

Mpumalanga Section 47 Report

Consolidated Annual Municipal Performance

2017/18



co-operative governance
& traditional affairs
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



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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

The Section 47 report depicts the status quo of Local Government in Mpumalanga during the period under review. The information contained in here was consolidated after an extensive consultation with the twenty (20) municipalities and represent their performance on service delivery, interventions, challenges and progress thereof.

Section 152(1) of the Constitution of the Republic serves as a basis for the primary objectives of municipalities, which is to provide democratic and accountable government for local communities in order to achieve the following, namely;

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

The report indicates the extent in which municipalities have achieved the objectives of this Constitutional imperative in the delivery of basic services, such as water, sanitation, refuse removal and electricity. The number of households with access to water has increased from 89.17% to 91.98 %, sanitation has increased from 96.94% to 97.37% and electricity from 91.42 % to 92.14%.

This depicts an increase of the number of households with access to basic services to give effect to the Bill of Rights set out in Chapter 2 of the Constitution.

The bucket system was considered a dehumanizing system, and became a significant target of eradication during the democratic dispensation. It is only in the Victor Khanye Local Municipality, that 51 households were identified with the bucket system. By the end of the financial year, the municipality had eradicated it completely. This was a significant step towards the restoration of the dignity of the affected households.

The decline in the performance of our municipal audits remains a great concern. In the year under review only one municipality obtained a clean audit being Gert Sibande District. We have put in place support systems together with Provincial Treasury to improve this situation. We will be monitoring all municipalities to ensure that they fully implement their audit action plans. Non filling of critical vacancies, i.e Municipal Managers and Chief Financial Officers (CFOs) depleted the capacity of the municipal administration and this became one of the obstacles that contributed to the municipalities not to achieve the significant clean audit targets. Observation was also made that the non-implementation of audit action plans contributed to the undesired outcome.

Most municipalities are in a dire state financially as the report demonstrates that they are not financially viable. Mpumalanga is rurally-based and as such the majority of municipalities are grant dependent. The collection rate by our municipalities has still not reached the desired targets. This has contributed to the poor financial position that our municipalities are faced with. The escalating Eskom debt has also added more pressure on our municipalities. We must all join hands and fight the Eskom debt, let us all pay for the services that we enjoy.

We will continue with our efforts to improve the performance of our municipalities. I call upon all our stakeholders to join us on this task. It is our belief that working together we can turn the tide in our municipalities.



MR MJ MSIBI (MPL)

MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 28.08.2019

2. HOD'S EXECUTIVE SUMMARY OF PERFORMANCE

The Section 47 report is a document compiled by the Department of Co-operative Governance and Traditional Affairs (COGTA) to give effect to the Municipal Systems Act, 32 of 2000. The report provides a status quo of Local Government in the province for the 2017/18 financial year. Progress and challenges displayed in the report provide a basis to address inhibiting factors as a measure to improve the performance.

Whilst we have not reached all our desired goals in the performance of our municipalities, we have seen a steady improvement. Governance structures are fundamental to the good performance of municipalities. Valuable lessons have been drawn from the effectiveness of the Section 79 Committees and the Audit Committees. Their role contributes towards strengthening the internal controls and create an unfavourable environment for corrupt practices not to prevail. We are satisfied that 19 of our municipalities have corruption plans in place to prevent corruption in the system. Moving forward, we will ensure that all municipalities have adopted the plan. It is of concern that we still have some of our Councillors and municipal officials owing their municipal services accounts. We call upon our municipalities to ensure that they fully implement their credit control policies.

Limited water sources, exacerbated by lack of water master plans, poor planning for bulk, excessive water losses due to leak-ages and constant pipe burst, aged infrastructure and the scourge of illegal and unauthorized connections are some of the challenges that continue to burden our municipalities. The department will support municipalities to develop water master plans and water safety plans to respond to these challenges.

Municipalities are located at the coalface of service delivery. They are the first point of contact for local communities. As such, they become a target for service delivery protests as they represent government, even if the matter at hand is not part of their mandate. Notably, the report indicates the number of protests that took place during the period under review. It is a matter of concern that these protests occurred notwithstanding the establishment and functionality of public participation structures, i.e Ward Committee and Council of Stakeholders for the Operation Vuka Sisebente (OVS). The number of meetings reflected in the report is evidence that the committees are sitting. We can deduce that the number of protests could be higher if the Ward Committees were not established.

The Department will use the report to identify all areas which are a risk to render local government not to achieve its objectives in pursuit of a developmental state.



MR TP NYONI

HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

DATE: 28.08.2019

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 2016/17 Municipal Financial Year.

3.2 Limitations of the Report

- 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.
- The quality and accuracy of statistical data on demographics and socio-economic profile in the various municipalities is suspect often inconsistent with the previous reports and Stats SA making it difficult to accurately measure and compare performance on service delivery, municipal ability to generate revenues, and evaluate the impact of local economic development strategies.
- The unavailability of all primary data required to evaluate, contrast and compare municipal performance for the current and previous financial years on certain targets and key performance areas.

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 household 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

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	1 238 760	100

(Source: SERO Report and Community Survey 2016)

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 fast 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.

Table 2: Ehlanzeni District Demographic Profile

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	9
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	%	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	1135 411	100	333 815	100

(Source: SERO Report and Household 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

MUNICIPALITY	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: SERO Report)

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 our municipalities in terms of good governance focusing on the characteristics of good governance outlined above.

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.

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

Districts	Municipality	Political Stability		
		Troika meetings	Council sittings	Protest Action
EHLANZENI	Bushbuckridge	Troika was functional and 40 meetings were convened.	Council was sitting as per the adopted schedule and special sittings were held when there's a need. 9 Council meetings held	12 Protest actions
	City of Mbombela	Troika was functional and 17 meetings were held	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 19 Council meetings held	49 Protest actions
	Nkomazi	Troika was functional and 18 meetings were convened.	Council was sitting as per the legislation. Special council sittings were held as and when there was a need to. 12 Council meetings were held	10 Protest actions
	Thaba Chweu	Troika was functional and 25 meetings were convened.	Council meetings were as per the legislative requirements. Special sittings were convened the need. 16 Council meetings were held	6 Protest actions
	Ehlanzeni	Troika was functional and 11 meetings were convened.	Council meetings were as per the legislative requirements. Special sittings were convened the need. 12 Council meetings were held.	Not applicable
	District Total		111	68

Districts	Municipality	Political Stability		
		Troika meetings	Council sittings	Protest Action
GERT SIBANDE	Chief Albert Luthuli	Troika was functional and 20 Troika meetings were convened.	Council meetings were held as per legislative requirement. Special sittings were convened as per need. 10 Council meetings held.	4 protest actions
	Dipaleseng	Troika was functional and 15 meetings were convened.	Council meetings were held as per legislative requirement. Special sittings were convened as per need. 19 Council meetings held.	No protests occurred
	Govan Mbeki	Troika was functional and 18 meetings were convened.	Council meetings were held as per legislative requirement. Special sittings were convened as per need. 13 Council meetings held.	1 Protest actions
	Lekwa	Troika was not functional at all. 02 meetings were convened.	Council meetings were as per the legislative requirements. Special sittings were convened as per the need. 12 Council meetings held.	3 protest actions
	Mkhondo	Troika was functional and 13 meetings were convened.	Council meetings were held as per the legislative requirements. Special sitting were convened as per the need. 10 Council meetings were held.	1 Protest actions
	Msukaligwa	Troika was functional and 12 meetings were convened.	Council meetings were held as per the legislative requirements. Special sitting were convened as per the need. 05 Council meetings were held.	6 Protest actions
	Dr. Pixley Ka Isaka Seme	Troika was functional and 11 meetings were convened.	Council meetings were held as per the legislative requirements. Special sitting were convened as per the need. 16 Council meetings were held.	13 Protests actions
	Gert Sibande	Troika was functional and 16 meetings were convened.	Council is sitting as per the legislation and special council sittings are held. 11 Council meetings were held	Not applicable
	District Total	107	96	28
	Dr. JS Moroka	Troika was functional and 19 meetings were convened.	Council is sitting as per the adopted schedule and special sittings are convened whenever there is a need. 14 council meetings were held.	4 Protest actions
	Emakhazeni	Troika was functional and 06 meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 15 meetings were held.	No protests occurred
	Emalahleni	Troika was functional and 11 Troika meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 13 meetings were held.	42 Protest actions
	Steve Tshwete	Troika was functional and 29 meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 20 meetings were held.	1 Protest actions
	Thembisile Hani	Troika was functional and 06 meetings were convened.	Council meetings were held as per the legislative requirements. Special sittings were convened as per the need. 12 meetings were held	4 Protest actions
	Victor Khanye	Troika was functional and 06 meetings were convened.	Council meetings were held as per the legislative requirement. Special sittings were convened as per the need. 8 meetings were held.	5 Protest actions
	Nkangala District	Troika was functional and 04 meetings were convened.	Council meetings were as per the legislative requirements. Special sittings were convened the need. 14 Council meetings were held.	Not applicable
	District Total	81	96	56

(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 111 meetings. In as far as the sitting of municipal Councils is concerned, all municipalities held a total of 68 normal as well as special sittings as and when required amongst them. All municipalities in this district also experienced about 77 service delivery protests actions City of Mbombela municipality had the highest number of protests, and Thaba Chweu being the lowest with only six (6). The main causal factors for protest actions in Ehlanzeni district is shortage of water, dilapidated roads, unemployment, crime, stand allocations (sites)

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 107 TROIKA meetings amongst them. In as far as the sitting of municipal Councils is concerned, all municipalities held their meetings accordingly totalling 96 normal sittings as well as special sittings amongst them as and when required. Municipalities in this district also experienced five (28) service delivery protests. There was a reduction of protests in Govan Mbeki and Msukaligwa. Dr Pixley Ka Isaka Seme had the highest service delivery protests whilst Dipaleseng had no protests. The main causal factors for protest actions in Gert Sibande district is RDP/PHP Houses, unemployment, stand allocations (sites), Electricity and sewer spillages.

Nkangala District

The findings that were made at Nkangala District are that all municipal TROIKAs were functional and altogether had a total of 81 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 96 sittings amongst themselves. Municipalities in this district also experienced 56 service delivery protests; Emalaheni had the highest number of protest 42 whilst Emakhazeni had no protests. The main causal factors for protest actions in Nkangala district is the shortage of water, electricity, unemployment, stand allocations (sites) and RDP/PHP Houses.

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

DISTRICTS	Municipality	Functionality of Oversight Committees		
		Municipal Public Accounts Committee (MPAC)	S79 and S80 Committees	Audit Committee
EHLANZENI	Bushbuckridge	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	City of Mbombela	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 committees were functional. No section 80 committee.	<input type="checkbox"/> Audit Committee was functional
	Nkomazi	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Thaba Chweu	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Ehlanzeni	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
GERT SIBANDE	Chief Albert Luthuli	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Dipaleseng	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Govan Mbeki	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Lekwa	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were not functional	<input type="checkbox"/> Audit Committee was functional
	Mkhondo	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were not functional	<input type="checkbox"/> Audit Committee was functional
	Msukaligwa	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were not functional	<input type="checkbox"/> Audit Committee was functional
	Dr. Pixley Ka Isaka Seme	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were not functional	<input type="checkbox"/> Audit Committee was functional
	Gert Sibande	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were not functional	<input type="checkbox"/> Audit Committee was functional

DISTRICTS	Municipality	Functionality of Oversight Committees		
		Municipal Public Accounts Committee (MPAC)	S79 and S80 Committees	Audit Committee
NKANGALA	Emalahleni	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Emakhazeni	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Steve Tshwete	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Victor Khanye	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 committees were functional. No Section 80 committees established.	<input type="checkbox"/> Audit Committee was functional
	Dr. JS Moroka	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Thembisile Hani	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> Audit Committee was functional
	Nkangala	<input type="checkbox"/> Functional	<input type="checkbox"/> Section 79 and 80 committees were functional	<input type="checkbox"/> 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. In Victor Khanye all Section 80 were disestablished because of the number of councillors that were few and they opted to have the Sec 79 and MMC's. In the City of Mbombela local municipality a cluster approach was utilised, there was inconsistency in the sitting of the clusters. 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.

Challenges

TROIKA

Challenges that were noted with the functionality of the TROIKA in the province:

- The Chief Whip's role is not well defined whereas the roles and responsibilities of the Speaker and the Executive Mayor were well defined in the legislation.
- In some municipalities CoGTA was not provided with TROIKA minutes due to the confidentiality of the meetings.

MPACs

Some of the challenges that were noted with oversight structures MPACs, Section 79 & 80 committees, Internal Audit Units and Audit Committees:

- Reporting line for MPAC were no clearly defined (some are reporting to the Executive Mayor and to councils)
- Shortage of dedicated staff members (Secretary & Researcher) to assist MPACs with administration.
- Tools of trade for official still a challenge
- Accountability in some municipalities is still a challenge as some municipalities are reduction to account to MPACs
- Failure by administration to report on stipulated time.
- Insufficient budget for training of MPACs

Audit Committees

Challenges that were noted with audit committees:

- Non implementation of Audit action plans and Audit Committee resolutions.

Section 79 & 80 Committees

- City of Mbombela municipality preferred to use the cluster approach for its section 80 committees.
- Victor Khanye Local municipality Section 80 committees were disestablished, because of the number of councillors that were few and they opted to have the Section 79 and MMC's.

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 Secretary)
- MPAC to receive capacitation on financial issues.
- Troika to implement Audit action plans and Audit Committee resolutions.

Support Interventions by National and Provincial government

- Municipalities were advised by CoGTA to have scheduled Troika meetings to sit frequently.
- 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	2015/16		2016/17		2017/18	
		Has council adopted the Anti-corruption Plan	Has council adopted the Anti-corruption Plan	Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Compiled	Has council adopted the Anti-corruption Plan	Anti-Corruption Plan Compiled
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes
	Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes
	Lekwa	Yes	Yes	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	Yes	No	Yes
	Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes
	Nkangala	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

Finding

- 19 out of 20 municipalities in the Province had Anti-corruption Measures, Plans developed and adopted by councils, except Msukaligwa LM

Challenges

- Councils do not prioritise approval of the Risk Management related policies even though submissions were made on time.
- Msukaligwa municipality did not approve the Anti-corruption plan due to the non-availability of Risk Management committee.

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.
- 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.

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.

Intergovernmental Relations Forum

5.1.4 Existence of an effective IGR strategy

Intergovernmental Relations Framework Act was promulgated in 2005 to provide a framework for National, Provincial and Local Government to promote and facilitate intergovernmental relations in order to achieve a coherent government, effective service delivery, and monitoring implementation of legislation, policies and realization of national priorities and provide for dispute resolution mechanism amongst all spheres of government. It also provides for the facilitation, integration and alignment of planning, budgeting, implementation and reporting across the three spheres of government. In this regard, the province has established IGR structures, PCF, Technical Munimec and Munimec to facilitate coordination and monitoring of programmes between local, district and provincial government.

There are two (2) structures of coordination at district levels. These include the District IGR structures both at technical and political, where the District Municipal Manager meets all local Municipal Managers at technical level and the District Executive Mayor meets all Executive Mayors at political level on a quarterly basis to share best practices as well as service delivery.

There are Provincial structures, both technical and political, where the Head of Department for (COGTA) and Provincial Treasury meets all Municipal Managers, Chief Financial Officers, The MEC for COGTA as well as the MEC for Provincial Treasury met all Executive Mayors and Members of the Mayoral Committee on quarterly basis to discuss performance in the provision of services and financial management in municipalities in order to detect failures and initiate corrective action where necessary, and consider reports from District IGR forums on matters affecting provincial interest including other reports dealing with performance of District and local municipalities, and escalated to Premier's Coordinating Forum (PCF).

The Premier's Coordinating Forum meets quarterly and is chaired by the Premier. It is a forum where the Premier interacts directly with Local Government to receive progress on municipal performance. It is also a platform where provincial government and municipalities discuss service delivery issues.

5.1.5 Effectiveness of Council Committees

Table 9: Indicate effectiveness of Council Committees (2015/16)

DISTRICT	Municipality	2015/16											
		All admin delegations adopted	S59 MSA delegations adopted	Roles of Committees and Political Office Bearers	Meetings convened			No. of meetings where quorum was not achieved		Code of conduct adopted (council and staff)	Code communicated to community	Interest of councillors and staff declared	Councillors and Staff members in arrears with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	10	8	19	None	None	Yes	Yes	Yes	None
	City of Mbombela	Yes	Yes	Yes	14	4	10	None	None	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	16	16	13	None	None	Yes	Yes	Yes	Yes
	Thaba Chweu	No	No	Yes	13	12	9	None	None	Yes	Yes	Yes	Yes
	Umjindi	Yes	Yes	Yes	14	12	13	None	None	Yes	Yes	Yes	None
	Ehlanzeni District	Yes	Yes	Yes	10	10	11	None	None	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	8	9	2	None	None	Yes	Yes	Yes	None
	Dipaleseng	Yes	Yes	Yes	4	11	9	None	None	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	8	11	23	None	None	Yes	Yes	Yes	None
	Lekwa	No	Yes	Yes	10	8	33	None	None	Yes	Yes	No	Yes
	Mkhondo	Yes	Yes	Yes	12	8	6	None	None	Yes	Yes	Yes	None
	Msukaligwa	Yes	Yes	Yes	8	9	2	None	None	Yes	Yes	Yes	None
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	13	12	46	None	None	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	8	9	2	None	None	Yes	Yes	Yes	None

DISTRICT	Municipality	2015/16											
		All admin delegations adopted	S59 MSA delegations adopted	Roles of Committees and Political Office Bearers	Meetings convened			No. of meetings where quorum was not achieved		Code of conduct adopted (council and staff)	Code communicated to community	Interest of councillors and staff declared	Councillors and Staff members in arrears with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral committee				
NKANGALA	Emalahleni	Yes	Yes	Yes	7	11	8	None	None	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	10	10	9	None	None	Yes	Yes	Yes	None
	Steve Tshwete	Yes	Yes	Yes	15	26	38	None	None	Yes	Yes	Yes	None
	Victor Khanye	Yes	Yes	Yes	21	16	37	None	None	Yes	Yes	Yes	Yes
	Dr JS Moroka	Yes	Yes	Yes	12	14	14	None	None	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	11	13	2	None	None	Yes	Yes	Yes	None
	Nkangala District	Yes	Yes	Yes	13	12	10	None	None	Yes	Yes	Yes	Yes

(Source: Section 46 reports from municipalities)

Table 10: Indicate effectiveness of Council Committees (2016/17)

DISTRICT	Municipality	2016/17											
		All admin delegations adopted	S59 MSA delegations adopted	Roles of Committees and Political Office Bearers	Meetings convened			No. of meetings where quorum was not achieved		Code of conduct adopted (council and staff)	Code communicated to community	Interest of councillors and staff declared	Councillors and Staff members in arrears with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	6	6	6	None	None	Yes	Yes	Yes	Yes
	City of Mbombela	Yes	Yes	Yes	20	20	61	None	None	Yes	Yes	Yes	Yes
	Nkomazi	Yes	Yes	Yes	10	09	03	None	None	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	13	12	12	None	None	Yes	Yes	Yes	Yes
	Ehlanzeni	Yes	Yes	Yes	10	10	11	None	None	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	10	11	12	None	None	Yes	Yes	Yes	None
	Dipaleseng				16	11	11	None	None	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	14	17	39	None	None	Yes	Yes	Yes	None
	Lekwa	Yes	Yes	Yes	27	14	28	None	None	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	20	08	11	None	None	Yes	Yes	Yes	None
	Msukaligwa	Yes	Yes	Yes	18	11	11	None	None	Yes	Yes	Yes	None
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	17	07	28	None	None	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	13	14	09	None	None	Yes	Yes	Yes	None
NKANGALA	Emalahleni	Yes	Yes	Yes	15	14	52	None	None	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	14	13	65	None	None	Yes	Yes	Yes	Yes
	Steve Tshwete	Yes	Yes	Yes	15	26	38	None	None	Yes	Yes	Yes	None
	Victor Khanye	Yes	Yes	Yes	15	8	18	None	None	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	13	15	15	None	None	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	14	13	07	None	None	Yes	Yes	Yes	Yes
	Nkangala District	Yes	Yes	Yes	11	12	66	None	None	Yes	Yes	Yes	None

(Source: Municipal section 46 reports)

Table 11: Indicate effectiveness of Council Committees (2017/18)

DISTRICT	Municipality	2017/18											
		All admin delegations adopted	S59 MSA delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened			No. of meetings where quorum was not achieved		Code of conduct adopted (council and staff)	Code of conduct communicated to community	Interest of councillors and staff declared	Councillors and Staff members in arrears with municipalities
					Council	Executive Mayoral committee	Portfolio committee	Council	Executive Mayoral Committee				
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	9	4	20	None	None	Yes	Yes	Yes	None
	City of Mbombela	Yes	Yes	Yes	19	19	42	None	None	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	12	6	20	None	None	Yes	Yes	Yes	Yes
	Thaba Chweu	Yes	Yes	Yes	16	4	12	None	None	Yes	Yes	Yes	Yes
	Ehlanzeni	Yes	Yes	Yes	12	6	28	None	None	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	10	12	12	None	None	Yes	Yes	Yes	Yes
	Dipaleseng	Yes	Yes	Yes	19	19	11	None	None	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	13	14	36	None	None	Yes	Yes	Yes	Yes
	Lekwa	No	No	Yes	12	8	4	None	None	Yes	Yes	Yes	Yes
	Mkhondo	Yes	Yes	Yes	10	09	15	None	None	Yes	Yes	Yes	Yes
	Msukaligwa	Yes	Yes	Yes	05	06	37	None	None	Yes	Yes	Yes	Yes
	Dr Pixley Ka Isaka Seme	Yes	Yes	Yes	16	10	33	None	None	Yes	Yes	Yes	Yes
	Gert Sibande	Yes	Yes	Yes	11	13	52	None	None	Yes	Yes	Yes	None
NKANGALA	Emalahleni	Yes	Yes	Yes	13	13	57	None	None	Yes	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes	15	14	63	None	None	Yes	Yes	Yes	None
	Steve Tshwete	Yes	Yes	Yes	20	31	57	None	None	Yes	Yes	Yes	Yes
	Victor Khanye	Yes	Yes	Yes	8	10	33	None	None	Yes	Yes	Yes	Yes
	Dr. JS Moroka	Yes	Yes	Yes	14	13	58	None	None	Yes	Yes	Yes	Yes
	Thembisile Hani	Yes	Yes	Yes	12	13	53	None	None	Yes	Yes	Yes	Yes
	Nkangala	Yes	Yes	Yes	14	16	78	None	None	Yes	Yes	Yes	None

(Source: Section 46 reports from municipalities)

5.1.6 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: Nkomazi, Thaba Chweu, Dr Pixley Ka Isaka Seme, Victor Khanye, Dr JS Moroka, Mkhondo, Emalahleni, Thembisile Hani, Govan Mbeki, Steve Tshwete, Msukaligwa, Albert Luthuli and Lekwa

Delegations adopted

- In the 2017/18 financial year all 19 out of 20 municipalities adopted their delegation. Only Lekwa had not adopted their delegations.

Roles of committees and political office bearers

- In the 2017/18 financial year all 20 municipalities had roles of political office bearers and committees defined.

Code of conduct adopted for staff and councillors

- In the 2017/18 financial year 20 municipalities had adopted the code of conduct for councillors and staff, which showed consistence compared to 2016/17 financial year where all 20 municipalities had adopted the code of conduct for councillors and staff.

Declaration of Councillors and Staff interest

- In the 2017/18 financial year all municipalities had their councillors and staff declared their interest which shows consistence to the previous financial year 2016/17 where all municipalities had their councillors and staff declared their interest.

Councillors and Staff in arrears with municipal accounts

- In the 2017/18 only 13 out of 20 municipalities had their councillors and staff who were in arrears with municipal accounts which was an increase compared to 2016/17 financial year where 10 out of 20 municipalities had their councillors and staff who were in areas with municipal account.

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 policies to councillors and municipal official 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 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, Free refuse removal and Access to free basic electricity

Performance of municipalities on Service Delivery and Infrastructure Development.

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

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

Municipality	2016/17							2017/18						
	Total No. of Households Community Survey 2016	Water			Sanitation			Total No. of Households Community Survey 2016	Water			Sanitation		
		Municipal assessment report	To date	To date	Municipal assessment report	To date	To date		Municipal assessment report	To date	To date	Municipal assessment report	To date	To date
City of Mbombela	205 496	162 570	79.11%	79.11%	197 325	*96.02%	96.02%*	205 496	181 366	88.26%	88.26%	197 325*	*96.02%*	96.02%
Bushbuckridge	137 419	122 202	88.93%	88.93%	130 240	94.78%	94.78%	137 419	127 735	92.95%	92.95%	131 410	95.63%	95.63%
Nkomazi	103 965	88 675	85.29%	85.29%	97 504	93.79%	*93.79%	103 965	88 675	85.29%	85.29%	97 504	*93.79%*	93.79
Thaba Chweu	37 022	35 665*	96.33%	**96.33%	36 740	99.24%	*99.24%	37 022	35 665	**96.33%	96.33%*	36 740	*99.24%	99.24%*
EHLANZENI	483 902	409 112	84.54%	84.54%	461 809	95.43%	95.43%	483 902	433 441	89.57	89.57%	462 979	95.68%	95.68%

(Source: Stats SA, CS 2016)

NB: * Reflects municipalities with access figures above 90% access on sanitation facilities (basically VIP) and have to install bulk infrastructure first in order to convert VIP's into waterborne toilets. This is a typical challenge across all municipalities where the Provincial Administration had instructed municipalities to upgrade Waste Water Treatment Plants and to tackle the scourge of sewer spillages and thus reprioritization process.

**** Reflects municipalities with access to water above 90% however either busy with multi-year bulk water infrastructure projects (bulk projects planned to be complete in 2 to 3 years) for example City of Mbombela, Nkomazi and Bushbuckridge and those like Thaba Chweu that have a challenge with adequate availability of the water source and WULA process has to be secured prior to commissioning**

Findings

Out of the 483 902 households in Ehlanzeni District for 2017/18 financial year, 433 441 had access to potable water which indicates an increase by 24 320. A total of 462 979 households had access to sanitation in 2017/18 from 461 809 in 2016/17 financial year, which shows an increase by 1 170 households as at June 2018.

Nkomazi and Thaba Chweu municipalities maintained the same access to water. City of Mbombela, Nkomazi and Thaba Chweu maintained the access to sanitation.

Gert Sibande District

Table 13: Number of households with access to potable water in Gert Sibande

Municipality	2016/17							2017/18						
	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	
Govan Mbeki	108 894	107 191	98.44%	98.44%	108 168	99.33%	99.33%	108 894	107 191	**98.44%	98.44%	108 168	*99.33%	99.33%
Chief Albert Luthuli	53 480	43 656	81.63%	81.63%	51 679	96.63%	96.63%	53 480	43 656	**81.63%	81.63%	53 480	100%	100%
Msulungwa	51 089	46 846	91.69%	91.69%	49 794	97.47%	97.47%	51 089	47 965	**93.89%	93.89%	50 313	*98.48%	98.48%
Lekwa	37 334	34 987	93.71%	93.71%	36 220	97.02%	97.02%	37 334	34 987	93.71%	93.71%	36 220	97.02%	97.02%
Mkhondo	45 595	38 789	85.07%	85.07%	43 630	95.69%	95.69%	45 595	42 244	92.65%	92.65%	43 630	*95.69%	95.69%
Dipaleseng	14 877	13 479	90.60%	90.60%	13 976	93.94%	93.94%	14 877	14 338	96.38%	96.38%	13 976	*93.94%	93.94%
Dr Pixley Ka Isaka Seme	22 546	20 334	90.19%	90.19%	21 587	95.75%	95.75%	22 546	20 968	93.00%	93.00%	22 147	98.23%	98.23%
GERT SIBANDE	333 815	305 282	91.45%	91.45%	325 054	97.38%	97.38%	333 815	311 349	93.27%	93.27%	327 934	98.24%	98.24%

(Source: Stats SA, CS 2016)

NB: * Reflects municipalities with access figures above 90% access on sanitation facilities (basically VIP) and have to install bulk infrastructure first in order to convert VIP's into waterborne toilets. This is a typical challenge across all municipalities where the Provincial Administration had instructed municipalities to upgrade Waste Water Treatment Plants and to tackle the scourge of sewer spillages and thus reprioritization process.

**** Reflects municipalities with access to water above 90% however either busy with multi-year bulk water infrastructure projects (bulk projects planned to be complete in 2 to 3 years) for example Govan Mbeki, Chief Albert Luthuli and Msulungwa. In these municipalities, MIG, RBIG and WSIG is being used where applicable to fund on-going bulk projects for upgrading of WTW's, water pump stations and bulk pipelines**

Findings

Out of the 333 815 households in Gert Sibande District, 311 349 had access to potable water in 2017/18. Out of the 333 815 households in Gert Sibande District, 327 934 had access to sanitation in 2017/18.

Govan Mbeki, Chief Albert Luthuli, and Lekwa municipalities maintained the same access to water. Govan Mbeki, Lekwa, Mkhondo and Dipaleseng still maintained the access to sanitation.

Nkangala District

Table 14: Number of households with access to potable water in Nkangala

Municipality	2016/17							2017/18						
	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	136 628	90.83%	90.83%	148 349	98.62%	98.62%	150 420	136 952	91.05%	91.05%	148 349	*98.62%	98.62%
Thembisile Hani	82 740	77 972	94.24%	94.24%	80 623	97.44%	97.44%	82 740	78 478	94.85%	94.85%	80 623	*97.44%	97.44%
Dr JS Moroka	62 367	57 669	92.47%	92.47%	61 599	98.77%	98.77%	62 367	57 669	92.47%	92.47%	61 599	*98.77%	98.77%
Steve Tshwete	86 713	83 164	95.91%	95.91%	85 671	98.80%	98.80%	86 713	83 464	96.25%	96.25%	86 713	100%	100%
Emakhazeni	14 633	13 765	94.07%	94.07%	13 870	94.79%	94.79%	14 633	13 903	95.01%	95.01%	13 878	94.84%	94.84%
Victor Khanye	24 270	21 093	86.91%	86.91%	23 952	98.69%	98.69%	24 270	24 270	100%	100%	24 221	99.80%	99.80%
NKANGALA	421 143	390 291	92.67%	92.6%	414 064	98.31%	98.31%	421 143	394 736	93.73%	93.73%	415 383	98.63%	98.63%
PROVINCIAL TOTAL	1 238 860	1 104 685	89.17%	89.17%	1 200 927	96.94%	96.94%	1 238 860	1 139 526	91.98%	91.98%	1 206 296	97.37%	97.37%

(Source: Stats SA, CS 2016)

NB: * Reflects municipalities such as Dr JS Moroka, Emalahleni and Thembisile Hani that also have sanitation access figures above 90% (basically VIP). Whilst DR JS Moroka had a total of 1 100 convertible waterborne toilets (CWB's) which were still under implementation by end 2017/18, Emalahleni was busy with the Klarinet Waste Water Treatment project that was scheduled to take at least 3 years to complete and Thembisile Hani with the Tweefontein K Waste Water Treatment Plant scheduled for 2 to 3 years to complete in order to install bulk infrastructure first to allow the Municipality to convert VIP's into waterborne toilets. This is a typical challenge across all municipalities where the Provincial Administration had instructed municipalities to upgrade Waste Water Treatment Plants and to tackle the scourge of sewer spillages and thus reprioritization process.

Findings

In 2017/18 financial year, Nkangala District had 421 143 households. Out of the 421 143 households in Nkangala District 394 736 had access to potable water as at June 2018. This shows that there has been an increase of 4 445 households that were receiving water. In terms of sanitation in 2017/18 financial year, a total of 415 383 households had access to sanitation as compared to 414 064 in 2016/17. This was an indication of an increase of 1 319 households at end of June 2018.

Dr JS Moroka municipality maintained the same access to water. Emalahleni, Thembisile Hani and Dr JS Moroka still maintained the access to Sanitation.

5.2.1.2 Households with access to Free Basic Water

Table 15: Status Quo on Free Basic Water in Ehlanzeni District

Local Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW
City of Mbombela	205 496	9 734	9 734	100%	205 496	11 906	11 906	100%
Bushbuckridge	137 419	45 132	***45 132	100%	137 419	***5 919	5 919	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 953	12 953	100%
Thaba Chweu	37 022	4 107	4 107	100%	37 022	4 207	4 207	100%
TOTAL	483 902	71 926	71 926	100%	483 902	34 985	34 985	100%

(Source: Stats SA, CS 2016)

NB: * The dramatic drop in the figures of Bushbuckridge from 45 132 indigents to 5 919 was as a result of a data cleansing process where people who did not deserve to be on the indigent list were removed from the register.**

Findings

In 2017/18 financial year, a total of **34 985** indigents in Ehlanzeni District were served with free basic water. This shows a decrease of 36 941 indigent households that were served with free basic water as compared to 2016/17 when there were 71 926 indigents.

In Bushbuckridge an improved process with verification requirement deterred many previous incorrectly registered indigents from enrolling as indigents.

Table 16: Status Quo on Free Basic Water in Gert Sibande District

Local Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBW	% Served with FBW
Govan Mbeki	108 894	12 957	***12 957	100%	108 894	11 671	***11 671	100%
Chief Albert Luthuli	53 480	4 920	***4 920	100%	53 480	1 756	***1 756	100%
Msukaligwa	51 089	11 139	11 139	100%	51 089	11 255	11 255	100%
Lekwa	37 334	3 894	***3 894	100%	37 334	2 133	***2 133	100%
Mkhondo	45 595	1 500	***1 500	100%	45 595	1 043	***1 043	100%
Dipaleseng	14 877	878	878	100%	14 877	878	878	100%
Dr Pixley Ka Isaka Seme	22 546	1 718	1 718	100%	22 546	2 164	2164	100%
TOTAL	333 815	37 006	37 006	100%	333 815	30 900	30 900	100%

(Source: Stats SA, CS 2016)

NB: *** The remarkable drop in the figures in Govan Mbeki, Chief Albert Luthuli, Lekwa and Mkhondo were also as a result of a data cleansing process where people who did not deserve to be on the indigent list were removed from the register.

Findings

In 2017/18 financial year, a total of **30 900** indigents in Gert Sibande District were served with free basic water as compared to **37 006** in 2016/17 financial year, indicating a decrease of 6 106.

The decreases on indigents are informed by new control measures where indigents apply every financial year for inclusion in the register.

Table 17 Status Quo on Free Basic Water in Nkangala District

Local Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served FBW With	% Served with FBW	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBW	% Served with FBW
Emalahleni	150 420	10 552	***10 552	100%	150 420	10 089	***10 089	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	17 738	14 452	81.47%	86 713	18 090	18 090	100%
Emakhazeni	14 633	1 478	1 478	100%	14 633	3 058	3 058	100%
Victor Khanye	24 270	1 812	1 812	100%	24 270	3 642	3 642	100%
Total	421 143	41 562	38 276	92.09%	421 143	44 861	44 861	100%
Provincial Total	1 238 860	150 494	147 208	97.81%	1 238 860	110 746	110 746	100%

(Source: Stats SA, CS 2016)

Findings

In 2017/18 financial year, a total of **44 861** indigent households were served with free basic water in Nkangala District as compared to **38 276** in 2016/17 financial year. An additional 2 585 indigents were served with water which indicates an increase from 92% to 93%.

NB: ***Emalahleni also achieved a slight reduction of the total number of indigents due to the number who were found not qualifying in terms of their Indigents Policy and therefore could no longer be cross-subsidized.

5.2.1.3 Households with access to Sanitation

Table 18: Households with access to sanitation

Municipality	2016/17			2017/18		
	Households Community Survey 2016	Municipal assessment report (Sanitation)	%	Households Community Survey 2016	Municipal assessment report (Sanitation)	%
City of Mbombela	205 496	197 325	96.02%	205 496	197 325	96.02%
Bushbuckridge	137 419	130 240	94.77%	137 419	131 410	95.63%
Nkomazi	103 965	97 504	93.79%	103 965	97 504	93.79%
Thaba Chweu	37 022	36 740	99.24%	37 022	36 740	99.24%
EHLANZENI	483 902	461 809	95.43%	483 902	462 979	95.68%
Emalaheni	150 420	148 349	98.62%	150 420	148 349	98.62%
Thembisile Hani	82 740	80 623	97.44%	82 740	80 623	97.44%
Dr JS Moroka	62 367	61 599	98.77%	62 367	61 599	98.77%
Steve Tshwete	86 713	85 671	98.80%	86 713	86 713	100%
Emakhazeni	14 633	13 870	94.79%	14 633	13 878	94.84%
Victor Khanye	24 270	23 952	98.69%	24 270	24 221	99.80%
NKANGALA	421 143	414 064	98.31%	421 143	415 383	98.63%
Govan Mbeki	108 894	108 168	99.33%	108 894	108 168	99.33%
Chief Albert Luthuli	53 480	51 679	96.63%	53 480	53 480	100%
Msukaligwa	51 089	49 794	97.47%	51 089	50 313	98.48%
Lekwa	37 334	36 220	97.02%	37 334	36 220	97.02%
Mkhondo	45 595	43 630	95.69%	45 595	43 630	95.69%
Dipaleseng	14 877	13 976	93.94%	14 877	13 976	93.94%
Dr Pixley Ka Isaka Seme	22 546	21 587	95.75%	22 546	22 147	98.23%
GERT SIBANDE	333 815	325 054	97.38%	333 815	327 934	98.24%
PROVINCIAL TOTAL	1 238 860	1 200 927	96.94%	1 238 860	1 206 296	97.37%

(Source: Stats SA, CS 2016)

Table 19: Status Quo on Free Basic Sanitation in Ehlanzen

Local Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS
City of Mbombela	205 496	9 734	9 734	100%	205 496	11 906	11 906	100%
Bushbuckridge	137 419	45 132	***45 132	100%	137 419	5 919	***5 919	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 953	12 953	100%
Thaba Chweu	37 022	4 107	4 107	100%	37 022	4207	4207	100%
TOTAL	483 902	71 926	71 926	100%	483 902	34 985	34 985	100%

(Source: Stats SA, CS 2016)

NB: *** As indicated earlier, the visible decrease in the figures of Bushbuckridge from 45 132 indigents to 5 919 was as a result of a data cleansing process where people who did not deserve to be on the indigent list were removed from the register.

Table 20: Status Quo on Free Basic Sanitation in Gert Sibande

Local Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS
Govan Mbeki	108 894	12 957	***12 957	100%	108 894	11 671	***11 671	100%
Chief Albert Luthuli	53 480	4 920	***4 920	100%	53 480	1 756	***1 756	100%
Msukaligwa	51 089	11 139	11 139	100%	51 089	11 255	11 255	100%
Lekwa	37 334	3 894	***3 894	100%	37 334	2 133	***2 133	100%
Mkhondo	45 595	1 500	***1 500	100%	45 595	1 043	***1 043	100%
Dipaleseng	14 877	878	878	100%	14 877	878	878	100%
Dr Pixley Ka Isaka Seme	22 546	1 718	1 718	100%	22 546	2 164	2164	100%
TOTAL	333 815	37 006	37 006	100%	333 815	30 900	30 900	100%

(Source: Stats SA, CS 2016)

NB: *** As indicated above, the reduction in the figures in Govan Mbeki, Chief Albert Luthuli, Lekwa and Mkhondo were also as a result of a data cleansing process where people who did not deserve to be on the indigent list were removed from the register.

Table 21: Status Quo on Free Basic Sanitation at Nkangala

Local Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS	Households Community Survey 2016	Municipal assessment report (Indigents)	Served with FBS	% Served with FBS
Emalahleni	150 420	10 552	***10 552	100%	150 420	10 089	***10 089	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	17 738	14 452	81.47%	86 713	18 090	18 090	100%
Emakhazeni	14 633	1 478	1 478	100%	14 633	3 058	3 058	100%
Victor Khanye	24 270	1 812	1 812	100%	24 270	3 642	3 642	100%
Total	421 143	41 562	38 276	92.09%	421 143	44 861	44 861	100%
Provincial Total	1 238 860	150 494	147 208	97.81%	1 238 860	110 746	110 746	100%

(Source: Stats SA, CS 2016)

A Provincial Summary Status Quo on Free Basic Sanitation

NB: ***As was explained earlier, Emalahleni also achieved a slight reduction of the total number of indigents due to the number who were found not qualifying in terms of their Indigents Policy and therefore could no longer be cross-subsidized.

Findings

In 2017/18 financial year there was a total of **110 746** indigents of which were served with free basic sanitation as compared to **150 494** that were served in 2016/17 financial year, this indicates a decrease of **39 748 indigents**.

5.2.1.4 Bucket System Eradication

Table 22: Indicate Bucket System

Municipality	2016/17				2017/18			
	Village/Town	Number of Buckets	Project Value	Comments	Village/Town	Number of Buckets	Project Value	Comments
Victor Khanye	Mandela Informal Settlement	51	R4 Million	Provided chemical toilets	Mandela & Mimososa informal settlement	51	Municipal operational budget	Municipality migrating to chemical toilet

(Source: Stats SA, CS 2016)

The bucket system re-emergence at Victor Khanye municipality, which resulted in 51 bucket systems in 2016/17 due to illegal land invasion in Mandela 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 Botleg Ext 6 & 7. The area was sealed with security so that no resettlement would take place. The provision of security in the area could however not be financially sustained by the Municipality and the contract therefore eventually lapsed. It is this re-emergence that is reported by 2016/17 that is also reported by 2017/18. The 51 households include residents in this informal area originally from Gauteng and some who are foreigners that do not qualify for low cost housing.

5.2.1.5 Households with access to Electricity Services

Table 23: Households with access to electricity at Ehlanzeni

Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
City of Mbombela	205 496	197 444	96.08%	96.08%	205 496	198 724	96.70%	96.70%
Bushbuckridge	137 419	136 079	99.02%	99.02%	137 419	136 079	99.02%	99.02%
Nkomazi	103 965	99 678	95.88%	95.88%	103 965	99 678	95.88%	95.88%
Thaba Chweu	37 022	33 261	89.84%	89.84%	37 022	33 261	89.84%	89.84%
EHLANZENI	483 902	466 462	96.40%	96.40%	483 902	467 742	96.67%	96.67%

(Source: Stats SA, CS 2016)

Findings

Out of the 483 902 households in Ehlanzeni District in 2017/18 financial year 467 742 had access to electricity as compared to 466 462 in 2016/17, this indicates an increase by 1 280.

Bushbuckridge, Nkomazi and Thaba Chweu municipalities maintained the same access to electricity.

Table 24: Households with access to electricity at Nkangala

Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Emalahleni	150 420	106 506	70.81%	70.81%	150 420	108 506	72.14%	72.14%
Thembisile Hani	82 740	80 839	97.70%	97.70%	82 740	81 597	98.62%	98.62%
Dr JS Moroka	62 367	61 858	99.18%	99.18%	62 367	61 858	99.18%	99.18%
Steve Tshwete	86 713	79 845	92.08%	92.08%	86 713	79 845	92.08%	92.08%
Emakhazeni	14 633	12 707	86.84%	86.84%	14 633	12 707	86.84%	86.84%
Victor Khanye	24 270	22 324	91.98%	91.98%	24 270	22 324	91.98%	91.98%
Nkangala	421 143	364 079	86.45%	86.45%	421 143	366 837	87.11%	87.11%

(Source: Stats SA, CS 2016)

Findings

Out of the **421 143** households in Nkangala District in 2017/18 financial year **366 837** had access to electricity as compared to **364 079** in 2016/17, this indicates an increase by **2 758**.

Dr JS Moroka, Steve Tshwete, Emakhazeni and Victor Khanye maintained the same access to electricity.

Table 25: Households with access to electricity in Gert Sibande

Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date	Households Community Survey 2016	Municipal assessment report (Electricity)	%	To date
Govan Mbeki	108 894	102 752	94.36%	94.36%	108 894	102 752	94.36%	94.36%
Chief Albert Luthuli	53 480	51 578	96.44%	96.44%	53 480	51 578	96.44%	96.44%
Lekwa	37 334	34 341	91.98%	91.98%	37 334	34 341	91.98%	91.98%
Mkhondo	45 595	36 163	79.31%	79.31%	45 595	38 467	84.37%	84.37%
Dipaleseng	14 877	12 126	81.51%	81.51%	14 877	13 815	92.86%	92.86%
Dr Pixley Ka Isaka Seme	22 546	19 884	88.19%	88.19%	22 546	20 270	89.91%	89.91%
Msukaligwa	51 089	45 230	88.53%	88.53%	51 089	45 676	89.40%	89.40%
Gert Sibande	333 815	302 074	90.49%	90.49%	333 815	306 899	91.94%	91.94%
PROVINCIAL TOTAL	1 238 860	1 132 615	91.42%	91.42%	1 238 860	1 141 478	92.14%	92.14%

(Source: Stats SA, CS 2016)

Findings

Out of the **333 815** households in Gert Sibande District in 2017/18 financial year **306 899** had access to electricity as compared to **302 074** in 2016/17, this indicates an increase by **4 825**.

Govan Mbeki, Chief Albert Luthuli and Lekwa maintained the same access to electricity.

5.2.1.6 Households with access to Free Basic Electricity

Table 26: Households with access to Free Basic Electricity

HOUSEHOLDS WITH ACCESS TO FREE BASIC ELECTRICITY								
Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2017	%	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2018	%
Govan Mbeki	108 894	12 957	12 957	100%	108 894	11 671	11 671	100%
Chief Albert Luthuli	53 480	4 920	4 920	100%	53 480	1 756	1 756	100%
Lekwa	37 334	11 139	11 139	100%	37 334	2 133	2 133	100%
Mkhondo	45 595	3 894	3 894	100%	45 595	1 043	1 043	100%
Dipaleseng	14 877	1 500	1 500	100%	14 877	878	878	100%
Dr Pixley Ka Isaka Seme	22 546	878	878	100%	22 546	2 164	2 164	100%
Msukaligwa	51 089	1 718	1 718	100%	51 089	11 255	11 255	100%
Gert Sibande District	333 815	37 006	37 006	100%	333 815	30 900	30 900	100%
Emalaheni	150 420	10 552	10 552	100%	150 420	10 089	10 089	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	17 738	17 738	100%	86 713	18 090	18 090	100%
Emakhazeni	14 633	1 478	1 478	100%	14 633	3 058	3 058	100%
Victor Khanye	24 270	1 812	1 812	100%	24 270	3 642	3 642	100%
Nkangala District	421 143	41 562	41 562	100%	421 143	44 861	44 661	100%
City of Mbombela	205 496	9 734	9 734	100%	205 496	11 906	11 906	100%
Bushbuckridge	137 419	45 132	45 132	100%	137 419	5 919	5 919	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 953	12 953	100%
Thaba Chweu	37 022	4 107	4 107	100%	37 022	4 207	4 207	100%
Ehlanzeni District	483 902	71 926	71 926	100%	483 902	34 985	34 985	100%
Provincial total	1 238 860	150 494	150 494	100%	1 238 860	110 746	110 746	100%

(Source: Stats SA, CS 2016)

Findings

In 2017/18 financial year there was a total of **110 746** indigents of which **110 746** were served with free basic electricity as compared to **150 494** that were served in 2016/17 financial year, this shows a decrease of 39 748 in the province.

5.2.1.7 Households with access to refuse removal

Table 27: Households with access to refuse removal at Ehlanzeni

Municipality	2016/17				2017/18			
	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	205 496	67 461	32.83%	32.83%	205 496	67 461	32.83%	32.83%
Bushbuckridge	137 419	34 372	25.01%	25.01%	137 419	34 372	25.01%	25.01%
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	21 048	56.85%	56.85%
EHLANZENI	483 902	206 623	42.70%	42.70%	483 902	206 623	42.70%	42.70%

(Source: Stats SA, CS 2016)

Findings

Out of the 483 902 households in Ehlanzeni District in 2017/18 financial year 206 623 had access to refuse removal as compared to 206 623 which indicates no increase in refuse removal 2017/18 financial year.

City of Mbombela, Bushbuckridge, Nkomazi and Thaba Chweu maintained the same access to electricity.

Table 28: Households with access to refuse removal at Nkangala

Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (refuse removal)	%	To date	Households Community Survey 2016	Municipal assessment report (refuse removal)	%	To date
Emalahleni	150 420	95 114	63.23%	63.2%	150 420	95 814	63,69%	63,69%
Thembisile Hani	82 740	32 675	39.49%	39.49%	82 740	56 856	68.72%	68.72%
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	79 804	92.03%	92.03%
Emakhazeni	14 633	12 404	84.77%	84.77%	14 633	12 404	84.77%	84.77%
Victor Khanye	24 270	13 894	57.25%	57.25%	24 270	19 069	78.57%	78.57%
Nkangala	421 143	247 452	58.76%	58.76%	421 143	277 508	65.89%	65.89%

(Source: Stats SA, CS 2016)

Findings

Out of the 421 143 households in Nkangala District in 2017/18 financial year, 277 508 had access to refuse removal as compared to 247 452 which indicates an increase by 30 056. Dr JS Moroka, Steve Tshwete and Emakhazeni maintained the same access to electricity.

Table 29: Households with access to refuse removal in Gert Sibande

Municipality	2016/17				2017/18			
	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	81 150	**74.52%	74.52%
Chief Albert Luthuli	53 480	12 908	24.14%	24.14%	53 480	12 909	**24.14%	24.14%
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	30 726	**67.39%	67.39%
Dipaleseng	14 877	9 452	63.53%	63.53%	14 877	13 190	86.66%	86.66%
Dr Pixley Ka Isaka Seme	22 546	20 660	91.63%	91.63%	22 546	20 660	**91.63%	91.63%
Msukaligwa	51 089	32 517	63.65%	63.65%	51 089	33 231	65.05%	65.05%
Gert Sibande	333 815	180 842	54.17%	54.17%	333 815	217 812	65.25%	65.25%
PROVINCIAL TOTAL	1 238 860	634 917	51.25%	51.25%	1 238 860	701 943	56.67%	57.91%

(Source: Stats SA, CS 2016)

NB: ** These are municipalities that have not given much effort in terms of their own resources to fund any improvement for the refuse removal services.

Findings

Out of the **333 815** households in Gert Sibande District in 2017/18 financial year **217 812** had access to refuse removal as compared to **180 842** in 2016/17, this indicates an increase by 36 976 households.

Govan Mbeki, Chief Albert, Lekwa, Mkhondo and Dr Pixley Ka Isaka Seme maintained the same access to electricity. Msukaligwa and Dipaleseng has increased refuse removal.

5.2.1.8 Households with access to Free Basic Electricity

Table 30: Households with access to Free Basic refuse removal

HOUSEHOLDS WITH ACCESS TO FREE BASIC REFUSE REMOVAL								
Municipality	2016/17				2017/18			
	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2017	%	Households Community Survey 2016	Municipal assessment report (Indigents)	Indigents served as of June 2018	%
Govan Mbeki	108 894	12 957	12 957	100%	108 894	11 671	11 671	100%
Chief Albert Luthuli	53 480	4 920	4 920	100%	53 480	1 756	1 756	100%
Lekwa	37 334	11 139	11 139	100%	37 334	2 133	2 133	100%
Mkhondo	45 595	3 894	3 894	100%	45 595	1 043	1 043	100%
Dipaleseng	14 877	9 452	9 452	100%	14 877	878	878	100%
Dr Pixley Ka Isaka Seme	22 546	878	878	100%	22 546	2 164	2 164	100%
Msukaligwa	51 089	1 718	1 718	100%	51 089	11 255	11 255	100%
Gert Sibande District	333 815	37 006	37 006	100%	333 815	30 900	30 900	100%
Emalahleni	150 420	10 552	10 552	100%	150 420	10 089	10 089	100%
Thembisile Hani	82 740	5 588	5 588	100%	82 740	5 588	5 588	100%
Dr JS Moroka	62 367	4 394	4 394	100%	62 367	4 394	4 394	100%
Steve Tshwete	86 713	17 738	17 738	100%	86 713	18 090	18 090	100%
Emakhazeni	14 633	1 478	1 478	100%	14 633	3 058	3 058	100%
Victor Khanye	24 270	1 812	1 812	100%	24 270	3 642	3 642	100%
Nkangala District	421 143	41 562	41 562	100%	421 143	44 861	44 861	100%
City of Mbombela	205 496	9 734	9 734	100%	205 496	11 906	11 906	100%
Bushbuckridge	137 419	45 132	45 132	100%	137 419	5 919	5 919	100%
Nkomazi	103 965	12 953	12 953	100%	103 965	12 953	12 953	100%
Thaba Chweu	37 022	4 107	4 107	100%	37 022	4 207	4 207	100%
Ehlanzeni District	483 902	71 926	71 926	100%	483 902	34 985	34 985	100%
Provincial total	1 238 860	150 494	150 494	100%	1 238 860	110 746	110 746	100%

(Source: Stats SA, CS 2016)

Findings

In 2017/18 financial year there was a total of **110 746** indigents of which **110 746** were served with free basic refuse removal as compared to **150 494** that were served in 2017/18 financial year, this shows a decrease of 39 748 in the province.

The decrease was largely due to municipalities verifying the information of indigents.

5.2.1.9 Accessible KMs of Roads

Ehlanzeni District

Table 31: Total KM of tarred and gravel roads in Ehlanzeni

Municipality	2016/17			2017/18		
	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	3 821	701	3 120	3 849	728	3 121
Bushbuckridge	4 640	340	4 300	4 640	345	4 295
Nkomazi	2 265	277.7	1 987.3	2 265	277.7	1 987.3
Thaba Chweu	582	166	416	582	167	415
Totals	11 308	1 484.7	9 823.3	11 336	1 517.7	9 818.3

(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, 1 517.7 was either tarred or paved and, 9 818.3 kilometres remained gravelled.

Gert Sibande District

Table 32: Total KM of tarred and gravel roads in Gert Sibande

Municipality	2016/17			2017/18		
	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	903	505	393	908	505	403
Chief Albert Luthuli	649	543	106	649	543	106
Msukaligwa	599.5	250.2	349.3	599.5	250.7	348.8
Lekwa	423	175.1	247.8	423	175.1	247.9
Mkhondo	980	392	588	980	395	585
Dipaleseng	221.1	95.1	126	227	101	126
Dr. Pixley Ka Isaka Seme	278	89	193	278	88	191
Totals	4 053.6	2 049.4	2 003.1	4 064.5	2 060.8	2 003.7

(Source: Municipal Section 46 Report)

Findings

In 2017/18 financial year there was a total of 4 064.5 Kilometres of roads at Gert Sibande district as a whole, 2 060.8 was either tarred or paved and, 2 007.7 kilometres remained gravelled.

Nkangala District

Table 33: Total KM of tarred and gravel roads in Nkangala

Municipality	2016/17			2017/18		
	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	1 400	843	557
Thembisile Hani	2 142.9	249.2	1 893.7	2 142.9	250	1 892.9
Dr JS Moroka	2 902.24	182.24	2 720	2 910	190	2 720
Steve Tshwete	819	668	151	823	668	155
Emakhazeni	2 617.3	24.8	2 592.50	2 620.17	27.41	2 592.76
Victor Khanye	340	128.5	211.5	340	139	201
Totals	10 221.44	2 095.74	8 125.7	10 236.07	2 117.41	8 118.66

(Source: Municipal Section 46 Report)

Findings

- In 2017/18 financial year there was a total of 10 236.07 Kilometres of roads at Nkangala district as a whole, 2 117.41 kilometres was either tarred or paved and, 7 914.9 kilometres remained gravelled.

Analysis of performance on Service Delivery and Infrastructure Development

- Out of the 483 902 households in Ehlanzeni District for 2017/18 financial year, 433 441 had access to potable water which indicates an increase by 24 320. A total of 462 979 households had access to sanitation in 2017/18 from 461 809 in 2016/17 financial year, which shows an increase by 1 170 households as at June 2018.

Nkomazi and Thaba Chweu municipalities maintained the same access to water. City of Mbombela, Nkomazi and Thaba Chweu still maintained the access to sanitation.

- Out of the 333 815 households in Gert Sibande District, 311 349 had access to potable water in 2017/18. Out of the 333 815 households in Gert Sibande District, 327 934 had access to sanitation in 2017/18.

Govan Mbeki, Chief Albert Luthuli, and Lekwa municipalities maintained the same access to water. Govan Mbeki, Lekwa, Mkhondo and Dipaleseng still maintained the access to sanitation.

- In 2017/18 financial year, Nkangala District had 421 143 households. Out of the 421 143 households in Nkangala District 394 736 had access to potable water as at June 2018. This shows that there has been an increase of 4 445 households that were receiving water. In terms of sanitation in 2017/18 financial year a total of **415 383** households had access to sanitation as compared to 414 064 in 2016/17 which indicates an increase of 1 319 households as at June 2018.

Dr JS Moroka municipality maintained the same access to water. Emalahleni, Thembisile Hani and Dr JS Moroka still maintained the access to Sanitation.

- In **2017/18** financial year, a total of **34 985** indigents in Ehlanzeni District were served with free basic water. This shows a decrease of **36 941** indigent households that were served with free basic water as compared to **2016/17** when there were **71 926** indigents.
In Bushbuckridge an improved process with verification requirement deterred many previous indigents from enrolling as indigents.
- In 2017/18 financial year, a total of **30 900** indigents in Gert Sibande District were served with free basic water as compared to **37 006** in 2016/17 financial year, indicating a decrease of 6 106.
The decreases is informed by new control measures where indigents apply every financial year for inclusion in the register.
- In 2017/18 financial year, a total of **40 861** indigent households were served with free basic water in Nkangala District as compared to **38 276** in 2016/17 financial year. An additional 2 585 indigents were served with water which indicates an increase from 92% to 93%.
- In 2017/18 financial year there was a total of **110 746** indigents of which were served with free basic sanitation as compared to **150 494** that were served in 2016/17 financial year, this indicates a decrease of **39 748 indigents**.
- The bucket system re-emergence at Victor Khanye municipality, which resulted in 51 bucket systems in 2016/17 due to illegal land invasion in Mandela Informal settlement. In the 2017/18 the bucket system emerged with the same amount of bucket due to a new influx into the Mandela informal settlement and in Mimosa informal settlements and it's eradicated with chemical toilets.
- Out of the **483 902** households in Ehlanzeni District in **2017/18** financial year **467 742** had access to electricity as compared to **466 462** in **2016/17**, this indicates an increase by **1 280**.
The municipalities that retained the same number of households with access to electricity were Bushbuckridge, Nkomazi and Thaba Chweu municipalities.
- Out of the **421 143** households in Nkangala District in 2017/18 financial year **366 837** had access to electricity as compared to **364 079** in 2016/17, this indicates an increase by **2 758**.
Municipalities maintained the same access to Electricity. (Dr JS Moroka, Steve Tshwete, Emakhazeni and Victor Khanye municipality)
- Out of the **333 815** households in Gert Sibande District in 2017/18 financial year **306 899** had access to electricity as compared to **302 074** in 2016/17, this indicates an increase by **4 825**.
Municipalities maintained the same access to Electricity. (Govan Mbeki, Chief Albert Luthuli municipality)
- In 2017/18 financial year there was a total of **110 746** indigents of which **110 746** were served with free basic electricity as compared to **150 494** that were served in 2016/17 financial year, this shows a decrease of 39 748 in the province.
- Out of the **483 902** households in Ehlanzeni District in **2017/18** financial year **206 623** had access to refuse removal as compared to **206 623** which indicates no increase in refuse removal **2017/18** financial year.
Municipalities maintained the same access to refuse removal. (City of Mbombela, Bushbuckridge, Nkomazi and Thaba Chweu municipality)
- Out of the **421 143** households in Nkangala District in **2017/18** financial year, **277 508** had access to refuse removal as compared to **247 452** which indicates an increase by **30 056**.
Municipalities maintained the same access to refuse removal. (Dr JS Moroka, Steve Tshwete and Emakhazeni municipality)
- Out of the **333 815** households in Gert Sibande District in 2017/18 financial year **217 812** had access to refuse removal as compared to **180 842** in 2016/17, this indicates an increase by 36 975 households.
Municipalities maintained the same access to refuse removal. (Govan Mbeki, Chief Albert, Lekwa, Mkhondo and Dr Pixley Ka Isaka Seme municipality). Msukaligwa and Dipaleseng has increased refuse removal.
- In 2017/18 financial year there was a total of **110 746** indigents of which **110 746** were served with free basic refuse removal as compared to **150 494** that were served in 2017/18 financial year, this shows a decrease of 39 748 in the province
- In 2017/18 financial year there was a total of 11 336 Kilometres of roads at Ehlanzeni district as a whole, 1 517.7 was either tarred or paved and, 9 818.3 kilometres remained gravelled.
- In 2017/18 financial year there was a total of 4 064.5 Kilometres of roads at Gert Sibande district as a whole, 2 060.8 was either tarred or paved and, 2 004.7 kilometres remained gravelled.
- In **2017/18** financial year there was a total of **10 236.07** Kilometres of roads at Nkangala district as a whole, **2 117.41** kilometres was either tarred or paved and, **8 118.66** 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 WTW's has been a challenge (The whole water supply value chain).
- Excessive water losses due to leakages and constant pipe bursts 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.
- Non –submission of drinking water quality data on the Blue and Green Drop Systems by some Municipalities namely Dipaleseng, Msukaligwa and Lekwa.
- Poor planning and budgeting for implementation of the infrastructure development plans and O & M 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 CALM, Lekwa, Bushbuckridge, Nkomazi, Mbombela, Msukaligwa, Emalahleni and Thembisile Hani Local Municipality.
- Some water backlogs in the Northern and Southern Nsikazi in the City of Mbombela, Moremela, Matibidi and Leroro in Thaba Chweu and large proportion of villages in Bushbuckridge, Chief Albert Luthuli and Nkomazi, Mkhondo and Dr JS Moroka Local Municipality.
- Operating capacity not sufficient especially for Thaba Chweu, Bushbuckridge, Nkomazi, Lekwa, Msukaligwa, Emalahleni, Emakhazeni Local Municipality

Recommendations on water

- Municipalities must develop water master plans to enable them to enable 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 O&M plans
- Municipalities to plan bulk services to sustain water supply

Water Interventions

- A total of 36 process controllers were trained through Mahube programme, MISA and Mpumamanzi for Thaba Chweu, Emakhazeni, Dipaleseng, Chief Albert Luthuli, Msukaligwa, municipalities.
- 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, WTWs, WWTWs, 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 O&M budget to deal with the sewer spillages and overflowing of Waste Water Treatment Works
- Municipalities must develop water master plans that will include future growth of bulk infrastructure systems
- Municipalities to plan for sanitation in 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

- A total of 22 Waste Water Treatment plants have been refurbished and upgrading in the following municipalities: Bushbuckridge, Chief Albert Luthuli, Msukaligwa, Govan Mbeki, Lekwa, Dr Pixley Ka Isaka Seme, Thembisile Hani, Emakhazeni and Victor Khanye
- 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 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: Thaba Chweu, Emalahleni, Lekwa, Msukaligwa, Mkhondo, Victor Khanye, Dipaleseng, Chief Albert Luthuli, Govan Mbeki and Emakhazeni

Electricity Interventions

- DOE and COGTA are to finalize the Electrification Master Plan to pursue the targets for Universal Access.
- Eskom, COGTA, PT and municipalities to pursue measures available for the reduction of Eskom debt.(Vodacom initiative)
- 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, PT, Eskom and LMs),
- LMs 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.
- Unavailability of land for Waste Management facilities
- Outdated, implementation, enforcement of IWMPs 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.
- Municipalities to plan land for Waste Management facilities.
- 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 IWMPs and By- laws.
- Municipalities must comply with the environmental legislation.

Interventions of access to refuse removal

COGTA in partnership with DARDLEA and DEA 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 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.

The province has commenced with the compilation of the PSDF in an attempt to guide the review of municipal SDF’s and facilitate alignment of initiatives from the various stakeholders.

Table 34: Indicate municipalities with approved SDFs

DISTRICT	Municipality	2015/16			2016/17			2017/118		
		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: Section 46 reports from municipalities)

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, some are still in process, and their SDFs to be SPLUMA compliant since the act came into operation in 2015.

In this regard the department has assisted the review of the SDFs of Lekwa and Chief Albert Luthuli LMs during the 206/17 financial year. The department will continue to focus its attention to support and guide the review of municipal SDFs that were approved before the enactment of SPLUMA, in particular Dipaleseng, Dr Pixley ka Isaka Seme and Msukaligwa LMs whose SDFs were approved in 2010.

Challenges

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

- 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 35: Municipal readiness on SPLUMA implementation

District	Municipality	2017/18						
		Municipal by-law	Tariffs	Delegations	Planning Tribunal	Appeal Mechanisms	SPLUMA Land Use Scheme	Reasons
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	N/A
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	In process	Municipality is in the process to prepare the SPLUMA LUS.
	Nkomazi	Yes	Yes	Yes	Yes	Yes	In process	Municipality is in the process to prepare the SPLUMA LUS.
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	In process	COGTA funding the preparation of the SPLUMA LUS.
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	In process	By-law to be amended to adequately provide for Appeal mechanism in line with SPLUMA. COGTA funding the preparation of the SPLUMA LUS.
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	No	By-law to be amended to adequately provide for Appeal mechanism in line with SPLUMA. Municipality lacks funding to prepare and adopt a SPLUMA compliant land use scheme (LUS). Intervention needed in order to meet SPLUMA deadline for LUS in June 2020.
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	N/A
	Mkhondo	Yes	Yes	Yes	Yes	Yes,	In process	By-law to be amended to adequately provide for Appeal mechanism in line with SPLUMA. SPLUMA LUS prepared and in process of public participation.
	Lekwa	Yes	Yes	Yes	Yes	Yes	No	By-law to be amended to adequately provide for Appeal Authority under Council.
	Msukaligwa	Yes	Yes	Yes	Yes	Yes	No	Municipality lacks funding to prepare and adopt a SPLUMA compliant LUS. Intervention needed in order to meet SPLUMA deadline for LUS in June 2020.
	Dr Pixley Ka Isaka Seme	Yes	Yes	No	Yes	Yes	No	

District	Municipality	2017/18							Reasons
		Municipal by-law	Tariffs	Delegations	Planning Tribunal	Appeal Mechanisms	SPLUMA Land Use Scheme		
NKANGALA	Emalahleni	Yes	Yes	Yes	Yes	Yes	In process	Municipality in process to prepare the SPLUMA LUS.	
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	No	Municipality plans to fund the SPLUMA LUS.	
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	No	Municipality lacks funding to prepare and adopt a SPLUMA LUS. The District	
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	No		
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	No	Municipality committed to fund the preparation of the Land Use Scheme	
Thembisile Hani	Yes	Yes	Yes	Yes	Yes	No			

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

5.3.2 Analysis of municipal performance on SPLUMA

Findings

- All municipalities adopted SPLUMA Municipal by-laws, determined tariffs, approved delegations and established Planning Tribunals during the period of the review.
- All municipalities also have Appeal Mechanisms. The appeal mechanism in the case of Gert Sibande Municipalities, with the exception of Govan Mbeki, is however not adequately addressed in their by-laws and need to be addressed.
- Only Bushbuckridge and Govan Mbeki Municipalities have adopted SPLUMA Land Use Schemes. All other municipalities except Lekwa have planned to review their Land Use Schemes in the 2018/19 financial year.

Challenges

- 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.
- Inadequate appeal mechanism in the By-Law of the Gert Sibande Municipalities
- Lack of funding in Lekwa municipality to prepare a SPLUMA compliant Land Use Schemes.

High probability of some municipalities (Lekwa, Msukaligwa, Dipaleseng and Dr Pixley Ka Isaka Seme) being unable to adopt SPLUMA compliant Land Use Schemes by June 2020 due to lack of funding.

Recommendations

- COGTA in collaboration with the District continues to support and monitor Municipalities on land use management in line with SPLUMA

Support Interventions by National and Provincial government

- Continuous monitoring of municipalities on SPLUMA implementation by DRDLR and COGTA
- Support by COGTA, SALGA and DRDLR through training on the different areas of SPLUMA including training of 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 Thaba Chweu and Chief Albert Luthuli Municipalities during the period under review.

5.4 INTEGRATED DEVELOPMENT PLANNING PROCESS

5.4.1 Legislative Framework

The 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.

5.4.2 Evolution of IDP's in the province

The Municipal Systems Act 32 of 2000 provides the legislative framework within which the preparation and review of Integrated Development Plan (IDP) is regulated. In addition the former National Department of Provincial and Local Government (DPLG) now Department of Cooperative Governance and Traditional Affairs (DCoG) in accordance with their legislative mandate supported by the then Germany Agency for Technical Cooperation (GTZ) produced an IDP Guide-pack to assist municipalities with the Integrated Development Planning process to produce IDPs.

Subsequent to the IDP Guide-pack a supplementary guide namely Integrated Development Planning: A Practical Guide to Municipalities was produced with the aim of providing practical methodological guidance to all role-players involved and to build capacity of those local government bodies which do not possess the skills and know-how to undertake the process independently, as well as to provide some ideas and practical guidance to those who are already engaged in the IDP process.

The state of local government report 2009, indicated that several municipalities were in distress and these municipalities had difficulties primarily in delivering expected services to communities. In response to the challenge DCoG in 2011 was mandated through Outcome 9, to develop and implement a differentiated approach to municipal financing, planning and support. Out of this process the Revised IDP Framework 2012 was developed to guide municipalities outside metro and secondary cities to develop IDPs that integrate and coordinate all government efforts towards achieving a floor of critical services in the three spheres of government.

Despite all these framework guides municipalities are still experiencing difficulties in producing IDPs that are legally sound, conform to the strategic planning standards for local government and that enable the municipalities to implement strategies and projects responsive to the issues affecting the municipal area. Therefore IDPs are not adequately achieving their strategic planning objectives of:

- a) Ensuring effective use of scarce resources;
- b) Speeding up service delivery by identifying and directing resources to least serviced areas within municipalities;
- c) Attracting additional funds by producing a clear municipal development plan;
- d) Strengthening democracy through active participation of all its stakeholders
- e) Overcoming the legacy of apartheid by directing resources to service rural areas and Integrate urban and rural areas; and
- f) Promoting intergovernmental coordination of the three spheres of government.

Table 36: Indicate municipalities with adopted 5 year IDPs (2017-22)

DISTRICT	Municipality	2015/16		2016/17		2017/18	
		Reviewed IDP	No of stakeholder who participated	Adopted IDP	No of stakeholder who participated	Reviewed IDP	No of stakeholder who participated
EHLANZENI	Bushbuckridge	Reviewed	17	Adopted	18	Reviewed	16
	City of Mbombela	Reviewed	30	Adopted	15	Reviewed	15
	Nkomazi	Reviewed	8	Adopted	10	Reviewed	10
	Thaba Chweu	Reviewed	14	Adopted	14	Reviewed	14
	Ehlanzeni	Reviewed	INP	Adopted	19	Reviewed	20
GERT SIBANDE	Chief Albert Luthuli	Reviewed	INP	Adopted	20	Reviewed	33
	Dipaleseng	Reviewed	13	Adopted	11	Reviewed	13
	Govan Mbeki	Reviewed	32	Adopted	32	Reviewed	29
	Lekwa	Reviewed	78	Adopted	22	Reviewed	20
	Mkhondo	Reviewed	INP	Adopted	31	Reviewed	31
	Msukaligwa	Reviewed	INP	Adopted	15	Reviewed	14
	Dr. Pixley Ka Isaka Seme	Reviewed	7	Adopted	8	Reviewed	11
	Gert Sibande	Reviewed	27	Adopted	27	Reviewed	27
NKANGALA	Emalahleni	Reviewed	INP	Adopted	40	Reviewed	55
	Emakhazeni	Reviewed	INP	Adopted	27	Reviewed	27
	Steve Tshwete	Reviewed	13	Adopted	13	Reviewed	16
	Victor Khanye	Reviewed	21	Adopted	18	Reviewed	21
	Dr. JS Moroka	Reviewed	INP	Adopted	18	Reviewed	17
	Thembisile Hani	Reviewed	38	Adopted	20	Reviewed	23
	Nkangala	Reviewed	INP	Adopted	24	Reviewed	25

(Source: Section 46 reports from municipalities)

Table 37: Status on the first review of 2018-19 municipal IDPs

District	Municipality	Tabling to Council	Council Resolution	Submission to MEC
Nkangala District	Nkangala	30 May 2018	DM/ND 369/05/2018	08 June 2018
	Steve Tshwete	31 May 2018	C62/05/2018	07 June 2018
	Dr JS Moroka	31 May 2018	R311.05.2018ND	06 June 2018
	Emalahleni	31 May 2018	A.085/18.	08 June 2018
	Emakhazeni	31 May 2018	35/05/2018	08 June 2018
	Victor Khanye	31 May 2018	S008/05/2018	08 June 2018
	Thembisile Hani	30 May 2018	TH-NDC:227 /05/2018	08 June 2018
Gert Sibande District	Gert Sibande	24 May 2018	C44/05/2018	01 June 2018
	Msukaligwa	31 May 2018	L M215/05/2018	08 June 2018
	Chief Albert Luthuli	27 March 2018	CL1.038	05 April 2018
	Dr. Pixley Ka Isaka Seme	31 May 2018	A76/2018	08 June 2018
	Govan Mbeki	29 May 2018	A48/05/2018	07 June 2018
	Mkhondo	30 May 2018	18/05/208A	06 June 2018
	Dipaleseng	29 May 2018	C102/05/2018	08 June 2018
	Lekwa	31 May 2018	A/40/2018	08 June 2018
Ehlanzeni District	Ehlanzeni	29 May 2018	A223/2018	07 June 2018
	Thaba Chweu	30 May 2018	A86/2018	08 June 2018
	Nkomazi	30 May 2018	NLM:GCM:A064/2018	08 June 2018
	Bushbuckridge	30 May 2018	BLM128/29/03/18	07 June 2018
	City of Mbombela	31 May 2018	A1	08 June 2018

(Source: Mpumalanga CoGTA IDP Directorate)

5.4.3 Analysis on compliance with the IDP process

Challenges during the IDP review process

The 2017-18 financial year represented the first annual review of the five year IDPs for the current term of Municipal Councils. There has been improvements in some areas during the process of reviewing IDPs by municipalities, in particular on issues relating to adherence to legislative requirements. However, some challenges were also experienced during the process and they require urgent attention from municipalities and the department to address during the next review of IDPs. Some of the problems identified revolve around the following issues –

- 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;
- Municipalities are unable to contribute own funding to their capital expenditure due to credit commitments, poor revenue collection and dependence on conditional grants;
- The lack of effective interventions in IDPs to address the triple challenges of unemployment, poverty and inequality is still a major problem;
- Municipalities are not timeously responding to community priorities and commitments in the IDP and this leads to discontent and service delivery protests in some communities;
- There is a concern that some of the programmes and projects of national and provincial departments are not addressing sectoral issues according to prioritisation in municipal IDPs; and
- The pace of development is slow in some of the rural areas in the province which are still facing major challenges in terms of access to government services.

Recommendations

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

- Municipalities must increase stakeholder participation in IDP engagements
- 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;
- CoGTA and Office of the Premier to establish a task team comprising of the three district municipalities, Provincial Treasury and SALGA to address issues of government-wide integration and alignment for consideration by the Director General.
- CoGTA to develop a chapter in the IDP on the integration of rural development issues in the next financial year; and
- CoGTA to support municipalities with mining towns to ensure that some of the priorities on the triple challenges are addressed through Social and Labour Plans (SLPs).

5.4.4 Support interventions by the department during the year under review

- Continuous monitoring of the process followed by municipalities in the IDP review of process and provision of support where challenges have been identified;
- Revised the Terms of Reference of the Provincial Planners and M&E Practitioners Forum to accommodate and address IDP specific sectoral issues;
- Provided capacity building to municipalities on the strategy review process, use of statistical data in strategy formulation;
- Assessed final IDPs of all municipalities and provided MEC comments on required improvement on the IDP process and documents;
- Conducted platform for municipalities to raise challenges and remedial actions on the review process through a Provincial IDP Engagement and Integration Session; and
- Continued to strengthen the involvement of national and provincial sector department in the municipal IDP processes.

5.4.5 Developed Disaster Management Policy Frameworks and Plans

Table 38: Indicate municipalities with Disaster Management Policy Framework and Plans

District	Municipality	2016/17			2017/18		
		Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans finalised	Disaster Management Centre fully established and fully functional	District Disaster Management framework	Disaster Management Plans
EHLANZENI	Bushbuckridge	Yes	Not statutory obligation	Yes	Yes	Not statutory obligation	Yes
	City of Mbombela	Yes	Not statutory obligation	Yes	Yes	Not statutory obligation	Yes
	Nkomazi	Yes	Not statutory obligation	Yes	Yes	Not statutory obligation	Yes
	Thaba Chweu	Yes	Not statutory obligation	Yes	Yes	Not statutory obligation	Yes
	Ehlanzeni District	Yes	In place	Yes	Yes	In place	Yes
GERT SIBANDE	Chief Albert Luthuli	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Dipaleseng	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Govan Mbeki	Yes	No a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Lekwa	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Mkhondo	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Msukaligwa	Yes	Not statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Dr. Pixley Ka Isaka Seme	Construction underway	Not a statutory obligation	Yes	Construction underway	Not a statutory obligation	Yes
	Gert Sibande	Established satellite centres in the local municipalities	In place	Yes	Yes	In place	Yes
NKANGALA	Emalahleni	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Emakhazeni	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Steve Tshwete	Operating at the fire station	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Victor Khanye	Operating at the fire station	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Dr. JS Moroka	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Thembisile Hani	Yes	Not a statutory obligation	Yes	Yes	Not a statutory obligation	Yes
	Nkangala District	Yes	Not a statutory obligation	Yes	Yes	In place	Yes

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

5.4.6 Analysis of municipalities' performance on readiness to mitigate disasters

Disaster Management Centres

- All three Districts Municipalities in the 2017/18 financial year complied with Section 43 of the Disaster Management Act of 2002 to establish Disaster Management Centres.

Disaster Management Frameworks

- Provincial Disaster Management (PMD), Policy framework available and aligned National Disaster Management.
- Ehlanzeni Disaster Management, Gert Sibande Disaster Management and Nkangala policy framework available and aligned with Provincial Disaster Management framework.

Disaster Management Plans

- Ehlanzeni District and its locals reviewed their Disaster Management Plan and in place.
- Gert Sibande District and its locals reviewed their Disaster Management Plan and in place
- Nkangala District and its locals reviewed their Disaster Management Plan and in place

Challenges

- Lack of budget
- Uncoordinated planning

Recommendations

- 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

Support Interventions by National and Provincial government

- Early warning alerts warnings are circulated to all stakeholders.
- Joint district operation committee established
- Standard operating producers for all identified risk developed

5.5 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development has been recognized as a critical approach to pursue within the context of empowered municipalities, pro-active actions by local communities, and the need to ensure that development is pro-poor in its focus and outcomes. However, even though LED has been encouraged in South Africa for over twenty years, it is apparent that it also has encountered its fair share of challenges.

LED strategies are at the centre of efforts by municipalities to create economic growth and development. It is a vital strategy at the disposal of all municipalities to increase the potential to radically improve the lives of all municipal constituents by enabling growth and reducing poverty. However, the strategies associated with LED are not to be viewed as a quick-fix solution to the social economic challenges. There are a myriad of potential challenges and obstacles that need to be overcome in implementing such a comprehensive strategy – from local political conditions to the impact of globalization. In essence, the aim of an effective LED strategy is to reduce the impact of factors that adversely affect local economic growth – such as the rapid increase in urbanisation (which affects all municipalities in some way), as well as global economic ruptures, such as the financial crisis which had a significant impact during the year under review. In order to mitigate these risks, LED requires absolute and buy-in from the various stakeholders, especially the private sector, in development and implementation.

An LED strategy is a critical sector plan forming an integrated part of the Integrated Development Plan guiding the economy of each municipality.

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

Table 39: Capacity of planning and implementing LED functions in municipalities through effective LED Unit

Districts	Municipality	2015/16		2016/17		2017/18	
		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	3	9	4
	City of Mbombela	41	11	41	11	42	8
	Nkomazi	10	6	10	7	10	4
	Thaba Chweu	2	1	2	1	2	1
	Ehlanzeni DM	15	7	15	7	15	7
	TOTAL	65	23	62	22	78	24
GERT SIBANDE	Chief Albert Luthuli	8	3	8	3	8	3
	Dipaleseng	7	2	3	1	3	1
	Govan Mbeki	4	2	5	1	5	2
	Lekwa	2	2	4	3	2	1
	Mkhondo	4	3	2	2	2	2
	Msukaligwa	3	2	4	0	4	3
	Dr. Pixley Ka Isaka Seme	2	2	2	1	2	1
	Gert Sibande DM	10	9	10	9	13	12
	TOTAL	30	16	28	11	39	25
NKANGALA	Emalahleni	5	5	5	5	5	5
	Emakhazeni	2	2	5	2	5	2
	Steve Tshwete	2	2	2	2	3	2
	Victor Khanye	2	1	2	2	2	2
	Dr. JS Moroka	1	1	2	2	2	1
	Thembisile Hani	3	3	3	2	3	3
	Nkangala DM	11	6	11	6	11	6
	TOTAL	15	14	19	15	31	21
PROVINCIAL TOTALS	110	53	109	48	148	70	

(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 2017/18 FY and only 24 filled, while 39 posts were approved and 25 filled within the Gert Sibande District. Lastly, 31 posts were approved within the Nkangala District and 21 were filled.

5.5.2 Existence of LED strategies and plans

Table 40: Indicate municipalities with LED strategies and plans

DISTRICT	Municipality	2015/16			2016/17			2017/18			Reason for no strategy in place
		LED strategy re-viewed /developed	LED strategy approved	LED strategy implemented	LED strategy re-viewed /developed	LED strategy approved	LED strategy implemented	LED strategy re-viewed /developed	LED strategy approved	LED strategy implemented	
EHLANZENI	Bushbuckridge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	City of Mbombela	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Nkomazi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Thaba Chweu	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Ehlanzeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
GERT SIBANDE	Chief Albert Luthuli	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dipaleseng	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Govan Mbeki	Yes	Yes	Yes	Yes	Yes	Yes	yes	Yes	Yes	None
	Lekwa	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	The LED Strategy is outdated and has not been reviewed. Lack of funding for identified LED initiatives
	Mkhondo	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Msukaligwa	Yes	No	No	Yes	Yes	Yes	No	No	No	Stakeholder consultation impossible due to ongoing protest
	Dr. Pixley Ka Isaka Seme	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Not implemented due to financial constraints
NKANGALA	Gert Sibande	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emalaheni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Emakhazeni	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Steve Tshwete	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Victor Khanye	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
	Dr. JS Moroka	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Funding constrains for LED initiatives
	Thembisile Hani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None
Nkangala	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	None	

(Source: Section 46 reports from municipalities)

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

Findings

- In 2015/16 financial year all municipalities had reviewed or developed their LED strategies except for Umjindi local municipality due to the amalgamation with Mbombela local municipality. Msukaligwa, Emakhazeni, and Dr.JS Moroka did not implement their LED strategies. In 2016/17 all Municipalities had LED strategies and were implementing them. In 2017/18 financial year 16 Municipalities in the Province were implementing LED strategy with the exception of Lekwa, Msukaligwa, Dr Pixley Ka Isaka Seme, and Dr JS Moroka .The following local municipalities (Lekwa, Dr JS Moroka and Dr Pixley Ka Isaka Seme) are not fully implementing their LED Strategies due to financial constraints while Msukaligwa is not implementing due to ongoing protests which makes it impossible for stakeholder consultation.

5.5.3 Functionality of LED stakeholder forum

Table 41: Municipalities with functional LED stakeholder forum

Districts	Municipality	LED Forums functional 2015/16	LED Forums functional 2016/17	LED Forums functional 2017/18
EHLANZENI	Bushbuckridge	No	No	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	Yes
	Mkhondo	Yes	Yes	Yes
	Msukaligwa	No	No	No
	Dr. Pixley Ka Isaka Seme	Yes	Yes	No
	Gert Sibande	Yes	Yes	Yes
NKANGALA DISTRICT	Emalahleni	Yes	Yes	Yes
	Emakhazeni	Yes	Yes	Yes
	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 2015/16 financial year, all municipalities had LED stakeholder forums except for Bushbuckridge and Msukaligwa Local Municipalities
- While in the 2016/17 financial year, all municipalities had LED stakeholder forums except for 2 municipalities, that is, Msukaligwa and Bushbuckridge Local Municipalities.
- Due to ongoing protest in Msukaligwa and financial constraints in Dr Pixley Ka Isaka Seme, the LED forums are not functional.

Challenges in LED Strategy implementation & LED forum

- Capacity constraints are a major challenge as to why the municipalities are not reviewing/implementing their LED strategies, 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 local municipality has not had a functional LED Forum for the past three years as a result of political challenges
- 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.

- 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 challenges at Lekwa and Msukaligwa has been elevated to the office of the MEC of CoGTA & DEDET after numerous unsuccessful attempts from COGTA to launch the LED Forum

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 42: Indicate activities in support of SMME by Municipalities

Districts	Municipality	Activity	Outcome
GERT SIBANDE	Chief Albert Luthuli	<input type="checkbox"/> Support to SMME's	<input type="checkbox"/> 60 SMME's and Co-operatives were appointed and supported <input type="checkbox"/> LED forum was launched in May 2017
	Msukaligwa	<input type="checkbox"/> Support provided to SMME's	<input type="checkbox"/> 14 SMME's trained <input type="checkbox"/> Cooperatives registered and supported
	Lekwa	<input type="checkbox"/> Support SMMEs through local content procurement 30%	<input type="checkbox"/> SMMEs, Cooperatives benefiting from supply of goods and services
	Govan Mbeki	<input type="checkbox"/> Govan Mbeki business incubation programme	<input type="checkbox"/> The municipality have engaged with the process to establish an incubation for enterprise and supply development to empower smmes and cooperatives with tools and services that will enhance their performance and access to procurement opportunities both in public and private sectors
	Dipaleseng	<input type="checkbox"/> Training <input type="checkbox"/> Registration	<input type="checkbox"/> Implementation to be able to complete tender documents <input type="checkbox"/> Compliant with legislative requirements <input type="checkbox"/> Optimal Participation on RFQ's
	Mkhondo	<input type="checkbox"/> Cooperative Day/ SMME Fair	<input type="checkbox"/> Cooperative day was held on the 24 April 2018 SMME Fair 20 June 2018 <input type="checkbox"/> Cooperative assisted to register on the central supplier data base <input type="checkbox"/> SMME's and Cooperatives were supported with materials to improve productivity of their business
	Pixley ka Isaka Seme	<input type="checkbox"/> Trainings and Workshops to SMME's and Co-operatives provided	<input type="checkbox"/> Ongoing support to Local SMME's and Co-operatives in terms of training and development. The Municipality in partnership with other Government Stakeholders train SMME's and Co-operatives on a monthly basis.
	Gert Sibande District	<input type="checkbox"/> SMME training	<input type="checkbox"/> SMME's Capacity building

Districts	Municipality	Activity	Outcome
NKANGALA	Victor Khanye	<input type="checkbox"/> SMME training	<input type="checkbox"/> SMMEs were given information regarding SMME's compliance in relation to tax BEE and company registration.
	Emakhazeni	<input type="checkbox"/> Contractor development programme	<input type="checkbox"/> To Improve CIDB grading.
	Dr JS Moroka	<input type="checkbox"/> Training of SMME's <input type="checkbox"/> Coordination of Workshops <input type="checkbox"/> Grants from DTI	<input type="checkbox"/> Developed skills and advanced knowledge in business management <input type="checkbox"/> SMME's can prepare and analyse business plan <input type="checkbox"/> SMMEs to buy their electronic equipment's
	Thembisile Hani	<input type="checkbox"/> Training on Business start u and management <input type="checkbox"/> Product development & pricing training provider MEGA <input type="checkbox"/> Funding opportunities & product packaging by SEDA <input type="checkbox"/> Business Marketing by Ithemba Lamphakathi <input type="checkbox"/> Food & beverage program by Dept of Tourism <input type="checkbox"/> Housekeeping training MTPA	<input type="checkbox"/> Informed SMME's especially on the Moloto (R573) road Upgrade <input type="checkbox"/> More profit realised on sales <input type="checkbox"/> Improved quality of products <input type="checkbox"/> Exposure to global markets and exporting opportunities <input type="checkbox"/> More clients and exposure <input type="checkbox"/> Better handling and improved cooking skills <input type="checkbox"/> Well trained staff and better service to customers.
	Emalahleni	<input type="checkbox"/> Training of SMME on business management.	<input type="checkbox"/> Ability in terms of sound business practices and critical documentation.
	Nkangala District	<input type="checkbox"/> 2017/18 Mining Summit	<input type="checkbox"/> The District Hosted the Mining and Big Business Summit to; provide socio-economic development within their local communities and to create conducive environment for economic development <input type="checkbox"/> Brought together relevant stakeholders in the mining, EMMEs, Big Industries and Government, to brain storm and deliberate on key developmental issues and to create partnership and collaborations.
	Steve Tshwete	<input type="checkbox"/> Skills development programme training; 1 informal businesses <input type="checkbox"/> Completed 1 st phase of the industrial park <input type="checkbox"/> Flea market, facilitated the establishment of the Galitos and Dunlop container business	<input type="checkbox"/> Qualification for further assistance e.g Equipment <input type="checkbox"/> 3 industrial workshops (a place where they can operate their business). <input type="checkbox"/> Ownership of the franchise.

Districts	Municipality	Activity	Outcome
EHLANZENI	Thaba Chweu	<input type="checkbox"/> Job creation <input type="checkbox"/> Launch Tourism Projects <input type="checkbox"/> EDM implemented the SMME Mentorship Programme for the 2017/2018 financial year and Thaba Chweu Local Municipality was assisted with the same SMMEs as the previous year.	<input type="checkbox"/> 138 jobs created through the LED initiatives and 02 SMME's or cooperatives were mentored. <input type="checkbox"/> The Graskop Gorge Lift Center was launched <input type="checkbox"/> The following SMMEs were selected: Areduchap Cooperative from Pilgrims Rest and Dikgapa Agricultural Cooperative from Moremela
	Bushbuckridge	<input type="checkbox"/> Support to SMME's	<input type="checkbox"/> 245 SMME's supported and 2269 job opportunities created through LED initiatives (opening of Dwarsloop Mall)
	Nkomazi	<input type="checkbox"/> SMME's Development	<input type="checkbox"/> Developed SMME's database <input type="checkbox"/> SMME's and Cooperative development <input type="checkbox"/> SEZ marketing <input type="checkbox"/> Hawkers stalls built which benefitted 16 hawkers
	City of Mbombela	<input type="checkbox"/> Construction of Job Linkage Centre programme <input type="checkbox"/> Economic development programmes	<input type="checkbox"/> 98.43% of Job Linkage centres completed <input type="checkbox"/> 8 cooperatives supported <input type="checkbox"/> 14 youth enterprises supported 50 learners trained
	Ehlanzeni District	<input type="checkbox"/> SMME's /Cooperatives Development and mentorship programme	<input type="checkbox"/> 7 SMME's /Cooperatives were supported from the mentorship programme

(Source: Section 46 reports from municipalities)

5.5.4.1 Analysis on the municipal plans to stimulate second economy

Findings

- In 2017/18 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
- Local SMMEs benefitted from providing services to the implementation of anchor Projects such as the Kusile Power Station in Emalahleni Local Municipality.

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

- There is a need for Capacity Building for SMMEs 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 SMMEs and also give effect to National Treasury Preferential Procurement Regulation of 30% for local SMMEs.
- Municipalities through their respective LED Unit 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 43: Indicate No of employment opportunities created through EPWP

District	Municipality	2016/17								2017/18							
		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
EHLANZENI	Bushbuckridge	464	0	876	64.15%	43.04%	0.11%	1994	2870	413	0	1.190	69.75%	50.92%	0.43%	567	2500
	City of Mbombela	921	0	1348	54.30%	44.06%	0.67%	863	2564	841	17	1.926	51.92%	43.30%	0.78%	371	2500
	Nkomazi	712	0	1361	58.41%	42.17%	0.22%	128	1975	672	0	1.178	53.48%	48.64%	0.08%	185	1400
	Thaba Chweu	116	0	517	64.99%	50.87%	0.58%	898	960	137	0	376	70.21%	57.18%	0.53%	82	960
	Ehlanzeni	284	0	306	53.27%	55.23%	2.29%	3889	8369	255	4	336	54.56%	49.23%	3.27%	1205	7360
GERT SIBANDE	Chief Albert Luthuli	132	0	311	71.06%	54.98%	0.00%	249	3106	217	0	449	64.82%	49.44%	0.22%	132	3200
	Dipaleseng	99	0	233	52.36%	34.76%	0.43%	143	1148	92	0	177	53.67%	48.59%	0.56%	107	1204
	Govan Mbeki	140	0	525	61.52%	63.43%	0.19%	125	1208	126	0	238	65.55%	45.80%	0.42%	48	1159
	Lekwa	7	0	54	70.37%	14.81%	0.00%	94	1217	10	0	110	60.91%	48.18%	0.00%	37	1072
	Mkhondo	201	0	367	77.11%	43.87%	0.00%	165	1822	147	0	480	75.62%	37.29%	0.42%	246	1765
	Msukaligwa	125	0	236	71.19%	34.74%	0.00%	181	1212	280	0	487	68.58%	39.22%	1.23%	163	1003
	Dr. Pixley Ka Isaka Seme	76	0	225	76.89%	42.22%	0.00%	177	1152	111	0	229	69.43%	48.03%	0.44%	79	1200
	Gert Sibande	276	17	360	56.11%	69.44%	0.00%	1134	10 865	277	0	428	52.80%	65.65%	0.00%	812	10 603
NKANGALA	Emalahleni	401	0	768	53.51%	35.55%	1.30%	238	1137	437	0	632	50.32%	37.50%	0.16%	222	985
	Thembisile Hani	136	0	308	72.73%	47.08%	0.65%	178	1410	160	4	406	72.91%	52.22%	4.19%	116	1 328
	Emakhazeni	62	0	181	75.14%	41.99%	0.00%	84	811	40	0	180	61.11%	48.33%	0.00%	52	802
	Steve Tshwete	489	0	1348	38.87%	75.15%	0.59%	128	1060	373	3	1.178	59.08%	23.43%	0.00%	103	1090
	Victor Khanye	144	0	320	58.12%	52.50%	5.94%	129	1230	152	0	646	48.61%	50.62%	1.08%	344	1 159
	Dr. JS Moroka	219	0	922	38.29%	69.41%	1.08%	502	1542	258	0	1.060	34.15%	66.04%	0.00%	464	1450
	Nkangala	336	0	677	64.55%	44.16%	1.62%	1259	7190	153	13	510	66.67%	48.82%	1.96%	1301	6814

(Source: 2016/17 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 the 2016/17 a total of 5 342 jobs were created across municipalities in the three districts of which 37% were occupied by the designated groups (62% were held by the youth, 48% by women and 0.78% by people with disabilities). 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.

Challenges in LED Strategy implementation

- Youth, women and people with disabilities represent a small fraction in the municipal workforce.

Recommendations

It hereby recommended that :

- Municipalities must make a concerted effort to comply with their Employment Equity Plan

Support Interventions by National and Provincial government

- Provincial Cogta supported municipalities through the implementation of youth waste and 130 work opportunities were created.
- Provincial Cogta supported the implementation of Community Works Programme (CWP) and 26 059 work opportunities were created.

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 44: Indicate municipalities audit outcomes

Districts	Municipality	Audit Opinion 2015/16				Audit Opinion 2016/17				Audit Opinion 2017/18			
		Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
EHLANZENI	Bushbuckridge	Yes				Yes					Yes		
	City of Mbombela	Yes				Yes				Yes			
	Nkomazi	Yes				Yes				Yes			
	Thaba Chweu			Yes				Yes			Yes		
	Ehlanzeni district	Yes (Clean)				Yes (Clean)				Yes			
GERT SIBANDE	Chief Albert Luthuli		Yes			Yes				Yes			
	Dipaleseng	Yes				Yes					Yes		
	Govan Mbeki	Yes				Yes						Yes	
	Lekwa	Yes				Yes					Yes		
	Mkhondo		Yes			Yes					Yes		
	Msukaligwa		Yes				Yes						Yes
	Dr. Pixley Ka Isaka Seme	Yes				Yes				Yes			
	Gert Sibande District		Yes			Yes				Yes (Clean)			
NKANGALA	Emalahleni			Yes			Yes				Yes		
	Emakhazeni		Yes				Yes				Yes		
	Steve Tshwete	Yes				Yes (Clean)				Yes			
	Victor Khanye		Yes				Yes				Yes		
	Dr. JS Moroka		Yes				Yes						Yes
	Thembisile Hani	Yes					Yes				Yes		
	Nkangala	Yes (Clean)				Yes (Clean)				Yes			

(Source Auditor General Report 2017/18)

Audit Outcome	2016/17				2017/18			
	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		Thembisile Hani LM, Gert Sibande DM and Bushbuckridge LM	Dr JS Moroka LM and Emalahleni LM		Gert Sibande DM		Thaba Chweu LM	
Unchanged	Ehlanzeni DM and Nkangala DM	Dr Pixley ka Isaka Seme LM, City of Mbombela LM, Lekwa LM, Govan Mbeki LM, Dipaleseng LM and Nkomazi LM	Emakhazeni LM, Victor Khanye LM, Msukaligwa LM, Mkhondo LM and Chief Albert Luthuli LM	Thaba Chweu LM		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	
Regressed		Steve Tshwete LM				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
Total	2	11	7	1	1	7	9	3

(Source Auditor General Report 2017/18)

5.6.2.2 Analyses of the Audit Outcomes

Findings

- In respect of district municipalities: 1 Clean Audit: Gert Sibande and 2 Unqualified opinion with findings: Ehlanzeni and Nkangala;
- In respect of local municipalities: 5 Unqualified with findings, 9 Qualified with findings, 2 Adverse and 1 Disclaimer opinions.

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

- 2 Municipalities (Thaba Chweu and Gert Sibande) improved from the prior year;
- 9 Municipalities remained unchanged from the previous year namely: Chief Albert Luthuli, City of Mbombela, Nkomazi, Steve Tshwete, Dr Pixley ka Isaka Seme, Mkhondo, Victor Khanye, Emakhazeni, Emalahleni;
- 9 Municipalities regressed namely Ehlanzeni, Nkangala, Bushbuckridge, Dipaleseng, Lekwa, Thembisile Hani, Msukaligwa, Dr JS Moroka and Govan Mbeki.

Status of compliance with legislation over the past three years

- In 2015/16 financial year 18 out of 21 (85.71%) municipalities were with findings and only 3 were without findings;
- In 2016/17 financial year 18 out of 20 (90%) municipalities were with findings and only 2 were without findings;
- In 2017/8 financial year 19 (95%) out of 20 municipalities were with findings and only 1 was without findings.

Summary of 2017/18 Municipal Audit Outcomes

There are 1 909 audit findings raised by the AGSA during 2017/18 audit process.

- The total number of **931 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;
- Non Compliance with Laws and Regulations is rated as the second highest of the problematic areas within our municipalities, especially Supply Chain Management matters, which account for **374 or 20%** 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;
- Internal Control deficiencies is rated as the third highest of issues affecting our municipalities with **364 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;
- Misstatement of Annual Report is rated fourth with a total findings of **186 or 10%** followed by Service Delivery with **54 or 3%** 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 2017/18 Municipal Audit Outcomes per District

- Gert Sibande Municipalities take a lead with **396 or 43%** on the misstatement of Annual Financial Statements issues raised by the Auditor General, followed by Nkangala Municipalities (**345 or 37%**) and Ehlanzeni Municipalities (**190 or 20%**);
- The Analysis revealed that Gert Sibande Municipalities are rated the highest on Non-Compliance with Laws and Regulations (**166 or 44%**), Internal Control Deficiencies (**194 or 53%**), as well as Service Delivery (**51 or 94%**) challenges;
- Nkangala Municipalities are rated the second highest on Non-Compliance with Laws and Regulations (**104 or 28%**), Internal Control Deficiencies (**100 or 27%**), Annual Report misstatements (64 or 34%) as well as Service Delivery (**2 or 4%**) challenges;
- Ehlanzeni Municipalities are the lowest with Internal Control Deficiencies (**70 or 19%**), Non Compliance with Laws and Regulations (**104 or 28%**), Annual Report misstatements (**74 or 40%**) as well as Service Delivery (**1 or 2%**) challenges.

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

- Msukaligwa accounts for 224 or 12% of the total findings;
- Dipaleseng accounts for 181 or 9% of the total findings;
- Govan Mbeki accounts for 178 or 9% of the total findings;
- Victor Khanye accounts for 155 or 8% of the total findings;
- Bushbuckridge accounts for 153 or 8% of the total findings;
- Thaba Chweu accounts for 137 or 7% of the total findings;
- Emakhazeni accounts for 124 or 6% of the total findings;
- Emalahleni accounts for 118 or 6% of the total findings;
- Lekwa accounts for 116 or 6% of the total findings;
- City of Mbombela accounts for 77 or 4% of the total findings.

it should be noted that the above audit outcomes for 2017/18 exclude Mkhondo LM because they didn't get the written management report from AG

Key observation on issues raised by AGSA in Nkangala District

- Victor Khanye takes a lead with 96 or 28% findings on the misstatement of Annual Financial Statements issues raised by the Auditor General, followed by Emalahleni (80 or 23%), Emakhazeni (76 or 22%), Thembisile Hani (31 or 9%), Dr JS Moroka (28 or 8%), Steve Tshwete (24 or 7%) and Nkangala District account for 10 or 3%, as per the AGSA report;
- Emalahleni is rated highest with (26 or 25%) issues of Non Compliance with Laws and Regulations, followed by Thembisile Hani (19 or 18%), Steve Tshwete (17 or 16%), Dr JS Moroka (15 or 14%), Victor Khanye (13 or 13%), Emakhazeni (9 or 9%) and Nkangala District (5 or 5%) as per the AGSA report;
- The analysis revealed that Emakhazeni is rated highest on Internal Control Deficiencies with 39 or 39% findings, followed by Nkangala District with (25 or 25%), Victor Khanye (13 or 13%), Dr JS Moroka (11 or 11%), Thembisile Hani with (6 or 6%), Steve Tshwete (5 or 5%), and Emalahleni (1 or 1%), as per the AGSA report;
- The municipality with highest issues on Annual Report Misstatements is Victor Khanye with 32 or 50% of the total findings, followed by Emalahleni (11 or 17%), Steve Tshwete (8 or 13%), Nkangala District and Dr JS Moroka are equal with 5 or 8% each, Thembisile Hani with (3 or 5%), and Emakhazeni have no findings as per the AGSA report;
- Emakhazeni has ten (10) 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 141 or 36% of the findings on the misstatement of Annual Financial Statements as raised by the Auditor General, followed by Govan Mbeki (106 or 27%), Dipaliseng (88 or 22%), Chief Albert Luthuli (32 or 8%), Lekwa (16 or 4%), Gert Sibande (1 or 3%) and Pixley Ka Isaka Seme have no findings as per the AGSA report;
- The analysis revealed that Lekwa is rated highest on Internal Control Deficiencies with 66 or 34% findings, followed by Pixley Ka Isaka Seme (55 or 28%), Msukaligwa (26 or 13%), Dipaleseng (24 or 12%), Govan Mbeki (12 or 6%) and the remaining municipalities account for 7 or 11%;
- Govan Mbeki registered the highest number of issues on Non Compliance with Laws and Regulations (42 or 25%) of the total findings, followed by Dipaliseng (35 or 21%), Msukaligwa (29 or 17%), Lekwa (25 or 15%), Pixley Ka Isaka Seme (19 or 11%) Chief Albert Luthuli (16 or 10%) and Gert Sibande have no findings as per the AGSA report;
- The municipality with highest issues on Annual Report Misstatements is Msukaligwa with 18 or 38% of the total findings, followed by Govan Mbeki (12 or 25%), Lekwa (9 or 18%), Gert Sibande (6 or 13%) Chief Albert Luthuli (3 or 6%), Pixley Ka Isaka Seme and Dipaliseng have no findings as per the AGSA report;
- Dipaliseng is leading on Service Delivery issues with 34 or 67% of total findings, followed by Msukaligwa (10 or 19%), Govan Mbeki (6 or 12%), and Pixley Ka Isaka Seme (1 or 2%) Gert Sibande, Chief Albert Luthuli and Lekwa have no findings as per the AGSA report.

Key observation on issues raised by AGSA in Ehlanzeni District

- Bushbuckridge takes a lead with 76 or 37% of findings on the misstatement of Annual Financial Statements as raised by the Auditor General, followed by Thaba Chweu (52 or 27%), City of Mbombela (33 or 17%), Nkomazi (24 or 13%) and Ehlanzeni (5 or 3%);
- In terms of the analysis Bushbuckridge is rated highest on Internal Control Deficiencies with 27 or 39% findings, followed by Thaba Chweu with (25 or 36%), Ehlanzeni (12 or 17%) and City of Mbombela with (6 or 9%);
- Thaba Chweu registered the highest number of issues on Non Compliance with Laws and Regulations (40 or 38%), followed by Bushbuckridge (30 or 29%), City of Mbombela and Nkomazi tally with (15 or 14%) each and Ehlanzeni with (4 or 4%);
- The municipality with highest issues on Annual Report Misstatements is City of Mbombela with 22 or 30% of the total findings, Thaba Chweu tally with Bushbuckridge on Annual Report Misstatements (20 or 27%) each, Nkomazi (12 or 16%) and Bushbuckridge account for the remaining (1 or 4%). Ehlanzeni did not record any finding 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 will 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 2017/18 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.

5.6.3 Percentage of Capital budget expenditure

Table 45: Indicate % of municipal Capital Budget Expenditure

District	Municipality	2015/16				2016/17				2017/18			
		R'000				R'000				R'000			
		Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%	Original budget	Adjusted	Actuals YTD	%
EHLANZENI	Bushbuckridge	460 915	574 843	416 237	72%	728 539	622 045	614 666	99%	553 041	553 041	445 208	81%
	Mbombela	-	-	-	0%	867 497	741 424	612 750	83%	607 134	592 979	528 560	89%
	Nkomazi	230 907	250 397	259 999	104%	354 405	376 058	254 181	68%	259 174	281 525	169 766	60%
	Thaba Chweu	44 278	44 278	73 547	166%	76 341	96 168	89 569	93%	112 170	116 769	88 834	76%
	EHLANZENI	-	-	-	0%	37 058,00	37 208,00	23 854,00	0%	44 547	39 267	25 813	65.74%
GERT SIBANDE	Chief Albert Luthuli	109 886	116 120	114 048	98%	245 264	243 965	356 910	146%	418 141	367 635	106 196	29%
	Dipaleseng	-	-	-	0%	21 645	21 645	25 347	117%	40 122	40 122	25 347	63%
	Govan Mbeki	-	-	-	0%	100 894	87 395	613 976	703%	104 396	104 396	48 686	47%
	Lekwa	14 400	14 380	14 353	72%	29 678	29 678	29 678	100%	65 828	65 828	34 363	52%
	Mkhondo	111 215	111 215	80 406	72%	0	0	80 700	0%	125 604	135 699	122 174	90%
	Msukaligwa	89 900	61 066	30 157	49%	76 064	77 064	46 900	61%	68 452	73 055	67 173	92%
	Dr. Pixley Ka Isaka Seme	-	-	-	0%	30 959	32 698	28 491	87%	41 429	41 351	41 351	100%
	GERT SIBANDE	-	-	-	0%	16 500	10 100	9 938	98%	-	-	9 464	0%
NKANGALA	Emalahleni	-	-	-	0%	261 138	317 703	157 491	50%	245 503	244 438	175 548	28.8%
	Emakhazeni	-	-	-	0%	75 841	76 427	57 407	75%	55 484	56 259	51 847	92%
	Steve Tshwete	236 369	323 870	274 433	85%	257 135	308 979	321 009	104%	282 174	290 154	268 129	92%
	Victor Khanye	-	-	-	0%	0	0	47 016	0%	5 171	5 171	18 294	0%
	Dr. JS Moroka	-	-	-	0%	123 602	123 602	121 108	98%	123 602	123 602	100 920	82%
	Thembisile Hani	119 139	125 087	125 087	100%	117 504	117 504	117 504	100%	153 363	156 325	109 062	70%
	NKANGALA	0	0	0	0%	8 050	39 339	34 803	88%	29 384	25 498	21 447	84%
Provincial TOTAL	1 417 009	1 621 256	1 388 267	86%	3 428 114	3 359 002	3 643 298	108%	3 334 719	3 313 114	2 458 182	74%	

(Source: Section 46 reports from municipalities)

5.6.3.1 Provincial Analysis of Capital Budget Expenditure

Findings

- The total capital budget was R3 313 114 and R2 458 182 was spent, which is 74% in 2017/18 which is a decrease in allocation of R45 888 and a decrease in expenditure of R 1 185 116, when compared to the total capital budget of R 3 359 002 and R3 643 298, which is 108%.

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 2019/20;
- 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.

5.6.4 Total municipal own revenue as a percentage of the actual budget

Table 46: Indicate total municipal own revenue as % of actual budget

Districts	Municipality	2015-2016				2016-2017				2017-2018 R'000			
		R'000				R'000							
		Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%	Budget	Adjustment Budget	Actual Expenditure	%
EHLANZENI	Bushbuckridge	1 319 476	1 581 099	1 414 656	89%	1 616 153	1 594 243	1 689 634	106%	1 582 979	1 641 179	1 623 705	99%
	Mbombela	2 559 653	2 742 287	2 439 482	89%	2 960 365	2 919 857	2 587 290	89%	3 331 379	3 290 446	2 931 081	89%
	Nkomazi	1 056 261	1 084 197	1 024 250	94%	1 067 701	1 139 406	1 128 651	99%	1 062 168	1 069 179	1 099 522	103%
	Thaba Chweu	486 791	580 333	529 937	91%	556 177	556 177	526 320	95%	655 811	671 552	552 456	82%
	Ehlanzeni DM	258 578	230 428	231 873	101%	236 391	238 482	237 782	100%	249 364	247 512	248 473	100%
Total		5 680 759	6 218 344	5 640 198	93%	5 369 086	6 448 165	6 169 677	96%	6 881 701	6 919 868	6 455 237	93%
GERTSIBANDE	Chief Albert Luthuli	-	-	-	0%	339 325	393 951	516 048	131%	418 140	445 534	571 114	128%
	Dipaleseng	166 812	173 393	200 065	115%	182 284	182 284	216 177	119%	199 926	199 926	335 503	168%
	Govan Mbeki	1 657 010	1 908 089	1 617 472	85%	1 799 173	1 796 037	1 642 571	91%	1 647 931	1 647 931	1 729 450	105%
	Lekwa	596 469	568 734	574 959	101%	575 966	575 966	617 322	107%	679 949	632 458	587 165	93%
	Mkhondo	444 005	636 256	576 866	91%	469 637	510 360	511 669	100%	601 872	622 273	599 359	96%
	Msukaligwa	544 172	581 698	581 522	100%	562 312	578 870	612 081	106%	609 066	608 022	681 393	112%
	Dr Pixley Ka Isaka Seme	290 650	291 988	259 058	89%	284 404	284 404	308 904	109%	297 500	297 500	336 906	113%
	Gert Sibande	-	-	-	0,00%	393 327	396 452	377 348	95%	420 885	453 035	451 436	100%
Total		3 699 118	4 160 158	3 809 942	92%	4 606 428	4 718 324	4 802 120	102%	4 875 269	4 906 679	5 292 326	108%
NKANGALA	Emalahleni	2 626 610	2 315 370	2 328 956	101%	2 882 486	2 904 486	2 470 382	85%	3 144 176	3 123 229	2 800 996	90%
	Emakhazeni	238 921	219 901	235 494	107%	216 955	192 107	227 049	118%	233 419	240 807	321 010	133%
	Steve Tshwete	1 471 793	1 507 999	1 418 658	94%	1 446 749	1 418 404	1 448 660	102%	1 409 357	1 459 687	1 473 413	101%
	Victor Khanye	399 100	407 939	452 087	111%	462 266	462 266	481 175	104%	469 709	471 259	342 840	73%
	Dr. JS Moroka	524 443	551 921	608 825	110%	556 292	531 426	621 871	117%	541 345	561 605	677 839	121%
	ThembiSile Hani	602 876	606 914	702 336	116%	626 852	691 637	812 345	117%	759 985	762 656	814 816	107%
	Nkangala DM	353 447	362 303	381 737	105%	357 882	368 675	387 883	105%	371 108	372 350	389 219	105%
Total		6 217 190	5 972 347	6 128 093	103%	5 102 733	6 569 001	6 449 365	98%	6 929 099	6 991 593	6 820 133	98%
TOTAL INCOME AGAINST BUDGET		15 597 067	16 350 849	15 578 233	96%	15 078 247	17 735 490	17 421 162	98%	18 686 069	18 818 140	18 567 696	99%

(Source: Section 46 reports from municipalities)

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 18 567 696** as at June 2018 constituting **98%** 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:
 - Emalahleni LM;
 - Emakhazeni LM;
 - Msukaligwa LM;
 - Thaba Chweu LM; and
 - 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

5.6.5 Rate of municipal debt reduction

Table 47: Indicate % rate of municipal debt reduction

District	Municipality	2016-2017 R'000					Total	Reduction or increase in debts	2017-2018 R'000					Total	Reduction or increase in debts
		Water & Electricity	Sewage & Refuse	Housing	Rates & Other				Water & Electricity	Sewage & Refuse	Housing	Rates & Other			
EHLANZENI	Bushbuckridge	192 237	69 663	2 602	245 712	510 214	47%	225 792	75 831	2 602	335 863	640 088	25%		
	Mbombela	158 956	101 323	-	51 318	311 597	4%	114 982	33 397	0	10 382	158 761	-49%		
	Nkomazi	15 419	2 559	-	21 545	39 523	19%	19 084	3 778	0	6 286	29 148	-26%		
	Thaba Chweu	100 229	39 120	-	8 239	147 588	16%	122 717	47 369	5 351	127 811	303 248	105%		
	Ehlanzeni	Not applicable						Not applicable							
Sub Total		466 841	212 665	2 602	326 814	1008 922	25%	482 575	160 375	7 953	480 342	1131 245	12%		
GERT SIBANDE	Chief Albert Luthuli	192 237	69 663	2 602	245 712	510 214	377%	29 663	94 027	0	26 129	149 819	-71%		
	Dipaleseng	158 956	101 323	0	51 318	311 597	-43%	89 042	108 474	0	122 381	319 897	3%		
	Govan Mbeki	418 351	226 114	0	217 051	861 516	100%	635 586	161 769	0	388 000	1185 355	38%		
	Lekwa	271 845	120 217	0	361 147	753 209	100%	273 595	134 055	0	414 797	822 447	9%		
	Mkhondo	113 093	74 096	0	78 530	265 719	35%	152 375	89 684	0	92 348	334 407	26%		
	Msukaligwa	205 401	136 040	0	125 696	467 137	18%	242 923	157 908	0	109 611	510 442	9%		
	Dr Pixley Ka Isaka Seme	111 535	65 468	-	202 800	379 803	100%	113 211	70 555	-	281 307	465 073	22%		
	Gert Sibande	Not applicable						Not applicable							
Sub Total		1 471 418	792 921	2 602	1 282 254	3 549 195	-68%	1 536 395	816 472	-	1 434 573	3 787 440	7%		
NKANGALA	Emalahleni	1 458 288	523 301	-	2 393 060	4 374 649	0%	1 939 684	670 839	-	804 564	3 415 087	19%		
	Emakhazeni	60 115	47 955	-	6 145	114 215	0%	78 042	52 163	-	84 825	215 030	88%		
	Steve Tshwete	42 125	15 507	59 535	54 249	171 416	183%	31 216	17 578	-	-	48 794	-72%		
	Victor Khanye	191 902	32 701	-	277 323	501 926	0%	239 898	31 885	-	306 818	578 601	15%		
	Dr. JS Moroka	74 034	35 670	-	169 458	279 162	38%	134 722	56 188	-	175 450	366 360	31%		
	Thembisile Hani	423 676	159 878	-	215 835	799 389	688%	467 830	176 539	-	238 328	882 697	10%		
	Nkangala DM	Not applicable						Not applicable							
Sub Total		2 250 140	815 012	59 535	3 116 070	6 240 757	758%	2 891 392	1 005 192	-	1 609 985	5 506 569	-12%		
Total Debts		4 188 399	1 820 598	64 739	4 725 138	10 798 874	-13%	4 910 362	1 982 039	7 953	3 524 900	10 425 254	-3%		

(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 10 425 254 billion** in the 2017/18 financial and **R 10 798 874 billion** in 2016/17 which Indicates a significant decrease of **R 373 620** in municipal debt.

Challenges

- Information on invoices send 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

- Continues 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;
- Tariffs of all 20 municipalities were assessed for cost reflectiveness during the 2017/18 budget analysis. A workshop was conducted to introduce municipalities to the Tariff Model as developed by NT and SALGA. The tool was provided to all municipalities;
- 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 2017- June 2018

Table 48: 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
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	697 473.07	26 348.98	26 142.49	25 899.14	626 858.46
Economic Development and Tourism	-	-	-	-	-
Education	7 229 193.84	345 126.85	310 794.01	282 876.39	6 479 307.71
Public Works, Roads and Transport	27 806 087.11	910 166.39	899 442.61	885 263.95	25 111 214.16
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	5 937.93	12 871.09	-	-	-
Health (Hospitals)	65 070.86	7 707.55	7 725.18	7 052.81	42 585.32
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	35 803 762.81	1 302 220.86	1 244 104.29	1 201 092.29	32 259 965.65
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	11 674 883.08	510 515.79	506 398.92	502 662.60	10 155 305.77
National Department of Rural Development and Land Reform	12 056 136.22	685 997.35	680 082.71	674 168.20	10 015 887.96
Sub Total	23 731 019.30	1 196 513.14	1 186 481.63	1 176 830.80	20 171 193.73
Total	59 534 782.11	2498 734.00	2 430 585.92	2 377 923.09	52 431 159.38

(Source: National Local Government Database)

Table 49: 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
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
Economic Development and Tourism	-	-	-	-	-
Education	5 500 906,22	1 839 056,95	-	-	3 661 849,27
Public Works, Roads and Transport	1 026 328,15	270 223,32	-	-	756 104,83
Community Safety Security and Liaison	12 155,09	6 487,73	-	-	5 667,36
Health	962 135,19	180 222,86	-	-	781 912,33
Culture Sport and Recreation	815 511,77	289 560,89	-	-	525 950,88
Social Development	2 407,81	824,01	-	-	1 583,80
Human Settlements	-	-	-	-	-
Sub Total	8 434 308,34	2 594 188,42	0,00	0,00	5 840 119,92
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	2 058 425,10	478 911,84	-	-	1 579 513,26
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	2 058 425,10	478 911,84	-	-	1 579 513,26
Total	10 492 733,44	3 073 100,26	-	-	7 419 633,18

*(Source: National Local Government Database)***Table 50: 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 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 Parks)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	-	-	-	-	-
Total	-	-	-	-	-

(Source: National Local Government Database)

Table 51: 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	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	445 241.60	92 803.89	22 460.35	1 752.10	328 225.26
Public Works, Roads and Transport	646 815.94	571 267.61	142 761.16	45 548.35	-112 761.18
Community Safety Security and Liaison	10 007.53	10 007.52	0.01	-	-
Health (Clinics)	-	-	-	-	-
Health (Hospitals)	343 581.35	354 402.91	45.45	-10 867.01	
Culture Sport and Recreation	33 247.96	11 562.57	10 449.89	9 197.43	2 038.07
Social Development	390 967.93	36 683.23	21 192.86	3 998.67	329 093.17
Human Settlements	-	-	-	-	-
Sub Total	1 869 862.31	1 076 727.73	196 909.72	49 629.54	546 595.32
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	4 420 297.01	1 060 842.51	315 708.00	135 362.64	2 908 383.86
National Department of Rural Development and Land Reform	278 636.82	10 345.50	10 345.50	10 345.50	247 600.32
Sub Total	4 698 933.83	1 071 188.01	326 053.50	145 708.14	3 155 984.18

(Source: National Local Government Database)

Table 52: Co-ordinated payments made to THEMBISILE HANI LOCAL 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 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	-	-	-	-	-

(Source: National Local Government Database)

Table 53: 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	11 047,89	3 707,59	3 670,50	-	1 206,94
Economic Development and Tourism	-	-	-	-	-
Education	3 355 954,56	185 779,52	176 498,55	52 456,91	294 121,58
Public Works, Roads and Transport	104 420,50	51 170,88	43 772,94	43 772,94	33 650,08
Community Safety Security and Liaison	8 546,88	671,04	664,96	658,88	6 552,00
Health-clinic	9 734 257,81	113 096,40	113 600,58	134 067,87	9 253 139,36
Health-Hospital	171 380,66	171 380,66	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	6 409,32	3 278,21	-	-	90,91
Human Settlements	-	-	-	-	-
Sub Total	13 392 017,62	529 084,30	340 654,77	233 366,24	12 168 558,71
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-	-	-	-	-
National Department of Rural Development and Land Reform	-	-	-	-	-
Sub Total	314 540,27	136 288,61	75 890,74	73 834,09	2 859 476,83
Total	16 537 507,89	665 372,98	416 545,51	307 200,33	15 028 035,54

(Source: National Local Government Database)

Table 54: 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 Affairs	708 520.96	30 056.57	29 812.99	28 362.00	628 065.40
Economic Development and Tourism	-	-	-	-	-
Education	12 004 969.17	925 193.66	830 104.84	605 189.52	11 186 184.77
Public Works, Roads and Transport	32 600 898.78	1 549 772.53	1 100 063.09	987 122.27	28 963 940.89
Community Safety Security and Liaison	15 132.01	15 225.92	3 381.48	3 575.35	15 739.02
Health (Clinics)	9 751 616.80	144 235.80	130 788.60	145 933.30	9 278 990.94
Health (Hospitals)	697 724.88	647 782.72	104 648.34	83 038.13	189 087.39
Culture Sport and Recreation	33 247.96	11 562.57	10 449.89	9 197.43	2 038.07
Social Development	402 748.77	33 922.96	26 112.57	8 261.15	331 992.72
Human Settlements	-	-	-	-	-
Sub Total	56 214 859.33	3 357 752.73	2 235 361.80	1 870 679.15	50 596 039.20
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	19 440 094.18	1 964 522.89	1 094 376.07	903 240.14	16 583 346.59
National Department of Rural Development and Land Reform	12 438 518.08	712 833.45	708 928.70	704 573.33	10 312 182.60
Sub Total	31 878 612.26	2 677 356.34	1 803 304.77	1 607 813.47	26 895 529.19

(Source: National Local Government Database)

Table 55: 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 the Premier	-	-	-	-	-
Finance	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	1 334 520.17	166 915.30	21 815.47	25 917.33	1 119 872.07
Public Works Roads and Transport	248 886.45	19 878.66	9 062.76	7 316.94	212 628.09
Community Safety Security and Liaison	633 705.60	87 899.64	33 035.18	71 612.58	441 158.20
Health (Clinics)	6 494.91	6 494.91	-	-	-
Health (Hospitals)	-	-	-	-	-
Culture Sports and Recreation	-	-	-	-	-
Social Development	50 570.55	21 402.19	5 357.67	6 114.68	17 696.01
Human Settlements	-	-	-	-	-
Sub Total	2 274 177.68	302 590.70	69 271.08	110 961.53	1 791 354.37
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-116 568.07	10 449.95	2 386.48	-168 261.00	38 856.50
National Department of Rural Development and Land Reform	854 331.90	28 814.76	14 407.40	657 866.00	153 243.74
Sub Total	737 763.83	39 264.71	16 793.88	489 605.00	192 100.24
Total	3 011 941.51	341 855.41	86 064.96	600 566.53	1 983 454.61

(Source: National Local Government Database)

Table 56: 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	Payment recieved for the mont
Office of Premier	-	-	-	-	-	-
Finance	-931.77	-	-	-	-931.77	-
Co-operative Governance and Traditional Affairs	-	-	-	-	-	-
Agriculture, Rural Development and Environmental Affairs	491 048.66	8 721.78	73 255.10	286 864.99	122 206.79	64 344.14
Economic Development and Tourism	-	-	-	-	-	-
Education	1 406 136.90	322 784.40	175 264.57	97 471.44	810 616.49	252 570.46
Public Works Roads and Transport	963 825.04	71 509.51	70 902.32	66 389.12	622 813.83	74 729.04
Community Safety and Liaison	-	-	-	-	-	-
Health (Clinics)	290 141.98	142 944.07	14 693.96	223.95	-	29 365.45
Health (Hospitals)	-	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-	-
Social Development	70 991.30	16 274.34	13 386.72	8 559.99	13 993.82	7 702.59
Human Settlements	-	-	-	-	-	-
Sub Total	3 221 212.11	562 234.10	347 502.67	459 518.49	1 568 699.16	428 711.68
SANPARKS (Kruger National Park)	-	-	-	-	-	-
National Department of Public Works	4 486 908.59	504 082.11	442 732.86	213 059.50	3 327 034.12	215 473.59
National Department of Rural Development and Land Reform	1 809 696.74	645 138.96	71 605.06	71 605.06	1 021 347.66	-
Sub Total	6 296 605.33	1 149 221.07	514 337.92	284 664.56	4 348 381.78	215 473.59
Total	9 517 817.44	1 711 455.17	861 840.59	744 183.05	5 917 080.94	644 185.27
SARS Offices	-	-	-	-	-	-
Water Board/Affairs	-	-	-	-	-	-
Other Municipality	-	-	-	-	-	-
SANRAL	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-
This should balance to Section 71 Reort Totals	9 517 817.44	1 711 455.17	861 840.59	744 183.05	5 917 080.94	644 185.27

(Source: National Local Government Database)

Table 57: 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 the Premier	-	-	-	-	-
Finance	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	4 197 343.10	471 981.78	545 734.01	312 279.27	2 454 865.88
Public Works Roads and Transport	4 055 799.23	97 974.72	-229 512.96	171 610.17	2 921 892.36
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	-	-	-	-	-
Health (Hospitals)	921 850.85	453 815.47	3 000.89	49 440.50	205 161.99
Culture Sports and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlements	-	-	-	-	-
Sub Total	9 174 993.18	1 023 771.97	319 221.94	533 329.94	5 581 920.23
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	4 428 743.39	490 047.96	-1 003 753.36	106 248.13	4 520 964.68
National Department of Rural Development and Land Reform	2 938 170.66	95 519.28	94 491.80	102 187.14	1 470 629.76
Sub Total	7 366 914.05	585 567.24	(909 261.56)	208 435.27	5 991 594.44
Total	16 541 907.23	1 609 339.21	(590 039.62)	741 765.21	11 573 514.67

*(Source: National Local Government Database)***Table 58: 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 the Premier	-	-	-	-	-
Finance	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	1 045 223.35	1 517 262.27	2 026 631.04	3 336 746.79	4 575 047.07
Economic Development and Tourism	-	-	-	-	-
Education	12 886 507.67	1 279 567.54	2 660 043.31	2 966 598.54	3 024 198.38
Public Works Roads and Transport	17 055 264.86	1 467 936.49	2 478 640.39	4 035 465.02	4 774 007.59
Community Safety Security and Liaison	109 797.29	10 517.22	13 589.56	32 647.39	49 763.89
Health (Clinics)	68 024.31	9 837.12	14 576.33	20 274.89	46 452.98
Health (Hospitals)	168 068.05	10 413.05	12 159.98	98 379.42	165 068.05
Culture Sports and Recreation	-	-	-	-	-
Social Development	2 518 902.66	433 369.49	535 479.49	730 375.49	624 375.49
Human Settlements	45 830.93	3 359.76	12 640.58	15 824.58	16 964.98
Sub Total	33 897 619.12	4 732 262.94	7 753 760.68	11 236 312.12	13 275 878.43
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	11 530 876.30	1 679 894.49	2 759 789.79	3 724 439.78	3 615 136.96
National Department of Rural Development and Land Reform	21 048 456.91	3 348 979.77	4 037 280.79	4 466 949.82	5 846 266.76
Sub Total	32 579 333.21	5 028 874.26	6 797 070.58	8 191 389.60	9 461 403.72
Total	66 476 952.33	9 761 137.20	14 550 831.26	19 427 701.72	22 737 282.15

(Source: National Local Government Database)

Table 59: 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 the Premier	-	-	-	-	-
Finance	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	448,288.74	3,019.57	8,726.56	73,259.88	363,282.73
Economic Development and Tourism	-	-	-	-	-
Education	1,041,310.94	132,992.35	211,662.21	131,995.74	564,660.64
Public Works Roads and Transport	1,418,195.05	93,334.19	89,575.83	84,692.76	1,150,592.27
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	-	-	-	-	-
Health (Hospitals)	-5,781.54	-35,141.94	20,262.46	8,918.12	179.82
Culture Sports and Recreation	-	-	-	-	-
Social Development	35,104.66	14,743.45	12,980.55	626.64	6,754.02
Human Settlements	-	-	-	-	-
Sub Total	2,937,117.85	208,947.62	343,207.61	299,493.14	2,085,469.48
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	4,526,227.98	424,959.85	473,353.62	194,632.73	3,433,281.78
National Department of Rural Development and Land Reform	1,367,151.63	106,005.59	106,005.59	628,516.28	526,624.17
Sub Total	5,893,379.61	530,965.44	579,359.21	823,149.01	3,959,905.95
Total	8,830,497.46	739,913.06	922,566.82	1,122,642.15	6,045,375.43

(Source: National Local Government Database)

Table 60: 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 the Premier	-	-	-	-	-
Finance	-	-	-	-	-
Co-operative Governance and Traditional Affairs	527 620.00	3 100.00	3 100.00	3 100.00	518 320.00
Agriculture, Rural Development Land and Environmental Affairs	148 196.61	68 741.79	78 719.85	734.97	-
Economic Development and Tourism	21 433.54	11 009.82	10 423.72	-	-
Education	89 216.81	88 739.56	477.25	-	-
Public Works Roads and Transport	102 336.39	102 336.39	-	-	-
Community Safety Security and Liaison	-	-	-	-	-
Health (Clinics)	1 032 300.52	518 396.84	444 995.77	63 862.40	5 045.51
Health (Hospitals)	169 838.58	73 595.73	44 693.71	20 529.17	31 019.97
Culture Sports and Recreation	41 385.60	20 834.96	15 852.42	4 698.22	-
Social Development	65 888.04	65 888.04	-	-	-
Human Settlements	13 876.39	13 876.39	-	-	-
Sub total	2 212 092.48	966 519.52	598 262.72	92 924.76	554 385.48
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	294 085.94	294 085.94	-	-	-
National Department of Rural Development and Land Reform	5 633 306.29	555 532.00	557 692.58	546 183.49	3 973 898.22
Sub total	5 927 392.23	849 617.94	557 692.58	546 183.49	3 973 898.22
Total	8 139 484.71	1 816 137.46	1 155 955.30	639 108.25	4 528 283.70

(Source: National Local Government Database)

Table 61: 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
Office of the Premier	-	-	-	-	-
Finance	-	-	-	-	-
Co-operative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism					
Education	1 334 520.17	166 915.30	21 815.47	25 917.33	1 119 872.07
Public Works Roads and Transport	248 886.45	19 878.66	9 062.76	7 316.94	212 628.09
Community Safety Security and Liaison	633 705.60	87 899.64	33 035.18	71 612.58	441 158.20
Health (Clinics)	6 494.91	6 494.91	-	-	-
Health (Hospitals)	-	-	-	-	-
Culture Sports and Recreation	-	-	-	-	-
Social Development	50 570.55	21 402.19	5 357.67	6 114.68	17 696.01
Human Settlements	-	-	-	-	-
Sub Total	2 274 177.68	302 590.70	69 271.08	110 961.53	1 791 354.37
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	-116 568.07	10 449.95	2 386.48	-168 261.00	38 856.50
National Department of Rural Development and Land Reform	854 331.90	28 814.76	14 407.40	657 866.00	153 243.74
Sub Total	737 763.83	39 264.71	16 793.88	489 605.00	192 100.24
Total	3 011 941.51	341 855.41	86 064.96	600 566.53	1 983 454.61

(Source: National Local Government Database)

Table 62: 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 the Premier	-	-	-	-	-
Finance	(931.77)	-	-	-	(931.77)
Co-operative Governance and Traditional Affairs	527 620.00	3 100.00	3 100.00	3 100.00	518 320.00
Agriculture, Rural Development Land and Environmental Affairs	2 132 757.36	1 597 745.41	2 187 332.55	3 697 606.63	5 060 536.59
Economic Development and Tourism	21 433.54	333 794.22	185 688.29	97 471.44	810 616.49
Education	23 706 190.59	3 465 551.04	3 801 684.27	3 655 447.10	7 905 183.20
Public Works Roads and Transport	26 802 472.02	3 567 607.45	2 680 661.02	5 137 661.19	9 059 120.31
Community Safety Security and Liaison	843 124.98	274 002.40	67 786.83	104 617.14	551 301.38
Health (Clinics)	1 396 961.72	534 728.87	459 572.10	84 137.29	51 498.49
Health (Hospitals)	2 659 926.06	1 531 693.20	401 789.21	199 764.02	415 423.65
Culture Sports and Recreation	41 385.60	37 109.30	29 239.14	13 258.21	13 993.82
Social Development	2 741 457.21	535 403.17	553 817.71	737 116.81	648 825.52
Human Settlements	59 707.32	17 236.15	12 640.58	15 824.58	16 964.98
Sub total	60 861 113.33	11 881 696.87	10 369 924.98	13 737 444.42	25 036 858.84
SANPARKS(Kruger National Park)	-	-	-	-	-
National Department of Public Works	25 150 274.13	3 403 520.30	2 674 509.39	4 070 119.14	14 935 274.04
National Department of Rural Development and Land Reform	33 651 114.13	4 779 990.36	4 881 483.22	6 473 307.79	12 992 010.31
Sub total	58 801 388.26	8 183 510.66	7 555 992.61	10 543 426.93	27 927 284.35
Total	119 662 501.59	20 065 207.53	17 925 917.59	24 280 871.35	52 964 143.19

(Source: National Local Government Database)

Table 63: Co-ordinated payments made to BUSHBUCKRIDGE LOCAL MUNICIPALITY

Name of Department	Total amount outstanding	0-30 Days	30-60 Days	60-90 Days	090 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	-	-	-	-	-
Agriculture, Rural Development Land and Environmental Affairs	32 139.80	1 277.65	1 277.65	1 643.88	27 940.62
Economic Development and Tourism	2 812 200.82	75 079.17	75 079.17	75 079.17	2586 963.62
Education	15 399 850.17	49 061.57	198 682.55	132 521.04	15 019 585.01
Public Works, Road and Transport	358 474 428.82	5 270 582.39	5 133 347 53	5 263 087.07	342 807 411.84
Community Safety Security and Liaison	-	-	-	-	-
Health(Clinics)	10 639 636.01	12 204.95	30 175.13	30 876.93	10 566 379.00
Health (Hospital)	9 167 135.06	487 559.75	596 739.60	419 612.00	7 663 223.71
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlement	-	-	-	-	-
Sub total	396 525 390.69	5 895 765.48	6 035 301.63	5 922 820.09	378 671 503.49
SANPARK (Kruger National Park)	65 174 064.73	1 822 833.12	1 822 833.12	1 822 833.12	59 705 565.37
National Department of Public Works	50 372 264.07	46 095.25	47 761.60	58 915.28	50 219 491.94
National Department of Rural Development and Land Reform	133 159 955.68	4 035 065.91	4 325 975.50	4 325 335.20	120 473 579.07
Sub total	248 706 284.48	5 903 994.28	6 196 570.22	6 207 083.60	230 398 636.38
Total	645 231 675.17	11 799 759.76	12 231 871.85	12 129 903.69	609 070 139.87

(Source: National Local Government Database)

Table 64: 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	090 Days and over
Office of Premier	-	-	-	-	-
Finance	-	-	-	-	-
Cooperative Governance and Traditional Affairs	580 846.58	182 579.72	180 064.62	206 322.41	11 879.83
Agriculture, Rural Development Land and Environmental Affairs	-	-	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	8 061 400.75	469 012.24	336 502.63	371 278.93	6 884 606.95
Public Works, Road and Transport	18 654 364.06	4 457 709.91	2 182 477.13	1 884 319.04	24 978 689.39
Community Safety Security and Liaison	-	-	-	-	-
Health(Clinics)	669 423.42	279 995.65	39 564.31	37 736.76	312 126.70
Health (Hospital)	3 036 458.58	348 370.25	107 168.33	102 737.92	3 803 837.04
Culture Sport and Recreation	-	-	-	-	-
Social Development	486.88	486.88	-	-	-
Human Settlement	-	-	-	-	-
Sub total	31 002 980.27	5 738 154.65	2 845 777.02	2 602 395.06	35 991 139.91
SANPARK (Kruger National Park)	-	-	-	-	-
National Department of Public Works	17 745 521.14	1 478 341.11	1 157 136.33	1 128 459.51	17 982 455.71
National Department of Rural Development and Land Reform	21 705 780.21	1 149 083.33	1 142 010.49	1 094 134.76	18 320 551.63
Sub total	39 451 301.35	2 627 424.44	2 299 146.82	2 222 594.27	36 303 007.34
Total	70 454 281.62	8 365 579.09	5 144 923.84	4 824 989.33	72 294 147.25

(Source: National Local Government Database)

Table 65: 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	29 646.65	3 073.53	3 638.58	2 734.38	20 200.16
Economic Development and Tourism	-	-	-	-	-
Education	2 307 232.42	291 661.55	262 622.87	244 278.80	1 508 669.20
Public Works, Road and Transport	4 863 968.67	144 795.27	155 440.86	143 774.29	4 419 958.25
Community Safety Security and Liaison	1 575.29	725.78	849.51	-	-
Health(Clinics)	582 139.69	423 743.60	8 240.30	8 180.15	141 975.64
Health (Hospital)	-	-	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	-	-	-	-	-
Human Settlement	-	-	-	-	-
Sub total	7 784 562.72	863 999.73	430 792.12	398 967.62	6 090 803.25
SANPARK (Kruger National Park)	-	-	-	-	-
National Department of Public Works	5 904 343.68	435 102.18	419 145.16	331 025.84	4 719 070.50
National Department of Rural Development and Land Reform	9 178 559.92	1 000 308.44	984 098.36	975 631.36	6 218 521.76
Sub total	15 082 903.60	1 435 410.62	1 403 243.52	1 306 657.20	10 937 592.26
Total	22 867 466.32	2 299 410.35	1 834 035.64	1 705 624.82	17 028 395.51

(Source: National Local Government Database)

Table 66: 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	-55 707.61	-55 707.61	-	-	-
Economic Development and Tourism	-	-	-	-	-
Education	1 246 060.04	355 336.06	211 126.20	194 594.03	485 003.75
Public Works, Road and Transport	9 075 100.61	21 561.45	-	-	9 053 539.16
Community Safety Security and Liaison	-9 138.94	-9 138.94	-	-	-
Health(Clinics)	193 912.37	54 445.86	7 474.18	13 497.46	118 494.87
Health (Hospital)	172 934.86	172 934.86	-	-	-
Culture Sport and Recreation	-	-	-	-	-
Social Development	101 735.56	13 137.79	4 125.00	786.71	83 686.06
Human Settlement	-	-	-	-	-
Sub total	10 724 896.89	552 569.47	222 725.38	208 878.20	9 740 723.84
SANPARK (Kruger National Park)	-	-	-	-	-
National Department of Public Works	1 941 512.16	273 252.12	4 099.96	-	1 664 160.08
National Department of Rural Development and Land Reform	978 209.69	104 525.44	119 547.04	119 230.79	634 906.42
Sub total	2 919 721.85	377 777.56	123 647.00	119 230.79	2 299 066.50
Total	13 644 618.74	930 347.03	346 372.38	328 108.99	12 039 790.34

(Source: National Local Government Database)

Table 67: Consolidated co-ordinated payments made to EHLANZENI 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	580 846.58	182 579.72	180 064.62	206 322.41	11 879.83
Agriculture, Rural Development Land and Environmental Affairs	6 078.84	4 351.18	4 916.23	4 378.26	48 140.78
Economic Development and Tourism	2 812 200.82	75 079.17	75 079.17	75 079.17	2 586 963.31
Education	27 014 543.38	10 20 861.56	992 402.08	1 233 082.52	23 412 861.16
Public Works, Road and Transport	391 067 862.17	9 873 087.57	7 471 265.52	16 344 719.56	372 206 059.48
Community Safety Security and Liaison	(7 563.65)	725.78	849.51	-	-
Health(Clinics)	12 085 111.49	723 418.38	91 477.20	195 288.71	11 020 481.34
Health (Hospital)	12 376 528.50	835 930.00	703 907.93	522 349.92	11 467 060.75
Culture Sport and Recreation	-	-	-	-	-
Social Development	102 222.44	4 611.88	786.71	83 686.06	-
Human Settlement	-	-	-	-	-
Sub total	446 037 830.57	13 050 489.33	9 534 596.15	9 133 060.97	430 494 170.49
SANPARK (Kruger National Park)	65 174 064.73	1 822 833.12	1 822 833.12	1 822 833.12	59 705 565.37
National Department of Public Works	75 963 641.05	2 232 790.66	1 628 143.05	1 518 400.63	74 585 178.23
National Department of Rural Development and Land Reform	165 022 505.50	6 288 983.12	6 571 631.39	6 514 332.11	145 647 558.88
Sub total	306 160 211.28	10 344 606.90	10 022 607.56	9 855 565.86	279 938 302.48
Total	752 198 041.85	23 395 096.23	19 557 203.71	18 988 626.83	710 432 472.97

(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 R959 million;
- The highest contributor to the outstanding debt is Bushbuckridge Local Municipality, which amounts to R645 million;
- The major contributors in Bushbuckridge are as follows:
 - i) Department of Public Works, Roads and Transport - R358 million;
 - ii) National Department of Rural Development Land and Reform - R133 million;
 - iii) SANPARKS - R65 million; and
 - iv) National Department of Public Works and Transport - R 50 million.

NB When removing the above Bushbuckridge debt from the equation the total debt for the province translates to R 314 million.

Challenges

- It is noted with great concern that departments are still unable to provide progress on payments made after numerous follow ups by National Public Works and Provincial Treasury;
- Failure to enter into payment arrangements with municipalities after verifying and confirming the debt by National Department of Public Works, National Department of Rural Development and Land Reform, SANParks (Kruger National Park) and Public Works Roads and Transport;
- Inconsistent use of naming conventions for accounts related information (over the years names of votes were changing as well as the BAS codes);
- Changes of departmental roles and responsibilities make it difficult to allocate responsibility for arrear debt;
- Departments are not informing municipalities when a property has been transferred to another department;
- Combining rates and services into one account for different departments and rotating responsibility of payments for shared facilities;
- The failure of payment for government debt by departments has an adverse effect on the cash flow of municipalities and their ability to meet their financial obligations (Water Board, Eskom etc.);
- Municipalities are not submitting their government debt information to Provincial Treasury within 10 working days after the month end;
- Provincial Treasury has not been able to convene monthly Provincial Government Debt Forums since February 2019.

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);
- Mpumalanga Provincial government to undertake a benchmarking exercise with Free State Province on the centralization of the payments of rates and taxes within the department of Public Works, because there is less disputes where the function is centralized.

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.

5.6.7 % Municipal Infrastructure Grant Budget approximately spent

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

District	Municipality	2015/16			2016/17			2017/18		
		Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent	Allocations R'000	Amount spent R'000	% spent
EHLANZENI	Bushbuckridge	366 158	366 158	100%	393 773	393 773	100%	394 080	394 080	100%
	City of Mbombela	29 260	26 067	89%	330 659	289 403	88%	339 939	329 232	97%
	Nkomazi	219 380	219 380	100%	257 355	257 355	100%	233 857	198 778	85%
	Thaba Chweu	64 647	64 647	100%	61 025	61 025	100%	48 179	46 880	97%
	Ehlanzeni	679 445	676 252	100%	1042 812	1001 556	96%	1016 055	968 970	95%
GERT SIBANDE	Chief Albert Luthuli	94 091	94 091	100%	90 197	90 197	100%	88 616	88 616	100%
	Dipaleseng	18 320	944	5%	24 159	24 159	100%	29 076	29 076	100%
	Govan Mbeki	55 888	55 888	100%	55 161	55 161	100%	42 796	42 611	100%
	Lekwa	27 978	27 978	100%	38 531	38 531	100%	19 293	19 293	100%
	Mkhondo	81 668	81 668	100%	74 666	74 666	100%	102 215	102 215	100%
	Msulaligwa	39 977	39 977	100%	38 492	38 492	100%	53 608	53 608	100%
	Dr. Pixley Ka Isaka Seme	25 645	18 682	73%	25 220	25 220	100%	29 327	29 193	100%
	Gert Sibande	343 567	319 228	93%	346 426	346 426	100%	364 931	364 612	100%
NKANGALA	Emalahleni	115 976	115 976	100%	68 328	68 328	0%	110 815	110 815	100%
	Emakhazeni	20 755	20 755	100%	25 404	25 404	100%	18 484	18 484	100%
	Steve Tshwete	48 094	46 189	96%	47 457	47 457	100%	50 557	50 557	100%
	Victor Khanye	24 189	24 189	100%	30 377	28 191	93%	25 286	25 286	100%
	Dr. JS Moroka	124 751	124 751	100%	119 102	119 102	100%	132 371	132 371	100%
	Thembisile Hani	89 139	89 138	100%	117 504	117 504	100%	136 562	136 562	100%
	Nkangala	422 904	420 998	100%	408 172	405 986	99%	474 075	474 075	100%
TOTAL	1445 916	1416 478	98%	1797 410	1753 968	98%	1855 061	1807 657	97%	

(Source: Section 46 reports from municipalities)

5.6.7.1 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 2015/16 financial year municipalities were allocated **R1.44 billion** and were only able to spend **R 1.41 billion**, which was 98%. 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%.

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.

Whilst municipalities have gradually improved their spending patterns, it was concerning that allocations for three (3) municipalities had to be stopped and reallocated to other municipalities in terms of sections 19 and 20 of DORA respectively by Treasury for failure to spend their budgets appropriately by mid-term of the Financial Year. Municipalities that were affected were Lekwa (R10 million, Govan Mbeki (R16 million) and Emalahleni (R11.3 million).

The lost portions of allocations from municipalities as stated above were re-allocated to Mkhondo (R20 million), Dipaleseng (R10 million), Dr JS Moroka (R5 million) and Thembisile Hani (R5 million). An additional amount of R2.7 million was received from other Provinces that failed to spend their budgets.

Late appointment of service providers during the year, at the time when implementation was to take place as well as the slow progress due to community protests and hijacking of tender processes. This was the actual matter which Provincial Government has stepped in to assist municipalities to resolve.

5.6.8 Submission of Annual Financial Statements for 2016/17 Financial Year

Table 69: Submission of AFS for 2016/17 FY

Name of Municipality	2016/17		Date of AFS submission to AG by the municipality	2017/18		Date of AFS submission to AG by the municipality
	Has the municipality concluded and submitted the AFS to the AG?			Has the municipality concluded and submitted the AFS to the AG?		
	Y	N		Y	N	
Chief Albert Luthuli	Yes		31/08/2017	Yes		31/08/2018
Msukaligwa	Yes		31/08/2017	Yes		31/08/2018
Mkhondo	Yes		31/08/2017	yes		31/08/2018
Dr. Pixley Ka Isaka Seme	Yes		31/08/2017	Yes		31/08/2018
Lekwa	Yes		31/08/2017	Yes		31/08/2018
Dipaleseng	Yes		31/08/2017	Yes		31/08/2018
Govan Mbeki	Yes		31/08/2017		No	23/09/2018
Gert Sibande District	Yes		31/08/2017	Yes		31/08/2018
Victor Khanye	Yes		31/08/2017	Yes		31/08/2018
Emalaheni	Yes		31/08/2017	Yes		31/08/2018
Steve Tshwete	Yes		31/08/2017	Yes		31/08/2018
Emakhazeni	Yes		31/08/2017	Yes		31/08/2018
Thembisile Hani	Yes		31/08/2017	Yes		31/08/2018
Dr. JS Moroka	Yes		31/08/2017	Yes		31/08/2018
Nkangala District	Yes		31/08/2017	Yes		31/08/2018
Bushbuckridge	Yes		31/08/2017	Yes		31/08/2018
Thaba Chweu	Yes		31/08/2017	Yes		31/08/2018
City of Mbombela	Yes		31/08/2017	Yes		31/08/2018
Nkomazi	Yes		31/08/2017	Yes		31/08/2018
Ehlanzeni District	Yes		31/08/2017	Yes		31/08/2018
Total	Yes		31/08/2017	Yes		31/08/2018

(Source: AG 2017/18 Audit Outcomes)

5.6.8.1 Analysis on the preparation and submission of AFS

All municipalities met the statutory deadline of 31 August 2018 to submit the annual financial statements to the Auditor General, except Govan Mbeki.

5.6.9 Use of consultants to prepare AFS

Table 70: Indicate municipalities that utilized consultants to prepare AFS

Name of Municipality	2016/17				2017/18			
	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	Yes			Yes		No	Yes	
Msukaligwa	Yes		Yes		Yes		Yes	
Mkhondo	Yes		Yes		Yes			Yes
Dr. Pixley Ka Isaka Seme	Yes			Yes	Yes			Yes
Lekwa	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	
Emalaheni		No	Yes		Yes		Yes	
Steve Tshwete		No	Yes			No	Yes	
Emakhazeni	Yes		Yes			No		Yes
Thembisile Hani	Yes		Yes		Yes			Yes
Dr. JS Moroka	Yes			Yes	Yes		Yes	
Nkangala District		No	Yes			No	Yes	
Bushbuckridge		No	Yes		Yes		Yes	
Thaba Chweu	Yes		Yes		Yes			Yes
City of Mbombela		No		Yes		No	Yes	

Name of Municipality	2016/17				2017/18			
	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
Nkomazi		No	Yes			No	Yes	
Ehlanzeni District		No	Yes			No		Yes
Total	10/	10	16	4	10	10	14	6

(PT Consolidated Municipal Report: 2018)

5.6.9.1 Analysis on the use of consultants when preparing AFS

10 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, Emalaheni, Thembisile Hani, Dr JS Moroka, Bushbuckridge and Thaba Chweu. 6 out of 20 municipalities had acting chief financial officers during 2017/18 financial year, namely: Mkhondo, Dr Pixley Ka Isaka Seme, Emakhazeni, Thembisile Hani, Thaba Chweu and Ehlanzeni District.

5.6.10 Timely submission of the Annual Report for the 2017/18 Financial Year

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

Table 71: Submission of the 2017/18 Annual Report

Name of Municipality	2016/17		2017/18	
	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		No	Yes	
Mkhondo	Yes		Yes	
Dr. Pixley Ka Isaka Seme	Yes		Yes	
Lekwa	Yes		Yes	
Dipaleseng	Yes		Yes	
Govan Mbeki	Yes			No
Gert Sibande District	Yes		Yes	
Victor Khanye	Yes		Yes	
Emalaheni	Yes		Yes	
Steve Tshwete	Yes		Yes	
Emakhazeni	Yes		Yes	
Thembisile Hani	Yes		Yes	
Dr. JS Moroka	Yes		Yes	
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	19	1

(Source: AG 2017/18 Audit Outcomes)

5.6.10.1 Provincial Analysis

Findings

- All 20 municipalities submitted the unaudited 2017/18 Annual Reports together with the Annual Financial Statements by the statutory deadline of 31 August 2018, except Govan Mbeki 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

5.7 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 for each and every Ward in the province to assist the Ward Councillor in processing matters of service delivery in liaison with and interaction with the Ward Committees.

5.7.1 Functionality of Ward Committees

Table 72: Indicate municipalities' with functional ward committees

DISTRICT	Municipality	2015/16		2016/17			2017/18		
		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	18	46%	45	19	42%	45	35	78%
	Nkomazi	25	78%	33	25	76%	33	31	94%
	Bushbuckridge	37	100%	38	38	100%	38	35	92%
	Thaba Chweu	04	29%	14	11	78%	14	11	77%
NKANGALA	Emakhazeni	03	38%	08	08	100%	08	06	75%
	Steve Tshwete	25	86%	29	29	100%	29	29	100%
	Dr J S Moroka	29	94%	31	31	100%	31	31	100%
	Emalahleni	32	94%	34	34	100%	34	27	79%
	Thembisile Hani	32	100%	32	32	100%	32	12	38%
	Victor Khanye	05	56%	09	09	100%	09	09	100%
GERT SIBANDE	Chief Albert Luthuli	22	88%	25	25	100%	25	25	100%
	Msuligwa	17	89%	19	18	94%	19	14	74%
	Lekwa	11	73%	15	10	67%	15	13	87%
	Govan Mbeki	13	41%	32	08	25%	32	19	59%
	Dipaleseng	06	100%	06	06	100%	06	06	100%
	Mkhondo	05	26%	19	19	100%	19	16	84%
Dr Pixley Ka Isaka Seme	11	100%	11	11	100%	11	07	64%	
TOTAL		295	73%	400	333	83%	400	326	81%

(Source: Section 46 reports from municipalities)

5.7.1.1 Analysis on Functionality of Ward Committees

Findings

- The following findings were made that in 2015/16 financial year out of 402 wards committees only 295 (73%) were functional, in 2016/17 Financial year out 400 wards committees only 333 (83%) were functional indicative of the improvement in the functionality of ward committees and in 2017/18 Financial year out 400 wards committees only 326(81%) wards 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:
 - **Thembisile Hani:** delay by the municipality to appoint Speaker which led into non-commitment by ward councillors
 - **Govan Mbeki:** Change in management and officials in the office of the Speaker and Public participation unit
 - **Dr Pixley ka Isaka:** None replacement of the public participation manager, who was appointed to a higher position in the municipality, which led to a drop in the effectiveness of the unit.

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.
- Non implementation of ward operational plans

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.
- Municipalities to monitor and enforce the implementation of the Ward Operational Plans.

Interventions

- COGTA conducted capacity building workshops to assist ward committees to review and implement ward operational plans.
- COGTA held session with ward committees that were reported to be dysfunctional to improve their functionality;
- Municipalities were informed of ward councillors who do not convene their meetings for consequence management to be implemented

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 434 CDWs in the province; however there is a vacancy rate of 63. It can be recorded that all CDWs are performing their duties as expected; however in some wards CDWs have died and have not been replaced.

Challenges

- Failure to deal with shortage of CDWs caused by death and/or resignations
- The working relationship between CDWs, Councillors and Ward committees is not harmonious.
- 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 department must monitor and support municipalities to improve the working relationship between CDWs, Councillors and ward committees
- The municipality in collaboration with the department must provide the necessary tools of trade

Support interventions by National and 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 resource 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 2018

Table 73: Vacancy Rate in Senior Management Posts as of June 2018 per District

District	2016/17						2017/18					
	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	39	27	19	8	12	31%	40	29	21	8	11	28%
Gert Sibande	47	35	26	9	12	26%	47	29	22	7	18	38%
Nkangala	36	25	12	13	11	30%	37	26	13	13	11	30%
Total	122	87	57	30	35	29%	124	84	56	28	40	32%

(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 74: Vacancy Rate and Filling of S54 and S56 Managers posts

Posts	2016/17			2017/18		
	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
Secretary of council	0	0	0	1	1	0
Deputy Municipal Manager	2	1	1	2	2	0
Chief Financial Officer	5	3	2	5	3	2
Technical Services	5	4	1	5	2	3
Corporate Services	5	3	2	5	4	1
Community Services	5	5	0	5	4	1
Development and Planning	5	4	1	5	5	0
Service Centre Co-ordination	1	0	1	1	1	0
Energy Services	1	1	0	1	1	0
Water and Sanitation	1	1	0	1	0	1
Strategic Support	1	1	0	1	0	1
LED TOURISM	0	0	0	1	1	0
Public Safety	1	0	1	1	1	0
Legal Services	1	0	1	1	0	1
Total	39	27	12	40	29	11

(Source: Section 46 reports from municipalities)

Findings

Ehlanzeni district during the 2017/18 financial year had forty (40) approved section 54A/56 posts, only 29 posts were filled and the vacancy rate stood at 27,5% as compared to 30% for 2016/17 financial year. There was an improvement in the filling of se-

nior vacant post at Ehlanzeni District in the 2017/18 financial year. The following posts remained vacant MM 1, 2 Chief Financial Officers, 3 Technical Services Managers, 1 Community Services, 1 Corporate Services, 1 Water and Sanitation, 1 Public Safety, 1 Strategic and 1 Legal Services.

Gert Sibande

Table 75: Filling of S54 and S56 Managers

Posts	2016/17			2017/18		
	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	6	2	8	4	4
Chief Financial Officer	8	7	1	8	6	2
Technical	8	4	4	8	3	5
Corporate Services	8	5	3	8	6	2
Community Services	8	8	0	8	6	2
Development and Planning	6	6	0	7	4	3
TOTAL	47	35	12	47	29	18

(Source: Section 46 reports from municipalities)

Findings

Gert Sibande district had 47 approved section 54A/56 posts only twenty nine 29 were filled in the 2017/18 financial and the vacancy rate stood at 38% as compared to 25.5% for 2016/17 financial year. There was no improvement in the filling of senior vacant post at Gert Sibande District in the 2017/18 financial year. The following posts were still vacant 4 Municipal Manager, 2 CFO, 3 Technical Services and 2 Corporate Services, 2 Community Services and 1 Planning and Development.

Nkangala District

Table 76: Filling of S54 and S56 Managers in Nkangala

Posts	2016/17			2017/18		
	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	6	1	7	3	4
Chief Financial Officer	7	4	3	7	5	2
Technical	7	4	3	7	4	3
Corporate Services	7	4	3	7	5	2
Development Planning	1	1	0	2	1	1
Community Services	6	5	1	6	4	2
Environmental waste management	1	1	0	1	1	0
TOTAL	36	25	11	37	23	14

(Source: Section 46 reports from municipalities)

Findings

Nkangala district had 37 approved section 54A/56 posts only twenty three (23) were filled in the 2017/18 financial and the vacancy rate stood at 38% as compared to 30% for 2016/17 financial year. There was no improvement in the filling of senior vacant post at Nkangala District in the 2017/18 financial year. The following posts were vacant 4 Municipal Manager, 2 CFOs, 2 Corporate Services, 3 Technical Services and 2 Community Services and 1 Development and Planning.

5.8.2.3 Analysis of Performance on Institutional Development Findings

Findings

In 2017/18 financial year out of 124 senior managers posts that were approved across all municipalities in the province, only 84 were filled of which 56 were held by male and 28 by female candidates still 40 posts were never filled. In 2016/17 out of 122 approved posts only 88 were filled of which 58 were filled by male and 30 by female candidates and 34 posts were not filled. During 2017/18 financial year most fixed term contracts were coming to an end since the local government election were held in 2016/17 financial year.

Challenges in the filling of vacant posts

- Delays by municipalities in advertising and filling vacant posts
- Municipalities are finalising appointments before obtaining the ministers approval for waivers in terms of Municipal Systems Act.

Recommendations

- That municipalities implement Government gazette No. 40593 on Regulations of Municipal Finance Management Act of 2003, which also exempt municipalities from Regulations 15 and 18 on minimum competency levels of 2007.
- 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 77: Filling of S54 and S56 Managers

Districts	Municipality	2015/16		2016/17		2017/18	
		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	Bushbuckridge	7	2	6	2	6	1
	City of Mbombela	8	2	14	2	15	1
	Nkomazi	6	1	6	1	6	2
	Thaba Chweu	5	1	6	2	6	2
	Ehlanzeni	7	1	7	1	7	2
	TOTAL	33	5	39	8	40	8
GERT SIBANDE	Chief Albert Luthuli	7	0	6	0	6	0
	Dipaleseng	6	2	6	2	6	1
	Govan Mbeki	6	2	6	2	6	0
	Lekwa	6	2	6	2	6	2
	Mkhondo	6	1	6	1	6	0
	Msukaligwa	6	1	6	1	6	1
	Dr. Pixley Ka Isaka Seme	5	1	5	0	5	1
	Gert Sibande	7	1	6	1	6	1
	TOTAL	49	10	47	9	47	6
NKANGALA	Emalahleni	7	1	7	3	7	2
	Emakhazeni	6	2	4	1	4	1
	Steve Tshwete	5	2	5	1	5	1
	Victor Khanye	5	1	5	2	5	2
	Dr. JS Moroka	5	0	5	1	5	1
	Thembisile Hani	5	1	5	2	5	2
	Nkangala	5	3	5	3	6	4
	TOTAL	38	10	36	13	37	13

(Source: Section 46 reports from municipalities)

5.8.3.1 Analysis of municipalities meeting employment equity targets

Findings

- With regards to the compliance by municipalities with the Employment Equity Act. There has been a steady decrease in the appointment of female section 56 managers. In 2016/17 financial year there was a decrease to 30 female appointments compared to 33 of 2015/16. In 2017/18 there was a huge decrease in the appointment of female Section 56 managers 27 compare to 30 for 2016/17 financial year. Nkangala District had the highest female appointees with 13 appointed.

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 Systems Act: Regulations on the Appointment and Conditions of Services of Senior Managers in municipalities.

5.8.4 Employment of people with disabilities

Table 78: Employment of People with Disabilities

DISTRICTS	Municipality	2015/16	2016/17	2017/18
		No. of appointed people with disabilities	No. of appointed people with disabilities	No. of appointed people with disabilities
EHLANZENI	Bushbuckridge	12	12	12
	City of Mbombela	6	7	10
	Nkomazi	4	4	6
	Thaba Chweu	4	8	9
	Ehlanzeni	0	1	1
	TOTAL	27	27	38
GERT SIBANDE	Chief Albert Luthuli	1	2	2
	Dipaleseng	5	5	5
	Govan Mbeki	18	18	18
	Lekwa	4	4	3
	Mkhondo	14	13	11
	Msukaligwa	4	3	3
	Dr. Pixley Ka Isaka Seme	4	4	4
	Gert Sibande	2	2	2
	TOTAL	53	51	44
NKANGALA	Emalahleni	21	21	21
	Emakhazeni	0	2	2
	Steve Tshwete	24	24	25
	Victor Khanye	7	7	5
	Dr. JS Moroka	1	0	0
	Thembisile Hani	9	09	7
	Nkangala	2	3	3
TOTAL	59	66	65	

(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. 147 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 four (25) followed by
- Emalahleni with 21
- Govan Mbeki with 18
- Bushbuckridge with 12 employees of disability
- Mkhondo with 11 and
- Dr JS Moroka 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 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 79: Employees aged between 35 or younger

Districts	Municipality	2015/16			2016/17			2017/18		
		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
EHLANZENI	Bushbuckridge	1773	271	15%	1767	225	13%	1751	277	16%
	City of Mbombela	4743	449	9%	4791	493	10%	5490	380	13%
	Nkomazi	1500	385	26%	1580	401	25%	1121	435	39%
	Thaba Chweu	697	101	14%	853	131	15%	670	71	11%
	Ehlanzeni	152	35	23%	152	35	23%	222	35	16%
	TOTAL	8865	1241	14%	9143	1285	14%	9254	1198	13%
GERT SIBANDE	Chief Albert Luthuli	490	0	0%	512	235	46%	478	236	49%
	Dipaleseng	334	60	18%	314	48	15%	304	42	14%
	Govan Mbeki	2005	271	14%	2171	206	10%	2139	145	8%
	Lekwa	606	99	16.34 %	963	531	55%	1034	87	8%
	Mkhondo	600	190	32%	690	166	24%	769	206	27%
	Msukaligwa	854	113	13%	973	109	11%	827	73	12%
	Dr. Pixley Ka Isaka Seme	375	75	20%	393	44	11%	375	41	9%
	Gert Sibande	297	98	33%	304	119	39%	344	150	44%
	TOTAL	5 561	906	16%	6 320	1 458	23%	6 270	980	16%
NKANGALA	Emalahleni	3 336	291	8.7%	3 336	273	8%	3343	270	8%
	Emakhazeni	514	122	24%	406	72	18%	431	85	19%
	Steve Tshwete	1477	406	27%	1517	379	25%	1613	381	24%
	Victor Khanye	496	124	25%	506	124	25%	532	97	18%
	Dr. JS Moroka	981	159	16%	857	154	18%	986	121	12%
	Thembisile Hani	406	116	28.6%	403	60	15%	419	75	18%
	Nkangala	287	97	34%	287	117	40%	294	126	43%
	TOTAL	7497	1315	17.54%	7312	1179	16%	7 618	1 155	15%
GRAND TOTAL	20 328	3 539	17%	20 328	3 539	17%	23 142	3 333	14%	

(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 2016/17 financial year 3 539 posts were filled by people aged 35 and younger across all municipalities in the province. In 2017/18 financial year 3 333 posts were filled by people aged 35 and younger across the province, which shows a decrease of 206 compared to 2016/17 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 to ensure that youth posts are also created in the municipal organograms.

5.8.6 Integrated Capacity Building Plans Implementation

Table 80: % of Municipalities with Integrated Capacity Building Plan implemented

DISTRICT	Municipality	Management level	2015/16		2016/17		2017/18	
			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	74	24	38	23	76	26
		Senior Management level	44	42	26	24	6	6
		Lower level employees	660	166	361	213	115	115
		Technicians and professional	295	46	92	31	109	109
		TOTAL	1073	278	517	291	306	256
	City of Mbombela	Councillors	89	0	89	0	0	0
		Senior Management level	104	26	53	22	20	14
		Lower level employees	610	19	620	14	252	247
		Technicians and professional	131	6	133	29	18	18
		TOTAL	934	51	895	65	290	279
	Thaba Chweu	Councillors	27	27	27	27	27	27
		Senior Management level	4	4	6	5	4	4
		Lower level employees	56	56	56	30	56	40
		Technicians and professional	38	38	22	22	22	22
		TOTAL	125	125	111	84	109	93
	Nkomazi	Councillors	65	45	11	6	65	60
		Senior Management level	32	31	21	7	32	32
		Lower level employees	912	865	70	44	1029	500
		Technicians and professional	51	51	59	57	59	58
		TOTAL	1060	992	161	114	1185	650
Ehlanzeni District	Councillors	11	6	11	6	25	24	
	Senior Management level	21	7	21	7	40	23	
	Lower level employees	70	44	70	44	50	17	
	Technicians and professional	65	59	59	57	68	38	
	TOTAL	167	116	161	114	183	102	

DISTRICT	Municipality	Management level	2015/16		2016/17		2017/18	
			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
GERT SIBANDE	Chief Albert Luthuli	Councillors	6	6	49	1	49	02
		Senior Management level	20	20	27	16	06	01
		Lower level employees	348	23	128	53	241	26
		Technicians and professional	32	6	147	19	147	46
		TOTAL	406	55	351	89	443	75
	Dipaleseng	Councillors	12	7	12	5	12	5
		Senior Management level	15	15	15	8	15	9
		Lower level employees	152	88	149	12	145	17
		Technicians and professional	20	16	20	7	20	14
		TOTAL	199	126	196	32	192	45
	Govan Mbeki	Councillors	63	32	63	29	63	40
		Senior Management level	29	2	34	6	35	9
		Lower level employees	1003	74	993	50	990	43
		Technicians and professional	351	18	381	34	174	28
		TOTAL	1446	126	1471	119	1334	120
GERT SIBANDE DISTRICT	Lekwa	Councillors	30	20	30	6	30	0
		Senior Management level	6	0	29	7	19	18
		Lower level employees	462	40	421	77	156	67
		Technicians and professional	108	20	73	20	44	17
		TOTAL	606	80	553	110	249	102
	Mkhondo	Councillors	38	08	38	23	38	23
		Senior Management level	27	19	26	24	26	17
		Lower level employees	258	108	361	213	338	74
		Technicians and professional	127	54	92	31	122	30
		TOTAL	450	189	517	291	528	144
	Msukalig-wa	Councillors	38	22	25	13	38	19
		Senior Management level	6	2	6	3	6	01
		Lower level employees	28	10	42	9	42	06
		Technicians and professional	1	0	10	10	10	07
		TOTAL	73	34	83	35	96	33
Dr. Pixley Ka Isaka Seme	Councillors	21	01	21	20	21	7	
	Senior Management level	21	17	21	17	21	17	
	Lower level employees	248	178	347	20	259	120	
	Technicians and professional	4	4	4	0	4	4	
	TOTAL	294	200	393	57	305	148	
GERT SIBANDE DISTRICT	Councillors	19	13	49	01	19	12	
	Senior Management level	5	3	27	16	6	4	
	Lower level employees	77	52	128	53	97	72	
	Technicians and professional	142	95	147	19	126	61	
	TOTAL	243	163	351	89	248	149	

DISTRICT	Municipality	Management level	2015/16		2016/17		2017/18	
			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
NKANGALA DISTRICT	Emalahle-ni	Councillors	68	15	68	43	68	56
		Senior Management level	69	51	81	57	79	55
		Lower level employees	1176	244	1096	228	1047	350
		Technicians and professional	193	129	286	125	336	158
		TOTAL	1 506	439	1 531	453	1 530	619
	Emakha-zeni	Councillors	15	3	15	0	15	9
		Senior Management level	20	19	9	6	18	2
		Lower level employees	154	26	48	10	145	30
		Technicians and professional	61	8	29	9	102	8
		TOTAL	250	56	101	25	280	49
	Steve Tshwete	Councillors	58	0	58	0	18	01
		Senior Management level	58	4	59	8	6	10
		Lower level employees	549	176	642	186	341	183
		Technicians and professional	857	7	828	112	60	85
		TOTAL	1522	187	1587	306	425	279
	Victor Khanye	Councillors	17	8	17	6	17	7
		Senior Management level	5	3	36	9	4	4
		Lower level employees	318	50	239	58	166	30
		Technicians and professional	58	8	98	21	58	60
		TOTAL	398	69	390	94	245	101
	Dr. JS Moroka	Councillors	62	62	62	62	62	62
		Senior Management level	8	8	05	05	04	0
		Lower level employees	486	273	508	265	502	42
		Technicians and professional	12	5	12	0	30	11
		TOTAL	568	348	587	332	587	53
	Thembisile Hani	Councillors	64	16	64	11	64	5
		Senior Management level	4	1	5	1	6	2
		Lower level employees	350	32	274	35	274	72
Technicians and professional		36	17	105	14	102	63	
TOTAL		454	66	448	61	446	142	
NKANGALA DM	Councillors	24	24	59	12	30	12	
	Senior Management level	33	16	27	21	20	07	
	Lower level employees	136	30	103	27	120	32	
	Technicians and professional	57	20	71	29	35	19	
	TOTAL	250	90	260	89	205	70	

(Source: Section 46 reports from municipalities)

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 2073 staff compliment of which 1390 were trained in 2017/18 compared to 1845 staff compliment of which 668 were trained in 2016/17 in Ehlanzeni District and this indicates an increase of 225 in staff compliment and an increase of 722 in personnel trained
- There were 3395 staff compliment of which 816 were trained in 2017/18 compared to 3915 staff compliment of which 822 were trained in 2016/17 in Gert Sibande District and this indicates a decrease of 520 in staff compliment and a decrease of 94 in personnel trained
- There were 3718 staff compliment of which 1313 were trained in 2017/18 compared to 4904 staff compliment of which 1360 were trained in 2016/17 in Nkangala District and this indicates a decrease of 1186 in staff compliment and an increase of 47 in personnel trained

Challenges

- Late disbursement of trainings funds by LGSETA.
- Slow procurement of service providers by SCM
- Poor attendance of the planned trainings by officials in the municipalities.
- Municipalities are not using the 1% budget for trainings
- None submission of portfolio of Evidence by some trainees

Recommendations:

The following recommendation is made that:

- The late disbursement of training funds will be raised with LGSETA
- Municipalities must fast-track the process of SCM
- Municipalities to make budget available for the training of its workforce
- Enforcement of consequence management on non-submission of POEs and attendance registers of planned training.

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

5.8.7 Implementation of Performance Management Systems Framework

EHLANZENI

Table 81: 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 implementation of IPMS from level 1-3 can commence.
Nkomazi	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Shortage of staff to implement IPMS
Thaba Chweu	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	The Municipality has not yet cascaded IPMS to lower levels below Section 56/7 Managers because there is currently no official responsible for Individual Performance Management
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)

Table 82: Performance Management System Implementation in Gert Sibande 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
Chief Albert Luthuli	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes Level 3	None
Dipaleseng	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	PMS to be reviewed to be incorporate cascading of PMS to level below 57 Managers
Govan Mbeki	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	Job evaluation still not finalised
Lekwa	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	No	The Unit does not have sufficient capacity to effectively roll out PMS. IPMS not cascaded to levels lower than section 56 managers. No system in place.
Mkhondo	Yes	Yes	Yes	6	6	Yes	Yes	Yes	Yes	Yes Level 4&5	None
Msukaligwa	Yes	Yes	Yes	7	7	No	No	Yes	Yes	No	The Unit does not have sufficient capacity to effectively roll out PMS.
Dr. Pixley Ka Isaka Seme	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	Cascading of PMS will be a Pilot project for 2018/19 FY
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 83: Performance Management System Implementation in Nkangala 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
Emalahleni	Yes	Yes	Yes	7	7	Yes	Yes	Yes	Yes	No	Delays with LLF
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	None

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
Victor Khanye	Yes	Yes	Yes	5	5	Yes	Yes	Yes	Yes	No	PMS is in the process of reviewal to include the cascading to lower levels and it stills to go through to LLF, Policy Development Committee and to council for approval.
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 2015/16 financial year three (3) municipalities, Steve Tshwete, Gert Sibande and Nkangala District in cascaded PMS to officials lower than section 54 and 56 managers. Bringing the total number to four (4), and in 2016/17 Mkhondo and Chief Albert Luthuli municipalities cascaded PMS to lower level than Section 56 Managers. Meaning the province had 7 municipalities cascading PMS. In 2017/18 Emakhaseni followed in cascading PMS up to level 1-2.

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

Recommendations

- Municipalities to cascade Performance Management System to lower levels 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.
- Finalisation of job evaluation

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 supported on the issue of TASK job evaluation.

PART C

6. SUMMARY OF FINDINGS

6.1 KEY CHALLENGES AND RECOMMENDATIONS PER MUNICIPALITY

Table 84: 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"> <input type="checkbox"/> Delays by municipalities in advertising and filling vacant posts <input type="checkbox"/> Municipalities are finalising appointments before obtaining the ministers approval for waivers in terms of Municipal Systems Act. 	<ul style="list-style-type: none"> <input type="checkbox"/> That municipalities implement Government gazette No. 40593 on Regulations of Municipal Finance Management Act of 2003, which also exempt municipalities from Regulations 15 and 18 on minimum competency levels of 2007. <input type="checkbox"/> Municipalities must abide by the Municipal Systems Act: Regulations on the appointment and condition of services of senior managers in municipalities.
	PMS	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> <input type="checkbox"/> Municipalities' still not cascading PMS to lower levels <input type="checkbox"/> Limited resource (human and financial) to perform the function in municipalities <input type="checkbox"/> Lack of consultation in policy development result in resistance in municipalities. <input type="checkbox"/> Failure by other municipalities to review their PMS policies 	<ul style="list-style-type: none"> <input type="checkbox"/> Municipalities to cascade Performance Management System to lower levels so that service delivery can be improved <input type="checkbox"/> Filling of all PMS vacant posts by municipalities <input type="checkbox"/> Municipalities to allocate budget and establish fully fledged units to deal with PMS. <input type="checkbox"/> Advice municipalities to involve staff members during reviewal of the PMS Framework for 2019/20. <input type="checkbox"/> Finalisation of job evaluation

Table 85: 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"> ☐ 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 WTW's has been a challenge ☐ 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 WTW's has been a challenge (The whole water supply value chain) ☐ Inadequate technical personnel (artisans and process controllers) 	<ul style="list-style-type: none"> ☐ Municipalities must develop water master plans to enable them to enable 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.
	Sanitation	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> ☐ The municipalities bulk infrastructure systems is constrained by the ever increasing population and industrial development which at most results in shortages in overloaded sewerage systems and spillages ☐ The unavailability of water has slowed down the pace of programme for connecting households to waterborne toilets 	<ul style="list-style-type: none"> ☐ Municipalities to plan for bulk infrastructure to enable them to extend sanitation to communities ☐ Municipalities to ring-fence O&M budget to deal with the sewer spillages and overflowing of Waste Water Treatment Works
	Electricity	Gert Sibande, Nkangala and Ehlanzeni	Thaba Chweu, Emalahleni, Emakhazeni, Chief Albert Luthuli, Govan Mbeki, Lekwa and Msukaligwa Local Municipalities	<ul style="list-style-type: none"> ☐ Huge Eskom debts 	<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.

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 3: Local Economic development	LED strategy	Gert Sibande and Nkangala	Lekwa, Dr JS Moroka, Dr Pixley Ka Isaka Seme and Msukaligwa	☐ Municipalities are not implementing their LED Strategies due to financial constraints while Msukaligwa is not implementing due to ongoing protests which makes it impossible for stakeholder consultation	☐ Solicit funding from GSDM, NDM and Sector Departments
	LED forum	Gert Sibande	Msukaligwa and Dr Pixley Ka Isaka Seme municipalities.	☐ Inconsistencies on LED forum	☐ 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

Table 87: 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"> ☐ 9 Municipalities remained unchanged from the previous year namely: Chief Albert Luthuli, City of Mbombela, Nkomazi, Steve Tshwete, Dr Pixley ka Isaka Seme, Mkhondo, Victor Khanye, Emakhazeni, Emalahleni. ☐ 9 Municipalities regressed namely Ehlanzeni, Nkangala, Bushbuckridge, Dipaleseng, Lekwa, Thembisile Hani, Msukaligwa, Dr JS Moroka and Govan Mbeki 	<ul style="list-style-type: none"> ☐ 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. ☐ Appointment of Team Leaders in PT 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.
	Government debt	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> ☐ Failure to enter into payment arrangements with municipalities after verifying and confirming the debt by National Department of Public Works, National Department of Rural Development and Land Reform, SAN-Parks(Kruger National Park) and Public Works Roads and Transport. ☐ Departments are not informing municipalities when a property has been transferred to another department 	<ul style="list-style-type: none"> ☐ Departments to enter into payment agreements with municipalities. ☐ Municipalities reconcile their Government debt and ensure accurate reports;

Table 88: 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 5: Good Governance and Public Participation	Public Participation	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> ☐ Lack of consequence management on councillors who do not convene meetings. ☐ Non implementation of ward operational plans ☐ Shortage of dedicated staff members (Secretary & Researcher) to assist MPACs with administration. 	<ul style="list-style-type: none"> ☐ Speaker's office must implement consequence management on councillors who do not convene meetings. ☐ Municipalities to monitor and enforce the implementation of the Ward Operational Plans ☐ MPAC to have support staff (research Secretary)

Table 89: 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, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> <input type="checkbox"/> Lack of budget <input type="checkbox"/> Uncoordinated planning 	<ul style="list-style-type: none"> <input type="checkbox"/> Municipalities to avail budget for disaster risk reduction projects and programmes. <input type="checkbox"/> Provincial Disaster management centre and district centres to comply with convening quarterly disaster management advisory forum
	SPLUMA	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> <input type="checkbox"/> The slow pace of municipalities to perform administrative tasks. <input type="checkbox"/> 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"> <input type="checkbox"/> COGTA in collaboration with the District continues to support and monitor Municipalities on land use management in line with SPLUMA
	IDP	Gert Sibande, Nkangala and Ehlanzeni	All	<ul style="list-style-type: none"> <input type="checkbox"/> There is a decline from key stakeholders in participating in the IDP process which undermines shared decision making, in particular in the local communities; <input type="checkbox"/> 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"> <input type="checkbox"/> 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; <input type="checkbox"/> Mobilise sector departments, in particular the DCoG's Municipal Infrastructure Support Agency (MISA) for resources on the outdated and outstanding sector plans;

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