *The provincial IGR Indaba was therefore structured into various thematic areas to yield better outcomes and these focus themes included strategic issues on public participation as a catalyst for inclusive governance, Strategic issues on planning, implementation and coordination of IGR within the prescribed legislation context and Strategic issues on key challenges of improving IGR at local government sphere. It was based on deliberations during the IGR Indaba as informed by these themes that delegates resolved that as the Province, we should develop and implement our own IGR Framework that will be utilised as an instrument to bridge the existing gaps, challenges and to strengthen the cooperative spirit amongst the three spheres of government.*
- *The goal of the provincial IGR Framework will be to create a governance environment which upholds the principles of good governance, enhance proper co-ordination amongst the three spheres of government, both horizontally and vertically, strengthen effective co-ordination for the delivery of services to our citizens in a structured and efficient manner, close the manifesting gaps in the inter-relatedness and interdependence of the various distinct structures of government and organs of state, create an alignment between international partnership arrangements with the achievement of provincial socio-economic targets, develop Protocols of engagement for the purpose of centralizing coordination within government and for establishing strategic partnerships, bring synergy and to support the province in implementing its mandate and aligning provincial priorities to the National*
- *Development Plan and to deepen local public participatory democracy by entrenching grassroots planning, monitoring and continuous accountability.*

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Analysis on Performance of Council Committees

Findings

The following finding was made with regards to the performance of municipal committees that:

- There were councillors and staff members who were in arrears with the payment of municipal accounts this was found to be the case in the following municipalities: Bushbuckridge, Nkomazi, Thaba Chweu, City of Mbombela, Dr Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Dr JS Moroka, Emalahleni and Thembisile Hani,*

Delegations adopted

- In the 2018/19 financial year all 20 municipalities adopted their delegation.*

Roles of committees and political office bearers

- In the 2018/19 financial year all 20 municipalities had roles of political office bearers and committees defined.*

Code of conduct adopted for staff and councillors

- In the 2018/19 financial year 20 municipalities had adopted the code of conduct for councillors and staff.*

Declaration of Councillors and Staff interest

- In the 2018/19 financial year all municipalities had their councillors and staff declared their interest which shows consistence to the previous financial year 2017/18 where all municipalities had their councillors and staff declared their interest.*

Challenges:

- Municipalities were not enforcing or fully implementing credit control policies to councillors and officials who owe the municipality*

Recommendations

- Municipalities to enforce credit control and debt collection policies to councillors and municipal officials who owe the municipality.*

5.2 Basic Services

5.2.1 Service Delivery and Infrastructure Development

The KPA entails the assessment of the ability of municipalities to deliver infrastructure and basic services. The KPA also assesses the role played by different sector departments both National and Provincial. Municipalities are at the forefront of service delivery. This chapter will provide an indication of the performance of municipalities in the provision of basic services.

The focal areas of this KPA are the following:

- * *Access to basic services: Access to potable water, Access to adequate sanitation, Access to refuse removal and Access to electricity*
- * *Free basic services (FBS) and indigent policy implementation: Free basic water, Free basic sanitation*

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- * *Free basic services (FBS) and indigent policy implementation: Free basic water, Free basic sanitation, Free refuse removal and Access to free basic electricity*

Performance of municipalities on Service Delivery and Infrastructure Development.

The Municipal Consolidated Performance report for 2018/19 seeks to provide an analysis of progress made by municipalities in the provision of basic services to provide for universal access to the communities served. It should be noted that households are not stagnant hence estimates are used for this report. The estimates on household's figures are based from Stats SA and the actual performance from municipal assessment reports and/or Section 46 reports. The department has taken into account the challenges faced by municipalities in the provision of services such as, the service delivery protests, insufficient bulk service for water and Electricity Notified Maximum Demand (NMD), low rainfall patterns which result in water shortages even though services have been provided.

In the assessment of 2017/18, it has been established that access to basic services was reported based on access to infrastructure, hence the difference in the performance of municipalities in the 2018/19 FY. The reporting of performance on access to basic services for the period under review is on access to the basic services as reported by municipalities than access to infrastructure.

5.2.1.1 Households with access to Potable Water and Sanitation: Ehlanzeni District

Table 10: Number of households with access to potable water in Ehlanzeni.

Municipality	2017/18				2018/19								
	Total No. of Households Community Survey 2016	Water		Sanitation		Total No. of Households Community Survey 2016	Water		Sanitation				
		Municipal assessment report	To date	Municipal assessment report	To date		Municipal assessment report	To date	Municipal assessment report	To date			
City of Mbombela	206 136	181 366	87.98%	87.98%	197 325*	96.02%	96.02%	187 000	90.71%	90.71%	146 000	70.82%	70.82%
Bushbuckridge	136 780	127 735	93.38%	93.38%	131 410	95.63%	95.63%	126 940	92.81%	92.81%	134 870	98.60%	98.60%
Nkomazi	103 965	88 675	85.4%	85.29%	97 504	93.79%	93.79%	87 476	84.13%	84.13%	100 667	96.82%	96.82%
Thaba Chweu	37 022	35 665	96.33%	96.33%*	36 740	99.24%	99.24%*	18 975	51.25%	51.25%	36 740	99.24%	98.24%
EHLANZENI	483 903	433 441	89.57%	89.57%	462 979	95.68%	95.68%	420 391	86.87	86.87%	418 277	86.43%	86.43%

(Source: Stats SA, CS 2016, Municipal Assessment Report)

As stated above, the decline in access to water in Thaba Chweu, Nkomazi and Bushbuckridge can be attributed to the growth in City of Mbombela has resulted in a decline in the provision of sanitation services. The decline in sanitation was due to the increase in population.

Findings

Out of the 483 903 households in Ehlanzeni District for 2018/19 financial year, 420 391 had access to potable water which indicates a decrease by 13 050. A decrease was realized for Bushbuckridge, Nkomazi and Thaba Chweu on access to water. Bushbuckridge, Nkomazi and Thaba Chweu municipalities decreased the access to sanitation whilst City of Mbombela had an increase of 2.51% access to water.

A decrease ranging from 9.25% was realized for all municipalities in Ehlanzeni District on access to sanitation. City of Mbombela had decreased on access to sanitation whilst Bushbuckridge, Nkomazi had an increase on access to sanitation. Access to sanitation in Thaba Chweu remained unchanged.

Gert Sibande District

Table 11: Number of households with access to potable water in Gert Sibande

Municipality	2017/18						2018/19					
	Water			Sanitation			Water			Sanitation		
	Total No. of Households Community Survey 2016	Municipal assessment report	To date	Municipal assessment report	To date	Total No. of Households Community Survey 2016	Municipal assessment report	To date	Municipal assessment report	To date		
Govan Mbeki	108 894	107 191	98.44%	108 168	99.33%	108 894	107 191	98.44%	108 168	99.33%		
Chief Albert Luthuli	53 480	43 656	81.63%	53 480	100%	53 480	43 856	82%	35 847	67.02%		
Msukaligwa	51 089	47 965	93.89%	50 313	98.48%	51 089	48 239	94.42%	50 892	99.61%		
Lekwa	37 334	34 987	93.71%	36 220	97.02%	37 334	33 947	90.92%	32 318	86.56%		
Mkhondo	45 595	42 244	92.65%	43 630	95.69%	45 595	41 705	91.46%	37 400	82.02%		
Dipaleseng	14 877	14 338	96.38%	13 976	93.94%	14 877	14 638	98.40%	13 976	93.94%		
Dr Pixley Ka Isaka Seme	22 546	20 968	93.00%	22 147	98.23%	22 546	20 833	92.40%	21 968	97.43%		
GERT SIBANDE	333 815	311 349	93.27%	327 934	98.24%	333 815	310 409	92.98%	300 569	90.04%		

(Source: Stats SA, CS 2016, Municipal Assessment Report)

As stated above the decline in access to water in Lekwa, Mkhondo and Dr Pixley Ka Isaka Seme can be attributed to the shortages in bulk water provision which affects pressure resulting in water not provided to consumers. The decline in sanitation was due to the increase in population

Findings

Out of the 333 815 households in Gert Sibande District, 310 409 had access to potable water in 2018/19. Out of the 333 815 households in Gert Sibande District, 300 569 had access to sanitation in 2018/19.

Govan Mbeki municipality maintained the same access to water whilst a slight increase was realized in Chief Albert Luthuli, Msukaligwa and Dipaleseng. A decrease has been realised in Lekwa, Mkhondo, Dr Pixley ka Isaka Seme.

On sanitation, Govan Mbeki and Dipaleseng municipality maintained the same access whilst a slight increase was realized in Msukaligwa. A decrease has been realised in Chief Albert Luthuli, Lekwa, Mkhondo, Dr Pixley ka Isaka Seme.



Implementation of water projects to increase access to water in the Municipalities.

Nkangala District

Table 12: Number of households with access to potable water in Nkangala

Municipality	2017/18				2018/19						
	Total No. of Households Community Survey 2016	Water		Sanitation		Total No. of Households Community Survey 2016	Water		Sanitation		
		Municipal assessment report	To date	Municipal assessment report	To date		Municipal assessment report	To date	Municipal assessment report	To date	
Emalahleni	150 420	136 952	91.05%	148 349	98.62%	150 420	137 173	91.19%	148 349	98.62%	98.62%
Thembisile Hani	82 740	78 478	94.85%	80 623	97.44%	82 740	82 653	99.89%	80 623	97.44%	97.44%
Dr JS Moroka	62 367	57 669	92.47%	61 599	98.77%	62 367	49 770	79.80%	33 795	54.19%	54.19%
Steve Tshwete	86 713	83 464	96.25%	86 713	100%	86 713	86 713	100%	81 912	94.46%	94.46%
Emakhazeni	14 633	13 903	95.01%	13 878	94.84%	14 633	13 903	95.01%	13 459	91.97%	91.97%
Victor Khanye	24 270	24 270	100%	24 221	99.80%	24 270	22 608	93.15%	24 221	99.80%	99.80%
NKANGALA	421 143	394 736	93.73%	415 383	98.63%	421 143	392 820	93.27%	382 359	90.79%	90.79%
PROVINCIAL TOTAL	1 238 861	1 139 526	91.98%	1 206 296	97.37%	1 238 861	1 123 620	90.69%	1 101 205	88.88%	88.88%

(Source: Stats SA, CS 2016, Municipal Assessment Report)

As stated above the decline in access to water in Thembisile Hani, Dr JS Moroka and Victor Khanye can be attributed to the shortages in bulk water provision which affects pressure resulting in water not provided to consumers. The decline in sanitation was due to the increase in population whilst the growth in Thembisile Hani has resulted in a decline in the provision of sanitation services.

Findings

In 2018/19 financial year, Nkangala District had 421 143 households. Out of the 421 143 households in Nkangala District 392 820 had access to potable water as at June 2019. This shows that there has been a decrease of 1 916 households that were receiving water. In terms of sanitation in

2018/19 financial year, a total of 382 359 households had access to sanitation as compared to 415 383 in 2017/18. This was an indication of a decrease on sanitation at end of June 2019 by 23 024.

Emalaheni and Victor Khanye maintained figures on access to sanitation with a decrease in Steve Tshwete, Thembisile Hani, Dr JS Moroka, and Emakhazeni municipalities.

Emakhazeni and Emalaheni maintained figures on access to water with a decrease in Victor Khanye, Dr Js Moroka and Thembisile Hani municipalities and increase in Steve Tshwete municipality.

5.2.1.2 Households with access to Free Basic Water

Table 13: Status Quo on Free Basic Water in Ehlanzeni District

Local Municipality	2017/18				2018/19			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW	Households Community Survey 2016	Section 46 Reports (Indigents)	Served FBW With	% Served with FBW
City of Mbombela	206 136	11 906	11 906	100%	206 136	14 262	14 262	100%
Bushbuckridge	136 780	5 919	5 919	100%	136 780	6 660	6 660	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 951	12 951	100%
Thaba Chweu	37 022	4 207	4 207	100%	37 022	3 455	3 455	100%
TOTAL	483 903	34 985	34 985	100%	483 903	37 328	37 328	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Reports)

Findings

In 2018/19 financial year, a total of **37 328** indigents in Ehlanzeni District all were served with free basic water. This shows that 100% of indigent households were served with free basic water as in 2017/18 when there were **34 985** indigents and this indicates an increase of 2 343.

Table 14: Status Quo on Free Basic Water in Gert Sibande District

Local Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW	Households Community Survey 2016	Section 46 Reports (Indigents)	Served with FBW	% Served with FBW
Govan Mbeki	108 894	11 671	11 671	100%	108 894	12 253	12 253	100%
Chief Albert Luthuli	53 480	1 756	1 756	100%	53 480	17 059	17 059	100%
Msukaligwa	51 089	11 255	11 255	100%	51 089	11 388	11 388	100%
Lekwa	37 334	2 133	2 133	100%	37 334	3 937	3 937	100%
Mkhondo	45 595	1 043	1 043	100%	45 595	442	442	100%
Dipaleseng	14 877	878	878	100%	14 877	1 071	1 071	100%
Dr Pixley Ka Isaka Seme	22 546	2 164	2 164	100%	22 546	1 880	1 880	100%
TOTAL	333 815	30 900	30 900	100%	333 815	48 030	48 030	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Reports)

Findings

In 2018/19 financial year, a total of **48 030** indigents in Gert Sibande District all were served with free basic water. This shows that **100%** of indigent households were served with free basic water as in 2017/18 when there were **30 900** indigents and this indicates an increase of **17 130**.

Table 15 Status Quo on Free Basic Water in Nkangala District

Local Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW	Households Community Survey 2016	Section 46 Reports (Indigents)	Served with FBW	% Served with FBW
Emalaheni	150 420	10 089	10 089	100%	150 420	9 773	9 773	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 529	5 529	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 090	18 090	100%	86 713	14 617	14 617	100%
Emakhazeni	14 633	3 058	3 058	100%	14 633	2 537	2 537	100%
Victor Khanye	24 270	3 642	3 642	100%	24 270	2 571	2 571	100%
Total	421 143	44 861	44 861	100%	421 143	39 421	39 421	100%
Provincial Total	1 238 861	110 746	110 746	100%	1 238 861	124 779	124 779	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Reports)

Findings

In 2018/19 financial year, a total of **39 421** indigents in Nkangala District all were served with free basic water. This shows that 100% of indigent households were served with free basic water as in 2017/18 when there were **44 861** indigents and this indicates a decrease of 5 440.

5.2.1.3 Households with Free Basic Sanitation

Table 16: Status Quo on Free Basic Sanitation in Ehlanzeni

Local Municipality	2017/18				2018/19			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS	Households Community Survey 2016	Section 46 Reports (Indigents)	Served with FBS	% Served with FBS
City of Mbombela	206 136	11 906	11 906	100%	206 136	14 262	14 262	100%
Bushbuckridge	136 780	5 919	5 919	100%	136 780	6 660	6 660	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 951	12 951	100%
Thaba Chweu	37 022	4207	4207	100%	37 022	3 455	3 455	100%
TOTAL	483 903	34 985	34 985	100%	483 903	37 328	37 328	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Report)

Findings

In 2018/19 financial year, a total of **37 328** indigents in Ehlanzeni District all were served with free basic sanitation. This shows that 100% of indigent households were served with free basic sanitation as in 2017/18 when there were **34 985** indigents and this indicates an increase of 2 343.

Table 17: Status Quo on Free Basic Sanitation in Gert Sibande

Local Municipality	2017/18				2018/19			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS	Households Community Survey 2016	Section 46 Reports (Indigents)	Served with FBS	% Served with FBS
Govan Mbeki	108 894	11 671	11 671	100%	108 894	12 253	12 253	100%
Chief Albert Luthuli	53 480	1 756	1 756	100%	53 480	17 059	17 059	100%
Msukaligwa	51 089	11 255	11 255	100%	51 089	11 388	11 388	100%
Lekwa	37 334	2 133	2 133	100%	37 334	3 937	3 937	100%
Mkhondo	45 595	1 043	1 043	100%	45 595	442	442	100%
Dipaleseng	14 877	878	878	100%	14 877	1 071	1 071	100%
Dr Pixley Ka Isaka Seme	22 546	2 164	2 164	100%	22 546	1 880	1 880	100%
TOTAL	333 815	30 900	30 900	100%	333 815	48 030	48 030	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Report)

Findings

In 2018/19 financial year, a total of **48 030** indigents in Gert Sibande District all were served with free basic sanitation. This shows that 100% of indigent households were served with free basic sanitation as in 2017/18 when there were **30 900** indigent and this indicates an increase of 17 130.

Table 18: Status Quo on Free Basic Sanitation at Nkangala

Local Municipality	2017/18				2018/19			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS	Households Community Survey 2016	Section 46 Reports (Indigents)	Served with FBS	% Served with FBS
Emalaheni	150 420	10 089	10 089	100%	150 420	9 773	9 773	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 529	5 529	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 090	18 090	100%	86 713	14 617	14 617	100%
Emakhazeni	14 633	3 058	3 058	100%	14 633	2 537	2 537	100%
Victor Khanye	24 270	3 642	3 642	100%	24 270	2 571	2 571	100%
Total	421 143	44 861	44 861	100%	421 143	39 421	39 421	100%
Provincial Total	1 238 861	110 746	110 746	100%	1 238 861	124 779	124 779	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Report)

Findings

In 2018/19 financial year, a total of **39 421** indigents in Nkangala District all were served with free basic sanitation. This shows that 100% of indigent households were served with free basic sanitation as in 2017/18 when there were **44 861** indigents and this indicates a decrease of 5 440.

5.2.1.4 Bucket System Eradication

Table 19: Indicate Bucket System

Municipality	2017/18				2018/19			
	Village/Town	Number of Buckets	Project Value	Comments	Village/Town	Number of Buckets	Project Value	Comments
Victor Khanye	Mandela & Mimosas informal settlement	51	Municipal operational budget	Municipality migrating to chemical toilet	Mandela and Brakfontein	39	Municipal operational budget	Municipality migrating to chemical toilet

(Source: Section 46 report)

The bucket system re-emergence at Victor Khanye municipality, which resulted in 39 bucket systems in 2018/19 due to illegal land invasion in Mandela and Brakfontein Informal settlement. This is despite the efforts that Provincial Government had made to eradicate the bucket system in these areas completely, by relocating the informal settlement in this area to Botleng Ext 6 & 7.

5.2.1.5 Households with access to Electricity Services

Table 20: Households with access to electricity at Ehlanzeni

Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
City of Mbombela	206 136	198 724	96.40%	96.40%	206 136	198 770	96.42%	96.42%
Bushbuckridge	136 780	136 079	99.48%	99.48%	136 780	136 780	100%	100%
Nkomazi	103 965	99 678	95.88%	95.88%	103 965	102 244	96.38%	96.38%
Thaba Chweu	37 022	33 261	89.84%	89.84%	37 022	33 502	89.79%	89.79%
EHLANZENI	483 903	467 742	96.67%	96.67%	483 903	471 296	97.39%	97.39%

(Source: Stats SA, CS 2016, Municipal Assessment Report)

Findings

Out of the 483 903 households in Ehlanzeni District in 2018/19 financial year 471 296 had access to electricity as compared to 467 742 in 2017/18, this indicates an increase by 3 554.

Thaba Chweu decreased the access to electricity whilst the City of Mbombela, Bushbuckridge and Nkomazi increased the access to electricity.

Table 21: Households with access to electricity at Nkangala

Municipality	2017/18			2018/19			
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Emalaheni	150 420	108 506	72.14%	150 420	108 270	71.97%	71.97%
Thembisile Hani	82 740	81 597	98.62%	82 740	79 122	95.62%	95.62%
Dr JS Moroka	62 367	61 858	99.18%	62 367	61 858	99.18%	99.18%
Steve Tshwete	86 713	79 845	92.08%	86 713	79 638	91.84%	91.84%
Emakhaseni	14 633	12 707	86.84%	14 633	12 707	86.84%	86.84%
Victor Khanye	24 270	22 324	91.98%	24 270	22 324	91.98%	91.98%
Nkangala	421 143	366 837	87.11%	421 143	363 919	86.41%	86.41%

(Source: Stats SA, CS 2016, Municipal Assessment Report)

Findings

Out of the 421 143 households in Nkangala District in 2018/19 financial year 363 919 had access to electricity as compared to 366 837 in 2017/18 which is a decrease of 2 918

Table 22: Households with access to electricity in Gert Sibande

Municipality	2017/18			2018/19			
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Govan Mbeki	108 894	102 752	94.36%	108 894	94 619	86.89%	86.89%
Chief Albert Luthuli	53 480	51 578	96.44%	53 480	51 578	96.44%	96.44%
Lekwa	37 334	34 341	91.98%	37 334	34 341	91.98%	91.98%

Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Mkhondo	45 595	38 467	84.37%	84.37%	45 595	38 234	83.85%	83.85%
Dipaleseng	14 877	13 815	92.86%	92.86%	14 877	13 827	92.94%	92.94%
Dr Pixley Ka Isaka Seme	22 546	20 270	89.91%	89.91%	22 546	20 284	89.96%	89.96%
Msukaligwa	51 089	45 676	89.40%	89.40%	51 089	45 314	88.69%	88.69%
Gert Sibande	333 815	306 899	91.94%	91.94%	333 815	307 113	92%	92%
PROVINCIAL	1 238 861	1 141 478	92.14%	92.14%	1 238 861	1 142 328	90.23%	90.23%
TOTAL								

(Source: Stats SA, CS 2016, Municipal Assessment Report)

Findings

Out of the 333 815 households in Gert Sibande District in 2018/19 financial year 307 113 had access to electricity as compared to 306 899 in 2017/18, this indicates an increase by 214. Govan Mbeki, Mkhondo and Msukaligwa had decline in access to electricity whilst Chief Albert Luthuli and Lekwa maintained the same access. Dr Pixley Ka Isaka Seme and Dipaleseng had an increase on access to electricity.

5.2.1.6 Households with access to Free Basic Electricity

Table 23: Households with access to Free Basic Electricity

Municipality	2017/18				2018/19			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2018	%	Households Community Survey 2016	Section 46 reports (Indigents)	Indigents served as of June 2019	%
Govan Mbeki	108 894	11 671	11 671	100%	108 894	12 253	12 253	100%
Chief Albert Luthuli	53 480	1 756	1 756	100%	53 480	17 059	17 059	100%
Msukaligwa	51 089	11 255	11 255	100%	51 089	11 388	11 388	100%
Lekwa	37 334	2 133	2 133	100%	37 334	3 937	3 937	100%
Mkhondo	45 595	1 043	1 043	100%	45 595	442	442	100%
Dipaleseng	14 877	878	878	100%	14 877	1 071	1 071	100%
Dr Pixley Ka Isaka Seme	22 546	2 164	2 164	100%	22 546	1 880	1 880	100%
Gert Sibande District	333 815	30 900	30 900	100%	333 815	48 030	48 030	100%
Emalaheni	150 420	10 089	10 089	100%	150 420	9 773	9 773	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 529	5 529	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	18 090	18 090	100%	86 713	14 617	14 617	100%
Emakhazeni	14 633	3 058	3 058	100%	14 633	2 537	2 537	100%
Victor Khanye	24 270	3 642	3 642	100%	24 270	2 571	2 571	100%
Nkangala District	421 143	44 861	44 861	100%	421 143	39 421	39 421	100%
City of Mbombela	206 136	11 906	11 906	100%	206 136	14 262	14 262	100%
Bushbuckridge	136 780	5 919	5 919	100%	136 780	6 660	6 660	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 951	12 951	100%
Thaba Chweu	37 022	4 207	4 207	100%	37 022	3 455	3 455	100%
Ehlanzeni District	483 902	34 985	34 985	100%	483 903	37 328	37 328	100%
Provincial total	1 238 861	110 746	110 746	100%	1 238 861	124 779	124 779	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Reports)

Findings

In 2018/19 financial year there was a total of 124 779 indigents of which 124 779 were served with free basic electricity as compared to 110 746 that were served in 2017/18 financial year, this shows an increase of 14 033 in the province.

5.2.1.7 Households with access to refuse removal

Table 24: Households with access to refuse removal at Ehlanzeni

Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (Refuse Removal)	%	To date	Households Community Survey 2016	Municipal assessment report (Refuse Removal)	%	To date
City of Mbombela	206 136	67 461	32.72%	32.72%	206 136	65 950	31.99%	31.99%
Bushbuckridge	136 780	34 372	25.13%	25.13%	136 780	41 780	30.55%	30.55%
Nkomazi	103 965	83 742	80.55%	80.55%	103 965	83 742	80.55%	80.55%
Thaba Chweu	37 022	21 048	56.85%	56.85%	37 022	22 346	60.36%	60.36%
EHLANZENI	483 902	206 623	42.70%	42.70%	483 903	213 818	44.18%	44.18%

(Source: Stats SA, CS 2016, Municipal Assessment Report)

Findings

Out of the 483 903 households in Ehlanzeni District in 2018/19 financial year 213 818 had access to refuse removal as compared to 206 623 in 2017/18 which indicates an increase of 7 195 in refuse removal 2018/19 financial year.

Table 25: Households with access to refuse removal at Nkangala

Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (refuse removal)	%	To date	Households Community Survey 2016	Municipal assessment report (refuse removal)	%	To date
Emalaheni	150 420	95 814	63.69%	63,69%	150 420	95 114	63.23%	63.23%
Thembisile Hani	82 740	56 856	68.72%	68.72%	82 740	32 675	39.49%	39.49%
Dr JS Moroka	62 367	13 561	21.74%	21.74%	62 367	13 561	21.74%	21.74%
Steve Tshwete	86 713	79 804	92.03%	92.03%	86 713	74 097	85.45%	85.45%
Emakhazeni	14 633	12 404	84.77%	84.77%	14 633	12 404	84.77%	84.77%
Victor Khanye	24 270	19 069	78.57%	78.57%	24 270	24 181	99.63%	99.63%
Nkangala	421 143	277 508	65.89%	65.89%	421 143	252 032	59.84%	59.84%

(Source: Stats SA, CS 2016, Municipal Assessment Report)

Findings

Out of the 448 296 households in Nkangala District in 2018/19 financial year 252 032 had access to refuse removal as compared to 277 508 in 2017/18 which indicates decrease of 25 476 to refuse removal 2018/19 financial year.

Table 26: Households with access to refuse removal in Gert Sibande

Municipality	2017/18			2018/19				
	Households Community Survey 2016	Municipal assessment report (Refuse Removal)	%	To date	Households Community Survey 2016	Municipal assessment report (Refuse Removal)	%	To date
Govan Mbeki	108 894	81 150	74.52%	74.52%	108 894	83 471	76.65%	76.65%
Chief Albert Luthuli	53 480	12 909	24.14%	24.14%	53 480	13 409	25.07%	25.07%
Msukaligwa	51 089	33 231	65.05%	65.05%	51 089	34 231	67%	67%
Lekwa	37 334	25 946	69.50%	69.50%	37 334	25 946	69.50%	69.50%
Mkhondo	45 595	30 726	67.39%	67.39%	45 595	30 567	67.04%	67.04%
Dipaleseng	14 877	13 190	86.66%	86.66%	14 877	13 624	91.5%	91.5%
Dr Pixley Ka Isaka Seme	22 546	20 660	91.63%	91.63%	22 546	20 660	91.63%	91.63%
Gert Sibande	333 815	217 812	65.25%	65.25%	333 815	221 908	66.48%	66.48%
PROVINCIAL	1 238 861	701 943	56.66%	56.66%	1 238 861	687 758	55.51%	55.51%
TOTAL								

(Source: Stats SA, CS 2016, Municipal Assessment Report)

Findings

Out of the 333 815 households in Gert Sibande District in 2018/19 financial year 221 908 had access to refuse removal as compared to 217 812 in 2017/18 which indicates increase of 4096 to refuse removal 2018/19 financial year.

5.2.1.8 Households with access to Free Basic Refuse Removal

Table 27: Households with access to Free Basic refuse removal

Municipality	2017/18				2018/19			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2018	%	Households Community Survey 2016	Section 46 reports (Indigents)	Indigents served as of June 2019	%
Govan Mbeki	108 894	11 671	11 671	100%	108 894	12 253	12 253	100%
Chief Albert Luthuli	53 480	1 756	1 756	100%	53 480	17 059	17 059	100%
Msukaligwa	51 089	11 255	11 255	100%	51 089	11 388	11 388	100%
Lekwa	37 334	2 133	2 133	100%	37 334	3 937	3 937	100%
Mkhondo	45 595	1 043	1 043	100%	45 595	442	442	100%
Dipaleseng	14 877	878	878	100%	14 877	1 071	1 071	100%
Dr Pixley Ka Isaka Seme	22 546	2 164	2 164	100%	22 546	1 880	1 880	100%
Gert Sibande District	333 815	30 900	30 900	100%	333 815	48 030	48 030	100%
Emalahleni	150 420	10 089	10 089	100%	150 420	9 773	9 773	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 529	5 529	100%
Dr JS Moroka	62 361	4 394	4 394	100%	62 361	4 394	4 394	100%
Steve Tshwete	86 711	18 090	18 090	100%	86 711	14 617	14 617	100%
Emakhazeni	14 630	3 058	3 058	100%	14 630	2 537	2 537	100%
Victor Khanye	24 270	3 642	3 642	100%	24 270	2 571	2 571	100%
Nkangala District	421 141	44 861	44 861	100%	421 141	39 421	39 421	100%
City of Mbombela	206 136	11 906	11 906	100%	206 136	14 262	14 262	100%
Bushbuckridge	136 780	5 919	5 919	100%	136 780	6 660	6 660	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 951	12 951	100%
Thaba Chweu	37 022	4 207	4 207	100%	37 022	3 455	3 455	100%
Ehlanzeni District	483 902	34 985	34 985	100%	483 903	37 328	37 328	100%
Provincial total	1 238 861	110 746	110 746	100%	1 238 861	124 779	124 779	100%

(Source: Stats SA, CS 2016, Municipal Section 46 Reports)

Findings

In 2018/19 financial year there was a total of 124 779 indigents of which 124 779 were served with free basic refuse removal as compared to 110 746 that were served in 2017/18 financial year, this shows an increase of 14 033 in the province.

**5.2.1.9 Accessible KMs of Roads
Ehlanzeni District**

Table 28: Total KM of tarred and gravel roads in Ehlanzeni

Municipality	2017/18		2018/19			
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
City of Mbombela	3 849	728	3 121	3 849	728	3 121
Bushbuckridge	4 640	345	4 295	4 640	358	4 282
Nkomazi	2 265	277.7	1 987.3	2 265	277.7	1 987.3
Thaba Chweu	582	167	415	582	167	415
Totals	11 336	1 517.7	9 818.3	11 336	1 530.7	7 823.3

(Source: Municipal Section 46 Report)

Findings

In 2017/18 financial year there was a total of 11 336 Kilometres of roads at Ehlanzeni district as a whole, 1 530.7 was either tarred or paved and, 7 823.3 kilometres remained gravelled.

Gert Sibande District

Table 29: Total KM of tarred and gravel roads in Gert Sibande

Municipality	2017/18			2018/19		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
Govan Mbeki	908	505	403	908	508	398
Chief Albert Luthuli	649	543	106	656	528	128
Msukaligwa	599.5	250.7	348.8	599.9	254	354.5
Lekwa	423	175.1	247.9	423	175	248
Mkhondo	980	395	585	980	554.5	425.5
Dipaleseng	227	101	126	317.85	96.75	221.1
Dr. Pixley Ka Isaka Seme	278	88	191	278	89	189
Totals	4 064.5	2 060.8	2 003.7	4 162.75	2 205,25	1 964.1

(Source: Municipal Section 46 Report)

Findings

In 2018/19 financial year there was a total of 4 162.75 Kilometres of roads at Gert Sibande district as a whole, 2 205.25 was either tarred or paved and, 1 964.1 kilometres remained gravelled.

Nkangala District

Table 30: Total KM of tarred and gravel roads in Nkangala

Municipality	2017/18			2018/19		
	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled	Total municipal Roads and Km	Total Roads and Km (Tarred, concrete and paved)	Total Road and Km Gravelled
Emalahleni	1 400	843	557	1 429	1 003	426
Thembisile Hani	2 142.9	250	1892.9	2 142.9	250	1892.9
Dr JS Moroka	2 910	190	2 720	2 910	191	2 719
Steve Tshwete	823	668	155	938	693.7	244.3
Emakhazeni	2 620.17	27.41	2 592.76	2 620.17	27.41	2 592.76
Victor Khanye	340	139	201	383	133	250
Totals	10 236.07	2 117.41	8 118.66	10 423.07	2298.11	8124.96

(Source: Municipal Section 46 Report)

Findings

- In 2018/19 financial year there was a total of 10 423.07 Kilometres of roads at Nkangala district as a whole, 2 298.11 kilometres was either tarred or paved and, 8124.6 kilometres remained gravelled.

Analysis of performance on Service Delivery and Infrastructure Development

- *Out of the 483 903 households in Ehlanzeni District for 2018/19 financial year, 420 391 had access to potable water which indicates a decrease by 13 050.*
- *A slight increase ranging from 2.7% was realized for all municipalities in Ehlanzeni District on access to water. Bushbuckridge, Nkomazi and Thaba Chweu municipalities decreased the access to sanitation whilst City of Mbombela had an increase of 2.51% access to water.*
- *A decrease ranging from 9.25% was realized for all municipalities in Ehlanzeni District on access to sanitation. City of Mbombela had decreased on access to sanitation whilst Bushbuckridge, Nkomazi had an increase on access to sanitation. Access to sanitation in Thaba Chweu remained unchanged.*
- *A slight increase ranging from 2.7% was realized for all municipalities in Ehlanzeni District on access to water. Bushbuckridge, Nkomazi and Thaba Chweu decreased the access to sanitation whilst City of Mbombela had an increase of 2.51% access to water.*
- *A decrease ranging from 9.25% was realized for all municipalities in Ehlanzeni District on access to sanitation. City of Mbombela had a decreased the access to sanitation whilst Bushbuckridge, Nkomazi had an increase of access to sanitation. Thaba Chweu remained the same*
- *Out of the 333 815 households in Gert Sibande District, 310 409 had access to potable water in 2018/19. Out of the 333 815 households in Gert Sibande District, 300 569 had access to sanitation in 2018/19.*
- *Govan Mbeki municipality maintained the same access to water whilst a slight increase was realized in Chief Albert Luthuli, Msukaligwa and Dipaleseng. A decrease has been realised in Lekwa, Mkhondo, Dr Pixley ka Isaka Seme.*
- *On sanitation, Govan Mbeki and Dipaleseng municipality maintained the same access whilst a slight increase was realized in Msukaligwa. A decrease has been realised in Chief Albert Luthuli, Lekwa, Mkhondo, Dr Pixley ka Isaka Seme.*
- *In 2018/19 financial year, a total of 37 328 indigents in Ehlanzeni District all were served with free basic water. This shows that 100% of indigent households were served with free basic water as in 2017/18 when there were 34 985 indigents and this indicates an increase of 2 343.ley ka Isaka Seme.*
- *On sanitation, Govan Mbeki and Dipaleseng municipality maintained the same access whilst a slight increase was realized in Msukaligwa. A decrease has been realised in Chief Albert Luthuli, Lekwa, Mkhondo, Dr Pixley ka Isaka Seme*
- *In 2018/19 financial year, Nkangala District had 421 143 households. Out of the 421 143 households in Nkangala District 392 820 had access to potable water as at June 2019. This shows that there has been a decrease of 1 916 households that were receiving water. In terms of sanitation in 2018/19 financial year, a total of 382 359 households had access to sanitation as compared to 415 383 in 2017/18. This was an indication of a decrease on sanitation at end of June 2019 by 23 024.*

- *Emalahleni and Victor Khanye maintained figures on access to sanitation with a decrease in Steve Tshwete, Thembisile Hani, Dr JS Moroka, and Emakhazeni municipalities.*
- *Emakhazeni and Emalahleni maintained figures on access to water with a decrease in Victor Khanye, Dr Js Moroka and Thembisile Hani municipalities and increase in Steve Tshwete municipality.*
- *In 2018/19 financial year, a total of 48 030 indigents in Gert Sibande District all were served with free basic water. This shows that 100% of indigent households were served with free basic water as in 2017/18 when there were 30 900 indigent and this indicates an increase of 17 130.*
- *In 2018/19 financial year, a total of 37 328 indigents in Ehlanzeni District all were served with free basic water. This shows that 100% of indigent households were served with free basic water as in 2017/18 when there were 34 985 indigents and this indicates an increase of 2 343.*
- *In 2018/19 financial year, a total of 39 421 indigents in Nkangala District all were served with free basic water. This shows that 100% of indigent households were served with free basic water as in 2017/18 when there were 44 861 indigents and this indicates a decrease of 5 440.*
- *In 2018/19 financial year, a total of 37 328 indigents in Ehlanzeni District all were served with free basic sanitation. This shows that 100% of indigent households were served with free basic sanitation as in 2017/18 when there were 34 985 indigents and this indicates an increase of 2 343.*
- *In 2018/19 financial year, a total of 48 030 indigents in Gert Sibande District all were served with free basic sanitation. This shows that 100% of indigent households were served with free basic sanitation as in 2017/18 when there were 30 900 indigent and this indicates an increase of 17 130.*
- *In 2018/19 financial year, a total of 39 421 indigents in Nkangala District all were served with free basic sanitation. This shows that 100% of indigent households were served with free basic sanitation as in 2017/18 when there were 44 861 indigents and this indicates a decrease of 5 440. Out of the 483 902 households in Ehlanzeni District in 2018/19 financial year 471 296 had access to electricity as compared to 467 742 in 2017/18, this indicates an increase by 3 554.*
- *City of Mbombela and Thaba Chweu decreases the access to electricity whilst Bushbuckridge and Nkomazi increased the access to electricity.*
- *Out of the 421 143 households in Nkangala District in 2018/19 financial year 363 919 had access to electricity as compared to 366 837 in 2017/18 which is a decrease of 2 918*
- *Out of the 333 815 households in Gert Sibande District in 2018/19 financial year 307 113 had access to electricity as compared to 306 899 in 2017/18, this indicates an increase by 214.*
- *Govan Mbeki, Mkhondo and Msukaligwa had decline in access to electricity whilst Chief Albert Luthuli and Lekwa maintained the same access. Dr Pixley Ka Isaka Seme and Dipaleseng had an increase on access to electricity compared to 366 837 in 2017/18 which is a decrease of 2 918*
- *In 2018/19 financial year there was a total of 124 779 indigents of which 124 779 were served with free basic electricity as compared to 110 746 that were served in 2017/18 financial year, this shows an increase of 14 033 in the province*
- *Out of the 483 903 households in Ehlanzeni District in 2018/19 financial year 213 818 had access to refuse removal as compared to 206 623 in 2017/18 which indicates an increase of 7 195 in refuse removal 2018/19 financial year.*
- *Out of the 448 296 households in Nkangala District in 2018/19 financial year 252 032 had access to refuse removal as compared to 277 508 in 2017/18 which indicates decrease of 25 476 to refuse removal 2018/19 financial year.*

- Out of the 333 815 households in Gert Sibande District in 2018/19 financial year 221 908 had access to refuse removal as compared to 217 812 in 2017/18 which indicates increase of 4096 to refuse removal 2018/19 financial year
- In 2018/19 financial year there was a total of 124 779 indigents of which 124 779 were served with free basic refuse removal as compared to 110 746 that were served in 2017/18 financial year, this shows an increase of 14 033 in the province
- In 2017/18 financial year there was a total of 11 336 Kilometres of roads at Ehlanzeni district as a whole, 1 530.7 was either tarred or paved and, 7 823.3 kilometres remained gravelled
- In 2018/19 financial year there was a total of 4 162.75 Kilometres of roads at Gert Sibande district as a whole, 2 205.25 was either tarred or paved and, 1 964.1 kilometres remained gravelled.
- In 2018/19 financial year there was a total of 10 423.07 Kilometres of roads at Nkangala district as a whole, 2 298.11 kilometres was either tarred or paved and, 8124.6 kilometres remained gravelled

Challenges on access to water

- Limited water sources exacerbated by lack of water master plans in municipalities to enable sharing of resources at regional/ district levels. This translates into poor planning for bulk water supply infrastructure against the available quantity of water resources (dams and rivers) as well as planning for storage facilities such as reservoirs and upgrading of Water Treatment Works has been a challenge (The whole water supply value chain)
- Excessive water losses due to leakages and constant pipe burst as well as aged infrastructure for example Asbestos pipes. Scourge of illegal and unauthorized connection to the municipal bulk Infrastructure resulting in water losses
- Inadequate technical personnel (artisans and process controllers)
- Non availability of water safety plans
- Poor planning and budgeting for implementation of the infrastructure development plans and Operations & Maintenance that encompass the maintenance of the entire water distribution chain.
- Inadequate budget to maintain and repair the assets as required by Treasury (8% of total assets be utilised for repairs and maintenance).
- Inconsistent water supply due to limited bulk infrastructure and pipe leakages in the network, aged infrastructure especially in Chief Albert Luthuli , Lekwa, Bushbuckridge, Nkomazi, Mbombela, Msukaligwa, Emalahleni and Thembisile Hani Local Municipalities.
- Operating capacity not sufficient especially for Thaba Chweu, Bushbuckridge, Nkomazi, Lekwa, Msukaligwa, Emalahleni, Emakhazeni Local Municipalities

Recommendations on water

- Municipalities must develop water master plans to enable the sharing of resources at regional/ district levels.
- Municipalities to develop Water conservation and demand management strategies to mitigate for water losses.
- Municipalities to appoint, train and retain adequate process controllers and artisan.
- Municipalities to develop water safety plans.

- *Municipalities are encouraged to submit drinking water quality data on the Blue and Green Drop Systems.*
- *Municipalities must develop and fund Operations & Maintenance plans*
- *Municipalities to plan bulk services to sustain water supply*

Water Interventions

- *CoGTA will be supporting municipalities to tighten project management and contract administration.*
- *National government shall be lobbied to regulate price ceilings for service infrastructure contracts to avoid government abuse.*
- *A provincial database for shoddy work and slow pace service providers be activated. Districts to audit & investigate functionality of all Reservoirs, Water Treatment Works, Waste Water Treatment Works, water leakages and pipe bursts*

Challenges on access to Sanitation

- *The unavailability of bulk water and bulk sewer infrastructure has slowed down the pace of the roll-out programme for connecting households to waterborne toilets*
- *Maintenance of existing infrastructure and adequate provision of budgets has been a huge challenge resulting in sewer spillages and overflowing of Waste Water Treatment Works for example Govan Mbeki, Msukaligwa and Emalahleni (Industrial Park), Mkhondo (Eziphunzini), and Dr Pixley Ka Isaka Seme (in Amersfoort), City of Mbombela, Nkomazi*
- *The municipalities bulk infrastructure systems are constrained by the ever increasing population and industrial development which at most results in shortages in overloaded sewerage systems and spillages*
- *Inadequate sanitation in farm and rural areas such as in Emakhazeni, Dr JS Moroka and Thembisile Hani, Dr Pixley Ka Isaka Seme, Dipaleseng, Lekwa, Bushbuckridge and Nkomazi municipalities*
- *Inadequate technical personnel (artisans and process controllers).*
- *Non availability of Wastewater Risk Abatement plans*

Recommendations on sanitation

- *Municipalities to plan for bulk infrastructure to enable them to extend sanitation to communities*
- *Municipalities to ring-fence Operations & Maintenance budget to deal with the sewer spillages and overflowing of Waste Water Treatment Works*
- *Municipalities to plan for sanitation in farm and rural areas.*
- *Municipalities to appoint, train and retain adequate process controllers and artisan*
- *Municipalities to develop Wastewater Risk Abatement plans.*

Support interventions by National and Provincial Governments on Sanitation

- *Dry sanitation toilet structures (safe VIP's) that can be converted into flush toilets at later stage are an immediate solution for the areas not yet connected to bulk infrastructure. Districts are to support municipalities to technically assess and provide viable interventions.*

Challenges on access to Electricity

- *Huge Eskom debts in City of Mbombela, Thaba Chweu, Emalahleni, Emakhazeni, Chief Albert Luthuli, Govan Mbeki, Lekwa and Msukaligwa Local Municipality continues*
- *High technical and none technical losses which had largely contributed on revenue collections losses continues*
- *Scourge of illegal connections and electrical infrastructure theft.*
- *Bulk infrastructure and electricity networks are severely overloaded due to excessive added demand and growth of settlements. No commensurate plans were in place to upgrade infrastructure in order to cope with added demand*

Recommendations on Electricity

- *Municipalities to adhere to the payment plans with Eskom*
- *National Treasury and Provincial Treasury Advocate for the uniform tariffs for municipalities and Eskom.*
- *Municipalities must enforce electricity by-laws*
- *Municipalities must develop Electricity Master Plans that will include future growth of bulk infrastructure systems*
- *The department to plays a reconciliatory role between ESKOM and the municipalities owing the parastatal to agree on payment arrangements of the overdue/outstanding payments which could have resulted in bulk electricity disconnection of the concerned municipalities which are: City of Mbombela, Thaba Chweu, Emalahleni, Lekwa, Msukaligwa, Mkhondo, Victor Khanye, Dipaleseng, Chief Albert Luthuli, Govan Mbeki and Emakhazeni municipalities*

Electricity Interventions

- *Department of Energy and COGTA are to finalize the Electrification Master Plan to pursue the targets for Universal Access.*
- *Eskom, COGTA, Provincial Treasury and municipalities to pursue measures available for the reduction of Eskom debt.*
- *Revised repayments Agreements with Eskom have been signed. Both CoGTA and Provincial Treasury continue to monitoring adherence and its full implementation on monthly and quarterly basis.*
- *Revenue improvement and credit control plans have been developed and are both currently being implemented and monitored by the provincially established task team (CoGTA, Provincial Treasury, Eskom and Local Municipalities),*
- *Local municipalities are being advised to consider the installation of pre-paid and smart metering systems to improve revenue collections.*

- *Community education on the effect of illegal connections and the user pay principle for businesses, residents in each municipality. All councils to heighten the campaigns against illegal connections*

Challenges on access to refuse removal

- *Waste Removal is not generally prioritized as it is not classified as a trading service, and therefore depends/ is leveraged on other services such as water and electricity for the collection of revenue. There is no dedicated grant that subsidizes the service. Only MIG funds the projects related to landfill site and transfer stations for development and upgrading.*
- *Excessive deterioration of waste management fleet and poor turn-around time to replace aged equipment is a challenge.*
- *Outdated, implementation, enforcement of Integrated Waste Management Plans and By- laws.*
- *Poor operations and management of waste management facilities: non-compliant with environmental legislation (e.g. non-determination of airspace, cover material, equipment, and technical expertise), waste license conditions and expiring of existing issued licenses.*

Recommendations

- *Municipalities to provide sufficient budget for waste management*
- *Prioritization of waste management services in line with the basic services in terms of planning, development and implementation.*
- *Municipalities to review, implementation and enforcement of Integrated Waste Management Plans and By- laws.*
- *Municipalities must comply with the environmental legislation*

Interventions of access to refuse removal

COGTA in partnership with Department Agriculture Rural Development Land and Environmental Affairs and Department of Environmental Affairs have developed a Provincial Waste Management Action Plan to support municipalities in addressing the above challenges

5.3 SPATIAL RATIONALE

Given the far-reaching and stubbornly-persistent imprints and impacts of the colonial and Apartheid pasts on our present, the 2030-National Development Plan (NDP) is of central importance to realising a very different future. The NDP, as an all-encompassing comprehensive national development plan (1) speaks to the multitude of needs and challenges facing the country, their underlying causes and factors inhibiting change, and (2) provides detailed guidance on responding to all of these.

It was especially Chapter 8 of the NDP – Transforming Human Settlement and the National Space Economy – that made specific reference to the need for a “national spatial development framework”.

Following on from this guidance, government prepared policy and legislation that speaks to and gives further expression to (especially) Chapter 8 of the NDP. These instruments, which cover (1) settlement planning, (2) place-making, and (3) land-use and land-use management are the 2016-Integrated Urban Development Framework (IUDF) and the Spatial Planning and Land Use Management Act, 2013 (SPLUMA).

The Spatial Planning and Land Use Management Act, 2013 (SPLUMA), was introduced to “provide a framework for spatial planning and land use management” in South Africa. As such it not only seeks to attend to and rectify the fragmented, irrational, unfair and unequal apartheid planning system inherited from the Apartheid era, but also its consequences in space. As in the case of the IUDF, this means the active pursuit of (1) spatial transformation, (2) social and economic inclusion, and (3) equal opportunities and equal access to government services and the amenities that settlements offer.

The SPLUMA requires that a municipal spatial development framework must be prepared, by each tier of government, more importantly by municipalities, as part of their integrated Development Plan (IDP) in accordance with the provisions of the Municipal Systems Act. A municipal Spatial Development Framework (SDF) must, amongst others, give effect to the development principles of SPLUMA being spatial justice, spatial sustainability, efficiency, spatial resilience and good administration.

The continued implementation of IDP projects which are not informed by the directives of the various SDF’s is a major “Draw-Back” in the province efforts in addressing the past imbalances and to the achievements of the Spatial Transformation. The prioritisation of the capital investments framework through the IUDF is yet another government initiative intended to foster sustainable development in the province.

Section 15 of SPLUMA requires that each province develops a Provincial Spatial Development Framework (PSDF). In this regard, the department has, in co-operation with the Office of the Premier, the Department of Economic Development and Tourism and the Department of Rural Development and Land Reform, finalised the PSDF in March 2019, and is awaiting the approval of the Executive Council. The purpose of the PSDF is, amongst others, to guide district and local municipalities with the review of their SDFs and to facilitate alignment of initiatives from the various stakeholders



National Development Plan envisages the transformation of Human Settlements.

Table 31: Indicate municipalities with approved SDFs

DISTRICT	Municipality	2016/17			2017/18			2018/19		
		SDF' s approved	SDF' s submitted	SDF ' s implemented	SDF' s approved	SDF' s submitted	SDF ' s implemented	SDF' s approved	SDF' s submitted	SDF ' s implemented
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Ehlanzeni District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(Source: COGTA/Municipal SPLUMA and Land Use Management assessment report and municipal surveys)

5.3.1 Findings on Spatial Development Frameworks

All municipalities in the Province have maintained a good record with regard to having approved Spatial Development Frameworks (SDFs) for the past three financial years. A number of municipalities have reviewed their SDFs, some are still in process, to be SPLUMA compliant since the act came into operation in 2015.

In this regard the department has assisted with the review of the SDFs of Steve Tshwete, Nkomazi and the City of Mbombela Local Municipalities during the 2018/19 financial year. The department will continue to focus its attention to support all municipalities in ensuring that developments are in line with the respective Spatial Development Frameworks, that municipal SDFs are aligned to the Provincial Spatial Development Framework and that SDFs are effectively implemented through municipal IDPs.

Challenges

A number of challenges were observed in all municipalities, including:

- Non-SPLUMA compliant Implementation Plans hinder the effective implementation of SDFs through municipal IDPs.
- Misalignment between municipal Spatial Development Frameworks and IDP projects that are implemented.
- The review of SDFs, to be SPLUMA compliant, are not prioritised by municipalities due to budgetary constraints
- Lack of planning capacity in municipalities to implement spatial plans and to enforce land use schemes
- SDFs and land use schemes that are not supported and implemented by Traditional Leaders.
- Spatial transformation and security of tenure is hindered by slow state land release processes and lack of developable and affordable land close to economic centres
- Low-density urban sprawl, land invasion and the proliferation of informal settlements close to urban centres.

Table 32: Municipal performance on SPLUMA implementation (land use management)

DISTRICT	Municipality	SPLUMA area of implementation						
		Process applications	Process Appeals	Process Building plans	Process Outdoor advertisements	Conducting enforcement	Adopted SPLUMA LUS	Comment
EHLANZENI	Bushbuckridge	Yes	No	Yes	No	No	Yes	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not conducted. LUS comply with SPLUMA requirements but not adopted In terms of SPLUMA
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	In process	Municipality is in the process to prepare the SPLUMA LUS.

DISTRICT	Municipality	SPLUMA area of implementation						
		Process applications	Process Appeals	Process Building plans	Process Outdoor advertisements	Conducting enforcement	Adopted SPLUMA LUS	Comment
	Nkomazi	Yes	No	Yes	Yes	No	In process	Municipality has not received any appeal yet. Law enforcement not fully conducted. Municipality is in the process to prepare a SPLUMA LUS.
	Thaba Chweu	Yes	No	Yes	Yes	No	Yes	Municipality has not received any appeal yet. Law enforcement not fully conducted.
GERT SIBANDE	Chief Albert Luthuli	Yes	No	Yes	No	No	Yes	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not conducted.
	Dipaleseng	Yes	No	Yes	No	No	No	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not conducted. Municipality lacks funding to prepare a SPLUMA LUS.
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	No	LUS comply with SPLUMA requirements but not adopted to SPLUMA
	Mkhondo	Yes	No	Yes	Yes,	No	In process	Municipality has not received any appeal yet. Law enforcement not fully conducted. The municipality is in process to prepare a SPLUMA LUS.
	Lekwa	Yes	No	Yes	Yes	No	No	Municipality has not received any appeal yet. Law enforcement not fully conducted. The Department plans to support the municipality to prepare a SPLUMA LUS.
	Msukaligwa	Yes	No	Yes	Yes	Yes	No	Municipality has not received any appeal yet. The DM supports the municipality to prepare a SPLUMA LUS.
	Dr Pixley Ka Isaka Seme	Yes	No	Yes	No	No	In process	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not conducted. The DM supports the municipality to prepare a SPLUMA LUS.
NKANGALA	Emalahleni	Yes	Yes	Yes	No	Yes	In process	Outdoor advertising is not properly regulated. Municipality in process to prepare a SPLUMA LUS.
	Steve Tshwete	Yes	No	Yes	Yes	Yes	In process	Municipality has not received any appeal yet. They are in the process to prepare a SPLUMA

DISTRICT	Municipality	SPLUMA area of implementation						
		Process applications	Process Appeals	Process Building plans	Process Outdoor advertisements	Conducting enforcement	Adopted SLUMA LUS	Comment
								LUS
	Emakhazeni	Yes	No	Yes	No	No	In process	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not fully conducted. They are in the process to prepare a SPLUMA LUS
	Victor Khanye	Yes	No	Yes	No	No	No	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not fully conducted. They are in the process to prepare a SPLUMA LUS
	Dr. JS Moroka	Yes	No	Yes	Yes	No	No	Municipality has not received any appeal yet. Law enforcement not fully conducted. They are in the process to prepare a SPLUMA LUS
	Thembisile Hani	Yes	No	Yes	No	No	No	Municipality has not received any appeal yet. No outdoor advertising regulation. Law enforcement not fully conducted. They are in the process to prepare a SPLUMA LUS

(Source: COGTA/Municipal SPLUMA and Land Use Management assessment report and municipal surveys)

5.3.2 Analysis of municipal performance on SPLUMA implementation (land use management)

Findings

- *All municipalities have processed land use applications but only a few received appeals against decisions of these applications (City of Mbombela, Govan Mbeki and Emalahleni). The appeals against these decisions may relate to the quality of decisions or the magnitude of applications that differ from different municipalities.*
- *Building control is enforced in all municipalities but efficiency can improve with more skilled personnel.*
- *Seven municipalities do not implement outdoor advertising regulation (Bushbuckridge, Chief Albert Luthuli, Dipaleseng, Pixley ka Isaka Seme, Emakhazeni, Thembisile Hani and Emalahleni.). Consequently, is an unregulated sector in the aforementioned municipalities resulting in the loss of income for these municipalities.*
- *A major concern in most municipalities is the lack of land use enforcement. Only the municipalities such as City of Mbombela, Govan Mbeki, Msukaligwa, Emalahleni and Steve Tshwete implemented enforcement. The lack of enforcement is mainly due to the absence of dedicated personnel or non-existence of such units within some of these municipalities. Non-performance in this regard is against the spirit of spatial planning and land use management.*
- *During the period under review, only Thaba Chweu and Chief Albert Luthuli municipalities adopted SPLUMA Land Use Schemes. Bushbuckridge and Govan Mbeki municipalities have land use schemes that comply with SPLUMA requirements, but those schemes were adopted in terms of old order legislation. These schemes will have to be adopted in terms of SPLUMA. All other municipalities, except Dipaleseng municipality initiated the process to prepare land use schemes or have plans in place to prepare SPLUMA compliant land use schemes.*

Challenges

- *The slow pace of municipalities to perform administrative tasks still remain a challenge as in some instances it is evident that SPLUMA time frames for processing of applications are exceeded.*
- *The staff component of municipalities to effectively implement SPLUMA, especially from an administrative, technical and compliance point of view is insufficient.*
- *Officials and office holders in the different SPLUMA roles are under capacitated and lack the necessary skills.*
- *Lack of funding in Dipaleseng municipality to prepare a SPLUMA compliant land use scheme. However, here is a high probability for the DRDLR to fund the required land use scheme.*

Recommendations

- *COGTA in collaboration with the District continues to support and monitor Municipalities on land use management in line with SPLUMA in order to address the challenges and shortcomings.*

Support Interventions by National and Provincial government

- *Continuous monitoring of municipalities on SPLUMA implementation by Department of Rural Development and Land Reform and COGTA*
- *Support by COGTA, SALGA and Department of Rural Development and Land Refrom through training on the different areas of SPLUMA including training of Appeal Authorities as well as Councillors on land use management and spatial planning.*
- *Budgeting by COGTA to support municipalities on the implementation of SPLUMA e.g., preparation of Land Use Schemes for municipalities where possible.*

5.4 INTEGRATED DEVELOPMENT PLANNING PROCESS

5.4.1 Legislative Framework

Constitution of the Republic of South Africa 1996, Section 154 and 155 obligates national and provincial governments by legislation or other measures to provide for monitoring, support and strengthen the capacity of municipalities to perform their functions and manage their own affairs.

The Department of Cooperative Governance and Traditional Affairs in particular has a mandate as per the Municipal Systems Act No. 32 of 2000, Section 31 (a-c) and Section 105 (1)(c)

Section 31 (a-c)

- a) Monitor municipalities in the process of the development or review of Integrated Development Plans (IDPs);*
- b) Assist them with the planning, drafting, adoption and review of its IDPs; and*
- c) Facilitate the co-ordination and alignment of IDPs of different municipalities, district and its locals municipalities within its areas and with the plans, strategies and programme of national and provincial organs of state; and*

Section 105 1 (c)

c) Assess the support needed by municipalities to manage their own affairs, exercise their powers and perform their functions.

In line with the above legislative requirements, the department continued to monitor the review process during the 2018/19 financial year to ensure that IDP frameworks and process plans are implemented according to set timeframes and support is provided promptly when gaps have been identified. This has culminated in the development of standardised monthly monitoring tools by the department which focus primarily on the following aspects:

- Adoption of the process to be followed by municipalities (process plans and frameworks);*
- Scheduled IDP community consultative engagements at ward level;*
- Platform for stakeholder/sector participation in the IDP review process;*
- Level of participation of sector departments in the IDP review process;*
- Methodology followed in the review of the IDP Analysis, Strategy, Projects, Integration. ...Approval (ASPIA) and*
- Tabling of reviewed draft and final IDPs for adoption in Councils.*

5.4.2 Process followed on the review of IDPs

This section reflects on progress made by municipalities on the second review of five year Integrated Development Plans as required in terms of Section 27, 28 and 29 of the said Act. The review process followed ensures that municipalities prepare in advance plans required for the development of the municipality in the following financial year, 2019/20. This is done in collaboration by consulting members of the community and other key stakeholders such as traditional leaders, civil society organisations, business community, sector departments and non-profit organisations amongst many other stakeholders

The process of reviewing these IDPs began with the development of district frameworks and process plans by local municipalities outlining the process to be followed during the review process. All three district municipalities in the province adopted their framework plans paving the way for the seventeen local municipalities to table and adopt their own processes and timelines in line with those frameworks as stipulated in Section 27, 28 and 29 of the said Act.

Table 33: Status on the adoption of the process followed on IDP review

Municipality	Date of Council sitting for adoption	Council resolution number	Submission date to COGTA
Nkangala	25 July 2018	DM-ND18/072018	17 August 2018
Dr JS Moroka	31 August 2018	R353.08.2018 ND	12 September 2018
Emakhazeni	30 August 2018	35/08/2018	07 September 2018
Emalahleni	30 August 2018	A.162/8	06 September 2018
Steve Tshwete	21 August 2018	SC11/08/2018	06 September 2018
Thembisile	31 August 2018	TH-NDC 33/08/2018	07 September 2018
Victor Khanye	28 August 2018	A027/08/2018	05 September 2018
Gert Sibande	29 August 2018	C74/08/2018	10 September 2018
Chief Albert Luthuli	30 August 2018	CL1.117	17 September 2018
Dipaleseng	26 July 2018	C126/07/18	23 August 2018
Dr Pixley Kalsaka Seme	31 July 2018	A110/2018	22 August 2018
Govan Mbeki	28 September 2018	A92/09/2018	02 October 2018
Lekwa	29 August 2018	A92/17/1/11	21 September 2018
Mkhondo	30 August 2018	18/08/222A	05 September 2018
Msukaligwa	31 August 2018	LM 247/08/2018	13 September 2018
Ehlanzeni	29 August 2018	281/2018	31 August 2018
Bushbuckridge	29 August 2018	BLM36/29/08/2018/2018/19	03 September 2018
City of Mbombela	31 August 2018	A(3)	03 September 2018
Nkomazi	29 August 2018	NLM: S-GCM:A075/2018	07 September 2018
Thaba Chweu	31 August 2018	A131/ 2018	03 September 2018

5.4.3 Analysis on compliance with the IDP process

All municipalities in the province have tabled their 2019/20 reviewed IDPs to Municipal Councils for adoption by end of May 2019 following their prescribed processes. All copies of the reviewed documents were submitted to the MEC for evaluations in June 2019 after adoption through resolutions as required in terms of Section 32 (1) Act that Municipal Manager must make such as submission to the MEC within ten days of adoption of the plan.

Table 34: Status on the second review of municipal IDPs

District	Municipality	Tabling Council	to	Council Resolution	Submission to MEC
Nkangala District	Nkangala	29 May 2019		DM-ND331/05/2019	07 June 2019
	Dr JS Moroka	31 May 2019		R449.05.2019 ND	14 June 2019
	Emakhazeni	30 May 2019		65/05/2019	07 June 2019
	Emalahleni	30 May 2019		A.082/19	10 June 2019
	Steve Tshwete	31 May 2019		C63/05/2019	11 June 2019
	Victor Khanye	31 May 2019		S 001/05/2019	10 June 2019
	Thembisile Hani	28 May 2019		TH-NDC 115/05/2019	07 June 2019
Gert Sibande District	Gert Sibande	30 May 2019		C31/05/2019	07 June 2019
	Chief Albert Luthuli	28 May 2019		CLI.067	25 June 2019
	Dipaleseng	30 May 2019		C139/05/19	18 June 2019
	Dr. Pixley Ka Isaka Seme	31 May 2019		AA102/2019	21 June 2019
	Govan Mbeki	29 May 2019		A049/05/2019	07 June 2019
	Lekwa	07/06/2019		A55/06/2019	11 June 2019
	Mkhondo	31 May 2019		19/05/294A	06 June 2019
	Msukaligwa	31 May 2019		LM 374/05/2019	07 June 2019
Ehlanzeni District	Ehlanzeni	29 May 2019		A 373/2019	07 June 2019
	Bushbuckridge	31 May 2019		BLM160/31/05/19/2018 /2019	07 June 2019
	City of Mbombela	31 May 2019		A1/2019	10 June 2019
	Nkomazi	31 MAY 2019		NLM: S-GCM: A042/2019	07 June 2019
	Thaba Chweu	31 May 2019		A42/2019	10 June 2019

(Source: Mpumalanga CoGTA IDP Directorate monitoring report, June 2019)

5.4.3.1 Challenges during the IDP review process

Upon receipt of the reviewed IDPs, the department in partnership with national and provincial sector departments embarked on an annual process of evaluating IDPs both on legal compliance and technical assessment, with specific focus on how they respond to service delivery priorities. The performance of municipalities on the annual review of IDPs has improved during the year under review as most Councillors were now well capacitated to lead the process in their respective communities.

There were some positive highlights in terms of municipalities following their prescribed processes, however, challenges still remain on the content of some IDPs in terms of quality as well as the level of responding to community needs which is just above average. This simply means that development is a bit slow in communities and lack of access to services is not addressed at the speed that is required. Municipalities are struggling to generate adequate revenue to fund own capital projects in the IDP as they are dependent on grant funding from sources such as the Municipal Infrastructure Grant and Integrated National Electrification Programme to reduce backlogs.

Challenges identified during the monitoring process and assessments include the following:

- * Inconsistent participation of Councillors and senior managers in the IDP review process;*
- * Lack of strategic decision makers from sector departments during IDP review stakeholder meetings to facilitate integration properly;*
- * Involvement of the private sector required for additional funding is minimal during the review process*
- * Inadequate civic education in communities required to partake meaningfully in the IDP process;*
- * Lack of master plans/sectoral plans in some municipalities and outdated ones in those municipalities which have or they are not implemented;*
- * Slow delivery of government services in deep rural and farm areas;*
- * Municipalities prioritising projects which are not part of the five year IDP;*

5.4.3.2. Recommendations

The following proposals have been recommended to address identified challenges during the review of IDPs:

- * Councillors encourage to play an oversight role on the IDP development and review process and senior managers to participate fully in IDP steering committees chaired by the Municipal Manager;*
- * District municipalities to be strengthened by CoGTA and centralised in coordinating the involvement of sector departments;*
- * Encourage Councillors to include in the programme an item of civic education on municipal IDPs during their regular community ward meetings;*
- * Engage the Municipal Infrastructure Support Agent (MISA) to prioritise the development and review of outstanding master plans, in particular in growing areas such as City of Mbombela, Emalahleni, Steve Tshwete and Govan Mbeki;*
- * The department to fast track the integration of the Rural Development Chapter in municipal IDPs to accelerate the delivery of government services in rural areas; and*
- * The IDP Directorate in the department to participate in the Provincial Project Appraisal Committee to provide guidance on IDP projects.*

5.4.4 Support interventions by the department during the year under review

- * Development of improved monitoring systems centralised at the district level with consolidated progress reports submitted;*
- * Intervention through the MEC's Office on municipalities not complying with the applicable legislation;*
- * Partnership with Office of the Premier in revamping the Provincial Planners and M&E Practitioners Forum to prioritise integration on a bottom up approach;*
- * Sharing sectoral priorities of municipalities with sector departments during the early stages of their annual planning process;*
- * Capacity building provided to all municipalities on strategy development, implementation and evidence-based planning with Office of the Premier, Statistics South Africa, Department of Social Development and Department of Economic Development and Tourism*
- * Assessment of 2018/19 final IDPs and provided comprehensive MEC comments on required improvements in the IDP process and content;*
- * Analysis of 2019/20 draft IDPs as support for improvement measures before tabling final IDPs for adoption;*
- * Developed a Rural Development Chapter for Integration in IDPs to accelerate service delivery in rural and farming communities;*



Capacity building session in the Nkangala District.

5.4.5 Developed Disaster Management Policy Frameworks and Plans

Table 35: Indicate municipalities with Disaster Management Policy Framework and Plans

District	Municipality	2017/18			2018/19		
		Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre fully established and fully functional	Local Disaster Management framework	Disaster Management Plans
EHLANZENI	Bushbuckridge	Yes	Not a statutory obligation	Yes	The District in consultation with the local municipality has established a Satellite DMC which coordinates the function of disaster management.	Municipality is catered in as required by Section 42 (2) of the DM Act by District Framework	DMP prepared in terms of section 53 (3) of DM Act
	City of Mbombela	Yes	Not statutory obligation	Yes	The District in consultation with the local municipality has established a Satellite DMC which coordinates the function of disaster management	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Nkomazi	Yes	Not a statutory obligation	Yes	The District in consultation with the local municipality has established a Satellite DMC which coordinates the function of disaster management	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Thaba Chweu	Yes	Not a statutory obligation	Yes	The District in consultation with the local municipality has established a	Municipality is catered in as required by Section 42 (2) of the DM Act by district	DMP prepared in terms of section 53 (3) of DM Act

District	Municipality	2017/18			2018/19		
		Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre fully established and fully functional	Local Disaster Management framework	Disaster Management Plans
					Satellite DMC which coordinates the function of disaster management	Framework	
	Ehlanzeni District	Yes	In place	Yes	DDMC established in line with section 43 (1) of DM Act	DDMF developed in line with section 42 of DM Act & aligned with Provincial & National DMFs	DMP prepared in terms of section 53 of DM Act
GERT SIBANDE	Chief Albert Luthuli	Yes	Not a statutory obligation	Yes	The District in consultation with the local municipality has established a Satellite DMC which coordinates the function of disaster management	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Dipaleseng	Yes	Not a statutory obligation	Yes	The District in consultation with the local municipality has established a Satellite DMC which coordinates the function of disaster management	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Govan Mbeki	Yes	Not a statutory obligation	Yes	Satellite DMC established and functional in line with section 43 (4) of the DM Act	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act

District	Municipality	2017/18			2018/19		
		Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre fully established and fully functional	Local Disaster Management framework	Disaster Management Plans
	Lekwa	Yes	Not a statutory obligation	Yes	No DMC, the function is coordinated in a Fire Station.	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Mkhondo	Yes	Not a statutory obligation	Yes	The District in consultation with the local municipality has established a Satellite DMC which coordinates the function of disaster management	Local catered in terms of Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Msukaligwa	Yes	Not a statutory obligation	Yes	No DMC. The function is coordinated in a Fire Station	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Dr. Pixley Ka IsakaSeme	Construction underway	Not a statutory obligation	Yes	No DMC. The function is coordinated in a Fire Station. The DDMC in the process of establishing a satellite DMC.	Municipality is catered in as required by Section 42 (2) of the DM Act by district Framework	DMP prepared in terms of section 53 (3) of DM Act
	Gert Sibande	Yes	In place	Yes	The District municipality does not have a fully functional DMC as required, however, coordinates disaster management activities in the district	DDMF developed in line with section 42 of DM Act & aligned with Provincial & National DMFs	DMP prepared in terms of section 53 of DM Act

District	Municipality	2017/18			2018/19		
		Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre fully established and fully functional	Local Disaster Management framework	Disaster Management Plans
					main head offices.		
NKANGALA	Emalahleni	Yes	Not a statutory obligation	Yes	No DMC. The function is coordinated in a Fire Station. The DDMC in the process of establishing a satellite DMC.	Municipality is catered in as required by Section 42 (2) of the DM Act by District Framework	DMP prepared in terms of section 53 (3) of DM Act
	Emakhazeni	Yes	Not a statutory obligation	Yes	No DMC, the function is coordinated in a Fire Station. The DDMC in the process of establishing a satellite DMC.	Municipality is catered in as required by Section 42 (2) of the DM Act by District Framework	DMP prepared in terms of section 53 (3) of DM Act
	Steve Tshwete	Yes	Not a statutory obligation	Yes	No DMC. The function is coordinated in a Fire Station. The DDMC in the process of establishing a satellite DMC.	Municipality is catered in as required by Section 42 (2) of the DM Act by District Framework	DMP prepared in terms of section 53 (3) of DM Act
	Victor Khanye	Yes	Not a statutory obligation	Yes	No DMC. The function is coordinated in a Fire Station. The DDMC in the process of establishing a satellite DMC.	Municipality is catered in as required by Section 42 (2) of the DM Act by District Framework	DMP prepared in terms of section 53 (3) of DM Act
	Dr.JS Moroka	Yes	Not a statutory obligation	Yes	No DMC. The function is coordinated in the municipal offices	Municipality is catered in as required by Section 42 (2) of the DM Act by District Framework	DMP prepared in terms of section 53 (3) of DM Act
	Thembisile Hani	Yes	Not a statutory obligation	Yes	No DMC. The function is coordinated in the municipal offices.	Municipality is catered in as required by Section 42 (2) of the DM Act by District	DMP prepared in terms of section 53 (3) of DM Act

District	Municipality	2017/18			2018/19		
		Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre fully established and fully functional	Local Disaster Management framework	Disaster Management Plans
						Framework	
	Nkangala District	Yes	In place	Yes	DDMC established in line with section 43 (1) of DM Act	DDMF developed in line with section 42 of DM Act & aligned with Provincial & National DMF	DMP prepared in terms of section 53 of DM Act

****Not a statutory obligation for Local Municipalities to have Disaster Management Framework: (Source: Section 46 reports from municipalities)***



Disaster Management team and facilities to mitigate disasters.

5.4.6 Analysis of municipalities' performance on readiness to mitigate disasters

Disaster Management Centres

- *All three Districts Municipalities performed their disaster management function as required by the Act, however, it should be noted that the Gert Sibande District is in the process of establishing its DMC to comply with the Act.*

Disaster Management Frameworks

- *Ehlanzeni, Gert and Nkangala district municipalities do have policy framework and are aligned with Provincial and National Disaster Management frameworks.*

Disaster Management Plans

- *Although all the municipalities have disaster management plans in place, they need to review them regularly.*

Challenges

- *Insufficient budget to implement the disaster management function.*
- *Uncoordinated planning*

Recommendations

- *Sufficient budget to be made available to address the challenges of human resource, construction of fully equipped DMCs.*
- *Regularly review and update their plans.*

Support Interventions by National and Provincial government

National provided support on disaster drought funding to the following municipalities:

- *Dr JS Moroka*
- *Emalahleni*
- *Steve Tshwete*
- *Thembisile*

The PDMC supported all municipalities on fire brigade capacity assessment through the CAPS, Disaster Awareness Campaigns and humanitarian reliefs during disaster incidents.

5.5 LOCAL ECONOMIC DEVELOPMENT

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation

LED empowers and ensures local participation. Local people can play an active part in planning their own economic future, LED ensures that local business are involved in the process and are more open to play an active role in partnerships with local communities. In addition, LED ensures that local development is locality based and focused on local comparative advantages, it allows for more resilient local economies and LED could create local opportunities and local jobs, thereby improving the local quality of life

South Africa's current development policy is focussed on "developmental" local government and with a "pro-poor" emphasis. Local government has been pro-actively encouraged through the Constitution (1996) to intervene and to play a leading role in job creation and reduction of poverty through LED. The main constraints in delivering results in "pro-poor" implementation are poor analysis of local economies, unsustainable community projects, lack of capacity and lack of resources (Nel & Rogerson, 2005)

Both concepts of "pro-poor" and "pro-growth" need to be addressed as an integrated LED policy approach. A pro-growth policy could be equated to creating an enabling environment for economic development while "pro-poor" policy equates to poverty alleviation through job creation and social-welfare safety nets (Nel & Rogerson, 2005). According to Blakely and Bradshaw (2002), the two main approaches to LED include a corporate centred approach with a focus on formal business and industrial development, and an alternative approach with a focus on the poor section of a community. Whatever the approach, LED policy should focus on an increase in the number and variety of job opportunities and diversification of economic activities. Local government need to assume an active role in this process (Blakely & Bradshaw, 2002)

A progressive policy and legal framework does not however guarantee successful LED process and implementation. For LED to be effective, appropriate institutional arrangements must exist within municipalities to take the laws and policies and transform them into locally meaningful interventions in collaboration with all relevant stakeholders/actors.

The establishment of LED units in all local municipalities in terms of capacity, skills and position in the municipal structure is priority. Introductory LED skills training for all councillors and senior officials to create improved awareness are proposed. CDW's are a key component of LED implementation. Such officials need to be more involved in the LED units and need specialized training. Ward committees, in conjunction with CDWs need to be fully operational and have to be trained in the basic concepts of rural development and LED. Municipal LED portfolio committees and stakeholder forums need to be fully functional with regular meetings, driven by the LED unit

5.5.1 Performance of municipalities on Local Economic Development

5.5.1.1 Capacity for planning and implementing LED functions in municipalities through an effective LED Unit

The institutional capacity to lead and manage LED is a crucial element that is fundamental to the success of different municipalities in this KPI. Municipalities are building this capacity in a variety of ways including establishing dedicated LED units and appointing LED managers, and in some municipalities they set up Local Economic Development Agencies as special purpose vehicles established outside the municipal offices to unlock economic development potential of a municipality.



LED plenary session in Thaba Chweu Municipality

Table 36: Capacity of planning and implementing LED functions in municipalities through effective LED Unit

Districts	Municipality	2016/17		2017/18		2018/19	
		No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
EHLANZENI	Bushbuckridge	9	3	9	4	9	2
	City of Mbombela	41	11	42	8	42	3
	Nkomazi	10	7	10	4	10	1
	Thaba Chweu	2	1	2	1	2	1
	Ehlanzeni DM	15	7	15	7	15	2
	TOTAL	62	22	78	24	78	9
GERT SIBANDE	Chief Albert Luthuli	8	3	8	3	8	1
	Dipaleseng	3	1	3	1	3	1
	Govan Mbeki	5	1	5	2	5	2
	Lekwa	4	3	2	1	1	1
	Mkhondo	2	2	2	2	2	1
	Msukaligwa	4	0	4	3	3	1
	Dr. Pixley Ka Isaka Seme	2	1	2	1	2	0
	Gert Sibande DM	10	9	13	12	13	1
	TOTAL	28	11	39	25	37	8
NKANGALA	Emalahleni	5	5	5	5	2	1
	Emakhazeni	5	2	5	2	5	1
	Steve Tshwete	2	2	3	2	1	1
	Victor Khanye	2	2	2	2	2	1
	Dr. JS Moroka	2	2	2	1	2	0
	Thembisile Hani	3	2	3	3	2	1
	Nkangala DM	11	6	11	6	6	3
	TOTAL	19	15	31	21	20	8
PROVINCIAL TOTALS		109	48	148	70	135	25

(Source: Section 46 reports from municipalities)

5.5.1.2 Analysis of Capacity of planning and implementing LED functions in Municipalities

Findings

- In as far as the capacity of municipalities to implement LED, the following findings were made, within the Ehlanzeni District, 78 posts were approved during the 2018/19 FY and only 9 filled, while 37 posts were approved and 8 filled within the Gert Sibande District. Lastly, 20 posts were approved within the Nkangala District and 8 were filled. The reduction in number of posts is attributed to staff turnover and the non-filling of vacant posts in the organograms*

The reduction (in numbers) of posts filled during the 2018/19 financial year is attributed to lack of municipal resources to complete the filling of all vacant posts within their organograms. Consequently the budget is allocated to fewer positions.



Gert Sibande District Municipality filled LED posts.

DISTRICT	Municipality	2016/17			2017/18			2018/19			State reason for non-compliance on any of the components
		LED strategy reviewed /developed	LED strategy approved	LED strategy implemented	LED strategy reviewed /developed	LED strategy approved	LED strategy implemented	LED strategy reviewed /developed	LED strategy approved	LED strategy implemented	
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Lack of anchor projects and financial resources to fund identified projects
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Budgetary constraints to fund identified initiatives
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Identified LED Projects lack financial resources for implementation
	Nkangala	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A

(Source: Section 46 reports from municipalities)

5.5.2.1 Analysis of the existence and implementation of Local Economic Development (LED) strategies

Findings

- *In 2016/17 all Municipalities had approved LED strategies and were implementing them. In 2017/18, all Municipalities had approved LED Strategies however, Lekwa, Msukaligwa and Dr.JS Moroka were not implementing. In 2018/19 financial year 7 Municipalities in the Province were implementing LED strategy with the exception of Bushbuckridge, Nkomazi, Chief Albert Luthuli, Dipaleseng, Lekwa, Mkhondo, Msukaligwa, Dr Pixley Ka Isaka Seme, Gert Sibande, Emalahleni, Victor Khanye, Dr JS Moroka and Thembisile Hani local Municipalities.*
- *Lack of Municipal capacity and inadequate funding often lead to the poor implementation of LED Strategies. Implementation requires good governance and internal capacity to establish partnerships with key stakeholders for the implementation of projects*



Mkhondo Municipality led by Executive Mayor, Cllr. Vusi Motha developed and implemented an LED Strategy.

5.5.3 Functionality of LED stakeholder forum

Table 38: Municipalities with functional LED stakeholder forum

Districts	Municipality	LED Forums functional 2016/17	LED Forums functional 2017/18	LED Forums functional 2018/19
EHLANZENI	Bushbuckridge	No	Yes	Yes
	City of Mbombela	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes
	Ehlanzeni	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes
	Lekwa	Yes	Yes	No
	Mkhondo	Yes	Yes	Yes
	Msukaligwa	No	No	No
	Dr. Pixley Ka Isaka Seme	Yes	No	Yes
	Gert Sibande	Yes	Yes	Yes
	Emalahleni	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes
NKANGALA DISTRICT	Steve Tshwete	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes
	Nkangala	Yes	Yes	Yes

(Section 46 reports from municipalities)

5.5.3.1 Analysis on the existence Local Economic Development Forums in municipalities

Findings

- *In During the 2016/17 financial year, all municipalities had LED stakeholder forums except for Bushbuckridge and Msukaligwa Local Municipalities*
- *While in the 2017/18 financial year, all municipalities had LED stakeholder forums except for 2 municipalities, that is, Msukaligwa and Dr Pixley Ka Isaka Seme Local Municipalities while in 2018/19, Msukaligwa and Lekwa had no active LED Stakeholder Forums. Msukaligwa and Lekwa Local Municipalities were beset by internal governance and political problems which led to the LED Stakeholder Forums not sitting during the year under review. Attempts by Cogta and DEDET to launch the LED Forum were always met by disruptions from concerned groups and the leadership of the LED Forum in Lekwa was at loggerheads with the municipality on implementation of the municipal procurement policy*

Challenges in LED Strategy implementation & LED forum

- *Municipal Internal capacity constraint is a major impediment to outdated LED Strategies not reviewed/implementing, lobbying for resources from both government and the private sector and initiating potential partnerships for development and job creation*
- *LED is often not budgeted for and the role of the LED Unit is not given priority.*
- *Msukaligwa and Lekwa Local Municipalities have not had a functional LED Forum as a result of lack of governance*
- *Lack of LED governance & consequently affects business/investor confidence in local government*

Recommendations

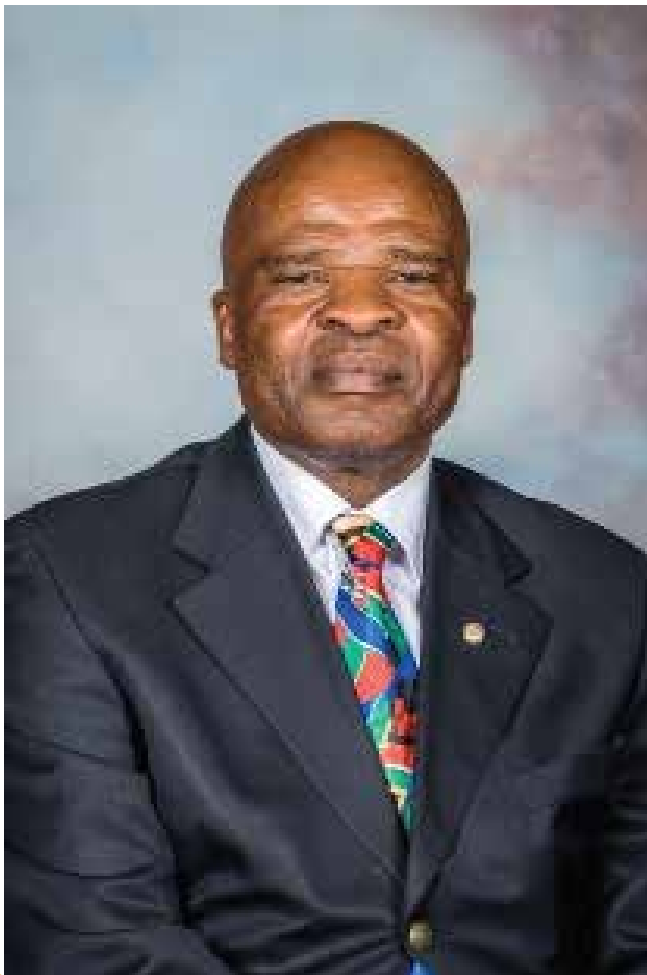
It hereby recommended that municipalities:

- *Municipalities' should consider budgeting for the LED initiatives in line with section 153 (a) of the Constitution, "a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community. A side budget for facilitating LED planning and implementation.*

- Adequately resource the LED Institutional Arrangement by filling vacant positions and strengthen the LED Units with capacity building programmes
- Strengthen LED Stakeholder Forums to be impact oriented
- Establish partnerships mainly with the private sector to leverage resources for designing and implementation of identified LED Projects Collaborate with Private Sector for partnership
- Give Priority to LED (KPA) to be part of the Municipal Managers key performance indicator in the performance contract and evaluated annually on pre-determined key performance deliverables
- The Municipal LED forums should be strengthened at planning & implementation through improved participation of key stakeholders including business in order to allow for joint planning, implementation and integration of identified LED Projects into the IDPs with clear annual targets and budgets

Interventions

- The political leadership of Msukaligwa Local Municipality has embarked on a ward based consultative meetings to explain the objective and benefits of an LED Forum in a bid to garner support towards the re-establishment of the LED Stakeholder Forum
- Msukaligwa LED Strategy is under review. Reviving the LED Stakeholder Forums will be beneficial to the LED Strategy development



Msukaligwa Municipality Executive Mayor, Cllr. Buti Mkhaliphi and the Council revived the LED Stakeholder forums.

5.5.4 Plans to stimulate second economy SMMEs supported

The following activities were undertaken to create opportunities for Small, Medium and Micro Enterprise by the unit in the 2016/ 2017 financial year:

Table 39: Indicate activities in support of SMME by Municipalities

Districts	Municipality	Activity	Outcome
GERT SIBANDE	Chief Albert Luthuli	<ul style="list-style-type: none"> SMME support 	<ul style="list-style-type: none"> 125 SMMEs and Cooperatives were supported
	Msukaligwa	<ul style="list-style-type: none"> SMME's supported 	<ul style="list-style-type: none"> 11 SMME's supported and registered on the municipal database
	Lekwa	<ul style="list-style-type: none"> SMME's supported 	<ul style="list-style-type: none"> SMME's and cooperatives registered and training provided.
	Govan Mbeki	<ul style="list-style-type: none"> SMME and Cooperative incubator programme 	<ul style="list-style-type: none"> To promote enterprise development for Cooperatives and SMMEs thereby resulting in employment creation
	Dipaleseng	<ul style="list-style-type: none"> SMME database development 	<ul style="list-style-type: none"> SMME's profiles shared with major businesses for subcontracting, supply and delivery of services as and when requested
	Mkhondo	<ul style="list-style-type: none"> Cooperative day/SMME fair 	<ul style="list-style-type: none"> The municipality allows the cooperatives to exhibit their work and products. The cooperatives are also assisted to register on the Central Supplier Database (CSD) to enable them to trade with government
		<ul style="list-style-type: none"> Tourism 	<ul style="list-style-type: none"> On tourism the following initiatives were supported: Ingoma, Ubuntu Market, Full Moon and Horse Racing
	Pixley ka Isaka Seme	<ul style="list-style-type: none"> Cooperatives and SMME's training 	<ul style="list-style-type: none"> 449 Cooperatives and SMME' were trained in partnership with other government stakeholders
	Gert Sibande District	<ul style="list-style-type: none"> District Local Economic Development Strategy 	<ul style="list-style-type: none"> Visible promotion and support to SMMEs(Financial and Non- Financial) Development and training of co-operatives and SMMEs and establish database Promotion of Trade and Investment through Regional Development Agency

Districts	Municipality	Activity	Outcome
NKANGALA	Victor Khanye	<ul style="list-style-type: none"> • SMMEs and Cooperatives development 	<ul style="list-style-type: none"> • 4 Capacity skills building workshops held to assist SMMEs and cooperatives in business management
	Emakhazeni	<ul style="list-style-type: none"> • Tourism and investment • SMME development • Contractor development Programme 	<ul style="list-style-type: none"> • In an effort to maximise access to community attractions, the municipality outsourced the Dullstroom Caravan Park • In partnership with Exxaro NBC Coal, the municipality hosted the Emakhazeni Enterprise Development Centre sod turning which marked commitment from both institutions towards local economic development. • The municipality initiated and participated in the Contractor Development Programme
	Dr JS Moroka	<ul style="list-style-type: none"> • Encourage and promote the use of Cooperatives as a vehicle to eradicate poverty and the creation of jobs 	<ul style="list-style-type: none"> • Establishment of incubator programme for development and training of Cooperatives and SMMEs. • Position Cooperatives to be at the centre of the economy. Cooperatives and SMMEs to work closely with parastatals such SEDA, MEGA, MTPA, IDC, NYDA, MRTT and NDA
	Thembisile Hani	<ul style="list-style-type: none"> • Training and support for 20 Cooperatives and 23 SMME on tourism and financial management 	<ul style="list-style-type: none"> • Better quality of customer care and improvement of tourism attraction. Financial literacy and better budgeting by SMMEs
	Emalahleni	<ul style="list-style-type: none"> • Support SMMEs through training and workshops 	<ul style="list-style-type: none"> • 162 SMMEs and 56 Cooperatives supported through training and workshops
	Nkangala District	<ul style="list-style-type: none"> • Economic Development Services 	<ul style="list-style-type: none"> • Non-financial support to SMME's Cooperatives and informal trade • Development of transport by-laws • Nkangala Economic Development agency (NEDA) establishment
	Steve Tshwete	<ul style="list-style-type: none"> • Job creation SMME survey 	<ul style="list-style-type: none"> • The retail industry has contributing to job creation through expansions of local retail stores (Spar, Pick n Pay and Food Lovers market) • Two baseline studies have been concluded namely SMME survey focusing on township and rural ward establishment.

Districts	Municipality	Activity	Outcome
EHLANZENI			<ul style="list-style-type: none"> Township economy revitalisation strategy was also undertaken to transform township into economic vibrant hubs and not just labour centres
	Thaba Chweu	<ul style="list-style-type: none"> SMME's training and Mentorship Programme Support 	<ul style="list-style-type: none"> Five trainings for SMME's conducted EDM implemented the SMME Mentorship Programme The Graskop Gorge Lift Center was launched through the intervention of Thaba Chweu Local Economic Agency (THALEDA)
	Bushbuckridge	<ul style="list-style-type: none"> SMMEs and cooperatives 	<ul style="list-style-type: none"> 390 SMMEs supported
	Nkomazi	<ul style="list-style-type: none"> SMME's development 	<ul style="list-style-type: none"> The municipality working together with Small Enterprise Development Agency (SEDA) has embarked on a drive to identify , register, capacitate and empower small businesses .The SMME's are involved in manufacturing, Agriculture , Mining, Hospitality ,Craft and Arts and Logistics
	City of Mbombela	<ul style="list-style-type: none"> Support SMMEs through training and workshops 	<ul style="list-style-type: none"> 2 cooperatives supported 2 rural cooperatives trained
	Ehlanzeni District	SMMEs supported through mentorship programmes	7 SMMEs were supported through mentorship programme

(Source: Section 46 Reports)

5.5.4.1 Analysis on the municipal plans to stimulate second economy Findings

- In 2018/19 financial year all municipalities have implemented plans/activities to stimulate second economy, either on their own or through the support of public or private sector

Challenges

- SMMEs are not given preference when there are job opportunities in municipalities
- SMMEs lack the necessary skill and experience
- LED units are not playing their role in facilitating linkages between big business opportunities and SMMEs.

Recommendations

- Capacity Building for SMMEs and Cooperatives is essential in order to improve skill and experience profile, to increase access to opportunities. Joint venturing between Big companies and SMMEs should be encouraged for skills transfer
- Municipal Supply Chain Policies should be strengthened to give first preference to local enterprises and also give effect to National Treasury Preferential Procurement Regulation of 30% for local SMMEs where applicable
- Municipal LED Units should play more meaningful role in facilitating linkages between big business opportunities and SMMEs. Registering SMMEs into business databases should be simplified and understood well.

5.5.5 No. of employment opportunities created through Extended Public Works Programmes (EPWP)

Table 40: Indicate No of employment opportunities created through EPWP

District	Municipality	2017/18										2018/19									
		Person years of training including work	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Work opportunities created through MIG allocation	opportunities created through CWP Programme	Person years of training including work	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Work opportunities created through MIG allocation	opportunities created through CWP Programme				
EHLANZENI	Bushbuckridge	413	0	1.190	69.75 %	50.92%	0.43%	567	2500	230	0	752	66.89 %	50.80%	0.13%	706	3264				
	City of Mbombela	841	17	1.926	51.92 %	43.30%	0.78%	371	2500	262	9	1.130	64.95 %	50.26%	0.71%	746	2959				
	Nkomazi	672	0	1.178	53.48 %	48.64%	0.08%	185	1400	308	0	1.158	52.07 %	39.55%	0.52%	314	2485				
	Thaba Chweu	137	0	376	70.21 %	57.18%	0.53%	82	960	43	0	146	61.64 %	54.11%	1.37%	132	1156				
	Ehlanzeni	255	4	336	54.56 %	49.23%	3.27%	1205	7360	73	0	263	54.75 %	58.93%	3.42%	2044	9864				
	Chief Albert Luthuli	217	0	449	64.82 %	49.44%	0.22%	132	3200	119	0	316	55.06 %	36.39%	00.00%	216	3082				

District	Municipality	2017/18								2018/19							
		Person years of work including training	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Work opportunities created through MIG allocation	opportunities created through CWP Programme	Person years of work including training	Person Years of training	Gross number of work opportunities created	% of youth	% of women	% of people with disabilities	Work opportunities created through MIG allocation	opportunities created through CWP Programme
	Dipaleseng	92	0	177	53.67%	48.59%	0.56%	107	1204	61	0	223	61.88%	42.60%	1.79%	139	1145
	Govan Mbeki	126	0	238	65.55%	45.80%	0.42%	48	1159	21	0	114	58.77%	56.14%	0.88%	100	1162
	Lekwa	10	0	110	60.91%	48.18%	0.00%	37	1072	5	0	29	75.86%	48.27%	0.00%	116	1000
	Mkhondo	147	0	480	75.62%	37.29%	0.42%	246	1765	100	0	382	71.20%	34.03%	0.78%	71	1733
	Msukaligwa	280	0	487	68.58%	39.22%	1.23%	163	1003	70	0	442	70.81%	45.25%	1.13%	243	1250
	Dr. Pixley Ka Isaka Seme	111	0	229	69.43%	48.03%	0.44%	79	1200	28	0	144	68.75%	40.97%	0.69%	138	1160
	Gert Sibande	277	0	428	52.80%	65.65%	0.00%	812	10 603	58	0	470	67.66%	67.87%	0.00%	1023	10532
NKANGALA	Emalahleni	437	0	632	50.32%	37.50%	0.16%	222	985	195	0	773	51.35%	41.78%	0.00%	270	1049
	Thembisile Hani	160	4	406	72.91%	52.22%	4.19%	116	1 328	47	0	157	68.79%	56.05	4.46%	397	1339
	Emakhazeni	40	0	180	61.11%	48.33%	0.00%	52	802	30	0	178	52.81%	52.25%	0.00%	38	1176
	Steve Tshwete	373	3	1.178	59.08%	23.43%	0.00%	103	1090	206	0	753	59.63%	28.68%	0.00%	144	1023
	Victor Khanye	152	0	646	48.61%	50.62%	1.08%	344	1 159	57	0	237	47.26%	67.93%	0.42%	64	1000
	Dr. JS Moroka	258	0	1.060	34.15%	66.04%	0.00%	464	1450	126	0	447	30.65%	72.48%	0.00%	249	1610
	Nkangala	153	13	510	66.67%	48.82%	1.96%	1301	6814	46	37	219	74.43%	51.60%	1.37%	1162	7197

(Source: 2017/18 Audited EPWP Annual Performance Report from Public Works)

5.5.5.1 Analysis of municipalities' performance on number of employment opportunities created through Extended Public Works Programmes (EPWP).

Findings

- In 2017/18 financial year a number of 5 151 job opportunities were created across the province in which 60% were occupied by the youth, 48% by the woman and 0.78% by the people with disability showing a decrease compared to the previous financial year. Dr JS Moroka, Steve Tshwete, Emakhazeni, Gert Sibande and Lekwa did not employ people with disabilities in the year under review, in the EPWP. In the 2018/19 a total of 2 085 jobs were created across municipalities in the three districts of which 37% were occupied by the designated groups (58.42% were held by the youth, 45.64% by women and 0.53% by people with disabilities). Chief Albert Luthuli, Emalahleni, Dr JS Moroka, Steve Tshwete, Emakhazeni, Gert Sibande and Lekwa did not employ people with disabilities in the year under review, in the EPWP.

Challenges in LED Strategy implementation

- Minimal business sector involvement in joint planning and implementation of identified LED Projects / initiatives
- Less implemented LED Projects as a result of financial constraints
- Lack of Partnership establishments with the private sector to fund LED initiatives

Recommendations

It is recommended that:

- *Municipal LED Stakeholder Forums are strengthened from a government leadership and governance perspective to encourage planning together with all relevant social and economic players mainly the private sector in order to leverage different resources for implementation*
- *The District Development Model is fully supported from an economic perspective to foster collaboration and consolidate efforts from all partners for much more meaningful economic impact*

Support Interventions by National and Provincial government

- *Provincial Cogta supported municipalities through the implementation of Extended Public Works Programme (EPWP) , Youth Waste Management Project and 100 work opportunities were created in Bushbuckridge (34), Dipaleseng (33) and Nkomazi (33) Local Municipalities*
- *Provincial Cogta supported the implementation of Community Works Programme (CWP) and 27 593 work opportunities were created in all 17 Local Municipalities*



Provincial COGTA supported Municipalities through the Expanded Public Works Programme (EPWP).

5.6 FINANCIAL MANAGEMENT

5.6.1 Municipal Financial viability and Management

Profound fiscal efficacy, discipline, prudence and monitoring all provide a sound basis for the delivery of all the key and fundamental municipal objectives. It is therefore imperative that municipalities not only purport to portray but embrace an intrinsic and frugal duty to maximize revenue potential while transparently managing public finances as set out in the Municipal Finance Management Act 2003, and the Municipal Property Rates Act 2004 following the proper International Accounting Standards as prescribed in policy and regulation. The guidelines set therein provide for effective accountability, evident financial sustainability and a financial viability conducive to infrastructure investment and service delivery.

5.6.2 Performance of municipalities on financial viability and management

This is the main prescribed key performance indicator. It is therefore compulsory for all municipalities to submit annual reports on achievements or challenges encountered in achieving according to ratios set in the 2001 Regulations.

The financial viability of Local Government is measured using three key performance indicators:

- a) Debt coverage, which denotes the rate at which a municipality is able to meet its debt service payments with the financial year from its own sources of revenue. A municipality should have 20% debt coverage;*
- b) Outstanding service debts to revenue refer to the ability of a municipality to service its debts dependent on the rate at which the municipality collects amounts owed to it. In other words it represents the ratio of outstanding debtors to total revenue;*
- c) Cash flow measures the rate at which municipalities can cover their costs. That is the debtor collection rates, which result in sufficient cash to enable the municipalities to meet their day to day operational costs. It is mandatory for municipalities to determine cash flow requirements to maintain operations and also have adequate measures to foresee the need to alter operations as required.*

5.6.2.1 Status of the audit outcome

Table 41: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2016/17				Audit Opinion 2017/18				Audit Opinion 2018/19			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge	Yes				Yes				Yes			
	City of Mbombela	Yes			Yes								
	Nkomazi	Yes			Yes					Yes			
	Thaba Chweu			Yes		Yes				Yes			
GERT SIBANDE	Ehlanzeni district	Yes (Clean)			Yes					Yes			
	Chief Albert Luthuli	Yes			Yes								Yes
	Dipaleseng	Yes						Yes					
	Govan Mbeki	Yes											
	Lekwa	Yes											
	Mkhondo	Yes				Yes							
	Msukaligwa		Yes						Yes				Yes
	Dr. Pixley Ka Isaka Seme	Yes											
	Gert Sibande District	Yes				Yes (Clean)							
	Emalahleni		Yes				Yes						Yes
NKANGALA	Emakhazeni		Yes			Yes							Yes
	Steve Tshwete	Yes (Clean)				Yes				Yes			
	Victor Khanye		Yes				Yes						Yes
	Dr. JS Moroka		Yes						Yes				
	Thembisile Hani		Yes				Yes						Yes
	Nkangala	Yes (Clean)				Yes				Yes (Clean)			

(Source Auditor General Report 2018/19)

	2017/18				2018/19			
	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings	Unqualified with no findings	Unqualified with findings	Qualified with findings	Adverse or disclaimer with findings
Improved	Gert Sibande DM		Thaba Chweu LM		Nkangala DM	Bushbuckridge LM,		
Unchanged		Chief Albert Luthuli LM, City of Mbombela LM, Dr Pixley Isaka Seme LM, Nkomazi LM and Steve Tshwete LM	Emakhazeni LM, Emalahleni LM, Mkhondo LM and Victor Khanye LM		Gert Sibande DM	Ehlanzeni DM, Nkomazi LM, Thaba Chweu LM Steve Tshwete LM, Chief Albert Luthuli LM,	Emalahleni LM, Thembisile Hani LM, Mkhondo LM	Msukaligwa LM,
Regressed		Ehlanzeni DM and Nkangala DM	Bushbuckridge LM, Dipaleseng LM, Lekwa LM and Thembisile Hani LM	Msukaligwa LM, Dr JS Moroka LM and Govan Mbeki LM			City of Mbombela,	Victor Khanye LM, Emakhazeni LM, Dipaliseng LM, Lekwa LM and Dr Pixley Ka Isaka Seme LM
Total	1	7	9	3	2	6	4	6

(Source Auditor General Report 2018/19)

5.6.2.2 Analyses of the Audit Outcomes

Findings

- *In respect of district municipalities: 2 Clean Audit: Gert Sibande and Nkangala and 1 Unqualified opinion with findings: Ehlanzeni ;*
- *In respect of local municipalities: 5 Unqualified with findings, 4 Qualified with findings, 2 Adverse and 4 Disclaimer opinions.*

The breakdown of the audit outcomes per municipalities is as follows:

- *2 Municipalities (Nkangala DM and Bushbuckridge) improved from the prior year;*
- *10 Municipalities remained unchanged from the previous year namely: Chief Albert Luthuli LM, Nkomazi LM, Steve Tshwete LM, Ehlanzeni DM, Gert Sibande DM , Thaba Chweu LM, Thembisile Hani LM, Mkhondo LM, Msukaligwa LM and Emalahleni LM;*
- *6 Municipalities regressed namely City of Mbombela, Victor Kanye LM, Emakhazeni LM, Dipaleseng LM, Lekwa LM and Dr Pixley Ka Isaka Seme LM.*

Status of compliance with legislation over the past three years

- *In 2016/17 financial year 18 out of 20 (90%) municipalities were with findings and only 2 were without findings;*
- *In 2017/18 financial year 19 (95%) out of 20 municipalities were with findings and only 1 was without findings.*
- *In 2018/19 financial year 17 (95%) out of 18 municipalities were with findings and only 1 was without findings.*

Summary of 2018/19 Municipal Audit Outcomes

There are 1 593 audit findings raised by the AGSA during 2018/19 audit process.

** The total number of 771 or 49% of the audit findings relate to misstatements of Annual Financial Statements which is the highest concern raised by AGSA. The findings on this focus area can be linked to the capacity of the CFOs and Finance Officials responsible for preparation of financial statements within the Municipalities.*

** Internal Control deficiencies is rated as the second highest of issues affecting our municipalities with 302 or 19% of the total findings. All Municipalities have been affected by this finding. The findings on this focus area can be linked to lack or insufficient consequence management within the Municipalities.*

** Non Compliance with Laws and Regulations is rated as the third highest of the problematic areas within our Municipalities, especially Supply Chain Management matters which account for 300 or 19% of the total issues raised by the Office of the Auditor General. The findings on this focus area can be linked to lack or insufficient consequence management within the Municipalities.*

** Misstatement of Annual Report is rated fourth with total findings of 198 or 12% followed by Service Delivery with 22 or 1% of the total findings. The findings on this focus area can be linked to the capacity of the Planning Units and inadequate oversight and Leadership within the Municipalities*

Summary of 2018/19 Municipal Audit Outcomes per District

* Nkangala Municipalities take a lead with 354 or 46% on the misstatement of Annual Financial Statements and on Annual Report misstatements with (74 or 40%) issues raised by the Auditor General and, followed by Gert Sibande Municipalities (258 or 33%) and Ehlanzeni Municipalities (159 or 21%).

*The Analysis revealed that Gert Sibande Municipalities are rated the highest on Non Compliance with Laws and Regulations (126 or 42%), Internal Control Deficiencies (196 or 65%), as well as Service Delivery (10 or 45%) challenges and rated second on Annual Report misstatements (82 or 41%)

* Ehlanzeni Municipalities are rated the second highest on Non Compliance with Laws and Regulations (93 or 31%), Internal Control Deficiencies (61 or 20%), and rated third on Annual Report misstatements (15 or 8%) as well as Service Delivery (4 or 18%) challenges

* Nkangala Municipalities are the lowest with Internal Control Deficiencies (45 or 15%), Non Compliance with Laws and Regulations (81 or 27%), and rated second on Service Delivery (8 or 36%)

Municipalities who registered highest number of audit findings are as follows;

1. Msukaligwa accounts for 231 or 15% of the total findings
2. Emalahleni accounts for 193 or 12% of the total findings
- 3 Victor Khanye accounts for 190 or 12% of the total findings
4. Bushbuckridge accounts for 124 or 8% of the total findings
5. Mkhondo accounts for 119 or 7% of the total findings
6. Emakhazeni accounts for 119 or 7% of the total findings
7. Dipaleseng accounts for 114 or 7% of the total findings
8. Chief Albert Luthuli accounts for 112 or 7% of the total findings
9. Thaba Chweu accounts for 104 or 7% of the total findings
10. Pixley Ka Isaka Seme accounts for 75 or 4% of the total findings

It should be noted that the above audit outcomes for 2018/19 exclude Lekwa LM because they didn't get the written management report from AG. Govan Mbeki LM and Dr JS Moroka LM were not audited as at the date of the Report.

Key observation on issues raised by AGSA in Nkangala District

* Emalahleni takes a lead with 112 or 32% findings on the misstatement of Annual Financial Statements issues raised by the Auditor General, followed by Victor Kanye (106 or 30%), Emakhazeni (96 or 27%), Steve Tshwete (21 or 6%), Thembisile Hani (15 or 4%), Nkangala District account for 4 or 1%, as per the AGSA report.

* Emalahleni is rated highest with (31 or 38%) issues of Non Compliance with Laws and Regulations, followed by Victor Kanye with (19 or 23%), Emakhazeni (18 or 22%), Thembisile Hani (9 or 11%), Steve Tshwete (4 or 5%) and Nkangala District have no findings as per the AGSA report.

*The Analysis revealed that Victor Khanye is rated highest on Internal Control Deficiencies with 17 or 38% findings, followed by Emalahleni with (16 or 35%), Thembisile Hani (8 or 18%), Steve Tshwete (3 or 7%), and Nkangala District (1 or 2%), and Emalahleni have no findings as per the AGSA report.

*The Municipality with highest issues on Annual Report Misstatements is Victor Khanye with 48 or 48% of the total findings, followed by Emalahleni (34 or 34%), Steve Tshwete (13 or

13%), Emakhazeni (5 or 5%), Nkangala District with (1 or 1%), and Thembisile Hani have no findings as per the AGSA report..

- Steve Tshwete has eight (8) findings and is the only municipality with Service Delivery issues within the District.

Key observation on issues raised by AGSA in Gert Sibande District

- Msukaligwa takes a lead with 107 or 41% of findings on the misstatement of Annual Financial Statements as raised by the Auditor General, followed by Dipaleseng (59 or 23%), Mkhondo (46 or 18%), and Pixley Ka Isaka Seme (29 or 11%) Gert Sibande (17 or 7%), Chief Albert Luthuli have no findings as per the AGSA report.

- The Analysis revealed that Chief Albert Luthuli is rated highest on Internal Control Deficiencies with 100 or 51% findings, followed by Mkhondo (47 or 24%), Pixley Ka Isaka Seme (21 or 11%), Msukaligwa (18 or 9%), Dipaleseng (10 or 5%) and Govan Mbeki have no findings as per the AGSA report.

- Msukaligwa registered the highest number of issues on Non Compliance with Laws and Regulations (52 or 41%) of the total findings, followed by Dipaleseng (29 or 23%), Pixley Ka Isaka Seme (17 or 13%) Mkhondo (13 or 10%), Chief Albert Luthuli (12 or 10%), Gert Sibande (3 or 2%)

- The Municipality with highest issues on Annual Report Misstatements is Msukaligwa with 51 or 62% of the total findings, followed by Mkhondo (13 or 16%), Dipaleseng (12 or 15%), Pixley Ka Isaka Seme (5 or 6%), Gert Sibande (1 or 1%), Chief Albert Luthuli had no findings as per the AGSA report

- Dipaleseng is leading on Service Delivery issues with 4 or 40% of total findings, followed by Msukaligwa and Pixley Ka Isaka Seme (3 or 30%) each, Chief Albert Luthuli, Govan Mbeki and Gert Sibande have no findings as per the AGSA report

Key observation on issues raised by AGSA in Ehlanzeni District

- * Bushbuckridge takes a lead with 61 or 38% of findings on the misstatement of Annual Financial Statements as raised by the Auditor General, followed by Thaba Chweu (48 or 30%), Nkomazi (21 or 13%), Ehlanzeni (16 or 10%), City of Mbombela (13 or 8%),

- * In terms of the Analysis Bushbuckridge is rated highest on Internal Control Deficiencies with 27 or 44% findings, followed by Thaba Chweu with (13 or 21%), Ehlanzeni (8 or 13%), Nkomazi (7 or 11%), and City of Mbombela with (6 or 10%) findings.

- * Thaba Chweu registered the highest number of issues on Non Compliance with Laws and Regulations (39 or 42%), followed by Bushbuckridge (28 or 30%), City of Mbombela and Nkomazi tally with (10 or 11%) each and Ehlanzeni with (6 or 6%)

- * The Municipality with highest issues on Annual Report Misstatements is Bushbuckridge with 6 or 40% of the total findings, Thaba Chweu (4 or 27%), Nkomazi (12 or 16%) Bushbuckridge accounts for the remaining (1 or 4%), Ehlanzeni did not record any findings as per the AGSA report.

- * City of Mbombela has one (1) finding and is the only municipality with Service Delivery issues within the District.

Recommendations

- * Political leadership and independent oversight by the Audit Committee to play an effective role in monitoring the implementation of audit action plans;

- * Municipalities to appoint young professionals and engineers to assist with asset registers;

- * Establishment of committees at district level to ensure collaboration on asset related issues;

- * Provincial Treasury to follow-up and assist municipalities to conclude action plans for FMCMM and incorporate into audit action plans;

- *Constant monitoring of audit action plans by Provincial Government (PT & COGTA);*
- *Three teams has been established from all the municipal support units in Provincial Treasury and team leaders and assistant team leaders were identified. There is continues follow-ups on the implementation of the action plans for the 12 identified municipalities;*
- *Provincial Government must conduct an investigation in line with section 106(1)(b) of Municipal Systems Act no. 32 of 2000 and enforce consequence management within municipalities;*
- *Deploy a competent individual or team of professionals to deal with the internal controls and non-compliance on SCM matters and any other financial matters within municipalities*

Interventions

- *Audit Action Plan Templates was developed for the 2018/19 audit findings;*
- *All municipalities have sent back completed audit action plans;*
- *PT reviewed the action plans to ensure that all AG findings were adequately addressed;*
- *PT developed a Business Plan Framework to assess, monitor and assist municipalities on implementation of Audit Action Plans;*
- *PT appointed team leaders to monitor and assist municipalities with implementation of action plans. Support aimed to be specific for the twelve municipalities who had adverse, disclaimed and qualified audit outcomes in the areas of Asset Management, Supply Chain Management- and Revenue Management;*
- *PT established a Technical Steering Committee as well as a MFMA Steering Committee for coordinating all support to municipalities;*
- *Coordinating structure has been established.*



Nkangala District Municipality (Clean Audit Achievement)

5.6.3 Percentage of Capital budget expenditure

Table 42: Indicate % of municipal Capital Budget Expenditure

District	2016/17				2017/18				2018/19			
	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	728,539	622,045	614,666	99%	553,041	553,041	445,208	81%	559,596	462,548	83%
	Mbombela	867,497	741,424	612,750	83%	607,134	592,979	528,560	89%	630,593	514,961	82%
	Nkomazi	354,405	376,058	254,181	68%	259,174	281,525	169,766	60%	281,923	249,868	89%
	Thaba Chweu	76,341	96,168	89,569	93%	112,170	116,769	88,834	76%	112,132	713,364	636%
	EHLANZENI	37,058.00	37,208.00	23,854.00	0%	44,547	39,267	25,813	66%	2,600	1,934	0%
	Chief Albert Luthuli	245,264	243,965	356,910	146%	418,141	367,635	106,196	29%	146,283	87,756	63%
GERT SIBANDE	Dipaleseng	21,645	21,645	25,347	117%	40,122	40,122	25,347	63%	44,884	4,958	11%
	Govan Mbeki	100,894	87,395	613,976	703%	104,396	104,396	48,686	47%	-	-	-
	Lekwa	29,678	29,678	29,678	100%	65,828	65,828	34,363	52%	53,491	107,532	86,863
	Mkhondo	0	0	80,700	0%	125,604	135,699	122,174	90%	115,703	133,966	116%
	Msukaligwa	76,064	77,064	46,900	61%	68,452	73,055	67,173	92%	94,284	107,723	104%
	Dr. Pixley Ka Isaka Seme	30,959	32,698	28,491	87%	41,429	41,351	41,351	100%	60,978	61,866	59,861
NKANGALA	GERI	16,500	10,100	9,938	98%	0	0	9,464	100%	6,707	2,843	100%
	SIBANDE	261,138	317,703	157,491	50%	245,503	244,438	175,548	0%	241,812	256,316	177,193
	Emalahleni	75,841	76,427	57,407	75%	55,484	56,259	51,847	92%	58,527	78,027	135,262
	Emakhazeni	257,135	308,979	321,009	104%	282,174	290,154	268,129	92%	378,010	394,645	392,789
	Steve Tshwete	0	0	47,016	0%	5,171	5,171	18,294	100%	-	-	14,488
	Victor Khanye	123,602	123,602	121,108	98%	123,602	123,602	100,920	82%	-	-	-
Provincial TOTAL	Thembisile Hani	117,504	117,504	117,504	100%	153,363	156,325	109,062	70%	153,983	166,505	164,950
	NKANGALA	8,050	39,339	34,803	88%	29,384	25,498	21,447	84%	33,248	30,746	19,792
	3,428,114	3,359,002	3,643,298	108%	3,334,719	3,313,114	2,458,182	74%	2,974,753	3,087,958	3,333,783	108%

(Source: Section 46 reports from municipalities)

NB: Govan Mbeki and DR JS Moroka have not been audited

5.6.3.1 Provincial Analysis of Capital Budget Expenditure

Findings

- *The total capital budget was R3 087 958 and R 3 333 783 was spent, which is 108% in 2018/19 which is an increase in allocation of R225 156 and a decrease in expenditure of R 875 601, when compared to the total capital budget of R 3 313 114 and R 2 458 182, which is 74%.*

Challenges

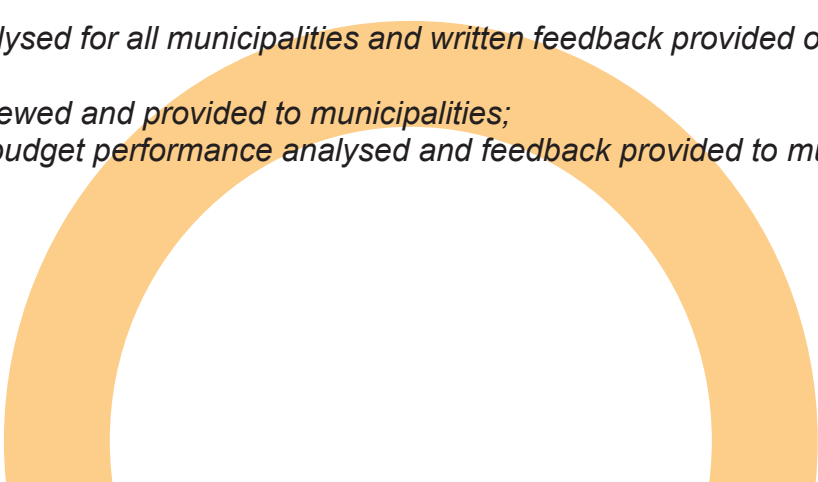
- *Municipalities are still not properly planning for capital projects;*
- *Municipalities improve capital spending by implementing the approved SDBIP;*
- *Budget, IDP and SDBIP not aligned;*
- *Unfunded Projects approved and implemented;*
- *Due to cash flow challenges municipalities tend to use grant funding for operational expenses;*
- *Municipal budgets were not cash backed;*
- *Low capital spending due to due to Supply Chain Management inefficiencies and low revenue collection.*

Recommendations

- *Municipalities to ring-fence MIG funding for only MIG projects;*
- *Municipalities to plan in advance for projects to start with implementation as early as the commencement of the financial year;*
- *Provincial Treasury to continue providing technical support on financial planning;*
- *Municipalities submit section 71 returns to enable meaningful provincial consolidation;*
- *Hands on support on development and implementation of IDP and Budget process plans;*
- *Proper analyses and assessment of the mid-year budget reviews and draft budgets for 2020/21;*
- *Establishment and implementation of Cash Flow Management Teams and Cash Flow Management Tool;*
- *Support municipalities with development and implementation of IDP and Budget process plans.*

Interventions

- *Provincial Treasury provided technical support on financial planning and COGTA provided support on project management;*
 - *COGTA in partnership with DWS, MISA and other stakeholders assisted municipalities on capital projects;*
 - *PT supported municipalities with revenue enhancement and reprioritisation of budget;*
 - *All municipalities were supported in ensuring draft budgets developed, credible realistic and if not funded, a plan approved by the municipal councils to get municipalities funded over MTREF;*

 - *Section 71 reports analysed for all municipalities and written feedback provided on a monthly basis;*
 - *Budget framework reviewed and provided to municipalities;*
 - *All municipal midyear budget performance analysed and feedback provided to municipalities.*
- 



water & sanitation

Department:
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5.6.4 Total municipal own revenue as a percentage of the actual budget
Table 43: Indicate total municipal own revenue as % of actual budget

Districts	2016-2017				2017-2018				2018-2019				
	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	
EHLANZENI	Bushbuckridge	1,616,153	1,594,243	1,689,634	106%	1,582,979	1,641,179	1,623,705	99%	1,693,934	1,807,434	1,629,559	90%
	Mbombela	2,960,365	2,919,857	2,587,290	89%	3,331,379	3,290,446	2,931,081	89%	2,800,491	2,830,491	2,852,760	101%
	Nkomazi	1,067,701	1,139,406	1,128,651	99%	1,062,168	1,069,179	1,099,522	103%	1,115,025	1,165,181	1,136,890	98%
	Thaba Chweu	556,177	556,177	526,320	95%	655,811	671,552	552,456	82%	699,329	618,573	564,342	91%
	Ehlanzeni DM	236,391	238,482	237,782	100%	249,364	247,512	248,473	100%	255,391	254,004	256,884	101%
	Total	5,369,086	6,448,165	6,169,677	96%	6,881,701	6,919,868	6,455,237	93%	6,564,170	6,675,683	6,440,435	96%
GERT SIBANDE	Chief Albert Luthuli	339,325	393,951	516,048	131%	418,140	445,634	571,114	128%	589,878	596,925	766,243	128%
	Dipaleseng	182,284	182,284	216,177	119%	199,926	199,926	335,503	168%	210,687	216,974	271,722	125%
	Govan Mbeki	1,799,173	1,796,037	1,642,571	91%	1,647,931	1,647,931	1,729,450	105%	-	-	-	-
	Lekwa	575,966	575,966	617,322	107%	679,949	632,458	587,165	93%	817,260	692,851	693,771	100%
	Mkhondo	469,637	510,360	511,669	100%	601,872	622,273	599,359	96%	581,700	612,165	665,188	109%
	Msukaligwa	562,312	578,870	612,081	106%	609,066	608,022	681,393	112%	677,377	669,388	742,489	111%
NKANGALA	Dr Pixley Ka Isaka Seme	284,404	284,404	308,904	109%	297,500	297,500	336,906	113%	478,685	478,685	348,768	73%
	Gert Sibande	393,327	396,452	377,348	95%	420,885	453,035	451,436	100%	472,658	524,502	522,108	100%
	Total	4,606,428	4,718,324	4,802,120	102%	4,875,269	4,906,679	5,292,326	108%	3,828,245	3,791,490	4,010,289	106%
	Emalahleni	2,882,486	2,904,486	2,470,382	85%	3,144,176	3,123,229	2,800,996	90%	3,277,577	2,956,526	3,313,745	112%
	Emakhazeni	216,955	192,107	227,049	118%	233,419	240,807	321,010	133%	314,667	312,918	385,411	123%
	Steve Tshwete	1,446,749	1,418,404	1,448,660	102%	1,409,357	1,459,687	1,473,413	101%	1,574,552	1,629,197	1,613,149	99%
TOTAL INCOME AGAINST BUDGET	Victor Khanye	482,266	462,266	481,175	104%	469,709	471,259	342,840	73%	450,148	463,218	446,104	96%
	Dr. JS Moroka	556,292	531,426	621,871	117%	541,345	561,605	677,839	121%	-	-	-	-
	Thembisile Hani	626,852	691,637	812,345	117%	759,985	762,656	814,816	107%	862,978	810,634	760,963	94%
	Nkangala DM	357,882	368,675	387,883	105%	371,108	372,350	389,219	105%	373,743	383,351	394,513	103%
	Total	5,102,733	6,569,001	6,449,365	98%	6,929,099	6,991,593	6,820,133	98%	6,853,665	6,555,844	6,913,885	105%
	TOTAL INCOME AGAINST BUDGET	15,078,247	17,735,490	17,421,162	98%	18,686,069	18,818,140	18,567,696	99%	17,246,080	17,023,017	17,364,609	102%

(Source: Section 46 reports from municipalities) - NB: Govan Mbeki and DR JS Moroka have not been audited

5.6.4.1 Provincial Analysis own revenue as a percentage of the actual budget

Findings

The following findings were made on municipal revenue as a percentage of the actual budget it amounted to R 17 364 609 as at June 2019 constituting 102% spent own revenue in the province.

Challenges

Failure by municipalities to implement revenue enhancement strategies and credit control policies, which resulted in:

- *Negative/low cash flow balances.*
- *Escalation of debtors' book.*
- *Escalation of bulk accounts (Water and Eskom).*
- *Non-payment of creditors within 30 days.*
- *Unrealistic anticipated revenue projections.*
- *Expenditure and commitments not linked to revenue collections (Available cash).*
- *Poor revenue collection.*
- *Incorrect billing.*
- *Municipalities do not reconcile valuation rolls to billing systems.*
- *High number Indigents.*
- *Resistance by consumers to pay.*

Recommendations

- *PT/NT to monitor the implementation of the financial recovery plans at the above mentioned municipalities;*
- *Continues reconciliations between municipalities' valuation rolls and their billing systems;*
- *Identify properties not billed / incorrectly billed through the GIS;*
- *Municipalities must prioritise spending the operational budget on revenue generating activities;*
- *Municipalities to prioritise collection of business debt in order to maximise revenue;*
- *Municipalities implement credit control policies and by-laws to collect revenue from households;*
- *Municipalities should institutionalise revenue enhancement;*
- *Establishment and implementation of Cash Flow Management Teams and Cash Flow Management Tool;*
- *Development and implementation of creditor payment plans;*
- *Analyse SLAs for all appointed consultants to ensure they are performance based and there is value for money;*
- *Municipalities expedite the finalisation and adoption of financial policies and by-laws;*
- *Implementation of SOP's for revenue management;*
- *The four MFIP advisors appointed by NT will assist with the roll out of the SOP's at municipalities.*

Interventions

- *Financial recovery plan for Emalahleni LM has been developed by National Treasury with the support of Provincial Treasury and other provincial and national sector departments.*
- *Financial recovery plans also to be developed at Govan Mbeki LM, Lekwa LM, Msukaligwa LM, Thaba Chweu LM, Victor Khanye LM, Mkhondo LM and Emakhazeni LM.*

- *These financial recovery plans will increase municipalities' revenue, decrease their expenditure and ensure that they are financially viable and able to pay their creditors within 30 days.*
- *Provincial Treasury also appointed service providers to support the following 5 municipalities to reconcile their valuation rolls with their billing systems:*

- o **Emalahleni LM;**
- o **Emakhazeni LM;**
- o **Msukaligwa LM;**
- o **Thaba Chweu LM; and**
- o **Victor Khanye LM.**

- *Municipalities' property rates revenue will increase after conclusion of the project.*
- *National Treasury appointed a MFIP advisor in the province to support municipalities to increase their revenue*



The Provincial Treasury supported Thaba Chweu Municipality led by Executive Mayor, Cllr Fridah Nkadimeng, for the improvement of the billing system.

5.6.5 Rate of municipal debt reduction
Table 44: Indicate % rate of municipal debt reduction

District	Municipality	2017-2018 R'000						2018-2019 R'000						
		Increase in debts or Reduction	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Increase in debts or Reduction	Water & Electricity	Sewage & Refuse	Housing	Rates & Other	Total	Increase in debts or Reduction
EHLANZENI	Bushbuckridge	47%	225,792	75,831	2,602	335,863	640,088	25%	195,056	68,730	2,602	524,611	790,999	24%
	Mbombela	4%	114,982	33,397	-	10,382	158,761	-49%	194,242	42,229	-	16,152	252,623	59%
	Nkomazi	19%	19,084	3,778	-	6,286	29,148	-26%	23,827	4,425	-	6,160	34,412	18%
	Thaba Chweu	16%	122,717	47,369	5,351	127,811	303,248	105%	137,815	58,998	6,963	138,709	342,485	13%
	Ehlanzeni	applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Sub Total		0	482,575	160,375	7,953	480,342	1,131,245	12%	550,940.00	174,382.00	9,565.00	685,632.00	1,420,519	26%
GERT SIBANDE	Chief Albert Luthuli	4	29,663	94,027	-	26,129	149,819	-71%	12,695	40,532	-	4,152	57,379	-62%
	Dipaleseng	-0	89,042	108,474	-	122,381	319,897	3%	122,110	131,482	-	120,643	374,235	17%
	Govan Mbeki	1	635,586	161,769	-	388,000	1,185,355	38%	-	-	-	-	-	-100%
	Lekwa	1	273,595	134,055	-	414,797	822,447	9%	374,137	175,732	-	440,807	990,676	20%
	Mkhondo	0	152,375	89,684	-	92,348	334,407	26%	192,175	107,113	-	99,329	398,617	19%
	Msukaligwa	0	242,923	157,908	-	109,611	510,442	9%	290,917	186,246	-	203,814	680,977	33%
	Dr Pixley Ka Isaka Seme	1	113,211	70,555	-	281,307	465,073	22%	134,308	89,374	-	316,707	540,389	16%
Gert Sibande	applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Sub Total		-1	1,536,395	816,472	-	1,434,573	3,787,440	7%	1,126,342	730,479	-	1,185,452	3,042,273	-20%
NKANGALA	Emalahleni	-	1,939,684	670,839	-	804,564	3,415,087	19%	2,653,681	936,370	-	728,272	4,318,323	26%
	Emakhazeni	-	78,042	52,163	-	84,825	215,030	88%	89,505	37,529	-	162,929	289,963	35%
	Steve Tshwete	2	31,216	17,578	-	-	48,794	-72%	39,074	19,467	-	14,177	72,718	49%
	Victor Khanye	-	239,898	31,885	-	306,818	578,601	15%	416,994	46,996	-	686,371	1,150,361	99%
	Dr. JS Moroka	0	134,722	56,188	-	175,450	366,360	31%	-	-	-	-	-	-100%
	Thembisile Hani	7	467,830	176,539	-	238,328	882,697	10%	540,353.00	211,904.00	-	307,259.00	1,059,516	20%
Nkangala DM	applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Sub Total		758%	2,891,392	1,005,192	-	1,609,985	5,506,569	-12%	3,739,607	1,252,266	-	1,899,008	6,890,881	25%
Total Debts		-13%	4,910,362	1,982,039	7,953	3,524,900	10,425,254	-3%	5,416,889	2,157,127	9,565	3,770,092	11,353,673	9%

(Source: Section 46 reports from municipalities)

5.6.5.1 Provincial Analysis on the rate of municipal debt reduction

Findings

All municipalities were owed a total sum of R 11 353 673 billion in the 2018/19 financial and R 10 425 254 billion in 2017/18 which indicates a significant increase of R 928 419 million or 9% in municipal debt.

Challenges

- *Information on invoices sent to government departments are incomplete, resulting in government departments not paying their government debt to municipalities;*
- *Municipalities are slow on data cleansing;*
- *Incorrect indigent registers;*
- *Illegal connections and losses not investigated by the Technical Units within the municipalities;*
- *Ineffective debtors collection systems within the municipality, which negatively affect its cash flow, service delivery and increased debt book;*
- *Incorrect data and inaccurate billing;*
- *Non-compliance with laws and regulations;*
- *Customer affordability to pay municipal debts.*

Recommendations

- *Continued support by PT to ensure that government departments pay their debt to municipalities;*
- *Deploy a competent individual or team of professionals to review, develop and implement the debt collection systems and policies of municipalities;*
- *Review, develop and fully implement the Revenue Enhancement Strategy;*
- *Appoint a debt collector to focus on the debts impairment or irrecoverable debts;*
- *Channel all Electricity Collections to ESKOM on weekly basis;*
- *Full implementation and compliance to mSCOA;*
- *Implementation of standard operating procedures for revenue management by municipalities;*
- *PT to assist and guide municipalities to phase in tariffs as affordability by consumers should be taken into consideration;*
- *Municipalities to conduct physical inspection of properties where services are terminated;*
- *Municipalities to establish special municipal inspection teams to monitor illegal connections;*
- *Linkage of valuation roll with the billing system;*
- *Assessment of tariff structures;*
- *Update property database and accurate billing.*

National and Provincial Interventions

- *PT to support municipalities to provide complete and accurate accounts to government departments;*
- *NT with the support of PT develop financial recovery plans;*
- *Municipalities guided and supported to comply with MPRA;*
- *20 In-year financial management reports analysed per month and feedback provided to municipalities to implement corrective measures;*
- *NERSA workshop was conducted to assist municipalities with the D-forms.*



5.6.6 Coordinated payments made to Municipalities by sector departments as at July 2018- June 2019

Table 45: Co-ordinated payments made to DR JS MOROKA LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public Works, Roads and Transport	-	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-	-
Health (Clinics)	-	-	-	-	-	-
Health (Hospitals)	-	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	-	-	-	-	-	-
Human Settlements	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	-	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
Total	-	-	-	-	-	-

(Source: National Local Government Database)

NB: Govan Mbeki and DR JS Moroka have not been audited

Table 46: Co-ordinated payments made to EMAKHAZENI LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	114 864,11	7 812,66	-	-	107 051,45	500,00
Economic Development and Tourism	-	-	-	-	-	-
Education	5 500 906,22	1 839 056,95	-	-	3 661 849,27	182 892,43
Public Works,Roads and Transport	1 026 328,15	270 223,32	-	-	756 104,83	200,00
Community Safety Security and Liaison	12 155,09	6 487,73	-	-	5 667,36	4 386,80
Health	962 135,19	180 222,86	-	-	781 912,33	-
Culture Sport and Recreation	815 511,77	289 560,89	-	-	525 950,88	320 283,22
Social Development	2 407,81	824,01	-	-	1 583,80	791,90
Human Settlements	-	-	-	-	-	-
Sub Total	8 434 308,34	2 594 188,42	0,00	0,00	5 840 119,92	509 054,35
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	2 058 425,10	478 911,84	-	-	1 579 513,26	222 524,65
National Department of Rural Development and Land Reform	-	-	-	-	-	-
Sub Total	2 058 425,10	478 911,84	-	-	1 579 513,26	222 524,65
Total	10 492 733,44	3 073 100,26	-	-	7 419 633,18	731 579,00

(Source: National Local Government Database)

Table 47: Co-ordinated payments made to EMALAHLENI LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental	694,955	10,003,77	9,990,90	9,978,04	664,982,27
Economic Development and Tourism	-	-	-	-	-
Education	13,466,761	1,571,554,45	561,184,41	369,391,41	10,964,630,80
Public Works, Roads and Transport	27,893,339	9,500,235,60	346,528,82	439,444,10	17,607,130,05
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	2,795,565	961,686,49	42,650,86	42,387,49	1,748,840,11
Health (Hospitals)	202,247	185,929,92	12,928,54	502,91	2,885,90
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	291,237	9,625,18	7,223,36	7,183,35	267,204,67
Sub Total	45,344,103	12,239,035	980,507	868,887	31,255,674
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	2,873,854	-119,11905	142,952,54	136,962,03	2,713,058,19
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	2,873,854	[119,119]	142,953	136,962	2,713,058
Total	48,217,957	12,119,916	1,123,459	1,005,849	33,968,732

(Source: National Local Government Database)

Table 48: Co-ordinated payments made to STEVE TSHWETE LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	28,593	-	432,29	429,60	27,731.52
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	29,744	-	2,257.68	2,240.03	25,246.60
Economic Development and Tourism	-	-	-	-	-
Education	9,521,930	-	393,003.30	383,146.49	8,745,780.50
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	858	-	858.14	-	-
Health(Clinics)	137,404	-	8,400.44	3,722	125,281.18
Health(Hospitals)	13,639	-	1,264.48	1,254.31	11,120.21
Culture Sport and Recreation	36,222	-	1,424.89	1,414.72	33,382.72
Social Development	2,205	-	632.20	629.46	943.70
Human Settlements	623	-	312.04	310.53	0
Sub Total	9,771,219	-	408,59	393,147	8,969,486
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	593,62	-	24,781.92	18,486.37	550,348.76
National Department of Rural Development and Land Reform	48,491,761	-	1,113,626.12	1,107,324.50	46,270,810.45
Sub Total	49,085,378	-	1,138,408	1,125,811	46,821,159
Total	58,856,597	-	1,546,994	1,518,958	55,790,646

(Source: National Local Government Database)

Table 49: Co-ordinated payments made to THEMBSILE HANI LOCAL MUNICIPALITIES

Name of Department	Total amount outstanding	0+30 Days	30 Days	60 Days	90 Days and over
Office of Premier	28,593	-	432,29	429,6	27,731,52
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environment	29,744	-	2,257,68	2,240,03	25,246,60
Economic Development and Tourism	-	-	-	-	-
Education	9,521,930	-	393,003,30	383,146,49	8,745,780,50
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	858	-	858,14	-	-
Health-Clinics	137,404	-	8,400,44	3,722,00	125,281,18
Health-Hospitals	13,639	-	1,264,48	1,254,31	11,120,21
Culture Sport and Recreation	36,222	-	1,424,89	1,414,72	33,382,72
Social Development	2,205	-	632,2	629,46	943,70
Human Settlements	623	-	312,04	310,53	-
Sub Total	9,771,219	0	408,585	393,147	8,969,486
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	593,62	-	24,781,92	18,486,37	550,348,76
National Department of Rural Development and Land Reform	48,491,761	-	1,113,626,12	1,107,324,50	46,270,810,45
Sub Total	49,085,378		1,138,408	1,125,811	46,821,159
Total	58,856,597		1,546,994	1,518,958	55,790,646

(Source: National Local Government Database)

Table 50: Co-ordinated payments made to VICTOR KHANYE LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	35,843	6,348,42	5,739,95	9,816,38	13,938,20
Economic Development and Tourism	-	-	-	-	-
Education	631,106	130,520,49	207,693,15	78,174,86	214,717,54
Public Works, Roads and Transport	1,761,466	395,372,68	463,685,01	463,685,01	438,723,12
Community Safety Security and Liaison	14,543	607,5	496,32	551,91	12,887,12
Health (Clinics)	7,508,113	57,993,54	57,993,34	57,993,34	7,334,132,75
Health (Hospitals)	296,383	296,383,46	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	10,247,454	887,226,09	735,607,97	610,221,50	8,014,398,73
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	3,401,588	49,497,29	47,676,81	10,393,35	3,294,020,81
National Department of Rural Development and Land Reform	36,936	653,39	649,91	290,58	35,342,61
Sub Total	3,438,525	50,151	48,327	10,684	3,329,363
Total	13,685,979	937,377	783,935	620,905	11,343,762

(Source: National Local Government Database)

Table 51: Consolidated co-ordinated payments made to NKANGALA DISTRICT municipalities

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental A	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	370 322,56	58 846,28	25 092,41	2 304,24	284 079,63
Public Works, Roads and Transport	2 474 135,75	333 498,98	282 654,45	266 713,57	1 591 268,75
Community Safety Security and Liaison	16 887,14	8 450,06	8 356,35	80,73	
Health	616 223,35	379 115,21	40 738,37	42 366,33	154 003,44
Culture Sport and Recreation	-41 109,78	-41 109,78	-	-	-
Social Development	342 987,52	22 676,19	18 350,40	18 867,06	283 093,87
Human Settlements	-	-	-	-	-
Sub Total	3 779 446,54	761 476,94	375 191,98	330 331,93	2 312 445,69
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	4 363 736,90	735 860,14	457 300,05	351 066,70	2 819 510,01
Reform	186 827,61	9 579,17	9 628,56	9 621,50	157 998,38
Sub Total	4 550 564,51	745 439,31	466 928,61	360 688,20	2 977 508,39
Total	8 330 011,05	1 506 916,25	842 120,59	691 020,13	5 289 954,08

(Source: National Local Government Database)

Table 52: Co-ordinated payments made to DIPALESENG LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture,Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	818,819	27,144	17,303	16,285	758,087
Public Works,Roads and Transport	3,075,226	52,951.35	25,198	25,11	2,971,967
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	403	402,87	-	-	-
Health (Hospitals)	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	1,509	-152,78	406	403	853
Human Settlements	-	-	-	-	-
Sub Total	3,895,957	80,345	42,907	41,798	3,730,907
SANPARKS(Kruger National Park)	4,848	1,042.59	1,041.85	1,033.53	1,729.76
National Department of Public Works					
National Department of Rural Development and Land Reform	1,032,327	-25,047	20,832	68,5	968,042
Sub Total	1,037,175	-24,004	21,874	69,534	969,772
Total	4,933,132	56,341	64,781	111,332	4,700,679

(Source: National Local Government Database)

Table 53: Co-ordinated payments made to DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	-	-	-	-	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	-	-	-	-	-
Health (Hospitals)	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	0.00	0.00	0.00	0.00	0.00
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	-	-	-	-	-

(Source: National Local Government Database)



Table 54: Co-ordinated payments made to LEKWA LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	1,942,593	92,278.18	71,331.91	69,789.41	1,709,195.79
Economic Development and Tourism	-	-	-	-	-
Education	5,387,598	797,226.84	336,748.57	248,130.74	4,005,491.70
Public Works, Roads and Transport	1,338,547	772,403.77	213,957.77	155,967.90	196,217.60
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	33,439	34,128.79	86.41	-	(775.91)
Health (Hospitals)	645,793	283,605.31	22,316.65	3,776.03	336,095.42
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	9,347,971	1,979,643	644,441	477,662	6,246,225
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	4,657,183	528,534.56	95,502.43	72,750.50	3,960,395.49
National Department of Rural Development and Land Reform	1,381,288	99,696.31	97,440.34	96,618.48	1,087,532.83
Sub Total	6,038,471	628,231	192,943	169,369	5,047,928
Total	15,386,442	2,607,874	837,384	647,031	11,294,153

(Source: National Local Government Database)

Table 55: Co-ordinated payments made to CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	11,701,284	6,494,158.74	3,117,212.76	1,224,866.86	865,045.44
Economic Development and Tourism	-	-	-	-	-
Education	7,934,595	3,462,523.61	1,870,747.10	2,369,586.34	231,738.04
Public Works, Roads and Transport	9,554,489	762,523.61	3,387,280.44	2,644,698.67	2,59,986.09
Community Safety Security and Liaison	48,519	7,752.55	2,929.69	7,777.01	30,059.75
Health (Clinics)	119,601	13,037.72	18,143.73	28,901.56	58,517.55
Health (Hospitals)	299,126	114,696.56	53,283.03	61,130.44	70,015.66
Culture Sport and Recreation	-	-	-	-	-
Social Development	2,255,221	1,100,079.70	99,251.54	585,434.42	470,455.81
Human Settlements	11,847	1,309.98	3,112.28	5,460.26	1,964.10
Sub Total	31,923,681	11,956,082	8,551,961	6,927,856	4,487,782
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	6,894,782	753,564.37	666,379.48	2,620,088.83	2,854,748.92
National Department of Rural Development and Land Reform	8,963,007	4,715,073.31	1,346,679.91	1,466,949.82	1,434,303.59
Sub Total	15,857,788	5,468,638	2,013,059	4,087,039	4,289,053
Total	47,781,469	17,424,720	10,565,020	11,014,894	8,776,835

(Source: National Local Government Database)

Table 56: Co-ordinated payments made to MKHONDO LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	1,985	2,973.43	1,,876.38	(2,865.07)	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture,Rural Development Land and Environmental Affairs	13,415	2300.66	10,952.96	5.04	155.88
Economic Development and Tourism	-	-	-	-	-
Education	500,144	80,746.30	66,775.61	21,602.37	331,020.20
Public Works,Roads and Transport	3,708,368	340,246.04	328,629.63	850,397.84	2,189,094.57
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	44,083	34,135.21	9,948.21	0.01	-
Health (Hospitals)	140,064	140,550.14	(486.57)	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	42,686	23,324.53	12,607.37	0.03	6,754.02
Human Settlements	-	-	-	-	-
Sub Total	4,450,745	624,276	430,304	869,14	2,527,025
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	406,101	332,661.32	380,038.42	(219,423.15)	(87,175.70)
National Department of Rural Development and Land Reform	1,543,277	89,760.93	82,559,58	223,828.09	1,594,784.19
Sub Total	1,949,378	422,422	462,598	-443,251	1,507,608
Total	6,400,122	1,046,699	892,902	425,889	4,034,633

(Source: National Local Government Database)

Table 57: Co-ordinated payments made to MSUKALIGWA LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	19,766	21,720.96	-	-	-
Economic Development and Tourism	10,306	9,826.52	479.63	-	-
Education	187,454	100,476.51	86,977.04	-	-
Public Works, Roads and Transport	-	-	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	110,364	51,336.54	32,467.07	23,764.62	2,795.66
Health (Hospitals)	713,415	548,506.30	127,524	31,546.75	5,837.64
Culture Sport and Recreation	38 067	22,318.66	13,940.16	1,808.27	-
Social Development	119,356	62,685.22	55,619.46	1,051.10	-
Human Settlements	11,994	11,993.85	-	-	-
Sub Total	1,210,721	828,865	317,007	58,171	8,633
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	723,607	479,824.08	30,873.53	31,503.82	181,405.26
National Department of Rural Development and Land Reform	3,816,174	471,898.35	172,873.32	162,024.42	3,009,377.44
Sub Total	4,539,780	951,722	203,747	193,528	3,190,783
Total	5,750,502	1,780,587	520,754	251,699	3,199,416

(Source: National Local Government Database)

Table 58: Co-ordinated payments made to GOVAN MBEKI LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month
Office of Premier	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-	-
Education	3,960,134.67	1,386,831	499,284	361,588	1,712,431	(2,131,427.45)
Public Works, Roads and Transport	1,457,731.40	1,252,656	56,771	17,317	130,988	(1,194,520.06)
Community Safety Security and Liaison	116,252.77	21,793	19,722	1,419	73,318	(8,535.11)
Health (Clinics)	258,072.70	116,710	37,900	21,974	81,489	(123,070.28)
Health (Hospitals)	690,813.85	531,515	149,618	9,681		(1,069,440.47)
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	-	-	-	-	-	-
Human Settlements	-	-	-	-	-	-
Sub Total	6,483,005	3,309,505	763,295	411,978	1,998,227	(4,526,993.37)
SANPARKS(Kruger National Park)	-	-	-	-	-	-
National Department of Public Works						
National Department of Rural Development and Land Reform	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
Total	6,483,005	3,309,505	763,295	411,978	1,998,227	(4,526,993.37)

(Source: National Local Government Database)

Table 59: Consolidated co-ordinated payments made to GERT SIBANDE DISTRICT MUNICIPALITIES

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	1,985	2,973	1,876	-2,865	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environment	13,007	6,612,745	3,200,941	1,296,116	2,574,616
Economic Development and Tourism	10,306	9,827	480	-	-
Education	20,984,870	5,966,078	2,923,137	3,051,627	9,044,028
Public Works, Roads and Transport	22,181,284	3,219,505	4,049,456	3,733,038	11,179,286
Community Safety Security and Liaison	169,088	33,862	22,652	9,196	103,378
Health (Clinics)	593,03	270,243	99,838	77,66	145,263
Health (Hospitals)	2,637,334	1,766,679	352,28	106,136	412,239
Culture Sport and Recreation	38,067	22,319	13,940	1,808	-
Social Development	2,422,575	1,189,663	167,96	586,889	478,063
Human Settlements	53,914	26,412	10,042	15,496	1,964
Sub Total	62,099,762	19,120,305	10,842,602	8,875,100	23,938,838
SANPARKS(Kruger National Park)	4,848	1,043	1,042	1,034	1,730
National Department of Public Works	28,132,139	2,462,207	1,487,796	2,842,483	21,339,653
National Department of Rural Development and Land Reform	24,530,933	5,451,716	1,819,749	1,670,392	15,589,076
Sub Total	52,667,920	7,914,965	3,308,587	4,513,909	36,930,459
Total	144,767,682	27,035,270	14,151,189	13,389,009	60 869,30

(Source: National Local Government Database)

Table 60: Co-ordinated payments made to BUSHBUCKRIDGE LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture,Rural Development Land and Environment	26,407	2,691	1,362	1,362	20,992
Economic Development and Tourism	4,205,667	104,415	104,415	104,415	3,982,423
Education	9,625,553	253,631	289,606	101,002	8,981,314
Public Works,Roads and Transport	419,000,654	-	5,375,418	5,375,418	5,472,888
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	11,660,451	16,833	16,833	16,833	11,609,953
Health (Hospitals)	11,793,613	705,872	1,386,729	275,878	9425,133
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	456 312,35	6,458,859	7,174,361	5,972,377	436,706,747
SANPARKS(Kruger National Park)	76,481,375	1,502,274	1,502,274	1,502,274	71,974,553
National Department of Public Works	5,333,004	91,136	86,075	77,141	5,078,652
National Department of Rural Development and Land Reform	221,447,544	4,587,243	4,561,280	4,561,280	207,737,741
Sub Total	303,261,923	6,180,654	6,149,629	6,140,695	284,790,945
Total	759,574,267	12,639,513	13,323,990	12,113,072	721,497,692

(Source: National Local Government Database)

Table 61: Co-ordinated payments made to CITY OF MBOMBELA LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	40,257	40,257	-	-	-
Agriculture, Rural Development Land and Environmental Af	-	-	-	-	-
Economic Development and Tourism	855,672	56,373	7,983	7,983	783,365
Education	14,126,281	1,543,371	846,1	770,195	10,966,615
Public Works,Roads and Transport	34,211,502	7,168,863	2,423,400	2,130,177	22,489,062
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	-	-	-	-	-
Health (Hospitals)	6,569,328	1,280,232	704,115	242,220	4,342,761
Culture Sport and Recreation	-	-	-	-	-
Social Development	497,277	103,659	93,048	101,864	198,706
Human Settlements	-	-	-	-	-
Sub Total	56,300,318	10,192,756	4,074,645	3,252,409	38,780,508
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	46,978,438	4,927,646	3,096,536	4,744,895	34,209,362
National Department of Rural Development and Land Reform	24,066,712	1,598,056	1,726,760	1,723,708	19,018,188
Sub Total	71,045,150	6,525,702	4,823,296	6,468,603	53,227,550
Total	127,345,469	16,718,458	8,897,941	9,721,012	92,008,057

(Source: National Local Government Database)

Table 62: Co-ordinated payments made to NKOMAZI LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture,Rural Development Land and Environmental Affairs	16,429.24	1,954.14	2,115.76	1,498.88	10,860.46
Economic Development and Tourism	-	-	-	-	-
Education	792,442.11	51,712.55	37,729.42	57,381.12	645,619.02
Public Works,Roads and Transport	8,400,637.54	817,825.46	758,959.98	477,293.25	6,346,558.85
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	61,747.84	7,358.16	17,600.04	1,017.78	35,771.86
Health (Hospitals)	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	9,898,327	1,505,920	816,405	537,191	7,038,810
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	3,990,011	321,019.68	254,467.76	134,582.03	3,279,941.48
National Department of Rural Development and Land Reform	7,721,413	1,473,222.48	1,125,441.19	1,007,472.22	4,115,276.77
Sub Total	11,711,424	1,794,242	1,379,909	1,142,054	7,395,218
Total	21,609,750	3,300,62	2,196,314	1,679,245	14,434,028

(Source: National Local Government Database)

Table 63: Co-ordinated payments made to THABA CHWEU MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	12,385	12,385	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	981,106	374,760	179,300.06	126,124.16	300,921.44
Public Works, Roads and Transport	5,006,925	1,217,194.12	68,969.85	56,061.56	3,664,699.83
Community Safety Security and Liaison	-556	(556.22)	-	-	-
Health (Clinics)	44,033	14,613.25	11,733.30	8,081.56	9,604.66
Health (Hospitals)	288,188	199,856.87	86,421.37	1,909.63	-
Culture Sport and Recreation	-23,219	(23,218.72)	-	-	-
Social Development	96,344	4,727.01	3,220	1,674.72	86,722.20
Human Settlements	-	-	-	-	-
Sub Total	6,405,206	1,799,761	349,645	193,852	4,601,948
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	20 724,50	2,122,270.96	-	-	18,602,230.51
National Department of Rural Development and Land Reform	4,262,765	57,332.76	57,070.02	56,806.79	4,091,555.18
Sub Total	24,987,266	2,179,604	57,070.02	56,806.79	22,693,787
Total	31,392,472	3,979,365	406,715	250,659	26,755,734

(Source: National Local Government Database)

Table 64: Consolidated co-ordinated payments made to EHLANZENI DISTRICT municipalities

EHLANZENI DISTRICT- GOVERNMENT DEBT AS AT 30 JUNE 2019							
Name of Department	Total amount outstanding	0-30 Days	30 - 60 Days	60 -90 Days	90 Days and over	Payments received for the month	
Office of Premier	-	-	-	-	-	-	
Finance	-	-	-	-	-	-	
Cooperative Governance and Traditional Affairs	40,257	40,257	-	-	-	-	
Agriculture, Rural Development Land and Environmental Affairs	55,221	17,031	3,477	2,860	31,853	-	
Economic Development and Tourism	5,061,340	160,788	112,397	112,367	4,675,787	(52,380)	
Education	25,525,382	2,223,474	1,352,735	1,054,703	20,894,470	(1,408,600)	
Public Works, Roads and Transport	466,619,719	14,579,300	8,626,747	8,136,420	435,277,251	(3,188,200)	
Community Safety Security and Liaison	(556)	(556)	-	-	-	-	
Health (Clinics)	11,766,232	38,804	46,166	25,932	11,655,330	-	
Health (Hospitals)	19,278,199	2,813,031	2,177,266	520,008	13,767,894	(508,829)	
Culture Sport and Recreation	(23,219)	(23,219)	-	-	-	-	
Social Development	593,621	108,386	96,268	103,539	285,428	(110,591)	
Human Settlements	-	-	-	-	-	-	
Sub Total	528,916,195	19,957,297	12,415,057	9,955,829	486,588,013	(5,268,600)	
SANPARKS(Kruger National Park)	76,481,375	1,502,274	1,502,274	1,502,274	71,974,553	-	
National Department of Public Works	77,025,955	7,462,073	3,437,079	4,956,619	61,170,185	(1,469,248)	
National Department of Rural Development and Land Reform	257,498,433	7,715,855	7,470,551	7,349,267	234,962,761	(13,753)	
Sub Total	411,005,763	16,680,201	12,409,904	13,808,159	368,107,499	(1,483,001)	
Total	939,921,958	36,637,498	24,824,960	23,763,988	854,695,512	(6,751,601)	

(Source: National Local Government Database)

5.6.6.1 Provincial Analysis on payments made to municipalities by sector departments

Findings

- The total aggregate debt based on balance submitted by various municipalities amounted to R1,1 billion;
- The Provincial Department reported as the highest contributor to the outstanding debt is the Department of Public Works, Roads and Transport with debt amounting to R520 million and the National department reported with the highest reported debt is National Department of Rural Development and Land Reform with an amount of R330 million.

Recommendations

- Departments to enter into payment agreements with municipalities;
- PT to assist municipalities to improve their Revenue Base;
- Elevate on a monthly basis the Government debt to the respective Department through the office of the MEC;
- Departments and municipalities to interact to ensure that payment of debt is resolved;
- Municipalities reconcile their Government debt and ensure accurate reports;
- Department of Public Works , Roads and Transport and Rural Development to convene an urgent meeting to resolve the issue with regards to debt relating to Community Property Associations (CPA's) and State Domestic Facilities (SDF's);
- That the Department of Public Works, Roads and Transport expedite payment of invoices to Bushbuckridge municipality;
- All departments pay municipalities where debt has been confirmed or arrange alternative payments (reprioritize within available budget);
- Provincial Treasury sent follow-up letters again to all departments effected departments reminding them to settle their arrear debt.
- Provincial Treasury further reported the National Government Debt to National Department of Cooperative Governance and National Treasury in an effort to obtain support for settlement of Government Debt by National Departments.
- A follow-up Circular 01 of 2019 was issued reminding Departments to urgently settle arrear amounts due to municipalities. The circular further reminded departments that failure to adhere to the instruction will result in the withholding of a portion of the equitable share to settle the arrear debt owed to municipalities through invoking Sec18 (2)(g) of the Public Finance Management Act..

National and Provincial Interventions

- Provincial Treasury convenes monthly debt steering committee with sector departments to encourage departments to honour their debt commitments;
- PT is supporting municipalities to collect their government debt. Government Debt Forum meetings are conducted every second month with sector departments and all municipalities, where challenges are discussed and solutions are agreed upon to settle outstanding debt.
- Provincial Treasury is urging departments to engage with municipalities at the level of Accounting Officers to try to resolve the disputes and settle all undisputed amounts
- PMC notes that Provincial Treasury will be invoking Section 18(2) (g) of the Public Finance Management Act, No. 1 of 1999, which includes the withholding of funds to address a persistent or material breach of the Act, in this case the non-payment of outstanding municipal accounts by Departments. This will start with the first allocation letter as this a binding resolution from EXCO and the Legislature
- A Provincial Circular 49 was sent by Provincial Treasury to Provincial departments in August 2018 which stated the following:
 - Departments were therefore requested to urgently settle arrear amounts due to a Municipality or alternatively enter into a payment arrangement to settle the above debt.
 - In cases where there are disputes, the relevant department were requested to separate the disputed amounts and pay what is not disputed.
 - The Provincial Treasury has given a target date to all departments through Circular 49, for departments to settle government debt or report on disputes by the end of September 2018. Only Department of Public Works Roads and Transport and Department of HEALTH gave feedback.

5.6.7 Submission of Annual Financial Statements for 2018/19 Financial Year

Table 65: Submission of AFS for 2018/19 FY

Name of Municipality	2017/18			2018/19		
	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality	Has the municipality concluded and submitted the AFS to the AG?		Date of AFS submission to AG by the municipality
	Y	N		Y	N	
Chief Albert Luthuli	Yes		31/08/2018	Yes		31/08/2019
Msukaligwa	Yes		31/08/2018	Yes		31/08/2019
Mkhondo	Yes		31/08/2018	Yes		31/08/2019
Dr. Pixley Ka Isaka Seme	Yes		31/08/2018	Yes		31/08/2019
Lekwa	Yes		31/08/2018	Yes		31/08/2019
Dipaleseng	Yes		31/08/2018	Yes		31/08/2019
Govan Mbeki		No	23/09/2018		No	
Gert Sibande District	Yes		31/08/2018	Yes		31/08/2019
Victor Khanye	Yes		31/08/2018	Yes		31/08/2019
Emalahleni	Yes		31/08/2018	Yes		31/08/2019
Steve Tshwete	Yes		31/08/2018	Yes		31/08/2019
Emakhazeni	Yes		31/08/2018	Yes		31/08/2019
Thembisile Hani	Yes		31/08/2018	Yes		31/08/2019
Dr. JS Moroka	Yes		31/08/2018		No	
Nkangala District	Yes		31/08/2018	Yes		31/08/2019
Bushbuckridge	Yes		31/08/2018	Yes		31/08/2019
Thaba Chweu	Yes		31/08/2018	Yes		31/08/2019
City of Mbombela	Yes		31/08/2018	Yes		31/08/2019
Nkomazi	Yes		31/08/2018	Yes		31/08/2019
Ehlanzeni District	Yes		31/08/2018	Yes		31/08/2019
Total	19	1		18	2	

(Source: AG 2018/19 Audit Outcomes)

NB: Govan Mbeki and DR JS Moroka have not been audited

I AM RESPONSIBLE....



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5.6.7.1

Analysis on the preparation and submission of AFS

All municipalities met the statutory deadline of 31 August 2019 to submit the annual financial statements to the Auditor General, except Govan Mbeki and Dr JS Moroka

5.6.8 Use of consultants to prepare AFS

Table 66: Indicate municipalities that utilized consultants to prepare AFS

Name of Municipality	2017/18			2018/19				
	Did the municipality use a consultant to compile AFS?		CFO appointed	Did the municipality use a consultant to compile AFS?		CFO appointed		
	Yes	No	Yes	Acting	Yes	No	Yes	Acting
Chief Albert Luthuli		No	Yes			No	Yes	Acting
Msukaligwa	Yes		Yes		Yes		Yes	
Mkhondo	Yes			Yes	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes			Yes	Yes		Yes	
Lekwa	Yes		Yes		Yes		Yes	Yes
Dipaleseng		No	Yes			No	Yes	
Govan Mbeki		No	Yes			No	Yes	
Gert Sibande District		No	Yes			No	Yes	
Victor Khanye	Yes		Yes		Yes		Yes	
Emalahleni	Yes		Yes		Yes		Yes	
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni		No		Yes		No	Yes	
Thembisile Hani	Yes			Yes	Yes		Yes	
Dr.JS Moroka	Yes		Yes		Yes		Yes	
Nkangala District		No	Yes			No	Yes	
Bushbuckridge	Yes		Yes		Yes		Yes	Yes
Thaba Chweu	Yes			Yes	Yes		Yes	
City of Mbombela		No	Yes			No	Yes	
Nkomazi		No	Yes		Yes			Yes
Ehlanzeni District		No		Yes		No	Yes	Yes
Total	10	10	14	6	11	9	16	4

(PT Consolidated Municipal Report: 2019)

NB: Govan Mbeki and DR JS Moroka have not been audited

5.6.8.1 Analysis on the use of consultants when preparing AFS

11 out of 20 municipalities used consultants to prepare annual financial statements in the year under review: Msukaligwa, Mkhondo, Pixley Ka Isaka Seme, Lekwa, Victor Khanye, Emalahleni, Thembisile Hani, Dr JS Moroka, Bushbuckridge, Thaba Chweu and Nkomazi. 4 out of 20 municipalities had acting chief financial officers during 2018/19 financial year, namely: Lekwa, Bushbuckridge, Thaba Chweu and Ehlanzeni District.

5.6.9 Timely submission of the Annual Report for the 2018/19 Financial Year

MFMA Circular 63 requires municipalities to submit the draft Annual Report together with the Annual Financial Statements by the 31st of August 2019 for auditing purposes. It should be noted that the Auditor General also audits the performance information.

Table 67: Submission of the 2018/19 Annual Report

Name of Municipality	2017/18		2018/19	
	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2017?		Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2018?	
	Y	N	Y	N
Chief Albert Luthuli	Yes		Yes	
Msukaligwa	Yes		Yes	
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki		No		No
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalahleni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes		Yes	
Thembisile Hani	Yes		Yes	

Name of Municipality	2017/18		2018/19	
	Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2017?		Did the municipality submit the draft Annual Report together with the AFS to the AG by 31 August 2018?	
	Y	N	Y	N
Dr. JS Moroka	Yes			No
Nkangala District	Yes		Yes	
Bushbuckridge	Yes		Yes	
Thaba Chweu	Yes		Yes	
City of Mbombela	Yes		Yes	
Nkomazi	Yes		Yes	
Ehlanzeni District	Yes		Yes	
Total	19	1	18	2

(Source: AG 2018/19 Audit Outcomes)

NB: Govan Mbeki and DR JS Moroka have not been audited

5.6.9.1 Provincial Analysis

Findings

- All 20 municipalities submitted the unaudited 2018/19 Annual Reports together with the Annual Financial Statements by the statutory deadline of 31 August 2019, except Govan Mbeki and Dr JS Moroka did not submit on the prescribed deadline.

Challenges

- Capacity constraints in the municipality contributed to the late submission of the Annual Financial Statements

Recommendations

- Municipalities to ensure that all critical vacancies in the Budget and Treasury offices are filled.

Interventions

- Provincial Treasury to assist municipalities where capacity challenges are experienced

5.6.10 % Municipal Infrastructure Grant Budget approximately spent

Table 68: MIG Expenditure patterns from Municipalities as confirmed through COGTA monitoring systems.

Municipality	2016/17			2017/18			2018/19		
	Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent
Bushbuckridge	393 773	393 773	100%	394 080	394 080	100%	365 988	365 988	100%
City of Mbombela	330 659	289 403	88%	339 939	329 232	97%	336 980	336 980	100%
Nkomazi	257 355	257 355	100%	233 857	198 778	85%	220 261	219 619	100%
Thaba Chweu	61 025	61 025	100%	48 179	46 880	97%	43 851	43 851	100%
Ehlanzeni	1042 812	1001 556	96%	1016 055	968 970	95%	967 080	966 438	100%
Chief Albert Luthuli	90 197	90 197	100%	88 616	88 616	100%	85 281	85 281	100%
Dipaleseng	24 159	24 159	100%	29 076	29 076	100%	35 480	35 480	100%
Govan Mbeki	55 161	55 161	100%	42 796	42 611	100%	56 651	52 981	94%
Lekwa	38 531	38 531	100%	19 293	19 293	100%	28 034	28 034	100%
Mkhondo	74 666	74 666	100%	102 215	102 215	100%	76 735	76 735	100%
Msukaligwa	38 492	38 492	100%	53 608	53 608	100%	51 669	50 154	97%
Dr. Pixley Ka Isaka Seme	25 220	25 220	100%	29 327	29 193	100%	25 956	25 115	97%
Gert Sibande	346 426	346 426	100%	364 931	364 612	100%	359 806	353 780	98%
Emalahleni	68 328	68 328	0%	110 815	110 815	100%	120 967	120 967	100%
Emakhazeni	25 404	25 404	100%	18 484	18 484	100%	19 946	19 876	100%
Steve Tshwete	47 457	47 457	100%	50 557	50 557	100%	52 240	52 240	100%
Victor Khanye	30 377	28 191	93%	25 286	25 286	100%	24 477	24 477	100%
Dr. JS Moroka	119 102	119 102	100%	132 371	132 371	100%	122 491	116 299	95%
Thembisile Hani	117 504	117 504	100%	136 562	136 562	100%	124 345	124 321	100%
Nkangala	408 172	405 986	99%	474 075	474 075	100%	464 466	458 180	99%
TOTAL	1797 410	1753 968	98%	1855 061	1807 657	97%	1791 352	1778 398	99%

Source: Section 46 reports from municipalities

5.6.10.1 Provincial Analysis on Municipal Infrastructure Grant (MIG) Spending

Findings

- The following findings were made on the ability of municipalities to spend the MIG, which in the 2016/17 financial year municipalities were allocated R 1.79 billion and were only able to spend R 1.75 billion, which was 98%. In 2017/18 financial year municipalities were allocated R 1.86 billion and were able to spend R1.81 billion, which was 97% and in 2018/19 financial year, municipalities were allocated with R1.79 billion and R1.78 billion, (99%) was recorded as an expenditure as at end of June 2019.

- A total of 3 municipalities were unable to spend 100% of their allocations by the end of their financial year and these were Thaba Chweu, Nkomazi and City of Mbombela municipalities.

- Although municipalities have improved significantly their spending patterns from 97% in 2017/18 to 99% in 2018/19 financial year, it was disappointing that allocations for two (2) municipalities had to be stopped and re-allocated by Treasury to other municipalities in terms of sections 19 and 20 of DORA respectively for failure to adequately spend their allocated budgets by the mid-term of the financial year. The affected municipalities were Lekwa (R11 million and Thaba Chweu (R11.6 million). An amount of R12.95 million remained unspent by Govan Mbeki, Msukaligwa, DR Pixley ka Isaka Seme and DR JS Moroka municipalities.

- As indicated above, the stopped portions of municipal allocations were re-allocated to five (5) municipalities in the Province, namely Dipaleseng (R3.1 million), Emalahleni (R3.5 million), Steve Tshwete (R3.5 million), Thembisile Hani (R3.5 million and Emakhaseni (R2 million). An additional amount of R2 million was received from other Provinces which have failed to spend their allocated budgets.

During the year, at the time of implementation, there was late appointment of service providers as well as slow progress on project implementation due to community protests and the sabotaging of tender processes by SMME's. This was the real issue which needed the Department to intervene and resolve the challenges in municipalities

5.7 PUBLIC PARTICIPATION

Section 152(1) (e) of the Constitution enjoins municipalities to encourage the involvement of communities and community organisations in the matters of local government. In order to formalise the involvement of the communities and community organisations in matters of local government, the Municipal structures Act 1998 (Act 117 of 1998) in terms of section 73 provides for the establishment of Ward Committees, which must have members not more than ten representative of all the community sectors within the ward. Section 74 outlines the functions of the Ward Committee to include among others making recommendations on any matter affecting its ward to the ward councillor (as the chairperson of the ward committee) or through the ward councillor to the council.

The Executive Mayors of municipalities are expected to lead community engagement programmes to attend to matters of community service delivery. However the Speaker is expected to coordinate the functioning of all Ward Committees in each ward within the municipality in order to ensure full participation of communities in matters of governance. This section therefore analyse the performance of municipalities in putting people first through the assessment of the existence of and effectiveness of ward committees in processing community needs. Furthermore the Department has appointed Community Development Workers in the province to assist the Ward Councillor in processing matters of service delivery in liaison with and interaction with the Ward Committees.

Political Stability

Political stability and reduced protests through effective community feedback, service delivery and law enforcement is a key feature of the criteria for good governance demonstrated.



5.7.1 Functionality of Ward Committees

Table 69: Indicate municipalities' with functional ward committees

DISTRICT	Municipality	2016/17				2017/18			2018/19		
		No of Ward committees	No of functional ward committees	% of functional ward committees	No of Ward committees	No of functional ward committees	% of functional ward committees	No of Ward committees	No of functional ward committees	% of functional ward committees	
EHLANZENI	City of Mbombela	45	19	42%	45	35	78%	45	30	67%	
	Nkomazi	33	25	76%	33	31	94%	33	02	06%	
	Bushbuckridge	38	38	100%	38	35	92%	38	31	82%	
	Thaba Chweu	14	11	78%	14	11	77%	14	07	50%	
NKANGALA	Emakhazeni	08	08	100%	08	06	75%	08	07	88%	
	Steve Tshwete	29	29	100%	29	29	100%	29	27	93%	
	Dr J S Moroka	31	31	100%	31	31	100%	31	16	52%	
	Emalahleni	34	34	100%	34	27	79%	34	22	65%	
	Thembisile Hani	32	32	100%	32	12	38%	32	32	100%	
	Victor Khanye	09	09	100%	09	09	100%	09	02	22%	
	Chief Albert Luthuli	25	25	100%	25	25	100%	25	23	92%	
GERT SIBANDE	Msukaligwa	19	18	94%	19	14	74%	19	18	95%	
	Lekwa	15	10	67%	15	13	87%	15	11	73%	
	Govan Mbeki	32	08	25%	32	19	59%	32	12	38%	
	Dipaleseng	06	06	100%	06	06	100%	06	06	100%	
	Mkhondo	19	19	100%	19	16	84%	19	15	79%	
Dr Pixley Ka Isaka Seme	11	11	100%	11	07	64%	11	06	55%		
TOTAL		400	333	83%	400	326	81%	400	267	67%	

(Source: Section 46 reports from municipalities)

5.7.1.1 Analysis on Functionality of Ward Committees

Findings

- *The following findings were made that in 2016/17 Financial year out 400 ward committees only 333 (83%) were functional indicative of the improvement in the functionality of ward committees, in 2017/18 Financial year out 400 ward committees only 326(81%) ward committees were functional and in 2018/19 Financial year out 400 ward committees only 267(66%) ward committees were functional. The significant decline on the functionality of ward committees in the three municipalities was caused by the following, which have since been resolved:*
- *Nkomazi: Late submission of ward committees reports by ward committees secretaries and ward councillors*
- *Victor Khanye: Late submission of ward committees reports by ward committees secretaries and ward councillors*
- *Govan Mbeki: Late submission of ward committees reports by ward committee's secretaries and ward councillors and poor report back sessions to communities.*
- *Dr JS Moroka: Late submission of ward committees reports by ward committees secretaries and ward councillors*
- *Thaba Chweu: Late submission of ward committees reports by ward committees secretaries and ward councillors*

Challenges

The non-performance and functionality of ward committees were as a result of the following reasons:

- *Failure to convene meetings by Ward Councillors*
- *Lack of consequence management on councillors who do not convene meetings.*
- *Late submission of ward committees reports by ward committees secretaries and ward councillors*

Recommendations

- *Speaker's offices in municipalities to assist all ward councillors convene community meetings as per their plans.*
- *Speaker's office must implement consequence management on councillors who do not convene meetings.*
- *Speaker's offices in municipalities to enforce adherence to report submission deadlines.*

Interventions

- *COGTA held session with ward committees that were reported to be dysfunctional to improve in the areas of report submissions and convening of report back sessions*
- *Engagements with municipalities were held on ward councillors who do not convene report back sessions and encouraged the implementation of consequence management.*

5.7.1.2 Existence of an effective system of monitoring Community Development Workers (CDWs)

- *The Community Development Workers (CDWs) programme is a Presidential project announced by President Mbeki in his State of the Nation Address in February 2003 and was launched in 2004. It involves the deployment of CDWs in wards within the municipalities to assist in strengthening the democratic social contract, advocating an organized voice for the poor and improvement of government community social networks.*
- *Community Development Workers (CDW) serve as a channel for the provision of integrated information on government services and provide a channel for ensuring that community issues are taken forward at all levels of government. Community Development Workers (CDWs) play an important role in providing linkages between local communities and government services. These workers are defined as civil servants who are passionate about serving their local communities. As such, they have vast grass-roots knowledge about local conditions and serve as a valuable resource to make service delivery more effective. Communities, especially in impoverished areas, are often unaware of their basic minimum service rights related to grant applications, service cuts and school enrolments. CDWs play a crucial role in this regard, informing local communities about government services and assisting in the clearing of service delivery backlogs. This means that these workers form an important communication link between government and communities in order to mobilize their communities to become active participants in government programmes.*

5.7.1.2.1 Status on the availability and performance of CDWs Analysis on Performance of CDWs

Findings

- *There are 429 CDWs in the province; however there is a vacancy rate of 65. It can be recorded that all CDWs are performing their duties as expected; however in some wards CDWs have passed on and have not been replaced.*

Challenges

- *Failure to deal with shortage of CDWs caused by death and/or resignations*
- *Inadequate tools of trade such as office space, stationery, etc.*

Recommendations

- *The Chief Directorate Municipal Support to once again make an official request for the filling of all vacant CDW posts*
- *The municipality in collaboration with the department must provide the necessary tools of trade*

Support interventions by Provincial government

- *The Chief Directorate Municipal Support has motivated for the filling of all vacant CDW posts*

5.8 ADMINISTRATIVE & INSTITUTIONAL CAPACITY

5.8.1 Institutional Development and Transformation

The Department will continue to support and monitor municipalities with respect to human capital issues with a particular focus on recruitment, selection, performance and retention of suitably qualified personnel. The Department also monitors and supports municipalities in order to ensure adherence to employment equity Act as planned targets for women, youth and people with disabilities. Municipalities are also expected to develop and approve organisational structures that are relevant to their service delivery projections, align them to their powers and functions and manage their performance on a regular basis.

Objectives of the KPA

The objectives of the KPA are to render HR support to municipalities on recruitment, capacity building, selection, retention, performance management and organisational designs.

5.8.2 Performance of Municipalities on Institutional Development

Vacancy Rate in Senior Management approved posts as of June 2019

Table 70: Vacancy Rate in Senior Management Posts as of June 2019 per District

District	2017/18						2018/19					
	Total no. Posts	Posts filled	Males	Females	Posts Vacant	% of Vacancy rate	Total no. Posts	Posts filled	Males	Females	Posts Vacant	% of Vacancy rate
Ehlanzeni	40	29	21	8	11	28%	40	35	25	10	5	12%
Gert Sibande	47	29	22	7	18	38%	47	35	28	7	12	26%
Nkangala	37	26	13	13	11	30%	38	36	20	16	2	5%
Total	124	84	56	28	40	32%	125	106	73	33	19	15%

(Source: Section 46 reports from municipalities)

5.8.2.2 Vacancy rate and filling of Section 54/56 Managers posts per District

Ehlanzeni District

Table 71: Vacancy Rate and Filling of S54 and S56 Managers posts

Posts	2017/18			2018/19		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	5	4	1	5	4	1
Deputy Municipal Manager	2	2	0	2	2	0
Secretary of council	1	1	0	1	1	0
Chief Financial Officer	5	3	2	5	4	1
Technical Services	5	2	3	5	5	0
Corporate Services	5	4	1	5	4	1
Community Services	5	4	1	5	5	0
Development and Planning	5	5	0	5	5	0
Service Centre Co-ordination	1	1	0	1	1	0
Energy Services	1	1	0	1	1	0
Water and Sanitation	1	0	1	1	1	0
Strategic Support	1	0	1	1	1	0
LED TOURISM	1	1	0	1	1	0
Public Safety	1	1	0	1	0	1
Legal Services	1	0	1	1	0	1
Total	40	29	11	40	35	5

(Source: Section 46 reports from municipalities)

Findings

In 2018/19 Ehlanzeni district had (40) approved section 54A/56 posts, only 35 posts were filled and 5 were vacant and vacancy rate was at 14%. The vacancy rate stood at 14% as compared to 28% for 2017/18 financial year. There was an improvement in the filling of senior vacant post at Ehlanzeni District in the 2018/19 financial year. The following posts remained vacant: 1 MM, 1 Chief Financial Officers, 1 Corporate Services, 1 Public Safety and 1Legal Services.

Gert Sibande

Table 72: Filling of S54 and S56 Managers

Posts	2017/18			2018/19		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	8	4	4	8	8	0
Chief Financial Officer	8	6	2	8	7	1
Technical	8	3	5	8	4	4
Corporate Services	8	6	2	8	6	2
Community Services	8	6	2	8	5	3
Development and Planning	7	4	3	7	5	2
TOTAL	47	29	18	47	35	12

(Source: Section 46 reports from municipalities)

Findings

Gert Sibande district had 47 approved section 54A/56 posts only thirty five 35 were filled in the 2018/19 financial year and 12 were vacant and the vacancy rate stood at 34%. The vacancy rate stood at 34% as compared to 38% for 2017/18 financial year. There was an improvement in the filling of senior vacant posts at Gert Sibande District in the 2018/19 financial year. The following posts were vacant: 1 Chief Financial Officer, 3 Technical Services and 3 Corporate Services, 3 Community Services and 2 Planning and Development.

Nkangala District

Table 73: Filling of S54 and S56 Managers in Nkangala

Posts	2017/18			2018/19		
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies
Municipal Manager	7	3	4	7	6	1
Chief Financial Officer	7	5	2	7	7	0
Technical	7	4	3	7	7	0
Corporate Services	7	5	2	7	7	0
Development Planning	2	1	1	3	3	0
Community Services	6	4	2	6	6	0
Environmental waste management	1	1	0	1	1	0
TOTAL	37	23	14	38	37	1

(Source: Section 46 reports from municipalities)

Findings

- *Nkangala district had 38 approved section 54A/56 posts only thirty seven (37) were filled in the 2018/19 financial and the vacancy rate is at 3%. There was an improvement in the filling of senior vacant post at Nkangala District in the 2018/19 financial year. The following post was vacant 1 Municipal Manager.*

5.8.2.3 Analysis of Performance on Institutional Development Findings

Findings

- *In 2018/19 financial year, there were 125 senior managers' posts across all municipalities in the province. Only 106 were filled out of 125 and 18 vacant. Out of 107 filled posts, 73 were held by male and 34 by female candidates. In 2017/17 out of 124 approved posts only 84 were filled of which 56 were filled by male and 28 by female candidates.*

Challenges in the filling of vacant posts

- *Delays by municipalities in advertising and filling vacant posts*

Recommendations

- *Municipalities must abide by the Municipal Systems Act: Regulations on the appointment and condition of services of senior managers in municipalities.*

Support interventions by National and Provincial government

- *The department conducted a workshop with all municipalities in the province on Municipal Systems Act: Regulations on the Appointment and Conditions of Services of Senior Managers in municipalities. The objectives of the workshop were to capacitate municipalities on the implementation of the Regulations and expedite the filling of vacant Senior Managers positions in municipalities.*
- *Letters were written to municipalities with vacant positions reminding them to comply with the legislations when filling vacant Senior Managers positions.*
- *The department also deployed officials to form part of the selection and interviews panels in various municipalities on a request basis.*

5.8.3 Municipalities meeting employment equity targets

- *This indicator is solely to determine the targets that the municipalities have either successfully achieved or partly achieved, as stipulated in their employment equity plans approved by the municipal councils. It incorporates the General Key Performance Indicator prescribed by the Minister in terms of Regulation 10 (e) of the Municipal Performance Management Regulations of 2001 which reads as follows:*

“Number of people employed from employment equity target groups employed in the three highest levels of management in compliance with the municipality’s employment equity plan”.

Table 74: Filling of S54 and S56 Managers

Districts	2016/17				2017/18				2018/19			
	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts	No. of Section 57 Post Approved	Females appointed in Section 57 Posts
Ehlanzeni	7	1	7	2	7	2	7	2	7	2	7	2
Thaba Chweu	6	2	6	2	6	2	6	2	6	2	6	2
City of Mbombela	14	2	15	1	15	1	15	2	15	2	15	2
Nkomazi	6	1	6	2	6	2	6	2	6	2	6	2
Bushbuckridge	6	2	6	1	6	1	6	2	6	2	6	2
TOTAL	39	8	40	8	40	8	40	8	40	10	40	10

5.8.3.1 Analysis of municipalities meeting employment equity targets

Findings

With regard to the compliance by municipalities with the Employment Equity Act. There has been a steady increase in the appointment of female section 57 managers. In 2018/19 financial year there was an increase to 33

- *With regards to the compliance by municipalities with the Employment Equity Act. There has been a steady increase in the appointment of female section 57 managers. In 2018/19 financial year there was an increase of 33 appointed female section 57 managers compared to 27 of 2017/18. Nkangala District had the highest female appointed section 57 managers.*

Challenges

Municipalities experienced the following challenge:

- *Non-compliance with the Employment Equity Act in the province by municipalities when appointing female senior managers.*

Recommendations

- *Municipalities must comply with the Employment Equity Act and appoint female senior managers*

Support interventions by National and Provincial government

- *Municipalities were advised on the implementation of the Employment Equity Act as part of the workshop on the Local Government Municipal Systems Act: Regulations on the Appointment and Conditions of Services of Senior Managers in municipalities.*



Nkangala District Municipal Manager, Ms Margaret Skhosana is one of the Senior Managers in the Local Government sector in Mpumalanga.

5.8.4 Employment of people with disabilities

Table 75: Employment of People with Disabilities

DISTRICTS	2016/17			2017/18		2018/19	
	No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities	
EHLANZENI	Bushbuckridge	12	12	12	12	12	
	City of Mbombela	7	10	10	10	10	
	Nkomazi	4	6	6	6	6	
	Thaba Chweu	8	9	9	8	8	
	Ehlanzeni	1	1	1	0	0	
	TOTAL	27	38	38	36	36	
	Chief Albert Luthuli	2	2	2	1	1	
GERT SIBANDE	Dipaleseng	5	5	5	5	5	
	Govan Mbeki	18	18	18	17	17	
	Lekwa	4	3	3	3	3	
	Mkhondo	13	11	11	11	11	
	Msukaligwa	3	3	3	5	5	

DISTRICTS	Municipality	2016/17		2017/18		2018/19	
		No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities		
	Dr. Pixley Ka Isaka Seme	4	4	0	0		
	Gert Sibande	2	2	2	2		
	TOTAL	51	44	44	44		
	Emalahleni	21	21	21	21		
	Emakhazeni	2	2	2	2		
	Steve Tshwete	24	25	27	27		
	Victor Khanye	7	5	5	5		
	Dr. JS Moroka	0	0	0	0		
	Thembisile Hani	09	7	9	9		
	Nkangala	3	3	4	4		
	TOTAL	66	65	68	68		
NKANGALA							

Source: Section 46 reports from municipalities)

5.8.4.1 Analysis on employment of people with disability

Findings

- *All municipalities across the three districts for the past three financial years have been able to fill posts with people with disabilities. 148 posts were filled with people with disabilities. The top five (5) municipalities with the highest number of employees with disabilities are:*
- *Steve Tshwete at twenty seven (27) followed by*
- *Emalahleni with 21*
- *Govan Mbeki with 17*
- *Bushbuckridge with 12 employees of disability*
- *Mkhondo with 11 and*
- *Dr JS Moroka and Ehlanzeni district municipality has performed dismally in this area with only zero (0) post designated for this group*

Challenges

- *Municipalities are finding it difficult to attract individuals with disabilities in all categories.*
- *None implementation of recruitment strategies as contained in their employment equity plans targeting people with disabilities.*

Recommendations

- *Municipalities to develop new mechanisms to attract individual with disabilities in all categories when recruiting.*
- Municipalities to comply as per the Employment Equity Act.*

Intervention by the National and Provincial departments

- *Municipalities were also advised on the implementation of the Employment Equity Act as part of the workshop on the Local Government Municipal Systems Act: Regulations on the Appointment and Conditions of Services of Senior Managers in municipalities.*

5.8.5 Employment of employees that are aged 35 or younger in the province

Table 76: Employees aged between 35 or younger

Districts	2016/17						2017/18				2018/19			
	Total approved posts	No. of posts occupied by staff aged 35 & younger	% of posts occupied by staff aged 35 & younger	Total approved posts	No. of posts occupied by staff aged 35 & younger	% of posts occupied by staff aged 35 & younger	Total approved posts	% of posts occupied by staff aged 35 & younger	No. of posts occupied by staff aged 35 & younger	% of posts occupied by staff aged 35 & younger	Total approved posts	No. of posts occupied by staff aged 35 & younger	% of posts occupied by staff aged 35 & younger	
EHLANZENI	Bushbuckridge	1767	225	13%	1751	277	16%	1762	626	36%				
	City of Mbombela	4791	493	10%	5490	380	7%	5207	438	8%				
	Nkomazi	1580	401	25%	1121	435	39%	1135	436	38%				
	Thaba Chweu	853	131	15%	670	71	11%	670	127	19%				
	Ehlanzeni	152	35	23%	222	35	16%	152	35	23%				
	TOTAL	9143	1285	14%	9254	1198	13%	8926	1662	19%				
GERT SIBANDE	Chief Albert Luthuli	512	235	46%	478	236	49%	543	128	24%				
	Dipaleseng	314	48	15%	304	42	14%	306	35	11%				
	Govan Mbeki	2171	206	10%	2139	145	8%	2139	164	8%				
	Lekwa	963	531	55%	1034	87	8%	1034	84	8%				
	Mkhondo	690	166	24%	769	206	27%	769	266	35%				
	Msukaligwa	973	109	11%	827	73	12%	1250	210	17%				
	Dr. Pixley Ka Isaka Seme	393	44	11%	375	41	9%	375	39	10%				
Gert Sibande	304	119	39%	344	150	44%	343	115	34%					

Districts	2016/17				2017/18				2018/19			
	Total approved posts	No. of posts occupied by staff aged 35 & Younger	% of posts occupied by staff aged 35 & Younger	Total approved posts	No. of posts occupied by staff aged 35 & Younger	% of posts occupied by staff aged 35 & Younger	Total approved posts	No. of posts occupied by staff aged 35 & Younger	% of posts occupied by staff aged 35 & Younger			
TOTAL	6 320	1 458	23%	6 270	980	16%	6 759	1 041	15%			
Emalahleni	3 336	273	8%	3 343	270	8%	1 684	218	13%			
Emakhazeni	406	72	18%	431	85	19%	406	78	19%			
Steve Tshwete	1 517	379	25%	1 613	381	24%	1 685	411	24%			
Victor Khanye	506	124	25%	532	97	18%	541	124	23%			
Dr. JS Moroka	857	154	18%	986	121	12%	886	109	12%			
Thembisile Hani	403	60	15%	419	75	18%	419	77	18%			
Nkangala	287	117	40%	294	126	43%	293	126	43%			
TOTAL	7 312	1 179	16%	7 618	1 155	15%	5 941	1 143	19%			
GRAND TOTAL	20 328	3 539	17%	24 142	3 333	14%	21 626	3 846	18%			

(Source: Section 46 reports from municipalities)

5.8.5.1 Analysis on employment of people aged 35 and younger in the province

Findings

- In the 2017/18 financial year 3333 posts were filled by people aged 35 and younger across all municipalities in the province. In 2018/19 financial year 3846 posts were filled by people aged 35 and younger across the province, which shows an increase of 513 compared to 2017/18 financial year.

Challenges

- Municipalities fail to attract skilled youth due experience required in most positions.
- Municipalities fail to retain available skilled youth due to grading.

Recommendations

- Municipalities to relax experience requirements on lower level posts
- Municipalities must develop effective retention strategy to retain skilled youth.

Interventions by National and Provincial department

- Municipalities were also advised to implement the Employment Equity Act and ensure that youth are appointed especially on entry level posts.

5.8.6 Integrated Capacity Building Plans Implementation

Table 77: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	2016/17		2017/18		2018/19		
		Total No of staff approved for training	Total No of staff trained	Total No of staff approved for training	No. of staff trained	Total No of staff approved for training	No. of staff trained	
EHLANZENI	Bushbuckridge	Councillors	38	23	76	26	30	28
		Senior Management level	26	24	6	6	38	29
		Lower level employees	361	213	115	115	281	207
		Technicians and professional	92	31	109	109	131	60

DISTRICT	Municipality	2016/17			2017/18		2018/19	
		Total No of staff approved for training	Total No of staff trained	Total No of staff approved training	No. of staff trained	Total No of staff approved training	No. of staff trained	
		517	291	306	256	480	324	
		89	0	0	0	0	0	
	City of Mbombela	53	22	20	14	14	11	
	Senior Management level							
	Lower level employees	620	14	252	247	53	53	
	Technicians and professional	133	29	18	18	4	4	
	TOTAL	895	65	290	279	71	68	
	City of Mbombela	27	27	27	27	27	27	
	Thaba Chwen	6	5	4	4	18	133	
	Senior Management level							
	Lower level employees	56	30	56	40	25	25	
	Technicians and professional	22	22	22	22	44	44	
	TOTAL	111	84	109	93	114	229	
	Nkomazi	11	6	65	60	65	10(late approval of LGSETA funding all councillors were registered)	
	Senior Management level	21	7	32	32	30	30	

DISTRICT	Municipality	Management level	2016/17		2017/18		2018/19	
			Total No of staff approved for training	Total No of staff trained	Total No of staff approved training	No. of staff trained	Total No of staff approved training	No. of staff trained
GERT SIBANDE	Dipalese ng	Lower level employees	70	44	1029	500	210	210
		Technicians and professional	59	57	59	58	35	35
		TOTAL	161	114	1185	650	340	275
		Councillors	11	6	25	24	15	8
		Senior Management level	21	7	40	23	29	18
		Lower level employees	70	44	50	17	44	25
		Technicians and professional	59	57	68	38	61	57
		TOTAL	161	114	183	102	149	115
		Councillors	49	1	49	02	20	09
		Senior Management level	27	16	06	01	04	0
Ehlanzeni District	Chief Albert Luthuli	Lower level employees	128	53	241	26	40	31
		Technicians and professional	147	19	147	46	0	0
		TOTAL	351	89	443	75	64	40
		Councillors	12	5	12	5	5	3
		Senior Management level	15	8	15	9	12	10

DISTRICT	Municipality	Management level	2016/17		2017/18		2018/19	
			Total No of staff approved for training	Total No of staff trained	Total No of staff approved training	No. of staff trained	Total No of staff approved training	No. of staff trained
		Lower level employees	361	213	338	74	332	59
		Technicians and professional	92	31	122	30	126	44
		TOTAL	517	291	528	144	523	159
		Councillors	25	13	38	19	38	16
		Senior Management level	6	3	6	01	30	24
		Lower level employees	42	9	42	06	262	32
		Technicians and professional	10	10	10	07	56	25
		TOTAL	83	35	96	33	386	97
		Councillors	21	20	21	7	21	21
		Senior Management level	21	17	21	17	13	06
		Lower level employees	347	20	259	120	78	65
		Technicians and professional	4	0	4	4	09	07
		TOTAL	393	57	305	148	121	99
		Councillors	49	01	19	12	0	0
		Senior Management level	27	16	6	4	17	22
	SIBAN DF DISTR							
	Dr. Pixley Ka Isaka Seme							
	Muskaliqwa							

DISTRICT	Municipality	Management level	2016/17		2017/18		2018/19		
			Total No of staff approved for training	Total No of staff trained	Total No of staff approved training	No. of staff trained	Total No of staff approved training	No. of staff trained	
NKANGALA DISTRICT		Lower level employees	128	53	97	72	71	42	
		Technicians and professional	147	19	126	61	92	49	
		TOTAL	351	89	248	149	180	113	
		Councillors	68	43	68	56	56	9	
		Senior Management level	81	57	79	55	55	44	
		Lower level employees	1096	228	1047	350	307	174	
	Fmalaheni		Technicians and professional	286	125	336	158	158	134
			TOTAL	1 531	453	1 530	619	576	361
			Councillors	15	0	15	9	15	02
			Senior Management level	9	6	18	2	3	01
			Lower level employees	48	10	145	30	24	21
			Technicians and professional	29	9	102	8	36	68
Steve Tshwet		TOTAL	101	25	280	49	78	92	
		Councillors	58	0	18	01	314	13	
		Senior Management level	59	8	6	10	04	06	

DISTRICT	Municipality	2016/17		2017/18		2018/19	
		Total No of staff approved for training	Total No of staff trained	Total No of staff approved training	No. of staff trained	Total No of staff approved training	No. of staff trained
		642	186	341	183	288	161
		828	112	60	85	113	39
		1587	306	425	279	719	218
		17	6	17	7	17	02
		36	9	4	4	9	8
	Victor Khanye	239	58	166	30	98	98
		98	21	58	60	7	7
		390	94	245	101	131	115
		62	62	62	62	61	2
		05	05	04	0	29	0
	Dr. JS Moroka	508	265	502	42	369	30
		12	0	30	11	113	3
		587	332	587	53	572	35
		64	11	64	5	20	4
		5	1	6	2	4	1
	Thembitse Hani	274	35	274	72	49	156

DISTRICT	Municipality	Management level	2016/17		2017/18		2018/19	
			Total No of staff approved for training	Total No of staff trained	Total No of staff approved training	No. of staff trained	Total No of staff approved training	No. of staff trained
		employees						
		Technicians and professional	105	14	102	63	40	90
		TOTAL	448	61	446	142	113	251
	NKANGALA DM	Councillors	59	12	30	12	22	20
		Senior Management level	27	21	20	07	24	12
		Lower level employees	103	27	120	32	97	38
		Technicians and professional	71	29	35	19	28	11
		TOTAL	260	89	205	70	171	81

This focus area is in response to one of the prescribed key performance indicators in terms of the Municipal Performance Management Regulations of 2001. All municipalities are obliged to report on progress in building skills capacity to deliver according to their developmental mandate.

5.8.6.1 Analysis of performance on Institutional Development and Transformation

Findings

- There were 1154 staff compliment of which 1011 were trained in 2018/19 compared to 2073 staff compliment of which 1390 were trained in 2017/18 in Ehlanzeni District and this indicates a decrease of 919 in staff compliment and a decrease of 379 in personnel trained
- There were 1919 staff compliment of which 775 were trained in 2018/19 compared to 3395 staff compliment of which 816 were trained in 2017/18 in Gert Sibande District and this indicates a decrease of 1476 in staff compliment and a decrease of 41 in personnel trained
- There were 2360 staff compliment of which 1153 were trained in 2018/19 compared to 3718 staff compliment of which 1313 were trained in 2017/18 in Nkangala District and this indicates a decrease of 1358 in staff compliment and a decrease of 160 in personnel trained

Challenges

- *Senior Managers and some Councillors did not attend the planned trainings if attend they did not complete portfolio of Evidence*
- *Slow procurement of service providers by SCM*
- *Municipalities are not using the 1% budget for trainings*
- *Municipal unrest caused the delayed on trainings*
- *Late disbursement of trainings funds by LGSETA*
- *Sector Departments imposed trainings to municipalities that are not included in their workplace skills plan (WSP's).*

Recommendations:

The following recommendation is made that:

- *Enforcement of consequence management such as recovering of the spend money for those who did not attend the planned trainings and non-submission of POEs.*
- *Municipalities must fast-track the process of SCM*
- *Municipalities to make budget available for the training of its workforce*
- *The late disbursement of training funds will be raised with LGSETA*
- *Advice Municipalities to consider trainings that are in their workplace skills plan (WSP's).*

Interventions by National and Provincial department

- *Local Government SETA provided funding for accredited trainings for both councillors and officials.*
- *COGTA meetings with municipal management to discuss the spending issue*
- *National department is in the process of appointing service provider to update the Skills Audit Tool.*

5.8.7 Implementation of Performance Management Systems Framework

EHLANZENI

Table 78: Performance Management System Implementation in Ehlanzeni District

Names of Municipality	PMS Framework developed/ reviewed and adopted by council(state date of adoption)	Analysed IDP and engaged with community	Adopted SDBIP linked to IDP?	Number of Section 57 Performance contract signed	Number of Section 57 managers with signed Performance Agreements	PMS audited by an Internal Auditor for functionality and legal compliance?	Appointed Performance Audit Committee(PAC)	Submitted council oversight reports and made public	Submitted quarterly performance report	Cascaded PMS to lower level below section 56	State reasons for non-compliance on any of these components
Bushbuckridge	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
City of Mbombela	Yes	Yes	Yes	15	15	Yes	Yes	Yes	Yes	No	Performance Management System Policy will be taken to Local Labour Forum and Council for approval and adoption. As soon as the Policy is approved, then implementations of IPMS from level 1-3 can commence.
Nkomazi	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Lack of capacity to cascade PMS to lower levels
Thaba Chweu	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Lack of capacity to cascade PMS to lower levels
Ehlanzeni District	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	Yes	None
Total	5	5	5	40	40	5	5	5	5	2	

(Source: Section 46 reports from municipalities)

GERT SIBANDE DISTRICT

Table 79: Performance Management System Implementation in Gert Sibande District

Names of Municipality	PMS Framework developed/ reviewed and adopted by council(state date of)	Analysed IDP and engaged with community	Adopted SDBIP linked to IDP?	Number of Section 57 Performance contract signed	Number of Section 57 managers with signed Performance Agreements	PMS audited by an Internal Auditor for functionality and legal compliance?	Appointed Performance Audit Committee(PAC)	Submitted council oversight reports and made public	Submitted quarterly performance report	Cascaded PMS to lower level below section 56	State reasons for non-compliance on any of these components
Chief Albert Luthuli	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	Shortage of staff to implement PMS
Dipaleseng	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	PMS Unit not fully fledged
Govan Mbeki	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Job descriptions need to be finalized for all employees before full implementation can take place. A proper software system needs to be developed and implemented since there are no electronic system in place at the current moment
Lekwa	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	No consultations with LLF for cascading PMS
Mkhondo	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
Msukaligwa	Yes	Yes	Yes	7	7	No	No	Yes	Yes	No	Training development not based on improvement plans and lack of staff under PMS Unit.
Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Finalisation of Job Descriptions and Lack of staff
Gert Sibande District	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
Total	8	8	8	48	48	8	7	8	8	3	

(Source: Section 46 reports from municipalities)

NKANGALA
Table 80: Performance Management System Implementation in Nkangala District

Names of Municipality	MS Framework developed/reviewed and	Analysed IDP and engaged with	Adopted SDBIP linked to IDP?	Number of Section 57 Performance	Number of Section 57	PMS audited by an Internal Auditor for functionality	Appointed Performance Audit	Submitted council oversight	Submitted quarterly performance report	Cascaded PMS to lower level below section 56	State reasons for non-compliance on any of these components
Emalahleni	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	Yes level 1-3	Shortage of staff to implement PMS to lower levels
Emakhazeni	Yes	Yes	Yes	4	4	Yes	Yes	Yes	Yes	Yes Level 1-2	Shortage of staff to implement PMS to lower levels
Steve Tshwete	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	Yes level 1-3	The municipality is in a process of cascading down to lower levels in phases for the next 3 years (see attached implementation plan) Individual job description are in place but they still need to go for evaluation and auditing
Victor Khanye	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Insufficient capacity within the Unit.
Dr. JS Moroka	No	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Consultation with the LLF is still underway
Thembisile Hani	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Job evaluation process is not finalised
Nkangala District	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes	None
Total	6	7	7	37	37	7	7	7	7	3	

(Source: Section 46 reports from municipalities)

5.8.7.1 Analysis on the implementation of PMS in municipalities

Findings

The following findings have been made with regard to the implementation of the PMS in municipalities in the three (3) financial years there is steady increase in the cascading of PMS to staff lower than section 54 and 56 managers. In 2016/17 financial year seven (7) municipalities, cascaded PMS to officials lower than section 54 and 56 managers. In 2017/18 Emakhazeni followed in cascading PMS up to level 1-2.,and in 2018/19 Ema-laheni followed in cascading PMS to level 3 bringing to 9 Municipalities cascading.

CHALLENGES

- *Municipalities' still not cascading PMS to lower levels*
- *Limited resource (human and financial) to perform the function in municipalities*
- *Lack of consultation in policy development result in resistance in municipalities.*
- *Failure by other municipalities to review their PMS policies*
- *Acting senior managers are not signing performance agreements.*
- *Some municipalities encountering problems with Rating Calculator.*
- *Delay in the finalisation of Job Evaluation hence job descriptions not signed in most municipalities.*
- *Location of Individual Performance Management System (PMS vs HR)*
- *No scoring instrument for staff below.*
- *Lack of process plan towards assessments (steps to follow) and lack of electronic system or automated system.*
- *PMS Policy in some municipalities does not include cascading of PMS to lower levels.*

Recommendations

- *The municipality to cascade Performance Management System to lower levels in municipalities so that service delivery can be improved*
- *Filling of all PMS vacant posts by municipalities*
- *Municipalities to allocate budget and establish fully fledged units to deal with PMS.*
- *Advice municipalities to involve staff members during reviewal of the PMS Framework for 2019/20.*
- *Municipalities to develop process plan towards cascading PMS*
- *Municipalities must have electronic or automated system to implement PMS*

Support interventions by National and Provincial government

- *The department in collaboration with SALGA workshopped all Municipalities on the process of cascading PMS to lower levels*
- *SALGA to assist municipalities to finalise job evaluation processes*
- *SALGA to develop the scoring instrument for staff below section 56 managers*

PART C

6. SUMMARY OF FINDINGS

6.1 KEY CHALLENGES AND RECOMMENDATIONS PER KPA

Table 81: Key challenges and recommendations per Key Performance Area (KPA)
Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
KPA 1:	Focal Area	District	Municipality	Challenges	Recommendations
Institutional Development and Transformation	Filling of S54 and S56 Managers	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> Failure by municipalities to meet equity targets in filling sec 54 & 56 posts. Delays by municipalities in advertising and filling vacant posts 	<ul style="list-style-type: none"> Municipalities are encouraged to meet equity targets when making appointment. Municipalities must abide by the Municipal Systems Act: Regulations on the appointment and conditions of senior managers in municipalities.
	PMS	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> Municipalities' still not cascading PMS to lower levels Limited resource (human and financial) to perform the function in municipalities Delay in finalisation of job Evaluation and Job descriptions 	<ul style="list-style-type: none"> Municipalities to cascade Performance Management System to lower levels so that service delivery can be improved Filling of all PMS vacant posts by municipalities and municipalities to allocate budget and establish fully fledged units to deal with PMS. SALGA to expedite the finalisation of job evaluation process

Table 82: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 2: Service Delivery and Infrastructure Development	Water	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> Excessive water losses due to leakages and constant pipe burst as well as aged infrastructure for example Asbestos pipes. Scourge of illegal and unauthorized connection to the municipal bulk Infrastructure resulting in water losses Inconsistent water supply due to limited bulk infrastructure and pipe leakages in the network, aged infrastructure especially in CALM, Lekwa, Bushbuckridge, Nkomazi, Mbombela, Msukaligwa, Emalaheni and Thembisile Hani Local Municipality. Operating capacity not sufficient especially for Thaba Chweu, Bushbuckridge, Nkomazi, Lekwa, Msukaligwa, Emalaheni, Emakhazeni Local Municipality 	<ul style="list-style-type: none"> Municipalities to develop Water conservation and demand management strategies to mitigate for water losses. Municipalities must develop and fund O&M plans Municipalities to plan bulk services to sustain water supply
	Sanitation	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> Maintenance of existing infrastructure and adequate provision of budgets has been a huge challenge resulting in sewer spillages and overflowing of Waste Water Treatment Works for example Govan Mbeki, Msukaligwa and Emalaheni (Industrial Park), Mkhondo (Eziphunzini), and Dr Pixley Ka Isaka Seme (in Amersfoort), City of 	<ul style="list-style-type: none"> Municipalities to ring-fence O&M budget to deal with the sewer spillages and overflowing of Waste Water Treatment Works Municipalities to plan for bulk infrastructure to enable them to extend sanitation to communities

Key challenges and recommendations per Key Performance Area (KPA)				
Focal Area	District	Municipality	Challenges	Recommendations
			<p>Mbombela, Nkomazi</p> <ul style="list-style-type: none"> The municipalities bulk infrastructure systems are constrained by the ever increasing population and industrial development which at most results in shortages in overloaded sewerage systems and spillages 	
Electricity	Gert Sibande, Nkangala and Ehlanzeni	City of Mbombela, Thaba Chweu, Emalahleni, Emakhazeni, Chief Albert Luthuli, Govan Mbeki, Lekwa and Msukaligwa Local Municipalities	<ul style="list-style-type: none"> Huge Eskom debts Scourge of illegal connections and electrical infrastructure theft. 	<ul style="list-style-type: none"> Municipalities to adhere to the payment plans with Eskom National Treasury and Provincial Treasury Advocate for the uniform tariffs for municipalities and Eskom. Municipalities must develop Electricity master plans that will include future growth of bulk infrastructure systems Municipalities must enforce electricity by-laws

Table 83: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 3: Local Economic development	LED strategy	Gert Sibande, Ehlanzeni and Nkangala	All municipalities	<ul style="list-style-type: none"> Identified LED Projects lack financial resources for implementation Lack of Municipal capacity often lead to the poor implementation of LED Strategies 	<ul style="list-style-type: none"> Establish partnerships mainly with the private sector to leverage resources for designing and implementation of identified LED Projects Collaborate with Private Sector for partnership Municipalities' should consider budgeting for the LED initiatives in line with section 153 (a) of the Constitution, "a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community. A side budget for facilitating LED planning and implementation.

Table 84: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 4: Municipal Financial Viability and Management	Audit Outcomes	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> 2 Municipalities (Nkangala DM and Bushbuckridge) improved from the prior year; 10 Municipalities remained unchanged from the previous year namely: Chief Albert Luthuli LM, Nkomazi LM, Steve Tshwete LM, Ehlanzeni DM, Gert Sibande DM, Thaba Chweu LM, Thembisile Hani LM, Mkhondo LM, Msukaligwa LM and Emalaheni LM; 6 Municipalities regressed namely City of Mbombela, Victor Kanye LM, Emakhazeni LM, Dipaleseng LM, Lekwa LM and Dr Pixley Ka Isaka Seme LM. 	<ul style="list-style-type: none"> Political leadership and independent oversight by the Audit Committee to play an effective role in monitoring the implementation of audit action plans; Municipalities to appoint young professionals and engineers to assist with asset registers; Establishment of committees at district level to ensure collaboration on asset related issues; Provincial Treasury to follow-up and assist municipalities to conclude action plans for FMCMM and incorporate into audit action plans; Constant monitoring of audit action plans by Provincial Government (PT & COGTA);
	Government debt	Gert Sibande, Nkangala and Ehlanzeni	All municipalities	<ul style="list-style-type: none"> The total aggregate debt based on balance submitted by various municipalities amounted to R1,1 billion; The Provincial Department reported as the highest contributor to the outstanding debt is the Department of Public Works, Roads and Transport with debt amounting to R520 million and the National department reported with the highest reported debt is National Department of Rural Development and Land Reform with an amount of R330 million. 	<ul style="list-style-type: none"> A Provincial Circular 49 was sent by Provincial Treasury to Provincial departments in August 2018 which stated the following: Departments were therefore requested to urgently settle arrear amounts due to a Municipality or alternatively enter into a payment arrangement to settle the above debt. In cases where there are disputes, the relevant department were requested to separate the disputed amounts and pay what is not disputed. The Provincial Treasury has given a target

Table 86: Key challenges and recommendations per Key Performance Area (KPA)

Key challenges and recommendations per Key Performance Area (KPA)					
	Focal Area	District	Municipality	Challenges	Recommendations
KPA 6: Cross cutting Interventions	Disaster Management	Gert Sibande, All Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> Lack of budget Uncoordinated planning 	<ul style="list-style-type: none"> Municipalities to avail budget for disaster risk reduction projects and programmes. Provincial Disaster management centre and district centres to comply with convening quarterly disaster management advisory forum
	SPLUMA	Gert Sibande, All Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> The slow pace of municipalities to perform administrative tasks. The staff component of municipalities to effectively implement SPLUMA, especially from an administrative, compliance and technical point of view is not sufficient 	<ul style="list-style-type: none"> COGTA in collaboration with the District continues to support and monitor Municipalities on land use management in line with SPLUMA
	IDP	Gert Sibande, All Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> There is a decline from key stakeholders in participating in the IDP process which undermines shared decision making, in particular in the local communities; Most of our municipalities do not have funding to review or develop sector and master plans required to implement the strategy successfully 	<ul style="list-style-type: none"> Municipalities to engage the department on the review of sectoral plans such as LED strategies and SDFs for assistance where budget and technical capability is available; Mobilise sector departments, in particular the DCoG's Municipal Infrastructure Support Agency (MISA) for resources on the outdated and outstanding sector plans;

Vision

Responsive, effective, efficient and sustainable co-operative government system

Mission

To ensure that Municipalities and Traditional Institutions in the Province perform their basic responsibilities and functions by promoting good governance, sound financial management and administrative capability

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